

THE NEED TO REFORM THE YOUTH LABOR MARKET OF UKRAINE IN MODERN SOCIO-ECONOMIC REALITIES

Maryna Melnyk¹

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The youth labor market of Ukraine is a set of economic relations that exist between employers and young workers aged 15 to 35 in Ukraine. As in any market structure, the main factors of this process are the demand and supply of labor, which reflect the volume and structure of production, labor productivity, wage levels, demographic indicators. Given the complexity of this market model, in modern socio-economic realities it requires additional legal norms and regulation by state institutions.

Young people are one of the most vulnerable segments of society, and the state should contribute to optimizing their education and employment. First of all, this is beneficial to the state itself, because professional labor resources are the seed of success for our economy. This problem is more acute than ever in our wartime, when it is necessary to plan the reconstruction of the country and limit the outflow of young people abroad. We can improve youth employment only through competent planning and increasing the competitiveness of the national labor market.

In addition to our own socio-economic problems, the youth labor market of Ukraine is also affected by global trends in employment transformation due to the development of information and communication technologies and the transition to a green economy. The driving factor of change is the adaptation of Ukrainian labor legislation, production and educational institutions to European ones.

The data from the State Employment Service, presented in Table 1, demonstrate a sharp increase in the number of unemployed in 2020, caused by Covid-19. The decrease in the number of unemployed in 2022 and 2023 is due to a decrease in the number of labor market participants, which is caused by the outflow of labor resources abroad and the occupation of a significant territory of Ukraine, where the unemployed are not registered.

The analysis of the labor market situation is complicated by the fact that during martial law, the annual labor force survey by the State Statistical Service of Ukraine has not been conducted since 2022. We cannot determine the main official labor market indicators, such as the employment rate, unemployment

¹ Kyiv National Economic University named after Vadym Hetman, Ukraine

rate, active population rate, etc. Below are the main indicators for 2019–2021 according to data from the State Statistical Service of Ukraine [2].

Table 1

Number of registered unemployed in Ukraine in December 2019-2023

Number of unemployed	2019	2020	2021	2022	2023
Total, persons	338 163	459 198	294 968	186 508	96 120
under 30 years old, persons	52 692	76 056	40 249	22 059	10 841
under 35 years old, persons	101 449	137 759	79 641	42 897	22 108
under 30 years old, % of total number of unemployed	15,6	16,6	13,6	11,8	11,3
under 35 years old, % of total number of unemployed	30,0	30,0	27,0	23,0	23,0

¹ Data are provided as of the end of the reporting period.

² The data does not include the temporarily occupied territory of the Autonomous Republic of Crimea, the city of Sevastopol, and part of the temporarily occupied territories in Donetsk and Luhansk regions.

³ Created by the author based on [1] and data provided by the State Employment Service at the author's request.

As we can see from these data, the reduction in the labor force was already occurring in 2019-2021. It is currently intensifying significantly. Unemployment is particularly high for young people aged 15–24, which is due to insufficient education and the search for their first job.

Unemployment in Ukraine is expected to continue to grow. The National Bank of Ukraine, in its inflation forecast for October 2023, estimated the unemployment rate in 2022 at 21.1% and forecast unemployment at 19.1% for 2023, 16.5% for 2024, and 14.2% for 2025 [3, p. 41].

The economic and organizational principles of implementing state employment policy are regulated by the Law of Ukraine “On Employment of the Population.” The implementation of active employment programs is entrusted to the State Employment Service.

Measures to promote employment include [4]:

- 1) vocational guidance and vocational training;
- 2) stimulation of the creation of new jobs, employment of the unemployed;
- 3) promotion of self-employment of the population, organization of entrepreneurial activity;
- 4) promotion of providing young people with their first job, internship with an employer;
- 5) promotion of employment of persons who are unable to compete on equal terms in the labor market;

6) ensuring the participation of the unemployed in public works and other temporary jobs;

7) other programs to promote employment of the population, which are introduced by separate decisions of the Cabinet of Ministers of Ukraine.

Table 2

Labor force indicators of Ukraine in 2019–2023

Indicator	2019	2020	2021	2022	2023
Labor force, thousand people					
15+	18155,7	17669,8	17405,0	-	-
15-24 years old	1365,9	1182,9	1128,9	-	-
25-29 years old	2123,1	1989,4	1839,0	-	-
30-34 years old	2661,2	2557,4	2459,9	-	-
Employment, %					
15+	51,7	49,9	49,3	-	-
15-24 years old	30,6	25,8	24,8	-	-
25-29 years old	73,3	72,1	70,4	-	-
30-34 years old	76,0	74,5	74,0	-	-
Unemployment, %					
15+	8,2	9,5	9,8	-	-
15-24 years old	15,4	19,3	19,1	-	-
25-29 years old	8,4	8,7	9,4	-	-
30-34 years old	7,3	8,2	8,4	-	-

¹ The data does not include the temporarily occupied territory of the Autonomous Republic of Crimea, the city of Sevastopol, and part of the temporarily occupied territories in Donetsk and Luhansk regions.

² Created by the author based on [2].

The above measures are designed to increase employment, develop entrepreneurship and introduce digitalization. The implementation of these measures only partially improves the employment of certain social groups. The problem of the youth labor market requires a deeper analysis and a comprehensive approach. We need to study the transformation of the youth segment of the labor market under the influence of multiple factors at different regional levels:

1. National level (influence of factors at the state level):

- The youth labor market is influenced by the socio-economic situation and investment climate of Ukraine. Deterioration of economic indicators leads to increased unemployment, worsening of social living conditions. As a result, there is an outflow of youth abroad, the growth of socially unprotected

segments of society, an increase in crime, and the despondency of the population.

- The transformation of the youth labor market is caused by the military state: the outflow of migrants abroad, the largest share of which is made up of young women and children; mobilization of young men; change in the structure of production with the development of the military-industrial complex and the decline of the entertainment industry; change in logistics systems; occupation of certain territories; internal migration.

2. International level (impact of interaction with other states):

- Ukraine's integration into the EU causes radical changes in labor legislation and working conditions. These requirements for strengthening labor and production standards cause additional pressure on the Ukrainian economy, increase competition in the international labor market, which will lead to massive changes in the employment structure, the transition to new technologies, and mass layoffs. Integration with the EU simplifies and increases youth migration. It should also be taken into account that active integration into the EU will coincide with the period of post-war reconstruction. It is necessary to plan these transformations of the youth labor market now.

- Changes in logistics chains, sales and supply markets in the war and post-war period cause transformations in production sectors and employment of young people in them.

3. Global level (impact of global transformations):

- Changes in the structure of the labor market under the influence of information and communication technologies and artificial intelligence: working conditions are changing; new requirements for employee skills and computer literacy are being created; professions are being modified; new forms of work are being created (remote, virtual); constant training and quick response to changes are required. Young people are being influenced by global transformations, and have better chances of adaptation compared to the older generation.

- The youth labor market of Ukraine is influenced by global trends in the growth of green technologies, the growth of the health and care sector due to the aging population, changes in technological processes, etc.

- Globalization simplifies the exchange of information, material, financial and labor resources. Their geopolitical distribution of these resources affects our state. We cannot influence these processes, but we can predict them and effectively use and adjust them.

As we can see from the above, the need to reform the youth labor market of Ukraine requires a deeper study, a comprehensive approach, taking into account all multiple factors from the national to the global level.

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