

ECONOMICS

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REGULATION OF THE EMPLOYMENT SPHERE AND TERRITORIAL LABOUR MARKETS IN UKRAINE UNDER GLOBALIZATION CHALLENGES

The important role in the development of a coordinated hierarchical network of institutes and institutions for the employment sphere regulation and management is played by the mechanisms of its territorial subsystems' functioning, aimed at: consistent balancing of labour demand and supply; ensuring productive employment in settlement systems, economic complexes, sectoral and inter-sectoral clusters; optimizing factors and processes of the population territorial mobility, effective in the context of full satisfaction of national needs in competitive labour force, diversification of employment and economic subsystems, expansion of fruitful cross-border socio-economic cooperation [1–3]. The relevance of the coordinated functioning of the network of institutes and institutions for the employment sphere regulation and management is determined by the impact of this process on: the stability of the state and local budgets' filling; the sustainable growth in the level of wages and the share of the population's labour income; the predictability of the range of guaranteed payments from social protection within the framework of mandatory insurance and regional development programs, which also have a strong reverse impact on maintaining and accelerating of the socio-economic growth rate [1; 2].

For a long time, the development of a wide range of territorial labour markets in Ukraine has been characterized by a number of destructive trends [2; 3], among which the following should be noted first and foremost:

- anticipatory rates of labour force reduction in comparison to rates of permanent population reduction; aging of highly qualified workers' contingent employed in Ukraine on a permanent basis; an increase in the number of both registered unemployed and persons employed without proper declaration among the population of rural settlements and small towns; acceleration of illegal (including irreversible cross-border) labour migration;

- significant structural unemployment caused by the stagnation of the sectoral structure of the employment sphere and numerous cases of an acute imbalance between the supply of labour and the legal demand for it in territorial communities, including those cases related to employers' (monopolists and external stakeholders) underestimation of the cost of competitive workforce reproduction in modern socio-economic conditions, weakness of the economic expediency of proposed jobs (especially in the regions of predominant resource-extractive, agricultural, agro-processing specialization);

- high average annual turnover of personnel in the regions and in a number of sectors, a consistent increase in the need for low-skilled labour and service workers in the simplest professions, caused by significant changes in Ukraine's specialization in foreign markets over the past three and a half decades, when preference was given to the resource extraction industries, primary processing of raw materials (including agricultural), transit of minerals and energy resources, production of semi-finished products and components for foreign and transnational corporations;

- high rates of undeclared labour among persons with vocational and general secondary education, low qualifications, representatives of the simplest professions, formally and informally employed in agriculture, forestry, fisheries, construction, wholesale and retail trade, vehicle repair and maintenance, industry, transport, warehousing, postal and courier activities, temporary accommodation and catering activities, as well as among rural residents, which were identified by ILO specialists, Ukrainian researchers and the State Labour Service of Ukraine;

- the instability of the state strategy for promoting small and medium-sized businesses in Ukraine, the inconsistency of guidelines and priorities for their development both in regions and in sectors and clusters of economic activities (service, extractive, processing, high-tech, transport and logistics), reinforced by the urgent needs of the state intervention and centralization of measures for organizing the military resistance and the military industry, eliminating the consequences of large-scale military operations;

- a decrease in the level of small and medium-sized businesses' activity due to the socio-economic problems of recent years (2019–2021 –

the Covid-19 pandemic and nationwide sanitary and anti-epidemic measures, 2022–2024 – large-scale military actions in Ukraine), which caused a shortage of working capital, impoverishment and stoppage of a wide range of business entities, including individual entrepreneurs, forced dismissal and unemployment of their hired personnel, destruction of established economic and logistical connections and specialization of sectoral and territorial economic subsystems;

- a gradual decrease in comprehensive, professional and qualification level of youth and working-age population due to the integrated influence of such factors, as: obsolescence of the national economy’s sectoral structure and narrowing of its specialization; the destruction of the mechanism for meeting its needs in qualified labour and technical staff; unsatisfactory quality of specialized programs of professional education and practice in many higher educational institutions; the inability of rural territorial communities to compete equally with urban ones in the level of general secondary education; increasing negative effects from the spread of undeclared labour, which provokes subjective and financial limitations of individual strategies for improving the professional and qualification level of persons involved in it and their family members;

- ineffectiveness of programs and other targeted proposals for advanced training and retraining, employment of unoccupied and registered unemployed persons, which are offered by the territorial bodies of the State Employment Service.

Taking into account the acuteness of the problems of preserving and improving the labour force of the national economy, its professional and qualification potential, which has been dramatically increased by the loss of workers as the result of large-scale military operations (the increase in their mortality and disability; the loss of job places and up-to-date professional skills; the irreversible migration of working-age persons together with their families), the urgent priorities for improving the effectiveness of mechanisms for managing territorial labour markets in Ukraine, in particular, to include:

- balancing the system of regulatory, administrative, financial and fiscal regulation of the employment sphere and its territorial subsystems both within the hierarchical network of relevant state institutes and institutions, as well as with regard to long-term priorities of socio-economic recovery, modernization and diversification of regional economic complexes;

- strengthening control over compliance with standards of remuneration and decent working conditions of hired personnel of

economic entities of all forms of ownership, improving relevant norms and standards at the legislative level along with establishing proper quantitative and time benchmarks;

- standardizing the mechanisms of involving sectoral associations of employers in the discussion and implementation of measures to promote the territorial communities' economic development;

- expanding the practice of tracking and identifying cases of undeclared labour in the range of sectors and branches, developing the methodological foundations of such activities on the basis of the ILO relevant studies in the EU countries;

- optimizing the activities to increase the level of taxation of small and medium-sized business entities in the context of guidelines for preserving the structure of economic specialization and the demographic potential of territorial communities; developing mechanisms to facilitate the participation of small and medium-sized businesses in programs of cross-border cooperation and targeted foreign investments;

- developing state-licensed programs for training, professional development and retraining of persons of older working age and retirement age, which can be implemented both directly by institutions of higher and vocational education within the state and regional segments of the personnel training order, as well as through the mediation of territorial bodies of the State Employment Service;

- further improving (including in terms of transparency) of programs and means of informing and interacting of territorial bodies of the State Employment Service and non-state recruitment agencies with job seekers.

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