

# The labour market in the context of the growth of globalization processes: evidence from Ukraine and countries of the European Union

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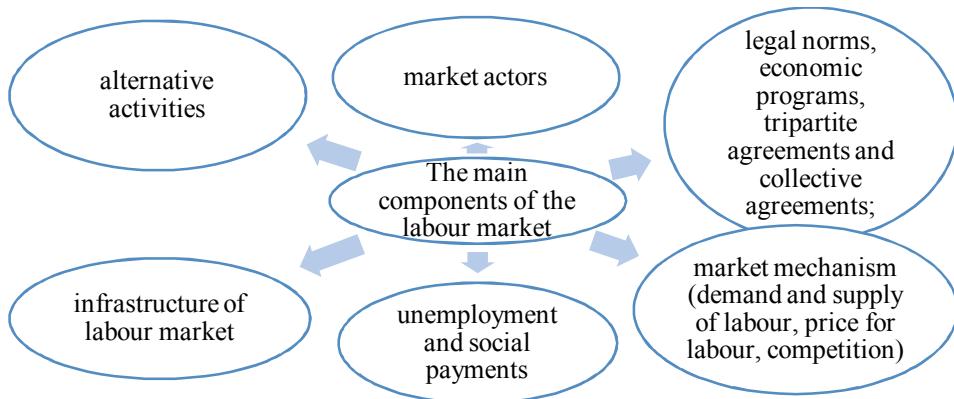
**Abstract.** The labour market is a special market of means of production, which requires special attention, since the subject of exchange is the ability of people to work, skills and knowledge of a person. The welfare of the population, its purchasing power, level of income and, in the end, the standard of living depends on the efficiency of the exchange at the market. The issue of unemployment is one of the key issues in the state regulation of the labor market, which causes a decrease in household incomes and the general population, a decrease in the welfare of the nation and in general the gross domestic product. Scientists distinguish several types of unemployment on various grounds: reasons, structure and period, etc. But one of the topical problems of the present, with a tendency towards rising retirement age, observed in both developed and developing countries, is youth unemployment. That entails a set of problems: the inadequacy of education with the current requirements of the labour market, the lack of vacancies, and the increase of retirement age employees delays the term of retirement, thus not freeing jobs, etc.

The problem is that more active, more skilled young people immigrate, and less competitive people stay in their native country, that also has a certain negative impact on the state of economic development of the country. At the same time, people who work abroad create financial flow into the native countries in the form of support to their relatives, which is a positive moment. As can be seen, the decision to reduce unemployment and especially the youth cannot be easy. State regulation of the labour market is a complex process and should be researched and it is relevant.

It is proposed to consider the structure of the labour market presented in Figure 1.

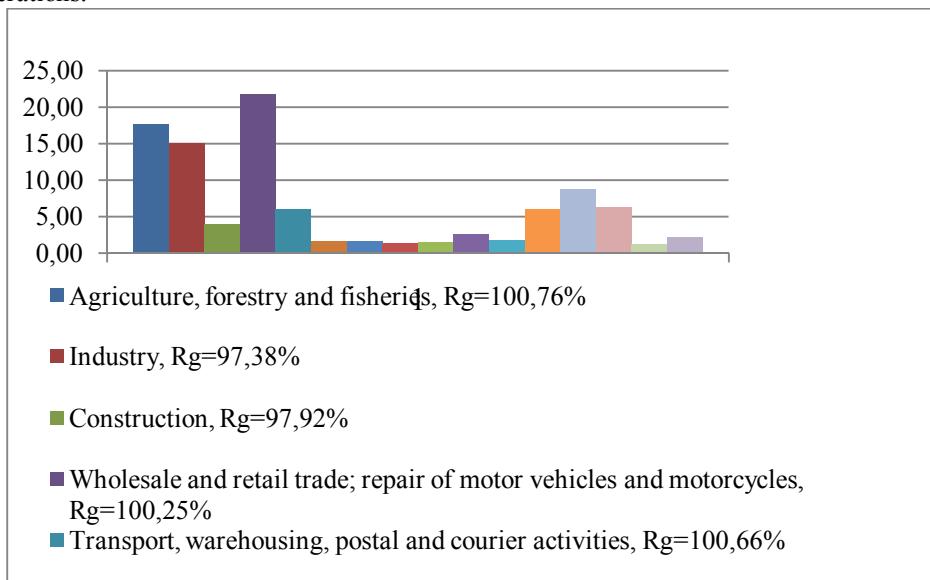
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**Fig. 1.** The structure of labour market (compiled[1]).

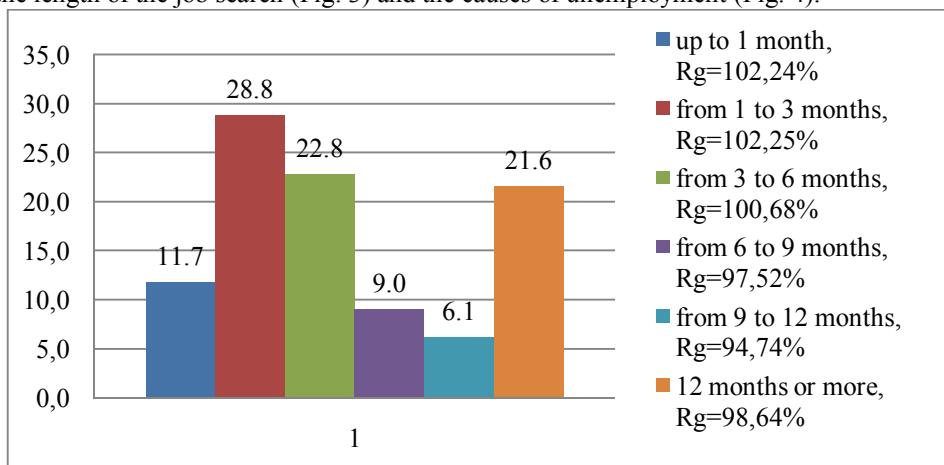
As it is shown in Fig. 1, we have analysed the labour market by the components. The structure of the employed population is presented in Figure 2, which shows that changes in the structure of GDP and, accordingly, in the structure of employment are slow, but we still see a decline in industry, construction, financial and insurance activities, real estate operations.



**Fig. 2.** The structure of the employed population by types of economic activity in 2016, in % and the average annual growth rate of the proportion of the type of activity for 2012-2016 (compiled by the authors [2]).

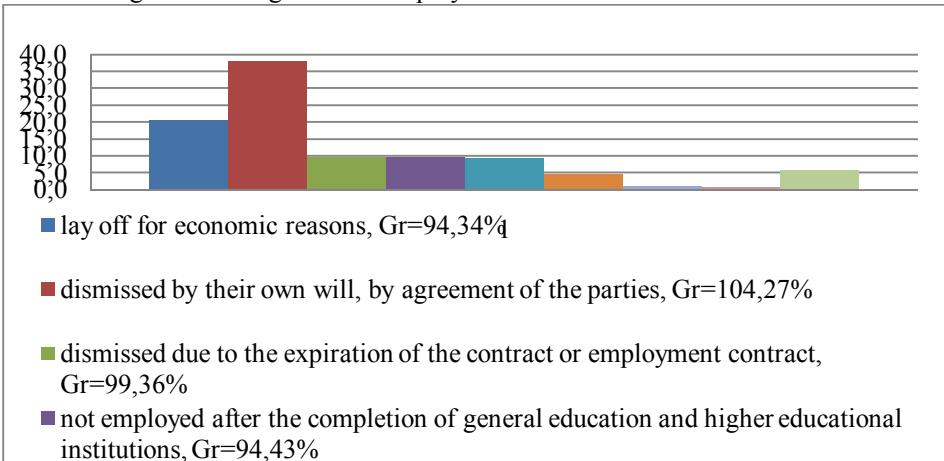
At the same time, employment has increased in the following sectors of the economy: information and telecommunications, public administration and defence, compulsory insurance, there is also slight growth in the arts, sports, entertainment and recreation. The growth of employment in defence is fully justified as a result of the anti-terrorist operation and operations of the combined forces in the east of the country. Relevant trends in the field of information and telecommunications also observed long ago, because of the orientation of the Ukrainian economy to the development of IT industry, the share of employment in agriculture is unchanged while the industry continues to develop and grow, which may

indicate its intensive development. Let us consider in more detail unemployment in terms of the length of the job search (Fig. 3) and the causes of unemployment (Fig. 4).



**Fig. 3.** Structure of job search duration, in % in 2018 and average annual growth rate of the specific gravity of the period 2010-2018 (compiled by the authors [2]).

From the analysis of the results presented in Figure 3, we can conclude that most people are looking for a job 1 to 3 months and 3 to 6 months. Also, there is a rather large proportion of those who are looking for a job for more than 12 months, but their relative share is decreasing (average annual growth rate is 98.64%). But this shows that for such people it is quite difficult to "find themselves" in the structure of the national economy. That may be due to the above mentioned change in the structure of employment and the need for training or retraining of the unemployed.



**Fig. 4.** The structure of the unemployed population for reasons of unemployment, in % in 2018, and the average annual growth rate of the proportion of the period 2010-2018 (compiled by the authors [2]).

The analysis results presented in Fig. 4 indicate changes in the structure of employment and GDP, a significant part, almost 21%, is released for economic reasons, 38% are released on their own, but this form of release is most acceptable in Ukraine for the release and reduction of staff. The high proportion of unemployed after high school and university level is high, that is, the high number of graduates who can not find work due to their unsuitability to the labour market or the lack of relevance of their knowledge and skills.

Today, unemployed youth is a difficult category with a high risk of social degradation, which threatens the development of marginal qualities, deformation of consciousness and public opinion.

The degree of realization of a person's own potential is directly dependent on the possibilities of functioning of the labour market: increasing the efficiency of the labour market will contribute both to the realization of the person of his potential and the growth on this basis of the economy of the country. However, the global financial and economic crisis and its implications mean that the world economy faces a prospect of rising long-term unemployment, an increase in poverty and inequality, and pre-crisis employment will resume only a few years after the improvement of the economic situation [3, p. 10].

Crisis processes that occur in the context of employment relationships require a thorough psychological reflection and a conceptual review of the most pressing problem areas. First of all, it concerns unemployment as a key phenomenon of the employment crisis, since in the conditions of a permanent socio-economic decline of the economy it accumulates in itself as potential opportunities for the development of the adaptive potential of the individual, as well as the most dangerous risks for its integral and full functioning.

The analysis of the essence of globalization suggests the following trends: reducing the boundaries of national states, increasing the role of supranational authorities and large transnational enterprises, etc. Negative features of globalization can be eliminated by well-organized regulatory instruments. Analysis of the experience of overcoming crisis phenomena in Europe shows, firstly, that labour resources play one of the key roles in the modern world, and secondly, certain measures aimed at activating different segments of the population in different kinds of activities give positive results to the development of the economic system [4,5,6].

The European labour market has also undergone some changes with the financial crisis of 2008, to overcome it faced certain challenges [7,8]:

1. Reforming labour market in four directions:
  - 1.1. Attracting retired workers to work, as is the case in Scandinavian countries and the Netherlands;
  - 1.2. Reducing structural unemployment through reforms in Denmark and the UK;
  - 1.3. Reducing unemployment among young people by copying the successful experience of the Netherlands;
  - 1.4. Balancing partial and full employment for women is one way to increase the average level of employment.
2. Disclosure of the full potential of service sector growth:
  - 2.1. Deregulation of the scope of services, which is still sufficiently regulated
  - 2.2. Increasing productivity through better regulation of commodity, resource and labor markets, support for greater efficiency and professionalism in such sectors of the economy as wholesale and retail trade, construction and transport.
  - 2.3. Accelerating development through the introduction of new standards, educational services and infrastructure
  - 2.4. Ensuring development throughout the European Union.
3. Eliminating growth and innovation policies - Applying opportunities for growth and innovation in high-tech and manufacturing sectors such as exports to emerging markets, green technologies, long-term technological innovations (nanotechnology, biotechnology, etc.) by:
  - 3.1. View the priority of funding and fund their development in support of fundamental and applied research and innovation.
  - 3.2. Development of large-scale clusters.
  - 3.3. Improving communication between science, education and business.

### 3.4. Promoting entrepreneurial spirit.

These paths were highlighted in 2010 and apparently affect the labour market in the first place. These measures have yielded some fruits - the unemployment rate as a whole decreased in the EU [9].

The general reference point for the development of employment services in developed countries is the principle of activation, which involves the introduction of incentive mechanisms and incentives for employment and providing better job opportunities for jobseekers. Its key elements are strengthening the ability of the unemployed to go to work, encouraging more active inclusion in job search, and motivating effective employment instead of targeting unemployment benefits.

As a result the experience of EU countries is useful and can be applied to other countries and regions [10].

## Conclusions

From the analysis of the employment structure of Ukrainian population by sectors of the economy, we came to the conclusion that the role of information technologies and telecommunications, public administration and defence is growing, which is substantiated by the trends of the country's development in general. Knowledge and skills in a particular population are irrelevant or obsolete, as evidenced by the period of job search and the causes of unemployment. Therefore, it becomes urgent to seek employment opportunities for the pristine population, especially in the context of globalization.

To overcome the negative features of the labour market in Ukraine that were discovered during the study, we are invited to use the following measures in the areas:

*Direction 1:* Professional guidance. The aim is to direct the professional interests of the youth by the formula: informing - learning - testing - attracting, forming conscious motives of choosing a certain type of activity that will meet the material and spiritual needs of young people.

*Direction 2:* Youth Entrepreneurship. The direction should promote the development of youth entrepreneurship, self-employment and the effective promotion of young people in the business environment.

*Objective 3:* Volunteerism. Objective: to conduct activities aimed at attracting young people to volunteer activities.

*Direction 4:* Promoting employment. Work placements and involvement in socially significant activities as a way of securing secondary employment are foreseen.

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