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# GEOPOLITICL TENDENCIES OF FUNCTIONING AND DEVELOPMENT OF THE YOUTH LABOR MARKET

**Summary.** The features of functioning and development of the youth labor market are considered. The mechanism of the influence of demographic factors on the formation of the number of economically active population is revealed. The processes of natural and mechanical movement of the population and their influence on the formation of the youth labor market are researched. The qualitative demographic characteristics that influence the level of social and labor activity of the labor force, which include the age and gender structure of the population, the level of qualification, and labor mobility of the labor force are analyzed. A structural and comparative analysis of population's sexual composition was conducted to determine the proportions of its individual age groups. It is concluded that the process of shaping the labor market depends on many factors, we note the main demographic ones: birth rate and mortality, gender-age structure of the population, migration processes, dynamics of population by type of settlement.

**Key words:** demographic development, process of depopulation, level of employment, labour-market youth, sexual-age-old structure of population.

**Introduction.** The formation of an effective labor market is a necessary condition for functioning and development of a productive economy. It should be noted that the labor market is changing due to the influence of various factors. The problem of preserving the nation is the main one in Ukraine today, with no solution to it all other issues lose their relevance. Resulting from the influence of economic, political, demographic and many other factors, the birth rate deviates from the rules of simple reproduction of the population, causing a reduction in the number of economically active population. A continuous narrowing of labor supply, uncontrolled external migration, and a general unfavorable demographic situation can be observed. Since the problem of a labor shortage can further be exacerbated, the detailed analysis of the demographic situation is highly significant. Due to the fact that in Ukraine the absolute number of employable population decreases, different asymmetries arise on the labor market. This factor combined with low wages in comparison with the EU countries not only does not stimulate productivity, intensity and quality of labor force, but leads to the degradation of the greatest value of the state - labor resources.

However, it should be noted that studies devoted specifically to analyzing the impact of demographic factors on the formation of the youth labor market are insufficient today, which necessitates a more focused focus on this issue.

A large number of scientific works of such researchers as D. Bohinya, E. Libanova, O. Pavlovskaya, S. Zlupka, V. Mortikova, I. Petrova, L. Shevchenko are devoted to research of various aspects of the problem of functioning of the labor market. Youth aspects of employment, the question of the

formation of the labor market of young people are the subject of scientific interest of many domestic scientists, among them: S. Bandur, O. Grishnova, I. Gnibidenko, S. Zlupko, V. Skuratovsky, V. Onikienko, V. Petyuch, M. Khmeljarchuk and others like that. Issues of the development of the international labor market are devoted to the work of foreign and foreign scientists – V. Budkina, Y. Macokhon, L. Myhaylova, I. Petrova, S. Pirozhkova, M. Romanyuk, S. Gogdingsa, K. Wohner, P. Schaefer, V. Arrocha et al. At the same time, the dynamism of the globalization process emphasizes the need for a continuous study of the development of the international labor market, especially in the context of international labor migration.

Materials and methods. At the present stage, the impact of globalization on the development of the international labor market is determined by various opportunities for meeting the human needs of countries with different economic development. This manifest itself mainly in the transboundary movement of its own labor force, that is, the "reproductive wealth of the country", which spends money on vocational training and studying in other countries that use this workforce, assigning the results of the work of the latter.

It is also worth noting that in migration processes not only highly skilled workers are employed, but also malnourished, which in turn forms a kind of segmentation of the relevant market. It is no exception that a high-skilled workforce is involved in the field of employment, which does not correspond to the level of qualification. It is the emphasis on such features that quite reflects the current positioning of Ukraine in international migration processes. Ukraine's advanced posi-

tion in the migration flows from post-Soviet countries play an important role in shaping the geopolitical positioning of the country, the negative public perception of domestic reforms, and require the introduction of effective regulatory measures in the context of minimization of losses. Such regulation should be based on the programmatic and targeted macroeconomic regulation of the development of the national labor market, taking into account the peculiarities of the course of international migration processes at the stage of globalization.

The theoretical and methodological basis of the research is formed by specialized publications devoted to: the research of different spheres of functioning of labour-market; the youth aspects of employment and features of forming of labour-market youth; the structural and comparative analysis of sexual composition of employable population. The validity of the obtained results is confirmed by the use of various generally accepted and specific methods such as theoretical generalization, abstraction, comparative analysis and systematization, systematic approach and logical constructive method.

The purpose of this article is to reveal the peculiarities of the functioning and development of the youth labor market, to study the mechanism of the influence of demographic factors on the formation of the number of economically active population, as well as to conduct a structural and comparative analysis of the population's sex composition of in order to determine the proportions of its individual age groups.

Results. The demographic factor negatively affects the labor market, acting as a peculiar limiting factor for economic growth. By the demographic factor the natural reproduction of labor resources, which is characterized by the ratio of contingents entering the employable age, and contingents that stop working is meant. The quantitative ratio of these contingents for any given period of the labor market development determines the growth or decline of the workforce. In addition to the natural reproduction of the population, demographic indicators include changes in its size caused by migration processes. The prolonged depopulation of the people in Ukraine at the expense of a natural decrease with a significant predominance of mortality over births has led to catastrophic demographic losses. Thus, over the past 25 years, the population at the expense of depopulation has decreased by almost 10 million people and at the end of 2017 amounted to 42.6 million people. Future losses due to the exhaustion of the demographic reproduction potential will be no less significant and, according to expert estimates and forecasts from the Institute of Demography and Social Research of the National Academy of Sciences of Ukraine, by the year 2040 can amount up to 12 million people. It should be noted that the total fertility rate in Ukraine today is about 1.6 and is insufficient for a simple reproduction of the population. A similar situation is observed in the countries of the European Union – in 2018, the fertility rate in Belgium was 1.74; in Germany - 1.47; in France -2.01; in the Netherlands – 1.71; in Austria – 1.47 [1, p. 115].

A serious problem in the current demographic situation in Ukraine is also the continuous process of "aging" of the population, which is directly related to natural reproduction and migration of the population. The population below the working age is constantly decreasing, and the one above the employable age is constantly growing. The deformation of the age structure leads to an increase of the demographic burden on working citizens, does not allow to improve living standards, and cause the general processes of population's impoverishment.

The labor market can be defined as a dynamic system, which includes a complex of social and labor relations regarding the conditions of hiring, use and exchange of labor for life, supply and demand mechanism. That is, the labor market is the mechanism of the relationship between an employer in

need of labor force and a potential employee who offers his labor at the given time in the framework of a certain economic space. Accordingly, the youth labor market represents a certain system of socio-economic relations between young people entering into working life and the employer with regard to the hiring or sale of labor force, taking into account the level of qualification, knowledge, skills and abilities. Youth as one of the main productive forces has a high labor potential, social and labor mobility, characterized by vigor, speed of learning, aspiration for innovation, and creative thinking. In accordance with the Law "On promoting social development and development of youth in Ukraine", young people are defined as Ukrainian citizens aged from 14 to 35. Sources of labor market formation are youth (up to 18 years of age); students and young people completing their vocational training (18-24 years old); young people (25-35 years old) who has made their professional choices [2].

The process of shaping the labor market depends on many factors, we note the main demographic ones: birth rate and mortality, gender-age structure of the population, migration processes, dynamics of population by type of settlement, etc. A key prerequisite for the innovative development of modern society and the formation of a competitive economy of Ukraine is to ensure an adequate level of population reproduction and the stability of demographic development, but during the 25 years of independence the population of Ukraine has suffered significant losses. The number of young people decreased from 16,173 thousand people in 1991 to 11,829 thousand in 2018, respectively [3, p. 37]. That is, the negative growth of the age contingent of 14-35 years old was 4,344 thousand people. The depopulation of the Ukrainian people comes at the expense of virtually all age categories, however, the pace of decline in the number of youth outstrips the rate of losses among other age contingents. Thus, for the period of 2011-2018, this indicator has decreased by 2,048,327 persons, i.e. by 14.8%, and the share of young people in the total population – from 30.4% to 27.8% [4].

Besides, in 2018, the number of young people in both cities and villages continued to decrease. In particular, in urban settlements, this process took place more rapidly: over the past five years, the number of young people in urban areas has decreased by 1,567,382 persons (or 16%), and in rural areas – by 480,945 people (or 11.7%). In this regard, the alignment of indicators for the proportion of young people by type of settlement is taking place. So, in cities, their share in the population is now reaching 28% against 27.3% of young people in rural areas. Today, the proportion of young people in the total number of young people is 69.4% (compared to 70.5% in 2011, and 71% in 2006), while the proportion of the entire urban population in Ukraine is only approaching 69% [5].

Since youth in Ukraine is demographically heterogeneous, it combines young people quite differently according to their age, status and level of education, its age structure becomes an important characteristic. An analysis of the age structure of youth and its changes in recent years suggests an intensification of the "aging" of this contingent as a result of its redistribution in the age group in favor of relatively older age groups (30-34-year-olds, most recently 25-29-year-olds), whose share has increased to 60.2% by the end of 2016 (in 2011 it was 55.1%). The main reason for such changes was a sharp decline in birth rates in the 1990s. Thus, at the end of 2017, the most numerous five-year age group was young people aged 30-34 - 3.5 million people, 25-29 years old -3.4 million people, 20-24 years old -2.6 million, the youngest representatives of the youth contingent (adolescents aged 15-19) – almost 2 million people. Comparison of the age structure of youth by type of settlement shows that the proportion of younger age groups in the villages is higher than in the cities. This is due to the relatively higher birth rate in rural areas, and the fact that urban settlements are centers of gravity for highly educated young people with a certain work experience, where the structural advantage of older age groups of youth is expressed more clearly.

According to the latest data in Ukraine, for every 1,000 men, there were 1,151 women, or for every 1,000 women, an average there were 869 men. That is, the proportions are shifting in favor of women, which is explained by the fact that there is a big difference in the life expectancy of men and women in Ukraine. That is, women live on average 11 years longer then men. This gap is observed in Belarus, Estonia, Kazakhstan, and in Russia as well as Latvia, it reaches the record level in the world – 12 years. In Europe, however, this difference varies from 5 to 8 years. The population of the European Union countries is also constantly changing, but such a rapid decline, as in Ukraine, is not observed. In some countries there is even a steady increase of the population [6].

It should be noted that the main goal of the structural and comparative analysis of the sex composition is to determine the proportions not so much of the total population as the individual groups – age, social, which is extremely important for the normal process of reproduction of the population. The balance of sexes within the age-old contingents is not sustainable. Such mobility is subjected to certain patterns of distribution. Namely, in the transition from a group of newborns, where male sex predominates (51.2% of boys versus 48.8% of girls or similar numbers with a slight variation), the ratio of sexes becomes equal when it comes to young age groups. When moving to older age groups, women prevail. This is due to higher male mortality caused by both biological issues (reduced self-preservation instinct, greater disease vulnerability) and social ones (prevalence of severe and dangerous conditions, prevalence of harmful habits, etc.), as well as the loss of male population during the last wars. The general indicator of sexual proportions is the age of balancing - the age when the number of men and women is leveled. Under optimal conditions, it should approach the upper limit of the fertilized age (50 years old). In Ukraine, the age of balancing is 32 years old, and in cities it is 28 years old, that is, in the youth labor market the share of men and women equals.

Migration processes are a significant demographic factor that has a powerful impact on the formation of the youth labor market. In the context of migration, young people are recognized as one of the most mobile demographic groups. The peculiarity of the migration movement of the young population of Ukraine is its orientation towards highly developed regions, and the main direction remains the displacement of population from the regional periphery to the regional centers and their suburban areas. This trend not only causes demographic imbalances, in particular aging population in rural areas and small towns, but also accelerates depopulation in certain areas. The maximum migration activity of young people is characteristic in the period of 2002-2007, its peak was in 2004 (944.3 thousand people). Starting from 2013, the migratory turnover of the young Ukrainian population is beginning to decline sharply and in 2018 this figure has reached its minimum (593.9 thousand people). According to statistics, the share of young people in the total migration of Ukraine in 2018 amounted to 56.4% [7].

Among the social problems of youth in Ukraine, one of the most important is its lack of employment, which is due to a number of reasons: the discrepancy between supply and demand, low adaptability of youth in the labor market, lack of work experience, increased employment requirements, content, nature and working conditions. The main indicator characterizing employment in the labor market is the level of employment, which is defined as the ratio (in percentage) of the number of employed population aged 15-70 to the total population of the specified age or population by the corresponding socio-demographic characteristic. The employment rate for all age groups in recent years tends to decrease, but this tendency is most pronounced in the age group of 25-29. If in 2007 the employment level of this group made 76.5%, in 2017 it decreased by 4.7 percentage points and amounted to 71.8%. [8, p. 87]. However, the employment rate of young people in the European Union (in the age group of 15-29) is slightly lower, reaching 41.9% in Belgium, Germany – 58.1%, France -43.9%, the Netherlands -69.6%, Austria -63.4% in 2017. It is also important to note that in 2017, the unemployment rate determined by the methodology of the International Labor Organization in Ukraine among young people aged 25-29 was 8.7%. Among those aged 15-24, this figure was 17.4% and was twice higher than that for all age groups. The high unemployment rate is due to the fact that a significant part of young people do not have the necessary professional skills and work experience. The number of people under the age of 35 who had unemployment status in 2017 was 698,000, or 45% of the total number of unemployed in all age groups. It should be pointed that the unemployment rate in Ukraine, determined by the ILO methodology, is 9.1% of the economically active population. The unemployment rate in Ukraine among men is 10.1%, while among women - 8.1% of the economically active population (Pogribna, 2018). At the same time, the unemployment rate in Ukraine remains similar to the European Union countries, where it is 9.4% (in particular, in Belgium – 8.5%, Germany – 4.6%, France – 10.4%, the Netherlands -6.9%, Austria -5.7%) [9].

Discussion and conclusion. Accordingly, it must be emphasized that the crisis demographic processes in recent years have led to modern and potential losses of labor potential and as a consequence of deformation of its structure, the formation of own labor shortage in the future, a significant deterioration in the quality of the employable population. The uncoordinated socio-economic, socio-political transformations and transformations that have taken place in Ukraine do not contribute to the formation of a progressive system of labor resource development of the country. The current national labor market, which is still in the stage of formation, is characterized by insufficient elasticity, weak self-regulation, low efficiency of labor use, and lack of effective mechanisms to stimulate the increase of labor productivity [10, p. 112]. In such conditions, state governance and regulation of the development processes both of the labor market and the reproduction of labor-resource potential are necessary and compulsory. It should be noted that demographic behavior and population depends directly on the socio-economic situation in the country and has a pronounced inertial character, which significantly limits the possibilities for a rapid change in the demographic situation.

In addition, the labor market does not use much of the labor potential of youth, which often does not withstand competitive struggle with representatives of older generations. The development of the youth segment of the labor market is characterized by an increase in the imbalance between supply and demand, lowering the level of economic activity of young people, increasing unemployment, increasing the proportion of young people employed in the informal economy, and increasing the number of young migrant workers. The basis of these negative tendencies is the imperfection of state regulation mechanisms for the youth segment of the labor market, and further research will be directed to improving it.

Globalization determines the influence on the transformation of the basic element of the world social and economic system – the international labor market, changing the formula for the formation and development of the latest project. We can distinguish the following directions of the impact of globalization on the development of labor markets of countries:

- significant changes in the scale and structure of world employment (continuous modernization of the structure of employment with the outpacing growth of the share of employed in the service sector);
- general and structural labor shortages in developed countries (developed countries need substantial compensatory net immigration to maintain the size of the economically active population);
- significant lagging growth of wage levels from the growth rate of labor productivity in the international labor market (owing to the transfer of production and jobs to countries with cheaper labor force);
- along with quantitative changes in the dynamics of demand for labor, there is a significant increase in the requirements for the quality of manpower with the increase in demand for highly skilled labor (and the requirements for the quality of labor are rising not only in material production, but also in services);
- the growth of labor mobility is accompanied by the intensification of the processes of inter-country labor movements within the global economy (the outflow of highly skilled labor from less developed countries);
- deepening polarization in the income of employees of different levels (the highest management level and ordinary employees of companies);
- the rejection of macroeconomic stimulation of aggregate demand in order to increase employment, as well as reducing the length of working time as a means of reducing unemployment.

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## ГЕОПОЛИТИЧНІ ТЕНДЕНЦІЇ ФУНКЦІОНУВАННЯ ТА РОЗВИТКУ МОЛОДІЖНОГО РИНКУ ПРАЦІ

Анотація. Розглянуто особливості функціонування та розвитку ринку праці молоді. Виявлено механізм впливу демографічних чинників на формування чисельності економічно активного населення. Досліджено процеси природного та механічного руху населення та їх вплив на формування ринку праці молоді. Підкреслено, що кризові демографічні процеси в останні роки призвели до сучасних і потенційних втрат трудового потенціалу і деформації його структури, формування дефіциту робочої сили, значного погіршення якості працездатного населення. Проаналізовано якісні демографічні характеристики, що впливають на рівень соціально-трудової активності робочої сили, які включають вікову та гендерну структуру населення, рівень кваліфікації та трудову мобільність робочої сили. Був проведений структурний і порівняльний аналіз статевого складу популяції для визначення пропорцій окремих вікових груп. В статті констатовано, що глобалізаційні процеси визначають вплив на перетворення основного елементу світової соціально-економічної системи – на міжнародний ринок праці, змінюючи формулу формування і розвитку останнього проекту. Було виділено наступні напрямки впливу глобалізації на розвиток ринків праці країн: значні зміни в масштабах і структурі світової зайнятості, безперервна модернізація структури зайнятості з випереджаючим зростанням частки зайнятих у сфері послуг; загальний і структурний дефіцит робочої сили в розвинених країнах, що вимагає від розвинених країн залучення мігрантів для збереження чисельності економічно активного населення; зростання мобільності робочої сили, що супроводжується активізацією процесів міждержавних трудових рухів у світовій економіці (відтік висококваліфікованої робочої сили з менш розвинених країн); поглиблення поляризації в доходах працівників різних рівнів; відмова від макроекономічного стимулювання сукупного попиту з метою збільшення зайнятості, а також скорочення тривалості робочого часу як засобу зниження безробіття. Зроблено висновки, що процес формування ринку праці залежить від багатьох факторів, відзначимо основні демографічні: народжуваність і смертність, гендерно-вікова структура населення, міграційні процеси, динаміка чисельності населення за типами населених пунктів.

**Ключові слова:** демографічний розвиток, процес депопуляції, рівень зайнятості, молодіжний ринок праці, статевовікова структура населення.

# ГЕОПОЛИТИЧЕСКИЕ ТЕНДЕНЦИИ ФУНКЦИОНИРОВАНИЯ И РАЗВИТИЯ МОЛОДЕЖНОГО РЫНКА ТРУДА

Аннотация. Рассмотрены особенности функционирования и развития молодежного рынка труда. Выявлен механизм влияния демографических факторов на формирование численности экономически активного населения. Исследованы процессы естественного и механического движения населения и их влияние на формирование молодежного рынка труда. Анализируются качественные демографические характеристики, влияющие на уровень социально-трудовой активности рабочей силы, в том числе возрастная и гендерная структура населения, уровень квалификации и мобильность рабочей силы. Был проведен структурный и сравнительный анализ полового состава населения для определения пропорций его отдельных возрастных групп. Сделаны выводы о том, что процесс формирования рынка труда зависит от многих факторов, отмечены основные демографические: рождаемость и смертность, гендерно-возрастная структура населения, миграционные процессы, динамика населения по типам населенных пунктов.

**Ключевые слова:** демографическое развитие, процесс депопуляции, уровень занятости, молодежь рынка труда, половозрастная структура населения.