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## 58. Labor market

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**Introduction:** Labor market - is primarily a system of social relations associated with buying and selling goods "labor." In addition, the labor market is the sphere of

employment, demand and supply for labor. It can be interpreted as a mechanism for coordinating prices and conditions between employers and employees.

**Resources and methods:** Labor market - a market of hired labor. It covers relationships from the moment of hiring employees to work for their release.

Labour market performs the following functions:

- harmonize the economic interests of the subjects of labor relations;
- provides a competitive environment each side of the market interaction;
- maintains a balance between the demand for labor and its supply;
- promotes optimal professional and qualification structure;
- stimulates the work establishes equilibrium rate of salary;
- effect on conditions of employment of personal potential;

**Results:** The labor market is an integral part of the overall economic and market mechanism. It is characterized as one of the most difficult social and economic phenomena of society, which reflected all sides of his life, it shows the whole diversity of interests and contradictions. Therefore the process of its functioning is constantly in terms of state, as the reproduction of such goods, as labor - the reproduction of labor resources and in general productive forces of society. Social policy in employment is also one of state functions. However, the crisis of the Ukrainian society demonstrated inability of the State to exercise effective social control. Accordingly, the labor market situation is poor, and especially - in employment.

The labor market in Ukraine has evolved gradually. Having passed first from an agricultural state to an industrial one during the time the country was part of the Soviet Union, Ukraine started on the path of a service-oriented economy after the breakdown of the USSR, as the national labor market increasingly become oriented toward such industries as tourism, entertainment, and leisure. Today, more than half the national labor force is involved in the service sector.

In many developing countries the income from tourism forms the considerable part of state budget and income of population. But its development demands the creation of the corresponding infrastructure and the training of skilled employees. In Ukraine during the last 10 years of independence the training of specialists for tourism expanded.

Though the Ukrainian labor force is characterized as highly qualified and skilled, the level of labor pay is much lower than in developed countries. Ongoing political and economic instability has led to rapidly increasing labor migration, in which both skilled and unskilled workers leave the country in order to find more reliable sources of income. The countries where most Ukrainians emigrate or go to work for shorter or longer periods of time include Russia, Western Europe, Canada and the United States.

Traditionally there have been a few job opportunities for foreigners in Ukraine. However, this is slowly changing and will change faster as Ukraine is expected to experience significant economical growth in the years to come. At the moment, though, the best way to secure a job in the country is to teach English or to work as a highly skilled professional for a multinational company. To find a good job, it is essential to understand Ukrainian or Russian.

Foreigners may work in Ukrainian research institutes, but when this occurs, the host institute must pay a higher contribution of social security, and the person must pay higher taxes than Ukrainian citizens. It is also important for foreigners to have permanent registration in the country, along with permission to work. In principle, anyone may apply for work, but working conditions and salary levels are not competitive compared to the EU countries.

**Conclusions:** In addition, political and economic realities present many challenges to management on a national level. Exploitation of workers and an extensive underground economy in which workers are "paid under the table," – colloquially described as "salary in

an envelope" -- are issues which need to be addressed. The current stage of economic transformation in Ukraine is characterized as a stage of stabilization and structural adjustment. The labor market at this stage is still evolving as a major element of economic systems that are responsive in general to all processes in the society. It should be noted that Ukraine's labor market is improving the situation, which is associated with increased economic activity of population, including increasing employment, reducing unemployment, lowering the number of economically inactive citizens, including persons in desperate search of work.

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