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# UNEMPLOYMENT RESEARCH IN THE CONDITIONS OF THE LABOUR MARKET TRANSFORMATION

Об'єктом дослідження є ринок праці, який зазнає суттєвих трансформацій під впливом технологічних та структурних змін, глобальних та демографічних тенденцій. У цьому контексті слід особливу увагу приділити темі, як у живому спектрі, як молодіжне безробіття, виявити його особливості. Предметом дослідження є питання класифікації причин виникнення та розвитку безробіття, моделі поведінки молоді на ринку праці, що проявляються в поширенні таких явищ, як дискримінація з інгнором, новітні форми з інгнором, соціальне відчуження молоді тощо. Методологія міждисциплінарного підходу до дослідження молодіжного безробіття дозволила виявити та охарактеризувати не тільки його структуру, але й виявити особливості моделей поведінки молоді на ринку праці. Висновок стосовно зростання темпів лінійності з інгнором, зниження цінності праці серед молоді, розмивання меж між з інгнором та безробіттям, як результат сучасних трансформацій ринку праці, потребує пошуку нової молодіжної політики. Аналізуючи чинники, що продукують зростання молодіжного безробіття та поширення нестандартних форм з інгнором, слід зазначити потребу їх постійного втручання в інституційному середовищі сучасної економіки. Обґрунтовано основні прояви соціально-економічних трансформацій ринку праці. Доведено, що ефективне включення молоді в суспільне виробництво здійснюється в площині формування інноваційної моделі соціально-трудова відносини з реформування та створення регулюючих інститутів. Без розробки та впровадження ефективних і взаємопов'язаних інституційних механізмів управління молодіжним ринком праці неможливе систематичне та комплексне підвищення рівня з інгнором молоді. В роботі з пропозиційно створення системи інститутів, основна діяльність яких буде спрямована на стимулювання молодіжної з інгнором, виявлення прихованої з інгнором та безробіття молоді, протидія штучній перепідготовці, роботозаміщення молоддю, соціально-громадянській тощо. Зважаючи на це, забезпечується можливість жорсткого контролю стану молодіжного безробіття, швидкого реагування на здійснення оперативних дій з ходів для його подолання.

**Ключові слова:** трансформація соціально-трудова відносин, ринок праці, молодіжне безробіття, прерізи ція, нестандартні з інгнором, технологічне оновлення.

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## 1. Introduction

The world of the 21st century is not only dynamic, complex, but also very unstable, in which there are many risks and contradictions. Young people get into such a world. Instability of socio-economic development is determined by the following factors:

- deepening of the asymmetry of socio-economic development, which finds expression, first of all, in opposite trends – an increase in the population of the planet (more than 7 billion people) and a decrease in resource potential;
- growth of world gross product and ecosystem disruption trends (climate change on the planet, pandemic threats, etc.);
- growth of gaps in financial standing, income, employment, etc. between different segments of the population and countries of the world;
- dynamic technological changes and their negative effects on employment and unemployment.

Unsustainable development has covered, first of all, the labor market, and negatively affects the population as a whole, especially the younger generation. In the scientific literature, the issue of precarious employment and precarization of employment is widely discussed. A significant contribution to the study of the conceptual foundations of this phenomenon was made by scientists in [1–3]. Most of all, the system of social and labor relations will undergo drastic changes. These changes relate to changes in perceptions of labor, its organization, conditions for implementation, and also payment. The author of [4] assesses the severity of changes in the social and labor sphere as follows: «The dynamics of instability, asymmetries in its various manifestations are particularly evident in the social and labor sphere, in the center of which is an economically active person and which (the sphere) is an institutional space the formation, functioning and development of social and labor relations, which are increasingly experiencing signs of «unhealthy». The problems of transforming social and labor relations and the rapid spread of non-standard

forms of employment are being studied by scientists from different countries. So, in [5] the harmful effect of life satisfaction from unemployment was studied. The authors of [6] established a connection between the massification of non-standard forms of employment and the legal status of working migrants in Toronto. The authors of the study [7] note that crowdsourcing provides excellent opportunities for increasing labor productivity, social mobility and the global economy, attracting a geographically distributed workforce to perform complex tasks on demand and on a large scale. In [8], researchers show a great heterogeneity of various forms of non-standard labor, both within the country and abroad. Therefore, it is relevant to study the characteristics of unemployment, in particular youth, in the face of changing social and labor relations of the modern labor market and providing recommendations for reduction. Thus, *the object of research* is the labor market, which is undergoing significant transformations under the influence of globalization. *The aim of research* is to determine the characteristics of youth unemployment in a transformation of social and labor relations.

## 2. Methods of research

In the study, the following scientific methods are used:

- interdisciplinary approach to the analysis of youth unemployment, which made it possible to identify and characterize not only its condition and structure, but also to identify the characteristics of youth behavior patterns in the labor market;
- structural-functional approach in identifying typical criteria for classifying employment as non-standard;
- method of analysis and synthesis to determine the risks associated with the functioning of non-standard types of employment;
- classification method for characterizing forms of employment and types of precarious work;
- historical method in identifying the moment of occurrence of non-standard labor.

## 3. Research results and discussion

Historically and logically, the transformation of social and labor relations as a whole is considered in [9]. The author of this work concludes that the sources of destruction of the world of work are in the commodification of labor, the separation of workers from means of subsistence. It is in this act that the manifestation of the transformation of labor as a way of life to its recognition as a commodity is found. According to the author of [9], today it is possible to see the end of labor activity in a form familiar to us, the transition to work under a short-term instant contract, or without it at all, to work without any agreed guarantees. Globalization, reflecting the multi-speed process: on the one hand, capital more quickly becomes extraterritorial, that is, it acquires supranational characteristics, while on the other hand, workers are even more subordinated to national labor markets. There is an asymmetric situation where the benefits of a flexible labor market are appropriated more and more by employers, and workers suffer losses. The author of the work [10] connects the number of jobs with neoliberalization and the transition from an industrial society to an information one.

Based on the foregoing, let's note the following: unstable, unstable employment is a modern trend, and will continue to gain strength. In turn, this trend erodes the notion of

employment and unemployment, and also reflects the forced nature of workers. It is associated with the weakening of their security and stability of the transfer of responsibility to work.

Unstable employment and rising unemployment are a response to the challenges of structural changes in the economy, which, in turn, reflect technological changes in the economy and the primary link – the company.

Prekarization becomes the norm of life, manifests itself as a structural characteristic of modern capitalism. It changes the lives of people, creates negative effects of an economic, sociocultural nature. The social vulnerability of society is being formed. Thus, «precarization of employment», taking into account all its negative manifestations, is, in fact, one of the most acute global problems of our time» [11].

Let's note that the increase in precarious work is inherent in all countries of the world, including economically developed ones. In the member countries of the Organization for Economic Co-operation and Development (OECD), it is estimated, from various estimates, from 15 % to 25 % of workers. In the whole world, tens of millions of people work in jobs that are outside the zone of permanent employment [12]. Let's add that among them a lot of people with higher education do not fulfill the function of guaranteeing a stable social situation. An even larger share in their composition belongs to youth.

The main factors that led to the emergence and spread of non-standard forms of employment are: a new division of labor based on the latest production technologies and, above all, information; globalization of world space. Since the second half of the 70s of last century, in the developed countries there was a change in the industrial stage of economic development to the postindustrial one, which was accompanied by the introduction of computer technology in production, the replacement of hard physical labor by robotics, and the reduction in the number of employees. Such changes have led to new approaches to the use of labor. First of all, the conditions of production are changing, which are accompanied by increased flexibility in the use of labor of workers, which is associated with a reduction and significant change in the generally accepted forms of employment. At the same time, the interested party in changing labor relations was not only employers who offered different employment conditions, but also the workers themselves, and increased demand for more flexible forms of work.

The social and labor sphere has undergone almost the very impact in connection with the globalization of economic relations and labor. The labor market is a mobile system that quickly responds to external factors by changing its parameters (demand, labor supply, the emergence of new entities and entities, the disappearance of old ones). One of the central institutions of the labor market, which begins the legal regulation of relations of inclusion of persons in social production, is the institution of employment [5].

According to the Law of Ukraine [13], employment is not prohibited by law, the activities of individuals related to the satisfaction of their personal and social needs in order to receive income (wages) in cash or in another form. This is also the activity of members of the same family who carry out business activities or work for business entities based on their property, including free of charge. Forms of employment are organizational and legal methods, conditions for the use of labor. There are forms of employment according to various classification criteria:

- forms of organization of working time distinguish between full and part-time employment;

- status of activities distinguish between primary (main) employment and secondary (additional) employment;
- nature of the organization of jobs and working hours distinguish between standard and non-standard employment. Standard employment is characterized by work in the employer's production facilities; standard load during the day, week, year; the presence of a stable workplace, a clearly defined start and end time for the working day; legislatively established working hours (weeks, years). Non-standard (alternative) employment is a labor activity that does not comply with standard rules. It is on this type of employment that let's stop our attention;
- for the stability of labor distinguish between permanent and temporary employment. Permanent is employment with a relatively stable place of work. Temporary – this is employment with a temporary, episodic, seasonal nature of work;
- forms of legal regulation of the use of labor distinguish between regulated (legal) employment and unregulated (illegal). Regulated employment is an activity that occurs within the framework of the law. Unregulated employment is an activity that occurs without concluding an employment contract, is not taken into account by state statistics, without paying taxes and the like.

The quantitative and qualitative growth of atypical forms of labor occurred in Western Europe and the USA in the 70s. The past century, but recognition of the right to exist of non-standard labor relations occurred only in the late 1990s and early 2000s in the regulations of the International Labor Organization (for example, Convention No. 181 «On Private Employment Agencies»). In 2008, the EU Directive on Labor in Temporary Employment Agencies No. 2008/104/EC was adopted [14].

Although non-standard forms of employment combine several different types of employment, the main generality is that they are not «standard» jobs. However, there is no legal definition of «standard employment». On the contrary, the idea of «standard employment», or rather, «standard labor relations», comes from the contractual formalization of labor relations, which began to appear in Great Britain and other European countries in the second half of the 19th century. This allowed the legal distinction between employment and employment to be formulated.

Legal regulation of labor relations did not occur automatically in response to economic needs, nor is it a direct legal response to the requirements of workers or employers. On the contrary, the labor law arose and developed along with economic changes [15].

Thus, the author of [16] writes that in Western literature the process of the emergence of new, non-standard types of employment is called the «flexibilization» of the labor market. Such trends first appeared in the developed economies of the West, indicate an increase in the economic fitness of the labor market, expressed in a general reduction in the labor costs of entrepreneurs, easing labor laws in favor of entrepreneurs, and stimulating the creation of jobs with part-time work and hourly wages. This can also include (but already as a negative factor for the aggregate labor force) a decrease in the role and influence of trade unions as partners of business and the state in implementing socio-economic policies and a decrease in the number of participants.

The author of [17] identifies the following main forms of precarious work inherent in the national labor market,

how attracted (borrowed) labor, flexible employment, and the transformation of labor relations.

The author of [18] explores the advantages and disadvantages of using borrowed labor for the employer and for the employee in particular. It analyzes the legislative justification for the existence of non-standard forms of employment.

Each of the authors analyzes the features, advantages and disadvantages of the existence of non-standard forms of employment. With all the variety of features considered, it is possible to highlight several common signs that reflect specific types of precarious work, and form the basis for its research. The main criteria for classifying employment as non-standard are as follows:

- flexible working hours;
- non-standard forms of regulation of labor relations between employer and employee;
- non-standard organizational and legal conditions of labor activity;
- combination of interests of both the employee and the employer in the choice of forms of labor;
- increased entrepreneurial risks are passed on to employees through minimization of guarantees for ensuring labor rights.

The selected criteria reflect the interests of the development of labor relations both on the part of the employer and on the part of the employee. Moreover, the flexibility of the working time is of great importance for the employee, as it allows to adjust the length of the working period.

The rapid development of precarious work caused by the transition to a post-industrial economy reflects changes in the dynamics of demand for labor, when employers require workers interested in working in flexible working conditions. Most of all, these changes affected workers in industry, since a decrease in demand for labor led to a decrease in the share of unskilled workers. Modernization of production is based on the replacement of manual labor by computer and automated technologies, as a result of which less effort is required. Massive labor exemptions from the sphere of material production stimulated the accelerated development of the wholesale and retail trade, which provided workers with work, are moving to it.

However, the sphere of wholesale and retail trade, unlike the sphere of material production, required workers of a different quality, able to work in a flexible time regime, as well as in standards not provided for by legislation. In this regard, temporary and underemployment has become widespread in the service sector. It should be noted that non-standard forms of employment existed in pre-industrial and industrial economies, but it was in the post-industrial period that the most widespread distribution of these forms occurred due to the intensive development of the service sector.

Technological progress, the introduction of computer and information technologies have become a factor in the creation of highly specialized companies that offer outsourcing services for the performance of certain production functions. The development of outsourcing companies has led to the demand for labor of mobile workers performing specialized work on the conditions of precarious work.

The widespread use of the Internet has created the conditions for performing a number of works at a remote distance from the employer, as it was beneficial for many workers to work in a flexible temporary mode. It is these two factors that have affected the reduction in the economic interest of employers in full-time workers.

In addition, the growth of precarious work was significantly influenced by demographic shifts in the structure of the workforce, which manifested itself in the massive entry of women housewives into the labor market. Demand for non-standard jobs increased with the involvement of young people, particularly students, who preferred to work on a flexible schedule and reduced working time. At the same time, the employment of this category of workers did not require legislative guarantees of labor or additional benefits, since they considered such work as secondary employment [19].

Non-standard forms of employment are becoming more popular all over the world, however, risks remain associated with them: lower wages, lower productivity and social protection:

1) borrowed workers are deprived of the guarantee of permanent employment, because at any time, regardless of the quality of the work they performed, they can be transferred to another enterprise or released;

2) temporary nature of labor provides for possible delays in the payment of wages, the loss of many awards associated with the duration of work in one place, for example, payments for seniority, social insurance, etc. Such workers do not receive sick leave, maternity benefits and parental leave, regular medical examinations and the provision of vouchers for spa treatment;

3) employee who has actually worked a certain period in harmful and hazardous work, loses the right to a preferential pension, because it is legally registered in the staff of a recruitment agency, where there are no harmful working conditions;

4) persons lose their working experience, thereby further enhancing future failures in the search for an official/permanent job;

5) demand for foreign labor is growing due to its cheapness and unpretentiousness of the requirements of such workers;

6) borrowed workers do not have the right to join a union, do not participate in the collective regulation of labor relations at the enterprise. They are denied the right to collective protection of their labor rights.

#### 4. Conclusions

The work shows that sustainable socio-economic development largely depends on the effective solution of youth unemployment problems as a result of modern transformations of the labor market. The main manifestations of socio-economic transformations of the labor market are justified:

- destruction of standard forms of employment;
- instability of institutional support of youth employment;
- uneven structure of employment;
- legal deregulation of the labor market, caused by the cost-effectiveness of state institutions for regulating employment, is accompanied by institutional disorientation and disintegration of business entities;
- unsystematic and low efficiency of government labor market regulation measures, which leads to the spread of precarization in the labor market.

It is proved that the effective inclusion of young people in social production is in the plane of formation of an innovative national model of social and labor relations based on the reform and cultivation of the following institutions:

- Institute for the protection of the rights of youth (management: social guarantees, expanding opportunities for

young people, matching salaries of labor productivity, creating competitive decent work conditions);

- Institute of innovation (management: closing the channels of brain drain, promoting innovation, the formation of national innovation potential, close interaction of educational institutions with the labor market).

The institutional mechanism for managing youth employment and reducing youth unemployment may be the subject of further research.

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