STATE POPULATION EMPLOYMENT POLICY
IN THE CONDITIONS OF THE LABOR MARKET

Abstract. The main approaches to state participation in the formation of an employment policy are defined: 1) the participation of state bodies in regulating the labor market, during which they take on only those functions that cannot be performed using market mechanisms; 2) methods of active influence of the state on the sphere of managing the population’s employment. It is noted that state regulation of employment should be aimed at stimulating demand for labor and developing a set of measures that contribute to reducing the supply of labor. It is proposed that the employment policy of the population be directed, first of all, to a change in the nature of the labor market through the transition from excess employment with low labor productivity to a combination of low unemployment and over-productive employment. It is noted that the object of employment policy is not only officially registered unemployed, but also the entire able-bodied population. A definition of the concept of “state policy in the field of employment” is proposed. The fundamental directions of the state employment policy are structured and proposed. The state guarantees for the realization of the rights of citizens to work and social protection against unemployment are analyzed. We
believe that it is advisable to combine all types of employment guarantees in one chapter “State guarantees of employment”, in which it is necessary to determine the conditions for their implementation and the sources of financing. Moreover, in the Law of Ukraine “On Employment” it is advisable to define the concept of “system of state guarantees of employment”. The types of guarantees for the intended purpose are proposed: guarantees of employment; material support for the unemployed; guarantees for employment and dismissal. According to population categories, guarantees are proposed to be differentiated into general, special and social. It is proposed, depending on the source of funding, to classify employment guarantees that are realized at the expense of: the state budget; local budgets; employers’ funds. A system for ensuring employment of the population is proposed, which is a set of government bodies and organizations implementing the population employment policy and includes various levels of management, the employment service, the regulatory framework and state guarantees of employment and protection against unemployment.

Keywords: state policy, population employment, labor market, unemployment, state regulation.

**DERZHAVA POLIITKA ZAINYATOSTI NASelenNIA**

**Annotacija.** Визначено основні підходи до участі держави у формуванні політики зайнятості: 1) участь державних органів в регулюванні ринку праці, при якому вони беруть на себе лише ті функції, які не можуть бути виконані ринковими механізмами; 2) заходи активного впливу держави на сферу управління зайнятістю населення. Зазначено, що державне регулювання зайнятості повинно бути спрямовано на стимулювання попиту на робочу силу та розробки сукупності заходів, що сприяють скороченню пропозиції робочої сили. Запропоновано політику зайнятості населення направити, насамперед, на зміну характеру ринку праці за допомогою переходу від надлишкової зайнятості з невисокою продуктивністю праці до поєднання низького рівня безробіття з високопродуктивною зайнятістю. Зазначено, що об’єктом політики зайнятості є не тільки офіційно зареєстровані безробітні, а й все працездатне населення. Представлено визначення поняття “державна політика в галузі зайнятості населення”. Структуровано та запропоновано основоположні напрями державної політики зайнятості населення. Проаналізовано гарантії держави щодо реалізації прав громадян на працю та соціальний захист від безробіття. Вважаємо, що всі види гарантій зайнятості населення доцільно об’єднати в одну главу “Державні гарантії зайнятості”, яка, на нашу думку, являє собою сукупність загальних (для всіх громадян), спеціальних (для слабозахищених категорій населення) і соціальних (для безробітних) гарантій. Запропоновано види гарантій за цільовим призначенням: гарантії забезпечення зайнятості; матеріальної
ГОСУДАРСТВЕННАЯ ПОЛИТИКА ЗАНЯТОСТИ НАСЕЛЕНИЯ В УСЛОВИЯХ РЫНКА ТРУДА

Аннотация. Определены основные подходы к участию государства в формировании политики занятости: 1) участие государственных органов в регулировании рынка труда, при котором они берут на себя только те функции, которые не могут быть выполнены при помощи рыночных механизмов; 2) методы активного влияния государства на сферу управления занятости населения. Отмечено, что государственное регулирование занятости должно быть направлено на стимулирование спроса на рабочую силу и разработку совокупности мер, способствующих сокращению предложения рабочей силы. Предложено политику занятости населения направить, прежде всего, на смену характера рынка труда с помощью перехода от избыточной занятости с невысокой производительностью труда к сочетанию низкого уровня безработицы с высокопродуктивной занятостью. Отмечено, что объектом политики занятости является не только официально зарегистрированные безработные, но и все трудоспособное население. Предложено определение понятия “государственная политика в области занятости населения”. Структурировано и предложены основополагающие направления государственной политики занятости населения. Проанализированы гарантии государства по реализации прав граждан на труд и социальную защиту от безработицы. Считаем, что все виды гарантий занятости населения целесообразно объединить в одну главу “Государственные гарантии занятости”, в которой следует определить условия их реализации и источники финансирования. При этом, в Законе Украины “О занятости населения” целесообразно определить понятие “система государственных гарантий занятости”. Предложено виды гарантий по целевому назначению: гарантии обеспечения занятости; материальной поддержки безработных; гарантии при приёме на работу и увольнении. По категориям населения гарантии предлагается дифференцировать на общие, специальные и социальные. Предлагается, за- висимо от источника финансирования классифицировать гарантии занятости населения, которые реализуются за счет: государственного бюджета;
The problem statement. High degree of uncertainty in employment sphere increases importance of state policy in the labor market. Implementation of the state policy implies the development of various socio-economic processes. The state activity should not be based simply on these processes regulation but in their detailed correction, organization and planning.

One of the fundamental tasks of modern labor market reforming is to formulate national structure of employment in accordance with the needs of the state economy and to increase efficiency of labor use and its competitiveness. The task of primary importance is measures implementation to improve the state employment policy.

Analysis of the latest investigations and publications where solution of the problem was started. Important contribution to issue of the state employment policy was made by V. S. Vasylenko [1], Ye. Vysnevksa [2], M. Vorona [3], V. I. Herasymchuk [4], V. Hzheshchuk [5], O. O. Tytaran [6], Ya. Kaminetskyi [7] etc. At the same time determination of basic directions of the state population employment policy and whole system of ensuring population employment requires deeper study.

The article aim formation. The article aim is to define role and place of the state population employment policy in the labor market conditions.

Description of the research main material with full grounding of the obtained scientific results. We think that population employment as an object of the state regulation is a unity of three parts: complex of socio-economic relations regarding participation of labor resources in labor activity, quantitative and qualitative parameters of labor activity and its legal form. Legal aspect inclusion is justified by the fact that employment is only a subject of the state regulation in legal form.

At this time there were two approaches to participation of the state in the formulation of employment policy. First includes involvement of the state agencies in market regulation for the product. In this case they take over only those functions that cannot be performed by the market mechanisms. Second includes measures of active influence of the state on the sphere of population employment management.

In conditions of economic transformation, in absence of definitively established and effective market regulators it is advisable to build a population employment policy according to the
second option. It should promote realization of the population right to work. Some scientists state that emphasis in the state population employment policy should be done on improvement of qualitative characteristics, adaptation and flexibility of labor force [1; 6, p. 26].

In 2013 the Law of Ukraine “On Employment of the Population” was adopted [8] in order to ensure the legal, economic and organizational foundations of the state policy in the field of promoting employment of the population, guarantees of the state regarding the realization of the rights of citizens to work and social protection against unemployment.

The Article 3 of the Law defines the population rights in the employment field. The state guarantees following in the employment sphere (Article 5):

1) free choice of the place of employment and type of activity, free choice or change of profession;
2) receipt of wages (remuneration) in accordance with the legislation;
3) professional orientation for the purpose of self-determination and realization of personal ability to work;
4) vocational training in accordance with abilities and taking into account needs of the labor market;
5) results confirmation of non-formal vocational training of working professions;
6) free assistance in employment, selection of suitable work and information obtaining on situation in the labor market and its prospects;
7) social protection in the case of unemployment;
8) protection against discrimination in employment, unjustified refusal to hire and unlawful dismissal;
9) additional assistance in employment of certain categories of citizens.

Article 24 defines measures to promote employment.

1. Measures to promote employment are aimed at:
   1) ensuring that level of professional qualification of able-bodied persons corresponds to the labor market needs;
   2) creation of conditions for active job search for unemployed persons;
   3) increasing of individuals competitiveness in the labor market.

2. Measures to promote employment include:
   1) vocational guidance and vocational training;
   2) stimulation of employers activity aimed to create new jobs and employment of unemployed persons;
   3) creation of conditions for population self-employment and support of entrepreneurial initiative;
   4) promotion of providing young people with the first job and introducing incentives for internships at enterprises, institutions and organizations irrespective of ownership, type of activity and management;
   5) promotion of employment of disabled people and others.

Section II of the Law is devoted to the state employment policy. It clearly defines the principles and purpose, main directions of public employment policy (Article 15) and ways of implementing public employment policy (Article 16).

The state regulation of the population employment is defined as a set of methods and instruments of influence of the state on the processes of formation, distribution and use of labor force. It is aimed to improve efficiency of its
functioning and keeping unemployment within socially acceptable level [6; 9; 10].

In our view, the state regulation of employment is a set of socio-economic measures and instruments aimed to eliminate disparities between labor supply and demand in order to achieve balanced and rational employment structure.

The state employment regulation, on the one hand, should be aimed to stimulate demand for labor and, on the other, to develop a set of measures that contribute to accumulation of labor supply. Development of small business and self-employment, development of specific programs for the improvement of the social sphere, introduction of non-standard forms of employment and flexible modes of work, expansion of the organization of paid community work are optimal for the first option. The most promising areas in the second option are following: expansion of general and special education forms, development of continuous system of education, retraining and advanced training of staff, improvement of the system of social benefits and state guarantees of employment for persons with disabilities [2–5].

The population employment policy should be directed to change the labor market nature through the transition from excess employment with low productivity of labor to combination of low unemployment rate with high productive employment. This is especially true in the period of formation of a differentiated economy, when different forms of ownership and management take place, technologies and types of production are changed. There is a need to transform a series of narrow Western employment models into a more specific model for Ukraine. It will ensure quality of labor in the labor market as a mean of population social protection from unemployment.

We consider that employment policy object is not only officially registered unemployed but also all able-bodied population. Therefore, the state regulation of employment should focus not only on the unemployed population, but also on the efficient use of labor resources, improving their educational and qualification level, ensuring employment and social guarantees of employment.

Thus, the state employment policy is a set of methods and instruments aimed to ensure employment of the able-bodied population and development of the system of employed citizens (Fig. 1).

Article 5 of the Law defines the following guarantees in the field of employment for citizens [8]:

1. The state guarantees following in the employment sphere:
   1) free choice of the place of employment and type of activity, free choice or change of profession;
   2) receipt of wages (remuneration) in accordance with the legislation;
   3) professional orientation for the purpose of self-determination and realization of personal ability to work;
   4) vocational training in accordance with abilities and taking into account needs of the labor market;
   5) results confirmation of non-formal vocational training of working professions;
   6) free assistance in employment, selection of suitable work and informa-
tion obtaining on situation in the labor market and its prospects;

7) social protection in the case of unemployment;

8) protection against discrimination in employment, unjustified refusal to hire and unlawful dismissal;

9) additional assistance in employment of certain categories of citizens.

The state guarantees to unemployed are discussed for certain categories of unemployed who lost their jobs due to changes in organization of production and labor and contain the following provisions [Art. 49]:

1. Employees whose employment contract was terminated on initiative of employer in connection with changes in organization of production and labor, including liquidation, reorganization, bankruptcy, re-organization of enterprises, institutions, organizations, reduction of staff and dismissed soldiers from military service in connection with reduction of staff number without right to pension have guaran-

The first paragraph of this part is also applied to employees who are dismissed from enterprises, institutions and organizations, regardless of their form of ownership, type of activity and management, in connection with the resettlement or self-relocation from the territory of radioactive contamination and registered within a month after dismissal in territorial body of the central body of executive power, which implements the state policy in the field of employment and labor migration.

2. Expenses for pre-term pension payment and its delivery are reimbursed to the Pension Fund of Ukraine by the funds of the Obligatory State Social Insurance Fund of Ukraine in accordance with the procedure established by central executive authority and the Pension Fund of Ukraine.

An application for pre-term pension of unemployed is issued in accordance with procedure for registration and keeping of unemployed.

It should be noted that state clearly limits guarantees in the field of employment for employed and unemployed based on the logic of this article of the Law of Ukraine “On Employment”.

We believe that it is advisable to combine all types of employment guarantees into a single chapter on “State Guarantees of Employment”. It should specify conditions for their implementation and the source of funding. At the same time the Law “On Employment” should define the term “system of the state employment guarantees”. In our opinion this concept represents a set of general (for all citizens), special (for poorly protected categories of population) and social (for unemployed) guarantees.

By purpose we recommend to distinguish the following:

- employment guarantees;
- financial support for unemployed;
- guarantees for hiring and firing.

For the, the Guarantees for different categories of population provided by the Law of Ukraine “On Employment of the Population” should be differentiated into general, special and social ones.

General employment guarantees are applied to all citizens and include free professional training and re-training, free information on job vacancies, judicial protection of employment rights and other guarantees under the law.

Special guarantees are aimed to ensure employment of citizens who are not able to compete in the labor market on equal terms (single and many-children parents, disabled persons, citizens affected by the Chernobyl accident, etc.).

Social guarantees extend to unemployed and include payment of benefits, scholarships and material benefits.

Depending on the source of funding, we propose to classify the guarantees of population employment depending on the financing source:
• the state budget;
• local budgets;
• employer budget.

Practical application of the state employment guarantees, classified by given above criteria, will allow organizing them, differentiating by population categories, regulating provision of the state guarantees in the field of employment and rationalizing use of financial resources for their realization.

Thus, the state regulation of employment is realized through the purposeful influence of the state on the employment of population in order to achieve full, productive and freely chosen employment. At the same time, the dominant positions are active regulation of employment aimed to shape its national structure. At the same time, passive regulation (payment of benefits and provision of financial assistance to the unemployed) does not lose its significance.

The state employment policy is implemented at different levels of government and has an extensive system of employment security that allows centralized management of the labor market.

The system of population employment provision is a collection of state bodies and organizations that implement the population employment policy, and includes various levels of management, employment service, legal framework and state guarantees of employment and protection against unemployment (Fig. 2).

![System of population employment provision](developed by the author)
Priority directions of the state employment policy are: on the one hand — an increase in the demand for labor force by increasing the number of newly created jobs and improving sectoral and professional structure of population employment, and on the other — decrease in number of workers in the labor market by development of systems of education, retraining and advanced training of personnel within the system of vocational training and retraining of the state employment service.

Differences in the specific employment policy instruments can be traced in terms of labor force — on the labor supply side or on the labor demand side.

**Conclusions.** The main directions of the state regulation of employment are defined. They are a set of socio-economic measures and instruments aimed to eliminate disparities between labor supply and demand in order to achieve a balanced and rational structure of employment. The system of employment provision is defined as a set of the state bodies and organizations that implement the population employment policy and includes different levels of management, employment service, legal framework and state guarantees of employment and protection against unemployment.

It is determined that the current concept of employment policy implies strengthening of the state’s regulatory function in the social and labor sphere in order to form the national structure of employment and increase efficiency of of the country’s labor potential. It involves intensifying of cross-sectoral redistribution of labor resources in favor of services and social sectors of economy, reducing excess and incomplete forced employment, reducing level of unregistered unemployment and promoting its transformation into registered employment.

**REFERENCES**


