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Formation of regional employment policy in Ukraine

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Abstract. The article analyzes the situation with regional employment in Ukraine. As a result of the assessment of the labor market and transformational changes in the structure of employment, problematic aspects of regional employment policy were identified. The purpose of the study is to determine the features of the formation of regional employment policy in Ukraine.

Based on the analyzed domestic and foreign experience identified the main approaches to the formation of employment policy in Ukraine. In order to identify priority areas of regional policy, a system of indicators is proposed, which should be used in the process of monitoring the labor market and assessing the peculiarities of regional employment.). In order to strengthen the stimulation of regional development, the expediency of using such an innovative tool as gender-oriented budgeting is substantiated.

and innovation with business needs. In order to ensure the reproductive process of innovation potential of regions and the optimal combination of state, regional and local initiatives with the interests of the private sector, it is proposed to create special forms at the regional and community levels to promote domestic employment policy - regional

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development agencies. The main trends in the development of national employment policy in European countries - in the context of the transition from the paradigm of the old regionalism to the paradigm of the new regionalism.

availability of vehicles, the necessary professional competence of staff; establishing control over the periods of work and rest of drivers, etc.

Keywords: employment, unemployment, labor market, region, regulation, development.

Формування регіональної політики зайнятості в Україні

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Анотація. Мета дослідження. Метою дослідження є визначення особливостей формування регіональної політики зайнятості в Україні. Методологія. У процесі виконання дослідження використано загальнонаукові теоретичні методи: системний аналіз – для з'ясування основних категорій дослідження; абстрактно-логічний метод – для здійснення теоретичних узагальнень та висновків про переваги смарт-спеціалізації та особливості його оцінювання.

Результати. У статті проаналізовано ситуацію із регіональною зайнятістю в Україні, виявлено проблеми регіональної політики у сфері зайнятості. На основі урахування вітчизняного і зарубіжного досвіду визначено основні підходи до формування політики зайнятості. З метою визначення пріоритетних напрямів формування регіональної політики запропоновано систему показників, які доцільно використовувати в процесі моніторингу ринку праці і оцінки стану регіональної зайнятості. В роботі обґрунтовано доцільність використання системи основних економічних інструментів стимулювання розвитку ефективної регіональної політики зайнятості, включаючи інноваційний підхід на основі гендерно-орієнтованого бюджетування. Окреслено доцільність і переваги смарт-

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спеціалізації, для забезпечення конкурентних переваг і узгодження пріоритетності науково-дослідницької діяльності та інновацій з потребами бізнесу. Запропоновано створення на рівнях областей і громад нових форм сприяння поліпшенню вітчизняної політики зайнятості - агенцій регіонального розвитку. Окреслено основні тенденції розвитку національної політики зайнятості у європейських країнах – у контексті переходу від старого регіоналізму до парадигми нового регіоналізму. Практичне значення дослідження полягає у прикладному характері запропонованого в якості основних економічних інструментів стимулювання розвитку ефективної політики зайнятості можуть використовуватись інструментарії пов'язані із дотуванням, інвестуванням, цільовим фінансуванням з держбюджету, фінансуванням угод регіонального розвитку, оподаткуванням, інноваційними заходами (інноваційні інвестиції, інвестиційні гранти, гендерно-орієнтоване бюджетування) тощо. Гендерно-орієнтоване бюджетування як інноваційний інструмент може бути дієвим стимулом регіонального розвитку на основі ефективного використання бюджетних ресурсів державного і місцевого рівнів. Цьому буде присвячено подальші дослідження автора. Іншим напрямом наступних розробок стане дослідження процесів відходу від прямої фінансової допомоги відсталим регіонам до стимулювання саморозвитку регіонів та підвищення їх конкурентоспроможності на основі перетворення на самостійних економічних і певним чином політичних учасників.

Ключові слова: зайнятість, безробіття, ринок праці, регіон, регулювання, розвиток.

1. Introduction.

The priority task of the state regional policy is to stimulate the development of employment, which is aimed at reducing regional disparities in socio-economic development and living standards; strengthening the competitiveness of the regional economy; solving interregional problems. The Cabinet of Ministers of Ukraine adopted the Resolution "On approval of the State Strategy for Regional Development for 2021-2027" (Kachny, 2017). The strategy identifies new approaches to state regional policy: transition to territorially oriented

development based on stimulating the use of own potential of territories, providing support to territories with special problems of socio-economic development, etc.

However, at the present stage of domestic economy there are certain negative processes in the labor market, in the employment system. Economic and political instability in the country, large numbers of migrant workers, employment in the shadow economy of a large population, the spread of the COVID-19 pandemic, quarantine measures, declining labor demand in some sectors and market

sectors and relatively rapid development in others have led to controversy and severe regulation of working conditions in enterprises with traditional employment regimes, as well as other destructive factors - all this has negatively affected the development of regional employment policy. Thus, the chosen issues are extremely relevant and timely.

Formulation of the problem.

Therefore, the direction of regional policy formation needs to be improved, the expediency of using the system of basic economic instruments to stimulate the development of effective regional employment policy, including an innovative approach based on gender-oriented budgeting, needs methodological approaches.

2. Literature review.

The problem of state regional employment policy is the subject of research of the following domestic and foreign scientists: IA Gnatenko (2017), SA Давимука, В.С. Куубида, L.I. Fedulova (2019), V.O. Dergachev (2017), MI Dyachenko (2018), VI Zakharchenko (2020), OS Kachny (2017), L.P. Chervinska, BG Bazyliuk (2020) and others. The authors substantiate the essence and features of regional development and employment problems in accordance with the realities of a certain period. At the same time, scientists focus on various features of employment policy, usually at the state, enterprise, industry levels, not paying enough attention to the regulation and development of regional aspects of

employment. Paying tribute to the research of scientists, we can identify many insufficiently addressed issues of regional employment policy.

3. Methods

The article uses general scientific theoretical methods: systems analysis - to clarify the main categories of research; abstract-logical method - for the implementation of theoretical generalizations and conclusions about the benefits of smart specialization and features of its evaluation.

4. Research objectives.

The aim is to improve the methodological provisions for studying the peculiarities of the formation of regional employment policy in Ukraine.

5. Results and discussions.

Structural changes in the national economy, instability and uncertainty of the political situation, the impact of military factors, and more recently - quarantine restrictions on employment, have significantly affected employment relations, increased tensions in the social sphere, led to lower living standards in all regions of Ukraine. In some regions, there have been persistent trends in the outflow of labor or its relocation from other regions, which requires certain actions of local authorities in regulating social and employment problems. Therefore, the regions differ significantly in employment opportunities. The highest share of employed persons in Ukraine in 2019 is typical for Dnipropetrovsk region - 8.76%, Kyiv - 8.4% and Kharkiv region - 7.6%, and the lowest - in Luhansk region

- 1.8% of the total employed (Davymuka, Kuybida, Fedulova, 2019). These indicators are a kind of indicator of socio-economic development of the region and its attractiveness. -70 years. This indicator differs significantly by region: the highest in Donetsk (16.3%) and Kirovohrad regions, and the lowest - in Kyiv (8.0%) and Odessa region (8.1%) (Davymuka, Kuybida, Fedulova, 2019).It should be noted that in some Western European countries the unemployment rate is not lower, and sometimes higher than in Ukraine, but along with high unemployment, these countries experience an acute shortage of workers: cleaners, sales workers, builders and more.

The issue of employment in the Donetsk region is problematic, especially with regard to the territorial and professional-qualification differences in supply and demand for labor. Attention should be paid to the presence in the regional labor market of a large number of internally displaced persons, who are mostly deprived of the opportunity to continue working in their former place of residence, but have professions specific to the Donbass region. The military conflict in the eastern part of the country has led to significant job losses in Donetsk and Luhansk oblasts. In the East of the country there is a significant reduction in the number of enterprises (more than 60%). The structure of small business by type of economic activity is dominated by areas of non-productive activities, especially those that have a relatively rapid turnover

of funds: small businesses engaged in trade, repair of vehicles, temporary accommodation and catering. The situation on the labor market in Donetsk region is tense and characterized by negative trends, due to the lack of sufficient vacancies, narrowing the scope of employment, increasing the load on local labor markets due to the growth of internal migration processes. This has reduced the economic activity of the region's population, has led to some structural changes in employment at present.

The corona crisis has also made its adjustments to the country's economy and employment situation. As a result of quarantine restrictions, hundreds of thousands of citizens lost their jobs: representatives of intellectual labor and labor professions. In just one year since the start of quarantine, 431.8 thousand people became unemployed, or 67% more than in the same period last year (Dyachenko, 2018). Quarantine conditions have led to additional demand for non-standard working hours - underemployment and reduction of the duration of the annual basic leave. There are many misunderstandings and problems that have to be addressed by government agencies, employment services, employers.

There are also many problems in the field of youth employment, every year Ukrainian universities graduate more than 500 thousand young professionals, whose specialty is not in demand by employers or the level of remuneration does not meet

the expectations of young people. More than 405,000 people under the age of 35 who were unemployed were registered with the State Employment Service (*Chervinska and Bazyluk, 2020*).

When entering the market, 87% of graduates cannot find a job due to lack of adequate vacancies, low wages, etc. In Ukraine today, the share of young people

with higher education who do not have a job is 32.8%, and the share of unprepared young people who do not study or do not undergo vocational training in 2020 was about 15% (*Chervinska, Bazyluk, 2020*).

In the country, young people aged 15-35 make up about 19% of our population

Table 1. Indicators for assessing regional employment

Group of indicators	Characteristics
Economic activity and human resources (allow to assess the supply in regional labor markets)	The level of economic activity and employment; the percentage of people with higher education among the employed; share of employees in the informal sector; unemployment rate; the scale of hidden unemployment; the share of persons in a state of forced underemployment in the average number of full-time employees; the percentage of people who have improved their skills; average age of employed persons
Volume and quality of jobs (characterizes the level of coverage of the population with quality working conditions)	The level of introduction of new jobs; working time utilization rate; underemployment rate; the percentage of demand for highly qualified personnel in total demand; demand for economically active population; number of working pensioners; employee replacement ratio; coefficient of turnover, movement and turnover of labor; the share of employees employed in unfavorable conditions; the share of accident victims; level of self-employment; level of overwork.
Competition in the labor market	Level of employment among the unemployed; average duration of unemployment; the workload of the unemployed population per one vacancy; the average duration of closing vacancies; real wages; the share of accrued wages to the value of the subsistence basket; the level of wage arrears
Labor market infrastructure	The share of employees covered by collective agreements; the amount of unemployment benefits; provision of IDP services; career guidance activities of employment centers among the economically active population; the level of coverage of youth employment centers; activities of business entities that provided employment services.
Social environment of labor market development	State expenditures on social protection and social security of the population; the share of employees who have received benefits and compensation; social benefits defined by the collective agreement; the level of protection of socially vulnerable categories of the population; mechanical growth factor; the share of IDPs among the unemployed; Gini coefficient.
Political environment of the labor market	Perfection of institutional policy of the state, legal norms and regulators, military and other destructive factors

Source: systematized by the author

Based on the use of these groups of indicators, it is advisable to substantiate

the priority areas of regional employment, integrated assessment of the labor market,

and thus determine the scale of the object of priority development, which is crucial for socio-economic reproduction of regions and executive authorities and local governments.

As innovative tools to stimulate regional development can be used: innovative investments, investment grants, gender-oriented budgeting. Increasing the inflow of innovative investments is a priority in stimulating regional development as a factor of significant financial resources, which are usually not available in the region and which cannot be provided by credit institutions. Investment grants are important, which are not only a source of financial resources, but also a stimulator of development of strategically important industries in the region, because they are targeted and provided mainly for the development of specific industries that are rarely invested due to low economic returns, such as science (*Derhachov, 2017*).

Special attention needs to be paid to the use of gender budgeting in the context of stimulating regional development as an effective tool that is widely used in developed countries. The gender budget enables the implementation of the state policy of guaranteeing equal rights and opportunities for women and men at the expense of budget funds and promotes the level of socio-economic protection of the population, ensuring gender equality, development of democratic principles of management, improving the quality of services. to stimulate regional

development (*Gnatenko, 2017*).

International organizations play an important role in disseminating the experience of gender budgeting by adopting and disseminating memoranda, resolutions and recommendations on gender budgeting, raising awareness of government officials, scientists, providing information on gender research, technical financial assistance.

The development of employment is significantly influenced by the taxation system, which has an indirect impact on regional development, which is associated with the formation of local budget revenues, their redistribution and development of investment and innovation activities. Tax revenues are the main source of local budget revenues. Of particular importance for regional development is the use of tax benefits. Preferential taxation, in particular, has a positive effect on youth employment or incentives for young people to start their own business. At the heart of such mechanisms is the full exemption from taxes of start-up entrepreneurs for a certain period of time, as well as consulting and legal support for the process of starting your own business.

An innovative approach to shaping regional employment policy is the use of smart specialization, which in EU countries is used as a methodological basis for regional development strategy and is an innovative strategy for prioritizing to create a competitive advantage based on the development and coordination of research advantages and

innovation with business needs (Davymuka, Kuybida and Fedulova, 2019, Chervinska and Bazyluk, 2020).

The development of a smart specialization strategy is carried out by involving national and regional authorities, all stakeholders - universities and research structures, industrialists, social partners, while agreeing on a common development perspective. As defined by the European Commission, the task of smart specialization is: reform of regional research and innovation systems, strengthening cooperation in innovative investments between regions; use of scientific research, innovations in less developed and industrial transition regions; use of synergies and complementarities between EU policies and guidelines, promotion of interregional cooperation, etc. Currently, in the EU, this approach is used in 12 countries - at the national and regional levels, 120 smart specialization strategies have been developed. Ukraine has also already identified smart specialization for Odesa, Dnipropetrovsk, Zakarpattia and Cherkasy regions. Thus, it can be considered expedient to implement smart specialization in the practice of strategizing the development of the regions of Ukraine in the formation of employment policy.

Optimum is important in the system of institutional support for the implementation of the new regional employment policy

6. Conclusions.

According to research, today the

situation with regional employment in Ukraine is difficult, due to the economic downturn, the impact of events in the east of the country and factors related to anti-epidemic measures, political and demographic factors.

In the context of the analyzed domestic and foreign experience, the main directions of employment policy formation in Ukraine should be: assessment and dissemination of information on the state of the labor market; a comprehensive system of vocational training and retraining of unemployed or those at risk of unemployment; training and retraining programs for the unemployed market; development of employment programs, targeted programs of public works; development of the social security system. When substantiating the priority directions of regional employment development, it is expedient to evaluate it on the basis of the use of the proposed indicators, which most fully outline its state.

Financing from the state budget, financing of regional development agreements, taxation, innovative measures (innovative investments, investment grants, gender-oriented budgeting), etc. Gender-oriented budgeting as an innovative tool can be an effective stimulus for regional development based on the efficient use of budget resources at the state and local levels.

In the system of determining regional employment policy, the use of

smart specialization is important, which helps to ensure a competitive position based on matching the benefits of research and innovation with the needs of business. When implementing the new regional employment policy, it is important to ensure the optimal combination of state, regional and local initiatives with the interests of the private sector within regions and communities through the formation of regional development agencies. , implementation of their innovative projects;

The formation of national employment policy should be carried out in the context of trends in its development in European countries, taking into account the transition from old regionalism to new regionalism (departure from direct financial assistance to backward regions to stimulate regional self-development, increase their competitiveness through transformation into independent economic and in some way political participants).

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