

THE LABOR MARKET

The aim of this study was to analyze the state of labor market in Ukraine and its elements, to distinguish the signs of a segmented market, types of the demand and types of market economic situation.

Historically the labor market appeared in that moment when the separation of workers from means of production happened. After this the worker was free, but without the production means, so he started to sell his ability to work i.e., the workforce.

Naturally, one of the most important elements of the market economy is a labor market. Labor market is the science, that study the quantitative side of the mass events and occasions, that appear at the job market. The main reason is detection of the qualitative features, interconnections and characteristics of selling the workforce [1, p. 7].

To put it simply, the labor market, also well known as the job market is the place, where the supply and the demand for jobs meet, with the workers or labor providing the services that employers demand. The worker is then comparable to a seller while the employer is the buyer [2].

The main subjects of the labor market are an employer and an employee. The employer is a man, who is searching for people that will work for him. The employer has many versions i.e., state enterprise, joint stock company, private company and so on. The employee is a free man, for which his salary is the main source of the income. Maybe the most important condition of a labor market existence is when the worker has as qualification as an employer needs. [1, p. 7]

Job market has these elements:

- product that is offered;
- demand;
- supply;
- price.

There is not the one opinion about what is the product at the labor market: workforce, a work or the labor service. But the most part of authors is sure that the product of the labor market is an individual workforce. Individual workforce is a combination of the physical and moral qualities of people, which they use in production process [3].

With regard to the work, we can divide all the population of our country into two categories: [4]

- People that form a labor market. There are two subtypes: employed and unemployed.
- People that are outside the labor market. There are four subtypes: unemployed that lost a hope to find a job, incapacitated person, people that can't work due to age, people that don't want to work.

The modern labor market is divided into separate parts - target markets, which called segments.

Segmentation of the labor market is the division of workers and workplaces into stable and closed sectors, zones, by highlighting the mobility of the labor force with their boundaries.

The signs of a segmented market are: [1, c. 10]

- territorial position - region, city, district;
- demographic characteristics - gender-age, family composition population;
- socio-economic characteristics - level of education, vocational training;
- economic criteria - the distribution of buyers by forms of ownership, by their financial condition;
- psychological indicators - personal qualities employees;
- behavioral characteristics - motivation of employment.

There are some basic segments of the market:

The primary labor market is a market that is characterized by a stable level of employment and high level of wages, as well as the possibility of professional promotion, progressive production technology, system management.

The secondary labor market is a market that is characterized by a staff turnover and unstable employment, low wages, limited in the growth of qualifications, outdated techniques and technologies. [1, c. 11]

The internal labor market is a system of social and labor relations that is limited to one enterprise.

The external labor market is a system of social and labor relations between employers and employees throughout the country, region, industry.

The open market represents the working population. Two parts are distinguished: the official part of the population, which is registered with the state employment service, the unofficial part consists of people who try to get a job through direct contacts with enterprises or with non-state employment structures [1, c. 11].

The hidden market includes workers who are employed at enterprises and organizations, but have a high probability of being without work. [1, c. 11]

There are two types of the demand: individual and total.

Total demand is a market demand of all companies, organizations etc., which exist in the market. [3]

Individual demand is the demand of an individual businessperson or a company.

Individual demand depends on:

- demand for the company's products, because workforce is needed as production resource for the production of other goods and services.
- state of production (features of the technological process, the size and efficiency of the capital, methods of organizing production and labor, etc.);
- quality of work (important influence factors are the level of education, professionalism, productivity of the employee);
- a salary that an employer can offer to employees.

An increase of the demand can be stimulated by creation of new working places, the development of non-standard forms of employment, direct investment in the creation and reconstruction of jobs [3].

The market economic situation is the ratio of labor supply and demand for a certain period, which determines the amount of wages for certain types of work and the level of employment [4].

There are 3 types of market economic situation:

- labor deficit, when there is a deficit of labor supply in the labor market;
- labor-intensive, when there is a large number of unemployed and so an excess of labor supply;
- balanced, when demand for labor amounts to its supply [4].

Each type depends on the region or field of work, by forming the common labor market in Ukraine.

So, the labor market is a leading subsystem of the national market, that creates the sphere of movement of the most important resource – labor.

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