

The world labor market and the peculiarities of its formation

T. Stoychyk

Kryvy Rih Professional Mining and Technology Lyceum, Kryvy Rih, Ukraine, stoychyk_t@ukr.net

orcid.org/0000-0002-6106-9007

This article was prepared according to the research plan of the State Higher Educational Institution “University Management Education” National Academy of Pedagogical Sciences of Ukraine “Scientific and methodical bases efficiency of public administration by continuous education in social transformations in Ukraine” (state registration number: 0116U007183).

In the article the process of globalization is considered and the magnitude of its influence is determined on various spheres of public life. Among the main features of globalization in labor relations, the author outlined the following: strengthening the social orientation of the world economy; democratization of labor relations; the internationalization of the requirements for the reproduction of the workforce; standardization of living conditions and work of people in different countries; coordination, harmonization and convergence of social policy of different states; liberalization of the conditions of the interstate exchange of labor resources.

The author draws attention to the labor market of the European Union as the most developed. At the same time, the problems that are emerging in the labor market today are identified, in particular: the reduction of the employment rate due to the low birth rate, the migration of the working age population, and hence the “aging” of the workforce. Among the factors of accelerated growth of labor productivity, which, according to the author, will contribute to the strengthening of the economy, the following are stated: reasonable growth and an increase in the number of young people who will have university education, up to 40%; sustainable growth – expedient use of resources and improvement of ecology; comprehensive growth – raising the level of employment, increasing the number of highly skilled specialists, and, as a result, strengthening social protection of the population.

The author's point is that the improvement of the social and economic status of Europe should be fostered by the development of the labor market, employment growth and the eradication of poverty. Speaking about the structure of the world labor market, a new segment is associated with the use of highly skilled professionals; the proliferation of labor force originating from regions of the world with a low level of economic development.

The article focuses on Ukraine as a labor donor country in Europe and in the world. The

author finds that the national labor markets are increasingly losing their seclusion and isolation in relation to the international labor market, both through the migration of labor and capital, and through the gradual merger of national labor markets.

The author argues that the rationalization and technical re equipment of production leads to the fact that economic growth is achieved, mainly due to increased productivity of labour. Therefore, in her opinion, such a concept as suitability for employment, characterized by a set of knowledge, skills and abilities, possession of approaches for the solution of industrial situations, as well as the ability and desire for continuous improvement and professional development, is important.

The main tendencies of the world labor market are determined and it is established that an important tool for regulating the labor market is its monitoring and diagnostics. The author defined his own position on regulating the development of the labor market in Ukraine, where the state should stimulate economic activity and increase the competitiveness of the labor force, provide conditions for the economic freedom of the active population in the labor market, provide access to opportunities for the realization of interests of labor activity.

Key words: globalization, labor market, European Union, world labor market; labor force, migration.

Introduction

The processes of globalization of the modern world economy are becoming more intense and tangible. Today there is no state capable of avoiding the influence of this process on certain spheres of public life. Globalization has a powerful impact on all aspects of the life of society in general and on the labor market in particular. The rapid globalization and intellectualization of production, market and economic activity radically change the socio economic structure of society, industrial relations and, accordingly, the labor market. In the conditions of globalization of the world economic space, the development of science and modern technologies, and the informatization of society gradually turn into decisive factors of economic growth [4].

The main indicators of the globalization of social and labor relations can be singled out as follows: strengthening the social orientation of the world economy; democratization of labor relations; the internationalization of the requirements for the reproduction of the workforce; standardization of living conditions and work of people in different countries; coordination, harmonization and convergence of the social policy of the states of the world; liberalization of the conditions of the intergovernmental exchange of labor resources [10].

Goals of article

The actual task is the scientific substantiation of the segmentation of the world labor market with the isolation of its basic structural elements, the clarification of the conditions and factors of the transformational changes taking place in this market in the conditions of globalization. Investigation of the peculiarities of the functioning of international economic relations in the unity and interaction with national strategies of economic growth.

Materials and Methods

Complex research on general problems of the formation and functioning of labor potential in the context of globalization was reflected in the works of famous scientists (S. Bandur, D. Boginya, V. Vasilchenko, A. Grishnova T. Zayets, A. Kolot, M. Krasnov, N. Pavlovskaya, V. Stetshenko, V. Shevchenko); the theory of human capital (J. Becker, G. Clark, L. Syastad); new economic theory of migration (P. Arnold, O. Stark, E. Taylor); division of the labor market into the primary and secondary sectors (L. Bach, A. Portes, M. Puey); the theory of global systems and the world economy (I. Petras, S. Sassen); the dependence of international labor migration and the world labor market (J. Johnson, E. Pletnev).

Results & Discussions

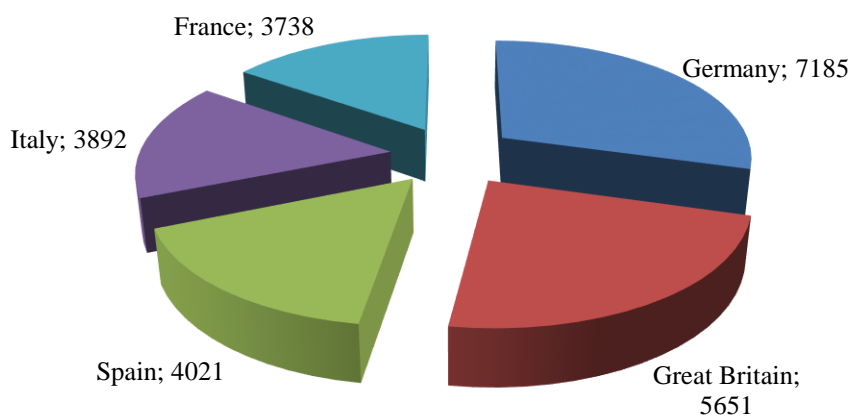
The labor market is an integral part of the economic system, since it is the labor market that generates, distributes and reproduces labor force. At present, when human capital becomes one of the decisive factors for the development of any economy, the issue of the effective functioning of the labor market becomes more and more relevant. Over the past decades, approaches to the nature of work, employment, motivation, and other aspects of its functioning have changed essentially many times.

Any country forms its labor market, taking into account national specifics, conditions and trends in the development of its own economy. Each state has its own peculiarities of labor market formation, which are caused by resource, geographical, economic, political and other reasons.

In the structure of the global economic system, the world labor market is dominated by its unified scale of criteria for the quality of labor resources, the development of new forms of employment, flexibility and high professional and territorial mobility of the combined labor force, supranational regulatory mechanisms [10].

The world labor market is a system of relations arising from the reconciliation of the demand and supply of world labor resources, the conditions for the formation of labor, wages and social protection that appeared due to the unevenness of the quantitative and qualitative placement of labor in the countries of the world and the differences in national approaches to its play.

The most developed is the international labor market in Western Europe, where there is freedom of movement of workers between the member states of the European Union (hereinafter the EU) on the basis of unified labor legislation. Currently, no country, even with rich natural resources, developed economies, science, skilled labor and a powerful domestic market, cannot remain aside from active global integration processes. At present, the largest number of foreigners (approximately 75%) live in only five European countries: Germany, Spain, Great Britain, Italy and France (fig. 1) [11].



Pic. 1. The countries of Europe where the largest number of foreigners live (the number in thousands of people).

The labor market in the EU is a certain relationship that has arisen as a result of the reconciliation of the supply and demand of world labor resources, wage conditions, protection of the population, the creation of labor, the emergence of which is caused by an uneven distribution of labor in different countries of the world and differences in national approaches to its playback.

In the EU, there is a rather low birth rate, which means “aging” the workforce, a significant increase in its average age. Older workers leave work, retire, become disabled as a result of health problems. According to analytical statistics on the development of Europe by 2020, the number of people aged 65 and over is expected to increase by 14 million and the reduction of people aged 20 – 64 by an average of 3,5 million. In countries such as Latvia and Lithuania, the decline in employment is due to the general economic downturn and budget deficit, and a significant reduction in wages. In addition, many citizens of working age emigrate from these countries. For the same reasons, the employment rate in Bulgaria is declining. Another reason for the decline in

employment is the aging of the nation – demographic reasons [2, s. 43].

The development of the common labor and employment market is of great importance for the future of economic and social prosperity in Europe. Reducing the number of workers' hands can slow down growth if it is not compensated by accelerating the growth of labor productivity.

In 2010, a Europe 2020 strategy was set up that sets specific benchmarks to be achieved by Europe by 2020 and consists of three major factors for strengthening the economy:

1. Reasonable growth is to establish a better interaction of research, innovation and scientific knowledge, which should lead to the development of the economy. It is anticipated that the amount of research funding will increase to 3% of the EU's gross domestic product. Another goal is to increase the number of young people in Europe with university education to 40%, while the number of students dropping out of education should not exceed 10%, and each person in the EU will have access to the Internet;

2. Sustainable growth: creating a sustainable and competitive economy, appropriate use of resources and improving environmental conditions, pure technologies. In this way, Europe will become less polluted, with EU resources being increased. It is proved that by reducing the import of gas and oil, you can save 60 billion euro's. Also, the low carbon economy will give an opportunity to increase the number of jobs by 2,8 mln.;

3. Comprehensive growth is aimed at achieving territorial and social consensus and raising the level of employment of the population. It is planned to increase the number of highly qualified specialists in the EU, provide 75% of people aged 20 – 64 to work and reduce by 20 million the number of people who are below the poverty line. Achievement of territorial unity will be due to economic growth and distribution in all close and far flung territories of the EU, will also combat poverty and improve the labor market, and strengthen social protection. All this will more unite society.

The Europe 2020 strategy will strengthen the economy and its various spheres, namely: social welfare, innovation and development, ecology, employment, education. “All inclusive” growth in this strategy is aimed at increasing the level of employment and labor mobility, as well as the modernization of the labor market. An example is even that, in the context of the development of environmental services or educational institutions to increase the number of highly skilled personnel, the number of jobs will be increased, which will overcome these negative features of the development of European countries. The development of the labor market, employment growth and the eradication of poverty are of great importance in improving the overall social and economic situation in Europe [7].

Struggling with unemployment in countries with economies in transition is carried out by combining passive and active programs in the labor market – providing unemployment benefits (for

a limited period of time) and facilitating job search for registered unemployed, as well as retraining, training, implementing credit programs and other programs in order to increase the chances in the labor market for job seekers. International migration is becoming increasingly global, both through an increase in the total number of migrants in the world and due to the involvement of more and more countries in the migration processes. Employment is a social indicator of the concept of a knowledge economy, the level of which indicates the social – economic development of the country.

Despite of the favorable appearance, the world economy cannot fully ensure the employment of the planet's population – in 2017, there were 192 million people out of work. Thus, the total world unemployment rate was 5.6% of the able – bodied population of the Earth [12].

The preconditions for the emergence of such a phenomenon as international labor migration are [11]:

- personal and economic freedom of a person, which allows him to freely choose the sphere of activity, profession, place of work, place of residence;
- the existence of objective inequality of the economic development of different countries and peoples, the asynchrony of the economic cycle in different countries;
- existence of objective inequality of cultural – social and demographic development of different peoples and nations;
- the international movement of other factors of production, especially capital in its physical and monetary forms, with which the workforce has interconnections as complementary, and interchangeable.

The modern structure of the world labor market is characterized, first of all, by the emergence of a new special segment that involves the use of highly qualified specialists (researchers, engineers, analysts, specialists in the field of computer science, managers), as well as the proliferation of the labor force segment that comes from the regions of the world with a relatively low level of economic development. Here a specific category of the so called illegal labor force is allocated, many streams of which are sent to industrialized countries, in particular, the United States. In different countries of the world large groups of hired labor have been formed, which are defined as “transnational labor”.

In the conditions of globalization of production, the growth of interdependence in the modern world, national labor markets are increasingly losing their seclusion and isolation. Between them there are transnational flows of labor, which are gaining a permanent, systematic character. Thus, along with the international market of goods, services and capital, the international labor market, which represents not only the sum of national markets, but also a system based on their interconnections and complementarities, is now gaining considerable significance. Due to the

internationalization of production, millions of people from economically backward countries have entered into practically direct competition with workers from developed countries.

The formation of the international labor market takes place in two ways: firstly, due to the migration of labor and capital; secondly, by the gradual merger of national labor markets, resulting in the elimination of legal, national, ethnic, cultural and other barriers between them. This leads to the formation of the so called “common labor market”. The emergence of the international labor market is evidence that global integration processes are taking place not only in the economic and technological spheres, but also increasingly extend to the spheres of social and labor relations that are now global [9, s.22].

For Western countries, an intensive process of redistribution of jobs is characteristic for the benefit of more skilled labor while simultaneously “washing out” places for unskilled workers. In these countries, 10% – 15% of all jobs are updated annually. The sector of skilled labor is constantly growing. Thus, managers and qualified specialists account for 50 – 60% of all vacancies that are opened [6, s.8].

Thus, the dynamics of the international labor market has a complex social – economic character, which is determined by the development of labor resources, national labor markets, processes of distribution and redistribution of labor. The development of the modern economy is characterized by significant changes in the employment sector in the transition to the information society. Integration of Ukraine into the global information space and the global information economy requires the definition of a strategic goal, the development of an organizational mechanism, taking into account the conditions for the transition to a sustainable development trajectory and competitiveness of Ukraine's economy [13].

The growth of the openness of Ukrainian society inevitably leads to Ukraine's increasing involvement in the international labor exchange. Growing volumes of migration from Ukraine are caused by the following factors:

- high unemployment in the country, including the hidden ones;
- the difference in living standards and wages in Ukraine and the West;
- lack of prospects for professional growth for many gifted people;
- economic instability in the country and uncertainty about ways to exit from it;
- lack of citizens' security;
- structural restructuring of the economy, privatization processes and privatization processes;
- asharp deterioration of the ecological situation in certain regions, etc.

Ukraine has also become one of the largest donor countries in Europe and in the world. According to estimates from Western scientists, the migration of a highly qualified specialist is

equivalent to investing in the economy of his chosen country a million dollars. Of course, for Ukraine, the active migration of the work force brings negative aspects, which are as follows:

- loss of the country's most active part of labor potential;
- rapid reduction of population;
- massive outflow of intelligent specialists;
- destruction of family ties, etc.

However, migration, in addition to the negative consequences, also has certain benefits, they are:

- migration reduces unemployment and softens social tensions in society;
- provides opportunities for many of our compatriots to provide their families with livelihoods;
- replenishes the budget of the country by transferring money transfers;
- solutions developed by the International Labor Organization give Ukraine the right to raise the question of obtaining compensation for the training of labor from countries – potential users of its labor resources.

At the same time, the training of new skilled specialists often lags behind the requirements of production. As the quality of labor becomes a decisive factor in the competition, entrepreneurs are beginning to consider training their staff as a priority objective of the firm's internal strategy. Many companies create special departments for retraining, increase the cost of vocational education [9, s.24].

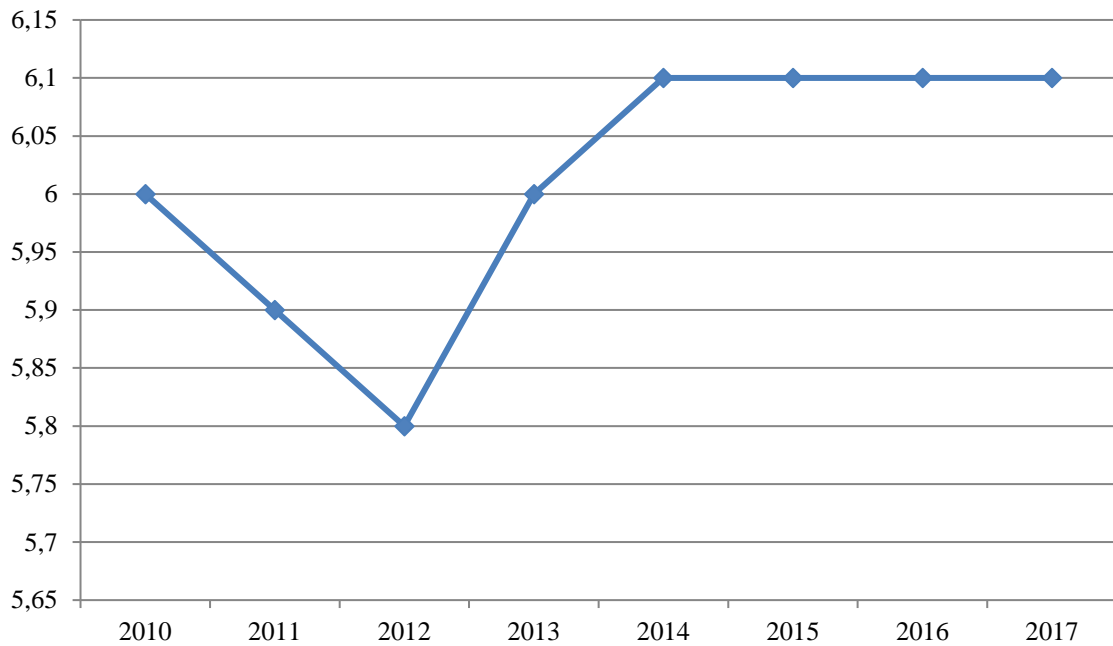
In the coming years, the situation in the labor market in Western European countries will undergo significant changes in connection with the new wave of privatization of state property. This process inevitably causes a reduction in the employed. The leaders of Western countries are confronted with the problem of unemployment, with the increasing flexibility of the labor market, which involves expanding the rights of entrepreneurs in matters of hiring and dismissal of manpower. Rationalization and technical re equipment of production leads to the fact that economic growth is achieved, mainly due to increased productivity (tab. 1, pic. 2) [10].

Table 1

Dynamics of the level of world and regional unemployment during 2010-2017, %

Group of countries	2010	2011	2012	2013	2014	2015	2016	2017
The world as a whole	6,0	5,9	5,8	6,0	6,1	6,1	6,1	6,1
Developed countries and the EU	8,8	8,4	8,4	8,6	8,6	8,4	8,2	8,3
Countries of Central and Eastern Europe (not EU)	9,4	8,7	8,1	8,2	8,3	8,2	8,2	8,2

members) and CIS								
East Asian countries	4,2	4,3	4,3	4,5	4,7	4,8	4,9	4,9
South East Asia and the Pacific basin	4,7	4,4	4,3	4,2	4,3	4,3	4,3	4,4
South Asian countries	3,9	3,8	3,7	4,0	4,0	4,1	4,1	4,2
The countries of Latin America and the Caribbean	6,8	6,5	6,4	6,5	6,5	6,5	6,5	6,6
Countries of the Middle East	11,2	11,1	10,5	10,9	11,0	10,9	10,8	10,9
North African countries	8,9	10,0	9,9	12,2	12,2	12,1	12,1	12,2
Countries of Sub Saharan Africa	7,6	7,6	7,4	7,6	7,6	7,5	7,5	7,6



Pic. 2 The dynamics of world unemployment during 2010–2017 yr. %

A characteristic feature of the current situation on the world labor market in the developed and overwhelming majority of countries with economies in transition is the high proportion of the employed population, who received higher and secondary specialized education. In leading countries, for example, the number of secondary school graduates almost equaled the number of university entrants, and the share of employees with higher education in their total number is also increasing. So today, an adult in India has 5 years of education, 6,5 years in China, 8,5 years in Brazil, 10,1 years in Germany, 11,7 years in Japan, and 11,7 years in Russia, 13,7 years, in the USA – 13,8 years, and in Canada – 14,4 years. The role of professions related to the collection, analysis, processing, storage and use of information and new knowledge is increasing [10].

The Central Institute for Occupational Safety in Poland has investigated the professions with positive dynamics of development, among them: database administrator, network administrator, an analyst of computer systems, investment advisor, tax advisor, economist, a sales informer, operator of computer equipment, agent of tourist services, agent of hotel services, tour guide, programmer,

designer of computer systems, specialist in market analysis, banking and Loan Specialist, a finance specialist [5].

Scientists consider the socially significant innovation in this area to be working at a distance using the latest technologies: virtual offices, virtual networks, the term telecommunication in the United States, teleworking in Europe.

In the development of the aggregate labor force qualitative aspect prevails over quantitative. On the European labor market, the term Employability, which characterizes a set of knowledge, skills, skills, attitudes to addressing the production situation, as well as the ability and desire for continuous improvement and professional development, becomes more and more popular [8]. The concept of suitability for employment covers a number of competencies:

- level of self organization;
- ability to work in groups;
- ability to solve specific tasks;
- communication skills and literacy;
- possession of information technologies, etc.

The need for the work of a technically trained, skilled, creative thinking force reflects the rapid growth of the educational potential of society, which marks the transition from human education to predetermined parameters for the formation of a person with mesospheric thinking. This induces a change in the professional qualifications structure of the workforce.

The results of the study [3] show that there are the following main trends in the world labor market:

- globalization and exacerbation of the impact of the financial and economic crisis, which increase the imbalance between demand and supply of labor;
- the influence of the scientific and technological revolution, which contributes to both a significant increase in labor productivity and leads to job cuts, especially in the industrial sector;
- variability affecting mature modernized societies and transitional, partially modernized societies, forming directions of “new temporality” and “new spatial”;
- dynamization, modernization, rationalization, economization, which provoke the activity of individuals of a new kind, the emergence of new social movements, new post material values, new sources of instability, new technologies, new quality of information provision;
- diversification, pluralization of employment and the emergence of a new family definition;
- the transformation of the human factor into a developed country into an object of tight capital saving into the object of its most profitable investment;
- increasing mobility of labor force, intensification of migration processes;

- dissemination of informal employment and deterioration of working conditions, etc.

In a globalized world, the international labor market represents a new level of labor market development, which ensures stronger ties between the countries of the world. Significant development of the world economy led to the intensification of the participation of countries in meeting the needs of world economies in the workforce, regardless of the place of residence of man. Therefore, the urgent need is to study the current trends in the development of the international labor market.

Conclusions

Consequently, the labor market, as a subsystem of the economy, is in a state of continuous development, during which there is a transformation of some of its elements into other, with the gradual destruction of components that do not ensure the effective functioning of the system, and the formation of new institutions capable of maintaining the sustainability of the updated labor market model. Permanent monitoring and objective diagnostics of the dynamics of the labor market structure are extremely important tools for its regulation, since they allow us to trace the main trends of its development, in particular, changes in the nature and content of labor, its state of affairs, social and labor relations, in accordance with the needs of today's entire social infrastructure work sphere, etc.

Based on the results of the study of the basic concepts of market macroeconomic regulation, it can be argued that among the key functions of the state in relation to its regulatory influence on the development of the labor market should be competitive (stimulating economic activity and increasing labor force competitiveness, ensuring conditions for economic freedom of the economically active population in the labor market , as well as providing real non discriminatory access to opportunities for the realization of its interests in labor activities) [1, s .9].

References

1. Bandur S.I. (2015). Theoretical and methodological imperatives of state regulation of the labor market in the context of reforming the economy of Ukraine. *Labor market and employment of the population*. № 2. С. 9–13. [In Ukrainian].

Бандур С. І. (2015). Теоретико-методологічні імперативи державного регулювання ринку праці в контексті реформування економіки України. *Ринок праці та зайнятість населення*. № 2. С. 9–13.

2. Dzyad O. V. (2014). The labor market of the countries of the European Union on the

path of comprehensive growth. *Economic space*. № 86. С. 40–49. [In Ukrainian].

Дзяд О. В. (2015). Ринок праці країн Європейського Союзу на шляху всеосяжного зростання. *Економічний простір*. № 86. С. 40–49.

3. Zub M. Ya. (2010). Influence of world tendencies on the processes of development of the labor market in Ukraine. *Reporter of the Khmelnytsky National University*. №6. Т. 2. Р. 88–91. [In Ukrainian].

Зуб М. Я. (2010). Вплив світових тенденцій на процеси розвитку ринку праці в Україні. *Вісник Хмельницького національного університету*. № 6. Т. 2. С. 88–91.

4. Pyash O. I. (2007). Labor market in the context of modern tendencies of globalization of economics *Scientific herald of NLTI*. Ed. 17.1. Р. 170–173. [In Ukrainian].

Ляш О. І. (2007). Ринок праці у контексті сучасних тенденцій глобалізації економіки *Науковий вісник НЛТУ*. Вип. 17.1. С. 170–173.

5. Kirichenko I. A. In search of the ideal profession, or What think about it in the world? URL: <http://profosvita.org.ua> (application date: 22.02.2018). [In Ukrainian].

Кириченко І. А. У пошуках ідеальної професії, або Що про це думають у світі? URL: <http://profosvita.org.ua> (дата звернення: 22.02.2018).

6. Migration in Ukraine: Facts and Figures. International Organization for Migration (IOM): Representation in Ukraine. 2016. 32 p. URL: http://iom.org.ua/sites/default/files/ff_ukr_21_10_press.pdf (application date: 22.02.2018). [In Ukrainian].

Міграція в Україні: факти і цифри. Міжнародна організація з міграції (МОМ): Представництво в Україні. 2016. 32 с. URL: http://iom.org.ua/sites/default/files/ff_ukr_21_10_press.pdf (дата звернення: 22.02.2018).

7. Pavlyuk T. I. (2015). Peculiarities of the labor market in Ukraine. *Global and national problems of the economy*. Issue 8. 2015. Р. 876–881. [In Ukrainian].

Павлюк Т. І. (2015). Особливості ринку праці в Україні. *Глобальні та національні проблеми економіки*. Випуск 8. С. 876–881.

8. Rashkevich Yu. M. Labor market: straight line, or triangle? URL: <http://osvita.ua> (application date: 02.26.2018). [In Ukrainian].

Рашкевич Ю. М. Ринок праці: пряма, чи трикутник? URL: <http://osvita.ua> (дата звернення: 26.02.2018).

9. Starostenko G. G. (2015). Use of labor potential in the conditions of globalization of the world labor market. *Investments: practice and experience*. №22. Р. 21–27. [In Ukrainian].

Старостенко Г. Г. Використання трудового потенціалу в умовах глобалізації світового ринку праці. *Інвестиції: практика та досвід*. 2015. № 22. С. 21–27.

10. Stolyarchuk Y.P. Modern segmentation and key trends of the world labor market. *Ukraine: aspects of labor*. 2014. №7. P. 12–17. [In Ukrainian].

Столярчук Я. П. Сучасна сегментація та ключові тенденції розвитку світового ринку праці. *Україна: аспекти праці*. 2014. №7. С. 12–17.

11. Trends and prospects for the development of the global labor market in a globalized world. URL: <https://studopedia.org/4-139005.html> (application date: 02.26.2018). [In Ukrainian].

Тенденції і перспективи розвитку світового ринку праці в умовах глобалізації. URL: <https://studopedia.org/4-139005.html> (дата звернення: 26.02.2018).

12. Experts have counted, how many unemployed in the world URL: <https://www.depo.ua/ukr/svit/fahivci-porahuvali-skilki-bezrobitnih-u-sviti-20180123713449> (application date: 02.26.2018). [In Ukrainian].

Фахівці порахували, скільки безробітних у світі. URL: <https://www.depo.ua/ukr/svit/fahivci-porahuvali-skilki-bezrobitnih-u-sviti-20180123713449> (дата звернення: 26.02.2018).

13. Yuskiv B. M. Globalization and labor migration in Europe: a monograph. Rivne: publisher O. M. Zen, 2009. 476 p. [In Ukrainian].

Юськів Б. М. Глобалізація і трудова міграція в Європі: монографія. Рівне: видавець О. М. Зень, 2009. 476 с.