

FLEXIBILITY PROBLEMS OF THE LABOR MARKET

Galyna Lutsenko

Kremenchuk Flight College NAU (Kremenchuk, Ukraine)

Valerii DRUZHYNIN

Kremenchuk Mykhailo Ostrohradskyi National University (Kremenchuk, Ukraine)

The flexibility of the labor market is one of the main problems of labor market theory and policy. Apparently, this is a simple and understandable concept, but in the literature economic benefits are widely recognized. As a rule, they can be understood as the ease of adaptation of labor market participants to changing external and internal conditions. Workers in a flexible labor market easily find new jobs, and employers slow down the work of unnecessary employees, fire them or take a new ones. The opposite side of a flexible market is a tough market, in which conditions the work changes are very complex.

The scope and flexibility of the labor market depends largely on institutional decisions, economic policies, market structure, work and qualifications of employees. The problem of the flexibility of the labor market is considered at all levels of the administrative and territorial division of the state. In macroeconomic conditions, flexibility is interpreted as a way of achieving a balance in the labor market, which is subject to distortions under the influence of demand, supply and structural changes. The flexibility of the labor market (and, in particular, demand, supply and wages) decides on the rate at which equilibrium is reached.

The literature mentions the following elements of the flexibility of the labor market: flexibility of employment, flexibility of working time, flexibility of labor remuneration, flexibility of labor supply. Flexible employment, called numerical, refers to the adaptability of the number of employees to changing economic conditions, i.e. volumes of production, labor productivity, real wages and profitability of production. In this case, unusual forms of employment take

on special significance, among which are the following: contracts for the performance of a specific task, part-time or part-time employment, periodic work or on call, work at home, remote work, teamwork, etc. Also It should be added that the importance of employment flexibility depends on the size of the enterprise's profits, the degree of protection of labor relations, the costs of entering work and dismissal. The essence of working time flexibility lies in the different ways of deviating from the standard working time (full working day), even the even distribution of working time during the week, day, and the inadmissibility of working in "antisocial hours". The main forms of flexibility of working time include: part-time work, mobile and individual working hours during the day, weeks, etc., variable weekly working hours at the plant and flexible annual work and working hours throughout the life of the service (including, for example, early retirement). Increasing the flexibility of working hours should protect employees before they are dismissed during periods of deterioration in economic conditions, during the period of employment, more employees are in direct proportion to the growth in output and those unemployed who are not interested in working under standard working hours. Flexibility of wages depends on changes in conditions on the labor market, changes in the profitability of the enterprise and labor productivity. Although the flexibility of the labor market depends on many factors (sectoral wage ratios, the proportions between the incomes of workers employed in different sectors of the economy, the level of labor supply of a certain area, the level of investment activity of economic entities and the investment opportunities for reproducing workplaces in various sectors) in many forms, but one of the most important is its institutional manifestation.

The literature mentions five institutional factors affecting the situation in the labor market: protection of employment; labor taxation; the amount and term of unemployment benefits; the ability of trade unions to negotiate; centralization / decentralization of wage negotiations. Another important factor affecting the

flexibility of the labor market is the level of the so-called compensation coefficients, in other words, the ratio between the amount of unemployment benefits and wages. Too high a level of compensation demobilizes the unemployed to find work. In terms of labor market flexibility, the compensation ratio should be relatively low. Flexibility of the employment system is a multidimensional phenomenon, and, therefore, the regulation of some of its components can lead to large fluctuations in flexibility. Therefore, there are many ways to find and find the best solutions in these conditions. In this case, empirical studies are widely used.

Based on the considerations and results of published empirical studies in the economic literature, it can be concluded that in today's economy there is a decline in the importance of trade unions and collective labor law in order to increase the importance of individual law. This indicates an increase in the scale of deregulation of labor markets. Of course, this process is very diverse, depending on the degree of integration of the market into the world market, local conditions and economic traditions.