



## DEVELOPMENT OF NON-STANDARD FORMS OF EMPLOYMENT WITHIN FUNCTIONING SYSTEM OF LABOUR MARKET IN UKRAINE

### UKRAYNA'DA İŞGÜCÜ PİYASASININ İŞLEYİŞ SİSTEMİ İÇİNDE STANDART DIŞI İSTİHDAM BİÇİMLERİNİN GELİŞTİRİLMESİ

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#### Öz

Ukrayna işgücü piyasasının işleyiş sisteminde, standart dışı yeni istihdam modelleri oluşturulmaktadır, bu da işçilerin emek potansiyellerinin gerçekleştirilme biçimini özgürce seçmelerine izin vermektedir. Standart dışı istihdam özelliklerini ve özelliklerini değerlendirmek için, çoğunlukla “gri bölge” işgücü piyasasında olduğu için dolaylı yöntemlerin kullanılması gerekiyordu. Ukrayna işgücü piyasasında standart dışı istihdam biçimlerinin gelişimi göz önünde bulundurulmuş, çalışanların ve işverenlerin istihdam ilişkileri açısından olumlu ve olumsuz yönleri tespit edilmiş, daha fazla yasal düzenleme ihtiyacı ve bu alanda yasal normlar getirilmesi uluslararası yasal çerçeveye uyum kaydedildi. Standart dışı istihdamın getirilmesinin, iç işgücü piyasasının esnekliğinin artırılmasına ve çalışanların işlerinde mesleki yeterliklerini en etkin şekilde uygulama yeteneklerinin artırılmasına katkıda bulunacağı kanıtlanmıştır. Ukrayna işgücü piyasasının işleyiş sisteminde standart dışı istihdamın düzenlenmesine ilişkin devlet politikasının tedbirleri önerilmektedir.

**Anahtar Kelimeler:** Standart Dışı İstihdam, İstihdam Biçimleri, İşgücü Piyasası Esnekliği, Hükümet Düzenlemeleri, Ukrayna

#### Abstract

In the system of functioning of the Ukrainian labour market, new non-standard employment models are being formed, these allowing workers to freely choose the form of realization of their labour potentials. To evaluate non-standard employment traits and characteristics indirect methods had to be used as this is mostly in the “grey zone” labour market. The development of non-standard forms of employment in the Ukrainian labour market has been considered, its positive and negative aspects in terms of the employment relationship of employees and employers have been identified, the need for further legislative regulation and bringing legal norms in this area to the compliance with international legal framework has been noted. It has been substantiated that the introduction of non-standard employment will contribute to the promote flexibility of the domestic labour market and to increase the ability of workers to most effectively implement their professional competence in the work. Measures of state policy on the regulation of non-standard employment in the system of functioning of the Ukrainian labour market are proposed.

**Keywords:** Non-Standard Employment, Forms Of Employment, Labour Market Flexibility, Government Regulation, Ukraine

## 1. Introduction

In recent years, in the system of functioning of the Ukrainian labour market, new non-standard employment models are being formed, these allowing workers to freely choose the form of realization of their labour potential. A prerequisite for the development of such models are large-scale changes in the socio-economic situation in the country.

First, there are significant changes in the sectoral structure of employment, in which the proportion of people working in the service sector has been steadily increasing.

Secondly, the aggravation of global competition, as well as the resulting augmentative uncertainty, increasing competition in the market and the necessity to reduce costs, requires both employers and employees to show greater flexibility in labour relations.

Thirdly, scientific and technical progress, the revolution in computer and information technologies, a rapidly growing service sector, small business need workers who could work remotely with the flexible working schedule.

Non-standard forms of employment become widespread and popular due to such factors as: informatization and computerization, increasing the information load upon workers, increasing innovation and labour mobility, the need to combine work and child care, studies and employment of young people. There is also a change in the structure of employment of the population – from the industrial sectors of the economy to the tertiary one.

Changes in the system of standard forms of employment and the development of non-standard ones are associated with the accelerated development of information and communication technologies. This allows the labour market, as the main regulator of labour relations, to stimulate the creation of

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new effective jobs, to increase the proportion of non-standard forms of employment, which will be more competitive as the result of more flexible legal regulation thereof.

Among the reserves to ensure the competitiveness of Ukrainian enterprises and to increase employment weakening of the rigidity of the labour market should be considered prospective.

Non-regular employment is usually considered to be typically non-standard one, temporary, seasonal and occasional work being its forms. Work in the informal sector is non-standard, when considering the labour sphere, whereas by the nature of the use of working time, the standard employment is the full time one. Incomplete employment and overemployment characterize non-standard use of working time. According to the type of contract, employment is recognized as standard under the employment agreement, and non-standard under a contract (independent contractor agreement, service provision agreement), because such employment is not regulated by labour law, but by the Civil Code of Ukraine.

Employment by the form of workplace organization can be considered standard in the case when a human agent is employed in the workplace in a premise provided by the employer, and remote employment, which is developing very actively today due to the spread of information and communication technologies, is defined as non-standard.

The development of the economy of a post-industrial society and the formation of an innovative model of the development of the Ukrainian economy requires state regulation of employment processes, in particular, non-standard, aimed at forming its innovative core.

To conduct research in the field of promising technologies and means of mechanization of processes performed in industry and construction, to develop innovative products in the services sector, the efforts of professionals in the field of science and technology are necessary. Innovative employment of scientists and researchers implies non-standard conditions of employment, this, as a rule, being not permanent, that is, they are employed to carry out research works under a contract that involves performing a certain work within a specified period. At the same time, the creative process of developing innovations requires concentration and dedication, which implies the use of this form of non-standard employment as overemployment. Formation of personnel potential for innovative employment is impossible without a high level of education. In the field of education, non-regular and part-time forms of non-standard employment are most common.

## 2. Literature review

The most active formation of the innovation core and the use of non-standard employment is characteristic for the enterprises of the intellectual sphere (science, IT) of the high-tech sector.

Atamas (2017) indicates, that, according to forecasts of the development of the IT industry, by 2020, there will be about 240 thousand IT specialists in Ukraine. Ukrainian IT market has been demonstrating stable growth from year to year. According to the analysis of the company PwC, the domestic IT market has recently increased by 2.5 times. During 2011-2015 it grew by 150%, and it is assumed that by 2020 it will reach \$ 57 billion. This rapid growth is easily explained by the perspective, prestige and dynamism of the IT sphere in Ukraine.

Among the areas of activity, outsourcing is most actively used in information technology activities. According to some estimates, in Ukraine 90% of IT specialists work on the basis of outsourcing. There are also certain advantages in terms of work environment: from access to advanced technology to flexible working hours in most offices. The role of outsourcing suppliers in the field of high technology has moved from manual labour to the top solutions for software architecture and full-



cycle product development.

This area of economic activity is characterized by flexible technologies for hiring and dismissing personnel, high professional and educational level of employees, the use of the latest information and communication technologies (ICT), a high proportion of new products, personnel orientation towards the use of new forms of work organization, high labour productivity, higher wages, etc. The use of new non-standard forms of employment determines promising innovative-oriented vectors of qualitative changes in the labour market.

Employees who form the innovative core of non-standard employment create and implement innovations in all spheres of economic activity. Thus, the industry forms the demand for innovative employment, since the industrial enterprises are the launching pad for innovative techniques and technology and the site where new types of products are released. Industrial enterprises can often use such non-standard form of employment as overemployment. When mastering new technologies, setting up and starting innovative technology, the working time of employees and employers may be irregular and exceed the standards established by law. Overemployment and casual employment can be used in construction when introducing innovative technologies, applying new materials and structures that make it relatively easy to erect buildings, speed up installation work, etc.

The use of non-standard employment has both its advantages and disadvantages. On the one hand, it is a factor that provides the flexibility of the labour market, but, on the other hand, it makes the position of employees in this market weaker. Thus, employers can use flexible forms of employment to reduce labour costs and increase the competitiveness of enterprises in the shortest possible time, which, in turn, expands the possibilities for preserving existing and creating new jobs. At the same time, employers have less motivation to improve the skills of their employees, which will lead to a devaluation of human capital and a decrease in the competitiveness of the national economy in the future.

According to Perehudova (2015a), employees associate non-permanent employment with a decrease in social security, low wages, and poverty. However, for most people who work in the mode of non-standard employment, such activity is often the only way to earn certain incomes, retain qualifications, a chance for employment, which reduces the risk of joining the ranks of the unemployed, a way to combine work with study, family or social responsibilities. In this case, non-standard employment can serve as a “buffer” between unemployment or the state of economic inactivity and standard employment.

Researchers take the development of non-standard forms of employment back to the mid-1970s. This time is characterized by post-industrial development and the development of labour market flexibility. Despite the ILO’s concept of decent work, the main elements of which are social protection, respect for employee rights, access to employment, and social dialogue, the ILO has been working to reduce the rigidity of the labour market, since 1994 certain barriers to the development of non-standard forms of employment have been removed. Thus, conventions were adopted aimed at reducing the rigidity of the labour market, among them: Part-Time Work Convention, 1994 (No. 175), Home Work Convention, 1996 (No. 177), Private Employment Agencies Convention, 1997 (No. 181) (International Labour Organization, 2019).

### 3. Results and Discussion

While exploring the need to create an institutional mechanism for regulating non-standard employment, it should be remembered what is meant by standard employment. The latter is full-time employment on the terms of a tenure with one employer, which provides for paid holiday, sick leave, annual leave, social insurance, opportunities for advanced training, and protection from unwarranted dismissal. Deviation from these norms determines employment as non-standard. An analysis of employment in Ukraine indicates that the said standards in a market economy are not generally respected.



Regarding the issue of the legal consolidation of the category “non-standard employment”, it should be noted that the recent amendments to the Law of Ukraine “On Employment of Population” define part-time, full and productive employment (Article 1). The same Article allows the functioning of employment intermediaries in the labour market of Ukraine, namely: business entities that provide employment mediation services – legal entities registered in the manner prescribed by law, regardless of the form of ownership, type of activity and business, as well as natural persons – entrepreneurs who provide services for mediation in employment in Ukraine and / or abroad in accordance with the said Law and other acts of legislation (Verkhovna Rada of Ukraine, 2019).

In Ukraine, the regulation of these moments when using non-standard forms of employment is based on Art. 13 of the Labour Code, Art. 7 of the Law of Ukraine “On Collective Agreements and Contracts”, in which the content of the collective agreement is adduced, in particular: mode of operation, working hours and rest, etc. and the order of the Ministry of Labour and Social Policy of Ukraine “On Approval of Methodological Recommendations for the Establishment of Flexible Working Time” dated October 4, 2006 No. 359, which specifies the procedure for introducing flexible working time, organizing the work of employees in a flexible working time environment. In 2012, the Cabinet of Ministers of Ukraine adopted the “Program to promote employment of the population and stimulate the creation of new jobs for the period up to 2017” (decree of October 15, 2012 No. 1008), the main goal of which was to expand the opportunities for population to exercise their right to decent work, to increase their income by: creating conditions for rise in the level of employment, stimulating the interest of employers in creating new jobs, preserving and developing the labour potential, increasing the role of participants in social work (associations of employers’ organizations and trade unions), interested in the transformations in the labour market. However, measures to expand opportunities in the sphere of work on the basis of non-standard forms of employment are not indicated there, and the rules for regulating non-standard employment remain imperfect.

Social and labour involvement of the population in terms of non-standard employment is characterized by meeting the needs of employment of the population in an atypical mode of work. This corresponds to the specific capabilities and interests of the person for a certain time. Social and labour rejection, being the result of the useful intentions of employers to reduce personnel costs, has a negative effect on a person’s work motivation and contributes to a decrease in income and social protection of employees. Institutional support for the regulation of non-standard forms of employment should be aimed at changing the nature of such forms from social and labour rejection to social and labour involvement of the population.

In order to reduce the socio-economic risks of non-standard employment, one should adhere to the flexicurity concept, this being combination of the flexibility of the labour market and social protection (security) of employees. The main directions in the framework of this concept is to strengthen relations between employers’ federations and trade unions to regulate the conditions of dismissal of employees, social protection of the unemployed for a long time, advanced training at the expense of the state for the speedy return of the population to socially useful activities. Examples of countries where the principles of flexicurity are respected are Austria, Denmark, the Netherlands.

Lyubokhinets (2011) indicates that providing social protection for workers in the frames of flexible employment is possible – according to L. Lyubokhinets. Studying the mechanisms of flexibility in various countries, the researcher gives examples of countries with high (The Netherlands, Great Britain, Finland, Sweden), medium (Belgium, Austria, Germany, France) and low (Italy, Spain, Portugal, Greece) levels of flexibility, concluding that this is possible based on the interests of both employers and employees.

Thus, the study of best practices in the use of non-standard forms of employment and the



implementation of the principles of the flexicurity concept by individual developed countries of the world should be the impetus for improving the development of the labour market in Ukraine. Understanding the nature and necessity of the institutional mechanism for regulating non-standard forms of employment becomes an urgent issue for employers (as an opportunity to use labour potential effectively) and employees (as a means of social and labour attraction), as well as for the state (as an opportunity to reduce social tension in the labour market of Ukraine ).

In the context of research and search for effective mechanisms of state regulation of non-standard employment in the system of functioning of the Ukrainian labour market, we consider also the positive foreign experience of such regulation.

Thus, the study of foreign experience of such regulation indicates that the norms of part-time, non-standard employment are not constant and differ not only among developed countries, but also have been changing within these countries over time. Analysis of scientific sources shows that non-standard employment concerns work schedules, working hours, salary levels and conditions of dismissal.

The priority in improving the institutional mechanism for regulating non-standard employment is connected with the need to study the priority development its forms. The study of the scale of non-standard employment by its forms in the developed countries proves the greatest popularity of temporary, part-time employment and home-based labour. However, non-standard forms of employment form only a small segment of the labour market in the developed countries. Among the forms of non-standard employment, the most common are temporary, part-time employment, on the basis of which, for example, almost 27.9% employees worked in Austria and 23.3% – in the UK. Agency labour is ranked somewhat lower, although there is a tendency for its further spread.

Despite such employment opportunities under non-standard employment, foreign and domestic scientists and trade union representatives point out that the latter are characterized by numerous deviations from the principles of the concept of decent work. There is a certain contradiction. On the one hand, an analysis of the labour market in Ukraine confirms the need to reduce the socio-economic exclusion of the population in the labour sphere, in our opinion this is possible due to non-standard employment. On the other hand, such employment increases the scale and the level of social risks. Thus, non-standard employment can be in the nature of both social and labour involvement of the population, as well as being a manifestation of social and labour rejection.

The main task of institutional regulation of non-standard forms of employment is to study the influence of institutions on the effect of social and labour relations between the subjects of the labour market. I. Dombrovskaya (2006) defines the category “institute” as an element of the socio-economic structure characterizing the attitudes, norms, rules, forms of organization governing social life, with the help of them, agreement is reached in relations between people and organizations.

Studying the nature of the institutional mechanism, Istomin (2009) notes that it should be: organizationally aimed at creating conditions for stable work of economic entities, and legally – at consolidating economic relations, which contributes to the effective implementation of the goals and objectives of the economic mechanism. He defines “the structural unit of the economic mechanism and its own organizational structure based on horizontal and vertical interaction between specific subjects and economic agents and organizing their interrelations within the economic system” as an institutional mechanism.

In our opinion, the institutional mechanism for regulating non-standard forms of employment should manifest itself in coordinating the activities of state bodies, trade unions, employers, employment agencies, employees, aimed at achieving the adaptation of labour market institutions and employment to those conditions that promote creating the maximum social and labour engagement of the people



through old institutions' transformation and adaptation to new institutions with the involvement of foreign ones through a selection function. That is, between these subjects of the labour market there should be a constant search for a compromise to achieve socio-economic goals and efficiency. The main goal of this mechanism is to minimize precarious processes in the field of non-standard employment and limit opportunistic behaviour in contractual relationships, as well as social and labour relations.

A study of the reasons for choosing agency employment, conducted by Miedema and Hesselink (2002) showed that in the Netherlands 60.9% of respondents indicated that they gained work experience, for 54.8% the reason was that they did not have a permanent job, 53.3% stated that agency employment gives the opportunity to maintain freedom and independence, for 43.7% additional temporary earnings were important, as well as for 27.2% – ability to combine family and work responsibilities.

Rantala (2003) indicates that in Finland, among the reasons for choosing agency employment, respondents indicated: an alternative to unemployment (38%), switching to a permanent job (19%), gaining work experience (15%), additional income for students (10%), additional income if there is another job (4%), alternative to permanent work (4%), combining work with family responsibilities (2%), variety of tasks (1%), free time management (1%), other (6%).

In connection with the study, it can be concluded that an intermediary appears between the organization and the staff in case of non-standard employment. Therefore, the institutional mechanism can be considered as the interaction of such parties to social and labour relations as the state, the employer, the employee and the employment agency. Consideration of the institutional mechanism for regulating non-standard forms of employment provides for the interpretation of functions in relation to the subjects of such relationships.

Thus, planning and forecasting provides for the identification of directions for the transformation of the institutional environment in the future to change work behaviour and assess the extent of non-standard employment. The regulatory function is the process of improving the means of adequate influence on the development of non-standard employment. The information function is important, which should be aimed at creating an information base and its distribution for the formation of social-labour subjects of non-standard employment. The action of the institutional mechanism provides for the creation of a certain structure of the institutional environment.

The innovation function is the change of traditional institutions based on the creation of new, more efficient institutions, perhaps by studying the foreign experience in regulating non-standard forms of employment and evaluating the effectiveness of these methods of regulation. In this case, the attitude of the population towards new institutions, conservatism or innovativeness of the population should be investigated. On the basis of this, measures for motivating citizens to more progressive social and labour behaviour should be developed.

The selection function consists in choosing the most rational institutions for regulating non-standard forms of employment based on the study and systematization of the ability to integrate or disintegrate the socio-economic environment of society.

When forming the institutional mechanism for regulating non-standard forms of employment, it is extremely important not to lose the uniqueness, originality and mentality of the labour values of society (translational function - preservation and transfer to the future) for the rational use of the transplant function – adopting and introducing advanced foreign experience in the system of regulating non-standard forms of employment.

Ensuring the effective operation of the institutional mechanism involves organizing the management process, ensuring coordinated activities of all actors (organizational function) to increase



the level of social and labour involvement of the people and reduce the effects of precariousness (social function).

Perhudova (2015b) indicates that effective operation of the institutional mechanism for the regulation of non-standard forms of employment implies the observance of the following principles:

- Scientific approach – improving the institutional mechanism on the basis of a deep knowledge of the nature of non-standard forms of employment and the study of the influence of factors on their functioning;

- Target orientation – determining the subject of the labour market, which will be assigned basic responsibility in the context of non-standard employment;

- The adequacy of measures of influence on the social and labour relations between the subjects of the labour market;

- Adaptability to the action of factors of the institutional environment;

- Interactivity – ensuring a coordinated interaction of the interests of the parties to the labour market, the presence of feedback, which is informative in nature and contributes to the improvement of coordination of subjects of social and labour relations.

- Objectivity – impartial evaluation of processes in the labour market;

- Effectiveness and efficiency – regulation should not occur spontaneously, but with a clear consolidation of responsibility in conditions of unstable employment, the costs should be justified by the socio-economic effect.

The study proves the complexity and multidimensionality of the institutional mechanism for regulating precarious work. Speaking about the ways of improvement, we, first of all, consider it expedient to decide at the state level: which social model and labour market model should be chosen as the dominant of the development of socio-economic policy in Ukraine? Among the countries of former Soviet Union there are those who have chosen the liberal model - this is Georgia. There are those who base regulatory measures on a predominantly social model – Belarus and Moldova. Mixed model is typical for Armenia and Azerbaijan.

Thus the necessary model of labour market should be determined in future. In the work of Baikov (2019), it is proposed to consider three models of employment flexibility depending on the stability / instability of employment and compliance with the interests of employers and employees, namely:

1) individual flexibility – based on the individual relationship of the worker and the employer (examples of countries is the United Kingdom and Ireland);

2) adjustable flexibility – characterized by the influence of the state on the functioning of atypical forms of employment (examples of countries: Spain, Finland, France);

3) contractual flexibility – based on collective agreements and treaties (examples of countries: Denmark, the Netherlands, Germany).

Determining the priorities for the development of the labour market should be based not only on the results of scientific research, but also take into account monitoring data on the social and optimal flexibility of the labour market that we propose to conduct by scientific institutions with the participation of the Ministry of Social Policy of Ukraine and the National Academy of Sciences of Ukraine.

According to the definition given by Zhadan (2014) “a social optimal measure of labour market flexibility is a carefully verified and time-varying balance between protective measures for an employee



and liberal labour utilization norms for an employer with an effective system for regulating employment". In our opinion, such monitoring should take into account: an analysis of the socio-economic indicators of the labour market (the unemployment rate according to ILO methodology, the natural unemployment rate, the level of socio-economic exclusion in the labour market, informal employment, the level of employment, etc.); studies of labour values and attitudes of the population towards non-standard forms of employment; assessment of social and labour responsibility of employers, employees, employment agencies, the state.

Achieving the goals of the institutional mechanism for regulating non-standard employment (social and labour involvement of the able-bodied population, increasing the use of labour potential, increasing labour productivity, increasing the social and labour subjects of the labour market) is possible due to legal regulation, given the harsh criticism of trade union organizations. They indicate a high risk for employees of such social and labour relations, namely: limiting the period of employment without prior notice to the employee; irregular, unstable work; change of working time varies at the request of the employer; low level of wages of those employed on the terms of non-standard employment, irregular payments; change of work functions, short duration of labour relations; social package restrictions; the ability to bypass the labour standards in organizations with harmful working conditions. Therefore, it is advisable in labour legislation to establish the mandatory warning of an employee to limit the period of employment with a clear installation, the regulatory definition of non-standard forms of employment, work schedule, working time, wage level, dismissal conditions.

An example of a country with fixed non-standard employment norms is Croatia, the Labour Code of which sets out the functions of recruitment agencies, establishes the procedure for concluding agreements between a company, customers and a firm that provides workers, defines the responsibilities, responsibilities of such companies and employers to employees, postulates the principle of equality between various categories of workers and defines their duties (Experience of Croatia, 2007).

At the same time, legal regulation increases transaction costs in the labour sphere and does not contribute to the active development of such forms of employment, which are necessary to maintain a certain balance of interests of employers, employees and the level of employment of the population.

The regulation of non-standard forms of employment requires an increase in the social and labour responsibility of the subjects of non-standard employment and the development of contractual employment relations. The guarantee of ensuring rational economic behaviour is the completeness of information possessed by participants in the exchange of rights, and their perfect cognitive abilities; the use of special procedures in the conclusion of the contract.

The decrease in precarization in the conditions of non-standard employment is largely determined by the professional and responsible attitude towards employees, the ethics of business relations between employers and personnel agencies. The social and labour responsibility of the state in this case consists in ensuring the protection of the rights of employees, adopting standards for regulating the activities of intermediary agencies in the labour market, conducting information and consulting work, and cooperating with trade union organizations in setting standards for non-standard employment, which corresponds to best practice worldwide.

Thus, there is an unbalanced structure of the employed population today in Ukraine. A study of the segmentation of the labour market shows an increase in the segment of non-standard employment. Despite the lack of legal regulation of unstable agency employment in Ukraine, the said form of employment is quite common. To reduce social risks, it is necessary to prioritize the regulation of non-standard employment, namely to provide a normative definition of this category, to investigate and establish the most popular and relevant forms of application. Such an approach will help to satisfy the interests of those segments of the population already working or having the need to work in conditions



of non-standard employment, and government regulation will increase social and labour responsibility in the sphere of labour of employers, employment agencies and employees (Bokov et al., 2018).

Increasing the level of social and labour involving of the population through the adaptation of non-standard forms of employment on the national labour market is possible on the basis of improving the institutional mechanism of their regulation based on monitoring the social and optimal flexibility of the labour market, regulatory fixing of work schedules, working hours, wages, conditions of dismissal and increase of social and labour responsibility of the subjects of such relations. This approach will contribute, in our opinion, to creating additional employment opportunities and to reducing the socio-economic rejection of the population in the labour market of Ukraine.

In the conditions of budget deficit and to prevent dependency attitudes of the population, we consider it expedient to develop a preventive policy of minimizing the risk of social exclusion with the implementation of social inclusion programs, to develop and maintain able-bodied members of households by promoting involvement in community service by improving the social protection system of the population, which should establish or increase the amount of income not covered by the accounting when one becomes employed or exits state dependency. This enables the beneficiary to receive more income, avoiding social assistance, the loss of which in this case is not a impetus for the formation of dependency attitudes. The study of European practices of counteracting social exclusion of citizens proves a fairly wide range of such mechanisms that are built into the system of social protection of the population, which can be a positive example for Ukraine. An important advantage of these mechanisms is the pre-emption of the “poverty trap”.

So, an interesting practice is to increase the income tax credit for low-income people, if these people meet certain requirements and file a tax return. Special exemption from personal income tax is provided. There is a practice of bonuses for returning to work or moving from part-time to full-time employment. For single parents, an increase in childcare benefits is provided for those employed. This is done to stimulate the exit of such persons out of “poverty trap” and increase the possibility of transition from low-paying jobs with the receipt of assistance to full employment and career growth. Social inclusion in the labour market can also occur through the provision of subsidies to employers when creating additional jobs. In addition to financial incentives, there are administrative and moral incentives, mitigating barriers to entering the labour market, and developing personal responsibility to minimize social risks (Neuburg et al, 2005: 39-43).

It should be noted that Art. 169 of the Tax Code of Ukraine provides for the recalculation of the tax and tax social benefits for socially vulnerable categories of citizens. At the same time, the disadvantages of the current procedure are the calculation on the basis of an underestimated subsistence minimum, a critical analysis of which is widely presented in scientific sources, and the lack of consideration of the period and amount of insurance premiums of an individual.

Our proposals correspond to the modernization plan of Ukraine, presented by the Union of Employers of Ukraine (Ukraine, 2019). Thus, the modernization of state employment policy should be carried out in the direction of comprehensive support of the economically active population, in particular of those who can make investments; creating conditions for self-realization of active entrepreneurship and, in general, compliance with the motto successfully defined by the Munich employment program: “It is better to finance work than unemployment.” Today, the best tools are to regulate employment from the position of supply and demand.

Bokov (2018) indicates that today, employment policies should focus on the transition from an economy of demand to an economy of supply based on increased investment and job creation. The main goal, which is aimed at creating new jobs, involves the achievement of priority economic policy objectives: ensuring the implementation of national projects; implementation of investment



and innovation projects in those areas of the economy that involve the employment of highly skilled workers; development of production clusters; the formation and development of infrastructure projects; formation of small and medium businesses. Ensuring effective employment requires the introduction of innovative methods of state regulation in the field of employment. Among the main instruments of such state regulation:

- improvement of labour legislation;
- ensuring a balance of supply and demand in sectoral regional labour markets;
- ensuring professional and territorial mobility of labour;
- improving the quality of jobs;
- reforming the wage system.

Improvement of labour legislation must comply with current trends in the labour sphere, which is associated with changes in the content of labour, its forms of organization in various sectors of the economy, the implementation of structural reforms, the creation of high-tech industries and infrastructure facilities. First of all, it requires legislative regulation of the issue of the use of agency employment and other new forms of labour relations, which will contribute to increasing the flexibility of the labour market. These include: expanding the scope of fixed-term labour and civil law contracts, more active use of part-time work, optimizing labour by increasing the flexibility of employment of already working employees (in particular, increasing the proportion of occupations or jobs combined), wider use of labour remote workers using information and communication technology tools for work. Increasing flexibility should not be a return to market mechanisms; new forms and methods of regulation should be used. Otherwise, this will lead to discrimination in labour relations, reduced protection of workers, and non-compliance with guarantees. Such an approach can be traced in ILO acts. According to ILO experts, a certain level of labour flexibility is acceptable in those cases when it does not destroy standard labour relations and relies on labour market guarantees, provides protection upon transfer to another job. In addition to the internship, it would be appropriate to introduce a mechanism of transit jobs, not necessarily by profession (specialty), for which education is acquired, for young people and other categories of citizens who have additional guarantees in promoting employment. All measures aimed at increasing the flexibility of labour relations regulation should be carried out while ensuring and monitoring compliance with labour laws.

#### 4. Conclusion

Further developing of the complex of measures proposed by Huk (2015) we consider that the state policy on the regulation of non-standard employment should be aimed at:

- creation of an effective system for monitoring non-standard employment and forecasting trends and changes in its individual forms;
- ensuring stable development of the economy with a minimal increase in the consumer price index to create conditions under which confidence in the future allows an employee to more flexibly act in the labour market, without unnecessary risk, agree to changing (for a certain period) employment, look for higher paid jobs for more complete meet their needs;
- facilitating a combination of employment with parental responsibilities for expanding part-time employment in Ukraine in order to create conditions for ensuring additional income and the opportunity not to lose the qualification obtained during the statutory maternity leave;
- ensuring conditions of decent employment, under which the situation of the existence of



working poverty and poverty of pensioners who are forced to use overtime and secondary employment to actively search for additional incomes is impossible;

- ensuring wage flexibility while preventing the reduction of nominal and real wages and a significant reduction in the living standards of workers employed on non-standard conditions;

- increasing in the rate of repayment of wage arrears to minimize the level of under-employment (reluctant part-time employment) in Ukraine caused by economic factors;

- growing of the investment activity of the state, which will allow to create jobs in the legal sector of the economy and remove informal workers from the shadows;

- liberalization of tax policy in order to support the development of small business and abolish the practice of concealing income through the use of informal employment, which reduces revenues to the system of obligatory state social insurance and to the state budget of Ukraine;

- promoting the development of innovative IT-employment by supporting self-employment and entrepreneurship, which the unemployed persons begin, the cause of their unemployment being demobilization from military service, that is, active youth, who, thanks to the use of information and communication technologies, have the opportunity to get access to work in economically developed regions of the country;

- legalization of remote work, in particular, non-standard IT employment, to ensure social protection in the event of job loss or temporary disability and wage increases for teleworkers.

Summing up the above, it should be noted that the introduction of the principles of non-standard employment can provide jobs for not only ordinary people, but also attract attention from people with disabilities, unemployed people, retirees, and people who can combine in-patient training with remote work. Creating favourable conditions for combining maternity, paternity and work by developing mechanisms that would promote employers' interest in hiring citizens with a high family burden, including part-time work schedule or work at home (compensation for additional expenses to the employer when introducing such a mechanism is possible at the expense of the Fund of Compulsory State Social Insurance of Ukraine in case of unemployment or through the introduction of tax benefits). Of particular relevance, these measures are for women who bring up children aged 1.5 to 3 years.

However, it should be noted that the introduction of such non-standard forms of employment and their legal regulation cannot be carried out without elaboration of the question of relevant practices in other countries of the world.

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