

LABOUR MARKET: THEORETICAL ASPECT

V.V. Popovych, N.A. Dobryanskaya
Odesa state agrarian university, Odesa

Summary. The article examines the theoretical aspects of the labour market. The author analyzes and summarizes existing approaches to the interpretation of the essence of this concept and proposed the definition from the perspective of a comprehensive and systematic approach.

Keywords: labour market, labour force, labour resources, employment.

Introduction. In a market economy one of the most important and dynamic markets is the labour market, the system of economic mechanisms, norms and institutions that ensure the reproduction of labor power and labor. Market relationships start hiring, the purchase of means of production, which leads to the production of finished goods and services. The labour market is also functionally linked to other elements of the market as a whole and the effectiveness of its functioning depends on the performance of each individual segment of the market economy.

Analysis of recent researches and publications. Problems in the functioning of the labour market, its principles and mechanism of action, causes of unemployment, the relationship between the main categories of the population in the labour market, the definition of individual factors of employment regulation highlighted in the works of various scholars: A. Marshall, K. Marks, C. Petti, A. Smith, D. Ricardo, J.-B. Sei, J. Stihlits, J. Tobin, I. Fisher, M. Fridmen, and modern scientists: S. Biliatskyi, D.P. Bohynia, A.A. Hrishnova, Ye.P. Kachan, E. Libanova, V.V. Onikienko, V.P. Onyshchenko, V. Pryimak, I.L. Petrova, A.I. Rofe, I.V. Chernyshova, V.G. Shvets, P.S. Shevchenko, V.V. Yatsenko. Despite the large number of scientific publications, a comprehensive study of the theoretical entities of the labour market-lit is not enough. Different scholars have differences in the interpretation of the meaning of the economic category of "labour market", so the definition of this market remains controversial and requires more in-depth study.

The aim of this paper is to summarize the theoretical approaches to the essence of the category "labour market" and to formulate the author's definition of this category are subject to the requirements of a comprehensive and systematic approach.

The results of the research. Today among scientists there is no definitive interpretations of the concept of the labour market, as the market in general. It should be noted that there are close in meaning definitions "labour market", "labour force", "labour resources", "employment market".

Some scientists believe that the concept of "labor market" is taken from the theory and practice of capitalist society. They propose instead that period of time, use a different "job market", as the term "labour market" replaces the term "labour

market". The object of the sale, according to these scholars, is not labor, but a person's ability to work. Some scholars believed that acceptable is the use of both terminological phrases – “the labour force market” and the “labour market”, because they are closely related and complement each other [1].

Note that the term "labour market", the most common are two points of view. The basis of one of them is the comparison of labour market processes and mechanisms of employment. Then the labor market is limited to the sphere of circulation of the labour force, it ends with the time of hiring the employee. However, in our opinion, this position narrows the functions of the labour market in the process of sale and purchase of labour force on the basis of contracts and agreements that should be considered as the current labour market.

More reasonable, in our opinion, is the position according to which the labour market. In our opinion, is the position that the labour market is a system of social relations, social norms and institutions that ensure the reproduction, metabolism (the sale price, which provides the ratio of supply and demand) and labour. This position takes into account that by the fact of employment, the actors in the labour market does not cease to be the objects of the market economy, part of which is known to the labour market. The principal difference of this view is that the labour market is seen not only as the exchange (buying and selling) of work, but also the reproduction of labour capacity and labor utilization. This kind of processes, in our opinion, it is appropriate to consider how the aggregate labor market. A similar opinion is shared by other scientists, in particular V.I. Pryimak [2, 3].

Nowadays there is no consensus on what should be considered a commodity in the labour market. Some scientists argue that on this market work is sold [4], others are of the opinion that coincides with our vision of this process is not labor, and the labor force, i.e., the ability to work [5]. There is also a vision that the object of sale in the labour market is services workforce or the results of work [6]. Regarding the employment potential of participating in social production (labor), on the one hand, it "wears out", and on the other, developed and improved. During the execution of the work every employee spends their physical and emotional energy. Together with the fact that a longer course of its work, the higher is the skill level of the performer, improve other characteristics of its employment potential. The increase in time of the withdrawal of a person from the production and social activity impairs its data employment potential. In Ukraine, the labor force has not yet received appropriate valuation, whereas the prices of other resources have already reached the world level. When you consider the skill level of the workforce, this situation creates significant obstacles to the country's economic growth. Deteriorating motivation of citizens to productive work, suppressed their activity in the labour market. This limits the potential development of social and labor relations in the sphere of employment. To assess, measure, and identify the main trends in the labour market in the case of introducing the concept of effective functioning of the labour market. It involves the balancing of demand for labor and its supply within countries, regions, areas that will contribute to the further development of social and labor relations, increasing the level of employment, adequate wages, a decent future [7].

Components of the concept of the labour market effective functioning can be: employment opportunities in the labour market, getting a decent job; creating adapted to the market economy system of social protection against unemployment, to improve employment policy in the area of labour migration; ensuring adequate remuneration, ensure a minimum income; the safety of working conditions and labour protection in workplaces; improving working conditions of women, ensuring equal employment opportunities; creation of conditions for expansion and constant updating the Bank of vacancies, the cooperation of enterprises, institutions, organizations with the state employment service; ensuring effective cooperation between employment services to employers; reduction of inefficient jobs, modernization and creation of new ones; the promotion of flexible employment forms with the aim of reducing working time and increase the free; providing jobs to the youth, development of cooperation between educational institutions and enterprises; training and retraining of workers; the development of production and the creation of new jobs in rural areas; state aid to depressed areas; introduction of the state order system and paid public works.

In the modern market economy it is no longer enough to talk about the labour market as the market of living labour. There is strong evidence of inclusion to the labour market and job market, because really and constantly, there are demand and supply. Such a conclusion can be drawn based on the reasoning that the economy of the entrepreneur, which is also the employer, brings together the work of many workers so that each of them is assigned to a particular workplace, and all jobs are linked technology and internal corporate industrial cooperation. Therefore, the entrepreneur, buying labour, however, invites the employee to work at a particular workplace. In turn, workers selling their labour power, creates demand for a particular workplace. Therefore, the transaction of purchase and sale of the workforce will occur only when the workplace complies with the requirements of the employee and vice versa. All this means that the employee and the employer-entrepreneur equally act on the labour market as owners: employee as the owner of the commodity "labour power", and the employer-entrepreneur as the owner of his household and of all jobs in this sector, as well as the money which he pays to the employee. Thus, the labour market covers the labour force and the job market.

Different wording of the labour market are such aspects as: coverage stages of the process of labour force reproduction; the matching of labour demand and supply; the nature of the relationship and the mechanism of interaction between employers and employees; the state nature of labour market; coverage of groups (human resources, labour force, wage labour force); coverage of the mechanisms labour market; the degree and level of social production [8, 9, 10].

Mainly the labour market is defined as an institution or mechanism in which buyers and sellers carry out the processes of sale and purchase of the commodity "labour force", entering into relations of commodity exchange. It is obvious that the definition of "labour market" much attention is paid to the exchange by the fact that this area plays a significant role in the system of social production, and it processes the purchase and sale of goods.

In addition, the reasoning of the domestic researchers significantly influenced by Marxist theory. After all, exploring the mechanism of functioning of a market

economy under capitalism, K. Marks argued that the working force as "the combination of physical and spiritual abilities possessed by an organism, a living person", is a commodity, and the relations of production based on free sale and purchase of labour, where it was estimated to vary around the value given by the form of which is the salary [11].

In our opinion, have now changed their attitude to the labour force and entrepreneurs, in particular in relation to the quality of the labour force: professional development, professional training and general education, creative attitude to work, high quality work, but also in terms of social guarantees, etc. This has forced employers to actively engage in training through the advancing material costs staff training and material support to those who learn and participate in the formation of social insurance funds. Therefore, the mechanism of the labor market outside the exchange process of the labour force, piercing and other phases of reproduction of this specific product.

To narrow the understanding also leads to the consideration of the labour market as a mechanism for coordinating the demand and supply of labour and employment assurance scheme unemployed. In addition, a review of the current operation of the labour market from the point of view of its explicit regulation also makes us consider first the problem of employment for the unemployed on the level of social production, ignoring the problems associated with primary production.

One of the features of the labour market is the fact that in modern conditions it permeates not only the phase of exchanging commodity "labor force ", but also the production, distribution and use of the workforce. It should be noted that the relationship of the purchase and sale of labour force continuous from the moment of hiring employees to their dismissal. That is, the labour market exists not only outside of business, but also in the economy of the entrepreneur. Those who believe that workers employed in workplaces firms are not on the labour market, i.e. are not in the relation of purchase and sale their workforce with the entrepreneur and do not offer their goods are so wrong. It is not, true the entrepreneur makes a demand not only on the labour force those who are not employed at a company and looking for work. He is also eyeing to employees, which have concluded an employment contract (contract), offering them better terms of employment, when looking for the needed workers for new or vacant jobs. At the same time there are many people among employed who are looking for work or other enterprises with more favorable terms of employment. Finding such job, they are removed and transferred to other enterprises or to other jobs at the same company.

In these definitions of the labour market or labour force there is a significantly desire of various authors to give a brief but comprehensive formulation of this concept. If his based on the labour market of free competition, mainly in the definition phase is the exchange of labour to fund the necessities of life; if, however, the it is based on the modern regulated labour market, they inevitably deviate in the direction of state regulation of employment.

In addition, in the above formulations it can be clearly traced two methodological approaches to the analysis of the essence of the labour market: the

dialectical method of the socio-economic analysis of the phenomena and functional method.

From the perspective of the dialectical method, the labour market is seen as a set of relations between people in relation to the reproduction of the labour force, which corresponds to the theory of K. Marks on the relationship between industrial relations and the level of development of the productive forces of society. This method is based on the primacy of production in the process of reproduction and on the theory of labor value.

The functional approach, characteristic of modern Western economic theory in the analysis of the essence of the labour market comes from the functional-economic relationships and the "technology" of the labour force movement in the market. In this approach, the labour market is seen as a means of reproduction of labour capacity, as a form of personal functioning of factor of production and as a form of human capital development.

Organically complementing each other, both approaches give the opportunity to comprehensively analyze the nature of the labour market as an economic form of the functioning of the labour force in a market economy. Socio-economic studies, on the one hand, a deeper understanding of the functional relationship between economic phenomena and processes, to explore and learn in-depth economic interests, needs and relationships. Functional analysis, on the other hand, complements the information obtained knowledge of specific mechanisms in the labour market, provides a quantitative assessment of the situation that is the basis for the conduct of economic policy.

Summarizing the above opinions, we can conclude that, by defining the concept of "labour market", we must proceed from the requirements of a comprehensive and systematic approaches. A comprehensive approach to the definition of this concept is the inclusion of organizational-economic, socio-psychological, legal, technical, educational and other aspects in their entirety and the relationship with the dominant role of socio-economic aspects. A systematic approach reflects consideration of the relationship between the individual, aspects of labour market mechanisms and their elements and means the development of the ultimate goals, identifies ways to achieve them.

Conclusions and prospects for further researches. Therefore, defining the concept of "modern adjustable labour market" (market of free competition now does not exist) as part of a market economy, we emphasize that this is, firstly, the category describing the system of socio-economic relationships with commercial permeate phase of individual labour reproduction (production, distribution, exchange and use), all levels and stages of social production and subject to market conditions, system of social partnership, lawful, legal, ethical norms and national traditions, and secondly-it is a system of mechanisms:

a) sale and purchase of labour force: valuation and rates of labour force; arranging of labour and social insurance; provision of working conditions and safety;

b) the employment of hired labour as part of the employment assurance scheme of the entire population; social protection of employees as part of the mechanism of social protection of the entire population;

- d) the formation and development of the workforce;
- e) coordination of demand and supply of labour etc.

The implementation of the employment relationship is based on mechanisms of supply and demand determines the quantitative and qualitative parameters of reproduction of the labour force. The result is a balance of workers and employers interests which contributes to the development of the national economy. Further research will be focused on the statistical investigation of the current market situation.

References

1. Bialiatskyi S. New global trends in the labour market / S. Bialiatskyi, A. Hahluk, I. Miroshnychenko // Ukraine: aspects of the work. - 2002. - № 4. - P. 3-8. – (in Ukrainian).
2. Pryimak V.I. Regional labour markets: the transformation and regulation mechanisms: [monograph] / V.I. Pryimak. - Lviv: Publishing House. center LNU named after I. Franko, 2003. - 264 p. – (in Ukrainian).
3. Pryimak V.I. Labor potential and mechanisms of its implementation in the region: [monograph] / V.I. Pryimak. - Lviv: Publishing House. center LNU named after I. Franko, 2002. - 383 p. – (in Ukrainian).
4. About improvement of state regulation in the sphere of employment and labour market in Ukraine : Decree of the President of Ukraine dated July 11, 2005 [Electronic resource]. - Mode of access: // <http://zakon.rada.gov.ua/cgi-bin/laws/main.cgi?nreg=640%2F2002>. - Name with the title. screen. – (in Ukrainian).
5. Libanova E. Labour Market and social protection: [manual.] / E. Libanova, A. Paliy. - K.: Fundamentals, 2004. - 491 S. – (in Ukrainian).
6. Rofe A.I. Labour market, employment, resource economics for work: [textbook. manual] / A.I. Rofe, B.G. Zbyshko, V.V. Ishin, [edited by Professor A.I. Rofe]. - M.: Publishing house "MICK", 1997. – 235 p. – (in Ukrainian).
7. The concept of the effective functioning of the labour market in Ukraine in the context of EU integration [Electronic resource]. - Mode of access: <http://www.europeans.org.ua/konsepsia.htm>. - Name with the title. screen. – (in Ukrainian).
8. Kachan Ye.P. Allocation of productive forces of Ukraine / Ye.P. Kachan. - K.: High school, 1997. - 326 p. – (in Ukrainian).
9. Economics of enterprises: [textbook. manual. for universities] / Ed. by A.V. Segda. - [2nd ed., the stereotype.] - K. : Knowledge Press, 2002. - 336 p. – (in Ukrainian).
10. Economics of enterprises: [educational.] / Ed. I. M. Petrovic. - Lviv: a New world, 2004. - 680 p. – (in Ukrainian).
11. Marks K. Composition: 50 T. / K. Marks, F. Engels. - [2nd ed.]. - M.: Politizdat, 1955-1981. - 1978. - 286 p. – (in Ukrainian).

Попович В.В., Добрянская Н.А. Рынок труда: теоретический аспект

Аннотация. В статье исследуются теоретические аспекты рынка труда. Автором проанализированы и обобщены существующие подходы к

толкованию сущности данного понятия и предложено его определение с позиции комплексного и системного подхода.

Ключевые слова: рынок труда, рабочая сила, трудовые ресурсы, занятость.

Попович В.В., Добрянська Н.А. Ринок праці: теоретичний аспект

Анотація. У статті досліджуються теоретичні аспекти ринку праці. Автором проаналізовано та узагальнено існуючі підходи до тлумачення сутності даного поняття та запропоновано його визначення з позиції комплексного та системного підходу.

Ключові слова: ринок праці, робоча сила, трудові ресурси, зайнятість.