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## STATE AND PROSPECTS OF DEVELOPMENT OF THE MODERN LABOR MARKET OF UKRAINE

**Bessonova Anna\***, Assistant at the Department of Enterprise Economics  
State Higher Education Institution "Pryazovskyi State Technical University"

\*ORCID 0000-0003-4747-1187

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**Introduction.** The labor market is most often presented as a system of economic relations arising between an employer, who is willing to increase the efficiency and profitability of his business by hiring employees, and employees, who are looking for paid work and are ready to start it. The labor market is a kind of mirror of the internal situation in the country due to crises, geopolitical changes and emergency situations.

Ukraine's labor market has undergone several major changes in recent years: the first Russian invasion in 2013–14, the pandemic of 2020–21, and a full-scale war with Russia in 2022 significantly affected the scale of mortality, migration and business bankruptcy, and therefore the main indicators of the general situation on the labor market – the number of employed and unemployed also changed. The author conducted a detailed analysis of the number of unemployed in Ukraine from 2016 to 2021, the number of employed in Ukraine as a whole and separately in industry and metallurgy for the period from 2010 to 2021.

**Overview of recent research and publications.** Labor market analysis will always be a relevant area of research for many scientists. The methodology of labor market analysis is described in the works of Paul Maarek [8], Johannes Geyer [9], Helene Juillard [10]. The works devoted to a general survey of the situation on the labor market of Ukraine are by Makarchuk O. [5], Goncharenko N. [6], Hlinchevska S. [7].

The challenges of the Ukrainian labor market are reflected in the works of Aksonova I. [11], Blyzniuk V. [12], and the prospects of its future development – in the studies of Pyshchulina O., Markevych K. [13], Jean-Christophe Dumont [14], and Kasper Andersen [15].

**Formulation of the problem.** The purpose of the article is to study the trends in the labor market of Ukraine for the period from 2010 to 2021 by analyzing the employed and unemployed population with a special focus on the field of metallurgy.

**The basic material and the results.** The analysis of the number of employees in business entities in Ukraine for 2010–2019 showed that the highest indicators were observed in 2010, when 11 million people were considered employed, of which 2.8 million were individual entrepreneurs or their employees. In 2013 and 2014, due to the first invasion of the Russian army in Ukraine, the number of employed people significantly decreased (by about 11.66% compared to 2012), as the country faced a significant crisis in all spheres of activity and production, a large part of the population remained in the occupied territory or was forced to leave Ukraine. In 2017–2018, although a slow but steady process of labor force recovery began, the number of employed people in Ukraine began to gradually increase again. In 2019, about 9 million people were considered employed, which is more than 10,93% compared to the statistically worst year 2016 (Table 1). In all the years of the study, a steady increase in the number of individual entrepreneurs and their employees was observed.

Analysis of the number of employed workers in Ukraine for 2010–2019

Number of persons employed of business entities excluding banks			
Years	total, persons	Including natural entities- entrepreneurs, persons	in % to the total of business entities of corresponding type of economic activity
2010	10772790	2814538	26,1
2011	10164516	2371410	23,3
2012	9957533	2277866	22,9
2013	9729076	2322582	23,9
2014	8796671	2498180	28,4
2015	8180031	2290330	28,0
2016	8108325	2307185	28,5
2017	8141038	2328116	28,6
2018	8532430	2572956	30,2
2019	9017813	2610276	28,9

Source: created by the author from data [1]

The general trend of changes in the number of employees in Ukrainian enterprises is shown in Figure 1:

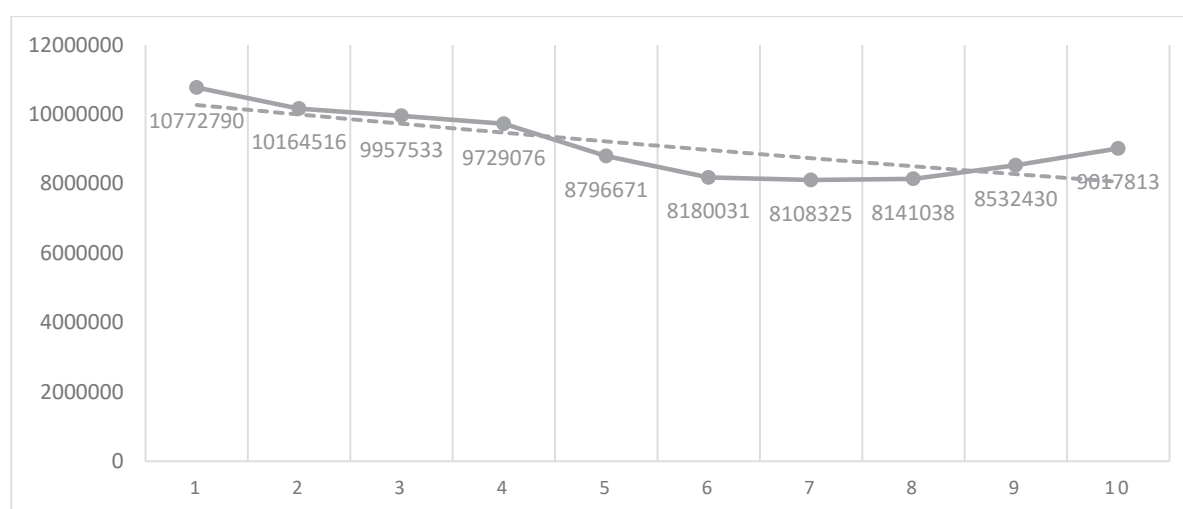


Figure 1. Change in the number of employed workers in Ukraine for 2010–2019, persons

Source: created by the author from data [1]

However, although there are no publicly available statistics on the number of people employed during the pandemic, data on the number of unemployed indicate another crisis in the labor market and a decrease in the number of people employed. Moreover, after the end of the full-scale war, which began in February 2022 and is still ongoing, Ukraine will face the most acute crisis in the labor market in the entire history of independence, because a very large number of people were killed at the front or during shelling, and an even greater level of losses in the labor market will relate to severely injured people who will no longer be able to work effectively or will lose their ability to work as a result of the injury.

The author analyzed the total number of employees in industry and separately in metallurgical production. Contrary to the general trend, the number of people employed in industry and separately in metallurgy is constantly decreasing (Table 2). This is due to the active development of IT specialties, which are better paid and have more comfortable working conditions, the constant decline in the image and popularity of physical work in factories, and the requirements of the pandemic – a decrease in direct contact between employees and a preference for remote work.

As can be seen from the data of the analysis, the number of workers in industry and separately in metallurgical production is constantly decreasing. This is shown in Figures 2-4.

Table 2

Analysis of the number of employees in industrial and metallurgical production, 2010–2019

Number of persons employed of business entities				
Type of activity	Year	total, persons	Including natural entities-entrepreneurs, persons	in % to the total of business entities of corresponding type of economic activity
Industry	2010	3291924	200105	6,1
	2011	3220837	174971	5,4
	2012	3209552	183147	5,7
	2013	3103735	178844	5,8
	2014	2606348	176729	6,8
	2015	2417869	165735	6,9
	2016	2351522	174640	7,4
	2017	2334361	182708	7,8
	2018	2317627	207601	9,0
	2019	2254441	198069	8,8
Manufacture of metal products, except machinery and equipment	2010	377578	17352	4,6
	2011	353201	13992	4,0
	2012	358142	14261	4,0
	2013	329491	13916	4,2
	2014	295160	14709	5,0
	2015	272862	14177	5,2
	2016	248095	14578	5,9
	2017	237480	14355	6,0
	2018	232371	15856	6,8
	2019	220269	15196	6,9
Metallurgical Production	2010	265360	585	0,2
	2011	243155	662	0,3
	2012	242775	490	0,2
	2013	213328	459	0,2
	2014	199240	483	0,2
	2015	183651	391	0,2
	2016	160370	429	0,3
	2017	146633	443	0,3
	2018	135490	485	0,4
	2019	123740	467	0,4

Source: created by the author from data [1]

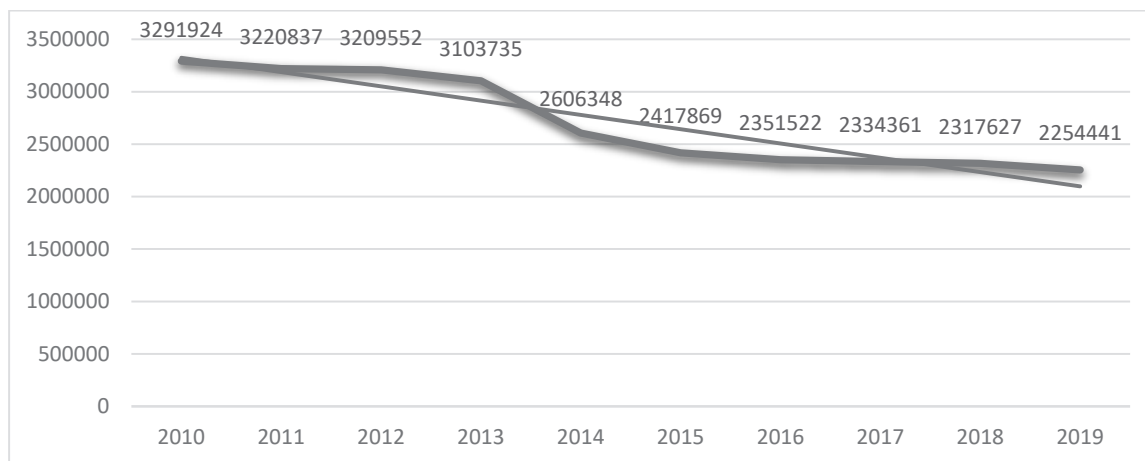
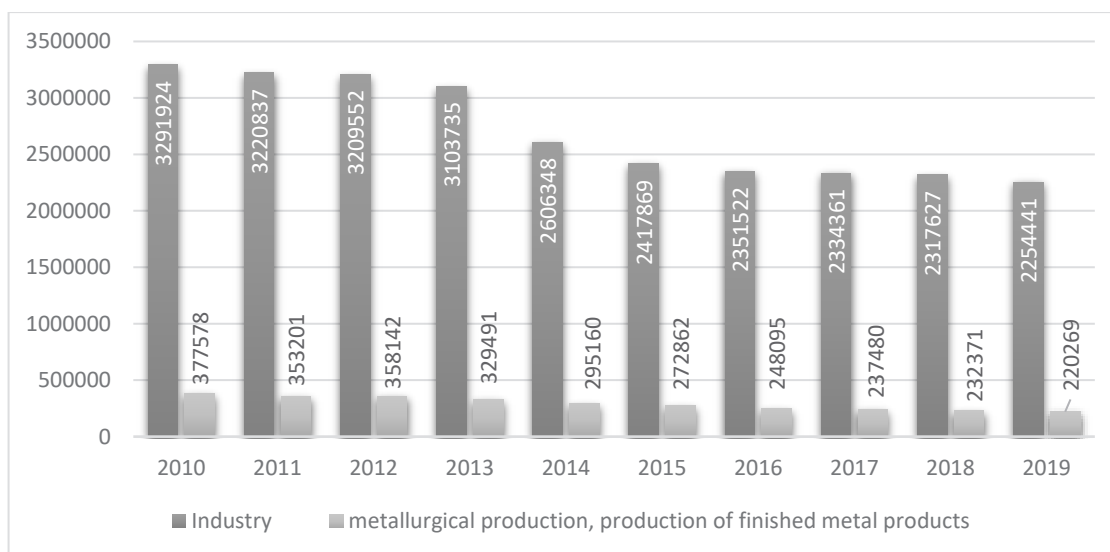


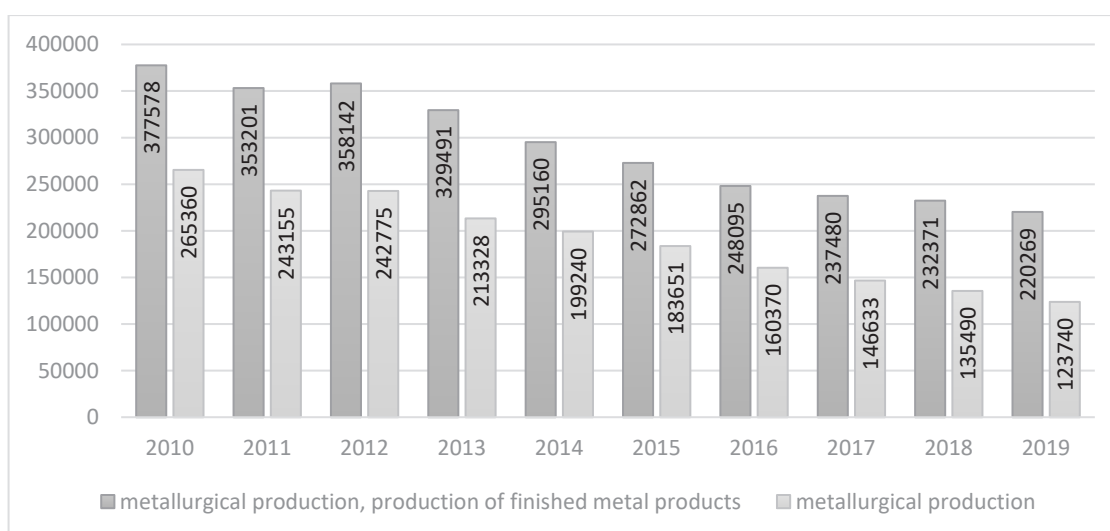
Figure 2. Number of persons employed in industry, 2010–2019

Source: created by the author from data [1]



**Figure 3. The number of people employed in metallurgy compared to industry as a whole, 2010–2019, persons**

Source: created by the author from data [1]



**Figure 4. Comparative analysis of the number of employees in metallurgical production and production of finished metal products and separately in metallurgical production, 2010–2019**

Source: created by the author from data [1]

In contrast to the study of the number of employees, the author also analyzed the level of unemployment in Ukraine for the period from 2016 to 2021.

The analysis of the number of officially registered unemployed in 2016-2019 showed that the number of unemployed increases in the winter months of the year, and significantly decreases in the summer, which can be explained by seasonal work abroad, agricultural work and water resorts. From the analysis data it can be seen that 2018 was statistically the best year in the studied period, because then all categories of data reached their lowest values – on average only 299.7 thousand people were registered as unemployed during the year (Figure 5).

The worst year in the analyzed period was 2016, with the highest unemployment rates in the last four years – an average of 403 thousand people. This is due to the consequences of Russia's first invasion of Ukraine and the occupation of part of two regions of the country, which were considered to be among the most densely populated. The general trend of the number of unemployed in Ukraine was a gradual decrease in the level of unemployment from year to year (about 403 thousand in 2016, 351 thousand in 2017, 299,7 thousand in

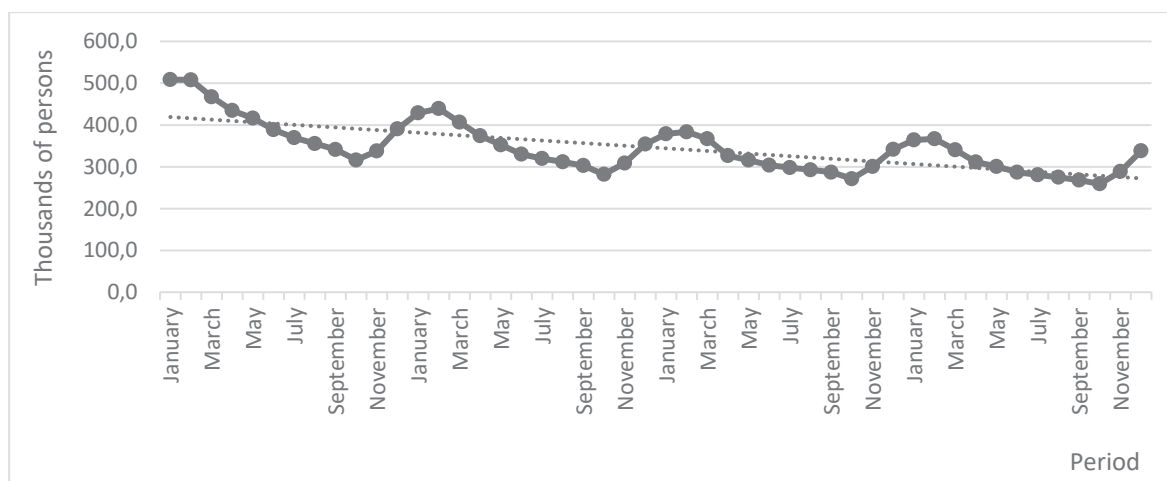


Figure 5. Analysis of the number of unemployed in Ukraine for 2016–2019

Source: created by the author from data [2]

2018), but in 2019 the number of unemployed increased to 306.8 thousand people on average per year. The study shows that in the average number of unemployed women make a larger share by gender (from 54.25% to 55.16% of the total number) [4].

In addition, the analysis of 2019 made it possible to reveal in more detail the rates of change in the number of unemployed in Ukraine during the year (Figure 6).

Table 3 shows general data on the number of unemployed in Ukraine for each month from 2016 to 2019 in general by country, as well as separately by gender. The author also calculated the percentage ratio of the unemployment rate of women and men, as well as the average number of unemployed for each year of analysis.

As can be seen from the graph, during the warm months of the year the number of unemployed decreases (due to work in tourism, recreational facilities, seasonal work in agriculture), and in winter the number of unemployed begins to increase again.

The author conducted a study of the total annual number of unemployed in Ukraine for the period from 2017 to 2021. The results of the analysis are presented in Table 4.

As can be seen from the research data (Figure 7), from 2017 to 2019 there was a constant decrease in the number of unemployed in Ukraine: in 2018 the number of unemployed decreased by 7,03% compared to the previous year, and in 2019 the rate of decrease was -5,76% compared to 2018 and -12,38% compared to 2017. However, in 2020 Ukraine experienced a significant crisis in the labor market due to COVID-19, many enterprises (especially in the service and restaurant sector) could not function during the quarantine and in the new

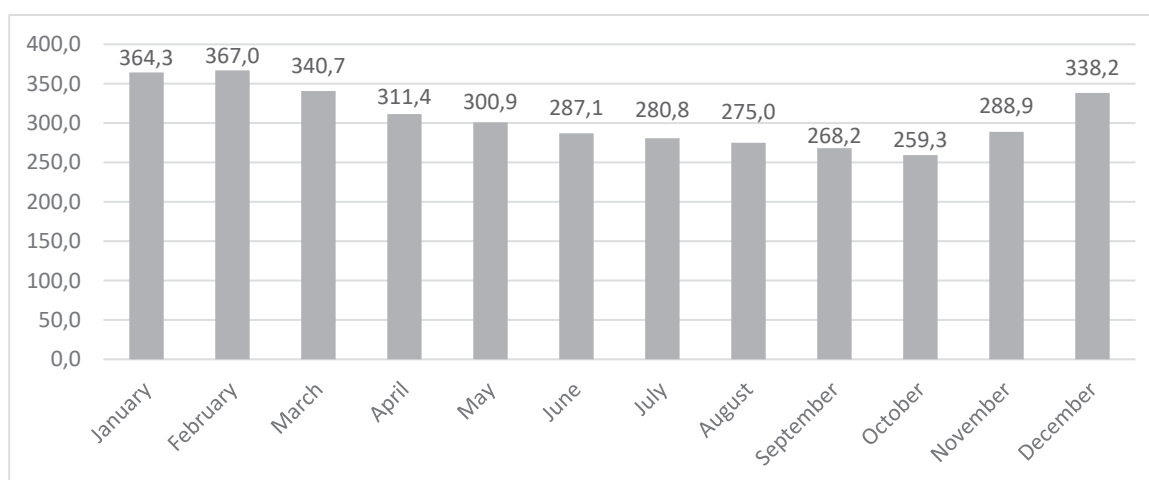


Figure 6. The total number of registered unemployed by month in 2019, thousands of people

Source: created by the author from data [2]

Table 3

## Research of the number of unemployed people in Ukraine for 2016–2019, thousands of people

	Years	January	February	March	April	May	June	July	August	September	October	November	December	Average	Percent
Total	2019	364,3	367,0	340,7	311,4	300,9	287,1	280,8	275,0	268,2	259,3	288,9	338,2	306,8	100,0
	2018	378,9	383,7	366,9	326,8	316	303,9	298	292,8	287,1	271,4	301	341,7	299,7	100,0
	2017	429	439,4	406,8	374,2	352,6	330,2	319,9	311,9	303	281,9	309	354,4	351,0	100,0
	2016	508,6	508,2	467,5	434,7	416,4	388,9	369,7	355,7	341,5	316,2	337,9	390,8	403,0	100,0
Female	2019	190,9	193,5	189,6	180,6	172,7	165,4	162,4	159,5	155,3	155,8	164,5	177,3	172,3	56,15
	2018	197,4	200,5	197,9	187,2	181,3	175,7	173,2	171	167,2	165,7	174,4	184	167,5	55,88
	2017	211,5	218,5	214,6	203,7	192,8	182,2	178,6	176,1	171,9	168,3	177,6	189,5	190,4	54,25
	2016	279,1	277,3	264	247,4	231,9	214,8	203,6	194,7	186,4	180,3	184,5	196,6	221,7	55,02
Male	2019	173,4	173,5	151,1	130,8	128,2	121,7	118,4	115,5	112,9	103,5	124,4	160,9	134,5	43,85
	2018	181,5	183,2	169	139,6	134,7	128,2	124,8	121,8	119,9	105,7	126,6	157,7	132,3	44,12
	2017	217,5	220,9	192,2	170,5	159,8	148	141,3	135,8	131,1	113,6	131,4	164,9	160,6	45,75
	2016	229,5	230,9	203,5	187,3	184,5	174,1	166,1	161	155,1	135,9	153,4	194,2	181,3	44,98

Source: created by the author from data [2]

Table 4

## The number of unemployed people in Ukraine for the period 2017–2021, thousands

Unemployment of the population in 2017–2021		
All population aged 15-70 years	from January to December	
	thousands of people	in % to the economically active population of the corresponding age
2017	1698,0	9,5
2018	1578,6	8,8
2019	1487,7	8,2
2020	1674,2	9,5
2021	1711,6	9,8

Source: created by the author from data [3]

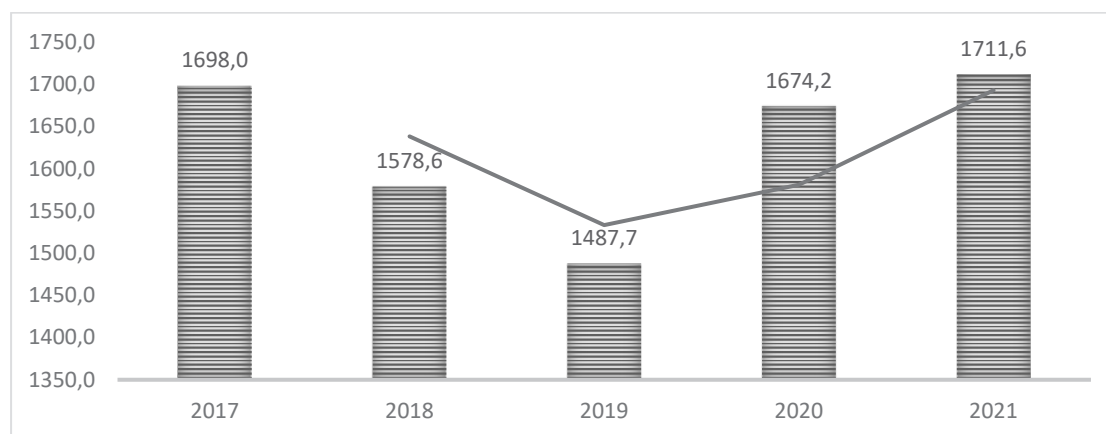


Figure 7. The number of unemployed people in Ukraine for 2017–2021, thousands

Source: created by the author from data [3]



post-quarantine conditions, and were forced to stop business and lay off workers. Thus, the unemployment rate in 2020 increased sharply by 12.54% compared to 2019, and in 2021 the situation worsened: the number of unemployed increased by 2.23% compared to 2020 and by 15.05% compared to 2019. Also, in 2021 the unemployment rate reached (and exceeded) the initial period of the analysis for the first time – the number of unemployed in Ukraine exceeded the 2017 figure by 0,8%.

**Conclusions.** Therefore, the data of the conducted research show a heterogeneous picture of the labor market of Ukraine. It was significantly affected by the invasion in 2013–14 and the global pandemic in 2020–21, as a result of which the unemployment rate increased significantly. The country has gone through several serious crises, and in 2022 faced the worst crisis in the entire history of independence – a full-scale war, which significantly affected absolutely all spheres of state functioning. The labor market also suffered great losses as a result of the war: dead from shelling, dead and seriously wounded soldiers, and refugees fleeing the war became irreversible losses of the working population of Ukraine, and in the future the general situation on the labor market will become increasingly difficult.

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UDC 331.5

JEL J21, J64

**Anna Bessonova**, Assistant at the Department of Enterprise Economics, State Higher Education Institution "Pryazovskyi State Technical University". **State and prospects of development of the modern labor market of Ukraine.**

The labor market is understood as a system of social relations associated with the hiring and supply of labor, or its purchase and sale. The price of labor is wages. On the labor market one side (sellers) is represented by persons looking for suitable work, the other side (buyers) is represented by employers – entrepreneurs or their representatives. The labor market is in constant motion. The processes that take place in the labor market are inseparably

connected with the demographic situation in the country, the dynamics of various age and gender groups, birth and death rates, and in the case of Ukraine, the global pandemic and full-scale war have also changed the labor market. The purpose of the article was to study the general trends in the labor market of Ukraine (the number of employed and unemployed) with a separate immersion in the field of metallurgical production. The overall system of the labor market in Ukraine is ambiguous and constantly changing under the influence of mostly external factors. The system was affected by the first invasion in 2013–14, the global COVID-19 pandemic and active hostilities in the country in connection with the full-scale invasion of Russia. By 2019, the number of unemployed in Ukraine was gradually decreasing, but the pandemic hit small businesses and the service sector hard, causing many people to lose their jobs. The situation on the labor market did not have time to stabilize due to the outbreak of the war, which had an immeasurable impact on the entire country. Many people were killed, injured, or lost their homes and businesses, which will certainly affect the future picture of the Ukrainian labor market. It will take decades to rebuild the country's workforce. Separately, the metallurgical industry was considered in comparison with the industry as a whole. In this sector, the employment situation is constantly deteriorating, as people prefer more comfortable working conditions than the factories can offer. And after the pandemic, various remote jobs, especially in the IT sector, gained the most popularity. Steel mills cannot operate remotely, so the outflow of people from this area will continue to increase.

**Keywords:** labor market, employment, unemployment, metallurgical industry staff, natural entities-entrepreneurs.

УДК 331.5

JEL J21, J64

**Бессонова Анна Володимирівна**, асистент кафедри економіки підприємств, Приазовський державний технічний університет. **Стан та перспективи розвитку сучасного ринку праці України.**

Під ринком праці розуміють систему суспільних відносин, пов'язаних з наймом і пропозицією робочої сили або з її купівлею-продажем. Ціною робочої сили є заробітна плата. На ринку праці одну сторону (продавці) представляють особи, які шукають підходящу роботу, іншу (покупці) представляють роботодавці – підприємці або їх представники. Ринок праці знаходиться в постійному русі. Процеси, що відбуваються на ринку праці, нерозривно пов'язані з демографічною ситуацією в країні, динамікою різних вікових і статевих груп, народжуваності та смертності, а у випадку України глобальна пандемія та повномасштабна війна також мали свій вплив на зміни на ринку праці. Метою статті було дослідження загальних тенденцій ринку праці України (кількості зайнятих та безробітних) з окремим заглибленням у сферу металургійного виробництва. Загальна система ринку праці в Україні є неоднозначною та постійно змінюється під впливом переважно зовнішніх факторів. Система постраждала від першого вторгнення в 2013–14 роках, глобальної пандемії COVID-19 і активних бойових дій в країні у зв'язку з повномасштабним вторгненням Росії. До 2019 року кількість безробітних в Україні поступово зменшувалась, але пандемія сильно вдарила по малому бізнесу та сфері послуг, через що багато хто втратив роботу. Ситуація на ринку праці не встигла вирівнятися через початок війни, яка мала невимірний вплив на всю країну. Багато людей загинули, отримали поранення або втратили домівки та бізнес, що, безумовно, вплине на майбутню картину українського ринку праці. Для відновлення трудового ресурсу країни знадобляться десятиліття. Окремо розглядалася металургійна промисловість у порівнянні з промисловістю в цілому. У цій сфері ситуація із зайнятістю постійно погіршується, оскільки люди віддають перевагу більш комфортним умовам праці, ніж можуть запропонувати заводи. А після пандемії найбільшої популярності набули різноманітні дистанційні вакансії, переважно в ІТ-секторі. Металургійні комбінати не можуть працювати дистанційно, тому відтік людей з цієї сфери постійно зростатиме.

**Ключові слова:** ринок праці, зайнятість, безробіття, персонал металургійної промисловості, фізичні особи-підприємці.