

# The labor relations of Ukrainian youth

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## Introduction

The problems of young people in Ukraine have always been the focus of prominent researchers in the field of labor law and social security. Among them Galina S. Goncharova *Problems of Legal Regulation of Qualification Requirements for Employees in the Course of Employment*, Vladimir Zhernakov *Ukrainian Labor Law on its Way to Europe: Theoretical and Practical Problems*, Mykolaj I. Inshin *Problems of the Legal Regulation of Unemployment and Employment in Ukraine and Directions for its Improvement*, Konstantin Y. Melnik *The Sphere of Labor Law Action and Social Security Law*, Sergij M. Prilipko *Differentiation of Youth Work Legal Regulations: the Concept, Content and Grounds for their Providing*, Oleksandr O. Protsevsky *Is It Really so that the State does not Guarantee its Citizens the Right to Work?*, Galina I. Chani-sheva *Legal Regulation of Short-time Employment and Partial Unemployment*; and associated with them: Viktoria V. Vennikova *International Legal Standards are the Basis of the Guarantee of the Constitutional Right to Social Protection*; Konstantin Y. Herman *On the Use of the Term: First Job*, Oleksandr S. Kaytanskiy *Youth Employment under the Law of Ukraine on Employment*, Vladimir U. Lebid *Some Issues of Unity and Differentiation in the Labor Law of Ukraine (for example, studies)*, Anatolij A. Miroschnichenko *Labor Relations in Ukraine Today*, Anastasija O. Movchan *Legal Regulation of Recruitment Relations in Market Conditions*, Olena G. Sereda *Some Aspects of the Prohibition of Age Discrimination*, Galina A. Trunova *Labor Migration and its Influence on the Labor Market in Ukraine*, Feliks A. Cesarsky *Peculiarities of Employment Contracts with Minors* and many other academics. However, issues connected with young people's informal working relationships have not been sufficiently studied, so the authors of this article have attempted to make a thorough systematic analysis of young people, in order to help through the implementation of their own ideas to build a decent state social policy, to give one more direction to this problem under investigation. The purpose of this work is to reveal the main priorities of life, the problems of social status and the development of Ukrainian youth, their values, prime concerns and preferences, peculiarities of the organization of youth work in the condition of decentralization and their accordance to the real demands of the contemporary youth environment.

The Ukrainian realities in the sphere of labor relations are double in nature. On the one hand, this is the European vector of development in the field of labor legislation, its adaptation to the standards of the European Union, and on the other hand, the current practice of regulation of labor relations which does not only not approach, but on the contrary it varies markedly from European standards. The main problem of modern Ukraine is not the necessity to adopt new legislation but its implementation.

Especially, young people suffer from this situation. According to the Law of Ukraine: On the Promotion of Social Development and the Development of Youth, young people are deemed to be citizens aged 14 to 35 years old.<sup>1</sup> Today, it is difficult for a young person

<sup>1</sup> Zakon Ukrainy, Pro spry'yannya social'nomu rozvy'tku ta rozvy'tku molodi, 1993, No. 16, 1774-VIII, p. 167, edited 1.1.2017, <http://zakon.rada.gov.ua/laws/show/2998-12> (online access: 2.4.2020).

who has just graduated and has the intent to start their work activity. Besides, it is quite difficult to find work that corresponds to any basic requirements (a job connected with the profession or skills learnt, decent payment).

The results of the Youth of Ukraine – 2017 sociological research conducted by the Center for Independent Sociological Studies OMEGA, commissioned by the Ministry of Youth and Sports of Ukraine, showed that almost half of the young people interviewed (48.1%), who were employed, did not work according to their profession or specialty, obtained at a vocational-technical or higher educational establishment. The main factors that explain why young people do not work in their relevant professions are the lack of job vacancies by profession (36.7%) and unsatisfactory financial remuneration given (31.4%).<sup>2</sup>

These results are used in the preparation of state targeted social programs, annual reports to the President of Ukraine and the Verkhovna Rada of Ukraine on the situation of youth with the aim of further formulating youth policy in the country and the implementation of effective interventions directed to needs providing and overcoming the difficulties experienced by youth in Ukraine.

According to data obtained in 2017, Ukrainian youth identified as essential to their value profile the following basic individual values representing motivation: “decide for yourself what to do,” “make your own opinion, be the possessor of ideas,” “find time to learn something for yourself and improve your abilities,” “make every effort to get others enthralled with your accomplishments,” “to be a wealthy person,” “always achieve high goals” and “individually take decisions about your own life.”

Thematic sociological research allows one to assess the needs of modern youth, their desires, measure their values which are, in turn, connected with a striving for openness, changes and self-assertion. The results of the study will influence the formation of state youth policy, working out of targeted youth programs, sectoral and cross-sectoral youth initiatives and interventions. In conditions of decentralization, an understanding of the needs and perspectives of contemporary Ukrainian youth is a prerequisite for the development of communities and society as a whole. The survey was commissioned by the Ministry of Youth and Sports of Ukraine, and covered the period from July 20 to August 10, 2017. Research method: structured face-to-face interview as well as dialectical method, systematic approach, analysis and synthesis, modeling, statistical methods, comparison method.

The target group: young people aged 14-34 (citizens of Ukraine). Geographical scope of the research: 24 administrative units of Ukraine and Kyiv (except for the temporarily occupied territory of the Autonomous Republic of Crimea and Sevastopol and temporarily uncontrolled territory of Ukraine, where state authorities temporarily have no jurisdiction or jurisdiction that is curtailed in its scope). Selective totality: 2000 respondents aged 14-34 years, representative of major socio-demographic characteristics (gender, age, region of residence, size of settlement). In the process of devising the questionnaire taken

2. Ministerstvo Molody i Sportu Ukrainy, *Molod' Ukrainy' – 2017: Rezul'taty' sociologichnogo doslidzhennya*, Ternopil 2017, p. 72.

into account was the Project of the National Indicators of Youth Policy, developed by the State Institute for Family and Youth Policy.

According to the results of the sociological survey, the main priorities in life for the majority of young people are family happiness (64%) and health (54%). Careers (39.3%), freedom and independence (29.1%), and wealth (28.1%) are ranked second and third in the list of the most desirable achievements for the contemporary young.

Present-day Ukrainian young men and women demonstrate different gender life priorities: young women, in contrast to young men, are more focused on achieving family happiness and health, and young men, compared to young women, have dreamy horizons associated with career, freedom and independence (autonomy), wealth and power.

Young people of the older age group, aged 25-34, in comparison with those of the younger age groups are more frequently oriented toward the achievement of family happiness and health, and young people of the younger age, aged 14-19 in comparison with older age-group representatives – to achieve career success. Besides, young people of the younger age groups, to a greater extent, in comparison with older age groups are oriented towards such priority values as acquiring qualifications while the older age groups – on peace and the possibility of anything meddling with this.

The toolkit of the given research was the request, formed with taking into account previous pieces of sociological research conducted in accordance with the order of the Ministry of Youth and Sports of Ukraine (sociological surveys Youth of Ukraine – 2007, Youth of Ukraine – 2015 and Values of Ukrainian Youth – 2016). Also, while devising the questionnaires taken into account was the national youth policy indicators project developed by the State Institute for Family and Youth Policy.

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## Causes of difficulties arising in employment

The main causes of youth employment difficulties are, as a rule, the result of: an absence of sufficient work experience, insufficient level of practical skills, high labor market competition in a particular profession, a large number of proposals in the labor market, lack of demand for the given profession itself.

All of this results in increasing unemployment among Ukrainian youth. Thus, according to the State Employment Service, in January-September 2018, there were 303 thousand out of work (with young people constituting 36% of the total number of those unemployed). As to age groups: among the unemployed 29% were persons aged from 15 to 29 years, 31% were aged from 30 to 39 years.

In October 1, 2018 the number of unemployed youth was 91.5 thousand, that is 11.3 thousand persons fewer (11%) than the year previously.<sup>3</sup>

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<sup>3</sup> Derzhavna sluzhba zaynyatosti, *Nadannya poslub dlya molodi. Analitichni ta statystichni dani*, 2019, <https://www.dcz.gov.ua/analitics/68> (online access: 25.3.2020).

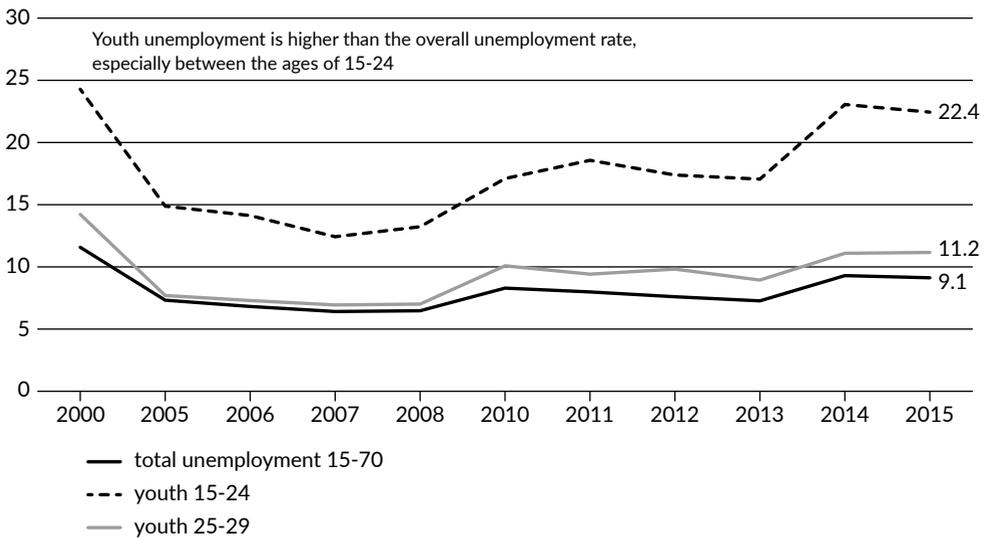
However, it can be stated with confidence that a great number of young people are not registered with the employment services, with many young people working without formal registration. Employers often violate labor legislation during employment.

## It is difficult for young people to find a job

Half a century ago, when Ukraine was part of the Soviet Union, it was a normal situation when a person, after completing his education, worked at the same company, factory or state organization for the whole of his life. The modern world is characterized by the rapid destruction of jobs in many branches or professions and an uncertainty as to the knowledge and skills that will be needed in the future.

However, young people who, as a rule, do not have enough work experience and savings, being as if an “air bag,” in order to survive a period of life problems constitute one of the most vulnerable groups in the population that, probably, suffers to the greatest extent from unemployment.

**Diagram 1.** Unemployment rate in Ukraine over the last 15 years [%]



Source: State Statistics Service of Ukraine, *Economic activity of the population of Ukraine in 2015, 2016*

The loss of work or the inability to get a full-time job causes a number of problems during this period – stress, lowering of incomes, loss of permanent social status, and consequently, a decrease in mental and physical health and well-being.

The socio-economic phenomenon of unemployment is one of the manifestations of the many contradictions between the post-industrial technological mode of production and the system of modern industrial relations, along with the commercialization of education, market-commercial use of creative work and the achievements of science, the depletion of the environment, *etc.* A dangerous and unfortunate refraction of the problem of unemployment and underutilization of production facilities, that is, the insufficient use of human and all other resources is youth unemployment.

Youth unemployment is a socio-economic phenomenon during which able-bodied youth are in search of work and are ready to start it, but have no possibility to realize their right to work, thus losing their basic means of existence. There are the following categories of youth unemployment:

- graduates of secondary schools, educational establishments of all levels;
- discharge due to changes in production organization;
- discharge due to staff instability;
- servicemen dismissed from conscription;
- wives on maternity leave.<sup>4</sup>

According to the report on a large-scale economic and sociological study by Professor Ella Libanova,<sup>5</sup> the modern youth labor market in Ukraine is characterized by rather threatening trends. So, there is an increasing number of unemployed youth who have lost confidence and who are not even trying to find a job. There is a strong segmentation of young people into those who immediately found a decent job and those who encountered numerous difficulties in the search. A large number of young people are dissatisfied with their jobs, so they plan to change jobs and even profession. In solving their problems, the youth rely mainly not on themselves, but on third parties – the state, relatives and friends.<sup>6</sup> Besides, as it is considered by academics,<sup>7</sup> the specificity of the youth labor market lies in the instability of demand and the job proposals on offer, the low competitiveness of young people, great variability, the difficult situation concerning women's employment.

As the main underlying cause of youth unemployment, researchers recognize the deep imbalance between the structure of demand and job proposals in the labor market, caused by the violation of relationships in the system “education-science-production.” Such a violation is caused by a whole number of factors, among which the gap between educational programs at the high educational establishment and the needs of enterprises, and hence the lack of qualifications and the lower competitiveness of young people in comparison with other age groups; the lack of necessary information on the job market

4 T.V. Chatchenko, *Molodizhne bezrobittya yak odna z vy'znachal'ny'x problem social'no-ekonomichnogo rozvy'tku Ukrainy' ta shlyaxy' jogo vy'rishennya*, “Global'ni ta nacional'ni problemy' ekonomiky” 2016, Issue 14, pp. 250-253.

5 E.M. Libanova, O.I. Cymbal *et al.*, *Perexid na ry'nok praci molodi Ukrainy'*, Zheneva 2014, p. 79.

6 *Ibid.*

7 T.V Chatchenko, *op. cit.*

about entrants' future professions; choice of specialty by its prestige, not by its content, *etc.*<sup>8,9,10</sup>

This deep divergence between the requirements of the labor market and production, on the one hand, and the proposal of specialists, on the other, creates not only structural unemployment, but also a nonconformity with the specialty obtained and the actual place of work, too high qualifications for the position occupied, *etc.* So, according to a survey,<sup>11</sup> a third of young professionals are “over-qualified” for the work positions they hold.

In Ukraine, there are annually about half a million graduates at all educational qualification levels. Among them about one-third have qualifications in economic and legal specialties. At the same time, the number of personnel for the real production sphere is extremely low. According to the State Statistics Committee, the largest remains, the demand for skilled machine tool workers remains the greatest (20.1% of the total number of vacancies declared at the end of June 2017). In the first half of 2017 there was observed an increase in the demand for technical employees (by 85%) and for technological equipment maintenance employees (by 84%).<sup>12</sup> That is, employment opportunities exist for the graduates of vocational-technical institutions and representatives of professions now deemed not prestigious.

At the same time, the need for managers of different profiles and levels remains low. Simultaneously, about 80% of students plan to enter higher educational establishment and only slightly more than 10% – to vocational-technical educational institutions, the number of which is steadily declining and amounted to 60% in 2017 in comparison with the number in operation in 1990.

Accompanying negative factors of youth unemployment in modern Ukraine, in our opinion, may be the following objective factors. First, an important factor exerting pressure on the labor market, including the youth market – is the military aggression in the East of Ukraine; in certain regions of Ukraine in the short term this has led to complications in searching for work for both for the young and the local population as a whole. The results of which being that nearly 1,300,000 citizens have become internally displaced persons. Secondly, the socio-economic crisis in Ukraine 2014-2016, the fall in GDP (Gross Domestic Product) has influenced the growth of the unemployment rate, including the rate among youth. In 2017-2018 the GDP growth rate was about 2.5%, so we can talk about entering into a business cycle revival, and we shall wait for a gradual decrease in unemployment. Third, there are significant imbalances in the socio-economic development between the regions of Ukraine, the result of which are

8 L.A. Korotkina, R.V. Korobs'ky', *Ekonomichny'j mexanizm regulyvannya ry'нку praci molody'x specialistiv. Aktual'ni problemy' ekonomichnogo i social'nogo rozvy'tku regionu: Zbirny'k materialiv regional'noyi naukovo-prakty'chnoyi konferenciyi*, Krasnoarmijs'k: KII DonNTU, 2010, pp. 27-30.

9 L.V. Lebedeva, A.S. My'trofanova, *Problemy' komercializaciyi systemy' vy'sbhoyi osvity' v Ukraini za umov formuvannya postindustrial'nogo ladu*, “Biznes Inform” 2017, No. 1, pp. 105-112.

10 E.M. Libanova, O.I. Cymbal *et al.*, *op. cit.*

11 *Ibid.*

12 Derzhavna sluzhba zaynyatosti, *op. cit.*

different level in the rates of regional youth unemployment – from about 6% in Kharkiv and Kyiv oblasts to 14-16% in the regions of Lugansk and Donetsk (for the first half of 2017). Fourth, the increasing of the retirement age also complicates the process in generating of specialists.

After graduating from an educational institute, young people go through several stages in the process of searching for a job: going out onto the labor market, getting acquaintance with work place offers, determining their own opportunities, needs and desires, the initial place of the employment search, gaining the first work experience and relevant skills, the development and formation of a personality suited to employment.<sup>13</sup> While progressing through these stages, young people encounter many problems. Therefore, among the most pressing problems of the youth labor market in Ukraine can be distinguished, for example, long periods of actual unemployment which have significant negative consequences for the economy and society as a whole. Of course, the unemployed have lower incomes, so they spend money only on the bare essentials. Business development is oppressed and the country's economic growth slows. Those who have a job are afraid of losing it at any time and want to save up for any periods of austerity. Not so direct, but no less important, are the consequences of crime, divorce, social orphanage, suicide, as well as a decline of public confidence and even political crises and social disturbances.<sup>14</sup>

## Young people with problems in employment

Within the framework of the EXCEPT project at the conference “People at the First Place” and at the panel discussion “Youth in the spotlight: the influence of labor market insecurity on young people's further life.” In 2016<sup>15</sup> 40 personal interviews with young people on difficulties in work were carried out. The results of the research also show the negative influence of labor market instability on youth health. Material uncertainty encourages young people to work in difficult working conditions, which negatively affects their physical health (fatigue, trauma, exacerbation of chronic diseases). In addition, a lack of work, uncertainty as to employment (informal, part-time or seasonal employment), a lack of material security, “falsification” in positions that require low skills, all create psychological conditions for alcohol abuse. After all, poverty, which is also connected with unemployment, creates barriers to health improvement, even for those who are not addicted to bad habits. Unemployment, uncertainty in the labor market, uncertainty over the future and low wages also cause child birth delays for

<sup>13</sup> E.M. Libanova, O.I. Cymbal *et al.*, *op. cit.*

<sup>14</sup> L.A. Korotkina, R.V. Korobs'kyj, *op. cit.*

<sup>15</sup> O. Nikolayeva, G. Kvitna *et al.*, *Ry'nok v Ukraini. Bezrobittya sered molodi: dribny'ci abo vy'roky'?*, project EXCEPT, 13 June 2017, <https://voxukraine.org/uk/bezrobittya-sered-molodi-dribnitsya-chi-virok/> (online access: 2.4.2020).

some young families. Young people are more likely to blame the state, the economy and other people for their own problems with their search for work. They have high levels of frustration and self-belief. Many of them do not know what they want to do and where to work, and those who know do not have the courage, determination and strength to take the first step toward their goal.

EXCEPT<sup>16</sup> is an international research project which is organized within the framework of the program Horizon 2020 (the largest European Union program for financing science and innovations with a total budget of around 80 billion euro, estimated for 2014-2020). The Consortium of the Project consists of 9 countries: Estonia, Bulgaria, Greece, Germany, Italy, Poland, Sweden, the United Kingdom and Ukraine. The main aim of the project is to devise practical recommendations on inclusive and effective youth employment policies within the EU and Ukraine. Youth surveys are conducted; on the basis of the data obtained, three main aspects of unemployment as well as the causes of its appearance, its duration and consequences have been studied. The main aim of the project is to understand the consequences of unemployment. The causes of youth unemployment and the methods by which they manage to find their place in the labor market are not studied. The fact of upcoming unemployment is studied as well as how it affects the lives of young people, and what political decisions or measures can soften this impact. Factors that worsen this effect are also identified with the aim to rectify any negative impact derived from state activity. Data on European labor markets and the risks of social exclusion among young people are also examined. Investigated is not only quantitative data, with there also being an opportunity for young people to express their own views on real-life problems they have encountered while unemployed.

The main task of the research is to work out new strategies for overcoming youth insecurity in the labor market and its consequences. Studied is the link resulting from unemployment and visible at the personal level to three aspects of life: health and well-being (the level of life satisfaction), autonomy (housing, psychological, economic) and the socio-economic aspect in the future and the risk of being trapped in poverty for the duration. When young people become unemployed, it worsens their chances of obtaining decent financial support when retired.

Analyzing the above mentioned studies, we see that unemployment has negative consequences in the short and long term, and this phenomenon must be actively combated at the highest level, to develop government programs to overcome unemployment.

Therefore, this problem needs special attention from the authorities responsible for formulating and implementing youth policy, including employment policy. An effective state employment policy is one of the important strategies for overcoming the negative consequences of youth unemployment in Ukraine. Unfortunately, at present this is still not being sufficiently actively, effectively and productively pursued.

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<sup>16</sup> *Ibid.*

The results of the research were presented and discussed by the EXCEPT project team at higher education establishments in Mykolaiv, Cherkas and Kyiv. Students during the discussion indicated that they wanted from the state:

- the providing of consultations and psychological support, including the spreading of “success stories”;
- modernization of state employment centers;
- providing additional information on vacancies (for example, unification of the local employment center databases with the universal Ukrainian database on vacancies);
- increasing of financial and legal skills;
- widening of probationary period possibilities and combining education and work (namely, flexible training schedules).

In the course of the survey, the interviewed youth completed questionnaires, proposed ways to optimize the work of employment centers, in particular through cooperation with private enterprises, but equally with state-owned enterprises, and to create a youth employment system for a definite period following graduation for work experience to be gained.

Comments from enthusiastic young people, who responded openly to the interviews conducted by EXCEPT project team members, were noted, written up and reported to those authorities which can directly take decisions to change the situation for the better. It is important to understand what is happening in real life when these region selection surveys are conducted. When an official is sitting in his comfortable office, he has no idea how young people are feeling in Cherkasy, Mykolaiv, Kharkiv or even in Kiev.

However, it should be noted that the result largely depends on the personal efforts of the person themselves. For besides state policy, personal initiative and environmental support is an important factor in overcoming the negative consequences of uncertainty and indetermination on the youth labor market. Among the instruments for the overcoming of unemployment and its consequences, young people name mobility, enterprise initiative, volunteering, personal development, as well as emphasizing the importance of not despairing and seeking support, especially from their friends and family: that people strive to obtain an education to ensure independence in choice and to support their personal goal.

The transition from education to work is an important step in the formation of personality. Unemployment among the young during this period is not a trifle, for it has long-term effects on health and well-being, it can leave deep scars for the whole of their life. Support for unemployed youth from the side of their family, the community and the state is important to prevent the frustration and misuse of young people's potential in a difficult situation.<sup>17</sup>

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<sup>17</sup> C. Athanasiades, L. Figgou *et al.*, *Report on the impact of the institutional setting and policies on the well-being and health of youth in insecure labour market positions in EU-28 and Ukraine*, WP No. 7, Tallinn 2016, <http://www.exceptproject.eu/working-papers/> (online access: 2.4.2020). O. Nikolayeva, A. Kvit *et al.*, *One in five young people in Ukraine does not have a permanent job: what are the consequences of unemployment at a young age*, 19 June 2017, <https://dzerkalo.media/news/kojna-pyata-moloda-lyudina-v-ukraini-ne-mae-postyinoi-roboti-yaki-naslidki-bezrobitya-umolodomu-vits> (online access: 2.4.2020).

Today, we can distinguish the following main problems related to youth employment:

- lack of state guarantees for providing young professionals with work;
- lack of provisions for concluding written employment contracts with a minor;
- not taking into account the migration trends of young professionals;
- insufficient state assistance with “youth work centers” creation and providing them with resources to function productively.

The main normative-legal acts regulating youth employment in Ukraine remain the Law of Ukraine: On the Promotion of Social and Youth Development in Ukraine<sup>18</sup> according to which the state guarantees young people who have the opportunity to work on equal terms with other citizens, the right to a job, as well as Section XIII of the Labor Law Code.<sup>19</sup>

In the aforementioned acts, in particular, the salaries of young people, their registration, medical examinations, *etc.* draw attention. According to Art. 7 of the mentioned Law, the state promotes the creation of youth employment centers, as well as youth public organizations for youth employment, implementation of vocational training programs for young people and improving their professional qualification. Unfortunately, Ukrainian legislation still fails to provide an effective mechanism to draw young people into work. This reduces the level of social protection for young people, leads to an underutilization of the labor force and creative potential. Also an important role is played by the low level of information available for school-age children, students of Higher Educational Establishments and graduates on matters of the state and the dynamics of the labor market; while the requirement for a specific specialty becomes one of the factors for unemployment among youth. Generally, even with access to the media and the Internet, young people cannot find information on where and how to find free legal support to resolve legal issues with their employer. In Kharkov, for example, at the Yaroslav Mudryi National Law University there is a Center for Free Legal Aid, but only specialists know about it. Well, if a young person finds this address they will indeed be helped, but in most cases, the person does not know their rights, and they do not have enough strength for this far from easy battle.

There are many shortcomings in our country, but there are also positive aspects. Apparently, those who do find employment in companies, closely observe the labor market, keep their “nose to the wind” and are very interested in what prospects could materialize in their future life.

There are examples of companies in Ukraine that can serve as an example for others. They are still insufficient in number, but they do exist, for example, a joint venture between Ukraine and France, L'Oréal, the telephone companies Vodafone Ukraine, Kyiustar, 1+1 Media, Procter & Gamble. After a successful paid internship, you can obtain a paid position here. And make a career for yourself, even in another country.<sup>20</sup>

18 Zakon Ukrainy, Pro spry'yannya social'nomu rozvy'tku ta rozvy'tku molodi, 1993, No. 16, 1774-VIII, p. 167, edited 1.1.2017, <http://zakon.rada.gov.ua/laws/show/2998-12> (online access: 2.4.2020).

19 Kodeks zakoniv pro pracyu Ukrainy, Zatverdzhuietsia Zakonom No. 322-VIII vid 10.12.71 VVR, 1971, dodatok do numer 50, ul. 375, <http://zakon.rada.gov.ua/laws/show/322-08> (online access: 25.3.2020).

20 E. Marunich, *5 stazhuvan' u krashhyx kompaniyakh*, “Cosmopolitan” 25 December 2017, <https://www.cosmo.com.ua/5-stazhivok-v-top-kompaniyah/> (online access: 2.4.2020).

## Violation of Labor Law

Such violations include employers' candidate requirements which constitute discrimination. In the edition "Social'ny'j Rux"<sup>21</sup> given are examples by Vitaly Dudin of court cases involving various Ukrainian enterprises, where employees have been discriminated against on the part of their employer, and this has really been the case. These are also plaintiffs with disabilities, who, instead of having the workplace adapted to the needs of a disabled person, were simply dismissed by their employer on the basis of a nonconformity to health standards connected with the work performed (Part 2 of Article 40 of the Labor Code); there are also cases of a

free vacancy, but for unknown reasons the plaintiff was informed adversely with an unjustified advantage being given to another person;

on the other hand, nepotism is also a problem (that is, the hiring a relative); as well as the transference of employees without their consent to a contract form of employment, instead of a regular employment contract on a permanent basis; this is also a need for documents hitherto not provided for by the current legislation<sup>22</sup> (Article 25 of the Labor Code of Ukraine). Some managers wish to obtain information about a previous job position that is not provided for by the current legislation, and which constitutes discrimination. Restrictions may be related to the candidate's age, gender or appearance. According to Article 2-1 of the Labor Code<sup>23</sup> any discrimination at work is prohibited, especially the violation of the principle of equal rights and opportunities, the direct or indirect limitation of the rights of workers, in particular: on the basis of race, color, political, religious and other beliefs, gender, gender identity, sexual orientation, ethnicity, social and foreign background, age, health status, disability or suspicions of the presence of HIV/AIDS and property status, professional or other community organizations, participation in strikes, having a family, family responsibilities, place of residence, membership of trade unions or other public associations.

The big problem of the country today is the establishment of labor relations without official registration. This mainly concerns young people without professional practice.

University graduates and those who have completed their education at vocational-technical colleges find it difficult to find work because of a lack of experience. Unfortunately, only a small number of employers agree to hire such an employee. In this situation, any job is desirable, even if it is not related to one's specialization or personal preferences. Young people go to work in cafes, restaurants, retail, construction, that is, they are guided by any possible employment not requiring high qualification. The consequence of this phenomenon is that during the first three to five years they often change jobs. This is

21 V. Dudin, *14 sprav pro dy'skry'minaciyu. Krashby' cy'taty*, "Social'ny'j Rux" 24 May 2017, <http://rev.org.ua/discrimination-cases/> (online access: 25.3.2020).

22 Kodeks zakoniv pro pracyu Ukrainy, Zatverdzhuietsia Zakonom No 322-VIII vid 10.12.71 VVR, 1971, dodatok do numer 50, ul. 375 (online access: 25.3.2020).

23 *Ibid.*

connected, as a rule, with finding a suitable career path or the inappropriate conditions in force at their actual place of work.

Even if the employer hires a young person, he or she may be offered a probationary period without formal registration. In addition, he may be offered a salary that is much lower than that of other employees (obviously, this is a so-called “envelope” salary – any actual payment of which depends solely on the conscience of the employer themselves), or simply does not offer any remuneration whatsoever. Such behavior is illegal, as any work undertaken during a probationary period entails the concluding of an employment contract and insurance of the person employed. From the moment work is started, the employee receives all necessary rights, including the right to full remuneration (Article 26 of the Labor Code of Ukraine).<sup>24</sup> A significant difference in this issue is that an employee may be dismissed as a person who has not successfully passed the probationary period, although this does not justify termination of the length of service or remuneration for that period.

The next violation concerns the length of the probationary period. The Labor Code of Ukraine (Article 27) states that the probationary period should not exceed three months or, in some cases, six months (on the basis of an agreement with the relevant primary trade union body), unless otherwise provided by Ukrainian legislation. The length of the probationary period for an unskilled employee may not exceed one month.<sup>25</sup>

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## Internship or probation term – what is the difference?

In most cases, according to information provided by young people applying for a job, employers offer an internship. One of the most controversial issues is the difference between the probationary term of employment and an internship itself. The internship takes place prior to the conclusion of the employment contract, whereas the probationary period is during work. According to the law, it can be offered only to those who pretend to a certain position and who require practical experience, the consolidating of theoretical knowledge into practical skills. But some employers offer internship to employees of every category, regardless of their education, professional experience, and for any length of time. A young person who is admitted to work has to remember that an internship or period of training can take place on a paid or unpaid basis and can be paid by the employer-company and by the employee. Practice shows that internships are usually free of charge.

Employers explain this by the fact that they teach a future employee, take up the time of their most qualified people and, as a result, incur losses. In addition, the probationary

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<sup>24</sup> *Ibid.*

<sup>25</sup> *Ibid.*

period, as a rule, terminates with a failure to conclude an employment contract and the simple hiring of another intern.

Working without a formal contract is a gross violation of current labor law. A young person who agrees to work in such conditions is in a very disadvantageous situation.

The consequences of such consent are:

- the employee is deprived of a guaranteed wage (including the amount of the employee's remuneration or wages, co-payment, social package);
- the worker cannot avail himself of state guarantees in accordance with the current normative acts, such as: state aid for families with children, social assistance for low-income families, subsidies;
- these periods are not added to any calculations for future pensions;
- contributions to social security funds are not made, which impedes the social protection of workers.

These people lose the right to paid periods of leave, a remuneration that takes into account the level of minimum and safe working conditions.

Locally, as well as nationally, the negative effects of agreements incompatible with the Labor Code are felt. Informally concluded employment or illegal jobs constitute:

- underpaid local taxes, loss of funds that can be used for social needs of people, the insufficient implementation of socio-economic development programs in regions and cities;
- instability and danger of the citizens' future (lack of adequate pensions, other social benefits);
- lack of supplementation to social insurance funds, which leads to excessive burden on the state budget.

Young people who work illegally, without a formal employment contract, usually justify their choice by a necessity to help parents, pay for tuition, housing and other reasons. However, the wages they receive do not meet the set standards, they are much lower than those actually offered during interviews or stated in advertisements; the amounts are unstable and depend on sales made or products manufactured.

The average wage in Ukraine (quite low or minimal) is incapable of providing an adequate standard of living and also does not create a sense of security for the individual.

In the search for decent work, young people often change their place of residence, employers and remain dependent on parental assistance, have no permanent housing, while plans for the future are short-term because of the abovementioned circumstances.

According to the poll Ukrainian Youth – 2017 – 74.1% of young people want to leave their city and Ukraine. The most popular destination for emigration among Ukrainian young people is the European Union (45.6%), other countries attract 21.7% of respondents, and 6.8% want to go to the Commonwealth of Independent States. One in five young people (21.7%) would like to leave Ukraine. The main reason for the emigration

of young Ukrainians is to improve their financial position (54.1%), which is a consequence of the difficult economic situation in the country. Other reasons include the lack of employment opportunities in the country, failure to comply with the principles of democracy and law in Ukraine. There are also individuals who simply want to test their skills and knowledge abroad.

## Conclusion

Developed countries' experience shows that overcoming informal employment is only possible in the case when employers and employees are interested in the implementation of employment in accordance with current legislation. Economic space unification has become the stimulus for the formation of the integrated employment policy among states which are part of the EU.<sup>26</sup> In 1997, at the EU Summit in Luxembourg, the idea of a European Employment Strategy was put forward, aiming at: providing full employment; improving productivity and quality of work; promoting unity and solidarity.<sup>27</sup> In spring 2010, approved was the EU Strategy of economic growth and employment, namely, Europe 2020, among the objectives of which, in particular, were increasing the level of employment in the EU population aged 20-64 to 75%.<sup>28</sup> This is possible by setting preferences in the sphere of tax and social benefits, safety standards, economic infrastructure development, business promotion, implementation of business stimulation and support programs, or the establishment of stable regulator acts in the social and labor spheres. The state should support those employers who are interested in the implementation of European standards of quality and social protection at their enterprises (striving to enter into international markets). Besides, it is important to create a specialist unit in the State Labor Inspection system, which would promote the elimination of such phenomena as illegal employment or corruption.

The state has almost completely removed from itself the burden of youth employment. This is a large-scale problem, because the state must first of all take care of young people and their employment and, instead, we have a situation of "leakage," a "brain drain" from the country that can be traced in leading branches of industry, and which finds talented young people ending up in the more developed countries of Europe, Asia and America.

In concluding the material examined, the surveys of youth and analysis of the current situation in Ukraine, we think that this problem should be considered strategically, but

26 M. Torzhevs'kyj, *Detinizaciya zajnyatosti naseleण्या v Ukraini*, dy'sertaciya na zdobuttya naukovogo stupenya kandy'data ekonomichny'x nauk, Specialnist 08.00.07, "Demografiya, ekonomika praci, social'na ekonomika i polity'ka" 2017.

27 European Commission, *Joint employment report 2006/2007. Employment in Europe 2007*, [http://www.pakte.at/attach/JointEmploymentReport\\_2006-2007.pdf](http://www.pakte.at/attach/JointEmploymentReport_2006-2007.pdf) (online access: 2.4.2020).

28 European Commission, *Europe 2020: A strategy for smart sustainable and inclusive growth*, 2010, <https://www.eea.europa.eu/policy-documents/com-2010-2020-europe-2020> (online access: 2.4.2020).

for this to happen it is necessary to start with concrete steps and, first of all, activate factors that will contribute to the development of youth skills in the implementation of their plans, as well as the main activities necessary to reduce unemployment among youth:

- to create youth labor exchange;
- to include internships in students' educational programs;
- to study job search technologies, the ability to write resumes and make presentations;
- to spread materials connected with employment;
- to implement courses on the technology of job searches and educational lectures on establishing one's own business within programs taught at educational institutions;
- to coordinate international activity on exchange by students activities such as internships and volunteer programs.

Thus, one may summarize the material as follows: under the current conditions in Ukraine, a very small percentage of companies are interested in high-quality staff, there is no single direction for the development and training of university graduates in the area of market relations. Issues related labor market development forecasts, and, therefore, the definition of future priority specialties, remain unresolved. The system of training young specialists in higher education institutions, taking into account the requirements of the modern market, rather than the usual rules under the old scheme, requires changes. Five-year plans do not work in a market environment. The Ministry of Youth and Sport states it is necessary to implement a well-considered employment policy in Ukraine. The creation of an effective employment system for young professionals will give the possibility to provide training for the skilled workers of the future who will build the industry of the country in accordance with the principles of innovation, transparency and their own further development. Concerning specific actions, in our opinion, the current normative-legal base should be adapted to the provisions of the Basic Law of Ukraine and leading global social practices, as well as providing high quality and transparent state supervision of the employment mechanism of young people and university graduates in Ukraine.

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