

BYTSIURA Yurii,

PhD (Economics), Associate Professor,
Associate Professor at the Department
of Economics and Entrepreneurship
Mykhailo Dragomanov State University
of Ukraine
9, Pyrohova St., Kyiv, 01054, Ukraine
yu.v.bitsura@npu.edu.ua

БИЦЮРА Юрій,

к. е. н., доцент,
доцент кафедри економіки
та підприємництва
Українського державного університету
імені Михайла Драгоманова
вул. Пирогова, 9, м. Київ, 01054, Україна
ORCID: 0000-0001-5499-9102

ILYUKHINA Vasylyna,

Lecturer at the Department of Economics
and Entrepreneurship
Mykhailo Dragomanov State University
of Ukraine
9, Pyrohova St., Kyiv, 01054, Ukraine
iv.vasilina@npu.edu.ua

ІЛЮХІНА Василина,

викладач кафедри економіки
та підприємництва
Українського державного університету
імені Михайла Драгоманова
вул. Пирогова, 9, м. Київ, 01054, Україна
ORCID: 0009-0005-8788-7875

COMPETITIVE ADVANTAGES OF THE LABOR MARKET IN UKRAINE

The article is devoted to the research of the competitive advantages of the labor market in Ukraine, which determine the enhancement of the national economy's competitiveness in the context of globalization and modern challenges. The relevance of the topic is driven by the intensifying competition for skilled labor at the international level, the influence of globalization, demographic changes, and technological progress. The aim of the research is to analyze the key competitive advantages of Ukraine's labor market and to develop recommendations for strengthening them in the context of globalization and the digital transformation of the economy. The research is based on the hypothesis that Ukraine possesses significant competitive advantages, such as a highly educated population, a developed IT sector, and strategic geographical location. However, these advantages can be neutralized by low labor productivity, insufficient investment in human capital, and large-scale labor migration. It is assumed that the introduction of systemic reforms in education, social policy, and labor market infrastructure can strengthen the competitive advantages of Ukraine's labor market. The research methodology is based on the use of general scientific approaches, including statistical data analysis, a systematic approach, and comparative analysis. Data from the State Statistics Service of Ukraine, international organizations, and analytical reports are

КОНКУРЕНТНІ ПЕРЕВАГИ РИНКУ ПРАЦІ В УКРАЇНІ

Розглянуто конкурентні переваги ринку праці в Україні, що сприяють підвищенню конкурентоспроможності національної економіки в умовах глобалізації та сучасних викликів. Актуальність теми обумовлена посиленням конкуренції щодо кваліфікованої робочої сили на міжнародному рівні, впливом глобалізації, демографічними змінами та технічним прогресом. Метою дослідження є аналіз ключових конкурентних переваг ринку праці України, а також розроблення рекомендацій щодо їх зміцнення в умовах глобалізації та цифрової трансформації економіки. Основою дослідження є гіпотеза про те, що Україна має такі суттєві конкурентні переваги: висока освіченість населення, розвинений ІТ-сектор і стратегічне географічне положення. Однак ці переваги можуть бути знецінені через низький рівень продуктивності праці, що веде до втрати кваліфікованих кадрів, а недостатнє фінансування людського капіталу стримує розвиток навичок, обмежує потенціал робочої сили й спричинює масову трудову міграцію. Обґрунтовано, що запровадження системних реформ у сфері освіти, соціальної політики та інфраструктури ринку праці зможе забезпечити посилення конкурентних переваг вітчизняного ринку праці. Методологічною основою дослідження є використання загальнонаукових підходів, як-от: аналіз статистичних даних, системний підхід і порівняльний аналіз. Застосовано



used. The authors have conducted a SWOT analysis of the labor market's competitive advantages, which identified its strengths and weaknesses, as well as opportunities and threats for development. The results of the research have been revealed that Ukraine has significant potential to enhance its labor market's competitive advantages, particularly through the development of a "green" economy, modernization of educational programs, and stimulation of innovation. The practical significance of the research lies in formulating recommendations for government bodies to reduce labor migration, increase investment in human capital, and improve working conditions. The research makes a scientific and practical contribution to understanding the competitive advantages of Ukraine's labor market and provides a basis for developing strategies for their effective utilization under modern conditions.

Keywords: labor market, workforce, competitive advantages, wages, labor migration.

дані Державної служби статистики України, міжнародних організацій та аналітичних звітів. Проведено SWOT-аналіз ринку праці, що дав змогу оцінити стан та виявити ключові фактори, які впливають на його розвиток. Зазначено, що Україна має високий потенціал для зміцнення конкурентних переваг ринку праці, зокрема через розвиток "зеленої" економіки, модернізацію освітніх програм і стимулювання інновацій. Надано конкретні рекомендації для державних органів, що сприятимуть зменшенню трудової міграції, збільшенню інвестицій у людський капітал та покращанню умов праці. Обґрунтовано науковий і практичний внесок у розуміння конкурентних переваг ринку праці України, що надає можливість розробити стратегії для їх ефективного використання у сучасних умовах.

Ключові слова: ринок праці, робоча сила, конкурентні переваги, заробітна плата, міграція робочої сили.

JEL Classification: E01, E20, L16.

Introduction

In the modern world, competition for highly skilled labor and investment resources is intensifying. Increasing the competitive advantages of the labor market is gaining strategic importance for Ukraine, since this important element of the economic system reflects the main social and economic processes and forms the prerequisites for achieving sustainable development goals.

The relevance of the research is due to several factors: globalization (integration of Ukraine into the world economy intensifies competition in the labor market, requiring constant improvement of skills and adaptation to international standards); demographic changes (decrease in the working-age population and population aging require the development of new approaches to human resources management); technological changes (rapid development of technologies leads to a change in the structure of demand for professions, which requires retraining and increasing the digital literacy of employees); geopolitical challenges (the war in Ukraine and its consequences for the economy increase the relevance of studying problems in the labor market).

Strengthening the labor market (LM) is one of the main factors of the competitiveness of the national economy. This aspect determines the importance of the ability of workers to meet the requirements of the modern labor market and plays a significant role in ensuring the socio-economic development of society. LM, on the one hand, is characterized by the level of education and qualifications of workers, a high level of which makes the economy more productive and efficient, ensuring the production of

high-quality goods and services. This also contributes to attracting foreign investment and expanding export opportunities. High competitiveness of the labor market also increases the level of employment, which contributes to the social development of the country.

On the other hand, labor must be flexible and able to adapt to changes in labor relations and technological development. This ability to adapt can contribute to innovation and the development of new industries, which makes the economy more competitive. In addition, LM affects the country's ability to attract talented specialists and foreign investment. Countries with highly developed LM become attractive for knowledge transfer and innovation.

LM is a component of the country's economic system and reflects the main social and economic processes taking place in the state. The state of this market is one of the main factors determining the state of the national economy as a whole, methods of macroeconomic regulation and the effectiveness of social policy.

The processes of globalization, on the one hand, and the limited factors of economic development (investments, skilled labor, etc.), on the other, objectively determine competition between countries for the creation of favorable conditions for attracting human capital. With the increase in the level and quality of life of people, the importance of not only economic, but also social, environmental and other aspects of competitiveness increases. In these conditions, competitiveness becomes a decisive factor in the innovative development of the economy and one of the main goals of the country's development strategy.

In the 21st century the concept of competitiveness has acquired important importance in assessing the place of a country in the world economy. The key role of the competitive advantages of the labor market in the modern world explains the growing interest in the study of this economic category. The relevance of the research of this category increases with the formation of market relations and the creation of a competitive environment. This position is of scientific and practical interest.

Due to the LM state and problems in the national economy, it is necessary to increase its competitiveness, which will contribute to its development and, consequently, to increasing the level of competitiveness of the national economy as a whole.

Increasing competitiveness in the modern labor market has been considered by many economists. In particular, LM significant changes have been emphasized, where modern forms of employment are gaining increasing importance (Azmuik et al., 2022). The LM systemic crisis is intensifying due to significant migration processes, which already pose a danger to the competitive advantages of the labor market in Ukraine (Varnalii et al., 2022), military aggression by Russia and significant destruction further strengthen the tendency towards the outflow of highly educated workers (Libanova et al., 2022). Globalization processes even before the start of the

active phase of hostilities had a decisive influence on the formation of trends in the Ukrainian LM (Sandugey, 2020; Petrova et al., 2021). Preservation of human resources potential, strengthening the quality and systematicity of education will be the way to increase the Ukrainian LM (Lisogor & Rudenko, 2022). The low competitiveness of the domestic LM and a number of other conditions that force workers to migrate in search of better conditions for using their own labor are often a problem for donor and host countries, as well as for the personal well-being of workers (Kowalik et al., 2023). The works of national and foreign scientists have been investigated the theoretical and practical aspects of the formation of the labor market and its components, in particular the role and importance of man in the modern production system, as well as the problems of the formation of human capital and competitive advantages of the labor market. However, these studies have not reduced the relevance of further research in this area.

The aim of the research is to identify and characterize the key competitive advantages of the labor market of Ukraine, as well as to develop recommendations for their strengthening in the context of globalization and digital transformation of the economy. The hypothesis is put forward that Ukraine has significant competitive advantages, such as high education of the population, a developed IT sector and a strategic geographical location. However, these advantages may be devalued due to the low level of labor productivity, insufficient financing of human capital and mass labor migration.

For the research, the authors used materials from the State Statistics Service of Ukraine, the World Economic Forum, processed reports of international organizations and scientific works of scientists on the problems of the labor market. The research methodology consists of the comprehensive use of general scientific methods, namely: scientific abstraction, theoretical generalization, induction and deduction, a systematic approach, statistical. To study the current state of the labor market, methods of systematizing the trends of its development as a component of the domestic economy and comparing the data obtained were used, the induction method for formulating generalizations and theoretical conclusions based on the researched facts.

The main section of the article consists of three parts, which analyze the current state of the labor market of Ukraine, conduct a SWOT analysis of the competitive advantages of the domestic labor market, and highlight the main areas of strengthening the labor market in Ukraine.

1. Analysis of the current state of the Ukrainian labour market

Competitive advantages of the labor market are a set of factors and characteristics that distinguish it from the labor markets of other countries

and make it more attractive to investors, employees and employers. These advantages may include the quality of the workforce, the level of wages, working conditions, social protection, opportunities for professional development, and the development of infrastructure, the legislative framework and other factors that affect the efficiency of the functioning of the labor market.

Factors that influence the formation of the national labor market are the demographic situation, the availability of labor potential, population density, migration processes, an unstable military-political situation, etc.

From the data presented in *Figure 1*, it is clear that the LM of Ukraine, even before the start of a full-scale military invasion, is under the influence of the social and economic situations in the country (war and Pandemic), which was tense and accompanied by a reduction in demand for labor. Although official information on the employment level from the State Statistics Service of Ukraine for 2022–2023 has not been published yet, but according to the Ukrainian Institute of the Future, at the beginning of 2022, 37.6 million people lived in Ukraine. Since February 24, 2022, 20.7 million people have left Ukraine, but 12.1 million of them have returned to the country. So, as of the beginning of May 2023, 29 million people live in Ukraine. Of this number, 17 million are economically inactive, and only 12 million are economically active. Of these, 9.1–9.5 million people are employed, while 2.5–2.9 million people are considered unemployed (Ukrainian Institute of the Future, 2023).

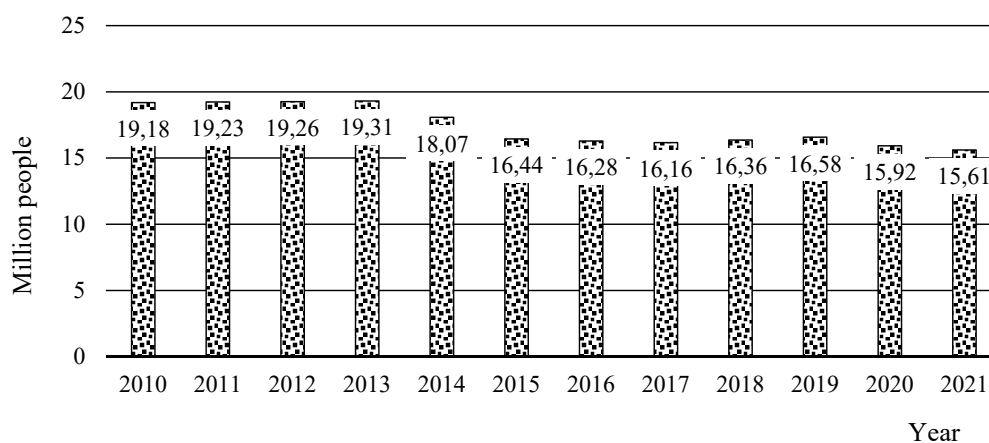


Figure 1. Dynamics of the number of employed people in Ukraine aged 15–70 in 2010–2021

Source: compiled by the authors based on data from the State Statistics Service (n. d.).

According to the study results of the current state of the Ukrainian labor market, a number of its main problems can be identified. First, it is the low level of wages. Given the current economic situation in Ukraine, the role of such traditional motivations as the prestige of work, the presence of creative components in it, the possibility of using additional benefits, etc. has significantly decreased. Despite the fact that real wages in 2016–2021 grew,

and their nominal average level for one employee in 2022 reached 14.577 UAH/month, it still remains at a rather low level compared to the average wage in developed countries. This is evidenced by the ranking of countries with the level of average monthly wages after tax according to the NUMBEO portal (n. d.), in which the top three are Switzerland (average monthly salary reaches 6.786 USD), Luxembourg (5.329), Singapore (4.924). Also in the top ten countries with the highest salaries in the world are the USA, Qatar, Denmark, Hong Kong, Norway, the Netherlands and the UAE. In Italy, the average salary is 1724 USD, in Estonia – 1638, in Cyprus – 1601, in Slovenia – 1455, in Poland – 1339, and in Ukraine – 396 USD (only 78th place). However, the relevance of the researched data may be partially impaired due to the high level of shadowing of the Ukrainian economy and the widespread phenomenon of "salary in an envelope" in society.

Figure 2 shows that since 2014 there has been a significant discrepancy in the level of inflation and the growth of real incomes of the population, which indicates an increasing trend of impoverishment, a decline in the standard of living of a working person. As a result, on the one hand, this leads to a decrease in the attractiveness of the domestic labor market for qualified and sought-after workers, and on the other hand, a decrease in motivation to increase the level of individual competitiveness of workers due to a decrease in interest in obtaining higher education, professional level through lifelong learning.

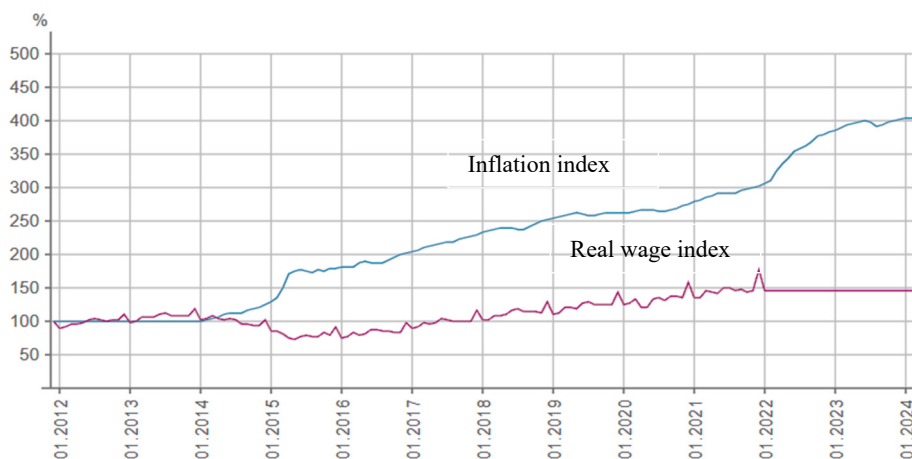


Figure 2. Dynamics of changes in inflation and real wages in Ukraine

Source: compiled by the author based on data from the Ministry of Finance (n. d.).

Secondly, the labor market faces an acute problem of inefficient employment, structural imbalances, mismatch of education level with occupied positions (the presence of education level or qualifications that are not used in professional activities), uncontrolled outflow of labor abroad and illegal emigration (due to the war in the country), lagging behind developed countries in terms of labor productivity, a significant share of

workers working in the informal sector of the economy; reduction in the number of full-time employees in all industries and regions; significant forced underemployment, etc.

There is also an imbalance between the needs of the labor market and the current state of educational training. The state spends money on training students in specialties that are not in demand among employers, and then retrain the same graduates who register with employment centers. In the domestic labor market, there is a phenomenon when highly qualified workers are often used in jobs that do not require significant professional training. On the one hand, this is due to the lack of sufficient demand in the economy for workers with higher education, and on the other hand, an imbalance in wages, in favor of professions in profitable business areas that do not require higher education.

Third, there is a decrease in the intellectual potential of the domestic labor market, which determines its role and place in the global "ranking table". Both labor migrants and students who go to study abroad and then stay there, working to develop the economies of other countries, make their negative contribution to this problem.

Due to the difficult economic situation in our country, the outflow of able-bodied Ukrainians to countries of distant and near abroad continues. Many domestic specialists and skilled workers enter the international labor market, looking for high-paying jobs abroad. The trend of highly qualified specialists and scientists leaving abroad is especially alarming – the so-called intellectual emigration (or brain drain) is taking place, which has led to a threefold decrease in the number of scientists and researchers in Ukraine.

According to the State Border Guard Service, the number of Ukrainians abroad increased by 1 830 000 people from February 24, 2022 to February 20, 2023, reports Ella Libanova, Director of the M. Ptukha Institute of Demography and Social Research of the National Academy of Sciences of Ukraine (Libanova & Pozniak, 2023). In general, the institute estimates the number of Ukrainians abroad at approximately 5 million people, including those who left during the full-scale invasion and shortly before its beginning.

Since February 24, 2022, due to military operations, almost a third of the population of Ukraine has left their homes, gone abroad, or moved to safer central and western regions of the country. Most of the temporarily displaced persons had higher education (46% of the total number of respondents), vocational education (29%), and complete secondary education – 21% of respondents (UNHCR, 2022, October 26). The data indicate significant threats to the country's economic and social security, associated with a significant outflow of the most productive and qualified groups of the population (Lisogor & Rudenko, 2022).

The international business school INSEAD and the Portulans Institute conduct an assessment of countries by global talent competitiveness. As part of

the study, the level of "brain drain containment" is also calculated as an indicator of the state's migration security in the structure of the integral index. According to the results of the 2021 report, the value of this subindex in Ukraine is extremely low (Ukraine was given a score of 2.50 out of 7, or 119th position among 134 countries), having changed little compared to 2016 (score of 2.52 out of 7, which corresponds to 109th position among 119 countries). The highest indicators for this subindex are held annually by Switzerland, the USA, Singapore, Norway and the UAE (INSEAD, 2021). Despite the high intellectual potential of Ukraine (general education of the population, share of highly qualified graduates, availability of scientists, engineers, IT specialists), the constant "brain drain" certainly threatens intellectual "bleeding" due to the inability of the state to counteract the migration losses of qualified personnel and, as a result, the prospect of the country's technological lag if negative trends persist. All this together leads to significant imbalances and disparities in national labor markets, increasing social vulnerability and tension, and narrowing the possibilities of ensuring the competitiveness of countries' economies in the global economic system (Varnalii et al., 2022).

2. SWOT analysis of competitive advantages of the labour market in Ukraine

Studying the problems of the national labor market, we will conduct a SWOT analysis of the competitive advantages of the labor market in Ukraine.

The *strong features* are:

- High level of education of the population. Ukraine has one of the highest shares of the population (over 29%) (State Statistics Service, n. d.) with higher education among European countries, which creates a base for a qualified workforce.
- Developed IT sector. The information technology sector is rapidly developing and is one of the most profitable in the export of services, which attracts investors. In 2023, the export of IT services exceeded 3.4 billion USD (State Statistics Service, n. d.), which indicates a high level of competence of Ukrainian experts in this field.
- Competitive cost of labor. Relatively low wages with a high level of qualification make Ukraine attractive to foreign companies seeking to reduce costs. It should be noted that Ukraine remains among the countries with the lowest average wage in Europe, which stimulates the migration of qualified personnel abroad.
- Favorable geographical location. Convenient transport connections, proximity to European markets, and the signing of the Association Agreement with the EU open up opportunities for Ukraine to integrate into the European economic space. This creates favorable conditions for attracting foreign investment and expanding sales markets.

- Natural resources and agricultural potential. Ukraine has significant natural resources and fertile soils, which creates competitive advantages in the agricultural sector. In 2021, Ukraine was among the three largest exporters of grain crops in the world (State Statistics Service, n. d.). A large number of jobs in the agricultural sector are provided by fertile soils and large volumes of agricultural exports.

- Flexibility and adaptability. Ukrainians demonstrate a high ability to adapt to new conditions and changes in the labor market.

The *weak features* are:

- Low level of labor productivity. Labor productivity in Ukraine is only 20–30% of the level of Western European countries. The main reasons are outdated technologies, insufficient introduction of innovations and a low level of automation.

- Low wages and outflow of qualified personnel. The average wage in Ukraine is significantly lower than in EU countries, which can lead to an outflow of qualified personnel. Mass labor migration causes a shortage of specialists in key industries, in particular in medicine, IT, engineering.

- Low level of social protection. Insufficient level of social protection of employees can lead to social tension and reduced motivation.

- Uneven development of regions. A significant part of jobs is concentrated in large cities, while in rural areas there is a high level of unemployment.

- Weak labor market infrastructure. The insufficient development of employment services and career centers makes it difficult to find a job and recruit qualified personnel.

- High corruption and regulatory barriers. Corruption and excessive bureaucracy create obstacles for investors and entrepreneurs, which limits the development of the labor market.

- Instability of the military and political situation. War and political instability scare away investors and create uncertainty for business.

The *opportunities* are:

- attracting foreign investment. Reforms in the business and economic sectors can increase the inflow of foreign capital, especially in strategic sectors.

- Development of a "green" economy. Investments in renewable energy and environmentally friendly technologies create new jobs and reduce energy dependence.

- Integration into the European Union. The Association Agreement with the EU provides access to labor markets and investment resources of European countries. Approximation to EU standards opens up new opportunities for Ukrainian companies and workers.

- Development of the digital economy and digitalization of the labor market. The rapid development of digital technologies provides new opportunities for job creation and increased labor productivity. The deve-

lopment of platforms for online employment and remote work will contribute to the availability of jobs.

- State programs to support entrepreneurship. The development of small and medium-sized businesses stimulates employment and creates competitive conditions.
- Growing demand for Ukrainian products. Demand for Ukrainian products, especially in the agricultural sector in the context of the food crisis, may grow on the world market.
- The development of tourism. Ukraine has significant potential for the development of tourism, which can create new jobs and attract foreign tourists and investors.

The *threats* are:

- Labor migration to other countries. High wages and better social conditions abroad stimulate the outflow of qualified personnel.
- Political and economic instability in Ukraine reduce the investment attractiveness of the labor market.
- Crisis phenomena in the world economy. Global recessions or pandemics can reduce demand for domestic products, labor, and foreign investment.
- Competition with other European countries. Ukraine faces competition from other countries that, thanks to the use of new technologies, have higher quality products at lower production costs. In addition, Poland, Romania, and other countries offer similar conditions for investors, but with more developed infrastructure.
- Shortage of professional competencies. The educational system does not always meet the needs of the modern labor market, which leads to a shortage of specialists with the necessary competencies.
- Technological changes. The rapid development of technologies can lead to automation of production and a decrease in demand for some professions.

The SWOT analysis shows that the labor market in Ukraine has both advantages and disadvantages. For successful development, it is necessary to focus on strengthening strengths, eliminating weaknesses, using opportunities, and minimizing threats.

3. Key areas for strengthening the competitive advantages of the labour market in Ukraine

SWOT analysis also allows for timely response to threats, challenges and priority areas of development of the Ukrainian labor market. Such priority areas of development could be underlined as:

The *first* one is stimulating the increase in the level of production and competitiveness of domestic products, primarily high-tech, based on government policy aimed at supporting national producers, possibly on their state financing or institutional motivation to introduce innovations and attract investments.

The *second* is ensuring effective employment, carried out in accordance with the requirements of the intensive type of reproduction and the criteria of economic feasibility and social effectiveness. Qualifications and expenses for education of employees should correspond to their labor productivity and wage level. This involves a number of state measures to align the programs of educational institutions and simultaneously stimulate enterprises to create highly innovative jobs.

The *third* is stimulating the constant increase in the competitiveness of each employee, which will ensure the competitive advantages of the national economy as a whole and will cover such areas as the introduction of modern management at enterprises, increasing the minimum wage, reducing the difference in wages in the public and private sectors.

The *fourth* is introduction of measures and targeted work by the authorities to de-shadow employment, which will increase the social and legal protection of employees.

The *fifth* one is increasing the quality of educational services involves implementing such measures as reforming the education system to improve the educational process and increase the competence of graduates, increasing the share of spending on research and development work to the maximum possible level in conditions of a state budget deficit, but taking into account the priority of the post-war restoration of the Ukrainian economy on the basis of innovation and modernization, establishing a connection between educators and employers to adapt education to the needs of the labor market, stimulating scientific research in educational institutions, which are the basis of university training, to develop the country's scientific potential, improving the quality of organizing students' industrial practice by improving the material and technical base of educational institutions.

Globalization affects the domestic LM through the spread of information and communication technologies, labor migration and the activities of foreign companies. In this regard, it is necessary to take measures to regulate the impact of globalization on LM in Ukraine, in particular, accelerating the spread of information and communication technologies; ensuring increased mobility of the domestic labor force; increasing the efficiency of the functioning of the LM infrastructure; ensuring conditions for internal migration as an alternative to external migration; increasing the efficiency of entry into the global educational space.

The spread of globalization processes leads to the free exchange of labor between countries. In view of this, increasing labor mobility taking into account national interests is of great importance. In order to ensure labor mobility, it is necessary to implement regulations aimed at improving migration policy and migration legislation, in particular, it is considered necessary to develop a proactive policy for regulating migration in the field of both export and import of labor, which would ensure the protection of Ukraine's national interests in the context of entering the global labor market. To this end, it is necessary to use international experience in regulating labor migration, i.e., contributing to reducing unemployment and improving

the situation on national labor markets, including obtaining education abroad or advanced training; preventing the outflow of highly qualified personnel abroad; ensuring the return nature of migration; protecting the rights and interests of working migrants; attracting highly qualified foreign labor to the country.

Another priority area for ensuring labor mobility is increasing the efficiency of the functioning of the labor migration infrastructure. In this area, it is worth creating specialized labor exchanges that would deal with issues of mediation in hiring Ukrainian citizens for work abroad, which would take on the function of selecting jobs, concluding contracts, and guaranteeing compliance with agreements by the receiving party. In addition, it is necessary to strengthen control over the activities of recruitment firms, which would largely prevent the threat of Ukrainian labor migrants finding themselves in a state of deprivation abroad, and to open centers for monitoring the conditions of their employment in countries where the largest share of Ukrainian workers work, including illegally. In addition, it is important to develop an institution for licensing economic activities for mediation in the employment of Ukrainian citizens abroad.

The European vector of Ukraine's integration requires the implementation of a number of positive changes in the labor market. Among them are bringing labor legislation under the EU standards, developing qualitatively and quantitatively jobs, creating a favorable investment climate, and increasing labor productivity. It is also important to strengthen the social responsibility of business, increase financial literacy and business culture of society, and standards of quality of life of the population.

Despite some positive changes in the educational system, in Ukraine there is a noticeable imbalance between the level and quality of education and the needs of the labor market. The reduction in the number of technically trained specialists and outdated equipment of technical universities has led to a decrease in the competitiveness of young specialists in the industrial labor market compared to their European colleagues. In addition, the loss of advantages in mathematical training limits employment opportunities abroad. Demographic changes lead to a constant decrease in the number of graduates of higher education institutions, which may cause tension in the labor market.

In order to ensure effective integration into the global labor market, it is important not only to increase the efficiency of this market, but also to form competitive advantages in the labor market. This market should be attractive both for domestic workers (which will contribute to reducing the migration of highly skilled labor) and for foreign labor (which will lead to an increase in the influx of highly skilled workers to Ukraine).

Conclusions

Ukraine has the significant potential to strengthen its competitive advantages in the labor market. Despite its existing advantages, Ukraine faces the problems of low level of competitive advantages of the market:

low labor productivity, low wages, and insufficient level of investment in human capital, underdeveloped labor market infrastructure, corruption and outflow of qualified personnel abroad. This indicates the need for reforms and investments in increasing the efficiency of the economy.

SWOT analysis of competitive advantages of the labor market in Ukraine allowed determining:

- the strong features, such as: high level of education of the population, developed IT sector, competitive cost of labor, favorable geographical location, natural resources and agricultural potential, flexibility and adaptability.

- The weak features are low level of labor productivity, low wages and outflow of qualified personnel, low level of social protection, uneven development of regions, weak labor market infrastructure, high corruption and regulatory barriers, instability of the military and political situation.

- The opportunities, which are underlined as attracting foreign investment, development of the "green" economy, integration with the European Union, development of the digital economy and digitalization of the labor market, state programs to support entrepreneurship, growing demand for Ukrainian products, and development of tourism.

- The threats are outlined as: labor migration to other countries, political and economic instability, competition with other European countries, shortage of professional skills, technological changes.

The research identified the main areas for strengthening the competitive advantages of the labour market in Ukraine, such as:

- To invest in education, training and labour market infrastructure. (It includes the implementation of retraining programmes; adaptation of educational programmes to the needs of the labour market and creation of new career centres; establishing coordination between educational institutions and employers to strengthen the practical orientation of educational programmes and provide on-the-job training.

- To create a favorable investment climate, that means to reduce bureaucracy, to fight corruption, and simplify business procedures.

- To stimulate innovations and the green economy. It is important to support for research and development, creation of technology parks and innovation clusters; to attract investments in high-tech industries and environmentally friendly production.

- To improve working conditions (to set minimum standards of pay and working conditions in line with European standards).

- To develop the social infrastructure. (The process may include the construction of housing, schools, hospitals, and transport infrastructure.)

- To state support for entrepreneurship (it includes the entrepreneurship support programmes and access to finance; to promote the creation of small and medium-sized businesses, especially in rural areas).

- To increase transparency and reduce corruption (it is important to implement the anti-corruption programmes and simplify the administrative procedures for investors.

- To increase exports of Ukrainian goods and services with the help of exports diversification and Ukrainian producers in foreign markets support.
- To stimulate the return of migrants by promoting entrepreneurship (providing income tax benefits and soft loans).
- To create new jobs through new military equipment and weapons production facilities.
- To create conditions for the expanded reproduction of the labour potential of the national economy by improving the quality of medical services.
- To implement the employment programmes for internally displaced persons and war veterans; to promote the professional retraining and development of entrepreneurial competences for starting a business.

To implement these tasks, it is important to adapt national legislation to European norms and standards, adhere to the principles of the European Social Charter and the Universal Declaration of Human Rights, and introduce democratic principles and European legal culture into the sphere of employment. In this context, the ideas of international regulation in the sphere of labor, constant improvement and development of new standards are especially important. The idea of effective employment at the international level can be fundamental for international cooperation with the aim of harmonizing the social and labor sphere.

REFERENCE / СПИСОК ВИКОРИСТАНИХ ДЖЕРЕЛ

- | | |
|---|--|
| <p>Azmuk, N., Grishnova, O., & Kuklin, O. (2022). Digital employment: Ukraine's place in the global division of digital labor. <i>Financial and Credit Activity Problems of Theory and Practice</i>, 2(43), 380–391. https://doi.org/10.55643/fcaptp.2.43.2022.3578</p> | <p>Азьмук, Н., Грішнова, О., & Куклін, О. (2022). Цифрова зайнятість: місце України у глобальному розподілі цифрової праці. <i>Financial and Credit Activity Problems of Theory and Practice</i>, 2(43), 380–391. https://doi.org/10.55643/fcaptp.2.43.2022.3578</p> |
| <p>Kowalik, Zuzanna, Lewandowski, Piotr, & Kaczmarczyk, Pawel. (2023). <i>Job Quality Gaps between Migrant and Native Gig Workers: Evidence from Poland</i>. IZA Discussion Paper No.16216. https://ssrn.com/abstract=4471349; http://dx.doi.org/10.2139/ssrn.4471349</p> | <p>Лібанова, Е. М., Позняк, О. В., & Цимбал, О. І. (2022). Масштаб і наслідки Вимушена міграція населення України внаслідок збройної агресії рф. <i>Демографія та соціальна економіка</i>, 2(48).</p> |
| <p>Libanova, Ella, & Pozniak, Oleksii. (2023). War-driven wave of Ukrainian emigration to Europe: an attempt to evaluate the scale and consequences (the view of Ukrainian researchers). <i>Statistics in Transition new series</i>, 24(1), 259–276.</p> | <p>Лібанова, Е. М., Позняк, О. В., & Цимбал, О. І. (2022). Масштаб і наслідки Вимушена міграція населення України внаслідок збройної агресії рф. <i>Демографія та соціальна економіка</i>, 2(48).</p> |
| <p>Lisogor, L., & Rudenko, N. (2022). Personnel potential of ensuring social and economic development of Ukraine in modern conditions. <i>Bulletin of Taras Shevchenko Kyiv National University</i>, 4(221), 19–26. https://bulletin-econom.univ.kiev.ua/wp-content/uploads/2023/04/Вісник_Економіка_221_19-26.pdf</p> | <p>Лісогор, Л., & Руденко, Н. (2022). Кадровий потенціал забезпечення соціально-економічного розвитку України в сучасних умовах. <i>Вісник Київського національного університету імені Тараса Шевченка</i>, 4(221), 19–26. https://bulletin-econom.univ.kiev.ua/wp-content/uploads/2023/04/Вісник_Економіка_221_19-26.pdf</p> |
| <p>MinFin. (n. d.). https://www.mof.gov.ua/uk</p> | <p>Мінфін. (б. д.). https://www.mof.gov.ua/uk</p> |
| <p>NUMBEO. (n. d.) <i>Average Monthly Net Salary (After Tax) (Salaries And Financing) by City</i>. https://www.numbeo.com/cost-of-living/prices_by_country.jsp?displayCurrency=EUR&itemId=105</p> | <p>Мінфін. (б. д.). https://www.mof.gov.ua/uk</p> |

Petrova, I., Kravchenko, I., Lisohor, L., & Chuvar-dynskiy, V. (2021). Employment flexibility in Ukraine: advantages and limitations. <i>Financial and credit activity problems of theory and practice</i> , 3(38), 490–498.	Петрова, І., Кравченко, І., Лісогор, Л., & Чувар-динський, В. (2021). Employment flexibility in Ukraine: advantages and limitations. <i>Financial and credit activity problems of theory and practice</i> , 3(38), 490–498.
Sandugey, V. V. (2020). The impact of globalization on the formation of the national labor market. In V. B. Yevtukh, O. S. Padalka, L. A. Pidoprigora & Yu. V. Bytsiura (Eds.), <i>A new paradigm of economic education in the context of an innovative model of the development of domestic education</i> . Department of the NPU named after M. P. Drahomanov.	Сандугей, В. В. (2020). Вплив глобалізації на формування національного ринку праці. У В. Б. Євтух, О. С. Падалка, Л. А. Підпригора & Ю. В. Бицюра (Ред.), <i>Нова парадигма економічної освіти у контексті інноваційної моделі розвитку вітчизняної освіти</i> . НПУ ім. М. П. Драгоманова.
State Stat. (n. d.). http://www.ukrstat.gov.ua	Держстат. (б. д.). http://www.ukrstat.gov.ua
Ukrainian Institute of the Future. (2023). https://uifuture.org	Український інститут майбутнього. (2023). https://uifuture.org
UNHCR. (2022, October 26). <i>Displacement Patterns, Protection Risks and Needs of Refugees from Ukraine. Regional Protection Analysis</i> . https://data.unhcr.org/en/documents/download/96447	
Varnaliy, Z. S., Vasylytsiv, T. G., & Levytska, O. O. (2022). Migration security of the state as a basis for the preservation and development of its intellectual capital of the economy of Ukraine. <i>Economy of Ukraine</i> , (9), 3–20.	Варналій, З. С., Васильців, Т. Г., & Левицька, О. О. (2022). Міграційна безпека держави як основа збереження та розвитку її інтелектуального капіталу економіки України. <i>Економіка України</i> , (9), 3–20.
WEF. (2017). <i>The Global Competitiveness Report 2016–2017</i> . http://www3.weforum.org/docs/GCR2016-2017/05FullReport/TheGlobalCompetitivenessReport2016-2017_FINAL.pdf	
WEF. (2018). <i>The Global Competitiveness Report 2017–2018</i> . http://www3.weforum.org/docs/GCR2017-2018/05FullReport/TheGlobalCompetitivenessReport2017%E2%80%932018.pdf	
WEF. (2019). <i>The Global Competitiveness Report 2019</i> . https://report-files.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf	
WEF. (2020). <i>Methodology and computation of the Global Competitiveness Index</i> . https://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2020.pdf	
WEF. (n. d.). <i>The Global Competitiveness Reports 2009–2019</i> . https://www.weforum.org/	

Conflict of interest. The authors certify that don't they have any financial or non-financial interest in the subject matter or materials discussed in this manuscript; the authors have no association with state bodies, any organizations or commercial entities having a financial interest in or financial conflict with the subject matter or research presented in the manuscript.

The authors received no direct funding for this research.

Bytsiura Yu., Ilyukhina V. Competitive advantages of the labor market in Ukraine. *International scientific-practical journal "Commodities and markets"*. 2025. № 1 (53). С. 25–39. [https://doi.org/10.31617/2.2025\(53\)02](https://doi.org/10.31617/2.2025(53)02)

Received by the editorial office 13.05.2024.

Sent for revision 06.01.2025.

Accepted for printing 12.03.2025.