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INSTITUTIONAL TRANSFORMATION OF THE LABOUR MARKET IN CONDITIONS OF PRECARIOUS EMPLOYMENT

The article considers theoretical and methodological approaches to analysing institutional transformation of the labour market in conditions of widespread precarious forms of employment. The growth of unstable, temporary, low-paid and informal types of work, characteristic of precarisation, necessitates a review of traditional institutional mechanisms for regulating employment, social protection and labour relations in general. The article systematises scientific approaches to defining the nature of precariousness and its consequences for the social and labour sphere. A comparative analysis of national and foreign experience in adapting labour market institutions to the challenges of precariousness is conducted. The main risks caused by the growing number of workers in the unstable employment segment are outlined: reduced social protection, increased inequality, loss of motivation for skilled work, and the formation of new vulnerable social groups. It has been determined that the current institutional system in Ukraine is only partially adapted to the new conditions: its mechanisms remain fragmented, and the legislative field does not provide an adequate balance between employment flexibility and social protection guarantees. In this regard, the article touches upon two types of socio-psychological and worldview relations that arise within the framework of organisational management: relations and interactions between people, which are studied within the framework of management knowledge, and relations between people and capital as a self-growing value, business as a philosophical category, which are studied in political economy. As a result of the study, the author proposes a conceptual model of institutional transformation of the labour market, focused on the implementation of decent work principles, the development of flexicurity institutions, the modernisation of the social insurance system, and the promotion of social dialogue at all levels. Promising areas of public policy for overcoming the negative consequences of precariousness and forming an adaptive, inclusive labour market are highlighted. The materials of the article may be useful for researchers, experts in social and labour relations, civil servants, as well as anyone involved in labour market reform and social policy in the context of structural changes in the economy.

Key words: labour market, precariousness, employment, managerialism, administrative approaches.

JEL classification: E24

Formulation of the problem. The modern labour market is undergoing significant transformations under the influence of globalisation, digitalisation, structural changes in the economy and social shifts. One of the key challenges that exacerbates socio-economic instability is the spread of precarious forms of employment, characterised by unstable labour relations, lack of social guarantees, and flexibility that often turns into vulnerability. In the context of such precarisation, there is a need to rethink the role and functioning of labour market institutions, as traditional mechanisms often prove ineffective or outdated.

The existing institutional architecture is not able to adapt to dynamic changes and is not always able to strike the right balance between labour market flexibility and protection of workers' rights. This leads to a deepening of social inequality, a decrease in motivation for productive work, and a weakening of human capital. The relevance of the study is driven by the need to develop new or modernise existing institutional mechanisms capable of ensuring the effective functioning of the labour market in the context of growing precarisation.

Analysis of recent achievements and publications. The issues of transformations in the labour market

and precarisation of employment are actively studied by scholars in the global scientific discourse. Foreign researchers, in particular Guy Standing, was one of the first to introduce the concept of precariat into scientific circulation, emphasising the formation of a new class devoid of social guarantees and stability. The works of A. Giddens, M. Castells and W. Beck examine the broader socio-economic contexts of globalisation that lead to the flexibility and precariousness of employment. Particular attention is paid to the impact of digitalisation, labour automation and the growth of segmented forms of employment that go beyond the traditional labour model.

In the Ukrainian scientific space, the topic of precarisation and institutional changes in the labour market has been developed in the works of O. Hryshnova, V. Heets, E. Libanova, S. Savchenko, I. Mikheeva, T. Belyaeva and other researchers [1-10]. Their research focuses on trends in informal employment, erosion of labour rights, decline in social protection and the need to reform labour regulation institutions. Of particular relevance is the analysis of the functioning of state and non-state institutions that should ensure the adaptation of labour relations to new realities. Despite the existing achievements, the issue

of a holistic institutional transformation of the labour market in the context of the spread of precarious forms of employment requires further reflection, in particular in the context of domestic challenges and European integration processes. The question remains as to the effectiveness of existing regulatory mechanisms and the directions of their modernisation in line with current socio-economic changes.

The purpose of the article is to provide a theoretical justification and practical analysis of the institutional transformation of the labour market in the context of precarisation of employment, and to identify areas for improving institutional support to achieve a balance between employment flexibility and social protection of employees.

Presentation of the main material. One of the significant problem areas in the relations of hired labour in the economy and management is the precarisation of labour, which, in fact, destroys the foundation of the advantages and benefits that distinguished hired labour in the stage of «proletariat hegemony». Precariat – (from «precarious», which means «uncertain, decaying, unreliable») is a socio-economic group (in some countries it makes up a quarter of the adult population) characterised by three features:

- its representatives are not provided with jobs in advance;
- apart from direct remuneration, they do not receive additional social guarantees in the form of pensions and unemployment benefits;
- people belonging to this class are often deprived of certain civil rights that other members of society have.

The concept of precarisation of labour was developed in the work of Guy Standing «Precariat: The New Dangerous Class» [9], which states that current trends in labour relations are characterised by a change in the position of people of hired labour in society, which is characterised by:

- unstable social situation,
- weak social protection,
- lack of many social guarantees,
- unstable income,
- deprofessionalisation.

Currently, the following groups of people work under precarious labour relations: workers employed in temporary jobs, part-time or seasonal workers, the unemployed, representatives of creative professions, workers engaged in contingent labour, migrants, students and interns.

Precarisation of labour relations creates grounds for social tension in society and in organisations, creating preconditions for opportunistic behaviour of employees, while expanding the choice of ways of economic activity outside of organisations. G. Standing refers to these population groups as a new dangerous class for the following reasons:

- growing inequality,
- social instability that could result in mass unrest among the population,
- lack of professional fulfilment,
- reduction of the state's tax revenues,
- low level of public involvement in the investment process, etc.

From the economic and managerial point of view, precarisation of labour can be viewed both from the side of private business, which is focused on maximising

profit (managerialist approaches), and from the side of local, regional and state regulation, which is aimed at ensuring conflict-free regulation and is forced to turn to the concepts of administration that reflect the welfare and well-being of the whole society. Hired labour in the narrow sense is the subject of managerial approaches, since in administration labour is considered as one of the types of long-term resources along with the natural environment (environmental issues) and the tasks of development of the local community and society as a whole. In managerial approaches, precarisation is seen as an inevitable consequence of increasing business efficiency by reducing the cost of hired labour. In administrative terms, precarians are seen as people who have made a free and responsible choice in favour of more flexible types of employment. Accordingly, the precarisation factors are divided into external and internal – the external factor is the desire of businesses to relieve themselves of unnecessary obligations, the group of personal factors is associated with individual preferences for a free schedule, mobility and ease of changing employers and activities, as well as with changes in social structures, post- and meta-modernisation, which has led to the formation of new social practices and norms, behavioural patterns and social attitudes.

Differences in managerial and administrative approaches to precariousness are shown in Table 1.

The contradiction between managerial and administrative approaches to assessing precarisation and its consequences was reflected, in particular, in the adoption on 6 September 2019 by the Senate of the State of California in the United States of America of AB5 (Assembly Bill 5) on the obligation of all organisations to apply the rules for hiring full-time employees hired to perform a one-time task (for example, Uber taxi drivers) from 1 January 2020 [4]. According to the adopted law, all employees must be enrolled in the state and provided with social protection, including basic health insurance, a fixed minimum wage, unemployment benefits and severance pay in the event of termination of employment. In particular, in California, Virginia, New Jersey, and Massachusetts, there is a rule to recognise an employee as a freelancer based on the 'ABC test', in which employers must note that the employee [6]:

- is not legally subordinate to the employer and performs the tasks independently, the employer does not control his/her work either legally or in fact;
- performs work that goes beyond the employer's normal business;
- earns his/her living by performing the same tasks that he/she is supposed to perform for the employer.

The two main forms of this form of employment are a long-term part-time contract (e.g., a quarter or a few hundredths of a rate), a short-term contract for a few days or weeks, a contract for a specific job (e.g., 1 taxi ride, 1 dog walk, etc.), or short-term participation in a project (e.g., taking pictures at a press conference). The latter form was called gig economy, from the English «gig» – a short-term contract. Gig economy was in the interest of both people interested in flexible short-term earnings (for example, students or part-time workers looking for an additional source of income) and employers, as such workers did not receive any social protection, which significantly reduced the costs of enterprises. The development of these forms of employment has grown rapidly thanks to information

Table 1

Precariousness in managerial and administrative approaches

	Management	Administration
Purpose of management	Profit extraction and maximisation	Increasing the efficiency of resource use
Subject of hired labour management	Labour costs	Labour quality
Tasks of hired labour management	Cost reduction	Quality improvement
Objective of an employee	Minimisation of labour effort and maximisation of remuneration	Labour productivity and realisation of human capital
Precarisation of labour	Management flexibility tool	Post- and meta-modernisation of society and personal attitudes, responsibility
Purpose of precarisation of labour	Increased flexibility, cost reduction	Mobility and free time of the employee for his/her self-realisation
Essence of assessment of precarisation of labour	Availability of labour on the labour market	Social security of the precariat as a category of the employed population
Problem of precarisation of labour	Difficult to plan and forecast business operations; demotivation	Decline in consumer and business optimism; demotivation

technology and the emergence of platforms – aggregators – that collect (aggregate) orders and offer anyone who can and is registered on the platform as a contractor to take on any order.

However, practice has shown that, in fact, along with the freedom to choose the scope and schedule of work or a project, participation in information platforms forces performers to always be in touch and agree to any task [8], as platform algorithms underestimate the rating of those who refuse orders. At the same time, a law in California requiring the inclusion of such employees in the staff will lead to the fact that, for example, taxi drivers will not be able to fulfil orders for several services and work as many hours a day as they want. Although restricting the freedom to choose the scope of work may seem unreasonable at first glance, it is sufficient to note the working day standards in force in all developed countries, which are related to safety issues for both others and customers. Along with safety issues, there is also the issue of responsibility for the performance and quality of the service, for example, ‘services such as Yandex.Food and Delivery Club do not hide the fact that couriers are not their employees’ [8]: Couriers sign a service contract with intermediaries, and large companies are formally not responsible to either the contractors or the customers.

Researchers distinguish two main groups of precarisation factors as a phenomenon: socio-political and economic-functionalist [4]. If public policy prioritises the interests of private business over the social protection of the country's population, this leads to the expansion of employment forms [8] and increased flexibility of the labour market, which is reflected in the growth of precarisation. The degree of variation in the level of remuneration and the number of employed under different market conditions [7] determines the level of income differentiation and stratification of society. The degree of social protection of employees and citizens affects not only social processes but also the knowledge economy, human capital and intellectual migration (‘brain drain’) to countries with a more favourable and attractive social infrastructure, sustainable employment and harmonisation of business and citizen interests. From this perspective, while global competition forces companies to reduce labour costs and develop outsourcing to increase competitiveness (in the

logic of hired labour management), regional and national governments are forced to compensate for precarisation in order to maintain the competitiveness and investment attractiveness of the territory (region, country).

The socio-psychological aspect of the dependence of the survival of citizens on hired labour is described by such authors as U. Beck [9], H. Arendt [2], L. Seve, L. Althusser, representatives of the Frankfurt School of Social Research G.A. Marcuse [3] and E. Fromm, and others. Labour is perceived as the only purpose of a person in life, hyperintensity [8], up to the definition of labour activity and attitude to work (professional self-realisation) as a compulsive disorder [3]. St. Zombart wrote about alienation (according to K. Marx) and loss of humanity in wage labour: «A living person with his happiness and grief, with his needs and demands, has been pushed out of the centre of the circle of interests, and his place has been taken by two abstractions: profit and business. Man, therefore, has ceased to be what he remained until the end of the early capitalist era – the measure of all things» [4]. To some extent, M. Weber writes about this hyperintention: «The limitation of human activity to the framework of a profession, together with the rejection of Faustian versatility (which naturally follows from this limitation), is a prerequisite for fruitful work in the world» [2]. The entire length of human life is considered in relation to work: «Even «old age» is defined through non-participation in professional activity» [9]. Finally, from a philosophical and psychological point of view, hired labour is a unity of interdependence between the employee and the employer, and it is precisely a codependence in which people performing managerial and administrative functions technologically form part of the social mechanism of the organisation [6]: «In this interdependence, there is nothing left of the dialectical relationship between Master and Servant, which was destroyed in the struggle for mutual recognition; it is rather a vicious circle in which both Master and Servant are locked» [6]. This idea is reflected in the agency problem of the principal (owner, business creator) and the agent (manager, for example, hired top management of an organisation), including the problem of management subjectivity [9]. In his work «The Managerial Revolution», J. Burnham showed that the «ruling elite», including managers and bureaucrats, gained control over

resources by creating a managerial social structure instead of the property-based (capitalist) model.

In this regard, two types of socio-psychological and ideological relations that arise within the framework of organisational management can be mentioned: relations and interactions between people, which are studied within the framework of management knowledge, and relations between a person and capital as a self-growing value, business as a philosophical category, which are studied in political economy. While the first aspect is considered in detail in management and is the subject of various techniques and methods of managerial work, the second aspect of the relations of hired labour is significantly changing. In particular, the school of human relations in management and the knowledge economy have supplemented capital, understood as embodied labour, with new terms of intellectual and human capital, demonstrating the importance of a person as a source of value growth in the value chain. Human capital, which is based on the education system and human abilities, on the one hand, belongs to the employee, and on the other hand, can become a full-fledged capital (i.e., start generating income) only when it is included in business processes. In this sense, «human capital» is only for the employer, an organisation that is able to engage a person with the necessary skills and knowledge in the process of growing financial and human capital. The dependence of the employee on the employer is not removed in this way within the concept of human capital. The emergence and spread of «creative» professions, free-lance, outsourcing agencies, part-time employment, and the gig economy indicate that the problem of codependence between employee and employer as between two types of capital remains, and neither financial nor human capital can create added value by itself. In this regard, despite the development of forms of labour engagement and the labour market, it can still be argued that the relationship of hired labour is non-equilibrium (the employer is in a «strong» position in relation to the employee) and therefore requires separate regulation. From the point of view of regulating economic development, hired labour is not only a source

of livelihood for the employee and his/her family, but also indirectly acts as a resource of social stability and well-being of the social order, social and political development.

Stability is necessary, in turn, for planning economic processes, developing long-term investments, and implementing innovative business projects. From the perspective of business management, the establishment of long-term relations between an employer and an employee is based on two groups of factors:

- employee motivation determines the effectiveness of their involvement in organisational processes, labour productivity, and even their willingness to comply with the company's rules (for example, in the area of disclosure of internal data and customer data, etc.), as a positive (or negative) communicator of the employing company;

- long-term employment relations determine the predictability of business development.

At the same time, hiring individual employees for projects (gig economy) reflects an effective model that saves on labour costs, but does not guarantee quality (which is usually a key competitive advantage today) and does not allow for the stability of the company's operations, for example, if at a certain moment there are no Uber drivers available to come to a certain area, the company demonstrates a basic inability to perform its functions for the customer, which in the long run undermines customer confidence. Long-term relationships form the basis for improving business efficiency by increasing labour productivity through robotisation and process automation. For example, the implementation of Industry 4.0 at Eurasian Resources Group (ERG), an industrial company engaged in natural resource extraction, electricity supply and railway supply in Central Asia, is accompanied by the release of labour, while the company's management does not plan to lay off workers, believing that «retraining of laid-off workers and managers will not only support social stability but also give a significant jump in production volumes through increased labour productivity». Thus, creating long-term relationships is important for business, although companies often seek to save money when it comes to employee relations.

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ІНСТИТУЦІЙНА ТРАНСФОРМАЦІЯ РИНКУ ПРАЦІ В УМОВАХ ПРЕКАРИЗАЦІЇ ЗАЙНЯТОСТІ

У статті розглянуто теоретико-методологічні підходи до аналізу інституційної трансформації ринку праці в умовах поширення прекарних форм зайнятості. Зростання нестабільних, тимчасових, низькооплачуваних та неформалізованих видів праці, притаманних прекаризації, обумовлює необхідність перегляду традиційних інституційних механізмів регулювання зайнятості, соціального захисту та трудових відносин загалом. У статті систематизовано наукові підходи до визначення природи прекаризації та її наслідків для соціально-трудової сфери. Проведено порівняльний аналіз національного та зарубіжного досвіду щодо адаптації інституцій ринку праці до викликів прекаризації. Окремлено основні ризики, зумовлені зростанням числа працівників у сегменті нестабільної зайнятості: зниження соціальної захищеності, зростання нерівності, втрата мотивації до кваліфікованої праці, формування нових вразливих соціальних груп. Визначено, що чинна інституційна система в Україні є лише частково адаптованою до нових умов: її механізми залишаються фрагментарними, а законодавче поле не забезпечує належного балансу між гнучкістю зайнятості та гарантіями соціального захисту. У зв'язку з цим в статті зачеплено два типи соціально-психологічних та світоглядних відносин, що виникають у рамках управління організацією – відносин та взаємодії між людьми, які досліджуються власне в рамках управлінського знання, та відносин між людиною та капіталом як самозростаючою вартістю, бізнесом, як філософською категорією, що вивчаються у політичній економії. У результаті дослідження автором запропоновано концептуальну модель інституційної трансформації ринку праці, орієнтовану на впровадження принципів гідної праці, розвиток інституцій гнучкої безпеки (flexicurity), модернізацію системи соціального страхування, а також стимулювання соціального діалогу на всіх рівнях. Висвітлено перспективні напрями державної політики щодо подолання негативних наслідків прекаризації та формування адаптивного, інклюзивного ринку праці. Матеріали статті можуть бути корисними для науковців, експертів з соціально-трудових відносин, державних службовців, а також усіх, хто займається питаннями реформування ринку праці та соціальної політики в умовах структурних змін економіки.

Ключові слова: ринок праці, прекаризація, зайнятість населення, менеджеризм, адміністративні підходи.