

**EMPLOYMENT UNSHADOWING IN THE SYSTEM OF STATE
REGULATION OF THE LABOR MARKET**

Natali Mazur,

Doctor of Science in economics,
professor of the Economics and Enterprise Chair,
Kamianets- Podilskyi national university named after Ivan Ohienko,
Kamianets-Podilskyi, Ukraine
e-mail: natali76.01maz@gmail.com

Volodimir Lysak,

PhD in Economics Dean of the Economics Faculty,
Kamianets- Podilskyi national university named after Ivan Ohienko,
Kamianets-Podilskyi, Ukraine
e-mail: v_lisak@ukr.net

Abstract. *The basic aspects of employment unshadowing are exposed in the article, that in a complex with a pension and will give an opportunity to get a positive effect other reforms, as a key to filling of budget is legalization of salaries and workplaces. The basic parameters of "shadow" employment are outlined, the basic problems of forming of the civilized labour market and directions of their decision are certain in relation to legalization of shadow employment.*

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In the structural economic restructuring context, the formation of the civilized labor market, the output from the «shadow» of employees and employers part that use illegal labor forces, avoid paying taxes and a single social contribution to the budgetis of particular importance.

«Shady» employment adversely affects the state programs implementation and is directed against a person, deprives him of social, pension and medical support.

The most common form of illegal employment is the workforce retention without the agreements' conclusion between individual entrepreneurs and employees that are stipulated by the current legislation, makes the employee a kind of slave of the employer, since the employee is usually working for 10-12 hours a day, often deprived of full-value days off and payments on hospital sheets, and the size of his future pension is under big question.

But the problem here is not only in light-fingered employers, but also in the fact that some employees think that work in the «shadow» is acceptable for themselves. Some people are attracted to the fact that earnings are not taxed and thus are higher, others like the simplified procedure for recruitment: not competitive selection, no tax declarations, even a work book is usually not required. Illegal employment, tax evasion revolves around the budget impoverishment, extremely restricts the state's ability to increase wages, pensions, allowances for disabled people, orphans, other socially vulnerable groups of the population

At present, it is extremely important that every citizen should clearly understand that the main reason for the future meager pension is his current illegal work capacity and the «gray» salary. Thanks to the unshadowing in combination with pension and other reforms, it will be possible to get a positive effect, since the key ofbudget filling is the legalization of salaries and jobs. Illegal work and salary «in the envelope» is a direct way to old age in poverty. The explanation is simple: the deductions' absence to social insurance funds is, in the future, the minimum pension.

The «shadow» sector legalization can be the important means of overcoming crisis phenomena in the economy and related problems. Therefore, it is necessary to realize the honest work advantages and prospects, legal and civilized relations in the field of employment.

Employment unshadowing with payment of wages «in envelopes» is an urgent problem in Ukraine. It is known that in Ukraine there are 26 million citizens of working age and 12 million

pensioners, which can be considered a normal ratio. Of these 26 million able-bodied employees (hired employees and entrepreneurs) 16 million and 2 million unemployed. The other 8 million are probably in the shadow sector or on earnings abroad. At the same time with 16 million working people only 10.5 million. pay ERUs.

The positive effect has already reduced the ERU rate to 22% from 2016. and the minimum wage growth has doubled since 2017. So, according to preliminary calculations of the Ministry of Economic Development and Trade of Ukraine for 9 months. 2016, the shadow economy level in Ukraine amounted to 35% of the official GDP, which is 5%. less than the corresponding period of 2015[1].

In 2016 based on the control and verification work results of the State Tax Service of Khmelnyskyi Region, 64 payers of business activity revealed payment of wages and other income in violation of the tax legislation requirements.

Based on the results of the conducted inspections, unscrupulous taxpayers were credited with over 6,000,000 hryven of personal income tax and nearly 900,000 hryven of a single social contribution, of which the budget was received 1.2 million hryvnen. At the same time, 1098 citizens were identified, who were not registered in accordance with the requirements of the legislation by employers. Based on the results of the corresponding control and verification measures, 575 individuals were involved in state registration as subjects of entrepreneurial activity.

For today in the region the single algorithm is implemented with the authorities' participation, socially responsible business and the public on incomes' legalization and ensuring compliance of taxpayers with tax legislation requirements, identification of business entities that carry out entrepreneurial activities without state registration, and attracting unrecorded and hidden incomes of individuals to taxation.

The cornerstone of this process was financial burden reduction on the payroll. Therefore, in the future, the legal impact on the labor legalization and the prevention of payment of wages «in envelopes» will only increase [2].

For the process effectiveness of economy transparency, the processes of business unshadowing (including combating evasion / taxation optimization at the level of small and large businesses) and combating corruption at the state and local levels of government must take place in parallel. For example, the possibilities' narrowing for applying the simplified taxation system coincided with the control strengthening of transfer pricing, and therefore did not cause significant censures.

On the other hand, the electronic declaration introduction is not enough two «waves». Prospective for expanding the tax base is a one-time implementation of so-called «zero» declaration of citizens' property status with the subsequent application of indirect methods for estimating income and expenses. However, such a step should be accompanied by successful results of the state anti-corruption policy.

Pursuant to the Order of the Cabinet of Ministers of Ukraine from 02.03.2010, № 359, according to the Plan of Measures for the unshadowing of Income and Relations in the Field of Population Employment [3], according to the amended legislation, the issues of monitoring compliance about labor and employment lies on executive bodies of city councils, cities' regional significance and joint territorial communities, in accordance with the procedure established by legislation.

At the same time, State Labour Service continues to control the issues of legalization of wages and population employment. So, the Department of the State Labour Service in Khmelnyskyi region, on the information basis, which was received from the bodies of the Pension Fund, inspections of contracts concluded with employees to comply with the requirements of labor legislation will be carried out. The positive effect should stimulate employers to create new jobs by compensating part of the actual costs, associated with paying the single fee for compulsory state social insurance.

We agree with the need proposal at the legislative level, the approach change to the various social payments (subsidies) principles, and above all a shift in focus to the social guarantees implementation for the formally employed citizens who fill the state budget and all funds, and thus evening-out dependent moods other unemployed people (employed in the informal sphere) which

makes maximum use of material resources and social benefits to the greater extent than those citizens, who fill the country's budget

It should be implemented every citizen duty, which is laid down in art. 67 of the Constitution of Ukraine on the payment of taxes and fees [4].

Employers, on the other hand, must take gradual steps to increase the wages' level, in particular, ensuring the implementation of the norm, the minimum salary is the lower limit of remuneration of labor for performing simple unskilled work, and with increasing requirements for the employee qualification or the work complexity, wages must grow proportionally.

It is necessary to introduce a system of effective adult education, and the basis for acquiring a profession / specialty should be dual education, which involves the active participation of the employer in the training of personnel. It is time to solve the problem of medium and long-term labor market forecasting, the rigid mechanisms introduction for the shadow employment legalization and wages' payment «in envelopes» [5].

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