

ANALYSIS OF THE DYNAMICS OF EMPLOYMENT AND ECONOMIC ACTIVITY OF THE RURAL POPULATION: A CASE STUDY OF UKRAINE

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Abstract

The article is devoted to the study of the problems of the formation of the economic activity of the rural population of Ukraine in the conditions of systemic market transformations. The specific features of the current situation with the labour supply of agricultural enterprises are determined, and the prospects of the dynamics of rural population migration in the context of strengthening European integration processes in Ukraine are outlined. The dynamics of the rural population of Ukraine were studied, and the prospects for its change in future periods were determined. Attention is focused on the specific migration trends of the rural population, associated with labour flows not only in the territorial aspect but also between different segments of the labour market. The peculiarities of fluctuations in the level of employment in rural areas of Ukraine during recent years have been studied, and the specifics of market changes have determined several factors affecting its dynamics.

Key words: economic activity of the rural population, employment of the rural population, mobility of the rural workforce, migration processes in rural areas, agricultural sector

INTRODUCTION

Ensuring the efficiency of economic systems is one of the critical tasks of building a thriving economy. In this aspect, one of the most essential factors affecting the successful functioning of the national economy and its components is the appropriate level of its resource provision. At the same time, the availability of a sufficient number of labourers and the quality of labour in the labour market are crucial prerequisites for ensuring economic growth. At the same time, it is necessary to consider the features associated with the uneven territorial distribution of the population. This problem is especially relevant

in rural areas, where systemic transformations are observed in the population's employment and migration activity in connection with the long-term socio-economic crisis. At the same time, the intensive growth of the agricultural sector, which has been observed in Ukraine in recent years, objectively requires an increase in the available labour force to continue expanding production. At the same time, it is precisely for the rural population that employment problems are most noticeable, leading to the workforce's outflow and its gradual disqualification. That is why the study of ensuring the growth of the economic activity of the rural population of Ukraine is of

particular importance in finding practical ways to solve the specified problems.

At the same time, dynamic changes in the global economic system transform views on specific processes related to the population's economic activity. This affects the analytical studies associated with this issue. It can be noted that currently, scientists' primary attention is related to research on migration processes and the professional mobility of the workforce.

Studies of the problems of the economic activity of the rural population are sufficiently widely disclosed in the works of such scientists as N. Bazaliiska [1], M. Dzyamulych [2-10], I. Kolmogorova [11], M. Makhsma [12], A. Popescu [13-23], M. Rudenko [24] and many others. In particular, research results show that recently there has been an increase in migration processes, a general decrease in the level of employment in agriculture and an increase in the share of the informal economy. At the same time, it is determined that such trends are due to both internal economic changes and external factors, such as globalization and integration processes.

However, taking into account the intensification of the processes of the movement of the rural population, as well as taking into account the intensive growth of the demand for labour in the agricultural sector, which has been observed recently, there is an objective need for the formation of current trends in the field of economic activity of the rural population of Ukraine and the development of ways to improve them to ensure effective socio-economic development of rural areas and their financial growth in general.

MATERIALS AND METHODS

The purpose of the publication is the study of modern specifics and trends in the field of economic activity of the rural population of Ukraine, as well as the formation of ways to improve the situation in the field of employment and professional mobility of the workforce in rural areas to ensure the general intensification of the economic development of rural areas.

Note that the dynamics of employment of the rural population reflects its desire to participate in economic activity during a specific period, thereby characterizing the situation's change with the availability of labour resources on the labour market.

At the same time, the concept of an economically active rural population is based on working age and employment parameters. In particular, in Ukraine, according to the methodology of the State Statistics Service, the population structure from the point of view of employment involves dividing it into separate groups (Fig. 1).

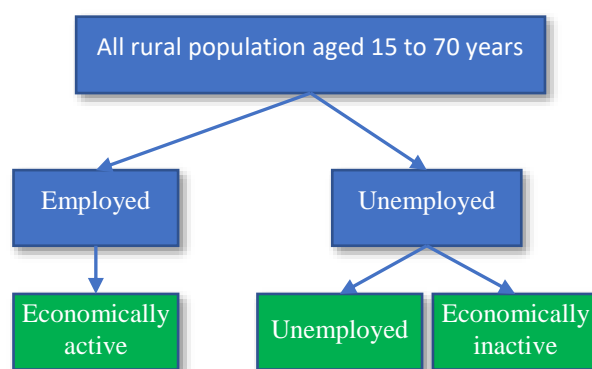


Fig. 1. The structure of employment of the rural population according to the methodology of the State Statistics Service of Ukraine

Source: Summarized based on [25].

RESULTS AND DISCUSSIONS

Modern approaches to the formation of effective employment for the rural population of Ukraine are defined by a comprehensive coverage of the problem, taking into account the role of the agricultural sector and non-agricultural industries in creating jobs, an emphasis on professional training and education to improve qualifications, stimulation of entrepreneurial activity in the countryside, as well as active support of state policy aimed at to increase employment and ensure sustainable development of rural areas. In addition, modern approaches seek to develop innovative solutions and introduce modern technologies in the agricultural sector to ensure the growth of labour productivity and the general expansion of employment opportunities for the rural population. At the same time, increased attention is paid to

creating a favourable investment climate, infrastructure development and ensuring access to sales markets for rural entrepreneurs, which contributes to the development of entrepreneurial activity and stimulates employment growth in rural areas.

It is common knowledge that in conditions of reduced employment or falling income levels, the population seeks to change their place of work or migrate to another territory where the offer of jobs is more fantastic, and the wages are higher. The outlined trends are significant in the labour market of rural areas, as they are characterised by several restrictions that directly affect the labour supply, namely:

- the bulk of jobs in the village are related to agricultural production, which leads to specific deformations of the professional and

qualification requirements for the rural population;

- in the case of a low level of income in the local labour market or the absence of jobs, the population migrates to cities, and recently - to other countries, where the situation with incomes and employment is more favourable, and such trends in most cases are irreversible; In the case of professional mobility of the workforce, the rural population, which is focused mainly on professions related to agricultural production, also changes its segment on the labour market, which requires either professional training or a transition to lower, less qualified, and low-paid jobs.

Therefore, if events in the rural labour market develop negatively, the logical consequence can be a general reduction of the economically active population and its total number (Fig. 2).

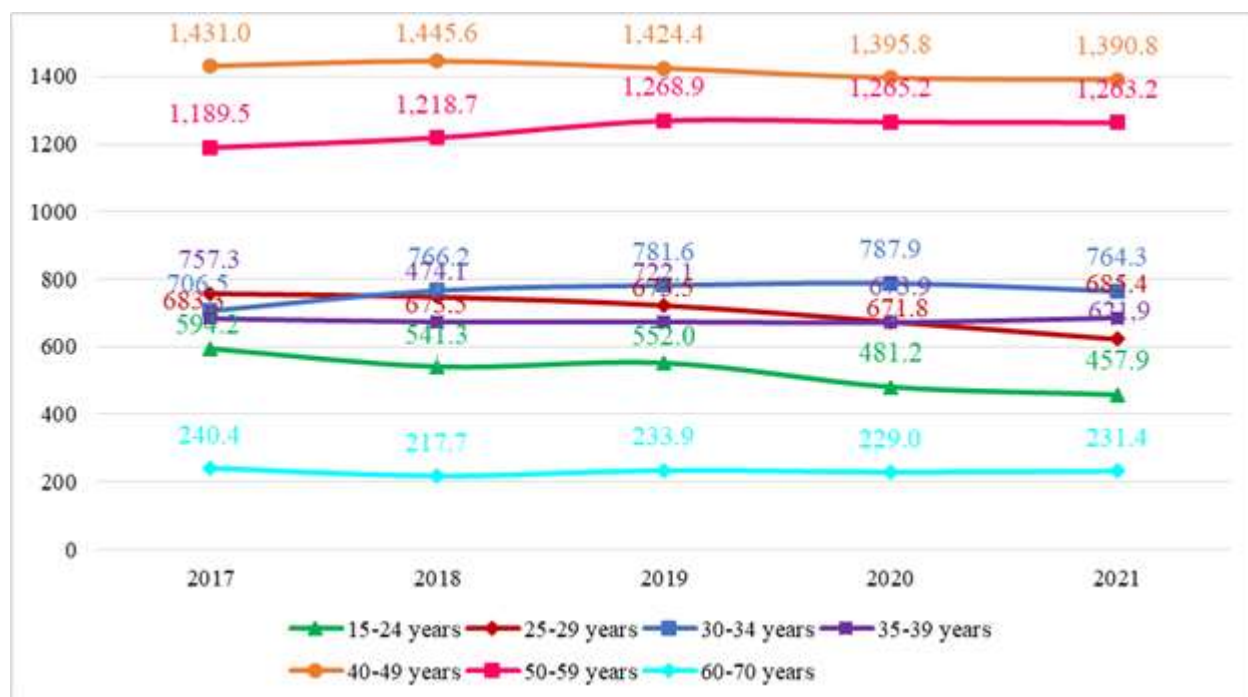


Fig. 2. Dynamics of the rural population of Ukraine of working age for 2017-2021, thousands of people
 Source: own development based on [25].

As we can see, during the analysed period in the rural areas of Ukraine, only the specific weight of persons of working age 30-34, which increased from 706.5 to 764.3 thousand, and 40-49, which increased from 1,189.5 to 1,263, increased. 2 thousand people. At the same time, in all other age categories, a decrease in the number of the population or its slight change was observed. Also, we should pay attention to the age structure of the working-

age population. In that case, the main share falls on the age categories of 40-49 and 50-59 years, constituting almost the same population as all other categories combined. This indicates a tendency towards ageing labour resources in rural areas and threatens to decrease the number of economically active populations in the future due to its natural reduction. We conducted a study of the results of the grouping of the regions of Ukraine by the

coefficient of natural increase (decrease) in the number of the rural population in 2021, calculated per 1,000 people of the existing population (Fig. 3). According to the results of the study, it was found that the most significant natural reduction of the rural population is

characteristic of the northeastern and central regions of Ukraine (Fig. 3). At the same time, the lowest rates of natural reduction of the rural population during the analysed period are observed in the west of Ukraine.

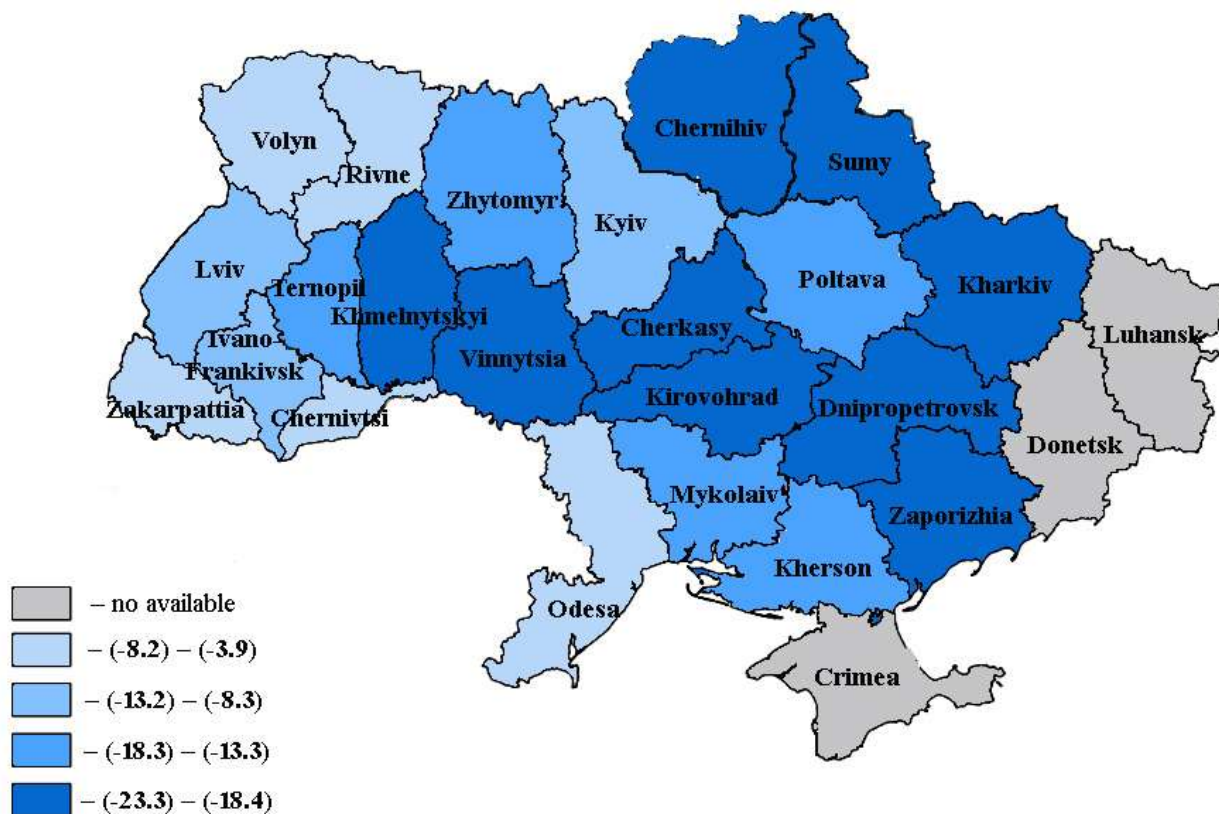


Fig. 3. Map of the results of the grouping of the regions of Ukraine by the coefficient of natural increase (decrease) in the number of the rural population of Ukraine as of January 1, 2022, calculated per 1,000 people of the existing population
 Source: own development based on [25].

Thus, it can be stated that at present, in addition to socio-economic reasons, the number of economically active population in the rural areas of Ukraine is also negatively affected by demographic trends. All of the above can lead to a reduction in supply in local labour markets, which will hinder the intensification of labour development in the agricultural sector of Ukraine. Therefore, there is an objective need to apply preventive measures to stimulate the rural population's economic activity by reducing migration to other spheres of economic activity and urban areas. According to the results of the study of the indicator of the demographic burden on the

rural population of Ukraine aged 16-59 as of January 1, 2022, per 1,000 people aged 16-59, it was found that this indicator is the highest in Chernihiv, Khmelnytskyi, as well as Luhansk and Donetsk regions (Fig. 4). It is evident that for these regions the rate of ageing of the rural population is the highest, which requires the development of several special state support programs aimed at minimizing the situation that has developed in such regions, because the demographic burden in them reaches 868 people per 1000 people of the rural population aged 16-59, which is an extraordinarily high and unfavorable indicator.

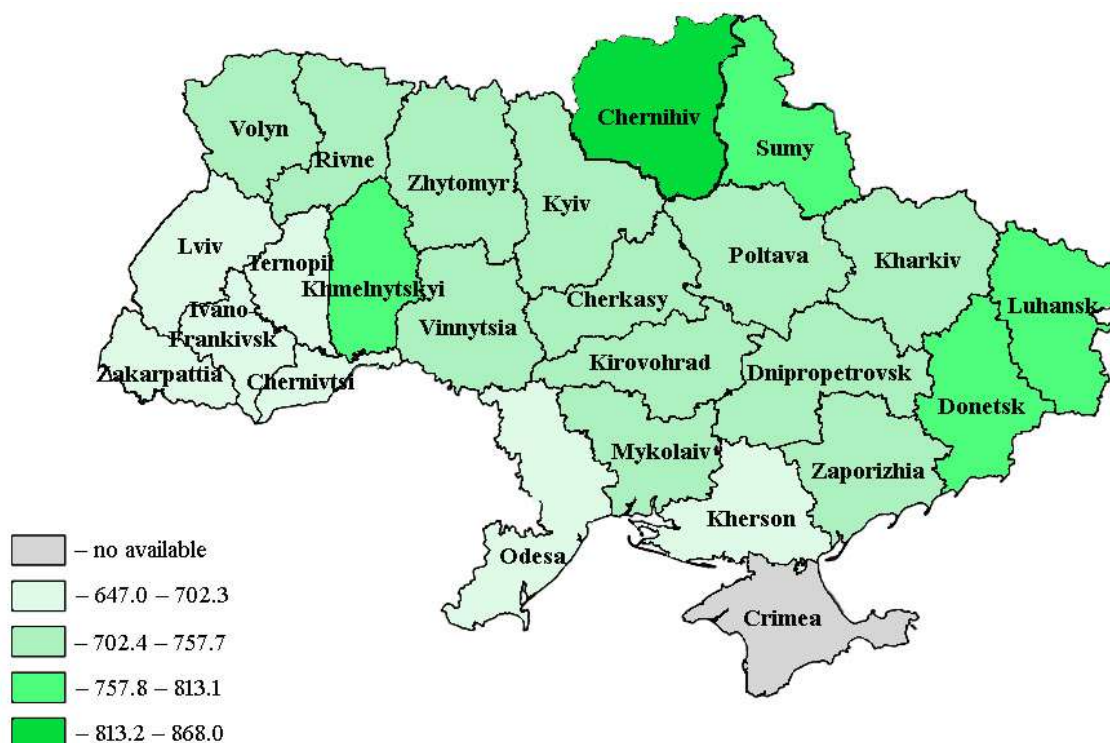


Fig. 4. Cartogram of the results of the grouping of the regions of Ukraine according to the indicator of the demographic burden on the rural population of Ukraine aged 16-59 as of Jan. 1, 2022, per 1,000 people aged 16-59
 Source: own development based on [25].

It should be noted that the approaches to ensuring the employment of the urban and rural populations are different due to their different age structures. This is caused mainly by the different sectoral structures of workplaces since most enterprises in the countryside operate in the agricultural sector [10]. The outlined trend can be traced based on a comparison of the age structure of the employment of the rural population of Ukraine (Fig. 5).

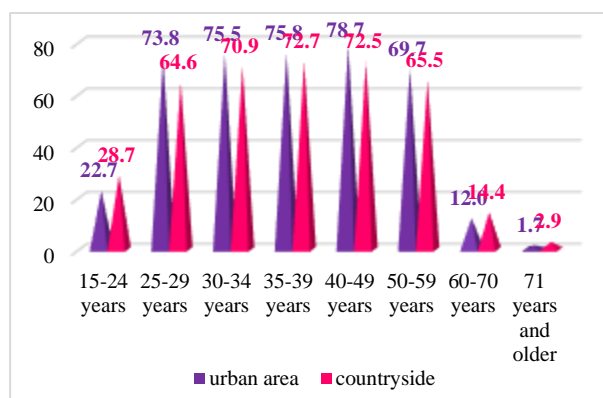


Fig. 5. Employment structure of the population of Ukraine by age and place of residence, 2021, %
 Source: own development based on [25].

As we can see, in the age groups of the most active working population (25-59 years old),

the employment rate is higher among residents of urban areas. In rural areas, the employment rate is higher only in the youngest age group (15-24 years old) and the oldest population group (over 60 years old). Such a disparity causes more significant problems with ensuring the employment of the rural population in rural areas. The lack of a strategy to solve employment problems threatens the growth of territorial mobility of the labour force and, in some instances, even professional mobility when the most qualified workers in rural areas change their place of residence to receive a higher level of remuneration [12]. The employment structure is also essential for regulating the population's economic activity. In particular, it is generally known that due to the rural population's sectoral agricultural orientation, a significant part of it works within the limits of self-employment by running personal peasant farms. Accordingly, this reduces the number of non-disabled people involved in production as hired workers, including in large agricultural enterprises or agricultural holdings (Fig. 6).

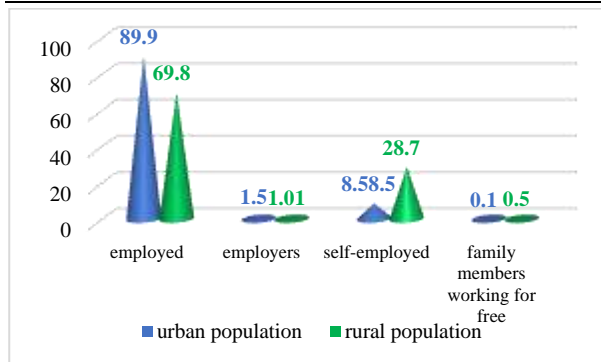


Fig. 6. Employed population of Ukraine aged 15-70 by type of area and individual characteristics, 2021, %
 Source: own development based on [25].

As we can see, there is a significant difference between the urban and rural population in the employment structure of the population of Ukraine. It manifests itself in the fact that, on average, there are about 20% more self-employed people in the countryside than among urban residents. In particular, in 2021, the share of self-employed among the urban population was 8.5%, and among the rural population - 28.7%. The consequence of such disproportions is changes in the number of employed personnel. In particular, in the same period, 89.9% of urban residents worked for hire; this figure was 69.8% among rural residents. Thus, it can be concluded that the sectoral specificity of the rural labour market, focused on agricultural production, contributes to the change in the employment structure of the rural population due to a significant increase in the share of self-employed persons. At the same time, it is necessary to note the growing role of migration processes and their influence on the number of economically active populations in rural areas. In particular, 10-15 years ago, the primary trend of territorial mobility was the relocation of rural residents to the city and related changes in the labour market; since 2015, significant changes have occurred in this area. In particular, with the strengthening of the processes of European integration and the opening of the borders of European countries for the residents of Ukraine, the flow of labour migrants to European countries has increased significantly. At the same time, this trend is felt considerably in the rural labour market, where a significant share of the population is involved in territorial interstate mobility processes, specifically in

seasonal agricultural work. In particular, the largest share in such labour migration processes is the departure of the rural population to work in the countries neighbouring Ukraine - Poland, Slovakia, and Hungary. If, from a short-term perspective, such a population movement contributes to the reduction of tension in the regional labour markets in Ukraine and the growth of the flow of money coming from labour migrants, then there are negative consequences in the long-term trends.

In particular, every year, an increasing number of labour migrants from rural areas prefer not seasonal work in the field of agriculture but try to move to other countries for permanent residence, including - and with the transition to higher segments of the labour market, related with more qualified work and, accordingly, obtaining a higher level of income. At the same time, the determining reason for the increase in migration flows is precisely the low level of wages at agricultural enterprises and the low level of profitability of personal farms.

At the same time, significant investments made by national agricultural holdings in the development of agricultural production in recent years have led to an increase in the productivity and profitability of their activities, which also affects the increase in the level of remuneration of the employees of such enterprises. At the same time, it is predicted that the need for such significant agricultural associations in personnel will only grow, requiring the labour market to have a sufficient number of the economically active population ready to work as hired workers. However, the current negative migration trends pose a potential threat to the development of the national agricultural sector in the future, which requires the adoption of measures aimed at overcoming the crisis trends associated with the interstate migration of the rural population of Ukraine.

CONCLUSIONS

Thus, according to the study results, it was established that ensuring a high level of economic activity for the rural population of Ukraine is of particular importance in the

context of the need to create effective employment in rural areas. An analysis of the employment situation for the rural population of Ukraine has been very favourable in recent years. At the same time, negative trends are associated with a general decrease in the working-age population in the countryside and a general population ageing, threatening a significant reduction in the available labour force. At the same time, the population's economic activity in rural areas remains relatively high, which is expressed in a significant number of self-employed persons, mainly in private agricultural production and in the growth of migration flows of the rural population for seasonal agricultural work abroad.

At the same time, it should be noted that overcoming the existing crisis phenomena in the rural labour market requires implementing several measures in the field of state and regional regulatory policy, which should be aimed at ensuring an increase in the number of jobs in rural areas. In addition, it is necessary to develop complex programs to support entrepreneurship in the agricultural sphere, which will contribute both to the increase in the level of employment of the rural population and to provide it with an increase in the level of income from such activities.

Among the main methods of ensuring the growth of employment in rural areas, it is worth including general promotion of the development of the agricultural sector of the national economy, diversification of economic activity in rural areas due to the development of small businesses and the service sector, improvement of the infrastructure of rural territorial communities to attract investments and increase the number of jobs. The need to form strategies for developing specialised training programs for local entrepreneurship and the use of migration regulation tools are also of great importance. This will make it possible to support entrepreneurship in the countryside and stimulate investment in the general development of rural areas, which will ultimately ensure employment growth. At the same time, developing an integrated approach and cooperation between the state, entrepreneurs, and local communities is

necessary to provide practical, sustainable development in rural areas.

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