

## **EVENTUAL TRENDS IN THE EXTENSION OF LABOUR OF THE INHABITANTS OF THE REGIONAL RURAL AREAS**

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*We examined the issue of the population aging, socio-economic status and some indicators of the quality of life of seniors in Ukraine, and therewith we considered the specific display of the main demoeconomic and social aging consequences in our country, as well as the compliance of socio-economic system in Ukraine with the needs of the aging population.*

**Keywords:** *labor resources, demographic aging, population, labor activity, labor potential, rural areas.*

**Articulation of issue.** In the current economic situation, the question of the labor resources formation and use is really relevant. An important factor in this process is the institutional provision of the labor resources formation and use. The proper supply of the necessary labor resources to the enterprises, the rational use of them, high level of labor productivity are of great importance in matters of improving the efficiency of the operation of any enterprise. The most acute issue is rural areas.

**Analysis of recent research and publications.** Currently, much attention in the scientific, periodicals and mass media is paid to the problem of providing labor resources both to the country as a whole and also to the problem of the decline of rural territories. Problems of securing and forming labor resources were reflected in the work of a large number of researchers, such as Bogynya D. P., Voronin A., Hrishnova O. A., Kachan Ye. P., Pastukh A., Shushpanov D. G., Osovskaya G. V., Krushelnytska O. V., Romanishyn V. O., Porter M., and others [1-4].

**Statement of basic materials.** The main development resources are increasingly the people, their knowledge and skills, their production experience, the continuous desire to improve their professional skills. Therefore, one of the important problems that are faced by the modern enterprises is the problem of the

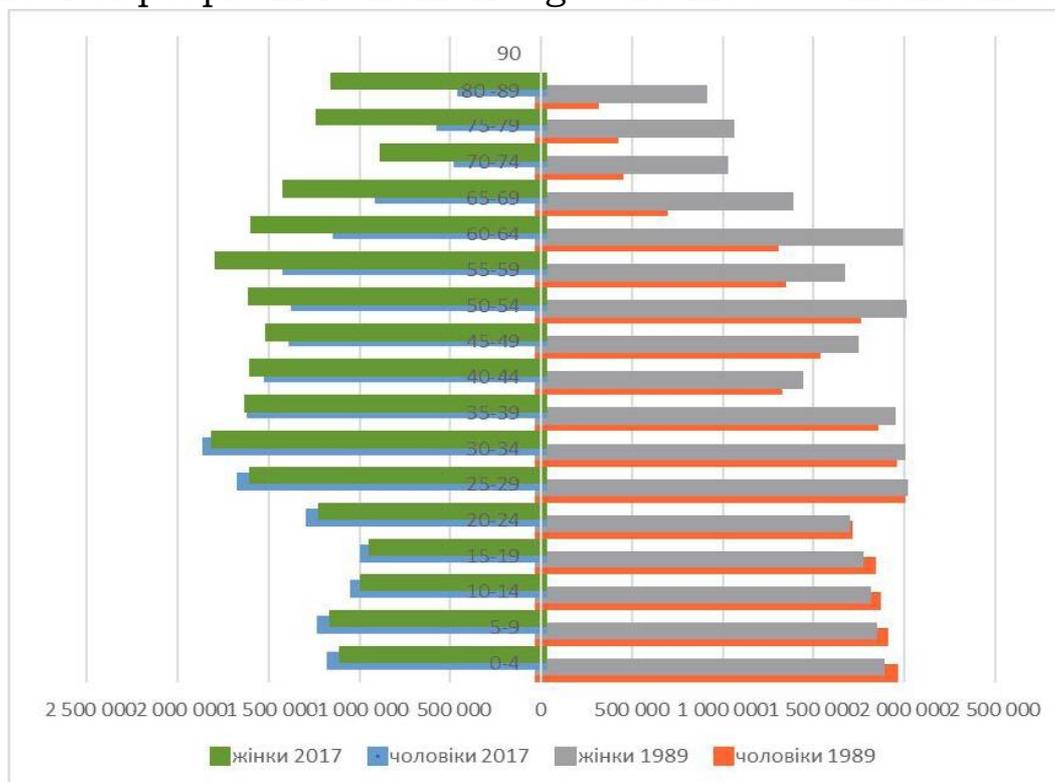
formation, development and preservation of labor resources. These circumstances determine the urgent need to study the institutional provision of the formation and use of enterprise labor resources as a product and source of human society development.

According to the statements of many scholars, labor resources can be considered as a combination of carriers of the labor force, which is largely determined by the demographic structure of the population, by established limits of disability both of those involved in the process of labor, the creation of consumer values and socio-cultural values, and of potentially able to socially beneficial activities [4].

The demographic aspect of the category “labor resources” reflects the dependence of these resources on population reproduction and takes into account characteristics such as sex, age, marital status, resettlement, migration. The sex-age structure of the population reflects the relation between age groups of people, in particular men and women. The relationship between men and women is not the same in different age groups. In childhood and youth groups there is nearly the same number of girls and boys, even the boys one is somewhat larger. However in concern to the middle age meanwhile, the ratio is gradually changing for the good of women, and as for an older age, there are two times less men almost than women. This is due to the fact that women have longer life expectancy, and the men's mortality occurs after 40 years old, and women's one after 50 years old, these are also affected by lifestyles peak, working conditions. Consider the gender-related age distribution of the population of Ukraine (Picture 1).

Consequently, according to the Picture data, we can say that the decline in fertility affects the age structure of its population. It is characterized by a significant proportion of elderly people. At the same time, the number of children and adolescents (0-14 years) has decreased. Such a phenomenon, significant not only for Ukraine, but also for the whole of Europe, is called aging of the population. According to international norms, the population of the country is considered to be old if the share of people over 65 years old is more than 7%. So, we can say that the population

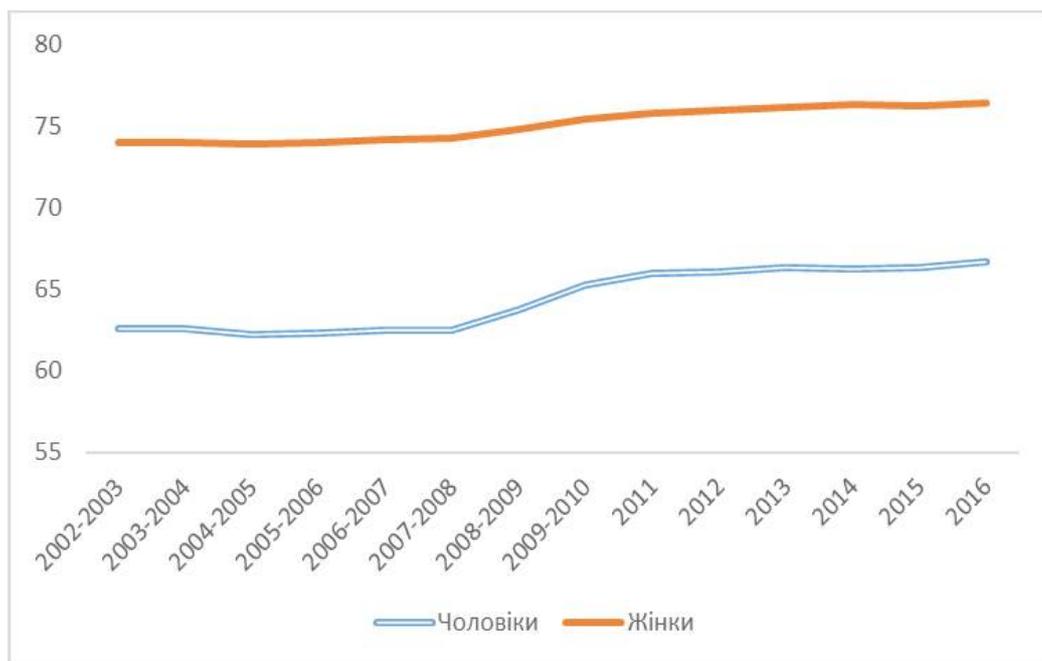
of Ukraine is very old. Aging of the nation has a negative impact on the economy development, since the proportion of labor pool is decreasing, while the burden on this is increasing due to the large number of people in retirement age who must be maintained.



Picture 1 Distribution of the permanent population of Ukraine by sex and age.

Source: Built by the author using [5]

The average age of people (Picture 2), which has increased from 69 to 71 years in our country since 1991, also affects the age structure and population in general. At the same time, the average life expectancy of women is higher than that of men at 12 years (76 to 64 years). This is one of the reasons that the majority of our country's population is women - about 54%. Moreover, such a quantitative advantage is not immediately at birth, but only in the middle age. And what's beyond the age, this advantage is more noticeable in favor of women. The ratio of the number of men and women determines the sexual structure of the country population, which is also important for the economy development.



Picture 2 Average life expectancy at birth in Ukraine

Source: Built by the author using [5]

Ukraine today is included into the list of thirty countries of the world with the oldest population. However, despite the rather high general level of population aging (more than 21% of the country's population is over 60 years of age, over 15% are over 65 years old), due to Ukraine's marginalization from the developed European countries in terms of the life expectancy, we now have a relatively low proportion of elderly people (older than 80 years old), among which women predominate. The escalation of the aging process for our country is inevitable in future, and that actualizes the need to fight for healthy longevity, maintaining the working capacity of the elderly, for active aging [6].

Demographic aging determines the changing needs in educational, medical, social and housing and communal services, transforms the labor potential of the population, changes the ratio of economically active and inactive part of it.

The process of aging is impossible to prevent – it is objective in nature, and it is dictated by the life expectancy increase and the fertility decrease in the context of civilization development. At the same time, it is necessary to form an adequate state policy as a response to the aging population challenges, and in particular,

to meet the new socio-economic needs and to stimulate the continued active life of the elderly people.

The impact of aging on the society institutions gives us an opportunity to take a fresh perspective at the changes that are taking place and to identify the ways of adapting the institutional environment to these changes.

Progressive aging of the population changes the conditions of economic institutions functioning, forcing it to adapt to the conditions of labor shortages due to the reduction in the number and proportion of the labor-intensive population. Today, many countries compensate the growing shortage of the labor force with an external migration, but this not only raises a lot of problems [7, p.10]. Consequently, the further economic development requires radical modernization of the entire production sector and the increase of labor productivity and creative activity of the entire economically active population, and moreover, a new, more palatable economic model of production and consumption, based on the principles of the relevant demographic and environmental challenges of the third millennium, is quite possible.

Aging of the population causes challenges for the system of population social support, for health care, employment and labor market, education, housing and communal services and transport infrastructure, for the family institution, etc. The most obvious of the aging effects are financial and economic ones: the reduction of labor force, possible slowdown of the economic growth, increase of social expenditures, intended for the elderly people, increase of tax burden, reduction of savings. At the same time, the reduction of financial opportunities for the social security occurs in the context of the general increase in demand for social services by the elderly people, including lonely and poor ones.

The impact of aging on the cognition is more complex, but it is also real. The reasonable answer would be the adaptation of work to the age. It should also be noted that the problem of accelerated aging and its consequences in our country are aggravated by the low standard of population living, the incompleteness of the formation and, therefore, the imperfection of a number of market

institutions, the existence of which creates certain opportunities to mitigate the negative economic consequences.

At the same time, the socio-economic effects of aging of the population are interrelated so that efforts aimed at mitigating each of the consequences simultaneously have a positive impact on others. Thus, in particular, the implementation of measures for the preservation of health and working capacity of the elderly contributes to the fuller utilization of their labor potential, and thereafter creates conditions to abate the problems related to social protection and medical care of elderly people [8]. Proper medical care could provide a proactive life increase for people of the retirement age and reduce the burden of retirement benefits. Increasing the employment of older people creates financial conditions for improving their social support, and the proper pension provision, in turn, is able to improve the overall economic situation by increasing the effective demand of the elderly population.

Given the demographic aging population throughout the country it is said about another increase in the age of retirement. With respect to the fact that in many European countries, at present, the retirement age is higher than the similar indicator in Ukraine, similar theoretical possibilities are considered in terms of increasing the life expectancy of the population. In Ukraine these issues are raised solely in terms of the Pension Fund budget deficit, the average life expectancy of citizens is not taken into account. An increase of the retirement age to 5 years will only lead to a temporary saving of the Pension Fund, and in 10-15 years the deficit will arise again, and already in larger scale due to the simultaneous increase in the number of pensioners. Thus, the demographic factor has a direct impact on the pension system development in Ukraine: none of the above problems – those are increasing the birth rate and life expectancy, reducing mortality – can not be solved either in the short-term or in the medium-term. Only long-term policies could affect the demographic situation.

Aging of the population exacerbates the urgency of high number of problems relating to the life of the elderly people. The importance of problems, such as pensions, and the improvement

of the work of social services for the care of elderly people, is increasing. At the same time, new tasks arise due to the peculiarities of the modern stage, one of which is the disclosure and implementation of the professional capabilities of representatives of the older generation.

At present, the demographic situation in Ukraine leads to the search for new theoretical and methodological approaches to the study of the elderly labor potential, a meaningful analysis of the motivation of labor activity extension, the legitimization of the work of the elderly people, and the real guarantee of their right to work. The importance and timeliness of such a task is dictated by the need to increase the social status of the older generation in society as a factor contributing to a social stability [9, p.45].

However, retirement age individuals seeking to continue their work experience are faced with significant difficulties in dealing with apparent or covert discrimination in the labor market. The investigation of world experience in implementing the professional potential of retirement age individuals is a necessary stage for preparing a solution to this problem in our country. An analysis of existing practices abroad allows you to highlight several aspects that are under development in this area:

- the development of the legislative base; creation of educational programs for the elderly;
- increasing the motivation of employers to involve the residential workers to the workflow;
- application of the projects of gradual reduction of working hours, creation of special working conditions for working pensioners.

In our country there is no comprehensive study of the employment problem of the elderly, the experience of solving the problem is fragmentary. Typically, the research relates mainly to social assistance and support. Such areas of research, of course, are necessary, but due to the increase in the number of elderly people who wish to continue their work, the developing proportion of people with higher education, and the improvement of medical care quality is exacerbated by the problem of implementing the right of representatives of the older generation to work.

However, one more step to continue the working capacity of people of retirement age could be solved by the development and acquisition of new professions or special knowledge. This is possible with the help of the “Third Generation University” or “Third Age University” - the so-called educational institutions, where the elderly could learn something new, deepen their knowledge or reveal their creative abilities. We name it “University”, of course, notionally. The point at issue is rather about a training center combining clubs, interest clubs and courses for people of retirement age. Notably owing to such “University etam” the pensioners would be able to continue bringing their labor potential into effect.

**Conclusions.** The “labor resources” category as a demographic aspect reflects the dependence of these resources on a population reproduction and takes into account such characteristics as sex, age, marital status, resettlement, migration. The decline in fertility affects the age structure of its population. Ukraine is among the countries with a rather high level of population aging, and in the coming decades this process will progress rapidly.

Aging of the population and other demographic changes in the modern world lead to an increase in the role of the labor potential of the elderly. Older workers have a number of important benefits that form the basis of their competitiveness in the labor market – first of all, qualifications, practical skills and experience. At the same time, there are persistent prejudices as for the resilience of the elderly to learning and the perception of the new, which forms the basis for age discrimination in the labor market.

In conclusion we would like to emphasize once again that the mobilization of the labor potential of the elderly is an extremely important task in the context of aging populations and of the reduction in the manpower supply; therefore, the policy of motivating the economic activity of the elderly should include both pension reform and employment promotion arrangements.

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***С. О. Горбач. Евентуальні напрями подовження трудової діяльності мешканців сільських територій регіону.***

*Досліджено питання особливості старіння населення, соціально-економічного становища й окремих показників якості життя осіб похилого віку в Україні. Розглянуто специфіки прояву в нашій країні основних демоекономічних та соціальних наслідків старіння, ступінь відповідності соціально-економічної системи в Україні потребам старіючого населення.*

**Ключевые слова:** трудові ресурси, демографічне старіння, населення, трудова діяльність, трудовий потенціал, сільські території.

***С. А. Горбач. Эвентуальные направления продолжения трудовой деятельности жителей сельских территорий региона.***

*Исследован вопрос особенностей старения населения, социально-экономического положения и отдельных показателей качества жизни пожилых людей в Украине. Рассмотрено специфики проявления в нашей стране основных демоекономических и социальных последствий старения, степень соответствия социально-экономической системы в Украине потребностям стареющего населения.*

**Ключевые слова:** трудовые ресурсы, демографическое старение, население, трудовая деятельность, трудовой потенциал, сельские территории.