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# STATE EMPLOYMENT SERVICE OF UKRAINE: STAGES ADVANCEMEN AND DEVELOPMENT

**Abstract.** The paper analyzed the origins and development of public employment services, as well as its main task in today's conditions.

**Keywords:** employment, unemployment, public service employment.

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## ДЕРЖАВНА СЛУЖБА ЗАЙНЯТОСТІ УКРАЇНИ: ІСТОРІЯ І СУЧАСНІСТЬ

**Анотація.** У статті проаналізована історія виникнення та розвитку Державної служби зайнятості, а також її основні завдання в сучасних умовах.

Ключові слова: зайнятість, безробіття, Державна служба зайнятості.

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# ГОСУДАРСТВЕННАЯ СЛУЖБА ЗАНЯТОСТИ УКРАИНЫ: ИСТОРИЯ И СОВРЕМЕННОСТЬ

**Аннотация.** В статье анализируется история возникновения и развития Государственной службы занятости. А также ее основные задачи в современных условиях.

Ключевые слова: занятость, безработица, Государственная служба занятости.

One of the main problems of vitality society in the new economic conditions of making economy is the problem of employment of population and creation the labour-places. To it's solving in Ukraine the State Employment Service of Ukraine was created.

State service employment is the only one in Ukraine state structure which is based on social insurance given citizens free of charge a wide range of services on ensuring them by the work, and employers are ensured by the labour force.

The role of the State employment service as a tool of social protection of population is found its reflection in the works of such scholars as A. Hrabelko, A. Komarenko, I. M. Ljvovska, O. H. Ohorodnik, L. V. Samaray and others.

Its start of the history of the State Employment Service of Ukraine had been beginning since October 1915, when in Kyiv for solving urgent problem of ensuring the enterprises by the new workers in obtaining replacement to the workers who were mobilized to the front, was opened the Bureau of Labor. At the beginning of 1917 Labour-Exchanges were appeared throughout Ukraine. That process was hastened by the resolution of the Provisional Government of Russia of 19 August 1917, which approved "the Resolution about the Labour Exchanges".

The Kyiv's regional Labor- Exchange was known to be established in March 1917 which was appointed for servicing the population of Kyiv, Poltava, Volyn, Podilya and Chernihiv regions and comprised more than 20 local exchanges. In May 1918 62 local and 3 regional labor-exchanges had already operated in Ukraine and especially in such towns: Kyiv, Kharkiv, Odessa.

On the issues of unemployment the policy of the new Ukrainian Soviet Socialist Republic was based on Law of the Soviet Russia "The labor-exchanges "of 31 January 1918. According to its the exchanges were passed at the trade unions disposal and were founded in the cities with the population not less 20,000 thousand inhabitants. Henceforth hiring workers and employees had to exercise only through the labor-exchanges because the private bureaus and offices had been liquidated. Guidance of the activity of the Exchanges were carried out by the departments of the Labour National Commissariat of labor which was founded in 20 January 1919 and the accordant local departments. That ensured the integrity of the state employment policy. Regulation of the All-Ukrainian Committee of general labor obligations was affirmed by the Decree of the All -Union the Central Executive Committee and the Soviet National Commetee of 10 June 1920 whose tasks were in conducting labor mobilisations on the territory of the Ukrainian SSR . Therefore, local departments of labor were liquidated, they had merged with the Committee of labor obligations [1].

From 1922 to1929 the State was exercising the New Economic Policy (NEP), the economy had become multistructural. During that period, the forcing to the labour temporarily weakened, but unemployment had increased. Among the causes of unemployment were: reduction of armed forces, arriving of the former peasants in towns, making periodic purges in the Soviet institutions. When in 1914 at the leading enterprises of manufacturing industry in Kiev province 97 thousand workers employed, but in 1921 only 11 thousand workers employed In 1922 (September 11) the Soviet National Committee of USSR approved "Measures in giving the assistance to the unemployed population".

For those who had the right on receiving the assistance from social insurance for unemployment were given benefits for house rent and providing by the fuel, they were free of charge for communal utilities and medicine, they were provided by the labour assistance involving to mass unskilled work, as the opportunity occurred. Accept the insurance and organization public work the National Committee of Labor, the local exchanges and the committees which were fighting with unemployment and helped in setting up cartels and establishing the different labor-collectives for arranging the labour-places for the unemployed.

At the beginning of 30-ies of XX century it was proclaimed that socialism in the Soviet Union had gained the victory finally and irravocably, it was announced about the liquidation of unemployment in the country. In fact, it meant a `one -time taking off some hundreds of thousands of unemployed from the register, reorganization the bodies of employment, simultaneously with the beginning of a new phase of expansion of various forms of using forced-labor. A new planning way in organization of work foresaw the liquidation of the social-legal status of unemployment and labor- exchanges. It was proclaimed about a course of the full employment. From that time the unemployed had been sent immediately to work regardless of age, profession, place of residence. Registration was carried out in the nearest personnel office according to the place of residense. Later industrialization had solved the problem of unemployment in the most regions of the country.

In the Soviet Union during the period from 1930 to 1980 in a whole the stable shortage of the labour force was being observed. In 1943 for controlling the process of redistribution of

labor resources the Bureau of the accounting and distribution of the labor-force was established which was later renamed on the Bureau of the Employment of population.

Even during the second World War in the system of the State Executive Power of the USSR the Bodies of the Labour - resources of organized engaging of the workers and their migration began to act. The following structures were created; the Bureau of the accounting and distribution of labor-force which belong to the Soviet National Committee USSR, the Main Department of handicraft, railway colleges and schools of manufactory-plant training (vocational training) of the USSR Ministry of labour resources of the USSR, the Immigration Department of the Ministry of Agriculture and storing up of the USSR, the Main Department of organized engaging of the workers and their migration attached to the Council of Ministers of the USSR [2].

In February 1967 the State Committee of the Council of the Ministers of the USSR on the using of the labor resources was created on the base of the liguidated the Main Department of the organized engaging.

On the State Committee and its local bodies were laid: development and conducting with other departments the measures of retraining the workers and their redistribution according to the needs of industry, informing the population about the regiments of the enterprises on the worker, the employees and employment, the ivestigation of the composition of the working population which not engaging in the public economy, conducting organized engaging of the workers and their migration to other places, and also insurance of the control in exercising by the Economic Bodies obligations before the workers and employees which were sent to the department the Economy of the labor- market and the employment problems of the enterprise. Such system had existed to the break-up of the Soviet Union [2].

By the end of 1980 from the ideological reflection, the term "labor market" and "Unemployment" hadn't been used. As for the "labour-market" can agree with the official ideology of that period, but it can not be in the non-market economy. But in the 1990s, in the literature sometimes another opinion was expressed that the labor- market was everywhere, where earnings existed, and the workers had the right of free changing their labour places from one company to another (in the last soviet decades such rights were in the most categories of employed population).

If taken the Soviet experience of the last decades when the mass forced —labor hadn't already existed, it had been typical for that totalitarian period (eg,especially the farmers were allowed to have the passports and to seek employment outside of the agriculture, and the number of force- employed prisoners were reduced to a minimum) but in that experiense could find some elements that were useful for the contemporary state policy.

At first, "the right to labour" was guaranteed by the Constitution of the USSR and the Labour Code. The appearance in some republics and regions of massive groups of unemployed population was consided as an extraordinary event and attracted the attention of the Higher Bodies of the Government. At second, regularly, in the conditions of secrecy the accounts were being developed by the State Committee of Statistics (CSD) and the accounts of prognostic balance of labor resources from 1 to 5 years and more were being developed by the State Plan of the USSR. In 1980–es the most long-term projections of employment has been developed for 20 years in the Complex program of scientific technological progress." Indirectly in the balance but the unemployed population were present, but in the 1980-s years it was served as a reason for adoption a number of resolutions about the hasten creation of the additional labour-places in the disadvantaged regions according to employment [3, p. 78].

On December 21, 1990 the Resolution of the Council of Ministers of the USSR "About the establishment of the State Employment Service in the Ukrainian SSR "were issued.

One of the first market's laws of our country was the Law of Ukraine "On Employment", it was adopted in March 1991,by a half a year before the beginning of the new count of the Ukrainian history. That law defined the legal, economic and organizational basis of employment population already of the independent Ukraine, provided protection population from unemployment and also the social guarantees benefits from the side of the State in realization by citizens the right on labour in a market economy and equality of different forms of ownership [4].

Sinse 1 January 2001 in Ukraine extremely important for our country and activities of the State service employment the Law "On general mandatory state social insuranse in case of unemployment "has came into force. The Fund of general mandatory state social insurance unemployment due to circumstances was created, functions of the executive directorate of the Fund were put on the responsibility of the State service of employment. The administration of the Fund is exercised by the State on a parity basis, by the representatives of insured persons and employers [5].

The absolute international recognition of the State Employment Service in Ukraine can consider its adoption to the World Association of Employment Services – WAPES in August 2003.

At presence in Ukraine since 1January 2013 "On Employment" (in edition of 5July 2012) the Law has been exercising, which defines the legal, economic and organizational principles in realization of State policy in the field of employment of population, the guarantee of the State to protection the rights of citizens to labour and realization their rights to social protection in case of unemployment [6].

The State Employment Service, is created by the Decree of the President of Ukraine on January 16, 2013 on the base of the State centre employment which operates in nowadays. The government has approved the Resolution which expected the creation of 573 territorial structures of the State Employment Service: there are 27 main departments in the Autonomous Republic of Crimea, oblasts, the Cities of Kyiv and Sevastopol, there are 546 offices in districts, cities, city districts, intercity and interdistricts. 15 thousand 490 persons are also the limiting number of its employees which are approved [7].

The adopted decision of the State Employment Service of Ukraine is approved by the Decree of the President of Ukraine of 16 January 2013 № 19/2013. Given Regulation appoints that the State Employment Service of Ukraine is a part of the System of the Executive Power and provides realization of the State policy in the field of employment population and labor migration. It's main objectives are:

- 1) realization of the State policy in the field of employment population and labor migration.
- 2) making proposals to the Minister in the formulation of the State policy in the field of employment population and labor migration;
  - 3) the promotion of citizens in the choosing of acceptable work:
  - 4) providing services to employers in option employees;
- 5) participation in the organization of conducting the public and other work of a temporary nature;
- 6) assistance the citizens in the organization of business activity, especially by the way in giving of individual and group consultations;
- 7) Participation in realization of measures to prevent of mass reducing employees, prophylaxis in getting of insured cases, promoting mobility labour-force and employment

population in the regions with the highest level of unemployment, monofunctionals cities and settlements dependended of towncreational enterprises;

- 8) organization of training, retraining and advanced training of unemployed taking into account the current and promising needs of labor- market;
  - 9) conducting professional orientation of population;
- 10) additional support in labour arranging separate categories of citizens which are not competitive in the labor market;
- 11) exercising the control in using costs of the Fund of general mandatory state social insurance of Ukraine in case of unemployment by employers and unemployed.

According to section 6 of the Regulations of the State Employment Service of Ukraine for exercising its tasks, the service has the right:

- 1) involve specialists from central and local bodies of executive power, scientists, representatives of the institutions of the public community (by consent) for discussion the issues what belong to its authority;
- 2) obtain in the determined order from the ministries and other central and local executive authorities, local self-government required necessary documents and materials;
- 3) use databases of the State bodies, the State and at the same time including governmental system of communications and connections, networks of special connections and another technical means:
  - 4) call in determined order the meetings on matters in accodance to its authority;
- 5) use in determined order the information of the State Register of general mandatory state social insurance;
- 6) manage by the costs of the Fund according to the legislation within the limits of its authority.
- 7) conduct in determined order controling using of the costs of the Fund which are appointed for given the social services, payment of material security, the exercising of measures to promote employment population, the reliability of the accounts which are submitted by the employer for obtaining the costs of the Fund, the observance of the procedure in using by employer the costs of the Fund which are given him and stopped payments from the Fund in the case of rejection or obstruction from the side of the employer in exercising the controll and detection the facts of submission of a false accounting to the Service or violation the order in using employer costs of the Fund: to obtain the necessary explanations (including written form) on matters arising during the audit.
- 8) exact the costs of the Fund according to the Law which are paid to persons registered as unemployed, in the form of material security in case of unemployment and expenced on the provision the social services to unemployed in case of putting on the fact receiving it with the help of impostures reports which are given by the person and also voluntarily unpaid fines imposed in accordance with the Law of Ukraine "On Employment population" and articles 24-1 of the Law of Ukraine "On Advertising" [8];

- 9) to exact the amount of the insurance costs from the employer and the cost of social services which are rendered unemployed, in case of renew him on its work by decision of the court:
- 10) require from the managers and other officials of enterprises, institutions and organizations and also from individuals removing detected facts of the infringement demands of legislation on insurance in case of unemployment.
  - In I.Petrenko's opinion to the main functions of the State Employment Service refer to:
- 1. The prediction, which is consisted in investigation, analysis positions, structure and dynamics of the labor market and also determination on evidence received of the data processes regulation the employment of population. To this function refers in particular:
  - analysis and prediction of demand and proposals for labour-force;
- collection and processing of administrative data which reflect the positions of the labor market, situation in the field of employment population;
- elaboration prediction according the structure of labour places, the needs of enterprises, institutions and organizations in employees for their professional staff and determination on this basis of the scopes and directions improvement gualification, professional training, training and retraining of redundant employees and unemployed citizens;
- elaboration of statistics accounting on the status of the labor market, demand and supply on the labor force, another accountings on employment population, ensure its reliability and timely submission.
- 2. Planning, which has to determine the directions in realization policy of employment, namely:
- training of prospective and current territorial and state employment programs and measures of social protection of different groups citizens from unemployment;
- eleboration and introduction for discussion of local state administrations, executive bodies of local councils the proposals of a setting for enterprises, institutions and organizations regardless of forms of ownership quotas for hiring persons to work who need social protection and are unable to be competitive on the equal terms on the labor- market;
- preparation of proposal for the definition areas of priority development, where extending the number of job-places are encouraged by the state;
- introduction to local administrations proposal for reservation in enterprises, institutions and organizations up to 5 per cent of the total number of labour-places for persons in need of social protection and are unable to be competitive on the equal terms on the labor-market;
- facilitating the creation of the additional labour-places in enterprises, establishments and organizations for using the work of citizens in need of social protection and unable to be competitive on equal terms on the labor- market, and also in the territory of priority development;
- making proposals to local state administrations, executive bodies of local councils for stopping for the term to 6 months a decision of enterprises on reduction employees in case of difficulty their next labour -arranging with simultaneous partial or full compensation of expenses of enterprises caused by this delay.
  - 3. Accounting control function.

Reduced to collecting, registration, recording, reprocessing and storage of data to the labor- market. This function includes:

- conducting record of citizens who applied on the question of labour-arranging, vacant labour- places and vacant positions;

- registration of the unemployed citizens;
- -control employment, conducting the primary account of employment citizens, and also citizens are sent to professional training, improvement qualification, and retraining and paid public works;
- exercising control in observing the legislation on employment of population by enterprises, establishments and organizations of all forms of ownership;
  - -taking measures on prevention illegaly using of employable;
- -conducting account and forming accounting of expencing costs of State Fund in assistance employment population.
- 4. Organizational function is connected with the creation of mechanism of interaction service with the bodies to realization policy of the employment population, namely:
- the organization if need professional training and retraining citizens in the system of employment service or sending them to another educational establishment, which providing training and retraining of employees to assist the enterprises in developing and determining the content of courses studying and restudying;
- organization of paid public works for provision temporary employment population, especially for persons who are registered as unemployed, on enterprises, establishments and organizations of the community property and by contracts in another enterprises, institutions and organizations;
- cooperation with enterprises, organizations, establishments and bodies of local self-governments in solving matters of employment population;
- 5. Regulation and management. Function is consisted in exercising directly leadership by behavior of subjects of socio-labour relations.
- 6.Informational explanatory function means providing all subjects labour relations necessary information about the status of the labor market, measures to improve competitive and professional self-determination of the population. Such function must have place in the classification because it promotes the formation of active behavior of citizens in the labor-market. To this function can include:
- Informing the population about the status of the labor-market, availability of vacancy labour-places and vacant positions at enterprises, establishments and organizations of state, about the services which are provided by the employment service;
- Counseling citizens on matters in getting a job and at the same time in another residents of a settlement of the state, about conditions and payments'.
- Informing and counselling the business owners of enterprises, establishments, organizations or bodies are authorized by them to the availability of free employables in the territory, its possibilities providing with the employables enterprises, establishments and organizations, including carring out the migration of the citizens and the members of their families from another regions of the state;
- Informing the populations about the availability of educational establishments, centers, courses, technical colleges, industrial complexes, points of training and retraining of personnel, the term of training;
- Carrying out the work in the matters of the organization of professional activities of citizens of Ukraine who are abroad [9, p. 337-339].

Thus, the system of social protection of population from unemployment on the bases of insurance, the system of social partnership, system of personnel securing, improvement qualification personnel of the employment servise: developed and introduced modern information technologies, created financial – industrial centre for the provision of social services population and employers are established by the State Employment Service of

Ukraine during its existence. Constantly the legislature is improving, the forms and methods of information- explanation work is expanding.

The important role in the practical achievements of the state employment service take place professionalism personnel and intellectualization its staffing potential. By this important function relies on the Institute traning personnel of State service employment, by the way, such Institute is only one of its kind. There isn't such specialized educational establishment in any Service of employment in the foreign coutries. [10, p. 4].

Nowdays in society's mind the State Employment Service of Ukraine doesn't more associate with primitive employment office of the Soviet time, the fighting against parasitism and support excessive number of employees in enterprises, organizations and institutions.

Moreover, at present a draft of the Decree of the President exists about the association of the State Employment Service and the State Labor Inspection in one institution, it is Service of Labour and Employment . The main task of the united service will consist in effective protection every employee in all stages of the working process. Starting from hiring to the work and ending with the termination of working -relationship with the employer. According to the report of the Minister of Social Policy of Ukraine N. Korolyvska the employees of the United service will work closely with employers directly in enterprises, but not sitting in the office. From their side, employers in a short period of time can get maximum the combined services. Indeed, instead of the two Bodies the relationship will take place only with representatives of the Service of Labour and Employment [11]. At first to-day, the State Employment Service of Ukraine forced effectively respond to changes in external conditions, trying to maintain a balance between the changes and stability in any situations on the labor market. At second fully understand their role as a tool in exercising the policy of employment for that to gain the trust of the government and get the necessary means and resources. At third, initiative leadership function is exercised in relations with employers, trade unions and bodies local self-governing in the field of regulation processes in the labor market and promotion in labour-arranging and providing with social protection of the unemployed population.

Currently, there is natural public concern about ability of State employment servise adequate to respond to the new realities of the labor-market and ensure high social productive of measures directed to overcoming the consequences of the crisis.

That's why we hope that today we have all reasons to confirm that the Employment Service as the state institution actively developed as a part of global trends and is able to successfully counteract of the new threats and challenges.

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