

THE ASSESSMENT OF A SECTORAL EMPLOYMENT STRUCTURE OF ECONOMICALLY ACTIVE POPULATION IN MOUNTAIN AREAS

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The article aims to analyze the current trends in local labor markets of the mountain areas of the Carpathian region, particularly the analysis of the amount of employed population was made, the main reasons of massive unemployment in mountain areas were found, the trends in supply and demand for labor in mountainous areas were determined, and also the main ways to overcome the negative trends in the labor market of mountainous areas were suggested.

Keywords: *mountain t were territory, labor market, employment, unemployment*

Introduction. The methodological base of the research of labor market, that is the understanding of that it is a reflection of the situation in the economy of the mountainous districts of the region [2, p. 113]. Today it can be characterized by several dominant features which indicate that the available human potential of the mountain villages is not fully used, and unemployment in all its forms of manifestation is the main social problem [8, p. 15].

An objective analysis of the economic employment aspect of the population of the mountain villages indicates that the current situation is a result of these problems that have accumulated over the years in labor resource policy as to problematic areas and were not effectively solved. As a result, mountainous territory evolved residually. As a result of insufficiently developed economic and social infrastructure of the village a narrow scope of employment with a limited number of professions and specialties was formed. The insufficient scale of the development of non-agricultural industries and the service sector in rural areas is the main reason for unemployment and massive labor migration, the core of which is formed by the rural population.

The analysis of the main factors that generate profound differences in socio-economic development of local spatial structures shows that if in the first years of economic transformation they were mainly defined by different initial conditions that prevailed before the start of market reforms, but in the second half of the nineties of the last century the dynamics of economic processes was determined by primarily market factors - the level of the investment in fixed capital formation costs, prices, demand, supply, dynamics and pace of market, organizational and

legal forms of management. The effects of the factors above are transformed onto socio-labor relations, which are formed under the influence of local labor markets of mountain settlements. Their research in the Carpathian region indicates the presence of these trends:

- Personal farmsteads have turned into the main source of income;
- wages in the agricultural enterprises remain very low and do not fulfill a reproductive function;
- migration of the rural population both to a regional (district) centers and abroad is activating;
- Continuing outflow of professionals and intellectuals from mountain areas because of the deteriorating socio-cultural and production activities.

The objective economic analysis shows that these problems have accumulated not today, they are the result of an underestimation of the factor heterogeneity of economic space in the reform process by a mono economic structure of mountain villages, different initial conditions of entering the market and the lack of own resources for economic growth. Specific climatic and geographic conditions of management are imposed on this. An equally important factor is the presence of destructive processes that emerged in the priority areas of economic management – in agriculture and forestry.

The main content. In the process of reforming of the economy the most damaging effects was on agricultural sector, that is a priority area of the management in mountain villages, where production is carried out in difficult climatic conditions, resulted in sharp decline in production, catastrophic financial and economic situation of rural producers, impoverishment of the general population. As a result, the number of people employed in agriculture, hunting, forestry and fishing in the areas of the Carpathian region in the period from 2000 to 2014 decreased by 135.8 thousand. People, by 19%, indicating the absence of existing labor groups, the core of which compile employees. Against this background, the processes of packing up of the social infrastructure are going on and the activity of the services cannot be restored (Table. 1).

Table 1
The number of employed in the areas of the Carpathian region by the type of economic activity in the years 2000-2014, in thousands of people [5, p. 24; 7, pp. 49; 10, pp. 21; 12, pp. 26]

	Transcarpathian region		Ivano-Frankivsk region		Lviv region		Chernivtsy region	
	2000	2014	2000	2014	2000	2014	2000	2014
Total	545,8	521,4	584,7	547,8	1082,7	1038,2	293,6	370,6
Agriculture, forestry and fishery	205,2	129,4	173,5	155,3	253,8	189,2	80,3	103,1

Industry	76,5	59,5	116,2	68,7	227,6	154,2	52,1	36,6
Construction	14,3	28,5	29,7	25,4	53,4	67,7	10,9	17,0
Wholesale and retail, trade, vehicles and motorbike repairs	28,5	95,6	89,0	99,6	147,7	189,3	43,9	69,6
Transport, warehousing, post and delivery services	24,3	27,7	31,9	23,6	72,6	64,1	15,9	16,4
Temporary accommodation and arrangements for feeding	-*	15,9	-	7,9	-	24,8	-	8,1
Information and telecommunication	-	3,3	-	3,6	-	18,7		3,6
Finance and Insurance	3,5	3,9	3,7	4,9	8,4	12,7	2,2	3,1
Real Estate operations	16,0	5,3	12,2	3,8	45,4	12,2	6,3	4,3
Professional and scientific activities	-	4,9	-	7,7	-	21,3	-	4,5
Administration and Subsidiary service activities	-	3,6	-	7,4	-	15,8	-	3,0
State government, defence, compulsory social insurance	21,4	25,8	22,4	22,8	67,9	55,7	16,8	17,4
Education	52,1	48,4	47,5	55,7	95,6	103,2	32,4	35,5
Health protection and social care provision	31,0	28,4	38,3	38,3	79,0	77,7	22,4	24,4
Art, sport, entertainment and recreation	-	5,8	-	7,1	-	10,6	-	4,3
Other services	73,0	35,4	20,3	16,0	31,3	21,0	10,4	19,7

* Data are not available due to a different classification of economic activities and the lack of statistical information

The data in Table 1 show that during the analyzed period the number of employed in the areas of the Carpathian region decreased by 1.15% - from 2506.8 thousand of people in 2000 to 2478.0 thousand of people in 2014. Such situation can be

observed in all regions of the Carpathian region, except Chernivtsi where during the period under analysis the number of employed people increased by 27.0%. It is in this area, unlike others, a number of employed people has increased in almost all sectors of the regional economy, except industrial and real estate operations, which is completely opposite trend compared to other regions of the Ukrainian Carpathians.

The main area of labor application was and still remains the agriculture, forestry and fisheries, although during the analyzed period the share of employed persons reduced to 5.1%. During the period under analysis in all spheres of material production there was reduction in number of employed persons, with the exception of construction, where the share of employed persons increased by 1.3%, which can be explained by the high wages of employed people here, and the lack of specific requirements to perform such type of work, except, of course, physical health. Instead, in all spheres of non-material production over the same period, there was the increase in the share of employed persons in the structure of which trade and repair of automobiles and motorcycles (growth over this period was 6.0%) and in education and science (+ 0.7%) occupies a special place.

The above shows that the processes of denationalization and privatization of property, the development of market forms of management are not accompanied by expansion of labor application which resulted in the increases of the gap between the demand and supply of labor, thus increasing unemployment. These processes are transformed into local labor markets of mountain areas where the problem of employment traditionally has a special significance [9, p .144].

With the transition to a market economy the problem of employment in mountain areas has become more active because the priority area management in mountain areas, that is agriculture which has suffered the most devastating impact, manifested in a sharp decline in production, catastrophic financial and economic situation of agricultural producers, impoverishment of the general population. As a result, today a small-scale lifescheme, where the main factor of production is mostly manual labor using backward and obsolete equipment and technology has . This fact has changed the essence and nature of industrial relations and the structure of rural employment [9, p. 144]. The main occupation of inhabitants of mountain settlements is agriculture, and its main form of expression is individual farms or farmsteads. Along with agriculture practiced in private farmsteads and rural green tourism, which in most cases is complementary employment, but revenues obtained from are quite significant in the structure of the income of the private farmsteads. There is a large share of employment in trade and forestry, which according to various estimates accounts is from 15 to 22 percent of all employed residents of mountain areas [17, p. 12]. The employment of mountain residents in these areas of the economy of mountain areas can be explained by many reasons, the main ones are the restructuring of agricultural production, the

emergence of new types of business entity in the countryside, the formation multiculturalism rural economy, etc. [9, p. 145].

The situation that prevailed in most rural areas, with the status of the mountain ones, can make a crucial conclusion, the essence of which is that the processes of privatization and denationalization in the countryside are accompanied by packing up the scope of employment and, as a consequence, mass unemployment that got its various forms, and new legal forms of business in rural areas do not have a significant impact on employment in rural areas. As a result, the narrowing of the scope of labor application provoked deep gap between the demand and supply of labor in the mountainous districts of the Carpathian region (Table. 2).

Table 2

Labor supply and demand in the labor market of the Carpathian region in the year 2000-2014. (People) [1; 11, p. 41; 12, pp. 55; 14, pp. 325; 16, p. 364] (on the end of year)

Districts	Labor Supply				Labor Demand				Load per vacancy		
	2000	2014	+/-	% from total regional one in 2014	2000	2014	+/-	% from total regional one in 2014	2000	2014	+/-
Transcarpathian region											
Velykoberezny district	2363	614	-1749	6,1	6	0	-6	0	394	-	*
Volovets district	1911	699	-1212	7,0	30	6	-24	1,1	64	117	+53
Mizhhirrya district	3024	979	-2045	9,7	61	28	-33	5,1	50	35	-15
Perechyn district	2477	398	-2079	4,0	13	19	+6	3,5	191	21	-170
Rahiv disttric	3239	947	-2292	9,4	29	15	-14	2,8	112	63	-49
Svalyava district	2257	232	-2025	2,3	5	38	+33	7,0	451	6	-445
Total in the region	42824	10041	-32783	100	1225	543	682	100	35	18	-17
Ivano-Frankivsk region											
Bolehiv town council	875	243	-632	1,4	48	2	-46	0,6	18	122	+104

Bohorodchany	2397	950	-1447	5,7	25	7	-18	2,2	96	136	+40
Verhovyna	1116	619	-497	3,7	41	0	-41	0	27	-	*
Dolyna	3223	772	-2451	4,6	14	11	-3	3,4	230	70	-160
Kolomyja	2763	1667	-1096	10,0	76	27	-49	8,4	36	62	+30
Kosiv	3011	1242	-1769	7,4	69	49	-20	15,2	44	25	-19
Nadvirna	2618	1412	-1206	8,4	23	0	-23	0	114	-	*
Rozhnyatyn	2478	817	-1661	4,9	21	2	-19	0,6	118	409	+291
Total in the region	46391	16740	-29651	100	1015	322	-693	100	46	52	+6
Lviv region											
Drogobych	4500	948	-3552	3,8	90	16	-74	1,6	50	59	+9
Skole	1565	447	-1118	1,8	5	7	+2	0,7	313	64	-249
Staryiy Sambir	2667	1161	-1506	4,6	21	53	+32	5,4	127	22	-105
Stryiy	2881	862	-2019	3,4	67	4	-63	0,4	43	216	+173
Turka	1932	567	-1365	2,2	42	7	-35	0,7	46	81	+35
Total in the region	91745	25186	-66559	100	1234	986	-248	100	74	26	-48
Chernivtsi region											
Vyzhnytsja	637	808	+171	8,6	6	7	+1	1,7	106	115	+9
Putyla	1239	514	-725	5,4	16	32	+16	7,9	77	16	-61
Storozhine	1055	450	-605	4,8	20	8	-12	2,0	53	56	+3
Total in the region	22581	9451	-13130	100	401	404	+3	100	56	23	-33
Total in the Carpathian region	190896	61418	-129478	100	4582	2255	-2327	100	42	27	-15
Total in the Carpathian mountain region	50228	17348	-32880	29,0	733	338	-395	15,0	68	51	-17

- * - The calculation of these indicators is unreliable because the resulting indicators are equal to 0

The data presented in Table 2 indicate a significant gap between the demand and supply of labor on the local labor market in the mountain villages. Almost one in three unemployed in the Carpathian region live in the mountains, and almost half of them (46.1%) is concentrated in the mountainous areas of Ivano-Frankivsk and the lowest concentration of unemployed is in the Lviv region. That is 15.8%. Almost 15.0% of vacancies of their total number in the Carpathian region were created in mountainous areas. The largest number of them was created in the Transcarpathian region - 106, or 19.5% of the total number in the region, and the least in Chernivtsi - 47, representing 11.7% of all jobs in the region. Only 6

mountain areas during the period under research increased the number of vacancies, among which the best dynamics could be observed in Stary Sambir and Svalyava areas. The fact that in 2014 in 3 mountainous areas there were no vacancies that could be offered to unemployed people is the reason for concern.

The result of marked trend is that in mountainous areas of the Carpathian region the load per one vacancy, exceeds average regional rate almost 2 times, and the rate of decline of this indicator in mountainous areas is lower than in the whole region. In Ivano-Frankivsk region the load per one vacancy is almost 3 times higher than the average regional rate. That is in Lviv - in 1.7 times, in Chernivtsi - 1.4 and in Transcarpathian region in 1.3 times. Only in 9 mountain areas, which is 40.9% of the total amount, during the period under research a tendency to reduction of the load on one vacancy was observed. For some areas this trend can be explained by the increase in the number of vacancies, that is for Putyla, Stary Sambir, Svalyava and Perechyn districts and the decrease in others by much higher unemployment rates than job cuts, that is in Skole, Kosiv, Dolinska, Mizhhirrya and Rakhiv districts. The areas that are assigned to the second group can be characterized by a significant rate of migration outflow of labor, since only that, against the background of positive demographic situation in these areas can be explained by the tendency, when with the absence of employment opportunities at the residence, the tendency to reduction of load on vacancies can be observed.

The marked above tendencies let us make a conclusion that the negative processes in employment of mountainous areas are running more rapidly than in the overall economy of the Carpathian region. The narrowing of the scope of labor application increase the load on one vacancy, generate conditions for large-scale unemployment among the economically active population living in the mountains. The registered unemployment rate in most mountain areas is several times exceeding the average regional one, as it could be seen from Table 3.

Table 3

The number and the registered unemployment rate in the mountainous areas of the Carpathian region in the years 2000-2014. [1; 3; 5, p. 103; 6, p. 51; 7, pp. 81; 14, pp. 327; 15, pp. 320]

	Number of unemployed people			Unemployment rate, %		
	2000	2010	2014	2000	2010	2014*
Transcarpathain region	44105	13897	10041	6,0	1,8	1,6
<i>Mountain areas</i>	<i>17201</i>	<i>5458</i>	<i>3869</i>	<i>12,4</i>	<i>3,8</i>	<i>3,8</i>
Ivano-Frankivsk region	38569	16865	16740	4,8	2,0	2,0
<i>Mountain areas</i>	<i>16459</i>	<i>7683</i>	<i>7722</i>	<i>5,7</i>	<i>2,1</i>	<i>2,1</i>
Lviv region	90863	25838	25186	6,1	1,7	1,7

<i>Mountain areas</i>	<i>11683</i>	<i>3930</i>	<i>3985</i>	<i>7,5</i>	<i>2,2</i>	<i>2,0</i>
Chernivtsi region	23112	10493	9451	4,4	1,9	1,9
<i>Mountain areas</i>	<i>5891</i>	<i>2128</i>	<i>1772</i>	<i>3,4</i>	<i>2,5</i>	<i>2,6</i>
<i>Total in mountain areas</i>	51234	19199	17348	7,2	2,6	2,6
<i>Total in the Carpathian region</i>	196649	67093	61418	5,3	1,8	1,8

* Data are not available due to a different classification of economic activities and the lack of statistical information

The data in Table 3 show that during the period the share of officially registered unemployed in mountain areas in the total number of unemployed of the Carpathian region increased from 26.1 to 28.2 %. It should be noted that in the mountainous regions of Lviv and Ivano-Frankivsk regions the number of unemployed in the past four years tended to increase (0.9%) in comparison to the overall reduction in their numbers in these areas as well as in mountain areas in general.

In the mountainous areas of the Carpathian region the registered unemployment rate at the beginning of 2014 exceeded the average regional indicator 1.44 times, which is 8% more than in 2000. This allows us to claim about the deterioration in the labor market situation in the mountains in comparison to other areas of the Carpathian region. In terms of specific areas of some mountainous regions, the best situation is observed in the mountainous regions of Lviv, where the official unemployment rate exceeded the average one for the region by only 11.1%, and the worst one in Transcarpathia, where this ratio was 111.1%. Only in six mountain regions the unemployment rate was below or at average regional level. The worst situation is observed in Volovetskyi district where the unemployment rate is almost 4 times exceeding the average one in the Carpathian region.

The complexity of the problem is compounded by the fact that the vast majority of the unemployed are young people and women, and its basic form has become cyclical. Thus, in 2014 in the Carpathian region, the proportion of people under the age of 35 who applied at the employment center to find a job was 58.3% of the total number of people who were registered in the employment services of these areas, and the proportion of women in this structure was 51.3%. As for the mountain regions of these areas, the situation here is even worse. Thus, in the regional employment centers of the Carpathian region only 28.6% of unemployed from mountainous regions were registered, whereas the share of women was 52.7%, and the share of people under the age of 35 was 59.3 %.

The above analysis of the number and the level of unemployment and the existing trends in job creation suggest that the main reason for the existing of the high level of unemployment in the mountain areas is the lack of employment

opportunities, that is actually the narrowing of the scope of labor application and not massive layoffs from their work and the data in table 4 confirm it.

Table 4

The number of registered unemployed and their job placement in the mountainous areas of the Carpathian region in the years 2005-2014. [1; 4, p. 45; 5, p. 57; 13, p. 36; 15, pp. 287]

Region, district	Number of citizens with the status of unemployed during the reported period			Number of employed people			Employment rate, %		
	2005	2010	2014	2005	2010	2014	2005	2010	2014
Transcarpathian region	51914	45486	31832	30443	19518	11713	58,6	44,9	36,8
<i>Mountain regions</i>	18887	15576	11077	10499	5991	3724	55,6	38,5	33,6
Ivano-Frankivsk region	110109	73677	47094	46429	29104	13724	42,2	39,5	23,6
<i>Mountain regions</i>	43768	29413	21913	20395	14344	6709	67,2	48,8	30,6
Lviv region	60878	43426	77161	43686	35052	25835	71,7	80,7	33,5
<i>Mountain regions</i>	11828	9692	14125	8629	7316	5522	72,9	75,5	39,1
Chernivtsi region	26721	10537	25452	19583	9309	7477	73,3	88,3	29,4
<i>Mountain regions</i>	5278	2089	4834	3231	1707	1341	61,2	81,7	27,7
Total in mountain regions	79761	56770	51949	42754	29358	17296	53,6	51,7	33,3
Total in the Carpathian region	249622	173126	181539	140141	92983	58749	56,1	53,7	32,4

The data in Table 4 show that during the period, the decrease in the number of employed population both in the mountain areas and in the whole Carpathian region could be observed. In addition, there was decline in employment of unemployed citizens. In mountainous areas such reductions during the period was 20%, and in the Carpathian region - 23.7%. It should be noted that in the mountainous regions of Lviv and Chernivtsi the number of people who applied during the reported period to the relevant employment centers with the problem of employment in 2014 exceeded the figure of 2010 by 60.1%, alongside with the

downsizing of the number of employed citizens this allows to confirm the reduction in the number of vacancies in the mountain areas. The only positive thing in this regard was that in 2014 the level of employment of unemployed people in the mountainous areas was higher than the corresponding one in the Carpathian region.

This situation shows that even with the reduction in number of people in need of employment (almost 2.5 times during the analyzed period) there were no opportunities to provide them with vacancies (the reduction in employment rate was 1.61 times). That is the narrowing of the scope of labor application was much faster than the employment rate of the unemployed. The marked above confirms our conclusion as to dependence of high unemployment in the mountainous regions on the availability of jobs.

The main areas of employment of released workers in the Carpathian mountainous areas were traditional for this region spheres of labor application, in which in 2014 more than 75% of people were employed: 21.4%-in agriculture, 20.6% -in industry, 26.8%- in trade, 10.1% in tourism and recreation.

The analysis above of major trends in local labor markets of mountain areas allows to make a conclusion that there are three basic reasons for large-scale unemployment in the mountain villages. The first one is the structural imbalance of supply and demand on the labor of vocational qualification ($D > S$), which had already been mentioned before. The second one is low wages in vacant positions that does not provide simple reproduction of labor force. For example, in most cases (52.4%), salaries for job vacancies are slightly higher than the minimum wages fixed, and are within the limits of the living wage and providing that in accordance with existing laws, mountain area residents should be paid relevant allowances and benefits. As for the average wage, obtained in these areas, it is at the regional level and despite the fact that there are worse conditions than in other areas, and there are its own payroll taxes terms. The third reason, and perhaps the most objective one is underdevelopment of non-farm employment, that is the lack of diversification of economic activity and hence employment in the mountain areas.

Conclusions. The analysis of local labor markets of mountain villages in the region leads to the conclusion that the processes of denationalization and privatization in the village are not accompanied by the expansion of labor application. New legal forms of business in mountain villages that were formed during the transformation of agrarian economy, did not create the conditions for achieving full and effective rural employment. From this it is evident that within the framework of agriculture is not possible to solve the employment problem in the mountain villages, but in order to keep the mountain village as a subsystem of society which does not only have a production function but also the social one it is

necessary to diversify its economy by encouraging non-farm types of employment.

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