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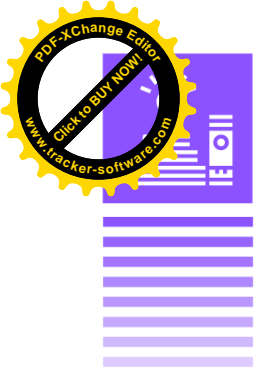


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FORMATION OF WAGES IN THE LABOR MARKET

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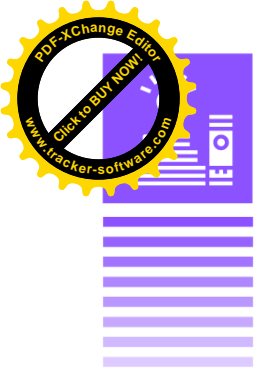
Abstract

In the work, the authors consider the labor market as a certain economic environment, where, in conditions of competition and with the help of supply and demand mechanisms, the employment indicator and the level of wages are formed. The article analyzes the factors affecting supply and demand. The concept of wages in the labor market is revealed. Explains how wages are generated in different markets. The reasons for the differentiation of the rates of wages of workers are revealed. On the basis of the developed regulations, employers will be able to regulate the level of wages, focusing on the labor market, and workers will be able to conclude that their wages depend on qualifications and desire to develop, using a system of advanced training and a training system.

Keywords: wages, part-time work, part-time work, production, distribution, demand, supply, labor productivity, availability of fixed assets, skills development

Аннотация:

В работе авторы рассматривают рынок труда как определенную экономическую среду, где в условиях конкуренции и с помощью механизмов спроса и предложения формируется показатель занятости и уровень оплаты труда. В статье анализируются факторы, оказывающие воздействие на спрос и предложение. Раскрывается понятие заработной платы на рынке труда. Разъясняется, как формируется заработная плата на различных рынках. Раскрываются причины дифференциации ставок заработной платы рабочих. На основе разработанных положений работодатели смогут регулировать уровень заработной платы,

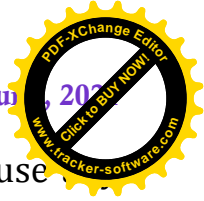
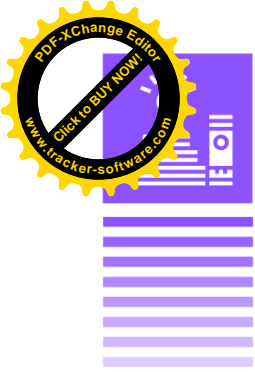


ориентируясь на рынок труда, а работники смогут сделать вывод, что заработная плата зависит от квалификации и желания развиваться, используя систему повышения квалификации и систему подготовки кадров.

Ключевые слова: заработная плата, неполный рабочий день, неполный рабочий день, производство, распределение, спрос, предложение, производительность труда, наличие основных средств, повышение квалификации.

One of the most important concepts currently in a market economy is the labor market. It is a multipolar component of the political and economic sphere in the life of society. The cost of labor is estimated and determined in the labor market depending on the conditions of employment, working conditions, job security, qualifications, etc. The labor market is a certain economic environment where, in a competitive environment, with the help of supply and demand mechanisms, the employment indicator and the level of wages are formed. There are factors that affect the labor market, namely supply and demand. The factors that influence supply and demand are identified. It should be borne in mind that the price of labor is influenced and shaped by its supply and demand factors.

In most countries, the state has an active labor market policy. The state is interested in the predominance of skilled labor in the labor market, because it directly affects the quality of manufactured products and an increase in its technological component, and as a result - an increase in the competitiveness of manufactured products. Therefore, first of all, an active policy is characterized by an increase in the competitiveness of a person in the labor market through training, advanced training, assistance in employment, and the development of individual labor activity. The policy is implemented through legal measures, economic, organizational to regulate relations between those who entered into labor relations. This policy implements the principle that every member of society must earn a living. Let us name the goals of state policy on the labor market: the prompt inclusion of the unemployed in the labor process, the provision of jobs for each member of society, the stimulation of development, and the acceleration of the process of redistribution of released workers. The state attaches great importance to social support of the population, the development of the plasticity of the labor market, observance of the rules of law, the right of everyone to work, education, training, advanced training, and retraining of personnel.



Market relations cannot exist without wages. And this is correct, because work must be paid and rewarded. Let's define what is considered to be wages. Salary is a person's monetary reward for his work. It depends on the qualifications of the employee, the quality and quantity of work performed, as well as on the complexity of the work; it is the price paid for the use of labor. Basically, two types of wages are distinguished: nominal wages and real wages. Nominal wages are directly the amount of money received for labor, and real wages are the amount of goods and services that can be bought with that amount of money. If we talk about wages, then there must be a labor market. As in any market for goods and services, there are sellers and buyers of labor in the labor market. The sellers of labor are qualified workers, and buyers are firms that need employees, labor. In the process of economic relations between buyers and sellers, the price of labor is formed. These are wages in the form of work rates, salaries, piecework and hourly wages. This is how the demand and supply for labor is formed.

Demand - those people and firms that need employees, workers.

Offer - people who offer their work for monetary reward.

The purchase and sale of labor is carried out under an employment contract. This agreement is the main document governing labor relations between the employer and his employees.

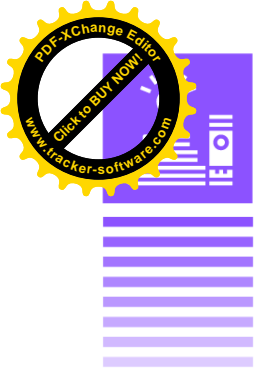
The wage rate is the payment for labor per unit of time. Consequently, the level of wages depends on the demand for labor versus supply. The demand for labor directly depends on its productivity.

Production capacity is determined by the quantity and quality of the products produced.

Wages are formed in a specific labor market depending on the quality of the labor force. In a competitive labor market, the equilibrium wage price will be the intersection of two curves: supply and demand. This intersection will be the optimal point for both sides - buyers and sellers of labor.

Let's highlight the main features of a competitive labor market:

- ❖ The presence of firms that provide the same services, produce the same products, which compete with each other and offer the same conditions for highly qualified workers of a certain type of work;
- ❖ A significant number of workers who offer a certain type of work, independently of each other, and having the same qualifications;



❖ The wage rate in such a market cannot be dictated by anyone, and no one exercises control over it.

The next labor market model is monopsony. Monopsony is a situation in the market when only one buyer cooperates in the market with many sellers, which dictates the price and volume of sales.

Monopsony is characterized by the following features:

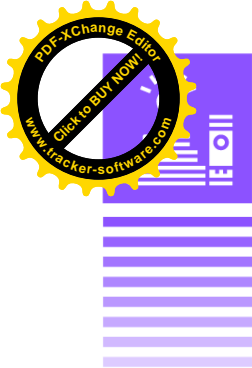
- It is impossible for employees to find another place of work due to the peculiarities of the profession, living conditions or geographical factors;
- Workers of a certain type of work are employed in one firm;
- The firm controls wages.

The curve of demand and supply of labor in such a market will have an uplifting form, all points on this graph will show the wage rate per worker for any given number of workers employed. Trade unions play a significant role in developed countries, acting as defenders of workers' rights. The main economic task of the trade unions is to raise workers' wages.

Wages are generated differently in different markets. It depends on the balance of supply and demand in specific labor markets. There is a formation of wage rates for workers. This differentiation is determined by specific reasons:

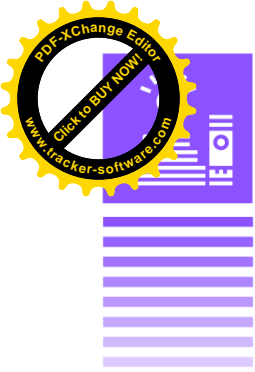
- ✓ Workers are not homogeneous, i.e. Differ in ability, level of education, training, qualifications.
- ✓ Certain types of work differ in their attractiveness, working conditions, and other factors.

The quality of the workforce differs due to investment in human capital. Trade unions are fighting to improve working conditions, to prevent injuries at work, always oppose the layoff of workers, even in cases where the employer is forced to carry out optimization for a number of reasons: lack of sales for products, lower prices for manufactured products. Trade unions have been given the right, if it is impossible, to agree with the employer on an increase in the wages of employees, when all the necessary indicators are available to increase it, to declare a strike, but this is an extreme measure, and in practice, most often, agreements on an increase in wages are reached.



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