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Regulation and Standardisation of Working Conditions for Informal Workers: Ensuring their Social Protection and Rights

Regulación y normalización de las condiciones laborales para los trabajadores informales: Garantizar su protección social y derechos

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Abstract

The purpose of the article is to identify the peculiarities of regulation and standardisation of working conditions of informal workers, to study the constituent elements of informal labor and to analyse proposals for improving the legal regulation of informal labor, including ensuring social rights and protection of workers on the basis of policy documents and the author's own judgments in the aspect of the Ukrainian labor market and legislative regulation. The main research methods used in the study are the methods of systematic analysis and synthesis, comparative legal method, method of analysis of legislative documents and interpretation of law, dialectical method, etc. Based on the study, a number of proposals were made to improve the legal regulation and standardisation of informal labor conditions, including the development of specific information and awareness-raising measures on informal labor, improvement of the procedure for monitoring informal labor, increasing inspections of enterprises that may potentially evade formal employment of their employees, adaptation of labor legislation to the realities of the active functioning of the informal labor market with conditions for granting informal employment.

Keywords

labor market; informal labor; informal employment; social protection; labor relations; labor rights

Resumen

El propósito del artículo es identificar las particularidades de la regulación y normalización de las condiciones laborales de los trabajadores informales, estudiar los elementos constitutivos del trabajo informal y analizar propuestas para mejorar la regulación legal del trabajo informal, incluyendo la garantía de los derechos sociales y la protección de los trabajadores, basándose en documentos de política y en los juicios propios del autor en el contexto del mercado laboral y la regulación legislativa de Ucrania. Los principales métodos de investigación utilizados en el estudio son los métodos de análisis y síntesis sistemática, el método comparativo legal, el método de análisis de documentos legislativos y la interpretación de la ley, el método dialéctico, entre otros. Basado en el estudio, se realizaron una serie de propuestas para mejorar la regulación legal y la normalización de las condiciones laborales informales, incluyendo el desarrollo de medidas específicas de información y concienciación sobre el trabajo informal, la mejora del procedimiento de supervisión del trabajo informal, el aumento de las inspecciones en empresas que potencialmente puedan eludir la formalización del empleo de sus trabajadores, y la adaptación de la legislación laboral a las realidades del funcionamiento activo del mercado laboral informal con condiciones para otorgar empleo informal.

Palabras clave

Mercado laboral; trabajo informal; empleo informal; protección social; relaciones laborales; derechos laborales

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1. INTRODUCTION

Today, Ukraine's economy is in an extremely difficult situation. It is aggravated by the presence of shadow economic activity (it is generally accepted that the shadow economic activity often includes economic activities that are legitimate in themselves, but are carried out in a way that circumvents formal rules and reporting requirements) in its various forms and manifestations. One of the main such manifestations is informal labor and its expansion to an increasingly large population of the state. This, in turn, poses a threat to the revenue side of the state budget in terms of tax revenues (Orlyk, 2020). Moreover, informal employment, in addition to negative consequences for the state and its economic sector, creates a number of negative nuances for workers themselves. They are deprived of the guarantees and rights provided by the state. These primarily include the minimum wage set by the state, the length of working hours, the specifics of determining and calculating length of service, and the availability of certain benefits as a derivative of holding a particular position.

Informal employment also has certain negative consequences for society as a whole, as it reduces the amount of total revenues to local budgets. This, in turn, affects the ability to implement various social welfare programmes or the development of local communities in general (Lipova et al., 2021). The latest global developments have undoubtedly made adjustments to the economic situation in the world in general and Ukraine in particular. Many businesses have closed and enterprises have been forced to change the format of their work, at best, and at worst, to make a number of layoffs due to the inability to pay wages, reduce the number of working hours, or send their employees on unpaid leave (Kiselyova & Dotsenko, 2021). There were also companies that actually fired their employees, did not pay taxes for them, but gave them jobs and paid them as informal labor. In this regard, the ranks of informal workers have significantly increased, but the issue of their social protection has arisen, as this group of people is invisible and excluded from official statistics (Trifonov, 2015).

Within the framework of our research, it is worth clearly defining the features of informal work, which will allow us to better familiarize ourselves with the problems that arise during the performance of informal workers' duties.

Currently, the Ukrainian legislation does not contain an agreed definition of what "informal employment" or "informal worker" are. However, some documents, such as the "Methodological Provisions for Determining Informal Employment of the Population" (State Statistics Service of Ukraine, 2013) approved by the Order of the State Statistics Service of Ukraine No. 16 of January 23, 2013, refer to the following categories of workers as "informally employed":

— hired domestic workers in households;

— members of informal manufacturing cooperatives;

— self-employed persons who are not registered in accordance with the law;

— employers operating their own enterprises in the informal sector of the economy (that is, enterprises that operate at their own expense and are not registered in accordance with the requirements of national legislation (economic, commercial, tax, social, etc.), as well as workers employed by informal employers (or those in the process of registration) who do not have their businesses legalized;

— workers who do informal work for formal sector enterprises on the basis of verbal agreements, who are not entitled to employment-related benefits and guarantees (such as

severance pay, annual paid vacation or sick leave, advance notice of dismissal, etc.) and for whom no taxes and social contributions are paid;

— family members who work free of charge (it does not matter whether they work in the formal or informal sectors).

A separate segment of informal labor in Ukraine is work and provision of services through remote digital platforms such as Glovo, Bolt, Uklon and Uber.

> Despite the urgent need to improve the working conditions of informal workers in Ukraine, the legal framework appears to be fragmented and insufficiently regulated. Therefore, in the Ukrainian context, the absence of clear rules governing the working conditions of informal workers is logically obvious. At the same time, a study of EU legislation reveals a parallel picture: the limited number of provisions addressing the specific needs and rights of informal workers leaves a wide field for ambiguity and gaps in protection. Paradoxically, the European Union, while advocating for workers' rights, has a similar problem with providing clear rules for informal workers, relying on fragmented documents rather than a consolidated framework. In other words, there is a situation where comprehensive legislation does not provide a clear and comprehensive framework for social protection and the rights of informal workers.
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> However, certain non-normative documents of the European Union still have certain definitions on this topic, including those regarding undeclared employment. For example, the European Commission Communication No. 219 of April 7, 1998 "On Undeclared Employment" states that undeclared employment is "paid activities that are legal in nature but undeclared to public authorities, taking into account the diversity of regulatory systems in the EU Member States" (Communication from the Commission…, 1998).

The European Commission Communication No. 628 of October 24, 2007 (Communication from the Commission to the Council, the European Parliament…, 2007) says that informal employment is associated with fraud in the field of taxation and/or social security of workers and covers various types of non-criminal activities, starting with undeclared provision of domestic services and ending with underground labor of illegal migrants. Irregular migrants are defined as people who enter or reside in a country without proper authorisation or in violation of immigration laws (Communication from the Commission to the Council, the European Parliament…, 2007)

The International Labour Conference's position on the informal economy was formulated at the organization's ninetieth session in June 2002. The session adopted a resolution on decent work and the informal economy. This resolution defines the informal economy as any economic activity of workers or production units that is not covered or insufficiently covered by formal regulations by law or in practice. At the same time, such activities exist outside the scope of the law. Moreover, it was determined that informal workers are not recognized or protected under the legal and regula- tory frameworks. This is not, however, the only defining feature of informality. Informal workers and entrepreneurs are characterized by a high degree of vulnerability (International Labour Conference, 2002).

At the same time, official employment is characterized by compliance with the legal requirements for the registration and legalization of enterprises, full and proper formalization (registration) of the employment relationship between the employee and the employer (Orlyk, 2020). Formal employment involves entering into an employment contract, entering data into an employment

history (including an electronic one), issuing internal orders within the company, complying with labor protection requirements, documenting work schedules, determining the amount of work, paying taxes and contributions to the relevant social funds.

Informal employment includes the total number of jobs that do not meet the criteria for formal employment. In view of the above, the issue of standardization and regulation of working conditions of informal workers actually consists in bringing informal labor relations as close as possible to the standards and criteria of official (legal) employment. That is why, given the above, it is quite logical to define the purpose of the article as an analysis of the peculiarities of regulation and standardisation of working conditions of informal workers, as well as a study of the constituent elements of informal labor and analysis of proposals for improving the legal regulation of informal labor, including ensuring social rights and protection of workers on the basis of policy documents and own judgments in the aspect of the Ukrainian labor market and legislative regulation.

2. METHODOLOGICAL FRAMEWORK

In this study, we primarily sought to achieve a comprehensive understanding of the regulation and standardization of the working conditions of informal workers, and therefore used a multifaceted approach, which in turn is based on the use of a number of methods of scientific knowledge. The methods of scientific research chosen by us during the entire study actively contributed to the disclosure of the complexities of the real situation on the labor market and the activities of informal workers. In the article, we used the following methods, such as the method of systemic analysis and synthesis, the comparative legal method, the dialectical method, the method of analyzing normative legal acts, and the method of interpreting legal norms.

Among them is the method of systemic analysis, which allows you to easily dissect legal components to reveal patterns, relationships and gaps in the regulatory landscape. With the help of this method, various sources of information on the peculiarities of legal regulation of informal labor and standardization of working conditions of informal workers were developed and studied. As a result of the systematic analysis, certain provisions and conclusions were formulated regarding the features and characteristics of informal work, and it was also determined what restrictions informal workers are subject to and under what circumstances they are not entitled to labor guarantees provided by the state.

The method of synthesis, in turn, involves the combination of various legal elements to obtain a comprehensive understanding. With the help of the synthesis method, a general vision was formed regarding the unification and improvement of the current labor legislation, taking into account the rights and work of informal workers.

In the course of the study, the comparative legal method was also used, which by its very nature consists in comparing legal systems and structures. This method helps to identify similarities and differences between legal phenomena and situations. The legal regulation of informal labor in Ukraine and abroad was analyzed with the help of the comparative legal method, especially in terms of establishing the concepts of “informal labor” and “informal worker” at the legislative level. On this basis, general recommendations for further improvement of the system of legal regulation and standardization of the working conditions of informal workers were formulated.

We also used the methods of analysis of regulatory and legal documents and the method of legal interpretation. These methods involve studying key aspects of regulatory documents and understanding the meaning and intentions behind legal texts. Using methods of analysis of legal

documents and interpretation of legal norms, the author identified the characteristic features of informal work and informally employed workers, which contributed to the further analysis of the problems they face.

The dialectical method was also used in the study. The application of the dialectical method allows recognizing the dynamic tension between legal concepts and their further synthesis. With the help of this method, problematic issues of legal regulation and standardization of the working conditions of informal workers were identified and investigated, as well as the areas in which the rights of informally employed workers are actively restricted. With the help of the dialectical method, the content of the challenges faced by both the state and the informal workers themselves in the conditions of the active spread of informal employment and the shadow economy is revealed.

The empirical basis of the study is the international legal acts, EU legal documents and national legal acts taken for analysis. A number of scholars have paid attention to the problems of legal regulation and standardisation of working conditions for informal workers, in particular O. Orlyk (2020), P. Lipova (2021), N. Kulikova (2021), V. Okhrimenko (2021), E. Poltenko (2021), M. Spiker (2021), M. Trifonov (2015), O. Tsymbal (2017), N. Varha (2017), Dyachkina (2023), Hanushchak, Yu. (2023). These scholars and experts in this field (some in a complex together, and some quite independently) analysed the state of informal employment and the activities of informal workers, the impact of public attitudes on the formation and willingness to work officially and pay into the Pension Fund. Moreover, based on the conclusions from the studies of these authors, it was possible to conduct a comprehensive study of our problem.

3. RESULTS AND DISCUSSION

In the framework of our study and in order to provide comprehensive recommendations for improving the situation with informal workers, respecting their rights and taking into account the interests of employers and the state, it is necessary to first of all conduct a comprehensive analysis of the legal acts that have a partial or significant impact on this aspect of labour relations. It is also advisable to take into account the existence of certain programmes and plans to improve the current situation.

According to the current legislation of Ukraine, legal (formalized) labor guarantees officially employed workers a “white” salary (i.e., legal and officially registered income subject to taxation) and social guarantees: regular wages, safe working conditions, insurance against industrial accidents, unemployment insurance, and temporary disability insurance. The main legal act establishing and regulating labor conditions and standards in Ukraine is the Labor Code of Ukraine (The Labor Code of Ukraine, 1971).

In addition to the above document, labor rights and social guarantees of employees are also defined in the laws “On Labor Protection” (On Labor Protection, 1992), “On Vacations” (On Vacations, 1996), “On Remuneration of Labor” (On Remuneration of Labor, 1995), “On Employment of the Population” (On Employment of Population, 2012) and other regulatory acts. All social guarantees and labor rights provided for by the current legislation of Ukraine apply only to employees who have entered into employment contracts executed in accordance with the law.

These rights and guarantees (generally provided for in Articles 2 and 88 of The Labor Code of Ukraine) include:

1) *safe and decent working conditions;*

Duly registered employees are entitled to healthy and safe working conditions. Employers are obliged to check the health status of their employees, provide them with special clothing and footwear, organize occupational safety and health training, and conduct regular medical examinations within the period and in the manner prescribed by law.

Ukrainian labor law also provides for the right of employees to higher pay under certain conditions, additional vacation, and earlier retirement in case of working in difficult or harmful conditions (The Labor Code of Ukraine, 1971).

2) *doing work only within the scope of employment duties;*

An officially registered employee is protected by law from employer's demands to do work that is not provided for in the employment contract and job description. If the employer requires the employee to do work that is not provided for in the employment contract, the employee may legitimately refuse to perform such work.

3) *normalized working time;*

The current Ukrainian legislation requires a working week of no more than forty hours. For employees under the age of 18, the law also provides for a working week no longer than 36 hours. A working week of no more than thirty-six hours is provided for employees who work in hazardous conditions (The Labor Code of Ukraine, 1971). If an employee works five days a week, he or she is entitled to two days off. If the employment agreement establishes a six-day working week, the working day should not last more than 7 hours. Employers have no right to force employees to work overtime or on weekends.

4) *vacations (paid and unpaid);*

Every employee has the right to an annual vacation that is paid by the employer (in accordance with Article 6 of the law «On Vacations»). The law provides for a minimum period of such vacation of 24 calendar days. Employees under the age of 18 have a vacation leave of 31 calendar days (On Vacations, 1996).

Ukrainian law also provides for the possibility of paid educational and creative vacations. In particular, vacation is provided for writing a book or research work, as well as for participating in sports competitions.

An important social guarantee is the employee's right to unpaid vacation in the event of a wedding, caring for sick family members or the birth of children.

There are also additional vacations for employees with children and combat veterans.

5) *the legally established amount of the minimum wage;*

In accordance with Article 94 of Labor Code of Ukraine the salary of legally hired employees cannot be lower than the minimum wage set by the state. In 2023, the minimum wage is UAH 6,700. At the same time, work on weekends and overtime (of course, with the employee's consent) is paid at double the amount (The Labor Code of Ukraine, 1971) In addition, employees have the right to receive an additional day off in case of working on a public holiday (however, there are restrictions during the period of martial law).

It should be noted that the law also regulates the timing of salary payments to employees. According to the law, wages are paid regularly, no later than seven days after the end of the period of work and at least twice a month. If the payment date is a weekend or a holiday, the salary must be paid in advance.

6) *inadmissibility of penalties that are not provided for by law;*

Under Ukrainian labor law, there are only two types of penalties for labor discipline violations: dismissal or reprimand. As a result, any penalties imposed on an employee (for example, late arrivals, failure to fulfill workloads) may be disputed in court. In this case, the probability of a positive court decision to protect the employee's violated right is quite high.

It should be noted that if an employee's actions cause damage to the employer, the amount of such damage may be recovered from the employee at the expense of his or her salary. However, the amount of such recovery shall not exceed 20% of the employee's salary for each month.

7) *guarantees of professional growth and professional training;*

The labor legislation of Ukraine provides for the possibility for employees to combine work and education (both in professional and university institutions). At the same time, the law allows and guarantees the possibility of taking educational vacations (both free and partially paid).

8) *the possibility of ending the employment relationship by dismissing the employee only in cases and under conditions provided for by law;*

An important guarantee for an officially hired employee is that he or she may be dismissed only based on the grounds and in accordance with the procedure set out in the current legislation of Ukraine. Such guarantees are effective and are confirmed by the current practice of Ukrainian courts in labor disputes between officially registered employees and employers.

9) *insurance payments in case of incapacity for work;*

The employer pays a single social contribution for each declared employee. In the event of a work-related accident or occupational disease or illness, the employee is entitled to receive the relevant insurance benefits provided for by applicable law (The Labor Code of Ukraine, 1971).

10) *benefits for minors;*

The work of officially employed workers under the age of 18 has clear legal restrictions. These restrictions prohibit them from working at thermal and nuclear power plants, underground, at oil and gas production facilities and other jobs from the list of heavy work and jobs with dangerous and harmful working conditions. Minor employees are also prohibited from working overtime and on weekends, as well as night work. In addition to the basic vacation leave of 31 days, an underage official employee may take additional leave to take exams during their studies.

11) *additional social guarantees for women and employees with children;*

> Women and persons caring for children who have formal labor relations have a fairly broad range of social guarantees. For example, pregnant women or women with children under the age of three cannot work overtime, at night, on weekends, or travel on business trips. If necessary, such employees should be transferred to lighter and safer work, and their production rate should be reduced while maintaining their average salary. In particular, pregnant women are entitled to paid maternity leave for 70 calendar days before childbirth and 56 calendar days after childbirth (70 days in case of two or more children or complications during childbirth). An officially employed employee is entitled to three years of parental leave. This leave is available to the father, mother, grandparents or other relatives who are actually caring for the child.

In accordance with the law, parental leave is included in the employee's length of service. An important guarantee is that the employer cannot dismiss pregnant women and mothers with children under the age of three, single mothers with a child under the age of fourteen or a child with a disability on their own initiative. All of the above social guarantees for official employees are sufficiently effective and subject to effective judicial protection (The Labor Code of Ukraine, 1971). At the same time, for informal workers, such rights and guarantees depend solely on the will of the informal employer. Protection of the rights of informal workers in court is currently almost impossible, as the current legislation connects the emergence of relevant labor rights and social guarantees with formal employment under the Labor Code of Ukraine.

It should be noted that the state policy of Ukraine in the sphere of informal labor currently consists of some directions. In the informal labor sector, the activities of state bodies are limited to conducting educational activities, but the data from such educational activities often become the basis for further inspections. In the field of registration of labor relations, state bodies carry out both informational and verification activities. That is, we can note that although the issue of informal employment is not fully regulated by the current legislation, state bodies have, although not significant, but at times a sufficient range of powers to influence this type of relationship.

During the information campaign, the relevant state labor authorities try to inform employees about the legal requirements for formalizing labor relations, the risks and consequences of undeclared labor, and the subsequent inspection activities. They also monitor the status of formalization of labor relations with employees at specific employers. Visits to employers during information events are accompanied by an information campaign in the media. Based on the results of the information visits, the dynamics of labor relations are monitored and lists of employers with a high risk of using undeclared labor are compiled to conduct inspection activities. Upon completion of the information campaign, an inspection campaign is conducted in the relevant sectors of the economy.

Speaking about the state policy on informal labor, we should pay attention to the National Joint Action Plan to Reduce Undeclared Labor for 2021, adopted on April 27, 2021 by a multilateral national working group led by the State Labor Service of Ukraine (National Joint Action Plan…, 2021). This working group includes representatives, at the national and regional levels, of state authorities (the State Labor Service of Ukraine, the Pension Fund of Ukraine, the Ministry of Economy of Ukraine, the Ministry of Social Policy of Ukraine, the National Police of Ukraine, the State Fiscal Service of Ukraine) and social partners (e.g., the Confederation of Employers of Ukraine, the Federation of Employers of Ukraine and the Federation of Trade Unions of Ukraine).

The National Joint Action Plan to Reduce Undeclared Labor envisages three main areas of action. We consider it expedient to analyse the most priority ones. First, it includes preventive measures aimed at creating public rejection of violations of labor legislation, including the use of undeclared labor.

These measures include:

— developing a mechanism for analyzing, evaluating and systematically and regularly monitoring the character and scale of undeclared labor, its dynamics and the results of measures taken to fight this phenomenon, as well as the dynamics of the number of insured persons;

— ensuring the functioning of the mechanism for assessing the scale of undeclared labor, monthly summarization and quarterly discussion at a meeting of the working group to adjust the planned activities;

— developing a plan for an information campaign on undeclared labor in the informal sector of the economy using information materials developed during the "Come to the Light" information campaign as part of the European Union - International Labor Organization project;

— development of specific awareness-raising activities on undeclared labor, targeting secondary and higher education institutions (National Joint Action Plan…, 2021).

Second, it is measures to improve the detection of undeclared labor. Among such measures, the National Joint Action Plan to Reduce Undeclared Labor provides for the following

— concentrating inspection visits in the sectors where undeclared labor is most widespread in accordance with regional passports of informal employment;

— implementation of the developed mechanism for informing the State Labor Service of Ukraine by social partners about the facts of undeclared labor, including in the informal sector of the economy;

— ensuring the implementation of a risk-based approach when selecting the objects of visits on undeclared labor issues;

The third is actions aimed at improving the current legislation of Ukraine, in particular:

— improving the procedure for exercising control over the detection of undeclared labor;

— discussing at working group meetings shortcomings or abuses in labor relations that are not covered by existing legal norms and developing ways to eliminate them (National Joint Action Plan…, 2021).

In our opinion, the above-mentioned priority steps can bring the issue of informal employment and informal workers to a new level, with the possibility of a potential decrease in the percentage of such workers as they move into the formal sector.

Current Ukrainian legislation currently provides for a series of legal provisions that allow state authorities to influence the sphere of informal or partially informal labor relations, i.e., undeclared (partially undeclared) according to the law, through inspections.

These are, in particular, the following documents:

1) Labor Inspection Convention, No. 81, ratified by Law of Ukraine No. 1985-IV of September 8, 2004 (Labor Inspection Convention No. 81, 1947);

2) Labor Inspection (Agriculture) Convention, No. 129, ratified by the Law of Ukraine No. 1986-IV of September 8, 2004 (Labor Inspection (Agriculture) Convention No. 129, 1969);

3) Law of Ukraine of April 5, 2007, No. 877-V "On the basis of the principles of state supervision (control) in the field of economic activity" (On the basis of the principles of state supervision…, 2007);

4) The Procedure for Imposing fines for violation of labor and employment legislation, approved by the Resolution of the Cabinet of Ministers of Ukraine No. 509 dated July 17, 2013 (The Procedure for Imposing fines…, 2013);

5) The Procedure for State Control over Compliance with Labor Legislation, approved by Resolution of the Cabinet of Ministers of Ukraine No. 823 dated August 21, 2019 (The Procedure for State Control over Compliance…, 2019);

6) Regulation on the State Labor Service of Ukraine, approved by the Resolution of the Cabinet of Ministers of Ukraine No. 96 dated February 11, 2015 (Regulation on the State Labor Service of Ukraine, 2015);

7) Code of Ukraine on Administrative Offenses, in particular, Article 41. Violation of labor and occupational safety and health laws (Code of Ukraine on Administrative Offenses, 1984).

It should be noted that the law provides for a clear list of grounds for an inspection by a labor inspector. One of these grounds is an individual's complaint about a violation of the rules for formalizing labor relations. This includes cases of informal labor relations that are not formalized in accordance with the law.

Other grounds for the inspection may be:

— an employee's appeal about violation of labor legislation;

— an individual's appeal on violation of the rules for formalizing labor relations;

— decision of the Head of the State Labor Service of Ukraine after analyzing information from the media and other sources;

— judgment;

— reports from law enforcement officials or state supervision (control) bodies;

— information from trade unions on violations of employees' rights;

— information from the State Tax Service of Ukraine and the Pension Fund of Ukraine;

— appeals from the Ukrainian Parliament Commissioner for Human Rights;

— instructions of the Prime Minister of Ukraine;

— a request from a member of the Parliament;

— in case of failure to comply with the requirements of the order (Tsymbal, 2017).

Legal entities and individual entrepreneurs that use hired labor without formalizing labor relations may be subject to financial liability (The Labor Code of Ukraine, 1971) and administrative liability (Code of Ukraine on Administrative Offenses, 1984). Financial liability applies to legal entities and individual entrepreneurs if they are employers, while administrative liability applies to company officials and individual entrepreneurs. It should be noted that financial liability may be applied simultaneously with administrative liability. Summarizing the above, it can be concluded that regulation and standardization of working conditions for informal workers in Ukraine is actually reduced to measures aimed at minimizing the informal labor sector and supported by administrative and financial pressure on employers.

However, we cannot ignore the fact that the rights of informal workers are not always respected in the performance of their duties. As noted, the types of informal work range from working without signing an employment contract, being paid in cash without declaring it and paying taxes, and performing work overtime or on weekends. That is why an assessment of the extent of the impact of informal labor on the rights and working conditions of informal workers is necessary to develop certain solutions in the area of social insurance, tax reporting and payment of taxes, and direct improvement of labor relations, taking into account the above practices and proposals (The problem of informal labor relations in Ukraine, 2023).

These vectors of informal labor go hand in hand with violations of labor law. First of all, an unofficially employed worker is deprived of the right to the minimum wage and, in fact, the right to appeal against such a violation; deprived of the right to timely payment of wages; deprived of the right to take the holidays provided for by the current labor legislation, including parental or educational leave. Furthermore, the length of service is not taken into account, which calls into question the possibility of further pension provision. In this regard, it is worth noting that many informal workers do not think about retirement today because they do not trust the general pension system (Dyachkina, 2023). Therefore, they consider it inappropriate to pay taxes because they do not know what will happen to the Pension Fund, in a few years and whether they will be provided for in their old age. Such sentiments, especially among the younger generation, are evidenced by numerous reflections on social networks, comments under posts and reactions on various platforms to innovations in this field. It would seem that for the authorities, the solution to the pension problem looks trivially simple - to launch a wide communication campaign to encourage the working population, especially young people, to voluntarily pay into the Pension Fund, especially since there is no need to declare. the source of these funds. However, not everything is so simple, there must be trust in the state, which has been won over the years, based on a number of factors. First of all, about the sequence of state obligations (Hanushchak, 2023).

It is important to cite some statistics and surveys among the population. Some of the focus group respondents do not consider it necessary to accumulate work experience due to distrust in the stability of the social security system. Older respondents who have worked informally for most of their lives are indifferent to this issue: given the impossibility of counting on the work experience necessary to receive a decent pension, they concentrate their efforts on today's earnings, even if the work is informal (Legal needs of informally employed workers in Ukraine: causes, consequences, possible solutions, n.d.).

We would also like to add that, according to the same interviewees, the most important factor in the spread of informal employment is the reluctance of employers to hire workers on an official basis. In the second place among such reasons, the interviewees pointed to the imperfection of the state policy in the field of building effective labor relations and the legislation that will regulate them qualitatively. Regarding measures that could promote formal employment and reduce the number of undocumented workers, interviewees generally pointed to the creation of a simple but effective way of legalization for small jobs and simplifying the tax payment process (Legal needs of informally employed workers in Ukraine: causes, consequences, possible solutions, n.d.).

That is why one of the most important challenges of our time is to create a profitable and truly working pension system that will encourage employees to pay taxes and conduct their work activities transparently (Kiselyova & Dotsenko, 2021). Another widespread violation of the labor rights of informal workers is the denial of sick leave with pay (Varha, 2017).

In the context of our study, it is also important to note that there are many cases when informal workers want to legalise their work, but employers are unwilling to do so for the reasons described above. In view of the above, the state has a very important task to demonstrate in practice that informal employment is harmful not only to the state, but also to the workers themselves.

Therefore, under this goal, we suggest to consider our proposals for improving the labour market situation in terms of informal workers' activities and encouraging them to move to the formal labour market.

One of our proposals for improving the legal regulation of informal labor and ensuring proper working conditions for informal workers is to support small and medium-sized businesses with the aim of engaging them in legal business with formal employment of their employees and providing them with all the rights guaranteed by the state. It is also important to introduce models of formal employment (following the example of the introduction of a special legal regime for the IT industry called Diia City, where the state works simultaneously with both employees and employers).

The next step is to take into account the needs of both employees and employers when formulating employment policy. That is, it is necessary to take into account human rights, standardisation of working conditions, and the needs of workers in certain categories of professions and possible risks. A certain compensator for the actual absence of effective measures to ensure social protection and rights of informal workers is the activity of similarly informal trade unions, such as the Glovo courier trade union, which declares its readiness to protect the social rights of all categories of informal workers.

At the same time, it is considered necessary to improve the labor legislation of Ukraine in order to introduce mechanisms for protecting the rights of informal workers, which will in no way contradict the general concept of reducing the share of the informal labor sector in Ukraine. In other words, the rights of informal workers and the possibility of their legal protection should be recognised

at the legislative level. This may include setting minimum standards for occupational safety, hours of work, holidays, remuneration and other aspects of employment. The overall goal of regulating and standardising working conditions for informal workers is to create fair and safe working conditions for all workers, regardless of their formal status. This will contribute to reducing inequality, improving the living conditions of informal workers and stimulating sustainable economic development.

Also, a comprehensive and large-scale study to collect data on the informal labor sector may be a logical step. Understanding the size, composition and specific challenges faced by informal workers is essential for targeted intervention. Moreover, in order to more effectively regulate the input sphere, it is worth interacting with all interested parties, including the informal workers themselves, employers, government officials, etc., because it is thanks to joint efforts that practical solutions can be found much faster and easier. At the same time, ensure that the viewpoints of all interested parties are fully taken into account. On the basis of such a dialogue, it is possible not only to settle the current situation, but also to potentially alleviate the situation in the future, showing an effective example of problem solving for all participants in labor relations (Tsymbal, 2017).

We also suggest active information campaigns to inform informal workers about their rights, available support services and dispute resolution methods. Empowering workers is critical to being able to effectively advocate for their rights. Considerable efforts should be directed to the implementation of training programs for state institutions that will be involved in regulating the above-mentioned issues. Institutional capacity building is essential for effective implementation and enforcement of regulations (Legal needs of informally employed workers in Ukraine: causes, consequences, possible solutions, n.d.).

We consider it expedient, on the basis of a unified expert understanding of the concept of informal employment, which is an important aspect of the implementation of further changes and reforms, to form a state strategy for the communication of this concept to the general public by explaining in "human language" all the disadvantages and consequences of the existence of this phenomenon, as well as involving people in the implementation the relevant policy.

One of the steps we propose is including raising the issue of state initiatives from the point of view that they should be weighed, checked and take into account potential risks. Moreover, they should take into account the interests of all interested parties, as we have previously indicated, and be based on the results of independent studies of the needs and problems of both employees and employers (Trifonov, 2015).

Taking into account the results of the surveys, it is necessary to consider in more detail the initiative to regulate the procedure of official employment in small or irregular jobs, as well as in new areas. In this aspect, it is also worth considering the need to work out the issues related to the reorientation to the remote work format (Legal needs of informally employed workers in Ukraine: causes, consequences, possible solutions, n.d.).

An equally effective step can be a detailed study of the issue of implementing complementary safeguards against the abuse of one's rights and opportunities for employees, employers, and even the state. In the complex, this will contribute to reducing the level of use of threats as a means of resolving labor disputes. The logical continuation of this direction of regulation of the specified sphere is also the development and implementation of state programs to support employees in overcoming the negative consequences of unresolved labor problems. This should become an important area of activity of the State Employment Service along with other important areas.

4. CONCLUSION

Today, the sphere of informal employment is quite widespread, which in turn creates a number of problems for the state and society. Moreover, it creates problems for informal workers and employers themselves. The negative impact of informal labor on the state is manifested in the lack of official tax reporting and tax revenues, which undermines the economic sector and the security of the state. For society, this is detrimental, as local social programs cannot be implemented due to lack of funding, and the development of territorial communities is directly impeded or slowed down. For employers, although informal employment has seemingly only positive aspects, such as saving money from tax evasion or overtime workload and unpaid vacations, it can lead to inspections by authorized state bodies. Such inspections are carried out in order to prevent and reduce the number of informal workers and their subsequent formal employment.

For the workers themselves, the negative consequences are manifested in the neglect of their labor rights, such as the right to paid vacation, minimum wage, a clearly defined work schedule without overtime, etc. Moreover, even in the presence of such violations, the employee has no legal grounds to protect the violated rights due to his/her unofficial employment and tax evasion.

That is why the issue of legal regulation and standardization of working conditions for informal workers is very important, as it is aimed at further improving labor legislation, adapting it to today's realities and equalizing the rights of officially employed workers with informally employed workers in a basic way. At the same time, the state policy should be aimed at encouraging both employees and employers to move to transparent reporting, active tax payment and official employment. To this end, the state should provide certain benefits and tax discounts for small and medium-sized businesses to encourage them to reduce the percentage of informal employment. It is also worthwhile to conduct inspections of enterprises that deliberately disregard the requirements of the law and warning notices issued by the state authorities. It is also important to conduct some kind of educational activities to reduce the informal labor sector and bring it out of the shadow sector Also, a comprehensive and large-scale study to collect data on the informal labor sector may be a logical step. Taking into account the results of the surveys, it is necessary to consider in more detail the initiative to regulate the procedure of official employment in small or irregular jobs, as well as in new areas. Moreover, in order to more effectively regulate the input sphere, it is worth interacting with all interested parties, including the informal workers themselves, employers, government officials, etc., because it is thanks to joint efforts that practical solutions can be found much faster and easier.

LIMITATIONS

The article is limited by the use of data from existing regulatory legal acts and scientific research. In further research and use of the scientific findings presented, it is advisable to analyse the current legislation as of the date of the study and take these nuances into account when formulating conclusions and references to our scientific article.

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