
Labour Non-Declaration as a Factor of the Population Living Standards: Consequences, Regulation Mechanisms

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Abstract. *The purpose of the article is to study the consequences of the employment and labour non-declaration for the population standards of living and working potential reproduction, as well as to substantiate systemic approaches to regulating and preventing the totality of the undeclared labour negative impacts in Ukraine. The undeclared labour is the labour activities carried out on a basis of agreements between a worker and an employer, which are usually concluded without taking into account the current legislatively approved standards for the working hours' duration, volumes, productivity, and payment for the labour, and generally do not provide for reliable fiscal reporting on the volumes of performed labour and achieved work results (quantitative, financial). Functioning in the formal and shadow employment, the undeclared work has a clear systemic negative impact on the filling of state and local budgets, mandatory state insurance funds (in particular, pension), implementing state goals and mechanisms for socio-economic development, observance of socio-labour rights, social protection of workers and the entire population. On the other hand, working unofficially, colluding with the employer to conceal the legal labour volume and results completely or partially, not declaring the income from entrepreneurship or self-employment, a person increases the amount of available working and living capital, savings and accumulations, improves his life level and standards. The research methodology is based on the generalization, comparison, analysis of factors, manifestations and consequences of the undeclared work for the reproduction and improvement of the population labour potential and employment sphere, as well as on the synthesis of obtained results into approaches for optimizing national policy and practices of tracking and preventing these violations of legislatively approved socio-labour relations. The complexity of undeclared labour as a socio-economic phenomenon of the modern globalized world and as the employment model of the population significant share with a large number of features and factors determines the leading criterion for forming and implementing the effective policies to regulate it. The essence of this criterion is to balance the economy-wide, sectoral and industry-specific, inspection and supervising, as well as preventive measures with the involvement of authorized structures for regulating and monitoring socio-labour relations, the employment sphere and labour market, law enforcement bodies, civil society institutions (including those for trilateral cooperation). Given the trends and features of the undeclared labour in Ukraine, its regulation policy should focus primarily on the mechanisms and levers for identifying and restraining this employment model with a consecutive increase in the share of systemic measures for preventing the undeclared labour and its transforming into the official employment. The main guideline of the fair labour declaration policy is the simultaneous reduction of the undeclared labour advantages for both employers and workers (employees, self-employed).*

Keywords: undeclared labour, workforce, workers' living and reproduction standards, labour inspection, mechanism for employment regulation.

JEL Classification: J21, J46, J78, J88

1 Introduction

Both formal and informal employment could be areas of undeclared labour, i.e. labour activities carried out on a basis of agreements between a worker and an employer, which are usually concluded without taking into account the current legislatively approved standards for the working hours' duration, volumes, productivity, and payment for the labour, and generally do not provide for reliable fiscal reporting on the volumes of performed labour and achieved work results (quantitative, financial). Therefore, functioning in the formal and shadow employment, as well as at the intersection of these spheres of the population economic activities (including in the cases when a labour appears to be informal fictitiously – non-commercial, public, volunteer activities, – but brings profit to both an employee and an employer), the undeclared labour phenomenon has a clear systemic negative impact on the implementation of state goals and mechanisms for social security and protection, socio-economic development in general.

Given the mentioned features, the undeclared labour is prosecuted by state institutions and has become the subject of close attention from supervisory and regulatory bodies, socially oriented propaganda and advertising. International and national organizations (International Labour Organization (ILO), European Labour Agency, employment services of the European macro-region countries, State Labour Service of Ukraine, State Statistics Service of Ukraine, etc.), which are recognized by national governments and work in the field of studying, regulating, promoting standards of employment, wages, work processes, define undeclared labour as economic activities without declaration on the formal employment basis.

The direct connection between the labour non-declaration, filling the state and local budgets, public mandatory insurance funds makes this phenomenon a relevant subject of scientific research.

Thus, experts from the ILO and Ukrainian National Institute for Strategic Studies have identified the typical features that make it possible to distinguish informal employment from undeclared labour, determined the extent of the latter's spread in Ukraine, outlined general approaches to its detection, overcoming, and prevention (National Institute for Strategic Studies, 2011; ILO, 2013; EU – ILO, 2018; ILO, 2021). M.V. Torzhevskiy (2016), R.V. Pavlovskiy (2022) have substantiated the possibilities and ways of implementing in national realities the EU experience in combating undeclared labour in the areas of socio-labour relations' legislative regulation, state supervision and inspection of business entities.

The legal consequences of the labour non-declaration for a worker, his employer, an economy and a state as a whole have been clarified by O.I. Kyselova, A.V. Dotsenko (2021), T.M. Tairova (2023). I.H. Savchenko, A.E. Jordanov (2012), I.V. Shevchuk (2016), S.V. Onyshchenko, A.D. Hlushko, O.P. Kivshyk, A.A. Sokolov (2021) have examined the mechanisms and processes of an undeclared labour functioning in an economy's shadow sector, outlined the ways of de-shadowing this non-criminal business activity.

The detailed assessment of quantitative and qualitative parameters, as well as motivations of the population engaged in the undeclared labour activities at different stages of Ukraine's socio-economic development have been proposed by C. Williams, J. Round, P. Rodgers (2011), M. Tryfonov (2015), A. Prihodko (2016). K.V. Smyrna (2023), L.V. Strashko (2023) have considered modern national problems and prospects for the undeclared labour supervising and preventing, taking into account the needs of strengthening the state economic security, as well as the influence of a number of the martial law period significant factors.

The summarization of these studies demonstrates the need for: the further research into the totality of the undeclared labour social manifestations, current effects, and long-term consequences; improvement of the state approaches to identifying and preventing relevant negative effects in the areas of the population employment and social protection.

The purpose of the article is to study the consequences of the employment and labour non-declaration for the population standards of living and working potential reproduction, as well as to justify approaches to regulating and preventing the totality of the undeclared labour negative impacts.

2 The Undeclared Labour Motivations, Manifestations of Property, Socio-Labour and Socio-Reproductive Inequality of These Workers

The undeclared labour practices are based on both legislative (official, including manipulative) and purely shadowy mechanisms of its emergence and functioning in the economy's legal and shadowy segments (the latter combines conditionally legal types of activities that are outside the legislative area, in particular, as "shadow" entrepreneurs declare, due to the unbearable tax burden and their efforts to overcome various administrative barriers) (National Institute for Strategic Studies, 2011; ILO, 2013; EU – ILO, 2018; ILO, 2021; Kyselova O.I., Dotsenko A.V., 2021; Tairova T.M., 2023;

Savchenko I.H., Iordanov A.E. 2012, p. 110). In the broad sense, in addition to the economy's criminal sector itself (that is, criminal economic activities using the capital of both criminal and non-criminal origin), the economic sectors where the undeclared labour operates include: the household sector (the sector of natural self-sufficiency); the informal sector (represented by small productions, services, trade); the "hidden" sector of legitimate businesses (National Institute for Strategic Studies, 2011; EU – ILO, 2018; Savchenko I.H., Iordanov A.E. 2012; Shevchuk I.V., 2016; Onyshchenko S.V., Hlushko A.D., Kivshyk O.P., Sokolov A.A., 2021). The undeclared labour also can function in two of the three shadow economy's main blocks according to its another classification (in: informal economic activities represented by the legal (unregulated by the state) production of goods and services; hidden economy based on violations within the permitted business activities limits) (EU – ILO, 2018; Shevchuk I.V., 2016; Onyshchenko S.V., Hlushko A.D., Kivshyk O.P., Sokolov A.A., 2021).

Features of socio-labour relations' organization within the undeclared labour, the problems of numerous forms of non-standard labour relations, loan work, hidden and shadow employment outline their main consequences for the level and quality of life, social protection of persons employed both informally and without proper declaration (including persons whose labour income is hidden at the initiative of an employee or an employer) (Smyrna K.V., 2023; Strashko L.V., 2023). These consequences are:

- conditionally (i.e., conjuncturally) positive for the monetary incomes' level of a range of strata, the property differentiation equalization of their middle and low-income segments (including the trend of increasing monetary incomes of the most qualified employees, their equalization to average values relating the persons with the least competitive education and qualifications), as well as for the formal access to social protection programs (except the state mandatory and cumulative pension insurance), primarily in the areas of subsidizing housing and communal services, financial and material assistance to the vulnerable population groups;

- strategically negative – for the access to legislative mechanisms of social protection in the retirement age and labour incapacity cases (temporary, total, due to the occupational or general illness, disability), as well as for individual strategies of reproduction of the professional and qualification potential and life quality of households, whose able-bodied members work mostly informally, receive salaries "in envelopes" under the temporary employment conditions, and

are characterized by enhanced professional and territorial mobility.

Assessing the social well-being and the most significant needs of the average individual, the monitoring methodology of the Institute of Sociology of Ukraine has identified 5 most important factors, which describe 53% of the total variance (Domaranska A., 2012, pp. 318–319). The first of these factors integrates the individuals' needs in the areas of the ability to work with full commitment, to have additional income, suitable job, to spend the full-fledged leisure and vacation, to show initiative and independence when solving life problems, to eat according to individual tastes, to provide children with quality education and to receive legal assistance for protecting their rights and interests. The next factor is formed by the needs for social security – for compliance with the laws forced in the country, order in the society, availability of savings in cases of serious illness, unemployment, property damages, for confidence in one's own future. The factor of material and household needs includes such social values as necessary furniture, clothing, good housing. The factor of personal information needs combines the possession of modern political and economic knowledge, decisiveness in achieving goals, and confidence in one's abilities. The fifth factor includes the needs for physical well-being – health, the availability of necessary medical care, the ability to buy necessary products, the skills to live in current social conditions.

Therefore, the possibility of receiving a decent salary, additional earnings and savings, the formation and realization of an individual resource for one's own socio-economic stability, competitiveness, survival and manoeuvre in dynamic social conditions are the basis of the identified factors of at least satisfactory and good social well-being.

Considering the significant number of undeclared workers among the persons with vocational and general secondary education, low qualifications, the older working age groups who are less competitive on the labour market, the representatives of simplest professions, the informally employed in agriculture, forestry, fisheries, construction, wholesale and retail trade, repair and maintenance of vehicles, industry, transport, warehousing, postal and courier activities, temporary accommodation and catering activities, as well as among the residents of rural areas (National Institute for Strategic Studies, 2011; EU – ILO, 2018; ILO, 2018; State Labour Service of Ukraine, 2024), employment and labour non-declaration contributes to increasing the levels of their economic activity and monetary income, including in relation to the corresponding average indicators of the country (region) and types of activities.

The function of undeclared labour in promoting income growth and overcoming social rejection of the poorest strata and strata that assess themselves as poor is always socially significant. According to the relative deprivation concept, the poor do not suffer just because of funds' lack – they are unable to fulfil their social obligations, norms and rules of socium behaviour, that is, they fall into social isolation. In this context, an undeclared labour is an important mechanism that the poor households use to overcome social isolation and improve their financial and property status.

Taking into account the greater availability of hired jobs and conditions for self-employment organizing, the positive assessment of individual prospects for more autonomous and flexible labour and entrepreneurial activities, the territorial disparities in the formal economy and labour markets' development, the informal sector and undeclared labour remain equally popular in the cases of:

- the search for income and employment for a range of marginalized and discriminated groups (youth, women, pensioners, residents of rural areas and small towns, the disabled, illegal migrant workers), for whom an access to the formal labour market may be complicated due to certain institutional requirements, including in situations when an economy's formal sector is too weak to generate significant demand for labour;

- the conscious voluntary choice of entrepreneurs and certain individuals (including the officially employed already, with a sufficiently high professional and qualification status) in favour of shadowing their own economic activity (main, additional) and implementing strategies for its partial or complete withdrawal from the administrative, fiscal and law enforcement bodies' supervision.

Revealing the situationally positive impact of labour income non-declaration on the living standards of the population certain categories, it is advisable to focus on the modern practice of providing social benefits and transfers. Earning unofficially and positioning themselves as the low-income, the people who are employed without declaration could: receive some types of social assistance intended for the population vulnerable categories (including those of working age), as well as subsidies for housing and communal services; use certain social benefits (for example, the right to discounted travel on public suburban and intercity transport – if they have certain certificates issued by local administrations and other state authorities).

When studying the motivations to find employment without proper labour declaration, it should be noted that, according to the widely recognized conclusions of a number of long-term surveys, Ukrainian people

are forced to look for such jobs (including part-time and additional ones) primarily due to financial hardship. According to M. Tryfonov, the majority of those who are employed in the informal sector of Ukraine's economy assess the financial situation of their households as poor (49%) and medial (46%) (Tryfonov M., 2015). According to C. Williams, J. Round, P. Rodgers, representatives of the lowest income quartile of households make up more than half (53%) of those who are working in the informal sector for hire and a third (35%) of the self-employed (Williams C. et al., 2011).

The informal employment and undeclared labour contribute to the labour potential preserving, the professional and qualification level reproducing, the income obtaining and replenishing, including in the cases of acute livelihood problems and even basic survival of the population certain categories and their family members. The consequences for the real, consumer, and financial sectors of both the large-scale institutional transformations of the early 1990s and the national financial and economic crisis of 2014–2017 have contributed to the dissemination of public opinion that an undeclared labour and the shadow economy, while being the results and main economic basis of the corruption, on the other hand, serve as a compensator of economic and financial shocks for the broad population strata, small and medium businesses (National Institute for Strategic Studies, 2011; Williams C. et al., 2011; Tryfonov M., 2015; Prihodko A., 2016).

As a result, the phenomenon of undeclared labour has a contradictory effect on the current situation and dynamics of income inequality of the population in Ukraine, contributing both to the smoothing of the corresponding stratification among the poorest groups, as well as among the range of low-income and middle-income strata, and to the deepening of the financial and property stratification of all compatriots' strata (primarily, with the lowest and highest incomes).

At the same time, the main bonus of the informal economy – expectations and prospects of income growth, freedom and unaccountability of economic activities – has a negative impact on the main array of labour non-declaration public consequences, both for people employed in such jobs and for the rest of the population. These consequences are manifested in:

- the restriction of access to the certain types of social protection (pension provision, including in cases of temporary or complete disability, legislatively guaranteed medical care, free preschool and secondary education, educational services of vocational and higher institutions within the framework of the state and regional personnel

training order, state support of local communities' household and socio-cultural infrastructure, etc.) in the current and long-term period;

- the lack of guarantees and mechanisms of effective impact on working conditions, including those related to the wages' regularity, working hours duration, production environment quality, recreational opportunities. Comparing to the full-time employees of enterprises, those who are employed informally or without proper declaration are often sent to jobs with worse labour conditions, unstable work schedule and lower wages, which don't compensate for the forced downtime (on the employer's initiative), overtime work, and production environment threats. Often, they are not given leave, including additional vacation due to harmful working conditions (ILO, 2013; EU – ILO, 2018; Kyselova O.I., Dotsenko A.V., 2021; Tairova T.M., 2023; State Labour Service of Ukraine, 2024);

- the socio-behavioural features of life strategies of individuals working without declaration and their family members, when the priorities of situational non-regulated labour activities direct them to a tighter accumulation of resources for security survival in periods of unemployment, limit the planning of free time and leisure, narrow the possibilities and prospects for reproducing qualification level, personal and professional development.

3 Approaches to Regulating the Undeclared Labour Processes and Motivations

The restrictions imposed by objective deficit of the public funds (pension, certain types of mandatory insurance), the state and local budgets, which is reproducing due to the consecutive funds' underpayment from social contributions and taxes of employees and business entities, reinforce the specified social inequality manifestations of persons working without proper declaration. In turn, this complicates the state-wide and territorial measures to mitigate the problems of the population vulnerable categories' social protection in the long term (Smyrna K.V., 2023; Strashko L.V., 2023).

According to the Ministry of Economy of Ukraine, the informal sector and undeclared labour profitability is compensated by a number of systemic social problems, the most important of which are: the negative impact of a significant number of informally employed population on the national economic development, including as the result of the fair competition principle violation, limitations in the legal labour market functioning; the deprivation of employees, whose labour relations are not formalized through the legislatively established procedure, from the protection of their

labour rights and social guarantees (Ministry of Economy of Ukraine, 2022).

The experience of the national labour inspection system, which is currently entrusted with the main powers to identifying and preventing the undeclared labour cases (in particular, outlining the extent of relevant problems in the economy's sectors), has highlighted the inspection activities' fragmentation, the limited necessary resources and tools of both this service and the mechanisms and procedures for coordinating its activities with other concerned bodies (primarily, the State Tax Service, the mandatory social insurance funds). Over time, the processes of attracting foreign workers in order to compensate for the labour force shortage in Ukraine will require close interaction between the national labour inspection system and authorities that perform the immigration inspection functions.

Implementing the powers in the area of hired labour legalization, which are related to a number of tax legislation issues, the territorial bodies of the State Labour Service of Ukraine are faced with such problems, as (ILO, 2013; ILO, 2021; Pavlovskiy R.V., 2022; Kyselova O.I., Dotsenko A.V., 2021; Tairova T.M., 2023; State Labour Service of Ukraine, 2024):

- the unsatisfactory clarity of socio-labour fraud and dumping aspects in the national legislative framework;

- the combination of various undeclared labour practices in activities of certain business entities and industries (for example, in the forms of: wages' concealing, including through understating the remuneration level in collective and individual employment contracts; hiring the unofficial workers who continue to be registered with employment services, receiving unemployment benefits, or persons without valid work permits; concluding employment or civil law contracts with workers under the internships' guise; using the labour of the employed in public works without proper payment; fictitious corporatizing of enterprises with a strong material and technical base through transiting to the status of a network of smaller diversified business entities, in particular, individual entrepreneurs);

- the lack of time, resources, and personnel of labour inspectorates to identifying and investigating the undeclared labour cases, collecting evidences, interpreting possible violations legally.

The experts and official bodies have already recognized another specific national feature that manifests through the differences in the dynamics of the shadow economy and undeclared labour in Ukraine and developed countries of the world during the periods of global and macro-regional crises and recessions (National Institute for

Strategic Studies, 2011; Torzhevskiy M.V., 2016; Shevchuk I.V., 2016; Onyshchenko S.V. et al., 2021; Williams C. et al. 2011), which are caused mainly by the economy's specialization. The reduction in the undeclared labour manifestations and volumes in the EU during the financial and economic crises occurred due to the significant service specialization (usually, this economic sectors employ the majority of the unofficially and informally employed). On the other hand, in Ukraine, during the crisis periods, there was the increase in the undeclared labour extent and its forms' diversification due to the capital "shadowing" in the real, transport and logistics sectors, the industrial segment of the agricultural complex, as well as due to the intensification of the "shadowing" of the legally operating enterprises with the mentioned specialization.

The labour administration activities usually do not apply to the voluntary economic exchange between relatives, acquaintances, members of local communities, as well as to the certain types of self-employment (for example, in trading products from personal farms, private gardening and beekeeping, collecting berries, mushrooms, medicinal plants, etc.), public non-profit activities. At the same time, on the border of inspection and law enforcement authorities is the issue of identifying and tracking labour relations and civil law contracts in these areas, which may indicate the fictitious nature of self-employment, volunteering and other public activities, causing harm to the state and social protection of such informal and shadow workers.

Therefore, the main directions of improving the activities of the State Labour Service of Ukraine in identifying and preventing the undeclared labour practices include:

- systematizing the measures for labour inspectors' training and professional development both in the area of regulatory and legal principles for guaranteeing decent employment conditions, and in terms of signs and situations of the undeclared labour possible manifestations in the certain economic sectors and communities;

- updating the methods for identifying the undeclared labour cases, as well as calculating and imposing appropriate fines and penalties;

- reviewing the approaches to planning and conducting inspection visits in order to ensure sufficient attention to the thematic issues at each visit to business entities and their production base, even in cases when the main purpose of visits is not to detect undeclared labour (ILO, 2013; Pavlovskiy R.V., 2022);

- intensifying the educational and advertising functions of the labour service territorial bodies in

order to raise the awareness of employers, business entities' heads and employees regarding: the rules for declaring core and auxiliary activities; effective means of complying with relevant legislative norms within the framework of certain economic and production competence; legal opportunities for avoiding or settling situations of the undeclared labour use;

- expanding the labour administration powers and functions regarding the certain categories of employees, namely: the non-hired workers (self-employed, a number of domestic workers); migrants (cross-border and internal, in particular, internally displaced persons); employees in the economy's sectors where, according to the experience of developed countries of the world and the EU, the labour activities often have signs of forced exploitation and significant violations of human rights (housework, agriculture, construction, various jobs at sea, including those performed by highly qualified employees) (Pavlovskiy R.V., 2022, p. 14);

- developing the procedures for performing the authorized bodies' labour administration functions in conditions of inspectors' objectively complicated access to production facilities and workplaces of employees (in particular, in the territory of households that use the labour of auxiliary and domestic workers, in the sector of sea and river freight and passenger transportation, where visits depend on an employer's consent or a warrant presence) (Pavlovskiy R.V., 2022, p. 14);

- intensifying the practice of using media for disseminating information about the legislative obligations of employers and employees in the fair labour declaration, as well as for publicizing the results of supervising measures, including the amount of imposed penalties.

Effective labour inspection methods, widely recognized in the world, are: the raids on production facilities without warning the administration, including in cooperation with the law enforcement bodies; the verification and legal due diligence of business entities' documents (in particular, on the grounds of the validity of using office premises and production material and technical base, company's benefits – motor vehicles, fuel coupons, credit cards, certain vouchers for purchasing goods and services, as well as compensating for the costs of business trips – transportation expenses, daily allowances, etc.); the enterprises' certification; the employees' identification at the workplace; the use of special methods for interviewing employees and employers; the performance of functions for the undeclared work preventing through the thematic information and educational interviews with the business entities' heads and personnel.

The set of labour inspection tools can implement a number of strategies of the State Labour Service of Ukraine on issues of identifying and preventing the undeclared labour in: the economy's separate sectors (industries); specific production and economic groups of both business entities and employees; some specific manifestations (salary "in envelopes", unaccounted working hours, fictitious employment and self-employment, fake internships, evasion of mandatory social payments, etc.); territorial dispersion (in separate regions, communities with different population and economic specialization, as well as by the feature of cross-border orientation – in particular, within the framework of contracting and subcontracting services for foreign and cross-border companies and corporations).

The most effective measures in the area of reducing the undeclared labour practices, punishing for the non-compliance with current legislation, which were recommended to Ukraine by the EU and ILO experts, are related to (EU – ILO, 2018, pp. 82–83; ILO, 2021):

- the reviewing the monetary sanctions' system, in particular through revising the form used to calculate the amount of fines;

- the implementing of additional sanctions for the non-complaining with current legislation, closely connected with the employers' main business interests (such as: transferring objects and assets that belong to an business entity found in violations to state bodies; prohibiting certain types of activities, functioning of which depends on a state permit or state body's approval; cessation of subsidies or assistance provided by state services, as well as rights to participating in trade fairs or markets, tenders for contracts on performing certain works, supplying goods and services to the state institutions; cessation of access to participate in government programs, preferential bank loans, programs of international aid and infrastructure support, etc.; forced closure of an enterprise whose activities require an administrative body's permit or license; suspension of permits and licenses; ensuring a special registration procedure for business entities that have committed violations).

4 Conclusions

The labour non-declaration has a contradictory impact on the living and labour potential reproducing standards of the society, territorial communities, and certain persons. Working unofficially, colluding with the employer to conceal the legal labour volume and results completely or partially, not declaring the income from entrepreneurship or self-employment, a person increases the amount

of available working and living capital, savings and accumulations, improves his life level and standards. On the other hand, the dissemination of such employment worsens the opportunities and prospects of accessing to guaranteed wages, socio-labour conditions, a number of public benefits and services, pensions for the individuals involved in it and their compatriots. A number of undeclared labour features (the absence of clear time schedules, legislatively approved socio-labour guarantees) forces the employed to accumulate and save their income more strictly, limiting themselves and their family members in a range of expenses (including on socially necessary services).

The complexity of undeclared labour as a socio-economic phenomenon of industrial and post-industrial communities in the modern globalized world and as the employment model of the population significant share with a large number of features and factors determines the leading criterion for forming and implementing the effective policies and separate measures to regulate it (prevent, identify, mitigate, eliminate its manifestations and consequences). The essence of this criterion is to balance the economy-wide, sectoral and industry-specific, inspection and supervising, as well as preventive measures (including in the social advertising area) with the involvement of authorized structures for regulating and monitoring socio-labour relations, the employment sphere and labour market, law enforcement bodies, civil society institutions (including those for trilateral cooperation).

Given the clarified trends and features of the undeclared labour in Ukraine (in particular, in the formal economy and its export-oriented sectors), its regulation policy should focus primarily on the mechanisms and levers for identifying and restraining this employment model with a consecutive increase in the share of systemic measures for preventing the undeclared labour and its transforming into the official employment. Ukrainian and foreign experts believe that the main guideline of the fair labour declaration policy is the simultaneous reduction of the undeclared labour advantages for both employers and workers (employees, self-employed).

In addition to strengthening the measures against the economy's shadowing and implementing anti-cyclical social policy, the systemic activities for ensuring fair employment administration require adjusting the labour inspection powers and methods in the area of identifying violations related to the labour non-declaration by large and medium businesses, as well as agencies that provide services for the personnel selecting, recruiting and mediating workers' employment.

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