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ОПТИМІЗАЦІЯ ОПЛАТИ ПРАЦІ В УКРАЇНІ В УМОВАХ ЄВРОПЕЇЗАЦІЇ ЕКОНОМІКИ

Анотація. *В умовах активних законотворчих перспектив трудового законодавства України в аспекті їх євроінтеграції назріли питання розроблення і впровадження в життя ефективних систем оплати праці та їх оптимізації, які мають бути націлені на розв'язання завдань розвитку вітчизняної економіки, забезпечення поєднання економічних і соціальних інтересів і цілей окремих співробітників і керівників підприємств. Це потребує застосування нових підходів організації оплати праці з урахуванням специфіки діяльності підприємств і накопиченого досвіду вітчизняних і зарубіжних компаній, а також науковців у питаннях оплати праці. Значну роль у розв'язанні відповідних питань відіграє встановлення дієвих механізмів у системі оплати праці, які мають забезпечувати соціальну й економічну справедливість у трудових правовідносинах. Це передусім дотримання, охорона й поновлення суб'єктивних прав найманих працівників щодо оплати праці у разі їх порушення. Якщо більшість окреслених загальних суспільних та економічних проблем вирішити тими чи іншими засобами не має можливості, то сформулювати першочергові суто правові завдання, що стосуються оптимізації правового регулювання оплати праці не лише можливо, а й необхідно. У статті знайшли відображення: 1) міжнародно-правове підґрунтя формування належного рівня оплати праці, 2) зарубіжний досвід формування оптимізованого розміру оплати праці та 3) науково-прикладні підходи до оптимізації оплати праці в українській економіці під впливом євроінтеграційних процесів. Під час написання цієї статті, для комплексного розкриття порушеної проблематики, досягнення об'єктивного наукового результату і сформулювання відповідних висновків, авторами використовувалися загальнонаукові та спеціальні методи пізнання (діалектичний, функціональний, формально-логічний, порівняльно-правовий, герменевтичний, метод компаративістики). У статті зроблено висновки, що існування безлічі внутрішньогалузевих тарифних сіток в Україні на практиці лише ускладнює правозастосування. Якби існувала дійсно Єдина тарифна сітка, яка враховувала б усі професії, їх особливості і специфіку умов праці, не було б потреби для кожної сфери економіки країни розробляти власну тарифну сітку. Наразі склалася ситуація, коли всередині самої ЄТС існує значна кількість інших внутрішніх тарифних сіток у різних сферах і галузях виробництва. Слід ЄТС розробити на підставі Класифікатора професій, оскільки саме він є тим уніфікованим актом, який містить перелік професій, що існує в економічному житті України. Отже, кожній з указаних професій мають бути присвоєні свій тарифний коефіцієнт і відповідний розряд. Зростання рівня заробітної плати повинно залежати від кваліфікації працівника, рівня його освіти, і продуктивності праці*

Ключові слова: *оплата праці, тарифна система, заробітна плата, відплатність, трудові правовідносини, європеїзація*

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SALARY OPTIMISATION IN UKRAINE IN THE CONTEXT OF THE ECONOMY EUROPEANISATION

Abstract. *In the context of active legislative prospects of the labour legislation of Ukraine in the aspect of their European integration, there are issues of developing and implementing effective remuneration systems and optimising them, which should be aimed at solving the problems of developing the Ukrainian economy, ensuring a combination of economic and social interests and goals of individual employees and managers of enterprises. This requires the application of new approaches to the organisation of wages, considering the specifics of enterprises and the experience of domestic and foreign companies, as well as scientists in the field of wages. The establishment of effective mechanisms in the remuneration system, which should ensure social and economic justice in labour relations, plays a significant role in resolving the relevant issues. This is primarily the observance, protection and restoration of the subjective rights of employees to pay in case of violation. If most of the outlined general social and economic problems cannot be solved by one means or another, it is not only possible but also necessary to formulate priority purely legal tasks related to the optimisation of legal regulation of wages. The article reflects: 1) the international legal basis for the establishment of an appropriate level of wages, 2) foreign experience in the establishment of optimised wages and 3) scientific and applied approaches to optimising wages in the Ukrainian economy under the influence of European integration processes. During the writing of this article, for a comprehensive disclosure of the issues, to achieve an objective scientific result and formulate appropriate conclusions, the authors used general and special methods of cognition (dialectical, functional, Aristotelian, comparative legal, hermeneutic, method of comparison). The article concludes that the existence of many intra-industry tariff grids in Ukraine in practice only complicates law enforcement. If there really was a Unified Tariff Grid, which would consider all professions, their features and the specifics of working conditions, there would be no need for each sector of the economy to develop its own tariff grid. Currently, there is a situation when within the UTS itself there is a significant number of other internal tariff grids in various areas and industries. The UTS should be developed based on the Dictionary of Occupational Titles, as it is the unified act that contains a list of professions that exist in the economic life of Ukraine. Therefore, each of these professions must be assigned its own tariff coefficient and the corresponding category. Wage growth should depend on the employee's qualifications, level of education, and productivity*

Keywords: *wages, tariff system, wages, retribution, labour relations, Europeanisation*

INTRODUCTION

In the context of European integration transformations in Ukraine, labour remains the main source of income for the population, and therefore the issues of wages are important for the paradigm of post-industrial development of all economic systems. Unfortunately, the state currently has a policy of low wages, which has an adverse impact on productivity growth. As a result, wages almost do not fulfill their key function – the reproduction of the energy expended by human resources and the motivation of workers to work productively. The low level of wages compared to the cost of the consumer budget required for the normal reproduction of

the worker's labour force is a limiting factor in increasing the purchasing power of the population, and hence the progressive growth of the economy. In this regard, without correcting the institutional environment – formal and informal norms, public ideas about the normal level of market price for labour – stable labour relations between the employee and the employer are impossible, and hence the achievement of high socio-economic results of state development, which, in turn, significantly slows down the process of interest of European partners in the Ukrainian economic space.

The effective operation of modern enterprises is largely determined by the performance of their employees and an effective system of remuneration, which must meet the strategic goals of these enterprises, create a reliable assessment of the contribution of individual employees and units in achieving high results, create conditions for staff tasks, to form loyalty and to be perceived by all employees as fair. Thus, as of today, in terms of active legislative prospects of labour legislation of Ukraine in terms of their European integration, the issues of development and implementation of effective remuneration systems and their optimisation are ripe, which should be aimed at solving problems of domestic economy, ensuring a combination of economic and social interests and goals of individual employees and managers. This requires the application of new approaches to the organisation of wages, considering the specifics of enterprises and the experience of domestic and foreign companies, as well as scientists in the field of wages.

The scientific and theoretical basis of this study were the works of such Ukrainian and Belarusian researchers in the branch of labour law as Yu.M. Burniahina [1], N.M. Vapniarchuk [2], O.Ye. Lutsenko [3; 4], O.V. Moskalenko [5; 6], K.L. Tomashevskiy [7], O.M. Yaroshenko [8-10] and others. Ukrainian and Belarusian scholars have revealed only some aspects of wages, but no attention has been paid to reformatting the wage system. To deeply understand the possible ways to modernise the wage system in Ukraine under the influence of European transformations, the authors in writing this article turned to the scientific work of foreign scientists – M. Camarero, G. D'adamo, C. Tamarit, G. Bosch, K. Goraus-Tan'ska, P. Lewandowski, J. Gautié.

Ukraine has practically created a legal framework for regulating wages in accordance with international labour standards. At the same time, the mechanisms of its state and collective bargaining regulation do not yet work in full. In addition, their functioning is negatively affected by the imperfection of the reform of the monetary and tax system, a clear lag in the establishment of new economic entities, in the creation of a full-fledged system of social partnership etc.

At present, one can observe a fairly broad liberalisation of labour relations, including the issue of establishing a system and the amount of wages. The development of the Ukrainian economy is directly related to the level of wages received by workers and which it affects. The more a person earns, the more needs of different personal nature he can meet. In this regard, there is a need not only for centralised regulation of wages, but also to establish differentiated approaches to determining the latter for certain categories of workers or for all employees of the enterprise, institution or organisation. This creates the need for a doctrinal justification of the strategy of reforming wages in labour relations, in the economic system and society in general.

The establishment of effective mechanisms in the remuneration system, which should ensure social and economic justice in labour relations, plays a significant role in resolving the relevant issues. This is primarily the observance, protection and restoration of the subjective rights of employees to pay in case of violation. If most of the outlined general social and economic problems cannot be solved by one means or another, it is not only possible but also necessary to formulate priority purely legal tasks related to the optimisation of legal regulation of wages.

1. MATERIALS AND METHODS

The impetus for writing this article was a substantial deterioration in the level of wages in Ukraine in recent years. Moreover, during the pandemic the situation became extremely complicated. This is confirmed by a sociological survey conducted by the Razumkov Centre's sociological service from May 21 to 26, 2021, which showed that over the past year, 54% of the economically active population's wages have not changed, 37% have decreased, and only 3% – increased. The reduction of wages is more often indicated by employees of the private sector than the public (respectively 40% and 26%), noting that it has not changed - respectively 52% and 67%, and that it has increased – respectively 3% and 4% [11].

Thus, the authors of the article aimed to explore the international legal basis for the establishment of an appropriate level of wages, to study foreign experience in the establishment of optimised wages and to develop scientific and applied approaches to optimising wages in the Ukrainian economy under the influence of European integration processes. To do this, the authors used a number of scientific papers by both Ukrainian and foreign scientists, international instruments and best practices of economically developed countries in matters of wages.

During the writing of this article, for a comprehensive disclosure of the issues, to achieve an objective scientific result and to formulate appropriate conclusions, the authors used general and special methods of cognition. The scientific research is based on the dialectical method, which contributed to the comprehensive study of wage optimisation processes in the context of European integration changes in labour legislation in their relationship and interdependence, which revealed the current state of the subject. The functional method was useful in clarifying intra-system, inter-system and external system connections in the construction of the wage system. The Aristotelian method was chosen in the process of critical analysis of the legislation in matters related to the legal regulation of wage formation, which helped to develop proposals for improving labour legislation. The method of comparative studies is used to analyse foreign experience in the legal regulation of remuneration systems.

First of all, the authors used the method of comparative law and hermeneutics to understand the content of wages in international instruments and foreign experience. In particular, the content of the Concept of development of legal bases and mechanisms of functioning of the welfare state in the Commonwealth and the essence of the category “wages”, which in world practice is consistent with the key principle of labour relations – remuneration. This means that all employees are entitled to a fair remuneration that will ensure their adequate standard of living. Apart from the obligation of the employer to pay for the results of the employee's work, there are also other obligations of material content. They relate to costs that are mainly aimed at the protection of labour and health of the employee or to ensure a minimum standard of living, including downtime, i.e., suspension of work caused by lack of organisational or technical conditions necessary to perform the latter, inevitable force or other circumstances (force majeure, etc.).

During the establishment of scientific and applied approaches to the optimisation of wages in the Ukrainian economy under the influence of European integration processes, the authors used the laws of dialectics, applied Aristotelian and functional methods of scientific research. Based on these methods, the authors were able to identify effective approaches to improving the legal regulation of wages in Ukrainian enterprises. Furthermore, the authors concluded that the system of calculating super-tariff elements of salaries of state employees (allowances, surcharges, and bonuses of a stimulating and compensating nature) requires further improvement towards developing progressive motivational systems with particular understandable indicators and methods, their calculation and accrual, which will not depend on the changing mood of the management of the enterprise, institution, or organisation.

2. RESULTS AND DISCUSSION

2.1. *International legal basis for the establishment of an appropriate level of remuneration*

The key principle of the social state, around which the entire system of social and economic rights is built, is the provision formulated in Part 1, Article 25 of the Universal Declaration of Human Rights [12]: “Everyone shall have the right to such a standard of living, including food, clothing, housing, medical care and necessary social services, as is necessary to maintain the health and well-being of themselves and their family, and the right to security in the event of unemployment, illness, disability, widowhood, old age or other loss of livelihood due to circumstances beyond their control”. This principle is developed in Part 1 of Article 11 of the International Covenant on Economic, Social, and Cultural Rights [13], ratified by the decree of the Presidium of the Supreme Soviet of the Ukrainian SSR on October 19, 1973 [14]: member states hereunder not only recognise the right of everyone to an adequate standard of living for them and their family (including adequate food, clothing, and housing) and to a steady improvement in living conditions, but also undertake to take appropriate measures to ensure the exercise of this right, while recognising the importance of international cooperation based on free consent. These provisions were further developed in the European Social Charter (revised) (1996) [15], ratified by the Law of Ukraine of September 14, 2006 [16], according to which the Member States of the Council of Europe agreed to ensure the social rights mentioned in these documents to improve the standard of living and social well-being of their population.

The welfare state is characterised by a constant dialogue with man in the fields of politics, economics and culture. The basis of material security of each citizen is the innovative development of information technology, which arose as a result of scientific and technological progress and serve as a means of further development of the latter. Innovative development enriches the consciousness of the population, its social and political interests, requirements, which contributes to changing the functioning of state institutions in various fields.

However, it is not necessary to idealise the welfare state, but we must first consider that the implementation of the above is associated with certain negative aspects, namely: a) the possibility of replacing temporary measures of radical solutions to certain social problems; b) in an attempt by the State only to mitigate the social consequences of its own failed or unpopular reforms; c) with excessive public spending on the social sphere,

which can lead to crises in the economy; d) with the presence of possible excessive social claims of the population, which may weaken the implementation of the principle of citizens' own responsibility; e) with the acquisition by the self-proclaimed state of new social, sophisticated, perfect forms of control over society, which strengthens the role of state power in people's lives; e) with the economic dependence of the citizen on the state, which paralyzes and disorganizes the social process [17].

The concept of formation of legal bases and mechanisms of functioning of the welfare state in the Commonwealth, adopted by the Interparliamentary Assembly of the CIS member states on May 31, 2007, interprets the welfare state as legal and democratic, which proclaims man the highest value and creates conditions and self-realisation of creative (labour) potential as a person [18]. This international legal document calls the criteria for assessing the degree of sociality of a democratic state governed by the rule of law:

- observance of human rights and freedoms;
- conducting an active and strong social policy;
- ensuring decent living standards for most citizens;
- targeted support for the most vulnerable segments and groups of the population, reduction and further eradication of poverty;
- guarantees of creation of favourable conditions for real involvement of citizens in development and social examination of decisions at all levels of the power and management;
- observance of the rights and guarantees that recognise and develop the system of social partnership as the main mechanism for achieving public consent and balance of interests of the employee and the employer in the regulatory role of the state;
- guarantees under which any business entity or owner must bear specific social responsibility;
- social justice and social solidarity of society, ensured through the development of shareholder ownership of employees, as well as through tax redistribution of income from rich to poor and a greater workload of the most able-bodied members of society to help the less able;
- gender equality of men and women;
- involvement of all citizens in the management of state and public affairs, employees - in the management of production, the development of social partnership;
- observance of rights and guarantees aimed at strengthening the family, the spiritual, cultural and moral development of citizens, especially young people, their careful attitude to the heritage and succession of generations, the preservation of the identity of national and historical traditions [19].

According to Article 1 of the ILO Protection of Wages Convention No. 95 [20], ratified by Ukraine on August 4, 1961 [21], the term “wages”, whatever the name and method of calculating the latter, means any remuneration, earnings, established by agreement or national law, which may be calculated in money which the employer must pay to the worker for work already performed or to be performed, or the same for services that have already been provided or should be provided. This definition corresponds to the definition of “salary”, provided in Part 1, Article 94 of the Labour Code of Ukraine [22] and in Part 1, Article 1 of the Law of Ukraine “On Remuneration of Labour” [23]: it is a remuneration, calculated, as a rule, in monetary terms, which the owner or his authorised body (employer) pays to the employee for the work performed by him. The Constitutional Court of Ukraine has concluded that the terms “wages” and “remuneration”, which are governed by the laws governing employment, are equivalent in terms of the parties who are in employment, the rights and obligations to pay, the conditions of their implementation and the consequences to be incurred in the event of failure to fulfill these obligations.

The content of the category “wages” is consistent with one of the principles of labour relations, such as remuneration, which is reflected in Paragraph 4, Part 1 of the European Social Charter (revised) of May 3, 1996 [24], ratified by the Law of Ukraine No. 137-V of September 14, 2006 [16], according to which all employees are entitled to a fair remuneration that will ensure their adequate standard of living. Apart from the obligation of the employer to pay for the results of the employee's work, there are also other obligations of material content. They relate to costs that are mainly aimed at the protection of labour and health of the worker (employee) or to ensure a minimum standard of living, including in the event of downtime, i.e., suspension of work caused by lack of organisational or technical conditions necessary to perform the latter, by inevitable force or other circumstances (force majeure, etc.). These obligations comply with the minimum state guarantees established in Article 12 of the Law of Ukraine “On Remuneration of Labour” [23], in particular, regarding the payment of downtime, which took place through no fault of the employee.

2.2. Scientific and applied approaches to the optimisation of wages in the Ukrainian economy under the influence of European integration processes

In today's European integration environment, when developing a strategy and policy of remuneration in

enterprises should consider 3 main criteria, which (a) must be internally fair (employees must be paid in proportion to the relative value of their work), (b) competitive (employee wages must correspond to the market price of the position), and (c) create personal interest in employees. The fourth goal, which in practice often remains hidden from line managers, is to facilitate wage management. However, at the same time the implementation of the first 2 criteria is often impossible, as a result of which the organisation has to sacrifice something for the sake of another; achieving the third goal means a high degree of individualisation, which complicates the implementation of the fourth goal [25].

In modern conditions, the system of remuneration at industrial enterprises of Ukraine is of great socio-economic importance. To ensure its flexibility, it is advisable to apply an appropriate approach, which is to develop a strategy for forming such a system, i.e., the direction of certain actions aimed at achieving the goals of the latter to provide staff, its preservation and motivation to work in accordance with strategic objectives and resources. The correct choice of strategy for the establishment of the remuneration system is the basis of its effective functioning [26].

Effective approaches to improving the legal regulation of wages at Ukrainian enterprises can now be seen:

1) coordination of the process of establishment of the remuneration fund with the general goals of enterprise development, its corporate and personnel strategies. This approach, in particular, provides for the establishment of a balanced system of indicators as well as the introduction of a rating system of jobs based on their value to the company [27];

2) optimisation of the structure of the wage fund. As you know, the payroll is structurally composed of such components as (a) the basic salary (remuneration for the work of the employee, calculated in accordance with certain labour standards), (b) additional wages (remuneration for work in excess of certain norms, for special working conditions or achievements in employment), (c) other incentive and compensation payments. The shares of each of these elements in the general fund of remuneration vary depending on the industry and the specifics of a particular enterprise. However, according to O.S. Litvinova and O.O. Sukach, in general, the Ukrainian economy contains a violation of the rational structure of this fund, which leads to a decrease in the labour interest and motivation of employees. Based on the study of foreign experience, scientists consider the share of basic wages optimal at the level of 80-85%, which will provide a stimulating value [28];

3) the use of flexible forms of remuneration and their differentiation depending on the category of personnel of the enterprise. These forms will contribute to a differentiated approach to the establishment of wages of employees in accordance with the level of their labour efforts, characteristics, qualifications, as well as individual labour results, which will ensure the implementation of the incentive function of wages. At the same time, it is advisable to establish different forms and systems of remuneration for different categories of staff, considering the specific features of their work [29]. In the scientific economic literature, it is argued that the strengthening of income differentiation of the population in Ukraine is primarily associated with different opportunities for assigning income from labour, property, capital, and entrepreneurial activities, which are distributed among the owners of production in the form of wages, rent, interest, and profit. Ukraine has not created conditions for equal access of broad sections of the working population to these factors, which prevents the real opportunity for every citizen to fully realise their economic and social functions [30].

4) ensuring clarity, clarity and transparency of payroll mechanisms. Establishing clearly defined and transparent criteria for calculating wages can solve 2 problems at once. On the one hand, the presence of determined and consolidated criteria in the Regulation on Remuneration of Labour will contribute to the unification of the current approaches to calculating wages, reduce the labour intensity of the relevant process, and on the other hand, employees, clearly understanding the process of forming their earnings, will be focused on achieving the appropriate criteria, which will stimulate the growth of productivity and quality of their labour. We can talk about the dual role of the state in the legal regulation of labour relations on wages. First, the state actually undertakes to establish state guarantees for the rights of workers and employers, to control and supervise their implementation, to ensure the right of everyone to protection of his rights and freedoms, including in court. Secondly, in modern conditions the state in the person of certain state bodies actually acts as a participant of social partnership. The result of its implementation of the functions of a participant in such a partnership is the adoption of collective decisions agreed by the social partners. Thus, the state acts in 2 interrelated guises – as a legislator and as a participant in social partnership. Given this, its role in streamlining labour relations, including wages, is unique and has no analogues in any field of law [31];

5) introduction of an effective mechanism for assessing the characteristics of employees and their labour contribution. The use of the incentive function of wages is not only to ensure the growth of productivity of the latter, but also in their motivation to improve their skills. That is why a periodic staff appraisal system, the results of which will affect the level of remuneration, will encourage workers to support and improve their skills to increase potential earnings. The authors of the present study believe that when performing a

comprehensive assessment, it is advisable to factor in the indicators of labour performance, behaviour (compliance with discipline and corporate culture, relationships with colleagues, subordinates, and managers, etc.), as well as the qualification achievements of the employee (category, qualification level, higher education, mastery of a foreign language, etc.). It is clear that an adequate system of such assessment to ensure its objectivity involves the definition of relevant criteria for each category of workers.

The importance of the mechanism of formation of the wage fund in terms of efficiency of any enterprise is quite difficult to overestimate, so the development of effective measures to improve it is an important lever to ensure the stability and competitiveness of the business entity. A comprehensive approach to the implementation of the proposed measures will increase the efficiency of both the establishment of the payroll and the activities of the organisation as a whole [32].

Currently in Ukraine there are 2 parallel systems of remuneration of public sector employees: one is based on the actions of the Unified Tariff Grid; the second is regulated by regulations that can be attributed to special legislation governing the remuneration of certain categories of workers, namely: civil servants, judges, law enforcement officers, prosecutors, etc.

None of the current systems of remuneration of public sector employees is effective, and therefore there is an objective need to improve the system of their wages. The main task of the state in this direction is to steadily increase the salaries of state employees, considering inflation, as well as the adoption of such regulations, which should contain effective measures to improve the financial situation of these workers. The income policy of the latter should be aimed at reviving key industries for development (science, education, state-building, health care, industry, high technology, etc.), i.e., those that today, during the 3rd industrial revolution, have become a reliable foundation of economic growth worldwide. Let us further define other tasks that are no less important for the state.

The authors of this study believe that special attention should be paid to the problem of establishing the optimal range of the tariff grid. After all, for the construction of the system of remuneration of state employees, depending on their qualifications, the range of the tariff grid is extremely important. This is explained by the fact that the division of the levels of tariff coefficients, and hence the rates of workers of intermediate levels of qualification, depends on the accepted range. The question of the UTS range is closely related to 2 factors – the difference in the complexity of work (the degree that objectively determines this range) and the size of the rate of the first category: the higher this size (other things being equal), the more reasons to narrow this range. The principle of grid compression is positive in terms of mitigating contradictions in the remuneration of state employees in the event of a financial deficit. Due to the re-tariffing of employees by category and the introduction of over-tariff surcharges in the structure of the latter, an increase in the minimum wage is achieved, and on this basis – the rates of wages by category.

This is how the advantages are created for raising the wage rates of the main contingent of public sector workers, i.e., for those who will be charged at medium and higher levels. Unjustified convergence in the salaries of persons who perform simple and complex work, which arose as a result of a long-term policy of raising the minimum wage, is automatically eliminated. The system of calculating super-tariff elements of salaries of state employees (allowances, surcharges, and bonuses of a stimulating and compensating nature) requires further improvement towards developing progressive motivational systems with particular understandable indicators and methods, their calculation and accrual, which will not depend on the changing mood of the management of the enterprise, institution, or organisation.

The authors of this study believe that the current Unified Tariff System should be radically changed, as it lacks the appropriate logic and consistency. And the worst thing is that it is not aimed at ensuring fair remuneration of workers for the performance of a particular job. First, the very structure of the Scheme of tariff categories of positions is unclear, as it is based on certain areas of the economy, within which the ranges of categories for UTS (in particular, education, science, health, social protection, theaters, concert organisations), followed by specific enterprises, institutions and organisations, namely: the National Television Company of Ukraine, the National Radio Company of Ukraine, the Parliamentary TV Channel Rada, the State Television and Radio Company World Service Ukrainian Television and Radio Broadcasting, the National Agency for Quality Assurance in Higher Education, Educational Ombudsman and the Education Ombudsman Service, State Institutions “All-Ukrainian Youth Center” and “Ukrainian Institute for Educational Development”, UTS.

This approach is unclear, because if we take as a basis the direction of economic activity, the development of the UTS should be guided by the Classification of Economic Activities. If you develop for each individual enterprise, institution or organisation separately UTS, it should be done at the local level. However, from our point of view, the UTS should be developed exclusively at the state level, and at the local level an approach should be developed to adjust the salaries of employees, considering labour intensity, special ranks, awards, achievements and other characteristics that may serve good reasons for accrual and payment of allowances and surcharges.

Second, the qualifications assigned to many professions are illogical and unfounded. For example, according to the current UTS, the head of the office and the head of the farm have 5-8 grades, while the head (director) of an out-of-school educational institution has 12-16 grades, although according to the Dictionary of Occupational Titles these positions belong to one group. So why is there such a striking difference in the range of qualifying ranks? Here is another example: in the Scheme of tariff categories of jobs (professions) common to all budgetary institutions, establishments and organisations, it is very difficult to understand the logic of assigning categories. In particular, those employees who perform simple unskilled work are assigned the 1st or 2nd tariff category. At the same time, employees who perform skilled (complex) work are assigned the 2nd-5th tariff category. So how can the 2nd category be intermediate? After all, different in complexity work logically cannot have the same category. The same applies to low-skilled and highly skilled workers, because there is an intermediate 3rd category. The whole UTS is completely imbued with such controversial and illogical ordering.

We propose to develop the UTS based on the Dictionary of Occupational Titles, as it is the unified act that contains a list of occupations that exist in the economic life of Ukraine. Therefore, each of these professions must be assigned its own tariff coefficient and the corresponding category.

Currently, according to the current ETS, the calculation of salaries (tariff rates, wage rates) is based on the size of the salary (tariff rate) of the employee of the 1st tariff category, set at the subsistence level (i.e., 2102 UAH) for able-bodied persons on January 1, 2020. Thus, if calculated in this way, only workers whose professions correspond to the 13th category (out of 25) have a minimum wage. This category has a tariff coefficient of 2.27, respectively, the official salary (tariff rate) is 4772 UAH, while the minimum wage on January 1, 2020 is 4723 UAH. In other words, until the 12th category, all employees do not receive even the minimum wage for their salaries (tariff rates). The Cabinet of Ministers of Ukraine has imposed on employers the obligation, so to speak, to keep all these salaries up to the level of the minimum wage. But if the size of the 1st tariff category had been calculated and established at the legislative level economically, such a situation, admittedly, would not have arisen. Moreover, this is the state of affairs that provokes employers to commit a number of violations: the issuance of salaries in “envelopes”, tax evasion, non-registration of employees under an employment contract, and others. The analysis of the provisions of the UTS showed that the 12th category contrains many managers, professional doctors and representatives of other professions, who do not receive even the minimum wage (salary rate), and employers have to correct this situation at their own expense.

2.3. Foreign approaches to the formation of optimised wages

Countries with a long history and a developed market economy have extensive experience in operating a variety of pay systems. They have distinctive features, in particular: a) there is a joint and several salary in Sweden; b) in Japan – payment for seniority; c) in Germany, stimulating productivity growth; d) in the USA – payment for qualification; e) in the United Kingdom, payment under individual contracts; (e) in France – individualisation of wages; g) in Italy, the payment of individual and collective allowances to the sectoral tariff rate and the increase in the cost of living. At the same time, there is a general focus of wage systems on improving production efficiency. However, in all cases, labour standards are set directly at enterprises. The latter receive practical assistance in this regard from non-profit and private counselling centers and associations, which are professionally engaged in labour rationing issues and provide appropriate software using modern computer technology. In a number of foreign countries, labour law establishes: a) rules for the payment of holidays and vacations, downtime, marriage and other guarantees and compensatory payments; b) the procedure and frequency of salary payments, ways to protect workers' earnings from excessive deductions; c) indexation of wages, etc. Many of their enterprises (organisations) use hourly wages to improve the quality of products, rather than its volume [33].

Over the past 15 years, real wage trends across the Eurozone countries have been very diverse, reflecting differences in aggregate unit labour costs [34, p. 25]. The mechanism of state regulation of wages in the EU is based on the ratio of such components as: (a) the minimum wage, the limits of its growth during inflation, (b) tax policy (government regulation), (c) the general procedure for income indexation, (d) forms and systems of remuneration (in particular, collective bargaining at the sectoral level), (e) the rates of tariff rates, salaries, surcharges and allowances (collective agreements), (e) the average wage (labour market) [35]. Of the 28 European Union member states, 22 had minimum wages established at the national level, for example, in Bulgaria, the Czech Republic, Croatia, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia. We focus on this group of countries in our paper. The other EU countries had minimum wages established at the sector (Austria, Denmark, Finland, Italy) or occupation (Cyprus) level, usually as a result of collective bargaining [36, p. 297].

In France and the Netherlands, collective agreements fix minimum wage levels at the industry level, which are then usually extended by the government to uncovered workers throughout the industry. These

agreements not only set a minimum pay floor but also establish a complete pay scale with different rates for different types of jobs and employee characteristics (mainly skills and seniority) and, in many cases, additional industry specific premiums and bonuses as well as some fringe benefits. In Germany, in a small number of industries such as construction, cleaning and postal services, the government declares the minimum wage set in the industry collective agreement as binding within the industry but generally does not extend other terms of the agreement. In Denmark, the social partners agree on a national minimum wage floor, which is enforced by unions and employers. Finally, the United Kingdom, the United States, France, and the Netherlands have a legislated national minimum wage rates (NMW in the following), often called “statutory” or “legal” minimum wages.¹² In France and the Netherlands, if the minimum pay rate set by the industry collective agreement is lower than the NMW, the latter must apply [37].

Three characteristics of a NMW play key roles in shaping the wage distribution: its coverage, its level, and its implementation. One may define the legal (or “formal”) “inclusiveness” of a NMW by the extent of its legal coverage. This coverage does not differ much across the four countries in this study with a NMW, since almost all industries and firms are covered. But there are also some special rates for young workers that constitute legal “exit options” (i.e. legal ways to avoid and/or circumvent stricter regulations). In the Netherlands, these youth rates are very low and, in that sense, the NMW in that country is less “inclusive” than it is in France, the UK and the US [38, p. 313-317].

As we can see, the countries of the European Union have abandoned administrative and centralised planning mechanisms and methods of wage setting, which has opened a wide way for social dialogue. Wage issues in them are usually resolved through collective bargaining or individually at the enterprise level. At the enterprises of the EU countries today we observe a tendency to individual wage setting, which is reduced to the following, such as: a) determination of a certain amount of the minimum annual salary for each employee, considering all remuneration; b) unequal wage increases within the proposed increase in its total fund; c) refusal to index wages due to rising prices; d) considering the merits of employees and not their seniority in determining personal allowances; e) regulation of the procedure for considering these merits.

The experience of Japan in economic stimulation of labour, investigated by V.V. Baranov, deserves special attention. One of the factors of successful development of the Japanese economy is an effective system of such incentives. It integrates properly thought-out and consistently used forms and methods of increasing the labour activity of staff (especially in large enterprises), which by their nature are divided into 2 closely related groups of economic and psychological incentives. In the framework of this scientific work we will consider in more detail the group of economic incentives. As you know, the main economic incentive to increase the labour activity of workers is wages. Apart from the basic salary, employees receive cash bonuses twice a year (summer and winter), the amount of which depends on the company's performance. An effective incentive to increase such activity of employees is to provide them with material assistance in the form of various one-time payments – for housing, some utilities, food, clothing, transport, cultural and medical expenses. These payments are one-time and are provided only in exceptional cases as a kind of charitable assistance.

Along with the in-house system of severance pay in this country, there are a number of national types of social insurance, which must cover all enterprises, even with the number of staff of 5 people. This is a comprehensive national social insurance system, which includes both social insurance and pensions. Unlike in-house severance pay systems, all types of insurance are paid. Insurance funds are formed at the expense of mandatory monthly contributions of the directly insured, as well as enterprises and the state [39, p. 141-144].

The pay system in Japan is based on lifelong employment, rotation, reputation and training of the employee in the workplace. It is these factors that directly affect the formation of the Japanese wage system, making it a powerful factor in the country's economic growth. This system of remuneration in the country began to develop companies selling Japanese electrical goods. Its specific feature was the distribution of the basic and additional part of the salary, which was in the proportion of 80% + 20%, and the increase in remuneration for qualifications and work results was carried out only under the condition of on-the-job training. These and other concepts of remuneration have served as a prototype for the incentive models used in Japanese enterprises today. The formation of total earnings in Japan can be influenced by 6 main factors: a) age, experience, education (this is the type of wages that exist in metallurgy); b) position, profession, responsibilities; c) working conditions; d) results of work; e) assistance for family, housing, transport; f) regional aid (considering the specifics of the region where the enterprise is located).

Currently, 85% of businesses in Japan pay family benefits. In the banking sector, the level of assistance is the highest – 37 thousand yen per dependent. Transport benefits are paid by 90% of enterprises (travel to and from work by bus, train, etc.). At the same time, employers in Japan adhere to the regime of wage savings. If, for example, they believe that the work is not so far from the place of residence, transport assistance is not paid. Once a year (April 1), the wages of workers in all Japanese companies traditionally increase. This is at

the request of trade unions and by mutual agreement with employers in accordance with the principles of social partnership of tripartism.

With all the variety of Japanese models of remuneration, it is possible, from the point of view of some scholars, to identify 5 main common features [40, p. 179-197].

1. The first is the dependence of remuneration on the length of service and age of the employee – a system of payment for years of service. This system is an effective method of control, in which pay and promotion are proportional to the age of the employee and the number of years of continuous service. The expectation of promotion, which in the future depends on seniority, helps to consolidate the employee in the company and expand the use of the labour market within the organisation. The category “lifelong employment” does not mean the conclusion of an agreement on lifelong employment. In reality, there are no enterprises where remuneration is determined only by age and number of years of continuous service, as remuneration is only partly determined by age and number of years of continuous service, and partly by a person's ability to perform official duties. However, it should be borne in mind that in favor of the promotion of a person in proportion to age and number of years of continuous service is also evidenced by the fact that his qualifications increase in proportion to age and number of years of the latter.

Assessment of the employee's ability to perform their duties is carried out not only by the complexity of the work performed by him and the degree of its performance, but also by hidden abilities, considering the disclosure of which in another assessment creates a strong incentive for their development. Assessment of a person's ability to perform the duties assigned to him – the prerogative of the management of the enterprise. The system of payment for years of service itself stimulates competition between employees.

The system in question is characterised by 3 important elements in determining the amount of wages: (a) concern for the cost of living, (b) encouraging him to increase productivity and (c) stimulating the development of their own abilities. There are very few piece-rate workers in Japanese enterprises; there is no such method of inducing work as a threat of dismissal by the boss. As you can see, it is believed that employees of Japanese companies have a strong incentive to work, because the existing system of remuneration for years of service actively encourages them to professional growth, and the assessment of their ability to perform their duties is carried out by management.

The effectiveness of the system of payment for years of service also lies in the fact that it significantly contributes to the creation of an environment of cooperation and mutual assistance, as well as that it establishes a direct link between labour and wages and forms a flexible attitude of workers to relocation. Thus, the dependence of wages in this country on age and length of service should not be taken literally. The Japanese constantly emphasise that this is just an outer shell, which is deceptive. In reality, the salary increases not for the length of service and age of the person, but for his work skills and professionalism, which, admittedly, increase with increasing length of service. If such growth does not affect the increase in productivity and skills of the employee, the amount of remuneration in this case (which is extremely rare) does not increase.

2. The second feature of the Japanese system of remuneration of workers is the dependence of the latter on the so-called peaks of life. This clearly indicates the real concern of the state for a particular person. The employee feels and knows that in difficult life situations he is not alone, that the company will help him financially. Living in such conditions is much calmer and more reliable, and therefore the appropriate attitude of the employee to the enterprise is formed and his self-sacrifice is formed. Thus, the Japanese economy can be described as socially oriented.

3. Apart from seniority and qualifications, an increasing influence on the growth (or decrease) of wages has an indicator of the actual labour contribution of the employee, i.e., an indicator of the actual results of their work. This is the third feature of the wage system in Japan. The mechanism of this relationship at different enterprises of the state is different. For example, there are certain gradations in groups of workers – for “white” and “blue collar”. In other words, under equal conditions (experience, education, position, etc.) employees who are in the same group, depending on the actual results of work are attributed to different grades for pay. As of today, in Japan, wages are more than 60% of total wages, and this trend is growing.

There is a certain variant of interrelation of payment of work of workers with actual results of their work. According to the results of the latter and, accordingly, the level of payment, all employees are divided into 5 ranks. Notably, this classification is mobile. Each employee of the company is faced with the task set by him and his immediate supervisor. After 6 months, based on the results of her work, the employee independently assesses to which salary rank he belongs. If he completed the task by 120% – to a special rank (highest) – “5”, if 100% – “4”, 80% – “3”; 60% – “2” and 40% – “1”. If the estimates of the employee and his manager coincide, this rank is assigned to the person for the next 6 months. If the assessments are different, an interview is conducted, the parties present their arguments for their assessment and find a common solution.

4. Dependence of managers' salaries on the results of the enterprise is the fourth feature of the Japanese remuneration system. All workplaces use a system of so-called floating salaries. For example, the basic rates of the plant director, shop managers, other managers vary depending on the dynamics of the cost of production, the volume and range of production and other indicators for which a manager is responsible. By the way, the head of the shop has a salary of 700 thousand yen. If his shop has reduced the cost of production by 10%, the salary will automatically increase by the same 10%, etc. These conditions are determined by the provisions on remuneration at a particular enterprise. By the way, the President of the Japan Center for Productivity of Socio-Economic Development, who previously headed a large oil company, gave the following example. Once the company was in crisis, and he was forced to convene all managers to discuss with them the size of the reduction of their salaries and bonuses (these measures in Japan are a priority and mandatory for every company). As a result, the head of the company reduced his salary by 20%, senior managers – by 15%, middle – by 5-10%. And this was done voluntarily, based on a survey of each leader. At the same time, earnings for all workers were increased by 30%. Due to this adjustment of the salaries of managers and employees in one or two months, this company was rehabilitated, and no staff reductions were made. In Japanese companies, they prefer to transfer problems better to managers than to workers.

5. The fifth feature of the wage system in Japan is the presence of one of the world's lowest wage differentials (it is lower only in Sweden – 1:3). This means that the lowest-skilled worker receives only three times less than the highest-skilled worker. In this country, a locksmith, salesman, engineer, doctor receive 4-5 times less than the president of the company, as an example, in the company “Nissan”, where the CEO receives 5 times more than an employee of the lowest qualification [40, p. 182].

So, is it good or bad? Is it possible to use this experience in Ukraine? From our point of view, this is one of the 5 named features of incentives for Japanese workers, namely low differentiation in wages, is unacceptable for Ukraine. So far, this feature (which is this paradox) is inherent in the economy of highly developed countries. If you use this ratio (1:3), Ukrainian companies will have significant problems with highly qualified workers, engineers, directors. As for the 10% of the richest Japanese, their income is only 2.8 times higher than the income of 10% of the poorest [40, p. 197].

CONCLUSIONS

The existence of many intra-industry tariff grids in Ukraine in practice only complicates law enforcement. If there really was a Unified Tariff Grid, which would consider all professions, their features and the specifics of working conditions, there would be no need for each sector of the economy to develop its own tariff grid. Currently, there is a situation when within the UTS itself there is a significant number of other internal tariff grids in various areas and industries. The UTS should be developed based on the Dictionary of Occupational Titles, as it is the unified act that contains a list of professions that exist in the economic life of Ukraine. Therefore, each of these professions must be assigned its own tariff coefficient and the corresponding category.

In Ukraine, the tariff rate is the main initial normative value that determines the amount of wages. Tariff rates set the amount of wages for workers who perform various jobs per unit time. The formation of the tariff grid (salary scheme) is carried out based on the tariff rate of the worker of the 1st category and inter-qualification (inter-job) ratios of the sizes of tariff rates (official salaries). To differentiate wages according to working conditions, increased tariff rates of the 1st and subsequent categories are set, as well as lists of occupations of employees whose work is paid at higher tariff rates are considered.

Using tariff grids and tariff-qualification categories, the size of tariff rates of specific employees is determined considering their qualifications and the complexity of their work. The higher the level of qualification of the worker, the higher the tariff rate based on which his salary is calculated. Therewith, the number of digits of the tariff grid is not regulated by the state (except for budgetary institutions) and for different organisations and different sectors of the economy it may be different. Tariff rates in many sectors of the economy are differentiated depending on the intensity of the labour process. The tariff rate of an employee of the 1st tariff category may not be less than the minimum official salary (tariff rate), which is equal to the subsistence level for able-bodied persons. Wage growth should depend on the employee's qualifications, level of education, and productivity.

RECOMMENDATIONS

The scientific value of this article is that the authors, based on the understanding of international, foreign experience in the formation of an effective wage system, for the first time identified applied problems of the wage system in Ukraine and revised the approach to its formation. Thus, the authors insist that the tariff rate of the worker of the 1st tariff category cannot be less than the minimum wage. The minimum salary must also

be not less than the minimum wage. This, according to the authors of the article, will overcome the burden on employers to pay supplements to the minimum wage. And as for employees, this approach will be more balanced and fairer.

Inter-job ratios of tariff rates should be based on the unit for which the indicator is taken, not lower than the minimum wage. It is proposed to install them at the state level, based on a factor of 0.02. This will allow implementing a fair and balanced approach to the establishment of salaries, as each tariff category itself has a differentiation depending on the complexity and prestige of the profession.

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