

DEMOGRAPHY, LABOR ECONOMY, SOCIAL ECONOMY AND POLITICS

REALITIES OF PRESENT-DAY WAGE

Goncharenko N.G.

Candidate of Economic Sciences, Associate Professor,
Head of Department of Economic Disciplines,
National Academy of the National Guard of Ukraine

In the article, the current state of wages in Ukraine is studied. The analysis of modern theoretical base of its definition is made. Its level is compared to the level of world standards. The dynamics of real and nominal wages in Ukraine is analyzed. The necessary ways to reform it are suggested. A relatively low wage level is pointed out, which does not encourage workers to increase productivity and competitiveness of production. In current conditions the question arises whether the wages are real incentive, which defines its primary function – to stimulate labour.

The question of dimensioning, especially getting wage in Ukraine is one of the most critical. And workers are often surprised by its low level paid by managers for their work. This is one of the main problems of low performance fees, noncompetitiveness of product made by national producers, low level of economic development. The question arises what actually means the term

wage in Ukraine and whether it reflects the reality for workers. As repeatedly observed in research, the main purpose of wage is to perform its main function – to stimulate effective work.

The modern economy has marketing character, and its main component is the effect of the basic economic law of supply and demand. As we know, the demand depends on the price and quality and supply depends on the level of production.

It is necessary to produce the quality products at reasonable prices for providing the stable income.

As we know, the labour costs are the part of the total cost of production. If only to increase wage, it will lead to expensive products, and if not to increase the price, the product quality will reduced. Thus there is a close link between economic categories such as the wage and the costs of production.