

## FEATURES OF THE LABOR MARKET FUNCTIONING IN THE SEGMENT OF SMALL AND MEDIUM BUSINESS

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*Taking into account the military-political and economic situation in Ukraine, it is proposed to consider features of the labor market functioning in the segment of small and medium business (SMB) in the following areas: the institutional environment; legal and regulatory framework; European direction of development; easiness of doing business; classification of economic entities; employment of the population (informal and hidden employment, self-employment).*

*The institutional environment of the labor market functioning in the SMB segment is determined and the main components of the legal and regulatory framework are identified.*

*It is revealed that in Ukraine there are a number of EU programs aimed at supporting SMB. Implementation of projects within the framework of existing programs provides the opportunity to develop the economic potential of the Ukrainian SMB, the application of the best European practices in the field of business operation, the use of the benefits of the DCFTA between Ukraine and the EU, as well as the introduction of innovative technologies. However, there may be problems for SMB entities that may arise due to additional costs for carrying out activities in accordance with EU standards.*

*In the last 11 years, Ukraine's position in the Doing Business rating has increased by 73 steps from 144 to 71, which is definitely a positive tendency for ease of doing business in the state. The greatest progress is evident from the year 2014, when the EU programs began to be actively applied, the rates of a single social contribution decreased, the system of obtaining permits for construction improved and the protection of minority shareholders' rights improved.*

*It is noted that the development of self-employment, informal and hidden employment of the population significantly influences the effective functioning of the Ukrainian labor market in the SMB segment. The partial or complete work of some enterprises in the informal sector of the economy leads to unfair competition and limits the development potential of SMB. Therefore, it is necessary to create conditions for the transfer of employees from the informal to the formal sector of employment with the provision of their social protection.*

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