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**LABOR POTENTIAL: DEVELOPMENT AND EFFICIENCY OF USE**

Economic science pays considerable attention to the question of the nature and role of labor potential in the economic practice of Ukraine. Labor potential, as an economic category, expresses the production relations of people in a certain social formation, has the necessary productive power in the workplace, and therefore its also characterized by the technical parameters of production. It is quite clear that society is interested in the efficient use of labor potential and its optimal structure.

In economic theory, many methods of stimulating the work of personnel are known. These include the works of O.I. Amoshi [1], A.N. Grishnova [2], D.P. Bohyni [2], O.A. Kolot [4]. Methods of economic stimulation of labor potential are little known, and the mechanism of its stimulation in Ukraine is practically absent.

Our studies have shown the possibility of forming such a mechanism on the principles of using preferential taxation of profits as a source of economic incentives for economic entities for the effective use of labor potential, assessed by the indicator of decreasing labor intensity of products.

As a study result, two main directions for the development of stimulating systems were determined and identified, which appear from the fundamental positions of the theory of motivational practice, from the improvement of the foreign and domestic development.

The peculiarities of these are directly indicated in the presence of various economic interests of the workers on various equals in the management of the workplace. They and: the collective economic interests of the workers, united in the structure of the state administration acceptance by the region, as well as material, individual and group interests of workers in the workplace.

In order to stimulate the effective use of the labor potential of an enterprise or region, a mechanism was developed and proposed. Which includes the following theoretical and practical provisions [4]:

- into the existing profit tax system, a share is allocated, which stimulates the effective use of labor potential. For this purpose, it’s recommended to establish a standard of deduction to the budget in the structure of taxable profit for several years;

- the standard is set at the level of economic indicators of the starting period of the introduction of the new mechanism;

- the level of labor potential, the labor intensity of one hryvnia of the gross domestic product, as well as the normative coefficient of profitability of labor potential, equated to the norm of investment profitability, were taken as the initial data for calculating the norm;

- the standard (*Sti*) is recommended to be set according to the formula:

, (1)

where *Bp* - the coefficient of the average level of profitability of the growth of production assets;

*tsn* - labor intensity of production of the base (start) period, man-hours/uah;

- calculation of deductions to the budget in the form of a share of profit tax, which is created due to the effective use of labor potential (*Qnpt*):

*Qnpt = Tp × tpf* *×* *Sti*, (2)

where *Tp* - the level of labor potential, thousand hryvnias;

*tpf* - actual labor intensity of production of the base period, man-hours/uah;

- to determine the final amount of profit tax (*Np*), the following formula is recommended:

*Np = Np.n ± Ооt*, (3)

where *Np.n* - the initially established amount of tax on profit, UAH thousand;

*Oot* - the amount of deviations of deductions to the budget for the efficiency of the use of labor potential, thousand hryvnias.

The study of regular changes in the initial indicators, which form a new stimulating mechanism, determined the dependence of changes in profit tax deductions on fluctuations in the level of labor potential and labor intensity of production (box 1) using a retrospective method.

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| --- | --- | --- | --- | --- | --- | --- |
| Years | The level of labor potential, million hryvnias | labor-production capacity, man-hours/uah. | Calculation of deductions according to the rate of return on investment (gr.2×0,15), million hryvnias | Normative coefficient of deductions for the base period in 2018 (0.15/gr.3) | Calculation of deductions according to the proposed method (gr.2×gr.3×gr.5), million hryvnias | Deviation of the calculated level of deductions, due to the standard of return on investment according to the proposed method (gr. 6 - gr. 4),  mln. uah |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 2018 | 16102,3 | 0,0119 | 2415,0 | 12,6 | 21415,0 | - |
| 2019 | 18807,5 | 0,0116 | 2821,1 | 12,6 | 2748,9 | -72,2 |
| 2020 | 21666,2 | 0,0113 | 3249,9 | 12,6 | 3084,8 | -165,1 |
| 2021 | 24618,8 | 0,0110 | 3692,8 | 12,6 | 3412,2 | -280,6 |
| 2022 | 27573,1 | 0,0107 | 4136,0 | 12,6 | 3717,4 | -418,6 |
| 2023 | 30440,7 | 0,0105 | 4566,1 | 12,6 | 4027,3 | -538,8 |

Box 1. The projected level of deductions to the budget due to tax

Thus, the application of the developed mechanism of economic stimulation of the effective use of labor potential makes it possible to reduce the tax pressure due to benefits for deductions to the budget. In the case of a reduction in the labor intensity of products, these benefits can be significant, which emphasizes the stimulating role of the developed mechanism.

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