Problem setting. State regulation of social and labor relations is one of the most important areas of public administration, especially under the conditions of transition economy, where the state's influence on economic processes is reduced, and the need for government intervention is saved because of the crisis in the economics and especially in the social sphere. That is why there is a need in the formation of an effective social policy, which is able to undermine and focus the state authority’s efforts on solving the most acute problems of social and labor relations. Despite the fact that under the Constitution of Ukraine it has the status of a social state, today in the society we can see sharp contradictions which emerge in inefficient use of labor potential, low social standards, weak social protection, imbalance in the labor market, enhanced labor migration abroad. Economic and social relations should develop equally: under the conditions of underdeveloped economy it is not possible to develop balanced social relations because of insufficient funding, and in case of the social sphere backlog from the economy the inhibition of the economy occurs due to insufficient quantity and quality of manpower, lack of motivation among the population, increasing emigration.

Recent research and publications analysis. Leading Ukrainian and foreign scientists D. Bohinya, A. Brazhko, A. Grishnova, V. Vasylchenko, P. Vasylenko, B. Genkin, N. Didenko, A. Dolhalyova, V. Zhukov, T. Zaslavskaya, N. Yesynova, A. Kolot, A. Novikova, G. Osovyi, A. Poplavska, V. Skuratovsky, Yu. Odegov, and others consider issues of state regulation and development of industrial relations and define the role of the state in their regulations. Their works
have become the basis for this article. However, given the complexity and multidimensional nature of the issue, a lot of problems in the field of theoretical justification of industrial relations as an object of state regulation have remained unsolved or inadequately developed.

**Paper objective** is the study of the principles of state regulation of labor relations and analysis of the major issues of state regulation of social and labor relations in Ukraine.

**Paper main body.** The results of empirical analysis and recent studies have revealed the following main features of industrial relations in Ukraine.

- low social standards: low wages, pensions and social benefits;
- significant differentiation of incomes by region;
- high unemployment;
- incomplete coverage of employees by collective agreements;
- weak level of trade unions;
- violations of labor legislation by employers in the part of employment, working conditions, dismissal. Particularly difficult is the situation for workers informally employed in the shadow sector of economy.

Under such conditions, no social dialogue between the actors of labor relations is observed. Because of the imbalance in the labor market – the excess of labor supply over demand – employers dictate their conditions, often leaving the interests of workers unprotected, sometimes there is no choice of jobs and working conditions. The violation of interests of at least one entity creates inefficient labor relations, thus requiring changes towards interests balancing.

In modern conditions one of the main requirements for the formation and operation of an effective mechanism of state regulation of social and labor relations maximal priority should be given to addressing the concerns of the transitional period and realities of the Ukrainian economy. In this context, determining the priorities of state regulation of industrial relations, as well as ways and methods of their implementation, is of paramount importance. The main directions of state regulation of industrial relations are as follows:
– search for solutions to the problems of employment considering the peculiarities of the economic development of Ukraine;
– decent wage as one of the requirements of economic restructuring and social and economic policy in general;
– maintenance of the achieved social protection standards and ensuring of their increase;
– development of organizational and legal framework of social dialogue at all levels of socio-economic governance.

Given the mentioned above areas of state regulation of industrial relations the formation of employment policy and basic mechanisms for its implementation should be considered a major determinant.

**Conclusions of the research.** Thus, regulation of social and labor relations in the context of modern society development, employment de-standardization and flexibility should be based on the principles of a systematic approach to the development of employment, decentralization, diversity of employment legal support, problem-based orientation, removing ideology from the area, awareness and information. In general, the first solution to the problem of social security of workers and the population in general is not increasing the size and diversity of benefits, but creation of conditions where the economy of Ukraine will allocate the required amount of funds for social security. These overall economic conditions are to encourage entrepreneurship, to combat the shadow economy and fight corruption.