Regional problems of unemployment problem in the context of globalization

Problemas regionales de desempleo en el contexto de la globalización

Elena A. Murzina*
Volga State University of Technology - RUSSIA
elena.murzina@gmail.com
Aleksey V. Burkov
Mari State University - RUSSIA
alexey.burkov@gmail.com

ABSTRACT

The paper provides the analysis of indicators, necessary for the evaluation of the security of the national labour market and its involvement into the processes of globalisation. The research results are tested based on the Russian labour market analysis. The authors focused on the analysis of the dynamics of labor flows in the modern labor market.

Keywords: economic security, labour market, economic space, international labour migration, gobalization.

RESUMEN

El documento proporciona el análisis de indicadores, necesarios para la evaluación de la seguridad del mercado laboral nacional y su participación en los procesos de globalización. Los resultados de la investigación se prueban con base en el análisis del mercado laboral ruso. Los autores se centraron en el análisis de la dinámica de los flujos laborales en el mercado laboral moderno.

Palabras clave: seguridad económica, mercado laboral, espacio económico, migración laboral internacional, globalización.

RESUMO

O artigo fornece a análise de indicadores necessários para a avaliação da segurança do mercado de trabalho nacional e seu envolvimento nos processos de globalização. Os resultados da pesquisa são testados com base na análise do mercado de trabalho russo. Os autores se concentraram na análise da dinâmica dos fluxos de trabalho no mercado de trabalho moderno.

Palavras-chave: segurança econômica, mercado de trabalho, espaço econômico, migração internacional de mão-de-obra, gobalização.

1. INTRODUCTION

The contemporary situation in in many fields of economy is defined as globalization, which in turn is characterised as scaling up the economic phenomena of international exchange (cross-border capital flows, goods, services, information, spatial and institutional market integration), enhancing an impact on structural characteristics of national and regional economies, evolution and transformation of social and economic systems and institutions.

Kastels (Kastels, 2000) argued that economic globalization is due to the establishment of a global information network, which acts as a material basis for the new economic system – the global one. This new economy is capable of working synchronically, consistently and systematically on a global scale. We argue that this statement is equally true for the labour market research, particularly for one of its core indicators - "labour migration", as it predetermines market globalisation. Labour migration, i.e. the issues of mutual adaptation of population and capital on a certain territory were first analysed by D. Ricardo (Ricardo, 1852) and A. Marshall (Marshall, 1892).

There are two viewpoints on the impact of globalization on the labour market. On the one hand, integration results in exuberance and development, especially in transition countries. First of all it is driven by the productivity gain and economic expansion. On the other hand, economic integration may result in a widening inequality in industrialized countries or jump in unemployment, should the labour legislation stipulate downward adjustment in terms of unqualified employees' salary. (Wood 1994).

*Corresponding author.

The OECD report (OECD, 2007) provides grounds for the necessity of research into labour markets of the BRICS countries, as their aggregate GDP makes one fourth of the world one. This paper considers the national labour market of a BRICS member state - the Russian Federation. Within our research we analyse Russian labour market in terms of the impact of globalization processes on it.

2. MATERIALS AND METHODS

The involvement of the national market into globalisation processes and the degree of its security is defined based on a selected group of indicators. The first group includes indicators enabling to estimate the national security of a labour market. These include the share of workforce aged from 15 to 72 y.o. in the overall population; unemployment rate; share of informal sector in the total employment; working poor, workforce with excessive duration of working hours; share of workforce with low salaries; gender segregation in occupations (professions); gender related salary gap; labour productivity (growth rate); inequality in income distribution; inflation rates; wage share in GDP. The analysis of these indicators allows identifying threats menacing the security of the national labour market and makes it possible to define the mitigation measures. The second group of indicators includes those, which provide insight into the impact of globalisation processes on the national labour market and identify the threats to its security. The core of this group of indicators is the one characterising migration and its structure. In this context by the security of the labour market within the scope of our research we mean such situation on the labour market, which ensures security of national interests, resistance to internal and external threats and development capacity.

3. RESULTS

Indicators used for the detection of the level of national security on the labour market under globalization

In the framework of current research we analysed the selected indicators in order to define the level of national security on the labour market under globalisation.

The value of workforce aged from 15 to 72 in the overall population (Fig. 1.), viewed at-large and from a perspective of structural elements indicates the stability of economic employment and makes up about 65%.
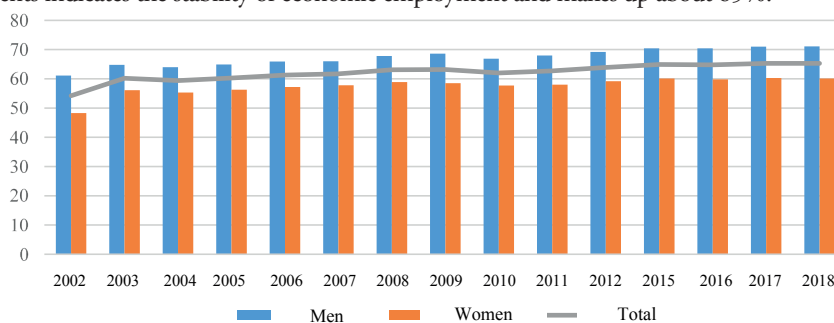

Fig. 1.   Workforce aged from 15 to 72 in the overall population, %

The analysis of unemployment rate (Fig. 2.) proves a de-emphasis of this value which, as we argue, is a result of efficient national policy, particularly initiating such measures as: (a) facilitating dissemination of information; (b) retraining; (c) facilitating the population mobility; (d) facilitating self-employment. In this respect it is worthwhile mentioning that in 2015 the Russian Federation provided so called safety cushion (the vacancies on the labour market exceed the number of the unemployed).
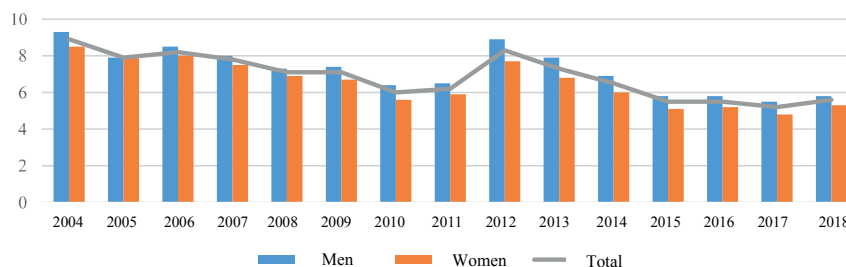

Fig. 2. Unemployment rate

One of the negative indicators on the labour market is the "share of informal sector" in the total employment (Fig. 3.). We believe this is due to a high tax burden. This indicator may be undervalued due to the complexity of its definition.
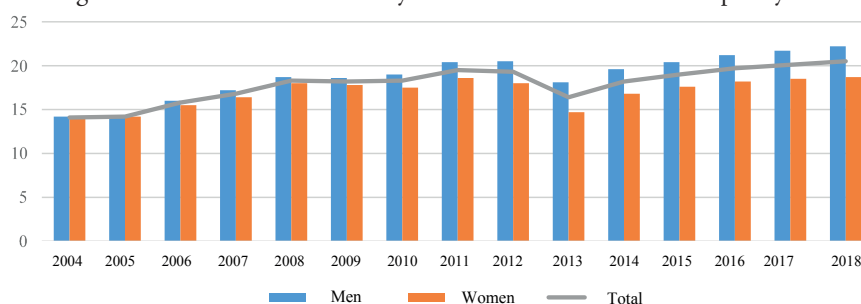
Fig. 3. Share of informal sector in the total employment, %

The indicator "working poor" demonstrates an upward trend (Fig. 4.). Regardless of a slight growth in 2018 in comparison with 2017, there is a general downfall trend in the value of this indicator as observed for the past decade.
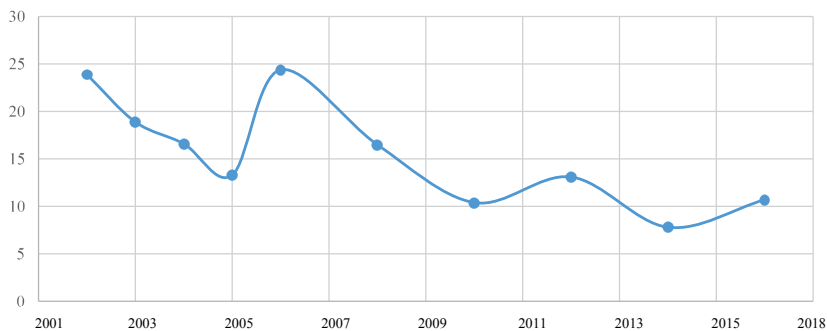

Fig. 4.   Working poor

In absolute terms the "share of workforce with excessive duration of working hours" is decreasing (Fig. 5). This is a worldwide trend and first of all it is related to the economic downfall resulting in the reduction of working hours.
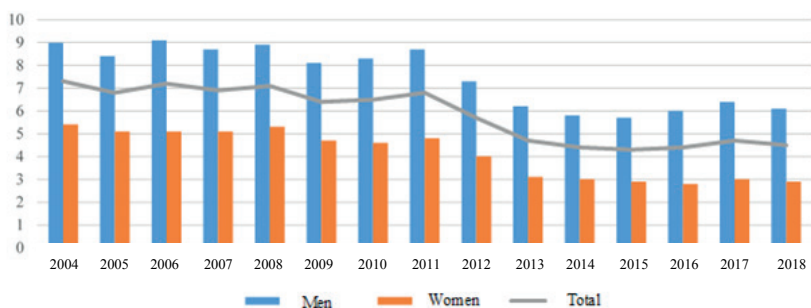

Fig. 5.   Share of workforce with excessive duration of working hours

(exceeding 48 working hours per week; "actual" number of working hours), %

The "share of workforce with low salaries" has slightly decreased (less than one percentage point) (Fig. 6.). However the indicator of 27.3% is relatively high, as it reveals that one third of the employed population are paid below the poverty line. Furthermore, there is an evident gender gap: the number of women in this group is by 13% higher than the number of men.
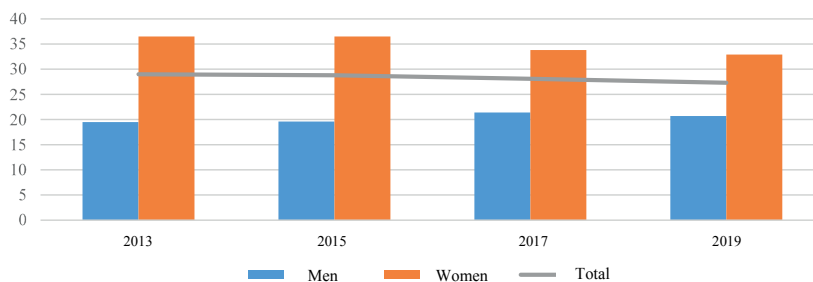

Fig. 6.   Share of workforce with low salaries (below 2/3 of the median level of earnings per man-hour), %

Gender related salary gap has reduced (Fig. 7), however, the computation methodology for this indicator doesn't include the values from such economic sectors as agriculture, gaming and forestry; fishery and fish husbandry, financial business, etc.
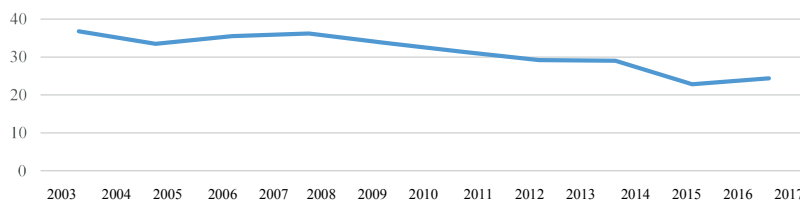

Fig. 7.   Gender related salary gap, %

Social and economic aspect of the research into a national labour market includes such indicators as: labour productivity, inequality in income distribution and wage share in GDP. The analysis of Table 1 shows that against the reduction tendency in the value of labour productivity there is a slight increase of the wage share value in GDP.

On the one hand this is an alarm situation on the market, on the other hand, the salary level of Russian employees is lower than that of their colleagues abroad. This indicator should be analysed in the context of wage differentiation.

Table 1: Social and economic aspect of the labour market research

	2013	2014	2015	2016	2017	2018
Labour productivity (growth rate)	103.2	103.8	103.2	101.8	100.9	
Inequality in income distribution	16.6	16.2	16.4	16.3	16.0	15.5
Inflation rates	108.8	106.1	106.6	106.5	111.4	112.9
Wage share in GDP, %	49.7	43.9	44.2	46.1	46.4	46.8

Indicators used to define the rate of national labour market engagement into the processes of globalization.

The analysis of migration results in Russia covering the period from 2006 to 2018 (Fig. 8.) proved that the total of departures and the total of arrivals rises sharply beginning from 2011. Moreover, based on the data provided by the Federal State Statistics Service, over 70% of departures are working-age population. From the economic perspective the boost of this indicator may be explained by the national differences in the amount of salary for a certain type of professional activity.
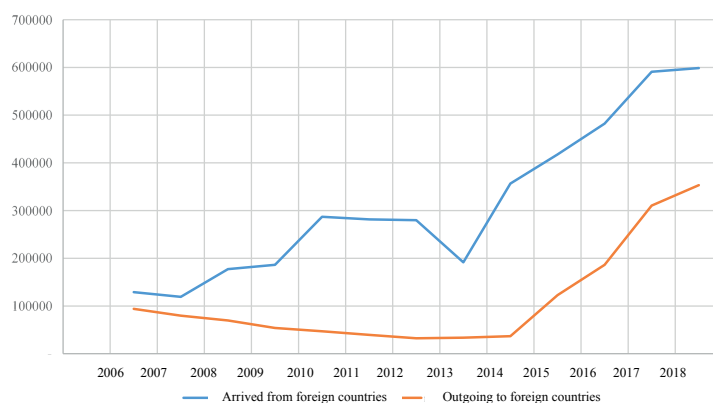

Fig. 8. Migration results in Russia in 2006-2018.

Despite the fact that labour migration is a random phenomenon, the directional flows of population are relatively stable. The following factors exert an impact on the migration flows: economic capacity of the country, its geographic location and political stability.

Table 2: Migration structure between Russia and the far abroad countries in 2017-2018

	2017		2018	
	Arrivals	Departures	Arrivals	Departures
Morocco	1, 059	980	980	712
Israel	1 ,077	1, 050	1, 111	1 ,139
USA	1 ,084	1, 610	989	1, 937
Syrian Arab Republic	1, 221	1, 031	1, 189	552
Estonia	1, 283	1, 000	1, 314	1, 011
Latvia	1 ,533	946	1, 511	904
Turkey	2 ,091	2, 199	2, 571	2, 327
Abkhasia	2 ,267	995	2, 337	1, 469
India	2, 894	1, 612	1, 803	1, 328
Germany	3 ,976	4, 531	3, 727	4, 780
Vietnam	4 ,012	3, 008	3, 853	3, 282
People's Democratic Republic of Korea	6 ,079	6, 480	6, 308	4, 789
Turkmenistan	6 ,539	4, 219	6, 033	3, 435

Georgia	7 ,038	3, 729	7, 716	3, 538
China	9 ,043	9, 821	10, 561	8, 606
Belarus	17, 741	12, 832	17, 878	11, 156
Azerbaijan	24, 326	13, 666	26, 323	13, 973
Kyrgyzstan	26 ,045	16, 110	28, 539	13, 284
Moldova, Republic	34, 026	16, 646	32, 030	14, 532
Armenia	45 ,670	25, 137	46, 515	22, 562
Tajikistan	47, 638	36, 276	54, 636	35, 296
Kazakhstan	65, 750	30, 983	59, 096	18, 328
Uzbekistan	74, 242	94, 910	130, 906	94, 173
Ukraine	194, 180	48, 049	115, 524	30, 585
CIS countries	*536, 157*	298, 828	*517, 480*	257, 324
Total	598, 617	353, 233	464, 776	291, 522

Thus, the analysis of the emphasised groups of indicators shows that despite the relative stability on the national labour market under the processes of globalization, the principal threat to the labour market security is the increase in the migration of the working population.

CONCLUSIONS

In the current context the labour migration is an important source of human capital formation, ensuring economic development and welfare of population, it is necessary to carry out an ongoing monitoring and analysis of the national labour market involvement into the processes of globalization.

By accepting the Concept of the State Migration Policy of the Russian Federation through to 2025, it should be stressed that one of the current strategic goals is arranging conditions and mechanisms meant for attracting highly qualified and technically trained specialists in a variety of fields, entrepreneurs and investors on a long-term basis.

BIBLIOGRAPHIC REFERENCES

Bomkin, V.I., Keynes, J.M. (2007), Bases of economic science. Moscow: Eksmo, 265-310.

Burkov, A.V., Murzina, E.A. (2016), Analysis method of structural equation modeling. *Advances in Systems Science and Applications*. 16(4), 1-12

Concept of the State Migration Policy of the Russian Federation through to 2025. pp.10-15.

Kastels, M. (2000), Era of information: economy, society and culture. Moscow: Higher School of Economics, 302-304.

Pain, P., Koske, I. (2007), The Effects of Globalisation on Labour Markets. Productivity and Inflation. OECD, 155-156

Ricardo, D. (2008), Bases of political economy and taxation. Selected. Moscow: Eksmo, 215-218.