

## Modern Youth Market of Labour: Problems and Ways of Solution

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### ABSTRACT

More than ever, in the current economic crisis, becomes relevant the question of the extent assessing and the monitoring of the young people behavior at the labor market. In youth research an important issue is the problem of their employment in today's labor market. Youth plays an important role in the economic, social and political life of society. In modern conditions this segment of the labor market is estimated as the most socially and economically vulnerable. During the research were carried out recommendations for possible improvements of the youth employment situation, among them are: providing legal and economic protection at the legislative level; orientation of the education system to the practical needs of the market; modernization of vocational guidance of pupils et al.

### KEYWORDS

Labour youth market, population employment, unemployment, labour power, professional orientation of pupils

### ARTICLE HISTORY

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## Introduction

At the present stage of economic crisis the special significance is taken by the matter of assessment of scopes and monitoring of young people's behaviour on labour market. The most important aspect of researches dedicated to young people is the problem of their employment on labour market. Young people play significant role in social, political and economic life of society. Today it is just the youth segment of labour market that is considered by experts the most vulnerable in economic and social areas.

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The origin "labour market" term is studied in scientific works of W. Petty (1753), A. Smith, W. Strahan & T. Cadell (1776), D. Ricardo (1817), J.B. Say (1834), A. Marshall (1890), J.B. Clark (1934), J.M. Keynes (1933), E.S. Phelps (1966), G. Folloni & G. Vittadini (2010), W. Gu & A. Wong (2010), etc. In national science the matters of labour market in general and youth labour market in particular are considered in studies of Z.T. Toschenko (2011), V.A. Yadov (1995), A.G. Granberg, V. Suslov & E. Kolomak (1997), R.I. Kapelyushnikov (2012), A.L. Mazin & N.P. Shernova (2009), N.V. Zubarevich (2010), N.M. Rimashevskaya (2001), I.L. Sizova (2015), A.V. Orlov (2004).

### Materials and Methods

Analysis of existing definitions for "labour market" term has allowed authors to reveal three general directions of its formation and functioning: firstly, it can be considered the system of social and economic relationships; secondly, the geographic space, within which there is interaction between an employer and an employee; thirdly, the mechanism that regulates demand and supply of man power (Pukhova, 2014).

In first decades of 21st century new types of activity, new professions and new enterprises, which significantly extended possibilities of activity manifestation and enhanced social inequality, have emerged. Introduction of mutual economic sanctions and strained economic situation have impact on the most unprotected social groups, primarily - on young people. The most important aspect in studying young people is the problem of their employment on labour market.

The problem of youth labour market is added with the problem of ageing of indigenous population in both - European countries and Russia. As for today the biggest share of unemployed young people in countries of the EU is observed in its southern and south-eastern parts. In the majority of cases it is made by males at the age of 16-32. The situation in the countries is complicated with the influx of refugees, among whom there are many young men.

The paradox of the situation on the youth labour market in Europe lies in unwillingness of young people to take vacations offered by state, despite increase of competition on behalf of migrants, as well as complication of differentiated approach in drawing social unemployment compensation.

Many analytics find the reason for the discrepancy in the specificity of vocational training and the requirements imposed by modern labour market on highly-skilled professionals (Essen Universita et Informations system Studien wahlund Arbeits markt).

However, access to vacations of lower qualification level is complicated by growth of numerous companies falling back upon services of personnel possessing no work permit or temporary labour registration. Despite availability of heavy fines for entrepreneurs violating norms of labour legislation - the surplus profit of such companies makes the present practice more and more attractive for European business.

### Results and Discussions

The separate stage in resolving the problem of unemployment among young people is the adoption of Lisbon Treaty in 2007 that had introduced significant alterations to general principles of labour market formation. The main strategy

in functioning of labour market became the concept of "flexcurity", which provides bigger flexibility in dismissal of personnel and extension of opportunities for subsequent retraining for new more demanded job. The practice of "flexcurity" concept realization in social policy of number of European states showed that it met the interests of major national companies and transnational business to a bigger extent and significantly reduced opportunities of qualitative selection of job on youth market of labour.

Next, we will consider the present situation in details by the example of Germany, where as for today the smallest level of unemployment (4,2%) for the recent 10 years has been registered (Germany – unemployment level).

The peculiarity of working motivation of German youth is the availability of qualitative labour stimulation and social guarantees. According to the recent statistical data, the majority of working population of Federal Republic of Germany possesses high level of working motivation (Institut der deutschen Wirtschaft: Soziale Umverteilung von obennachunten?, 2009).

This can be explained not only by traditional properties of internal market of Germany and high competitiveness on it, but, above all, by the specificity of social legislation aimed at provision of high cost of manpower.

The adoption of "Harzt IV" act was aimed at the extension of subsidiarity principle in German social legislation implying reduction of the period for getting social relief, strict requirements for taking offered vacancies, expansion of concessional crediting of young entrepreneurs, attraction of young people for resolving unemployment problem, improvement of training of specialists in the process of doing working practice, etc. The act has abolished the balanced system of tariff agreements with bigger participation of workers. In 2015 the Minimum Rate of Labour Payment Act was adopted.

As for today the labour market of Germany is characterized with the following phenomena:

Firstly, the growth of averaged salary and reduction of unemployed population share, in addition every worker in Germany takes incentive bonuses depending on the sector of employment.

Secondly, the high level of unemployment among specialists under simultaneous deficit of them, availability of high-qualified experts and active attraction of foreign engineers, medical workers, scientists, etc.

Thirdly, the growth of low-paid workers at the expense of increase of corresponding sector of labour market, increase of number of working women, whose labour being low-paid in comparison to men's one, use of part-time employment practice by entrepreneurs.

We should also take into account the fact the salary in eastern lands of Federal Republic of Germany is about 30% lower than in western lands. All in all, it should be noted that youth market in Germany, despite the growth of economy, is characterized by general European trends and conditions: gender inequality, professional unemployment, reduction of opportunities for qualitative selection of working vacancies.

At the same time the analysis of situation in the sphere of employment in the Russian Federation shows the process of renewal of Russian society has led to significant changes in all the areas of people's life activities (Svadbina, Nemova & Pakina, 2014).



In Russia, according to methodology of Rosstat, the youth category of population includes persons from 16 to 29 years old. One of the most important problems of youth employment is the discrepancy between amount of trained specialists and labour market demands, which is the main cause for increase of unemployment among young specialists graduated from secondary and higher education institutions.

The youth segment of Russian labour market influences number of negative factors, such as increase of difference between demand and supply of manpower by professional and qualification characteristics; increase of the share of persons having no professions within the structure of labour supply; fall in reputation of number of professions; lack of employers' interest in professional growth of workers.

However, today, if we reference to data of population employment agencies, one in three unemployed persons possesses secondary and higher vocational education (State agency of population employment in the Nizhny Novgorod region, 2015).

Practice shows that even good professional base not always provides opportunity of obtaining employment by profession. All these are the consequence of liquidation of specialists distribution system taken place in the USSR and free employment of today's young specialists. There is a number of reasons defining low competitiveness of young people on labour market: lack of working experience and motivation for search of job; lack of professional skills, ambiguously severe requirements in regard of wage rate and working conditions. All these aspects turn out to be the cause why employers so often deny employment of young people, despite the fact the young people frequently possess competitive advantages over experienced workers: they more rapidly adapt to new conditions, are being more mobile when it comes to job change, better trained and more flexible in assimilation of novelties of scientific and technical progress and re-equipment of production. Here lies the paradox of the situation we can see on youth market of labour.

For the purpose of studying the situation with young people's entry to labour market authors conducted social research with application of questionnaire survey method aimed at identification of youth's position on regional labour market. The survey participated by 1000 respondents is being representational by sex, age and level of education. Processing of empiric materials was performed with use of SPSS. The object of the research was represented with 16-29 years old youth of the Nizhny Novgorod region.

Among respondents there are 59% of females and 41% of males, which approximately reflects the actual proportion of sexes in the region. The educational level of respondents was rather high. However, the education of the majority of respondents in virtue of their age was incomplete (43%). The specific amount of persons possessing higher education made 30%. There was just 3% of persons with incomplete secondary education, while the majority of respondents (20%) possessed the engineering specialty, 10% were teachers, 12% - doctors and medical workers, 8% - managers, 10% - service sector's workers, 15% - common workers, 10% - accountants and economists, 5% - lawyers. About 40% of respondents work out of their profession. 34% of young people are pleased with their work, 28% consider it interesting but low-paid, 14% complain of their work schedule, 12% consider their work uninteresting but well-paid, 7% find their

work nice but complain of relationships with colleagues and 5% consider it bad in every respect. 42% of respondents do not retire due to good salary, 30% are afraid of being in dry dock, 23% are pleased with their work schedule and 5% understand they would not find a better job.

In general the young people, who have found own place on labour market, are quite satisfied with the situation, the only remarks are not very high salary and small opportunities of career growth.

Mostly, the young people are afraid of losing job due to these or those reasons (41%), however 40% of respondents just do not think about job loss and 19% are not afraid of it at all.

The major part of respondents (55%) considers in the current context one needs higher education. Another part gets second higher education or proceeds education in postgraduate studies. For the purpose of increase of competitiveness on labour market youth tries to improve its educational level at courses, seminars and trainings, learn foreign languages and master new computer programs.

The major part of young people obtained employment with help of friends (35%), while 20% applied directly to enterprises and 7% found job by advertising. Only 8% of young people addressed State Employment Agency and 21% used all the variants of employment.

The average level of salary of young specialist in the Nizhny Novgorod region does not exceed 20 thousand roubles.

Within the research it was revealed that some gender disparities, which result in salary level, are being peculiar for modern labour market of the Nizhny Novgorod region. The salary of graduated males working just after end of education is higher in comparison to females'. This fact confirms the common trend being peculiar not only for the Nizhny Novgorod region, but also for the whole Russian market of labour - the displacement of women to low-paid spheres of economy. Thus, the average salary level of females makes 15 thousand roubles, while males' one make about 25 thousand roubles. The highest salary was denoted by young people involved in automobile manufacturing, construction and financial sector of economy (30 thousand roubles and more).

Terms and means of job search by young girls and boys are approximately the same and make at average 1-3 months.

Thus, in general young people obtain employment through friends, directly at enterprises, or by means of ads in newspapers and the Internet. We should also state the fact that such officially approved means of young people's employment, as "recruitment fairs" or "population employment services" are perhaps the most inefficient as for today. None of respondents have found job with their help. Among requirements imposed by young people on vacancy the first place is taken by high salary, second place - by prospects of advancements, and third place - by availability of favourable working conditions.

Social and economic situation of young people in European and Russian society is considered by authors unstable. In our opinion, there is a necessity of studying both - European and Russian experience in regard of resolving problems of youth labour market for the purpose of development of adequate strategy of socialization and professional growth of young people. Educated



youth that do not find self-fulfillment ability have to content lower positions and working out of their specialty. There is also a growing rate of labour migration of higher education institutions' graduates, and the work performed by them, as a rule, does not correspond to the level of obtained education. To a large extent such a situation is stipulated by low quality of professional orientation in schools and higher education institutions. Non-acquaintance of potential prospects for labour market development leads to the situation when young people choose vacations that are easily achieved (go to the college with big number of budgetary places), cost less, instead of vacations that are appropriate for them or being in-demand on market.

State should take up the most active position in providing employment of young people - develop package of measures on employee retention, especially - in labour-deficient segments of economy. The main instrument of such policy should be represented with regional programs on creation and setting quotas of working positions for young people.

### Conclusion

We can't say there are no programs for support of young people. There are programs that are drawn up and approved by agencies providing state policy in the sphere of promotion of young people's employment (employment services, committees for matters concerning young persons, job markets, employment funds and other organizations) (Government program: Promotion of employment of population in the Nizhny Novgorod region for 2014-2016, 2013). However, it remains insufficient. Young people should understand that of great importance is their own activity, as far as the current state of Russian labour market places higher requirements to claimers for vacant jobs. The successful search for job requires one to possess such capabilities as: individual mobility, high qualification, insistence, competition tolerance, necessary skills.

Taking into account data of the conducted research authors consider it possible to recommend the following:

- to provide economic and legal protection of young people at legislative level;
- to establish quotas of jobs for young people;
- to orient system of education to practical demands of market;
- to consider youth employment regulation the main task of state's social policy;
- to form active type of labour behaviour for every person by means of existing system of education;
- to conduct modernization of pupils' vocational guidance system, to create more effective mechanism for revealing capabilities of pupils in these or those types of activities;
- to grant access (demonstration lectures, specialized sites, brochures with methodological recommendations) for pupils of senior school to information regarding demand for these or those professions as of current date and in the long term for 5 nearest years.

### Disclosure statement

No potential conflict of interest was reported by the authors.

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