

**Czech University of Life Sciences Prague**

**Faculty of Economics and Management**

**Department of Economics**



**Bachelor thesis**

**The analysis of unemployment development in a selected  
region of Russia**

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# CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

## BACHELOR THESIS ASSIGNMENT

Elizaveta Dautina

Business Administration

Thesis title

**The analysis of unemployment development in a selected region of Russia**

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### Objectives of thesis

The aim of the thesis is to describe the issue of unemployment and its development in Russia, and how exactly it influences the daily social lives of people. The thesis also shows what affects unemployment and how various group of people deal with unemployment in a long-run and short-run.

### Methodology

The theoretical part will deal with the explanation of terms that are important to clarify the issue of unemployment. At first there will be described how to measure unemployment, its types, relationship to inflation, natural rate of unemployment, groups at high-risk, causes, costs and tools of active labor market policy. To develop theoretical part there will be used professional publications, textbooks, books and websites dealing with unemployment.

The practical part will deal with the description of Russia as well as that will focus on tables and graphs, which will be made in MS Word and Excel. The thesis will include descriptive and comparative methods of research.

The essence of unemployment, its consequences, how and what kind of labor places are missing in Russia, what labour force is needed in order to close the gaps of unemployment. It will also show, what types of unemployment exist and what kind of role plays each of them on population.

**The proposed extent of the thesis**

40 pages

**Keywords**

Unemployment, labour market, Russia, employment

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**Recommended information sources**

ARZAMASTSEV L.P., Economics and Management, 2017. ISBN 5-9896-0012-1

BORISOV, E. F., Basics of economic theory. Moscow: Prospect, 2015. ISBN 5-85294-086-0

BUCHTOVÁ, B. Nezaměstnanost: psychologický, ekonomický a sociální problem. Praha: Grada, 2002. ISBN 80-247-9006-8

HOLMAN, R. Ekonomie. Praha: C.H. Beck, 2005. ISBN I 80-7179-891-6

MANKIW, N.G. Zásady ekonomie. Praha: Grada, 1999. ISBN 80-7169-891



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### **Declaration**

I declare that this bachelor thesis "The analysis of unemployment development in a selected region of Russia" I wrote independently under direction of supervisor of my bachelor thesis using literature and other information sources, which are quoted in the work and listed in the bibliography at the end of the work. As an author of this bachelor thesis I claim, that I did not breach copyright of the third person, when I wrote this work.

In Prague on: 14.03.2018

Elizaveta Dautina: \_\_\_\_\_

**Aknowledgement:**

Here I would like to express my gratitude to my supervisor Assoc. prof. Ing. Petr Procházka, MSc, Ph.D for his very valuable advice, professional assistance in my bachelor thesis and also for the opportunity to work under his direction.

# **Analýza vývoje nezaměstnanosti ve vybraném regionu Ruska**

## **Souhrn**

Cílem této diplomové práce je analýza nezaměstnanosti v Ruské Federaci. Pozornost čtenáře je věnována na identifikaci hlavních determinant, které mají vliv na tyto makroekonomické ukazatele. Práce je rozdělena na dvě určité části, teoretickou a praktickou.

Teoretická část práce představuje stručný popis základních pojmů tématu a vysvětluje potřebné souvislosti dle porozumění problematice, pomocí názoru nejvýznamnějších a nejznámějších světových ekonomů.

V praktické části je proveden průzkum v oblasti nezaměstnanosti konkrétních dat a informací pro Ruskou Federaci. Dle splnění veškerých cílů práce byly provedeny potřebné strukturální analýzy. Srovnávací a deskriptivní metody byly použity v práci. Byly identifikovány faktory, které ovlivňují celkové procesy míry nezaměstnanosti spojené se strukturálními změnami v ekonomice, rozvoji nových ekonomických forem, privatizací, léčby se zavedením principu dobrovolné práce, stejně tak jako faktorů zpomalení mzdové náklady na pracovním procesu

**Klíčová slova:** nezaměstnanost, ekonomická aktivita, trh práce, důchod, důsledky nezaměstnanosti.

# **The analysis of unemployment development in a selected region of Russia**

## **Summary**

The aim of this thesis is capable of analyzing of unemployment in the Russian Federation. The thesis divided into two parts, theoretical and practical. The theoretical part of the work includes an introduction, focusing on the concepts of the topic and explains the context for understanding the issue, using the opinions of the most important world economists. In the practical part, there is an analysis made with a specific data for the Russian Federation, in the area of unemployment.

Comparative and descriptive methods have been used in the thesis with identified factors that affecting the overall unemployment rate processes associated with structural changes in the economy, the development of new economic forms, the privatization of the treatment with the introduction of the principle of voluntary work, as well as factors slowing labor costs for the working process.

**Key words:** unemployment, economic activity, income, labor market.

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## **1. Introduction**

Unemployment is a macroeconomic dilemma that has the most direct and powerful impact on every person. Loss of work for many people means a decrease in the meaning of life and causes serious psychological trauma. A modern unemployment in the Russian Federation is a specific and to a certain extent unique phenomenon, generated by the transition economy of the state, whereas the process of developing market relations takes place. In 2013, Russia took first place in the CIS in the total number of unemployed (more than 4 million people). The official unemployment rate in Russia by September 2015, according to the "Rosstat" was 5.2% of the economically active population, or 4.0 million people. At the same time, the phenomenon of lack of work, regardless of which state and historical period it is, they have in common all the features and regularities that are important for Russia as well. Unemployment issues have been widely considered in the works of such adepts of economic science as Adam Smith, David Ricardo, Jean Baptiste Say, Alfred Marshall, Arthur Pigou, Karl Marx, John Maynard Keynes.

There are three main prerequisites for unemployment: loss of work (dismissal); voluntary retirement from work; the first appearance on the labor market. The problem of unemployment worsens the difficult financial situation, pushing to find a work for housewives, oldsters, students.

Among the urgent tasks of the development of the modern economy of any country should be classified as an unemployment and employment of the population. Employment reveals one of the most important aspects of a person's social development, related to the satisfaction of his/her needs in the world of work. As a social and economic category of employment characterizes activities of citizens associated with the satisfaction of personal and social needs.

## **2. Objectives and Methodology**

The objective of the thesis is to describe the issue of unemployment and its development in Russia, and how exactly it influences the daily social lives of people. The thesis also shows what affects unemployment and how various group of people deal with unemployment in a long-run and short-run.

Problems of work:

- to consider an essence and types of unemployment;
- to study different views of economic schools on unemployment;
- to study unemployment consequences;
- to consider classified methods of fighting against "unemployment" by the taken measures.

Theory - is a methodological basis for research. Unemployment and the labor market are used in the general fundamental scientific theories, based on a systematic approach to studying employment problems. The theoretical basis research was established with the works of foreign and domestic scientists, on employment and unemployment of labor market performance.

Research methods are the factorial analysis, the analysis, and synthesis, generalization, and interpretation of sociological, philosophical, economic and socio-psychological information.

### **3. Literature review**

#### **3.1 Theoretical bases in unemployment as an economic category**

##### **Unemployment**

Occurs when there are people in the country who are the parts of the economic processes, who are able and willing to work although aren't able to find a job.

Unemployment is a part of the population, which consists of people who have reached working age but have no work and trying to find a job during a time period, determined by the legislation.

Unemployment is the socio-economic phenomenon in which part of the labor force is not used in production. This cyclical phenomenon occurs when job offers are less than the demand for it.<sup>1</sup>

#### **3.2 Unemployment as an indicator of social and economic development of the country**

##### **3.2.1 The essence of unemployment, its consequences**

An extremely important indicator in macroeconomics is an employment. Underemployment is understood the number of adults (over 16 years old) of the employable population who has a job. But not all the able-bodied population have jobs, there is also unemployed part of it. Unemployment is defined as the number of employable adults, people who do not have jobs and who are actively looking for it. The total number of employed and unemployed makes up a labor force.

For the calculation of unemployment, various indicators are used, but the norm of unemployment is generally accepted, including in the International Labor Organization. It is defined as the relationship of the total number of unemployed to the labor force, expressed in a percentage.

Unemployment is a socio-economic phenomenon, in which a part of the workforce is not engaged in the production of goods and services. The labor force is the composition of employed

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<sup>1</sup> ARKHIPOV A.I., „Economy” 2015 Moscow. Prospect ISBN 5-7896-0058-1

and unemployed groups. The able-bodied population is a part of the population which are able to work by age and by state of health.<sup>2</sup>

Unemployed people are people of working age who do not have a job but are actively looking for it. Unemployment is a sphere where the national economy of the able-bodied population wishing to have a job. Those who are capable to work in the national economy (men aged 14 to 59 and women aged 14 to 54 years) are considered to be able - bodied.

Unemployment is the result of a discrepancy between the demand for labor and its supply. To lose a job and not find an opportunity to apply one's labor is a disaster not only for the employee but for a society in general.

Unemployment has become an indispensable companion of a market economy. Its level is unstable and varies for the number of reasons, but it never falls to zero.<sup>3</sup>

The reasons for unemployment:

- Structural changes in the economy associated with the introduction of new technologies, equipment, which leads to a reduction in the excessive labor force.
- Either economic recession or depression that force employers to reduce labor requirements.
- Government policy and labor unions in the field of labor remuneration: an increase in the minimum wage of remuneration increases the costs of production and circulation and, thereby, reduces the demand for labor.
- Seasonal changes in the level of production in certain sectors of the economy.
- Changes in the demographic structure of the population, with the growth of the population in able-bodied age, the probability of unemployment.

There are two forms of unemployment:

- Forced (there is a desire and an opportunity to work, but there is no proposal, it may be associated with a decrease in production volumes).

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<sup>2</sup> KURAKOV L.P., „Human Resources and employment” 2005. Moscow: Press service

<sup>3</sup> DOBRYNIN, A.L., ZURAVLEVA G.P., “Economic Theory.” Moscow: Infa,2015 ISBN 5-16-000300-2

- Voluntary or unemployment expectations (the result of «hard» earnings and, as a result, shortage of jobs).<sup>4</sup>

Those are precisely forms of unemployment and there are also types of unemployment.

**Functional unemployment** - is manifested as a result of the movement of employees from one workplace to another. This is a consequence of short-term dynamics in the labor market. This type exists because of the time-consuming procedure for recruiting staff and jobs.

Functional unemployment is essentially unrecoverable. It is in every economic system. Seasonal type of unemployment arises from fluctuations in the level of economic activity throughout the year, which are typical for some industries.<sup>5</sup>

**Institutional** - is manifested because of the insufficient efficiency of labor market organization. For example, because of incomplete information about the availability of current vacancies.

**Structural unemployment** - in fact, is an in-depth form of friction. This type arises as a result of a long-term dynamics in the economic structure, which leads to a significant inconsistency of the existing qualification or profession of workers with the qualification or professional requirements necessary for a particular workplace.

Also, territorial structural discrepancies can be traced (frictional type and structural one are quite similar at first glance.) In the first case, the unemployed have skills that can be sold, and in the second - they cannot get a job immediately because of the insufficient qualification training. So, we can say that functional unemployment is a short-term nature, the structural one is more long-drawn in time, which is why it is considered a more serious problem.

Unemployment as excess supply is a consequence of the imbalance in the labor market (for example, in a situation where the level of wages is higher than the existing equilibrium). This type is considered to forced nonequilibrium.

It is also possible to select such a variety of the phenomenon under consideration as latent unemployment. In short, these are people who do not belong to the economically active

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<sup>5</sup>Grandars.ru, 2017 [online] www: <<http://www.grandars.ru/student/ekonomicheskaya-teoriya/bezrobotica.html>>

population at a particular moment in time. However, they would like to enter this category if will be suitable work for them.

Unemployment in Russia has a certain uniqueness. When production falls by 50%, many officially unemployed do not seek help from the employment service. This is partly due to the fact that for a certain category of the population, the sale of resources has turned into a source of income. A lot of people who do not have official work and an official source of income are employed in the shadow business. The law on employment in the Russian Federation gives citizens the right to travel abroad to work.<sup>6</sup>

Frictional and structural unemployment are inevitable and constitute a natural level of unemployment, which is caused by the "transfusion" of the labor force in search of the most suitable places, the need to develop new specialties. Natural unemployment indicates the existence of progressive processes in society.

Only cyclical unemployment is alarming. Full employment does not mean an absolute absence of unemployment and assumes the absence of only cyclical unemployment. But with full employment, there is frictional and structural unemployment.

In each country, there is a natural level of unemployment. The negative consequences of unemployment:

- reducing the volume of GNP (compared to what could be produced);
- a drop-in consumer demand;
- reduction of savings;
- braking of the investment process;
- decrease in supply;
- decline in production;
- loss of qualifications of the released workers;
- criminalization of society;
- increased political instability.

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<sup>6</sup> Studlib.com, 2017 [online] www: < <http://studlib.com/content/view/3012/42/>>

Among the negative consequences of unemployment, the main thing is the shortage of output (the loss of GNP), which is determined using the Oaken law, which expresses the mathematical relationship between the unemployment rate and the backlog in GNP growth.<sup>7</sup>

### **3.2.2 Methods of combating unemployment in Russia**

Combating unemployment is a set of measures to reduce unemployment. Methods of combating unemployment are determined by the authorities of a specific country. To effectively implement these methods, it is necessary to identify factors that determine the ratio of supply and demand of labor.

It is obvious that only a factor-oriented policy of impact on the labor market can bring results. Reduction of unemployment is an extremely difficult task, because of many types of unemployment.<sup>8</sup> Therefore, it is impossible to work out a single way to combat unemployment and any state must use different methods to solve this problem. The measures described below are considered in relation to a market economy, but some can be applied to the command economy or only in it, as will be specially noted.

For quite a long time the labor market as an economic category was perceived as a phenomenon that is inherent only in capitalist countries. Unemployment was considered as a consequence of specific relationships that were carried out within its framework and appeared because of the incessant contradictions of labor and capital. The transition to a market economy in Russia has exposed the old problems of employment and also added a number of new ones related to the restructuring of the Russian economy, the emergence of a new type of labor relations, which are conditioned by various forms of ownership. The consequence of this was the release of employees from large enterprises during the transition to market relations and the replenishment of the ranks of the unemployed. However, to perceive this socio-economic category as a phenomenon of a transitional period is, undoubtedly, erroneous.<sup>9</sup>

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<sup>8</sup> KOZYREV V.M., "Fundamentals of Modern Economics" 2007. Moscow: Statistika. ISBN 978-5-279-03181-8

<sup>9</sup> ARZAMASTSEV L.P., Economics and Management, 2017. ISBN 5-9896-0012-1



It is interconnected with economic evolution, with a change in the demand for labor and the social status of the worker himself. And also with the disadvantages of the legal regulation of the labor market and the corresponding relations.

It is not possible to liquidate unemployment completely, but it is possible to minimize it while at the same time smoothing out the political, social and ethical consequences of inadequate employment of the able-bodied population.

The Russian policy of promoting employment and protecting from unemployment is based on the rich experience of developed countries. However, this experience is not adequately corrected in relation to Russian conditions.

The variety of types of unemployment makes the task of reducing it extremely difficult. There is no single way to combat unemployment, various methods should be used to solve this problem.

State regulation is a multi-level process, which in general represents three levels. Each of them uses the appropriate methods of combating unemployment: a macro level; regional; micro-level.

Members of the executive and legislative branches called to solve the main tasks, such as: The policy of social support and employment of the unemployed population. These include current tasks such as the improvement of the Ministry of Labor and Social Development, including the employment service and other structures. Development of their competent policy.<sup>10</sup>

Harmonization of demographic, migration, social policies with priorities and objectives of labor market regulation. This is achieved by minimizing the outflow of classified personnel abroad, limiting illegal and undesirable forms of immigration, regulating income (labor prices), and promoting employment for such a category of the population as registered refugees and internally displaced persons. Harmonization of structural, foreign economic, financial and investment policies for the regulation of the labor market. First of all, decisions regarding the implementation of state orders and state purchases of products, including infrastructure, social,

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<sup>10</sup> Businessman.ru, 2017 [online] www: < <https://businessman.ru/new-borba-s-bezroboticej.html> >

defense and environmental purposes, as well as state investment programs, state subsidies, loans and tax incentives, which should be aimed at supporting, developing production (first of all, in priority sectors). The task of exceptional importance is the regulation of foreign economic relations in the interests of increasing employment. State regulation at the regional level should be carried out in the same areas as at the macro level, and apply the same methods of combating unemployment. At this level, programs of transport, production and housing construction, procurement of products of enterprises of any form of ownership, provision of loans to companies, tax incentives, subsidies aimed at supporting and developing products in priority sectors should also be developed and implemented.<sup>11</sup>

It is at the regional level that such methods of combating unemployment that are realized through stimulation of farming, small and individual business are more effective.

The measures common to all forms of unemployment include:

- payment of corresponding allowances;
- formation of effective employment services.

To specific measures of struggle exclusively with a frictional type of unemployment are:

- improvement of the system of collection, provision of information regarding the availability of vacancies (not only in the context of this locality but also in other cities and regions);
- formation of highly specialized services in this area.

The fight against structural type unemployment implies the application of the following measures:

- the formation of public services and institutions focused retraining of personnel;
- stimulating the activities of private services in this area.

Means of combating the cyclical type of this phenomenon are as follows: development and implementation of a stabilization policy aimed at preventing serious downturns in production and, as a result, mass unemployment; carrying out activities to create additional jobs for the public sector of the economy.

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<sup>11</sup> BORISOV, E. F., Basics of economic theory. Moscow: Prospect, 2015. ISBN 5-85294-086-0

The fight against unemployment in Russia is carried out in accordance with the presidential anti-crisis program adopted in 2009, which aims at eliminating the negative consequences of the crisis, as well as tension in the labor market, and in reducing unemployment.

The total amount allocated from the budget to support regional labor markets in 2010 amounted to 36.4 billion rubles. A significant part of the allocated funds is aimed at the implementation of measures of a passive nature, namely, the payment of benefits.<sup>12</sup>

The fight against unemployment in Russia is carried out within the framework of the above program, which includes a number of items:

- Organization of public works. So, in the regions, they were occupied by those who lost their permanent salary. The most common types of public works: landscaping, repair, restoration of cultural monuments, street cleaning, public transport. Formation of additional jobs (stimulation of small business).
- State support through the issuance of a loan for their own business.
- Payment of benefits. The minimum amount of unemployment benefits in Russia is 850 rubles, the maximum - 4900 rubles. The average value of this benefit is 2700 rubles. Activities to assist students (organization of internships for graduates of universities). Providing the possibility of retraining. Despite the fact that the above measures have a number of shortcomings and require improvement, the fight against unemployment already by the end of 2010 has borne fruit in the form of a reduction in unemployment by 2.8%. That can actually conclude that it works.<sup>13</sup>

### **3.2.3 State policy to combat unemployment in foreign countries**

I would also like to focus on foreign countries, how the problem of unemployment is being solved.

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<sup>12</sup> Businessman.ru, 2017 [online] www: < <https://businessman.ru/new-borba-s-bezroboticej.html>>

<sup>13</sup> AYVAZYAN S.A., Applied statistics and the foundations of econometrics, 2017. ISBN 5-6487-0132-1

## USA

The main subjects of assistance are educational institutions and special advisory and information services. Basic forms of assistance:

- Counseling - for example, on the issue of opening your own business. In the United States, the prestige is not just the fact of finding a job in the specialty, but first of all the foundation of its business.
- Internships - for example, the Washington Center for Internships and Academic Seminars - are an independent and non-governmental organization that organizes professional internships and special academic programs for American and foreign students in Washington, USA.
- Postgraduate education.
- Professional and industrial practice include a work for an employer according to his specialty before or after graduation. As a rule, the vocational practice takes place during the year (or less) after the completion of training.

## United Kingdom

A special place in helping graduates is organizing exhibitions on their employment in the UK. Participation in the exhibition is accepted by employers and students(graduates), wishing to find prestigious work immediately after graduating from a higher educational institution. Seminars on career development, presentations of various professions, debates, assistance in writing summaries and free consultations of specialists, all this awaits graduates at such exhibitions.

Some universities offer internship opportunities in the training process and professional trainings for future professionals, so students receive not only a quality academic education, but also a lot of practical knowledge. You can choose a 4-year training program, where the entire 3rd year students will work full-time on the specialty field, and during the 4th year to do the project work and after the defense receive a Bachelor's degree.<sup>14</sup>

I would like to note that in the UK the percentage of graduates is rather high. According to statistical data, there is a small dependence of the success of employment on the level of

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<sup>14</sup> Studwood.ru, 2017 [online] www:

<[https://studwood.ru/861771/pravo/napravleniya\\_politiki\\_pomoschi\\_vypuschnikam\\_drugih\\_zaru\\_bezhnyh\\_stranah\\_velikobritaniya\\_norvegiya\\_shvetsiya](https://studwood.ru/861771/pravo/napravleniya_politiki_pomoschi_vypuschnikam_drugih_zaru_bezhnyh_stranah_velikobritaniya_norvegiya_shvetsiya)>

knowledge: 95% of students who had a high level, which is A-level on admission to the university, they found a job within 6 months after graduation, while the percentage of those who were employed after the university preparatory courses was only 87%.

### **Norway**

The unemployment rate in Norway is only about 2.5 percent. This figure falls, as a rule, moms with young children, as well as workers who are retraining. In 1996, with the direct participation of the Central Association, the program "Youth guarantees" was adopted. No able-bodied Norwegian under the age of 25 couldn't work or study anywhere. If you lose your job and cannot find a new one, you will be sent for re-qualification. Unfortunately, I was not able to find out if the program is still active.

### **Sweden**

In Sweden, since 1998, the youth policy has been taken over by the Ministry of Culture. At the same time, the State Youth Council functions, with the decisive vote of representatives of the government and parliament.

With the guiding role of the state in youth policy, the concrete implementation of its goals are realized, as experience shows its doable more at the local level. In Sweden, municipalities are involved in the employment of young people, they also solve the problems of schools, distribute grants (annually about SEK 1 million) for local, cultural and youth organizations. (Studwood.ru, 2017)

There are positive and negative aspects in the sphere of youth employment in France.

#### **Positive aspects:**

- Priority provision of youth jobs.
- Long-term employment of young people.
- Developed national system of general social insurance.

#### **Negative aspects:**

- Difficulties in finding jobs for young people without work experience (the national system of general social insurance is based on previous experience of work and previous income).
- Lack of an effective system to support unemployed youth.

**Thus, generalizing the theoretical part of the study, we arrive at the following conclusions:**

- in economic literature there are a wide variety of interpretations of the concept of unemployment.
- There are many criteria according to which a person is considered unemployed, but the main criteria are: able-bodied age, lack of a constant source of income for a certain period of time, a person's proven desire to find a job.
- identify the following main causes of unemployment: the surplus population in certain regions, the establishment of wage rates above the equilibrium level, low effective demand.
- Depending on the reasons for the occurrence, unemployment is distinguished: frictional, structural, natural, cyclical, seasonal, stagnant, institutional, latent and technological.
- highlight the economic and non-economic consequences of unemployment, which are manifested, both at the individual level and at the public level.
- The economic consequences of unemployment are negative and positive.

**Negative:** the devaluation of the consequences of training, the reduction in production, the costs of helping the unemployed, the loss of skills, a decline in living standards, underproduction of national income, and a decrease in tax revenues.

**Positive:** the creation of a reserve of labor for structural adjustment of the economy, competition between employees as an incentive to develop abilities for work, a break in employment for retraining and raising the level of education, stimulating the growth of intensity and labor productivity.

The non-economic consequences of unemployment are psychological, social and political.  
The social consequences of unemployment are also negative and positive.

**Negative:** Aggravation of the crime situation, increased social tension, an increase in the number of physical and mental illnesses, an increase in social differentiation, a decline in labor activity.

**Positive:** Increasing the social value of the workplace, increasing personal free time, increasing the freedom to choose a place of work, increasing the social significance and value of labor.

The peculiarities of the state policy to combat unemployment in the USA include:

- 1) application of infrastructure projects as the main way to reduce unemployment;
- 2) reducing the tax burden at the time of the crisis as a way to support small businesses;
- 3) an individual approach to each unemployed, providing every able-bodied member of the society not only with any work, but with the opportunity to develop and realize his potential to the greatest extent, receiving accordingly a worthy reward for his work;
- 4) differentiation of the level of unemployment benefits, depending on the availability of unemployed children and dependents in the family;

In 2009, Russia adopted an anti-crisis program aimed at eliminating the effects of the crisis, the tension in the labor market and reducing unemployment.

The anti-crisis program includes the following items: public works, creation of new jobs, credits for own businesses, unemployment benefits, student assistance, retraining.<sup>15</sup>

In the UK there is an employment program based on the program of training and vocational guidance for the unemployed. For its implementation, 1.4 billion pounds have been allocated for the annual training of 600 thousand unemployed people.

The Ministry of Social Affairs and National Solidarity, as well as five intermenstrual committees employment, vocational training and social adaptation, territorial arrangements, assistance to the development of the local economy, an industrial restructuring which guides the employment policy in France.<sup>16</sup>

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<sup>15</sup> DOLGIH E.A., Trends in employment among women in the Russian Federation, 2017. ISBN 5-1456-0158-0

<sup>16</sup> Myuniversity.ru, 2010 [online] www: <<http://www.myuniversity.ru>>

## **4. Analysis of the development of unemployment in Russia**

### **4.1 Analysis of the dynamics of unemployment in Russia in 2011-2016**

The consequences of problems affecting global financial markets, falling oil prices, the political factor and global instability - all these indicators affect the internal development of each state, which is an active participant in international relations.

In 2014, Russia entered a zone of economic recession, which immediately affected the state of domestic markets and the country's position in the world. Without delving into a detailed examination of the causes of what happened, let us turn to the consequences for the labor market. What has changed since then, as things stand today and what are the forecasts of analysts? Let's analyze the available data.<sup>17</sup>

Indeed, the crisis phenomena have affected the level of unemployment. Immediately after the country was affected by global trends, companies, including large industrial enterprises, began to optimize their business. Massive reductions have taken place, wage growth rates have decreased. This situation lasted several months. From the middle of summer to the end of 2014. However, gradually the economy has adapted and demonstrated its stability. Despite some hesitation, it has maintained a stable position.

Negative forecasts prevailed in subsequent years, but due to positive trends in international and domestic markets, they did not justify themselves. In 2017 was no exception. At the moment, the indicators are estimated as positive in the context of the current economic situation.

So, against the background of the crisis, not only the level of the unemployed population is growing, but also the number of "hidden" unemployed. According to independent monitoring, the average length of the search term for the place of employment according to the data of the past year has increased from 7.3 months to 7.7 of the same period of the current year. The percentage of people who can not find a job has grown from 27.3 to 29.6%. In addition,

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<sup>17</sup> DADASHEV A. Z., Employment and Unemployment in Russia: problems of regulation: Problems of Economics. 2004. Moscow: Iskra. ISBN 966-608-279-9



employers themselves cut rates - increasing the number of employees who are only half the workday: in the first quarter of this year, the value has risen to 1.2 million (last year the figure was 1.1 million). (Elibrary.ru, 2000)

Many companies apply additional schemes to optimize labor costs. In particular, they use the following mechanisms:

- send employees on unpaid vacation;
- to short working hours;
- cut wages.

This means that the official data on the ratio of the employed population and those who are in search of employment is nominal. They reflect the real situation on the labor market only partially. In addition, do not forget that many people who do not have a job, refuse to receive official certificates, therefore, cannot be accounted for in full.

People mistakenly judge the level of unemployment based on the total population of the country, which is more than 140 million people. This is not true, since the calculation of unemployment takes into account only the number of economically active population, which is about half of the country's total population.

The crisis situation in Russia since 2014 is closely interrelated with the employment of the country's population. At the beginning of 2015, unemployment begins to rise. The indicators of official statistics differ from the real indicators of unemployment. Therefore, let's pay attention to some points that "Rosstat" shows in the notes, footnotes, explanations of the calculations.

- Statistics are based on the analysis of a selective part of the population, and not all citizens of the country. The official source reported on summarizing the "selective survey of the population on employment issues."
- Unemployment is reduced not at the expense of employment of previously unemployed citizens, but at the expense of a decrease in the number of economically active population. In other words: there are more elderly and younger people, and the working-age population is getting smaller.
- There are many unemployed citizens in the country, whose employment has no official information, or they are inaccurate. Thus, they are not taken into account in "Rosstat's" reports and can distort the real situation of unemployment in certain constituent entities of the Russian Federation and in the country as a whole. (Novainfo.ru, 2017)

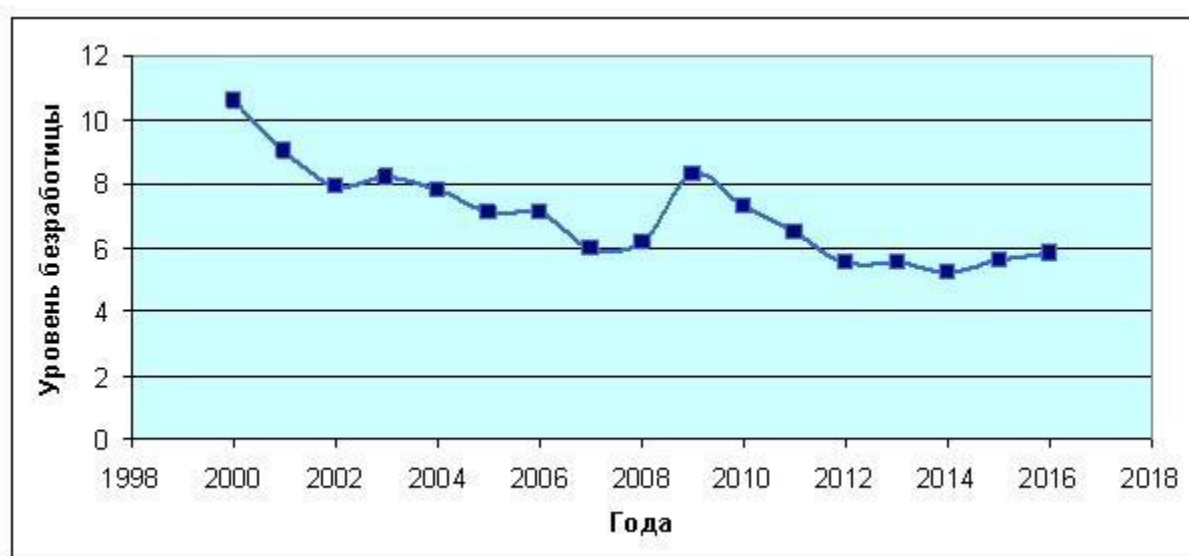
**Table 1:** Dynamics of the official rate of unemployment and employment in Russia, according to data of "Rosstat" in 2007-2015 (% , million people)

№		Years					
		2011	2012	2013	2014	2015	2016
1	Number of unemployed in the Russian Federation	6,5	5,5	5,5	5,2	5,6	5,5
	economically active population (labour force) in %						
2	in million people	4,9	4,1	4,1	3,9	4,3	4,2
3	The number of unemployed registered in the Employment Centers, in million people	-	-	-	-	0,9	0,99
4	Number of economically active population in the informal sector	18,2	19	19,7	20,1	20,5	21,2
	Economically active population in %						
5	in million people	12,9	13,6	14,1	14,4	14,8	15,4
6	The number of economically inactive population (in working age, but not working and not seeking work)	18,3	17,8	17,8	16,9	16,77	15,9

	in million people						
7	Total economically active population (labor force),	75,8	75,7	75,5	75,43	76,59	76,64
	at the age of 15-72 years, million people						
8	Total manpower at working age, mln. people	69,8	69,2	68,9	68,7	69,45	69,37

Source: Federal State Statistics Service, 1999

**Graph 1:** The dynamics of the unemployment rate from 2000 to 2016



Sources: Person-agency, 2017

The unemployment rate for 2016 was 5.8%, and the number of unemployed - 4.3 million.

According to “Rosstat” in tables № 2 and № 3 the results of a sample survey of the workforce (population survey on employment issues).

**Table 2:** Number and composition of the labor force in January-May 2016

	june	july	august	september	september 2015	September 2016 by September 2015, (+, -)
Thousand people:						
Labour force aged 15-72 years	76851	77264	775022	77125	76958	167
employed	72674	73140	73465	73107	72926	181
unemployed	4177	4125	4037	4018	4032	-14
in %						
The level of participation in the labor force (labour force to the population aged 15-72 years)	69,7	70,1	70,3	70	69,5	0,5
The employment rate (employed to the population at the age of 15-72 years)	65,9	66,4	66,6	66,3	65,8	0,5
The unemployment rate (unemployed to the labour force)	5,4	5,3	5,2	5,2	5,2	0

Source: Wikipedia, 2017

The total number of unemployed classified according to the ILO criteria was 4.7 times higher than the number of unemployed registered in the state institutions of the employment service. At the end of September 2016, 862 thousand people were registered as unemployed in the state employment services of the population, which is 5.2% less than in August and by 6.2% compared to September 2015.

Among the unemployed, the share of women in September 2016 amounted to 46.5%, urban residents - 66.8%, youth to 25 years - 23.4%, persons lacking working experience - 27.1%.

The unemployment rate among rural residents (7.3%) exceeds the unemployment rate among urban residents (4.6%). In September 2016, this excess was 1.6 times.

In September 2016, among the unemployed, the proportion of people who left their previous jobs due to the release or reduction of the number of employees, liquidation of the organization or their own business amounted to 17.2%, and due to the dismissal of their own volition - 26.0% (in September 2015, respectively, 18.3% and 24.8%).

**Table 3:** The number and composition of the labor force for the three quarters of 2016

2016			
	I quarter	II quarter	III quarter
Thousand people:			
Labour force aged 15-72 years	75950	76558	77297
Employed	71475	72225	73237
Unemployed	4475	4333	4060
In %			
The level of participation in the labor force (labor force to the population aged 15-72 years)	68,9	69,5	70,1

The employment rate (employed to the population at the age of 15-72 years)	64,8	65,5	66,4
The unemployment rate (unemployed to the labor force)	5,9	5,7	5,3

Source: Person-agency, 2017

The total unemployment rate in the Russian Federation in October 2016 was 5.4%. Economically active population of the country afterwards was the following: 5.2% in September, in August 5.3%, in July, 5.4%, in June, 5.6%, in May, 5.9%, in April and March was 6%. Such preliminary data leads today the Federal State Statistics Service.

In October, the total number of unemployed in Russia increased by 85 thousand people compared to the previous month and reached 4.103 million people in total.

"In October 2016, according to the preliminary results of a sample survey of the workforce, 4.1 million people were classified as unemployed (according to the methodology of the International Labor Organization), the unemployment rate was 5.4%, according to the "Rosstat" data.

In the public employment services of the population, 0.8 million people were registered as unemployed, including 0.7 million people were receiving unemployment benefits. (Gks.ru, 2017)

As the agency notes, according to the preliminary results of the sample survey of the workforce, the strength of the workforce in October amounted to 76.6 million people, or 52% of the total population of the country.

The number of unemployed in Russia in 2015, according to preliminary data of the Federal State Statistics Service, was 4.264 million people, which is 7.4% more than in 2014. The unemployment rate for 2016 was 5.8%, and the number of unemployed - 4.3 million.

Why in the presence of crisis phenomena there are no serious problems in the labor market? Analysts point to a demographic situation. The percentage of the able-bodied population

and those who have overcome this mark, growing rapidly. Therefore, competition for personnel continues to be relevant.

However, there are also risk areas. According to the latest data, problems in the near future are unlikely to leave the banking, tourism and air transportation sectors. Fears are justified, cleaning bank-accounts from weak participants in the market leads to the closure of credit institutions. That all lead to, international instability, a high terrorist threat, as well as other problems contribute to ruining companies operating in tourism. Similar problems for carriers.<sup>18</sup>

In addition to that it's difficult for small entrepreneurs to stay on the ground. Because of competition, financial instability, a drop-in demand. Many of them collapse. The most favorable and stable situation in Moscow. Problems with employment relate to the capital to a lesser extent in comparison with the province. The forecast of unemployment growth in Russia at the end of 2017.

Pessimistic scenarios have not materialized, and at the moment there are no conditions for their implementation until the end of this year. The key indicators were managed to be kept within the specified regulatory limits, it was not beyond the scope of the forecast or its implementation (at the current moment). Despite a slight increase in recorded and general indications, a rather favorable picture is emerging. How is it explained?

Crisis is not always stagnation. Sometimes such difficult periods become an impulse for development, generate new opportunities. The policy of import substitution, trade wars, the development of own production, all of that was the reason for the increase in jobs and new industries.<sup>19</sup>

**The most promising areas are:**

- agriculture;
- information technology (stable, despite the crisis);
- road transport;
- tourist business in the directions of Russian recreation centers;
- some industries (light, food, chemical).

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<sup>18</sup> NUREYEV P.M., "Microeconomics course" 2000. Moscow: Infa. ISBN 5-16-000390-8

<sup>19</sup> Vklady-investicii.ru, 2017 [online] www: <<http://vklady-investicii.ru/articles/krizis/uroven-bezroboticzy-v-2016-godu.html>>

Obviously, positive trends are only beginning to manifest themselves. If the same vector remains in the future, and if there are no financial shocks next year, the improvements will be more noticeable.

## **4.2 Structure of the unemployed by male or female, age and education in Russia**

The Federal Service of State Statistics also publishes data on the composition of the unemployed on such socio-demographic characteristics as age, gender and level of education. Let us further consider the structure of the unemployed for the listed indicators and compare the values for the federal districts that make up the Russian Federation.<sup>20</sup>

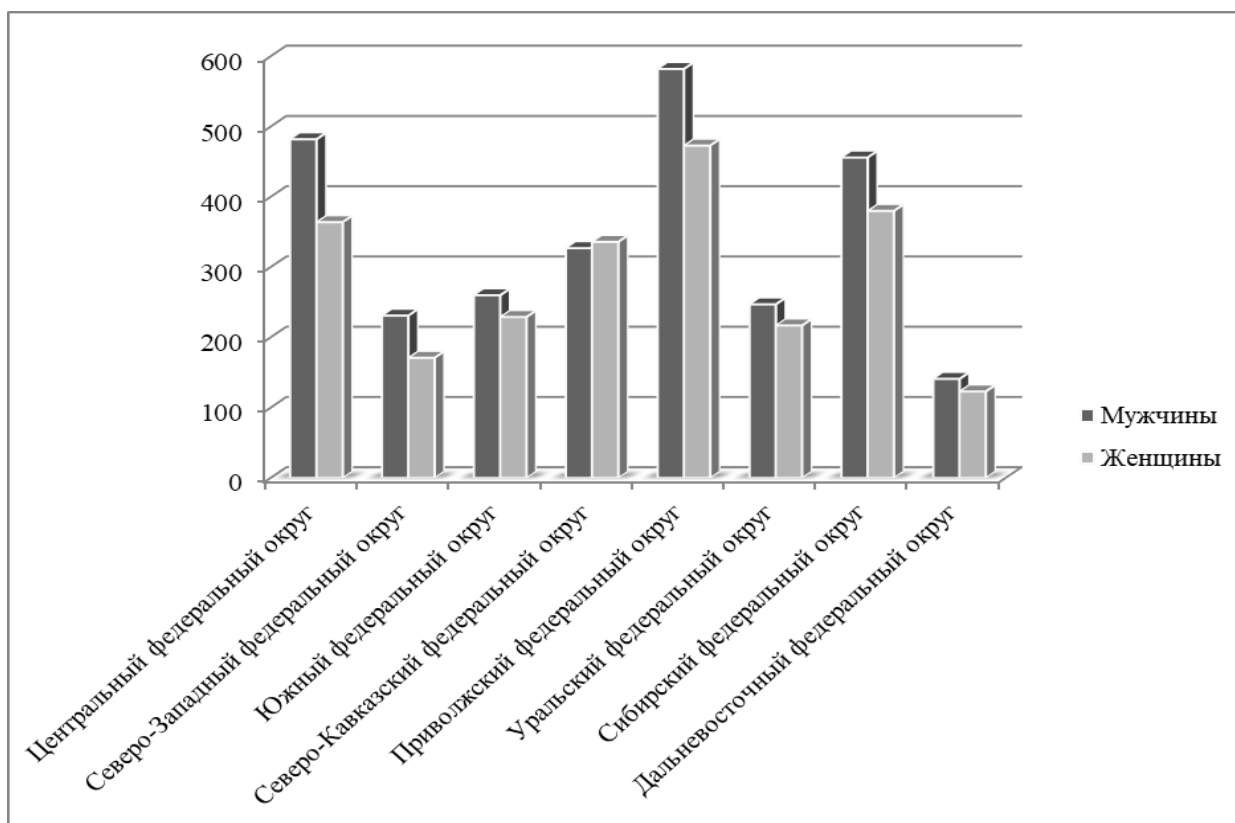
Let's start with the analysis of the composition of the unemployed by sex in 2016. According to the sample surveys on employment, the number of unemployed by sex was distributed as follows (on average for the year).

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<sup>20</sup> BORISOV, E. F., Basics of economic theory. Moscow: Prospect, 2015. ISBN 5-85294-086-0



**Graph 2:** The composition of the unemployed by sex in 2016 (according to selective surveys of the population on employment, an average of a year, thousands of people)

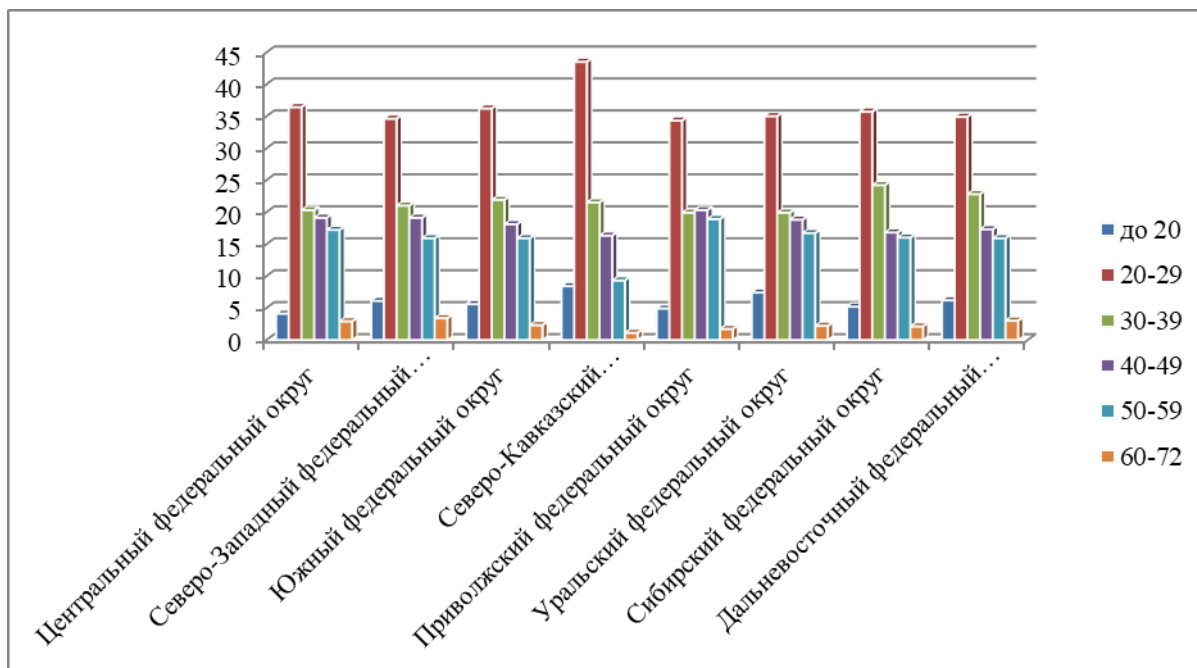


Source: Person-agency, 2017

The diagram shows that, in general, the number of unemployed women is lower in the country than in men. It should be noted that by the end of 2016, there are 1,162 women per 1000 men. On the one hand, such "employment" of women can be explained by their great natural zeal and ability to mobilize in difficult life situations and are ready to go to any job, in order to feed their children (in the case of a single mother). On the other hand, it is possible that women simply do not consider themselves unemployed, being housewives. The prevalence of the number of unemployed women over men is observed only in the North Caucasus Federal District, where local traditions and customs can serve as a reason for this.

Next, consider the composition of the unemployed, depending on age. To this end, we will also construct a diagram for each federal district, dividing the unemployed into age groups.

**Graph 3:** The composition of the unemployed by age group in 2016 (according to selective surveys of the population on employment, an average for the year, as a percentage of the total)



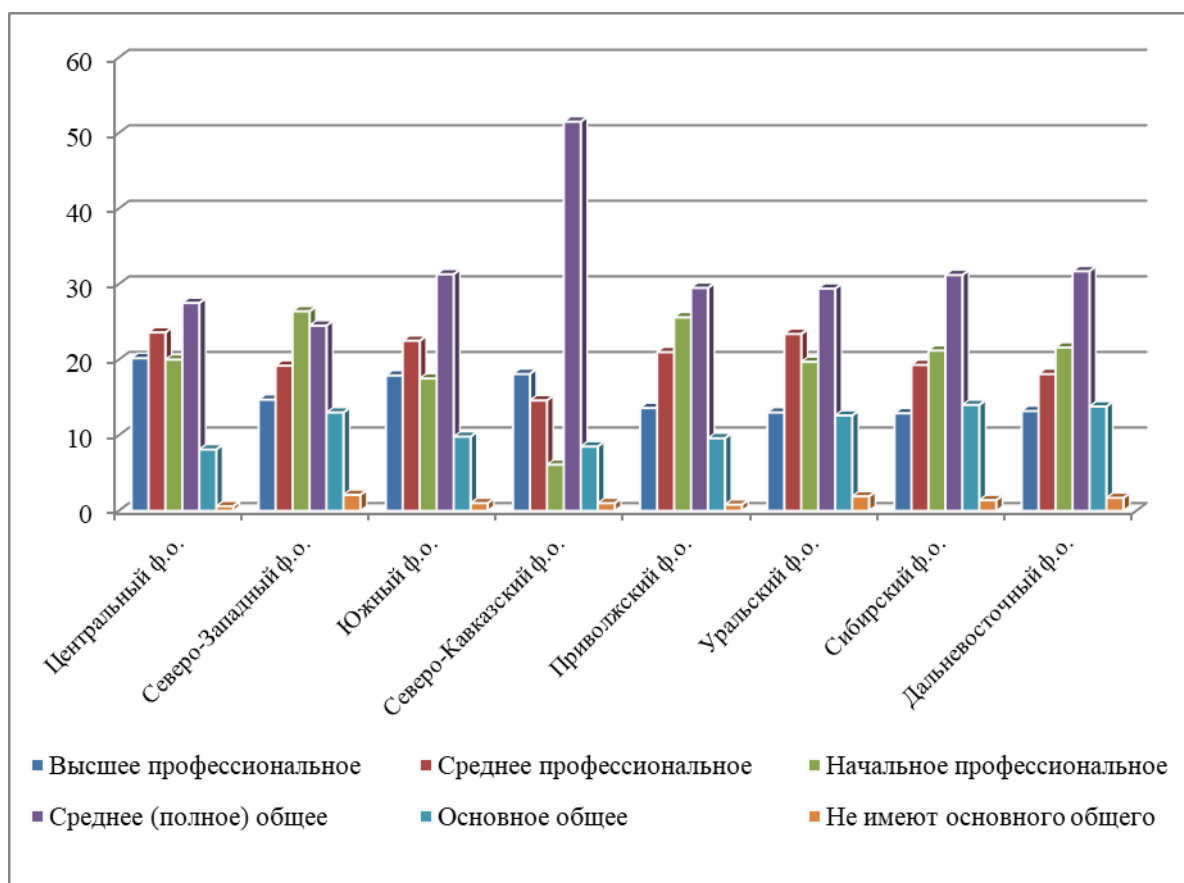
Source: Person-agency, 2017.

According to the data provided, in all federal districts, an unemployment among young people between the ages of 20 and 24 prevail, exceeding by one and a half times the next group (30-39) in terms of the number of unemployed. This can be explained by the fact that young professionals enter the labor market for the first time and they need time to find a suitable job. The minimum number of unemployed is observed over the age of 60 years. The reason for this decline is likely to lie in the fact that at this age people retire and do not already belong to the category of unemployed people.

It should be noted that the distribution by age groups throughout Russia is approximately the same. So at the level of 20-25% of all unemployed districts there is an unemployment among citizens, aged 30 to 39, and a little lower, at the level of 15-20% - is unemployment for the age group of 40-59 years. Unemployment among young people under 20 years is kept at a relatively low level of 5-8% of the total number of unemployed, which is due to the fact that the prevailing number of people of this age are employed in educational institutions (schools, colleges, universities) and thus can not be classified as to the unemployed.

In conclusion, let us analyze the composition of the unemployed according to the level of education. It is generally believed that a more educated individual has a higher probability of getting a job, because he has an advantage over the others. However, we give statistics for 2016.

**Graph 4:** The composition of the unemployed according to the level of education in 2016 (according to the data of sample surveys of the population on employment problems, on average for the year, as a percentage of the total)



Source: Person-agency, 2017

According to the diagram above, it can be concluded that the largest proportion of unemployed people are those who have only a secondary (full) education. This is most clearly observed in the North Caucasus Federal District, where the unemployed, who have only a certificate of secondary education, account for more than half of all unemployed.

The smallest share of total unemployment is made up of people who do not have a basic general education (who did not graduate from the 9th grade of the school). Most likely this is due

to the fact that the share of such citizens in Russia as a whole is low. Moreover, people who do not graduate from high school often do not feel like working and do not take any action to find it.

Thus, they are not part of the workforce. Almost the same can explain the lower proportion of unemployed among citizens who have only basic general education, compared with professionals.

Further, if we consider unemployed people who have any professional skills, then on average, with an increase in the level of education (from primary to higher professional), the proportion of the corresponding persons who do not have a job is reduced. Thus, the unemployed with primary vocational education make up 20-25% of the total; with an average vocational education - 18-23%; with higher professional education - 13-20%.

Thus, we can conclude that the highest percentage of unemployment falls on men aged 30-39 with a secondary education.

### **4.3 Ways to improve the efficiency of regulating unemployment in the modern economy of Russia**

The government needs to move to long-term actions in the field of employment. Fighting unemployment will be through investment programs, and the state of the labor market will be one of the criteria for assessing the work of regional authorities. Experts believe that the state failed to cope with the labor market situation during the crisis.

Today we need to think about the transition from anti-crisis measures to long-term and systemic actions, in order do not loss what was obtained as a result of very difficult work in the active phase of the crisis.<sup>21</sup>

The fight against unemployment is proposed through the creation of programs to improve the investment climate. The measures to create jobs that are contained in these programs will be one of the indicators of the effectiveness of the regional authorities.

Improve the situation could have an additional 750-800 thousand new jobs. During a month in the economy opens about 20-25 thousand actual new jobs, and this, of course, very

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<sup>21</sup> Tass.ru, 2017 [online] www: <<http://tass.ru/ekonomika/4055931>>

little. Labor productivity in Russia is 3.5 times lower than in developed countries, 40% of the population lives on wages that are below the level of economic sustainability.

The experience of many regions shows that improving the investment climate and creating new industries are converted into quality employment. This is the vector of solving problems and that will be the main one for the Russian economy.

While only 35 cities have anti-crisis programs that are relevant, although ideally they should all implement the program. In monocities, the employment situation is worse than the national average. In 129 cities, the unemployment rate is higher than the average for Russia, but only in 31 monocities the unemployment rate is higher than 4%, that is, higher than the average for single-industry towns (Stud24.ru, 2017)

State banks, which will participate in the financing of investment projects, are called upon to intensify the fight against low employment. Only VEB will invest about 170.2 billion rubles. The President in turn, recommended involving business to solve problems in such regions. Monocities should be given the status of informal special economic zones, reduce taxes there and introduce incentives for the import of equipment.

"Anti-crisis measures did not solve the key employment problems, they conserved them, but did not lead to the creation of new jobs. The situation with unemployment looks satisfactory, if you look at the figures, but in reality the picture is different. In the structure of employment is a very large informal part, and this is bad for the economy.

When developing a federal and regional program for providing employment, it is necessary to take into account a specific specificity of Russia, based on the fact that it has been repeatedly proven: to prevent unemployment is impossible, but it is possible and necessary to minimize it while at the same time mitigating the social, political and moral consequences of incomplete provision of the able-bodied population. And it's not just about respecting the interests of the individual citizen, but also about the interests of the state, since unemployment will take away 2.5% of the gross national product, for unemployment benefits it is about 8-10% for the payment of benefits.<sup>22</sup>

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<sup>22</sup> VIDYAPIN, 2014

In the social and labor policy, measures are aimed at developing and implementing mechanisms facilitating institutional changes in ownership and structural changes in the economy prevailed. The most important of these were the maintenance of income at a minimum level and job security in the face of declining production and rising unemployment. In line with the democratization of society, the legislation on labor and employment was modernized by bringing it in accordance with internationally recognized rules: the working week was shortened, the minimum duration of leave was extended, the job security of the unemployed was extended, and social insurance reforming began.

Regulation of social insurance relations contributed to their normalization during the privatization of the economy, establishment of a ceasefire between the current employees and their future owners. Keeping income at a minimum level has become the goal of social protection of the population affected by the government of the "reformers". The state for a while refused direct regulation in payment (except for its minimum), having passed to indirect regulation through taxes. Little by little, the real content of the average wage grew, however, behind the dynamics of consumer prices for goods and services. In connection with market changes, there has been a shift from brutal socialist to more flexible types of hiring (fixed-term contracts, unformalized agreements, etc.).<sup>23</sup>

At the same time, the traditional role of labor agencies as a state supervisor over the use of working time, discipline, productivity, conditions and labor remuneration have almost disappeared. At the same time, forced unemployment, generated by new conditions for the functioning of enterprises and forms of employment has increased. A release for economic reasons accounted for more than half of officially registered unemployed. For them, it's necessary to have skilled workers with experience and productive experience. The steady growth of structural unemployment predetermined the need to transform employment funds into a full-fledged social insurance system.<sup>24</sup>

Unemployment from a negative phenomenon has turned into a permanent factor in the development of the labor market and aggravation of competition for jobs.

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<sup>23</sup> DUBROVA T.A., Statistical methods of forecasting, 2015. ISBN 5-1354-0078-1

<sup>24</sup> POPOV J.N., "Modern economics and sociology of labor." 2005. Moscow. Icon inform. ISBN 78-5-46-01593-0

We had to reckon with its objective character, the conditionality of the processes of economic reform, and seek new forms of effective employment. However, unemployment was the "nut", which broke the "market".

Following the government course of social protection, the employment service was transformed into an organization to combat unemployment. The distribution of guarantees to its clients on a growing number of special conducted events was continued, and the emphasis was on winning projects in order to get public attention in favor of socially unprotected. Conversely, employment promotion programs deliberately diminished the importance of labor intermediation, the tasks of increasing the mobility of the released labor force and its competitiveness in the open labor market.

The policy of ensuring full employment and preventing unemployment did not solve the most important task of reforms like improving production efficiency. When the economic crisis intensified, the government renewed by that time saw a way out of it in achieving financial stabilization, in fact, in the accelerated development of financial and industrial capital by mobilizing the accumulation resources.

In conditions of a catastrophic lack of investment, which is quite natural for the systemic crisis, the active export of capital from the country and the reduction of the possibilities for inflationary crediting to industry, the income of the population became a source of stabilization of the economy. The social priorities and monetarist models were replaced by narrowly pragmatic tasks of redistribution of the national income in favor of the largest monopolies that arose as a result of "people's" privatization. The provision of employment and mass unemployment are under state control. It turns out to be easier to suspend the release of workers without payment, than to establish the work of enterprises in a normal mode, that is, without debts on wages, but without unnecessary staff.

Lack of labor motivation and income at the main place of work is replaced by state compensations: social guarantees on production, payments and benefits to the indigent at the place of residence. The fact that the workers are underpaid as working people are trying to return them as socially unprotected. Along with this, the "exodus" of a previously numerous layer of skilled workers from idle enterprises and unpromising industries is expanding. Together with the breakdown of knowledge-intensive industries, the professionalization of highly qualified specialists is growing. They are compelled to be interrupted by casual earnings, to search for

relatively profitable employment at the expense of their qualification, social and professional status.<sup>25</sup>

What must be done to set in motion this treading in place, unsettled, and therefore shaky, threatening to reverse the system of relations of labor and capital? The essence of the new social and labor policy can be summarized as follows: the final transition from full employment, waiting for low-performing work and social guarantees to unemployed, to a market system that assumes complete freedom of labor and choice of occupations, an economically justified reserve army of labor and unemployment.

Especially important is the social liberalization of wage labor, primarily through a radical reform of labor legislation in full compliance with the requirements of a market economy. It is necessary to radically change the "spirit of laws" about labor, without any reservations, to recognize the labor force as a commodity, the owner of which is an individual free from noneconomic coercion and administrative dictate.

As the owner of a unique product, he has the right to prioritize in the labor market, his price is formed depending on the ability, education, qualifications, experience. To ensure freedom of labor, it is necessary to finally get rid of the rudiments of the totalitarian era (registration, special personnel records, administrative restrictions on admission and arbitrary dismissals of hired workers). Regulate the free labor market among them, fair payments, reliable protection and decent working conditions, mechanisms of social insurance of economic risks as well as disability, independent institutions for an unbiased settlement of labor conflicts, all of them are considered to be fundamental importance.<sup>26</sup> And it is necessary to highlight the peculiarities of hired labor in the agrarian sector, small business. It is time to replace the archaic and inefficient forms of legislative regulation of labor, for example, the uniform for all the size of the minimum wage and its indexation, which from social protection instruments in practice, in a situation of budget deficit, turn into state norms of a fixed threshold of working people's poverty. In return, you should set a minimum payment for a unit of time worked (hour) and set the basis for tariff systems.

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<sup>25</sup> Otrastli prava.ru, 2015 [online] www: <<http://xn----7sbbaj7auwnffhk.xn--p1ai/article/826>>

<sup>26</sup> VOLGIN N.A., "The labor market." 2015. Moscow: Examen. ISBN 5-377-00245-8



The implementation of programs are aimed at reducing tensions in the labor market. In the 2013, 105 billion rubles were allocated from a state budget for these purposes. There will be new programs, for example, continuing education programs for women on a parental leave. Increase from 30 to 50 thousand rubles is the amount of compensation to employers when they are disabled. It is necessary to further developing entrepreneurship, especially in rural areas. In particular, the "Russian Farmer" project, aimed at forming a strong class of proprietors in the countryside, will contribute to this.<sup>27</sup>

Of course, not every unemployed person is ready to become an entrepreneur, therefore, creation of new jobs in small towns and in so-called single-industry cities, remains the top priority today. Firstly, new projects in the economy should contribute to the creation of jobs.

Over the past two years, some experience has been gained in managing employment processes in the new conditions. More than 200 billion rubles have been allocated from the budget for the promotion of employment, and these money were not wasted. A whole set of decisions were adopted, which, despite the significant reduction in production caused by the crisis, made it possible to seriously restrain the growth of unemployment.

An important role in the fight against unemployment was played by regional programs, including advanced training of workers at risk of dismissal, a targeted support in employment, including relocation to other areas, subsidies for the development of entrepreneurship, the organization of public works and temporary jobs, internships for graduates.

In 2016, about two million people took part in such programs, and eventually about two hundred thousand unemployed opened their own business, more than 137,000 people who are under threat of dismissal, have advanced training. About one and a half million people took part in public and temporary works.

All this allowed one way or another to support people during the crisis and contributed to a decrease in the number of unemployed.<sup>28</sup>

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<sup>27</sup> EFIMOVA M.R., Statistical study of the relationship between unemployment and crime. 2017, ISBN 5-7785-0245-1

<sup>28</sup> BOGOLUBOV, 2017

## 5. Conclusion

Unemployment is a macroeconomic problem, which over the past few years has been hanging over many developed countries, causing great unrest in society. Monitoring unemployment problems, especially in view of the consequences of the global financial crisis, is a necessary measure taken by the state with a view to developing the most effective policy to address this issue on the basis of the results obtained.

If you look at the world as a whole, then scientists predict a continued rise in the unemployment rate until at least 2018. With regard to the dynamics of unemployment in Russia over the past decade - in December 2012, the unemployment rate in Russia reached its lowest level of 4 % points, but in 2016, unemployment was 5.5%, these indicators that prompted the study of unemployment in the Russian Federation.

Quite a lot of Russian and foreign scientists have been studying the problem of unemployment from completely different sides. At the moment, in addition to researching the main characteristics related to the unemployment rate, an analysis is made because of influential factors, which at first glance have absolutely nothing to do with unemployment, and also examines its impact on other aspects of human life. The most recent works are related to the construction of various probability models that describe the transition of a person between different employment states, and to the development of statistical models that could describe factors that affect the duration of unemployment.

In the first part of an analysis, the dynamics of the development of unemployment in Russia since 2011 has been studied. For the second part of the unemployment analysis in the Russian Federation, data on the Russian regions for 2016 were taken as part of the work presented, which helped to reflect the current trends in the labor market. Having studied the structure of unemployment by sex, we concluded that the number of women who are ready to start working is lower than the number of men. At the same time, the number of women in the country exceeds the number of men, which leads to the conclusion that either women are more "successful" in finding jobs, or they are engaged in housekeeping, thus not being part of the labor force.

Further, an analysis of the composition of the unemployed by age showed that the majority of them are young people aged 20-29 who, having obtained a diploma, enter the labor market for the first time and they need time to adapt and find the job that is most suitable for them. As for

the structure of the unemployed by education, the largest proportion of all unemployed are people who have only a secondary (full) education. This is explained by the fact that employers now prefer to take even the lowest posts of people with primary vocational education, as indicated by the lower share of such unemployed.

Based on the results of the analysis, several recommendations can be made on how to build a future policy aimed at reducing unemployment in the country. As studies have shown, the right measures emanating from the state, they have a significant impact on the stabilization of this indicator.

Firstly, it is worth paying attention to the assistance in the search for work by newly graduated specialists from both higher education institutions and institutions of primary and secondary vocational education. To this end, it is necessary to simplify the relationship between the potential employee and the employer, as well as create jobs in production, respectively. Secondly, it is important to create courses for improving professional qualifications and adaptation in the labor market, not only for young professionals, but also for women applying to the labor exchange in order to find work after leaving the decree. Thirdly, it is necessary to simplify labor migration, for example, from the point of view of providing any social benefits for the acquisition of housing in a new location. And among other things, it is necessary to continue the policy of the state aimed at increasing the proportion of households with an internet access.

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