

## EMPLOYMENT AND SELF-EMPLOYMENT TRENDS IN RUSSIA AND IN THE WORLD AT THE TURN OF THE CENTURY

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In the article the features of employment and self-employment in Russia and in certain countries of the world in economic crisis and post-crisis periods are considered. The experience of population self-employment government regulation in various countries is analyzed.

**Keywords: employment, self-employment, unemployment, countries of the world**

Employment is the socio-economic relations among people on the subject of participation in generally useful labor. The employment indicator defines quantitative and qualitative levels of able-bodied population use, economic situation in the country, business and financial activity, living standard, income level, and population solvent demand. Employment is characterized by various forms, and structure of population employed in economic sectors.

The indicators of employment and unemployment are important not only for national economies development analysis, but for social progress evaluation. Employment and unemployment are the parameters that form population incomes, wage labor payment first of all. The level and the structure of incomes, on the one hand, determine the purchase power of various population groups, the balance of

countries economic and social development. On the other hand, these indicators enable us to draw a conclusion about self-employment level in the countries of the world.

Let us consider the features of employment in three groups of countries: advanced (Great Britain, Germany, France, Italy, Japan), developing (Egypt, China), and transition economies (Russia, Poland, Ukraine).

In advanced countries the greatest employment growth for almost twenty years occurred in Germany (38,7%). The labor markets in Great Britain, Italy, and Japan practically did not widen. The employment increase in developing countries was higher than in advanced countries (in Egypt – by 50%, in China – by 21%). In Russia and CIS the workers number decreased. Its increase after 2000 did not compensate the reduction in 1990-s (Table 1).

**Table 1**

Employed Number in Russia and in Certain Countries of the World (million persons) [5; 6; 7; 8]

Country	1990	2000	2004	2006	2007	2008
Great Britain	26,8	27,4	28,4	28,9	29,1	29,5
Germany	29,0	36,6	35,7	37,3	38,2	38,7
France	22,4	23,3	24,7	25,1	25,6	25,9
Italy	22,4	21,2	22,4	23,0	23,2	23,4
Japan	62,5	64,5	63,3	63,8	64,1	63,9
Egypt	14,4	17,2	18,7	20,4	21,7	...
China	639,5	720,9	752,0	764,0	769,9	774,8
Russia	75,3	65,1	67,3	68,9	70,6	71,0
Poland	17,3	14,5	13,8	14,6	15,2	15,8
Ukraine	25,4	20,2	20,3	20,7	20,9	21,0

The unemployment of economically active population considerable part is the feature of labor markets in all countries (Table 2).

The unemployment level differs among the countries, and high and low indexes are observed both in developing and in advanced countries.

According to International Labor Organization, in 2007 the number of the unemployed in the world risen by 2,9 million and reached 189,9 million persons. In 2007 in the world

45 million new working places were created. However that didn't influence the total number of unemployed in the world – the unemployment level was 6% both in 2006 and in 2007. Almost 62% people of able-bodied age (3 billion people) were placed in a job in 2007. Roughly 16,7% of all workers (487 million people) earned extremely few money – their families live on \$1 per diem. Families of 43,5% of workers (1,3 billion) live on \$2 per diem [2].

Table 2

Employment Level in Russia and in Certain Countries of the World, % [6; 7; 8]

Country	Unit weight of economically active population			Unit weight of the unemployed in economically active population		
	2004	2006	2008	2004	2006	2008
Great Britain	50	50	51	4,7	5,4	5,3
Germany	49	51	51	11,0	10,3	7,5
France	45	45	45	9,9	9,8	7,4
Italy	42	42	42	8,8	6,8	6,7
Japan	52	52	52	4,7	4,1	4,0
Egypt	31	31	33	10,3	10,6	...
China	58	59	60	4,2	4,1	4,2
Russia	51	52	52	7,8	7,2	6,3
Poland	49	44	45	19,0	13,8	7,1
Ukraine	47	48	49	8,6	6,8	6,4

In the 90-s the unemployment in Russia had mass nature. The highest unemployment level in this country was fixed in 1995–2000 – about 7 million people have the official unemployed status. In the period from 2002 to 2007 the unemployment level in Russia decreased annually. And in 2007 the minimal mark was achieved – 4,2 million people. International financial crisis provoked the production slump in many economic sectors. In October 2008 the reduction wave began. Since the end of 2008 there was the unemployment level growth – 5,8 million people. In 2009 this index risen up to 6,2 million people and in 2010 achieved 6,7 million people. In January 2011 the unemployment level decrease up to 5,8 million people occurred [2].

The indicators, describing population living standard (poverty level, people devel-

opment index that includes expected life interval, education level, GDP) are connected with unemployment level. The lowest poverty level is in advanced countries (about 5% from total population number). The highest – is in developing countries (from 16,7 to 32,6%). In the transition economies, for example in Russia, this indicator is 15,2%. People development index of advanced countries is considerable (about 0,950 at the average). Developing countries are notable for low people development index level (about 0,700 at the average). Russia has an interim value – 0.802 [7].

Apart from unemployment level employment is characterized by the distribution of workers among the economic sectors and kinds of activity (Table 3).

Table 3

Employees Distribution among Economic Sectors in Russia and in Certain Countries of the World, (%) [7; 8]

Country	Year	Industry	Agriculture	Building	Transport and communications	Trade	Other sectors*
Great Britain	2008	13,1	1,5	8,1	6,7	19,0	51,7
Germany	2008	23,2	2,3	6,5	5,5	17,4	42,1
France	2008	15,8	3,0	7,2	6,3	16,6	51,0
Italy	2008	21,3	3,8	8,4	5,5	20,2	40,8
Japan	2008	18,9	4,2	8,4	6,1	23,5	38,7
Egypt	2007	12,6	31,7	8,4	6,1	14	27,2
China	2008	...	...	...	...	...	...
Russia	2009	20,4	8,4	7,1	9,4	17,3	37,4
Poland	2007	23,8	14,7	6,9	6,4	16,8	31,3
Ukraine	2009	17,6	15,6	4,8	6,9	23,4	31,7

The note. \*Other sectors include financial activity, operations with realty, lease, education, health care, social services, other services.

The feature of employment structure in advanced countries is the low share of agricultural workers and high unit weight of workers of trade and catering. In developing countries on the first place by employment among the sectors is agriculture. In a number of developing countries the employment share in trade approaches to the share of industry workers and even exceeds it. The employment structure in CIS evolves in direction of its market trans-

formation with great difference between European and Asian countries. In the first group of post-Soviet countries (for example in Russia) the structure changes according to advanced countries, whereas in the second group (Poland and others) it has a propensity mainly for the type of employment in developing countries.

These conclusions are confirmed by the unit weight of urban population in the total population number (Table 4).

Table 4

Unit Weight of Urban Population in Total Population Number in Russia and in Certain Countries of the World, (%) [7; 8]

Country	1995	2000	2005	2006	2007
Great Britain	88,7	88,9	89,2	89,2	89,9
Germany	86,5	87,5	88,5	88,5	73,5
France	74,9	75,7	76,7	76,7	77,1
Italy	66,9	67,2	67,5	67,5	67,9
Japan	64,6	65,2	65,7	65,7	66,3
Egypt	42,8	42,1	42,3	42,3	42,6
China	31,4	35,8	40,5	40,5	42,2
Russia	73,0	73,1	73,0	73,0	73,0
Poland	63,1	61,7	62,0	62,0	61,3
Ukraine	...	...	67,4	67,4	68,3

The table data show the high urbanization level of advanced countries. It is quite explicable with the historical point of view. Initially advanced countries are industrial countries.

The feature of developing countries is the agricultural direction. Traditionally China was notable for high population number, and there always was a problem of food safety ensuring. The feature of this country is that it has 22% of world population and at the same time only 7% of world ploughed field. China's sown areas are about 130 million hectare, there are 10 hundred square meters of sown areas per one Chinese. This country to the beginning of 21 century was able to achieve food self-sufficiency having less agricultural holdings than Russia and with the population that 8 time more than in Russia. New working places creating and struggle with poverty are the basic elements of Chinese concept of agriculture steady development [4].

As mentioned above, Poland has a propensity for the type of employment in advanced countries. The country has sufficient agro climatic conditions for animal husbandry and plant growing development. But as opposed to China agricultural producers in Poland do not obtain proper support from the Government, and more than 60% of village population prefers «surviving» strategy instead of «development» strategy [3].

It should be noted that there are workers distribution by their occupation depending on the type of the country. In advanced countries the share of managers, legislators, office workers, nonmaterial and trade workers, skilled workers, and operators is higher. In developing countries agricultural workers, unskilled workers prevail, and some of these countries have the high share of nonmaterial and trade workers.

Russia and Poland have an interim place by the occupational structure of employment: by the one group of work they are nearer to advanced countries, by the other – to developing countries.

Thereby the data adduced confirm the unstable condition of transition economies; crisis phenomena turn population to agriculture and services sphere.

One of the most important features of countries employment is the workers number distribution by the employment status (Table 5).

In advanced countries the share of employees was 74,5–89,5% of total workers number in large European states and Japan. Russia is in advance by that indicator (92,7%). In this case it is great dependence of Russian population from journey-work at private and public economic sectors. In developing countries the unit weight of employees is considerably lower. For a lot of developing countries the high share of self-employees and helpers at family enterprises is typical.

Table 5

Workers Number Distribution by the Employment Status in Russia and in Certain Countries of the World in 2008 (%) [7; 8]

Country	Employees	Employers	Self-employees	Production cooperatives members	Helpers at family enterprises	Employees not distributed by employment status
Great Britain	86,7	12,9	...	-	0,4	-
Germany	88,4	10,7	-	-	1,2	-
France	89,5	4,6	5,3	0,0	0,6	-
Italy	74,5	1,2	20,4	0,1	1,7	2,0
Japan	86,5	2,5	7,0	-	3,5	0,5
Egypt	58,5	14,1	13,3	-	14,1	-
China	...	...	...	...	...	...
Russia	92,7	1,5	5,6	0,1	0,1	-
Poland	77,1	4,1	14,7	...	4,1	-
Ukraine	82,0	1,0	16,7	...	0,3	...

Self-employees are those who organize the work without assistance, and it is the basic source of income. Self-employees include entrepreneurs; persons employed in individual labor activity (ILA), cooperatives members, people employed in personal subsidiary plot (PSP) [1]. Self-employment has two opposite aspects. On the one hand, self employment in market conditions is invariable impartially inherent element of market relations. Its development is conditioned by the action of both economic and social factors. Market economy takes self-employment to new level of goods production, hired labor force use. Economic ideology of the market is the transition of each able-bodied person to self-sufficiency and self-earning. More over, market creates new incentives to work through economic reality transformation: generation of property institution, entrepreneurship conditions. Last years in the world there is the trend to economic growth ability loss at the expense of governmental and large-scale sectors development. These sectors are not mobile, while small enterprises and self-employed subjects have high flexibility that enables to satisfy changeable necessities of the society. Just these enterprises have advantages in labor force involvement and low capital need. Exactly self-employment gives certain independence and opportunities to initiative development to the person, and in the sequel individual entrepreneurship experience and new financial abilities on a national scale are the basis of growth and development existing enterprises of small and medium-sized business that ensure the economic development level of the country.

On the other hand, for almost all countries of the world in crisis and post-crisis periods self-employment was the «surviving» strategy

for population. In this case self-employment is the forced measure. It is provoked by economic factors, market economy establishment problems and holes in social policy.

The result of incomplete employment is secondary employment development (second, third working place with full or short-time pay). Secondary employment in households became the important source of real incomes, receiving by significant part of countries population.

Thereby self-employment is able to be both the «development strategy» and «surviving strategy» for the population, and its choice depends on situation in the country.

### Conclusions

Each country has its own type of population employment and self-employment.

The temperate expansion of labor markets with relatively low unemployment level, increasing of the high-tech and services sphere workers share, substantial immigration oriented on skilled workers inflow and filling of workplaces in sectors unattractive for native population is peculiar to advanced countries. The underemployment is quite typical for advanced countries. However in such countries it is used on a voluntary basis or as a temporary measure when coming to the job after the break by various reasons. So in the Netherlands there are 33% of workers are underemployed, in Norway – 26%, in Great Britain and Denmark – more than 20%. Self-employment develops population labor activity.

The main features of developing countries are high growth rates of workers, relatively high level of unemployment (including hidden unemployment in traditional agrarian sector), work force emigration, the choice of self-employment as a «surviving strategy».

The transition economies are characterized by employment expanding in extractive and raw materials sectors, high unemployment level and great work force migration mainly from CIS, secondary employment development.

With regard to post-crisis Russia the investigation of self-employment scale, its reasons, territorial and sectoral structure, and change dynamics should be the object of close attention among economists and regional management. For promotion of Russian economy in advanced countries group local government should purposefully and validly facilitate the most indigent citizens in self-employment («surviving») and then in following self-development of entrepreneurship (small business).

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