

## Study of Regional Labor Market Based on Factor Analysis

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**Abstract:** Examined the key factors affecting the dynamics of the regional labor market in the context of establishing cause-and-effect relationship between the employment rate of the population of the region and the level of wages, national and psychological characteristics of the population; competitiveness of employees and employers flexibility. The questions of the correlative dependence of regional labor market conditions of macroeconomic trends and socio-cultural characteristics of the population. Economic activity, employment, unemployment, working conditions, gender and age differences of the working population are analyzed in the context of their impact on the dynamics of the labor market.

**Key words:** Regional labor market • Population • Unemployment • Demand and supply of labor • Wage levels • Competitiveness of an employee

### INTRODUCTION

As per the socio-economic system the regional labor market is influenced by many factors, both external and internal nature. Factors of the labor market-is a variety of processes and events that contribute to the demand and supply of labor in the regional labor market. Their influence must be considered when developing a mechanism of state regulation of the labor market of the Federation. The transformation of the labor market is affected by several factors such as the level of fertility, migration processes, the rate of growth of the working-age population, its age and sex structure, the degree of economic activity of the different demographic and ethnic groups in the workforce, etc. All of the above factors actively influence the supply of labor. On the demand side key factors in changes in employment are the phases of the economic cycle, the state of scientific and technical progress and economic conditions.

**Internal and External Factors of the Labor Market as a Socio-Economic System:** Analyzing internal factors affecting the situation on the regional labor market should exclude the influence of external factors, which will show the labor market as a closed socio-economic system and

determine which factors determine the state of the regional labor market at any given time [1].

In terms of isolation of the regional labor market balance it achieved on the basis of market forces of demand and supply of labor by establishing the equilibrium price of labor. A key issue in this case is the employment of the unemployed, that is, every unemployed person to find a suitable job and the employer - a suitable employee. Since the regional labor market there is always a certain amount of unemployment and vacancies, the key factors to the extent of finding equilibrium in this market are: the level of wages in the region, national and psychological characteristics of the region's population, completeness and accessibility of information, the employee and the employer's flexibility, competitiveness employee.

In economic theory, there are two points of view regarding wages. Wages - a reward for their work, so the employer is seeking to hire workers willing to work for low wages. With this approach, the high salaries is one of the causes of unemployment : employers are cutting costs by firing workers. That is, high wages leads to a decrease in demand for labor. Wages one of the factors that affect the supply of labor, encourages employees to seek employment as a result of declining unemployment.

In this case, the high wages leads to an increase in labor supply. This is possible under the action of the so-called substitution effect and this indicates a low level of material well-being of workers.

At present, Russia is the level of wages is a key motivating factors of job search. In the event that the value of wages will not be adequate to meet the reasonable needs of the individual in housing, food, clothing, etc., that he or try to change your job, or will seek additional ways to generate revenue, or decides to become unemployed and on welfare unemployment. Is legitimate to assume that in those regions where there is a low level of wages, the unemployment rate is high.

Psychological aspects of the individual have a tremendous impact on the workforce in the labor market in the region. From personal experience of the person, his philosophy of life depends on the choice of profession, which ultimately affects the situation. Deficiency of certain professions in some regions and surplus of the same in other professions suggests the national characteristics of the inhabitants of certain regions : what professions traditionally seen as " male" and which are "feminine", which serves a prestigious profession in a given region.

The competitiveness of the employee is determined by the following criteria: qualifications, age, sex, motivation, health status, marital status, etc. The state is developing a system of measures and safeguards to protect workers with low competitiveness, implementing targeted programs for their employment [2].

Let us consider the external factors influencing the regional labor market. The all-Russian external factors- these are processes that take place throughout the country and their impact, directly or indirectly, are in the regional labor markets of all the constituents or more of it, as well as the processes occurring at the level of one of the subjects of the Russian Federation, but also affect the labor markets of other regions. Among this group of factors identified: general economic situation in Russia, labor law, tax policy, intergovernmental relations, foreign policy, reform of the education system migration.

Modern financial and economic crisis in different ways influenced the level of socio- economic development of regions. Some areas have been unable to develop independently in the new economy. In these regions, there was a significant drop in production, the sharp rise in unemployment and a reduction in cash income.

With the assistance of tax policy (tax and other incentives for job retention and job-creating ) the state has a significant impact on the demand-side labor. So in

the Russian Federation provides a regressive tax on the payroll for businesses with different forms of ownership. Inna edge control the supply of labor in the labor market acts changing income tax rates. Since any tax is a source of revenue budgets of the Russian Federation and its subjects, the extent of its adoption or repeal affects the ability to budget for the financing of activities of labor market regulation.

The redistribution of funds between the levels of the budget system affects the possibility of funding for the regulation of the labor market appropriate level. Increase in import duties for certain groups of products creates favorable conditions for Russian producers, resulting in increased employment in enterprises that produce the goods. Russia's accession to the WTO requires careful consideration of issues of import duties, as this directly affects the Russian producers and the level of employment in the country.

**Process of Migration on the Labor Market:** If the population growth serves regional external factor, that is, reflects the number of arrivals (quitting) for a particular region, then the process of migration is the all-Russian external factor, as the impact on labor markets in all regions, that is, spread beyond the one subject of the Russian Federation.

Migration of the population-a complex socio-economic phenomenon that affects the functioning of the labor market. The greatest impact of this is due to the dynamics of the labor force, as the migration process to the greatest extent covered by the economically active population, including potential employees. Migration of the population - is the process of moving people through the border areas with the change of residence, or with a regular return to it. Depending on whether the exchange of territories of the other regions, detect open and closed population.

Population migration is closely associated with changes in the economic structure and the distribution of productive forces, the growth of social and labor mobility. Migration of people on temporary migration grounds are divided into permanent, temporary, seasonal and pendulum.

Permanent migration is associated with the final change of permanent residence. Temporary migration involves the migration to an often pre- agreed time that is typically associated with work in a place of their choice. Temporary relocation of workers are looking for work from one country to another, internal migration to remote and sparsely populated areas (for example, for work under the contract or contract for several years) [1].

Among the main causes of migration, we note the economic, social (migration in search of available agricultural land, jobs, higher incomes, with a view to change lifestyle, purchasing a higher social status), political (fleeing from political persecution, racial, religious persecution), military (evacuation and re-evacuation, deportation), etc.

Regional externalities - are phenomena and processes that occur at the level of the region and the impact on the situation on its labor market. Changes in the level of unemployment and employment by region, Russia is due to the spectrum of the regional environmental factors, among which are several groups: demographic (the working-age population and its age and sex structure, fertility and mortality, migration increase or decrease, etc.), economic (the structure of the economy, gross regional product, natural resources, small business development, etc.). Consider some of the following factors.

Regions significantly different in terms of the gross regional product, the volume of production, the structure of the economy, the volume of investment in the economy of the region, etc. Differentiation in the level of economic development of the regions is indisputable. Economic factors affect the demand and supply of labor in each region.

A key factor in the level of employment in the region is the structure of the economy of the region. In the regions of Russia, whose economies are based on industries such as oil production, oil refining, gas production, or automobile, there is a consistently high level of employment, compared with the average for Russia. At the same time, the agricultural regions of the level of employment is traditionally lower. Southern agricultural regions differ reduced economic activity of the population. Part of the working-age population receiving income from non-market natural personal farms, is not interested in finding a job. In the Krasnodar region is in the process of aging of the population and the proportion of residents of working age in 2012 was 60.6 %, which is below the average for Russia (62.9 %), which also affects the economic activity. Krasnodar and Stavropol regions consistently lag behind in terms of economic activity (60-61 %) of the more urban " Russian " regions (64-67 %) and the average for the Russian Federation (65%).

Long-term investments in the economy of the region create conditions to increase the supply of jobs in the future, that is, you can increase the employment of the economically active population and reduce unemployment. For example, investing in such industries

as machinery and roads, contribute not only to increase production and employment in these sectors of the economy, but also due to the action of the multiplier effect, cause the growth and development of other sectors (metalworking, manufacturing, etc.) which also leads to the creation of jobs in these industries.

In those regions where a large number of focused small businesses, the unemployment rate is much lower than in areas where small business is less developed. Given the sharp decline in production in the years of reform small business is an important element in solving the problem of unemployment, because it creates more jobs and, consequently, increases employment at the level of a given region [3].

The demographic development of society affects the dynamics of the regional labor market and employment, as the labor force-the population of the region. The size and age-sex structure of the population determine the extent of labor supply in the labor market. Therefore, the demographic sub-system of the labor market needs closer study and forecasting. The basis of the demographic development is the natural movement of the population, traditionally interpreted as a generalized expression of total births and deaths, causing changes in the population a particular area. Natural movement of the population affects the dynamics of its structures: gender, age, family, ethnic and several others. Influenced by the natural movement of the population is formed by its natural increase - the source of reproduction of labor resources.

#### **Regional Migration Processes in Modern Russia:**

Regions of Russia are strongly differentiated by the size of the resident population. The most densely populated regions of the Russian Federation are Moscow, home to 10,357.8 thousand and the Moscow region (6627.0 thousand people.). The population density in the Moscow region (including Moscow) is 319, 2 pers. at 1 m. kilometer. A few most populated regions of the Russian Federation are: Taimyr Autonomous Region (39.8 thousand people.). Evenki Autonomous Region (17.7 thousand people.). Koryak Autonomous Region (25.0 thousand people.). The population density in these regions is 0.02 - 4.2 people. at 1 m. km [4]. Thus, the population is very unevenly distributed over the territory of the Russian Federation, which is the cause of the differences in labor supply in regional labor markets. In most densely populated regions show a very low unemployment rate, for example, in Moscow-0.5 %, in St. Petersburg - 0.6 % of the economically active population.

At the same time, the little populated regions of the Federation this figure is much higher: in the Evenk Autonomous Area-4.5%, in the Aga Buryat Autonomous Area 4.1%, Chukotka-4.7%. The differences can be explained by the fact that in many regions of northern Russia is poorly developed market infrastructure and this greatly reduces the possibility of offering jobs. Thus, the labor market in regions such small population plays a positive role.

Another reason for the differences in the labor market is the age and sex structure of the population in the regions. The preponderance of women in the population of the region increases the competition among the female half to available vacancies. In almost all regions of the Russian Federation (97 % of total) observed the preponderance of women in the population. The exceptions are: the Yamal-Nenets and Chukotka.

The highest proportion of women in the population (over 60% ) is noted in regions such as Arkhangelsk, St. Petersburg, the Republic of Dagestan, Chechnya, Stavropol region, Nizhny Novgorod region. The Republic of Tatarstan, Kirov Region, the Sverdlovsk region. The Republic of Mordovia, Primorsky Krai. The existing imbalance in the sex structure of the population creates the preconditions for increasing the proportion of women among the unemployed.

In most regions, an increase in the proportion of people of retirement age.

In a number of subjects, it is about 20% of the population, about the same number are children. Thus, we can speak of a significant level of population exposure of the population of working age. The existing disparity in the age structure of the population in the future could lead to an increase in mortality due to natural causes, reducing the total population of the regions, as well as the working-age population and, as a consequence, to a shortage of manpower in the region.

Natural movement of the population is also one of the factors determining the prospects for the development of the labor market in a given region. The biggest natural decline in population in 2011 was observed in the Pskov region (15.2 per 1,000 population). Vladimir region (11.9 per 1,000 population). Voronezh (10.8 per 1,000 population). Penza (9.3 per 1000). Tula (14.4 per 1,000 population) areas. In some regions, there was a natural increase, the biggest-in the Republic of Ingushetia (12.1 per 1,000), as well as in the Republic of Dagestan (11.3 per 1,000), the Yamal -Nenets Autonomous Region (7.3 per 1000) [ 2]. Differentiation of regions in terms of natural growth creates the preconditions for regional

differences by number of able-bodied population in the future. Thus, the regional analysis shows no association between the level of economic development and fertility in it.

The southern regions of the Russian Federation has always had a steady flow of population migration, which in the 1990s. supplemented with stress migration from the countries of the CIS, primarily from the Caucasus and Central Asia. Krasnodar region was in the lead among all regions of the SFD at a rate of migration growth is achieved in the first half of 1990. 160-200 per 10 thousand people. Since the second half of the 1990s. volumes of return migration in Russia sharply reduced, this reduction was due to restrictive migration policies of the regional authorities.

Most of the population of the Russian Federation (73 %) live in urban areas. Cities have better infrastructure than in rural settlements, so the unemployment rate in urban areas are typically lower than in the countryside. The exception is the city, the life support system which is dependent on one large enterprises if a company is in crisis, it leads to an increase in unemployment in the city. The more of these cities are concentrated in the region, the higher the unemployment rate in this region of the Russian Federation. Examples of such regions are Ivanovo, Pskov, Vladimir region. A good example of the development of major businesses and industries are Samara and Tyumen region. The preponderance of the urban population over the rural seen in most Russian regions, except the Republic of Dagestan, Ingushetia, the Republic of Kalmykia, Karachay - Cherkessia, Chechnya, Even AB, Koryak. All of these regions are characterized by high unemployment and a tightening labor market.

## **CONCLUSION**

The mechanisms of regional labor market is directly dependent on what kind of factors at the time the greatest impact on the value of demand and supply of labor in the labor market in the region. To speed the system to reach equilibrium effects of the state should be carried out not only on the behavior of major market participants (employees and employers) and the relationship arising between them, but also on factors that are, at this stage of development are key in shaping the demand and supply of labor. In the process of economic development of the Russian Federation and its subjects, as well as most of the labor market will identify other factors, some of the factors considered no longer relevant. Besides the influence of the degree and direction of the considered

factors over time may vary. For example, the natural increase in some regions may change wastage. This will require new research in the regional labor market.

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