

MANAGEMENT DEVELOPMENT OF LABOR POTENTIAL IN THE AGRICULTURAL SECTOR

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The material examines the problems of labor management in the agricultural sector. The research points out the main management problems. The material provides comparative assessment of the problem of re-involving economically active population in the agrarian labor market. Seasonal unemployment was singled out in the list of disproportions in the development of agricultural sector and problem-solving for effective application of labor potential of country people, such as the removal of seasonal unemployment, requires correction in labor potential management.

Management of labor potential provides conscious control of human development. The result must appear as training of the required number of professionals in accordance with labor-market requirements and ensuring their effective employment. The system approach to control over the forming process, development and implantation of labor potential requires the creation of conditions for self-development of subjects of management and therefore the mechanism where each subject carries out certain functions, with the common objective to secure and increase labor potential of the region.

The basic objectives for human resources control of the region are developed at the local level including coordination and control of subdivisions and subsystems. Participation of local authorities lies in providing legislative functioning of managing agents. Operational management is made at the local level - assistance in employment, support of businesses, which provides working places, stimulation of social sphere and education. Management of both employed and potential workers (students) is carried out at the level of businesses and educational institutions.

Labor potential management in the agricultural sector is a component in the management of agrarian sector. There are several management problems:

1. Satisfaction of needs of agrarian facilities in skilled personnel.
2. Ensuring high employment rate.
3. Optimal placement of human resources between sectors and subcomplexes of agricultural industry.
4. Effective use of human resources.

Management system of labor potential is a system of relations, forms and methods of influence for its development, distribution and application.

As a system, labor potential management is constantly improving. At each stage it has to be brought up in accordance with the achieved level of production facilities as the pace of development moves forward.

Effective labor potential management is primarily based on the application of labor-market requirement data. The core rates required for taking correct managerial decisions are shown in Table 1.

If there is a necessity to involve economically inactive population in labor-markets of labor-lacking regions one has to determine its structure and provide comparative evaluation of difficulties in involving certain groups of economically inactive population in labor-market. Table 2 contains the structure of rural able-bodied economically inactive population in Ulyanovsk region and provides comparative evaluation of difficulties in involving of the abovementioned groups of people in agrarian labor-market.

Students with daytime studies cannot be involved in agrarian production as it is impossible to combine work and studies (except for those undergoing practical training) and the students are not much interested in occasional low-paid and often not prestigious jobs. It should be noted that there is a considerable decrease in such groups in the total number of economically inactive population: from 42.3% in 2000 to 38.5% in 2007. It is closely connected with the decrease in birth rate in the nineties and the migration of country people to cities.

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Table 1

Main rates for calculation of demand for working places

Rate	Calculation method	Projection forming role
territory requirement in working places (Tr)	Na-Nd-Ns-Ne-Nw-Nh, which mean: Na - total number of able-bodied population; Nd - total number of able-bodied population with disability group; Ns - total number of students capable of working; Ne - total number of able-bodied population among enlisted soldiers; Nw - total number of able-bodied women on maternity or parental leave; Nh - total number of able-bodied population looking after the house	Allows determining the population's demand for working places with regard to different demographic factors.
Territory demand for working places (TD)	TR-Ne-Nc где: Ne - the number of employed in economy; Nc - the number of convicted prisoners.	Allows determining the population's current demand for working places.
Territory requirement for working places in connection with: - labor-market entry of disabled people (Rd); - labor-market entry of pensioners (Rp); - discharge from active service (Rs); - jail release (Rc)	Determined by data: - social services and BTK; - Department of public employment service and special research; - discharge from active service of people capable of work; - Ministry of the interior	Allows determining additional population's demand for working places in connection with appearing of economically inactive population on labor-market.
Factual demand for working places on the territory (Fd)	Td+Rd+Rp+Rs+Rc	Allows determining demand for working places
Sectoral demand for labor force (Sd)	V-lwp где: V - job vacancies (according to public employment service); lwp - ineffective working places below living wage minimum (in some individual cases comparative calculation can be applied to determine the midsectoral payment for labor)	Allows determining sectors capable to provide well-paid jobs.
The final demand for working places on the territory	Fd-Sd	The main rate for regional and municipal authorities applied in programs development: investment plan socio-economical development budgets of territories.

The problem of involving pensioners (able-bodied superannuated population) is considered as low, as additional earnings, besides pension, reduce requirements to its level.

The problems with involving such groups of people in agrarian labor-market are connected with the specific type of their professional skills.

It is hard to involve farm owners who got used to working self-employed and who are suc-

cessful enough in getting their life better with the help of their farms.

Quite often they do not require any additional income.

In some certain conditions it is not a problem to involve people looking for a job in agrarian production activity including those who lost hope to find it. The only limit is meeting the employer's requirements. The number of people

Table 2

Structure of economically inactive rural population of Ulyanovsk region set in categories, %*

Group of economically inactive population	2000 r.	2005 r.	2006 r.	2007 r.	Problems of attracting to agrarian labor market
Total number of economically inactive population	100,0	100,0	100,0	100,0	
Daytime students	42,3	39,7	38,6	38,5	Very high
Pensioners	17,6	17,8	18,2	18,2	Low
People who have farms (not working in social production)	14,5	18,5	18,3	17,6	high
Other	4,3	5,6	5,5	5,7	High
Do look for a job but not ready to start work fast.	1,5	2,3	2,3	2,2	Low
Do not look for a job	19,8	16,1	17,1	17,8	High
Because of loss of hope to find a job.	8,4	5,7	5,4	4,9	Very low

* Research data re employment problems in Ulyanovsk region.

who lost hope to find a job has decreased significantly from 8.4% in 2000 to 4.9 in 2007.

The number of people not looking for a job for the last three years has the tendency to grow. That is exactly the number of people with existing income (both legal and criminal) and who are not interested in working in agricultural production complex even if there is such work.

Seasonal unemployment has to be singled out from the enormous disproportions list of agrarian sector development and effective labor potential application, as its removal is vital for problem solving in the socio-economical development of "city and country region" and requires coordination in labor potential management¹. The Federal Law article 5 of Russian Federation of December, 29, 2006 № 264-ФЗ "On the development of agricultural sector" states population employment as one of the main objectives. Federal Law № 131 "On the general principles of local governing in the RF"². provided the regional and municipal authority with new regulatory rights. The governing body of municipal community is to take measures for unemployment reduction and the decrease of its seasonal peak:

- ◆ conclusion of contractor's agreements with effective businesses;

- ◆ organization of public works especially on the basis of agreements with consumer cooperation;

- ◆ development of self-employment of the population at their farms, gardens etc.;

- ◆ formation of job vacancy database in cooperation with the employers and labor exchange authorities;

- ◆ development of alternative types of employment (more detailed information is provided in the paragraph below);

- ◆ providing consultative services for the interpretation of current legislation in the field of small-scale businesses and the provision of technical help;

- ◆ monitoring labor force migration. It is quite all right if labor-abundant territories invite non-resident high-skilled professionals or when labor-lacking territories invite the required specialists, though in view of other equal conditions employers should show preference for local workers. Heads of municipal communities are well aware of the situation in labor-market and must control the process of migration providing employment for their people.

The objectives for regional and municipal authority re solving the problem of seasonal unemployment are to be as follows:

1. Consultative help at the local level regarding business undertakings.

2. Unemployment history study of each person.

3. Meetings with business community and creating seasonal employment (land improvement, development of handicraft etc.)

4. Adoption of a law on free trade zones for regional development.

5. Explanatory work concerning the problems of employment and countermeasures for secret remuneration of labor and negative impact, which results in future material well-being of a person (pension level, social transfers etc.)

6. Employment Program development for young people.

Table 3

Trends of development for non-agrarian businesses in the rural area of Ulyanovsk region

Trends	Advantages	Stages and actions
People's trades and crafts (woodworking industry, ceramics, barrel production, production of woven baskets, brooms, horticultural sundry, goods of birch bark, embroidery, wood engravings, knitted clothes, paintings, household utensils, furs and leather production)	<ul style="list-style-type: none"> - small capital investments during organization and functioning of production; - additional round-the-clock employment for workers with seasonal employment in agricultural production; - providing of work for home-workers; - use of cheap and secondary raw materials; - implication in production all groups of different age and social status 	<ul style="list-style-type: none"> - identification of production details which lies in creative labor peculiarity, originality of produced and high level of hand work; - availability to receive status of artistic craft organization which allows to receive tax allowance and tariffs for produce and services of natural monopolies; - availability of tax credits, financing of interest rates; - developmental work in sales policy
Organization of consumer and social and cultural services	<ul style="list-style-type: none"> - in many rural districts social life infrastructure was destroyed, thus along with providing employment to country people, qualitative social and cultural services are also vital. - Every village has its clothes and shoes menders, electrical appliances and TV specialists who work undercover. Legalization by administrative measures is ineffective. 	<ul style="list-style-type: none"> - detection of people who can or could provide such services to the public; - training of country people to provide consumer and social and cultural services to public; - service rendering in household conditions or buildings being under the jurisdiction of committees for control of municipal property; - making of contracts between settlements for service rendering (interregional cooperation); - availability of tax credits, financing of interest rates
Agricultural tourism (including fishing, hunting, accompanying tourists to historical places, mushroom and berry areas, rent of farms and gardens)	<ul style="list-style-type: none"> - developed tourist infrastructure has favorable impact on territory economy and increase of tax revenue; - it takes three workers to serve one tourist and employment problems get solved effectively; - wide range of additional services; - foodstuff delivery for tourists by local producers. 	<ul style="list-style-type: none"> - survey the work of settlements to point out population willing to provide housing for tourists; - selection of country houses for tourist, development of guest houses infrastructure; - preparation of exemplary house for demonstration during training; - training of local people providing housing services; - coordination of food businesses, transport, trading, communication and health protection etc.; - creation of market integrator in the form of local tourist firm or nonprofit organization; - advertisement placement in public booklets or WEB-site.

The development of non-agrarian business in the country is the core way to fully use the labor potential and increase income for rural population due to seasonal labor activity in the agrarian sector and inability to provide constant employment in agriculture. Table 3 contains trends and stages of their development in rural municipal communities, actions, which are to be taken by authorities.

Only concerted actions of all participants in agricultural labor potential reproduction can

help to fulfill certain actions, which in its turn would optimize and perfect effective formation and usage of labor potential.

1. *Asmus O.V., Denisov V.P.* Seasonal unemployment and countermeasures // Agricultural production complex: economy, management. 2007. № 12.

2. Federal Law of the RF "On the general principles of local governing in the RF" #131-FZ from October, 6, 2003 // "Russian Newspaper (Gazeta)" from 08.10.2003.

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