

EMPLOYMENT ISSUES OF LABOR RESOURCES IN THE REPUBLIC OF ARMENIA

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ABSTRACT

Employment relations, being one of the most important aspects of public life, are in the limelight of legislators. It should be noted that the decline in the number of labor resources is observed year by year, for example, in 2016, compared to 2015, labor resources have dropped by 95.2 thousand people. The global experience of employment in the state of employment shows that there is no single prescription for employment in all countries. It is different in different countries, depending on the degree of economic and social development of the given country and its national peculiarities. Observing the economic policy of our state in the sphere of employment, one can conclude that it has a passive nature and cannot make substantial positive changes in the labor market.

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The production of material values and the provision of services involves two factors: material and human resources. If in the middle of the last century special attention was paid to the first factor, at present, under conditions of market relations "Hired labor is functioning and reproduced not as product, but as human capital" [1]. In a market economy, the proper and effective use of machinery and equipment, the technological processes, the cost reduction, profit generation and other economic indicators are linked to labor resources and their efficient use.

The term "labor resources" is used in the economy, as well as in the statistics of the Republic of Armenia. Labor resources include the economically active (employed and unemployed) and economically inactive (dismissed students, disabled people, pensioners, etc.) population [2].

Table 1. Labor resources of the Republic of Armenia [5]

Years	2012	2013	2014	2015	2016
Labor resources, total, 1000 persons, Including:	2260,8	2189,1	2180,2	2106,6	2011,4
Economically active population	1418,3	1388,4	1375,7	1316,4	1226,3
Employed	1172,8	1163,8	1133,5	1072,6	1006,2
Unemployed	245,5	224,6	242,1	243,7	220,2
Economically inactive population	842,5	800,7	804,5	790,3	785,1
Economic active rate, %	62,7	63,4	63,1	62,5	61,0
Employment rate, %	51,9	53,2	52,0	50,9	50,0
Unemployment rate, %	17,3	16,2	17,6	18,5	18,0

From the table we see that the number of employed people and employed people are declining, as well as the number of unemployed people is decreasing, which is a positive phenomenon, but it is mainly related to migration, or people are simply not registered in employment agencies.

Employment relations, being one of the most important aspects of public life, are in the limelight of legislators. People from all population are those who are able to create material goods or

services through their intellectual and psycho physiological qualities. These are those people who are busy in this or that sphere of economy, as well as those who are not busy but want to work. The peculiarity and difference of work resources from material resources requires a particular approach to its use. The human resource of the work resource is at the same time consuming. This type of resource cannot be moved at any time from one geographical location to another. Its reproduction is not entirely controlled by the public. The professional structure of labor force is also not controlled. In order to solve these problems, a balance of working resources is composed, which consists of two parts - from sources of labor resource allocation and its distribution, according to employment types. Working resources are formed from the working-age population, retirement age and under-age workers who are engaged in any sector of the economy. The able-bodied population of the working age includes the population of the working age, as defined by the legislation of the given country, from which the number of first and second invalids is removed. The retirement age in Armenia is currently 63 years old. If a person continues working in any field of economy after his retirement age, he is considered a labor resource [3].

Table 2. Labor resources of the Republic of Armenia by age [5]
Average annual, 1000 persons

Age groups	Total		Male		Female	
	2015	2016	2015	2016	2015	2016
15-19	183,2	166,8	95,1	92,3	88,1	74,5
20-24	221,3	192,0	103,5	91,2	117,8	100,7
25-29	229,1	209,3	105,1	100,5	124,0	108,9
30-34	206,2	196,9	93,5	90,8	112,8	106,1
35-39	174,4	172,5	80,7	72,5	93,7	100,0
40-44	159,0	147,4	65,6	64,4	93,4	82,9
45-49	160,6	153,3	67,9	66,2	92,6	87,0
50-54	205,1	182,4	84,9	78,7	120,2	103,8
55-59	217,9	212,2	97,2	87,4	120,7	124,8
60-64	154,9	177,4	67,0	77,0	87,9	100,4
65-69	119,8	119,5	49,0	50,9	70,8	68,6
70-75	75,0	81,7	30,4	33,3	44,6	48,4
Total	2106,6	2011,4	940,2	905,2	1166,5	1106,2

It should be noted that in 2015, labor resources had a large share in the age group of 25-29 years, which accounted for 10.9 % of the labor resources, and in 2016 - the age group of 55-59 years, which is 10.5 % of the labor resources.

Table 3. Labor resources of the Republic of Armenia by education [5]
Average annual, 1000 persons

	Total		Male		Female	
	2015	2016	2015	2016	2015	2106
Tertiary, post-graduate	492,5	472,0	211,9	206,7	280,6	265,3
Secondary specialized	417,1	384,4	139,7	134,1	277,3	250,2
Vocational	49,5	64,5	33,1	45,9	16,5	18,6
General secondary	985,9	916,0	466,6	423,1	519,2	492,9
General basic	146,6	155,8	81,2	86,5	65,4	69,3
Primary; Incomplete primary	15,0	18,7	7,6	8,9	7,4	9,8
Total	2106,6	2011,4	940,2	905,2	1166,5	1106,2

According to the education of labor resources, the share of those with an intermediate general education has a large share, with their share of 46.8 % and 45.5 % in the surveyed period.

It should also be noted that the decline in the number of labor resources is observed year by year, for example, in 2016, compared to 2015, labor resources have dropped by 95.2 thousand people.

The global experience of employment in the state of employment shows that there is no single prescription for employment in all countries. It is different in different countries, depending on the degree of economic and social development of the given country and its national peculiarities [4]. Nevertheless, there is a common pattern that state-level employment cannot be effectively managed.

Managing employment means to develop a state policy reflecting the goals set by the state in this area, and the ways and tools that can be used to achieve the goals. It should be noted that the labor market regulation and employment regulation policies differ from each other. This difference is due to the proposed purposes. The goal of the labor market regulation policy is to assist the employer in obtaining a certain level of qualification and workforce, by creating a precondition for the organization of the production process; on the other hand, assisting job seekers to find their jobs, to find jobs in accordance with their personality, and to organize the registration of the unemployed, social assistance, etc. The policy orientation of employment policy is conditioned by the issues of employment use and its effectiveness. The solution of the latter can be achieved in the employment structure in case of typical changes in the given period and at the moment.

Observing the economic policy of our state in the sphere of employment, one can conclude that it has a passive nature and cannot make substantial positive changes in the labor market. It is enough to mention only that the state, through employment services, now registers and records the unemployed, register vacancies and offers it to unemployed people. The measures that the state provides in this area are insufficient. About 2 billion AMD are spent on this sphere annually through the State Social Insurance Fund of Armenia. For simplicity, let's say that, for a single unemployed, it is \$ 22.2 per year or \$ 1.8 per month. That is, our state spends only 0.2 % of Armenia's GDP in order to regulate the country's employment, which cannot provide an effective regulation.

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