

**CDSSES 2020****IV International Scientific Conference "Competitiveness and the development of socio-economic systems" dedicated to the memory of Alexander Tatarkin****UNCONVENTIONAL EMPLOYMENT IN THE SINGLE-INDUSTRY TOWN UNEMPLOYMENT OVERCOMING**

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**Abstract**

Single-industry towns' labor market is particularly vulnerable and absent alternative employment when the city-forming region's economic situation deteriorates. Therefore, the search for unconventional forms of employment that contribute to overcoming the monopsonic nature of the labor market of single-industry towns could be included in employment centers' activities. Based on the analysis of domestic and foreign experience, the characteristic of unconventional forms of employment can be used to increase employment and reduce unemployment in single-industry towns. At the same time, «standard» employment is considered to be full-time employment based on an indefinite employment contract in the organization, and «unconventional» – a form of employment, deviating from the described standard. The primary unconventional forms of employment that can be widely used are distance employment and self-employment. Adding the list of services offered by employment centers to vacancies with flexible and remote employment will increase their work efficiency in finding additional, temporary, and main work for residents of single-industry towns, including economically inactive citizens (women on maternity leave, teenagers) and people with disabilities. All this is a promising direction for increasing employment and reducing unemployment in single-industry towns.

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## 1. Introduction

Modern research in the single-industry labor market is characterized by fragmentation and the predominance of tactical rather than strategic solutions to overcome the problems inherent in it today. Recommendations are mainly limited to the diversification of single-industry towns' economy through the expansion of investment policy, which requires significant time and resources. At the same time, the local labor market remains unprotected from various types of crises. Therefore, it is necessary to develop a unified strategic approach to improving the implemented employment policy in single-industry towns, taking into account the labor market dynamics, including new, unconventional ways to increase employment.

The world is changing rapidly and unpredictably, which requires an adequate response of the state to the factors of uncertainty in the external environment, so strategic changes in employment policy implementation are an objective necessity. The relevance of such changes is related to objective modern trends that increase the labor market's dynamism in the long term.

A feature of single-industry towns' labor market is the monopoly of one employer – the city-forming enterprise. This creates severe employment problems, and in the case of a crisis in the economy of single-industry towns – the high level of unemployment, to overcome that traditional forms of employment is almost impossible. It evidenced by the high unemployment rate in single-industry towns, despite the implemented major government programs in this area. The solution can be a combination of standard and unconventional forms of employment, improving employment services activities in this direction.

## 2. Problem Statement

There is an objective tendency to erode standard employment in modern society and gradually supplement it with various forms of unconventional employment. Therefore, alternative ways to increase employment are the use of unconventional forms, which remains today outside the scope of programs of programs to promote employment.

Currently, the problems of combining standard and unconventional employment are particularly relevant for single-industry towns. Features of employment in single-industry towns are limited opportunities to change jobs while maintaining standard employment, increased migration outflow of the population forced to find employment in other regions, obstacles to the use of digital technologies due to the interest of employers in using cheap labor and saving costs for technological re-equipment at city-forming enterprises and organized resistance to their integration by workers who do not have other employment opportunities (Bobkov et al., 2020, p. 527).

This statement of the question actualizes the study and generalization of existing experience in the field of providing unconventional employment for the formation and constructive application of its new forms, which involve the expansion of the labor market, including the development and use of digital technologies. In addition, Musaev (2017) analyzed the dependence of the growth of the unemployment

rate and the informal employment level for 2004-2016, which showed an inverse relationship between these indicators, namely, the higher the growth rate of informal employment, the lower the growth of the unemployment rate.

An important aspect of the development of unconventional forms of employment is to support the active position of the population in the formation of their own competitiveness, including their readiness to master new competencies that are in demand in the labor market.

Thus, in the implementation of the employment policy of single-industry towns, there is a contradiction associated, on the one hand, with the need to solve the problems of unemployment, on the other hand, with serious restrictions on the use of standard forms of employment caused by the specifics of the labor market of single-industry towns. Therefore, the need to find alternative employment forms should not be considered a replacement for traditional forms of employment, but as an additional way to ensure employment of the population in the territory during cyclical crises in the economy and to mitigate their negative consequences.

Identifying unconventional forms of employment that can be used in solving the problems of employment of single-industry towns can form the basis of practical recommendations for state employment services and regional authorities in this area and will allow to resolve this contradiction.

### **3. Research Questions**

The most common definitions of standard and precarious work are:

...«Standard» employment is usually considered to be full-time employment based on an indefinite employment contract in an enterprise or organization, under the direct supervision of the employer or their designated managers. In most developed countries, this «standard» is somehow fixed by law. On the contrary, all forms of employment that deviate from the described standard, including self-employment, can be considered as «unconventional» (Gimpelson & Kapelyushnikov, 2005, p. 3).

ILO (2017)notes that:

... standard labour relations protect the rights of employees, but they are also beneficial to employers who are interested in a stable workforce at their enterprises, in retaining talented professionals, as well as in performing managerial functions necessary for the organization of staff work». However, «in recent decades, industrial and developing countries have seen a shift from standard to unconventional forms of employment. A unconventional form of employment is a collective term that includes forms of employment that differ from standard employment by at least one of several criteria. These include temporary (fixed-term) employment, part-time work, temporary loan work and other multi-party employment relationships, as well as disguised employment relationships and dependent self-employment (ILO, 2017).

As Kuksova (2017) notes, «the definition of unconventional employment is debatable, and there is no unified classification and generally accepted definitions of various forms» (p. 196).

Bobkov and Odintsova (2019) indicate that unconventional employment and standard employment are complex phenomena, the essence of which is formed under the influence of the development of productive forces and industrial relations. Productive forces characterize the organizational and technical side of employment, and industrial relations give it socio-economic certainty. Flexibility or stability is the organizational and technical characteristics of employment. The socio-economic content of employment is manifested in instability, which is the forced loss of labor and social rights of employees, or stability – protected employment with the guarantee of their economic and social rights.

Unconventional employment creates both risks and new opportunities. Opportunities lie in:

... the rapid growth of the diversity of labor markets and forms of employment; in unprecedented opportunities to reduce working hours and redistribute the array of work among a large number of people, and, as a result, expand their free time; in the use of opportunities for a huge increase in the connectivity of labor markets, economies and societies, etc. ... Also, the implementation of various forms of unconventional employment allows to involve people in the labor activity for whom employment is not a priority due to life circumstances (pensioners, students, women who are on maternity leave). The realization of opportunities in this case manifests itself in the growth and realization of their human potential, in increasing labor productivity and in the modern forms of organization of activities for the production of goods, services and information in the national and world economies (Bobkov & Odintsova, 2019, p. 44-45).

ILO (2017) notes that unconventional forms of employment are:

...more often associated with worker insecurity than standard forms of employment. Serious consequences for businesses, such as management problems associated with an increase in the proportion of unconventional employees, are also often underestimated. At the same time, the benefits of an individual employee or enterprise in the short term can have negative consequences for the economy as a whole, such as insufficient investment in innovation, slower productivity growth, threats to social security systems, high volatility of the labor market, and low economic indicators. There are other social consequences that require close attention (ILO, 2017).

Thus, the task of using unconventional forms of employment in solving problems of unemployment and improving the effectiveness of employment policies in single-industry towns is to use the existing experience to maximize the advantages of these forms, while taking into account the existing problems of unconventional employment and include measures aimed at solving them.

#### **4. Purpose of the Study**

Based on the analysis of domestic and foreign experience in increasing employment in single-industry towns, to identify unconventional forms of employment, characterize them and consider those

that could be used in the activities of employment centers to reduce unemployment in single-industry towns.

## 5. Research Methods

The theoretical basis of the research is the work of Russian and foreign scientists in the field of labor market research and employment, research of single-industry towns, generalization of domestic and foreign practical experience in this field. The research methods were logical and system analysis, as well as the method of studying cause-and-effect relationships.

## 6. Findings

The scientific community has actively studied Russian single-industry towns' problems since the beginning of the XX century's noughties. The economy of single-industry towns and its processes are more vulnerable to environmental challenges than those of multi-functional cities and need special state support. The economic development problems of single-industry towns are well studied, but much less work is devoted to such aspects as employment and the labor market.

The most significant research in this area is devoted to adapting single-industry towns to the crisis and the long-term evolutionary processes of employment compression at the city-forming enterprise. As such, the migration outflow of the population (which also leads to the aging of the population in single-industry towns), which is forced to find employment in other regions, employment in small businesses, in the shadow sector, reorientation to foreign labor markets, dependency, and the impact of small and medium-sized businesses on the strategic development of cities is minimal due to the low tax base and limited resources (Aksianova & Chekhlomin, 2018; Zubarevich, 2017).

Foreign experience in solving employment problems in single-industry towns shows that one of the most common mechanisms for supporting and rehabilitating the labor resources of single-industry towns in the West is the restructuring of the city's exhausted functionality. At the same time, the restructuring of the economy of a single-industry town can be carried out through the diversification of the economy or its structural restructuring through the modernization of «old» industries (Rudova, 2013). At the same time, the most preferred method is the formation of innovative, tourist and service centers. Examples of successful transformations are the single-industry towns of Pullman, Halderst Weald, Saltville, and other single-industry formations in Europe and the United States (Dobrycheva, 2015). All of this involves creating real full-time jobs, which requires quite a lot of investment and time.

A separate group of works consists of studies aimed at evaluating the effectiveness of government measures to support employment in single-industry towns. In these articles analyze the measures implemented within the framework of Federal and regional legislation in terms of supporting employment of the population (temporary employment of citizens, training, stimulating youth employment in the implementation of social projects, social employment of disabled people, etc.), as well as the opportunities of local authorities to implement programs to support local initiatives (PMIS) aimed primarily at improving the infrastructure of single-industry towns. Also, as a possible measure, it is proposed to move unemployed citizens from unpromising single-industry towns – «managed

compression» (Lapushinskaya & Bazhenova, 2015; Oborin et al., 2018). In general, the conclusion is made about the effectiveness of the measures taken, but also their insufficiency and the short-term nature of the effect that does not meet the objectives.

There is also a group of works that offer unconventional solutions to employment problems. Thus, Ostrikov (2015) considers the possibility of operating a program that combines the principles of programs to support local initiatives and crowdfunding – competition for socially-oriented business projects implemented by local communities on the terms of co-financing from the population, authorities and city-forming enterprises.

In general, the proposed measures to influence the labor markets of single-industry towns are divided into general measures that apply to the country as a whole and specific measures that are specific to single-industry towns.

General measures include: improving professional and geographical mobility, building infrastructure, diversifying the economy, supporting small and medium-sized businesses, developing social business and social entrepreneurship, improving the quality of information management and overcoming information asymmetry in the labor markets of single-industry towns.

Point measures note unconventional solution to the problem of poor infrastructure of the labour market of single-industry towns proposed by Ivanova (2015), namely the creation of a multidisciplinary network of outsourcing centers in all Russian cities with centralized management that enables enterprises and business towns to reduce costs and the versatility and retraining on the basis of outsourcing centers will allow to solve the problem of discrepancy of professional patterns of demand and supply in the labor markets of single-industry towns. It is also proposed to develop flexible employment, which is based on the application of unconventional organizational and legal conditions of employment of employees (work with a flexible working schedule, home work, work on calls, shift and forwarding activities, temporary employment, part-time work) (Garnov, 2019).

The use of unconventional employment will provide employment for the unemployed population and people with disabilities and economically inactive population (young people, women with young children, etc.).

The proposed measures to solve employment problems in single-industry towns are the result of positive experience gained in the activities of employment centers and regional authorities that regulate the labor market. They have proven to be effective, but unfortunately, only in the short term. To implement measures aimed at long-term maintenance of employment in a single-industry town, including during economic crises, it is necessary to supplement existing forms of employment with new ones. New opportunities for this are provided by the rapid development of IT technologies, called the «digital revolution». In modern conditions, many professions are rapidly disappearing and at the same time completely new ones related to digital technologies are appearing. On the one hand, this trend negatively affects the employment of the population, whose competencies are rapidly devalued. On the other hand, thanks to digital technologies, the problems of employment in single-industry towns can be solved through the formation of innovative employment.

In relation to single-industry towns, Bobkov et al. (2020) note that the most effective forms of unconventional employment are self-employment and remote employment. The authors associate the

development of legal self-employment in single-industry towns with the implementation of the Federal law of the Russian Federation of April 05, 2013 N 44-FZ, according to which the self-employed can participate in public procurement on the same terms as small and medium-sized businesses.

Remote employment allows an employee to live geographically in a single-industry city, while working remotely for an organization located in another region. The range of such professions is constantly growing. However, this requires funds for training and retraining of employees.

The development of legal self-employment in single-industry towns is also favored by the avalanche growth in the number of online platforms. They cover a wide range of activities: trading platforms (for example, marketplaces), service delivery platforms (logistics and educational platforms, taxi aggregators, content creation platforms), platforms for joint business activities, etc. Among the most well-known online platforms that provide access to the self-employed are online stores Ozon and Wildberries, and aggregators Yandex.Taxi and Citymobil, service YouDo, a platform for bloggers Yandex.Zen, a service for machine learning and improving search algorithms Yandex.Toloka, etc. (Bobkov et al., 2020)

Dobrycheva (2015) offers the following options for remote employment and self-employment: freelance, creating an online store, working as a moderator to maintain forums, functioning of popular social network groups, creating websites and their content, blogging and earning money from advertisers. This requires mastering the following professions: SEO copywriter, rewriter, content manager, blogger, moneymaker, SMO specialist.

However, for the implementation of these forms of employment, in the context of the formation of a flexible labor market, as emphasized by Teslenko and Kulikova (2019) the need to introduce and use the latest information and communication technologies is very high.

Govorova (2018) describing the use of unconventional forms of employment in the European Union indicates that new technologies contribute to an increase in the number of unconventional jobs and self-employed persons. This has a mixed impact on the economy and society. Atypical forms of work lead to increased flexibility, improved work-life balance, and offer new opportunities to people, including people with disabilities and the older generation. However, there is also a correlation between the growth of atypical employment and the deterioration of working conditions, high income volatility, low job security and insufficient access to social protection.

In addition, according to Tyukhtyaeva (2017), unconventional employment is developing in Russia as well as in the world, but it has its own specifics. Unconventional employment in our country is most represented in the informal sector of the economy.

The study of Popov (2017) showed that unconventional forms of employment tend to negatively affect the quality of working life of the working population. This includes the lack of basic social guarantees, verbal registration of labor relations, secondary employment, and so on.

Therefore, the development of unconventional forms of employment requires efforts on the part of the state to ensure social guarantees in the social and labor sphere.

Thus, the presented types of unconventional forms of employment could be applied to solve the problems of employment and unemployment in single-industry towns.

## 7. Conclusion

The single-industry town's specific labor market necessitates the development of specific measures to combat unemployment, using unconventional forms of employment. Residents of a single-industry town voluntarily carry out the choice of specific employment forms, but the list itself must be submitted to regional employment services. In addition to standard forms of employment, it is also necessary to offer vacancies with flexible work schedules and remote employment. It is also necessary to organize explanatory and career guidance work in this area among the population, to make changes in training and retraining of unemployed citizens. All this will expand the labor market opportunities of the single-industry town, reduce its tension, and reduce the number of unemployed citizens.

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