

## Economics

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**THEORETICAL BASIS, COMPOSITION AND CONDITIONS  
OF BALANCED LABOR MARKET****ALENA BAHDANAVA, INHA ZIANKOVA****Polotsk State University, Belarus**

*The article deals with the essence of the labor market, its structure, types and models. Theoretical approaches of different authors in the category "labor market", the functions of the labor market as a result of the laws of supply and demand. Discussed the theoretical foundations of the labor market are needed to assess the degree of balance in the labor market and to develop ways to improve the management mechanism of the balance of the labor market. The basic aspects that will serve as criteria for assessing the balance of the labor market.*

Theoretical basis for the study of labor market laid by representatives of the classical school in economics. This Scottish economist Adam Smith (1723 – 1790), British economist David Ricardo (1772 – 1823), French economist J. Say (1762 – 1832). Labour market research engaged Marx (1818 – 1883), John Maynard Keynes (1883 – 1946), A. Phillips, M. Friedman, Paul Samuelson and others. Employment and unemployment are reflected in the Marxist, Keynesian, monetarist and other theories.

Labor market – the nominal market in which workers find paying work, employers find willing workers, and wage rates are determined. Labor markets may be local or national (even international) in their scope and are made up of smaller, interacting labor markets for different qualifications, skills, and geographical locations. They depend on exchange of information between employers and job seekers about wage rates, conditions of employment, level of competition, and job location [1].

Labor market is a place where labor is exchanged for wages; Labor market is defined by geography, education and technical expertise, occupation, licensure or certification requirements, and job experience [2].

Significant contribution to the development of human resources problems was made by Belarusian scientists – N. Bazylev, V. Shimov, S. Lebedev, L. Tikhonova, A. Bondar, E. Vankevich, N. Sukhanov, I. Ziankova.

V. Shimov, L. Tikhonova, A. Gallo believe that the labor market – is "a way of organizing work, the conditions of which are determined by the sale of goods workforce by the highest efficiency." A group of Russian scientists stressed that "the labor market – a system of market relations on the reproduction, distribution and redistribution of manpower, training, employment of the population" [3, p. 56]. For a more accurate picture of the labor market it is necessary to define the concept of "work" and "labor" and the one commodity that is bought and sold. The concept of "work" means "functioning workers, people purposive activity of producing goods and services associated with the expenditure of their physical and mental energy. The term "labor force" is most often used in one of three values: a set of physical and spiritual abilities possessed by an organism, a living person's identity, and that they go to them in the course whenever he makes any use value, of the working population, busy or looking for work; workers in general or specific enterprise workers [4, p. 25].

Hiring of labor is the transfer of an employee to the employer of their ability to work for a specified period for use in the production process while maintaining the legal freedom of the worker as a person. For the use of available labor remuneration, payment in kind or in cash [5, p. 41]. As payment for use of labor expended in the process of final consumption, the purchase and sale of labor power – is selling for acquiring the necessary means of subsistence.

Means of subsistence – a collection of goods necessary to restore labor expended during physical and mental strength and to maintain and develop the worker's family, their composition does not include luxuries.

Thus, the labor market – a set of commodity-money relations, covering the supply and demand of labor, employment and its exchange for subsistence [5, p. 52].

But the labor force includes the collection of abilities to work, not all of which is used in the course of employment. Rewarded only functioning labor, not all abilities possessed by the worker, and only primary demand professional ability to work. Thus, subject to exchange only functioning ability to work. Such labor market is called a functioning labor market, or the labor market. In the labor market are the object of exchange functioning ability to work or functioning workforce. This is its essence.

Consider the composition of the labor market. Assuming minimum criterion number of components required for the emergence and development of the modern labor market, we can distinguish the following components shown in Fig. 1.

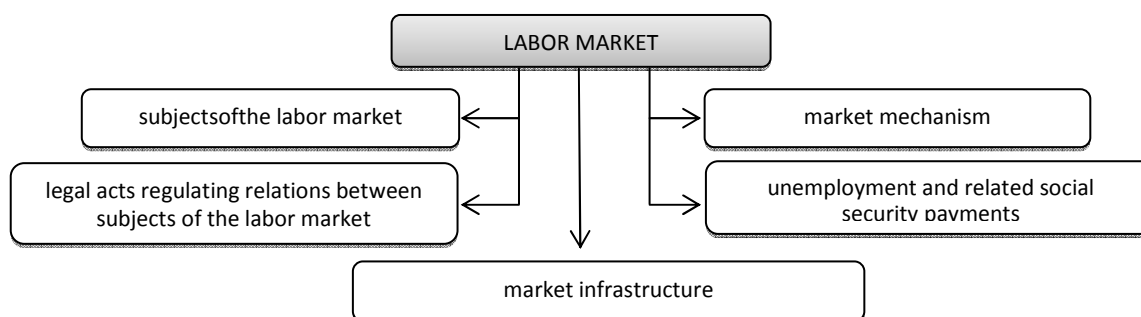


Fig. 1. The composition of the labor market

Subjects of the labor market are the employees and their unions, employers and their associations, the government and its agencies.

Salaried employees are able-bodied citizens, for whom employment is the main source of livelihood. They may represent different value for employers, depending on age, gender, qualifications, number of socially acquired qualities (responsibility, commitment, initiative, etc.).

Development of market relationships determines the emergence of institutions acting on behalf of employees, express and protect their interests. The most common organization of workers - unions. Belarus has established Federation of Trade Unions of Belarus, which operates in accordance with the Constitution, the Law of the Republic of Belarus, the Trade Unions Act "and other laws and regulations, the Charter. Federation of Trade Unions in the country unites 31 national trade unions, its members are more than four million people [6]. It should be noted that at present the trade unions do not have enough clout to make real employers meet their obligations.

Employer – an individual working alone and hires one or more persons. As an employer may make joint stock companies, public organizations, economic associations, joint ventures, private unitary enterprises, individual employers, etc.

State as a subject of the labor market is represented by regional authorities, industry authorities. As a subject they need to perform the following functions: the socio-economic (full employment by stimulating the creation of jobs in all sectors of the economy); legislative (development of basic legal norms and rules); function of labor market regulation by indirect methods, the function of protecting the rights of subjects of the labor market; role (as the employer of public enterprises).

For the normal functioning of the labor market, improving its balance necessary legal acts, rules, regulations, creating an optimal system of relations in the labor market, regulating the relationship between the subjects of the labor market, defining the rights, duties and responsibilities of all participants of market relations. Such rules are provided in the outer (eg, the Constitution of the Republic of Belarus) and internal (eg, collective agreements in enterprises) legislation.

For successful functioning of the labor market it is necessary to create relevant economic conditions (benefits, taxes, etc.), an active employment policy, the implementation of national and local employment programs, etc.

The mechanism of the labor market is the interaction and coordination of the diverse interests of employers and the working age population who wants to be employed on the basis of information obtained in the form of changes in the price of labor. Its structure includes: labor demand, labor supply, the price of labor, competition [5, p. 48].

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There are two points of view regarding the scope of the labor market. Proponents of extending the concept of the labor market believe that the labor market is subject to all the economically active population and the demand for labor is represented the total number of occupied and vacant jobs.

The other view believes that the labor market, the following groups of the working population:

- a) those who do not have a job, but want to work and seek work;
- b) those who have a job, but not satisfied with it and look for another place;
- c) employed, but due to the risk of loss of job look for another place.

These categories of the population identify labor supply. Demand for labor in this case consists of the number of vacancies in the enterprises and the number of jobs occupied by employees who do not satisfy the employer.

V. Bulanov and N. Volgin believe that the demand for labor is represented by employers need of workers to produce goods and services in accordance with the demand in the economy. Labor supply consists of employed wage earners and that component of the working population that wants to work and can get to work on the basis of market principles to their disposable income and opportunities to use their time [5, p.48].

As a result of the mechanism of supply and demand of the labor market performs the following functions:

- a) the organization of interaction between employees and employers;
- b) regulation of labor supply and demand;
- c) establish the equilibrium price;
- d) ensuring competition as between employers and between employees;
- e) to promote employment issues;
- f) the implementation of social assistance to the unemployed.

Labor market conditions is a state of the labor market, characterized by supply and demand of labor.

Depending on the relationship between supply and demand in the labor market the labor can be of three types:

- a) scarcity of labour when the labor market lacks supply of labor;
- b) labor surplus, when there are a large number of unemployed and the excess supply of labor;
- c) equilibrium when the demand for labor is consistent with its proposal.

Each of the types of market conditions may relate to a particular region or area of application of labor, together forming a common labor market in the country.

It should be noted that in Belarus the total market in labor is a labor surplus. This trend is explained by many reasons. The main ones should be noted as the following:

- a) the amount of labor resources in recent years has incremented;
- b) the number of employed in the economy has declined steadily.

The development of these phenomena is mainly due to the fact that the working age comes relatively large generation of people born in the 80s, as well as the implementation of measures to improve production efficiency, including by optimizing the number of employees. As a result, the need for frames dropped in almost all sectors except construction, where the demand for labor has not decreased, but rather increased by more than a third.

It is appropriate to draw attention to the fact that in recent years in Belarus unemployment, registered by the State Employment Service, is relatively stable. A downward trend in the number of employed and unemployed stabilization with growth in the labor force shows a decline in the labor activity of the population and the growth of the economically inactive population. The economically inactive population is:

- a) students in the working-age population being out of service training;
- b) employees who are on leave for pregnancy, childbirth and child care;
- c) the working-age population, which stands under the name "other" (persons engaged in housekeeping, persons with a permanent source of income, living on the interest from deposits, income from rental property, etc.; servicemen, persons employed in the informal sector of the economy; "migrant workers", antisocial elements, persons willing and able to work, but desperate to find a job and stopped the search, persons in need of work as a source of income, but the long-term operating and are not registered as unemployed).

Released to support the staff in the absence of work, to create conditions for their retraining and re-engaging in the labor process, employment law provides unemployment benefits, severance payments, scholarships during their studies, etc.

Effective functioning of the labor market and balance impossible without infrastructure. Market infrastructure is a set of services and employment funds, employment agencies, retraining centers, organizations that provide employment on public works, the system of legal regulation, as well as associations of employers and trade unions.

The main element of market infrastructure is the State Employment Service, acting on three levels: central, regional and local.

Centers for training and retraining the workforce help to improve its competitiveness and promote the active involvement of the unemployed into the employed. In recent years, the share of the unemployed who are trained and retrained under the personal order of the employer is growing relatively rapidly. This takes into account the direction of the employment needs of the economy in the necessary personnel.

Each year the number of unemployed, involved in paid public works grows. On the one hand this activity allows the state employment service to improve the financial situation of the unemployed, on the other hand it helps employers to compensate temporary labor shortages.

One of the necessary conditions for the balance of the labor market is to ensure its flexibility. Labor market flexibility is the ability of the labor market to respond to external stimuli, its ability to maintain manageability and functional balance as conditions change.

Employment flexibility can take different forms:

- a) the use of non-standard forms of full-time – use mobile jobs, functional change jobs, etc.;
- b) non-standard forms of employment – the employment of part-time employees, temporary employees, domestic workers, the use of the principle of sub-contracting, etc.;
- c) flexibility in hiring and firing is the use of different forms of contracts, variations in the timing of their actions, etc.;
- d) flexibility in managing costs through the application of different pay systems.

Flexible employment is a necessary condition of a formed and balanced labor market. In terms of labor market flexibility helps it to go out of the crisis, improve the efficiency of enterprises, create more complete and efficient use of labor resources and the welfare of the population. But on the other hand the flexibility of the labor market creates jobs with precarious employment, with weak social protection of workers' rights. In this connection it is necessary to ensure state regulation in order to provide a rational combination of flexibility and stability in the use of workers.

To balance the labor market it is necessary to consider its segmentation aiming the individual approach to management in the field of labor relations at each individual segment. Segmentation of the labor market is its division into separate parts sector (segments) according to certain criteria. Depending on the degree of market development, the purpose of analysis and the criteria used to set aside for different market segments.

By the stability of labor relations in the labor market there are three sectors:

1. Core (primary labor market) - the most stable sector where staff is provided with stable employment and full-time work, high wages, conditions for professional growth, acquisition related specialties, where workplace applies progressive equipment and where trade unions are strong.
2. Peripherals (secondary labor market) - a sector which is characterized by part-time, seasonal work, work on short-term contracts, labor-intensive jobs and prestigious Trade unions are absent.
3. Unemployed - sector, which is a reserve labor force for the primary and secondary markets.

According to the degree of government regulation of the labor market allocate two segments:

1. Market regulated by the public employment service, suggests registered unemployed in the state employment service.
2. Uncontrolled labor market provides employment unemployed directly through contacts with employers.

Depending on age and sex, health and level of qualifications are the following segments:

1. Women's labor force – a segment of the labor market, characterized by a weak territorial mobility, as women are less competitive than men because of the performance of a particular role in society.
2. Youth labor force – a segment which is characterized by low competitiveness due to the lack of skills and lack of employment.
3. Workforce elderly – a segment of the market with limited mobility due to a health condition and attachment to the places of work and residence.
4. Workforce disabled.

As noted by JH Bobkov, in developed countries the labor market is divided into the following segments:

- a) sector of knowledge-intensive production and service industries, jobs submitted by a broad and diverse range of qualifications;
- b) sector of jobs in the old, main industries in the past [3, p. 125].

After examining the above theoretical foundations of the labor market, and the main aspects that will serve as criteria for assessing the balance of the labor market:

- analysis of economically active and inactive population;
- analysis of the activities of such an element of labor market infrastructure as public service employment;
- analysis of the situation in the various segments of the labor market;
- based on the analysis of moments tagged performance assessment functions of labor market.

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### THE ECONOMIC CRISIS OF SPANISH FOOTBALL: CURRENT STATE AND WAYS OF SOLVING

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*The article is devoted to the economic component of football in Spain. It reveals the main causes of the difficult financial situation which the majority of Spanish clubs face. The article considers the main anti-crisis solutions to the problems of the economy of professional football in Spain.*

Despite the introduction of the UEFA Institute of financial fair play, as well as a greater focus on self-sufficiency of the clubs the financial situation in football Spain is rather dismal [3]. Spanish football clubs are in a difficult financial situation. Their total debt exceeds 4 billion euros, which experts account for the protracted economic crisis in the country, reducing of incomes and subsidies.

Spanish professional football, one of the best on the continent, is in a difficult financial situation. 21 out of 81 teams have already declared bankruptcy. This situation is explained by a protracted economic crisis in the country, reduction of own revenues of the clubs, decrease of sponsor aid and subsidies from the authorities [1].

However, it is difficult to call it a net debt. UEFA recognizes as debts the long-term or short-term debt instruments that are not so large among Spanish clubs. However, the fact that football clubs in Spain play on credit, should not remain unnoticed [3].

The economic crisis has affected football, as well as all other spheres of life in Spain. Revenues from housing construction, which have been feeding Spanish football in recent decades sharply declined or disappeared. Not only the main sponsors – construction magnates, but also regional and municipal authorities, which generously supported local clubs before, do not give money any more now. Revenue from advertising and TV broadcasts decreased. Fewer fans go to football matches now.

Even the most famous Spanish teams, not to mention the minor ones are in the red. "Real Madrid" owes 215 million euros, "Barcelona" – 462 million. However, these two superclubs have significant income. In 2011 they earned 537 and 488 million, respectively. This allows the Spanish football grandees keep afloat; money also comes from worldwide sales of various goods with their symbols. The other teams do not get such an income.

According to statistics, footballers' salaries have decreased on average 5,5 times over the past two years. As regards the third largest Spanish football League, here in general, many players are forced to play for free. In addition, wage delay in clubs became commonplace. According to the sports newspaper "Marca", the total arrears of wages for January amounted to 42 million euros. Clubs owe the tax authorities and social insurance fund more than a billion euros. Many clubs don't pay rent and for sports facilities, light, water [1].

Prospects of paying off the debts are not seen yet. The classic way which many Spanish clubs used before, does not work now. It means the sale of stadiums and sports areas, located in prestigious urban areas for demolition and construction of housing. The first operation of this kind was carried out by «Barcelona» in the mid 60's.

Several years ago "Real Madrid" sold its "sports town" to the north of the Spanish capital on favourable terms. Four highest Madrid skyscrapers appeared in its place. However, recent plans to sell the stadium Santiago Bernabeu were not implemented by Madrilenians because of the crisis in the building sector.