


Aspects of Reproduction of the Labor Potential of the Regional Economy in the Conditions of Pandemic

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Abstract: Labor potential is one of the most important factors of production in the modern regional economy. Conditions of the period of restrictions of pandemic of COVID19 provides new terms of functioning for labor resources. In spite of different factors of destructive influence, the role of labor potential increases with time. Difficulties of the movement of migration flows formed new approaches for the methods of regional policy in the sphere of labor potential. Labor resources is most perspective and effective factors of production in the conditions of postindustrial society and economy new technologies.

1 INTRODUCTION

Economy is the most important sphere of society's life. The standards of living for the population and the conditions of its reproduction depend on the effectiveness of economy's functioning. The level of demand and supply, labor efficiency, product competitiveness and the conditions for foreign economic activity can significantly influence for the perspectives of the development of regional economy.

Labor potential is one of the most important factors of the development of the regional economy. Insufficient level of provision of labor resources can be a factor of restriction for the economic growth rate. This trend is very actual for the Russian Federation, especially in some regions at the base of the COVID-19 pandemic.

The level of investment in the system of formation of the labor potential was really low for the long-time period.

Economic growth contributes to an increase of the volume of production and the level of salaries, creation of additional workplaces and attraction of new investments, but the conditions of the global pandemic also form a lot of contradictions which hinder the economic activity and prospects of economic development. In some cases, this also leads


to an aggravation of income distribution issues, which provide to an increase of income differentiation and the formation of social tension. Modern contradictions require for a new approach in the methodology of regional economic development: synergy and multiplicativity, correlation between various factors and cycles.

2 MATERIALS AND METHODS

The level of profitability of investment in the sphere of human capital exceeds the average level in the production sector in the conditions of development of the national economy. It is also an important factor in the innovative technological development of the economy of the regions.

Modern society is characterized by different levels of material, technical and socio-economic development, which is especially important in the context of the COVID-19 pandemic.

The deficit of labor resources continues to increase in the conditions of restrictions due to COVID-19. That's why competition for human resources between regions increases and determines the formation of migration flows at the national and international levels in the short term period.

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Identification and research of factors of negative influence for the system of reproduction of the labor potential of regional economy is a priority task as the base for the higher level of competitiveness of regions due to their attractiveness for residents.

Special attention deserved for the features of historical development, which determine the difference in the level of labor productivity and efficiency, as a result.

Different countries implement various strategies against the pandemic of COVID-19. In general, the processes of industrialization and economic activity have slowed down significantly, but the most dynamically developing sectors are IT and service sphere.

3 RESULTS

Processes of migration play an increasingly important role in the modern conditions of economic development. This trend is determined by an imbalance in the supply and demand of labor resources and at the background of the inability to support a sufficient volume of workplaces directly in the regions where people live. In some cases, this leads to the fact that more than 50% of the employed may be labor migrants. It contributes not only to interregional migration, but also to the movement of the population in the regions from rural areas to the cities. Thus, in the Russian Federation, since 2000 population of rural areas steady decreased at the base of migration. The urban population of Russian Federation for 1991-2018 in the aggregate increased due to the migration factor for 10.4 million people, but in rural areas an outflow was observed. There are trends in the sphere of migration at the interregional level: there is an influx of labor resources in the Central, Southern and Northwestern Federal Districts. At the same time, there is an outflow of population in other federal districts, despite the active state policy for the development of the Far East and Siberia regions. In this regard, proposals for the creation of new central cities in these regions may face difficulties with settlers. The growth of mobility of the population determines its ability to move, which requires the most complete analysis of the factors of influence for the system of reproduction of labor resources in the regional economy (Kovarda and Shevyakin, 2011).

Sharp introduction of the restrictions for the movement of population due to the development of the COVID-19 pandemic lead to the formation of a shortage of labor resources in many regions. At the

same time, the economic downturn contributed the growth of unemployment rate due to the quarantine restrictions and the reduction of demand for goods and services. All these factors are the significant destructive trends which hinder the implementation of the goals in the field of sustainable development of territories. Modern trends in the sphere of reproduction of labor resources and human capital are based on the increasing role of the human factor, in spite of the growth of the level of automation of many processes. Modern situation requires higher socio-economic efficiency and psychological stability (Brown and Scott, 2012).

The set of factors of the destructive influence of the COVID-19 pandemic for the sphere of formation and use of labor potential is advisable to divide into four main groups:

- low income;
- high level of unemployment;
- insufficient level of development of social infrastructure;
- indicators of morbidity and mortality.

Set of factors hinder the formation of a system of incentives for education and vocational training and determine the imbalance of demand and supply in the labor market in various regions and industries. Thus, in some regions we can see the situation: sufficiently large number of people remain unemployed, in spite of the presence of even more vacancies (Migranova and Toksanbaeva, 2014).

Different problems in the system of formation and use of labor potential do not allow to fully realize secondary vocational education, because there is practically no differentiation between the level of salaries for all types of education, with the exception of higher education. The last years' trend for growing popularity for training in colleges and technical schools is explained not by incentives to obtain secondary vocational education, but for decrease of the level of availability of higher education (Pavlov, 2010).

The modern crisis of reproduction of human resources, first of all, consists in a reduction of the volume of employable population, as well as an increase in the average age. This is accompanied by ongoing process of urbanization, which in some cases leads to the depopulation of villages. Megacities have a significant impact on the lifestyle and reproduction characteristics of the population and increase the risk of pandemics.

Ignorance of human nature creates many problems, including the sphere of management. The importance of research of human as a factor of production is increasing due to the development of

technology and the emergence of potential competitors in the face of robots and artificial intellect. It is important to determine the place and role of a human in the modern economic system. Each person has a large set of qualities, including honesty, diligence, responsiveness and etc. Ignoring of personal qualities and people's needs leads to the formation of tensions and conflicts, splits in the collective and society, up to the development of such negative phenomena as nationalism and fascism. An important role in the formation of human capital should be played not only by purely economic approaches, but also by mechanisms of the formation of moral qualities of the population. It will contribute to make the society stronger at the base of norms of humanity, and, in the end, may lead to an improvement in the demographic situation.

The essence of human resources usually considered in a narrow sense, which does not allow us to take into account full complex of human qualities, both in general and in individual, in particular. Human qualities determine people's behavioral characteristics, propensity for certain professions and effectiveness in various conditions (Minakova, 2015).

Consideration and study of human qualities and needs are also the most important factor of motivation and increasing of the efficiency of labor activity. A person and his behavioral characteristics are influenced not only by his immediate qualities and characteristics, but also by acquired environmental factors: education, party membership, collective, place of residence, origin and family. For example, historical memory is an important factor, which can have a significant impact on the behavioral type of an individual person and the whole state (Minakova et al., 2018).

A human is a very psychoemotional and contradictory creature. Essentially a human is a social creature, that is, adapted to work in a team. Modern conditions of living and approaches for work are focused on the formation of individualism, which has a significant impact on the development of society (Pavlov, 2010).

Living in the conditions of the constraints caused by the global pandemic exacerbates different features of the regional economy, forming imbalance of sustainable development:

- there are a considerable number of hard-to-reach territories and regions with higher level of the cost of delivery of goods;
- regional economy often can has seasonal nature in cases when the regional economy is focused on agriculture, fishing, etc.;

- many regions use the shift method of providing their own economy with labor resources;
- regions have a different level of development and conditions of the macroeconomic environment;
- regions differ in the structure of consumption;
- regional economies can be divided into export-oriented and import-oriented;
- ethnic groups can be in the base of the formation of the regional economy, which has a certain influence on the peculiarities of development;
- certain regions may be exposed to certain risks (floods, droughts, fires, tsunamis, etc.), which can have severe consequences and require regular consideration in the plans of development;
- regions differ in the level of attractiveness for labor resources;
- it is necessary to identify the regions with natural and economic rent.

Socio-economic and institutional mechanisms of reproduction and effective usage of labor potential in the conditions of a market economy are primarily focused on improving of the efficiency of usage of all types of resources, including labor. The growth of the efficiency of usage of labor resources contributes to the aggravation of demographic problems, including low fertility and aging of the population (Rimashevskaya et al., 2013).

The effectiveness of sustainable development processes is based on the regionalization of the economy. It includes the processes of social labor division, which increases the efficiency of the economy and regional potential. At the same time, the regionalization of the economy can also contribute to the formation of a number of problems:

- some connections between different regions may be interrupted;
- imbalances of new development features;
- there are needs for infrastructure and new mechanisms of regulating the market and overcoming contradictions.

4 DISCUSSION

The system of reproduction and use of the labor potential of the regional economy is characterized by a number of destructive trends at the modern stage of development. These tendencies are determined by the prevailing factors of negative influence and are aggravated by the restrictions from the COVID-19 pandemic.

A significant problem of modern society is a sufficiently high level of poverty. Another negative factor is the high level of income differentiation of the population. A significant difference is observed between the indicators of average and median wages, which is confirmed by the level of the Ginny coefficient in different regions. Finally, the proportion of the traditional middle class is an extremely low, but it is middle class should act the main stabilizing role as a social group.

The main source of the labor resources in the conditions of their deficit are migrants. But if during 2020-2021, the possibility of moving of labor resources has become significantly more complicated against the background of border closures and quarantine conditions. There are also a lot of additional potential global threats based not only on new diseases, but also on environmental problems, terrorism and geopolitical risks (Rimashevskaya et al., 2013).

The sphere of the investments in the human capital is quite specific, since it includes a number of difficult-to-control factors and features, such as motivation or value orientations. So, the complex of mutual interests of employees and business is the most important factor of high efficiency of the labor potential of the organization. In turn, insufficient motivation leads to the degradation of labor resources and narrowed reproduction of the labor potential of the regional economy.

The socio-economic problems determines destructive trends in the system of reproduction of labor potential. One of the main problems is the high mortality rate, which is determined by the large number of different diseases and injuries (Bessonova et al., 2021).

Unemployment, as a socio-economic phenomenon, provide a destructive influence for the labor resources of the region, contributing for their degradation or outflow to other territories. There are a lot of different factors that contribute to the growth of the level of unemployment in the regional economy. In some cases, there may be an imbalance of demand and supply in various professions and fields of activity at the regional labor market, which provides a deficit of personnel in some spheres and it does not allow to overcome the high level of unemployment in other sectors of economy. Similarly, economic difficulties in various industries lead to an increase of the level of unemployment in the case when additional labor resources begin to be released in some industries. The main reason of this effect usually is the decreasing level of investment attractiveness and outflow of capital. Finally it

provides staff reductions as a part of cost optimization programs. One of the important problems exacerbating the impact of unemployment is the insufficient level of diversification of the region's economy, which hinder for a effective distribution of workplaces by different industries.

5 CONCLUSIONS

The analysis of the modern situation allows us to identify the factors of degradation of labor potential in the regional economy in the context of the COVID-19 pandemic. Relatively high indicators of unemployment in the conditions of the regional economy, on the one hand, determine the low level of competitiveness of the economy of the region, and on the other hand, negatively affect the labor market, aggravating the situation.

Regionalization of the economy makes it possible to combine and use the potential of territories in the most optimal way, forming self-sufficient territorial structures. The disadvantage is the risk of reducing interregional economic relations and the potential opportunity for national independence for the richest and most affluent regions. The inability to activate migration processes in conditions of restrictions leads to changes in the structure of the population of the regions. Conditions of the labor market and the level of availability of labor resources provide a direct impact on many factors, including the level of development of industry and production forces, as for the degree of participation in the international labor division and the level of social welfare, the development of education systems and dependence from the federal center.

All these factors determine the formation and maintenance of crisis trends in the economy of the region, which reduce the demand for labor resources. Difficult economic situation in the region determines less favorable socio-economic conditions and level of incomes in comparison with other territories. The existing complex of negative impact factors reduces the production potential of the labor resources of the regional economy and contributes to the degradation of human potential.

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