## **ECONOMIC SOCIOLOGY**

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andrelena78@mail.ru

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## SOCIOLOGICAL ANALYSIS OF THE IMPACT OF PLURALIZATION OF OWNERSHIP ON EMPLOYMENT

SUMMARY. Sociological study of the impact of the process of pluralization of ownership on employment is presented in the article in the form of a comparative analysis conducted on the basis of three levels of sociological research. The studies were conducted in the Tyumen Region in 2006, 2009, 2013. The author analyzed the ratio of public and private sectors in the economy when people choose real and desired places of work, their level of job satisfaction, depending on the form of ownership, their preferences when changing jobs. The dynamics of current changes are highlighted in the article. The results of the research have shown that a significant number of people work for companies with forms of ownership different from their preferences. The highest percentage of employees would like to work for public or private companies. Over the past seven years, the level of job satisfaction among the population depending on the form of ownership has changed. The level of satisfaction decreased among those who work for personally owned enterprises. Today, a large number of people satisfied with the place of work are employed by public and municipal enterprises. The year 2013, compared to 2006 and 2009, has registered a decline in the degree of job satisfaction among employees of all forms of ownership, except for self-employed ones and those working for non-governmental joint-stock companies. Most often workers want to change the company they are employed at for the public or municipal ones. The author notes that the economic system needs to develop a strategy for improving the pluralism of the forms of ownership.

KEY WORDS. Management, economy, employment, job satisfaction.

The process of pluralization of ownership is a natural result of changes in Russian economy. Economic reforms, reforms of the social base and the variety of forms of ownership are the basis for changes in the social structure. The development of plural character of ownership has led to the diversity in the actions of economic entities. The diversity is supposed to provide development of the type of ownership that is most effective at a certain period.

Judging by the global experience of social and economic development, the transformation of economy into a market-oriented one can be carried out most

effectively on condition that there is a developed sector of private ownership, for it is the private ownership that allows to reach the greatest economic effectiveness and satisfy demands. However, along with the advantages, private ownership has some social drawbacks. Oriented towards profit and competition, the private sector always aims at cutting down production costs, as well as lowering recruitment costs, which causes a mixed social reaction. The practice of social and economic reforms needs new theoretical ideas in order to find effective ways to achieve its goals.

Theoretical issues concerning a variety of forms of ownership have been studied by scholars both in Russia and abroad. But a comprehensive research is needed to understand the changes in the pluralization of ownership and its influence on the level of employment.

In this article, the form of ownership is defined as legally regulated property relations, assigning the property to a particular owner. According to the Constitution of the Russian Federation, the approved and guaranteed forms of ownership are public, municipal and private. The Constitution also allows the existence of other forms of ownership. The most common forms in market economy are private and public ownership [1].

In the Tyumen Region the statistics of the distribution of employment by forms of property shows a slow but constant decrease in the percentage of public ownership and the growth of the private sector of economy (see Table 1), that inevitably results in certain transformations in the employment sector. The percentage of the population working in the private sector, continues to grow, although less rapidly. For example, from 1998 to 2004, the private sector increased by 12%, whereas from 2009 to 2013 it increased only by 2%. It should be mentioned that during this period, public and municipal sectors decreased by 2% (see Table 1).

Table 1

The average annual rate of employment in the economy of the Tyumen Region by the form of ownership (at the beginning of the year, number) [2; 69]

| Forms of ownership                                | 2009   | 2010   | 2011   | 2012   | 2013   |
|---|--------|--------|--------|--------|--------|
| Public and municipal ownership                    | 7,522  | 7,590  | 7,281  | 7,020  | 6,806  |
| Social and religious organizations (institutions) | 2,696  | 2,849  | 3,046  | 3,152  | 3,189  |
| Private ownership                                 | 70,831 | 77,831 | 82,813 | 83,325 | 82,917 |
| Consumer cooperatives                             | 186    | 180    | 175    | 163    | 153    |
| Mixed ownership                                   | 941    | 1,004  | 1,013  | 912    | 778    |
| Foreign and joint Russian and foreign ownership   | 646    | 714    | 791    | 796    | 905    |

Sociological analysis concerning the way pluralization of ownership influences employment of the population is based on the three waves of sociological research carried out in the Tyumen Region. The data were collected during in-home interviews according to the scheme suggested by Nikolay I. Lapin (the Centre for the Study of

Social and Cultural Change of the Institute of Philosophy at the Russian Academy of Sciences) during years 2006, 2009 and 2013 [4]. The respondents were people over 18 years of age. In 2006, 4,000 people took part in the mass questionnaire, in 2009 – 4,510 people, in 2013 – 3,054 people over 18 years of age. The survey covered the following regions: the South of the Tyumen Region (1,271 respondents), the Khanty-Mansiysk Autonomous District (1,301 respondents), the Yamalo-Nenets Autonomous District (482 respondents). All the 2006 – 2013 samples consider four aspects (territory, gender and age structure, education) and present the population of the three regions: the South of The Tyumen Region, the Khanty-Mansiysk Autonomous District, and the Yamalo-Nenets Autonomous Disctrict, paying attention to the gender, age and education structures of urban and rural population and taking into account their residence, with the error of about 3%.

The subject of our research is job satisfaction of employees depending on the form of a company's ownership. The results of the research allowed making a list of the types of companies where people are working or would like to work (see table 2).

 ${\it Table~2}$  What type of company are you working for? (% of respondents, 2013)

| Type of company   | Working now | Would like to work |
|---|-------------|--------------------|
| Public and municipal company                                      | 34          | 36                 |
| Government-linked company   | 8           | 10                 |
| Non-governmental joint-stock company                              | 7           | 4                  |
| Company in your ownership   | 3           | 15                 |
| Private company or limited liability company (not your ownership) | 22          | 5                  |
| Collective farm, state farm, farm cooperative                     | 1           | 0                  |
| Farm enterprise   | 0           | 1                  |
| Personal subsidiary plot  | 1           | 1                  |
| Individual labour   | 3           | 6                  |
| Other   | 1           | 0                  |
| No permanent employment   | 5           | 1                  |
| Don't know  | 2           | 8                  |
| No answer   | 16          | 15                 |
| Total   | 100         | 100                |

The analysis of the table shows that a considerable part of the population would want to work for a company with a form of ownership different from the one the company they are working for has. The highest percentage is of those who would like to work for a public company (36%) and for a private company (15%) (see table 2).

A curious fact is that the number of those who would like to work for a private company is almost four times less than the number of those who already work there. It should be mentioned that the same situation can be observed in non-governmental

joint-stock companies: the number of those who work there is two times higher than of those who would like to work for such a company. Most likely it happens because of stricter working conditions offered by private employers, the lack of social security or difficulties in obtaining social guarantees. On the contrary, the number of people wishing to work for their own company is five times higher than the number of those already working there.

We will dwell separately upon the ratio of the public sector to the private one when considering real and desirable workplaces (Fig.1). In this analysis by public forms of ownership we understand public, municipal and government-linked companies; by the private forms we mean private and joint-stock companies, farm enterprises, personal subsidiary plots, and individual labor.

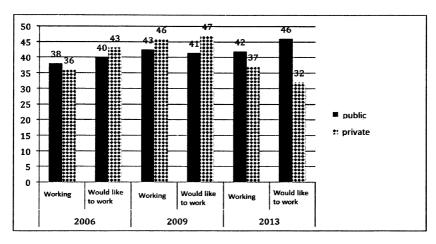


Fig. 1. Real and desirable jobs by forms of ownership (years 2006, 2009, 2013, %%)

While the percentage of people working in public companies has hardly changed during the period between 2006 and 2013 (and according to the statistics it is steadily declining), the percentage of those who would like to work in public companies has increased by 6% during these years and, thus, exceeds the percentage of people who already work there. That means that in labour market we observe the situation when the demand for vacancies in public companies exceeds the supply.

In the private sector the situation is different. In 2006, the percentage of the population wishing to work in private companies was 7% higher than the percentage of those who worked there. In 2009, the demand was almost equal to the supply, and in 2013 the percentage of people working in the private sector is 5% more than the percentage of those who would like to work there. These changes were caused by different factors: for example, the recession of 2008 (when the private sector seemed less reliable than the public one); the state policy of raising salaries in budget sphere; high incomes in oil and gas sector (that plays a significant role in employment in the Tyumen Region) and the attractive post of a state official.

Table 3
The level of job satisfaction according to the form of ownership (% row-wise) in 2013

| Working/would<br>like to work                       | Public and<br>municipal<br>companies | Government<br>-linked<br>companies | Non-<br>governmen<br>tal joint-<br>stock<br>companies | Company in<br>your<br>ownership | Private<br>company<br>(not in your<br>ownership) | Collective<br>farm, state<br>farm, farm<br>cooperative | Farm<br>enterprise | Personal<br>subsidia<br>ry plot | Individual<br>labour | Total |
|---|--------------------------------------|------------------------------------|---|---------------------------------|--|--|--------------------|---------------------------------|----------------------|-------|
| Public and municipal companies                      | 63                                   | 5                                  | 1   | 12                              | 3  | 0  | 0                  | 1                               | 4                    | 100   |
| Govenment-linked companies                          | 18                                   | 42                                 | 3   | 10                              | 2  | 1  | 1                  | 0                               | 6                    | 100   |
| Non-governmental<br>joint-stock<br>companies        | 21                                   | 15                                 | 29  | 14                              | 1  | 0  | 0                  | 1                               | 6                    | 100   |
| Company in your<br>ownership                        | 18                                   | 4                                  | 5   | 55                              | 2  | 0  | 1                  | 0                               | 5                    | 100   |
| Private company<br>(not in your<br>ownership)       | 27                                   | 11                                 | 2   | 23                              | 14   | 0  | 0                  | 1                               | 5                    | 100   |
| Collective farm,<br>state farm, farm<br>cooperative | 25                                   | 19                                 | 0   | 6                               | 6  | 13   | 0                  | 0                               | 6                    | 100   |
| Farm enterprise                                     | 0                                    | 13                                 | 0   | 13                              | 0  | 0  | 25                 | 25                              | 13                   | 100   |
| Personal subsidiary                                 | 20                                   | 0                                  | 7   | 13                              | 0  | 0  | 20                 | 27                              | 0                    | 100   |
| Individual labour                                   | 19                                   | 5                                  | 2   | 13                              | 4  | 1  | 2                  | 0                               | 43                   | 100   |

The comparative analysis of the data allows to draw a conclusion concerning the level of job satisfaction for different forms of ownership (see Table 3). The highest level of job satisfaction is observed among employees of public and municipal companies (63%) (although in 2009 it equaled 72%), the second position belongs to those who have their own businesses (55%) (but here we can also observe a decline in job satisfaction). The third position is shared between individual labour (43%) and government-linked companies (42%) (53% in 2009). It is interesting that the level of job satisfaction in the sphere of individual labour has risen by 1.8 in comparison to 2009, when it was the lowest (24%). It should also be mentioned that regardless of the type of company they are working for, over 50% of employees (except those of public and municipal companies and those who have their own companies) are not satisfied with their workplace.

In most cases employees would like to leave the company they are working for and go to a public or municipal one (in Table 3 the percentage of those who want to change their workplace is highlighted). Thus, we can conclude that in the employment sphere the difference between the real situation and the desirable one remains wide.

Compared to 2006, the level of job satisfaction according to the form of ownership has changed in a number of ways. For example, in 2006 most of the respondents (71%) satisfied with their workplace were those who worked at their own companies, but in 2009, the satisfaction level among them dropped by 5% and in 2012 it dropped to 55%. Today most of those satisfied with their workplace work for public or municipal companies. It should be mentioned that unlike 2006 and 2009, in 2013, the decreasing

level of job satisfaction has become common for nearly all forms of ownership. The only exception is the sphere of individual labour; and a certain increase of the job satisfaction level (by 5%) can be observed among employees of non-governmental joint-stock companies.

In 2006, people least satisfied with the type of company they worked for were those working for private companies (19%); in 2009, it was individual workers (24%); however, in 2013, it is employees of private companies (14%) and people working in farm cooperatives (13%). Only four years ago people wanted to work for private companies, but the reality did not live up to their expectations. Today the situation is different. Why? Is it the ambivalence of mass consciousness or the result of unfinished institutional reforms in the region and in the country as a whole?

The development of various forms of ownership, especially, private ownership, plays an important role in increasing industrial growth of economy, in increasing employment and improving the standard of living. Transformation of Russian society into a market-oriented one could not be fulfilled without the shift from public ownership to private, for it is private ownership that dominates in the developed market economy. However, pluralization of ownership has led to discrepancies between real and desirable jobs, to a lack of job satisfaction, which is the case with most people. Thus, the sociological analysis of the changes in the level of job satisfaction has shown that there is no common opinion concerning public and private forms of ownership. It is essential for the economy to work out a strategy for ownership diversification and for further development of market economy in order to improve performance of the whole social system.

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