

### **Минимальная оплата труда как индикатор социально-ориентированного развития**

*Минимальная оплата труда является одной из наиболее изученных тем в экономике. В данной статье рассматриваются наиболее важные вопросы, связанные с увеличением заработной платы и ее влияние на рынок труда. Цель данной статьи заключается в рассмотрении формирования концептуальных подходов к определению минимальной оплаты труда, в анализе ее влияния на хозяйственную деятельность субъектов, в том числе на рынок труда. Одной из задач этой статьи является соотношение минимальной оплаты труда со средней зарплатой с целью выявления тенденций в развитии рынка труда.*

**Ключевые слова:** минимальная оплата труда, рынок труда, занятость, безработица.

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### **Minimum wages as an indicator of socio oriented development**

*The minimum wage is one of the most studied topics in economics. This article discusses the most important issues related to the increase in wages and its impact on the labor market. The purpose of this article is to review the formation of conceptual approaches to the determination of the minimum wage and to identify its effect on economic activity of subjects, including the labor market. One of the goals of this article is to correlate the minimum wage with the average wage, to identify trends in the evolution of the labor market.*

**Keywords:** minimum wage, labor market, employment, unemployment.

Disputes about the minimum wage were for many years. Especially controversy regarding the introduction and increasing the minimum wage in the labor market have been not abated. As a rule, the opponents of the minimum wage pay attention to its potential negative impact on employment. Many pilot studies indicate the existence of the adverse effects of increasing the minimum wage, which affect employment and unemployment.

Over thirty years, in 1977, the US Commission on the minimum wage (MWSC) conducted a review of existing data on the United States and Canada. According to German economist, John Schmitt, "only four years and \$ 17 million, MWSC released a summary report of 250 pages and six additional publications, where results of a study have been published. These results are the following "devastating "effects asso-

ciated with the minimum wage, not really serious and exclusively limited to adolescents and young workers "[10, p. 2–3].

Over the years, the conclusion MWSC remained dominant in the economy, not only in the United States and Canada, but also in Europe. The current crisis has created the need to rethink the problem.

In 2008–2014 in Russia and in some European countries and in the United States the minimum wage in the public policy of recovery has increased and debate about its effects have become very active. These discussions led to the consideration of this issue more specifically: scientists try to explain when, where and why the minimum wage has an impact on the labor market.

The role of the minimum wage in the economy is to determine the value of those assets that are needed to ensure human life. Moreover, the purpose of the minimum wage in a market economy is to ensure normal conditions for the reproduction of the employee performing the least complicated work. It can be assumed that an increase in the minimum wage will be accompanied by more efficient use of labor resources, the release of workers employed in low profitability. Thus, the minimum wage is an important constraint on growth and innovative development of the economy. Since the scientific and technical progress will be possible only in those circumstances where the cost of implementing its achievements will be less savings wages [1, p. 154–155].

Some researchers – Edison J.T., Blackburn M.L., Cotti K.D. – explain the difficulties in proving the existence of any negative consequences of increasing the minimum wage, which affect unemployment [5, p. 2–3]. For example, American economists show that the minimum wage has declined in real terms relative to the economy as a whole. But with an increase in it directly affects a small number of low-paid workers and less impact on unemployment. And also there is the fact that the elasticity of the minimum wage has increased, particularly in countries where unemployment is particularly high. In countries with high unemployment rates and the influence of "destructive" effects on the low wages of young people and teenagers is observed.

Another group of scientists – E. Alaniz, Gindling T.H., Terrell K. – failed to prove that the changes in the established state minimum wage affect only those employees whose starting salary is close to the minimum (20%) [6, p. 45–59]. Their conclusion is based on a broader approach, because they study the impact of changes in the established minimum wage on labor market indicators such as wages, employment, mobility of workers (concealed or open) and employment status (unemployed or employed). Identification of the relationship between the minimum wage and the number of parameters of the labor market helps to explain not only the role of the minimum wage, but also its size. The following key parameters of the labor market are classified: the value of the average wage; the distribution of wages; employment; the level of unemployment; number of hours worked during the year; the distribution of wages and employment between the formal and non-formal sectors of the economy; the impact of wages on the tip of employees; social protection; a firm's decision about the use of the minimum wage [6, p. 45–59]; [7, p. 209–220]; [12. 951–962].

These parameters influence the state regulation of wages.

J. T. Addison, M. L. Blackburn, K.D. Cotti show that the overall effect of the minimum wage in the retail sector is not consistent with the reduction of employment, as it was supposed to study [4, p. 397–408]. Using data from the years 1995–2005, they consider that the level of employment will vary depending on the minimum wage in each country. The results confirm the presence of almost no "destructive" effects. Many elasticities show that increasing of the minimum wage increases slightly sectoral employment.

Mobility of labor in industries with a large number of workers with a minimum wage is high, thus, a higher minimum wage leads to a tendency to stabilize the workforce: they do not migrate to other industries. In addition, there is a demand and a positive effect, which depends on the effect of increasing the minimum wage on the purchasing power of these groups of workers [2, p. 48–60].

Often the problem of the minimum wage is perceived as a question related to developing countries. For example, Nicaragua is an interesting object of study of the impact of the minimum wage on the economy. This country has a relatively high

wage level low compared to the average wage, and this means that it affects a significant portion of the population. There are substantial differences of the minimum wage in various industries. In Nicaragua, there is a large sector of small companies, where employers often avoid the law relating to the regulation of the minimum wage. [6, p. 45–59].

But there are studies related to the developed countries (eg. Canada, the United States, OECD countries and Russia). Very important is the question of the introduction and an increase in the minimum wage. Thus, the dispute has caused the introduction of minimum wages in Germany in 2009. This caused an increase in jobs with low wages. Opponents of such regulation argue that the increase in real wages will increase unemployment, because employers will hire labor up until the real wage is equal to the limit values. P. Flaschel and A. Greiner argued that the introduction of the general level of the minimum (or maximum) real wage has no effect on the accumulation of capital and employment. [9, p. 279–287]. Instead, significant variations will be observed in the distribution of income and employment. They emphasize that the minimum and maximum real wages are easier to be adopted either at the phase of prosperity, or at the phase of economics' depression.

Bartolucci K. analyzes cyclical patterns of termination [8, p. 568–583]. He finds a strong negative relationship between unemployment. The basic idea is that when unemployment is low, the consequences of increasing the minimum wage are very small.

Using data from the 2005–2010, J. T. Addison, shows that even in a deep recession, the minimum wage increases and does not have much impact on the reduction of employment in the sector [5, p. 5–6]. He found no evidence that the recession – it's not the best time to increase the minimum wage.

Thus, we have found the possible reaction channels to increase the minimum wage. There are about eleven: reduction in staff turnover; improving of organizational efficiency; reduction of wages managers; a slight increase in prices; reduction of working hours; reduction of the intangible rewards; change in the composition of

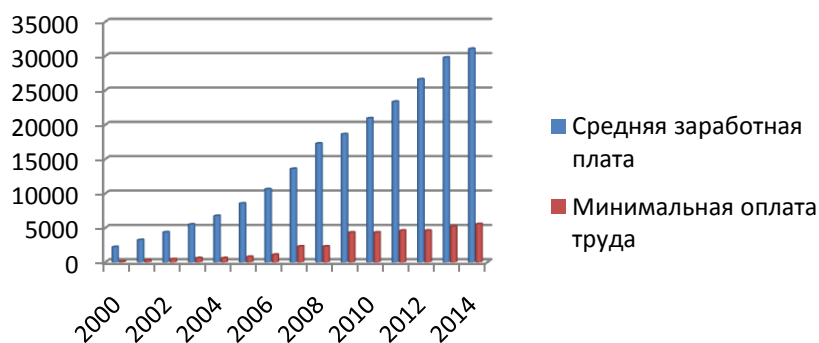
employment; low productivity; reduction in profits; the inability to staff training; an increase in demand.

Opinions on the minimum wage in Europe and Russia are very relevant. The level of the minimum wage has been set by the EU within the framework of national legislation and industrial agreements. The level of minimum wages varies between the countries. In 2014, according to Eurostat [11] 20 Member States from 27 (Belgium, Bulgaria, Czech Republic, Estonia, Ireland, Greece, Spain, France, Latvia, Lithuania, Luxembourg, Hungary, Malta, Netherlands, Poland, Portugal, Romania, Slovenia, Slovakia and the United Kingdom) and moreover two candidate countries (Croatia and Turkey) have national legislation on the minimum wage.

Minimum wage varies between 157 euro in Romania and 1874 euro in Luxembourg. In 11 countries, the minimum wage is 100–500 euro per month in 5 countries, the figure is 500–1,000 euro, and in the group of six countries (UK, France, Ireland, the Netherlands, Belgium, Luxembourg), the minimum wage is on the mark of 1200 euro and above. The exchange rate is an important factor, as with its value of the minimum wage has changes.

The experience of the UK is very interesting. The minimum wage was higher 46% from the average wage. It is higher than in the US. The main advantage is to reduce the gap between the minimum and maximum wages.

The ratio of the minimum wage to the average wage in Russia is of great importance. We will show the dynamics of the values of the minimum wage and the average wage for the period from 2000 to 2014 (Fig. 1).



**Fig. 1.** The values of minimum and average wages in Russia in 2000-2014 years according to Rosstat [3]

As seen in Figure 1, the minimum wage in 2000 was about 6% of the average wage in 2006 this value was 10%, and in 2014 – 17.9%. This suggests that in Russia a lot of attention is paid to the policy regarding the formation of the minimum wage. Over the years, there is a tendency to reduce the difference of the two values of the above parameters.

Evolution of the average wage is related to general economic development.

The ratio between the minimum wage and the average wage is not a question of balance of the labor market. We are not talking about the impact on supply and demand in this market. The average wage can be interpreted as a mirror of the real evolution of the economy, and the minimum wage is a matter of social protection of the population. The minimum wage is identified as the average wage percentage, because of it not connected with the evolution of labor market entirely. Since the size of the minimum wage is not influenced by several factors. These factors are: an increase in the number of service workers, increase of the level of education of workers, changing professional qualification of workers, the prestige of the profession, the presence of free time workers mobility. These factors influence the development of the labor market, but not on the size of the minimum wage.

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