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# Розвиток туризму як один із шляхів вирішення проблеми зайнятості сільської молоді в Республіці Карелія

Проблема зайнятості в сільській місцевості сприяє посиленню міграції молодого покоління в центральну частину Республіки Карелії та інші регіони Російської Федерації. В ситуації, що склалася, перспективним напрямком регіонального розвитку, який сприятиме вирішенню соціально-економічних проблем та виступатиме реальним чинником збереження і відтворення природного та культурно-історичного потенціалу Республіки Карелія є сільський туризм. Підвищуючи самозайнятість населення, забезпечуючи зростання доходів домогосподарств, посилюючи відчуття гордості місцевого співтовариства за свою територію, туризм може одночасно сприяти закріпленню населення, особливо молоді, в сільських поселеннях. Однак, розвиток туристичного бізнесу в повній мірі можливий лише за умов розуміння молоддю значимості та перспектив розвитку даного напрямку економічної діяльності.

Метою даного дослідження є розкриття ролі та значення сільського туризму у вирішенні проблеми зайнятості молоді та покращенні соціально-економічної ситуації в регіоні. В статті досліджено умови життя молоді в Республіці Карелія. Розкрито причини мобільності цією категорії населення і проаналізовано поточну ситуацію на ринку праці. Як вважають автори, одним із основних шляхів вирішення соціально-економічних проблем регіону та підвищення зайнятості молодого покоління, є розвиток сільського туризму.

**Ключові слова:** сільські поселення, молодь, ринок праці, сільський туризм, розвиток туристичного бізнесу.

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# Развитие туризма как один из путей решения проблемы занятости сельской молодежи в Республике Карелия

Проблема занятости в сельской местности способствует усилению миграции молодого поколения в центральную часть Республики Карелии и другие регионы Российской Федерации. В сложившейся ситуации, перспективным направлением регионального развития, которое будет способствовать решению социально-экономических проблем, и выступать реальным фактором сохранения и воспроизведения природного и культурно-исторического потенциала Республики Карелия, является сельский туризм. Повышая самозанятость населения, обеспечивая рост доходов домохозяйств, усиливая чувство гордости местного сообщества за свою территорию, туризм может одновременно способствовать закреплению населения, особенно молодежи, в сельских поселениях. Однако, развитие туристического бизнеса в полной мере возможно лишь в условиях понимания молодежью значимости и перспектив развития данного направления экономической деятельности.

#### Економіка та менеджмент

Целью данного исследования является раскрытие роли и значения сельского туризма в решении проблемы занятости молодежи и улучшении социально-экономической ситуации в регионе. В статье исследованы условия жизни молодежи в Республике Карелия. Раскрыты причины мобильности этой категории населения и сделан анализ текущей ситуации на рынке труда. Как считают авторы, одним из основных путей решения социально-экономических проблем региона и повышения занятости молодого поколения, является развитие сельского туризма.

**Ключевые слова:** сельские поселения, молодежь, рынок труда, сельский туризм, развитие туристического бизнеса.

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# Development of Tourism as One of Solutions to Problem of Rural Youth Employment in Republic of Karelia

The problem of employment in rural areas facilitates the increasing migration of young generation to the central part of the Republic of Karelia and other regions of the Russian Federation. In the situation occurred, a promising area for regional development to enable solving social and economic problems and be a key factor in preservation and renewal of natural, cultural and historical potential of the Republic of Karelia will be rural tourism. Increasing population self-employment, providing growth in household incomes, enhancing a sense of local community pride of the area they live in, the tourism can also encourage the locals, especially young people, to get bound to rural areas. However, the overall development of tourism will only be possible providing that there exist the young understanding of importance and prospects of this area economic activity development.

The purpose of this study is to determine the role and importance of rural tourism in solving the problem of youth employment and improving the social and economic situation in the region. In the article there have been examined the living conditions of young people in the Republic of Karelia. The reasons for mobility of this population category have been determined and the current situation in the labor market has been analyzed. According to the authors, one of the main ways to solve the social and economic problems in the region and increase employment of young generation is the development of rural tourism.

**Keywords:** rural communities, youth, labor market, rural tourism, tourism business development.

Introduction. Currently, one of the urgent problems of rural development in Karelia is a declining population, migration of young people from rural areas to the cities, due to reforms and changes in the system of economic relations in the agrarian and forest sectors, and local administration. As one of the tools for solving problems, contributing to the preservation of youth (as the most active and mobile part of the population) in rural areas is the tourism development. Rural tourism development is becoming a perspective and actual activity in rural areas. The development of rural tourism in the Republic of Karelia can play an important role in the economic development of the country, improving viability depressed rural areas and improving the living standards of the local population.

**Recent research analysis.** Among modern scientists which research youth as a special socio-demographic group in terms of juvenile policy, we can distinguish the following. Sluckii E, Sigov I, Hodachek A., Skomarceva I., Skvorcova M. The role of labor in the human and social development and labor behavior developed are

considered in the works of authors O. Volkova, V. Galenko, V. Dyatlova, V. Zabrodina, E. Maslova, Yu. Odegova. Research rural labour market in regional aspect we can find in the studies of T.V. Morozovoi, A. Revaikina, M. Rudakova, T. Shumilovoi.

Rural tourism development is becoming a perspective and actual activity in rural areas. In the scientific literature we can find a great diversity of concepts about rural tourism and local community that allow a wide field for discussions and debate. Necessary to understand that rural tourism development is not the only and always successful type of the economic activity, is not the panacea for all rural problems but can consider it as the best suited for achieving rural development.

The presentation of the basic material of the study. A rural settlement is a special type of community with certain difficulties for its residents, often remote from the regional centre, and with poorly developed economy. Problems of the labour market and the youth's position in it are especially acute in rural areas due to reforms and changes in the system of economic relations in the

agrarian and forest sectors, and local administration. Aiming to study the problems of rural communities, their current economic and social situation a team at the Institute of Economic Studies, Karelian Research Centre RAS has since 1998 been doing economic and sociological surveys in villages of Karelia. The activities during the expeditions were qualitative interviews with executives and specialists of rural administrations and community-forming enterprises, roundtables with local activists, household questionnaires. The difficulties revealed through the surveys influence the life choices of the youth, urging the young generation to move towards the central part of the Republic of Karelia and the Russian Federation.

The surveys helped reveal the living conditions of the youth in the Republic of Karelia rural settlements and the principal reasons for them to leave the countryside, given that the main factors for social mobility are the education and labour market arrangements.

Considering the issue of the youth's position in the labour market one should focus on the manpower characteristics, first of all the educational level. According to data from sociological surveys of the Sortavalskogo and Medvezhjegorskogo municipal districts of the Republic of Karelia in 2012 the distribution of the youth by educational levels are: 22.8% of the youth had higher or incomplete higher education, 45.8% had secondary or basic vocational training, 19.6% had comprehensive high school education (Hereinafter calculated from sample surveys of rural dwellers). On the other hand, only a fifth of the youth (23.4%) believed higher professional education provided better access to a wider range of locally marketable jobs. A third of the respondents (36.2%) deemed secondary vocational training to be better tailored to the modern labour market, opening the gateway to a variety of professions the local labour market demanded. A majority however found it difficult to answer the question [2].

The distribution of the youth by economic activity in 2012 shows that 56% have a job, about 20% getting education or training and more than 22% are unemployed and out-of-work.

Thus, the public sector is losing weight in the career strategies of the rural youth, and the reasons are multiple. State-owned and budget-funded enterprises, which mainly represent the rural social services: schools and kindergartens, health care, cultural and sports institutions, public services, are going through optimization and reform with redundancies involved. The second reason for a reduction in this sector is low salaries.

As the rural youth employment in the public sector is declining, a positive trend is observed in their non-public employment, especially in joint stock companies (22.1% in 1998 vs. 48.3% in 2012) and in individual entrepreneurship (16.1% in 2012). One of the diversifications of rural employment is the various work patterns: although constant employment prevails – 71.3%, there are also uneven workloads – 19.5%, rotation – 4.6%, periodic jobs – 2.3%, temporal and seasonal forms – 1.1% each

Rural labour market is noted for a lower level of economic activity and employment, the outcomes being higher unemployment, considerable seasonal fluctuations, lower quality and price of manpower, massive use of inkind payments and unpaid occupations. The biggest problems can be the threat of the community-forming enterprise shutdown, delayed salary payments, rise in unemployment, work on a rotational basis, all of them potentially building up social tension (alcohol and drug abuse, break-up of families, etc.) [6].

On the other hand, it is worth mentioning the high mobility of the youth in the rural labour market, which has two aspects:

# • search for additional employment.

Thus, 41.2% of the respondents in 2012 said they had additional employment, 9% of them had regular additional income, and a little over 20% took extra inhouse jobs. Economic crisis at many agricultural enterprises, full or partial liquidation of social amenities with the resultant unavailability of many services to rural dwellers have promoted the demand for informal services (some 40% of the youth gain additional income from that sector). A relatively new and highly promising activity is tourist services: guesthouses, transportation, guiding, etc. The main reasons for the youth to be looking for additional employment are: unsatisfactory salaries at the primary workplace – 66.1%, self-actualization aspirations – 19.6%, free time available – 16.1%.

# • job change.

Around 40% of the youth have changed job, and nearly 20% of them more than once. Their main motives were: low and unreliable salaries – 53.3%, lack of social benefits – 33.3%, harmful working environment and lack of opportunities for self-actualization - 26.7% and 23.3%, respectively. Only 16.7% of the respondents changed job because of moving to another place of residence. Over 70% of the youth who had changed job said the change has been positive, namely: the income increased, they got a promotion in position and qualifications, and mastered a new occupation. A fifth of the young respondents were considering a job change in the near future (21.8%), and a half of them were willing to migrate both within Karelia and outside it. High mobility of the youth is further confirmed by the flexibility of their occupational orientations, willingness to try applying themselves in various types of activities.

As of 2012, slightly over 50% of the employed youth were eager to change their professional status, and most of them wanted to master a new occupation. More than two thirds of the youth believed the system of training courses could help promote one's qualifications and find a new job. Diverse occupational skills, especially when they are in demand, are an additional drive for realization of career strategies.

Career strategies of the youth are manifest in the preferred variants of career status change. More than 25% of the young respondents were wishing to start an own business. The most preferred spheres of activity were: small services -31.3%, retailing -25%; one can also name farming and tourism.

#### Економіка та менеджмент =

Tourism now appears as one of promising lines for regional development in the Republic of Karelia, which can mitigate social problems, and act as a factor for conservation and reproduction of the natural, historical and cultural potential of the territory. While promoting self-employment, enlarging household revenues, building up pride in local communities, tourism can also help attach people, especially young people to rural areas. Full-fledged development of the tourism business is only possible if the youth are involved and recognize the importance of this sphere of economic activity, perceive it as a resource for their own life strategy [9].

The local community is now becoming a key concept since the transformations underway in the country require that it turns into an actor that does not simply adapt to the change around, but actively chooses the lines for socioeconomic and socio-cultural development of the territory, as well as sets the criteria for assessing the quality of the development. This first of all refers to the youth, which is the most interested and active part of the population.

Becoming an active player in the planning and management of socio-economic development, the local community both gains more opportunities to realize their own interests, and becomes more responsible before the coming generations for its decisions and actions. The local community can and should develop relying on specific resources (natural, spatial, intellectual, etc.) the territory has. The fact that the local community often does not utilize the available potential for some objective (lack of mechanisms for consumption of a specific resource, limitations on resource use, etc.) and/or subjective (no demand for the resource, unawareness of its potential applications, the resource is not perceived as a resource for development, etc.) reasons is another story.

If tourism is developed as a sphere of economic activities bringing extra and/or basic revenues to the local community, the possibilities lie in the selling of tourist services (lodging, catering, excursions and guiding, gear rent, etc.), souvenirs, foods to tourists, arrangement of master classes, leisure activities based on the cultural and historical traditions of the land, etc. On the other hand, there may be some objective reasons for the local community not to get all the potential income and to underuse the resource: missing or poor tourism infrastructure, insufficient marketing of the tourist product at the regional, national and international levels, lack of qualified manpower and specialists for the tourism business, lack of strategic documents and development plans for this economic activity at the local government level, etc. Essentially, local people understand the potential benefits of the geographic location, but the absence of an established behavior and development strategy dampens their possibilities and actions.

Nowadays, the role of the local community in the socio-cultural development of the territory has become much weightier, calling for a completely different attitude of local people towards conservation and development of the territory, and the decision-making involved. Some ways to promote the tourism business are:

- projects to conserve and enhance the historical and cultural potential of the territory (preservation of wooden architectural monuments, restoring the original architecture of historical settlements, re-establishment of the historical cultural environment; establishment and development of ethno-cultural centres, etc.);
  - revival and promotion of traditional crafts;
- organization of folklore festivals and events to demonstrate the unique cultures of specific areas;
  - compiling the events calendar.

Thus, the development of rural tourism in Karelia can play an important part in the economic development of the republic, raise the vitality of depressed rural districts, and enhance the living standards of local people. Rural tourism development would contribute to conservation of the environment, culture and traditions of the people living in Karelia. The prerequisites for that are:

- involvement of local people in the development of rural tourism:
- preferred use of local natural resources, and revival of traditional livelihoods, arts and crafts;
  - manufacturing of green products;
- revival of the historical and cultural heritage of the Karelian countryside;
- building the common information space for the territory;
- implementing a system of educational and training programmes for village home owners;
- development and facilitation of new tourist routes [9].

According to the respondents, the agencies to turn to for help in setting up a business were:

- Employment Bureau all the respondents trying to set up an own business have turned to the Employment Bureau for help. The Bureau can offer a subsidy equaling one-year welfare to the unemployed (ca. RUR 60,000 of start-up money);
  - Commercial bank (55.6% of respondents):
- Local rural administration (22.2% of respondents);
  - Credit cooperative societies (16.7%);
  - Association of entrepreneurs (13.9%).

The main factors hindering individual initiative, in the youth's opinion, were the lack of seed capital, and the lack of skills and basic knowledge (of how to start a business). The least important items, as assessed by the respondents, were high competition, lack of knowledge in drawing up the required papers, and lack of production facilities. When asked whether any local initiatives on providing help in starting up businesses were available, the respondents mentioned credit & sales cooperatives, and acquaintances among local businessmen.

Noteworthy is the low proportion of the unemployed youth registered at the Employment Bureau – 38.1%, whereas among adults 58.1% of the unemployed were registered at the Bureau.

The dominant reason for unemployment among the youth is resignation – 61.5%, which is apparently due to a gap between the inflated requirements of young people

and the salaries offered to them. Some 8% lost jobs upon staff reductions, reorganization or shutdown of the company, 15.4% have never worked, including those who failed to find a job after completing vocational schools or after compelled unemployment (conscription, maternity leave).

The survey has shown that the main motives for the youth to leave rural areas are the socio-economic (salary size, working environment, housing, utilities and leisure problems) and socio-psychological (job prestige) factors. Economic crisis in agriculture has practically terminated the generation of working, living and social guarantees for rural dwellers, especially the youth. Young people head for cities, which offer more opportunities to get education and a marketable profession, as well as to earn money. Once they have left they are not likely to come back. According to studies the distribution of youth attitudes about migrating from their rural areas follows: only one-fifth (22%) have not a planning to move away, almost half (45.5%) considering the possibility, but with no specific plans yet; and 7% determined to leave/ The main motivations to move were to improve the living conditions – 56.5%, as well as to find a better job, settle down in a relationship/family, spot possibilities for self-actualization. The main proposals from the respondents on how to develop the settlement were to: create new jobs, build new living houses, enhance social life (organized leisure, possibilities to do sports, improved health care).

The main causes of rural youth drain are1:

## 1. Deficit of jobs.

The main indices are the employment and unemployment levels. The rural labour market is noted for a lower level of economic activity and employment; unemployment values are higher; seasonal variations are substantial; manpower quality and price are lower; in kind payment and unpaid jobs are more common; job alternatives are very limited.

# 2. Housing conditions in the countryside.

Housing availability, in rural areas especially, is rather low. Rural administrations believe a potential solution for the housing problem of the rural youth could be to set up a programme where the government would build houses and hand them over to married specialists, with the transfer of ownership after the specialist had worked in the countryside for a certain period of time. Another arrangement for the housing problem of young families could be a system of concessionary lending.

# 3. Low salaries.

The low and unreliable salaries, especially in social services, urge the workers to diversify their labour activity by taking on additional jobs (10% of young respondents).

4. Health care system.

<sup>1</sup>Materials from the study 'Social protection and aid for lowincome (both socially well and troubled) families with children'. The survey was carried out in Lahdenpohsky, Sortavalsky, Pitkarantsky Districts, Republic of Karelia, 2011, Institute of Economic Studies, Karelian Research Centre, RAS, Leader M. Dyakonova Low availability of specialized medical services to people (more that 50% of young respondents) is a grave problem (lack of medical specialists, large distances to medical centres, costly medical services). In the opinion of healthcare professionals the role of the national health care project in promoting medical services in the countryside is also rather low.

#### 5. Educational system.

Education is a major factor for the formation of the labour potential, career choices and adaptation of the youth to the labour market, and is the principal element of the youth's socialization. Yet, experts have estimated that the possibility to get higher professional education is 4 times lower for rural youth than for urban dwellers. Meanwhile, a majority of the respondents (78%) are quite confident the level of school education in their rural community is sufficient for entering higher and secondary professional education institutions of the Republic of Karelia and Russia. There is no demand in the labour market for nearly a half of all professional specializations, and job offers have no appeal for the youth<sup>2</sup>.

#### 6. Organized leisure.

One of the factors urging the youth to leave the countryside is curtailing of the activities or shutdown of cultural institutions in some settlements. Experts have assessed the capacity of settlements to organize leisure, entertainment and sports for the youth as low, over 78% of the respondents said there was a lack of cultural and entertainment events in their community.

## 7. Developmental outlook for the community.

Another important factor influencing the stay or leave disposition of the youth is the developmental outlook of the community. Only a third of the respondents (31.8%) believe their settlement would develop to a more vigorous state; another third is more pessimistic about the future of the territory. The spheres in which the youth believes their home community can develop are: tourism, industry, agriculture. [3].

A general conclusion is that the reform of local government has entailed enormous problems in all social spheres. The most heavily affected settlements are those with high unemployment. There is a need for balanced effective decisions on the management of the territory based on both quantitative indicators (overall unemployment levels, average income, etc.), and public availability of various social services provided both by social institutions and other organizations operating in the sphere of medicine, culture, education. According to the respondents, the measures to be taken in relation to the youth policy are:

- preparation of the programme to enhance the social and labour adaptations of the youth;
- preparation of programmes for social and labour rehabilitation of the youth under suspended sentence;

<sup>&</sup>lt;sup>2</sup> Economic-sociological survey of middle and senior grade schoolchildren of the Sortavalsky District within the project 'Specifics and current situation with children's rights in the Republic of Karelia' (Sortavalsky District as the pilot area) ordered by the Sortavala Charity NGO 'Children's World', September 2009.

### Економіка та менеджмент =

- state support to the youth going for vocational education;
- support to projects implemented by cultural and educational institutions for the promotion of youth cultural and sports initiatives in rural areas.

**Conclusion.** To resolve the problems of the youth in particular and the countryside in general one should restore and further develop the rural social infrastructure, build up the capacity of agricultural production facilities, provide financial and moral support to the local community, especially the rural youth [1].

The main proposals from the respondents on how to develop the settlements were: to create new jobs, to build new housing facilities, to allocate company housing to young specialists taking up jobs in the social sphere, to improve the social dimension of life (organized leisure, possibilities for sports, improved medical services).

An integrated approach is needed to address the problem of rural employment and youth drain. A potential impetus for revival of the rural economy is development of the tourism business, but in the modern situation it requires fundamentally new approaches on the part of local administrations in managing its development, and the local community must recognize it as a promising and beneficial economic activity

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