

New Trends in the Labor Market in the Context of Shared Economy

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Abstract - The topic of the article is linked to the Europe 2020 strategy's attributions, to the key factors for smart, sustainable and inclusive growth and its chosen core objectives – employment and education. The aim of the article is to define the possibilities of activation, involvement in social and economic changes, especially under the influence of information and communication technologies, which are shaped as innovative, alternative opportunities on the traditional labor market. The achievement of the objective was supported by the results of the primary qualitative survey.

Keywords – Employment, Entrepreneurship, Industry 4.0, Labor market, Shared economy.

1. Introduction

Quality of work is crucially dependent on the human factor. Pillars of its support are qualifications, professional development and lifelong learning. Increasingly, the tool is to eliminate discrimination in access to employment, in remuneration for work done and in career advancement. It also includes innovative forms of work organization that promote quality of work, productivity and work-life balance. The priority is to involve the unused labor force in the economy and to increase the employees'

productive capacity. Getting a job or other meaningful activity is to be the first step on the way to a better life for unemployed individuals and their families. Open labor market policy has been creating preconditions for introducing progressive and flexible forms of organization of work. The practice in Slovak companies lags behind the situation in the European community of original member countries. Innovative change in business can lead to intensive use of information and communication technologies, active approaches in shaping the digital economy. This phenomenon is also linked to the Industry 4.0 concept, where information and communication technologies are the primary technology.

2. Education and innovation policy in employment and in entrepreneurship

In addition to improving the business environment and building infrastructure, in the modern human society is a prerequisite for its development a human resource support too. Not the education of children and young people within the school system only, but lifelong learning and also the creation of a „second chance“. For long-term unemployed people, are activation measures and counseling determined for their inclusion in the labor market.

„To understand his needs and satisfaction as a result of the whole set of processes of comparison and experience is a base to assess and further processes of this information to address customers even in a better way. Customer satisfaction depends on his personal feelings, resulting from his personal comparison of real performance to the expected one“. [12]

Education policy is a separate area. The Employment promotion strategy identifies key ways how to connect the education system with the labor market and the social system.

The aim of government measures is to create a situation, in which life without work or other meaningful activity will suffice only to ensure the basic living needs in the short term. The intention is to strengthen the activity of the unemployed and to motivate them to work activities. The basis of the

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social system is to emphasize positive motivation, reduce benefits and income linked to unemployment, strengthen the benefits of formal employment, simplify and understand the social system.[1]

There are regional differences in social and economic living conditions, not only in Slovakia. That's why it is not possible for every individual, who wants to work, to find an adequate paid job. The situation is due to a lack of jobs, also to the number of long-term unemployed with a low or insufficient degree and education. The government therefore supports self-employment of selected groups of the unemployed, social activities in selected groups of individuals receiving a benefit in material poverty, reform of the education system in order to increase the qualification of the workforce, motivation for labor mobility, reconciliation of family and working life.

One of the traditional effective tools for mitigating high and geographically diverse unemployment is labor mobility for job. This instrument is particularly important in the Slovak Republic, where the way of industrialization and of spontaneous restructuring caused regional disparities in the possibilities of the domestic labor market.

In consequence to the processes of economic globalization, technological innovation and informatization, the traditional problem of the relationship between the education and the work system, like the relationship between education and qualifications resulting from practical experience, will be integrated into a new context of the growth of the labor market competition. A closer evaluation of these sociological information suggests a enchant circle between the expectations of the unemployed, their education and the labor market. The majority believes that their education is in line with what they want to do, but at the same time they know, that they will not get a job with an education. Some of them agreed to accept work that required other education or qualification. Individually, time and financial investments in the retraining or further education are for many unemployed inefficient.

The current problem of the labor market appears in particular in the insufficient number and qualification of the employees, the demand for labor exceeds the original boundaries of the national labor market. Another employment possibility is the support of business activities.

„By the law, entrepreneurship is a systematic activity carried out independently by the entrepreneur in his own name and on his own responsibility for the purpose of achieving profit. All business attributes must be met at the same time. The law requires that persons, who are to be designated as entrepreneurs, hold an official authorization to do business and carry out the related obligations“. [9]

Business is the activity of an individual or a group of people, who apply their entrepreneurship in practice, bring them satisfaction of the needs and expected rewards. Applying subjective ownership rights to the production factors, allows us to take advantage of the resulting effects and introduce unprecedented, innovative combinations of activities and relationships, not only among entrepreneurs. Even non-business entities have to behave efficiently on the market, so they tend to imitate the entrepreneur's activities and take over the content of the business, even without a formal authorization.

2.1 Shared economy

To time, there are alternative activities to traditional jobs and businesses that have the traits of a collaborative, shared economy. Sharing may appear as a business activity, a leisure activity, or a job. Sharing is sometimes referred to as harmful for the functioning of the economy, because it is not properly checked and also appears to the detriment of the classical entrepreneurs who must have the formal authorization to do business. It can also be beneficial, for example, by the solving of unemployment problems and in the management of the labor activity of individuals on the labor market.

Shared economy and internet platforms have shown people that they actually have much more capital and the opportunity to work, as they have been thinking. The shared economy pulls people out of a classical employment relationship. People offer services through on-line platforms, they are independent contractors. Such employment offers great flexibility in the activity of the individual. An independent competitor can decide when to work and what to work. This allows them better use of their leisure time and are flexible to respond to other duties. [6]

The shared economy will develop technologies, including specific application, that enable product sharing. It is supposed it will be the most dynamic area of business in future. [15]

„Sharing is a new type of activity, manifested in the entrepreneurship of individuals and groups, they may or may not be institutionalized as businesses, that use intelligent technical electronic means and tools to communicate with each other, allowing them to execute in a very short time a non-/mediated infinite number of transactions in which providers temporarily renounce ownership of their resources or provide services for agreed compensation, that doesn't constitute a profit, but usually covers only part of the costs associated with it and generates savings. ... The Provider, by itself or through an intermediary and its online platform, offers its assets and other resources to the user, creating collaborative platforms. In the businesses are

created centers with their specific task for providing of sharing services. This process is incomplete, subject to the interest and competence of stakeholders“. [10]

The principle of a shared economy is to combine demand and supply over the Internet platform. It is based on collaboration and communication. It contributes to the increasing of society's well-being, even without producing new goods.

2.2 Expressions of sharing in the Slovak Republic, Europe and in the USA

Sharing of workplaces is a part of the labor market. By the Eurobarometer results from 2016 year, it was found, that almost half of Europeans was involved in sharing yet, with every sixth of them joining as a user. [3]

It is assumed that the shared economy in Slovakia accounts for less than 0.01% of GDP. [21]

In the United States, sharing of work and work places is primarily reflected in sharing common spaces. The economic crisis and the resulting economic uncertainty forced managers of enterprises to use their own spaces and jobs efficiently and share it with others. 61% of respondents in the CBRE survey said they had used co-working to avoid isolation and distraction when working from home.

„In the U.S., co-working is estimated to be experiencing a five-year compound average annual growth rate of 21 %. Economic Uncertainty, Technology, Community and Cities are four megatrends that we believe are driving the sustainability of the emerging co-working model right now. They are forces that are driving change in the workplace and among the labor force“. [20]

In 2013, revenues from the shared economy amounted to \$ 15 billion, revenues from the traditional rental economy (B & B accommodation and hostels, car rentals, books, DVDs and equipment) amounted to \$ 240 billion. By 2025, revenues should be offset by income from the traditional economy and should reach \$ 335 billion. [19]

2.3 The trend of digitization and robotization and its impact on the labor market

The main trend of development, which is connected with rapid technological progress, was awarded the fourth industrial revolution or Industry 4.0. The numerical trait in the title indicates that the fourth stage of the industrial revolution, which is based on so-called internet of things, is coming. [11]

The Ministry of Economy in Slovak Republic set up a strategy „Smart Industry“ which describes the necessary changes in industry. Slovakia is shaping up

as a major automotive and electronics produce that drive its current growth and a high degree of automation is expected in these industries. [4]

Automation will create new job requirements within the Slovak labor market for new professions and will substitute live work with automated systems. There is a risk of automation of work and with this associated rise of the so-called technological unemployment.

Automation of work will affect up to 56 % of jobs in the Slovak Republic. It's assumed, that *„they are mainly activities in the industry (automotive, electro technical, food industry) and in the commerce. The forecast of employment trends is for the various sectors of economic activity for the period 2017 - 2022. According to the above forecast, till year 2022 employment will increase by 30 % in the administrative and support services sector and by 25 % in professional, scientific and technical activities. For the information and communication industry, the forecast is to increase the share by only 15 %“.* [16]

Digitization along with migration and demographic change are among the major new social and technological challenges in the world of labor.

Based on the European Commission's strategy, the Digital Single Market (DSM) is starting to form in the EU. The Slovak Republic currently respects the united digital market strategy. [14]

Besides the positive effects, new services and products, and creation of values, there are fundamental changes in the labor market due to the emergence of data and artificial intelligence solutions, as well as increased demands for flexibility due to the increasing sharing of resources and the capital structure of the economy.

The population of the European Union is getting older, the number of economically active people declining in the relative to inactive. This affects labor markets and social security systems at different levels, such as labor availability, the need for new work skills, or the maintenance of social standards. Technological changes have two significant effects - they eliminate some workplaces by replacing workers with robots and changing qualification requirements for workers in many professions, respectively they have been creating new professions. [13]

Hartmut Hirsch-Kreinsen, German professor of economic sociology stresses: *“ There is no technological determinism. This means, that all projections of job losses due to technology are just about the possibilities, not the necessity, that something will be happening. The form of labor market in the period of digitalization is, by him, a formable project, that should be considered as a challenge. The society will be changed by that how we set up and design the new work environment“.* [5]

The objectives of the Strategy 2020, which are labor market and education oriented, are formulated: the raising of the employment rate of the population aged 20 - 64 to 75 % (in the Slovak Republic 72 %), including greater involvement of women, older workers and better integration of migrants among the workforce. The reduction of the rate of early school leaving less than 10 % (6 % in the SR) and at the same time to increase the proportion of the population aged 30 - 34 with university education to at least 40 %. [11]

The protection and assistance of disadvantaged and marginalized groups is dominated by European Union programs in the field of education and the acquisition of practical skills by youth.

3. Objective, methodology and survey method

The primary qualitative survey is based on two separate surveys, combined labor market trends and shared economy. The common traits of the two surveys are: the same survey period (2017), the survey technique - a structured questionnaire (formalized and electronic), the same geographical origin of the respondents - the Slovak Republic, the Prešov region.

In this region there were 822 000 residents and the unemployment rate was 12.73 % in the period of the survey. [7]

It was the objective of the first survey to look for entrepreneurs' opinions, experiences and preferences on sharing in the business, with an emphasis on the possibilities of sharing work and workplaces that define new alternatives for solving unemployment and for the lack of skilled workers on the labor market. Together, out of 150 issued, the return was 112 (75 %), were used 102 correctly filled questionnaires (68 %). In assessment of the responses a modus was determined the - the most statistically significant value.

The second survey aimed at gaining information about the unemployed, who create a potential segment in the labor market for the development of both classic and alternative possibilities and options for self-employment. From October 2016 to March 2017, 271 unemployed were contacted.

The results were compared and synthesized, to identify trends in the regional labor market and the business environment.

3.1 Survey 1

In the 102 surveyed enterprises there were a total of 1 178 employees working. According to the number of employees, there were micro-enterprises with up to 10 employees (62), small enterprises with

up to 50 employees (34) and medium-sized enterprises of up to 250 employees (6) predominated.

86 respondents (84 %) know the nature of the sharing, another 14 (14 %) know only the concept, but do not know the content of sharing activity, others have no information about sharing. 93 respondents (91 %) think they have already been involved in the last three years in business sharing. The objects shared: machines and devices (78 respondents, 84 %), buildings, spaces, lands and / with the same result (72; 77 %) information too; workforce and workplaces (69; 74 %) and money (63; 68%).

Responses of the respondents are organized for each group of companies according to their size separately. Micro-enterprises participated in the sharing of machines and devices (22; share 39 %), labor (17; 30 %), spaces (8; 14%), information (5; 1%), money (5; 1%). Small businesses have participated in the sharing of: machines and devices (9; 30 %); money (8; 27 %); work (6; 20 %); space (5; 17 %); information (2; 7 %). Medium-sized enterprises participated in the sharing: money (4; 67 %) and labor (2; 33 %). Results of processing survey 1 are given in Figure 1.

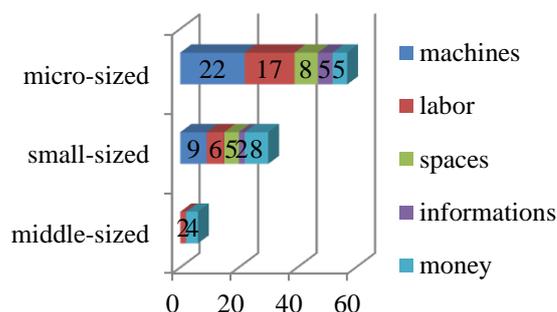


Figure 1. Sharing objects in enterprises

By processing of the research results, attention was focused on assessing the sharing of labor and workplaces, situation in the last three years. Of all 69 actors of this type, 62 entrepreneurs (90 %) were on the labor demand side, 17 entrepreneurs (25 %) on the supply side. Most participated business entities were individuals, dominating craft skills and services. In 29 enterprises (42 %) were shared workplaces in internal processes, according to the organizational rules. Outsourcing of labor forces will be used by 44 entrepreneurs, but respondents have understood them mainly as employment through employment agencies. The greatest benefits or contribution are: 1. higher speed, 2. higher efficiency – of performing work tasks, 3. wage cost savings. 47 entrepreneurs report that they share with other entrepreneurs (60 %) due to better use of property

and time. Actors of sharing communicate primarily in their community.

No entrepreneur has created own online platform for sharing labor force or workplaces, they do not use no existing platforms. The resource of sharing information includes personal contacts (41 respondents; 59 %), social networks and websites (38; 55 %), as well as e-advertisements (37; 54 %). By own search it was found out by all respondents, whether they will consider sharing labor force or workplaces in the next three years. From a total of 102 respondents, 72 entrepreneurs (71 %) are considering sharing them.

3.2 Survey 2

In this survey revealed were the original professional areas from which the unemployed respondents came from. Results of processing survey 2 are given in Table 2.

Table 2. Breakdown of respondents by original area of work

Category	Area	Amount	%
A1	Industry	46	16,97
A2	Agriculture	19	7,01
A3	Services	61	22,51
A4	Trade	69	25,46
A5	Education	35	12,92
A6	Healthcare	23	8,49
A7	Entrepreneur	18	6,64
	Σ	271	100,00

In the monitored region, there is the highest unemployment rate in the area of trade and services. In these two categories, there are up to 48 % of the unemployed. The second strong group (30 % of respondents) is education and industry. Relatively surprising is the fact, that in the category A7 (entrepreneur) there were up to 18 respondents, who make up more than 6 % of the respondents. It is necessary to reflect on the causes of this situation and to focus on employment policy measures in specific professions and age categories, which are among the riskiest in terms of the length of unemployment.

4. Discussions and suggestions for recommendation

The group of surveyed companies represents 0.2 % of the total number of business entities in the Prešov region. According to the latest official published results about the business environment according to the Slovak Business Agency in the 2016, the Statistical Office of the Slovak Republic recorded 557 758 and in Prešov region it was 69 464 active

business entities. Small and medium-sized enterprises account for 74 % of employment in the corporate economy and 59 % of total employment in the Slovak economy. [17,18]

According to the secondary data received in Eurobarometer, more than one half of the population knows the nature of the sharing, but in the primary, own qualitative survey it was more than 91 % of respondents. The primary choices for sharing object were machines and devices (31; 33 %), work (25; 27 %) and money (17; 18 %). It is possible that the respondents didn't remember all the responses and responded under the influence of the business or time pressures. In personal survey about sharing of work, many respondents didn't connect this process of sharing with the object work, but more through mediation and with illegal work. Further exploration in the future will require consideration of the range of responses and the repeated survey.

The inadequate experience of respondents in the group of entrepreneurs is the cause of the low level of involvement in sharing through on-line platforms. The asked entrepreneurs prefer personal contacts in the search for employees and sharing work. In the future they expect a higher rate of involvement, almost two-thirds of companies planning to share work, workforce or jobs in the next three years. This trend is in contrast to the assumed outcome of the Global Entrepreneurial Monitor (GEM) survey of 2015, according to which „up to 26.4 % of citizens perceive their business opportunities (EU average 36.7 %), 52.4 % with ability to start a business. However, 33.7 % of the population is afraid of business failure. The rate 31.1 % of people confirmed that they started business, because they haven't another choice". [8]

The total share of state support from the Slovak Republic according to the Employment Scheme in 2016 year for small and medium-sized enterprises amounted to EUR 1.03 million, which is 12.36 %. The scheme is designed to help recruitment, employment of disadvantaged workers, disabled workers, for education. Aid for education, within the Article 31 of Regulation (EC) No 651/2014, was granted exclusively from the state budget of the Slovak Republic, in the amount of EUR 4.49 million, to only 3 eligible beneficiaries. 409 people were enrolled in education. [18]

The suggestions define a set of innovative activation options for the interested in the traditional labor market. These proposals are not the role of government, they require stakeholder cooperation. They identify the most striking trends, acquired by the results of primary and secondary surveys. To the proposals for improving the pillars of the social system belong the measures to:

- increasing of the motivation of the long-term unemployed to find employment by keeping part of the benefit in material poverty even after finding a job,

- economically inactive groups motivation to become a work force,

- working families support.

Suggestions for support of business activities:

- raising awareness of new opportunities for employment in the context of a shared economy,

- solving of connection of long-term unemployment in the sharing process,

- setting up the education process (unemployed) through an on-line platform,

- set up processes in the business environment for share of workplace, work space, labor force.

The Slovak digital coalition aims to address the lack of digital skills and ICT professionals. The digital coalition, launched in September 2017, aims to improve students' digital skills and strengthen the digital literacy of employees, the unemployed and entrepreneurs. Digital skills training for employees can reduce the risk of losing their jobs. Assessment methods identify the shortcomings of digital skills staff. For example, the "IT Fitness exam", was developed by the IT Association of Slovakia. IT training can give the job seeker a competitive advantage in finding a new job. [2]

In order to promote the functioning of the shared economy, it is recommended to ensure innovation in the field of education, which requires new flexible approaches and a new content of education programs. Creating assumptions that unemployment will not occur. It is recommended to ensure the lawfulness of revenues from sharing, which requires innovation in the legal regulation of work, business and taxation. For the consensus, fair conditions must be set for traditional entrepreneurs, who will feel - in contrast with sharing - discriminated against. It will also be in the interest of the whole of the society to control frauds in which actors of sharing are registered as unemployed and abuse the solidarity of the social system.

5. Conclusion

The forecast for the macroeconomic development, of the countries associated in the European Union, implies growth, increased competitiveness and performance. The vision of application itself must be present at all levels and in all kinds of education, which must correspond to the real needs of the labor market. The role of the school is not only to educate, but also to form people, who will be well prepared with the necessary knowledge and skills to respond on needs of Industry 4.0. High quality education is a

part of the information society. Persons who have completed a certain education must be adapted to the labor environment with modern technologies. Lifelong learning represents a preventive solution to unemployment. Primary qualitative surveys have confirmed that businesses are gradually engaged in new, alternative forms of business and are looking for a place in the digital economy. Sharing things, services and workplaces is an opportunity for the digital economy for all. Key competencies for successful employment in the labor market are: flexibility, creativity, learning and gaining information, practical application of knowledge, language and communication skills, information technology control, ability to work in a team, solve problems, act independently and responsibly, or ability to plan, manage.

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