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# **Interrelation of Regional Markets of Labor and Educational Services: Problems and Prospects**

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#### **ABSTRACT**

The article considers the problem related to the interrelation of regional markets of labor and educational services through the example of the Lipetsk region as one of the developed industrial and agricultural regions of Russia. The dynamics of the labor market as a macro-economic indicator witnesses about the directions and tendencies of economic growth of the national economy, as a whole, and economy of specific regions, in particular. Specialists estimate the national labor market ambiguously. On the one hand, there is an opinion that the Russian labor market is in the state of panic and expects abrupt re-focusing on the demand for the labor power. On the other hand, experts mark quiet conditions and a sort of depressiveness that is revealed in maintaining the demand for "popular" professions (economist, sales manager, IT technologies specialist, etc.), but at the same time to a considerably less degree. Because of this, the problem related to adapting to the changed macro-economic conditions of the market of educational services becomes urgent. Herewith, it is necessary to take into account that in Russia there are agricultural, industrial regions and regions with other sectoral specialization where the labor market formation differs from the all-Russian tendencies. The example of the Lipetsk region shows the necessity of active co-operation of employers and educational establishments; eliminating of non-compliance of specialists gained by graduates of educational establishments with the current needs of the contemporary labor market; providing employers with the opportunity to directly influence the formation of the set of areas to prepare students studying in higher educational establishments of the region. The implementation of these events must result in the creation of conditions and stimuli for the development of the human capital assets as a principle resource of the expanded reproduction development of the region.

**Keywords:** Labor Market, Market of Educational Services, Personnel Training, Regional Personnel Policy **JEL Classifications:** R13, J01, J31, J44

#### 1. INTRODUCTION

Under conditions of the increasing integration, functioning of the labor market of any region must be based on close interrelation of not only employers and potential employees but also higher educational establishments (HEEs) as subjects that form qualitative characteristic of the labor and human potential of the region. Such interrelation must lead to the development of joint decisions on defining the most promising areas to train future manpower that would be adequate to employers and economy of the region.

This research considers the problems on interrelating of regional markets of labor and educational services through the example of the Lipetsk region that is a developed industrial and agrarian region. The basis of the region, which to a considerable degree defines the development of the region, is the industry. In 2014 it accounted for 37.4% of the gross regional product (Lipetsk Statistical Annual, 2015). The industrial complex of the region has a multi-sectoral character. The maximum percentage is accounted for metallurgy, food-manufacturing industry, and machine-building. The Lipetsk region holds the second position in the Central Federal District and the third position in Russia in terms of the volume of manufacturing products of processing industries per person. In 2014 the maximum percentage of investments in the gross regional product was 32%. It says about the investment orientation of the regional economy. In accordance with the data of the "RIA Rating" rating agency, summarizing the results of 2013, among regions of the Russian Federation, the Lipetsk region

holds the 22<sup>nd</sup> position among entities of the Russian Federation according to the level of social and economic development (Rating of Social and Economic Position of Entities of the Russian Federation, 2014). This estimation is made annually on the basis of the aggregated key indicators of the regional development, including the scale of economy (Position 30), economy efficiency (Position 18), budgetary area (Position 57), and social area (Position 19). The problem related to the provision with highly skilled specialized personnel stipulates the urgency to develop a new institutional approach to regulating the regional labor market under its interrelation with the system of professional education.

This research gives a detailed estimation of the state of the regional labor market, determines basic problems of its formation, and considers mechanisms of the interrelation with the market of educational services.

#### 2. METHODOLOGY

### 2.1. General Characteristics of the Market of Educational Services in the Lipetsk region

According to the data of the Department of Education and Science in the Lipetsk region, as on January 1, 2015 on the territory of the region there were 19 HEEs, including branches, in particular 3 state and 3 non-state HEE; and 13 branches, including 5 state ones. As on January 01, 2015 the total number of HEE and branches students was 28,549 persons, including 23,734 persons studying in state and 4815 persons studying in non-state HEEs and branches. The basic form of providing educational services in state HEE and branches is full-time education, and extramural education - in non-state ones. The system of secondary professional education in the Lipetsk region is presented by 35 professional educational establishments, whereas on January 01, 2015 - 20.7 thousand persons studied. Students are trained according to 42 professions and 73 specialties.

In order to determine the compliance of the system of higher education in the Lipetsk region with the requirements of the changing labor market and reproduction proportions of the regional system, we have analyzed the information collected in the process of monitoring the system of professional education of entities of the Russian Federation in 2014. The results of this analysis can be found on www.cumt.pф. The data of the monitoring witness about the fact that regardless of their skill profile, the greatest number of HEEs of the region train specialists according to three basic areas: Economics and management, humanities, including law, informatics and computer science. Herewith, there is a serious disbalance between the aggregative groups of specialties (herewith related to AGS) of HEEs of the region that, on the one hand, are called for by employers, and on the other hand, are popular among school leavers.

So, the following AGS are the most popular with employers in the Lipetsk region: "Automation and Management," "Energetics, Power Engineering Industry and Electronics," "Construction and Architecture," "Transportation Means," "Metallurgy, Machine-Building and Metal-Working Manufacturing," "Informatics and Computer Science," "Natural Sciences." It is stipulated by the sectoral structure of the economy of the region and its internal needs. At the same time the most popular AGS with school leavers include "Economics and Management," "Humanities," "Education and Pedagogy." They also occupy the largest share in the structure of admission in the educational establishment of the region when the share of the most popular AGS with employers is not more than 2-3%.

However, the popularity of specific AGS with employers, the share of recruitment according to separate groups of specialties, as well as the share of AGS in the general structure of the admission in educational establishments do not give a full and objective picture of the labor market of the region and its interrelation with educational establishments. The studying according to the relevant specialty does not guarantee successful employment on the regional market of labor. The criteria set by the employers to job seekers are not always based on the acquisition of the necessary competences, knowledge, skills and abilities by students.

## 2.2. Analysis of the Correlation of Professional Interests of the Markets of Labor and Educational Services in the Lipetsk Region

The analysis of basic tendencies of the economic development and state of the labor market of the Lipetsk region showed that as a whole the economic development of the region is determined by all-Russian tendencies and social, taxation, budgetary, and investment policy conducted on the federal level.

In spite of the fact that the Lipetsk region belongs to regions with a low level of the registered unemployment (1%), on the regional labor market there is a number of unregulated issues. The most urgent of them include the following:

- Low competitiveness of specific categories of citizens,
- Risk of unemployment of future graduates of HEEs due to the slow response of the system of higher education to the changes of the requirements of the reproduction system of the region as well as graduates who live in the non-urban area,
- Unbalance of the structure of demand and supply of the manpower on the regional and local labor markets especially in the non-urban area,
- Seasonal character of unemployment related to works at agricultural and processing enterprises,
- Additional obstacles on the labor market that contribute to the decrease of the supply (unsatisfactory state of health, low salary, non-compliance with the required level of knowledge and qualification).

Herewith, at the present time the labor market in the Lipetsk region is characterized by the following positions:

- Availability of the potential to restructure the basis of working places (due to the creation of new and replacement of the released ones). In its turn, it is related to the industrial development of the region in the middle-term prospect,
- Considerable increase in the level of competence and qualification requirements to employees according to all types and levels of employment,
- Necessity to provide long-term interrelation between the opportunities of the replacement of vacancies and demand on the labor market.

At the same time the result of analyzing the market of educational services of the Lipetsk region allows to make the following conclusions:

- During the last decade the stability in the number of HEEs has been observed in the region,
- During the last 10 years the contingent of students has decreased the same as in the whole Russian Federation,
- The demographic situation in the region is the basic negative factor that affects the development of the system of education,
- There is a tendency related to decreasing the number of promising teaching personnel and increasing the number of teachers of the pension age in the structure of higher education,
- There is a problem of non-compliance of educational needs of the population with the labor market of the region.

#### 3. RESULTS

This chapter considers the notion "university," its role and competitiveness as a subject of the regional market of educational services, and states the problems related to the interrelation of regional markets of labor and educational services.

### 3.1. Contemporary University as Subject of the Regional Market of Educational Services

The concept of modernizing the Russian education provides the reproduction of mental and ethical potential of the society, comprehensive development of the social intellect, science, and culture as a priority basis. It complies both with social and economic needs of the country and the demands of the personality and state, because the system of education is an important factor to maintain the place of Russia among the leading countries of the world. There is a close interrelation of education and economy growth. As Alferov emphasizes, "only having a powerful system of education, our country can fully use its main wealth - "the human capital assets" (Sadovnichiy, 2003). At the present time the economic science determines "human capital assets as a special kind of investments, combination of expenses for the development of the reproduction potential of the person, increase in the quality and improvement of the manpower functioning" (Maiburov, 2004).

In the socially-oriented economy it is necessary to speak about the expended reproduction of the manpower. The expended reproduction of the manpower is a comprehensive scientific problem that combined conceptual provisions of the classical political economy (Smith, Ricardo, Say), Marxist theory (reproduction as a prerequisite of the humankind existence, and as a system forming factor regarded as a unified process of the reproduction of material benefits, manpower, and productive relations), etc. (Smith, 1956). Along with this, it is necessary to remember that creative activity of people is the second most important component of the process of economic modernization as well as the main source of the competitiveness growth, acquisition of new technologies. Intellectual capital generates new knowledge and technologies. It means it provides profits in the most rapidly growing sectors of economy. "These are the human capital assets that determine the development of the society and dominating tendencies, including integrational ones" (Talalova, 2003).

Firstly, let's dwell on the notion "classical university." "University (derived from Latin Universitas – aggregate) is a higher educational and scientific establishment, where people study a number of disciplines that make up the basis of scientific knowledge, and which educates multi-discipline specialists according to a wide range of sciences" (Batyshev, 1999). At the present time a new type of professional education is being formed. Its peculiarity is "the focus on the development of humanitarian resources of the community, and creation of such its organizational architectonics that would contribute to individual and group education motivated by various factors and stimuli. Today it is already possible to speak about the occurrence of a new educational culture ("educating in changes, changes through educating") that contributes to the selfformation of the skilled person (Baidenko and Selezneva, 2001). Classical "university combines teaching with mass scientific researches for the high school not to turn into an old divinity school with the reproductive transfer of knowledge" (Pishchulin, 2006). These are classical universities that aim at training "intellectual and mental elite for the social creativity and achieving new boundaries in economy, science, engineering, culture, art – in a word, in scientific and technical, and social and mental progress of the Russian society" (Mironov, 2001).

Specialists in the area of humanities and social and economic sciences make up a considerable part of graduates of classical universities. To a considerable degree these sciences respond for the development of the cultural tradition of the nation, form people's conceptualization about the ways of social development, and offer methods to solve complex social problems.

It is necessary to note that the category "classical" itself as applied to a HEE has not been rather adequately interpreted. According to the expert group of the European Association of Universities, "the most important features of the classical university include the students' possibility to obtain basic knowledge in various areas of the science under optimal combination of natural and humanitarian disciplines, ability to distribute moral and cultural values, and domination of the share of fundamental researches in the scientific work" (Prokopiev, 2000).

These features of universities and merits of their graduates allow to speak about a special role of classical universities on the market of educational services of the region. At the present time, as a rule, the most important technical and technological problems are solved at the interface of sciences on the basis of deep fundamental researches. It is related to developments of engineering and technology in the civil sector of economy, creation of armament and military weaponry of new generations, solving problems on providing livelihoods of the population in the technogenic safe and ecologically clean world. Obviously, it is impossible to solve such tasks without specialists with university degrees.

### **3.2.** Competitiveness of the University on the Regional Market of Educational Services

Constant communication of students and teachers in the form of joint work, which would not be full without a student or a teacher, is an important condition of the classical university. So, teaching takes place in the unified context with the research work. It is necessary to define a classical educational establishment as a place that trains not only a highly qualified specialist but also a developed, creative personality that is apt to continuous self-improvement.

Classical universities define their mission as the increase in the competitiveness of the country due to preparing professional elite by combining research and practical work and education. Today HEEs aim at not only educational part where the student acquires knowledge, but also at the research area where the student can create this knowledge. Of course, such mission does not contradict to the idea of the Humboldt classical university. However, if we attentively read the program of development of any HEE, the word "competitiveness" catches the eye most often.

HEEs compete for the best minds of the best students and the best teachers. The increase in professional competences comes first. Strategies of the development mark an urgent need in academic mobility of employees and students of the HEE.

Today an important goal of the education in HEEs is to cultivate a skill of individual and continuous education with students. Currently continuous education means not only reading useful literature and research work but also the acquisition of several types of education. Contemporary classical universities "tear" between top-priority areas toward students' scientific activity and teaching students skills related to applying technologies of behavior in various professional statuses wherefore the science is not a top-priority activity.

Today it is possible to notice an evident incline toward social projecting. More and more often the student is nor an observant but an active creator of the reality. Principle of project education in the higher school is related to it. To our mind, it does not contradict to the concept of classical universities and Humboldt's ideas. There is no point to criticize the processes that take place. The old things are not always forgotten when new ones appear. Classical HEEs will not entirely refuse from their acknowledged principles. Principles of classical higher education are a distinguished feature of classical HEEs, including regional ones, and this differentiates them from other higher schools.

Consequently, it is necessary to develop the network of contemporary HEEs that particularly comply with the world standards in terms of both the level of education and the level of conducted scientific researches.

### 3.3. Problems of Interrelation of Regional Markets of Labor and Educational Services

At the present time the work on the integration of the policy and goals in the area of employment in the general system of the development of the state as a whole and regions in particular, as well as on including qualitative and quantitative goals in the composition of national mechanisms of control becomes more and more urgent. Finally, complicating the situation in the area of employment and its ambiguous nature require various comprehensive macro- and micro-economic measures aiming both at the demand and the supply of the manpower in order to

contribute to the improvement of qualitative and quantitative aspects of employment (Guide for the Formulation of National Employment Policies, 2012).

Some Russian experts think that "as a result of reforms conducted in the 1990s, instead of the personnel succession the country has got an age breakdown in the personnel and professional system almost in all leading areas in the regional layer" (Neshchadin, 2000). Over the last years Russia happened to get at the threshold of the decrease in the number of employees. It will limit extensive factors of economic growth. Today the problem of the efficient use of labor resources is as critical as the problem related to the efficient use of other production factors. It becomes evident that every day the involvement of extensive factors of the growth in the Russian economy is more limited, and the transfer to intensive economic growth will directly depend on the efficiency of the interrelation of regional markets of labor and educational services.

We will note that the reproduction of professed and qualified potential of today's graduates of HEEs comes into conflict with its maximum efficient use. The reasons behind this include "non-compliance of specialties of graduates of HEEs with the needs of the contemporary labor market; due to it we can see the tendency that many enterprises do not demand a lot of graduates of HEEs as well as secondary special establishments" (Tiaglov and Zmiyak, 2015).

The benchmarks of the Russian economy are defined in the Concept of Long-term Social and Economic Development of the Russian Federation until 2020. According to it, export and raw type of the development must be transferred to the innovational socially oriented one. Herewith, "the intellect and creative potential of the person will turn into the main factor of the economic growth and national competitiveness" (Kostenkova, 2012). However, since this Concept was adopted, no qualitative changes have occurred in the formation of the professional component of the human capital asset. Organizations of the higher education as suppliers of engineering and technical personnel and developers of scientific and technical problems play a definite role in this situation. The negative situation is confirmed by the structure of graduates. In 2008-2013 in the Russian Federation under the observed increase in the number of specialists with the higher education, the maximum percentage in their structure (65.6% in 2013) was occupied by economic, human and pedagogic specialties, and the share of the graduates according to specialists "Metallurgy, Machine-building and Metal-working Manufacturing" and "Energetics, Power Engineering Industry and Electrical Technology" was only 4.0% (Education in Figures, 2014). Under such conditions national industry undergoes deficit of engineering and technical employees. This is not admissible in case of transferring to the innovational types of the development of economy. However, as the conducted analysis shows, foreign countries understand the importance of engineering and technical personnel for the formation of the innovational economy. In particular, "in the USA 5.7% of the students study according to the natural and scientific and engineering profile, in Japan this figure reaches 8%, in the countries of the European Union - 8-13%, and in Korea and Taiwan - 11%" (Kochetkov, 2009). "About 31% of the total number of scientific and technical personnel in the world belong to the countries that actively form innovational industry — China and India" (Medovnikov et al., 2011). Thus, on the federal and regional levels it is necessary to take measures that contribute to the liquidation of disproportions on the market of educational services that allows to make qualitative changes in the human capital asset.

Considering this situation in the context of the Lipetsk region, it is necessary to say that according to the data of the Department of Labor and Employment of the Lipetsk region in 2014 employers stated the demand for 56.6 thousand employees. As on the beginning of the current year the demand for the manpower was 9.3 thousand vacancies, including 7.9 thousand full-time vacancies and 1.4 thousand temporary vacancies. Among the declared vacancies, 82.5% were meant for workers and 17.5% for specialists. In average, in the region one declared vacancy there was 0.5 citizens seeking for job and registered in employment service bodies. The need in manpower was declared by the employers of enterprises operating in the following types of economic activity: Construction – 30.2%, manufacturing – 21.1%, public health service and provision of social services – 10.0%, agriculture, hunting and forestry – 8.3%, wholesale and retail trade, repair of motor vehicles, motorcycles, household goods and personal hygiene items -8.0%, education -2.6%, etc. So, in the Lipetsk region (as well as in general on the territory of the country) working professions occupy the maximum percentage among the working places demanded on the labor market. It witnesses about the deficit of skilled workers in the industry and construction.

However, in practice when determining areas of the students' selection, to a greater degree HEEs focus on the demand of the population that does not always correlate with the real needs of the regional reproduction system. Employers also virtually have no opportunities to influence the formation of the selection of the areas to prepare students in HEEs of the region. Thus, subjects of the market of labor and professional education function separately. It leads to a number of problems both in the development of the labor market and in functioning of the reproduction system of the region, as a whole.

#### 4. DISCUSSION

At the present time there is a conundrum on the federal and regional labor markets. The analysis of the share of the employed graduates according to the educational specialty in view of the levels of professional education shows that the higher the level of their professional education is, the more difficult it is for the graduate to find a job according to the specialty. Such situation characterizes the Lipetsk region, too. This is one of the reasons of the migration of the employable population to other cities and regions. More likely, this is a consequence of "overloading" the labor market with specialists with higher professional education and enterprises demand for graduates with secondary professional education, i.e., skilled workers.

### 4.1. Reasons of Absence of Demand for Today's Graduates on the Regional Labor Market

At the present time the following question is important: Is it enough for successful development of the economy of the region that every second graduate of a HEE is employed according to the specialty? The answer to it cannot be definite because in the big seven countries the indicator of 75% employment according to the specialty after graduating a HEE is considered as satisfactory. Only in this case the interrelation of various sectors of national economy and sphere of education is considered as fruitful and promising.

Such situation leads to searching for reasons of the low share of employment of graduates of regional HEEs and variants to solve this problem. Due to it, it is necessary to understand how the employer searches for and hires personnel.

The researches of the labor market show that the following channels of the personnel selection are used most often:

- Personal relations,
- Relations with educational establishments,
- Relations with professional associations.

State Employment Centers are referred to the channels of employees recruitment that are the least demanded by employers. Dominating methods to select the personnel considerably vary depending on the type of the organization ownership, excluding the cases when directors of both state and private enterprises mark personal relations as the best method.

Direct requirements of employers to the employees that are hired are different. They include:

- Level of education,
- Working experience,
- Various recommendations,
- Candidates' working qualities,
- Connections candidates have.

Thus, specific subjective tendencies applied during selecting and hiring candidates for work by the employer somehow deforms the real picture about the quality and the demand for separate HEEs in the region. Besides, the analysis of groups of specialties showed that there are HEEs that are of more or less top-priority in terms of employment. The indicator of the prospect of employment of graduates in the Lipetsk region shows it vividly. It says about the relative advantage of specific areas of preparation in terms of future employment in the region.

As the analysis of the data from the website www.cumt.pd shows, the following HEEs are the most successful in the Lipetsk region in terms of employment: "Economics and Management," "Education and Pedagogy," "Metallurgy, Machine-Building and Metal-Working Manufacturing," "Informatics and Computer Science," "Humanities," "Agrarian and Fish Industry." Herewith, the indicator of the prospect of employment of these HEEs in the region is considerably higher than the relevant indicator in Russia, as a whole. Such data is quite natural and can be explained from the economic point of view. The Lipetsk region is an economically and socially developed region of the Russian Federation where industrial and agricultural production prevails on an equal basis. In addition, the availability of a great number of educational establishments of various levels and areas also stipulate the need in pedagogical personnel.

## 4.2. Estimation of the Correlation of Graduates' Employment in the Lipetsk Region and Russian Federation: Key Problems

Taking into account the transfer of Russia to the import replacement and construction of the national economy focusing on innovations, it is necessary to define the level of demand of the product offered by educational establishments on the market.

The researches show that the average percent of the employed graduates in the Russian Federation without dividing to groups of specialties is 68%. Separate groups of specialties with a high level of employment are singled out. They can be referred to as promising: "Culture and Art," "Economics and Management," "Information Security," "Service Sector," "Urban, Forestry and Fishery," "Geodesy and Land Utilization," "Geodesy, Prospecting and Resource Development," "Energetics, Power Engineering Industry and Electrical Technology" and other. Herewith, a third part of these specialties is not directly referred to the real sector of economy. It may put in question the fact of transferring to the innovational economy that is focused on the large-scale import replacement. That's why taking into account the current macro-economic situation, it is possible to suppose, with a definite level of assurance, that the following offered HEEs will remain the most promising in terms of future employment: "Urban, Forestry and Fishery," "Economics and Management," while "Machine-building" can get a new impulse for the revival and development.

These tendencies are stipulated by the re-orientation of the native production to the import replacement technologies, development and satiety of the national market with native food items that provide economic and food security of the state.

The similar data for the Lipetsk region have its own specificity and somehow differ due to the peculiarities of the region development. The percent of the employed graduates in the region is 71%, and it is higher than the average indicator in the Russian Federation. Herewith, we cannot say with a great level of assurance that all graduates of HEEs are employed according to the relevant specialty.

The problem of misbalance between the actual and the required qualification profile that negatively affects the efficiency of the activity of enterprises and the economy of the region as a whole can be stipulated by various factors—"obstacles" on the labor market, such as "delay of the reaction (demand of the labor market) to the qualified characteristics of the manpower (labor offer), asymmetry of signals and information about the needs of the labor market, unregulated specificity of the entrance of graduates of HEEs to the labor market, and depreciation of the accrued human potential, etc." (Aksaeva, 2013).

In spite of the fact that the economic growth observed in the economy of the Russian Federation before the beginning of 2014 contributed to involving a part of employees with the core education, a lot of those who had higher education degrees had to occupy working places without taking into account the received qualification. Solving such problems of the reproduction of labor resources lies in the system of the interrelation between the

subjects of the labor market and the market of educational services that must aim at increasing the interest of employers in the creation of new working places that suppose core, sector-specific education.

### **4.3. Conceptual Approaches to Modernizing the Regional Market of Educational Services**

Taking into account the real picture of the interrelation of regional markets of labor and educational services in the Lipetsk region as well as on the macro-level, it is possible to define conceptual events on adapting these markets to each other and changing conditions of the economy:

- Specialization of knowledge in accordance with the needs of the development of top-priority sectors of economy and social area of the region,
- Contribution to the employment of citizens,
- Support for unprotected categories of citizens, young people without practical experience, women who have kids and disabled children,
- Contribution to the self-employment of unemployed citizens,
- Regulation of seasonal and local unemployment,
- Development of programs of continuous education aiming at the preparation and retraining of professional personnel,
- Expanding the share of participation of employers at all stages of the process.

The final result of taking these events must be the creation of conditions and stimuli for the development of the human capital asset as the main resource of the expended reproduction development of the region. A specific part in this process is also assigned to the internal policy of enterprises that can be "directed to the reproduction and development of high quality manpower, bringing up qualified management and development of the corporate culture" (Odegov et al., 2009).

The urgency of the problem related to the compliance of the current system of higher education with the requirements of the labor market acquires special importance due to the results of the analysis made before. It can be initiated due to the problem of new economic challenges of the Russian economy as a whole and the region in particular. It requires the application of more flexible methods of production and integration of knowledge for which no organizational and operative working tasks and requirements to the qualification level of the employer have been determined.

### 4.4. Advanced Models of the Interrelation of Regional Markets of Labor and Educational Services

As a result of the conducted selection polling of employers of the Lipetsk region, the forecasting values of the need in young specialists with professional education for the nearest 5 years have been defined. It has been revealed that there is a promising need in specialists for educational establishments, engineering and technical personnel, and skilled workers of various specialties for manufacturing enterprises. It is possible to suppose with a great level of assuredness that in the medium-term future the demand for similar specialists will be on a rather high level on the whole territory of the region. This conclusion is partially confirmed by the forecasts until 2020 that were published on the website of the Department of Labor and Employment of

the Lipetsk region and perspectives of the development of the economy of the region:

- Development of special economic zone of the industrial production type "Lipetsk,"
- Development of the machine-building by means of modernizing current enterprises and creating new productions,
- Creation of the industrial production cluster on manufacturing cars and auto components (auto plant of the Lifan Industry Group Company, "Yokohama R.P.Z." LLC, "Bekart Lipetsk" LLC, etc.),
- Development of the cluster on producing compositional materials on the basis of the JSC "Silan,"
- Development of the cluster on producing "white equipment" on the basis of CJSC "INDESIT INTERNATIONAL,"
- Development of biotechnological cluster on the basis of JSC "Rafarma,"
- Creation of the second land lot of a special economic zone of industrial production type "Lipetsk" on the territory of the Eletskiy Area hosting enterprises of the top priority sectors of the development of industry, including those specializing in machine-building, machine-tool manufacture, automobile manufacturing, auto components and component parts, enterprises of agricultural machine-building, equipment and repair parts, robot equipment, textile industry, enterprises on manufacturing complex household equipment and electronics, electronic and optical equipment, enterprises on manufacturing medical equipment. The creation of 10 thousand working places is forecasted.

The formation of the integral institute of the interrelation of subjects of higher education and labor market of the region is a promising area of the expanded reproduction development of the regional system. It can be based on the model of the business corporation constructed on the network interrelation of the subjects of entrepreneurship with educational establishments.

Entrepreneurship communities cooperating with educational establishments can become the fundamental basis of the competitive advantage on the regional level. It requires strategic approach to the creation of the regional business corporation that will make the region attractive for entrepreneurs in order to develop and start-up business. In the Lipetsk region there are all prerequisites for the creation of the network interrelation between enterprises and educational establishments that will contribute to the stabilization of the situation in the labor market, exchange of the experience among entrepreneurs, fair competition, and acquisition of new contacts for further cooperation aiming at innovations. The efficiency of the activity of the offered network cooperation will be estimated by the indicators and indexes that are of top priority for the specific industry.

#### 5. CONCLUSION

New economic realias dictate and regularly change the conditions of the interrelation of regional markets of labor and educational services. There is no doubt that the closer the interrelation between these markets is, the more flexible and efficient the system of education becomes. It happens because the practice-oriented approach to the preparation of the future specialist makes him/her the most demanded on the labor market. So, in order to form efficient regional personnel policy, it is necessary to constantly conduct work on improving the system of monitoring and forecasting the labor market, listing qualification characteristics of the required specialists, contributing to the complementarity of the requirements of the existing vacancies, and focusing on the development of the required skills to increase the long-term prospect of employment. Only focusing on the human capital assets and labor as the most important factor of production will allow to combine and most efficiently use other factors of production of the regional and national economy. However, herewith, in order to form the mature labor market, the demand must be forecasted for several years, and the supply must be maximum elastic. In order to fulfill these conditions, it is extremely important to coordinate interests and joint efforts of employers, employees, educational establishments, and government authorities. This is a promising area of scientific researches to study problems related to the interrelation of members of the markets of labor and educational services not only on the regional but also on the federal level. It will make it possible to develop the concept of the development of the professional education system in the Russian Federation.

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