




# Arrangement of Short-Term Employment Programs in the World

\* Mohammadreza Fathi 

\*\* Sayedeh Narges Hosseini Amin 

\* Ph.D. student, Department of business management at Payame Noor University, Tehran, Iran.

[mrf1396@gmail.com](mailto:mrf1396@gmail.com)

\*\* Ph.D. in Sociology, Islamic Azad University Science and Research Branch, Tehran, Iran.

[sn.hoseiniamin@gmail.com](mailto:sn.hoseiniamin@gmail.com)

Received: 30.04.2024

Accepted: 16.10.2024

## Abstract

The issue of employment as a social issue is global and many countries of the world are involved in this issue. This problem is constantly worsening not only in Iran but also in the world and is not necessarily related to specific periods such as the global crisis of the Corona pandemic. Unsettled employment situation and increase in unemployment rate in the society can bring social damages and make the society out of balance. Therefore, paying attention to this issue is of great importance. In this article the unemployment situation and the employment problem all over the world are mentioned first, and after reviewing the background of the research, the short-term measures implemented have been investigated by the United States of America, Germany and Russia, which have been selected as examples, to deal with unemployment. The method of collecting information in this research is Documentary research and based on the collection and translation of related texts. The research method is descriptive and considering the criterion of application, it is of Applied type. The results indicate that in Iran, short-term plans have been proposed in the field of employment, which have been mentioned but there has not been a deep and stable improvement in the country's employment situation.

**Keywords:** Employment, Unemployment, United States of America, Germany, Russia, Iran

Corresponding Author: Mohammadreza Fathi- [Mrf1396@gmail.com](mailto:Mrf1396@gmail.com)



## Introduction

Unemployment generally refers to a situation where people who have the ability and desire to work, but do not find work. When a country uses all the capacity of its workforce and in terminology, it is located in the state of full employment of labor input, in comparison with the situation where part of the labor input is unused (Zaghi et al., ۲۰۲۱). According to the available data, the unemployment situation is constantly deteriorating not only in Iran but also in the world. As an example, the data indicates that the employment ratio of people to the population in the world is constantly decreasing during the last 30 years. The ITUC is committed to full employment and has set a global goal of creating 575 million new jobs by 2030, as well as formalizing at least one billion informal jobs, accounting for half of the global informal economy (ITUC, 2021). According to these cases, it can be seen that various organizations have tried to report the current situation and provide solutions for it. In general, the main emphasis is on the fact that each country should develop coordinated measures according to its potential.

## Methodology

The method of collecting information in this research is documents based on the collection and translation of related texts. In this way, the statistical society is the sources and documents related to the policies and actions of the countries of America, Germany and Russia in the field of dealing with unemployment. According to the subject of the research, it can be said that the type of research is descriptive. Applied research is a research that is not done to satisfy the researcher's deep curiosity, but to solve an individual, group or social problem. In this type of research, due to the urgency of the conclusion, a logical relationship between the research work and the society emerges, and in the same order and at the same time that the researcher conducts the research, he also thinks about the application of the findings (Saroukhani, 2014: 73). In this way, the current research is of an applied type, taking into account the criterion of application.

## Findings

### United States of America

It seems that the American government's method in dealing with unemployment and employment issues is a strategic and macro method and avoids designing short-term and temporary measures in this field. Of course, this issue is not related to the last decade or even the last half century of American rule (<https://www.britannica.com/event/New-Deal>). The latest US plan to get out of the unemployment crisis is a plan called "American Jobs Plan" (AJP) presented by US President Joe Biden in 2021 (<https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/31/fact-sheet-the-american-jobs-plan/>).

### Germany

In Germany, the scheme that attracts more attention than other unemployment prevention programs is called Kurzarbeit, which is a social insurance program whereby employers reduce the working hours of their employees instead of firing them.

Under Kurzarbeit, the government typically provides a 60% income "replacement rate" (mostly for workers with children); It means that a worker receives 60% of his salary for the hours he did not work; while receiving full salary for working hours; So for example: a worker experiences only 10% of wages for a 30% reduction in hours; Of course, it should be noted that it is not always and is usually implemented for a maximum of six consecutive months (International Monetary Fund, 2020).



## Russia

According to the research conducted by TS Lombard Institute, in the future the situation of the Russian labor market will be worse than its current situation. But unemployment in Russia is at its best in 20 years, and average wages across the Russian economy have risen by 9 percent, according to Sberbank data.

The root of this institution's claim is two things:

- Reduction of workers under 40 in Russia (Russians reach maximum productivity in 30-40 years and the share of this age group will decrease to 25% by 2030);
- Reducing the workforce.

If we want to summarize, the reduction of the labor force has three other reasons in addition to the one mentioned above, which are:

- The gig economy (which has pushed workers into very short-term part-time jobs);
- Disproportion between the dignity of the job and the employee with each other;
- Severe mismatch between labor market supply and demand in some regions of Russia (<https://www.bloomberg.com/news/articles/2021-11-16/shrinking-labor-forces-weighs-on-russia-and-putin-s-economic-recovery>).

For this reason, it seems that according to the stated situation, Russia's action in providing low-interest loans to small and medium-sized companies was an appropriate action (Reuters, 2020).

## Conclusion

According to what is mentioned above, the question arises, what is the best measure to deal with unemployment and increase employment in Iran with this situation?

According to the research, the realization of the plan does not depend only on how reasonable it looks; Rather, it depends to a large extent on its smell, and this is the case everywhere in the world; For example: a project very close to Kurzarbeit was implemented in the UK; But unlike Germany, it failed. So that not only did it not reduce unemployment; But it also increased it! The main reason for this was the lack of localization of the plan; Because there are employers in Germany who bear the main cost to improve the skills of their employees; But in Britain, the government and the employees themselves bear these costs.

On the other hand, in Germany, employers are forced to cooperate with labor unions regarding large and costly social projects; But in Britain, employers can more or less pay a minimal fine to avoid the burden of obligations and unilaterally fire workers. German employers also understand the long-term strategic benefits of having stable and efficient macro-level governance arrangements beyond the market; But the attitude of British employers is much more short-term (Anatomy of a wage subsidy, 2020).

According to the investigations, a specific and comprehensive plan in the field of unemployment and employment has not been implemented in Iran during the Corona epidemic, but in Iran, like in other parts of the world, various measures have been taken to reduce unemployment and increase employment, which can be almost The main and basic of it is summarized in one topic:

### Paying loans and providing bank facilities

For example, according to the statistics of the Ministry of Labor, from the beginning of 2017 to September 2019, 12 thousand billion tomans of bank facilities were provided to applicants for the project "Supporting the development and creation of sustainable employment in rural and nomadic areas using the resources of the National Development Fund", which led to About 250 thousand jobs were created. Or when we examine the approvals of the Supreme Employment Council, we



see that providing facilities plays a central role in creating employment. While it seems that the focus on this issue has been insufficient to deal with unemployment; Especially, things like focusing the provision of these facilities to areas with high unemployment rates (without these areas having a specific direction for economic growth) diminishes the hope of achieving sustainable employment.

Of course, on the other side of the field, apart from the government's basic action to solve the problem of unemployment, there are various solutions such as creating skill training, developing tourism, preventing goods smuggling, increasing housing construction, creating a database of the unemployed, creating a fundamental transformation in the country's education system, helping to increase entrepreneurship and... provided by experts that we are witnessing its operational result in projects such as wage subsidy (Ministry of Cooperation, Labor and Social Welfare), sky/sun/moon plan (Barkat Foundation), top plan (Ministry of Position), employment and self-sufficiency plan (Imam Khomeini Relief Committee) and...

According to these explanations, we can conclude that Iran's governing structures are in a contradiction to solve the employment problem, which is caused by a lack of common understanding of Iran's employment environment. On the one hand, currents focus on providing facilities, the root of which can be understood as issues such as the maturity of people in creating/expanding jobs, the lack of sufficient structure to accurately monitor skills, the existence of a deadline in creating employment, etc. But on the other hand, there are currents that seek to implement smart and long-term measures that are the result of thoughts such as considering people as immature and unskilled to create a new job or expand their current job, suspicion of the cost of facilities in the plan presented by the applicant, belief in doing the right thing from this moment. And... is However, until a proper understanding of the country's employment environment is established, it is unlikely that there will be a deep and sustainable improvement in the country's employment situation.

## References

1. Anatomy of a wage subsidy, available at: <https://blogs.lse.ac.uk/euoppblog/2020/09/28/anatomy-of-a-wage-subsidy>, 2020.
2. Azizkhani, F. (2023), Unemployment rate index and challenges of the decision-making system, Economic Studies Office (Macroeconomics and Modeling Department), Islamic Council Research Center [In Persian].
3. <https://www.bloomberg.com/news/articles/2021-11-16/shrinking-labor-forces-weighs-on-russia-and-putin-s-economic-recovery>.
4. <https://www.britannica.com/event/New-Deal>.
5. <https://www.faire-integration.de/en/article/137.6-what-is-a-working-time-account.html>
6. <https://www.history.com/topics/great-depression/new-deal>.
7. <https://www.whitehouse.gov/briefing-room/blog/2023/10/23/bidenomics-in-action-clean-energy-jobs-and-investments-taking-hold-across-america/>
8. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/31/fact-sheet-the-american-jobs-plan/>
9. International Monetary Fund (2020). Kurzarbeit: Germany's Short-Time Work Benefit. Available at: <https://www.imf.org/en/News/Articles/2020/06/11/na061120-kurzarbeit-germanys-short-time-work-benefit>



10. ITUC (2021). Creating jobs: what can governments do? Just Jobs campaign brief, A New Social Contract for Recovery and Resilience, Sharan Burrow, General Secretary.
11. Izryadnova, O. (2023). Dynamics of labor market in Russia in 2023, THE RUSSIAN ECONOMY in 2023, trends and outlooks. Available at SSRN: <https://ssrn.com/abstract=4923511> or <http://dx.doi.org/10.2139/ssrn.4923511>
12. Kapeliushnikov, R. I. (2023). The Russian labor market: Long-term trends and short-term fluctuations, *Russian Journal of Economics* 9 (2023) 245–270. DOI: 10.32609/j.ruje.9.113503
13. OECD (2024a). OECD Employment Outlook 2024 - Country Notes: United States, 9 July 2024.
14. OECD (2024b). OECD Employment Outlook 2024 - Country Notes: Germany, 9 July 2024.
15. Osintseva, M. A. (2020). UNEMPLOYMENT AND EDUCATION QUALITY IN RUSSIA, *International Transaction Journal of Engineering, Management, & Applied Sciences & Technologies*. DOI: 10.14456/ITJEMAST.2020.295.
16. PEPs (2020). (Public Employment Programmes) Creating decent jobs through national investments.
17. Reuters (2020). Putin orders full recovery of Russia's labour market in 2021, Available at: <https://www.reuters.com/article/us-russia-budget-putin-idUSKCN24H1ST>.
18. Saroukhani, B. (2014), Research methods in social sciences: principles and foundations Research (volume 1), Institute of Human Sciences and Cultural Studies [In Persian].
19. Spizzichino, A. & Graziani, C. (2023). EMPLOYMENT AND UNEMPLOYMENT, Provisional data, Istat, KeyFigures.
20. Unedic (2024). FINANCIAL SITUATION OF THE UNEMPLOYMENT INSURANCE FOR 2024-2027, Financial forecasts.
21. World Bank Group (2024a). Employment to population ratio, 15+, total (%) (modeled ILO estimate) available at: <https://data.worldbank.org/indicator/SL.EMP.TOTL.SP.ZS>.
22. World Bank Group (2024b). Unemployment, total (% of total labor force) (modeled ILO estimate) available at <https://data.worldbank.org/indicator/SL.UEM.TOTL.ZS>.
23. Zaghi, A.; Houshmand, M. and Salimifar, M. (2021), Studying the impact of human capital on reducing unemployment, the first national conference on management, economics and Islamic sciences [In Persian].

