

Study Says Education System Disappoints Market Needs

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The Russian education system is increasingly unable to meet the demands of the country's labor market and shows little ability to fill vacancies in high-skill industries, according to a study released Tuesday.

The second annual Hays Global Skills Index, published by global recruitment company Hays in association with Oxford Economics, examined 30 key economies worldwide and ranked them between a high of 0 and a low score of 10 according to the balance in their labor market, with a score of 5 indicating that firms can "recruit, retain, or replace their key talent at generally prevailing wage rates."

Russia's score dropped from 5.7 in 2012 to 6.1 in 2013, showing that employers are finding it more and more difficult to fill key positions.

"The education system struggles to produce an adequate number of specialists across

industries and functions, while wage pressure in high-skill industries, which is already at a dangerously high level, continues to rise. It is not surprising therefore that only a half of university graduates pursue a professional career in their relevant field of study," wrote Alexei Shteingardt, Managing Director of Hays Russia

The difficulties are compounded by rigid labor market regulations and an educational system too inflexible to respond to the market's evolving demands for talent, both of which will limit Russia's ability to respond to the shortage.

The skills deficit is reflected in a widening gap between wage increases in high-skill industries and low-skill industries.

Brazil, China, and India all showed inflexibility in their labor legislation comparable to Russia's but are better meeting the demands of their labor markets, with scores of 5.6, 5.0 and 4.2, respectively.

Although China's blistering GDP growth has slowed to a projected 7.5 percent for 2013, the country's labor market "is balanced but also incredibly active," the study found, with wages and opportunities for skilled candidates on the rise.

Rising levels of education in India have produced a situation favorable for employers, while Brazil continues to face a significant deficit in skilled labor.

On a global scale, labor markets are "increasingly suffering from chronic and serious skills shortages." These deficits are not the effect of the current state of the economy, but rather of structural insufficiencies that can be addressed through deliberate action by government and businesses, the report found.

To improve their countries' economic prospects, governments must pass legislation to augment the flexibility of labor markets and undertake educational reforms in close collaboration with the business community, the study said.

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