TENDENCIES OF EMPLOYMENT OF HUMAN RESOURCES IN ENTREPRENEURSHIP IN LATVIA

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The paper focuses on the characteristics of human resources in entrepreneurship based on two aspects – a human being and his/her capacities. The aim of the survey is to study and assess the significance and tendencies for the use of human resources in Latvia. In order achieve the aim authors present the historical development of human resources from the ancient times to nowadays. It shows the increasing importance of human resources in the knowledge economics.

In the survey the authors analyze the use of human resources in the Latvian production (manufacturing) sector. According to the survey on the availability and the use of human resources in the Latvian economy, the demographic situation in the country has been unfavourable over the recent years. There is a trend to reduce the number of employees. The highest number of employed persons is observed in agriculture and forestry, manufacturing, trade, and equipment repair.

The following initial sources of information and materials were used: the data of the Central Statistical Bureau, the laws of the Republic of Latvia, special literature and other materials. The monographic descriptive method, the method of analysis and synthesis, and statistical research methods were applied for the purpose of the survey.

Key words: human resources, business, employees, employers, skills.

JEL codes: J21, J24

Introduction

The understanding of the importance of human resources has changed in the course of economic and social development. The society of the 21\textsuperscript{st} century is undergoing the period of changes – the industrial age has passed and the age of the knowledge society began. The process of changes during the Industrial age was slower; however nowadays the development of technological innovations is more rapid, the impact of globalisation increases, and the business environment changes rapidly. It is essential to recognize the main factors affecting economy so that the national economy could develop under the current economic crisis and conditions of dynamic competitiveness. The Latvian National Development Plan for 2007 – 2013 (adopted in 2006) identifies human resources as the main resource. A human being as a creator and carrier of knowledge becomes the key driving force and beneficiary of the development. It means that human resources are the biggest value of the country. Since the economic cycle is based on business and business is based on knowledge, a human being is a source of knowledge. Any business idea and any resources may be transformed only with a help of work and knowledge of people.

The issue on the use of human resources becomes particularly topical with a view to overcoming the downturn of the national economy. Rapid development and introduction of modern technologies in workplaces require continuous modification and improvement of knowledge, skills and abilities determined by the requirements for the use of human resources.

Recently several researchers in Latvia have studied the issues related to employment and unemployment of human resources. Hence I. Dovladbekova (2007) and E. Eteris (2007) have based their research on the analysis of the labour market – the unemployment rate and the share of population under working age in the EU and Latvia. The surveys executed by J. Saulītis (2007) and D. Baranova (2007) describe the trends for the development of employment in Latvia, as well as aims and priorities of the employment policy. A. Vilciņa’s (2000) study is related to the socio-demographic situation in Latvia.


Human resources are often analysed/treated as manpower; however such a characteristic is incomplete, since
manpower means exceptionally a human physical strength used in the production process. The survey uses the concept “human resources” in a broader sense. It encompasses both a human being (human physical capacity) and human skills where the intellectual potential and skills being topical in various businesses are extremely essential in the implementation process of human resources.

The hypothesis of the survey was set on the basis of previous studies: the significance of human resources entrepreneurship has dynamically increased, while the use of human resources in production sectors of Latvia is diverse and inconsistent.

The goal of the survey is to study and assess the significance and tendencies for the use of human resources in Latvia. The following tasks have been set to achieve the above goal:

1. to study the historical development of the importance of human resources;
2. to determine the place and role of human resources in entrepreneurship;
3. to analyse the availability and use of human resources in the production sector of Latvia.

Methods and Materials

The following initial sources of information and materials were used to deal with the advanced survey tasks on the analysis of the use of human resources: the data of the Central Statistical Bureau, the laws of the Republic of Latvia, special literature and other materials. The monographic descriptive method, the method of analysis and synthesis, and statistical research methods were used for the purpose of the survey. The survey period: 2002–2008

Results and Discussions

1. Historical development on the significance of human resources in economics

The roots of the human resources concept trace back to the ancient society (between BC 10 and BC 5). At that time people were not aware of the concept “human resources”, so they usually dealt with one of the aspects – the labour force. The ancient world characterises the institution of slavery as the labour of slaves which served as the basis of economic life; therefore several ancient thinkers (M. Cato the Elder, Aristotle, I. Columella) analysed a specific type of labour force – the labour of slaves. Factors affecting labour productivity were working conditions, “love for work”, human skills and abilities determining labour division in the society.

During the period of the Classical economic thought (the middle of the 17th century – the middle of the 19th century) production resources were analysed, labour and labour force being one of the most essential factors. W. Petty (1623–1687), an English economist, wrote that labour was the father of wealth and its active factor, while the land – the mother of wealth. Later relevant concepts were defined by A. Smith (1723–1790). He continued to develop the idea of building the national wealth; he believed that the national wealth might be developed in two ways: firstly, with the help of knowledge and skills (related to labour force) and, secondly, by relating efficiently and less efficiently employed labour force. A. Smith was one of those who considered the knowledge and skills of the labour force as the source of labour productivity (Čurkina, 2003). J. Say (1767–1832), a French economist, and J.Ch. Leonard de Sismondi (1773–1842) continued to work with A. Smith’s ideas (Krilovs, 2003). It means that long time ago human resources were analysed from the point of view of two aspects – labour force and human skills, abilities and knowledge.

The period of the Agrarian Economy was followed by the age of Industrial Economy. It was characterised by a wide application of machinery and mechanisms in mass production as well as by organisation of manufactory work based on workers’ specialisation in performing particular functions. Human resources became more notable since human knowledge and labour force were necessary to make the machinery operate. Industry took the leading positions at that time.

Nowadays there is a tendency to direct activities towards the knowledge economy. Although investment to new technologies is extremely important during the age of the knowledge society, the educated human resources are perceived as the main precondition of all achievements. Consequently, human beings and not technologies are in the centre of the knowledge economy. Knowledge and wisdom of human resources, as well as their effective application are the main resource for the national growth, since knowledge determines the quality of labour force, ensures more efficient use of capital and development of technologies, thus promoting economic development. Therefore the main resources are targeted towards stimulation of an individual’s intellectual curiosity, creative thinking and cognitive skills (Berdžikovs, 2007). According to P. Drucker, physical labour is a past phenomenon. An educated employee who acquired knowledge through a systematic education process, i.e., notions, ideas and theories, forms the basis of the economic resource, and not a person who uses physical capacities or muscles.

The summary of the studies on human resources leads to the conclusion that scientists interpret human resources differently. Some researchers highlight their quantitative aspect (employment, unemployment, labour productivity and other indicators), while others emphasise qualitative aspects of human resources – skills, capacities and knowledge of those able to work. But everybody agrees that the role of human resources in the modern industrial world has increased (Figure 1).

2. Human resources within the business context

G. Libermanis (2006) and V. Bikse (2007) divide all the resources into two groups: human resources and material resources. Labour, land and capital fall under the category of material resources. J. Barney (1996), one of the most famous researchers, professor of California University and a theoretician of management science, developed a theory on the resources in a company. He classifies all the resources into 4 groups: financial resources (cash, earnings, resources related to shareholders, debtors, banks etc.), material resources (land, real estate, equipment, and raw materials), non-material resources (strategic planning, control and coordination system, inner culture, standing, and interdepartmental relations) and human resources. Human resources are not only the employees of a company (top management and workers), but also their experience, skills, knowledge and relations.

Quite often the concept “human resources” is used as a synonym for the population of Latvia. In this respect human resources imply under working age and over working age population. In 2006, during the discussion “Human Resources” of a strategic analysis commission, experts identified the two key aspects qualifying human resources.

Human resources first of all are human beings. Human beings are physical persons, so here we could speak about the beginning of human resources. Such a characteristic is incomplete, since human beings and human resources are not the same. Human beings are physical beings, while resources possess three relevant features: validity, value and availability for production of goods and services. Yet the goods are produced not by human beings but by their skills and abilities.

Secondly, skills characterise human resources. Human resources are able to do something, i.e. they have certain skills and abilities to achieve the target. R. Garleja (2006) writes that human resources are the body of a human being and his/her skills, abilities, capacities and health.

The research focuses on the analysis of three groups of skills – working capacity, legal capabilities and entrepreneurial skills. The defined skills are viewed from the point of view of three sciences: economics, law and management, and their interaction in business.

Working capacity should be considered when analysing human resources from the point of view of business, since business is a long-term or systematic economic activity undertaken by a legal or physical entity, related to capital investment and directed towards the production and sales of goods, execution of different works, rendering of services, trade etc. The working age population (between the age of 15 and 62) selling its knowledge, skills and abilities in the labour market, is necessary to produce certain products and execute different works. It means that the concept of human resources is narrowed, and only the working age population is considered as human resources. R. Garleja (2006) writes that human resources are an ability of human beings to be economically productive; it is an intellectual capital consisting of skills and the knowledge on how to apply the knowledge in practice. I. Lapa (2006) believes that human resources comprise not only the employees of a company, but also their experience, skills, knowledge and relations. According to these definitions, human resources are the economically active working age population (employed and unemployed, excluding housewives, pupils and students, retired and disabled persons) possessing relevant skills and capacities (working capacity).
It means that human beings as a type of resources have knowledge, skills and abilities which may be encompassed in one word – working capacity. In this regard all persons with working capacity, i.e. an ability to manage and achieve the set targets with a view to increasing competitiveness, may be considered as human resources. Consequently, human resources include both under working age pupils and over working age population.

According to Article 37 of the Labour Law (20.06.2001.), it is prohibited to employ a person who is under 15 years of age and who until reaching the age of 18 continues to acquire the basic education. Under the legislation of the Republic of Latvia, a person who has reached the age of 15, may be considered as a working age person and thus able to enter into legal labour relations. The law “On State Pensions” (02.11.1995) stipulates that as of July 1, 2008 the retirement age is 62 years, and it is equal both for men and women. It means that according to the legislation of the Republic of Latvia, persons between 15 and 62 years of age are considered as human resources of working age. Although people below the age and activity limit set by the Law can also be capable to work. These are the potential business skills enhancing the national economic growth.

Legal capacities are also abilities essential for further working activities of the population. Legal capacities encompass such abilities as responsibility, management, coordination etc. These capacities are usually specified in regulatory enactments. A person having reached the age of 15 is able to perform work; however she/he is not allowed to undertake legally important activities independently. It leads to another capacity relevant for both employers and employees, namely, legal capacity or capacity to act. The Civil Law distinguishes physical and legal capacity to act. Part 4 of the Civil Law (28.01.1937.) states that the capacity to make independent lawful transactions and undertake responsibility for the consequences of the made transactions is attributed to a natural person’s legal capacity to act.

In the official newspaper “Latvijas Vēstnesis” (1999) D. Bergmanis writes that legal capacity is expressed in two aspects: firstly, the capacity to make lawful transactions independently (“capacity to act”), i.e. to obtain and undertake rights and obligations, the ability to account for violations of the rights under the obligations which have arisen as a result of transactions or actions similar to the mentioned afore; secondly, the capacity to pay for damages caused to other persons. According to the Civil Law, a person who reaches the age of 18, has a full or civil capacity to act. At company level these abilities comprise management of certain processes and definition of certain rights, obligations and responsibilities.

Business human resources consist of employees and employers. According to the Labour Law an employee is a natural person who, on the basis of an employment contract for the agreed work remuneration, performs specific work under the guidance of an employer. Both employers and employees must have relevant legal and working capacities, meanwhile entrepreneurial skills are the skills possessed only by an employer. These are not working capacities possessed by the majority of people, but an aggregate of special capacities necessary to undertake the risk to manage and adequately combine other production resources as well as organise the resources for the production of goods and provision of services.

The concept “entrepreneurial skills” in English means an employer’s ability to undertake something or to do something. In other words, entrepreneurial skills are the basic factor of management combining other resources into a single production process. Entrepreneurial skills mean that people possess abilities, energy, talents, skills, and knowledge to be applied in order to gain more profitability and increase competitiveness. In the European Commision Report (2008) experts specified entrepreneurial skills as qualities necessary for every person, and stated that each person shall develop the managerial skills, social and personal competences as well as entrepreneurial skills.

Figure 2. Place of human resources and division of entrepreneurial skills
When evaluating human resources within the context of business, it is necessary to specify all the components: human and his/her skills and capacities – working capacities, legal capacities and entrepreneurial skills. The research has identified the place of these components in business (Figure 2).

3. Availability and the use of human resources in Latvia

The characteristics of the quantitative aspect of human resources lead to the conclusion that rapid aging of population is mostly characteristic in the economically developed countries, especially in Europe. The demographic situation of Latvia is unfavourable. The total number of population has decreased by 15 % during the period between 1990 and 2008. In 1990 the population of Latvia amounted to 2 668 140; while in 2008 the number has decreased to 2 270 894. The decline in the birth rate and the increase of emigration are the main factors defining the decline in the number of population. In 2007 the natural increase of population per 1000 inhabitants resulted in 4.3 persons; whereas the balance of migration in 2007 and 2006 amounted from 642 to 2451 persons respectively (CSB).

Normally, reduction of the demographic burden is evaluated positively but during the period under analysis in Latvia, the critical approach is necessary, since reduction of the demographic burden determined 2 main factors:

1. The number of working age people increased because of changes in the legislation. According to legislation the age of the retired people has increased.
2. Rapid drop in the birth rate.

According to estimations of the authors, the number of working age persons has increased from 60.8 % at the beginning of 2002 to 65.3% at the beginning of 2007. The number of working age persons has increased because of the changes in the legislation on working age. Since 1993 the number of people over working age was higher than the number of children and minors; this trend was characteristic of the year 2007. The number of under working age persons decreases every year. At the beginning of 2007 the average number of persons over working age per 1000 working age persons was 1.5 times higher than number of persons under working age.

According to the above data, quantitative parameters of human resources will not facilitate the development of the economic growth model; however, qualitative factors shall be emphasized, since quality of human resources is the factor able to increase the competitiveness of the Latvian production in the market. The state will be able to develop its businesses only with the help of competitive and skilful human resources.

The use of human resources in entrepreneurship determines the amount and size of enterprises, therefore the survey sought to specify the above trends in Latvia. Nowadays small and medium sized enterprises (SME) become more relevant, since they are more flexible to market changes and introduction of new technologies.

The development of SME started mainly because of the EU support programmes. EU paid special attention to the facilitation of establishment of SME, simplification of legislation for entrepreneurship and application of new technologies. The EU support involved different kinds of support instruments including the financial instruments. These included global credits, guarantees, venture capital, and mental support for new entrepreneurs. The use of structural funds, support for research and development, international cooperation and promotion of export were also promoted.

In 2007 the number of newly established companies has almost reached the level of 1994; however during the same year the largest number of companies (11 186) was liquidated. In 2006, the economically active enterprises of Latvia were divided by size into: micro enterprises (up to 9 employees) – 74.9%, small enterprises (up to 49 employees) – 20.9%, and medium-sized enterprises (up to 249 employees) – 4.2%. In general small and medium-sized enterprises (SME) accounted for 99.3% of all the enterprises.
Table 1. Economically active Latvia’s enterprises by size between 2004 and 2007

<table>
<thead>
<tr>
<th>Indicators</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>Average increase rate, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro enterprises (1 - 9 employees)</td>
<td>89 231</td>
<td>95 879</td>
<td>105 603</td>
<td>113 277</td>
<td>8.3</td>
</tr>
<tr>
<td>Chain increase rate, % - $I_{t+1(k)}$</td>
<td>-</td>
<td>7.5</td>
<td>10.1</td>
<td>7.3</td>
<td></td>
</tr>
<tr>
<td>Small enterprises (10 – 49 employees)</td>
<td>10 062</td>
<td>10 832</td>
<td>11 193</td>
<td>12 754</td>
<td>8.3</td>
</tr>
<tr>
<td>Chain increase rate, % - $I_{t+1(k)}$</td>
<td>-</td>
<td>7.7</td>
<td>3.3</td>
<td>14.0</td>
<td></td>
</tr>
<tr>
<td>Medium enterprises (50 – 249 employees)</td>
<td>2 006</td>
<td>2 125</td>
<td>2 363</td>
<td>2 555</td>
<td>8.4</td>
</tr>
<tr>
<td>Chain increase rate, % - $I_{t+1(k)}$</td>
<td>-</td>
<td>6.0</td>
<td>11.2</td>
<td>8.1</td>
<td></td>
</tr>
<tr>
<td>Large enterprises (250 and more employees)</td>
<td>335</td>
<td>357</td>
<td>372</td>
<td>398</td>
<td>6.0</td>
</tr>
<tr>
<td>Chain increase rate, % - $I_{t+1(k)}$</td>
<td>-</td>
<td>6.6</td>
<td>4.2</td>
<td>7.0</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>101 634</td>
<td>109 193</td>
<td>119 530</td>
<td>128 984</td>
<td>8.3</td>
</tr>
<tr>
<td>Chain increase rate, % - $I_{t+1(k)}$</td>
<td>-</td>
<td>7.4</td>
<td>9.5</td>
<td>8.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: authors’ calculations according to the data of the Central Statistical Bureau, 2009

By analyzing the entrepreneurship indexes in Latvia and other countries, the authors specified that in 2007 the entrepreneurship activity in Latvia among the young entrepreneurs was lower than the EU average. This happened because of the decrease in the entrepreneurship index in 2007 in comparison to 2005 and 2006. In 2007 the entrepreneurship activity in Switzerland, Hungary, Finland, Ireland and Portugal was much higher than in Latvia.

![The average number in 15 EU Member States – 5.5%](image)

Source: made by the authors according to the Global Entrepreneurship Monitoring, 2007, 2009

Figure 4. Entrepreneurial activity in the EU countries among young entrepreneurs in 2007, %

Based on the previous facts, the survey focused on the analysis of the employed population by the status of labour relations for the period between 2002 and 2007. The data of the Central Statistical Bureau was used for calculations, where, according to the EU methodology, the population of age 15–74 fell under the category of employed persons.

The following conclusions may be drawn according to the information of the Central Statistical Bureau:

- During the survey period the number of employees has increased more rapidly (annually by 3.0% on average) than the number of employers (annually by 2.6% on average). In 2002 one employer provided jobs to 26.8 employees, but in 2007 this figure equalled to 27.8 persons.
- Between 2002 and 2007 the number of employed persons gradually increased and reached 1119 thousand persons in 2007.
- The number of unpaid workers who have been increasing the social security risk, has radically decreased. The most rapid decrease in the number of such workers was observed in 2005 and 2006, mainly due to Latvia’s accession to the EU and the national economic growth.

In 2007, compared to 2002, the share of employers in the total number of the employed population has not changed (3.2%); although the share of paid employees has increased (by 3.2%). It was achieved mainly due to the decrease in the number and share of unpaid employees.

The estimation of sectors with most dynamic changes in the use of human resources was executed by evaluating the research information.

The analysis of the changes in the number of employed population by sectors (in 2002 and 2007) leads to the conclusion that changes experienced both upward and downward fluctuations. The most rapid increase of employment is observed in construction and in the sectors closely related to construction, namely, in the sphere of real estate, rent and other commercial activities.
Table 2. Breakdown of the employed population by labour status in Latvia between 2002 and 2007, thous. population

<table>
<thead>
<tr>
<th>Indicators</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>Average increase rate, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer (owner)</td>
<td>31.8</td>
<td>32.2</td>
<td>34.6</td>
<td>35.9</td>
<td>37.3</td>
<td>36.0</td>
<td>2.6</td>
</tr>
<tr>
<td>Chain growth rate, % - t&lt;sub&gt;n&lt;/sub&gt;</td>
<td>-</td>
<td>1.3</td>
<td>7.5</td>
<td>3.8</td>
<td>3.9</td>
<td>-3.5</td>
<td>1.6</td>
</tr>
<tr>
<td>Self-employed person</td>
<td>61.7</td>
<td>61.4</td>
<td>62.9</td>
<td>60.8</td>
<td>72.4</td>
<td>65.3</td>
<td></td>
</tr>
<tr>
<td>Chain growth rate, % - t&lt;sub&gt;n&lt;/sub&gt;</td>
<td>-</td>
<td>-0.5</td>
<td>2.4</td>
<td>-3.3</td>
<td>19.1</td>
<td>-9.8</td>
<td></td>
</tr>
<tr>
<td>Total – employers</td>
<td>93.5</td>
<td>93.6</td>
<td>97.5</td>
<td>96.7</td>
<td>109.7</td>
<td>101.3</td>
<td>1.8</td>
</tr>
<tr>
<td>Chain growth rate, % - t&lt;sub&gt;n&lt;/sub&gt;</td>
<td>-</td>
<td>0.1</td>
<td>4.2</td>
<td>-0.8</td>
<td>13.4</td>
<td>-7.7</td>
<td></td>
</tr>
<tr>
<td>Employee (hired person)</td>
<td>852.6</td>
<td>876.0</td>
<td>885.9</td>
<td>915.3</td>
<td>961.5</td>
<td>1000.1</td>
<td>3.0</td>
</tr>
<tr>
<td>Chain growth rate, % - t&lt;sub&gt;n&lt;/sub&gt;</td>
<td>-</td>
<td>2.7</td>
<td>1.1</td>
<td>5.3</td>
<td>5.0</td>
<td>4.0</td>
<td></td>
</tr>
<tr>
<td>Unpaid person who helps other family member in his/her company, private practice, farm-stead</td>
<td>42.8</td>
<td>37.3</td>
<td>34.3</td>
<td>23.9</td>
<td>16.3</td>
<td>17.6</td>
<td></td>
</tr>
<tr>
<td>Chain growth rate, % - t&lt;sub&gt;n&lt;/sub&gt;</td>
<td>-</td>
<td>-12.9</td>
<td>-8.0</td>
<td>-30.3</td>
<td>-31.8</td>
<td>8.0</td>
<td>-15.0</td>
</tr>
<tr>
<td>Total – employees</td>
<td>895.4</td>
<td>913.3</td>
<td>920.2</td>
<td>939.2</td>
<td>977.8</td>
<td>1017.7</td>
<td>2.6</td>
</tr>
<tr>
<td>Chain growth rate, % - t&lt;sub&gt;n&lt;/sub&gt;</td>
<td>-</td>
<td>2.0</td>
<td>0.8</td>
<td>2.1</td>
<td>4.1</td>
<td>4.1</td>
<td></td>
</tr>
<tr>
<td>Total employed persons</td>
<td>989.0</td>
<td>1006.9</td>
<td>1017.7</td>
<td>1035.9</td>
<td>1087.6</td>
<td>1119.0</td>
<td>2.5</td>
</tr>
<tr>
<td>Chain growth rate, % - t&lt;sub&gt;n&lt;/sub&gt;</td>
<td>-</td>
<td>1.8</td>
<td>1.1</td>
<td>1.8</td>
<td>5.0</td>
<td>2.9</td>
<td></td>
</tr>
</tbody>
</table>

Source: authors’ calculations according to the data of the Central Statistical Bureau, 2004, 2008

Figure 5. Changes in the number of employed population by kind of activity in Latvia in 2002 and 2007, thous. population

The number of employed persons in agriculture has decreased because of several factors: firstly, the reduced scope of production, and secondly, concentration of production, providing for the use of more efficient technologies and smaller number of employees. The decrease in the number of persons employed in education is a negative factor; though it is caused by the demographic situation of the country. Manufacturing industry, trade, equipment repair and construction are the three governing sectors employing the biggest share of population. Nevertheless, the major economic changes (the economic crisis) of 2008 may significantly affect the changes in the employee breakdown by sectors. The number of em-
employed persons has considerably increased in trade, transport and communications, and public administration.

Conclusions

1. The importance of human resources has changed because of the economic development. The relevance of this concept will increase in the knowledge economy, since knowledge, intellectual curiosity, creative thinking and cognitive skills are the basis of economic growth.

2. Human resources in the sphere of entrepreneurship are divided into employees and employers, where the breakdown depends on the skills of individuals. Human resources are characterized by three groups of skills – working capacity, legal capabilities and entrepreneurial skills.

3. Availability of human resources in Latvia is decreasing. This demonstrates that quantitative parameters of human resources will not facilitate the development of the economic growth model. In order to increase competitiveness of the Latvian production in the market, it is necessary to enhance qualitative factors (entrepreneurial activity, number of enterprises, etc.).

4. Micro, small and medium enterprises prevail in Latvia. From 2004 to 2007 the number of SME has increased by more than 8% per year.

5. Between 2002 and 2007 the number of employers has annually increased by 1.8% on average, thus providing for the annual increase in the number of employees by 2.6% on average.

6. In 2007, compared to 2002, the share of employers (3.2%) in the total number of employed population has not changed, though the share of employees has increased (by 3.2%). It was mainly achieved due to the decrease in the number and share of unpaid employees.

7. In Latvia the largest number of employed persons is observed in agriculture and forestry, manufacturing industry, trade and equipment repair, yet the number of the employed in agriculture and forestry has rapidly decreased.

References