

# **Military Personnel and Labour Market - conceptual and methodological questions from defence economics perspective**

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## **Abstract**

The defence forces need to fill employee positions, where the organization competes for workforce with other civilian both private and public employers, and positions requiring specific military specialist skills, where the national defence ministry is a monopsony buyer as a public institution. The training requirements for some specific military personnel specializations differ from civilian professions and specific skills gained in military training may not be useful in national labour market. The labour market for military personnel is monopsony mainly dominated by government and thus the risk being employed by sole employer could be higher, especially, if defence spending decreases. The research investigates, if there is a difference in terms of labour market flexibility in defence sector and proposes directions for future research.

Following previous literature review about military service motivation and HRM author connects theoretical concepts linking military employment aspects and challenging issues about military employment (specifics of military service) with concepts of labour economics. The motivation or morale has been research area in military sociology. Moskos theoretical framework and related empirical research reveal military specifics (values, norms, attitudes, work duties and duty specifics) that is not characteristic in any other type of organization – either private, public or third sector. From defence economics perspective Hartley concludes that military employment contract is unique due to employment disadvantages compared to civilian sector. The paper provides review of current knowledge on labour market analysis that could be relevant for defence sector.

The research problem or question investigated: as to the best authors knowledge there is no academic paper in literature on how to carry out empirical research on labour market institutions and factors affecting defence sector. The aim is to synthesize theoretical framework to analyse the labour market of defence sector from economic perspective

The basic design of the study, including sources and methods: specific requirements of military employment are summarized from professional literature. Author reviews theoretical considerations from defence economics and labour economics. Paper summarizes on the determinants of demand and supply dimensions in defence sector, what are labour market institutions and what factors affect defence sector, what indicators and data are relevant. Author provides as an example economic context and available labour market statistic indicators of Baltic countries.

To understand the present state of art in relevant literature was searched and identified in Web of Science Core Collection data base. Based on theoretic literature reviewed and search of identified labour market indicators the article provides insight on relevant data sources, economic indicators and variables, data available. Lastly, author indicates Sparrebomm T., Powel M. (2009) theoretic policy models linking available labour market

information, institutions, skills demanded by employers and policies as good approach for labour market analysis in defence sector. The literature search included English language.

The major findings of the study: author identified literature analysing labour market issues in defence sector from economic perspective, but there is a possibility to add to theoretic literature from defence economics and labour economics perspectives, how to analyse labour market issues in defence sector. Author provides summary of relevant theoretic concepts to fill the gap, identifies institutions, factors and indicators for further analysis. The theoretic policy models would be relevant for skills development in defence sector. The data on main economic indicators is available from Eurostat or national statistics agencies or government institutions, the general labour market indicators are available from OECD or International Labour Organization. Data on military personnel and expenditure is available from NATO on NATO countries, or wider range from World Bank, and from research institutes like Stockholm International Peace and Research Institute (SIPRI), the International Institute for Strategic Studies (IISS). Some data is available from national Ministries of Defence (MoD's) though the data varies in the level of detail or available time series.

The relevance for the specific audience and wider community of practice: the theoretic framework and summarized information of institutions, factor and indicators could be used for other academic scholars and researchers interested in labour market and defence sector analysis. The main contribution is a summary of labour market theoretic concepts, institutions, factors and indicators relevant for defence sector.

*Keywords: labour market, military personnel, labour market institutions, defence economics, policy models.*