

Міністерство освіти і науки України

Національний університет харчових технологій

**80 МІЖНАРОДНА НАУКОВА
КОНФЕРЕНЦІЯ
МОЛОДИХ УЧЕНИХ,
АСПІРАНТІВ І СТУДЕНТІВ**

*“Наукові здобутки молоді –
вирішенню проблем харчування людства
у XXI столітті”*

Частина 4

10–11 квітня 2014 р.

Київ НУХТ 2014

107. Social and economic effect of youth unemployment on the economy of Ukraine

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Introduction: On the one hand, the transition to a market economy and democratization of society, the expanded capabilities of young people in the choice of sectors and economic activities have changed the working mentality. On the other hand, the country has weakened state control over employment and reduced social programs which led to the increased vulnerability of young people in the labor market and consequently worsened the problem of youth unemployment. A major problem is the spread of unemployment among recent graduates.

Resources and methods: The study of the theory and practice of youth unemployment are paid considerable attention by many researchers, including R.Tomson, D.Rosh, S.Taker, R.Flinn, A.Schizerotto, H.Hasperoni, D.Halli, S.Pauham, K. Mantheym. To solve the problems of employment and unemployment among young people the government should:

- create youth employment exchange ;
- develop projects that focus on financing active measures to promote youth employment ;
- conduct education and training in job search techniques and information materials on the labor market, potential legislators;
- organize meetings with former employers and the unemployed who have successfully found jobs or set up their own business.
- provide broad coverage of positive employment experience media - implement programs and schools courses in job search techniques and extracurricular activities of one's own business; [2].

The impact of unemployment on the economy can not be assessed only as a negative. Unemployment takes the constructive and destructive functions. The structural impact of unemployment on the economy:

1. Promote effective employment and competitiveness in the labor market.
2. Adaptation of employees to labor market requirements.
3. Reservation of the labor force in different periods of economic conditions in some segments to be able to use them in others.
4. The free will of the employee on a break in economic activity in order to change job, etc.
5. Natural regulation of supply and demand of labor in the regional, sectoral, vocational and professional aspects [1].

The destructive impact of unemployment on the economy:

1. Each percentage excess of the actual rate of unemployment over the natural reduces GDP by 2.5%.
2. Reduction of income and wealth in society. Increased pressure on the state budget.
3. Increased negative psychological tendencies in society [3].

The negative social and economic consequences of unemployment are:

1. Vacant labor means under-utilization of the economic potential of society, the direct economic losses resulting from natural and actual unemployment (and hence employment).
2. Prolonged unemployment worker loses skills and adaption to new conditions occurs often painful for him.
3. Unemployment leads to a direct drop in living standards previously achieved. Rising unemployment reduces consumer, investment demand, reduces the amount of savings in the population.

Despite the negative effects of unemployment and severe, it may be noted a number of positive aspects related to it. Firstly, according to most economists, unemployment is an essential condition for the normal and smooth functioning of the economy. Secondly, it provides the necessary redistribution of production personnel and focuses on those activities that are necessary to consumers. Thirdly, employers have the opportunity to select highly qualified professionals. This stimulates workers to systematically enhance their professional skills. At last, the unemployed person has free time and can devote it to his family, raising children, while receiving unemployment benefits [3].

Results: Unemployment has direct economic costs to society. When some people remain out of work, this means that production is reduced compared to the amount that could be achieved under conditions of full employment.

Conclusions: Regarding the phenomenon of unemployment, this phenomenon has always a negative impact both on the level of production, the life of every person and of society as a whole. Therefore, all the negative destructions that it entails, negate the fact that unemployment stimulates individuals to work. Even more negative is the fact that every year the unemployment rate is increasing among the younger generation, which is our future, the continuation of effective growth.

References

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