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ПОСЛЕДСТВИЯ БЕЗРАБОТИЦЫ В СТРАНАХ С РЫНОЧНОЙ ЭКОНОМИКОЙ

Аннотация: в статье описываются последствия безработицы в странах с рыночной экономикой.

Ключевые слова: безработица, макроэкономическая проблема.

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EFFECTS OF UNEMPLOYMENT IN THE COUNTRIES WITH MARKET ECONOMY

Abstract: the article describes the effects of unemployment in countries with market economy

Keywords: unemployment, macroeconomic problem

According to the OECD (Organization for Economic Co-operation and Development), unemployment is the number of people over a certain age who are not in paid employment or self-employment but are currently available for work during the relevant time period. Unemployment is measured by the unemployment rate, which is the number of unemployed people as a percentage of the labor force [1].

Unemployment is caused by various reasons coming from both the demand side, or the employer, and the supply side, or the employee.

Causes of Unemployment in Market Economies

1. High population growth
2. Lack of job opportunities
3. Increase student attendance in universities
4. Slow-developing industries
5. Inflation
6. Depression
7. Disability
8. Changes in Technology
9. Willingness to work
10. Factors of Discrimination

Types of unemployment in the countries with market economy

In most cases majorly there are 3 types of unemployment.

1. Frictional unemployment

Frictional unemployment is a temporary situation that occurs when workers are unemployed to find a new job after leaving a previous job.

Following are the common causes of frictional unemployment:

- An employee is dissatisfied with his current position and leaves to find a new position.
- An employee feels that he will get better opportunities if he changes jobs. A person no longer needs to work full time and leaves to find a job in a few hours.
- An employee is not happy with his current working conditions and leaves in search of a new position.
- A person leaves to care for sick family members or becomes ill themselves.
- An employee must be transferred for personal reasons.

The main advantage of frictional unemployment is that firms have access to more qualified workers, while the disadvantage is the waste of human resources and increased economic burden.

2. Structural unemployment

Frictional unemployment is involuntary unemployment caused by a mismatch between the skills available to workers in the economy and the skills demanded by employers.

Causes of structural unemployment may include:

- Changes in the economy.
- Improvements in technology.
- Workers who do not have the job skills needed to find jobs.

One of the main disadvantages of structural unemployment is that it creates inefficiencies in the economy. Another is to increase government spending on unemployment benefit programs.

3. Cyclical unemployment

Cyclical unemployment is the component of total unemployment that is a direct result of cycles of economic ups and downs.

Cyclical unemployment can be caused by: -

- A recession is a business cycle in which demand for goods and services decreases over time.
- A slump is a negative economic growth period [2].

As an advantage, it creates a higher level of income for them which can lead to more consumption in the economy and improve unemployment. Cyclical unemployment can cause the natural rate of unemployment to rise as a disadvantage.

The unemployment rate is the percentage of unemployed workers in the total labor force. Workers are considered unemployed if they are not currently working, despite their ability and willingness. The total labor force consists of all employed and unemployed persons in an economy. (The sum of the employed and the unemployed is defined as labor force) [3].

The unemployment rate is calculated by taking the number of adults in the labor force, dividing it by the total adult population, and multiplying by 100 to get the percentage.

The natural rate of unemployment is simply defined as the rate of unemployment consistent with a constant rate of inflation. Therefore, the natural rate can be considered as the rate of unemployment in the absence of cyclical fluctuations.

The real unemployment rate is the rate that fluctuates around the natural rate of unemployment in response to cyclical economic conditions [3].

The average for 2022 is 7.11 percent based on 100 countries. The highest is in South Africa: 34.63 percent and the lowest is in Thailand [4] .

According to that chart, South Africa has the highest unemployment rate. It represents 34.69 percent. Secondly highest unemployment rate Sudan with 30.61 a percentage. Between rank 01 and rank 02 of unemployment rate, gap is 4.08. Those data annotated from 1980 to 2027.

The lowest unemployment rate in Thailand at 1.00 percent and the second lowest rate of unemployment is in Andorra with a percentage of 2. Those data gathered from 1980 to 2027.

Russia's unemployment rate was 3.7 percent in December 2022, a record low in November and market forecasts below 4 percent. The result was in line with previous claims by Russia's central bank that the mobilization of the Russian army to fight in Ukraine exacerbated labor shortages and reduced the capacity of the Russian economy. The number of unemployed people increased by 30 thousand from a month ago to 2.775 million, while those officially registered as unemployed fell by 42 thousand to 0.645 million. The unemployment rate increased by 4.3 percent in December 2022.

Sri Lanka's unemployment rate has decreased from 5.2 percent in the corresponding period of 2021 to 5 percent in the third quarter of 2022. The number of unemployed persons fell by 72,424 to 419,163, while the number of employed persons decreased by 33,538 to 8,010,340,340. The number of people employed in the service and industry sectors rose marginally to 47.2 percent (45.8 percent in 3Q2021) and 25.9 percent (24.5 percent in 3Q2021) respectively, while services saw a decline. (29.7

percent compared to 26.9 percent and 29.7 percent in Q3 2021). By gender, the overall unemployment rate was higher for women (6.4 percent) than for men (4.2 percent). The youth unemployment rate covering the 15-24 age group was 23.8 percent, the highest unemployment rate recorded among all age groups.

The data represent in the chart showcase the comparison of unemployment rate between Russia and Sri Lanka. When starting the 2014 year Russia has 5.5% rate and Sri Lanka is 4.2 percent. But starting of 2022 Sri Lanka's unemployment rate highly up to 5.3 percent and Russia's unemployment rate is low down to 3.7 percent. Before 2019 Russia had a high rate of unemployment than Sri Lanka. After 2019 Russia's unemployment rate highly down and Sri Lanka raised up [4].

Economic effects of unemployment

- Waste of human resources
- Low income
- Low savings
- Low capital formation
- Low standard of living
- Low labor productivity

Consequences of unemployment in the countries with the market economy

Direct effects

1) Fall in National Output: Labor is a factor of production. Hence, a fall in the total supply of labor due to high levels of unemployment will lead to a fall in national output. However, if unemployment is caused by factor substitution and labor is replaced by new machinery, a decline in national output may not necessarily occur.

2) Loss of Personal Income: As the income of those who do not work falls, their standard of living declines. The unemployed have less purchasing power and less disposable income [1].

Indirect effects

1). Negative Multiplier Effect: As mentioned above, unemployed people are not able to spend as much on goods and services, and thus can have a negative

multiplier effect. For example, the local business may suffer due to recent job losses in an area, meaning purchases from the supplier will drop and so on.

2). Loss of Tax Revenue: A fall in income leads to a fall in both direct and indirect taxes. Direct taxes come from wages and indirect taxes come from the products on which those wages are spent.

Society effects:

A) Inequalities of Wealth and Income

B) Increase in Crime Rates

C) Less healthy lifestyles

D) Poor Education

E) Average Skills

The costs of unemployment include lost output (output within the PPF) lost government revenue and increased expenditure on benefits. Unemployment has important social costs (eg:- income inequality and reduced social cohesion) Loss of status, alienation and frustration. The effects of unemployment depend on its rate and duration – long-term unemployment can be very costly and difficult to reduce.

Unemployment is an important problem in any country; whatever developed, developing or undeveloped. It is inevitable, as in any country there are people who can't or don't want to work. The unemployment rate is decreasing in Canada, Australia, Italy, and Russia as examples [2].

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