

## SECTION 3

# MODERN DEVELOPMENS OF ECONOMICS AND FINANCIAL SECURITY

## THE PROBLEM OF YOUTH EMPLOYMENT

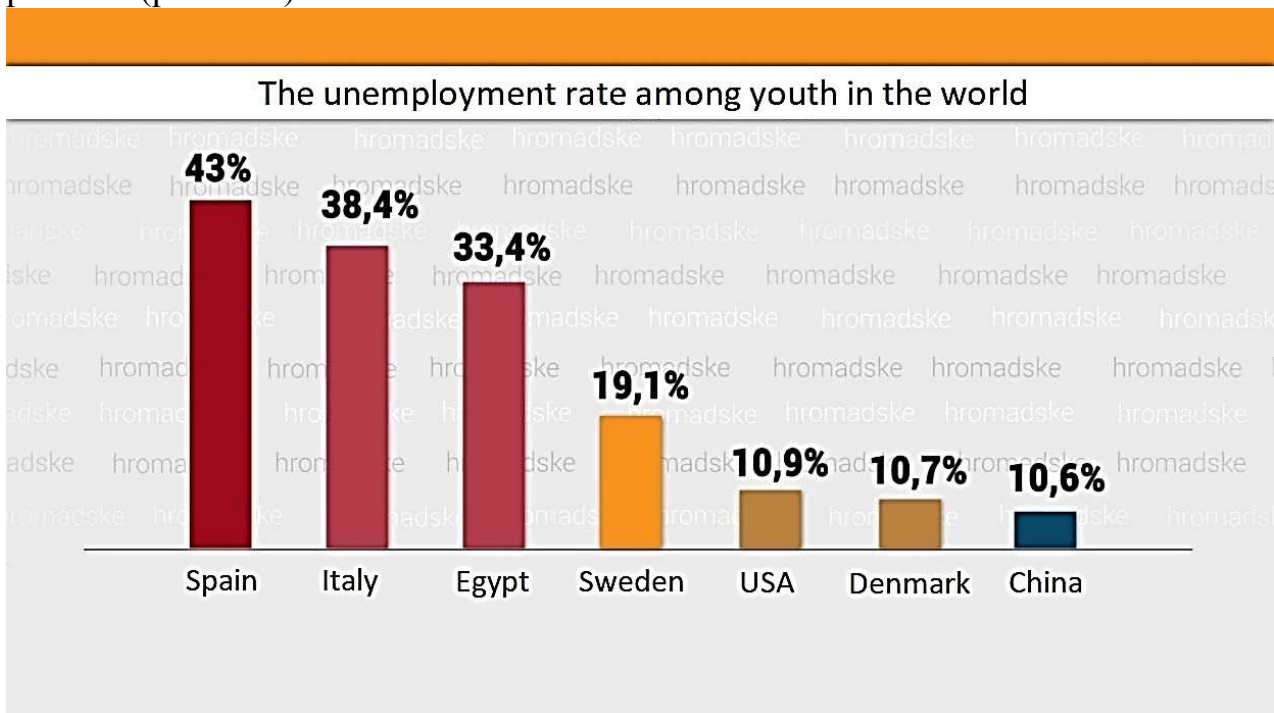
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The problem of employment of young people worries every country in the world, because labor capital is one of the main factors of production of any country. But only the high-qualified workforce form it. Young people who have a certain education, but have no experience, are not in demand among the producers, as a workforce. According to the unemployment statistics of young people in the countries of the world, in Spain, the unemployment rate of young people in 2017 reached 43% in 2017, in Italy 38.4%, which indicates the seriousness of the problem (picture 1).



*Picture 1. The unemployment rate of young people in the world in 2017.[4]*

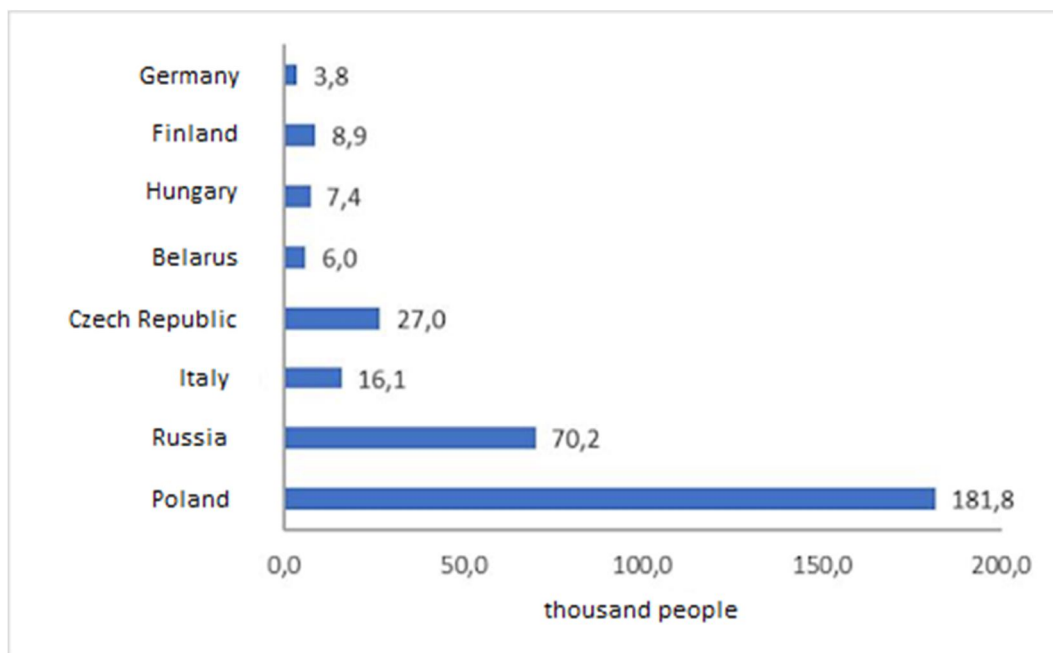
In the conditions of the crisis in Ukraine, the problem of unemployment is very relevant especially among young people, according to the State Statistics Service, in 2017 the number of unemployed young people aged 15-24 was more

than 15% of the total unemployed population of Ukraine and 18.9% of the economically active population of the corresponding age (picture 2).



Picture 2. The population of the ILO by age groups in Ukraine during the 9 months of 2015-2017.

After analyzing the statistical data, we can conclude that the level of working-age population tends to decrease. This situation causes the outflow of workforce from the country. Migration of the labor force reduces labor capital of the country and increases the burden on the able-bodied population, worsening its socio-economic situation (picture 3).



Picture 3. Distribution of labor migrants from Ukraine by countries of stay in 2015-2017

The analysis of the labor market of Ukraine makes it possible to distinguish the following causes of youth unemployment:

- the global financial and economic crisis, which had a negative impact on the labor market of Ukraine, which resulted in an increase in the number of unemployed among young people,
- imperfection and inconsistency of the law on youth employment with modern economic, political and social realities,
- labor migration,
- imbalance between demand and supply of specialists in the labor market,
- the gap between the requirements of employers and the level of training of young graduates of higher education institutions,
- the imperfection of the territorial structure of Ukraine's economic development.

Directions of solving of the above problems should be:

- realization of state and regional employment programs;
- promotion of self-development and self-employment of youth;
- establishing a balance between the flexibility of the labor market and the protection of workers;
- creation of economic conditions that would encourage employers to recruit young and inexperienced workers by encouraging them in the form of grants, tax breaks, especially those companies providing the first job and introducing the practice of booking workplaces for future graduates;
- promoting the creation of conditions for youth entrepreneurship;
- increasing the volume of retraining of specialists.

Thus, we can conclude that the modern labor market in Ukraine has a complex of socio-economic problems that negatively affect the employment of young people. The problems outlined have specific features for different regions and types of economic activity. In these conditions, public administration bodies should introduce effective mechanisms for promoting youth employment, which will enable them to solve the issue of employment of this category of people, especially at the first place of work, will promote decent living conditions and wages, professional growth, etc. The implementation of this program should begin with reforming the education system by adapting it to the needs of the market and enhancing cooperation between educational institutions and private business. In the process of implementing these measures, it is appropriate to pay significant attention to promoting employment at the regional level, especially in rural areas.

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## THE FORMATION OF SOUTH KOREA AS AN ECONOMICALLY HIGHLY DEVELOPED COUNTRY

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South Korea is a highly developed industrial and agrarian country possessing one of the leading places in the world. The industry of Korea has been developed rapidly for the last decades and has shown a good dynamics of growth.

The state is a large-scale producer and exporter of vessels (tankers, container ships), electronics (TVs, computers and accessories, information systems, optical and electronic equipment), motor transport.

Korea was characterized by low standards of living in post-war period: absence of national resources, poor agriculture because of peculiarities of the territory and the climate, and no industry. But it managed to become one of the most highly developed and richest countries of the world for a short period of time.

GDP per capita in constant prices (excluding inflation) on the parity of purchasing capacity (PPC) has increased 25 times for 50 years (1960-2010) and it is 30,9 thousand dollars per capita nowadays. Different factors influenced such rapid development of South Korea:

- **Orientation on export.** Economic development has become the prior aspect of the country. The tariffs for export have been decreased and the main stress has been made on the export increase by stimulating and encouraging entrepreneurs-exporters. The business fulfilling established export quotas got an access to subsidized credits. It resulted in the increase of export from \$55 million in 1962 to \$1,6 billion in 1972, and the annual GDP growth was 9-10% and sometimes even 14%.

- **The most important resource – people.** The country concentrated on its only resource – people. All efforts were directed to the increase of the educational and professional levels. A great number of highly qualified engineers and workers have been trained and became the basis for the economic growth.

- **Chaebols as the main peculiarity of Korean economy.** Economic progress of South Korea can be hardly imagined without large – scale