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JOBLESS SOCIETY – PHENOMENON OF GLOBAL ECONOMY

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The main characteristics and causes of the jobless society formation based on the demographic indicators and trends in the global labour market observed have been identified in the article. The structural changes in youth employment and a number of new challenges for modern society have been investigated. The extent and nature of youth employment crisis according to the particular country and region have been analyzed. The process of young people into the virtual labour market integration as one of the possible solutions of global unemployment problem among young people has been described.

Keywords: *jobless society, virtualization of labour relations, employment crisis, informal employment, working poor, youth unemployment, labour market, generation jobless, technological unemployment, NEET generation.*

Introduction. Youth forms a special sector of the labour market, which is significantly different from its other components. From one side, in the young age person has high mobility, it is open, ready for changes and job search, and from the other young people lack relevant experience to be competitive on labour market. Imperfect legal framework, lack of clear government strategy for youth employment in many countries, educational services discrepancy in actual needs of the economy, weak incentive mechanisms of employers to hire young people – all these negative trends influence on rising unemployment among young people, thereby creating a precedent for the future «unemployed society» formation. Given the fact, that the basis of «jobless society» at present is the jobless youth, the study of issues range indicated acquires a special focus.

Analysis of recent research and publications. M. Dertouzos [8] and M. Castells [9] studied the emergence of «jobless society» under the influence of information technologies implementation into the production process; P. Vogel [17] analyzed the reasons the crisis of unemployment among young people and the possibility of forming a «jobless generation»; the problems of a man alienation in the labour sphere and labour mentality transformation are covered in the works of D. Bogynya [1]; the particular aspects of unemployment and employment of the youth are revealed by O. Grishnova [3]; the signs of employment institute transformation as a part of global change in social and labour sphere and the phenomenon of precariousness are studied by A. Kolot [4]; the issues of a youth unemployment, global employment crisis and labour market in Ukraine transformation are outlined by E. Libanova [14].

The research of scientists referred have not lost scientific value, but global trends of employment among youth crisis dissemination and the problem of jobless society of a global scale formation need further examination concerning socioeconomic and political changes that they cause.

Previously unsettled problem constituent. The analysis of scientific researches on the subject shows that the problem of a «jobless society» is actual, but investigated only in part. Given the demographic indicators and trends in the global labour market, it is necessary to identify the main features of «jobless society» formation globally; particular attention should be paid to the study of structural changes in youth employment and a number of new challenges for modern society; finally the solution of increasing unemployment problem among young people should be determined.

Main purpose of the article is to determine the nature and causes of «jobless society» formation as a global economy qualitatively new phenomenon.

Results and discussions. The young population is considered to be the largest asset of each particular state contributing to its innovative and creative socio-economic development. Youth performs a number of important socio-economic functions: socialization (gradual inclusion of youth in social and economic life of the country), reproduction (reproduction of population and labour force, ensuring continuity of the public production process), intellectual and innovative development (ensuring the transfer of acquired knowledge and experience by previous generations to the next, development of new professions, industries, providing innovative development of knowledge accumulated by the society). Yet, for the country to realize this potential and get the «youth dividend» it is necessary to provide young people with productive job and conditions to integrate the society.

Today, almost each fifth person in the world is aged between 15 and 24 years. Overall there are more than 1.2 billion young people in the world. Most young people (close to 90%) live in developing countries, howsoever 60% – in Asia and 17% – in

Africa. Today the number of young people in developing countries is about 1 billion people, far more than in previous periods. By 2060 the number of young people will reach a maximum level of 1.1 billion people, and then will gradually decline [5]. This is because during the second stage of demographic transition a sharp increase in young people number in the overall population of working age structure is only temporary. This period lasts about 50 years and it is a typical sign that the whole world is approaching the final stage of demographic changes, which is usually called «aging population». This transition occurs in all countries, but at different speeds. That is why the fast growth rate of unemployment among young people is a very relevant issue today, which requires deep study and urgent solution.

The existence of youth unemployment can be traced in all periods of social development, but a new trend is a global scale and rapid rates of growth of during the macroeconomic recovery of many economies in the world. Today the level of youth (people aged 15-24) unemployment in the world is more than 12.6%. According to the experts of the International Labour Organization (ILO), this figure will continue to grow till 2018 and will reach almost 13.2% (Fig.1) [11].

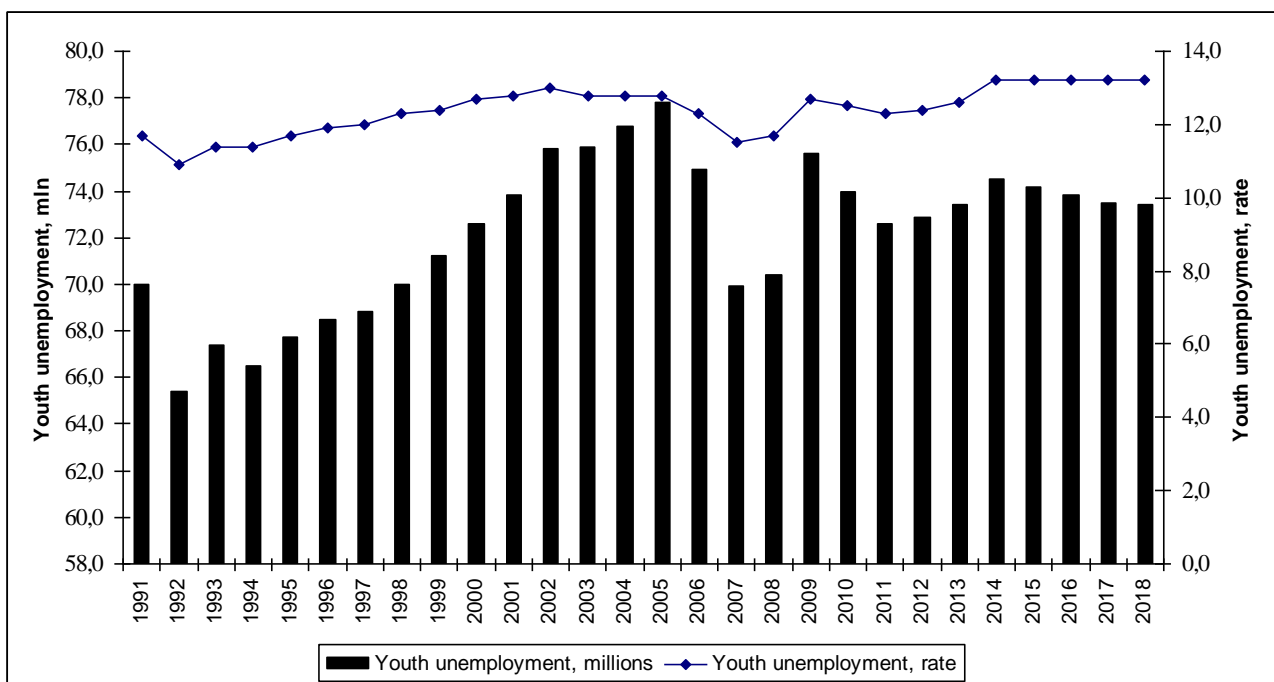


Fig. 1. Global youth unemployment and unemployment rate, 1991-2018
 (designed by authors on the basis of [11, 13])

Note: 2014-18 are projections.

It must be noted, that the process of labour and employment in certain sectors is specifically affected by the implementation of new techniques and technologies, including information, which, in its turn, may cause population's social polarization

and emergence of «jobless society». Some scientists (Jeremy Rifkin, Marshall Brain, Martin Ford) explain this trend that due to computerization and robotics of social life stratum of people who could not adapt to the new challenges in the labour market (i.e. did not mastered the skills on how to use new technologies in the labour process) and remained unemployed is formed. Thus the main factor of possible dissemination of «jobless society» phenomenon is technological unemployment [15]. It is the result of reduction in employment due to automation and introduction of new technologies, resulting in that part of the work force is excessive or require a higher skill level.

Today the problem of «jobless society» emergence is not associated with the mass technological unemployment. Employees are not replaced by technologies completely, but only replaced for jobs requiring new knowledge. In some cases new working places are created in related areas of employment. The emergence of ATMs has not led to cashiers' reduction, but changed their functional responsibilities. Now these employees job is associated with establishing contacts with customers to sell them highly profitable financial services and products; desktop publishing of printed editions has led to reduction in the number of texts writers, but at the same time contributed to graphic designers' increase the number; in process of automatic telephone systems introduction in companies the number of telephone operators reduced, but the number of employees (secretaries) working with customers increased (they took over the functions of personal communication, previously performed by telephonists). Sometimes new jobs appear in totally unrelated areas. For example, when jobs in agriculture disappear, new ones emerge in the manufacturing and services sector. Thus, computer automation does not necessarily lead to mass technological unemployment. Conversely, new technologies may lead to increased demand for employees with new qualifications.

Analyzing the impact of information technology on the emergence of new patterns of work and employment (temporary, flexible, remote, informal and self-employment) in a networked society, M. Castells does not reject the possibility of emergence of «jobless society» – population, that rejected traditional forms of employment with a clearly defined schedule and place of work, and is in fact self-employed, i.e. independently chooses the correlation between work and leisure [9].

At the same time, M. Dertouzos («What Will Be: How the New World of Information Will Change Our Lives») claims that new rules of economic growth and productivity shape new forms of employment and related cultural forms. One of such forms is «jobless society», which, however, according to the scientist, today doesn't have any ideology and remains only futurological concept [8].

It must be noted, that economic, social and psychological factors (challenges) today have more significant impact on the process of «jobless society» emergence, than technologization and informatization of social life, although it is possible that in the future the role of the latter may increase.

According to some researchers, namely Great Recession triggered acceleration of negative trends that are traced in recent years on the labour market – rising unemployment among young people, as well as temporary and part-time employment; increasing the number of employed in low-paid and low-skilled positions, as well as in the informal economy. Such trends have influenced on dissemination of youth employment crisis, which, in our opinion, is characterized by a lack of jobs for young people because of the mismatch between limited demand and growing supply on the labour market.

P. Vogel stresses, that employment crisis may have long-term negative consequences for individual (low level of salaries, deteriorating emotional and physical condition), his family (financial burden per individual member of the family growth and the stress associated with the complexity of family member solution of employment problem) and economy (use of economic resources in vain, reduction in revenues because of reduced number of taxpayers, aggravation of social instability and rising crime rates) [17].

The postponement of solving the problem of youth unemployment can lead to emergence of «jobless generation» – marginalized workforce that lost its former social relations and did not adapt to new working conditions (life). Furthermore, from one side, in a long-term perspective there is a high probability that the «jobless generation» will transmit marginal values, ethics and way of life to future generation, i.e. their children. From the other side, there is a danger that after the stabilization of the economic situation in various countries employers would rather hire graduates who are not burdened by the problems associated with unemployment instead of representatives of «jobless generation».

Due to the fact that in modern scientific literature on this subject there is no clear definition of «unemployed society», we offer to consider it at the same time as a) generation of marginalized workforce, which did not adapt to new working conditions for reasons of supply and demand mismatch on the labour market, as well as б) aggregate of people including the unemployed, partially or temporarily employed at low-paid jobs in the formal or informal economy, united by loss of interest in work, which ceased to be an effective means of meeting their needs for objective or subjective reasons.

Investigating the trends of «jobless society» formation, it should be mentioned that according to the latest available statistical data of ILO (2012) the vast majority of unemployed youth traditionally lives in North Africa countries (29,2%) and Middle East (26,6%) (Fig. 2) [11]. This is due, firstly, to a sharp increase in birth rate and a high proportion of youth in these regions (more than 30% of total working age population number), secondly, imperfect government policy on providing young people the opportunity to receive quality higher education and to ensure further integration into the labour market, thirdly, inflexibility of national labour markets,

characterized by high taxes on labour, strict rules of exemption and setting a high minimum salary by the state.

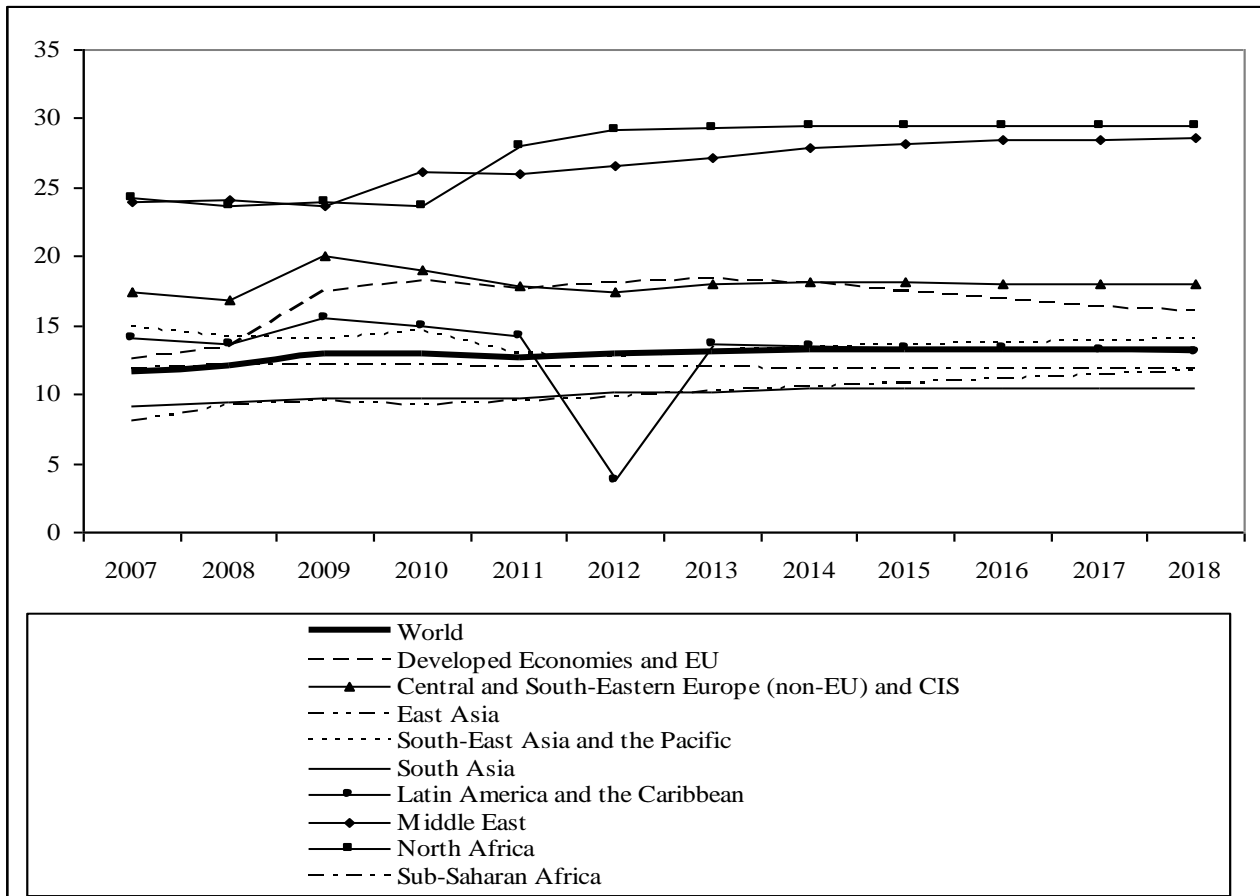


Fig. 2. Youth unemployment rates in regions of the world, 2007-2018
 (designed by authors on the basis of [11])

A characteristic feature of post-crisis period is the increase in the number of unemployed young people in developed countries. A very difficult situation in the sphere of youth unemployment is observed in Europe – as of 2014 here almost every fourth young person aged between 15 and 24 is unemployed – 22,2% (EU-28) and 23,8% (Euro zone). In the context of separate states the largest youth unemployment rate is observed in Spain (53.2%), Greece (52.4%), Croatia (45.5%) and Italy (42.7%), i.e. every second young representative of these countries is not involved into economic activity. In Cyprus (35.9%) and Portugal (34.7%) this indicator is about 40%, only in Germany, Austria and Norway youth unemployment rate is less than or equal to 10% [16]. In countries with low level of unemployment, as a rule, government plays an active role in job searching for those who need it. Germany ranks second in the group of developed countries that have achieved the lowest unemployment rate among young people. In the Nordic countries there are so called

«personal plans» on employment and training of young people. In Germany the cooperation strategy between vocational education and manufacturing practice is quite successfully promoted for quite a long time. According to the European Commission, costs associated with overcoming youth unemployment constitute annually 150 billion Euros, i.e. 1.2% of total EU GDP [6].

In Ukraine in 2014 the level of youth unemployment was 23.1% among people aged from 15 to 24 years and 11.1% – from 25 to 29 years. If one could argue that compared to 2007 the unemployment rate in the context of each age group has doubled: 15-24 years. – 12.5%, 25-29 years. – 6.9% [7]. The share of unemployed people in the US aged between 16 and 24 years on average is twice more than the overall unemployment rate in the country. Moreover, according to the data of the research organization «Center for American Progress», more than 10 million young Americans can not find work for full working day. According to estimates of «Bloomberg», due to the large number of unemployed young people US in the coming decades will fail to receive nearly 18 billion USD. And if for a long time out of labour activity continue to be 3.2 million of unemployed young people of South and North America, losses to the national economies will amount to 44 billion USD. According to various estimates, in 2013 in China the unemployment rate among young people was more than 12%, every third graduate of higher educational establishment encountered difficulties with finding job. In India about 12% of young people doesn't work, doesn't study and doesn't have a practical training anywhere [2].

Based on the above data, it can be argued that the present period of social development is characterized by such phenomenon as global unemployment. The main reasons for rising unemployment among young people include: population growth; slow growth caused by the economic crisis most of the world; mismatch of education received to demands of employers; lack of experience of youth; sometimes overestimated expectations on wages and career prospects; limited access of young people to the capital market for creating their own business; apathy and loss of hope for youth employment. Given the scale of these factors, measures to reduce unemployment among young people have to become one of the governments' priorities of both developed countries and developing ones, since maintaining a high unemployment rate leads to economic losses, social instability, marginalization of young workforce – precious resource of any country.

It should be noted that the youth employment crisis in all its manifestations is not a transitional phenomenon, that can be explained by slow economic growth due to the global financial crisis, but rather a structural trend (which caused by large-scale restructuring of the economy, changes in the structure of supply and demand on the labour market, the elimination of obsolete industries and professions), which may be more protracted, and therefore takes on totally new attributes, namely:

- growth in the share of young people in the total volume of the working poor;

- employment growth among young people aged 15-24 at low-paid jobs;
- decline in the quality of jobs for young people;
- increase in the number of employed youth in informal economy;
- increase in the average length of job search after leaving school;
- rising unemployment among young people with higher education;
- «lost generation» formation – emergence of young people group, who are *not in employment, not in education, not in training (NEETs)*, and who have lost hope on employment and do not intend to change the current situation;
- reducing the number of jobs in conditions of acute lack of skilled labour, such as engineers;
- predominance of gender inequality in employment among young people.

Considering the trend of reducing the number of jobs at the traditional labour market, and according to ILO's global plan, worldwide annually should be created about 40 million jobs for those first entering the labour market. According to the report «Global employment trends 2012» [12], over the next decade the need to create 600 million jobs around the world will arise. This data does not include:

- 1) 900 million of the working poor living on less than 2 USD daily, mostly in developing countries, which, taking into account the slow economic growth is an important challenge for many countries;
- 2) the absence of significant changes in government policy related to solving problems of youth unemployment.

Associated with this phenomenon risks of social unrest, detachment from the labour market and social exclusion as well as the loss of faith at social progress are no longer potential, but have real character and find a variety of manifestations worldwide – Arab Spring, mass strikes of youth in Italy, Greece, Spain and Portugal.

One of the possible solutions to the global problem of unemployment among young people is virtualization of labour (labour relations' virtualization). Today, the atypical forms of employment are spreading rapidly: employment at part-time or underemployment; employment in terms of long-term labour contracts; temporary, fickle employment, including outsourcing; remote employment; employment contracts based on civil law; self-employment; informal employment in the formal sector. They are characterized by the absence or modification of one or more of the classic attributes of labour relations: the emergence of atypical employment contracts (with TV workers, home workers, with employees performing work remotely from workplace; freelancers) and flexible legal regulation of virtualized relations.

It is worth mentioned that at present there is a positive effect of atypical forms of employment at solving the problem of unemployment and preserving the quality of labour. For example, in 2014 at the global electronic labour exchange «Elance» 9.7 million freelancers were registered, 900 million USD were earned by them and 3.8 million employers the majority of which are start-up companies (90%) representing

small and medium enterprises. Another feature of the virtual labour market is that about 74% of freelancers - is the young population aged between 18 and 35 years. The total amount of money earned by Ukrainian freelancers for the last 5 years is 50 millions USD. In 2014 Ukrainian freelancers according to the annual report of electronic exchange «Elance» took 8th place in the world in terms of cash receipts growth pace [10]. Experts predict that by 2020 part-time employees (freelancers) will make up 60% of the global labour market.

Conclusions and further researches directions. Consequently, the phenomenon of jobless society is that under the influence of global factors and on various objective and subjective reasons (which actually reflect the mismatch between supply and demand at the labour market) the generation of marginalized workforce, which did not adapt to new working conditions or have temporarily employed at low-paid jobs in the formal or informal economy has emerged. They all share the loss of interest in work, which, in turn, has ceased to be an effective means of meeting their own needs.

The conducted research also suggests that the formation of «jobless society» phenomenon among the other reasons is caused by the proliferation of youth employment crisis. This problem gradually transforms into a global, although its social and economic characteristics are very different due to the scale and nature of unemployment in various countries and regions. Nowadays the highest level of youth unemployment is observed in North Africa (29.2%), Middle East (26.6%) and in developed countries (18.0%). If in developing countries unemployed youth are those, who do not have higher education, in developed economies they are graduates of higher educational institutions. The main reasons of rising unemployment among young people are: mismatch of education received to demands of employers; lack of experience of youth; sometimes overestimated expectations on wages and career prospects; limited access of young people to the capital market for creating their own business; apathy and loss of hope for youth employment. Economic development without creating new jobs threatens by new political and social explosions.

Prospects for increased social tension in society require the international community rapid and effective response to the spread of global unemployment tendencies, because it is directly related to the aging of society, increasing the retirement age, as well as deferred process of young people entering into the labour market. The future society development vector depends precisely on youth, that's why the creation of quality jobs, the inclusion of young people in social and industrial life not only contributes to the successful implementation of youth in professional direction, but also has a multiplier effect on economic growth both individual countries and the global economy and society as a whole. Therefore, one way to solve the problem of global unemployment is the integration of young workers into the virtual labour market, which, compared to the traditional market in recent years is

developing quite dynamically.

Further research of the authors will be aimed at identification the ways of youth effective integration into a virtual labor market based on their level of education and level of economic development of the country of origin and concerning current global trends. Particular attention should be focused on the interaction at the supranational level (between governments and international economic organizations).

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БЕЗРОБІТНЕ СУСПІЛЬСТВО – ФЕНОМЕН ГЛОБАЛЬНОЇ ЕКОНОМІКИ

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У статті визначено головні ознаки та причини формування безробітного суспільства на основі проаналізованих демографічних показників і тенденцій, які спостерігаються на світовому ринку праці. Досліджено структурні зміни молодіжної зайнятості і ряд нових викликів для сучасного суспільства. Проаналізовано масштаби і характер кризи зайнятості молоді в залежності від країни та регіону. Розглянуто процес інтеграції молоді у віртуальний ринок праці як один з можливих шляхів вирішення глобальної проблеми безробіття серед молодого населення.

Ключові слова: *безробітне суспільство, віртуалізація трудових відносин, криза зайнятості, неформальна зайнятість, працюючі бідні, молодіжне безробіття, ринок праці, покоління безробітних, технологічне безробіття, покоління NEET.*

БЕЗРАБОТНОЕ ОБЩЕСТВО – ФЕНОМЕН ГЛОБАЛЬНОЙ ЭКОНОМИКИ

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В статье определены главные признаки и причины формирования безработного общества на основе проанализированных демографических показателей и тенденций, которые наблюдаются на мировом рынке труда. Исследованы структурные изменения молодежной занятости и ряд новых вызовов для современного общества. Проанализированы масштабы и характер кризиса занятости молодежи в зависимости от страны и региона. Рассмотрен процесс интеграции молодежи в виртуальный рынок труда как один из возможных путей решения глобальной проблемы безработицы среди молодого населения.

Ключевые слова: *безработное общество, виртуализация трудовых отношений, кризис занятости, неформальная занятость, работающие бедные, молодежная безработица, рынок труда, поколение безработных, технологическая безработица, поколение NEET.*