

## SECTION 3

# MODERN DEVELOPMENTS OF ECONOMICS AND FINANCIAL SECURITY

### UNEMPLOYMENT AS A GLOBAL ECONOMIC PROBLEM

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The world economy is one of the foundations of modern society. The world economy, or global economy, is usually represented as an economy that is based on the economic systems of all countries, national economies.

World economy – a set of national economies and non-state structures, as well as their economic relations.

International economic relations – a system of economic relations between individuals and legal entities around the world. They have become part of the world economy.

Global problems – the mismatch between the most significant planetary needs and the ability to meet them by the joint efforts of mankind in a certain period.

Modern science considers global those problems that:

- a) are global and concern the interests of all or most countries;
- b) pose a threat to humanity, lead to regression in people's living conditions, in the development of productive forces;
- c) require immediate and decisive action based on the collective and coordinated efforts of the world community.

There are many economic problems in the modern world. Example:

- the North-South problem;
- the problem of poverty;
- the problem of depletion of resources;
- the problem of ecology;
- demographic problem;
- the problem of human development;
- the problem of human security;
- the problem of the development of the oceans.
- The problem of unemployment.

In my work, I will talk in more detail about the problems of unemployment.

There are several types of unemployment:

- Frictional (people change jobs for various reasons. On the other hand, this type of unemployment provides a high degree of human satisfaction with their work);

- Seasonal (it occurs as a result of seasonal changes in the labor market. The disadvantage, in this case, is the lack of market flexibility);

- Structural (depends on the level of scientific and technological progress in the country);

- Cyclical (occurs as a result of the inability of aggregate demand in the economy to provide the required number of jobs to all comers).

The severity of the unemployment problem is caused by several reasons.

First, man is a special type of economic resource. If it is not now in demand by the economy, it cannot be reserved and "put in the fridge" until better times. Lost working time is irreversible, and the number of benefits that were not made today due to unemployment can no longer be compensated in the future.

Second, even if a person does not work, he cannot stop consuming, and he still needs to feed his family. Therefore, society is forced to seek funds to save the unemployed from starvation or the transformation of your bandits.

Third, rising unemployment is reducing the demand for goods in the domestic market. People who do not receive a salary are forced to be satisfied with only the bare minimum of livelihood. As a result, it is difficult to sell goods on the domestic market. Thus, rising unemployment exacerbates the country's economic problems and serves as an impetus for further reductions in employment.

Fourth, unemployment exacerbates the political situation in the country.

Fifth, rising unemployment can lead to an increase in the number of crimes that people commit to obtain the benefits they need.

Unemployment is a global phenomenon: according to the UN, 800 million people are unemployed.

In 2019, a list was compiled based on confirmed data from the World Bank (Unemployment, total (% of the total labor force (modeled ILO estimate)) and the International Labor Organization. 100% – there are no official working people in the country, 0.00% - the entire population is employed.

The first five places are occupied by such countries as Qatar (0.09%), Niger (0.47%), Solomon Islands (0.58%), and Laos (0.63%).

Over the last five places with the highest unemployment are Saint Lucia (20.71%), Swaziland (22.08%), Lesotho (23.41%), Palestine (26.17%), South Africa (28.18 %).

In Ukraine from 2010 (1,713.9 thousand) to 2019 (1,487.7 thousand) unemployment decreased according to the State Statistics Service of Ukraine.

Global problems cannot be solved in a year or even ten. After all, they have accumulated over the centuries. This was facilitated by scientific and

technological progress, which in turn caused additional burdens on the ecology of our planet.

Unemployment, no matter how it is measured, is always a tragedy for those who do not have and cannot get a legitimate livelihood. Moreover, its consequences go far beyond material prosperity. Prolonged inactivity leads to the loss of qualifications, which ultimately kills the hope of finding a job in the specialty. Loss of livelihood and miserable existence lead to the decline of moral foundations, loss of self-esteem, family breakdown, etc.

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## **THEORETICAL ASPECTS OF ENSURING ECONOMIC EFFECTIVENESS OF BUSINESS ENTITIES**

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In the conditions of the market economy of Ukraine characterized by a high level of competition and uncertainty of market conditions, business entities depend on a number of factors that may adversely affect their activities.

Each business entity faces the task of ensuring stable functioning and achieving the main goals of its activities. The current market situation encourages enterprises to their continuous development, in particular, improving such characteristics as flexibility and adaptability.

The effective functioning of business entities depends more on the reaction rate to the changes in the external environment. By their nature, business entities strive to maximize income and minimize costs in their operation. As a result, the effectiveness of the enterprise is achieved by a real and timely assessment of its economic situation – resources and commitments.

Nowadays, a concept of the "economic efficiency" is more common as a category of the economics that reflects the qualitative and quantitative characteristics of the economic activities' effectiveness. The history of the origin and interpretation of this term in the suggested version is associated with the economists William Petty and Adam Smith. According to ISO 9000:2015, term "effectiveness" is considered to be the degree of implementation of the planned