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Oksana ACHKASOVA

Simon Kuznets Kharkiv National University of Economics

<https://orcid.org/0000-0001-7137-3996>

THE ROLE OF SOCIAL ENTREPRENEURSHIP IN SOLVING THE PROBLEM OF YOUTH UNEMPLOYMENT

The research is devoted to one of the critical problems of the employment of the population of Ukraine today, namely the problem of youth unemployment, which became even more acute during the martial law. An analysis of the indicators characterizing the employment of Ukraine's youth and their quantitative and qualitative characteristics was carried out, thanks to which we can ascertain the high level of youth unemployment. The specifics of the youth's age-specific socio-psychological and qualification features as the most unprepared for the current complex state of the labor market and one of the most vulnerable parts of the workforce in Ukraine are described. Official statistical data on youth unemployment are presented, and a comparative analysis of youth unemployment during martial law is made. The results of sociological research on the entrepreneurial orientations of modern youth were analyzed, and the desire of most young people to start their own businesses was emphasized. The problems that arise when opening a business for young people are considered, namely, the need for own funds and opportunities for obtaining a loan, as well as the sufficiency of work experience in the relevant field. The possibility of improving the employment situation of Ukrainian youth is considered, in particular, based on the development of youth entrepreneurship and the use of an innovative business model such as social entrepreneurship. The features of social entrepreneurship in Ukraine and the current state of its development are defined and considered. The advantages and opportunities that social entrepreneurship opens for modern youth to realize their business ideas and overcome youth unemployment in the domestic labor market have been established. Information is provided on the possibilities of self-information about social entrepreneurship, and the main differences between social entrepreneurship and ordinary types of economic activity are indicated.

Keywords: youth unemployment, employment, economic activity, youth entrepreneurship, social entrepreneurship.

Оксана АЧКАСОВА

Харківського національного економічного університету імені Семена Кузнеця

РОЛЬ СОЦІАЛЬНОГО ПІДПРИЄМНИЦТВА У ВИРІШЕННІ ПРОБЛЕМИ МОЛОДІЖНОГО БЕЗРОБІТТЯ

Дослідження присвячене одній з ключових проблем зайнятості населення України на сьогоднішній день, а саме проблемі молодіжного безробіття, що під час військового стану ще більш загострилась. Проведено аналіз показників, що характеризують зайнятість молоді України, їх кількісні та якісні характеристики завдяки чому можемо констатувати високий рівень молодіжного безробіття. Описано специфіку вікових соціально-психологічних та кваліфікаційних особливостей молоді як найбільш невідповідної до сучасного складного стану на ринку праці, та однією з найбільш уразливих часток робочої сили в Україні. Наведено офіційні статистичні дані щодо молодіжного безробіття та зроблено порівняльний аналіз молодіжного безробіття під час військового стану. Проаналізовано результати соціологічних досліджень щодо підприємницьких спрямувань сучасної молоді та наголошено на бажанні більшості молоді засновувати власну справу. Розглянуто проблеми які виникають на шляху відкриття бізнесу молоддю, а саме відсутність власних коштів та можливостей для оформлення кредиту, а також достатність досвіду роботи в відповідній сфері. Розглянуто можливості поліпшення ситуації у сфері зайнятості молоді України, зокрема, на основі розвитку молодіжного підприємництва та використання при цьому інноваційної моделі ведення бізнесу такої як соціальне підприємництво. Надано визначення та розглянуто особливості соціального підприємництва в Україні та сучасний стан його розвитку. Встановлено переваги та можливості, які відкриває соціальне підприємництво для реалізації сучасною молоддю власних бізнес-ідей та подолання молодіжного безробіття на вітчизняному ринку праці. Надано інформацію щодо можливостей самоінформування щодо соціального підприємництва, зазначено основні відмінності соціального підприємництва від звичайних видів господарської діяльності.

Ключові слова: молодіжне безробіття, зайнятість, економічна активність, молодіжне підприємництво, соціальне підприємництво.

Formulation of the problem

In the conditions of global changes in the country's economy and social and labor sphere, the labor market is undergoing significant transformation. The development of the labor market in Ukraine is characterized by instability among certain age groups and an increasing imbalance between labor demand and supply. Changes are taking place in the labor market's professional and qualification structure of demand, and employers' requirements for workforce quality are increasing. These and other processes taking place in Ukraine bring to the fore the provision of youth employment and the reduction of youth unemployment. This population category is one of the most vulnerable to adverse changes in the labor market. In addition, youth is the population category on which the development of our country directly depends. Young people have the necessary potential, the realization of which, soon, can significantly improve society's socio-economic situation and revive the Ukrainian people's national and spiritual heritage.

In the latest scientific literature, there are more and more publications on the problem of youth employment, which mainly focus on the theoretical aspects of this specific market, general characteristics, and

qualitative and quantitative parameters are given. The work related to youth policy development, studying youth employment problems, and ensuring their primary employment is significant. However, considering the European direction of Ukraine and the reform of the economy, which leads to changes in the social sphere, the labor market, and changes in legislative acts, scientific research on solving the problems of youth unemployment currently does not keep up with the needs of actual practice and is not always satisfactory and practical. Therefore, the analysis of the issue of youth unemployment and the study of the possibilities of development of social entrepreneurship as a form of youth employment, considering the requirements of modern society moving in the European direction, is now relevant.

Formulation of the problem

Problems of youth employment were studied by S. Bandura, V. Brycha, D. Boginya, V. Vasylchenko, I. Volynskiy, O. Grishnova, M. Dolishniy, T. Zayats, V. Kovalenko, G. Koval, A. Kolot, I. Lopushynskiy, O. Novikova, I. Petrova, T. Petrova, V. Petyukh, V. Savchenko, L. Shevchenko and others. Attention should be paid to the fact that even today, this problem is relevant and is addressed by practitioners and theoreticians, noting the significant contribution of scientists to the development of the scientific and theoretical basis for revealing and solving the unemployment problems among young people.

Therefore, the **purpose of the article** is to demonstrate the issue of youth unemployment in modern society and to develop ways to improve the situation in the field of employment among the youth of Ukraine based on the development of social entrepreneurship as a form of employment.

Presentation of the main research material

The ILO Convention "On Minimum Age" establishes the maximum age of a person accepted for work, not lower than the age at the end of compulsory school education, but not less than 15 years [4]. In Europe, youth are generally considered persons aged 15 to 30. In Ukraine, according to the Law of Ukraine "On Promotion of Social Formation and Development of Youth in Ukraine", youth are citizens aged 14 to 35 [3].

Two categories are distinguished: economically active and economically inactive youth structuring youth depending on economic activity, which, in turn, contain separate groups. Economically active youth provide labor supply in the labor market. Economically active youth include officially employed and unemployed persons. Economically inactive population - persons who cannot be classified as "employed" or "unemployed". This category contains unemployed youth who belong to the following social groups: schoolchildren, students of vocational and technical institutions, students of higher education institutions, military personnel, women on maternity leave, and youth who do not work and do not have the status of an unemployed person.

According to the analytical data of the State Statistics Service of Ukraine regarding the state of the labor force, in 2021, the level of economic activity among persons aged 15–24 was only 30.6%, while among those aged 25–29, it was 77.7%, in aged 30–34 – 80.8%, and was higher than the average among the population aged 15–70 (61.8%). The education of young people of this age group causes low indicators in the youngest group. Meanwhile, 30-year-olds have completed their education and entered the labor market, gaining valuable practical experience. Most economically active youth have professional qualifications in higher and professional (vocational and technical) institutions [11]. In 2021, the employment rate among the youth of older age groups compared to the previous year increased from 70.4% among 25-29-year-olds and 74% among 30-34-year-olds in the last year to 80.8% and 77.7%, respectively, in 2021. A more significant increase in the employment rate occurred among youth aged 15–24, from 24.8% in 2020 to 30.6% in 2021. The unemployment rate, determined by the ILO methodology, fluctuates in almost all youth age subgroups near the average level of unemployment among the working population (9.9%). The unemployment rate of youth aged 30–34 in 2019 was 8.4%; at 25–29 – 9.6%. But in the age group of 15–24 years, this indicator was almost 19.1%, almost twice as high as among the entire working-age population. The highest unemployment rate was among young men aged 15–24 (18.4%) [11].

According to the State Employment Service, in 2021, 583,700 young people were unemployed (39.2%).

The war caused damage to the Ukrainian economy, which led to difficulties in the labor market. The very structure of the labor market has undergone significant changes; according to official data, in 2022, 249,000 unemployed youth under the age of 35 (29% of the total number of unemployed) received the services of the State Employment Service. With the assistance of the service, 69,000 people under the age of 35 found a new job last year, including 51,000 unemployed. In January-February 2023, 58,000 young people were unemployed (24%). Seven thousand people under 35 were employed, including 4,000 unemployed [14].

The structure of vacancies in the professional section has not changed significantly. Professions that were in demand before the war are still needed today. Employers are most often looking for qualified workers with tools - 23% of all submitted vacancies (seamstress, electrician for the repair and maintenance of electrical equipment, fitter-repairer, fitter-plumber, electric gas welder, fitter for the repair of wheeled vehicles, baker, fitter-electrician for the repair of electrical equipment, underground electrical fitter, emergency repair fitter, woodworking machine operator, painter); professionals - 18% (teacher, pharmacist, general practitioner-family doctor, educator, inspector, engineer, economist, practical psychologist); workers in the maintenance and operation of equipment and machines - 16%

(driver, gas station operator, turner, tractor operator, machine operator, excavator operator, loader driver, machine operator with software control, milling operator, crane operator) [14]. During the war, the demand for workers in the financial and insurance spheres, construction, and hotel and restaurant business decreased significantly. In addition, there is practically no demand for air transport, tourism, leisure, and entertainment; many representatives of these professions have remained unemployed or changed their fields of activity.

In general, youth unemployment in Ukraine is characterized by specific features. Thus, higher levels of unemployment are observed among young men and people living in rural areas. The chance of being among the unemployed decreases as the level of education increases, but a significant share of unemployed youth in Ukraine has a higher education. Most of the "youth" category consists of graduates of educational institutions who do not have work experience. In search of their first job, young people face the problem of employers' refusal to provide employment. The most common argument for refusal of the first job is lack of work experience. Among other reasons for the high level of youth unemployment in the labor market, the following should also be noted:

- ✓ incomplete awareness of the needs of the modern labor market. Lack of sufficient information about the world of the profession, requirements that employers set for the professional and personal qualities of the future employee;
- ✓ unconscious choice of a future profession (without taking into account personal skills and qualities, choosing a prestigious profession that parents advised);
- ✓ inconsistency of the level of education quality with the requirements of employers regarding the skills of a young employee;
- ✓ the low level of wages for young workers, which makes young people reluctant to work after their education and forces them either to work outside their profession or to work in the shadow sector;
- ✓ lack of practical experience and skills, work experience, and industrial practice during training, as a result - low professional level of young people;
- ✓ reluctance of employers to hire inexperienced and unqualified youth;
- ✓ insufficient stimulation of employers to employ young people, a significant tax burden on business, which reduces the number of employees at enterprises and inhibits the creation of new jobs for young people;
- ✓ low level of coordination and interaction between education authorities, employers, employment service authorities, and other structures operating in the youth labor market;
- ✓ underestimation by employers of all the advantages of youth, their mobility, flexibility, fresh thinking, and work potential;
- ✓ the ambition of the youth;
- ✓ instability of life instructions;
- ✓ low level of social and psychological adaptation to labor market conditions;
- ✓ unpreparedness to enter the labor market, and the need for the competitiveness of young people [13].

Unemployment among the young population has several negative consequences, including:

- ✓ deterioration of the demographic situation due to the financial inability of people of reproductive age to give birth and raise children;
- ✓ deterioration of health due to the financial failure of young people to use medical services;
- ✓ decrease in the quality of labor potential due to a long period of job search;
- ✓ activation of labor migration;
- ✓ growing social tension in society.

Specialists consider the development of youth entrepreneurship as one of the ways to overcome negative trends in the youth labor market [2].

Youth entrepreneurship increases employment among young people and creates new small businesses and additional jobs. Youth entrepreneurship is a particular type of economic activity aimed at achieving economic interests, revealing young people's creative potential and self-realization. Youth entrepreneurship, providing youth employment, is implemented in economic, social, resource, demographic, and political functions. At the same time, the forms of manifestation of these functions should be knowledge, initiative, innovation, the ability, and willingness to take economic risks, the creation of additional jobs for young people, as well as the conditions for their most complete implementation in the market economy based on a systemic approach [5].

The Ministry of Youth and Sports of Ukraine provided information about youth in Ukraine in 2021 with the help of a sociological study. The study was conducted by the holding company "4SERVICE HOLDING" on the order of the ministry. The research aims to identify the main problems of the social situation and development of Ukraine's youth, their values and preferences, and the analysis of effective mechanisms and ways of creating favorable conditions for the youth in the labor market. To a greater extent, among personal problems, young people are concerned about lack of money - low level of salary and scholarships (45.1%), health (own and loved ones) (35.2%), and lack of free time (37.7%). Among the professions that young people rate as those that ensure success, the occupations of businessman and entrepreneur (considered to ensure success for 52.7% of young people), specialist in software and computer technology (considered to ensure success for 45.8%), a lawyer (considered to ensure success for 27%) and a bank employee (considered to ensure success for 24.9%) [15].

According to the results of this study, almost a third of young people would like to open their own business. For such a high entrepreneurial spirit to lead to practical steps, favorable conditions are necessary. The state is currently taking specific measures to stimulate youth entrepreneurship. So, for example, information, consultation, and career guidance services are provided for young people who apply for state employment services, and employment assistance is provided, including through the organization of entrepreneurial activities. The state employment service provides a one-time payment of unemployment benefits for the organization of entrepreneurial activities to develop and support entrepreneurial initiatives among the unemployed; starting from February 1, 2023, a new wave of implementation began within the state program "Own business" framework. The main goal of this government program is to create new jobs. In this way, the government simultaneously supports business development and fights unemployment. Citizens of Ukraine who are business entities (individual entrepreneurs or legal entities) and citizens of Ukraine who are just about to become business entities can receive a micro-grant for starting their own business or developing an existing one; the maximum amount is 250 thousand. UAH. This can be a good opportunity for young people who are ready to start their own business and have a plan but need more capital [12].

According to the results of sociological research [11], 53.8% of the interviewed young entrepreneurs noted the problem of lack of initial capital, and 27% stated the issue of credit inaccessibility. To start their own business, 44.3% of respondents turned to family or friends for financial support.

It should also be noted the positive experience of the State Employment Center in the organization and development of crowdfunding through the Internet platform, which helps to raise funds for the implementation of business projects and youth startups and provides informational and advisory assistance in starting one's own business [7].

Speaking about the development of youth entrepreneurship and solving the unemployment problems of the relevant population category, social entrepreneurship must be addressed.

Social entrepreneurship is a business whose primary purpose is to solve acute social problems and help specific population segments. All the funds brought by such activities are directed to the development of the enterprise itself, public affairs, or solving socially essential problems. A social entrepreneur singles out a problem that part of the population has come to terms with and perceives as a given for one reason or another. He then develops and implements a new way to solve the problem himself - a service or product. So, social entrepreneurship makes it possible to solve acute difficulties partially and dynamically in society [9].

Information about social enterprises is gaining more and more publicity every day, and more and more people are starting to do it. Such a business operates according to all the laws of an ordinary private enterprise and brings profit; therefore, it is not considered a charity. Such exciting and affordable work dramatically benefits people who need help adapting to the environment [6]. This type of entrepreneurship usually involves, first, the implementation of the innovative component of entrepreneurial activity, which is why it is most suitable for young people. After all, young people are most receptive to innovations and have advantages like high mobility, creative thinking, and the ability to be creative, high work capacity, low fear of challenges, perseverance in implementing a business idea, etc.

An essential feature of a social enterprise is a clearly defined social goal, declared in the company's statutory documents, and measurable social value. The activities of such enterprises are essential for society in solving economic, environmental, and social problems. Therefore, like-minded people are often united around this activity, and financial capital is formed thanks to the attraction of financial support from investors or through the pooling of funds of like-minded founders. This opportunity helps to solve such an essential problem of starting a small business as the need for more financial resources. According to the results of sociological research [7], 54% of the interviewed young entrepreneurs noted the problem of lack of initial capital, and 23% stated the issue of credit inaccessibility. To start a business, 42.3% of respondents contacted family or friends for financial support.

Currently, many organizations support the development of social entrepreneurship in Ukraine, in particular:

1) "Innovation Development Fund" - a state investment fund that allocates grants for Ukrainian startups of young social entrepreneurs in the early stages;

2) "State innovative financial and credit institution", which organizes the competitive selection of innovative and investment projects and programs through a specially created portal and provides an opportunity for potential owners of Startup projects to place requests for funding;

3) "Eastern Europe Foundation";

4) Consortium "Promoting the development of social entrepreneurship in Ukraine", which includes the British Council, "East Europe Foundation", "International Renaissance Foundation", "PricewaterhouseCoopers" and Erste Bank in Ukraine;

5) The International Renaissance Foundation, with the assistance of Erste Stiftung and the Ukrainian Entrepreneurship Support Fund;

6) Social investment program in the Western NIS Enterprise Fund successfully provides affordable loans (5-10% per annum) under the Social Investment Program, etc.

In addition to financial support, young people can also rely on the organizational and informational support of some business incubators in Ukraine. For example, the Youth Entrepreneur Incubator unites the initiatives of creative young people and supports the development of their business projects aimed at positive societal changes. Startup Business Incubator KNU is a youth business platform based at Taras Shevchenko Kyiv National University,

which specializes in creating favorable conditions for implementing startup projects of young scientists and students of KNU. Enactus Ukraine is an organization that unites student youth, representatives of universities, and business leaders who produce ideas and implement social and entrepreneurial initiatives. University teachers and business partners of Enactus become mentors of active youth who want to create changes and guide them in the right direction [6; 10]. In addition to the mentioned institutions that contribute to the development of youth entrepreneurship of a social orientation, young people can use the following organizations to help them start their own business:

1. "Skills Lab: own business" ensures the development and improvement of young people's skills, which are necessary for successful business implementation.
2. "Helping Hand", a pilot project of the Ministry of Social Policy of Ukraine, is implemented with the support of the World Bank within the broader strategy of modernization of the population's social support system. The project aims to help displaced people and members of low-income families get rid of dependence on social benefits, get a decent job, or start their own business.
3. "Build your own." This portal is part of a unique program for entrepreneurs and those who only dream of becoming them. Its advantages include quick account opening, instant card and convenient Internet banking, business tools from program partners on attractive terms, and financial help.
4. "Start and improve your business" is an educational idea for those with promising ideas for organizing their own business and wanting to develop them [2].

Thanks to the financial, organizational, and informational support of the mentioned organizations and institutions, young people get the opportunity to overcome the problem of employment and start their businesses, realize their creative ideas, and bring benefits to society.

In addition to the above, social entrepreneurship contributes to developing young people's leadership skills, activating public activities, and implementing creative ideas, which in turn affects the country's overall development. Social entrepreneurial activity gives young people a space for self-realization and real prospects for improving the life of society.

Conclusions from the conducted research

During the study, it was proven that the problem of ensuring employment and employment of young people is one of the most urgent for society. The modern economic crisis, accompanied by a significant decline in production, large-scale changes in the labor market, an increase in unemployment, and the aggravation of the problems of hidden unemployment, led to the formation of a rather sizeable social community - unemployed youth. It is the youth, due to the specificity of their age-specific socio-psychological and qualification characteristics, that turned out to be the most unprepared for the modern complex state of the labor market and one of the most vulnerable parts of the workforce.

One of the ways to overcome negative trends in the youth labor market is the development of youth social entrepreneurship. By creating conditions for the birth, development, and implementation of entrepreneurial ideas of young people, it is possible to pave the way to solving the problems of youth unemployment or the development of scientific discoveries. In turn, enterprising youth, having received support, will realize their business ambitions or scientific research, and invent opportunities to solve social problems, implementing the philosophy of new entrepreneurial values.

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