

# Youth unemployment as a social economic challenge

Business



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Country: Russia

Russia is a large country consisting of 83 federal regions; each of these regions consists of its people, resources, and economy. Unemployed rate in Russia has increased tremendously to 5.90 in March from 5.80 in February 2015. This situation has worsened the economic situation since a large number of individuals are jobless. The higher the unemployment rate, the worse the economic situation of the country

The unemployment rate reduced to a twenty-one-year low 4.8 percent in August of 2014 but has been rising since then, touching a fresh two-year high in March. The number of unemployed individuals increased to 4.5 million in March from 4.41 million in the previous month. A year earlier, 2013 the figure was 4.02 million.

While nominal wages rose 6.1 percent year-on-year to an average RUB 33205 (8.1 percent in February), real pay fell 9.3 percent after dropping by 7.4 percent in the previous month. Real disposable income shrank 1.8 percent (-1.6 percent in February) (White, 2001).

A number of factors are responsible for increasing the situation of unemployment in Russia. The first reason is the shortage of raw materials such as the supply of coal, timber or oil fails, and the factories have to stand idle, waiting until the necessary fuel arrives. The shortage of this materials delayed factories to function. The second reason is financial difficulties where there are a rigid economy campaigns. Many factories have had large deficits. The cost at which these factories operate is very high. This forced the directors to apply methods that will force them to economize. The third reason is food shortage where every factory is forced to feed their

employees thus forces the factory to employ workers that they can feed (Opocher & Steedman, 2009).

The fourth reason is the increase in the use of machines replacing the use of manual labor forcing people to lose their jobs. The unemployment factor has led to political issues where there is loss trust in the administration and the government. These factors may lead to political instability, increase employment gaps as many individuals continue to be jobless after finishing school. In addition, the standard of living where the completion of jobs and the negotiation power of individuals also decrease and their living standards and salaries reduce thus affecting the overall economy of the country (Eriksson, Stefan, Rooth & Dan-Olof, 2007).

#### Seminar

At the NU MUN debate, different countries participated these countries include: Germany, Britain, Italy, Japan and China. At this debate, Young people work together to find solutions to international challenges, acquire new knowledge and skills, and build relationships that cross borders of background, cultures and nationalities.

These different countries sent their delegates to discuss factors affecting countries in terms of employment, what they did and what is to be done to solve this problem since it is affecting the above countries. The following reasons were highlighted by all countries. They include the introduction of machines in the working place, financial problems and low labor markets, low-skilled individuals seeking jobs.

Other delegates suggested that countries should reduce the use of machinery in order to give people a chance to get jobs. In addition, the

government should come up with more job opportunities so that every individual has a place to get an income that will sustain their lives.

After the delegation, we resolved to combine efforts to accomplish the reduction of unemployment among the countries that attended the summit. Solutions to the youth unemployment can include educating and training of long-term unemployment, reclassification of incapacity benefits and ensure there is a flexible labor market.

Accordingly, after finishing the seminar, we agreed that there should be more creation of jobs to enable individuals' access jobs and give them skills that would help them get income even if they are not employed.

#### References

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