12th INTERNATIONAL CONFERENCE ON APPLIED ECONOMICS

CONTEMPORARY ISSUES IN ECONOMY

POLAND 29-30 JUNE 2023

ABSTRACT BOOK

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Typesetting and cover design: Ilona Pietryka

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Books and Chapters and Google Scholar

ISBN 978-83-65605-61-0

DOI: 10.24136/eep.abs.2023.1

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Study of social benefits to the unemployed recipients in the general context of unemployment and social support: the case of Lithuania

JEL Classification: J24; J64

Keywords: unemployed; recipients of social benefits; social support policy in Lithuania

ABSTRACT

Research background: The number of social benefits to the recipients registered as unemployed at the Employment Service in 2017–2020 decreased from 26.4 thousand to 8.3 thousand. 2020 appeared to be exceptional, since after one-time and temporary benefits had been paid, the income of families increased and therefore, a large part of them lost the right to social benefits. The article uses statistical data of the pre-pandemic year 2019. The average annual number of registered vacancies in 2019 was only 8.5 thousand. Thus, 1.5 unemployed people who received social benefits or 17 of all the registered unemployed people had to apply for one job. The unemployed, registered to receive social benefits, accounted for 1.5 % of the labor force (in 2019, the labor force was 1447.4 thousand), therefore, there is a growing need to investigate the reasons for the inactivity of unemployed recipients of social benefits in the labor market and to provide employers and the Employment Service of the Republic of Lithuania with measures to eliminate these reasons.

Purpose of the article: to investigate the reasons for the unemployment of the unemployed recipients of social benefits and to offer the most effective means of employment of the unemployed recipients of social benefits in the labor market.

Methods: Analysis of scientific literature, survey of the unemployed on social assistance, analysis of statistical data.

Findings & value added: The unemployed recipients of social benefits constitute an insignificant part of the total labor force (1.5%) and a small part of all registered unemployed (14.5%), so their role in the labor market is small. The number of the registered unemployed receiving social benefits is more significant not for the labor market, but for the social support system. The survey research revealed the reasons for the unemployment of the recipients receiving social benefits. The most significant of them are that there are no jobs in the residential area, and to work elsewhere one faces transport problems; health problems, inadequate qualifications, insufficient salary to live on, debts due to which a large part of the future salary is deducted by bailiffs and/or age discrimination in the labor market. Each of these reasons was cited by more than 30% respondents.