

ECONOMICS AND MANAGEMENT OF THE NATIONAL ECONOMY, THE CRISIS OF NATIONAL MODELS OF ECONOMIC SYSTEMS

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REDUCING POVERTY, INEQUALITY AND SOCIAL EXCLUSION IN EUROPEAN COUNTRIES BASED ON INCLUSIVE APPROACHES TO ECONOMIC DEVELOPMENT

Poverty, inequality and social exclusion are the most fundamental problems that humanity faces and which have a growing tendency in the world, including Eastern European countries. This is due to the impact of the Covid-19 pandemic, Russia's aggression against Ukraine, rising energy prices, inflation, food shortages, and the climate crisis. According to prognosis of the IMF, European countries will face an economic slowdown to 3%, rising inflation of 5.5% and consumer prices by the end of 2022. The increase will be reduced by two times compared to previous years. Yearly inflation through August 2022 in advanced European economies reached 9.3 percent, and 14.9 percent in emerging European economies (excluding military conflict countries and Turkey). Inflation has been particularly high in Estonia, Latvia, and Lithuania [1].

Eurostat data indicate that in 2021, 95.4 million people in the EU, representing 21.7% of the population, were at risk of poverty or social exclusion. Among them, 73.7 million people in the EU were at risk of poverty, while 27.0 million were severely materially and socially deprived, and 29.3 million lived in a household with low work intensity [2].

Oxfam shows that a worker in the bottom 50 percent would have to work for 112 years to earn what a person in the top 1 percent gets in a single year. The pandemic has created 40 new pharma billionaires. Pharmaceutical corporations like Moderna and Pfizer are making \$1,000 profit every second just from their monopoly control of the COVID-19 vaccine [3].

These factors, including limiting employment and social conditions, have unevenly affected different population groups, sectors and regions. All the above-mentioned factors will lead to widening educational inequality and skills gaps. There is a decline in living standards and the most vulnerable to this situation are especially the poor and marginal people.

I have assumed that inclusive development is a strategy to ensure equity and empowerment of different social groups, with an emphasis on vulnerable and marginalized groups. The implementation of this strategy leads to certain rates of economic growth, reducing inequality and poverty, developing human and social capital, and social protection. Inclusive development is one of the strategies for economic involvement of excluded groups and sectors in the development process, which presents new opportunities for economic growth and well-being. The global policy framework for thinking about the issue of inclusive development is the 2030 Agenda for Sustainable Development. It is an important motto: “No One Left Behind!” It provides a detailed set of frameworks, targets, indicators and tools to stimulate global action in support of development and contributes to more sustainable and more inclusive outcomes.

In my research [4; 5; 6], I proceed from the fact that everyone has the right to participate in civil, political, economic, social and cultural life, and traditional economic development strategies are becoming

more expensive. Inclusive approaches do not conflict with business interests and can benefit from economic growth and equity. Greater diversity and higher participation in the workforce also leads to innovation and stimulates the new businesses creation. The idea of inclusive development consists in increasing economic growth while reducing poverty and inequality. As a rule, when applying inclusive approaches, new jobs are created in new economy sectors and provide additional income for the society development.

The identification of opportunities is possible through the investigate of strategies for equal opportunities for education and employment, policies to reduce poverty, inequality and social exclusion in European countries, in particular in the context of achieving the Sustainable Development Goals (SDGs), and the features of digital inclusion as an important component of inclusive development policy in the context of Europe's digital future.

For example, until 2020, there was the program "Europe 2020: A Strategy for Smart, Sustainable and Inclusive Growth" aimed at employment, innovation, education, social inclusion and climate/energy. The current activity of the European Pillar of Social Rights is the overall guiding framework to ensure fairness in the EU. The RRP's include a wide range of reforms and investments that will contribute to support a broader participation in the labour market, productivity gains through education, reskilling and upskilling measures, as well as social inclusion and resilience.

The Digital Europe Program (DIGITAL) [7] is particularly aimed at digital inclusion and resilience, which are important to ensure that everyone can contribute to and benefit from the digital world. It is availability of digital services, online education for development skills and new knowledge to improve professional opportunities, career growth and self-employment and improving the life quality of all citizens, including vulnerable and marginalized populations. Digital inclusion involves: accessible information, communication and digital technologies, assistive technologies, general skills and digital skills, social inclusion.

The main inclusive approaches provide access to a fair labor market, decent jobs and economic opportunities, and in general, to public goods, resources, services. Inclusive policy provides ensuring a high level of employment, investment in education, modernization of labor markets, social protection system, promotion of social cohesion. Reforms and investments that support greater participation in the labor market, increased productive employment through education and new skills, reskilling and upskilling measures, and social integration and sustainability are important. There have been defined such inclusive approaches as stimulation and support of inclusive innovations, inclusive business models and markets, development of inclusive institutions and infrastructure, digital development and digital access, which contribute both to improving the quality of life of the different population groups and to ensuring a green and digital transition.

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