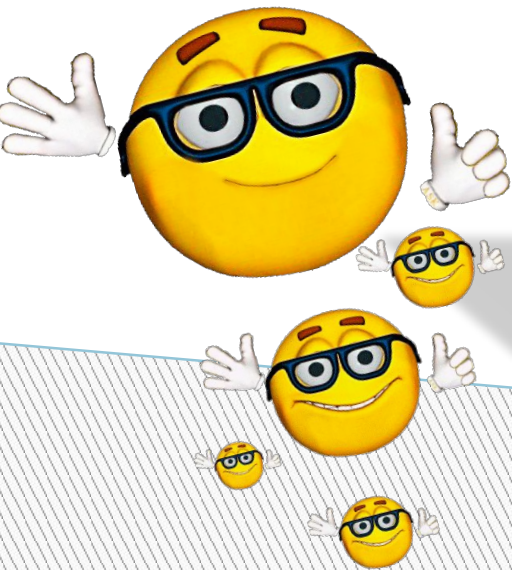


# UNEMPLOYMENT SITUATION OF THE REGION





- **Unemployment or joblessness** is a situation in which able-bodied people who are looking for a job cannot find a job.
  - The causes of unemployment are heavily debated. Classical economics, new classical economics, and the Austrian School of economics argued that market mechanisms are reliable means of resolving unemployment. These theories argue against interventions imposed on the labor market from the outside, such as unionization, bureaucratic work rules, minimum wage laws, taxes, and other regulations that they claim discourage the hiring of workers. Keynesian economics emphasizes the cyclical nature of unemployment and recommends government interventions in the economy that it claims will reduce unemployment during recessions.

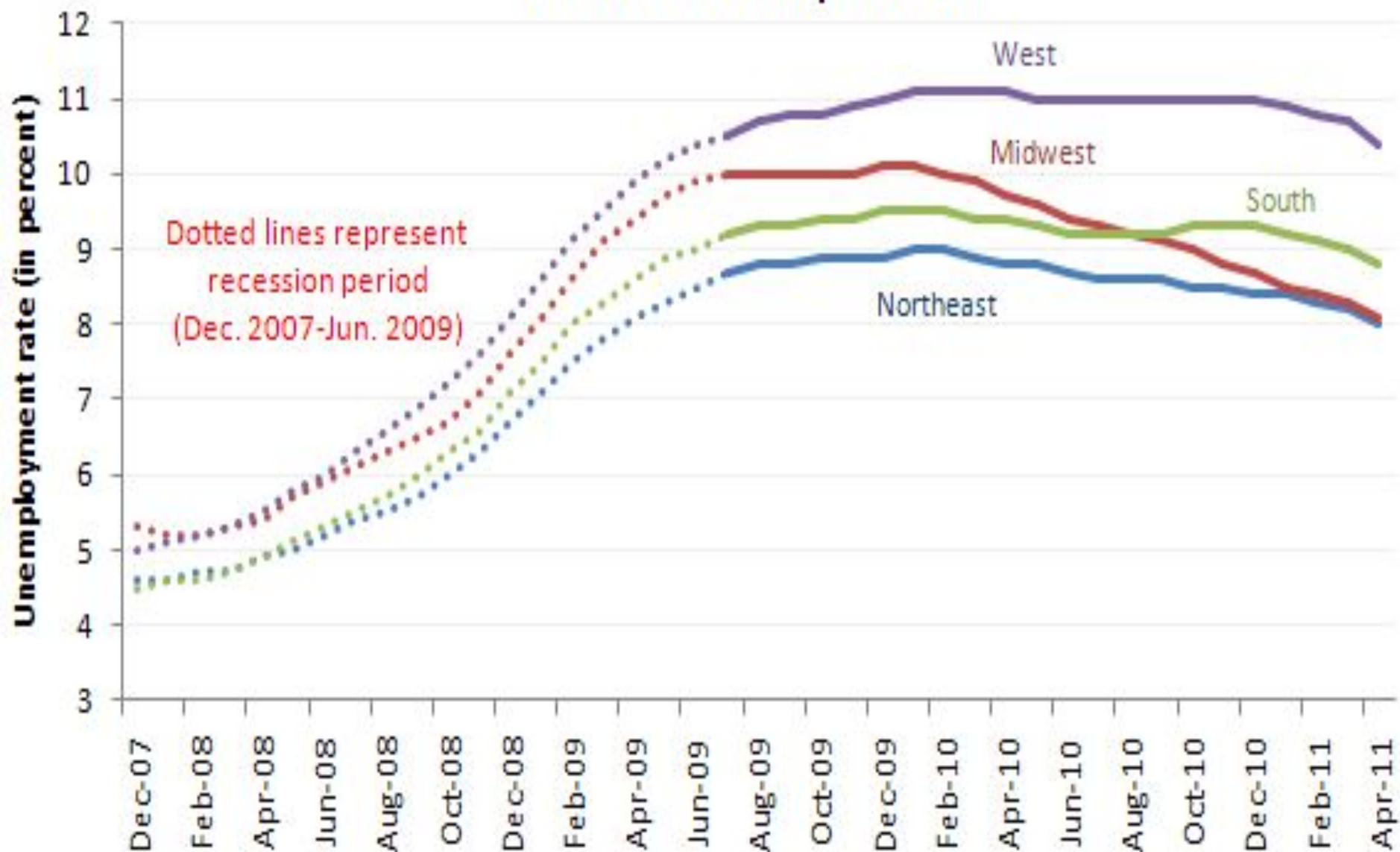




This theory focuses on recurrent shocks that suddenly reduce aggregate demand for goods and services and thus reduce demand for workers. Keynesian models recommend government interventions designed to increase demand for workers; these can include financial stimuli, publicly funded job creation, and expansionist monetary policies. Its namesake economist, John Maynard Keynes, believed that the root cause of unemployment is the desire of investors to receive more money rather than produce more products, which is not possible without public bodies producing new money.<sup>[2]</sup> A third group of theories emphasize the need for a stable supply of capital and investment to maintain full employment.<sup>[3]</sup> On this view, government should guarantee full employment through fiscal policy, monetary policy and trade policy as stated, for example, in the US Employment Act of 1946, by counteracting private sector or trade investment volatility, and reducing inequality

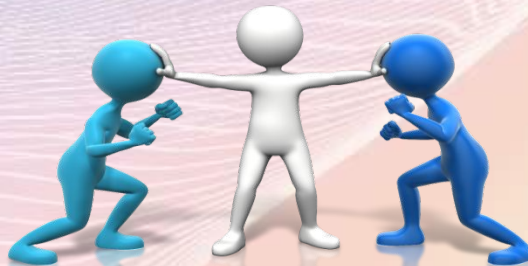


# Unemployment rate by census region, seasonally adjusted December 2007-April 2011

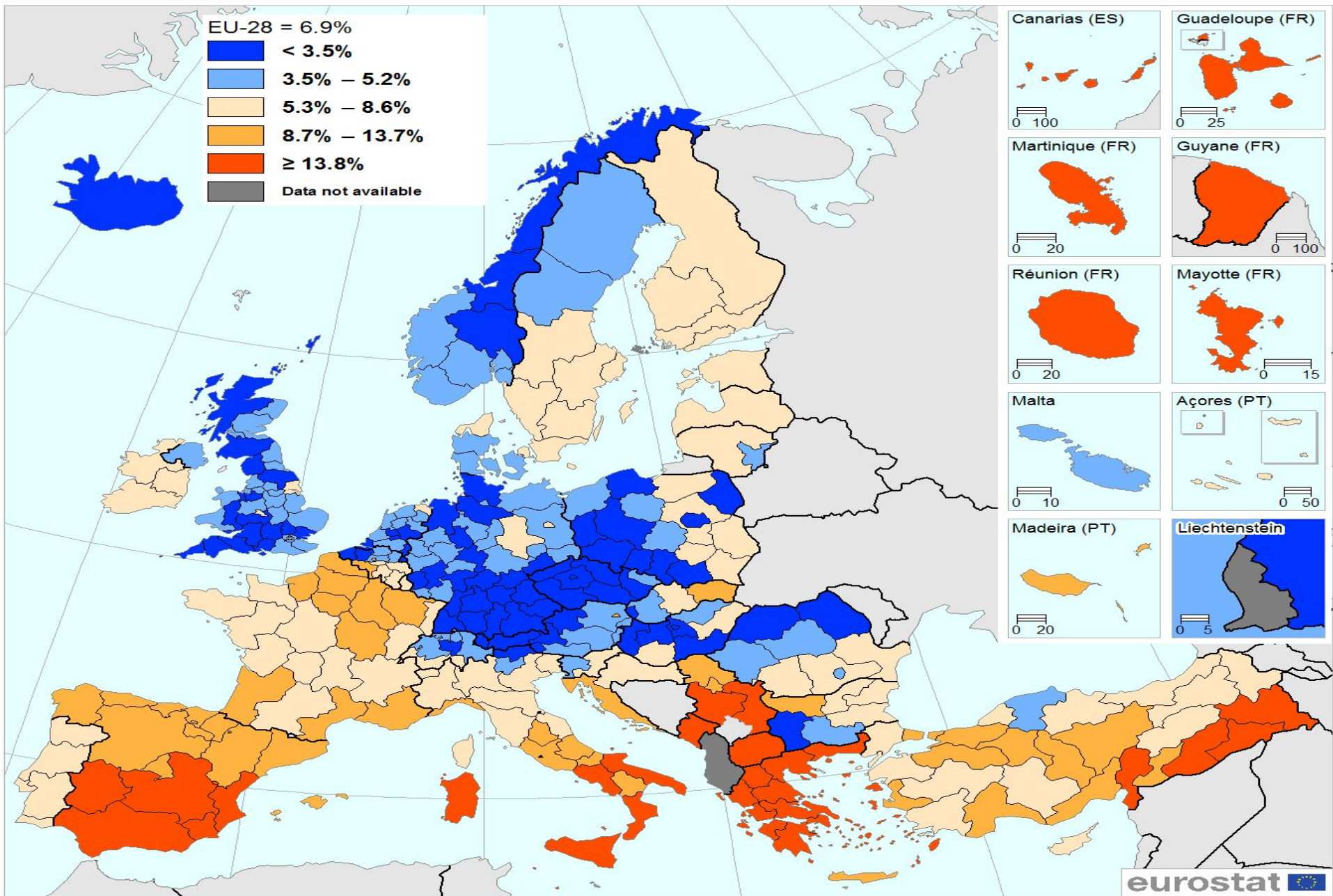




In addition to theories of unemployment, there are a few categorizations of unemployment that are used to more precisely model the effects of unemployment within the economic system. Some of the main types of unemployment include structural unemployment and frictional unemployment, as well as cyclical unemployment, involuntary unemployment, and classical unemployment.



# Unemployment rate, 2018



Source: Eurostat (online data code: lfst\_r\_lfu3rt)

0 200 400 600 800 km

Administrative boundaries: © EuroGeographics © UN-FAO © Turkstat  
Cartography: Eurostat — GISCO, 04/2019

eurostat

Structural unemployment focuses on foundational problems in the economy and inefficiencies inherent in labor markets, including a mismatch between the supply and demand of laborers with necessary skill sets. Structural arguments emphasize causes and solutions related to disruptive technologies and globalization. Discussions of frictional unemployment focus on voluntary decisions to work based on each individual's valuation of their own work and how that compares to current wage rates plus the time and effort required to find a job. Causes and solutions for frictional unemployment often address job entry threshold and wage rates.



**THANK YOU  
FOR  
ATTENTION!**