

Unemployment

1. What is Unemployment?

The term **unemployment** refers to a situation when a person who is actively **searching for employment** is unable to find work. Unemployment is considered to be a key measure of the health of the economy. **High rates** of unemployment are a signal of **economic distress** while extremely **low rates** of unemployment may signal an **overheated economy**

2. Causes of Unemployment:

- a) **Technological Change:** Automation and technological advancements can lead to a decrease in the demand for certain types of labour
- b) **Economic Recession:** during economic downturns, many businesses reduce their workforce, leading to higher unemployment rates
- c) **Globalisation:** the movement of jobs to countries with lower costs can lead to unemployment in higher-cost countries
- d) **Structural Changes:** changes in the structure of industries can result in job losses, such as the decline of manufacturing jobs in Favor of service sector jobs

Also, there are many other reasons of unemployment some of them are the following:

- High population growth.
- Absence of employment opportunities.
- Seasonal employment.
- Joint family system.
- Slow developing of industries.
- Insufficient rate of economic progress.
- Inadequate development of agricultural sector.

3. Consequences of Unemployment:

- a. Financial Hardship:** Unemployment can lead to financial difficulties for individuals and families, including inability to meet basic needs
- b. Social and psychological Impact:** Unemployment can lead to stress, depression, and other mental health issues
- c. Reduced Economic Growth:** High unemployment rates can lead to a decrease in consumer spending and overall economic growth

4. Impact of Unemployment:

❖ **On Individuals:**

Unemployed individuals are unable to earn money to meet financial needs. Failure to pay instalments or to pay rent may lead to homelessness through eviction. Unemployment increases chances of malnutrition, illness, mental stress, and loss of self-esteem, leading to depression.

❖ **On Society:**

- Non- productive groups became for the society
- Illegal works and restlessness.
- Violence by the non-working people.

❖ **On Nation:**

- Lower level of production and hampers development.
- Vicious cycle of underdevelopment.
- Less infrastructural development because lower government tax.



5. Solutions to Reduce Unemployment:

- Providing education and training programs to help unemployed individuals gain skills that are in demand.
- Implementing policies such as fiscal stimulus and infrastructure projects to create jobs.
- Creating an environment that support small business growth and entrepreneurship can help create job opportunities.
- Reconstruction of agriculture.
- Adoption of labour-intensive techniques.
- Rapid industrialization.
- Population control.
- Reorientation of Education system.
- Encouragement of small enterprises.
- Guiding centres and more employment exchanges.