

What should the government do about unemployment?

The definition of unemployment is those people who are willing and able to work, but in spite of actively seeking employment are currently without work.

There are several different types of unemployment. Seasonal unemployment is dependant on weather or a job that is just casual in nature, for example fruit picking or a deck chair attendant. Frictional unemployment is people who are moving between jobs or from university to a job. People who come under the residual unemployment category are unemployed because they don't have the key skills needed for a job. This is exacerbated by improvements in technology because only few people know how to use certain computers or machines. Structural unemployment is unemployment resulting from a change in the strengths of the economy, for an example declines in the shipbuilding, coal and steel industries. Regional unemployment is linked to structural employment if industries are concentrated in a specific region. This has a downward multiplier effect on the local geographical area. A prime example of structural and regional unemployment is the current situation at the MG Rover plant in Longbridge, West Midlands. The car manufacturing plant has gone into administration making currently 5000 employees redundant, a further 1000 will be added to this when the plant finishes making it's final run of cars. This means that there will be 6000 people all unemployed concentrated in one area. But other companies will also be affected especially those who provide ready-made components for the cars, meaning that hundreds of other people will also be unemployed. The final type of unemployment is cyclical unemployment; this is due to the cycle of the economy which tends to go through periods of growth followed by stagnation. During periods of recession unemployment will be higher due to reduced general demand.

Certain groups tend to be more harshly affected by unemployment. Ethnic minority groups tend to have an inherent racial discrimination against them. But also there may be language barriers that would affect the person's job. Youths are seen to have a lack of experience, qualifications and commitment. Some companies may see them as not having the right image for the company. The aged are seen as not as physically able to do a job as someone younger, are seen to be more susceptible to illness, they cost more to employ, will not be with the company as long as someone younger and maybe technologically illiterate. The disabled are also discriminated against as companies do not want to employ them because of the changes they may have to make and the cost of these changes. Many of these points are actually subjective arguments; for example just because a person is young it does not necessarily mean they are any less trust worthy than someone older.

There are a few consequences of having unemployed people. An economic consequence is that of having a wasted labour resource, people who could work but aren't. Therefore the economy produces less than it could and has a lower GDP (Gross Domestic Income i.e. national income). There is also a greater economic burden, which increases with the more unemployed people there are. The more unemployed people there are the less people there are paying tax; therefore those people in unemployment have to pay more tax.

Other industries are also affected by unemployment, especially the leisure industry. It is a vicious circle of decline, where the more people in unemployment means there is a general lower disposable income, meaning there will be less money being spent on leisure activities. Eventually there won't be a need for as many employees in the industry, meaning more people will be unemployed.

The government can take one of two sides when it comes to unemployment. The government we currently have, a Labour one, is an interventionist government. They believe in providing help and support, and not just in financial terms, to encourage the unemployed to get a job that is right for them. It gives the unemployed tax cuts and provides unemployment benefits such as job seekers allowance & income support, and also help such as free prescriptions and free school dinners for their children. The other 'type' or stance a government can take on unemployment is the 'laissez faire' view. This view is that by cutting the finance the unemployed have or rather not giving them any extra financial help they will be more encouraged to find a job. A laissez faire government believe the person should have saved money, should have realised they were going to become unemployed/get into a state where they have no money, and that they should take any job that is offered to them. A laissez faire government offers motivation and an incentive to be successful; it encourages people to set up their own business and to be responsible for their own training and needs.

I feel the government needs to do all they can to reduce unemployment, not only because of the economic burden but also because of other reasons. There are many individual benefits of working, having a regular job builds confidence and offers a chance for social interaction, also stress will be decreased because they will no longer have to worry about where money is coming from. There also seems to be a general trend that in areas with high unemployment there is a higher rate of vandalism and crime.

I feel the ways job centres are currently run are very good. They give help and advice on job hunting and extra support and help and advice on making a claim for benefits. They will help a job seeker write their CV, fill out application forms and prepare them for their interviews. For those who are really hard off they also help with things such as supplying stamps,

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paying for bus fare to an interview and in some cases help them to purchase clothes for their interview. I feel this is a good idea as it is helping the unemployed to help themselves.

I feel that the current government ideas about unemployment, encouraging people to get a job that is right for them by giving them the necessary help, is the better way to go about decreasing unemployment. I do not feel the laissez faire way of tackling unemployment is very affective as not everyone can afford to take as risk, especially in setting up their own business. The current statistics show that unemployment is currently at the lowest it has been in the last 20 years, since Labour have been in power (an interventionist government). This shows that the interventionist method is probably the best for the majority of people.