

# Labor and Unemployment Rate Essay

Labor is one of the most important assets of any country. Therefore, countries strive to ensure that a sizeable percentage of their population is working. This ensures that these people make a useful contribution to the economic growth of the country. However, it is very difficult for any country to have an unemployment rate of zero percent.

Various factors lead to unemployment. In some instances, government benefits that subsidize the income of people who do not have jobs may prevent people seeking employment (Vedder para 10). In some countries, individuals may earn more income from government subsidies than from gainful employment.

In the UK, a certain couple declined various job offers since they could make £17,680 annually in government-funded benefits. These benefits included child tax credit, job seekers allowance, housing allowance and child benefit (Atkinson para 1). Therefore, the taxpayer helped in supporting this couple. This is despite the fact that they did not pay taxes.

Most countries ensure that employers offer equal employment opportunities to potential employees. In some instances, employers may deny various people employment opportunities due to their backgrounds. In the US, it is illegal for a company to use criminal background in denying a job to any individual.

This policy helps in increasing the number people who are in gainful employment. A company should prove that the criminal background would limit the ability of the individuals to perform their duties (Bovard para 5). In some instances, the employment of an ex-convict may have negative effects on the competitiveness of an organization. An organization may use this fact to justify why they do not employ people who have criminal backgrounds.

Employers ensure that the employees generate profit to the company. The wages that an employer pays the employees should be less than the income that the employees generate. If the employee adds a low value to the company, it is not beneficial to hire the employee. In addition, the amount of money that an employee generates should offset the overhead costs of the company. This ensures that the company remains profitable (Durdan para 5).

Economic difficulties usually make companies lay off their employees. The global financial crisis led to the loss of millions of American jobs. Most countries have not fully recovered from the global financial crisis. The number of Americans who have jobs is still lower that the number of people who had jobs before the global financial crisis (Jakab para 5). This denies that the US valuable workforce that would help in improving the economy. If the unemployed get jobs, the GDP of the US would rise by more than 5%.

In addition, the annual growth rate of GDP would rise from the current 1.8% to 2.2% (Vedder para 5). The high unemployment rates necessitate companies to use the right means to communicate the existence of a job opening. However, most companies rely on internal referrals to fill the job openings. This reduces the chance of people who do not have connections from getting a job (Yglesias para 2).

Reduction in unemployment rates helps in tackling poverty. It enables more people to live comfortable lives without government support. The government may raise the minimum wage in order to reduce the poverty rates (Saltsman para 1). President Obama recently announced a plan to raise the minimum wage of the US to \$9 per hour. Raising the minimum wage would make people live comfortable lives (Klein para 2).

However, most people who earn minimum wage do not live in households that are below the poverty line. More than half of people who earn the minimum wage are below 25 years old (McArdle para 6). Therefore, this is not a permanent employment condition to these people. This is usually their first job. Most of the people who receive minimum wages are students or entry-level employees. Therefore, the claim that an increase in the minimum wage would reduce the levels of poverty may be wrong.

Raising the minimum wage may have a negative effect on employment. It may force employers to reduce the number of hours that the employees work. In addition, it may force employers to lay off some employees. Therefore, raising the minimum wage may raise the unemployment rate (McArdle para 9). The government would also like to harmonize pay packages that men and women receive. Paycheck Fairness Act is the piece of legislation that would harmonize the pay packages of men and women (Lukas para 2).

It is vital for the government to ensure that people have skills that would enable them perform various jobs in the country effectively. This necessitates the government to make huge investments in education. Mathematics and sciences are some of the most important subjects. Most governments put more emphasis on the learning of these subjects in school.

These subjects prepare children for work in a globalized job market. A college major determines whether people would find jobs. People who have college majors in science, technology, and mathematics usually have higher starting salaries than people who have other majors. The supply of these degree majors is very low. However, the demand is very high. Therefore, people who have these degree majors are more likely to find employment than people who have other degree majors (Schulz para 5).

However, economic conditions may deny people the chance to gain employment in fields that relate to their college major. In some instances, graduates may work in areas where they are overqualified. College graduates may have jobs that do not need a bachelor's degree. In addition, a sizeable percentage of college graduates may also have jobs that do not require a high school diploma (Li para 8). This is a waste of the skills of these graduates.

The current economic conditions of the US have a negative effect on people who are less than 30 years old. A study by the Harvard University on US citizens in this age bracket showed that only 62% of people in this age bracket are in gainful employment. Half of the people who have jobs work part-time.

However, most people in this age bracket have college education (Bedard para 1). This places a greater burden on people in this age bracket. Most people in this age bracket have high college tuition fees. Going to college helps in improving the social status of an individual. However, college education is not a guarantee that an individual will get a high paying job (Tamny para 10).

It is vital for the government to ensure that it has a healthy population that may help in economic development. Countries that have many young people have a large pool of labor. Countries that do not have a large workforce usually try to attract people into the country. In addition, having a higher proportion of aged people in the population increases the burden of the government.

This is because governments usually support these people using pension funds. In addition, aged people put more pressure on the healthcare system (Hanson para 1). Therefore, it is vital for a country to ensure that there is no demographic change that may reduce the future workforce of the country. Japan is one of the countries that have a demographic change that threatens to reduce the workforce of the country. Japan is experiencing a significant decline in its population.

In addition, the proportion of aged people is increasing steadily. This reduces the proportion of young people who work to support the pension funds that the government gives the elderly. If the current trend continues, the population of Japan would reduce from 127.5 million to 116.6 million by the 2030 (Traphagan para 1). Reduction in population may necessitate increased openness to immigration in the future. Immigrants would cater for the shortages in labor.

The unwillingness of people to have children is the major factor that has led to the decline in the population of some countries. Many women do not prioritize having children. They are comfortable living without children. In addition, lack of stability may also reduce the need to have children.

Prosperity has led to the reduction in the number of people in families. Most couples reproduce at rates that are lower than the replacement rates. In addition, contraceptives have increased the control that women have on their reproductive options (Kotkins and Siegel para 4). This has reduced the number of children that women have. Reduced birth rates reduce the future workforce of a country. This may have adverse effects on the country.

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