Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Economics

Bachelor Thesis Abstract

The Analysis of Unemployment Development in a Selected Region

Tomáš Roller

Summary

Bachelor thesis titled the analysis of unemployment in a selected region is focused on current problems in the labor market and an analysis of unemployment in the period 2005-2015 in the Usti region. Comparative and descriptive methods have been used in the thesis.

The first part describes the problems of unemployment and characterizes the labor market in terms of economic theory. The second part deals with the brief description of the Usti Region and subsequently the development of unemployment in this region. Evaluation of unemployment development is performed by using data from the official website of the Ministry of Labor and Social Affairs.

In the thesis was found that decrease of unemployment can be caused by improvement of economic situation (GDP growth), sophisticated education system, increased control over the payment of social benefits and arrival of new investors.

Keywords: Unemployment, Labor market, Usti region, Inflation, Unemployment rate, Czech Republic, Employment policy, Labor office

Introduction

Unemployment is a long-term, economic and social problem, which the society has been trying to solve since the Industrial Revolution. It is a negative phenomenon that affects all market economies, and it is still an actual issue.

Unemployment is caused by imbalances in labor supply and demand for labor and it is associated with a list of economic and social impacts. As a result of high unemployment caused by disturbance of the balance in the labor market means in economic terms, the decline in production, loss of revenue from taxes and unemployment benefits. Serious is the social impact of unemployment as well. This may affect the physical or mental condition of a man, which brings a lot of social problems such as alcoholism, vandalism, increased criminality, drug addiction and impaired social relationships and so on.

Objectives

The main aim of the thesis is to analyze unemployment in the Usti region. Another objective is to evaluate the development of unemployment in the selected region and then compare it with unemployment in the Czech Republic. These studies are needed to achieve the most important goal of this thesis, which is suggesting how could be situation in this region improved and unemployment decreased.

The thesis is divided into two parts - theoretical and practical. The theoretical part explains the basic terms related to unemployment and the labor market. It is focused on definitions, measurements of unemployment, types of unemployment and the causes and consequences of unemployment. In subsequent chapters is described the relationship between other areas of unemployment and employment policy. The practical part is the analysis of the development of unemployment in the selected region. It is also focused on detailed analysis of various groups, such as graduates, foreigners or people with disabilities.
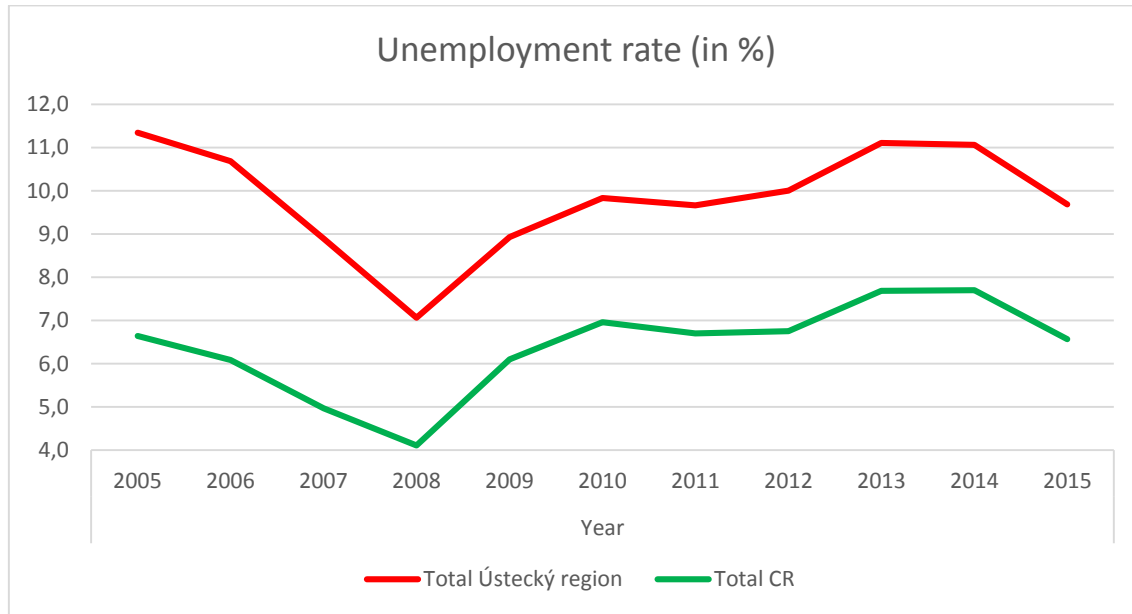
Methodology

In the thesis are used comparative and descriptive methods. For the theoretical part of the thesis is used literature, which is listed in the bibliography at the end of the work. In the practical part there were primarily used information from statistical surveys published on the official website of the Ministry of Labor and Social Affairs. The analysis of unemployment is processed using tables and graphs, each data are described below.

Table No. 2: Unemployment rate in the Ustecky region

		Year										
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total	Ústecký region	11,3	10,7	8,9	7,1	8,9	9,8	9,7	10,0	11,1	11,1	9,7
	CR	6,6	6,1	5,0	4,1	6,1	7,0	6,7	6,8	7,7	7,7	6,6
Females	Ústecký region	11,6	11,0	9,5	7,7	9,2	9,9	9,7	10,3	11,2	11,3	10,1
Males	Ústecký region	11,1	10,4	8,3	6,4	8,6	9,8	9,6	9,8	11,1	10,9	9,3

Source: Data from Integrated portal MPSV, own processing

Graph No. 6: Unemployment rate in the Ustecky region

Source: Data from Integrated portal MPSV, own processing

This graph shows the development of unemployment in the period from 2005 to 2015. The red curve shows the unemployment rate in the Usti region, the green one is unemployment rate in the Czech Republic. Usti region follows the overall trend of unemployment of the Czech Republic. In the long term it is region with the highest unemployment rate in comparison with other regions in the Czech Republic.

Conclusion

According to analyzed data in the thesis, there were found some estimated solutions to reduce unemployment in the Usti region. Effective is use of employment policy, mainly practices and retraining have a positive effect on the unemployed. On the other hand, it is necessary to tighten the social benefits, because people often abuse this system. It is also necessary to improve and streamline the education system. Usti region needs also new investors to ensure work for less skilled people.

It seems that, due to the improving economic situation and the implementation of active employment policy by the labor offices it can be expected that the unemployment rate will be further reduced in this region. However, it is unlikely that this rate will be reduced sufficiently to compete in regions with low unemployment rates.

References

1. BROŽOVÁ, D., (2003). *Společenské souvislosti trhu práce.* Praha: Sociologické nakladatelství. 137 p. ISBN 80-86429-16-4.

2. HALÁSKOVÁ, R., (2008). *Politika zaměstnanosti*. Ostrava: Ostravská univerzita v Ostravě. 177 p. ISBN 978-80-7368-522-5.

3. LIŠKA, V., (2004). *Makroekonomie 2. vydání*. Praha: PROFESSIONAL PUBLISHING. 628 p. ISBN 978-80-8641-954-1

4. SAMUELSON, P. & NORDHAUS, W., (1995). *Economie*. Praha: Svoboda. 800 p. ISBN 80-205-0494-X.