

# Us long-term unemployment

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US Long-term Unemployment Economic recession is caused by a number of factors, most of which can be influenced by the implementation of economic policy. However, there are some instances when government involvement in economic facets causes the tendency towards a recession. It is important that government maintains the balance in these conflicting economic facets. I believe that there being a shortfall in inflation, monetary policy does not have the ability of hitting a given rate of inflation or level of price. The inflation shortfall is combined with a decline in employment, then monetary policy can be perceived to be dysfunctional (The Economist). Current macroeconomic concerns include whether the economy is in a sustained recovery, rapidly reducing unemployment, speeding a return to normal output and employment growth, and addressing government's long-term debt problem.

Harvard Professor Robert Barro holds that unemployment is not the cause of the prevailing high levels of unemployment insurance benefits, instead, unemployment is the result of long-term unemployment. This argument is highly questionable owing to the fact that less than 40% of the unemployment in all states barely qualify to receive any given socioeconomic benefits. His argument is fundamentally flawed owing to the fact that the current level of unemployment far surpasses the level of employment that prevailed between 1981 and 1982.

The stand taken by Paul Krugman is quite interesting and reveals the inner workings of unemployment. He believes that employers, who are predominantly oligarchs, play a huge role in the high levels of long-term unemployment. He believes that employers are more willing to employ and

individual who is already employed as opposed to individuals who are looking for employment. This, in his opinion, creates a situation that leads to certain individuals experiencing for a long time, ending up heavily relying on social benefits that are offered by this state through unemployment insurance.

#### Works Cited

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