

The latin america and europe economics essay

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Despite the rapid recovery in the global economy that took place in 2010, following two years of severely adverse labour market conditions, global unemployment remained elevated in 2010. The number of unemployed stood at 205 million in 2010, essentially unchanged from the year earlier and 27.6 million higher than in 2007. Given that the number of unemployed increased by more than 22 million in 2009 alone, 2010 brought about a halt to the surge in unemployment in the world as a whole, but conditions in labour markets did not improve enough. The global unemployment rate stood at 6.2% in 2010, versus 6.3% in 2009 and 5.6% in 2007. (ILO, 2012)

2.61 Africa

Unemployment is on a rise in different parts of Africa. Although the South African economy grew by an estimate of 3.1% in 2011, unemployment rate remained constant. In Egypt, the highest populated country, there has been a rise in unemployment from 1,480,500 in 1999 to 2,143,000 in 2008 (ILO, 2010). In Morocco, unemployment rate was reported at 9.6%. In other countries like in Tunisia unemployment rate was 10.9%, 11.3% in Algeria and 1.7% in Kuwait. South Africa unemployment rate averaged 25.49% reaching 31.20% in March 2003 and a record low of 21.90% in December 2008. However, MENA has to meet its ability to suppress high unemployment. With except to Sub-Saharan Africa, unemployment in MENA is the highest in the world at 20% (De Silva & Silva-Jauregui 2004). Even excluding Iraq from the region, which has gone through extreme socio-economic and political change, unemployment was 17.5%. High unemployment in MENA has led to increasing outward migration, many of whom are unemployed and looking for better opportunities abroad (De Silva

& Silva-Jauregui 2004). MENA's employment challenge is to double its current level of employment by 2020 or fall behind the supply of new entrants entering the labour market (Nabli, 2004). The growth in the population aged between 15-24 in the region has fallen from 2005 to 2011 and is expected to continue to fall in the future (UN, 2011). However youth unemployment is significantly higher in MENA countries than overall unemployment. According to (Salehi-Isfahani, 2010), youth unemployment (ages 15-29) in MENA is 25.9% compared to overall unemployment of 11.14%. Iranian youth aged 15-29 are 35% of the total population, which is the highest in any country in 2010. One factor influencing the pressures coming from youth unemployment is the increasing inclusion of young female workers into the labour market (World Bank 2004). In Mauritius, there is a record of 48,300 jobless in Mauritius in 2012 against 46,100 in 2011. Within a year, 2,200 persons find themselves without jobs. During the fourth term of 2012, the country recorded 46,800 unemployed. The rate of unemployed is estimated at 7.8% against 7.5% during the same period in 2011. It is essentially to emphasize that 6,500 (14%) of these jobless don't have the CPE when 15,300 (33%) don't have the School Certificate between them. (THIS WEEK, 2013)

2.62 Asia

Before mid-1997, labour market developments in Asia had ranged from encouraging to spectacular. The Asian crisis by late 1997 caused a cessation to the positive trends in unemployment. Today, despite of the progress that Asia has achieved in terms of reduction in poverty and economic growth, it is still a region with 670 million of people being poor. The region has had the

highest average annual rate of growth of 5.7% over the last 15 years against the world average of 3.4%. As a result, the rate of unemployment has increased sparking fears of jobless-growth in many parts of the region. For example, \$2 a day working poverty share in total employment was as high as 88% in South Asia, 59% South-East Asia and 49% in East Asia in 2003 although there has been significant improvement over the years. The Asian financial crisis started in Thailand which was started due to problems such as external imbalances, financial fragilities and exchange rate overvaluation. The rate of unemployment increased about 16% from 2010 to 2011. GDP declined by 4.25% in the same time period. The region also tackled high levels of youth unemployment and educated unemployment. For example, youth unemployment in the Asian region stood at 38 million in 2003, almost half of the world's total. This was an increase of 36% over the level prevailed a decade ago when the global increase was only 26% (Bangkok, ILO, 2005). Strong demand from China has maintained exports in other countries in the region, as its economy is estimated to have grown by 10.5% in 2010, following a 9.1% expansion in 2009. In China, the unemployment rate in September 2010, at 4.6%, was higher than the corresponding month in 2007 (4.3%) and substantially higher than the rate in the corresponding month in 2008 (3.7%). In the Republic of Korea, the unemployment rate in the third quarter of 2010 was 3.5%, higher than the corresponding quarters in either 2007 or 2008. The labour force participation rate in East Asia has been decreasing since the late 1990s and it continued to decline further to 73.2% in 2009. In spite of the downward trend, East Asia still has the highest labour force participation rate of any of the world's regions. One unique feature of East Asia compared with other global regions

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is that the youth labour force participation rate for females is higher than that for males. This is very thoughtful of East Asia's achievement at creating opportunities for women in the workforce, but it may also reflect dependence on low-wage female labour in export-oriented industries. Labour productivity rose by 8.5% in 2010 in East Asia. Labour productivity growth in past decades has contributed in increasing living standards in East Asia, although it is important to consider that pay and the quality of work remain low for many of the region's workers. Around 50.8% of the region's workers are in risky employment while 25.1% (204.2 million) are staying with their families on less than US\$ 2 a day, and 9.0% of workers (73.0 million) are living on less than US\$ 1.25 a day. The global economic crisis had an influence on the South-East Asia and the Pacific region, being reliant on foreign trade and investment. The region grew by 1.5% in 2009. Since then, the region's economic growth in 2010 estimated to have reached 7.2%, the highest rate since 1996. Growth has been supported by significant stimulus packages undertaken in many countries in the region and a rise in private consumption and investment, as well as an increase in demand in the wider Asia and the Pacific region such as China and India. The larger economies in the region where GDP declined in 2009 experienced a rise in 2010. Malaysia's economy grew by 6.7% in 2010 compared to 1.7% in 2009. The region's largest economy, Indonesia, which fared the crisis comparatively better in terms of output growth, grew by 6.0% in 2010 after growing by 4.5% in 2009. Notwithstanding the increase in economic output in South-East Asia and the Pacific, the region's unemployment rate is estimated to have contracted from 5.2% in 2009 to 5.1% in 2010, although in some countries in the region, such as Thailand, unemployment rates are at or below pre-crisis

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levels. There has been a higher economic growth. The global economic crisis affected the economies of the South Asia region but they were supported by exports. Economic growth in the whole region decreased from 9.1% in 2007 to 5.9% in 2008 and to 5.5% in 2009. It is estimated that the region's economy grew by 8.9% in 2010, led by India, which registered rapid growth of 9.7% in 2010.

2. 63 Latin America and Europe

Following a decline in GDP growth by 1.7% in 2009, economic growth in Latin America grew by 5.7% in 2010, which is the highest regional growth rate outside the three Asian regions. Four of the region's five largest economies, namely Argentina, Brazil, Colombia and Mexico registered growth rates in a range between 4.5 and 7.5%. In conformity with favourable growth rates, short-term labour market indicators, such as monthly and quarterly unemployment rates indicated a downward trend in many countries in Latin America. The unemployment rate measured in Brazil's monthly survey of six metropolitan areas reached its lowest level at 6.2% in September 2010, thus proposing an improvement on pre-crisis levels of unemployment. However, short-term indicators also explain that in several countries, including Colombia and Mexico, labour markets in terms of unemployment rates have not yet recovered from the crisis. Turning to longer term annual trends for the whole region, the unemployment rate in LA decreased by 0.9% from 8.5% in 2000 to 7.7% 2010. Nevertheless, employment opportunities was created since 2000. The employment rate increased by 2.6% during the current decade (compared with 1.7% during the 1990s), despite the decline in employment growth in 2009. The rise in

the employment rate is mostly caused by increasing employment opportunities for women. Most of the jobs in Latin America are created in the services sector. Between 2000 and 2009 services in total employment rose by 3.4% to 61.6% in 2009. Contrary to the 1990s, employment in industry increased during 2000 to 2008, despite a decrease from 2008 to 2009 which was caused by the global economic crisis. The crisis also resulted in a reduction in agricultural sector. There are over 10 million more jobless people in Europe now than at the start of the crisis, according to a snapshot of the European labour market. There are now more than 26 million Europeans without a job, with young and low-skilled workers being the hardest hit (ILO, 2013). According to the Chairman of the Bulgarian Industrial Association, BIA, Bozhidar Danev, 44.3% of the country's youth are unemployed without being enrolled in any school. Danev said that the unemployment rate is at 19.2% in 2013 and included those who cannot find jobs and those registered with the labor bureaus. Also unemployment rate in Feb 2013 was at 5.76%, compared to 5.95% in Jan 2013 and 6.45% compared to Feb 2012 (Federal State Statistics Service of Russian Federation). Approximately 30% of Russian university graduates under the age of 25 do not have a full-time job. According to a study by the New Economic School in Moscow, more than 50% of young academics who work in the Russian public sector have second or even third jobs in order to make ends meet.