

The economy of venezuela

[Countries](#), [United States](#)



The economy of Venezuela is surprising well for a South American country. Typically, when you think of the economies of South American countries you think that they are poor and dismal with high unemployment rates and squander. However, Venezuela has an upper middleclass economy due to the oil production of the country. In fact, oil revenues account for approximately ninety-five percent of export revenue for the entire country. Oil is also twelve percent of Venezuela's gross domestic product, or GDP. (Index Mundi, 2013) The unemployment rate of Venezuela is not relatively steady. The part of the year with the lowest unemployment rate tends to be November and December, with the percentage skyrocketing in January, which is the highest point of unemployment all year. (Trading Economics) The definition of unemployment in Venezuela is a little bit different than in the U. S. First of all, the labor age is lower, at fifteen years old for full time labor as opposed to eighteen, in the U. S. Also, when unemployment statistics are taken, they count everyone, age fifteen or over who are currently not employed, but seeking employment, whether or not they have been employed previously. (Bloomberg) In the U. S., only people who have been previously employed, are able to work and seeking employment are counted in the unemployment rate. Comparatively, Venezuela's unemployment rate is lower than the U. S., averaging 7. 9% over the last 24 months(Trading Economics) whereas the U. S. unemployment rate averaged 8. 3% over the past 24 months. (Bureau of Labor Statistics Data) The Venezuelan unemployment rate is not as steady as the U. S.'s. This is mostly because a anyone actively seeking employment, but not employed is considered unemployed, so anytime someone looks for a job the

unemployment rate goes up, whether they have been employed or not. I think this also is the most prominent factor in why the unemployment rate in Venezuela is so high; it does not have as much to do with economic factors as it does the number of people deciding they need/want a job week to week. There are not any majorly visible trends in the data sets that pertain to the unemployment rate. The one noteworthy thing is that the unemployment rate is always the highest in January and the lowest in November or December. Through research I could find no logical explanation for this occurrence, so I have to chalk it up to my previous explanation, and assume that since January is the start of a new fiscal year, there are more people seeking employment. Another explanation could be that companies tend to keep labor rates high toward the end of the fiscal year to increase productivity, and at the beginning of the new fiscal year they may lay employees off as a new budget takes effect. The oil industry, specifically, which accounts for 95% of the entire country's year revenue surely employs a great majority of the employed population. Between April 2011 and March 2013, the highest unemployment rate in Venezuela occurred in January 2012, at a whopping 10.3%, the next highest 9.4% in January 2013. The lowest on the scale were 5.9% in December 2012 and 6.2% in November 2011. (Trading Economics) References Venezuela Economy Profile . (2013, February 21). Index Mundi. Retrieved April 21, 2013, from http://www.indexmundi.com/venezuela/economy_profile.html Venezuela Unemployment Rate. (n. d.). TRADING ECONOMICS | 300.000 INDICATORS FROM 196 COUNTRIES. Retrieved April 22, 2013, from <http://www.tradingeconomics.com/venezuela/unemployment-rate> U. S. Unemployment

Rate (n. d.). Bureau of Labor Statistics Data. Databases, Tables & Calculators by Subject. Retrieved April 22, 2013, from [http://data. bls.](http://data.bls.gov/timeseries/LNS1400000)

[gov/timeseries/LNS1400000](http://data.bls.gov/timeseries/LNS1400000) Venezuela Unemployment Rate Analysis -

VNUEMTHY - Bloomberg. (n. d.). Bloomberg - Business, Financial & Economic News, Stock Quotes. Retrieved April 22, 2013, from <http://www. bloomberg. com/quote/VNUEM>