

# Economics of the Labour Market

## Unemployment and the Costs of Unemployment

P. N. (Raja) Junankar

*Honorary Professor, Industrial Relations Research Centre, UNSW Australia,*

*Emeritus Professor, Western Sydney University*

*and*

*Research Fellow, IZA, Bonn, Germany*

palgrave  
macmillan

# Contents

<i>List of Figures and Tables</i>	ix
<i>Foreword by G.C. Harcourt</i>	xx
<i>Preface and Acknowledgements</i>	xxi
<b>1 Introduction</b>	1
<b>2 The Labour Market</b>	21
2.1 Labor Economics	23
2.2 Labor Demand	28
2.3 Labor Supply	33
2.4 Labor Force Participation	38
2.5 Employment and Unemployment	42
2.6 Estimating the Social Rate of Return to Education for Indigenous Australians	47
<b>3 Youth Labour Markets</b>	75
3.1 The British Youth Labour Market in Crisis	77
3.2 Relative Wages and the Youth Labour Market	102
3.3 The Youth Labour Market: Anecdotes, Fables and Evidence	128
3.4 The Dynamics of Youth Unemployment: An Analysis of Recurrent Unemployment	152
3.5 The Impact of the Global Financial Crisis on Youth Unemployment	173
3.6 Choosy Youth or Unwanted Youth? A Survey of Unemployment	204
<b>4 Unemployment</b>	237
4.1 An Econometric Analysis of Unemployment in Great Britain, 1952–75	239
4.2 The Dynamics of Unemployment: Structural Change and Unemployment Flows	253
4.3 Perspectives on Australian Unemployment: The Impact of Wage Setting Institutions in the 1980s	261
4.4 Aboriginal Employment and Unemployment: An Overview	293
4.5 Unemployment in Australia: Models, Myths and Mysteries	308
4.6 Are Wage Cuts the Answer? Theory and Evidence	330
4.7 A Political Economy of Unemployment: Causes and Consequences	346

<b>5</b>	<b>Long-Term Unemployment</b>	<b>359</b>
5.1	Projections of Long-term Unemployment	361
5.2	Was <i>Working Nation</i> Working?	373
<b>6</b>	<b>Costs of Unemployment</b>	<b>391</b>
6.1	Unemployment in the European Community: Counting the Costs	393
6.2	The Costs of Unemployment in Australia	403
6.3	Unemployment and Mortality in England and Wales: A Preliminary Analysis	459
	<i>Index</i>	<b>474</b>