

## UNEMPLOYMENT NEARING 6%



The thing about Europe and its debt crisis is that it actually makes many of other crises around the world look fairly ordinary. There are a lot of employment disasters going on around the world, especially in Australia. However, when you compare such disasters to the current situation of Greece, Spain, Portugal, and Ireland, you would think that those particular disasters are simply not as bad as these ones. The labor force has recently released an unexpected drop in employment during the month of December. While many of the businesses were keeping a steady employment rate for the past year, many of these businesses have recently begun laying off a number of their employees. A number of sectors, including bank, retail, and manufacturing sectors are now cutting employment which means more layoffs are expected to occur within the next few months. Aside from these sectors, many cafes and restaurants are making some serious cuts too. A lot of restaurants are unable to employ the number of staff members that they once employed before. In fact, a lot of the restaurants are closing their doors themselves, simply unable to survive and make a decent income from their restaurants. In the meantime, politics have been motivating the government to work on a budget and enable softer tax revenue since the commodity prices are extremely weak, even weaker than they were expected to be. Because of such difficulties, many public sectors simply have to make cutbacks on the number of staff members they employ. They simply cannot afford to have as many employees as they once had. The government itself is even cutting back on employment. Bill Shorten, the Acting Treasurer and Employment and Workplace Relations Minister, spoke about these particular matters and has made it very clear that there will be absolutely no changes made to the fiscal policy as well as the Fair Work legislation. There are a number of reasons why the unemployment rate will reach 6 percent, possibly more, during the year of 2012. The costs of bank funding are continuing to rise, the consumers are typically buying more stuff online which means that many retail companies do not need as many staff members, and many restaurants and cafes are now being forced to pay uneconomic penalty rates during the weekend. Aside from these reasons, there are a number of other reasons as to why unemployment will actually increase within the next few months. Australia will luckily not have to experience a recessions because of their investments with mining and a number of energy projects. And, on an optimistic note, one can always look at the debt crisis in Europe and feel as though things could be worse and are definitely not as bad as some of the other areas around the world.

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