

Supply-side policies are focused on the types of unemployment where people do not have required skills or people who do not want to accept the job. According to Gillespie (2014: 445), the government should invest more money in training to provide skills to people who need to get the job in different industries. This policy will gradually decrease the structural and seasonal unemployment. Sloman (2003: 413) adds to Gillespie's point; that the supply-side policies also involve decreasing the benefits of being unemployed. This strategy will force unemployed people to find the job quickly because the benefits of being unemployed will be very small. Subsequently, the frictional, seasonal and classical types of unemployment will be heavily reduced. In addition to Gillespie and Sloman, Sharp et al. (2004: 309-310) state that the government should provide more information about the available jobs to increase a working mobility of people what, consequently will reduce the frictional and structural unemployment. Despite that, Gillespie (2014: 445-446) claims that without the demand-side policies, the supply-side policies cannot stop the threat of unemployment.

Having analysed the government policies and regulations, the most effective government strategies will now be examined. According to Sharp et al. (2004: 309), more attention now has been given to the supply-side policies because usually unemployment comes from this side. Begg et al. (2003: 389-390) agree with Sharp et al., that the supply-side policies have gained an advantage. Despite that, Gillespie (2014: 444-445) argues that decreasing an income taxation and interest rates have a greater effect on unemployment. Similarly to Gillespie, Sloman (2003: 413-414) claims that the demand-side policies are more productive than the supply-side policies. However, it can be suggested that each policy alone cannot do anything. Only a right combination of both demand-side and supply-side policies can reduce the negative impact of unemployment.

In summary, this coursework has analysed the main causes of unemployment and identified the government policies that reduce these causes. There are the five main types of unemployment, which differ on the basis of the certain cause: frictional, structural, seasonal, cyclical and classical unemployment. In order to reduce these types of unemployment, the government is producing and improving demand-side and supply-side policies. It can be concluded that unemployment is still the major problem of the world, which requires a constant observation and intervention by the government. It can be suggested that the more focused observation of the government and better use of the combination of demand-side and supply-side policies can significantly reduce unemployment and prevent it from the growth.