

Analysis of Unemployment in the Republic of Croatia and the European Union

S. Knežević, A. Kulaš, M. Stanić

Content — Along with the inflation, unemployment is one of the most serious economic problems because it means lack of production and income, causing high fiscal costs, contributing to significant degradation of human capital, increasing inequality in the company, and also causes significant psychological burden leaving experience disempowerment and hopelessness. Besides economic security work allows social interaction, structuring the individual's time, it is a source of the identity of the individual, and sometimes a source of self-actualization. Because it prevents many of these latent functions of work, unemployment has devastating social and psychological effects. Unemployed person is a person between 15 and 65 years of age, fully or partly capable of working, who having no regular job and reporting regularly, who is not in employment and under the following conditions: he/she is not the owner of a registered craft, free-lance, farming or forestry business, he/she is not a pensioner, he/she is not a regular pupil or student, he/she has not conditions for an early retirement or retirement, he/she is an active job seeker and available for employment, etc. Unemployment can be classified according to different perspectives. The traditional classification of unemployment according to their causes often differs normal, structural and cyclical unemployment. The unemployment is a subject of study of economists and politicians as well. The problem of the unemployment is often a central theme of political debates. The problems that are related to unemployment have very significant impact on the quality of human life. The term unemployment is often associated with the terms "capitalism" and "market economy" but that is not

S. Knežević, Veleučilište u Slavonskom Brodu, Dr. Mile Budaka 1, 35000 Slavonski Brod, Republika Hrvatska; (e-mail: sanja.knezevic@vusb.hr).

A. Kulaš, Veleučilište u Slavonskom Brodu, Dr. Mile Budaka 1, 35000 Slavonski Brod, Republika Hrvatska; (e-mail: anita.kulas@vusb.hr).

M. Stanić, Veleučilište u Slavonskom Brodu, Dr. Mile Budaka 1, 35000 Slavonski Brod, Republika Hrvatska; (e-mail: milan.stanic@vusb.hr).

entirely accurate because it has been proved that the unemployment as a macroeconomic problem was present within the system of state ownership and the system of social ownership too. That is why we can conclude that the unemployment is universal for all systems and for all periods.

One of the objectives of the European Union is to increase the employment rate. Unemployment is a major social and economic problem, both in the European Union and Croatia. The economies of various European countries are highly interdependent. Growth or decline in the economy of a European country inevitably affects the other European countries. High unemployment is one of the biggest problems of the Croatian labor market and Croatian society. The problem of unemployment in Croatia has increased in the last five years and it has become our reality and our way of life. A way of living with that problem and way of solving it is no longer just a political problem but also a problem of all of us.

Aim of this study is to show the problem of unemployment in the Republic of Croatia and selected European Union countries in a certain period of time and to compare it.

Key words — Croatia, European Union, unemployment, youth unemployment