

Technological Causes of Structural Unemployment

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Abstract

In spite of all advances in predictive analysis of economic cycles the art of economic forecasting is still unable to reliably and accurately come even close. It appears as if business cycles have life of their own and cherished tools of monetary and fiscal policies cause frequently more damage than to generate curative effects. At least 30 % of business cycles are unexplainable by any conventional means. The most significant effect of business cycles outside of globalization effects is in changing the fabric of social structures. Internal structure of industrial world is determined by its methodology of production and that as is rapidly transforming itself as well bringing upon the third world all the mixture of negative effects of globalization and some positive aspects too. The author will explain inevitable causes of apparent dysfunction between forces of private industries and government policies and suggest several remedial steps applicable to different stages and types of economic development.