



TEORI EKONOMI

PENGANGGURAN , INFLASI & FLUKTUASI

Macroeconomic Goals



What are the most important
macroeconomic goals in Indonesia ?

Three Major Macroeconomic Goals



- (1) maintaining employment of human resources at relatively high levels, meaning that jobs are relatively plentiful and financial suffering from lack of work and income is relatively uncommon;
- (2) maintaining prices at a relatively stable level so that consumers and producers can make better decisions; and
- (3) achieving a high rate of economic growth, meaning a growth in output per person over time.



real gross domestic
product (RGDP)
the total value of all final
goods and services produced
in a given period, such as a
year or a quarter, adjusted
for inflation

Employment and Unemployment



- ★ What are the consequences of unemployment?
 - ★ What is the unemployment rate?
 - ★ Does unemployment affect everyone equally?
- ★ What causes unemployment?
 - ★ How long are people typically unemployed?



unemployment rate

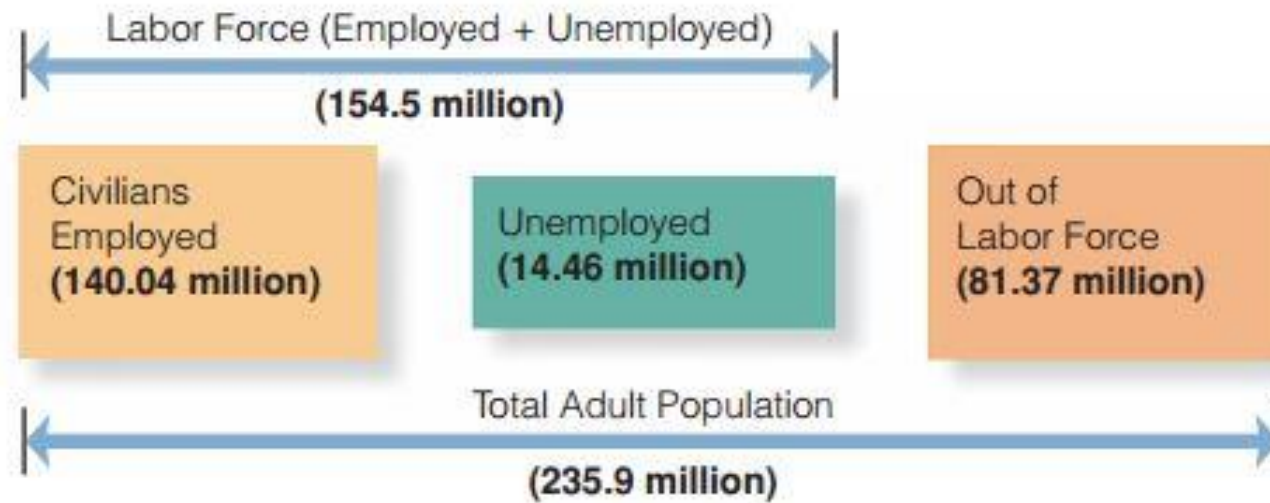
the percentage of the population aged 16 and older who are willing and able to work but are unable to obtain a job

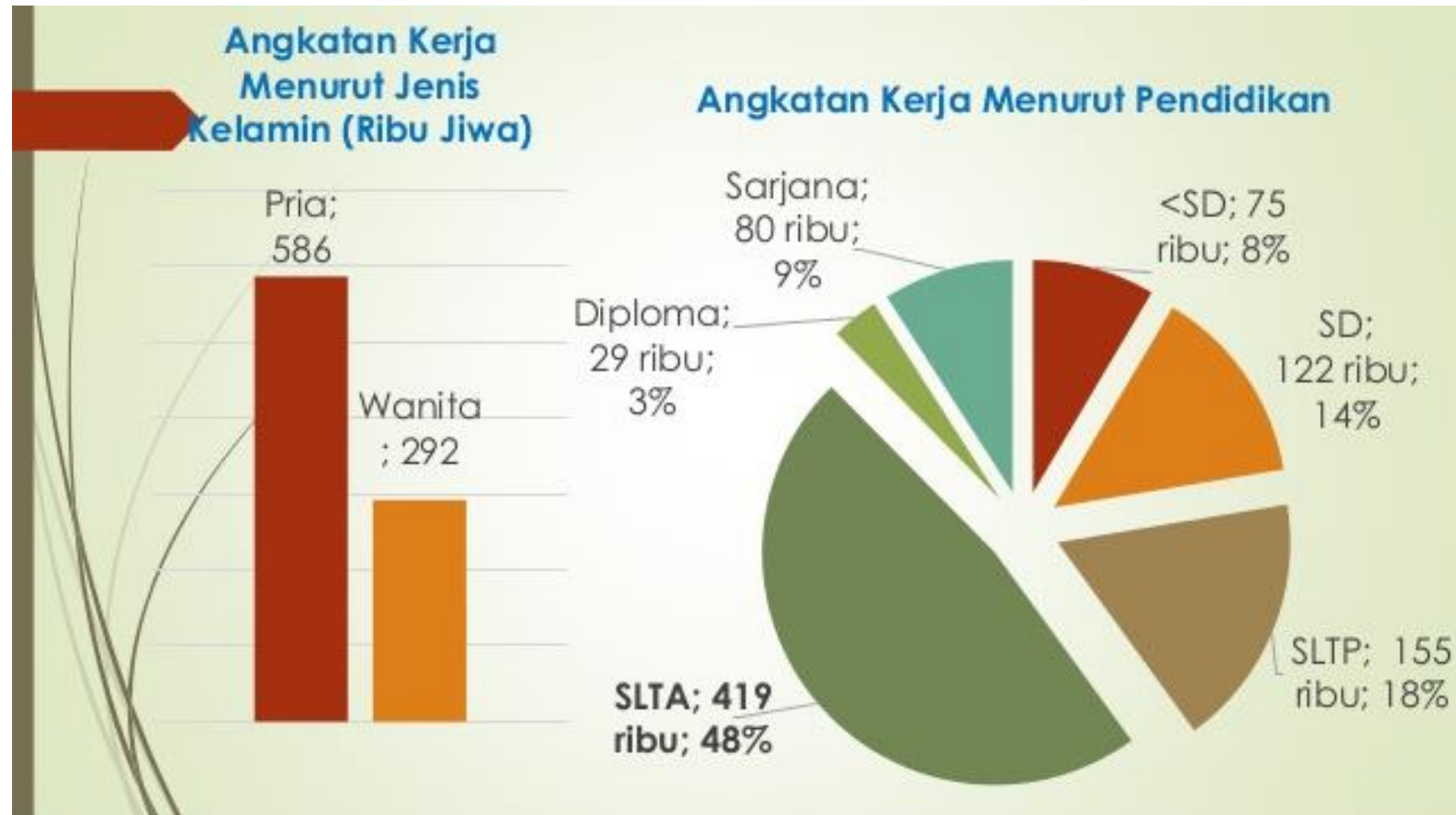
labor force

the number of people aged 16 and over who are available for employment

section 20.2
exhibit 1

The U.S. Labor Force, 2009







$$\text{Unemployment rate} = \frac{\text{Number of unemployed}}{\text{Civilian labor force}}$$

In August 2009, the number of civilians unemployed in the United States was 14.46 million, and the civilian labor force totaled 154.5 million. Using these data, we can calculate that the unemployment rate in August 2009 was 9.4 percent:

$$\begin{aligned}\text{Unemployment rate} &= 14.46 \text{ million} / 154.5 \text{ million} \\ &= 0.094 \times 100 = 9.4 \text{ percent}\end{aligned}$$

Who Are the Unemployed?



Teenagers have the highest rates of unemployment.
Do you think it would be easier for them to find jobs
if they had more experience and higher skill levels?



Education as a Factor in Unemployment

Age, Sex, and Race as Factors in Unemployment



discouraged worker

an individual who has left the labor force because he or she could not find a job

job loser

an individual who has been temporarily laid off or fired

job leaver

a person who quits his or her job

reentrant

an individual who worked before and is now reentering the labor force

new entrant

an individual who has not held a job before but is now seeking employment

Inflation



price level

the average level of prices
in the economy

inflation

a rise in the overall price
level, which decreases the
purchasing power of money



deflation

a decrease in the overall price level, which increases the purchasing power of money

relative price

the price of a specific good compared to the price of other goods

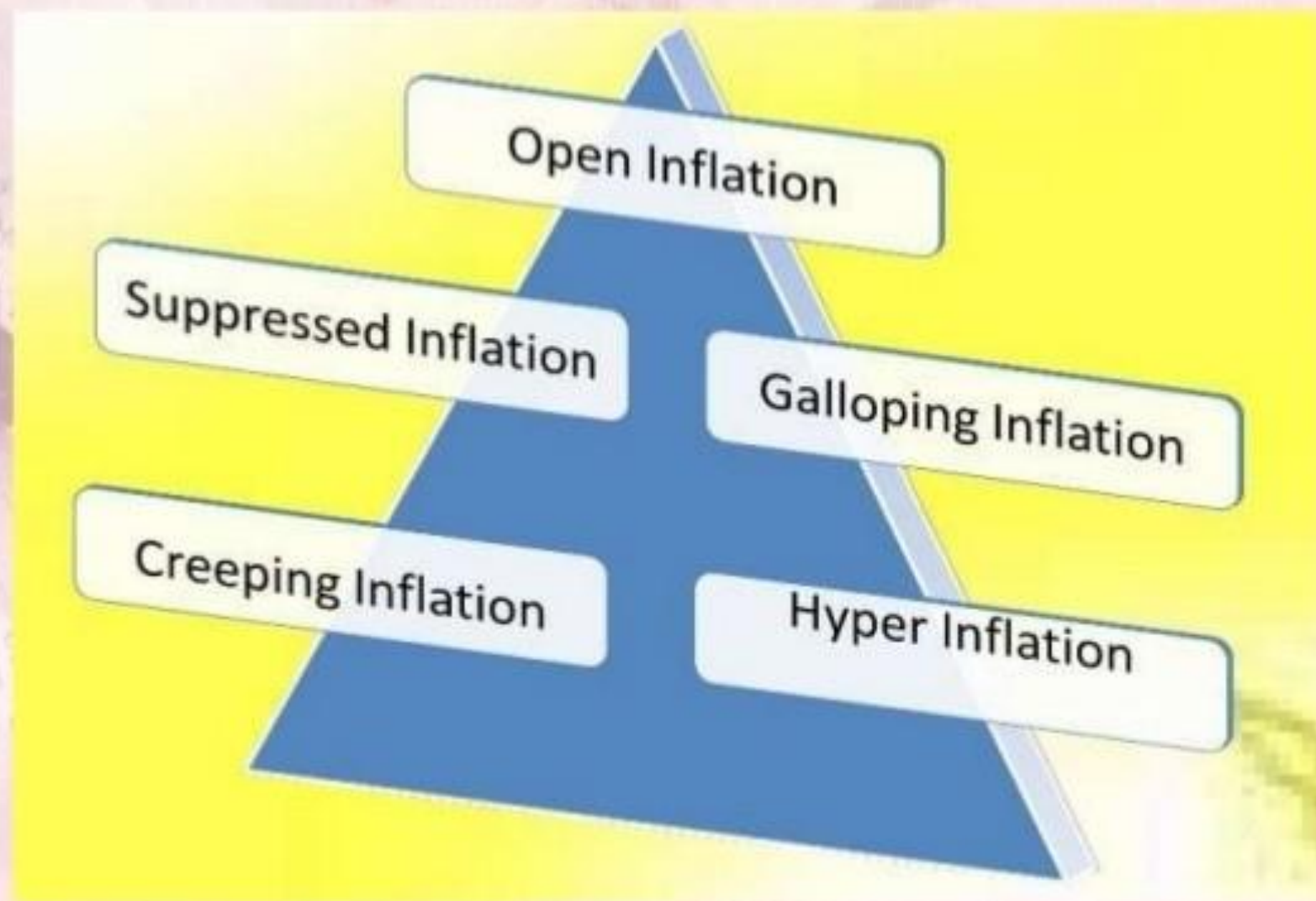
INTRODUCTION

- Inflation is defined as a sustained increase in the price level or a fall in the value of money.
- When the level of currency of a country exceeds the level of production, inflation occurs.
- Value of money depreciates with the occurrence of inflation.

DEFINITION

- ❖ According to C.CROWTHER, “Inflation is State in which the Value of Money is Falling and the Prices are rising.”
- ❖ In Economics, the Word inflation Refers to General rise in Prices Measured against a Standard Level of Purchasing Power.

TYPES OF INFLATION



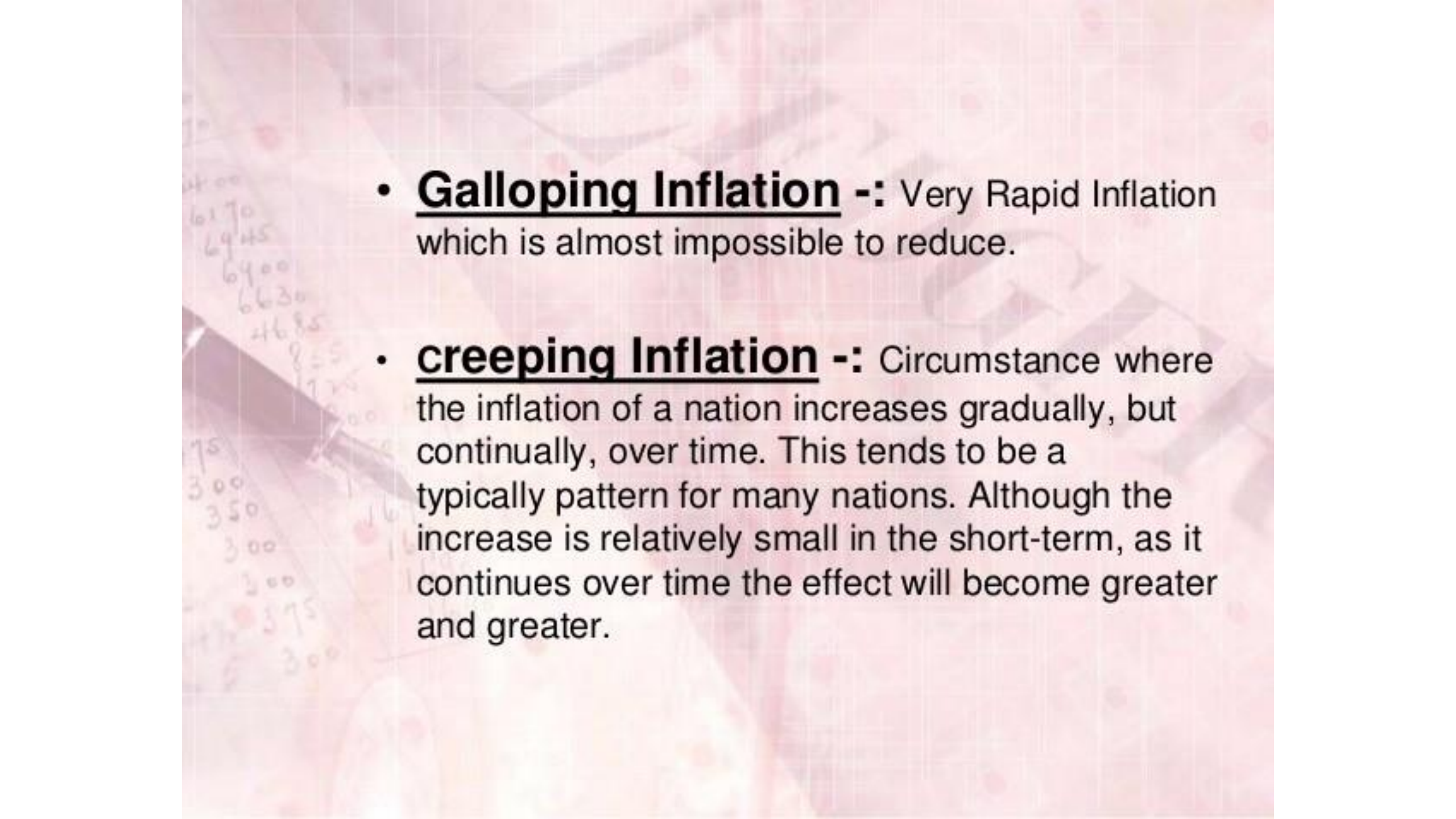


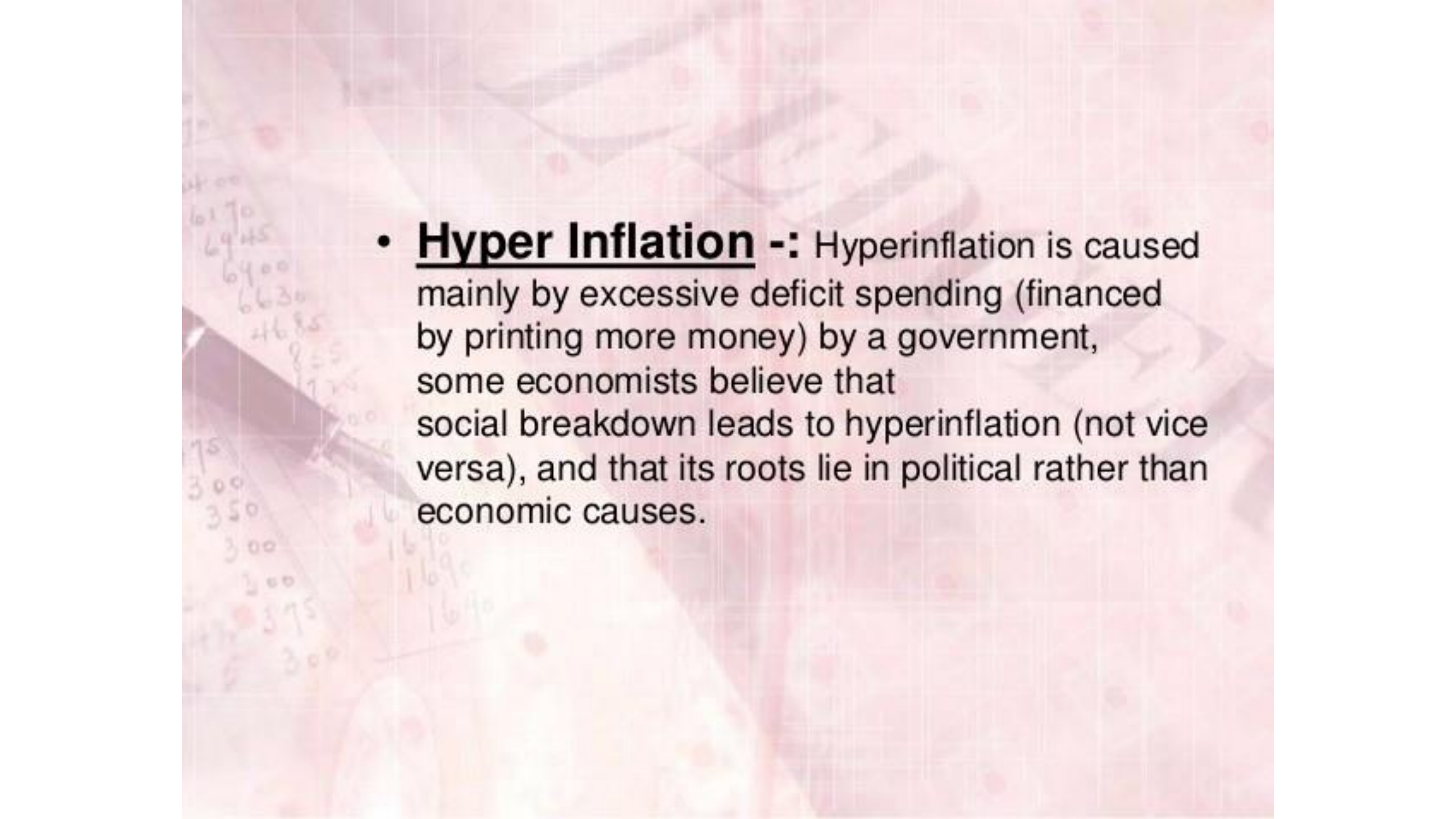
- **Open Inflation -:**

The rate where Costs rise due to Economic trends of Spending Products and Services.

- **Suppressed Inflation -:**

Existing inflation disguised by government Price controls or other interferences in the economy such as subsidies. Such suppression, nevertheless, can only be temporary because no governmental measure can completely contain accelerating inflation in the long run. It is Also Called Repressed Inflation.

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- **Galloping Inflation** -: Very Rapid Inflation which is almost impossible to reduce.
 - **creeping Inflation** -: Circumstance where the inflation of a nation increases gradually, but continually, over time. This tends to be a typically pattern for many nations. Although the increase is relatively small in the short-term, as it continues over time the effect will become greater and greater.

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- **Hyper Inflation** -: Hyperinflation is caused mainly by excessive deficit spending (financed by printing more money) by a government, some economists believe that social breakdown leads to hyperinflation (not vice versa), and that its roots lie in political rather than economic causes.

CAUSES OF INFLATION

FACTORS ON DEMAND SIDE:

- Increase in money supply
- Increase in disposable income
- Deficit financing
- Foreign exchange reserves

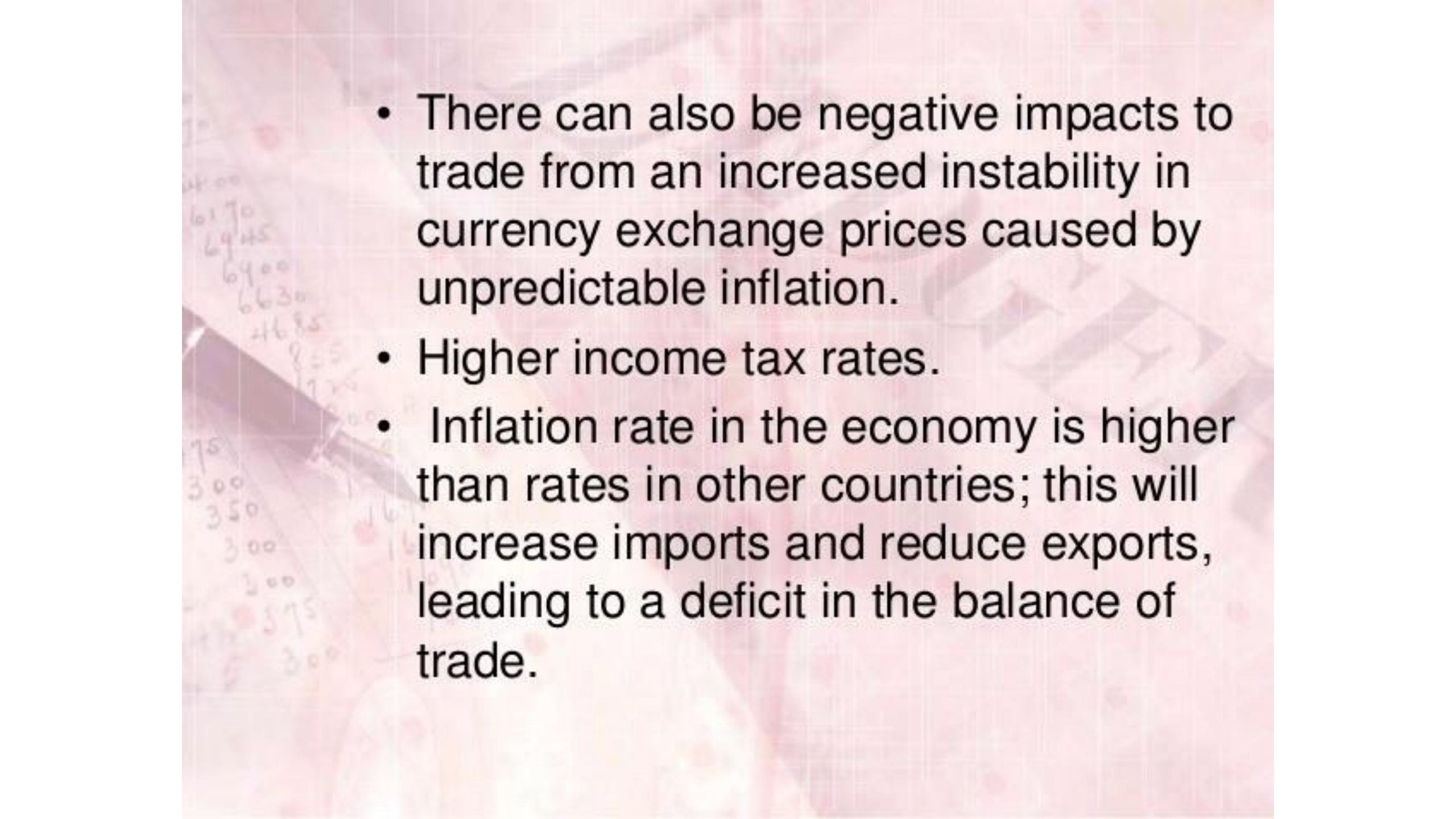
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FACTORS ON SUPPLY SIDE

- Rise in administered prices
- Erratic agriculture growth
- Agricultural price policy
- Inadequate industrial growth

EFFECT OF INFLATION

- They add inefficiencies in the market, and make it difficult for companies to budget or plan long-term.
- Uncertainty about the future purchasing power of money discourages investment and saving.

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- There can also be negative impacts to trade from an increased instability in currency exchange prices caused by unpredictable inflation.
 - Higher income tax rates.
 - Inflation rate in the economy is higher than rates in other countries; this will increase imports and reduce exports, leading to a deficit in the balance of trade.

HOW IS INFLATION MEASURED?

The 2 ways of Measuring Inflation are - : Consumer Price Index



A measure of price changes in consumer goods and services such as gasoline, food, clothing and automobiles. The CPI measures price change from the perspective of the purchaser.



A family of indexes that measure the average change over time in selling prices by domestic producers of goods and services. PPIs measure price change from the perspective of the seller.



CONSEQUENCES OF INFLATION

- ✓ Adverse effect on production
- ✓ Adverse effect on distribution of income
- ✓ Obstacle to development
- ✓ Changes in relative prices
- ✓ Adverse effect on the B.O.P



MEASURES OF INFLATION

1. Monetary policy

- Credit Control
- Demonetization of Currency
- Issue of New Currency

2. Fiscal policy

- Reduction in Unnecessary Expenditure
- Increase in Taxes
- Increase in Savings
- Surplus Budgets
- Public Debt

3. Other Measures

- To Increase Production
- Rational Wage Policy
- Price Control





REFLEKSI



- 1. Informasi penting hari ini**
- 2. Manfaat penting dari informasi penting hari ini**
- 3. Tindak lanjut yang dapat saudara lakukan**



Thank you!
Any questions?