

ABSTRACT

The efficiency of the labor market is one of the variables that can determine a country's progress. However, its success is still difficult to ascertain. This is reflected in the high level of unemployment resulting from changes in demand that are not matched by changes in supply. Therefore, this research focuses on the phenomena that can cause a shift in labor demand towards the unemployment rate in a region.

The results, based on a sample of 51 countries over the period 2006-2021 and obtained using the fixed-effect least square dummy variable (LSDV) method, show that In general, developing countries, especially in the Asian region, rely on economic growth and institutional quality to address unemployment. The European region can use the innovation process to overcome unemployment. The Latin American and Caribbean region can capitalize on its monetary success. The Middle East and Central Asia region can prioritize institutional quality. The Sub-Saharan Africa region can use its energy potential to reduce unemployment.

Keywords:

labor market; unemployment; macrotrend; innovation; institution, developing country

