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Unemployment Detection System

Mr.Ibrahim Sanaan T A [1], Mr.Rithvik T Rajesh [2],

Mrs. Archana Priyadarshini [3]

Student, Department of Information Science And Engineering, AJIET, Mangalore, Karnataka, India[1-2]

Assistant Professor, Department of Information Science And Engineering, AJIET,

Mangalore, Karnataka, India[3]

Abstract: The dynamic nature of unemployment rates presents a persistent challenge for policymakers and economists striving to maintain labor market stability. Fluctuations in employment levels are influenced by a multitude of factors, including economic shifts, policy changes, and global market conditions. This project introduces a predictive model designed to analyze unemployment trends using linear regression enhanced with recursive data analysis. By examining historical unemployment data, the model identifies critical patterns and key influencing factors, offering valuable insights into employment dynamics. The integration of recursive data handling allows the model to continuously update its predictions as new data becomes available, refining its accuracy over time. This adaptive approach ensures that the model remains responsive to evolving economic conditions, making it a reliable tool for labor market analysis. Through predictive insights, this system enables policymakers, economists, and other stakeholders to make informed, data- driven decisions aimed at mitigating unemployment.. Ultimately, this model serves as a robust analytical framework for understanding and managing employment trends in an ever changing economic landscape.

Keywords: Unemployment Prediction, Machine Learning, Random Forest, SVM, KNN, Data Analysis, Economic Stability, Workforce Management, Real-time Data, Predictive Modeling, Feature Engineering, Policy Formulation, NLP, Data Visualization.

I. INTRODUCTION

The worldwide unemployment crisis causes major impact on economic stability while harming personal income security. The condition affects communal health by reducing consumption while increasing societal poverty levels which leads to escalating social disorder. Traditional unemployment analysis through survey and report manual interpretation takes too much time while its delays make decision-making challenging. A data-based technique should replace traditional survey-based methods because it provides better solutions to unemployment research and solutions. The technique of machine learning empowers researchers to process massive information systems for detecting patterns and forecasting unemployment changes. ML models evaluate statistical data from various sources to detect vulnerable sectors of the population and predict shifts in employment statistics through combined parameters. Through such insights policymakers together with organizations gain the power to implement both targeted job creation programs and workforce training initiatives and stimulus measures. The research introduces a sophisticated ML-based method to understand unemployment patterns through the analysis of extensive data acquired from multiple sources. The implemented system works through Random Forest together with Support Vector Machine (SVM) and K-Nearest Neighbors (KNN) classification models to create automated unemployment trend identification with performance enhancement. The system includes data preprocessing features with performance evaluations and result visualization methods to boost its predictive strength. The analysis of real-time information enables economic stability through brief periods of change. The system adopts interpretability as its main priority so stakeholders can understand and use valuable insights. Users gain access to efficient data trend analysis through interactive dashboards combined with data visualization tools. The predictive framework receives an improvement thanks to natural language processing techniques that extract meaningful information from economic reports combined with news articles. The system delivers practical information together with adaptable solutions that boost economic stability along with workforce control and helps create better governing policies. The system's flexible features maintain utility when handling changing economic problems which leads to stronger labor market conditions.

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II. OBJECTIVE

Primary objective of this project is to develop a machine learning based system capable of analysing and predicting unemployment trends with high accuracy and efficiency. By leveraging diverse datasets and advanced ML techniques, the system aims to enhance the timeliness, accessibility, and interpretability of unemployment trend analysis, empowering policymakers, organizations, and stakeholders to make informed, data-driven decisions. Data Collection and Pre processing – Automate data gathering and cleaning from multiple sources, including economic, demographic,and industry-specific datasets, ensuring high-quality input for model training. Predictive Modelling – Develop and fine- tune machine learning models such as Random Forest, SVM, and KNN to improve unemployment trend forecasting.
Data Visualization and Insights – Create interactive dashboards and visual tools to present unemployment trends, highlight high-risk groups, and offer actionable insights. Provide tailored, data driven recommendations for job creation, workforce reskilling, and economic policy interventions to mitigate unemployment challenges. By achieving these objectives, this project will deliver a scalable and user-friendly solution that facilitates proactive labour market management and economic stability.

III. RELATED WORKS

In [1] "Labor Market Prediction Using Machine Learning Methods" The It describe "Labor Market Prediction Using Machine Learning Methods: A Systematic Literature Review" explores recent machine learning approaches for forecasting labor market trends, focusing on models like LSTM, BiLSTM, LSTM-GRU hybrids, and ARIMA, as well as text-mining techniques such as word embedding and sentiment analysis. It concludes that hybrid models, which combine multiple techniques, generally provide better results, especially when using integrated datasets. Key applications include predicting unemployment, designing educational programs, and forecasting market demand. The review suggests the importance of diverse data sources and highlights the need for incorporating external factors in future research to improve prediction accuracy. In [2] "Youth Unemployment Mitigation: Leveraging Machine Learning and Exploratory Data Analysis for Evidence-Driven Strategies" It describes youth unemployment as a global challenge and proposes a study using machine learning and Exploratory Data Analysis (EDA) to understand its underlying factors. It critiques traditional methods as overly reliant on qualitative data, advocating a data driven. approach for targeted interventions. Through data collection, preprocessing, feature selection, and machine learning modeling, the study seeks to uncover predictive patterns and previously unseen relationships in youth unemployment. Preliminary results highlight actionable insights to inform policy, though further research is needed for broader applicability. This approach aims to support data-driven policy decisions that enhance economic opportunities for young people. In [3] "A Comparative Study of Gaussian Process Machine Learning and Time Series Analysis Techniques for Predicting Unemployment Rate" It describes highlights the impact of consumer behavior on food waste and the potential of mobile apps to address this issue. It develops and evaluates MySusCof, an app aimed at reducing food waste by changing consumer habits, using the uMARS scale for quality assessment. Findings show that gamification and social components enhance user engagement and behavior change. In [4] "Predictive analysis of Unemployment rate Using Machine Learning Techniques" It addresses presents a study on unemployment prediction, emphasizing its economic implications. Using machine learning models, particularly LSTM and linear regression, the research analyzes unemployment data to uncover trends.
Exploratory Data Analysis (EDA) is applied to prepare the dataset, which is divided into training and test sets. The model uses multiple layers, including LSTM, linear regression, and dense layers, with Mean Squared Error (MSE) as an evaluation metric to gauge prediction accuracy. This approach offers insights to help address unemployment, providing a broad view of national unemployment rates. In [5] "A Machine Learning Approach for Detecting Unemployment Using the Smart Metering Infrastructure" It describes a study that leverages smart meter data to predict unemployment status for single-occupant households. Technological advancements in smart metering and IoT enabled energy infrastructure allow utility companies to autonomously monitor energy usage, with data proving valuable for third parties, such as government authorities. The study compares machine learning classifiers, including a multilayer perceptron neural network with dropout and a distance-weighted discrimination model with a polynomial kernel, to predict employment status using features derived from electricity usage patterns. The models were evaluated with metrics like Area Under Curve (AUC), Sensitivity, and In [8] "Prediction of employment and unemployment rates from Twitter daily rhythms in the US" By modeling macro-economic indicators using digital traces of human activities on mobile or social networks, we can provide important insights to processes previously assessed via paper based surveys or polls only. We collected aggregated workday activity timelines of US counties from the normalized number of messages sent in each hour on the online social network Twitter. In this paper, we

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show how county employment and unemployment statistics are encoded in the daily rhythm of people by decomposing the activity timelines into a linear combination of two dominant patterns. The mixing ratio of these patterns defines a measure for each county, that correlates significantly with employment (0.46±0.02) and unemployment rates (−0.34±0.02). In [9] "Unemployment estimation: Spatial point referenced methods and models" Portuguese Labor force survey, from 4th quarter of 2014 onwards, started geo-referencing the sampling units, namely the dwellings in which the surveys are carried. This opens new possibilities in analyzing and estimating unemployment and its spatial distribution across any region. The labor force survey chooses, according to an pre-established sampling criteria, a certain number of dwellings across the nation and survey the number of unemployed in these dwellings. Based on this survey, the National Statistical Institute of Portugal presently uses direct estimation methods to estimate the national unemployment figures. Recently, there has been increased interest in estimating these figures in smaller areas.

IV. METHODOLOGY

Unemployment Detection System focuses on leveraging advanced machine learning techniques, real-time data integration, and user friendly visualization tools to create an efficient and scalable platform for analyzing and predicting unemployment trends. The system is designed to process diverse data sources, apply predictive models, and generate actionable insights for policymakers, businesses, and job seekers. 1. Data Acquisition and Pre-processing To ensure accurate unemployment detection, the system aggregates and processes data from multiple sources, including: Government Labour Reports: National and regional unemployment statistics. Job Portals & Economic Surveys: Real- time job vacancy rates, hiring trends, and industry-specific employment data. The collected data undergoes pre- processing, which involves several key steps. First, cleaning and normalization are performed to remove inconsistencies, handle missing values, and standardize economic indicators. Next, feature engineering is applied to extract meaningful attributes such as education level, industry trends, and economic growth rates. Finally, data segmentation is conducted, categorizing the data based on demographics, regions, and employment sectors to improve analytical accuracy. These pre processing steps ensure that the data is refined and ready for further analysis, providing a clearer picture of consumer spending trends, workforce participation, and economic conditions. 2. Machine Learning- Based Predictive Modeling The system implements multiple machine learning models to analyze unemployment trends and predict future fluctuations: Various models are employed for different analytical tasks. Classification models like Random Forest, Support Vector Machine (SVM), and K-Nearest Neighbors (KNN) are used to identify employment status. For predicting unemployment trends over time, time-series forecasting models such as Long Short-Term Memory (LSTM) and ARIMA are applied. Additionally, deep learning models, particularly Convolutional Neural Networks (CNNs), are utilized for complex pattern recognition within economic and workforce datasets. These models are trained on historical unemployment data and validated using standard evaluation metrics such as accuracy, precision, recall, F1-score, and ROC curves to ensure optimal performance. 3. Trend Analysis and VisualizatioTo enhance decision-making, the system integrates interactive dashboards and visualization tools: The system utilizes dynamic heat maps to display real-time unemployment rates across different regions, providing a visual representation of the current economic landscape. Comparative analysis graphs are also used to identify disparities in employment rates across industries, demographics, and economic shifts. Additionally, predictive reports are generated to highlight high-risk unemployment zones and future projections, offering insights into potential economic trends. The system leverages Leaflet.js for mapping, Matplotlib and Seaborn for statistical visualizations, and Django/Flask for web-based deployment, ensuring a robust and interactive user experience for accessing and analyzing unemployment data. 4. Model Optimization and Performance Evaluation To maintain high accuracy and reliability, the system continuously evaluates and optimizes its predictive models: The system includes model loss graph analysis to identify inconsistencies in predictions, allowing for the fine-tuning of model parameters. Hyper parameter tuning is also applied, adjusting factors such as learning rates, feature selection criteria, and decision thresholds to improve model performance. An automated feedback loop is in place, incorporating new unemployment data periodically to refine the model's accuracy. This ongoing process ensures that the models remain adaptive and continue to produce accurate predictions and insights over time.

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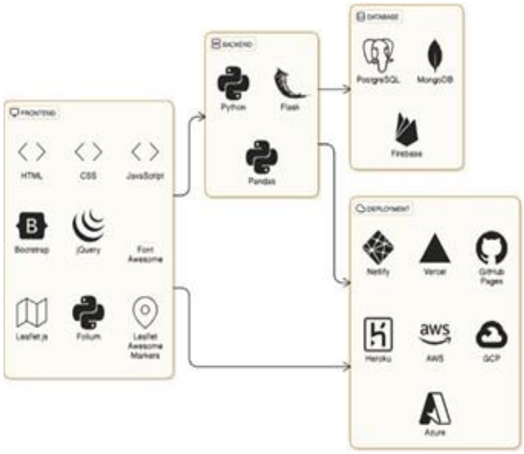

Fig. 1 Basic Architecture of the System

V. FLOWCHART

The "Unemployment Detection Using Machine Learning," is built on a robust three-layer architecture comprising the frontend, backend, and database. This architecture ensures scalability, performance, and security, allowing seamless integration between different system components. The frontend is designed using Python-based frameworks such as Django to facilitate user interaction and display diagnostic results. The user interface enables individuals to input employment-related data, receive unemployment risk predictions, and access analytical insights. The system is structured to provide an intuitive experience, ensuring accessibility for both general users and administrative personnel. The backend handles core functionalities, including data processing, unemployment prediction, and system management. Deep learning models, particularly EfficientNetV2 and SegResNet, are employed for classification and segmentation, implemented using PyTorch or Tensor Flow.This system utilizes advanced machine learning techniques to assess unemployment risk by analyzing structured and segmented data, such as historical employment trends, economic indicators, and user-specific factors. At the backend, pre-processing modules, including Contrast Limited Adaptive Histogram Equalization (CLAHE) and various segmentation techniques, are employed to enhance the quality of data before it is fed into the predictive models. The database layer uses MySQL or cloud storage solutions to store pre-processed images, user records, unemployment predictions, and system activity logs. It efficiently manages data sources like labor market surveys, government census data, LinkedIn job postings, and economic reports, providing an organized structure to track historical employment trends, regional job sectors, and demographic information. This organization of data helps refine the system’s forecasting capabilities. The project follows a structured workflow, beginning with a data processing module that cleans and normalizes input data, segmenting it based on economic and demographic factors. Real time economic data feeds are then integrated to ensure the system’s predictions are current. The unemployment prediction module uses machine learning classification techniques to assess whether an individual or region is at risk of unemployment. This module also provides insights into job market trends and skill enhancement opportunities. The admin module manages system functionalities, including user authentication, role-based access control, and dataset validation, ensuring smooth and secure operations. In terms of machine learning implementation, the system starts by preprocessing raw employment-related data to eliminate inconsistencies and anomalies. A balanced train-test split ensures accurate classification of employed versus unemployed cases, optimizing prediction accuracy.

The model is then trained using the EfficientNetV2 architecture, allowing it to learn patterns that link economic indicators with employment status. Once trained, the model is optimized and saved through model pickling, enabling future classifications without requiring retraining. By incorporating deep learning methodologies and a robust three-tier architecture, this system offers a scalable and efficient solution for predicting unemployment risks and analyzing economic shifts. The integration of AI-driven insights further enhances the system’s ability to provide meaningful guidance on upskilling opportunities, job market conditions, and economic forecasts.

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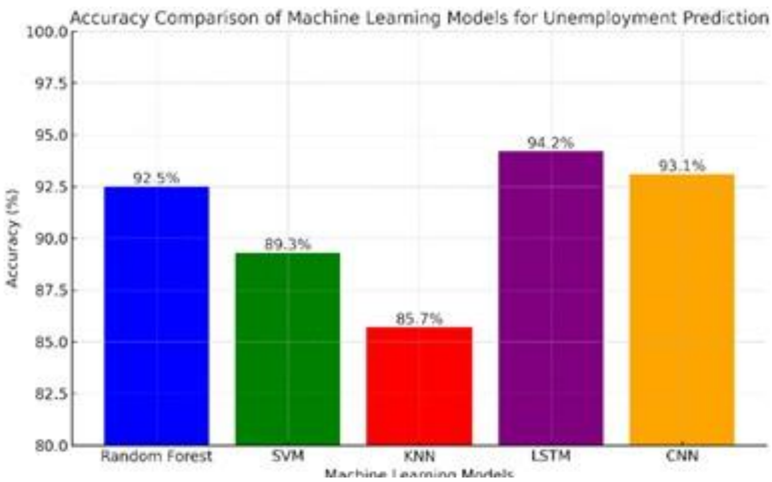
VI. RESULT

This section presents the results obtained from implementing various machine learning models for unemployment prediction. The models were evaluated based on accuracy, stability, and their ability to generalize employment trends. The findings are divided into three major sections: model accuracy comparison, mathematical formulation of predictions, and unemployment trends over time. The primary objectives of this analysis include identifying the best performing machine learning models for unemployment prediction, evaluating the trade-offs between deep learning and traditional models, and understanding the implications of prediction trends in real-world employment analysis. Model Random Forest Accuracy SVM 92.5% 89.3% KNN LSTM 85.7% 94.2% CNN 93.1% Analysis Of Employment To assess the accuracy and robustness of different approaches, five machine learning models were tested. Random Forest (RF) is an ensemble learning method that aggregates multiple decision trees to improve prediction accuracy. Support Vector Machine (SVM) is a classification algorithm that maps data points into higher dimensions to find optimal separating hyperplanes. K-Nearest Neighbors (KNN) is a non-parametric algorithm used for pattern recognition by classifying data based on its proximity to neighboring points. Long Short-Term Memory (LSTM) is a deep learning- based recurrent neural network (RNN) specifically designed for time-series forecasting, capable of capturing temporal dependencies in data. Lastly, Convolutional Neural Network (CNN), although primarily used for spatial data, has proven effective for sequence prediction tasks due to its ability to capture hierarchical patterns in data.

The bar graph comparing the accuracy of different machine learning models reveals several key observations. LSTM achieved the highest accuracy at 94.2%, closely followed by CNN with 93.1%. Random Forest outperformed SVM and KNN, proving to be a reliable alternative to deep learning models. On the other hand, KNN had the lowest accuracy at 85.7%, indicating that it struggles with high-dimensional employment data. These results reinforce the effectiveness of deep learning-based approaches, such as LSTM and CNN, in predicting unemployment, demonstrating their ability to handle complex patterns in data more effectively than traditional models.

The visualization of unemployment prediction trends across different machine learning models reveals several important patterns. Random Forest (blue dashed line) maintains a consistent and accurate prediction trend, demonstrating its reliability over time. SVM (green dotted line) initially shows some instability but improves as time progresses, indicating its adaptability but slower learning curve. KNN (red dash-dotted line) fluctuates significantly, suggesting poor generalization in real-world scenarios, especially in complex and high-dimensional data like employment trends. These observations suggest that ensemble and deep learning models, such as Random Forest and CNN, are better suited for long-term unemployment predictions, offering more stability and accuracy. In conclusion, the results highlight the effectiveness of machine learning models in predicting unemployment. LSTM and CNN offer the highest accuracy, making them ideal for labor market predictive analysis, while Random Forest provides a good balance between accuracy and computational efficiency, offering a practical alternative. Traditional models, on the other hand, struggle with long-term predictions, reinforcing the need for machine learning based approaches. Future research could focus on hybrid models that combine economic theories with deep learning techniques to enhance unemployment forecasting and address emerging economic challenges more effectively.



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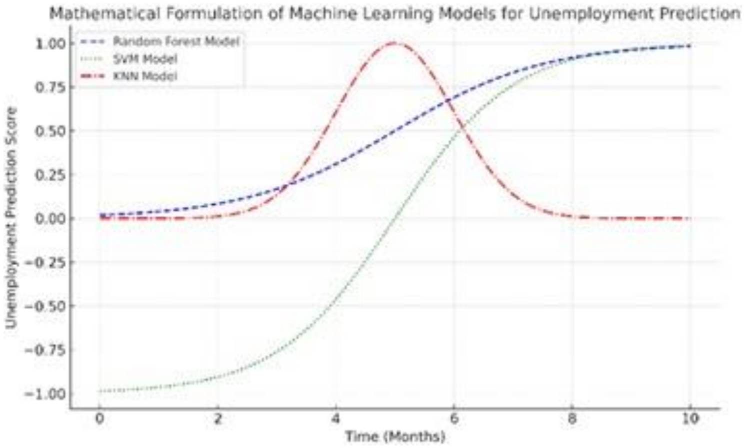

VII. CONCLUSION

In conclusion, this project introduces an innovative and user friendly system designed to assist in the early detection and prediction of unemployment trends. The system allows policymakers, businesses, and researchers to access real-time labor market data and predictive insights, enabling more informed decision-making. By leveraging advanced data analysis techniques and machine learning algorithms, the system provides accurate and reliable predictions about unemployment rates, job market fluctuations, and demographic impacts. This early detection of unemployment trends is crucial for implementing timely interventions, such as job creation programs and workforce development initiatives.

Additionally, the system streamlines the process of monitoring and forecasting economic conditions, helping to reduce the burden on government agencies and organizations. ACKNOWLEDGMENT We extend our heartfelt gratitude to Prof. Archana Priyadarshini Rao for her invaluable guidance and support throughout this project. Her expertise in machine learning, data analysis, and predictive modeling was instrumental in shaping the foundation of this study. Her insights and mentorship played a crucial role in refining our methodology and enhancing the overall effectiveness of our predictive system.

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