

4.6 Employment and unemployment

Name: _____ Class: _____ Date: _____

Total: 16 marks**KEY WORDS** labour force 劳动力 • cyclical 周期性 • types 类型 • frictional 摩擦性 • structural 结构性

Objective

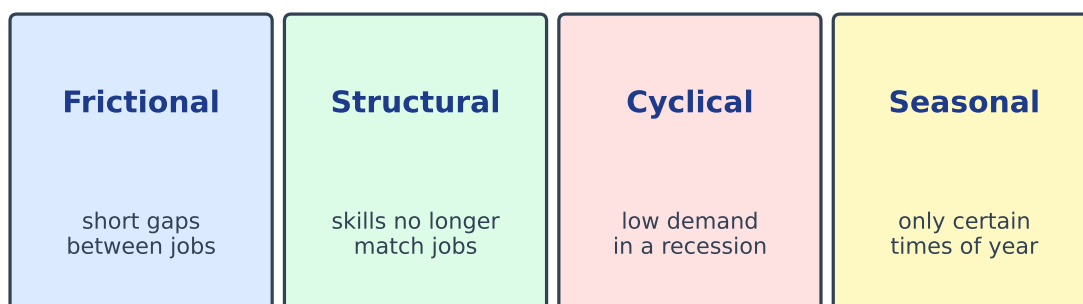
Build the skills to answer exam questions on **employment and unemployment** 就业与失业 — how unemployment is **measured** 衡量, the **types** 类型 (frictional, structural, cyclical), and the effects.

You must be able to:

- explain how unemployment is measured (claimant count, labour force survey)
- distinguish frictional, structural and cyclical unemployment
- analyse the effects of unemployment

1 Worked examples

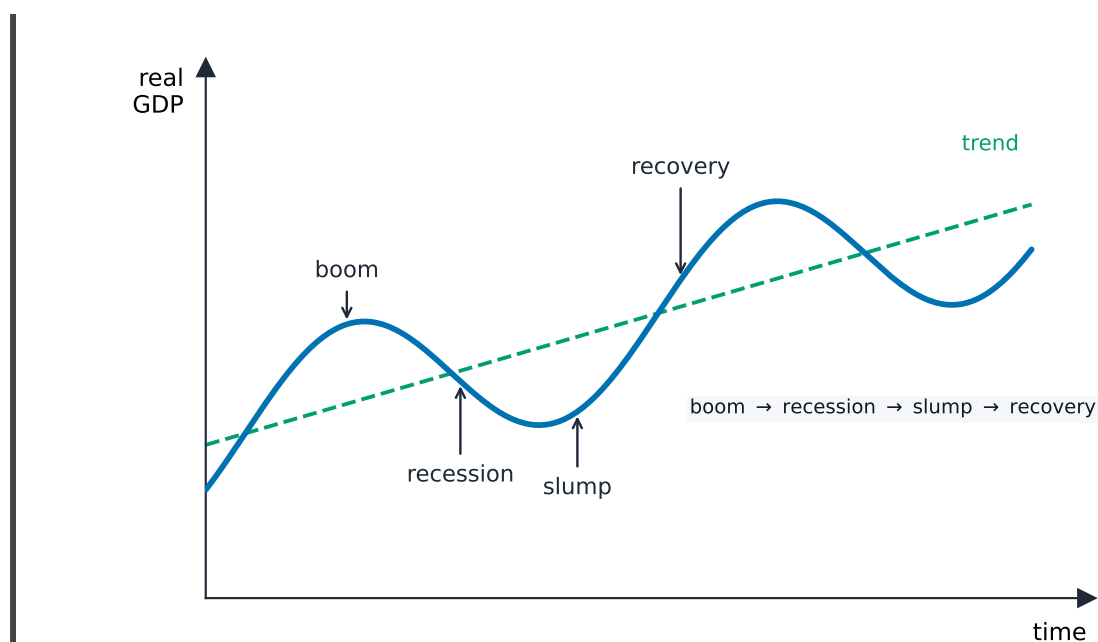
■ Types of unemployment



Exam: name the type + cause — cyclical needs demand stimulus; structural needs retraining

Unemployment = people who can and want to work but cannot find a job

- **Measuring: claimant count** 失业救济申领人数 (benefit claimants) and the **labour force survey** 劳动力调查 (a survey).
- **Frictional** 摩擦性: short-term, between jobs. **Structural** 结构性: skills no longer wanted (mines close).
- **Cyclical** 周期性: low demand in a recession.
- **Effects:** lost income and skills, lost output, more benefit spending, social harm.



Cyclical unemployment rises in the recession and slump phases of the business cycle

Answer shapes: K + App + An + Ev (a justified judgement, for discuss questions).

2 Practice

2.1 Define the term *unemployment*.

[2]

2.2 Identify two types of unemployment.

[2]

2.3 State one way unemployment is measured.

[1]

3 Exam-style questions

3.1 Unemployment caused by a recession (low total demand) is:

[1]

- **A** frictional unemployment
- **B** structural unemployment
- **C** cyclical unemployment
- **D** seasonal unemployment

3.2 Explain the difference between **frictional** and **structural** unemployment. [4]

3.3 Analyse the effects of high unemployment on a country. [6]

Solutions

IGCSE Economics answers are marked by **level of response**: award **K** knowledge, **App** application, **An** analysis and **Ev** a justified judgement.

2.1 people who can work and want to work but cannot find a job (2 for a clear definition; 1 for a partial idea).

2.2 any two of: frictional; structural; cyclical; seasonal (1 + 1).

2.3 the claimant count or the labour force survey (1).

3.1 C. A recession with low total demand causes cyclical unemployment.

3.2 [4] K 1 + An up to 3 — frictional unemployment is short-term, when a worker is between jobs and looking for the next; structural unemployment happens when a whole industry shrinks and workers' skills are no longer wanted (e.g. coal miners after the mines close) → so one is brief and normal, the other is longer-term and harder to fix.

3.3 [6] K/App/An — high unemployment harms several groups: unemployed **workers** lose income and may lose skills; the **country** loses the output those workers could have made; the **government** pays more in benefits and collects less in tax (worsening its budget); and **society** may suffer more crime and poorer health → so high unemployment is costly to individuals, the economy and the government.