

2.3 Unemployment

Name: _____ Class: _____ Date: _____

Total: 10 marks

KEY WORDS natural rate 自然失业率 • unemployment rate 失业率 • cyclical 周期性
• frictional 摩擦性 • full employment 充分就业

Objective

Build the skills to answer exam questions on **unemployment**.

You must be able to:

- define the **labour force** 劳动力 and calculate the **unemployment rate** 失业率
- distinguish **frictional** 摩擦性, **structural** 结构性, and **cyclical** 周期性 unemployment
- explain that the **natural rate** 自然失业率 equals frictional plus structural unemployment
- relate **full employment** to the natural rate

1 Worked examples

Study these first. Each one shows the method for a question type used later.

■ The unemployment rate

$$\text{unemployment rate} = \frac{\text{unemployed}}{\text{labour force}} \times 100,$$

where the **labour force** = employed + unemployed (those actively seeking work).

■ Three types

- **Frictional** — between jobs, searching.
- **Structural** — skills or location mismatch.
- **Cyclical** — caused by a recession.

■ Natural rate

At full employment, cyclical unemployment is zero, so the **natural rate** = frictional + structural.

2 Practice

2.1 Write the formula for the unemployment rate. [1]

2.2 A country has 90 million employed and 10 million unemployed. Find the unemployment rate. [2]

2.3 Name the three types of unemployment. [2]

3 Exam-style questions

3.1 The natural rate of unemployment equals [1]

- **A** cyclical unemployment only
- **B** frictional plus structural unemployment
- **C** all three types added together
- **D** zero

3.2 A worker laid off during a recession is [1]

- **A** frictionally unemployed
- **B** structurally unemployed
- **C** cyclically unemployed
- **D** not unemployed

3.3 A country has a labour force of 50 million, of whom 46 million are employed.

(a) Find the number unemployed.

[1]

(b) Find the unemployment rate.

[2]

Solutions

2.1 unemployment rate = $\frac{\text{unemployed}}{\text{labour force}} \times 100$.

2.2 labour force = 100 million; rate = $\frac{10}{100} \times 100 = 10\%$.

2.3 frictional, structural, cyclical.

3.1 B.

3.2 C.

3.3 (a) $50 - 46 = 4$ million. (b) $\frac{4}{50} \times 100 = 8\%$.