

9.4 A Changing Economy

Name: _____ Class: _____ Date: _____ **Total: 13 marks**

KEY WORDS changing economy 经济变化

Objective

Build the skills to explain the **changing economy** 经济变化.

You must be able to:

- state what digital communications enabled
- name the three technological innovations and their effects
- state what happened to employment and union membership
- state the CED's claim about real wages

1 Worked examples

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

■ Digital communications

Economic productivity increased as improvements in digital communications enabled increased American participation in worldwide economic opportunities.

■ Three innovations

Technological innovations in computing, digital mobile technology, and the internet transformed daily life, increased access to information, and led to new social behaviors and networks.

■ Employment

Employment increased in service sectors and decreased in manufacturing, and union membership declined. A shift between sectors, with a consequence for organised labour.

■ Real wages

Real wages stagnated for the working and middle class amid growing economic inequality. Productivity rose and wages did not, which is the period's central economic fact.

2 Practice

2.1 State what improvements in digital communications enabled. [2]

2.2 State what happened to employment and union membership. [3]

2.3 Productivity and wages diverged.

(a) State the CED's claim about real wages. [2]

(b) Name the three technological innovations. [1]

3 Exam-style questions

3.1 Real wages for the working and middle class [1]

- | | |
|---|---|
| A | B |
| C | D |
- A stagnated
B doubled
C were abolished
D rose with productivity

3.2 Employment increased in service sectors and decreased in [1]

- | | |
|---|---|
| A | B |
| C | D |
- A manufacturing
B agriculture only
C government
D education

3.3 Productivity rises and real wages do not.

(a) State what this implies about the gains.

[1]

(b) Explain the connection to declining union membership.

[2]
