

4.6 Employment and unemployment

Name: _____ Class: _____ Date: _____ Total: 16 marks

KEY WORDS labour force • cyclical • types • frictional
• structural

Objective

Build the skills to answer exam questions on **employment and unemployment**
– how unemployment is **measured**, the **types** (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 Key knowledge and worked examples

■ Types of unemployment

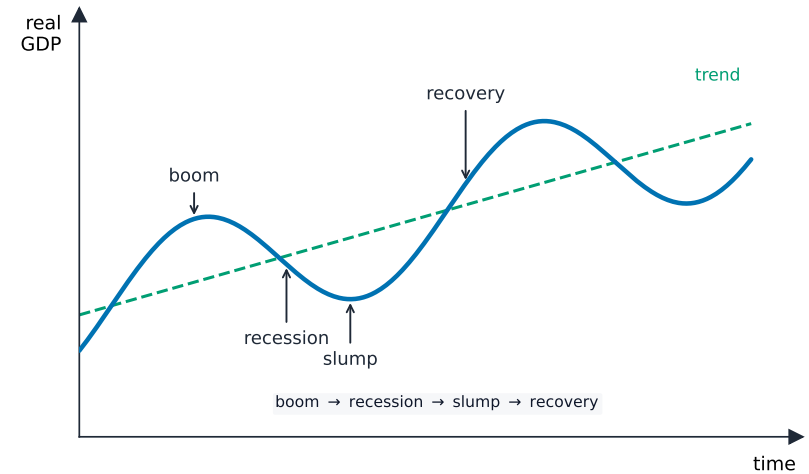
Frictional	Structural	Cyclical	Seasonal
short gaps between jobs	skills no longer match jobs	low demand in a recession	only certain times of year

Exam: name the type + cause — match policy to cause; results depend on vacancies and spare capacity

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

- **Measuring: claimant count** (benefit claimants) and the **labour force survey** (a survey).
- **Frictional**: short-term, between jobs. **Structural**: skills no longer wanted (mines close).
- **Cyclical**: 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]