



SUBJECT AND GRADE:	ECONOMICS GRADE 10
TERM 4:	Week 1
TOPIC:	Economic Issues
LESSON:	Unemployment
PURPOSE:	I must be able to understand the following: <ul style="list-style-type: none">• Nature of unemployment:• Unemployment figures• unemployment rate;• South African unemployment phenomenon;• Causes of unemployment; consequences of unemployment;• Approaches to solve unemployment: growth of production; public works programmes; Economically marginalised groups.
INTRODUCTION:	This section requires knowledge covered in: Gr. 8 EMS - Factors of production, Standard of living, Markets. Gr. 9 EMS - Circular Flow, Trade unions. Gr.10 Economics: Business cycles, Labour force.

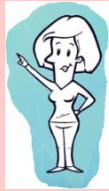
KEY CONCEPTS:

Make flash cards. Write the concept on the one side and the explanation on the other side. Read through it on a daily basis

CONCEPTS	DESCRIPTION
1. Unemployed	He/she is unable to find work
2. Economically active population	Comprises of people between the age of 15 and 65 who are willing and able to work
3. Narrow definition of unemployment	People who are part of the EAP (Economically active population), are not working, have been looking for work in the past four weeks and are available to work within a week
4. Broad definition of unemployment	People who are part of the EAP (Economically active population), not working, even if they have given up looking for work
5. Unemployment rate	the percentage of the EAP (Economically active population) that is unemployed within a specific area or demographic group.
6. Frictional unemployment	occurs when a worker is changing jobs or has resigned in order to search for a new job.
7. Seasonal unemployment	occurs at certain times of the year.
8. Cyclical unemployment	Unemployment due to a lack of demand for labour during the downswing of the business cycle.
9. Structural unemployment	Unemployment caused by a mismatch between the skills the employers require and the skills that employees offer.
10. Phillips curve	Relationship between unemployment and the rate of inflation
11. Deregulation	The removal of unnecessary regulations, laws and imbalances in order to make markets free.
12. Public works programmes	Government initiatives to provide short-term employment.
13. Unemployment insurance Fund	Provides the money to pay benefits to persons who have lost their jobs.
14. Economically marginalised groups	Rural people, women, handicapped persons, older people and school leavers.

SKILLS:**At the end of this lesson, I must be able to:**

1. understand the nature of unemployment;
2. unemployment figures;
3. unemployment rate;
4. South African unemployment phenomenon;
5. causes of unemployment;
6. consequences of unemployment and
7. approaches to solve unemployment: growth of production; public works programmes; Economically marginalised groups.

NOTES:

Carefully read through the notes.

Re-write it in your workbooks

Read through it on a daily basis

UNEMPLOYMENT FIGURES:

Unemployment figures are **obtained through the following ways:**

- Census
- Population survey
- Registrations of unemployed with the Department of Labour
- Sample survey (the Quarterly Labour Force Survey)
- by Statistics South Africa (STATSSA).
- The **Department of Labour** is responsible for **monitoring unemployment.**

UNEMPLOYMENT RATE:

Unemployment rate:

- $\frac{\text{number of unemployed}}{\text{EAP}} \times 100$

CAUSES OF UNEMPLOYMENT:

- Frictional unemployment.
- Seasonal unemployment.
- Cyclical unemployment.
- Structural unemployment.

CONSEQUENCES OF UNEMPLOYMENT:

Impact on the economy

Opportunity cost:

- Output that could have been produced is lost.

Real cost:

- Unemployed people claim welfare, which is paid out of taxpayers' contributions.

Impact on the individual

- Unemployment causes people's living standards to fall.
- Unemployment is the main cause of poverty.
- People are forced into a lifestyle of crime

Political impact

In SA, unemployment affects our perception of the success or failure of the market economy.

	<p>SOUTH AFRICAN UNEMPLOYMENT PHENOMENON:</p> <p>Gender:</p> <ul style="list-style-type: none"> • According to <i>Stats SA</i> more women are unemployed compared to males. <p>Urban and rural/ Province:</p> <ul style="list-style-type: none"> • Rural unemployment is higher than urban unemployment. <p>Age:</p> <ul style="list-style-type: none"> • The 25-34 years age has the highest unemployment rate <p>Level of education:</p> <ul style="list-style-type: none"> • The more qualified a person is the less likely he/she is to be unemployed. 	<ul style="list-style-type: none"> • Unemployment may lead to unrest. <p>APPROACHES TO SOLVE UNEMPLOYMENT:</p> <p>Growth of production:</p> <ul style="list-style-type: none"> • Stimulation of production (output), and therefore the creation of employment, can be achieved by either demand-side or supply-side policies, or a mixture of the two. <p>Public works programmes:</p> <ul style="list-style-type: none"> • Government intervention to provide short-term employment. • May include, for example, digging trenches for water pipes and storm-water drainage, removing alien plants, etc. <p>Unemployment insurance:</p> <ul style="list-style-type: none"> • In South Africa, all employers and employees, contribute towards the Unemployment Insurance Fund (UIF). <p>Economically marginalised groups:</p> <ul style="list-style-type: none"> • These groups find it difficult to access employment. • Their numbers are such that government intervention is necessary. • Therefore, some incentive schemes in South Africa favour those businesses that are likely to employ persons from these groups.
<p>ADDITIONAL RESOURCES:</p>	<p>Econ Gr.10 Core Notes Econ Gr. 10 Answer Series Any other CAPS approved Econ Gr.10 Textbook</p>	

**Consolidation
Activities:**



Answer the following questions:

1. Name any TWO approaches to solve unemployment. (2 x 1) (2)
2. What is meant by an economically active population? (1 x 2) (2)
3. Study the article below and answer the questions that follow.

Unemployment rate worsens to 27.2%

South Africa's unemployment rate worsened to 27.2% in the second quarter, from 26.7% in the first quarter, Statistics SA reported on Tuesday in its quarterly labour force survey. Manufacturing lost 105,000 jobs, community, social and personal services lost 93,000, and trade lost 57,000 jobs.

The Free State suffered the largest increase in its unemployment rate, which grew by 1,6 percentage points, followed by Gauteng, at 1,1 percentage points and the Western Cape, where unemployment rose by one percentage point. The Eastern Cape has the highest unemployment rate, at 45.8%.

[Source: <https://www.heraldlive.co.za/business/2018-08-01-unemployment-rate-worsens-to-272/>]

- 3.1 What was the unemployment rate for the second quarter of 2018? (1)
- 3.2 Which province had the highest increase in its unemployment rate according to the extract? (1)
- 3.3 Name TWO groups of people who do not qualify as unemployed. (2)
- 3.4 How are unemployment figures obtained? (2)
- 3.5 What do you think is the cause of unemployment? (2 x 2) (4)
4. Explain the consequences of unemployment. (4x2) (8)
5. Explain how the government use the Public Works Programme to solve the unemployment problem in South Africa. (10)