

Leaving Certificate Economics Worksheet

Employment & Unemployment

Name

Date

Instructions:

- Answer all questions in **Section A** and **Section C**.
- In **Section B**, answer **3** questions.
- In **Section D**, answer **1** question.
- Show workings in calculations and use correct terms: **full employment, labour force, participation rate, Live Register, Labour Force Survey (LFS), black economy, occupational/geographic mobility, frictional/structural/cyclical/seasonal/institutional/disguised unemployment, recession, exchange rate, FDI, wage subsidies (e.g. TWSS), exchequer, balance of payments, CPI, poverty, deprivation, consistent poverty.**
- When answering evaluation questions: **define terms, explain the mechanism, and link to Irish examples.**

Section A – Short questions

Answer briefly.

(15 × 2 marks)

A1. Define **full employment**.

A2. Define the **labour force**.

A3. Write the identity: **Labour Force** = _____ + _____.

A4. Define the **participation rate**.

A5. Write the formula for the participation rate.

A6. What is the **Live Register**?

A7. State **two reasons** why the Live Register can be an inaccurate measure of unemployment.

A8. What is the **Labour Force Survey (LFS)**?

A9. Explain (one sentence) why the LFS can be more accurate than the Live Register.

A10. Define **frictional unemployment**.

A11. Define **structural unemployment**.

A12. Define **cyclical unemployment**.

A13. Define **institutional unemployment**.

A14. What is meant by **disguised unemployment**?

A15. Give one example of how unemployment can be linked to **poverty**.

Section B – Calculations & interpretation (Answer 3 of 5)

Each question: 12 marks (Workings + final answer + brief interpretation where asked.)

B1. Labour force, participation rate and unemployment rate

A country has a population of 5,200,000. Of these, 2,650,000 are employed and 140,000 are unemployed.

(i) Calculate the **labour force**.

(ii) Calculate the **participation rate**.

(iii) Calculate the **unemployment rate**.

(iv) Interpret your participation rate: what does it tell us about the economy/society?

B2. Live Register vs LFS: measurement and critical thinking

The notes list several reasons why the Live Register can be inaccurate.

- (i) Explain **four** reasons why the Live Register can **overstate or understate** true unemployment.

- (ii) The LFS replaced the QNHS from Q3 2017 and uses a large household sample. Explain **two** reasons why a survey can produce a more reliable unemployment estimate.

B3. Types of unemployment: classification in context

For each scenario below, identify the **most suitable type of unemployment** and justify your choice (one sentence).

- (i) A worker leaves their job in May and starts a new job in July.
- (ii) A coastal town hires many extra workers every summer but lays them off in winter.
- (iii) A recession causes firms to cut output and lay off staff.
- (iv) Technological change reduces the need for cashiers in supermarkets.
- (v) High rent and lack of housing prevents unemployed workers from moving to where jobs are.
- (vi) People want work but are not captured in the Live Register statistics.

B4. Unemployment and the Exchequer: a simple budget impact

Suppose unemployment rises and the government's finances change as follows (hypothetical):

Income tax falls by €1.1bn, VAT falls by €0.6bn, Social welfare spending rises by €1.4bn.

- (i) Calculate the **total deterioration** in the budget balance.

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- (ii) Explain why unemployment tends to **reduce tax receipts** (name two taxes from the notes).

- (iii) Explain one reason why higher unemployment may eventually put **upward pressure** on general prices in the long run (as stated in the notes).

B5. Policies to reduce unemployment: choosing the best fit

The notes list several approaches (training, transport, FDI, wage subsidies, capital investment).

- (i) Choose **two** policies and explain **how each reduces unemployment** (mechanism).

(ii) For **one** of your policies, explain one **possible downside or limitation**.

(iii) Explain why **wage subsidies** (e.g. TWSS) can reduce long-run unemployment even though they cost the State money in the short run.

Section C – Data & visual interpretation

C1. Unemployment by age: reading trends

Figure 1 in the notes compares the unemployment rate for **15–24 year olds** versus **25–74 year olds**.

C1.1 Describe **two trends** visible in the chart over time (e.g. direction, stability, gap).

C1.2 Explain **two economic reasons** why unemployment is often higher for young people than for older age groups.

C1.3 Suggest one policy that could specifically reduce **youth unemployment** and explain why it would work.

C2. Unemployment by gender: patterns and explanation

Figure 2 shows unemployment rates for **males, females, and all persons** over time.

C2.1 Based on the chart, identify whether male and female unemployment are **usually similar or different** and describe one period where the gap changes.

C2.2 Give **two explanations** for why unemployment rates might differ by gender (link to sectors, participation, caring responsibilities, etc.).

C3. Regional unemployment: interpreting maps

Figure 3 compares Irish regional unemployment at **Q1 2012** and **Q3 2025**.

C3.1 Identify two **general conclusions** you can draw from comparing 2012 to 2025 (e.g. overall improvement/worsening, convergence/divergence).

C3.2 Suggest **two reasons** why some regions may have higher unemployment than others (use geography, industry mix, transport, education/skills, FDI).

C3.3 Propose one targeted policy to reduce unemployment in a high-unemployment region and explain why it suits **regional** problems (not a one-size-fits-all national policy).

C4. Unemployment and poverty: linking concepts

The notes reference the CSO **Survey on Income and Living Conditions (SILC)** and the relationship between unemployment and poverty.

C4.1 Explain, in your own words, how unemployment can increase the risk of **poverty** for a household.

C4.2 Unemployment can be described as a **self-perpetuating cycle** (notes). Use a simple chain of reasoning to explain the cycle: unemployment → disposable income → spending → growth → unemployment.

C4.3 Suggest two policies (one **employment policy** and one **income/support policy**) that could reduce poverty linked to unemployment. Explain briefly how each works.

Section D – Evaluation & discussion

HL style: balanced argument, correct definitions, relevant Irish context, clear judgement.

D1. “Reducing unemployment should be the government’s top priority.” Discuss.

In your answer:

- define unemployment and distinguish at least **two types** (e.g. cyclical vs structural),
- explain **two impacts on the economy** (Exchequer, BOP, prices) and **two impacts on individuals** (income, social exclusion),
- outline **three policies** to reduce unemployment (from the notes) and discuss likely effectiveness,
- include **one counterargument** (e.g. inflation risk, budget constraints, skills mismatch),
- finish with a clear judgement.

D2. “Structural unemployment is a bigger threat to Ireland than cyclical unemployment.” Discuss.

In your answer:

- define **structural** and **cyclical** unemployment,
- use Irish examples from the notes (industry change, skill mismatch, recession),
- evaluate **policies** suited to each (training vs stimulus/FDI/wage subsidies),
- explain how unemployment can link to **poverty** and long-term disadvantage,
- finish with a judgement: which is the bigger threat *and why?*
