

The US Senate voted to on 16<sup>th</sup> June 2011 to defeat a proposed extension of unemployment benefits for workers who have been jobless for nearly two years.

- Explain the likely causes of unemployment in Singapore. [10]
- Assess the extent to which the Singapore government's approach to solving unemployment may differ with US. [15]

**a) Explain the likely causes of unemployment in Singapore. [10]**

Command	Content	Context
Explain	Causes of unemployment Cyclical Structural Frictional	Singapore

**Cyclical Unemployment**

- Economic Slowdown
- Fall in AD
- Demand deficient economy
- Fall in output
- Decrease in demand for factors of production (Labour)
- Increase in unemployment

**Requirements: Examples and relating to Singapore context**

**Structural Unemployment**

- Changes in the business sectors
- Current employment decreases the demand for labour
- New employment opportunity demands for new skills from the labour force
- Mismatch of the skills present in the labour and the skills demanded by the employers
- Increase in Unemployment

**Requirements: Examples and relating to Singapore context**

**Frictional Unemployment**

- Due to geographical immobility or imperfect information
- Singapore (Imperfect Information)
- Labours who are new to the workforce with imperfect information
- Does not know where are the jobs available and what are skills required
- Unemployment

**Requirements: Examples and relating to Singapore context**

L3	For an answer that <b>uses analysis to underpin discussion</b> on the causes of unemployment. Using <b>Singapore as an example</b> and relating specifically to <b>Singapore</b> on the prevalence of the unemployment.  10m: Analysis that could provide the most prevalent cause of unemployment in Singapore. Max 8: 2 very well elaborated causes of unemployment in Singapore. (Cyclical and Structural)	7-10
L2	An answer that undeveloped discussion on the causes of unemployment in Singapore. Max 6: Theoretical analysis without relating to Singapore	4-6
L1	Descriptive knowledge and/or without link to unemployment in Singapore.	1-3

**b) Assess the extent to which the Singapore government's approach to solving unemployment may differ with US. [15]**

Command	Content	Context
Assess	Approach to solve unemployment	Singapore VS US

**Cyclical Unemployment**

- **Policies to enhance AD**
- **Singapore (External sectors)**
- **Policies to enhance (FDI or net export)**
- **Explain how the policy work**
- **US (Internal sector)**
- **Policies to enhance (Domestic consumption or domestic investment)**
- **Explain how the policy work**

Explain the rationale for the different approach taken by both governments.

**Structural Unemployment**

- **Matching of skills developed in the labours to meet the needs of the employers**
- **Both offers subsidies for development of skills or education**
- **Explain how the policy work**

Explain the rationale for the similar approach taken by both governments.

**Frictional Unemployment**

- **Singapore approach (More of imperfect information)**
- **Policies by WDA to enhance information flow**
- **Explain how the policy work**
- **US approach (Both Geographical immobility and imperfect information)**
- **Policies need to address both**

→ Explain how the policy might work

Explain the rationale for the different approach taken by both governments.

L3	For an answer that <b>uses analysis to underpin discussion</b> on whether approach implemented by Singapore government and US government in solving unemployment. Discussion should relate to the different characteristics of the country and how it affects their approach.  (Comparison)	9-11
L2	An answer that undeveloped discussion on the differences in the approach by Singapore and US. Limited link to context.  <b>Max of 8 marks</b> if candidate <b>did not address the question requirement</b> on the <b>how the approach to solving unemployment might differ. Assessment has to be made between US and Singapore/ One sided analysis (Only on similarity or differences)</b>  <b>Max of 6marks</b> Discussion on approach does not include how the policy work OR Analysis without discussion on the differing approach OR theoretical discussion on policies in Singapore (Focus only in Singapore)	6-8
L1	Descriptive knowledge of policies, which does not fully address the question.	1-5
E2	For an evaluative assessment based on economic analysis Underlying causes of problem (Extent of differences/ Similarities)	3-4
E1	Unexplained evaluative comments	1-2