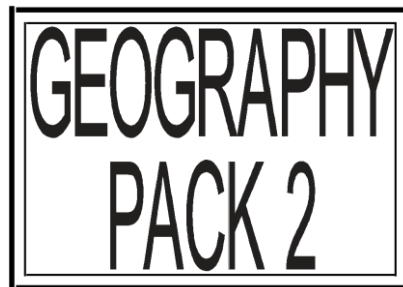


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By Harry Jivenmukta

When humans began to live in permanent settlements and gave up wandering in search of food, agriculture was established. Agriculture, in Latin means '**cultivation of the fields**'. From the outset, agriculture has included both growing crops and looking after livestock.

Before there were farmers nearly everybody devoted much time to gathering plants for food or hunting or fishing. When food was abundant, there were feasts; when it was not, there was famine. Gradually people discovered the advantages of caring for animals in flocks and herds. They learned to grow plants for food, medicine, clothing.

When the food supply became more reliable people were free to do other things besides farming and hunting. Some of them chose to live in towns and cities, using their skills in various ways, including becoming expert in different trades. They made a variety of goods, which they could trade with the farmers for food. The division of labour into the rural farming community and the urban industrial complex is a fundamental partnership that still exists throughout the world.

Farming used to be mainly a family enterprise and to a large extent still is in most countries. In the more developed areas, however, more efficient large-scale operations are overtaking the smaller family farms. These large farms usually specialise in one crop or one type of crop and often are run by giant corporations. Such farms are part of the current trend toward more controlled and cost-effective agriculture, called **agribusiness**.

The goal in agriculture has almost always been;

- z increased production,
- z decreased labour.

In the early 1900s the farm was run by the muscles of people and effort of animals. Today machines of great size and complexity, some computerized, accomplish in hours what took many of those people and animals days to complete.

There are still family farms similar to those of an earlier era even in the most industrialized nations, but they are becoming fewer every year. There are also small-scale agricultural systems in many emerging nations of the world. But the trend almost everywhere is toward larger farms that are mechanized and that utilize the latest scientific agricultural methods to provide products more efficiently.

Questions...

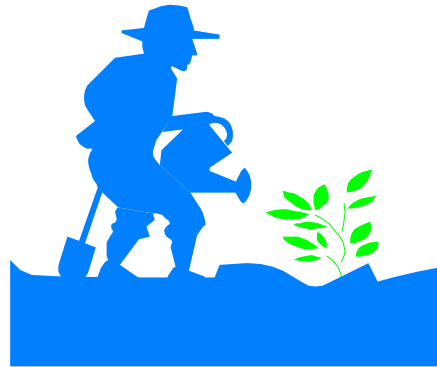
1. How did agriculture develop into the type of farming we see today?
2. Find out and write a paragraph each on the similarities and differences between;
 - z family run farms,
 - z farms run by large corporations.

LEVELS OF PRODUCTION

2

There is a great variation in agricultural production around the world. Some countries, by using high technology and advanced methods, produce more through agriculture than they need or can use, while others never produce enough to sustain their populations.

The farming systems that maintained ancient civilizations are incapable of supporting populations in those areas today. In Africa, farming techniques are improving but are not as advanced as those of the industrialized world.



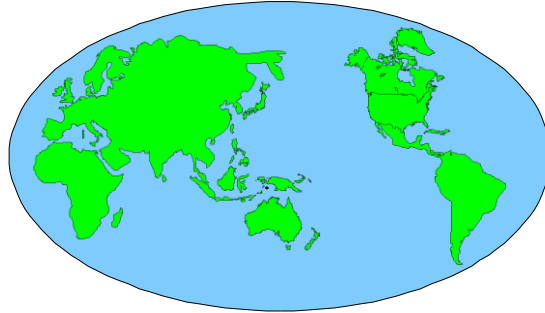
Nations with more advanced agriculture often attempt to help poorer countries improve farm productivity. Agricultural systems are closely connected to places and peoples. In some cases advanced technologies may not be feasible under the climatic and soil conditions of the area. The native method is often developed over many generations through close contact with a unique situation. There may not be 'bumper crops', but the people manage to produce crops for their own use.

Many countries consistently produce more food than they use. The surpluses are stored in granaries and warehouses for later use or sale to other countries. Storing the surpluses costs money because huge buildings must be built and maintained. Techniques for reducing spoilage and loss to pests add to the cost.

As farmers continue to seek the greatest possible yield for the most reasonable cost, advanced agriculture is becoming as elaborate and as complicated as other modern industries. In the UK and in other wealthy nations where population is not yet a burden, the cost of labour is relatively high and is the limiting factor in production. That is why there has been more and more mechanization and automation.

Questions...

1. Why are traditional farming methods inadequate in providing for food requirements today?
2. How do richer countries help poorer ones to develop their farming techniques and technology?
3. How does technology affect everyday farming?
4. What do the following words mean:
 - z surplus,
 - z yield,
 - z 'bumper crops'?



It would be true to say that the world in general is no better fed today than 50 years ago. The world's population is growing at an alarming rate, and agriculture has just barely kept up with it; it has doubled in the last 60 years. Despite overproduction in some nations, as many as one out of six people throughout the world is undernourished. Some studies show that as much as half of the world's population may be suffering from malnutrition or starvation.

Distribution of agricultural surpluses to areas of deficiency seems an easy solution. But it is far more difficult than it seems. Sometimes giving surplus to poorer countries makes the farmers of those countries think about stopping farming because the cheap imports, or free aid, undermine the price of the produce which they worked hard to grow. The surpluses currently produced by agriculturally advanced countries are often given to welfare institutions within the nations themselves. Food and fibre crops are sold abroad for foreign currencies to improve the producing country's balance of trade.

Even if the food could be easily distributed to other nations, the costs for transporting it are high. Some nations may complain that others ruin their markets by giving a commodity away or selling it at cut-rate prices. These problems, too, must be carefully weighed against the benefits to poorer countries.

Questions...

1. Why are there food surpluses in some countries and starvation in others?
2. How do improved communications and technology help in the effective distribution of food and other resources?
3. Which factors limit transport and distribution of goods?

THE ROLE OF GOVERNMENT

4

Because agriculture is so important to a nation's well-being, governments have always been concerned with it. Surpluses tend to lower prices to farmers and seriously endanger the agriculture industry. Governments have set up systems of price supports to maintain a fair price when surpluses cause prices to drop. The system in Europe is called the Common Agricultural Policy, (CAP). The European Community (EC) established CAP to create free trade for individual commodities within the community. When production of a commodity exceeds EC consumption, the EC may:

- z buy the excess for storage,
- z pay to have it reprocessed,
- z export it to countries outside the European Community.

In this way the EC can maintain its members' farm prices at levels equal to or even higher than those in competitive nations like the United States and Canada.

Various measures used by nations for maintaining farm prices and incomes include:

- z tariff or import levies,
- z import quotas,
- z export subsidies,
- z direct payment to farmers,
- z limitations on production.

All of these measures are useful and are used to some extent by most developed countries. Another important example of such a programme is the 'set aside' initiative. This means that farmers are encouraged to let some land lay unused for a time. This allows the land to recover naturally and prevents overproduction. The farmer plants such land with grass, trees, or other vegetation that would help prevent erosion and aid fertility.

Questions...

1. What role does government play in the management of agricultural production?
2. Find out and write a paragraph on the Common Agricultural Policy.
3. What do the following words mean:
 - z import levy,
 - z quota,
 - z subsidy,
 - z overproduction?

About half of the world's population are farmers. Most of them struggle as subsistence farmers. This means that they grow plants and have animals to provide for their families, usually having little or nothing left over to sell or trade for other goods. Subsistence farming is common in crowded, poorer, underdeveloped countries and in depressed areas in advanced countries.

In less crowded countries, such as the United States, Australia, and Canada, a single farm may reach as far as the eye can see in any direction, and may be run by a large corporation that uses only the latest machines and technology. Such commercial farms are the big agricultural producers in developed nations. They are operated much like other industries. Many are family run, but the family runs the farm for the parent corporation.

The amount of farmland owned by those who farm is smaller than most people realize. Many farms are rented, and often sharecropping, in which income from the crop is shared, is arranged to pay the land's owner. In countries such as Israel and China, there are communal farms owned by the state.

Diversified general farming, in which many crops and different kinds of animals are raised, is the traditional farming practised in Western countries with temperate climates. These farms are often composed of land claimed from forest and lowland.

A specialized farm is a **commercial farm** that produces a major crop or a few major crops that account for half or more of the farm's gross sales. These are crops best suited to the land and climate and to the skill and financial ability of the farmer.

Farms on flat to rolling lands are usually used for row crops or grains. Rocky, irregular lands are usually used as pasture, left wooded, or used for tree farms.

Dryland farming, practised on lowland and other places where rainfall is light (less than 20 inches, or 50 centimetres), is common in many parts of North America and Europe. Soils are generally deep and rich, but yields vary because rainfall is not only light, but also uneven from year to year. Crops planted in such areas include winter wheat and grain sorghum.

Tropical farming, practised where the climate is predominantly warm and wet, is common throughout Latin America, Africa, India, Australia, and Southeast Asia. The amount of land suitable for tropical farming is limited and requires careful management to be productive and sustaining. The soil is leached of nutrients rapidly by the heavy rainfalls typical of the tropics. Tropical crops include coconut, palm oil, rice, sugarcane, pineapple, sisal, cocoa, tea, coffee, jute,

Questions...

1. List the main types of farming undertaken in the UK. Write a paragraph each on these highlighting the main features, and the reasons why such farming methods are suited to the UK.

2. what do the following mean:

- z subsistence farming,
- z sharecropping?

THE AGRICULTURAL MARKET

6

In the past much of the farmer's output was sold and consumed at the nearest market town. Today, modern farm output reaches the market through the hands of many businesses that:

- z buy,
- z store,
- z transport,
- z process,
- z package,
- z deliver it before it is sold to the consumer.

This system is necessary because people use few commodities in the form in which they come from the farm. People want cuts of meat or hamburgers, not the whole animal; bread, not wheat. A farm's product may be used thousands of miles away, completely changed in form.

The people who handle produce from the farm to the consumer must be paid. About 65-70% goes to the people who buy, handle, sell, package, and advertise it. This leaves about 30-35% for those who grow the produce. To avoid dealing with commercial buyers and processors, farm groups often organize cooperatives for the processing and selling of their produce. The extra profits are shared among the cooperative members. Farm cooperatives may also buy such items as fertilizer, seed, and fuel in large, money-saving quantities, then sell them to members, passing along the savings.

To sell produce at the best price the farmer needs to understand the market for particular commodities. He or she must keep in touch with price trends to determine the most favourable time to sell. Various services in different countries issue reports on the production and prices of crops and livestock. They also forecast future output and furnish market news to newspapers and radio broadcasters. Boards of trade, or commodity exchanges, issue reports of prices for current sales and futures on commodities. The farmer can increase profits by producing commodities that meet high standards.

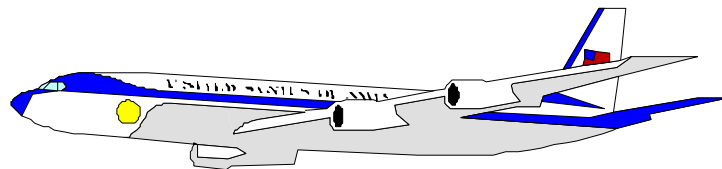
Questions...

1. What is marketing?
2. Draw an illustration showing how produce gets from the farmer's field to the kitchen table of the consumer. Include all stages of production, processing and transportation.

Faraway places with strange-sounding names lure the traveller with promises of enchantment, excitement, diverse forms of entertainment, and tantalizing new kinds of food. The urge to travel is as old as civilization.

Today travel and tourism account for the largest portion of money spent in international commerce. Today, over 70% of people in the UK have a holiday every year, even if it is just a day out. Tourism provides almost 20 million jobs in Europe. National tourism expenditures in the early 1980s in the USA were more than \$100 billion. Domestic tourism was much greater. The modern travel industry is organised to cater to every need and desire of the individual traveller. While travel was once an uncertain and hazardous event, it is now an easily planned and coordinated adventure that has been revolutionized by vast improvements in:

- z transportation,
- z computer technology,
- z networks of international communication.



Questions...

1. What is the difference between **travel** and **tourism**?
2. What are the main factors which has made travel and tourism so popular in the UK?
3. How are travel and tourism affected by:
 - z improved transportation,
 - z new technology,
 - z ecological awareness?

The huge increase in tourism has created a proportional increase in the amount of hotel space available around the world. For centuries there have been inns, taverns, and hostels open to travellers. Today, the hotel business is dominated by huge hotel chains. There are more than 10 million hotel rooms available around the world.

Hotels operated by chains normally offer accommodation ranging from the bargain basement to the luxurious. But there are still many privately owned inns and hotels that offer adequate facilities for much less than hotels chains. Most travel agents carry directories of hotels, and hostels worldwide.



Eating out poses few problems for a tourist who speaks the language of the country, but menus in another language can be confusing and frustrating. Menus are sometimes printed in several languages, and restaurants in many major tourist centres are now sensitive to this need.

Eating habits vary from country to country. In Italy, for example, a ristorante is an eating establishment where one is expected to order a full, several-course meal. In a trattoria, on the other hand, one can eat as much or as little as one chooses. In Spain the evening meal is very late, normally after 10pm; but people often eat snacks called tapas in the early evening to tide them over until dinner.

In some popular tourist spots, reservations must be made weeks in advance. This often means asking a travel agent to do it. Reservations made locally can be handled by hotel employees, who can recommend good dining establishments.

Questions...

1. How is accommodation at holiday destinations affected by:

- z road networks,
- z climate and weather patterns,
- z demand for housing,
- z physical geographic features?

Give examples to illustrate your findings.

RESORTS

9

Resorts are special purpose destinations. They may be:

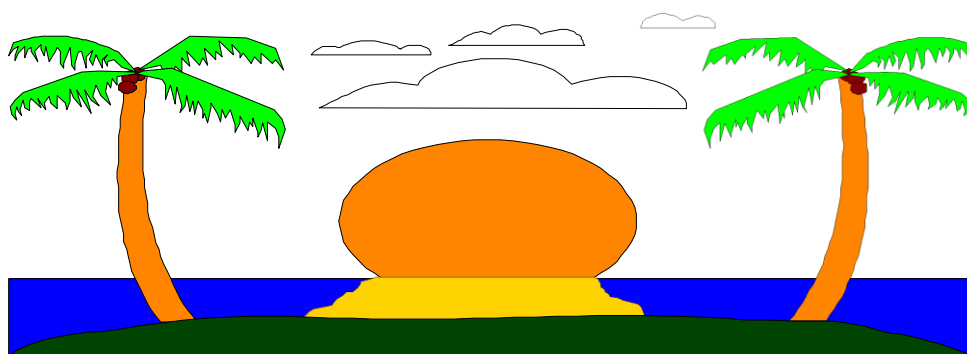
- z places in the sun to get away from the winter cold,
- z places in the snow to enjoy skiing and other winter sports,
- z health resorts.

Whichever type of resort is chosen, the normal purpose is to **get away from it all** for a while, to enjoy relaxation and recreation.

Modern resorts have their roots in health spas dating back to the late Middle Ages in Europe and in seaside resorts that emerged in England in the 18th century. Spa is the name of a town in Belgium that has long been noted for its beneficial mineral waters. There are a great many similar towns and cities in the UK to which people have gone for centuries, hoping for cures for a variety of ailments. The first well known seaside resort was Brighton, still a popular summer holiday spot.

The modern resorts of the Caribbean islands, the Canary Islands, the French Riviera, Spain's south and east coasts, the Italian Riviera, the Greek islands, Florida, California, and the Black Sea coast attract many thousands of visitors each year. Like cruise ships, they offer a great variety of recreation opportunities. Unlike the ships, they have golf courses, tennis courts, ocean bathing, and other features that ships cannot provide.

The winter resort is of more recent origin. Skiing, made more popular by the Winter Olympic Games, is the main attraction. Therefore most winter resorts are in mountainous areas such as the Austrian, German, Italian, Swiss, and French Alps.



Questions...

1. What is a holiday resort?
2. Make a list of holiday resorts near you.
3. What things would you look for when choosing which holiday resort to visit?

In 1841 an English Baptist named Thomas Cook arranged for a railway excursion from Leicester to Loughborough for a temperance group. Three years later the railway, the Midland Counties Railway Company, agreed to make the excursion a permanent feature if Cook would provide the passengers. He became the first travel agent, and the company he founded, Thomas Cook and Son, went on to become one of the world's leading travel agencies with offices around the world.

A travel agent is a retailer, a middle link between the traveller and all the options offered in a holiday. Agents:

- z book and sell airline, train, bus, and ship tickets,
- z they reserve hotel rooms,
- z arrange for ground transport at the destination,
- z they can also make restaurant reservations and book theatre and other tickets.

For these and other services they are paid a commission by those whose products they sell.

Tour operators are companies that arrange every aspect of a travel package. They bring together all the elements of a trip for travellers or for groups of travellers: plane reservations and tickets, hotel arrangements, ground transport, entertainment, and more. All these components are sold together as a package. Travellers may deal directly with a tour company, or they may book tours through a travel agent.

Today there is a great deal of overlapping between the services of travel agents and tour operators. Companies like Thomas Cook and American Express perform both services, and many independent travel agencies put together tour packages for customers.

Questions...

1. Trace the history of the travel business in the UK.
2. How much does a travel agent need to know about other countries? Make a list.
3. What is the difference between a travel agent and a tour operator?
4. Make a list of jobs related to the tourism industry.

Arranging for a trip can be as simple as telephoning for a hotel reservation or as complex as setting up an around-the-world tour. The more arrangements to be made, the more useful the travel agent is likely to be. Airlines and many hotel chains also deal with travel arrangements.

Travellers to a foreign country need certain documents in order to be allowed in and out of the country.

- z The most necessary of these is the **passport**. This is a document issued by governments to their citizens. It establishes the carrier's identity and nationality and authorises travel outside the country.
- z A **visa** is required for entry into some countries and may be obtained at a point of entry. This is an endorsement placed in a passport indicating it has been examined and approved by a government official.
- z Some countries also require travellers to show a **vaccination certificate**. Vaccination requirements vary, but common diseases against which visitors need immunity are cholera and yellow fever. Local health departments normally inform prospective travellers of infected areas in all parts of the world. Vaccination certificates can be obtained from passport offices.
- z Individuals who plan to drive in foreign countries may need an **international driver's licence**.
- z Travellers should also be aware of currency regulations, conversion rates, and customs regulations of countries to be visited.

Questions...

1. How has increased travel changed the relationship between countries?
2. Plan a two week trip to a country in Europe. Find out about:
 - z the documents, passports etc. required, (if applicable),
 - z the travel details from your home town to the destination,
 - z the places to see and things to do when you get there,
 - z the things which are going to be different from the UK, like currency, language, food, etc.

Different people in different times have defined leisure in different ways. The ancient Greek philosophers, for example, regarded leisure as labour of the mind, putting to use all one had learned, languages, mathematics, science, music, and the arts, to expand an individual's intellectual horizons and thereby make the person a better citizen. The goal was to become an educated individual. This understanding of leisure is in contrast to the present day view that regards leisure as time to be used for recreation and for fun.

Today leisure is often regarded as time left over after caring for the needs of existence, such as eating and sleeping, and work or education. This leftover time is to be used as each individual chooses. Studies suggest that the average adult spends:

- z about 80 to 85 hours weekly for existence,
- z about 35 to 40 hours for subsistence,
- z about 40 to 50 hours of leisure time.

Some people view leisure simply as recreation. Others view it as an attitude or frame of mind. Many people consider leisure the main objective of life, and work is merely a means to that end. Recent writers have defined leisure as a state of being free, an attitude of mind and condition of soul that aids in experiencing the reality of the world. Still another view defines leisure as a function of social class. Throughout history there has always been a leisure class, kings, rulers, and aristocracy, who did not work but lived a life totally supported by slaves, subjects, and servants.

No matter how leisure is defined, the time for it has increased for most people in most cultures. In the United States, for example, the working week has gradually decreased from six days of 12 hours each to an average of about 34 hours when holidays, and leave for illness are considered. Flexible working hours, four-day working weeks, personal leave, and longer holidays have all allowed more time away from jobs and therefore more time for leisure.

Questions...

1. What is leisure?
2. Why do people have more leisure time today than in the past?
3. Should leisure always involve things which are intellectually stimulating?
4. Make a list of the things you like doing most in your leisure time.

Some people look at the concept of leisure by placing leisure pursuits into a priority list based on their value to the individual in society. Leisure time spent wisely benefits both the individual and the community. Time spent in creative activities such as;

- z music,
- z art,
- z hobbies,
- z education,
- z community service,

are more beneficial than such amusements as:

- z television,
- z computer games,
- z spectator sports,
- z other passive activities.

The benefits of leisure are generally considered to include happiness, fun, creative expression, the opportunity for self-development and self-fulfillment, accomplishment, the challenge of experiment, adventure, and pure satisfaction. Leisure brings different rewards to different people.

Research has shown that preferences for leisure activities are related closely to types of personality. One of the first steps in learning how to use leisure wisely is to understand that each person's choice is individual. The old cliché 'each to his own taste' is certainly appropriate.

Questions...

1. What does quality leisure mean?
2. Should leisure pursuits be left up to each individual to decide or should other people be allowed to direct us?
3. How has the increase in leisure time affected our awareness of:
 - z the environment,
 - z ecology,
 - z the world.

LEISURE - SURVEY

14

Undertake a survey to find out what your friends think leisure is, and how they spend their leisure time. Ask each friend to make a list of the five most important features of what leisure means.

THE 5 MOST IMPORTANT FEATURES OF LEISURE
1
2
3
4
5

Then find out what their five favourite leisure pursuits are.

MY FAVOURITE 5 LEISURE PURSUITS
1
2
3
4
5

How do the five features of leisure correspond or differ from the actual leisure experiences? What does this tell you about how people see leisure and how they enjoy themselves?

Questions...

1. Write 'a typical day of leisure in the life of...':

z yourself,

z your best friend.

The way people work today has made possible larger blocks of free time for most sections of society. Before 1900 nearly every adult who was not wealthy worked long hours almost every day. The average work year was 3,000 hours. Today, the working year:

- z in Europe it is already approaching 1,600 hours,
- z in the United States is about 1,800 hours,
- z Japan's work year is also shrinking.

As affluence became more widespread in industrial societies, individual preferences began to shift from demands for more income to demands for more free time. In Germany, for instance, workers are guaranteed six weeks of holiday with pay each year. This is not true in the United States, where free time varies considerably, and where the amount of leisure time available to workers is among the lowest of industrialized nations. In Japan, known for its emphasis on productivity, workers in the 1990s were shifting their preference to time in which to enjoy the standard of living they have created since 1945.



Questions...

1. How do people work differently today than in the past?
2. What are the implications of a shorter working week on:
 - z the environment,
 - z pollution,
 - z ambitions of individuals.

The period of advanced industrial development began only in the second quarter of the 19th century. Prior to that time most people worked in agriculture. As late as 1820 about 73 percent of the population in the United States worked in farming. Today this proportion has dropped to less than 3 percent. In underdeveloped and undeveloped nations, a very high proportion of people are still involved in agriculture. In Egypt the proportion is just under 50 percent, while in most of the poor nations of Africa it ranges from 70 to 80 percent. In India the figure is about 60 percent. China, with its enormous population, has between 50 and 60 percent of its people in agriculture.

Work may be categorized in two ways: by whether it produces goods or performs services; and by the sectors, or parts, of the economy in which it is involved. These are classified as:

- z agricultural production,
- z industrial production,
- z service sectors.

The economy can be divided into ten sections and certain non-classifiable types. They are:

- z agriculture, forestry, and fishing,
- z mining,
- z construction,
- z manufacturing,
- z transportation,
- z communication,
- z electric, gas, and hygiene services,
- z wholesale trade,
- z retail trade,
- z finance, insurance, and services (including public administration).

Questions...

1. How can work areas be categorised?
2. How has the nature and type of work changed in the UK in the last 300 years?

People who are engaged in producing goods of all kinds are contributing to the wealth of a nation; this is called **productive labour**. Money, the means of exchange, is the economic equivalent of wealth in that it may be turned into real wealth by the purchase of products at any time.

Any society needs things other than tangible products. It needs services such as those provided by doctors, teachers, government workers, and lawyers. None of these produces goods or commodities and this is called **nonproductive labour**. The existence of these services, however, is dependent on the wealth of the nation, on its production of agricultural and industrial goods.

In societies where agricultural productivity is low, nearly the whole population may be employed in farming if everyone is to be fed. When productivity increases so that shortage is no longer a problem, a smaller proportion of the population can be engaged in agriculture. The demand for agricultural, or primary, goods drops in relation to the demand for such things as housing and manufactured products, and non-agricultural employment grows.

As the demand for manufactured goods grows and remains high, a third sector of employment develops, the service industries. These include public administration, the military, doctors, teachers, artists, entertainers, professional athletes, scientific researchers, and many others. In nations with a high standard of living, such as the UK, United States, Canada, the countries of Western Europe, and Japan, demands on the service sector tend to rise dramatically in relation to the agricultural and industrial sectors.

The remarkable shift in employment from the farming sector to the manufacturing and service sectors after the Industrial Revolution can be seen from statistics compiled by several countries.

- z In the United Kingdom the proportions were 82 percent for service trades, 17 for industry, and only 1 for farming.
- z France in 1800 had 80 percent of its population in agriculture, 10 percent in manufacturing, and 10 percent in service trades. By the early 1990s only 8 percent was in agriculture, while the manufacturing sector claimed 16 percent and the service sector 76 percent.
- z In the United States by the early 1990s, the service sector occupied about 79 percent of employment, while manufacturing had 18 percent and agriculture only about 3 percent.

Questions...

1. What is productive labour?
2. Which jobs would be included in nonproductive labour?
3. What is the service industry?

Technology is improving all the time, creating jobs for many of those no longer required in traditional work areas. Many improvements in technology of all kinds, of course, appeared in the early stages of the Industrial Revolution. The factory system arose precisely at the time when more labourers, leaving the farms, were available to engage in manufacturing. Conversely, in those countries that have remained underdeveloped industrially but have improved agricultural output, hordes of people have left farming with no place to go. They head for cities seeking opportunity, only to add to already overburdened urban areas and to increase the demand on limited and overworked city services. If technology is to benefit a nation, the whole economy must develop at once. This is the only way a society can achieve healthy rates of employment.

Economic growth comes about because of two types of technological progress:

- z Intensive progress comes about through improved methods of doing one task, whether it is the manufacture of cars or growing crops.
- z Extensive progress enlarges the economy through the creation of new kinds of employment. Companies that once manufactured only radios now make television sets, videocassette recorders, and television cameras. The increased complexity of a product, such as cars, expands the economy by creating new jobs as well.

Intensive progress allows people to satisfy existing needs with less labour. The use of robots to make cars is an example. Extensive progress, on the other hand, creates new wants that soon become needs and by doing so makes new jobs. If it were not for extensive technological progress, demand for farming and manufactured goods would stabilise and the economy would stagnate.

Questions...

1. How does technology affect the way people work?
2. What is economic growth? Give examples of economic growth areas in the UK.
3. What is **intensive** and **extensive** growth?

In the late 20th century traditional manufacturing industries, such as steel and car manufacture have become less labour-intensive. Automation is partly responsible. Many newer industries are knowledge-based and capital-intensive. Among these are computer software, telecommunications, pharmaceuticals, scientific instruments, and the expanding service sector.

In the industrialized countries there has been a shrinkage of demand for manual workers and a dramatic increase in demand for more skilled, better educated workers and specialists. Manual workers have watched their jobs move to developing countries, where there is an abundant supply of cheap labour. The industrial societies find themselves faced with the need to retrain older workers or face serious unemployment problems.

In its most obvious sense, unemployment means being without a job. As an economic definition, however, this is inadequate. The term unemployment is one description of the economic condition of a society at a given time. Low unemployment means most of the labour force has steady work. High unemployment is an indication of an economy in recession, or worse. It means that a sizable percentage of the labour force is unemployed for a considerable length of time.

Unemployment figures for the UK are published monthly. The figures cover every segment of the economy that can readily be measured. Some aspects of unemployment are more difficult to measure: underemployment, part-time work, and the underground, or barter, economy, for example.

Underemployment is a category that comprises a large variety of workers, including some farmers, construction workers, and others whose work may be seasonal or sporadic because of weather. It may also refer to employees of a manufacturing firm whose plants run on a less than full schedule because of an economic downturn.

Questions...

1. What is unemployment?
2. What is underemployment?
3. How does technology affect employment?

There are three primary causes of unemployment:

- z changes in the structure of economies,
- z wage differentials,
- z government policies.

Structural Unemployment is caused by changes in the dynamics of economies which result in shifts of workers from one set of tasks to another, so unemployment is temporary. From the earliest emergence of civilization up through the late 19th century most employment was agricultural. In undeveloped countries most of it is still agricultural, as much as 80 percent. Europe, and later North America, were the first places where farm populations declined in relation to the rest of the labour force, though farm production did not fall; it actually continued to increase. Today, work in manufacturing industry in the West is declining. This trend does not mean that manufacturing is declining. The opposite is true, but its nature is changing. Productivity has gone up with fewer workers and the need for fewer workers means, of course, many people out of work.

Wage Differences; wages in Europe, North America, and Japan are quite high compared to wages in underdeveloped countries. Yet the differences in products put on the market are minimal. Companies with global markets find they cannot compete with companies whose manufacturing is done in low-wage countries. The solution has been to shift manufacturing facilities overseas. This helps the competitive position of companies but puts workers in the high-wage nation in the unemployment queue. Employment rises, of course, in those nations that received the new facilities.

Government intervention in the economy is designed to soften the blows of change. Government intervention is also often designed to undo the problems caused by earlier failed policies. In both cases, relatively high levels of unemployment often result. Many economists argue that some of the policies that promote or prolong unemployment are welfare payments, unemployment compensation, the minimum wage, tax legislation, and trade regulation.

Questions...

1. Which factors lead to unemployment? Make a list.
2. Will there ever be full employment? Is unemployment inevitable?