



Skoolumy

**CAMBRIDGE A LEVEL ECONOMICS TOPICAL ESSAY
QUESTIONS**

POPULATION

PAST QUESTIONS

1. Population is increasing more rapidly in developing countries that can least afford it if they wish to encourage economic growth.

If a developing country wishes to become developed, the main aim of its government should be to control the growth of its population. Discuss this opinion. [13]

2. These statements come from the same journal article:

World population has grown to 6.5 billion, with an increase of more than 4 billion since 1950.

The number of people starving has increased in the last 10 years. 31.6% of the urban population live in slums and 42 countries face food emergencies.

Urbanisation could be a solution to poverty, disease and malnutrition owing to economies of scale that arise.

Source: Royal Society of Arts Journal, August 2005

Explain whether the growth of population is likely to have been faster in developing countries than in developed countries. [10]

3. Reduced Migration to the United States (US)

The factors of production land, labour, capital and enterprise form the basis for all economic output. Whilst land is geographically fixed, the other factors of production, for example labour, are mobile. Large numbers of migrants move from country to country every year. Many migrate to the US.

The average increase in the number of migrants working in the US was 0.6 million per year until 2018. However, the Covid-19 restrictions in place since 2019

prevented migration and by 2022 the total number of migrants working in the US was nearly 2 million lower than expected.

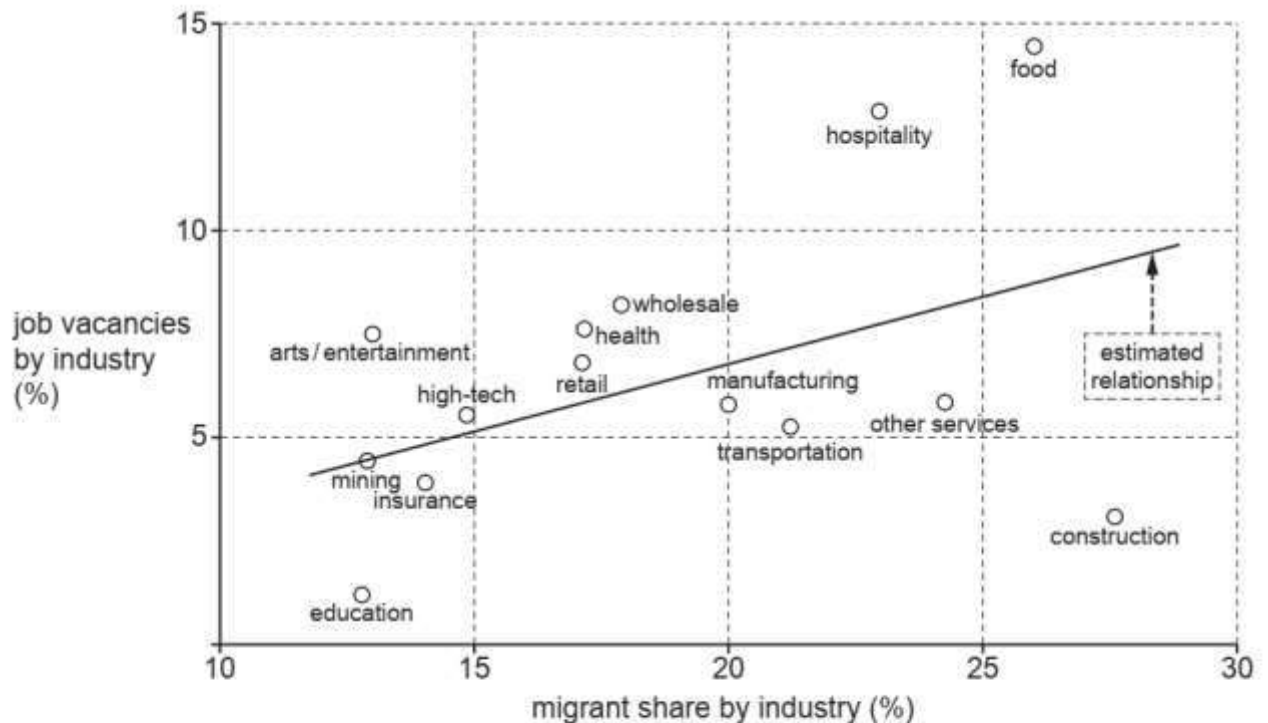
Half of migrants initially come as students, to be college educated, often in science-based subjects.

Post-graduation, they often remain to work in the high-tech industries, before many return to their home countries with enhanced skills.

Well-educated immigrants are three times more likely to start businesses than inhabitants of the US. The reduction in the number of new migrants would reduce the number of new businesses and this, in turn, would reduce job creation by an estimated 200000.

The remaining non-college educated migrants work mainly in lower-paid sectors such as retail and agriculture. They also play an important role in industries such as hospitality and food-related services. Many of the migrants send money to family members who remain in their home countries.

Fig. 1.1 shows the relationship between job vacancies in various industries and the share of migrant workers in the workforces of these industries in the US.



Source: US Bureau of Labor Statistics and Current Population Survey, US Census Bureau

Fig. 1.1: Unfilled job vacancies (%) and migrant workers in the workforce (%) for selected US industries, 2019

The reduction in migrants took place at the same time as more older US workers retired.

Mexicans and Central Americans form the largest share of migrants, at over 35% of the total. Average incomes in their home countries are between 10% and 20% of the US average. There is also significant unemployment and under-employment in their home countries. In the US, migrants earn on average 12% less than the average wage for all workers. This varies by ethnic origin: Hispanic workers earn 16% less than the average while white workers earn 15% more than average.

Sources: G Peri and R Zaiour, University of California, Davis. The EconoFact Network,
Statista.com

N Ward and J Batalova, Migration Policy Institute, 14 March 2023

(a) Identify the relationship between the variables shown in Fig. 1.1 and suggest one possible reason for the relationship. [2]

(b) With the help of a production possibility curve (PPC) diagram, explain both the likely effect of the prevention of migration to the US from 2019 and the retirement of older US workers on the US's productive potential. [4]

(c) Using the information and labour market theory, analyse why the wages received by migrant workers in the high-tech industries are likely to be higher than the wages received by migrant workers in the hospitality industry. [6]

(d) Evaluate the likely impact of a return to the migration levels prior to 2019 on the macroeconomic performance of the US economy. [8]

MARK SCHEME

1. Candidates should present a reasoned argument about what they consider to be the most important, or main, aim a government should follow. They should consider the importance of controlling the population growth and discuss what might happen if population increased very fast, but they should also comment on other aims and hopes and discuss which is the more significant.

L4 For a reasoned discussion and clearly structured answer mentioning various alternative together with a conclusion 9–13

L3 For a discussion, but without such a full development or probably not mentioning a range of alternatives and with weaker conclusion. 7–8

L2 For a limited but acceptable attempt to discuss one policy with brief comment on population and without any conclusion. 5–6

L1 For an answer which has some basic correct facts but includes irrelevancies. Errors of theory or omissions of analysis will be substantial. 1–4

2. Explanation of differences in birth rates, death rates, migration, health policies, education, illness and change caused by AIDS.

(L4) For a sound explanation with clear understanding of the principles involved and a reasoned conclusion. [8–10]

(L3) For a competent explanation but with limited development and limited conclusion. [6–7]

(L2) For a correct explanation but without concluding comment. [4–5]

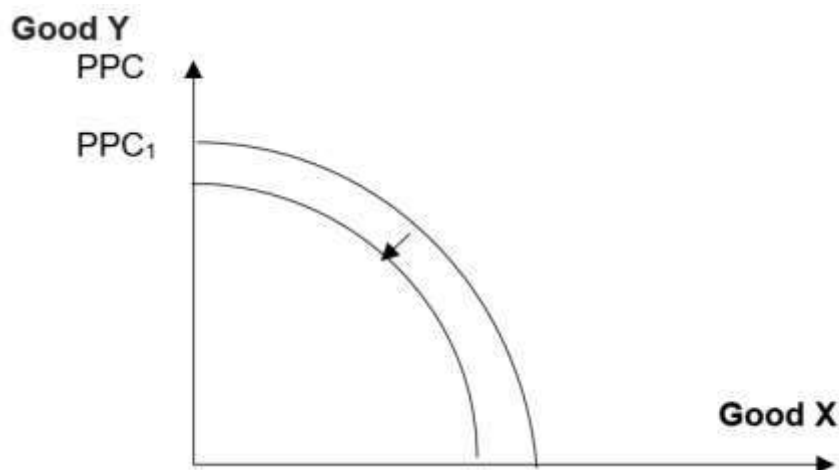
(L1) For an answer which has some basic correct facts but includes irrelevancies. Errors of theory or omissions of analysis will be substantial. [1–3]

3. (a) As the rate of unfilled jobs increases the foreign-born share of employment increases. (1) They are directly proportional. (1)

This suggests that the US uses immigrants to fill labour shortages. (1) Immigrants will be drawn to those occupations where there are most vacancies. (1)

Some jobs with the high foreign-born share rate and high unfilled job rate may be regarded as 'starter' jobs (1) which are taken initially whilst looking for something better. (1)

(b)



Axes/labels (1)

Shift in PPC from PPC to PPC1 (1)

The prevention of migration will mean the PPC will not change (1)

The retirement of older US workers will shift the PPC to the left (inwards) (1)

(c) Demand:

Theory suggests that the MPP of the educated will be higher than unskilled/less educated. (1)

The value of the output of the educated will be greater than the less educated (1) and demand will be higher resulting in higher wages (1).

Some college educated become entrepreneurs in high-tech industries and gain the benefits of profits which can be very high. (1)

There may be prejudice against less educated workers which is reflected in their pay. (1)

Supply:

The increase in immigrants has fallen and this may cause the wage gap for the low paid to narrow (1) and for the educated to widen. (1)

Other candidates may analyse the problem in terms of elasticity of supply Unskilled, high wage elasticity of supply (1) and Skilled, low elasticity of supply (1)

If a diagram is used award axes and all labels (1) relevant S&D (1)

Missing data if the immigrants are concentrated in particular areas this could lead to an 'over-supply' which will reduce the pay of the less educated. (1)

(d) Increase supply of labour and therefore aggregate supply will increase. This may stabilise prices. (1 + 1)

There will also be a rise in aggregate demand as migrants spend their income. Migrants likely to have a high MPC, therefore strong Multiplier Effect. (1 + 1)

Payment of remittances will decrease X-M and worsen the B of P. (1 +1)

US domestic employment will increase because immigrants set up new businesses. (1 +1)

Crowding out argument: immigrant labour takes jobs of domestic workers - needs a rational argument to support this. (2)

Both aggregate demand and supply will increase. This will increase GDP, if economic growth is considered good. This refutes the crowding out argument.

(1 + 1)

Credit any relevant used diagram- axes/labels (1 + 1)

MAX 7 for content

Conclusion: Allows government to achieve aims of growth, some debate about BoP - probably worsen, employment increase in number. (1)