

Subject	Year	Term
Economics (micro)	Year 13	Spring 1
Topic		
4.1.6 The labour market		
Content (Intent)		
Prior Learning		
<ul style="list-style-type: none"> • Sections 4.1.1, 4.1.2, 4.1.3, 4.1.4, 4.1.5, 4.1.8 • The following topics are particularly helpful: How markets function, costs, revenues, factor immobility, irrationality, nudges, inter-relationship of markets, causes of market failure, fiscal policy (particularly relating to taxation) 		
<p>This section of the syllabus is split into 7 topics (4.1.6.1 to 4.1.6.7)</p>		
<p>4.1.6.1. The demand for labour, marginal productivity theory</p>		
<ul style="list-style-type: none"> • The demand for a factor is derived from the demand for the product. • The marginal productivity theory of the demand for labour. • The demand curve for labour shows the relationship between the wage rate and number of workers employed. • The causes of shifts in the demand curve for labour. • The determinants of the elasticity of demand for labour. 		
<p>4.1.6.2. Influences upon the supply of labour to different markets</p>		
<ul style="list-style-type: none"> • The supply of labour to a particular occupation is influenced by monetary and non-monetary considerations. • Non-monetary considerations include job satisfaction and dissatisfaction and working conditions. • The supply curve for labour shows the relationship between the wage rate and number of workers willing to work in an occupation. • The causes of shifts in the market supply curve for labour. 		
<p>4.1.6.3. The determination of relative wage rates and levels of employment in perfectly competitive labour markets</p>		
<ul style="list-style-type: none"> • The economists' model of wage determination in a perfectly competitive labour market. • Role of market forces in determining relative wage rates. 		
<p>4.1.6.4. The determination of relative wage rates and levels of employment in imperfectly competitive labour markets</p>		
<ul style="list-style-type: none"> • How various factors such as monopsony power, trade unions and imperfect information contribute to imperfections in a labour market. • How, in a monopsony labour market, the employer can use market power to reduce both the relative wage rate and the level of employment below those that would exist in a perfectly competitive labour market. The use of relevant diagrams is expected. 		
<p>4.1.6.5. The Influence of trade unions in determining wages and levels of employment</p>		
<ul style="list-style-type: none"> • The various factors that affect the ability of trade unions to influence wages and levels of employment in different labour markets. • How wages and employment are likely to be affected by the introduction of a trade union into a previously perfectly competitive labour market and into a monopsony labour market. The use of relevant diagrams is expected. 		
<p>4.1.6.6. The National Minimum Wage</p>		
<ul style="list-style-type: none"> • The effects of a national minimum wage upon labour markets. • The advantages and disadvantages of a national minimum wage. 		
<p>4.1.6.7. Discrimination in the labour market</p>		
<ul style="list-style-type: none"> • The conditions necessary for wage discrimination. • The impact of gender, ethnicity and other forms of discrimination on wages, levels and types of employment 		

Future Learning:

This section of the syllabus is particularly helpful for section 4.1.7 – Income/wealth distribution and poverty. It provides an example of the functioning/failure of a market. It gives insights into micro/macro policies (e.g. NMW/supply side).

How will knowledge and skills be taught? (Implementation)

This topic will involve, but not be limited to:

- Teacher led lesson content
- Independent learning tasks
- Group discussion/debates and questioning
- Using economic terminology
- Reference to economic examples throughout

How will your understanding be assessed & recorded (Impact)

- Past Paper responses and essays. Marked and feedback given.
- Verbal responses. Individual and class feedback given.

How can parents help at home?

- Discussing ideas and content at home & linking it to real world situations that they are aware of.
- Watch the news and/or read a good quality newspaper
- Watch any topical films or documentaries that link to economics e.g. Panorama, dispatches etc.
- Support us with our department's high expectations of spelling, grammar, punctuation, and minimum standards.

Helpful further reading/discussion

Reading

- Economics A level textbooks
- Tutor 2u website and YouTube channel
- www.econplustal.com
- <https://www.tutor2u.net>
- BBC website for current economics articles
- Exam board subject website
<https://www.aqa.org.uk/subjects/economics/as-and-a-level/economics-7135-7136>
- CIA website for international economic data
<https://www.cia.gov/the-world-factbook/>

Vocabulary Key Words

- Derived demand for labour
- Marginal revenue product
- Wage
- Wage rate
- Relative wage rate
- The wage elasticity of demand for labour
- Monetary considerations
- Non-monetary considerations.
- Job satisfaction
- Working conditions
- Perfectly competitive labour market
- Monopsony power
- Monopsony
- Trade unions
- Collective bargaining
- Strike
- Work to rule
- Imperfections in a labour market
- Level of employment
- Employment rate
- Participation rate
- National minimum wage (NMW)
- National living wage (NLW)
- Discrimination
- Wage discrimination
- Pay gap
- Gender pay gap
- Ethnic pay gap
- Mobility of labour

Careers Links

The whole section provides insights into careers. It focuses on how labour markets work, employability, factors that affect wages and employment, the role of unions, discrimination...every topic within the section gives students a greater understanding about work and careers.

In general, A level economics develops skills and knowledge that help in a wide range of careers. An understanding of how changes in economic variables impacts the economic environment that firms operate in is useful for careers in a wide range of industries. Data handling and interpretation skills, along with the ability to construct alternative arguments to a problem before drawing conclusions are valued in many careers.