Labour markets and government intervention

Pearson Edexcel · International A-Level · Economics · Vocabulary in context

Word	Example
marginal revenue product /ˈmɑːdʒɪnl ˈrevənjuː ˈprɒdʌkt/	**Marginal revenue product** is the extra income from hiring one more worker.
wage floor /weɪdʒ flɔː/	A minimum wage is a **wage floor**: pay cannot go below it.
derived demand /dɪˈraɪvd dɪˈmænd/	The demand for hotel cleaners is a **derived demand** from the demand for hotel rooms.
elasticity of demand for labour /ɪlæˈstɪsɪti ɒv dɪˈmænd fɔː ˈleɪbə/	The **elasticity of demand for labour** shows how much jobs fall when wages rise.
net migration /net maɪˈgreɪʃn/	**Net migration** is the number of people arriving minus the number leaving.
trade union /treɪd ˈjuːnɪən/	A **trade union** speaks for workers when they ask for higher pay.
minimum wage /ˈmɪnɪməm weɪdʒ/	A **minimum wage** is the lowest pay allowed by law.
maximum wage /ˈmæksɪməm weɪdʒ/	A **maximum wage** is the highest pay allowed.
deregulation /diːˌregjʊˈleɪʃn/	**Deregulation** removes rules that stop new firms from entering.
privatisation /ˌpraɪvətaɪˈzeɪʃn/	**Privatisation** sells a state-owned firm to private owners.
nationalisation /ˌnæʃənəlaɪˈzeɪʃn/	**Nationalisation** puts a private firm into government ownership.

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regulatory capture /ˌregjʊˈleɪtəri ˈkæptʃə/	**Regulatory capture** happens when the regulator starts helping the firms it should control.
state-owned enterprise /steɪt əʊnd ˈentəpraɪz/	A national railway can be a **state-owned enterprise**.
geographical immobility /ˌdʒɪəˈgræfɪkl ɪˌməʊˈbɪlɪti/	High rents in cities cause **geographical immobility**: workers cannot afford to move.
occupational immobility /ˌɒkjʊˈpeɪʃənl ɪˌməʊˈbɪlɪti/	Lack of skills causes **occupational immobility**: workers cannot switch jobs.
competitive tendering /kəmˈpetɪtɪv ˈtendərɪŋ/	In **competitive tendering**, firms bid for a government contract.
trade liberalisation /treɪd ˌlɪbərəlaɪˈzeɪʃn/	Cutting tariffs is a form of **trade liberalisation**.