# Labour markets and government intervention

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

| Word | Example |
|---|---|
| **derived demand** /dɪ'raɪvd dɪ'mænd/ | The demand for hotel cleaners is a **derived demand** from the demand for hotel rooms. |
| **productivity** /ˌprɒdək'tɪvɪti/ | Better machines raise **productivity**: more output per hour. |
| **elasticity of demand for labour** /ɪlæ'stɪsɪti ɒv dɪ'mænd fɔː 'leɪbə/ | The **elasticity of demand for labour** shows how much jobs fall when wages rise. |
| **trade unions** /treɪd 'juːnɪənz/ | **Trade unions** ask for higher pay for their members. |
| **elasticity of labour supply** | The **elasticity of labour supply** shows how much more people will work when wages rise. |
| **public sector** /'pʌblɪk 'sektə/ | State schools belong to the **public sector**. |
| **geographical immobility** /ˌdʒɪə'græfɪkl ɪˌməʊ'bɪlɪti/ | High house prices cause **geographical immobility**. |
| **occupational immobility** /ˌɒkjʊ'peɪʃənl ɪˌməʊ'bɪlɪti/ | Missing skills cause **occupational immobility**. |
| **privatisation** /ˌpraɪvətaɪ'zeɪʃn/ | **Privatisation** sells a state-owned firm to private owners. |
| **competitive tendering** /kəm'petɪtɪv 'tendərɪŋ/ | In **competitive tendering**, firms bid for a government contract. |



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|---|---|
| **trade liberalisation** /treɪd ˌlɪbərəlaɪ'zeɪʃn/ | Cutting tariffs is a form of **trade liberalisation**. |
| **nationalisation** /ˌnæʃənəlaɪ'zeɪʃn/ | **Nationalisation** puts a private firm into government ownership. |
| **regulatory capture** /ˌregjʊ'leɪtəri 'kæptʃə/ | **Regulatory capture** happens when the regulator starts helping the firms it should control. |
| **maximum wages** | **Maximum wages** put an upper limit on what workers can be paid. |
| **minimum wages** | **Minimum wages** set the lowest pay that firms are allowed to give. |