



WEEKLY HOME STUDY PACKAGE - WEEK 1 (05/07/21 – 09/07/21)

Subject	ECONOMICS	Year/Level	13
Strand	3: Macroeconomics		
Sub-strand	Labour Market		
Content Learning Outcome	<ul style="list-style-type: none">• Define labour market.• Describe the features and structure of Fiji's labour market.• Explain the factors affecting demand for labour in the labour market.		

LESSON NOTES

Study the notes given below.

Features and Structure of Fiji's Labour Market

- A market exist for each type of labour or trade or skill.
- Labour force structure is 15 to 55 years.
- Trade union exists for each type of skill or trade.
- Labour force consists of both skilled and unskilled workers.
- Increased participation of women in the workforce and women are now actively involved in some trade which used to be male dominated.
- Some workers are employed on part time basis while others are employed on full time basis.

The Labour Market

- The labour market is a resource or factor market.
- The buyers demand and the sellers supply determine the price and quantity of labour.
- The price of labour is the wage rate.
- The demand for labour comes from the employers.
- The supply of labour comes from those who are in the workforce.

Factors Affecting Demand for Labour

1. Demand for goods and services that labour is used to produced.
Demand for goods and services increase lead to demand for relevant labour increases.
2. Changes in Productivity
 - A more productive worker is more profitable to an employer.
 - Therefore, as productivity increases, demand for labour also increases.
3. The level of total spending
 - As the level of total spending increases, production level increases leading to an increase in demand for labour.
4. The relative cost of labour and capital
 - Firms seek to maximise profit. Therefore, they use least cost method of production.

- If cost of labour is low, there will be more demand for labour.
- If cost of labour is high, employees will choose to employ capital and there will be less demand for labours.

5. Government Economic Policies

Influence demand for labour both directly and indirectly.

Directly- through funding job creation schemes and training programs.

Indirectly- through policies that affect profitability of the firm e.g. legal minimum wage rate.

Activity 1

- i. Define the term labour market. **(1 mark)**

- ii. Describe the features and structure of Fiji's labour market. **(1 mark)**

- iii. Explain how the following affect demand for labour in the labour market: **(3 marks)**

- relative cost of labour and capital

- Government Economic Policies

- The level of total spending

Activity 2

Research Work

(7 marks)

Research on the following concepts related to labour market and make brief notes (1 to 2 sentences only):

- Workforce
- Derived Demand
- Working Population
- Labour Force participation rate
- the type of demand labour has in the labour market.
- Productivity of labour
- Minimum wage rate