

3.5.2 Supply of labour

- a) *Factors that influence the supply of labour to a particular occupation*
- b) *Market failure in labour markets: the geographical and occupational mobility and immobility of labour*
- Labour supply: the number of workers willing to work in that occupation at a given wage rate
 - Factors that influence the supply of labour:
 - In the short-run the supply of labour depends on the individuals decision between work and leisure at a given wage rate
 - Usually at a higher wage rate, individuals are prepared to work more hours, but obviously there is a limit to how many hours workers can and are able to work.
 - In the long-run the supply of labour depends on pecuniary and non-pecuniary factors
 - Pecuniary factors: the utility the worker gains from their wages
 - Non-pecuniary factors: non-wage benefits of a job such as job security, ease of transport and perks of the job eg company car
 - Size of the working age population: pension age/ immigration
 - The publicising of job opportunities
 - Occupational mobility: the ability to switch between different occupation. It is affected by the level of transferable skills and educational requirements of jobs
 - Geographical mobility: the ability of workers to move to locations where jobs are. It is affected by the housing market, transport and immigration policy