Overview of the Labour Market Theories

Labour Market Statistics: Harmonization and Analysis of Administrative Data Sources

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Putrajaya- Malaysia
Labour Market

- Labour market refers to the supply and demand for labour
- Also known as job market
- Employees provide the supply and employers the demand
- Supply and demand affected by domestic and international dynamics
Labour Market

- Firms employs labour force – hires and/or fires
- Raise or cut the hours they worked
- Raise or cut their wages
- Supply and demand affects
  - Employment
  - Hours worked
  - Wages, salaries and other benefits
  - Labour costs
  - Productivity
Labour Market

![Diagram of the Labour Market with wage and number of workers axes, showing the equilibrium point at \( N^* \) and \( w^* \).]
Labour Market

Structure of labour market

- Generally when an employee applying for a job has disadvantages against employer
- Governments intervenes the labour market by
  - Setting minimum wages
  - Setting max. Hours of work
  - Prohibiting child labour
  - Regulating health and safety conditions within the workplace
  - Preventing discrimination (race, gender, ethnicity, etc.)
  - Requiring employers to provide family leave
  - Requiring employers to give advance notice of layoffs
  - Covering workers with unemployment insurance
  - Setting limits to immigrant workers
Pay/Earning Gaps

- An earnings gap between average wages, in and of itself, does not prove that discrimination is occurring in the labor market.
- Employers pay workers with the same characteristics because of their gender, race, religion, disability.

Gender pay gaps (GPG)

- Occurs when employers pay women less than men despite having comparable levels of education, experience, and expertise.
- ILO Equal Remuneration Convention – C 100
Labour Market

Unemployment
- Employed
- Unemployed
- Out of the labour force
- Labour force

Hidden Unemployment
- Has a part time or temporary job and seeking for a full time and permanent employment
- Works in a job that doesn’t utilize his/her skills and low payment – underemployment
Thank You

Dankie  Gracias  شكراً  Merci  Takk
Köszönjük  Спасибо  Terima kasih  Dékojame
Grazie  Dziękujemy  Paldies  Tänname teid
Đakujeme  Vielen Dank  Kiitos  谢谢
感谢您  Obrigado  Teşekkür Ederiz  감사합니다
Σας ευχαριστούμε  Bedankt  感謝  Děkujeme vám
ありがとうございます  Tack