

Lecture 1. Introduction to the Subject

Definition

Labor economics is the study of the labor force as an element in the process of production. The labor force comprises all those who work for gain within the labor market, whether as employees, employers, or as self-employed, but also the unemployed, who are seeking work.

What are some examples of labor in economics?

Labor is the effort that people contribute to the production of goods and services. Labor resources include the work done by the waiter who brings your food at a local restaurant as well as the engineer who designed the bus that transports you to school.

What are 4 types of labor?

The four major types of labor are:

- ❖ Professional
- ❖ Semi-skilled
- ❖ Skilled
- ❖ Unskilled labor

What is the main role of labor in an economy?

Labor represents the human factor in producing the goods and services of an economy. finding enough people with the right skills to meet increasing demand. This often results in rising wages in some industries.

What is labour in economic theory?

Labour is a measure of the work done by human beings. It is conventionally contrasted with other factors of production, such as land and capital. Some theories focus on human capital, or entrepreneurship, (which refers to the skills that workers possess and not necessarily the actual work that they produce).

What are the 4 factors of labour?

The four basic factors of production are given below:

- ❖ Land
- ❖ Labor
- ❖ Capital
- ❖ Entrepreneurship

How is labor input measured?

Labor input is measured as either the number of workers employed or the number of hours they worked during a given time period, say a year.

Most countries collect data on the number of workers, and can calculate labor productivity as output per worker.

Hours worked account for differences between workers (full-time vs. part-time, vacations, strikes, etc.) and is more precise.

To measure labor productivity, we prefer to compare the number of hours worked with the output produced during that time.

Some countries, including the United States, collect data on hours worked, making it possible to measure output per hour worked.

What factors cause labor?

- ❖ Factors affecting the demand for labour are:
- ❖ Labour productivity
- ❖ Changes in technology
- ❖ Changes in the number of firms
- ❖ Changes in demand for a product that labour produces
- ❖ Profitability of firms

What are the 6 mechanisms of labor?

Anglo-American literature lists 7 cardinal movements, namely:

- ❖ Engagement
- ❖ Descent
- ❖ Flexion
- ❖ Internal rotation
- ❖ Extension
- ❖ External rotation
- ❖ Expulsion

What are the benefits of Labour economics?

It helps economists to understand labour related problems e.g. Issues on fair wage or salaries workers, welfare of workers, labour productivity, workers' safety, gender related matters, job security and Job satisfaction.

What is the formula for labor?

Direct labor cost per unit = direct labor hourly rate X time for producing one unit. First, you need to determine the direct labor hourly rate by dividing the labor cost by the number of hours worked.