

Labor market inequalities literature review samples

[Business](#), [Marketing](#)



Labor Market

Labor market is a form of the economy that functions through demand and the supply of labor. Labor demand is the companies demand; labor and supply focus on the supply of the labor workers. The bargaining power is likely to have high influence on both supply and demand. Majority of the nation is aware that the labor market institutions that have equalizing effects tend to encounter challenges (Peitchinis, 2005). Policy change is required in relation to equality since it ensures that the status quo focuses on both national and international change. Labor market comprises of employees searching for work, employers finding willing workers and the rates of wage in the market. The labor markets tend to be both local and global based on diversity of qualifications and geographical locations.

Labor market is based on, information exchanged between employers and their employees concerning wage rates and the level of competition. There are different labor market statistics that measure the work as illustrated in economics. Labor market statistics focus on individual indulgence in the labor force and the work they do. These statistics also indicate the amount of earnings and benefits that employees receive in their jobs. The labor market statistics tend to measure diverse work aspects and provide a compiled insight of the economy (Kahn, 2010). In the labor market, labor demand comprises of employers who require work done in return, they offer compensation to the employees.

In the labor market, the central government, financial analysts, trade unions, and diverse industrial tribunals use labor statistics to collect data. These statistics are used for analysis and planning of labor markets in a growing

economy. The labor market statistics is important, it is used to analyze and enable the society to learn about government policies. The corporations have the ability to institute change of their labor force based on the number of employees, they take service and the hours that the employees work into account. Through labor market flexibility, it is important because it entail areas such as wages and unions. It is identified as, a flexible labor market, and tends to have minimal regulations based on the labor force they have the ability of setting their wages (Peitchinis, 2005). The employers in the labor market have the initiative of changing the employees work hours, and they can fire their employees at their own convenience. A labor market that has minimal flexibility tends to have rules and regulations, for example, decreased wage restrictions and rations from different trade unions.

Labor Market Inequality,

Labor inequality is an irrevocable aspect it is a political choice that has advanced over a given period. The liberalization of trade and capital trade has resulted to the improvement of competitiveness. However, the fiscal and labor market policies have resulted to the destabilization of labor positions, although transnational capital has improved in certain finance sectors. Labor inequality has developed on both national and international scale due to the minimization of redistributive policies. The advancement of globalization and regional integration has resulted to increased demand of labor market information (Freeman and National Bureau of Economic Research, 2007). Labor market is centered on income and employment aspects that analyze both economic and social improvement at both international and regional levels. These mean that, it is important for each country to posses' effective

information on labor and income aspects of their development processes. This entails of information concerning the creation of new job opportunities and the aggregation of shifts in labor allocations between different corporations. It is evident that as the union membership declines in Canada, inequality tends to increase.

Labor market will comprise of the analysis of the determinants of diverse dimensions of both labor supply and demand. These factors tend to determine the employee wages and the rates of unemployment (Kahn, 2010). The dimensions of labor supply entail of demographics, labor force participation, and the effect of income maintenance policies. It is evident that labor demand focuses on how corporations have different demands for labor, based on the changes of wage rate and other costs used to hire and train the workers. However, labor demand tends to be derived, and it is influenced through factors such as liberated trade and technological divergence. In many globalized countries, competition is very high, and it is evident that labor markets tend to work best where employment rights is sustained. There are different trade- offs that occur between employment and the social protection of employee through the labor market policies. The stabilization of labor market results to the fulfillment of productivity targets and this implies that the institution of labor standards and market institutions has improved. Through the embedment of diverse private and public sectors in the labor market firms, issues such as unemployment and the employees training schemes are improved. This results to management change through the stipulation of global employment agendas.

In diverse countries, economic development usually benefits individuals who

have a higher ranking on the income pyramid. However, a large population is likely not to benefit from an increase in wage moderation; this means that the women, migrants and other minorities will be alienated in the scheme. There has been an increased level of labor inequality for the last five years, which have resulted to a negative impact on various welfare markers (Kaufman, 2010). These include life expectancy, infant mortality, manslaughter, mental infirmity, and social mobility. Labor inequality has also threatened the major factors that contribute to an individual's wellbeing such as democracy, public security, and environmental stability. There are recommendable labor options recommended in order to counter the developing neoclassical discourse that accelerates labor inequality. It is important to emphasize on aspects such as universal accessibility of public services and minimization of wages to improve the income shares of the overlooked population globally. The securities of the middle-income group require advance, through the increase in minimization of precarious employment. This will ensures that economic democracy is improved and that the public services are improved yielding better results.

The founding of the union activities ensures that social policies and the labor market institutions are important for the achievement of labor equality. This requires complements through consistent public investments and improved public services. Policy measures are be instituted to ensure the financial sector power is tackled to minimize fraud and tax prevarication. However, in spite of the public support for improved social security system and protective labor legislation, the government utilizes the global economic crisis on different institutions (Peitchinis, 2005). The labor movements tend to ensure

that public aspiration for improved equality has resulted to the increase of income share of all individuals in the societies. In cases the labor equality succeeds in the development of the cooperation's, more policy will be adopted in cases of globalization.

Skill shortage in the Canadian labor market and the government intervention

According to Canadian government, they state that the country's economy has improved compared to other jurisdiction through effective economic management. It is evident that job performance in Canada has improved according to past research. However, it is not clear how performance measure in the labor market is doing in the country. The government has stated that absolute development is evident in total employment (Freeman and National Bureau of Economic Research, 2007). This is, because, each economy with an improved population should create jobs for its citizens; the targeted group is usually the youth and women who contribute to the growing population. In Canada, the working population is likely to increase if the proposal is adopted. However, if the population stabilizes, the labor market will attain balance between demand and supply with minimal growth of jobs.

There have been diverse business corporations that have detected the alarming crisis occurring because of labor market in Canada (Kaufman, 2010). This increased because, of the rising number of people who have attained the age of retirement. The differences between the skills with the employee's, and what the employers require has been an issue of concern in Canada. Based on a report released by the Canadian Chamber of commerce,

an estimate of 1 million individuals in Canada tend to be unqualified for the jobs positions available.

A recent research indicates that the shortage of workers has become acute in diverse occupations. This result from the fact that Canadians aged above 55 years are the majority, and are unproductive. However, one of the major issues is that there is no guarantee that the shifting demographic profile will improve. The Canada labor market is not affected and, therefore the country will experience significant challenges in the future. This means that there is minimal risk in developing strategies that improve the competitiveness of Canada in the global economy. Improved labor market information and strategies are termed as the strategies that will improve the country's economy (Deseran, 2003). Therefore, the skilled workforce and effective labor market are important components that will sustain the countries improved productivity and economic development. According to economist, this is the employment ratio, and it measures the effectiveness of the unemployment rate. The unemployment rate usually excludes unemployed individuals in the labor market. In Canada, over 400, 000 individuals are unemployed according to the countries recent statistics.

According to the bank of Canada, there is an improved general level of demand labor by employees. However, there is a barrier to this achievement, the rate of mismatch in the labor market, this is the between the individual skills of the unemployed and the employers demand. This is a challenge to training institutions; the graduates are not prepared enough to handle real problems in the labor market (Kahn, 2010). According to economists in the country, it is evident that the skills shortages tend to exist

on highly skilled occupations. Recently, there is a long-term aspect that focuses on the Canadian job, and it states that the unemployment rates and wage are because of skilled occupations. The Canadian federal government has constantly increased the number of low skilled workers in regardless of the increased shortage of demand for workers. The approval of most employees' applications depends on the report issued by the employers. The Canadian federal government has taken the initiative of implementing new rules that require low skilled employment workers to, adapt to decreased wages to avoid losing their benefits. High rate of unemployment has been termed to contribute to labor market inequality and the intensification of skills in the country (Peitchinis, 2005). Unemployed individuals tend to lose contact with the labor market leaving them with minimal job experience. The employers encounter minimal pressure in the recruitment of new workers since they are readily available. Poor labor market results to deprived wages and living conditions of the employees in the country.

According to the government, they have emphasized on the absolute development of full employment. Canada has developed millions of new jobs since the recovery period begun. An economy that has a growing population will create many job opportunities annually thus maintain the growing economy and reduce dependence (Deseran, 2003). In Canada, individuals in the working bracket have increased this is a good indication of a growing economy. However, if the population is to attain a stable growth, the labor market will attain an equilibrium balancing demand and supply with minimal improvement of total jobs. Based on research on labor market in Canada, the

greatest challenge it encounters is the adjustment to attitudes, capabilities and the mobility of unemployed individuals. The major concern is not on the high levels of unemployment but the unemployed. Many individuals in Canada fail to use their existing skills tenuously in their work potential. The government suggests that Canada should invest more of its resources on both education and training these are the vital elements of a democratic society. The country should also dedicate important resources to adjustment services and job placements (Freeman and National Bureau of Economic Research, 2007). This ensures that the dedicated workers have positions that utilize their acquired skills and to offer effective job opportunities. This means that Canada is committed to labor market program compared to other industrial countries. The stagnation of real wages is a clear indication that there are minimal constraints based on the supply of the labor markets. Currently the hourly pay of individuals in Canada is declining annually by 1% since the year 2010; this has been an indication that the economy is experiencing push inflation.

Technology and Labor market Inequality,

According to economists, it is evident that technical change over the past couple of years tends to be skill-biased. This is because of the improved supply of educated worked although diverse returns to education have increased (Helpman et al., 2011). However, the absence of the substantial skills and bias of technology, there is improved supply of skilled workers who are bridging the gap by declining the skill premium. Therefore, the unskilled laborers will be used in production to reduce the wage bill in the organization. The consumers have also alternated the goods that are

produced by the skilled workers for the labor exhaustive goods. The changes in technology have resulted to the relative demand of skilled workers.

Technology is essential for the organization, labor and the consumer preferences. Most of the organizations that have embraced technology have increased their profits because of decreasing their costs. In cases where prices change, there is relative profitability of diverse types of technologies. When technology is used in the production of expensive goods, there is an increased demand and technology improves becoming more profitable. This means that an improved technology market size tends to be important in determining its profitability. An organization will use machines to ease production and reduce labor force. This builds the labor market and increases sales and profits for both inventors and the producers (Peitchinis, 2005). The market size has an effect on the increase in supply of skill, and it influences technology to be skill biased. The presence of skilled workers ensures that the market size effect results to the production of machines that make technology profitable.

It is noted that the current improvement of skill bias in technology, has resulted to potential responses, and it has increased the supply of skills globally. Through the expansion of skill complementary technologies, for example, personal computers there has been the creation of job opportunities (Deseran, 2003). Technology has resulted to the urge for skills and improvement of education in diverse nations. However, the only limitation is that new technologies take a lot of time in their creation and exposure to the labor market. This means that the prior effect of increased relative supply may result to a decline of the economy. The development of

new skill-based technology in the current market has resulted to improved returns to education compared to their preliminary stage. Technological change usually results to the outcome of supply and demand interaction between the employees and their employers (Kaufman, 2010). A change has an impact on formal education and prior acquired skills. In this case, the corporation and its employees discover the importance of acquiring skills that are equivalent the innovations.

In conclusion, many approaches are utilized to assess the outlook through individual's occupations based on their aggregated skill levels. This occurs with an aim of creating a supply-demand balance in each job opportunity during the beginning of the projection duration. It is evident that the gap between projected employees and employers in all the occupations in the next decade. The occupations that exemplify imbalance signs between the projected employments tend to encounter shortage. In some cases, the annual number of unemployed individuals should be highly projected with an aim of achieving the anticipated demand (Helpman et al., 2011). This means the increase of unemployed individuals in different occupations tends to materialize abruptly.

In cases of reporting unemployment rates, the government focuses on the employed individuals and the active job seekers. This means that individuals who are not involved in job hunting tend to be discriminated in the estimation of the unemployment rate. The only people who are included in the statistic is for people who are willing to work but they cannot find jobs. There is another kind of unemployment known as frictional employment, this occurs where people who have the ability to work cannot do so because of

lower wages provided to them. In this case, the rate of unemployment estimated in diverse labor markets tend to be incorrect. This means that the weak labor market tends to be the major cause of decline in the labor force participation (Deseran, 2003). The population who contribute to the decline entail of the dejected individuals and the job seekers who give up before securing a job. In consideration of unemployment rates based on the aspects of economic growth, individuals should consider that it is not the actual measure of a nation's economic status.

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