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## **Labour Market**

### **Introduction :**

The labor market refers to the supply of and demand for labor, in which employees provide the supply and employers provide the demand. It is a major component of any economy and is intricately linked to markets for capital, goods, and services.

The labor market should be viewed at both the macroeconomic and microeconomic levels.

### **Different characteristics of Labour Market :**

#### **1. Labour means Human Exertion:**

Labour means only human exertion and not the exertion of the cattle or machine. Labour always involves the mental or physical pain and sacrifice. For example, when a man works and is busy for a few hours, he becomes tired and so he needs rest.

#### **2. A Man's Labour is part of himself:**

This means the labour cannot be separated from the labourer. When the labourer sells his labour he has to deliver it in person and he cannot sell his labour like land and capital.

#### **3. Labour Power and Labour Co-exist:**

The labour power exists as long as the labourer exists. It becomes invalid or disappears when the labourer retires or expires.

#### **4. Labour is Perishable:**

The labour power withheld once is lost forever and cannot be stored. It cannot be regained. A day without work is gone irrevocably. As there is no stock, the labourer has to sell his labour immediately irrespective of the price. Labour is a flow of service of labourer.

#### **5. Labour has low Bargaining Power:**

Usually labourers have no reserve and are compelled to accept low wages. But the development of the trade unions has considerably improved the bargaining power of the labour in recent times.

#### **6. Labour has Intelligence and Judgment:**

Labour is something more than mere toil and exertion, for labourers being human beings, have intelligence and judgement and further the toil and exertion can be more easily undertaken by machines rather than by men. Thus the distinguishing mark of labour as factor of production is the exercise of intelligence and judgment.

#### **7. Labour restricted by Social Factors:**

The labour as human beings have much attachment to the language, custom, religion, place, culture etc., and consequently they do not move out so easily.

#### **8. Both a Means and an End:**

A labourer is both a means of production and an end of it.

#### **9. Efficiency of the Labour can be Increased:**

The efficiency of labour can be raised through training, education and experiences.

#### **10. Labour have Decision Power:**

A labour can make rational decisions regarding his job. Capital and land do not possess greater decision making capacity.