

Economics II

Factors markets

Part II.

Demand in a imperfectly competitive labor market.
Labor Supply.

Introduction

1 Demand in imperfectly competitive labor market

1.1 Selecting an optimum amount of work in the short run

1.2 Selecting an optimum amount of work in the long run

1.3 Wage discrimination

2 Supply

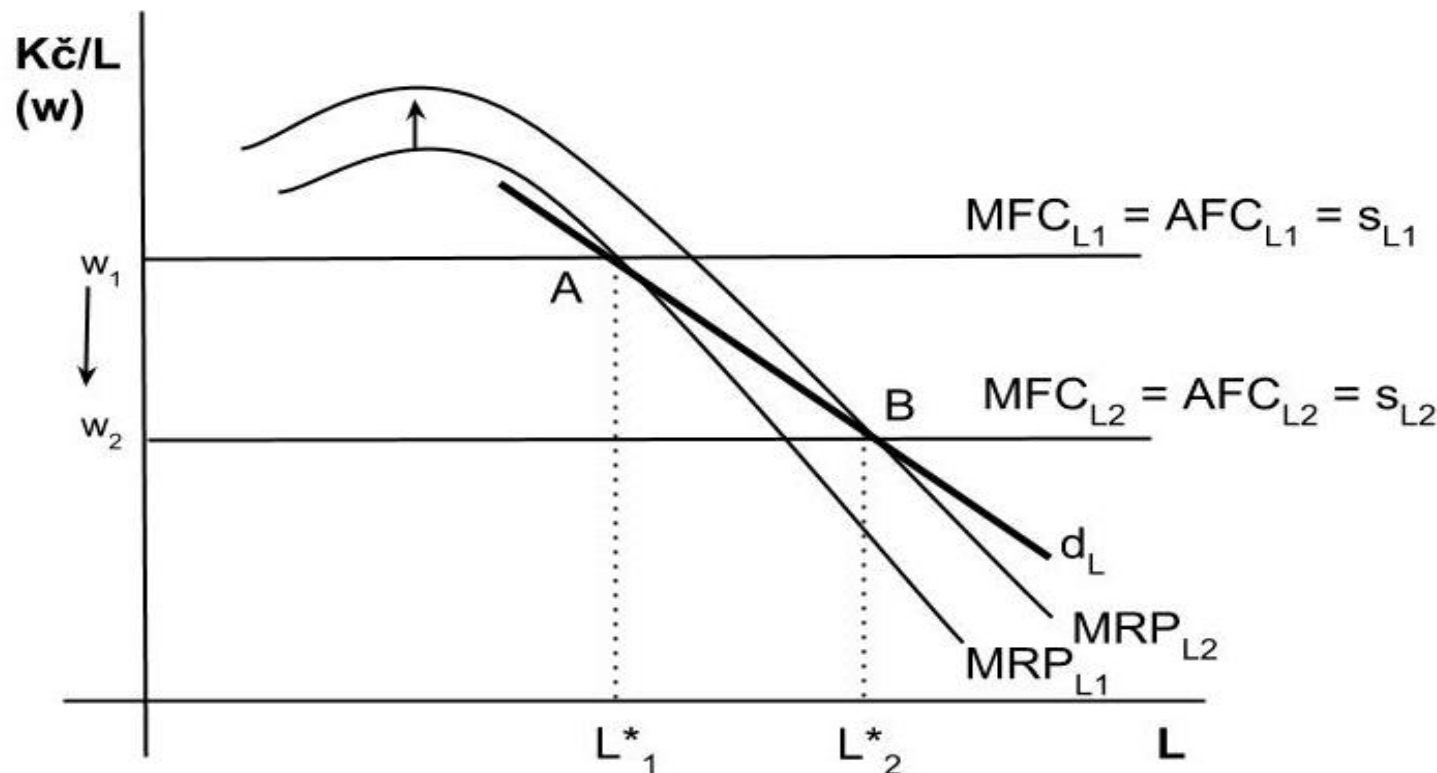
2.1 Individual supply

2.2 Labor market supply

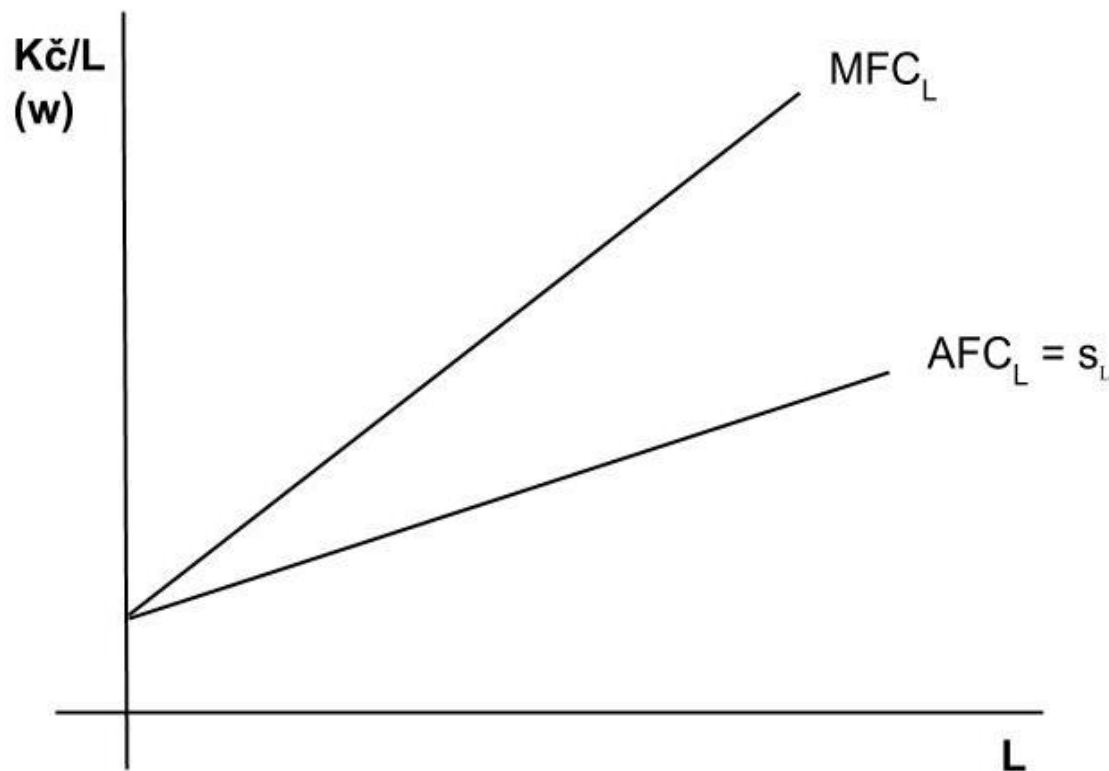
2.3 Monopoly power in the labor market enforcement

2.4 Bilateral monopoly on labor market

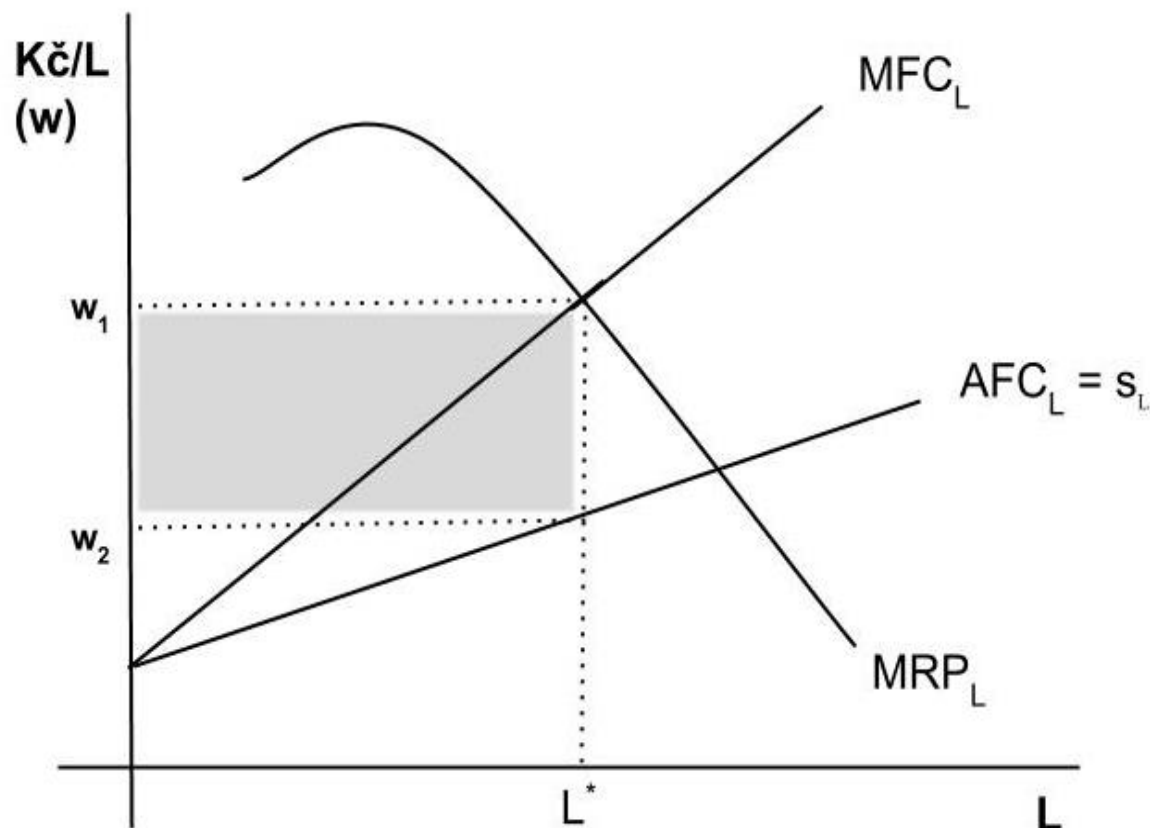
The long-run demand imperfectly competitive firms on a perfectly competitive labor market



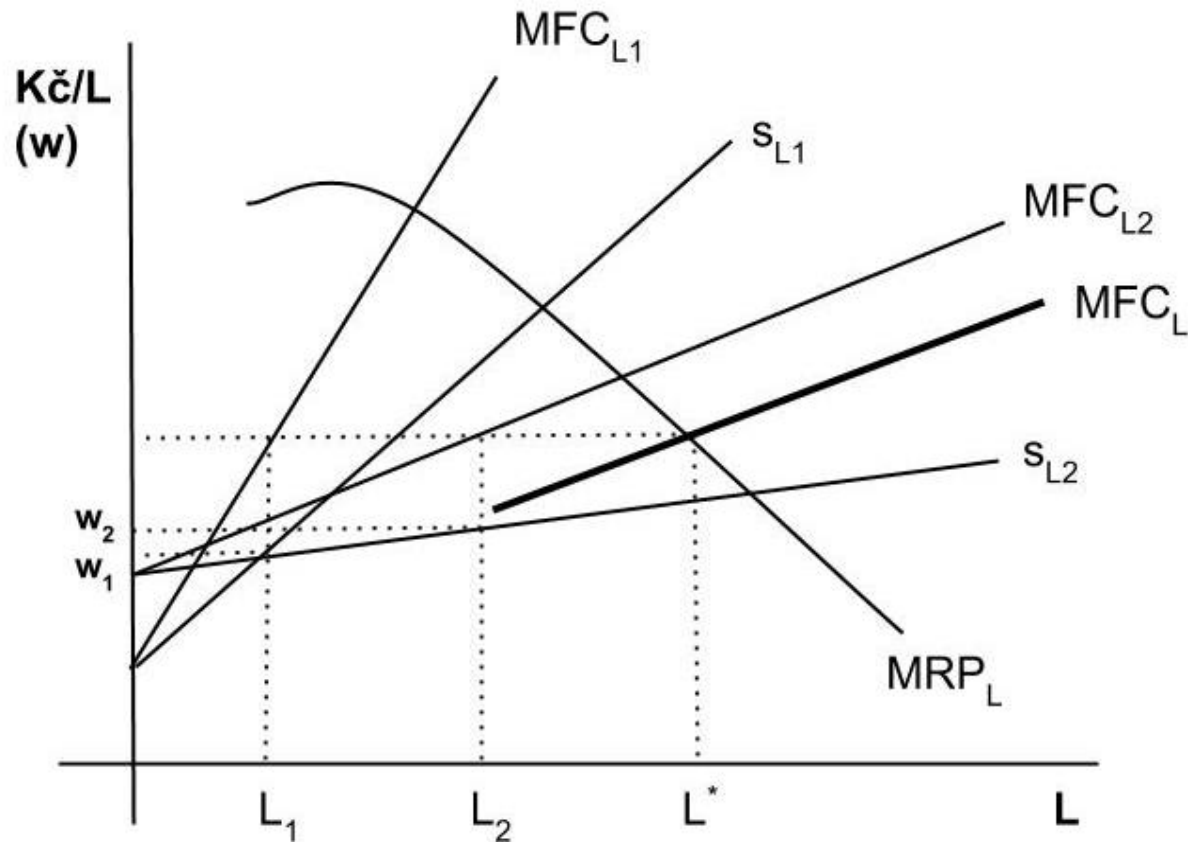
Relationship of marginal and the average costs of the factor labor in the imperfectly competitive market



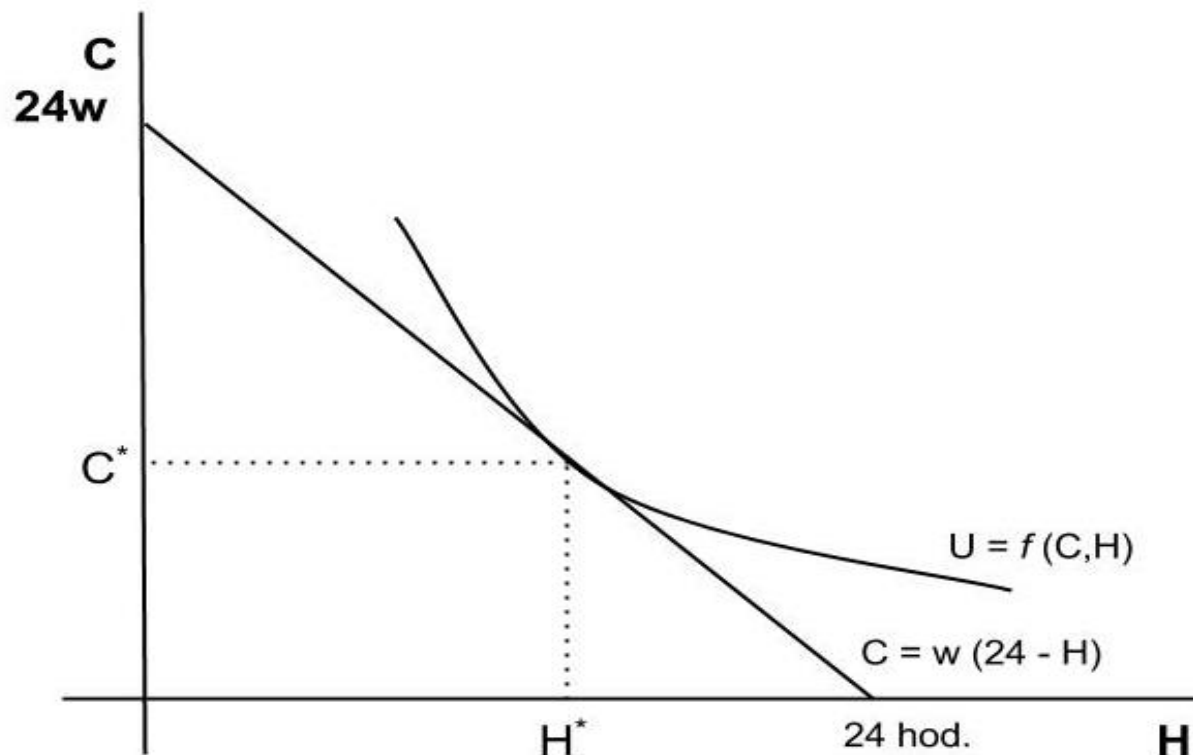
Optimal amount of labor in SR



Wage discrimination



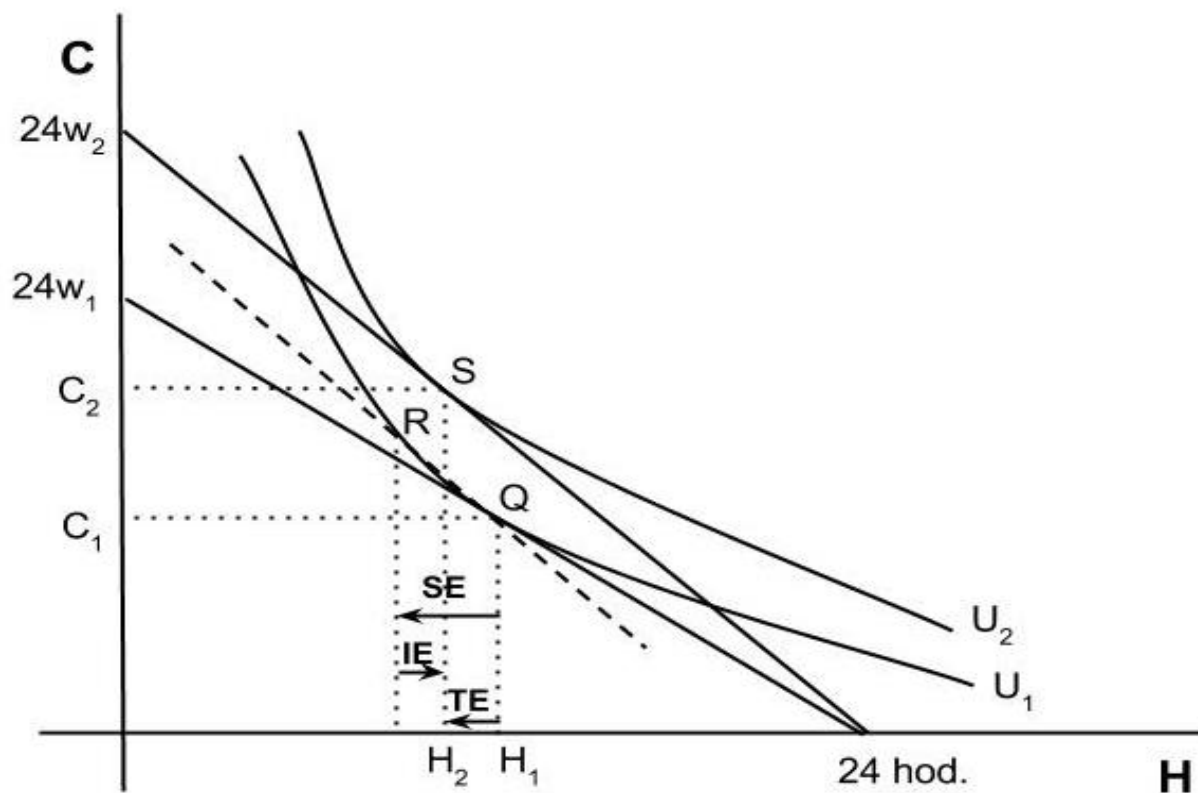
Optimal layout 24 hours between work and leisure time



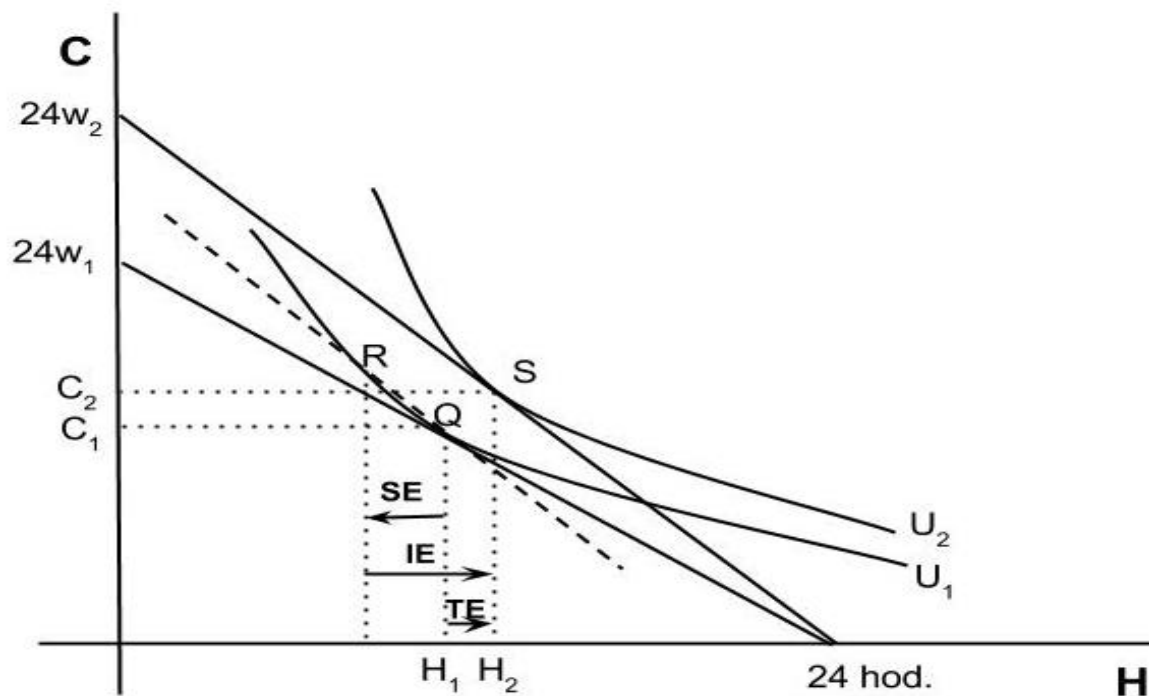
Changes in the fair wage rates

- **Substitution effect (SE)**
- **Income effect (IE)**

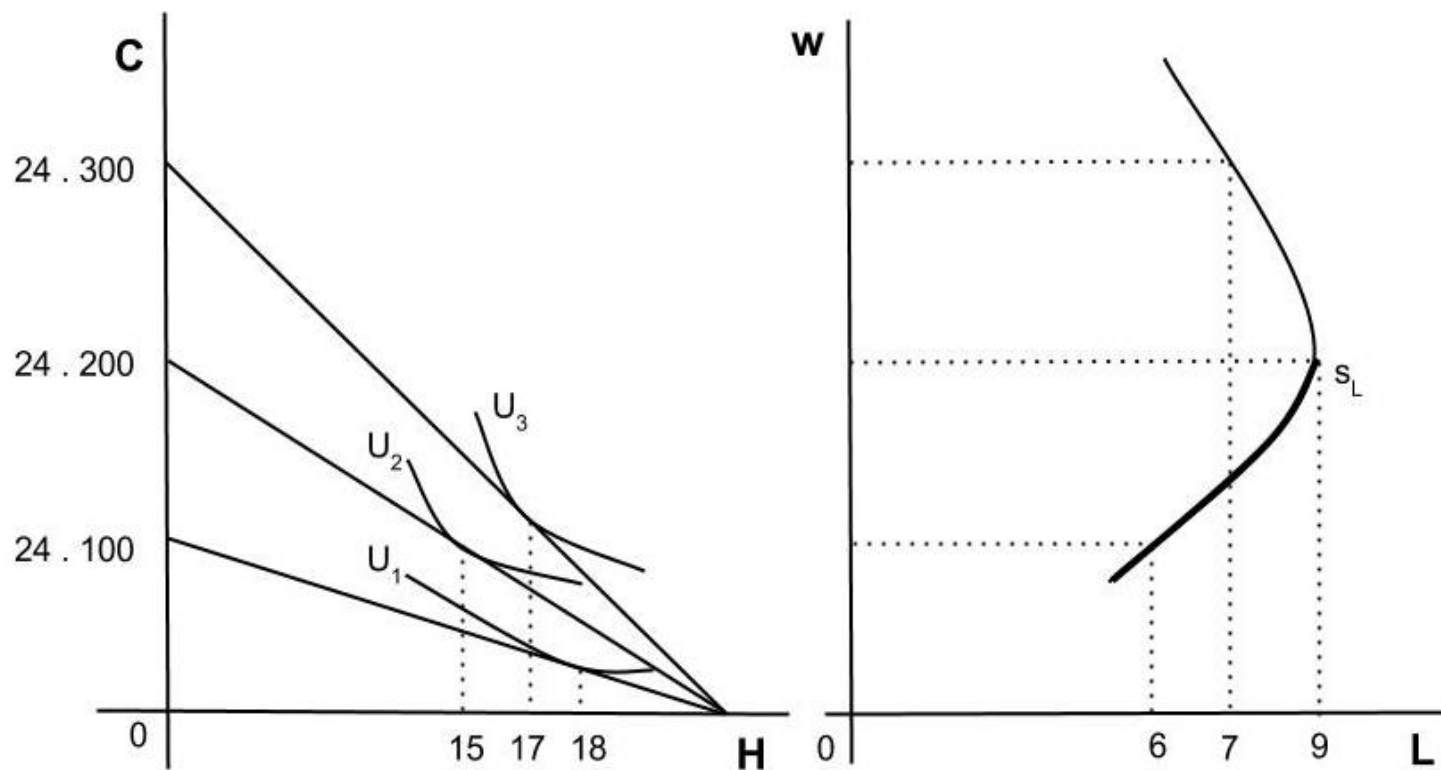
Changes in the fair wage rates ($SE > IE$)



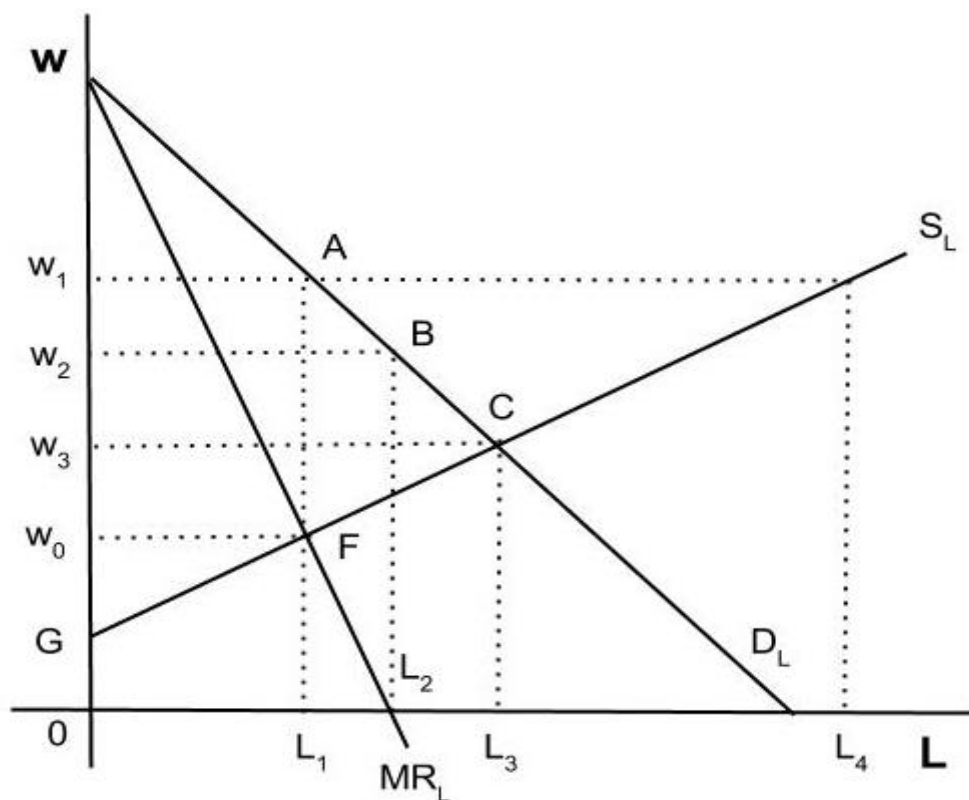
Changes in the fair wage rates ($IE > SE$)



Individual labor supply



Choosing an optimum amount of work offered by trade unions



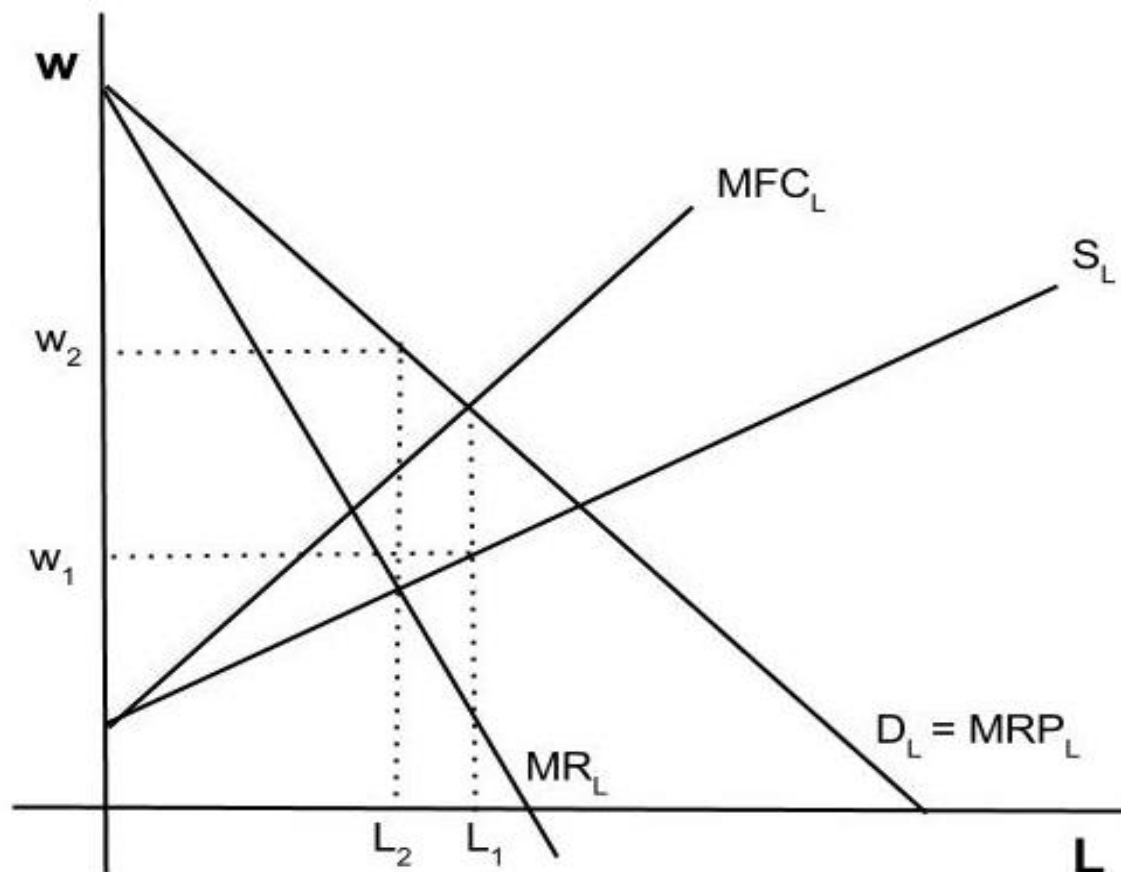
Mr_L = marginal wage

Point A = Maximizing economic rents

Point B = maximizing total wages

Point c = maximizing total employment

Bilateral monopoly on labor market



Thank you for your attention



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