Solutions
1-high quality affordable state housing in places of job opportunities to solve geographical mobility (LR solution)
1-training apprenticeships to solve occupational mobility(LR solution)
2-tax benefit reform: cap benefit claims and reduce income tax
3-tougher laws on discrimination/stronger hiring and firing laws
4-govt control on monopsonies(but hard because govt has large monopsony power)
4-encourage business start-ups
5-legislation to ensure job roles and opportunities are made clear
6-legislation for safety standards and NWM

Pros
-less capital and fixed costs for firm
-flexible working hours for workers and an extra way to earn income

Cons
-lack of paid leave
-job and income uncertainty, less predictable and secure employment
-worker bear most risk in the economy
-Gig economy can result in the rise of less predictable and secure employment

Gig economy
-independent workers hold many short term contracts internet platform drives growth of gig economy
-decrease in % of full time employers

Causes of labour market failure
1-labour immobility(geographical and occupational)
2- disincentives to work/-High replacement ratio: growth of benefit compared to wages
3-Discrimination
4-Monopsony power drives down wages
5-imperfect info leading to workers not entering the best job for them
6-exploitation of workers(bad conditions and low wages)
6-inequality and poverty

Section 6: NLW, UBI, labour market failure

National Living wage(NLW)legally enforced
-hourly wage for workers 25 and above (April 2020)-8.72 pounds per hour

Living wage (take into account regional differences
-higher than NLW
9.30 pounds per hour for 18 and above (outside of London)
-in London is 10.75 pounds

Universal basic income(UBI)
-every adult recieves an income regardless of their financial situation

Pros
-reduces poverty
-govt can cut welfare spending

Cons
-high costs
-less incentive to work
-increases in tax rate
-once implement cannot be reversed otherwise economy will shut down(stagnation)