1.20 Wage Differentials Between Occupations and the Gender Pay Gap: 10-minute Pack

AQA 7136 · Calculators not allowed · about 10 minutes

Total Marks

Name: _____ Date: ____ / ____ / _____

Answer all questions. Write full sentences for questions worth 6 marks or more. Time guidance: 10 minutes for the whole pack.

1 Define 'employer monopsony power' in the UK labour market and give one way this could affect wages in a specific occupation.

(Total for Question 1 is 3 marks)

2 Explain how non-monetary job attributes can lead to wage differentials between occupations, using a named example in the UK.

(Total for Question 2 is 3 marks)

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Mark scheme · 1.20 Wage Differentials Between Occupations and the Gender Pay Gap: 10-minute Pack

Question 1

definition: employer monopsony power is when a single or a small number of employers have substantial hiring power in a labour market, so they can set wages below competitive levels — **M1**

explains effect: monopsonist hires fewer workers at a lower wage than in a competitive market — **A1**

example: in a single-factory town, the dominant employer may offer lower wages for manufacturing assembly workers because workers have few alternative local employers — **B1**

Answer: Employer monopsony power exists when few employers dominate hiring and can set wages lower than in a competitive market; this results in lower employment and lower wages, for example a single large mine or factory in a town may pay assembly workers less because alternative jobs are scarce.

Question 2

identifies non-monetary attributes such as flexible hours, workplace safety, prestige, or fringe benefits — **M1**

explains that occupations offering desirable non-monetary benefits may pay lower wages because total compensation is higher, while unattractive jobs must offer higher wages to attract labour — **A1**

example: flexible part-time roles in retail or caregiving may pay less than fixed, full-time manufacturing jobs which pay a wage premium for less flexibility or risk — **B1**

Answer: Jobs with desirable non-monetary attributes (flexible hours, safety, prestige) can pay lower wages because total compensation is higher; unattractive jobs must offer wage premiums, for example hazardous construction work pays more than flexible retail roles.

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