## Key Terms

affirmative action

active efforts by government or businesses that give special rights to minorities in hiring, promotion, or access to education to make up for past discrimination

bilateral monopoly

a labor market with a monopsony on the demand side and a union on the supply side

collective bargaining

negotiations between unions and a firm or firms

discrimination

actions based on the belief that members of a certain group or groups are in some way inferior solely because of a factor such as race, gender, or religion

first rule of labor markets

an employer will never pay a worker more than the value of the worker's marginal productivity to the firm

monopsony

a labor market where there is only one employer

perfectly competitive labor market

a labor market where neither suppliers of labor nor demanders of labor have any market power; thus, an employer can hire all the workers they would like at the going market wage