

The Application of Algebra in the Determination of Equilibrium Wage in Labour Market: Nigeria

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ABSTRACT Algebraic models are more endowed to economists than the traditional theories and diagrams from which they are derived, being more precise and clearer. Using algebra, there exist equilibrium wage and unemployment in labour market, through the age long A.W. Philips curve. Then, the question of sensitivity is the extent of unemployment that must be tolerated to ensure price stability. The objective of the paper is to show that algebra is effective in determining equilibrium wage and unemployment, and it recommends among others, a policy of price control, so that the negative effects unemployment and inflation have on wage can be neutralized in the different periods.