

4 Lanzarote, a Spanish island, was once an area with very high rates of poverty. However, the rise of tourism has greatly reduced unemployment. The government is trying to attract more workers to the island by using non-wage factors. Lanzarote's low taxes also attract workers to the island. Mobility of labour in the island's economy has also increased.

- (a) Identify **two** non-wage factors that may influence a worker's job choice. [2]
- (b) Explain how unemployment can lead to poverty. [4]
- (c) Analyse the influences on the mobility of labour. [6]
- (d) Discuss whether or not low taxes are beneficial for an economy. [8]