Labor Economics

Academic Year: (2021 / 2022) **Review date: 10-06-2021**

Department assigned to the subject: Economics Department

Coordinating teacher: DOLADO LOBREGAD, JUAN JOSE

Type: Electives ECTS Credits : 6.0

Year : Semester :

OBJECTIVES

The aim of this course is to apply the main available theoretical and empirical tools in economic analysis to understand how labour markets work. Once students understand the basic principles ruling the decisions of relevant agents in the labour market (employers, workers, unions, etc.), they should be capable of identifying the main issues in this area of research as well as the outcomes of those policies and regulations that have been implemented in the labour market to improve its efficiency and offset its detrimental distributional effects. Throughout the course, it will be stressed that economic models are critical to find and analyze the appropriate data. Moreover, it is shown how empirical results should inform sound public policy. Class presentations by students of seminal papers on a wide range of topics covered during the course would be required as part of the coursework. Further prerequisites to follow this course is a sound knowledge a Calculus, Optimization and basic Microeconomic theory.

DESCRIPTION OF CONTENTS: PROGRAMME

Part I. Introduction

1. Basic Definitions of Labor Market Outcomes. How Does the Labor Market Work? What is Special about the Labour Market?

Part II. Labour Supply, Labour Demand, Competitive Equilibrium and Skills

2. Labor Supply
3. Labor Demand
4. Competitive Equilibrium and Compensating Wage Differentials

Part III. Institutions

5. Wage Bargaining: Unions and Firms
6. Human Capital Accumulation: Education and Training

Part IV. Labour Market Frictions and Equilibrium Unemployment

7. Search and Matching Equilibrium Unemployment Model

Part V. Discrimination and Inequality

8. Discrimination
9. Inequality & Migration

LEARNING ACTIVITIES AND METHODOLOGY

The structure of study of each topic will be common:

- Lectures. Each topic will be introduced from an empirical point of view. This part will be completed with the theoretical study of the issues with a focus on micro and / or macroeconomic applications to labor economics. Sets of slides (in English) are available covering the main material in each of the topics.

- Classes, to solve exercises and problems.

The students (possibly in groups) should also do a class presentation of a paper related to the topics covered during the course. Through these presentations, students should demonstrate their understanding on how to apply a conceptual framework and data analysis techniques to an economic

issue of interest. There will be at least two short midterm quizzes during the course.

ASSESSMENT SYSTEM

Final exam (50%) + quizzes (20%) + class presentations (30%).

% end-of-term-examination:	50
% of continuous assessment (assigments, laboratory, practicals…):	50

BASIC BIBLIOGRAPHY

- Borjas, G. Labor Economics, , 7th edition, , McGraw-Hill
- Cahuc, P., Carcillo, S and A. Zyllbeberg, Labor Economics, , 2nd edition, , The MIT Press
- McConnell, C., Brue, S. and D. A. Macpherson. Contemporary Labor Economics, , 9th edition, , McGraw-Hill.