

Academic Year: ( 2023 / 2024 )

Review date: 24-05-2023

Department assigned to the subject: Economics Department

Coordinating teacher: DOLADO LOBREGAD, JUAN JOSE

Type: Compulsory ECTS Credits : 6.0

Year : 3 Semester : 1

## OBJECTIVES

The aim of this course is to teach students the main available theoretical and empirical tools in economic analysis to understand how labour markets work and the role of their different regulations. Students will learn the basic principles ruling the decisions of relevant agents in the labour market (employers, workers, unions, etc.). In particular, 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 and formulate relevant research questions. Big emphasis will be placed on illustrating 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 solid knowledge of Calculus, Optimization and basic Microeconomic theory.

## DESCRIPTION OF CONTENTS: PROGRAMME

Topic I. Introduction

1. Basic Definitions of Labor Market Outcomes. Statistical sources of Labour Market variables

Topic 2. Labour Supply, Labour Demand and Competitive/Non-Competitive Equilibrium

2. Labor Supply (short and long run determinants)

3. Human Capital Accumulation: Education and Training

4. Labour Demand (short and long run determinants)

5. Employment and Wages in the Competitive Equilibrium and in and Non-Competitive setups (Monopoly and Monopsony).

Topic III. Institutions

6. Wage Bargaining: Unions and Firms

Topic IV. Discrimination, Inequality and Migration

7. Discrimination Theories &amp; Inequality

8. Inequality &amp; Migration

Topic V. Macroeconomics of the Labour Market

9. Macro Models of the Equilibrium Unemployment Rate, Search and Unemployment Duration.

## 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. Continuous assessment will be based on questions in class and a short midterm quiz during the course that will be announced well in advance.

The students (in groups of 4 or 5) 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.

#### ASSESSMENT SYSTEM

Final exam (50%) + question/quizz (20%) + class presentations (30%). A minimum grade of 4/10 is required as an average of the final and midterm exams to pass the subject.

% end-of-term-examination: 50

% of continuous assessment (questions regarding problem sets, quiz): 20

% of continuous assessment (class presentations): 30

**% end-of-term-examination:** 60

**% of continuous assessment (assignments, laboratory, practicals...):** 40

#### 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.