

Academic Year: (2024 / 2025)

Review date: 25-04-2024

Department assigned to the subject: Economics Department

Coordinating teacher: REES , DANIEL IRA

Type: Electives ECTS Credits : 6.0

Year : Semester :

OBJECTIVES

In this course, students will study how labor markets function with the goal of understanding the determinants of important labor market outcomes such as earnings, hours of work, and labor force participation. Throughout the semester, the focus will be on exploring the effects of institutions and government policies that shape the labor market and its outcomes. Peer-reviewed academic studies that gauge the effects of minimum wages, unemployment benefits, unions, and immigration will be discussed and critiqued.

The specific goals of this course are to:

- ¿ Learn the economic approach to describing and analyzing labor market outcomes.
- ¿ Explore the effects of institutions and government policies that shape labor markets.
- ¿ Understand the quasi-experimental approach to doing applied research in labor economics.

Students will be expected to read and (with the help of their professor) interpret original research in applied labor economics. At the end of the semester, student will critique a published study on an applied labor topic. A solid knowledge of basic calculus, microeconomic theory, and undergraduate-level econometrics is required.

DESCRIPTION OF CONTENTS: PROGRAMME

Part I. Introduction

1. Basic definitions of labor market outcomes.
2. How does the labor market work?
3. What is special about the labor market?

Part II. Labor demand and supply

1. Labor supply
2. Labor demand
3. Competitive equilibrium
4. Compensating wage differentials, efficiency wages, and internal labor markets

Part III. Institutions, government policies, and labor market outcomes

1. Unions
2. Minimum wages
3. Welfare

Part IV. Human capital

1. Types of human capital
2. Measuring the effects of educational attainment and training on labor market outcomes
3. Human capital acquisition

Part V. Immigration

1. How does immigration affect the labor market outcomes of native-born workers?
2. Immigration policy and its labor market effects.

Part VI. Discrimination and inequality

1. The determinants and effects of labor market discrimination
2. Measuring inequality

LEARNING ACTIVITIES AND METHODOLOGY

- Each topic will be covered in a series of in-person lectures. The slides (in English) used in these lectures will be made available to the students in advance. The lectures will focus on basic market models and how applied economists go about testing the theoretical predictions produced by these models.

- In addition to attending lectures, the students will work together to solve exercises and problems. Several peer-reviewed academic studies in applied labor will be discussed and critiqued. There will be a short midterm approximately 6-7 weeks into the semester. At the end of the semester, students will critique a published study on an applied labor topic.

ASSESSMENT SYSTEM

% end-of-term-examination:	40
% of continuous assessment (assignments, laboratory, practicals...):	60

Final exam (40%) + midterm (30%) + class discussions and/or presentations, quizzes, and homework assignments (30%).

A minimum grade of 4/10 is required as an average of the final and midterm to pass the subject.

% end-of-term-examination: 40

% of continuous assessment (class presentations, problem sets, quizzes): 60

BASIC BIBLIOGRAPHY

- Borjas, G. Labor Economics, , 7th edition, , McGraw-Hill
- Ehrenberg, R. Smith, and K. Hallock. Modern Labor Economics, Routledge, 14th edition, 2021
- McConnell, C., Brue, S. and D. A. Macpherson. Contemporary Labor Economics, , 9th edition, , McGraw-Hill.