

12E018

6 ECTS

## Labor Economics

### Overview and Objectives

This is a graduate course in Labor Economics, appropriate for graduate students in Economics and other students with preparation in microeconomic theory and econometrics. The course teaches core topics in the field of Labor Economics, as well as empirical methods for applied microeconomic analysis.

### Grading

Students will prepare a final examination (50%), a research proposal (30%), and a referee report (20%). The referee report should be a serious but brief (2 to 4 pages) critical evaluation of a published paper or a recent NBER working paper in labor economics (<http://www.nber.org/papersbyprog/LS.html>). The referee report is due by May 5. A brief summary of the research proposal should be turned in by May 12. Students are expected to meet with or email Prof. González to discuss proposal topics before that date. Projects can be single-authored or include up to three students. There will be in-class presentations of the projects, and the term paper (1 to 8 pages, all included) is due the Monday after lectures are over (June 16). The final exam will take place on June 23 at 3pm.

### Discussion

We will be using Piazza for class discussion. The system is highly catered to getting you help fast and efficiently from classmates, the TA, and the instructor. Rather than emailing questions to the teaching staff, I encourage you to post your questions on Piazza. Find our class page at: <https://piazza.com/upf/spring2014/12e018/home>

### Presentations

The project presentations will mirror a conference session. Each presenter will have about 15 minutes to present their proposal, which will be followed by a discussion by a different student (5 min.) and a few minutes for general questions and discussion. You will be evaluated on both your presentation and your discussion.

### Textbook

There are several labor economics textbooks out there, most of them at the undergraduate level. We will mostly follow the one by George Borjas, and will supplement it with research papers for each topic.

George Borjas, Labor Economics, McGraw Hill, 6<sup>th</sup> edition (2012).

Ronald G. Ehrenberg and Robert S. Smith, Modern Labor Economics, Pearson, 11<sup>th</sup> edition (2012).

Pierre Cahuc and André Zylberberg, Labor Economics, The MIT Press (2004).

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### Topics and reading list

We will cover a different topic every week (about 2 lectures per topic). The first lecture on each topic will be based on the textbooks and is meant to provide an overview. During the second lecture, two research papers will be discussed (one “classic” and one recent contribution). The last week of classes will be devoted to project presentations.

#### 1. Introduction to Labor Economics (1 lecture)

(Borjas, Chapter 1, Ehrenberg & Smith, Chapters 1-2, Cahuc & Zylberberg, Introduction)

#### 2. Labor Supply (2 lectures)

(Borjas, Chapters 2-3, Ehrenberg & Smith, Chapters 6-7, Cahuc & Zylberberg, Chapter 1)

#### 3. Labor Demand (2 lectures)

(Borjas, Chapter 4, Ehrenberg & Smith, Chapters 3-4, Cahuc & Zylberberg, Chapter 4)

#### 4. Labor Market Equilibrium (the Roy Model and Compensating Differentials) (2 lectures)

(Borjas, Chapters 5-6, Ehrenberg & Smith, Chapter 8, Cahuc & Zylberberg, Chapter 5)

#### 5. Education and Human Capital (2 lectures)

(Borjas, Chapter 7, Ehrenberg & Smith, Chapter 9, Cahuc & Zylberberg, Chapter 2)

#### 6. Changes in the Wage Structure and Wage Inequality (2 lectures)

(Borjas, Chapter 8, Ehrenberg & Smith, Chapter 15)

#### 7. Labor Mobility (2 lectures)

(Borjas, Chapter 9, Ehrenberg & Smith, Chapter 10)

#### 8. Discrimination (Gender and Ethnicity in the Labor Market) (2 lectures)

(Borjas, Chapter 10, Ehrenberg & Smith, Chapter 12)

#### 9. Unions (1 lecture)

(Borjas, Chapter 11, Ehrenberg & Smith, Chapter 13, Cahuc & Zylberberg, Chapter 7)

#### 10. Unemployment (2 lectures)

(Borjas, Chapter 13, Ehrenberg & Smith, Chapter 14, Cahuc & Zylberberg, Chapter 8)