

Topics in Applied Economics IV: Labor Economics

2016-2017 Academic Year

Master of Research in Economics, Finance and Management

- Topics in Applied Economics IV
 - Total credits: 3 ECTS
 - Type of subject: Optional
 - Department of Economics and Business
 - Teaching team: Libertad González
- Code: 32089
Workload: 75 hours
Term: 3rd

1. Description of the subject

This is a graduate course in Labor Economics, appropriate for graduate students in Economics and other students with previous preparation in microeconomic theory and econometrics. Both masters and PhD students are welcome. The course teaches core topics in the field of Labor Economics, as well as empirical methods for applied microeconomic analysis. If you're interested in any topics related to Labor Economics (labor supply or demand, unemployment, labor market discrimination, wage inequality, human capital, etc), you should consider taking this course.

2. Teaching guide

Grading policy

Students will prepare a final examination (50%), a research proposal (25%), and a referee report (25%).

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 early May.

A brief summary (no more than one page) of the **research proposal** should be turned in by the second week of May. 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 5 pages, all included) is due by mid-June.

The **final exam** will take place in June.

Presentations

The project presentations will mirror a conference session. Each presenter or group 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.

Textbooks

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, 6th edition (2012).

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

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

Topics and reading list

The last week of classes will be devoted to project presentations.

1. Introduction to Labor Economics

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

2. Labor Supply

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

3. Labor Demand

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

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

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

5. Education and Human Capital

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

6. Changes in the Wage Structure and Wage Inequality

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