

Master in Economics: Empirical Applications and Policies
Labour Markets
2016-2017

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Office hours: Monday and Wednesday : 10:00-12:00; Friday: 12:00-14:00.

Description:

This is an intermediate course in Labour Economics. This course begins with a brief introduction that motivates and justifies the existence of a special field of Economics, labour economics, dealing exclusively with labour as a factor of production and presents the main terms of this discipline. The second section introduces the student to the basic microeconomic framework that provides a useful story of how the labour market works. The third part extends the basic model to deal with an important topic in Labour Economics such as wage discrimination. The last section introduces the student to the topic of the duration of unemployment through a basic job search model.

Prerequisites:

Students are expected to be familiar with basic microeconomics, econometrics and Stata statistical package.

Outline of the course:

This course is divided in 4 Sections:

Section I: Introduction and core concepts

Section II: Foundations of the Labour Market

1. Labour supply
2. Labour demand
3. Labour market equilibrium
4. Human Capital

Section III: Extensions of the basic model: Discrimination

1. Imperfect Information - Statistical Discrimination
2. Discrimination – Becker’s Model
3. Methods to measure wage discrimination.

Section IV: Job search and Unemployment

1. Introduction
2. Job search models and duration of unemployment
3. Statistical instruments for survival analysis
4. Estimation of duration models

Bibliography:

Two basic Text-Books:

1. "Labor Economics" by George Borjas (4^o Edition)
2. "Labor Economics: Introduction to Classic and the New Labour Economics"
by Derek Laing

Further References will be uploaded in each topic.

Evaluation:

Exam: 50% of the total grade.

Problem set: 30% of total grade

Presentation: 20% of total grade