



Course Title	Labor Economics
Course Level	Graduate
Domain	Economics
Language	English
Nb. Face to Face Hours	36 (3hrs. sessions)
E-learning Support	Mycourse yes / No
ECTS	6

Course Title

Labor Economics

Professor

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Contact Information

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Language

English

Overview

This course aims to acquaint students with traditional and contemporary topics in labor economics. The class provides a systematic development of the theory of labor supply, labor demand and the labor market equilibrium in perfect competition. However, most of the course will be devoted to the analysis of imperfect labor markets and the labor market institutions that shape workers' and firms' behaviors on these imperfect labor markets. In particular, we will investigate how they affect labor market performances, both through the lens of theoretical models and empirical results. Topics to be covered include: labor supply and demand, taxes and transfers, minimum wages, discrimination, unions and strikes, and unemployment.

Prerequisites

The technical level required by the course is modest, but we will make a recurring use of formal modeling both in theory and empirics. Prerequisites include basic-to-intermediate microeconomics, a course in calculus and a course in statistics or econometrics. Also helpful is some experience with statistical computing, ideally using Stata.

Students are expected to read courses notes in advance and to prepare the associated problem sets. Courses notes will closely follow a reference textbook (available in the Dauphine public library).

Course Objectives

The objective of the course is for students to get a clear acquaintance of how (imperfect) labor market work, and they are affected by labor market institutions, so as to enable them to critically analyze some major economic issues that result from this imperfect labor market functioning and the desirability of labor market reforms in this setting. The course will be suited for students with previous background in economics, who have an interest in pursuing studies in the field of labor economics and public policy issues. Depending on the class size, small-group projects with a computer-exercise component may be assigned and evaluated.

Learning Outcomes

Students will be able to manipulate an economic model to analyze, e.g., the determinants of structural unemployment, the effects of labor market reforms on the unemployment rate as well as on a broader scope of labor market outcomes ; they will also be trained to the way these issues are addressed empirically, and to confront the theoretical predictions to the empirical evidence. They will be able to make the link between the modeling approach and the empirical analysis of some key current economic labor market issues.

Mode of Assessment

The final grade is made of two components: A written final exam (last session) and a “participation” grade, with weight 60% - 40%. The “participation grade” is built as follows. In addition to exams and readings, there are problem sets associated to the chapters. There are also review quizzes at the beginning and the end of the course. Both quizzes and problem sets will be randomly picked up by the teacher and given a grade (A to D). Each student will have at least two quizzes and two problem sets graded at the end of the semester. Students are expected to participate in class discussions and regularly attend to the class. These three elements (problems sets, quizzes, oral participation and regular attendance) will constitute the “participation grade”.

Final exam : 60%

Participation grade : 40%

Course Schedule

1	Introduction : Facts about employment, unemployment and labor market outcomes. Labor supply, labor demand and the labor market equilibrium in perfect competition. Introduction to the imperfection of the labor market and labor market institutions. Reference textbook : Chapter 1, « Overview »
2	Minimum Wages Empirical facts and measures, theory, empirical evidence and policy issues Reference textbook : Chapter 2, « Minimum wages »
3	Minimum Wages Empirical facts and measures, theory, empirical evidence and policy issues Reference textbook : Chapter 2, « Minimum wages »
4	Union and bargaining Empirical facts and measures, theory, empirical evidence and policy issues Reference textbook : Chapter 3, « Unions and collective bargaining »
5	Union and bargaining Empirical facts and measures, theory, empirical evidence and policy issues Reference textbook : Chapter 3, « Unions and collective bargaining »
6	Regulation of working hours Empirical facts and measures, theory, empirical evidence and policy issues Reference textbook : Chapter 5, « Regulation of working hours »
7	Empirical facts and measures, theory, empirical evidence and policy issues Reference textbook : Chapter 3, « Regulation of working hours »
8	Labor taxation Empirical facts and measures, theory, empirical evidence and policy issues Reference textbook : Chapter 13, « Payroll taxes »
9	Labor taxation Empirical facts and measures, theory, empirical evidence and policy issues Reference textbook : Chapter 13, « Payroll taxes »
10	Employment protection legislation Empirical facts and measures, theory, empirical evidence and policy issues Reference textbook : Chapter 10, « Employment protection legislation »
11	Employment protection legislation Empirical facts and measures, theory, empirical evidence and policy issues Reference textbook : Chapter 10, « Employment protection legislation »
12	EXAM

Bibliography

Reference textbook:

Boeri, T. & Van Ours, J. *The Economics of imperfect labor markets*, Princeton University Press, 2d edition (2013).

This edition differs little from the 1st edition, which you may also use, though note changes in chapter and section numbers. Both versions are available at the Dauphine public library (6th floor, “librairie d’études”).

Other manuals:

Borjas, George J. *Labor Economics*. 5th ed. Boston, MA: McGraw-Hill/Irwin, 2010 (less technical).

This edition differs little from the 4th edition, which you may also use, though note changes in chapter and section numbers.

Cahuc, P., Carcillo, S. and Zylberberg, A. *Labor Economics, Second Edition*. MIT Press, 2014 (more advanced).

MyCourse

This course is on MyCourse : **Yes**

Grading

The numerical grade distribution will dictate the final grade.

Class participation: Active class participation – this is what makes classes lively and instructive. Come on time and prepared. Class participation is based on quality of comments, not quantity.

Exam policy: In the exam, students will not be allowed to bring any document (except if allowed by the lecturer). Unexcused absences from exams or failure to submit cases will result in zero grades in the calculation of numerical averages. Exams are collected at the end of examination periods.

Academic integrity

Be aware of the rules in Université Paris Dauphine about plagiarism and cheating during exams. All work turned in for this course must be your own work, or that of your own group. Working as part of a group implies that you are an active participant and fully contributed to the output produced by that group.