

## **Syllabus**

<b>Instructor:</b>	Gurgen Aslanyan
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<b>URL:</b>	<a href="http://home.cerge-ei.cz/gurgen/teaching/Labour.html">http://home.cerge-ei.cz/gurgen/teaching/Labour.html</a>
<b>Lectures:</b>	<b>Wed. 14.30-16.00, VSE SB236</b> <i>Occasional seminars will be announced in advance</i>
<b>Office Hours:</b>	NB 319 (by appointment)

### ***Course Description:***

Labour Economics is a standardised and still a very fascinating part of undergraduate economics course. It covers such essential topics as labour supply and demand, human capital and unemployment, as well as such peculiar issues as discrimination, trade unions, labour mobility and optimal contracts. The course is heavily based on theory of Microeconomics however it is an applied theory.

### ***Course Objectives:***

The main goal of the course is to introduce some concepts and present the way to tackle an applied policy problem and in no way intends to force the students to memorise the theory. By the end of the course the students will gain useful knowledge applicable as much in academia as in private firms, in governmental and transnational agencies.

### ***Attendance:***

Students are strongly advised to attend classes: Class participation is essential for this course. Most students will fail the course if they are not actively participating in class.

### ***Academic Integrity:***

All students that violate the academic honesty code will receive a failing grade. Academic honesty includes receiving and/or providing unauthorised help from/to other students on exams or quizzes.

### ***Textbooks:***

G. Borjas (2005), Labor Economics.  
Ehrenberg, R., Smith, R. (2009), Modern Labor Economics: Theory and Public Policy.  
Additional readings/materials will be distributed in class and posted on my webpage

**Course Outline** (subject to change with prior notification):

1. Introduction: Overview of the Labour Market (Borjas, 3e, Ch.1)
2. Labour Supply (B., Ch.2, 3)
3. Labour Demand (B., Ch.4)
4. Labour Market Equilibrium (B., Ch.5)
5. Compensating Wage Differentials, Human Capital (B., Ch.6, 7)
6. Labour Mobility (B., Ch.9)

Midterm

8. Labour Market Discrimination (B., Ch.10)
9. Labour Unions and Collective Bargaining (B., Ch.11)
10. Labour Market Contracts and Work Incentives (B., Ch.12)
11. Unemployment (B., Ch.13, 12.5)
12. Labour Markets in Transition Handouts
13. Labour Markets in the EU / Flexicurity Handouts

**Grading**

There will be some graded pop-up quizzes during lectures, midterm and final exams. Quizzes will be given in order to assess your comprehension of class material. No make-up quizzes will be offered. (Thus it is essential that the previous material is studied before each class.) Cumulative performance on these quizzes will account for 15 per cent of final grade. Presence and class participation contribute to another 5 per cent of the final grade.

Exams will cover the material *presented in class* and will include multiple choice and short answer questions. If you miss the midterm exam, additional weight will be placed on your final exam. Students who miss an exam need to have a certificate from a medical or legal authority to justify the reason for having missed the exam approved by vice-dean (doc. Ing. Daniel Št'astný). Otherwise a missed exam counts 0 towards the final grade.

The Final Grade is composed of

Lectures	20%
· Activity	5%
· Quizzes	15%
Mid-term exam	30%
Final exam	50%
<b>Total</b>	<b>100%</b>

## **Tentative list of additional readings by topics:**

### *Overview of the labour market*

Rottenberg, Simon. "On Choice in Labor Markets" *Industrial and Labor Relations Review*, Vol. 9, No. 2 (Jan., 1956), pp. 183-199

### *Labour Supply*

Killingsworth, M. *Labor Supply*, Cambridge, 1983. Chapters 1 and 2.

Pencavel, John. "Labor Supply of Men: A Survey", *Handbook of Labor Economics-I*, Chapter 1.

Killingsworth, M.R. and Heckman, J.J. "Female Labor Supply", *Handbook of Labor Economics-I*, Chapter 2.

### *Labour Demand*

Card, David and Alan B. Krueger. (1994) .Minimum Wages and Employment: A Case Study of the Fast-Food Industry in New Jersey and Pennsylvania,.*American Economic Review*; 84(4), September 1994, pages 772-93.

Card, David and Alan B. Krueger (1995) *Myth and measurement: The new economics of the minimum wage*; Princeton: Princeton University Press, 1995.

### *Compensating wage differentials*

Abowd, J. and Ashenfelter, O. (1981), "Unemployment and Compensating Wage Differentials", in S. Rosen (ed.) *Studies in Labor Markets*, Chicago, NBER, 1981.

Biddle, J. and Zarkin, G. (1988). "Worker preferences and Market Compensation for Job Risks," *Review of Economics and Statistics* 70, 660-667.

Viscusi, W.K. and Hersch, J. (2001) .Cigarette smokers as job risk takers. *Review of Economics and Statistics*; 83(2): 269-280.

### *Human Capital*

Mincer, J., *Schooling, Experience and Earnings*, Columbia University Press, N.Y. Chapters 1-5.

Angrist, Joshua D. (1990) .Lifetime Earnings and the Vietnam Era Draft Lottery: Evidence from Social Security Administrative Records, *American Economic Review*; 80(3), June 1990, pages 313-36.

Angrist, Joshua D. and Alan B. Krueger. (1991) .Does Compulsory School Attendance Affect Schooling and Earnings?. *Quarterly Journal of Economics*; 106(4), November 1991, pages 979-1014.

### *Labour Mobility*

Borjas, G. (1987). Self-selection and Earnings of Immigrants, *American Economic Review*, 77, 531-553.

### *Labour Market Discrimination*

Altonji, J. G. and Blank, R. M. (1999), Race and gender in the labor market, in O. Ashenfelter and D. Card (eds.), *Handbook of Labor Economics (Volume 3, Part 3: Elsevier)*, 3143-259.

Aigner, D. J. and Cain, G. G. (1977), *Statistical Theories of Discrimination in Labor Markets*, *Industrial and Labor Relations Review*, 30 (2), 175-87.

Becker, G. (1971) *The Economics of Discrimination*, 2nd edition, University of Chicago Press.

*Labour Market Contracts and Work Incentives*

Prendergast, Canice. (1999) .The provision of incentives in firms,. *Journal of Economic Literature*; 37(1), March 1999, pages 7-63.

*Labour Markets in Transition*

Svejnar, J.; *Labor Markets in the Transitional Central and East European Economies*, 1999

*Labour Markets in the EU / Flexicurity*

Bertola, G.; *National Labor Market Institutions and the EU Integration Process*; 2004

Bertola, G.; *Social and Labor Market Policies in a Growing EU*; 2006