UG Course Outline
EC3337: Labour Economics
2019/20

COURSE OVERVIEW
This is a half year course examining the economic issues of labour markets. It will focus on labour supply and demand, human capital, earnings inequalities, labour mobility, and labour market discrimination.

COURSE AIMS
This course will build upon Microeconomics and Macroeconomics introduced in Years 1 and 2 in order to develop an understanding of some of the principal issues in modern labour economics, while providing opportunities to practice and develop a range of key skills.

This course will analyse topics of behaviour and outcomes in labour markets and other related markets. We will discuss the way in which labour markets are organized and what implications this has for individual outcomes. We begin by considering the behaviour of firms (labour demand) and workers (supply) and examine how labour market equilibrium is obtained. After that, we turn to a variety of topics such as the returns to education, labour mobility, and wage inequality. The main analytical tools will be theoretical but we will also be using real-world examples and applied techniques in order to evaluate the theoretical models and relate them to topical issues in public policy. You will need to be prepared to use microeconomics, algebra, and basic econometrics.

LEARNING OUTCOMES
Upon completion of the course students should:

- understand the basic theoretical models of labour economics and how these can be applied to policy issues;
- understand the underlying empirical approaches used to evaluate these models and be familiar with the empirical work conducted to test their predictions;
- be able to manipulate these models, and be able to analytically solve problems relating to labour markets;
- be able to apply the models to important policy areas whilst being aware of the limitations of the theory;
- be able to read journal articles and understand the main issues presented.

COURSE DELIVERY
The course will be delivered through a two-hour lecture and a one-hour seminar each week. Seminars will be used both to present new material and to solve problems. Students are required to regularly attend ALL lectures and seminars. Poor attendance could result in your being given an ‘Attendance Fail’ (AF) for the entire course and even cost you the academic year. The lecturer will be available for consultations during the advertised office hours.
COURSE ASSESSMENT

Summative assessment
A two-hour unseen exam for this course will be given during the summer term and will count for 60% of the mark. The exam will test your knowledge and understanding of all the material covered during the course; your ability to manipulate and solve algebraic versions of the models you have learned; your ability to apply these models to “real“ economic situations. The mark for the examination will count in the classification of the degree to be awarded.

During the term students will also be given 4 in-class unseen exams. These exams will be held during the seminar hours. Each exam will count for 10% of the mark.

Formative assessment
During the term, students will be given practice questions, which will not be collected, but which will serve to help with students’ review of materials covered in past lectures as well as with their preparation for the exams. We will cover the solutions to the practice questions during seminar hours and lectures.

READING
The text book for this course is Borjas, G.J. Labor Economics, McGraw-Hill. You can purchase a hard copy of this textbook or obtain a digital copy. Different purchasing and access options will be listed on the course page on Moodle.

TOPICS
Below, you can find a list of topics that will be covered in this course. This is only an outline as the order of topics might change throughout the term, depending on our pace.

I. Overview of Labour Markets
II. Labour Supply
III. Labour Demand
IV. Labour Market Equilibrium
V. Compensating Wage Differentials
VI. Education/Human Capital
VII. Labour Mobility
VIII. Labour Market Discrimination
IX. Labour Unions