

MASTER Economics Labor economics

Contacts	Description	Information
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CONTENT

The objective of this course is to provide students with the necessary analytical tools to be able to study the consequences of different institutions, human capital formation, discrimination and wage bargaining on the labor market.

Course outline :

Introductory Chapter :

- Presentation
- Objectives
- Evaluation
- Labor market Institutions and course outline

Chapter 1 : « Labor Supply and Labor Demand » :

- Key definitions
- Labor Supply
- Labor Demand
- Equilibrium

Chapter 2. « Minimun wage »

- Facts
- Classical analysis
- The monopsony case
- Dual labor markets

Chapter 3 : « Mandatory contributions and social benefits »

- Facts
- Classical analysis
- Accounting for wage rigidities

Chapter 4. « Labor Unions » :

- Facts : unions, collective bargaining, union density
- The objective of labor unions
- Models of collective bargaining
- Model of strikes
- Empirical evidence and policy issues

Chapter 5. « Discrimination » :

- Facts : gender and ethnic wage and employment gaps
- Economic theories on discrimination
- Measuring wage discrimination
- Empirical results in the literature and policy issues

Chapter 6. « Education and human capital formation » :

- Facts
- The theory of human capital
- Education as a signaling device
- Identifying the causal relation between education and income

- Returns to education : private vs social returns

PROFESSIONAL SKILLS

By the end of the course all the students should be able to propose a rigorous and formal economic analysis on the consequences of a particular policy measure or institution on the labor market. Students should be able to solve by their own graphically and analytically the theoretical setups explained during the course and develop potential extensions of these setups. They should also be able to use the theories exposed in the course to understand labor market phenomena.

BIBLIOGRAPHY

- Boeri, T. and van Ours, J., The Economics of Imperfect Labor Markets, 2013, the Princeton University Press
- Cahuc P., Carcillo S. and Zylberberg A., Labor Economics, 2014, the MIT Press

ORGANISATION

The course is mainly based on the two textbooks provided below. The results of some research articles will also be analyzed during the course. The evaluation will be on both a final exam and a mid-term (covering both the formal resolution of theoretical exercises as well as data analysis and interpretation).

FUNDAMENTAL PREREQUISITES

Basic econometric knowledge (interpreting the results from a regression, basic knowledge of alternative estimating methods such as OLS or IV)

Mathematics : Derivatives and equation solving

VOLUME OF TEACHINGS

- Lectures: 24 hours

TRAININGS

Master's degree: Economics

- Empirical and theoretical economics
- Economic policy analysis
- Econometrics, big data, statistics
- Quantitative finance and insurance

