

LABOUR ECONOMICS

[ET2016]

Bachelor's Degree Programme Economics Market and Finance (ET4)

Bachelor's Degree Programme Business Administration and Management (ET11)

Ca' Foscari University of Venice

Instructor

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Office hours: Friday 13.00-15.00 either at my office (office number 248 at San Giobbe Campus) or online.

Send me an email before to set location and exact time.

Course information

4th Term, Academic year 2022-2023

Classes from March 30th to May 4th, on Thursday and Friday

Course overview

This course represents an introduction to labor economics, which has grown enormously as a research field in the past several decades. While being originally focused only on the study of the behavior of firms and workers, modern labor research examines diverse areas such as education, health, family interactions, migration and inequality.

The course is structured in two parts. The first part covers the fundamental topics in labor economics, particularly the study of the labor market. This part of the course analyzes the individuals' decisions to work (*labor supply*), the firms' decision to hire workers (*labor demand*) and how an equilibrium between firms and workers is reached (*labor market equilibrium*). We also study special cases of labor supply decisions, such as how the decision to work is influenced by the workers' age or the business cycle or how it changes in the context of a household in which both husband and wife makes labor supply choices.

The second part of the course covers selected topics in modern labor economics, possibly accompanied by the study of empirical applications/papers: education as an investment in human capital, migration, labor market discrimination, unemployment, wage inequality.

Our approach is both theoretical and empirical: we discuss theoretical models as well as the evidence on how well the real world matches the predictions of such models. Moreover, when presenting and discussing academic papers, the course also presents the main strategies/methods used in empirical research to analyze

labor market phenomena (Linear Regressions, Differences-In-Differences, Instrumental Variables, Oaxaca-Blinder decomposition).

Prerequisites

Students are expected to satisfy Ca' Foscari prerequisites regarding introductory and intermediate microeconomics course. Students are also expected to be comfortable with introductory statistics and regression analysis.

Referral textbook and readings

Borjas, G.J., 2020, Labour Economics, 8 th edition, Mc-Graw Hill.

Additional papers that constitute compulsory reading (these papers must be read before the lecture indicated in square brackets; the papers can be found on the Moodle page):

- Goldin C. (2006), The Quiet Revolution That Transformed Women's Employment, Education, and Family, *RICHARD T. ELY LECTURE American Economic Association*. [LECTURE 4].
- Card, D., & Krueger, A.B. (1994). Minimum Wages and Employment: A Case Study of the Fast-Food Industry in New Jersey and Pennsylvania, *American Economic Review*, 84(4), 772-793 [LECTURE 6].
- Card, D. (1990) The Impact of the Mariel Boatlift on the Miami Labor Market, *Industrial and Labor Relations Review*, 43(2), 245-257 [LECTURE 8].
- Angrist, J.D., Krueger, A.B. (1991). Does Compulsory School Attendance Affect Schooling and Earnings?, *The Quarterly Journal of Economics*, 106(4), 979-1014 [LECTURE 10]
- Borjas., G.J. (2015) The Slowdown in the economic assimilation of migrants. Aging and Cohort Effects Revisited Again, *Journal of Human Capital* 9(4) 483-517. [LECTURE 12]
- Bertrand, M., Mullainathan, S. (2004). "Are Emily and Greg More Employable than Lakisha and Jamal? A Field Experiment on Labor Market Discrimination", *American Economic Review*, September 2004, 94 (4), 991-1013. [LECTURE 13]

Expected learning outcomes and objectives

At the end of the course, students will:

- A. Recognize labor economics as a growing research field that also aims at explaining social phenomena such as education, migration, family formation, health care decisions, etc.
- B. Understand the fundamental theoretical models in labor economics
- C. Identify the empirical methods used to analyze labor and social phenomena and value the empirical challenges that these methods want to address

- D. Analyze and interpret statistical facts related to the labor market or related social phenomena
- E. Appraise academic research in labor economics

Assessment

Written exam with open questions and exercises.

Students have the option to make a presentation in class (more details follow). The presentation gives a score ranging between 0 and 3 and this score is then added to the outcome of the exam, provided that the exam is given in the May or June 2022 sessions.

Information about the presentation

The presentation is based on an article taken from the IZA World of Labor platform (<https://wol.iza.org/>). The presentation should be done in groups of 2 or 3 students.

By April 7th at Midnight > send me the names, student number and email addresses of the students in your group. On April 12th I will send each group a paper to be presented.