UCL Université catholique de Louvain

LECON2608

2015-2016

Advanced Labour Economics

5.0 credits	30.0 h	1q

Teacher(s) :	Van der Linden Bruno ; Dejemeppe Muriel ;
Language :	Anglais
Place of the course	Louvain-la-Neuve
Main themes :	It is widely accepted that the labour market does not function as a standard purely competitive market. The course discusses why actual labour markets are far more complex than this convenient reference model. It ad-vances four main channels through which the relationship between wages, employment and unemployment is affected (1) employees bargaining power (due to unionisation, turnover costs or investment); (2) risk aversion; (3) imperfect information; (4) monopsony power; (5) "social norms". The courses therefore cover a wide spec-trum of theories. Within the time available, it is only possible to provide an introduction to these theories.
Aims :	The objective of the course is to develop graduate students' abilities in acquiring a better understanding of the functioning of labour markets on the basis of the recent literature of the profession. This literature is usually formulated in terms of formal mathematical models. The lectures aim at helping the student to use and under-stand the intuition of these formal models as tools for the analysis of the labour market. Moreover, they endeav-our to foster the students' understanding of the methodological issues involved when going from the theoretical analysis to the empirical testing of hypotheses formulated by theory. *The contribution of this Teaching Unit to the development and command of the skills and learning outcomes of the programme(s) can be accessed at the end of this sheet, in the section entitled "Programmes/courses offering this Teaching Unit".*
Content :	Content (not all themes are covered each year) The following themes will be (partially) covered: Job search; Compensating wage differentials (obstacles to perfect competition); Contracts, risk-sharing and incentives; Collective bargaining; Job reallocation and unem-ployment. Some applied issues will be discussed. Examples: Technological progress, globalization, and ine-qualities; Labor market policies; Institutions and labor market performance. The course consists of lectures. The topics will be introduced during the lectures. Exercises will be solved at home. They can be discussed with the lectures during office hours.
Other infos :	Prerequisites It is assumed that students have at least a basic knowledge about static labour demand and supply, perfect competition theory, compensating wage differentials and human capital theory. If not, they can find an introduction to these topics in most textbooks in labour economics. On the other hand, the student must have basic notions in mathematics, statistics and econometrics and be able to solve optimisation problem with (in)equality constraints and to perform comparative static analysis Evaluation: The course material of the lectures will be evaluated on the basis of a written closed-book exam organised during the regular examination period. Questions may relate to both, topics discussed during the lectures, the problem sets and the compulsory readings. Examples of exam questions will be provided beforehand. The exam aims at evaluating whether students are able to construct a coherent and critical argumentation of labour market issues treated in the lectures or seminar. It will also gauge whether the students understand the logic of arguments within formal economic models. Support: Copies of slides can be bought at Diffusion Universitaire Ciaco (DUC). They are based on the textbook: Cahuc, Pierre and André Zylberberg (2004), Labor Economics, London, England: The MIT Press.
Faculty or entity in charge:	ECON

Programmes / formations proposant cette unité d'enseignement (UE)

Intitulé du programme	Sigle	Credits	Prerequis	Acquis d'apprentissage
Master [120] in Economics: General	ECON2M	5	-	
Master [120] in Economics: Econometrics	ETRI2M	5	-	