


5 credits

30.0 h

Q2

Teacher(s)	Dejemeppe Muriel ;Van der Linden Bruno ;Van der Linden Bruno (compensates Dejemeppe Muriel) ;
Language :	English
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 advances 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 spectrum of theories. Within the time available, it is only possible to provide an introduction to these theories.
Aims	<p>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 understand the intuition of these formal models as tools for the analysis of the labour market. Moreover, they endeavour 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.</p> <p>-----</p> <p><i>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".</i></p>
Evaluation methods	<p>The course material of the lectures will be evaluated on the basis of a written closed-book final exam. Questions may relate to topics discussed during the lectures, the homework assignments, other exercises provided along the term, and the compulsory readings. The exam aims at evaluating whether students are able to construct a coherent and critical argumentation of labor market issues treated in the lectures. It will also gauge whether the students understand the logic of arguments within formal economic models and whether they can use these models. Being able to interpret correctly empirical results is also essential.</p> <p>Approximately each week, there will be one homework assignment. Typically, you will have to solve (an) exercise(s). You could also have to read a paper.</p> <p>Grading is based on the following weights:</p> <p>Homework assignments: 15%</p> <p>Final exam (during the regular examination period): 85%</p> <p>You are allowed to present the final exam twice during a single academic year. If you fail at the first occasion the weight attached to the second final exam will be 100% if this improves your final result.</p>
Teaching methods	<p>The course consists of lectures. The topics will be introduced during the lectures.</p> <p>Reading assignments are also possible. Then, students are expected to come to class having read the assigned documents and ready to participate in discussion.</p>
Content	<p>A selection of the following topics will be covered during the course:</p> <ul style="list-style-type: none"> <li>Job search</li> <li>Equilibrium unemployment</li> <li>Collective Bargaining</li> <li>Contracts, risk-sharing and incentives</li> <li>Insurance policies</li> <li>Education and training policies</li> </ul>
Inline resources	Slides, exercises, compulsory readings will be available on the course webpage on Moodle UCL ( <a href="http://moodleucl.uclouvain.be/">http://moodleucl.uclouvain.be/</a> ).
Bibliography	<ul style="list-style-type: none"> <li>• Slides, exercises, compulsory readings will be available on the course webpage on Moodle</li> </ul> <p>Cahuc, Pierre, Carcillo Stéphane and André Zylberberg (2014), Labor Economics, 2nd edition, The MIT Press.</p> <p>Garibaldi, Pietro (2006), Personnel Economics in Imperfect Labour Markets, Oxford University Press.</p> <p>Boeri, Tito, and Jan van Ours (2013), The Economics of Imperfect Labor Markets, 2nd edition, Princeton University Press.</p> <p>In addition various scientific papers are used. Their list is provided in the slides.</p>

<p>Other infos</p>	<p>Prerequisites:                      Economics: A course in microeconomics                      Math: 'A course in algebra and some familiarity with calculus and, especially, with the concept of derivatives.                      Econometrics: It is assumed that students have at least a basic knowledge in econometrics (OLS, IV, Maximum Likelihood).                      Although it is not a prerequisite, some students have already taken classes in labor economics at the undergraduate level ("LECON2051 Travail, chômage et politiques d'emploi" is an example at the ESL). If not, the student should be aware that some basic topics in labor economics are not covered by the LECON2608 course: labor supply, labor demand and human capital theory in particular. Often, they have to some extent been introduced in a course in microeconomics. It is assumed that students have at least a basic knowledge about static labor demand and supply, perfect competition theory. Having heard about compensating wage differentials and human capital theory is an advantage but not a prerequisite.</p>
<p>Faculty or entity in charge</p>	<p>ECON</p>

<b>Programmes containing this learning unit (UE)</b>				
Program title	Acronym	Credits	Prerequisite	Aims
Master [120] in Economics: Econometrics	<a href="#">ETRI2M</a>	5		
Master [120] in Economics: General	<a href="#">ECON2M</a>	5		