

Labour Economics

2015/2016

Code: 102321
ECTS Credits: 6

Degree	Type	Year	Semester
2501572 Business Administration and Management	OT	4	0
2501573 Economics	OT	4	0

Contact

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Use of languages

Principal working language: catalan (cat)

Teachers

Xavier Ramos Morilla
Lidia Andrés Delgado

Prerequisites

The course shows the relationship between micro-founded theory, empirical work and econometric issues. Thus, basic knowledge of microeconomic and macroeconomic principles and simple statistical/econometric methods such as multivariate regression is useful.

Objectives and Contextualisation

By the end of the course students will

- have a solid theoretical background about the basic labour economics' issues;
- have a knowledge of the most relevant characteristics of the spanish labour market, including its structural and institutional features.
- have a basic knowledge of modern microeconomic tools and techniques employed in empirical work to analyse causal issues in labour economics, including labour market policy issues.

Skills

Business Administration and Management

- Capacity for adapting to changing environments.
- Capacity for independent learning in the future, gaining more profound knowledge of previous areas or learning new topics.
- Capacity for oral and written communication in Catalan, Spanish and English, which enables synthesis and oral and written presentation of the work carried out.
- Demonstrate initiative and work individually when the situation requires it
- Demonstrate knowledge of the structure of institutions and the state, their evolution and the consequences of possible changes, to be able to make a positive contribution to the debate about the role they play in current society.

- Identify the economic agents that make up an economy, understanding how they have been interrelated to date, how they are currently interrelated and forecast futures according to new circumstances and their influence on a specific company.
- Know how to handle the analytical framework and empirical knowledge that is offered by the economy on international relations and the most important economic areas.
- Organise the work in terms of good time management, organisation and planning.
- Select and generate the information necessary for each problem, analyse it and take decisions based on that information.
- Show motivation for carrying out quality work and sensitivity to the consequences for the environment and society.
- Value ethical commitment in professional practice.
- Work well in a team, being able to argue proposals and validate or reject the arguments of others in a reasoned manner.

Economics

- Analyse the operation of the labour market and the elements that are specific to it.
- Capacity for independent learning in the future, gaining more profound knowledge of previous areas or learning new topics.
- Lead multidisciplinary and multicultural teams, implementing new projects and coordinating, negotiating and managing conflicts.
- Organise the work in terms of good time management, organisation and planning.
- Select and generate the information necessary for each problem, analyse it and take decisions based on that information.
- Take decisions in situations of uncertainty, demonstrating an entrepreneurial and innovative attitude.
- Work well in a team, being able to argue proposals and validate or reject the arguments of others in a reasoned manner.

Learning outcomes

1. A capacity of oral and written communication in Catalan, Spanish and English, which allows them to summarise and present the work conducted both orally and in writing.
2. Analyse the mechanisms of the formation of salaries.
3. Analyse the role of international institutions in the economy.
4. Assess ethical commitment in professional activity.
5. Assess the functioning and current situation of the Spanish economy.
6. Assess work-related policies.
7. Capacity to adapt to changing environments.
8. Capacity to continue future learning independently, acquiring further knowledge and exploring new areas of knowledge.
9. Demonstrate initiative and work independently when required.
10. Demonstrate motivation regarding the quality of the work performed and sensitivity regarding the consequences on the environment and society.
11. Describe the main economic agents making up the Spanish and Catalan economy.
12. Examine the influence and the role of Spanish public institutions in the economy.
13. Identify the role of the public sector in the Spanish economy.
14. Interpret the economic globalisation process and its consequences for the Spanish economy.
15. Interpret the motivations, instruments and effects of public intervention on this market.
16. Lead multidisciplinary and multicultural teams, implement new projects, coordinate, negotiate and manage conflicts.
17. List the main characteristics of the labour market in Spain.
18. Make decisions in situations of uncertainty and show an enterprising and innovative spirit.
19. Organise work, in terms of good time management and organisation and planning.
20. Perform an economic analysis of integration processes, in general, and of the European integration process, in particular.
21. Relate the labour market and economic activity.
22. Select and generate the information needed for each problem, analyse it and make decisions based on this information.
23. Understand in economic terms, the problem of unemployment and its causes.

24. Work as part of a team and be able to argue own proposals and validate or refuse the arguments of others in a reasonable manner.

Content

Topic 1. Introduction: Economics and the Labour Market

Work and Economic Activity. Idiosyncrasies of Labour Markets and Labour Economics. Course overview.

PART I. LABOUR SUPPLY

Topic 2. Individual labour supply

The neoclassical model. The work-leisure decision. Activity, inactivity and reservation wage. Effects of taxes and benefits on labour supply.

Topic 3. Participation Rates and Family

Participation rates by gender and age. Family and time allocation. Life-cycle issues of labour supply. Working hours.

Topic 4. Human Capital and Labour

Human capital theory. Returns to education. On-the-Job training. Alternative theories to Human Capital.

Topic 5 Migrations and Labour Mobility

Types of labour mobility and migrations. Determinants of migration. Effects of migration on labour supply.

PART II LABOR DEMAND

Topic 6. The Demand for Labour: Wage Determination and the Allocation of Labour.

Short- and long-run demand for labour. Competitive and non-competitive markets. The monopsony. Determinants of labour demand. Effect of minimum wages on labour market outcomes. Unit labour costs.

PART III WAGE DETERMINATION AND WAGE STRUCTURE

Topic 7 Pay schemes and the Wage Structure

Wage differentials. Fringe benefits. Efficiency wages. Internal labour markets.

Topic 8 Wage Distribution and Labour Market Discrimination

Economic analysis of labour market discrimination. Occupational segregation. Segmentation and labour market duality. Temporary employment.

Topic 9 Trade Unions and Collective Bargaining

Economic analysis of trade unions. Collective bargaining. The economic impact of unions.

Topic 10 Government and the Labour Market

Labour market effects of public intervention. Minimum Wages. Effects of unemployment benefits. Legislation and regulation.

PART IV MACROECONOMIC ANALYSIS

Topic 11 Unemployment and Inflation

Labour market unbalances. Types of unemployment. Economic theories of unemployment. Policies to reduce unemployment.

Methodology

The course combines lectures and practical sessions. Besides, the students will have to write individual and collective essays, some of which will be presented and discussed in the class.

Activities

Title	Hours	ECTS	Learning outcomes
Type: Directed			
Assignments	18	0.72	2, 5, 6, 1, 8, 9, 11, 23, 17, 12, 13, 14, 15, 10, 19, 21, 22, 4
Essays	18	0.72	3, 2, 20, 5, 6, 7, 1, 8, 9, 11, 23, 17, 12, 13, 14, 15, 16, 10, 19, 18, 21, 22, 24, 4
Individual work	57	2.28	3, 2, 20, 5, 6, 1, 8, 9, 11, 23, 17, 12, 13, 14, 15, 10, 19, 21, 22, 4
Lectures	30	1.2	3, 2, 20, 6, 8, 11, 23, 17, 12, 13, 14, 15, 21, 4
Paper reviews	6	0.24	3, 2, 20, 5, 6, 1, 8, 9, 11, 23, 17, 12, 13, 14, 15, 10, 19, 21, 22, 4
Tutorials	15	0.6	3, 2, 20, 5, 6, 1, 8, 9, 23, 17, 12, 13, 14, 15, 10, 19, 21, 22, 24, 4

Evaluation

Assessment combines individual and collective essays, as well as exams.

Evaluation activities

Title	Weighting	Hours	ECTS	Learning outcomes
Course work	25%	2	0.08	3, 2, 20, 5, 6, 1, 8, 9, 11, 23, 17, 12, 13, 14, 15, 10, 21, 22, 4
Course work	25%	1	0.04	3, 2, 20, 5, 6, 1, 8, 11, 23, 17, 12, 13, 14, 15, 16, 10, 19, 18, 21, 22, 24, 4
Final Exam	50%	3	0.12	3, 2, 20, 5, 6, 1, 8, 9, 11, 23, 17, 12, 13, 14, 15, 10, 19, 18, 21, 22, 4

Bibliography

Basic textbooks

Borjas, George (2007), Labor Economics (4th edition), McGraw-Hill.

Cahuc, Pierre and Andre Zylberberg (2004), Labor Economics, MIT Press.

McConnell, Campbell R., Stanley L. Brue and David A. Macpherson (2013), Contemporary Labor Economics (10th edition), McGraw-Hill International Edition.

Complementary readings: Topic specific readings will be found in the Campus Virtual.