

**Topics in Applied Economics IV:
Labor Economics II**

**2018-2019 Academic Year
Master of Research in Economics, Finance and Management**

1. Description of the subject

- Topics in Applied Economics IV Code: 32089
- Total credits: 3 ECTS Workload: 75 hours
- Term: 3rd
- Type of subject: Optative
- Department of Economics and Business
- Teaching team: Joan Monràs

2. Teaching guide

• Introduction

This course is an introduction to various topics in labor economics. We will start by discussing models of labor supply and labor demand, and the determinants of the market equilibrium. We will then analyse imperfections in the labor market, market failures, and inequality – all potential reasons for public policy intervention. We will conclude by introducing methods for the evaluation of public policies. Throughout the course we will combine theory with empirical evidence related to labor markets – with an emphasis in local labor markets, urban settings, and spatial economics.

This is the second course of the sequence in Labor Economics. The course “Topics in Applied Economics IV: Labor Economics I” is a natural first step towards this course. They are designed to be taken together. Students with a strong background in Labor Economics can also take this course independently.

• Contents

Note: There may be some modifications before the start of the course.

Labor Market Failures and Frictions

- Frictions in the labor market
 - Search and matching frictions
 - Unemployment
 - Evaluation of Active Labor Market Programs

References: Davis and von Wachter, Brookings Papers (2011), Oreopoulos et. al., AEJ: Applied (2012), Jarosch, WP (2018), Lange, et. al., QJE (2013), Jarosch and Pilossoph, WP (2018).

Human Capital

- The mincerian equation
- Estimation of the returns to schooling
- Social returns to Schooling

References: Angrist and Krueger, QJE, (1991), Card, Handbook Chapter (1999), Duflo, AER (2001), Oreopoulos, AER (2006), Angrist et. al., ECMA (2014).

Inequality

- The race between Education and Technology
- International Trade, Immigration and Inequality
- Spatial inequalities and place based policies
- Discrimination

References: Katz and Murphy, QJE (1992), Acemoglu and Autor, Handbook Chapter (2011), Autor et. al., AER (2013), Caliendo et. al., (2018), Moretti et. al., QJE (2014), Katz et. al., QJE (2001), Chetty et. al., AER (2016), Bertrand et. al., AER (2004).

• Teaching methodology

Students are expected to read research papers in preparation for the class and to actively participate in class discussions. We will follow slides based mostly on current or recent research.

• Assessment

Students will be assessed based on class participation and an extended referee report. The extended referee report will consist on refereeing one paper (in the list of papers provided in this syllabus), and then propose new research lines related to the paper.

• Grading system

0-10:

0-4.5	Fail	
5-6	C	
6.5-7.5		B
8-9	A	
9.5-10	A+	