

Labor Economics

René Böheim

WU

January 2019

Aim of the course

Theoretical and empirical analysis of wages and employment

- ▶ Introduction to economic theories and models of the labor market
- ▶ We use these models to derive predictions about effects of government policies
- ▶ Using examples from applied research, we learn how to test theoretical models empirically

Topics

Labor Supply

- ▶ Theory of labor supply
- ▶ Empirical estimation

Labor Demand

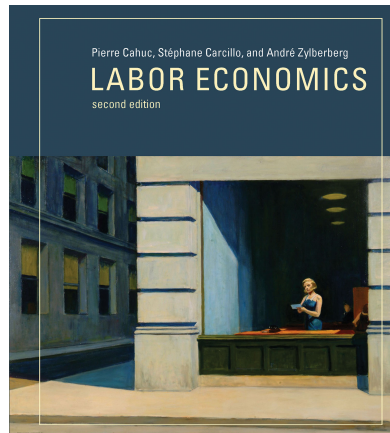
- ▶ Theory of labor demand
- ▶ Mobility and migration

Labor Market Equilibrium

- ▶ Government policies
- ▶ Compensating wage differentials

Other issues

- ▶ Education and Human Capital
- ▶ Job Search and Unemployment
- ▶ Discrimination and Gender Differences



Examples

- ▶ Government proposes reforms of unemployment benefits — What do we make of this?
- ▶ What are the consequences of minimum wages?
- ▶ Gender quotas in firms — Good or bad?
- ▶ Do immigrants take natives' jobs?
- ▶ Do people work more when their wages are higher?
- ▶ Why are CEOs earning so much?

Textbook

- ▶ Pierre Cahuc, Stephan Carcillo, Andre Zylberberg, Labor Economics 2nd edition, 2014
- ▶ Reading list with applied research papers
- ▶ George Borjas, Labor Economics
- ▶ Recommended: Angrist and Pischke, Mostly Harmless Econometrics, 2009.

Format

- ▶ Lecture block:
 - ▶ selected chapters from textbook
 - ▶ focus on theoretical models and empirical methods
 - ▶ Wednesday (15:00-19:00, March - May)
- ▶ Seminar block:
 - ▶ Reading list of empirical papers
 - ▶ each student prepares one paper (20 min)
 - ▶ general discussion (10 min)
 - ▶ Friday (all day; May)

Contact

- ▶ René Böheim, D4 2.145, rene.boeheim@wu.ac.at
- ▶ Office hours: by appointment.
- ▶ For an appointment email: sekretariat-vw9@wu.ac.at

Prerequisites

- ▶ Microeconomics and macroeconomics from the Master's program, or equivalent
- ▶ Econometrics is recommended: you should be familiar with OLS

Grading

Attendance is compulsory and I expect active participation (=discussion, presentations, questions, remarks) in class.

- ▶ The final grade is composed of:
- ▶ Two homeworks 10%
- ▶ Presentation and slides 45%
- ▶ Final exam 45%

The final exam is a closed book exam. It covers the material presented in the lectures and also in the students' presentations.

Attendance

- ▶ Attendance is taken in the first lecture
- ▶ Students not showing up are dropped from the course to make room for the waiting list
- ▶ Attendance in the seminar block compulsory — no exception