

SYLLABUS

University of North Carolina-Chapel Hill
Department of Economics

Econ 480-001: Labor Economics

FALL 2016

[Preliminary - Version: August 1, 2016]

Instructor:

Luca Flabbi
304 Gardner Hall
luca.flabbi@unc.edu
<https://sites.google.com/site/lucaflabbi/>

Time and Place:

Class: 3.30pm-4.45pm TR, Phillips Rm. 0247
Office Hours: 5.00pm-6.30pm T and by appointment

Textbook:

G. J. Borjas, *Labor Economics*, 5th, 6th or 7th Edition, McGraw-Hill.

Description:

The course covers classic topics in labor economics. Labor economics studies a peculiar market where the traded good is the work performed by people. Workers supply labor and firms demand labor in exchange for a wage (the price of the good). We will study how the specific and unique characteristics of the good traded in the labor market affect the usual models and concepts that you have already studied in your basic economics courses.

The methodology used in labor economics is a mix of economic theory, data analysis and econometrics. The topics involved are numerous and varied, generating relevant policy implications. Among them, we will cover: wage determination and inequality; migration and discrimination; productivity and human capital accumulation. It is challenging but exciting material that I am looking forward to share with you along the semester.

Below I present a preliminary schedule of the material I would like to cover. I will use the chapters' order of the 7th Edition. If you use an older edition, please check the correct mapping. I will use Sakai to post any additional course material (including this syllabus) when needed.

Note: All students are responsible for knowing the UNC's Honor Code (<http://honor.unc.edu/>).

Calendar:

1. The Market [Week 1 to 6]

- (a) Labor Supply (Chapter 2)
 - Measurements
 - Labor supply decisions
 - Policy Applications
- (b) Labor Demand (Chapter 3)
 - Production function
 - Labor demand curve
 - Policy applications

- (c) Equilibrium (Chapter 4)
 - In a single market
 - Across markets
 - Policy applications

2. Wage Structure [Week 7 to 11]

- (a) The Wage Structure (Chapter 7)
 - The earnings distribution
 - Inequality
- (b) Compensating Differentials (Chapter 5)
 - Hedonic wage function
 - Jobs and amenities
- (c) Human Capital (Chapter 6)
 - Endogenous schooling decisions
 - Returns to schooling
 - Signaling
 - On-the-job training

3. Applications [Week 12 to 14]

- (a) Discrimination (Chapter 9 - Selected sections)
 - Taste discrimination
 - Measuring discrimination
- (b) Migration (Chapter 8 - Selected sections)
 - Empirical evidence on migration
 - The decision to immigrate

Course Requirements [relative weight]:

1. Midterm Exam 1 [25%]:

- **When:**
 - Review session: September 27
 - Exam: September 29
- **About:** Section 1 of the course (Chapters 2 to 4)

2. Midterm Exam 2 [25%]:

- **When:**
 - Review session: November 8
 - Exam: November 10
- **About:** Section 2 of the course (Chapters 5 to 7)

3. Final [50%]:

- **When:**
 - Review session: December 6
 - Exam: Set by University Registrar
- **About:** Cumulative of all the material covered during the course.