

# SYLLABUS

University of North Carolina-Chapel Hill  
Department of Economics

## **Econ 480-003: Labor Economics**

FALL 2017

[Preliminary – Version: August 21, 2017]

### **Instructor:**

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

### **TA:**

Pulasthi S. Amarasinghe  
pulasthi@live.unc.edu

### **Time and Place:**

Class: 2.00pm-3.15pm MoWe, Gardner Rm. 0309.  
Office Hours: 4.00pm-5.30pm Tu 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; human capital accumulation; discrimination. 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. Basics

- (a) Labor Supply (Chapter 2) [Week 1 to 4]
  - Measurements
  - Labor supply decisions
  - Policy Applications

- (b) Labor Demand (Chapter 3) [Week 5 to 7]
  - Production function
  - Labor demand curve
  - Policy applications
- (c) Equilibrium (Chapter 4) [Week 8 to 10]
  - In a single market
  - Across markets
  - Policy applications

## 2. Applications

- (a) Human Capital (Chapter 6) [Week 11 to 13]
  - Endogenous schooling decisions
  - Returns to schooling
  - Signaling
  - On-the-job training
- (b) Discrimination (Chapter 9) [Week 14 to 15]
  - Taste discrimination
  - Measuring discrimination

## Course Requirements [relative weight]:

1. Midterm Exam 1 [25%]:
  - *When:*
    - Review session: September 25
    - Exam: September 27
  - *About:* Labor Supply.
2. Midterm Exam 2 [25%]:
  - *When:*
    - Review session: November 1
    - Exam: November 6
  - *About:* Labor Demand and Equilibrium.
3. Final [50%]:
  - *When:*
    - Review session: December 6
    - Exam: Check Registrar.
  - *About:* Cumulative of all the material covered during the course.