

**DEREE COLLEGE SYLLABUS FOR: EC 3362 LABOR ECONOMICS**

(Updated Fall 2021)

**UK LEVEL: 5**  
**UK CREDITS: 15**  
**US CREDITS: 3/0/3**

**PREREQUISITES:**

EC 1000 Principles of Microeconomics  
 EC 1101 Principles of Macroeconomics  
 EC 3270 Managerial Economics

**CATALOG DESCRIPTION:**

Demand for and supply of labor; wage determination and labor market equilibrium. Emphasis on value of life, labor mobility causes and effects, incentive pay. Efficiency wages, human capital, unemployment and the impact of minimum wage, AI and robotics on it. Labor market institutions.

**RATIONALE:**

This course complements the intermediate level courses in economics because it addresses labor market issues from both a micro and macro perspective, whilst it applies theory on many real-life labor market situations.

**LEARNING OUTCOMES:**

- As a result of taking this course, the student should be able to:
1. Demonstrate detailed knowledge of labor supply and demand and explain incentive pay and efficiency wages models.
  2. Use various models to explain unemployment and evaluate the impact of labor policies.
  3. Analyze the value of life and the links between education, employment and income.
  4. Demonstrate understanding of the causes and possible impact of labor mobility on the labor market and on workers' pay.
  5. Demonstrate understanding of the role and impact of trade unionism and collective bargaining on the labor market.

**METHOD OF TEACHING AND LEARNING:**

- In congruence with the learning and teaching strategy of the college, the following tools are used:
- Classes consist of lectures and class discussions of recent articles in economic journals assigned by the instructor.
  - Office hours: students are encouraged to make full use of the office hours of their instructor, where they can ask questions and go over lecture material.
  - Use of Blackboard, where instructors post lecture notes, assignment instructions, timely announcements, as well as additional resources

**ASSESSMENT:**

**Summative:**

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| 1 <sup>st</sup> assessment: Term project (group project 2,800-3,200 words; presentation of group project; reflective essay on group project – individual, 200-300 words) | <b>50%</b> |
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|   | <table border="1" data-bbox="483 205 1273 342"> <tr> <td data-bbox="483 205 1101 342">Final assessment: In-class written examination (Two-hour, essay questions/problems, closed-book, comprehensive)</td> <td data-bbox="1101 205 1273 342"><b>50%</b></td> </tr> </table> <p data-bbox="483 415 634 443"><b>Formative:</b></p> <table border="1" data-bbox="483 443 1273 516"> <tr> <td data-bbox="483 443 1101 516">Formative assignments; group project progress reports</td> <td data-bbox="1101 443 1273 516"><b>0%</b></td> </tr> </table> <p data-bbox="483 583 1520 653">The formative assignments prepare students for the examinations and ensure that students are actively engaged during the term.</p> <p data-bbox="483 684 1224 753">The 1<sup>st</sup> assessment tests Learning Outcomes 1 and 2.<br/>The final assessment tests Learning Outcomes 3, 4, and 5.</p> <p data-bbox="483 785 1313 812">Students are required to resit failed assessments in this module.</p>  | Final assessment: In-class written examination (Two-hour, essay questions/problems, closed-book, comprehensive) | <b>50%</b> | Formative assignments; group project progress reports | <b>0%</b> |
| Final assessment: In-class written examination (Two-hour, essay questions/problems, closed-book, comprehensive) | <b>50%</b>   |   |            |   |           |
| Formative assignments; group project progress reports   | <b>0%</b>  |   |            |   |           |
| <p data-bbox="142 846 315 915"><b>INDICATIVE READING:</b></p>   | <p data-bbox="483 846 789 873"><b>REQUIRED READING:</b></p> <p data-bbox="483 915 1325 945">Borjas G.J. (2016), Labor Economics, McGraw-Hill, latest edition.</p> <p data-bbox="483 982 1482 1012">Journal articles, accessible through the Library, as assigned by the instructor.</p> <p data-bbox="483 1050 870 1077"><b>RECOMMENDED READING:</b></p> <p data-bbox="483 1119 1487 1213">Bowles, S., Edwards, R., Roosevelt, F., Larudee, M. (2017): Understanding Capitalism: Competition, Command, and Change, Oxford University Press, 4<sup>th</sup> ed.</p> <p data-bbox="483 1251 1398 1350">Dickens, W.T., Lawrence, F. K., Lang, K. (1986): "Are efficiency wages efficient?", NBER working paper no. 1935, June.<br/><a href="https://www.nber.org/papers/w1935">https://www.nber.org/papers/w1935</a></p> <p data-bbox="483 1388 1500 1451">Ehrenberg, R. &amp; Smith, R. (2014): Modern Labor Economics: Theory and Public Policy, Prentice Hall, 12<sup>th</sup> ed.</p> <p data-bbox="483 1488 1487 1619">Frontier Economics (2018): The impact of artificial intelligence on work: An evidence review prepared for the Royal Society and the British Academy.<br/><a href="https://royalsociety.org/-/media/policy/projects/ai-and-work/frontier-review-the-impact-of-AI-on-work.pdf">https://royalsociety.org/-/media/policy/projects/ai-and-work/frontier-review-the-impact-of-AI-on-work.pdf</a></p> <p data-bbox="483 1656 1495 1755">Kopf, D. (2017): "Economists still can't decide whether the minimum wage is a good thing". <a href="https://qz.com/1034952/economists-still-cant-decide-whether-the-minimum-wage-is-a-good-thing/">https://qz.com/1034952/economists-still-cant-decide-whether-the-minimum-wage-is-a-good-thing/</a></p> <p data-bbox="483 1793 1373 1856">McConnell. C., Brue, S., Mcpherson, D. (2019) Contermporary Labor Economics, McGraw-Hill.</p> |   |            |   |           |

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|---|---|
|   | <p>Meager, N. &amp; Speckesser, S. (2011): "Wages, productivity and employment: A review of theory and int'l data", European Employment Observatory.<br/> <a href="file:///C:/Users/F-NPIR~1/AppData/Local/Temp/resources/reports/WagesProductivityandEmployment-1.pdf">file:///C:/Users/F-NPIR~1/AppData/Local/Temp/resources/reports/WagesProductivityandEmployment-1.pdf</a></p> <p>Petropoulos, G. (2018): The Impact of Artificial Intelligence on Employment.<br/> <a href="https://bruegel.org/2018/07/the-impact-of-artificial-intelligence-on-employment/">https://bruegel.org/2018/07/the-impact-of-artificial-intelligence-on-employment/</a></p> <p>ProCon.org (2019): "Should the Federal Minimum Wage Be Increased?"<br/> <a href="https://minimum-wage.procon.org/">https://minimum-wage.procon.org/</a></p> |
| <p><b>INDICATIVE MATERIAL:</b><br/> <i>(e.g. audiovisual, digital material, etc.)</i></p> | <p><b>REQUIRED MATERIAL:</b> N/A</p> <p><b>RECOMMENDED MATERIAL:</b> N/A</p>  |
| <p><b>COMMUNICATION REQUIREMENTS:</b></p>   | <p>Use of appropriate academic conventions as applicable in oral and written communications.</p>  |
| <p><b>SOFTWARE REQUIREMENTS:</b></p>  | <p>Word, Excel</p>  |
| <p><b>WWW RESOURCES:</b></p>  | <p><a href="http://netec.mcc.ac.uk">netec.mcc.ac.uk</a><br/> <a href="http://www.oecd.org">www.oecd.org</a><br/> <a href="http://www.nber.org">www.nber.org</a><br/> <a href="http://www.brook.edd">www.brook.edd</a><br/> <a href="http://www.epf.org">www.epf.org</a><br/> <a href="http://www.bls.gov">www.bls.gov</a><br/> <a href="http://www.ilo.org">www.ilo.org</a><br/> <a href="http://www.eeoc.gov">www.eeoc.gov</a></p>   |
| <p><b>INDICATIVE CONTENT:</b></p>   | <ol style="list-style-type: none"> <li>1. Introduction</li> <li>2. Labor supply</li> <li>3. Labor demand</li> <li>4. Labor market equilibrium</li> <li>5. Compensating wage differentials, value of life</li> <li>6. Human capital</li> <li>7. Labor mobility</li> <li>8. Incentive pay, efficiency wages</li> <li>9. Unemployment; impact of (a) minimum wage, and (b) AI &amp; robotics on unemployment</li> <li>10. Labor unions and their impact on the labor market</li> </ol>   |