

DEREE COLLEGE SYLLABUS FOR: EC 3562 LABOR ECONOMICS

(Previously EC 3362)
(Updated Spring 2023)

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

PREREQUISITES:

EC 1000 Principles of Microeconomics
EC 1101 Principles of Macroeconomics
MA 1008 College Algebra
MA 2105 Applied Calculus
EC 3470 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:**

1 st assessment: Term project (group project 2,800-3,200 words; presentation of group	50%
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	<table border="1" data-bbox="483 205 1273 415"> <tr> <td data-bbox="483 205 1101 275">project; reflective essay on group project – individual, 200-300 words)</td> <td data-bbox="1101 205 1273 275"></td> </tr> <tr> <td data-bbox="483 275 1101 415">Final assessment: In-class written examination (Two-hour, essay questions/problems, closed-book, comprehensive)</td> <td data-bbox="1101 275 1273 415">50%</td> </tr> </table> <p data-bbox="483 478 634 510">Formative:</p> <table border="1" data-bbox="483 510 1273 583"> <tr> <td data-bbox="483 510 1101 583">Formative assignments; group project progress reports</td> <td data-bbox="1101 510 1273 583">0%</td> </tr> </table> <p data-bbox="483 653 1520 716">The formative assignments prepare students for the examinations and ensure that students are actively engaged during the term.</p> <p data-bbox="483 751 1224 814">The 1st assessment tests Learning Outcomes 1 and 2. The final assessment tests Learning Outcomes 3, 4, and 5.</p> <p data-bbox="483 850 1312 884">Students are required to resit failed assessments in this module.</p>	project; reflective essay on group project – individual, 200-300 words)		Final assessment: In-class written examination (Two-hour, essay questions/problems, closed-book, comprehensive)	50%	Formative assignments; group project progress reports	0%
project; reflective essay on group project – individual, 200-300 words)							
Final assessment: In-class written examination (Two-hour, essay questions/problems, closed-book, comprehensive)	50%						
Formative assignments; group project progress reports	0%						
INDICATIVE READING:	<p data-bbox="483 919 792 951">REQUIRED READING:</p> <p data-bbox="483 982 1328 1014">Borjas G.J. (2016), Labor Economics, McGraw-Hill, latest edition.</p> <p data-bbox="483 1052 1482 1083">Journal articles, accessible through the Library, as assigned by the instructor.</p> <p data-bbox="483 1119 873 1150">RECOMMENDED READING:</p> <p data-bbox="483 1188 1490 1283">Bowles, S., Edwards, R., Roosevelt, F., Larudee, M. (2017): Understanding Capitalism: Competition, Command, and Change, Oxford University Press, 4th ed.</p> <p data-bbox="483 1318 1401 1413">Dickens, W.T., Lawrence, F. K., Lang, K. (1986): “Are efficiency wages efficient?”, NBER working paper no. 1935, June. <a data-bbox="483 1388 943 1413" href="https://www.nber.org/papers/w1935">https://www.nber.org/papers/w1935</p> <p data-bbox="483 1451 1503 1524">Ehrenberg, R. & Smith, R. (2014): Modern Labor Economics: Theory and Public Policy, Prentice Hall, 12th ed.</p> <p data-bbox="483 1556 1490 1692">Frontier Economics (2018): The impact of artificial intelligence on work: An evidence review prepared for the Royal Society and the British Academy. <a data-bbox="483 1623 1490 1692" 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</p> <p data-bbox="483 1724 1495 1818">Kopf, D. (2017): “Economists still can’t decide whether the minimum wage is a good thing”. <a data-bbox="483 1759 1495 1818" 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/</p>						

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

