COURSE SYLLABUS
ADVANCED LABOR ECONOMICS

Instructors:
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Department of Economics
Central European University

Semester and Time Period of the Course: Winter term, 2015/2016 academic year
Course Level: PhD

Number of Credits: option of 2 or 4 credits (4 or 8 EST credits).

Pre-requisites: Core Microeconomics, Core Econometrics

Office hours:
Earle: Monday 3-5 and by appointment, Nádor utca 11, Rm. 601, Tel: 327-3229, earlej@ceu.edu
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Course Description:
This course covers selected topics in labor economics for PhD students. Relevant theory will be discussed, but there will be some emphasis on what most labor economists do: applied research that tests or calibrates theories, that evaluates the impact of institutions and policies, or that simply attempts to provide careful description of important labor market phenomena. The course is offered in two modes: the first (for 2 credits) is based on lectures and readings, and the second (for 4 credits) adds two writing assignments, including a research project supervised by the instructors; these are described further below.

Learning Outcomes of the course:
Knowledge of selected areas of professional research in the field of labor economics. Ability to criticize and evaluate previous research. Capability to carry out labor economics research. Ability to write papers that contribute to the field.

Course Requirements
There are two options for course requirements and assessment. Option 1 (2 credits) has a comprehensive final exam (on a date to be scheduled by the Department) that counts for 100% of the course grade. Option 2 (4 credits) adds two (possibly linked) writing assignments: a referee report and a paper based on a replication project. The referee report is a short analysis of a labor economics paper describing its contributions to existing research and making criticisms and suggestions for improvement, and the replication project involves reproducing the analysis in some (possibly the same) paper, with some modifications designed to test the robustness of the original results. The paper to be refereed must be chosen by February 2 and the referee report is due February 9. A research prospectus for the replication project should be submitted by February 21. A draft of the paper is due March 4, and it should be presented to the class in the following week, with the final version due April 1 (incorporating comments from the presentation). Organizing the
assignments this way provides an opportunity to explore some area of interest more deeply, to carry out empirical research using microdata, and to experience the process of designing, implementing, writing, and presenting a research paper. The instructors are available for advice, ideas, and feedback throughout, and more guidance on details of these assignments will be provided in the first week of classes.

Under Option 2, the course grade is determined as follows:
Exam – 50%
Referee report – 7%
Prospectus – 3%
Replication paper – 35%
In the written work, both the quality of writing and the quality of analysis will be important criteria in grading.

Course Schedule and Reading list
The reading list below serves several functions: it includes literature reviews (typically books, Handbook of Labor Economics chapters, or Journal of Economic Literature articles), “classic” works that any professional labor economist should be familiar with, and articles that illustrate certain pedagogical points for this course. Essential (“required”) readings are indicated with an asterisk, and additional papers are supplied as suggestions both for the replication projects and for further reading on topics of particular student interest. The list of topics and readings is far too long for the short time of the 2-credit course, but it gives some notion of the scope of topics and ideas in labor economics, and it allows some flexibility in choices of what we cover in class.

1. Research Approaches and Methods in Labor Economics

2. Demand for Labor Services


3. Trade Unions


4. Supply of Labor Services


5. Behavioral Approaches to Labor Supply


6. Social Interactions


7. Immigration


8. Wages and Employment Over the Business Cycle

9. Wage Inequality and Skill-Biased Technical Change

10. General Human Capital and Earnings
11. Specific Capital, Matching, and Mobility

12. Job Search and Unemployment