



Course syllabus

School of Business and Economics

Department of Economics and Statistics

2NA030 Arbetsmarknadsekonomi, 7,5 högskolepoäng

Labour Economics, 7.5 credits

Main field of study

Economics

Subject Group

Economics

Level of classification

First Level

Progression

G2F

Date of Ratification

Approved by School of Business and Economics 2014-04-02

The course syllabus is valid from spring semester 2015

Prerequisites

Economics 60 credits, including Mathematical Economics II 7.5 credits, Econometrics 7.5 credits, Intermediate Microeconomics 7.5 credits and Intermediate Macroeconomics 7.5 credits, and Statistics 15 credits or course credits in time series analysis and regression analysis, and English B, or the equivalent

Objectives

After finished course the student is expected to able to:

- derive labour supply and demand
- apply economic theory, using graphs and mathematics, to derive equilibrium in competitive and non-competitive labour markets
- apply economic theory, using graphs and mathematics, to predict how the labour market responds to changes in labour market conditions, policy and regulations
- apply economic theory to explain the individual's investment decision in human capital
- describe the wage distribution and explain how it is determined by job amenities and workers' level of human capital
- apply economic theories of labour market discrimination to show how discrimination affects employment and wage levels and can lead to segregation
- identify which workers are likely to join a labour union and apply economic theory to predict the consequences of the existence of labour unions for workers, firms, and labour market equilibrium
- explain different incentive pay schemas and when/why such schemas might be used by employers
- describe the different types of unemployment and apply economic theory to derive the level of unemployment and how it is affected by changes in policy and

- regulations
- write a report on an application of economic theory on a selected topic in labour economics
- orally present an application of economic theory on a selected topic in labour economics

Content

Labour Economics is the study of the market for labour services. It studies how households (workers), firms (employers), and the government interact on the market for labour services and how this interaction determines wages and employment. The topics discussed during the course include:

- labour supply: the hours of labour that the workers in the economy bring to the labour market
- labour demand: the hours of work the firm plan to hire in the labour market
- labour market equilibrium: a state of the labour market where supply equals demand of labour and where employment and wages are determined
- compensating wage differentials: some jobs are less preferred and therefore firms must provide incentives for people to do them
- human capital: the stock of skills, mainly obtained through education and experience, that each worker possess
- the wage structure: the distribution of wages across workers
- labour market discrimination: unequal treatment in the labour market based on individual characteristics such as ethnicity and sex that is not related to the worker's productivity
- labour unions: representatives of workers with the goal of maximizing incomes and employment for its members
- incentive pay: pay schemas used to increase worker productivity and minimize shirking among workers
- unemployment: the number of workers of the labour force that cannot find a job

Type of Instruction

Lectures, exercises, tutoring and obligatory seminar. Obligatory parts are stated in the schedule.

Examination

The course is assessed with the grades Fail (U), Pass (G) or Pass with Distinction (VG).

The assessment of the performance of the students is based on written examination and writing and presenting a report.

Results are graded using one of the terms Passed with distinction, Pass or Fail, and A-F according to the ECTS scale.

For the grade pass, the objectives have to be reached; the grade is based upon the degree to which the objectives are met. The weighing of the grades to the course grade is following the principles in the document "Principer för betygsrapportering dnr: 2011/160".

Students who do not achieve a satisfactory result in the examinations are permitted to make a second attempt approximately 5-8 weeks after the normal examination date.

The student will have a minimum of five occasions for written exams in relation to the syllabus to which the student was accepted. Usually 3 occasions per academic year.

Students that do not pass reports can complement after consultation with the examiner.

Course Evaluation

A written course evaluation is carried out and compiled in a report, which is archived at the faculty. The results and possible measures taken are communicated by the course coordinator and presented to the students the next time the course is given, or in another way deemed suitable by the course coordinator. Other types of course evaluations for

may include various types of course evaluations. Such types of course evaluations, for example regular evaluations throughout the course or discussions with students, will be included and encouraged with the aim of ensuring continuous quality development.

Credit Overlap

The course cannot be included in a degree along with the following course/courses of which the content fully, or partly, corresponds to the content of this course: The course overlaps 2NA03E:1 with 7.5 credits

Required Reading and Additional Study Material

Required reading

Borjas, G. J. *Labour Economics*. McGraw-Hill International Editions. Latest edition. 500 pages.

Scientific articles, about 100 pages.