

Identification	Subject (Code, title, credits)	ECON 463 Labor Economics - 3 KU/6 ECTS
	Department	Economics and Management
	Program	Undergraduate
	Semester	Spring 2024
	Instructor	Elshan Ahmadov
	Email	elshan.ahmadov@khazar.org
	Classroom/Hours	
Prerequisite	ECON 203 Microeconomics	
Language	English	
Type of course (compulsory, elective)	Compulsory	
Textbooks/Additional Literature	<p>Main textbook: George Borjas, Labor Economics, Harward University Press 2020.</p> <p>Additional readings: Cahuc, P., Zylberberg, A., & Carcillo, S. (2014). Labor Economics (Vol. Second Edition). Cambridge, MA: The MIT Press. Retrieved from http://search.ebscohost.com/login.aspx?direct=true&site=eds-live&db=edsebk&AN=826636 Ehrenberg and Smith, Modern Labor Economics (2000). Krueger Alan B., and Jörn-Stffen Pischke, "The Effect of Social Security on Labor Supply: A Cohort Analysis of the Notch Generation." Journal of Labor Economics, October 1992, 412-437. Krueger, Alan B. and David Card, Myth and Measurement: The New Economics of the Minimum Wage, Princeton University Press 1995. Dolado, Juan et al. / The Economic Impact of Minimum Wages in Europe," Economic Policy, October 1996, 317-357.</p>	
Course outline	<p>Labor Economics is a one-semester course designed for bachelor's at SEM in Khazar University. The main objective of the course is to introduce students to the exciting applied field that is labor economics. The leading idea throughout the course is that economics is an empirical science (not a set of theorems) meant to explain actual behavior. In addition, the labor market is the playing field for numerous important economic policies and institutions: payroll taxes, minimum wages, collective bargaining, etc. A major task for labor economists is to explain how markets function under these regulations. The prerequisites of the course are introductory microeconomics and a course in either Statistics or Econometrics. The knowledge of econometrics software is a plus.</p>	
Course objectives	<p>The course aims at</p> <ol style="list-style-type: none"> 1. Developing student's ability to learn and understand labor economics basic definitions and facts. Labor economics and applied methods. Labor economics and market. 2. Evaluating and using the neoclassical theory of labor supply. Preferences and budget constraints. Extensive and intensive margins. Policy applications: taxation of earnings. 3. Demonstrate knowledge of the economics of the family. The multiple tradeoffs of modern families. Children and parents' labor supply. Policy application: maternity capital. 4. Contrast labor demand as a derived demand. Labor demand in the short run and the long. Marshall's Rules. Policy applications: the minimum wage. 5. Compare, and contrast theory investment in education and training. The signalling debate. Policy application: training programs. 6. Describe sampling methods, measurement scales and instruments, and appropriate uses of each competitive labor market. Monopsony. Policy application: the impact of immigration 7. Demonstrate how compensation for risk is being implemented. Policy 	

	application: why did wage inequality increase? 8. Evaluating migration as a human capital investment. Job turnover and matching. Policy application: intergenerational mobility 9. Describe types of unemployment. Job search. Efficiency wages. The Phillips curve. Policy application: Azerbaijan unemployment		
Learning Outcomes	At the end of the course, the students will be able to: 1. Explain, on the supply side, the factors that affect the decision of an individual to work 2. Explain, on the supply side, the factors that affect the decision of an individual to choose a particular job or a career path 3. Explain, on the supply side, the factors that affect the decision of an individual to acquire education and on-the-job training to provide effort in a particular job 4. Assess how governments' policies could affect the decisions of the individual. 5. Explain, on the demand side, the factors that affect the decision of a firm to hire and fire workers 6. Explain, on the demand side, the factors that affect the decision of a firm to offer jobs with different characteristics (amenities and training for example) 7. Explain, on the demand side, the factors that affect the decision of a firm to discriminate among different workers 8. Explain, on the demand side, the factors that affect the decision of a firm to choose particular compensation policies and to offer different career paths 9. Evaluate how government policies and institutions (such as the unions) affect the decisions of the firm		
Teaching methods	Lecture		X
	Group Discussion		X
	Practical Assignments		X
	Others		X
Evaluation	Components	Date/Deadline	Percentage (%)
	Midterm Exam	TBA	30
	Research work and tasks	During the semester	10
	Activity		5
	Attendance		5
	Quiz / Research proposal presentation	During the semester	10
	Final Exam	TBA	40
	Total		100
Policy	<p>Research work and tasks. Students will be required to select and work on an appropriate topic guided by the academic research methods presented. The total volume of the research work should be around 10-12 pages (2500-3000 words). At this time, students will be required to follow all research principles and methodologies presented in the lecture. A sample of research and presentation will be provided by the teacher. The research paper should be submitted no later than May 10.</p> <p>Activity: Because of the once-a-week course format, students are expected to attend all sessions. If the student has an absence, he/she takes responsibility for making up assignments and for obtaining missed lecture information. Participation is important for doing well in the course. You'll be graded for your active engagement with the material and your peers.</p> <p>Class preparation. Students are responsible for:</p> <ol style="list-style-type: none"> 1) reading the assigned materials; 2) taking the initiative to ask questions that promote understanding of the academic subject; 3) communicating regularly with the instructor, especially in matters related to class assignments. <p>Quiz / Research proposal presentation. The structure and format of the quiz may</p>		

<p>include multiple choice and open-ended questions. Homework will account for 5 % of the total course grade.</p> <p>Proposal presentation and discussion will be conducted by each student. The proposal presentation includes the following: title, introduction, literature review, methodology, and proposed data analysis. Proposal presentation will constitute 5 % of the total course grade.</p> <p>Students must present the research paper they have prepared during the session at the end of the session (last two weeks). The presentation is presented in the "Power Point" program, consisting of at least 20 slides. The student presents a brief summary of the topic and results of the research.</p> <p>Cheating/plagiarism. Academic integrity is fundamental to the activities and principles of a university. Breaches of the academic integrity will lead to assignment cancellation. When in doubt about plagiarism or any other form of cheating, consult the course instructor.</p>			
Schedule			
Week	Date/Day (tentative)	Topics	Textbook
1.		Introduction to the Labor economics	Chapter 1, George Borjas
2.		Labor Supply	Chapter 2, George Borjas
3.		Labor Retirement	Chapter 1, Zylberberg & Carcillo
4.		Labor Demand	Chapter 3, George Borjas
5.		Competitive Labor Demand	Chapter 2, Zylberberg & Carcillo
6.		Human Capital	Chapter 4, Zylberberg & Carcillo
7.		Labor Market Equilibrium	Chapter 4, George Borjas
8.		Midterm Exam	
9.		Compensating Wage Differentials	Chapter 5, George Borjas
10.		Labor Mobility	Chapter 8, George Borjas
11.		Education in the Labor Market	Chapter 6, George Borjas
12.		The Wage Distribution	Chapter 7, George Borjas
13.		Labor Market Discrimination	Chapter 9, George Borjas
14.		Unemployment	Chapter 12, George Borjas
15.		Oral presentation of the report. Research proposal presentations	
		Final Exam	