

Identification	Subject (Code, title, credits)	ECON 843 Labor Economics and Policy - 3 KU/6 ECTS
	Department	Economics and Management
	Program	Graduate
	Semester	Spring 2024
	Instructor	Elshan Ahmadov
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	Classroom/Hours	
Prerequisite	ECON 801 Advanced Microeconomics	
Language	English	
Type of course (compulsory, elective)	Compulsory	
Textbooks/Additional Literature	<p>George Borjas, Labor Economics, Harward University Press 2020. 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>The course of Labor Economics is a semester-long offering tailored for graduate students enrolled in SEM at Khazar University. Central to the curriculum is the notion that economics is a discipline grounded in empirical observation, rather than a collection of abstract theorems, with a focus on elucidating real-world behavior. Moreover, the labor market serves as a crucial arena for various pivotal economic policies and institutions, such as payroll taxes, minimum wage laws, and collective bargaining agreements.</p>	
Course objectives	<p>The course aims at</p> <ul style="list-style-type: none"> • Help students learn basic economics concepts, especially in labor economics, using applied microeconomics and econometric methods for policymaking. • Teach the neoclassical theory of labor supply, including how preferences and budget constraints affect labor decisions, and its application in policies like taxation. • Explain family economics, discussing modern family trade-offs, the impact of children on parental work, and policies like maternity benefits. • Discuss labor demand as a result of other economic factors, short-term and long-term dynamics, and policies like minimum wage laws. • Compare theories of investing in education and training, including their implications for policies like training programs. • Cover sampling methods and measurement scales in labor markets, considering factors like monopsony and immigration impact. • Explain how risk compensation affects wages and its policy implications, especially regarding wage inequality. • Evaluate migration as an investment, exploring job turnover and its policy implications for upward mobility. • Describe different types of unemployment, including job search behavior, efficiency wages, and their policy implications for Azerbaijan. 	
Learning Outcomes	<p>By the end of the course, students will be able to:</p> <ul style="list-style-type: none"> • Describe the factors influencing an individual's decision to work. 	

	<ul style="list-style-type: none">Identify the factors impacting an individual's choice of job or career path.Analyze the factors influencing an individual's decision to pursue education and on-the-job training for a specific role.Evaluate how governmental policies can influence individual decisions.Explain the factors influencing a firm's decision to hire and terminate employees.Describe the factors affecting a firm's decision to provide various job features, such as amenities and training.Discuss the factors influencing a firm's decision to discriminate among different workers.Explain how a firm's decisions regarding compensation policies and career paths are influenced by demand-side factors.Evaluate the impact of governmental policies and institutions, such as unions, on firm decisions.		
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
	Attendance		5
	Activity		5
	Quiz / Research proposal presentation	During the semester	10
	Final Exam	TBA	40
	Total		100
Policy	<p>Research work and tasks. Students must pick a suitable topic and follow the academic research methods taught in class. The research paper should be approximately 10-12 pages long (2500-3000 words) and adhere to all principles and methodologies covered in lectures. Your teacher will provide a sample research paper and presentation for guidance. Papers must be submitted by May 10.</p> <p>Activity: Students are expected to attend all sessions and take responsibility for making up missed work and obtaining lecture material. Participation is vital for success in the course, and you'll be graded on your engagement with the material and peers.</p> <p>Class preparation. students must read assigned materials, ask questions to enhance understanding, and maintain regular communication with the instructor, especially regarding assignments.</p> <p>Quiz / Research proposal presentation. The quiz may include various formats like multiple choice and open-ended questions, contributing to 5% of the total course grade. Additionally, each student will present their research proposal, accounting for another 5% of the grade. This presentation should include a title, introduction, literature review, methodology, and proposed data analysis.</p> <p>At the end of the course, students will present their research papers during the final sessions, using PowerPoint with at least 20 slides. The presentation should provide a concise summary of the topic and research findings.</p> <p>Cheating/plagiarism. Maintaining academic integrity is essential. Any instances of cheating or plagiarism will result in assignment cancellation. If unsure about academic integrity issues, consult the instructor for guidance.</p>		
Schedule			
Week	Date/Day (tentative)	Topics	Textbook
1.		Introduction to the Labor Market	Chapter 1, George Borias

2.		Labor Supply	Chapter 2, George Borjas
3.		Life-Cycle Labor Supply and Retirement	Chapter 1, Zylberberg & Carcillo
4.		Labor Demand	Chapter 3, George Borjas
5.		Competitive Labor Demand of the Firm and the Industry	Chapter 2, Zylberberg & Carcillo
6.		Human Capital	Chapter 4, Zylberberg & Carcillo
7.		Labor Market Equilibrium	Chapter 4, George Borjas
8.		Midterm Exam	
9.		Wage Differentials and Wage Structure	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	