

## Labor Economics and Labor Market Policies

<b>Intitulé</b>	<i>Economie du travail et politiques de l'emploi</i>
<b>Intitulé en anglais</b>	<i>Labor Economics and Labor Market Policies</i>
<b>Enseignant</b>	Cécile Aubert et Nicolas Hérault
<b>Volume horaire</b>	18h
<b>Année d'étude</b>	Master 2 : « Analyse des Politiques Publiques » (APP)
<b>Objectifs et compétences développées</b>	<p>This course first recalls basic labor market mechanisms (supply, demand, equilibrium, involuntary/voluntary unemployment and the impact of minimum wage). It then focuses on labor market functioning and the importance of labor regulations using different methodological approaches:</p> <ul style="list-style-type: none"> <li>• Labor is a factor impacting the economy according to its “quality”, i.e. productivity, which is a function of individuals’ human capital, skills and education, but also their motivation. Labor economics, game theory, incentives theory and public economics allow studying these different aspects.</li> <li>• Regulating labor markets presents specific difficulties. Taxes/benefits related to labor and earnings creates complex disincentive mechanisms affecting different parts of the labor force. For instance, due to norms and intra-household decisions, direct taxes on earnings affect female labor more than male labor. Unintended discrimination can arise from regulation as well as from statistical features of the labor market, which are often known to recruiters.</li> <li>• Labor markets are changing rapidly with new technologies and societal transformations. Technologies change the degree to which workers’ effort is verifiable, the transaction costs associated to hiring multiple workers for small tasks, the value of human labor relative to automated actions, etc. The impact of new technologies on labor is at the frontier of research and we suggest ways in which existing models should be adjusted to account for these new, large-scale challenges.</li> </ul>
<b>Contenu</b>	<p><b>Part 0: Introduction and reminders</b> Why study labor economics? Supply, demand, equilibrium Empirical methods for labor economics: correlation vs causality, randomized trials, regression control models, quasi-experimental methods</p> <p><b>Part 1: Labor policies and regulation</b></p> <ul style="list-style-type: none"> <li>• Labor supply, taxes and transfers</li> <li>• Labor demand, minimum wage, monopsony</li> <li>• Unemployment</li> </ul> <p><b>Part 2: Labor quality: Human capital and skills (time permitting)</b></p> <ul style="list-style-type: none"> <li>• The private and public values of human capital</li> <li>• The wage structure: inequality, technical change</li> </ul> <p><b>Part 3: Internal incentives and labor market outcomes</b></p> <ul style="list-style-type: none"> <li>• Efficiency wages, implicit incentives and unemployment</li> <li>• Discrimination</li> </ul> <p><b>Part 4: Emerging issues</b></p> <ul style="list-style-type: none"> <li>• Digitalization, uberisation, the gig economy</li> <li>• Impacts on incentives and transaction costs (time permitting)</li> </ul>
<b>Pré-requis</b>	Public Economics (M1), Macroeconomics (M1) and Microeconomics (M1)
<b>Modalités d'évaluation</b>	Participation, presentations, 2 short exams.
<b>Outils, support de cours et références bibliographiques</b>	<p><i>Support: slides.</i></p> <p><i>Références principales :</i> Borjas, G.J., <i>Labor Economics, 7<sup>th</sup> edition</i>, or later edition, McGraw Hill. Available on <a href="#">BABORD+</a></p>