

AMERICAN UNIVERSITY – CENTRAL ASIA

Department of Economics

Labor Economics

Spring, 2014

Instructor: Akylai Muktarbek, MA in Economics

Office hours: by appointment

E-mail: akylay@gmail.com

Course description:

The field of Labor Economics applies microeconomic analysis to important social issues and public policies involving employment, wages, working conditions, and unemployment. The main objective of this course is to introduce students to basic topics in the field. Topics of the course include issues of employment and unemployment, minimum wages, education, wage subsidies, gender and racial discrimination, immigration and internal migration, labor relations, and income inequality.

Prerequisites: Students must have successfully completed Intermediate Microeconomics (ECO217) course.

Required materials:

Main textbook: Ehrenberg, R.G. and Robert S. Smith MODERN LABOR ECONOMICS. Theory and Public Policy. //PEARSON/Addison Wesley, 2006 (9th Ed.)

Additional readings: Articles will be distributed in the class

Course requirements:

- Attend all classes. Students are allowed to skip up to 2 lectures. Any additional absence will deduct 0.5% from your final grade.
- Come to classes on time. If a student is late more than 10 minutes, he is considered to be absent.
- Read all assigned chapters and come to classes prepared.
- Complete homework assignments on time. Students are highly encouraged to work together in groups.
- There will be two exams. Students are expected to take all examinations on time, and a makeup exam will be given only for those students with a strong excuse. Students who are not able to take exam on time must warn the instructor at least one day before the exam. Otherwise, the exam is considered failed.
- Individual project will involve one of the theories studied in class and its application on case of Kyrgyz economy using empirical data. The project is short, 6-10 pages long. Students should announce their topics by October, 24. At the end of the course, students will present their projects in front of the audience.
- Presentation 2 is a case study and can be done any time throughout the course. Presentation 2 can cover any topic/theory learned in class that is implemented on a

particular country. Students can do it individually or in groups of two. Topics of the presentation should match the topic covered at that time in the class.

Course outline:

Topics	Readings
The Labor Market, Basic Concepts of Labor Economics, Definition, Facts and Trends in Kyrgyz Labor Market	Ch. 1-2, Additional Material
Demand for Labor	Ch. 3
Labor Demand Elasticities	Ch. 4
Supply of Labor to the Economy: Decision to work, the Theory of Household production, Life-Cycle aspects of Labor supply	Ch. 6-7
Compensating Wage Differentials and Labor Markets	Ch. 8
EXAM 1	
Human Capital Investment	Ch. 9
Worker Mobility: Migration, Immigration	Ch. 10, Article
Pay and Productivity: Wage Determination within the Firm	Ch. 11
Labor Wage Discrimination: Gender, Race, and Ethnicity in the Labor Market	Ch. 12, Article
Unions and the Labor Market	Ch. 13
Inequality in Earnings	Ch. 14
Unemployment	Ch. 15
Presentation of Individual Projects by Students	
EXAM 2	

Grading:

Exam 1	30%
Exam 2	30%
Project + Presentation 1	20%
Presentation 2	10%
<u>Homework / quizzes</u>	<u>10%</u>
	100%

Grading scale:

A	>90	C+	63-68
A-	85-89	C	56-62
B+	79-84	C-	51-55
B	75-80	D	46-50
B-	69-74	F	<45