

Hitotsubashi University
Department of Economics
Labor Economics
Winter 2016

Instructor: Hiroaki Mori

Lecture Time: M,W 8:50-10:20 AM

Course Website: <https://manaba.hit-u.ac.jp>

Email: laborecon2016@gmail.com

Office Hours: M 11:00-12:00 & 15:00-16:00

Office: Faculty Building 2, Room 211

Course Description

The objective of the course is to provide students with basic economic tools needed to understand and analyze how labor markets work and how various government policies may affect the outcomes of the market. This course covers theory, policy applications, and standard econometric methods. Besides, we will discuss relevant empirical research throughout the course.

Learning Outcomes

- Students will learn how to analyze supply and demand behaviour in labor markets and the consequences for the determination of wages and employment.
- Students will learn how to analyze the effects of government policies, such as minimum wage laws, on labor markets.
- Students will learn how to explain a wide variety of wage patterns, including wage variation across different individuals, across regions, across countries, across occupations and across demographic groups.
- Students will be able to explain, using human capital models, why earnings for most individuals increase over their working lives and why the increase may be different for different individuals.
- Students will learn about econometric methods relevant to labor economics and will understand how to implement the empirical techniques to provide evidence on various labor market topics.

Lecture Style

This course consists of 24 lectures, two in-class midterm exams, one final exam, and three assignments. Lectures will be given in English. If time permits, a lecture will be followed by a Q&A session in which students may ask questions in Japanese.

Prerequisites

The prerequisites for this course are introductory microeconomics and introductory econometrics.

You are responsible for ensuring that you have successfully completed all course prerequisites. Lack of prerequisites may not be used as a basis for appeal. If you are found to be ineligible for a course, you may be removed from it at any time and you will receive no adjustment to your fees.

If you find that you do not have the course prerequisites, it is in your best interest to drop the course well before the end of the add/drop period. Your prompt attention to this matter will not only help protect your academic record, but will ensure that spaces become available for students who require the course for graduation.

Registration

You are responsible for ensuring you are registered in the correct courses. If you are not registered in this course, the Department will not release your marks until your registration is corrected. If you notice a problem, please contact your faculty academic counsellor right away.

Assessment

The course grade will be based on 3 assignments, two in-class midterm exams and a final exam. The distribution of the marks is as follows:

Assessment	Weight
Assignments (3)	30%
Midterm exam (2)	40%
Final exam	30%

Assignments: Three assignments will be posted to the course website. Typically, students will be given three weeks to complete each assignment. Students are permitted to work in groups of up to three students and to submit a single copy of their solutions per group. Assignments are due at the start of the day's lecture. The deadline for each assignment is listed below:

Exams: Midterm and final exams will contain multiple choice problems as well as short answer problems. Midterm will be held in class. All exams are closed book. All electronic

Assignment 1	10/31
Assignment 2	12/05
Assignment 3	01/23

devices, except for a non-programmable calculator, will be prohibited during exams. Final exam date will be TBA.

Policy Regarding Late/Missed Assignments: Late assignments will be assessed a 10% penalty the first day, and not accepted subsequently. If a student fails to submit an assignment on time, and has a valid reason, it is their responsibility to contact the instructor and explain the reason. Proof supporting this reason may be requested by the instructor.

Policy Regarding Missing Midterm Exam: There will be no make-up midterm. If a midterm is missed for acceptable reasons, I will reweigh the assessments and the term grade accordingly. Students may be required to provide medical or other relevant documentation that support their reasons for the absence.

Textbook

[1] **Borjas, George J., Labor Economics, 6th Edition, 2013.** [Text]

It is required that students have access to the textbook. The 7th edition, published in 2015, also works as a textbook. A copy of the textbook will be available in the library once the term begins.

Schedule

Please note that the following is a tentative schedule for the course. All changes in schedule will be announced in class in advance. Students are responsible for learning about these changes.

Lecture	Topic
— (10/03)	Introduction
01 (10/05)	Labor supply theory
02 (10/10)	Social insurance and labor supply
03 (10/12)	Regression
04 (10/17)	Difference-in-differences
05 (10/19)	Family policies and labor supply
06 (10/24)	Labor demand theory
07 (10/26)	Overtime regulations
08 (10/31)	Labor market equilibria
— (11/02)	Review for midterm 1
— (11/07)	Midterm 1 (in-class)
09 (11/09)	Minimum wages
10 (11/14)	Job polarization
11 (11/16)	Instrumental variables
12 (11/21)	Discrimination
13 (11/23)	Equilibrium job search and matching
14 (11/28)	Optimal unemployment insurance
15 (11/30)	College wage premium
16 (12/05)	Compensating differentials
— (12/07)	Review for midterm 2
— (12/12)	Midterm 2 (in-class)
17 (12/14)	Models of schooling choices
18 (12/19)	Human capital investment
19 (12/21)	Technology of skill formation
20 (12/26)	Executive pay (optional)
21 (01/11)	Parental investment to children
22 (01/16)	Lifecycle wage growth
23 (01/18)	Education topics
24 (01/23)	Roy model and applications
— (01/25)	Review for final