

Introduction

February, 2019

1 Introduce Myself

Office, email, research interests.

2 Subject

- Understanding wages, unemployment, job growth, and other labor market phenomena as a function of the interactions between workers, firms, and the government policies.
- It is much more comprehensive than it seems because people's labor-market choices depend on a lot factors: life expectancy, mobility, technology, nonpecuniary job characteristics, human-capital formation, marriage market, social rules, and so on. We can make a similar case for the firms.
- The developments in the labor market have much more wider consequences than you might think. For example, there is considerable evidence that American and Swedish election results are heavily influenced by people's labor-market concerns.

3 How is taking this class going to help you?

- A good understanding of the topics covered in this class will help you think about what is happening in the world and just around you:
 - Are machines going to replace us in the workplace? Which jobs are more vulnerable to automation? Is any of the political developments across the world associated with people's concern about losing their jobs to machines?
 - Many agricultural fields in Turkey are not in use because people are not putting the effort in it. Many people in rural areas do not have a stable job and income but they still do not prefer working in a farm. It wasn't so 50 years ago. It looks like people's labor market choices changed. Why?

- Turkey experienced a massive influx of immigrants in the past decade. How did it change wages, unemployment rate, job growth, the types of available jobs?
- The class will (hopefully) help you gain a dynamic understanding of the consequences of your career choices. Some jobs become obsolete over time. Investing in the correct skills and improving your outside options are important for earning higher wages.
- If any of you become a policy-maker in the future, thinking about the labor market dynamics we learn in this class will help you interpret the data better and make correct policies.
- If you ever become an entrepreneur, this class might give you a new vision to think about how to attract and keep good employees. If you think creatively, it may even give you some ideas about which business to start.
- If you go to grad school, you will see that the labor economics is a huge and fruitful field, with many available jobs.

4 How are we going to do the class?

- We will start by thinking about how the labor market has been changing over time.
 - After brainstorming in class,
 - We will watch Professor Daron Acemoglu's lecture on the changing labor markets.
 - Then read part 1 of the Global Wage Report of the ILO to understand how wages have been changing across the world.
 - It will help us understand what we are trying to understand.
- Then we will do some math.
 - The fundamental of economics is demand and supply, after all. We will see how labor-market comes to an equilibrium.
 - Theories give us a way to think about problems. But the goal of the class is not doing the math, just using the math when we need it.
 - Depending on the demands from the class, I can incorporate new topics that the class wants to understand more.
- We will also learn some econometrics tools for interpreting data.

- Need quantitative answers to quantitative questions for making policy recommendations, forecasting, and testing theories.
- But again, this is not an econometrics course and we will use econometrics as a tool without digging too deep in it.

5 Workload

- Tests: Midterm (35%), Final (40%).
- Homework (10%): 3 or 4 in total.
 - Our book will tell us what's happening in the United States and the world. In the majority of the homeworks, you will download and interpret the TÜİK data to understand what's happening in Turkish labor market.
 - You can work in groups (up to 5 people) to do the homework (I prefer 10 people doing the homework together and giving them full credit instead of 2 groups of people copying from each other and giving them all zero).
 - Each group has to return only 1 copy of the homework.
- Referee report (15%).
 - You are expected to analyze an academic research paper and criticize it.
 - Some groups can do a presentation instead of writing a report. This would help more people benefit from their knowledge.
 - You can work in groups (up to 5 people) as for the homework.
 - A list of papers among which you can choose will be provided. If there is another paper you are interested in, you can let me know about it and it will most likely be OK that you referee it.
 - Additional instructions will be provided throughout the semester.
- Bonus points: Class-performance dependent. Up to 5 points.
 - Your letter grade= $\max(\text{Your letter grade before anyone receives bonuses}, \text{Your letter grade after bonuses are given})$

6 Miscellaneous

- Office hours (TBA) and by appointment.
- Lecture notes.
 - Lecture notes that guide the class structure will be provided in the Moodle before classes.
 - They are *complementary* and not *substitutes* to reading the book or attending the class. There are many gaps in the notes which you can fill in by attending the class and reading the book.
- Attendance and class participation.
- Late turn-ins will be penalized.
- Plagiarism.