



## Macroeconomics of Labor Markets | ECP77604/ECP88244

Year	1
ECTS Credits	5
Contact Hours	10 hours of lectures and 5 hours of tutorials
Pre-Requisite	Nil
Semester	2
Module Leader and Lecturer	Professor Martyna Marczak
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### Module Outline:

The module creates a strong link to the recent research in the field of labor economics, positioning itself at the intersection of macroeconomics and labor economics. The focus lies on the causes of unemployment from a theoretical perspective, incorporating models that account for market frictions and imperfect competition in labor markets. The discussion is based on matching models, labor union models, efficiency wage models, and models including minimum wages. Additionally, the module analyzes the consequences of market power and its implications for labor market outcomes. One of the major goals of the module is to acquaint students with the analytical tools commonly used in this research area, enabling them to critically evaluate and contribute to ongoing debates in the field

Topics covered include:

1. Job Reallocation and Unemployment
2. Labor Unions and Unemployment
3. Efficiency Wages
4. Minimum Wages

### Module Learning Outcomes:

Upon successful completion of the module, students are able to evaluate the welfare and incentive effects of labor market institutions such as labor unions, unemployment insurance, minimum wages, and employment protection.

### Assessment:

Assessment for the module is based on a final exam accounting for 50% of the grade. Homework solutions make up the remaining 50%.

### Recommended Reading List:

Cahuc, P., S. Carcillo and A. Zylberberg (2014). Labor Economics, 2nd edition, MIT Press (you can also use the first edition).

Pissarides, C.A. (2000). Equilibrium Unemployment Theory, 2nd edition, MIT Press

Sorensen, P.B. and H.J. Whitta-Jacobsen (2022). Introducing Advanced Macroeconomics, 3rd edition, Oxford University Press