

Applied economics III: labor economics and employment policies

Level: L2

Cursus: all

Semester: S1

Timetable: 18 h of lecture et 18 h of tutorials

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Course objectives:

Wage employment is currently the most widespread form of work. As the Macroeconomics II course highlighted the correlation between the business cycle and variations in unemployment, this course takes a closer look at the question of employment, presenting the neoclassical framework of the labor market (supply and labor/leisure trade-offs, firm demand, partial equilibrium), some market failures (agency costs, frictional unemployment, unions, discrimination), the empirical measurement of unemployment in the population and the limits of its quantification, before tackling the normative aspects in terms of employment policy.

Outline:

1. Microeconomic models of salaried employment
 - i. Labor supply, job search and occupational risks
 - ii. Labor demand, recruitment and incentive wages
 - iii. Labor market and collective institutions
2. Macroeconomic performance of the labor market, evaluation of public employment policies
 - i. Criteria for assessing labor market performance
 - ii. Heterodox critiques of micro-founded approaches

Skills developed:

- microeconomic modeling of various aspects of agent behavior in the context of the labor market
- articulation of different economic methodologies: microeconomics, econometrics, macroeconomics, political economy and behavioral economics
- understanding the links and limits between model predictions and policy recommendations

Assessment method:

1 table test and 1 group report

Prerequisite:

L1 microeconomics and macroeconomics courses; L1 mathematical tools

Bibliography / references:

- Microéconomie de l'emploi (J.-Y. Lesueur & M. Sabatier)
- Labor economics (P. Cahuc & A. Zylberberg)
- Économie du travail et des politiques de l'emploi (P. Cotelette)
- Économie du travail et des ressources humaines (D. Masclet & T. Rebière)