

## Labour Economics: Theory and Applications

Department of Economics, Business School

College of Social Sciences

### Details

**Code** 22870

**Level of study** Third/Final year

**Credit value** 20

**Semester** 1+2

**Pre-requisite modules** Introductory Econometrics A – [08339](#)  
[\(/undergraduate/studyabroad/modules/data/12/12/115/00/83/08339.aspx\)](#),  
Introductory Econometrics B - [08341](#)  
[\(/undergraduate/studyabroad/modules/data/12/12/115/00/83/08341.aspx\)](#)

**Other pre-requisites** None

### Module description

This course provides an introduction to labour economics and econometrics. We will seek an understanding of key labour market phenomena, both analytically and empirically. We will provide a foundation in modern labour economics methods in order to enable students to evaluate research in labour economics, and to use its insights in their analysis of labour market policies.

In the first semester this module will provide an introductory understanding of the basic techniques behind labour econometrics. This understanding will be achieved by studying past seminal articles in labour econometrics and assigning introductory econometric exercises. Two broad areas are studied. The first involves the determination of wages, estimated using least-squares techniques. The second involves the determination of employment estimated using limited dependent variable techniques use a Probit and Logit. In the second half of the semester students will be assigned computer practical exercises to be presented in class.

In the second semester this module will provide an introduction to the theory of contemporary labour economics. The analytical tool of neoclassical economics are used to examine labour supply and demand, which, in turn will be used to develop an understanding of wage formation and employment levels in labour markets. The module concludes with an examination of sources of wage differentials, considering the effects of education, unions, discrimination, and compensating wage differentials.

### Teaching and learning methods

40 hours of lectures, 10 hours of classes

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