

Programme: M. A. Economics

Course Code: ECO 117

Title of the Course: Labour Economics

Number of Credits: 4

Total Contact Hours:48

Effective from AY: 2018-19

<u>Prerequisites for the course:</u>	NIL	
<u>Objective:</u>	To develop students' abilities in acquiring a better understanding of the functioning of labour markets.	Contact Hours
<u>Content:</u>	<p>1. The Supply of Labour</p> <p>Supply of labour by an individual, by a household to an economy – A Household model of labour supply – A bargaining model of family labour supply – Changes in work participation over time: The decline in male participation rates; the increase in female participation rates – Labour force growth during recessions: The Added Worker Effect-The Discouraged Worker Effect - Classical Theory of Job Choice - Modern Theory in terms of investment in Human Capital - Migration.</p> <p>2.The Demand for Labour</p> <p>The individual firm's demand for labour in the short run - The individual firm's demand for labour in the long run - Industry demand for labour - Elasticity of demand for labour.</p> <p>3.The Labour Market</p> <p>Definition of the labour market – Differences between Labour Markets and Commodity Markets - Labour Market Structure: Structured Labour markets- Unstructured Labour Markets-Internal and External Labour markets- Primary and Secondary Labour Markets.</p> <p>4. Theories of Labour Market Discrimination</p> <p>Types of discrimination – Taste-for- discrimination model – Market Power: The Monopsony model – Theory of Statistical discrimination – The Crowding model.</p>	<p>10</p> <p>07</p> <p>04</p> <p>07</p> <p>06</p>

	<p>5. Employment</p> <p>Types of unemployment – The measurement of unemployment – Causes of unemployment: Job Search (The Stigler model, The McCall model)-Rigid wages-Efficiency wages.</p> <p>6. Wage Determination</p> <p>Wage determination in a perfectly competitive market – Wage determination in a Monopsony market – Minimum wage – Minimum wage in a perfectly competitive market – Minimum wage in a monopsony market – The minimum wage and efficiency wage theory – Segmentation and Dual Labour Market Theory.</p> <p>7. Productivity</p> <p>Concept - Measurement – Importance of productivity increases - Factors influencing labour productivity - Productivity and inflation - Productivity and employment .</p>	<p>08</p> <p>06</p>
<p><u>Pedagogy:</u></p>	<p>The course will be taught using lectures, discussions, seminars and assignments.</p>	
<p><u>References/Readings</u></p>	<p><u>References :</u></p> <ul style="list-style-type: none"> • Ashenfelter Orley C., David C., (2010), <u>Handbook of Labour Economics</u>, Vol. 3C, North Holland, U.K. • Basu Kaushik, (Ed.)(2002), <u>International Labour Standards: History, Theories and Policy Options</u>, Wiley-Blackwell • Bauder Harold,(2006), <u>Labour Movement: How Migration Regulates Labour Markets</u>, OUP, USA • Bloom G.F. and Northrup H.R., (1977), <u>Economics of Labour Relations</u>, Richard D. Irwin, Inc. Homewood, Illinois. • Borjas G.J. (2015), <u>Labour Economics</u>, McGraw-Hill, New York. • Cahuc Pierre, Zylberberg A., (2014), <u>Labour Economics</u>, Mit Press, USA. • Ehrenberg R., (2017), <u>Modern Labour Economics-Theory and Public Policy</u>, Routledge, U.S.A. • Hyclak Thomas, Johnes G., Thornton R., (2012), 	