# Labour Economics

## Prof. Giulio Piccirilli

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The course is composed of two parts. In first part, the course focuses on the functioning of the labour market at large. In the second, on the management of human resources within firms and organizations.

As to the first part, students will learn the peculiarities of the labour market and how these peculiarities affect the equilibrium. Particular attention will be devoted to what causes unemployment and to the policies that can be implemented to improve the functioning of the market.

As to the second part, the course focuses on the selection and recruitment of new workers and on pay and career mechanisms aimed at boosting workers’ effort. Particular attention will be paid to the information asymmetries that characterise the employer-employee relationship and to the methods used by the employers to mitigate the negative consequences of asymmetries.

By attending the course, students will:

- learn the basic concepts and fundamental tools of labour economics,

- understand the causes of unemployment,

- understand the information problems that a firm must solve in order to efficiently recruit and incentivise its workforce,

- learn the basic trade-offs facing the regulation of the labour markets,

- learn how to critically assess policy decisions and policy proposals put forth by candidates at the government of the country,

- learn how to design efficient organisational and contractual solutions for hiring and incentivising the workforce,

- acquire a technical language to clearly and effectively communicate their knowledge and skills.

***COURSE CONTENT***

*Part 1*

- Before entering the labour market: investments in education.

- Participation in the labour market: labour supply.

- Labour demand.

- The functioning of a competitive labour market.

- Labour market regulation and involuntary unemployment.

- Labour market imperfections and involuntary unemployment.

*Part 2*

- Adverse selection in recruitment and recruitment strategies.

- Opportunistic behaviour and effort incentives.

- Formal and on-the-job training.

***READING LIST***

Pepi De Caleo, *Manuale di Economia del Lavoro*, Il Mulino – Bologna.

The lecturer, during the lectures and with notices placed on *Blackboard,* will provide specific indications on the chapters of the manual covering the topics of the program.

***TEACHING METHOD***

Frontal lectures.

***ASSESSMENT METHOD AND CRITERIA***

Students are evaluated on the basis of a 90-minute exam in which they are asked to write two short essays. The topic of the essays is generally quite broad and can be developed both descriptively and through formal analysis. The evaluation will be based upon the quality of the discussion, the consistency of the reasoning, the precision of language, and the ability to link theoretical notions to examples taken from real world.

A middle-course assessment is scheduled after the first 6 weeks of the course and will be based on topics covered up to that point. The assessment is ideally aimed at students attending the lectures, but may be taken by all students enrolled in the course. The middle-course assessment consists of a set of multiple-choice questions and a short essay. Students are allowed 60 minutes to complete the assessment.

Those who take the middle-course assessment must complete the exam in any of the summer dates. In this occasion, following the lecturer's instructions, students are given 45 minutes to answer only one of the two questions assigned for the normal exam.

For those taking the exam in two parts, the final mark will be the average of the two parts.

***NOTES AND PREREQUISITES***

*Pre-requisites*: learning is easier if students master the basic concepts and notions conveyed in Mathematics and Economics (Microeconomics).