

Labor Markets: A Macroeconomic Perspective

Syllabus (Winter 2019/20)

The existence of unemployment remains an eminent puzzle for economists. From the macroeconomic perspective, one needs to argue why wages do not clear markets. Why do job openings coexist with unemployment? What explains large up- and downswings of unemployment over the business cycle? What policies stabilize unemployment? This seminar tackle these questions.

First, we provide a block lecture on labor market flows and the role of wages over the business cycle. Then, students will prepare a seminar paper on one related topic of their choice. Topics will be assigned in the block lecture! Preliminary results and ideas are presented and discussed in a joint session (mid December 2019 or January 2020). Deadline for handing in the seminar paper will be end of January or beginning of February 2020.

Participation in the block lecture is mandatory! There is not need to register in advance but it would be helpful if you sign up in StudOn (program and slides will be uploaded there).

Requirements

- Participation in the block lecture
- Seminar paper (15 pages)
- Presentation (30 minutes)

Lecture: October 19 (Saturday!), 2019 from 10.00 to 18.00, Room LG 3.155

Prerequisites: Macroeconomics 1 & sound knowledge of econometric methods

Language: English

Contact: Heiko.Stueber@fau.de, consultation upon email appointment.

Content of the block lecture (preliminary)

- Wage rigidity and unemployment
- Wage rigidity and the “Shimer Puzzle”: Real wage cyclicalities of newly hired and incumbent workers
- Wage cyclicalities and labor market dynamics at the establishment level
- Worker churn and employment growth at the establishment level
- Introduction and assignment of the seminar topics

Seminar topics (suggestions)¹

tba in the block lecture

¹ (T) indicates theoretical paper and (E) indicates empirical paper.