University of St.Gallen

Course and Examination Fact Sheet: Spring Semester 2022

6,258: Evaluation of Labour Policy

ECTS credits: 6

Overview examination/s

(binding regulations see below)
Decentral - examination paper written at home (individual) (50%)
Examination time: term time
Decentral - Presentation (individual) (50%)
Examination time: term time

Attached courses

Timetable -- Language -- Lecturer
6,258,1.00 Evaluation of Labour Policy -- Englisch -- Koeniger Winfried , Eugster Beatrix

Course information

Course prerequisites

Basic calculus and econometrics (linear regression and instrumental variables). Basic knowledge of R is an advantage.

Learning objectives

By the end of the course, the students will

- be familiar with important models of the labour market and they can critically evaluate their assumptions;
- be familiar with the important stylized facts on labour markets and they know where to find statistics on the labour market;
- understand methodologies that allow to draw causal inference in the context of labour market policies;
- understand the effects of important existing labour market policies and they are able to critically evaluate policy proposals for the labour market.

Course content

This course is suitable for those who would like to understand important aspects of labor market policy.

Part I

Students are introduced to the main existing models for the analysis of labor markets. These models are then applied (i) to understand important phenomena such as unemployment, worker and job flows; and (ii) to discuss the resulting policy implications. The main covered topics are:

- Labour markets with moral hazard: We show how unobserved effort of workers implies wages above the market clearing level, resulting in unemployment.
- Labour markets with search frictions: We show how plausible frictions in the labour market generate equilibrium unemployment.

Part II

Students are introduced to empirical methods for the causal analysis of effects of labour market policies. They get to know the Rubin causal model as a framework for causal analysis. They then get to know and learn to apply field experiments, difference-in-differences, instrumental variables, and regression discontinuity designs. For each topic the students will:

- Get to know the empirical method;

- Read and discuss research that applies the method;
- Learn to apply the method using R.

Part III

Self-study and preparation of presentations

Part IV

Students present applications of the material covered in parts I and II to analyse the effect of labour market policies, in theory and in practice:

- Students analyse the effect of important existing policies such as unemployment insurance, minimum wages and employment protection legislation.
- Students present and discuss empirical evidence on labour market performance in developed countries.

Course structure and indications of the learning and teaching design

The course consists of the following parts:

- An introductory lecture

- Four blocks, each structured as follows: A theory lecture giving an introduction to the leading frameworks/models to understand labour markets, unemployment and the effect of labour market policy. An empirical lecture, explaining methodologies that allow to evaluate the causal effects of labour market policy empirically and discussing research applying these methods. An applied lecture, where students work on the replication of a research paper. A self-study lecture, where students have the opportunity to work on their replications and prepare the next course block.

- A block reserved for the preparation and presentation of book chapters and empirical papers, including a preparatory meeting with the lecturer.

Course literature

The lecture slides/notes are the main reference for the material covered in the course. We will draw on material contained in the following textbooks, parts of which are however at a more advanced level than required for this course. The books serve as useful reference for further reading on the topic.

- Cahuc, Pierre and André Zylberberg: *Labor Economics,* 1st edition, MIT Press, 2004.
- Cahuc, Pierre, Stéphane Carcillo and André Zylberberg: *Labor Economics,* 2nd edition, MIT Press, 2014.
- Pissarides, Christopher A., *Equilibrium Unemployment,* MIT Press, 2000.
- Huntington-Klein, Nick, *The Effect: An Introduction to Research Design and Causality,* www.theeffectbook.net
- Angrist, Joshua D. and Jörn-Steffen Pischke, *Mostly Harmless Econometrics,* Princeton University Press, 2009.

Additional course information

Part of the course is planned as face-to-face teaching in lecture rooms and some parts may be conducted online. Due to possible limits of the lecture rooms' capacity, to maintain the proper social distancing measures in place, it might be that the class will be split into groups and the groups will alternate being present in the lecture room. Then, sessions will be simultaneously broadcasted and recorded via Zoom in the cloud for the group of students not present in the lecture room. Further information will be made available via StudyNet.

In the case of the President''s Board having to implement new directives due to the SARS-CoV-2 pandemic in SpS2022, the course information listed above will be changed as follows:

- The course is conducted online via the platform Zoom;
- The recordings of the course are available for 30 days;
- The lecturer informs via StudyNet about the changed implementation modalities of the course;
- There are no changes necessary to the course information.

The examination information listed below would be changed as follows:

- The presentations are conducted online and are being recorded

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Examination information

Examination sub part/s

1. Examination sub part (1/2)

Examination time and form
Decentral - examination paper written at home (individual) (50%)
Examination time: term time

Remark
Empirical exercises / replications: group possible

Examination-aid rule
Term papers

Written work must be written without outside help according to the known citation standards, and a declaration of authorship must be attached, which is available as a template on the StudentWeb.

Documentation (quotations, bibliography, etc.) must be carried out universally and consistently according to the requirements of the chosen/specified citation standard such as e.g. APA or MLA.

The legal standard is recommended for legal work (cf. by way of example: FORSTMOSER, P., OGOREK R., SCHINDLER B., Juristisches Arbeiten: Eine Anleitung für Studierende (the latest edition in each case), or according to the recommendations of the Law School).

The reference sources of information (paraphrases, quotations, etc.) that has been taken over literally or in the sense of the original text must be integrated into the text in accordance with the requirements of the citation standard used. Informative and bibliographical notes must be included as footnotes (recommendations and standards e.g. in METZGER, C., Lern- und Arbeitsstrategien (latest edition)).

For all written work at the University of St.Gallen, the indication of page numbers is mandatory, regardless of the standard chosen. Where page numbers are missing in sources, the precise designation must be made differently: chapter or section title, section number, article, etc.

Supplementary aids
For each student, the three best grades (out of four replications) will be averaged.

Examination languages
Question language: English
Answer language: English

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2. Examination sub part (2/2)

Examination time and form
Decentral - Presentation (individual) (50%)
Examination time: term time

Remark
Presentation of book chapter or research paper

Examination-aid rule
Practical examination
No examination-aid rule is necessary for such examination types. The rules and regulations of the University of St. Gallen apply in a subsidiary fashion.

Supplementary aids

Examination content

Group examination paper:

Four replications of empirical research papers (the 3 best grades out of 4 replications will be averaged).

Presentation:

Book chapter (Cahuc, Carcillo, Zylberberg) or empirical research paper according to the list published on the course website.

Examination relevant literature

The lecture slides/notes and the empirical research papers discussed in class are the mandataory references for the material covered in the course.

Please note

Please note that only this fact sheet and the examination schedule published at the time of bidding are is binding and takes precedence over other information, such as information on StudyNet (Canvas), on lecturers' websites and information in lectures etc.

Any references and links to third-party content within the fact sheet are only of a supplementary, informative nature and lie outside the area of responsibility of the University of St.Gallen.

Documents and materials are only relevant for central examinations if they are available by the end of the lecture period (CW21) at the latest. In the case of centrally organised mid-term examinations, the documents and materials up to CW 12 are relevant for testing.

Binding nature of the fact sheets:

- Course information as well as examination date (organised centrally/decentrally) and form of examination: from bidding start in CW 04 (Thursday, 27 January 2022);
- Examination information (regulations on aids, examination contents, examination literature) for decentralised examinations: in CW 12 (Monday, 21 March 2022);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised mid-term examinations: in CW 12 (Monday, 21 March 2022);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised examinations: two weeks before the end of the registration period in CW 15 (Monday, 11 April 2022).