SECOND PART -- ACEMOGLU

The book Pierre Cahuc and Andre Zilberberg *Labor Economics* MIT Press, 2004, covers some of the topics and is a very useful reference. You may also want to consult the lecture notes on my website (Acemoglu, Daron and David Autor, *Lectures in Labor Economics*, Web notes), but not all topics we will be studying are covered in those notes.

I. Labor Market Externalities

A. Non-Pecuniary and Pecuniary Externalities in the Labor Market


B. Signaling


II. Social Mobility, Peer Effects and Human Capital

A. Social Mobility


* Solon, Gary “Intergenerational Income Mobility in the United States” *American Economic Review* v82, n3 (June 1992): 393-408


B. Peer Effects


III. A Network Approach to Peer Effects


IV. Incentives, Agency and Efficiency Wages

A. Review of Basic Agency Theory


B. Multitasking and Applications


**C. Career Concerns**


**D. Efficiency Wages**

* Carl Shapiro and Joseph Stiglitz (1984);"Unemployment as Worker Discipline Device" American Economic Review,


V. Investment in Skills

A. Holdups and Investments


B. Investment in General Skills


C. Specific Skills, Investments and Learning


IV. Search and Unemployment

A. Unemployment, Non-Employment and Labor Market Flows


* Juhn, Chinhui, Kevin Murphy and Robert H. Topel, (1991) "Why Has the Natural Rate of Unemployment Increased over Time?" Brookings Papers on Economic Activity, 0(2) pp.75- 126


OECD (1994); Jobs Study Volumes 1 and 2.

B. The Partial Equilibrium Search Model


C. The Basic Equilibrium Search Framework

* Pissarides, Christopher; *Equilibrium Unemployment Theory*, MIT Press, 2000


D. The Composition of Jobs


E. Real Wage Rigidity, Unemployment and Unemployment Persistence


F. Nominal Wage Rigidity and Unemployment

* Bewley, Truman (1999), *Why Wages Don’t Fall During a Recession*, Harvard University Press.


