

*Issues in Macro-Labor* (Marcus Hagedorn): This course discusses some of the recent developments in macro-labor, using and building on the search-matching framework of Diamond/Mortensen/Pissarides. The class covers macro- and microeconomic questions of the labor market combining theoretical and empirical methods.

The course addresses the following questions. Why do we observe unemployment? Why does unemployment fluctuate so much over the business cycle? Why do seemingly identical workers receive so different wages? What are the effects of increasing the generosity of unemployment insurance on unemployment and welfare? Can this account for the surge of US unemployment during the Great Recession? Does the market allocate the right workers to the right jobs? Are complementarities between workers and employers important in determining output, productivity, and wages? What is the allocation of workers to employers that maximizes total output?