

# University of Vienna

## Department of Economics

**Title:** PhD-E: Search and Matching Models of the Labor Market

**Instructor:** Dale T. Mortensen

**Location:** Seminar Room 1, Department of Economics, 1<sup>st</sup> Floor

**Description:** The goal of the course is to integrate theoretical and empirical research on wage and employment determination in a labor market characterized by search friction. Models of labor turnover, job flows, unemployment duration and incidence, unemployment, and job creation and destruction. These topics are all viewed within the context of a general search and matching labor market equilibrium framework. The empirical content will focus on the labor market performance during and after the Great Recession. The course is designed for students of labor and macroeconomics.

### Readings:

D.T. Mortensen (1986). "Job Search and Labor Market Analysis" in Ashenfelter and Layard, eds., *Handbook of Labor Economics*, vol2: 849-920. Amsterdam: Elsevier Science.

D.T. Mortensen and C.A. Pissarides (1994). "Mortensen, Dale T., and Christopher A. Pissarides. 1994. "Job Creation and Job Destruction in the Theory of Unemployment." *Review of Economic Studies*, 61: 397–415.

C.A. Pissarides (2000). *Equilibrium Unemployment Theory*, MIT Press

R. Rogerson, R. Shimer, and R. Wright (2005). "Search Theoretic Models of the Labor Market: A Survey." *Journal of Economic Literature* Vol. XLIII: 959–988.

R. Shimer (2005). "Cyclical Behavior of Equilibrium Unemployment and Vacancies," *The American Economic Review*, 95(1): 25-49.

O. Blanchard and J. Gali (2010), "Labor Markets and Monetary Policy: A New Keynesian Model with Unemployment," *American Economic Journal: Macroeconomics* 2: 1–30.

R.E.A. Farmer (2012). "Confidence, Crashes, and Animal Spirits," *Economic Journal* 122:155-172.

L. Sala, U. Soderstrom, and A. Trigari (2012). "Structural and Cyclical Forces in the Labor Market During the Great Recession: Cross-Country Evidence," Working paper.

## Meeting Times and Lecture Topics

Tuesday, 02.10.2012 14.30-16.00,  
Lecture 1: Introduction to Job Search Theory

Wednesday, 03.10.2012 09.00-11.00,  
Lecture 2: Extensions of the Theory

Wednesday, 03.10.2012 16.00-18.00,  
Problem Session

Thursday, 04.10.2012 11.00-14.00,  
Lecture 3: Equilibrium Unemployment in the MP Model  
Lecture 4: Job Creation and Destruction in the MP Model

Friday, 05.10.2012 14.30-17.30,  
Lectures 5: Topics: Matching, Bargaining, and Efficiency

Saturday, 06.10.2012 10.00-13.00,  
Lecture 6: Labor Market Fluctuations  
Lecture 7: Dynamics of the MP Model

Tuesday, 09.10.2012 14.30-16.00,  
Lecture 7: The Great Recession and After

Wednesday, 10.10.2012 09.00-11.00,  
Lecture 8: New Keynesian Models with Unemployment

Wednesday, 10.10.2012 16.00-18.30,  
Discussion of Sala, Soderstrom, and Trigari

Registration:  
UNIVIS-System