

# LABOR ECONOMICS

Fall 2016

## LOGISTICS:

---

<b>Instructor</b>	Tianxu Chen Office: Room 425, School of Economics email: <a href="mailto:tianxu@mail.shufe.edu.cn">tianxu@mail.shufe.edu.cn</a> Office hours: Tuesday 15:00-17:00, and by appointment
<b>Teaching Assistant</b>	Songjing Chen email: <a href="mailto:chensongqing0@126.com">chensongqing0@126.com</a> Office hours: TBA TA Session: TBA
<b>Teaching times</b>	Tuesday 18:00 p.m. to 20:35 p.m.
<b>Meeting Place</b>	Room 207, No.4 Lecture Building

## OUTLINE OF THE COURSE

This course is meant to introduce the students to the economic analysis of the labour market. The syllabus is divided into two parts. The first part (topics 1-4) covers the basic models of the functioning of the labour market, the second part (topics 5 to 10) discusses a number of important topics in labour economics.

### **Preliminary list of topics**

1. Labour demand
2. Labour supply
3. Labour market equilibrium
4. Frictional labour markets
5. Unionised labour markets
6. Education and training
7. Motivating workers: pay and productivity
8. Labour migration
9. Inequality of labour earnings
10. Discrimination in the labour market

## **PREREQUISITES**

A good knowledge of the fundamentals of microeconomics is required. Familiarity with the basic notions of econometrics is recommended.

## **TEACHING MATERIAL**

The reference textbook is:

- Ehrenberg & Smith, *Modern Labor Economics: Theory and Public Policy*, Prentice Hall, 12E.

In addition, compulsory readings will be assigned to reading groups and are required material for the final exam.

For some topics, the lectures will also involve material from:

- Garibaldi P., 2006, "Personnel Economics in Imperfect Labour Markets", Oxford University Press, chapter 7.
- Pissarides C., 2000, "Equilibrium Unemployment Theory", MIT Press, chapter 1 (1.1 to 1.5).

## **PROBLEM SETS**

Four problem sets will be assigned over the duration of the course. They will be made available on the Blackboard website one week before the due date. You will have to hand them in at the beginning of the class before the TA goes through the solutions. No late homework will be accepted.

Working on the problem sets is not compulsory but it is highly recommended as the questions in the final exam are very similar to those in the problem sets. Moreover, your grade in the problem set can help you improve your final mark (15%).

## **READING GROUPS**

Students who wish to participate in the reading groups will be divided into small groups (3 to 4 students). Each group will be assigned a paper (see the last page for more information) to read and present in class during one of the reading sessions.

All papers in the reading group list are required material for the final exam regardless of whether you participate in the reading groups and attend the reading classes.

Presentations of the papers are graded and can improve your final mark (10%).

## **GRADING POLICY**

There will be four regular homework assignments, successful completion of which counts for 15 percent of your grade. There will be one midterm and one final exam, worth 30 and 50 percent separately. And the in-class presentation will be worth 5 percent for completion.

## **PRESENTATION**

### **Labour demand**

Marianne Bertrand & Francis Kramarz, 2002. "Does Entry Regulation Hinder Job Creation? Evidence From The French Retail Industry," *The Quarterly Journal of Economics*, vol. 117(4), pages 1369-1413.

Matthieu Chemin & Etienne Wasmer, 2009. "Using Alsace-Moselle Local Laws to Build a Difference-in-Differences Estimation Strategy of the Employment Effects of the 35-Hour Workweek Regulation in France," *Journal of Labor Economics*, vol. 27(4), pages 487-524.

### **Labour supply**

Tiago V. de V. Cavalcanti & Jos é Tavares, 2008. "Assessing the Engines of Liberation: Home Appliances and Female Labor Force Participation," *The Review of Economics and Statistics*, vol. 90(1), pages 81-88.

Claudia Goldin & Claudia Olivetti, 2013. "Shocking Labor Supply: A Reassessment of the Role of World War II on Women's Labor Supply," *American Economic Review*, vol. 103(3), pages 257-62.

Martha J Bailey, 2006. "More Power to the Pill: The Impact of Contraceptive Freedom on Women's Life Cycle Labor Supply," *The Quarterly Journal of Economics*, vol. 121(1), pages 289-320.

### **Frictions & Unions**

Andersson, Fredrik & Burgess, Simon & Lane, Julia I., 2007. "Cities, matching and the productivity gains of agglomeration," *Journal of Urban Economics*, vol. 61(1), pages 112-128.

John DiNardo and David S. Lee. "Economic Impacts of New Unionization on Private Sector Employers: 1984 – 2001." *The Quarterly Journal of Economics* (2004) 119 (4), pp. 1383-1441.

David Card, 2001. "The Effect of Unions on Wage Inequality in the U.S. Labor Market," *ILR Review*, Cornell University, vol. 54(2), pages 296-315.

### **Education & Pay**

Marianne Bertrand and Sendhil Mullainathan. "Are CEOs Rewarded for Luck? The Ones Without Principals Are." *The Quarterly Journal of Economics* (2001) 116 (3), pp. 901-932.

Harry J. Paarsch & Bruce S. Shearer, 1999. "The Response of Worker Effort to Piece Rates: Evidence from the British Columbia Tree-Planting Industry," *Journal of Human Resources*, vol. 34(4), pages 643-667.

### **Migration & Inequality**

David Card, 1990. "The impact of the Mariel boatlift on the Miami labor market," *Industrial and Labor Relations Review*, ILR Review, vol. 43(2), pages 245-257.

Beerli, A and G Peri (2015), "The Labour Market Effect of Opening the Border: New Evidence from Switzerland" , NBER Working Paper 21319.