

Economics 611.33 Special Topics in Economics (Labour Economics II)

Instructor: Jean-William Laliberté
Phone: 403 220-5291
Email: jeanwilliam.lalibert@ucalgary.ca

Lecture Location: SS 423
Lecture Days/Time: TR 11:00 - 12:15

Office: SS434
Office Hours: TR 15:00 – 16:00

(Winter 2020)

Course Description:

This is the second course in the labour economics sequence. This course aims to acquaint students with traditional and contemporary topics in labour economics and to encourage the development of independent research interests. Topics include labour supply, immigration, minimum wage policies, unions, education, intergenerational mobility, place effects and discrimination.

As part of this course, students are expected to attend Monday (bi-monthly) and Friday (weekly) seminars.

Course Objectives/Learning Outcomes:

Be able to understand the determinants of labour market outcomes.
Be able to utilize applied econometrics to understand the functioning of labor markets.
By the end of the course students should be able to formulate interesting causal questions.

Prerequisites/corequisites:

Economics 301 or equivalent.

Please Note: In planning this course, I assume students are familiar with Stata and Matlab, or an equivalent is required. A programming tutorial will not be provided.

Required Textbook(s):

None.

Recommended Textbook(s):

Handbook of Labor Economics.

Desire2Learn:

This course will make use of the Desire2Learn (D2L) platform. Students who are registered in the course can log on at <http://d2l.ucalgary.ca> through their student centre. Please note that D2L features a class e-mail list that may be used to distribute course-related information. These e-mails go to your University of Calgary e-mail addresses only.

Starting March 17, all courses will be moved online. For this course, video recordings of lectures will be posted on D2L via Yuja. I will be available to answers any questions by email. The final exam will be a take-home exam, due in April (exam dates TBA). Student presentations will be conducted via Zoom.

Grade Determination/Assessment:

Assignments (3)	30%
Research project	20%
Presentation	10%
(On Zoom)	
Final Exam	40%
(Take-home)	
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	100%

Reading List**1. Labour Supply**

- Angrist, Joshua, and William Evans. "Children and Their Parents' Labor Supply: Evidence from Exogenous Variation in Family Size." *American Economic Review* 88.3 (1998): 450-77.
- Angrist, Joshua D., Sydney Caldwell, and Jonathan V. Hall. Uber vs. taxi: A driver's eye view. No. w23891. National Bureau of Economic Research, 2017.
- Ashenfelter, Orley, and Mark W. Plant. "Nonparametric estimates of the labor-supply effects of negative income tax programs." *Journal of Labor Economics* 8.1, Part 2 (1990): S396-S415.
- Baker, Michael, Jonathan Gruber, and Kevin Milligan, 2008. "Universal Child Care, Maternal Labor Supply, and Family Well-Being," *Journal of Political Economy*, 116(4), pages 709-745.
- Blau, Francine D., and Lawrence M. Kahn. "Changes in the labor supply behavior of married women: 1980–2000." *Journal of Labor Economics* 25.3 (2007): 393-438.
- Camerer, Colin, Babcock, Linda, Loewenstein, George and Thaler, Richard, 1997. "Labor Supply of New York City Cab Drivers: One Day At A Time," *The Quarterly Journal of Economics*, 112(2), pages 407-441.
- Card, David and Dean R. Hyslop. "Estimating the Effects of a Time-Limited Earnings Subsidy for Welfare-Leavers." *Econometrica* 73 (6), 2005, 1723–1770
- Cesarini, David, Erik Lindqvist, Matthew J. Notowidigdo and Robert Ostling, 2017. "The Effect of Wealth on Individual and Household Labor Supply: Evidence from Swedish Lotteries," *American Economic Review*, 107(12), pages 3917-3946.
- Chetty, R., J. Friedman, T. Olsen and L. Pistaferri "Adjustment Costs, Firms Responses, and Micro vs. Macro Labor Supply Elasticities: Evidence from Danish Tax Records", *Quarterly Journal of Economics*, 126(2), 2011, 749-804.
- Chetty, Raj and Emmanuel Saez, 2013. "Teaching the Tax Code: Earnings Responses to an Experiment with EITC Recipients," *American Economic Journal: Applied Economics*, vol. 5(1), pages 1-31.
- Eissa, N. and J. Leibman, "Labor Supply Response to the Earned Income Tax Credit," *Quarterly Journal of Economics* 111 (2), May 1996.
- Farber, Henry S. "Why you can't find a taxi in the rain and other labor supply lessons from cab drivers." *The Quarterly Journal of Economics* 130.4 (2015): 1975-2026.

- Fehr, Ernst, and Lorenz Goette. 2007. "Do Workers Work More if Wages Are High? Evidence from a Randomized Field Experiment." *American Economic Review*, 97 (1): 298-317.
- Lemieux, Thomas, and Kevin Milligan. "Incentive effects of social assistance: A regression discontinuity approach." *Journal of Econometrics* 142.2 (2008): 807-828.
- Mas, Alexandre, and Amanda Pallais. "Labor Supply and the Value of Non-Work Time: Experimental Estimates from the Field." *American Economic Review: Insights* 1.1 (2019): 111-26.
- Rothstein, Jesse. "Is the EITC as good as an NIT? Conditional cash transfers and tax incidence." *American Economic Journal: Economic Policy* 2.1 (2010): 177-208.

2. Labour Demand

- Angrist, J. "Short-Run Demand for Palestinian Labor," *Journal of Labor Economics*, July 1996.
- Hamermesh, D., *Labor Demand*, Princeton, NJ: Princeton University Press.
- Hamermesh, Daniel S., and Stephen J. Trejo. "The demand for hours of labor: Direct evidence from California." *Review of economics and statistics* 82.1 (2000): 38-47.

3. Minimum wages

- Allegretto, Sylvia, et al. "Credible research designs for minimum wage studies: A response to Neumark, Salas, and Wascher." *ILR Review* 70.3 (2017): 559-592.
- Autor, D., Alan Manning, and Christopher L. Smith. "The contribution of the minimum wage to US wage inequality over three decades: a reassessment." *American Economic Journal: Applied Economics* 8.1 (2016): 58-99.
- Card, D., and Alan Krueger. "Minimum Wages and Employment: A Case Study of the Fast-Food Industry in New Jersey and Pennsylvania." *The American Economic Review* 84.4 (1994): 772-793.
- Cengiz, Doruk, et al. "The effect of minimum wages on low-wage jobs." *The Quarterly Journal of Economics* 134.3 (2019): 1405-1454.
- Dickens, Richard, Stephen Machin, and Alan Manning. "The effects of minimum wages on employment: Theory and evidence from Britain." *Journal of Labor Economics* 17.1 (1999): 1-22.
- Dube, Arindrajit, T. William Lester, and Michael Reich. "Minimum wage effects across state borders: Estimates using contiguous counties." *The review of economics and statistics* 92.4 (2010): 945-964.

4. Immigration

- Borjas, George J. "The labor demand curve is downward sloping: Reexamining the impact of immigration on the labor market." *The quarterly journal of economics* 118.4 (2003): 1335-1374.
- Card, D. (1990) "The Impact of the Mariel Boatlift on the Miami Labor Market," *Industrial and Labor Relations Review*.
- Clemens, Michael A., and Jennifer Hunt. "The labor market effects of refugee waves: reconciling conflicting results." *ILR Review* 72.4 (2019): 818-857.

- Dustmann, Christian, Uta Schonberg and Jan Stuhler, 2017. "Labor Supply Shocks, Native Wages, and the Adjustment of Local Employment," *The Quarterly Journal of Economics*, 132(1), pages 435-483.
- Friedberg, Rachel. "The Impact of Mass Migration on the Israeli Labor Market." *Quarterly Journal of Economics* 117, no. 4 (2001): 1373-1408.
- Ottaviano, Gianmarc, and Giovanni Peri. "Rethinking the effect of immigration on wages." *Journal of the European economic association* 10.1 (2012): 152-197.
- Peri, Giovanni, and Vasil Yassenov. "The Labor Market Effects of a Refugee Wave Synthetic Control Method Meets the Mariel Boatlift." *Journal of Human Resources* 54.2 (2019): 267-309.

5. Unions

- Card, David, Thomas Lemieux, and W. Craig Riddell. "Unions and wage inequality." *Journal of Labor Research* 25.4 (2004): 519-559.
- DiNardo, John, and David S. Lee. "Economic impacts of new unionization on private sector employers: 1984–2001." *The Quarterly Journal of Economics* 119.4 (2004): 1383-1441.
- Lee, David S., and Alexandre Mas. "Long-run impacts of unions on firms: New evidence from financial markets, 1961–1999." *The Quarterly Journal of Economics* 127.1 (2012): 333-378.
- Lemieux, Thomas. "Estimating the effects of unions on wage inequality in a panel data model with comparative advantage and nonrandom selection." *Journal of Labor Economics* 16.2 (1998): 261-291.
- Mas, Alexandre. 2006. "Pay, Reference Points, and Police Performance." *Quarterly Journal of Economics*, 121(3), 783-821.
- Mas, Alexandre. 2008. "Labour Unrest and the Quality of Production: Evidence from the Construction Equipment Resale Market." *Review of Economic Studies*, 75(1), 229-258.

6. Inequality: Supply and Demand

- Autor, David H. 2014. "Skills, Education, and the Rise of Earnings Inequality Among the 'Other 99 Percent.'" *Science*, 344(6186), 843–851.
- Autor, David H., Frank Levy, and Richard J. Murnane. "The skill content of recent technological change: An empirical exploration." *The Quarterly journal of economics* 118.4 (2003): 1279-1333.
- Card, David and Thomas Lemieux. 2001. "Can Falling Supply Explain the Rising Return to College for Younger Men? A Cohort-Based Analysis." *Quarterly Journal of Economics*, 116(2), 705-746.
- Katz, Lawrence F. and Kevin M. Murphy. 1992. "Changes in Relative Wages, 1963-1987: Supply and Demand Factors." *Quarterly Journal of Economics*, 107(1), 35-78.
- Lemieux, Thomas. "Increasing residual wage inequality: Composition effects, noisy data, or rising demand for skill?." *American Economic Review* 96.3 (2006): 461-498.
- Lemieux, Thomas. "The changing nature of wage inequality." *Journal of population Economics* 21.1 (2008): 21-48.
- Lewis, Ethan G. 2011. "Immigration, Skill Mix, and Capital-Skill Complementarity." *Quarterly Journal of Economics*, 126(2), 1029-1069.

- Piketty, T. and Saez, E. "Income Inequality in the United States, 1913-1998," *Quarterly Journal of Economics*, 118(1), 2003, 1-39.

7. Inequality: Intergenerational mobility

- Aizer, Anna, et al. "The long-run impact of cash transfers to poor families." *American Economic Review* 106.4 (2016): 935-71.
- Becker, Gary and Nigel Tomes "Human capital and the rise and fall of families," *Journal of Labor Economics* 4, (1986) S1-S39.
- Black, Sandra E., Paul J. Devereux, and Kjell G. Salvanes. "Why the apple doesn't fall far: Understanding intergenerational transmission of human capital." *American economic review* 95.1 (2005): 437-449.
- Black, Sandra E., and Paul J. Devereux. Recent developments in intergenerational mobility. No. w15889. National Bureau of Economic Research, 2010.
- Black, Sandra E., et al. Poor little rich kids? The determinants of the intergenerational transmission of wealth. No. w21409. National Bureau of Economic Research, 2015.
- Chetty, Raj, et al. "Where is the land of opportunity? The geography of intergenerational mobility in the United States." *The Quarterly Journal of Economics* 129.4 (2014): 1553-1623.
- Chetty, Raj, et al. The opportunity atlas: Mapping the childhood roots of social mobility. No. w25147. National Bureau of Economic Research, 2018.
- Connolly, Marie, Miles Corak, and Catherine Haeck. "Intergenerational Mobility between and within Canada and the United States." *Journal of Labor Economics* 37.S2 (2019): S595-S641.
- Corak, Miles. 2013. "Income Inequality, Equality of Opportunity, and Intergenerational Mobility." *Journal of Economic Perspectives*, 27(3), 79–102.
- Corak, Miles, and Patrizio Piraino. "The intergenerational transmission of employers." *Journal of Labor Economics* 29.1 (2011): 37-68.
- Derenoncourt, Ellora (2019), "Can you move to opportunity? Evidence from the Great Migration."
- Hoynes, Hilary, Diane Whitmore Schanzenbach, and Douglas Almond. "Long-run impacts of childhood access to the safety net." *American Economic Review* 106.4 (2016): 903-34.
- Landersø, Rasmus, and James J. Heckman. "The Scandinavian fantasy: The sources of intergenerational mobility in Denmark and the US." *The Scandinavian journal of economics* 119.1 (2017): 178-230.
- Mazumder, Bhashkar. "Fortunate sons: New estimates of intergenerational mobility in the United States using social security earnings data." *Review of Economics and Statistics* 87.2 (2005): 235-255.
- Oreopoulos, Philip and Marianne E. Page, 2006. "The Intergenerational Effects of Compulsory Schooling," *Journal of Labor Economics*, 24(4), pages 729-760.
- Solon, Gary. "Intergenerational income mobility in the United States." *The American Economic Review* (1992): 393-408.

- Stuhler, Jan. A review of intergenerational mobility and its drivers. No. JRC112247. Joint Research Centre (Seville site), 2018.

8. Inequality: Place effects

- Bell, Alex, et al. "Who becomes an inventor in America? The importance of exposure to innovation." *The Quarterly Journal of Economics* 134.2 (2018): 647-713.
- Chetty, Raj, Nathaniel Hendren, and Lawrence F. Katz, 2016. "The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment." *American Economic Review*, 106 (4): 855-902.
- Chetty, Raj and Nathaniel Hendren, 2018. "The Impacts of Neighborhoods on Intergenerational Mobility I: Childhood Exposure Effects," *The Quarterly Journal of Economics*, 133(3), pages 1107-1162.
- Damm, Anna Piil and Christian Dustmann, 2014. "Does Growing Up in a High Crime Neighborhood Affect Youth Criminal Behavior?," *American Economic Review*, 104(6), pages 1806-1832
- Kline, Patrick, and Enrico Moretti. 2014. "People, Places, and Public Policy: Some Simple Welfare Economics of Local Economic Development Programs." *Annual Review of Economics* 6(1): 629–662.
- Kling, Jeffrey R. Jeffrey B. Liebman, Lawrence F. Katz.. "Experimental analysis of neighborhood effects," *Econometrica*, Vol. 75, No. 1 (January, 2007), pp. 83-119.
- Laliberte, Jean-William (2019) "Long-term Contextual Effects in Education: Schools and Neighborhoods," Working paper.
- Oreopoulos, Philip. "The Long-run Consequences of Living in a Poor Neighborhood" *Quarterly Journal of Economics*, Vol. 118, No. 4, November 2003
- Yagan, Danny. "Employment hysteresis from the great recession." *Journal of Political Economy* 127.5 (2019): 2505-2558.

9. Inequality: Gender gaps and Discrimination

- Bertrand, Marianne, Emir Kamenica, and Jessica Pan. 2015. "Gender Identity and Relative Income within Households." *The Quarterly Journal of Economics*, 130 (2), 571–614.
- Bertrand, Marianne, Claudia Goldin, and Lawrence Katz (2010) "Dynamics of the gender gap among young professionals in the corporate and financial sectors," *American Economic Journal: Applied Economics* 2(3): 228-255.
- Brenøe, Anne Ardila, and Shelly Lundberg. "Gender gaps in the effects of childhood family environment: Do they persist into adulthood?." *European Economic Review* 109 (2018): 42-62.
- Fortin, Nicole M., Philip Oreopoulos, and Shelley Phipps. "Leaving boys behind gender disparities in high academic achievement." *Journal of Human Resources* 50.3 (2015): 549-579.
- Goldin, Claudia, and Cecilia Rouse. "Orchestrating impartiality: The impact of "blind" auditions on female musicians." *American economic review* 90.4 (2000): 715-741.

- Kleven, Henrik, Camille Landais, and Jakob Egholt Sogaard. "Children and gender inequality: Evidence from Denmark." *American Economic Journal: Applied Economics* 11.4 (2019): 181-209.
- Niederle, Muriel, and Lise Vesterlund. "Do women shy away from competition? Do men compete too much?." *The quarterly journal of economics* 122.3 (2007): 1067-1101.
- Oreopoulos, Philip "Why Do Skilled Immigrants Struggle in the Labor Market? A Field Experiment with Thirteen Thousand Resumes," *American Economic Journal: Economic Policy*, 2011, 3(4): 148-71.
- Sarsons, Heather (2019) "Interpreting Signals in the Labor Market: Evidence from Medical Referrals."

Grade Determination and Final Examination Details

Department of Economics Criteria for Letter Grades. Economics professors use the following criteria when assigning letter grades:

Grade	Grade Point Value	Description
A+	4.00	Outstanding
A	4.00	Excellent-superior performance, showing-comprehensive understanding of subject matter
A-	3.70	Very good performance
B+	3.30	Good performance
B	3.00	Satisfactory performance
B-	2.70	Minimum pass for students in the Faculty of Graduate Studies
C+	2.30	All grades below "B-" are indicative of failure at the graduate level and cannot be counted toward Faculty of Graduate Studies course requirements. Individual programs may require a higher passing grade.

A passing grade on any particular component of the course is not required for a student to pass the course as a whole.

There will be a department scheduled final examination, held in a classroom, lasting 2 hours. Non-programmable calculators WILL be allowed during the writing of tests or final examinations.

Tests and exams WILL NOT involve multiple choice questions.

Absence from a Test/Exam

THERE WILL BE NO MAKEUP OR DEFERRED QUIZZES under any circumstances, nor may the quizzes be written early. Students unable to write the quizzes because of documented illness, family emergency, religious observance, or university-sanctioned event will have the weight shifted to the final examination; otherwise a grade of zero will be assigned. If a student cannot write their final exam on the date assigned by the Department, they need to arrange for a deferred exam with the department.

Reappraisal of Grades and Intellectual Honesty:

For reappraisal of graded term work, see Calendar 0.1

<http://www.ucalgary.ca/pubs/calendar/grad/current/gs-o.html>

For reappraisal of final grade, see Calendar 0.1. B

<http://www.ucalgary.ca/pubs/calendar/grad/current/gs-o.html>

Statement of Intellectual Dishonesty

<http://www.ucalgary.ca/pubs/calendar/grad/current/gs-r.html>

Plagiarism and Other Academic Misconduct

<http://www.ucalgary.ca/pubs/calendar/grad/current/gs-r.html>

Academic Accommodations:

The student accommodation policy can be found at: ucalgary.ca/access/accommodations/policy.

Students needing an accommodation because of a disability or medical condition should communicate this need to Student Accessibility Services in accordance with the Procedure for Accommodations for Students with Disabilities ucalgary.ca/policies/files/policies/student-accommodation-policy.

Students needing an Accommodation based on a Protected Ground other than disability, should communicate this need, preferably in writing, to the course instructor.

Important Dates:

Please check: <http://www.ucalgary.ca/pubs/calendar/grad/current/academic-schedule.html>

Student Organizations:

Faculty of Grad Studies website: <http://grad.ucalgary.ca/home>

Graduate Students Association: <http://gsa.ucalgary.ca/>

Professional Development for Grad Students

Workshops and resources can be found at <http://www.ucalgary.ca/mygradskills/>

Economics Graduate Association: <http://econ.ucalgary.ca/ega/>

Evacuation Assembly Point:

In case of an emergency evacuation during class, students must gather at the designated assembly point nearest to the classroom. The assembly point for this classroom is Professional Faculties - Food Court.

Safewalk:

The Safewalk program provides volunteers to walk students safely to their destination anywhere on campus. This service is free and available 24 hrs/day, 365 days a year. **Call 403-220-5333.**

Freedom of Information and Protection of Privacy (FOIP) Act:

Personal information is collected in accordance with FOIP. For more information, see <http://www.ucalgary.ca/legalservices/foip/foip-hia>.

Internet and Electronic Communication Device information:

The use of cell phones for any purpose in class is prohibited. Computers and tablets may be used for note-taking only, but I highly recommend not to do so.

JWPL

2019-11-26

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