

**THE UNIVERSITY OF HONG KONG
FACULTY OF BUSINESS AND ECONOMICS**

PhD Course Syllabus

Course Code/Title: [Course Code] Advanced Topics in Labor Economics_Naijia

Course Description: The two courses will prepare research students to conduct own research in the field of labor economics as well as related areas such as personnel economics, public economics and family economics. In this course, we will cover a wide range of theoretical models and empirical studies based on cutting-edge classic and recent research papers. During the course, students will be encouraged to develop own research ideas.

Course Objectives: The primary goal of the course is to nurture skills for conducting own research in labor economics and related fields, including:

- Critical evaluation of research papers
- Data handling and implementation of modern empirical methods
- Development of own research ideas
- Effective communication of research questions and findings

Pre-requisite: Knowledge of intermediate to advanced level microeconomics, econometrics, and mathematics (such as elementary calculus and probability).

Assessment: 100% coursework

Remarks: All PhD courses are non-credit-bearing and will be assessed on a pass/fail basis.

Course Learning Outcomes (CLOs) On completion of this course, students should be able to:	Aligned PLOs*				
	1	2	3	4	5
1. Gain familiarity with key papers in labor economics	X	X			X
2. Critically assess research papers in labor economics	X		X	X	X
3. Handle data and implement modern empirical research methods	X	X	X		X
4. Identify and specify research ideas in labor economics	X	X	X	X	X
5. Effectively communicate research questions and findings	X	X		X	X

***Programme Learning Outcomes (PLOs) for Research Postgraduate Programme:**

1. Demonstrate critical understanding, at an advanced level, of up-to-date knowledge and research methodology of a particular field
2. Implement effective academic and personal strategies for carrying out research projects independently and ethically
3. Contribute original knowledge in response to issues in their specialist area
4. Communicate research findings at a diverse range of levels and through a variety of media
5. Evaluate one's own research in relation to important and latest issues in the field

COURSE DETAILS *(subject to change at instructor's discretion)*

Year/Semester: 2023-24, Second Semester
Time/Venue: Day, Time, Venue
Instructor: Uta Schönberg and Naijia Guo
Email: xxxx@hku.hk
Office: KKL-xxx (by appointment)

I. Teaching and Learning Activities

In-class and Out-of-class Activities <i>(e.g. lectures, class discussion, papers reading, proposal writing)</i>	Expected hour	% of student study effort
1. Lectures	33	30%
2. Class discussion and presentations	10	10%
3. Paper reading	30	30%
4. Out-of-class work	30	30%
Total	100	100%

II. Assessment

Assessment Components <i>(e.g. assignments, proposal, presentation, examination)</i>	Weight	CLOs to be assessed				
		1	2	3	4	5
1. Referee report	30%	X	X	X		X
2. Replication	30%	X	X			
3. Research proposal	30%	X	X	X	X	X
4. Presentation	10%	X			X	X
Total	100%					

III. Course Content and Tentative Schedule

Week 1: Technology, Inequality and Skills

Week 2: Skills in the Labor Market

Weeks 3 and 4: Immigration

Week 5: Monopsony and Minimum Wages

Week 6: Employer Learning and Statistical Discrimination

Week 7: Roy Model

Week 8: Dynamic Labor Supply

Week 9: Human Capital

Week 10: Search Model

Week 11: Collective Model

Weeks 12: Student presentations

IV. Required/Recommended Readings

General

Berk, Jonathan B., Campbell R. Harvey, and David Hirshleifer. "How to write an effective referee report and improve the scientific review process." *Journal of Economic Perspectives*, 31, no. 1 (2017): 231-44.

Rubinstein, Ariel. "10 Q&A: Experienced advice for "lost" graduate students in economics." *Journal of Economic Education*, 44, no. 3 (2013): 193-196.

Hamermesh, Daniel S. "The young economist's guide to professional etiquette." *Journal of Economic Perspectives*, 6, no. 1 (1992): 169-179.

Textbook

Angrist and Pischke. (2009) *Mostly Harmless Econometrics: An Empiricists' Companion*. Princeton University Press

Week 1: Technology, Inequality and Education

Acemoglu, Daron, and Pascual Restrepo (2020). "Robots and Jobs: Evidence from US Labor Markets." *Journal of Political Economy*, 128(6), 2188-2244.

Acemoglu, D and D. Autor. (2012) "What Does Human Capital Do? A Review of Goldin and Katz's *The Race between Education and Technology*." *JEL* 50(2): 426–63.

Acemoglu, Daron, and Pascual Restrepo (2022). "Demographics and automation." *Review of Economic Studies*, 89, no. 1: 1-44.

Autor, David H., Frank Levy, and Richard J. Murnane (2003). "The skill content of recent technological change: An empirical exploration." *Quarterly Journal of Economics* 118, no. 4: 1279-1333.

Autor, D. H., Katz, L. F., & Kearney, M. S. (2008). Trends in US wage inequality: Revising the revisionists. *The Review of economics and statistics*, 90(2), 300-323.

Autor, D. (2014) "Skills, Education and the Rise of Inequality among the Other 99 Percent," *Science* 344 (May 23), 843-51.

Bound, J and G. Johnson. (1992) "Changes in the Structure of Wages in the 1980s: An Evaluation of Alternative Explanations." *American Economic Review* 82 (June): 371-92.

Card, D and T. Lemieux. (2001), "Can Falling Supply Explain the Rising Return to College for Younger Men? A Cohort-Based Analysis," *Quarterly Journal of Economics* 116(May): 705-46.

Fortin, N., Lemieux, T., & Firpo, S. (2011). Decomposition methods in economics. *Handbook of labor economics*, 4, 1-102.

Goldin, C and L. Katz. (2009) "The Race between Education and Technology: The Evolution of U.S. Educational Wage Differentials, 1890 to 2005," updated chapter 8 of RBET (2008).

Katz, L and K.M. Murphy. (1992) "Changes in Relative Wages, 1963-87: Supply and Demand Factors," *Quarterly Journal of Economics*, February, 35-78.

Week 2: Skills in the Labor Market

Weidmann, Ben, and David J. Deming (2021). "Team players: How social skills improve team performance." *Econometrica* 89, no. 6: 2637-2657.

Deming, David J., and Kadeem Noray (2020). "Earnings dynamics, changing job skills, and STEM careers." *Quarterly Journal of Economics*, 135, no. 4: 1965-2005.

Deming, David J. (2017). "The growing importance of social skills in the labor market." *Quarterly Journal of Economics*, 132, no. 4: 1593-1640.

Week 3 and 4: Immigration

Amior, Michael and Alan Manning (2023). "Monopsony and the Wage Effects of Migration", London School of Economics, mimeo.

Amior, Michael and Jan Stuhler (2023). "Immigration and Monopsony: Evidence Across the Distribution of Firms". Hebrew University, mimeo.

Altonji, J. G. and Card, D. (1991). "The Effects of Immigration on the Labor Market Outcomes of Less-skilled Natives". In Abowd, J. M. and Freeman, R. B. (eds), *Immigration, Trade and the Labor Market*, Chicago: University of Chicago Press.

Borjas, George J. (2003). "The labor demand curve is downward sloping: Reexamining the impact of immigration on the labor market." *The Quarterly Journal of Economics*, 118, No. 4: 1335-1374.

Card, David. (1990). "The impact of the Mariel boatlift on the Miami labor market." *ILR Review*, 43, No. 2: 245-257.

Card, David (2009). "Immigration and inequality." *American Economic Review, Papers & Proceedings*, 99, No. 2: 1-21.

Clemens, Michael A., and Ethan G. Lewis. "The effect of low-skill immigration restrictions on US firms and workers: Evidence from a randomized lottery." No. w30589. National Bureau of Economic Research, 2022.

Doran, Kirk, Alexander Gelber, and Adam Isen (2022). "The Effects of High-Skilled Immigration Policy on Firms: Evidence from Visa Lotteries." *Journal of Political Economy*, 130, No.10: 2501-2533.

Dustmann, Christian, Tommaso Frattini, and Ian P. Preston (2013). "The effect of immigration along the distribution of wages." *Review of Economic Studies*, 80, No. 1: 145-173.

Dustmann, Christian, Schönberg, Uta and Jan Stuhler (2017). "Labor Supply Shocks, Native Wages, and the Adjustment of Local Employment", *Quarterly Journal of Economics*, 132, 435-483.

Dustmann, Christian, Schönberg, Uta and Jan Stuhler (2016). "The Impact of Migration: Why Do Studies Find Such Different Results", 2016, *Journal of Economic Perspectives*, 30, 31-56.

Llull, Joan (2018). "Immigration, wages, and education: A labour market equilibrium structural model." *The Review of Economic Studies*, 85, No. 3: 1852-1896.

Manacorda, Marco, Alan Manning, and Jonathan Wadsworth (2012). "The impact of immigration on the structure of wages: theory and evidence from Britain." *Journal of the European Economic Association*, 10, No.1: 120-151.

Ottaviano, Gianmarco and Giovanni Peri (2012). "Rethinking the effect of immigration on wages." *Journal of the European Economic Association*, 10, No.1: 152-197.

Peri, Giovanni, and Chad Sparber (2009). "Task specialization, immigration, and wages." *American Economic Journal: Applied Economics*, 1, No.3: 135-169.

Week 5: Monopsony and Minimum Wages

Berger, David, Herkenhoff, Kyle and Simon Monge (2022), "Labor Market Power", *American Economic Review*, Vol. 112, No. 4.

Card, D. and A. Krueger (1994), "Minimum Wages and Employment: A Case Study of the Fast Food Industry in New Jersey and Pennsylvania", *American Economic Review*, 84(4), 772-793.

Card, David, Cardoso, Ana Rute, Joerg Heining, and Patrick Kline (2018), "Firms and Labor Market Inequality: Evidence and Some Theory," *Journal of Labor Economics*, 36, 13-70.

Dube, A., Lester, T.W., and M. Reich (2010), "Minimum Wage Effects Across State Borders: Estimates Using Contiguous Counties", *Review of Economics and Statistics*, 92(4), 945-964.

Lindner, Attila and Peter Harasztosi (2019), "Who Pays for the Minimum Wage?" *American Economic Review*, 109, No. 8, 2693-2727.

Christian Dustmann, Attila Lindner, Matthias Umkehrer, Uta Schönberg and Philipp vom Berge (2022). "Reallocation Effects of the Minimum Wage: Evidence from Germany", *Quarterly Journal of Economics*, 137, No. 1: 267-328.

Cengiz, Doruk, Dube Arindrajit, Linder, Attila and Ben Zipperer (2019). "The Effect of Minimum Wages on Low Wage Jobs", *Quarterly Journal of Economics*, 134, No. 3: 1405-1454.

Week 6: Employer Learning and Statistical Discrimination

M. Bertrand and S. Mullainathan (2004) "Are Emily and Greg More Employable than Lakisha and Jamal?" *The American Economic Review*, 94(4), 991-1013.

Kory Kroft, Fabian Lange, and Matt Notowidigdo, "Duration Dependence And Labor Market Conditions: Evidence from a Field Experiment", *Quarterly Journal of Economics*, 128(3), 1123-1167.

Deming, David J.; Yuchtman, Noam; Abulafi, Amira; Goldin, Claudia; Katz, Lawrence F. (2016), "The Value of Postsecondary Credentials in the Labor Market: An Experimental Study", *The American Economic Review*, 106(3), 778-806.

Fabian Lange (2006), "The Speed of Employer Learning", *Journal of Labor Economics*, 25(1), 1-35.

Altonji, Joseph B. and Charles R. Pierret (2001), "Employer Learning and Statistical Discrimination", *Quarterly Journal of Economics*, 116(1), 313-350.

Farber, Henry and Robert Gibbons (1996), "Learning and Wage Dynamics", *Quarterly Journal of Economics*, 111(4), 1007-1047.

Laouenan, Margane and Roland Rathelot (2016), "Ethnic Discrimination on an Online Marketplace of Vacation Rentals", University of Warwick, mimeo.

Gibbons, Robert and Lawrence Katz (1991), "Layoffs and Lemons", *Journal of Labor Economics*, 9(4), 351-380.

George Akerlof (1970), "The Market for Lemons: Quality Uncertainty and the Market Mechanism" *Quarterly Journal of Economics*, 84(3), 488-500.

Michael Spence (1973), "Job Market Signaling", *Quarterly Journal of Economics*, 87(3), 355-374.

Acemoglu, Daron and Joern-Steffen Pischke (1998), "Why Do Firms Train? Theory and Evidence", *Quarterly Journal of Economics*, 113(1), 79-119.

Uta Schönberg (2007), "Testing for Asymmetric Employer Learning", *Journal of Labor Economics*, 25, 651-692.

Lisa Kahn (2013), "Asymmetric Information between Employers", *American Economic Journal: Applied Economics*, 5(4), 165-205.

Week 7: Roy Model

Borjas, G. J. (1987). "Self-Selection and the Earnings of Immigrants". *American Economic Review*. 77 (4): 531–553.

Heckman, J. J., & Honore, B. E. (1990). The empirical content of the Roy model. *Econometrica: Journal of the Econometric Society*, 1121-1149.

Heckman, J. J.; Vytlacil, E. (2007). "Econometric evaluation of social programs, part I: Causal models, structural models and econometric policy evaluation". In Heckman, J. J.; Leamer, E. E. (eds.). *Handbook of Econometrics*. Vol. 6. North Holland.

Imbens, G. W.; Angrist, J. D. (1994). "Identification and Estimation of Local Average Treatment Effects" (PDF). *Econometrica*. 62 (2): 467–475.

Roy, A. (1951). "Some Thoughts on the Distribution of Earnings". *Oxford Economic Papers*. 3 (2): 135–146.

Week 8: Dynamic Labor Supply

Eckstein, Z. and K.I. Wolpin, (1989) "Dynamic Labour Force Participation of Married Women and Endogenous Work Experience," *Review of Economic Studies* 56, 375-90.

Hyslop, Dean R. (1999), "State Dependence, Serial Correlation and Heterogeneity in Intertemporal Labor Force participation of Married Women," *Econometrica* 67, 1255-94.

Imai, s. and M.P. Keane (2004), "Intertemporal Labor Supply and Human Capital Accumulation," *International Economic Review* 45, 601-42.

Keane, M. P., Todd, P. E., & Wolpin, K. I. (2011). The structural estimation of behavioral models: Discrete choice dynamic programming methods and applications. In *Handbook of labor economics* (Vol. 4, pp. 331-461). Elsevier.

Lee, D., & Wolpin, K. I. (2006). Intersectoral labor mobility and the growth of the service sector. *Econometrica*, 74(1), 1-46.

Week 9: Human Capital

Angrist, J. D., & Krueger, A. B. (1991). Does compulsory school attendance affect schooling and earnings?. *The Quarterly Journal of Economics*, 106(4), 979-1014.

Ashenfelter, O., & Krueger, A. (1994). Estimates of the economic return to schooling from a new sample of twins. *The American economic review*, 1157-1173.

Becker, G. S. (2009). *Human capital: A theoretical and empirical analysis, with special reference to education*. University of Chicago press.

Ben-Porath, Y. (1967). The production of human capital and the life cycle of earnings. *Journal of political economy*, 75(4, Part 1), 352-365.

Keane, M. P., & Wolpin, K. I. (1997). The career decisions of young men. *Journal of political Economy*, 105(3), 473-522.

Week 10: Job Search

Burdett, K., & Mortensen, D. T. (1998). Wage differentials, employer size, and unemployment. *International Economic Review*, 257-273.

Mortensen, D. T., & Pissarides, C. A. (1994). Job creation and job destruction in the theory of unemployment. *The review of economic studies*, 61(3), 397-415.

Mortensen, D. T., & Pissarides, C. A. (1999). Job reallocation, employment fluctuations and unemployment. *Handbook of macroeconomics*, 1, 1171-1228.

Diamond, P. A. (1982). Wage determination and efficiency in search equilibrium. *The Review of Economic Studies*, 49(2), 217-227.

Petrongolo, B., & Pissarides, C. A. (2001). Looking into the black box: A survey of the matching function. *Journal of Economic literature*, 39(2), 390-431.

Pissarides, C. A. (2000). *Equilibrium unemployment theory*. MIT press.

Mortensen, D. T., & Pissarides, C. A. (1999). New developments in models of search in the labor market. *Handbook of labor economics*, 3, 2567-2627.

Week 11: Collective Model

Browning, M., Chiappori, P. A., & Lechene, V. (2006). Collective and unitary models: A clarification. *Review of Economics of the Household*, 4, 5-14.

Browning, M., Chiappori, P. A., & Weiss, Y. (2014). *Economics of the Family*. Cambridge University Press.

Chiappori, P. A. (1992). Collective labor supply and welfare. *Journal of political Economy*, 100(3), 437-467.

Chiappori, P. A., Dias, M. C., & Meghir, C. (2018). The marriage market, labor supply, and education choice. *Journal of Political Economy*, 126(S1), S26-S72.

Chiappori, P. A., Salanié, B., & Weiss, Y. (2017). Partner choice, investment in children, and the marital college premium. *American Economic Review*, 107(8), 2109-2167.

V. Course Policy

The University Regulations on academic dishonesty will be strictly enforced! Academic dishonesty is behaviour in which a deliberately fraudulent misrepresentation is employed in an attempt to gain undeserved intellectual credit, either for oneself or for another. It includes, but is not necessarily limited to, the following types of cases:

- a. Plagiarism - The representation of someone else's ideas as if they are their own. Where the arguments, data, designs, etc., of someone else are being used in a paper, report, oral presentation, or similar academic project, this fact must be made explicitly clear by citing the appropriate references. The references must fully indicate the extent to which any parts of the project are not one's own work. Paraphrasing of someone else's ideas is still using someone else's ideas, and must be acknowledged. Please check the University Statement on plagiarism on the web: <http://www.hku.hk/plagiarism/>
- b. Unauthorized Collaboration on Out-of-Class Projects - The representation of work as solely one's own when in fact it is the result of a joint effort.
- c. Cheating on In-Class Exams - The covert gathering of information from other students, the use of unauthorized notes, unauthorized aids, etc.
- d. Unauthorized Advance Access to an Exam - The representation of materials prepared at leisure, as a result of unauthorized advance access (however obtained), as if it were prepared under the rigors of the exam setting. This misrepresentation is dishonest in itself even if there are not compounding factors, such as unauthorized uses of books or notes.

You are expected to do your own work whenever you are supposed to. Incident(s) of academic dishonesty will NOT be tolerated. Cheating or plagiarism of any kind would result in an automatic FAIL grade for the course plus strict enforcement of all Faculty and/or University regulations regarding such behaviour.