

LABOR ECONOMICS
(ECON5470)

Time and Venue: Monday 11:30am-2:15pm **Zoom**

Website: <https://blackboard.cuhk.edu.hk>

Class handouts (e.g., problem sets and solutions, lecture notes) will be available at the course website.

Instructor's Contact Information:

Office: Room 936, Esther Lee Building

Email: meng@cuhk.edu.hk

Office Hours:

Monday 9:30-10:30am, and by appointment

Course Description:

This course is an introduction to advanced labor economics with an emphasis on applied microeconomic theory and empirical analysis. We are especially interested in the link between research and public policy. Topics include labor supply, labor demand, minimum wages, the economics of human capital (education), discrimination and the impact of antidiscrimination programs, immigration, changes in earnings inequality over time, and program evaluation.

Required Background: Prerequisites include intermediate microeconomics and some knowledge in statistics or econometrics. Also helpful is some experience with statistical computing, such as using STATA.

Readings:

Text: George J. Borjas, *Labor Economics* (Seventh Edition), 2016 (ISBN: 978-1259252365). Available at the University Bookstore and Chung Chi Library Reserve. Older versions of the book are also acceptable.

Research Papers: Additional (empirical) papers will be made available on the Blackboard website as the course proceeds.

Course Requirements:

Students are expected to read assigned readings before class and to attend lectures. Requirements include problem sets and a final exam.

Course Grading:

40% 4 Problem Sets

60% Final Exam (Lecture 13, April 19; location: TBA)

The problem sets will be handed out a week before they are due.

Late problem sets will not be accepted.

Academic Honesty:

Attention is drawn to University policy and regulations on honesty in academic work to the disciplinary guidelines and procedures applicable to breaches of such policy regulations. Details may be found at <http://www.cuhk.edu.hk/policy/academic honesty/>.

TENTATIVE SCHEDULE OF LECTURES

Lecture 1: Introduction to Labor Economics
(Jan 11) Borjas (B) Chapter 1

Lectures 2, 3: Labor Supply
(Jan 18, Jan 25) B Chapter 2

Lectures 4, 5: Labor Demand
(Feb 1, Feb 8) B Chapter 3 and Section 4.9

Labor Demand and the Minimum Wage

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

Lecture 6: Labor Market Equilibrium
(Feb 22) B Chapter 4

David Card, "The Impact of the Mariel Boatlift on the Miami Labor Market," *Industrial and Labor Relations Review*, vol. 43, no. 2, January 1990, 245-257.

Lecture 7: Causal Inference with Non-Experimental Data
(Mar 1) Introduction to STATA

Popper, Karl, "Science: Conjectures and Refutations," in *Philosophy of Science: The Central Issues*, Martin Curd and J.A. Cover, eds., W.W. Norton and Company, pp. 3-10.

Freedman, David, "Statistical Models and Shoe Leather," *Sociological Methodology*, 21, 1991, 291-313.

Lecture 8: Human Capital
(Mar 8) B Chapter 6

Lecture 9: Human Capital: Empirical Evidence

(Mar 15) Ashenfelter, Orley and Alan Krueger, "Estimates of the Economic Return to Schooling from a New Sample of Twins," *American Economic Review*, 84(5), December 1994, 1157-1173.
Lalonde, Robert, "Evaluating Econometric Evaluations of Training Programs with Experimental Data," *American Economic Review*, 76(4), September 1986, 604-620.

Lecture 10: Labor Mobility and Immigration
(Mar 22) B Chapter 8

Lecture 11: Labor Market Discrimination
(Mar 29) B Chapter 9

Lecture 12: Changes in Earnings Inequality over Time
(Apr 12) B Chapter 7

DiNardo, John, and Jörn-Steffen Pischke, "The Returns to Computer Use Revisited: Have Pencils Changed the Wage Structure Too?" *Quarterly Journal of Economics*, 112(1), February 1997, 291-303.

Lecture 13: Final Exam
(Apr 19)