

Johns Hopkins University
Department of Economics
ECO 180.351 Labor Economics Spring 2013
M, W: 12 noon – 1:15 p.m. Maryland 114
Syllabus

Instructor: Dr Barbara Morgan

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Office hours: Wednesday 1:30 – 2:30 or by appointment
Mergenthaler 286

Teaching Assistant: Mikhail Smirnov

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Office hours: Monday 1:30 – 2:30
AMR II 002

Course Description

In this course students extend their knowledge of economic theory as it applies to the labor market, examine earnings and employment outcomes, and assess the efficiency and equity impacts of several governmental programs. In lectures and readings a continuing focus will be on the methodological and statistical techniques labor economists employ. In the second part of the course students will have an opportunity to use both economic theory and empirical evidence to analyze in depth topics such as discrimination, inequality, and the impact of immigration and globalization on the labor market. Prerequisites for the course are Microeconomic Theory (180.301) or permission of the instructor. Knowledge of statistical analysis up to the level of simple regression is also helpful.

Text:

George J. Borjas, *Labor Economics*, 6th edition.. Required supplementary readings are on electronic reserve at the Milton S. Eisenhower library (password MOR351).

Website:

This course has a Blackboard website which you should consult frequently for problem sets and announcements. You can also access electronic reserves directly through the website.

Grading:

Statistical Exercises (2)	10%
Homeworks(4)	10%
Midterm Exams (2)	40%
Critiques (2)	10%
Final Roundtable	10%
Class Participation	20% (in discussions and presentations)

Class Format:

As a general rule, each week there will be one lecture and one discussion (focusing on a specific article). . In the final three classes of the semester we will have a series of presentations on selected labor economics topics. Participation in class discussions and presentations will contribute to your grade..

Exams:

There will be two exams during the semester consisting of short-answer questions that draw on material from the lectures, articles, homeworks and statistical exercises. You will need to complete four homeworks and two short statistical exercises using Excel or STATA. These assignments will help prepare you for the exams. You can discuss these exercises with other students, but please submit your own work. Bear in mind that if you do not understand the problems you will not do well on the exams. There will be no final exam. Make-up exams will be considered for documented medical reasons only.

Due dates for assignments:

Homework I	Monday February 11th
Statistical Exercise I	Monday February 18th
Homework II	Wednesday February 27th
Statistical Exercise II	Wednesday March 13th
Homework III	Wednesday April 3rd
Homework IV	Monday April 15th

We will endeavour to return homeworks and exercises in the next class period

Discussion Classes:

For discussion classes, 5-6 students will be assigned to formally critique the assigned article and should submit a two page summary/critique of the article (around 1,000 words) to me 24 hours before class. Further details as to how this critique should be structured are on the course website. Over the course of the semester, each student will be involved in two such critiques (if you are strongly wedded to critiquing a specific article, just email me). However, all students should come to class prepared to discuss the assigned reading and ask questions (I will call upon you). Bring a copy of the article to class because we may need to focus on details within it.

Roundtables:

Each student will participate in a roundtable presentation at the end of the semester that will involve both economic analysis and policy recommendations (including an oral presentation and a written argument of approximately 1500 words). I will assign the topics, based on your preferences, early in the semester (most likely immigration, inequality and unemployment, but I am open to student input). Although a small group of students will be involved in the presentation, all students should come to class prepared to participate and ask questions.

Academic Dishonesty:

Cheating hurts our community by undermining academic integrity, creating mistrust and fostering unfair competition. The university will punish cheaters with failure on an assignment, failure in a course, permanent transcript notation and/or expulsion.

Violations can include cheating on exams, plagiarism, reuse of assignments without permission, improper use of the Internet and electronic devices, unauthorized collaboration, alteration of graded assignments, forgery, falsification and lying.

For more information, see the guide on “Academic Ethics for Undergraduates” and the Ethics Board web site at <http://ethics.jhu.edu>

Course Outline and Reading List

Date:

M 1/28 Overview of the Labor Market - Lecture

Borjas, Chapter 1 (excluding Appendix)

W 1/30 Statistical Analysis in Labor Economics - Lecture

Borjas, Appendix to Ch. 1

M 2/4 Overview of the Labor Market - Discussion

Goldin, Claudia, "Labor Markets in the Twentieth Century," NBER Historical Paper No. 58, June 1994 (published in S.L. Engerman and R.E. Gallman, eds. *The Cambridge History of the United States*, 1996).

W 2/6 Labor Supply – Lecture

Borjas, Chapter 2 pp. 21-64

M 2/11 Labor Supply – Discussion

Eissa, Nada and Jeffrey B. Liebman, "Labor Supply Response to the Earned Income Tax Credit," *Quarterly Journal of Economics*, 111(2), May 1996, 605-637.

W 2/13 Labor Demand - Lecture

Borjas, Chapter 3 pp.84-126

M 2/18 Labor Demand – Discussion

Card, David and Alan B. 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, 772-93.

W 2/20 Labor Market Equilibrium

Borjas, Chapter 4 pp.144-164, 187-196

M 2/25 Labor Market Equilibrium – Discussion

Anderson, Patricia, and Bruce Meyer "Unemployment Insurance Tax Burdens and Benefits: Funding Family Leave and Reforming the Payroll Tax," *National Tax Journal* 59 (March 2006) 77-95.

W 2/27 Human Capital – Lecture

Borjas, Chapter 6, Chapter 8 pp. 350-360

M 3/4 Human Capital – Discussion

Maurin, Eric and Sandra McNally, "Vive la Révolution! Long-Term Educational Returns of 1968 to the Angry Students", *Journal of Labor Economics*, Vol. 26, No. 1 (January 2008),p. 1-33.

W 3/6 MID-TERM EXAM WEDNESDAY MARCH 6th IN CLASS

M 3/11 Inequality in Earnings – Lecture

Borjas, Chapter 7

W 3/13 Inequality in Earnings – Discussion

Wojciech Kopczuk, Emmanuel Saez and Jae Song, "Earnings Inequality and Mobility in the United States from Social Security Data Since 1937" *Quarterly Journal of Economics* 125 (February 2010, 91-128.

- M 3/25 Immigration – Lecture**
Borjas, Chapter 8 pp. 318-349, Chapter 4 pp. 164-182
- W 3/27 Immigration - Discussion:**
Card, David, “The Impact of the Mariel Boat-Lift on the Miami Labor Market,” *Industrial and Labor Relations Review*,” 43 (2) January 1990, 245-257.
- M 4/1 Discrimination - Lecture**
Borjas, Chapter 9
- W 4/3 Discrimination - Discussion:**
Goldin, Claudia and Cecilia Rouse, “Orchestrating Impartiality: The Impact of Blind Auditions on the Sex Composition of Orchestras,” *American Economic Review* 90 (4) 2000 715-741.
- M 4/8 Unemployment – Lecture**
Borjas, Chapter 12, pp.498-523, 532-541
- W 4/10 Unemployment –Discussion**
Conley, Timothy G. and Giorgio Topa, “Socio-Economic Distance and Spatial Patterns in Unemployment,” *Journal of Applied Econometrics*, July-August 2002, Vol. 17 (4), 303-327.
- M 4/15 An International Perspective**
Ehrenberg, Ronald and Robert S. Smith, *Modern Labor Economics: Theory and Public Policy*, 11th edition, Addison-Wesley, Chapter 16
- W 4/17 An International Perspective - Discussion**
Freeman, Richard, “Trade Wars: The Exaggerated Impact of Trade in Economic Debate,” NBER Working Paper 10000 (September 2003).
- M 4/22 MID-TERM EXAM II MONDAY 22nd APRIL IN CLASS**
- W 4/24 Policy Roundtable #1**
- M 4/29 Policy Roundtable #2**
- W 5/1 Policy Roundtable #3**