Preliminary Syllabus

Georgetown University
ECON-661
Labor Economics I
Spring 2010

Luca Flabbi
Department of Economics
Room: ICC 554
E-mail: lf74@georgetown.edu
Ph: (202) 687-6752
http://www9.georgetown.edu/faculty/lf74/
Office Hours: W 2:00pm-4:00pm

Time and Place:
Class: W 2.30-5.00PM in ICC 550
Office Hours: T 4.00-5.30PM in ICC 554

Description:
The course will cover some of the most important topics in Labor Economics organized around four main areas: labor supply, human capital, compensating differential mechanisms and search models of the labor market. From a methodological point of view, the objective of the course is to acquire the ability to understand and replicate empirical applications. Some topics will be covered in great details, other in less details but still in a rigorous and complete way, finally some topics, albeit usually included in a traditional Labor Economics curriculum will not be covered in class unless some specific interest arises.

Please note: references and topics denoted by * are required reading and they will be covered in class; references and topics denoted by - are additional voluntary reading and they may or may not be covered in class. All * papers and most of the - papers are available in PDF on Blackboard.

Calendar:

1. Search Models of the Labor Market [Class 1 to 4]
   (a) Survey on empirical labor search:
      - Van den Berg 1999
      - Eckstein and van den Berg 2005
   (b) Baseline model and general results for identification:
      * Flinn and Heckman 1982
   (c) Search-Matching-Bargaining Models:
      * Returns to Schooling: Eckstein and Wolpin 1995
      * Gender Differentials: Flabbi 2009
      - Health insurance: Dey and Flinn 2005
      - Minimum Wage: Flinn 2006
   (d) Equilibrium search models:
      - Theory: Albrecht and Axell 1984 [AA]
      - Theory: Burdett and Mortensen 1998 [BM]
      * Basic identification results for BM: Mortensen 1990
      - Estimation of AA: Eckstein and Wolpin 1990
      - Estimation of BM with between market heterogeneity: Van den Berg and Ridder 1998
      - Estimation of BM with within market heterogeneity: Bowlus, Kiefer and Neumann 1995
      * Estimation of equilibrium search models with matched employer-employee data: Postel-Vinay and Robin 2002
2. Labor Supply [Class 5 to 6]

(a) Surveys:
  * Blundell and MaCurdy 1999
  - Myck and Reed 2006
(b) Sample Selection:
  * Heckman 1974
  - Vella 1998
(c) Gender Differentials:
  - Bowlus 1997

3. Compensating Differentials [Class 7]

(a) Baseline model:
  - Roy 1951
  - Rosen 1974
  * Rosen 1986
(b) Estimation of Roy Models:
  * Heckman and Sedlacek 1985
  - Heckman and Honorè 1990

4. Human Capital [Class 8 to 9]

(a) Baseline model:
  * Willis and Rosen 1979
  * Becker 1993 [Selected chapters]
(b) Mincerian regressions:
  * Polachek 2007
  * Heckman, Lochner and Todd 2003
  - Mincer 1974

5. Exam [Class 10]

6. Bonus Topics [Class 11]

7. Students Presentations [Class 12 and 13]

Course Requirements [relative weight]:

1. Midterm exam [40%]:
   It will be the only exam of the course and it will be late in the the semester on April 7.

2. Presentation [10%]:
   It will be an in-class presentation about the paper you are proposing to complete for the course. They
   will be held during the last two classes: April 21 and 28.

3. Paper [50%]:
   It should be a replication study of some or all the empirical results included in papers already published.
   You can choose a paper from the list of references included in this syllabus or you may propose another
   paper. Each of you should choose a different paper and should previously discuss with me the choice.
   You will have one month from the last class to complete the assignment, i.e the assignement must be
due by May 28.
References


