Recent Advances in Labour Economics¹

Universität Bielefeld, December 2024 Michele Battisti, University of Glasgow

This short document summarises the course description, programme, assessment and references. Please note that this is a live document, which will be updated, so please make sure that you look at the <u>latest version of this document here</u>.

Short Course Description

This course reviews recent contributions in labour economics on

- 1. Human Capital
- 2. Gender, Ethnicity and Discrimination
- 3. Inequality and Intergenerational Mobility
- 4. Labour Supply Shocks and Immigration

We first cover the literature on human capital, covering both older seminal papers and more recent contributions, and including a discussion around the role of uncertainty. We will then investigate recent work around gender, ethnicity and discrimination, with a focus on identification challenges and recent progress. Next, we will discuss intergenerational mobility. Particular focus will be on novel research designs exploiting large-scale administrative data, recent evidence on multigenerational mobility, and the role of firms in intergenerational processes. We then study local adjustments to economic shocks, with a focus on labour market effects of immigration allowing for migration decisions to take account of uncertainty. For all topics, we will start from a shorter background lecture based on a textbook, and then cover some academic papers that look at particular aspects.

¹ While this course relies on the work of many others including several courses available online, the courses by Prof Jan Stuhler were particularly useful to prepare this short course. I would like to thank Jan for sharing his material with me.

Programme

- Session 1 (Human Capital) on Monday 2 December 2024 at 10:15-11:45
- Session 2 (Gender, Ethnicity and Discrimination) on Monday 2 December 2024 at 14:14-15:45
- Session 3 (Inequality and Intergenerational Mobility) on Tuesday 3 December 2024 at 10:15-11:45
- Session 4 (Student Presentations with Discussions) on Wednesday 4 December 2024 at 10:15-11:45)
- Session 5 (Labour Supply Shocks and Immigration) on Wednesday 4 December at 13:00-14:30)

Assessment

Students are going to be able to choose <u>one out of two</u> options of assessments. This decision needs to be made:

 a presentation by students of one empirical project they are working on (can very much be work in progress, and can be loosely related to labour economics – just reach out to the lecturer if in doubt)

OR

• a written exercise to be done at home and handed in to the lecturer

References

We will use some material from the textbook Cahuc, Carcillo and Zylberberg (2014, or previous edition). However, we use this textbook only as a starting point on some of the topics, and then focus primarily on research papers. Borjas' "Labor Economics" (the most recent edition is the 9th but earlier editions are not very different) is a useful (and generally more approachable) background reading. I expect students to read some of them prior to the lectures to ensure a lively discussion. The main readings below are marked with an asterisk.

Human Capital

Cahuc, Carcillo and Zylberberg, Chapter 4.* Spence (1973), Mincer (1974), Card (1993), Jaeger and Page (1996), Jacobs (2007), Moretti (2004), Heckman, Stixrud and Urzua (2006), Heckman, Lochner and Todd (2006)*, Cunha and Heckman (2007), Lazear (2009), Devereux and Hart (2010), Pop-Eleches and Urquiola (2013), Castex and Kogan Dechter (2014), Heckman and Mosso (2014)*, Jackson, Johnson and Persico (2016), Bhuller, Mogstad and Salvanes (2017), Deming (2017), Nybom (2017)*, Arteaga (2018)

Gender, Ethnicity, and Discrimination

Cahuc, Carcillo and Zylberberg, Chapter 8. Heckman (1998)*, Goldin and Rouse (2000), Altonji and Pierret (2001), Acemoglu, Autor and Lyle (2004), Bertrand and Mul- lainathan (2004), Kroft, Lange and Notowidigdo (2013), Pallais (2014), Bertrand and Duflo (2016)*, Pallais and Sands (2016)*, Glover, Pallais and Pariente (2017), Olivetti and Petrongolo (2016)*, Kleven, Landais and Søgaard (2018), Ramachandran and Rauh (2018), Sarsons (2019)

Inequality and Intergenerational Mobility

Income Inequality, Polarization, and Technological Change: Cahuc, Carcillo and Zylberberg, Chapter 11. Katz and Murphy (1992)*, Autor and Katz (1999), , Card and Lemieux (2001), Leuven, Oosterbeek and Van Ophem (2004), Goldin and Katz (2007), Autor, Katz and Kearney (2008)*, Dustmann, Ludsteck and Schönberg (2009), Acemoglu and Autor (2011)*, Atkinson, Piketty and Saez (2011), Carneiro and Lee (2011), Alvaredo et al. (2013)*, Piketty and Zucman (2014), Goos, Manning and Salomons (2014), Autor (2014), Autor (2015), Acemoglu and Restrepo (2017)*, Intergenerational Mobility: Solon (1999)*, Black and Devereux (2011), Mogstad and Torsvik (2021), Becker and Tomes (1986)*, Goldberger (1989)*, Mulligan (1999), Piketty (2000), Bénabou and Ok (2001), Mazumder (2005), Haider and Solon (2006), Björklund, Lindahl and Plug (2006)*, Björklund, Jäntti and Lindquist (2009), Pekkarinen, Uusitalo and Kerr (2009)*, Holmlund, Lindahl and Plug (2011), Loeken, Mogstad and Wiswall (2012), Corak (2013), Solon 2004, Dahl, Kostøl and Mogstad (2014), Chetty et al. (2014*a*)*, Chetty et al. (2014*b*), Heckman and Mosso (2014), Nybom and Stuhler (2014), Güell, Rodríguez Mora and Telmer (2015), Olivetti and Paserman (2015), Chetty et al. (2016), Chetty, Hendren and Katz (2016), Cesarini et al. (2016), Nybom and Stuhler (2017)*, Brinch, Mogstad and Wiswall (2017), Chetty and Hen- dren (2018*b*)*, Chetty and Hendren (2018*a*), Markussen and Røed (2019), Björklund and Jäntti 2020, Santavirta and Stuhler (2021), Mello, Nybom

Multigenerational Mobility: Clark (2014), Lindahl et al. (2015)*, Braun and Stuhler (2018)*, Barone and Mo- cetti (2020), Adermon, Lindahl and Palme (2021), Collado, Ortuño-Ortín and Stuhler (2023)*

Inequality and Firms: Abowd, Kramarz and Margolis (1999), Corak and Piraino (2010), Card, Heining and Kline (2013)*, Kramarz and Skans (2014), Song et al. (2018), Card et al. (2018)*, Autor et al. (2020), Dobbin and Zohar (2020)*, San (2020), Staiger (2020), Engzell and Wilmers (2021), Lamadon, Mogstad and Setzler (2022), Bello and Morchio (2022), Bonhomme et al. (2023)*

Labour Supply Shocks and Immigration

Card (1990)*, Hunt (1992), Borjas, Freeman and Katz (1996), Borjas, Freeman and Katz (1997), Borjas (1999)*, Card (2001), Borjas (2003)*, Cohen-Goldner and Paser- man (2011), Lewis (2011)*, Manacorda, Manning and Wadsworth (2012)*, Ottaviano and Peri (2012)*, Borjas, Grogger and Hanson (2012), Dustmann and Preston (2012), Llull (2013), Dust- mann, Frattini and Preston (2013), Borjas (2013)*, Milanovic (2015), Dustmann, Schönberg and Stuhler (2016)*, Amior (2016), Dustmann, Schönberg and Stuhler (2017)*, Borjas (2017), Amior and Stuhler (2023)*

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Barcelona Graduate School of Economics Working Papers 711.

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