EC5361 Labour Economics

Instructor: Tiago Freire   Session: Fall 2011
E-mail: tiago_freire@nus.edu.sg
Office: Office: AS4 #04-39
Office Hours: Thursday 1500–1700hrs

Lecture Times: Wednesday 900–1200hrs   Room: AS1 # 02-01

Textbooks

All textbooks are for reference only, to be used to understand the the weekly article readings.

- Borjas, G. 2010. *Labor Economics*. McGraw-Hill.

- Cahuc, P. and A. Zylberg. 2004. *Labor Economics*. MIT Press.

- Ashenfelter, O., R. Layard and D. Card (editors). 1999-2010. *Handbook of Labor Economics*. Elsevier.

Course Description

In this modules we will introduce empirical methods in the context of labour economics. We will not focus on labour theory nor on econometric methods but see how the two have been applied to test hypothesis. After this module you should be able to formulate an hypothesis, understand how to test it and be able to critically evaluate a response.

Evaluation

There will be three assignments (30%), a final project (30%) and a final exam (40%).

Lecture Schedule

This is a tentative schedule which may be subject to changes.

Week 1	Wed 10 Aug 11	**NO CLASSES RAG DAY**	
Week 2	Wed 17 Aug 11	Review of Econometrics; Labour Supply	
Week 3	Wed 24 Aug 11	Labour Demand	1st HW
Week 4	Wed 31 Aug 11	**AWAY FOR CONFERENCE**	
Week 5	Wed 7 Sep 11	Introduction to Human Capital	
Week 6	Wed 14 Sep 11	Human Capital	1st HW Due; 2nd HW
Recess Week	Wed 21 Sep 11	**NO CLASSES**	
Week 7	Wed 28 Sep 11	Compensating Wage Differentials	
Week 8	Wed 5 Oct 11	Wage Structure	
Week 9	Wed 12 Oct 11	Labour Mobility	2nd HW Due
Week 10	Wed 19 Oct 11	Labour Market Discrimination	3rd HW
Week 11	Wed 26 Oct 11	Labour Unions	
Week 12	Wed 2 Nov 11	Labour Market Policies	
Week 13	Wed 9 Nov 11		3rd HW Due
Reading Week			Final Project Due

Assignment Details

The three assignments during the semester focus on how to test hypothesis and how to interpret results.

The final project asks you to review, replicate, and extend (PhD students only) an empirical paper from our reading list. The paper should be one that we have not covered in detail in class. Your write-up should have three major components:

A. Review

- What questions does the study ask? Why are these questions of economic interest? What are the most important findings in the paper?

- Where does this paper fit in the relevant literature? What were the findings at the time the paper was written? What is the contribution of this particular paper? What has been done on this topic since this paper was published? Are the paper's findings still relevant?

- What data were used? Are they reliable enough for the researcher's purposes? Are better data available now? What would constitute an ideal data set?

- What would be an ideal research design for the question at hand? Are the econometric techniques used in the study sensible and do they appear to have been correctly implemented? What assumptions support a causal interpretation of the results presented in the paper? Are these assumptions discussed adequately? Are the results reasonably convincing why or why not?

B. Replication

Identify the main findings and use the authors' data to replicate these results if possible. If the data cannot be obtained, construct the same sort of estimates using a data set of your choosing. Choose a data set that you would expect to generate similar results. Summarize and compare your replication results to the original results in a table. Discuss why you think your results differ from the original (if they do).

C. Extension (for PhD Students only)

Extend the work in some way. Do this either by (a) estimating alternative interesting specifications that the author might have tried or that would shed further light on the issues raised in the paper (e.g., specification checks or subsamples of special interest), or (b) collecting new data and producing results for this new sample. Any analysis of new data should include specification and robustness checks of the sort you would hope to see in a study of this nature.