**Labour and Innovation Economics**

**Course Lecturer:**

Fabian Waldinger

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**Course Structure:**

* 5 weeks of lectures Mondays 2-5.30pm
* term paper (maximum 45,000 characters)
  + Topics assigned 31/5
  + Submission deadline 28/6
* block seminar 5/7/2019, 9.30-6pm

**Assessment:**

The grade will be based on the term paper and the presentation in the block seminar.

**Readings:**

Readings are mainly from journal articles. In addition to that the following books are a useful reference for most of the topics covered:

Cahuc, Pierre and Andre Zylberberg (2004), *Labor Economics,* MIT Press.

Angrist and Pischke (2009) *Mostly Harmless Econometrics*, Princeton University Press, Princeton and Oxford (to refresh your knowledge of applied econometrics)

**References:**

Required readings are essential readings that everybody should read. Additional readings are for further reference and for learning more on a particular topic.

\*indicates required reading

\*\*indicates paper will be covered by student presentation

**Week 1: Human Capital**

***Required Readings:***

\*Ashenfelter, O. and C. Rouse (1998) “Income, Schooling, and Ability: Evidence from a new Sample of Identical Twins”, *The Quarterly Journal of Economics*, vol.113, no. 1, pp. 253-284.h

\*Angrist, J. and A.B.Krueger (1991) “Does Compulsory School Attendance Affect Schooling And Earnings?”, *The Quarterly Journal of Economics*, vol. 106, no. 4, pp. 979-1014.

<http://www.jstor.org/stable/2937954>

Card, D (1995) “Using Geographic Variation in College Proximity to Estimate the Return to Schooling”, In L.N. Christofides, E.K. Grant, and R. Swidinsky, editors, *Aspects of Labor Market Behaviour: Essays in Honour of John Vanderkamp*, University of Toronto Press, Toronto.

<http://emlab.berkeley.edu/users/card/papers/geo_var_schooling.pdf>

\*Card, D. “The Causal Effect of Education on Earnings”, *Handbook of Labour Economics*, vol. 3, Chapter 30, eds. O. Ashenfelter and D. Card.

<http://emlab.berkeley.edu/~card/papers/causal_educ_earnings.pdf>

***Additional Readings:***

*Weak Instruments:*

Bound, J., D.A. Jaeger, R. M. Baker (1995) “Problems with Instrumental Variables Estimation When the Correlation Between the Instruments and the Endogeneous Explanatory Variable is Weak”, *Journal of the American Statistical Association*, vol.90, no. 430, pp. 443-450.

*A very nice discussion of issues in returns to education estimates:*

Griliches, Z. (1977) “Estimating the Returns to Schooling: Some Econometric Problems”, *Econometrica*, vol. 45, no. 1, pp.1-22

<http://www.jstor.org/stable/pdfplus/1913285.pdf>

*Revision of IV:*

Angrist and Pischke (2009) *Mostly Harmless Econometrics*, Chapter 4.

**Week 2: Signaling/Training**

*Required Readings:*

*Signaling:*

\*Tyler, J., R. Murnane, J. Willet (2000) “Estimating the Signaling Value of the GED”, *The Quarterly Journal of Economics*, vol. 115, no.2, pp. 431-468.

<http://www.jstor.org/stable/pdfplus/2586999.pdf>

*On the Job Training:*

\*Acemoglu, D. and J.-S. Pischke (1998) “Why Do Firms Train? Theory and Evidence”, *The Quarterly Journal of Economics*, vol. 113, no. 1, pp. 79-119.

<https://www.jstor.org/stable/2586986?seq=1#metadata_info_tab_contents>

\*Jacobson, L., R. LaLonde, D. Sullivan (1993) “Earnings Losses of Displaced Workers”, *The American Economic Review*, vol. 83., no. 4, pp. 685-709.

<https://www.jstor.org/stable/2117574?seq=1#metadata_info_tab_contents>

*Additional Readings:*

\*\*Clark, D. and Martorell, P. (2014) “The Signaling Value of a High School Diploma”, *Journal of Political Economy*, vol. 122, no. 2, pp. 282-318.

<https://www.journals.uchicago.edu/doi/pdfplus/10.1086/675238>

\*\* Jäger, S. and Heining, J. (2019) How Substitutable Are Workers? Evidence from Worker Deaths, MIT working paper

<http://economics.mit.edu/files/16635>

*Revision of DiD:*

Angrist and Pischke (2009) *Mostly Harmless Econometrics*, Chapter.

**Week 3: Discrimination in the Labour Market**

*Required Readings:*

\*Goldin, C. and C. Rouse (2000) “Orchestrating Impartiality: The Impact of “Blind” Auditions on Female Musicians”, *American Economic Review*, vol. 90, no. 4, pp. 715-741.

\*Gneezy, U., M. Niederle, and A. Rustichini (2003) “Performance in Competitive Environments: Gender Differences,” *The Quartely Journal of Economics*, vol.118, 1049-1074.

\*Bagues, M., M. Sylos-Labini, N. Zinovyeva (2017) “Does the Gender Composition of Scientific Committees Matter?” *American Economic Review*, vol. 107, no. 4, pp. 1207-1238.

<https://www.aeaweb.org/articles?id=10.1257/aer.20151211>

*Additional Readings:*

\*\*Glover D, Pallais A, Pariente W. (2017) “Discrimination as a Self-Fulfilling Prophecy: Evidence from French Grocery Stores,” *The Quarterly Journal of Economics*, vol. 132 (3):1219-1260.

<https://academic.oup.com/qje/article/132/3/1219/3057434>

\*\*Kleven, H., Landai, C. and J. Sogaard (2018) Children and Gender Inequality: Evidence from Denmark, *American Economic Journal: Applied Economics*, forthcoming

<https://www.aeaweb.org/articles?id=10.1257/app.20180010&&from=f>

Buser, T., M. Niederle, and H. Oosterbeek (2014) ) “Gender, Competitiveness, and Career Choices,” *The Quarterly Journal of Economics*, vol. 129 (3):1409-1447

<https://academic.oup.com/qje/article/129/3/1409/1817134>

Manning, A. And J. Swaffield (2008) “The Gender Gap in Early-Career Wage Growth”, *The Economic Journal*, vol. 118, pp. 983-1024.

**Week 4: Migration with a Focus on High-Skilled Migration**

*The Migration Decision:*

\*Borjas, G. (1987) “Self-Selection and the Earnings of Immigrants”, *The American Economic Review*, vol. 77, no. 4, pp. 531-553.

<http://www.jstor.org/pss/1814529>

\*Chiquiar, D. and G. H. Hanson (2005) “International Migration, Self-Selection, and the Distribution of Wages: Evidence from Mexico and the United States”, *Journal of Political Economy*, vol. 113, no. 2, pp. 239-281.

<http://www.jstor.org/pss/10.1086/427464>

*The Effect of Migrants on Natives:*

\*Card, D. (1990) “The Impact of the Mariel Boatlift on the Miami Labor Market”, *Industrial and Labor Relations Review*, vol. 43, no. 2, pp. 245-257.

<http://emlab.berkeley.edu/users/card/papers/mariel-impact.pdf>

\*Borjas, G. (2003) “The Labor Demand Curve Is Downward Sloping: Reexamining the Impact of Immigration on the Labor Market”, *The Quarterly Journal of Economics*, vol. 118., no. 4, pp. 1335-1374.

<http://www.hks.harvard.edu/fs/gborjas/Papers/QJE2003.pdf>

*The Effect of High-Skilled Migrants on Native Innovation:*

\*Moser, P., A. Voena and F. Waldinger (2014) “German Jewish Émigrés and U.S. Invention”, *American Economic Review*,  vol. 104, no. 10, pp. 3222-3255

<https://www.aeaweb.org/articles?id=10.1257/aer.104.10.3222>

*Additional readings on migrant selection:*

Fernandez-Huertas J. (2011) “New Evidence on Emigrant Selection”, *Review of Economics and* Statistics, vol. 93, no. 1, pp. 72-96

<http://0www.mitpressjournals.org.pugwash.lib.warwick.ac.uk/doi/pdfplus/10.1162/REST_a_00050>

Parey, M, Ruhose J., Waldinger, F. and Nicolai Netz (2017) “The Selection of High-Skilled Emigrants,” *The Review of Economics and Statistics*, vol. 99, no. 5, pp. 776-792, 2017

https://www.mitpressj ournals.org/doi/abs/10.1162/REST\_a\_00687

*Additional readings on the effect of immigrants on native wages:*

Friedberg, R. (2001) “The Impact of Mass Migration on the Israeli Labor Market”, *The Quarterly Journal of Economics,* vol. 116, no.4, pp. 1373-1408.

<http://www.jstor.org/stable/pdfplus/2696462.pdf>

*Additional readings on the effect of high-skilled immigrants on innovation:*

Borjas, G. and K. Doran (2012) “The Collapse of the Soviet Union and the Productivity of American Mathematicians”, *Quarterly Journal of Economics*, vol. pp. 1143-1203.

\*\*Kerr, William R., and William F. Lincoln “The Supply Side of Innovation: H-1B Visa Reforms and U.S. Ethnic Invention,” *Journal of Labor Economic*s, 28, No. 3 (2010), 473-508.

\*\*Doran, Kirk and Alexander Gelber “The Effects of High-Skill Immigration on Firms: Evidence from H-1B Visa Lotteries”, mimeo Berkeley and Notre Dame.

*Very nice paper using H-1B lotteries to investigate the effect of H-1Bs on firms.*

**Week 5: Peer Effects among High-Skilled and Local Productivity Spillovers**

*Required Readings:*

\*Mas, Alexandre and Enrico Moretti (2009) "Peers at Work", The American Economic Review, vol. 99, no. 1

<https://www.aeaweb.org/articles?id=10.1257/aer.99.1.112>

\*Waldinger, Fabian (2012) “Peer Effects in Science: Evidence from the Dismissal of Scientists in Nazi Germany”, *Review of Economic Studies*, vol. 79, no. 2, pp. 838-861.

<https://academic.oup.com/restud/article/79/2/838/1530125>

\*Jaravel, X., N. Petkova, and A. Bell (2018) “Team-Specific Capital and Innovation,” *American Economic Review*, vol. 108, no. 4-5, pp. 1034-73

<https://www.aeaweb.org/articles?id=10.1257/aer.20151184>

\*Greenstone Michael, Richard Hornbeck, and Enrico Moretti (2010) “Identifying Agglomeration Spillovers: Evidence from Winners and Losers of Large Plant Openings”, *Journal of Political Economy*, vol. 118, no. 3.

<https://www.journals.uchicago.edu/doi/pdfplus/10.1086/653714>

\*Bloom, Nicholas, Mark Schankerman, and John Van Reenen (2012) “Identifying technology spillovers and product market rivalry”, mimeo Stanford and LSE.

<https://onlinelibrary.wiley.com/doi/epdf/10.3982/ECTA9466>

*Additional readings:*

Bandiera, Oriana, Iwan Barankay, Imran Rasul (2010) "Social Incentives in the Work-place", The Review of Economic Studies, vol. 77, no. 2.

Moser, P., A. Voena and F. Waldinger (2014) “German Jewish Émigrés and U.S. Invention”, *American Economic Review*,  vol. 104, no. 10, pp. 3222-3255

<https://www.aeaweb.org/articles?id=10.1257/aer.104.10.3222>

Borjas, G. and K. Doran (2012) “The Collapse of the Soviet Union and the Productivity of American Mathematicians”, *Quarterly Journal of Economics*, vol. pp. 1143-1203.

Cornelissen, T., Dustmann, C., and U. Schönberg (2017): Peer Effects in the Workplace, *American Economic Review*, 107(2), 425-56.

Ellison, Glenn, Edward L. Glaeser, and William R. Kerr (2010) “What Causes Industry Agglomeration? Evidence from Coagglomeration Patterns”, *American Economic Review*, vol. 100,(June), pp. 1195–1213