

ECON 6120U Labour Economics

Spring 2021/2022

Department of Economics

Hong Kong University of Science and Technology

General Information

- Instructor: Xuan Li (xuanli@ust.hk)
- Office hours: Friday at 14:00-15:30pm
- Office: LSK 6042
- Class meets on Mondays at 9:00am-12:50pm online
- TA: Bowen Qu (bquab@connect.ust.hk)

Course Description

The purpose of this course is to introduce students to the field of labour economics, and we will examine topics in Labour Economics, including (tentatively) static and dynamic labour supply, labour demand, unions and minimum wage, immigration, labour market discrimination, the role of firms, intergenerational mobility and personnel economics. We will cover basic theories and some structural work, but our emphasis will be on reduced form empirical work (highlighting the wide variety of quasi-experimental research designs used in this literature). In each class I will give an overview of the topic and/or go through important/interesting papers from the relevant literature.

Prerequisite: ECON 5210 OR ECON 5130 (required), ECON6120T (preferred)

Grading and Deliverables

Our class grade will be determined by your total points. Points are given as follows:

1. **Paper presentation** (10 points): Each student is expected to present a paper from the reading list which is not discussed by the instructor. The presentation should be 20-30 min and discuss the main points of a paper of your choice from the reading list.
2. **Referee report** (10 points): Each student is expected to write a referee report for an empirical paper from a selected list (TBA). The report should start off with a one paragraph summary of the main argument of the article. You should describe your main 3-4 points in detail as if you were writing directly to the author. Conclude the report with more minor comments. A good referee report not only clearly states the shortcomings of the work, but also lays out constructive, detailed and realistic suggestions for improvement. Each referee report should be no more than 3 pages double-spaced.
 - A useful guide to writing referee reports by Prof. Alain de Janvry:
<https://are.berkeley.edu/courses/ARE251/2004/assignments/RRGuidelines.pdf>
3. **(Option 1) Replication of a published empirical paper** (15 points): Each student is expected to replicate the main empirical findings of a published paper from the

reading list. You should submit both the results (following the main tables of the paper) as well as your code.

(Option 2) Research proposal (20 points): The research proposal should consist of a clearly defined question; motivation of why the question is economically interesting; a synthesis of relevant background literature focusing on the points most germane to the question at hand; a discussion of the relevant economic theory; an overview of the data to be used to analyze the question.

4. **Class participation** (5 points): Class participation includes both physical presence in class as well as asking questions (questions are always welcome!).

Tentative Class Schedule

No.	Topic
Lecture 1	Labor Supply: Static and Dynamic
Lecture 2	Labor Demand: Foundations, Unions and Minimum Wages
Lecture 3	Immigration, Self-Selection and the Roy Model
Lecture 4	Trade and Labour Markets
Lecture 5	Discrimination in the Labor Market
Lecture 6	Firm-level Determinants of Wages and Productivity: Rent Sharing and Management Practice
Lecture 7	Social preferences at the workplace
Lecture 8	Intergenerational Mobility: Theory, Empirics and Early Childhood Development
Lecture 9*	Schooling and Training, School and Teacher Quality, School Choice
