Economics 752: Labor Economics II

Fall 2012

When and Where: Mondays and Wednesdays, 11:00 AM – 12:15 PM, Engelmann B38
Professor: Scott Drewianka (e-mail: sdrewian@uwm.edu)
Office Hours (in NWQ 4585): Mondays and Wednesdays, 3:30-5:00 PM
**If you would like to meet with me and cannot come during the regularly scheduled office hours, contact me to set up a special appointment.

Goals of This Course: This course is part of a two-course graduate sequence on labor economics that may be taken in any order. It has two main goals: to introduce you to a range of topics in modern labor economics and (perhaps more importantly) to help you identify topics for your own future research.

Prerequisites: Economics 701 (Economic Theory: Microeconomics). No previous experience with labor economics is necessary. Specifically, it is not necessary to take Economics 751 first.

Books: None required; readings will be available on e-reserve at the library. The UWM bookstore will also stock a few optional books (see below) that may be useful for the course and beyond.

Grading: Grades will be based on a midterm and final exam (20 percent each), a literature review or research paper (35 percent, including preliminary documents-see the next page for details), three article summaries (5 percent each), a presentation of your research at the end of the semester (5 percent), and class participation (5 percent).

Exam Dates:

Midterm: Mon., Oct. 22
Final exam: Tues., Dec. 18, 10:00AM-Noon [Note special day/ time.]

Expected time commitment:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Hours</th>
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<tr>
<td>Class meetings and final exam</td>
<td>37</td>
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<tr>
<td>Assignments</td>
<td>15</td>
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<tr>
<td>Class readings and study (5 hours/week)</td>
<td>80</td>
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<tr>
<td>Research paper (research and writing)</td>
<td>80</td>
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<tr>
<td>Total across the semester</td>
<td>212</td>
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Note that this is merely an estimate for a typical successful student, and there is likely to be considerable variation across students.

Some Policies:

1. **Academic Honesty:** Academic dishonesty will not be tolerated. All forms of cheating, including plagiarism, are serious violations of academic standards – so be sure you know what constitutes plagiarism! Violators are subject to disciplinary action, which may be as severe as expulsion. For information about unacceptable behaviors and their consequences, see the following webpage: http://www4.uwm.edu/acad_aff/policy/academicmisconduct.cfm.

2. **Clarity:** No credit will be granted for work that is unintelligible. This includes, but not exclusively, work that is illegible, incoherently organized, or poorly worded.

3. **Other Departmental Policies:** Information on UWM’s official policies on participation by students with disabilities, religious observances, complaint and grade appeal procedures, sexual harassment, incompletes, and other matters is available in the Econ Department office or at http://www.uwm.edu/Dept/SecU/SyllabusLinks.pdf. Students needing accommodations of any sort should contact me during the first two weeks of class.
**Article Summaries:** During the course of the semester, you are to write three summaries of articles not discussed in class. The first article to be summarized will be assigned to you, and it will be accompanied by special instructions. For that summary only, the main objective will be to understand the structure of the discussion, with a special focus on the introduction.

The last two summaries will be content-oriented. Each should be roughly 3-5 pages in length and should (a) identify the problem in question, its significance, and its place in the broader literature; (b) summarize the methods and findings of the paper; and (c) appraise the work, highlight any remaining questions, and/or recommend additional work that might be done on the question. If you wish, you may write summaries of articles that you discuss in your literature review (see below). Summaries must be submitted by the deadlines below, but will be accepted earlier as well.

**Deadlines:**
- First summary: September 19
- Second summary: October 3
- Third summary: October 15

**Literature Review/Research Paper:**

A large share of your grade will be determined by your research paper. You will ultimately choose your own topic, but you are strongly advised to consult with me before deciding to ensure that it has an appropriate scope. A typical paper is about 20-25 pages long (double spaced), but yours should be both as concise as possible and as long as necessary. That is, there is no prescribed maximum or minimum length apart from what is dictated by the breadth and complexity of the topic.

Most students will be required to write a review of the existing literature on a topic in labor economics. A literature review is NOT merely a series of article summaries or book reports, but rather a well-written, integrated discussion of previous research in the field and possible directions for future research. Such a paper will identify the topic under discussion and its place in the broader economics literature, discuss its significance for public policy and/or other research, summarize the methods and contributions of several papers, describe how they relate to one another (e.g., compare and contrast their methods and results), highlight any conclusions that may be drawn, and point to questions that remain open or new techniques or data that might shed additional light on the subject. For some excellent examples of such papers, look at virtually anything published in the *Journal of Economic Perspectives* or any of the articles in the *Handbooks in Economics* series.

There is an alternative option for students who have already written a literature review for Labor Economics I (Econ 751). Such students may choose either to write another literature review or to write an original research paper on an open question identified in their earlier literature review. The latter option has two advantages: it will help you develop a different set of skills, and it would be another step toward the completion of your MA thesis or Ph.D. dissertation. Eligible students wishing to write an original research paper should contact me early in the semester and bring your literature review from Econ 751 and some ideas with you. I will help you identify a question you can answer during the semester. For most topics and most students, the original research you perform will be mainly empirical in nature, so you will need to obtain the necessary data as soon as possible.

**Deadlines:**
1. Tentative decision about topic: September 26
2. Preliminary bibliography (at least 10 possible sources): October 1
3. Preliminary outline: November 7
4. Draft of introduction: November 19
5. Completed paper: December 12
Resources to help with your writing and/or research skills:

1. **UWM Writing Center** ([www.uwm.edu/Dept/English/wcenter/](http://www.uwm.edu/Dept/English/wcenter/) or [www.writingcenter.uwm.edu](http://www.writingcenter.uwm.edu)):
   
   “Offers one-on-one assistance… to generate topics, conduct research, organize ideas, develop thesis statements and revise drafts. Undergrad and grad students are welcome,… at any stage of the project.”
   
   The Center is located in Curtin 127, and writing tutors are also available at a satellite location in northwest corner of first floor of the East Wing of the library, directly east of “The Grind” coffee shop. Phone: (414)229-4339. E-mail: (Margaret Mika, Director) mmika@uwm.edu.


3. Available at the UWM bookstore:
   
   a. An excellent guide to writing well is *Economical Writing*, by Deirdre N. McCloskey (Prospect Heights, IL: Waveland Press, 2000).
   

Some very useful research resources:

1. Electronic databases (click on “Resources A-Z” on the UWM library homepage):
   
   a. **EconLit** – lists contents and abstracts of hundreds of economics journals since 1886, as well as books, dissertations, and catalogued working papers
   
   b. **Web of Science** – allows you to search for articles that have cited a particular article in the past; useful for identifying subsequent contributions to the literature.
   
   c. **JSTOR** ([www.jstor.org](http://www.jstor.org)) – full-text research papers from leading journals

2. **National Bureau of Economic Research** working papers ([www.nber.org](http://www.nber.org)) -- full-text working papers by leading scholars; often the most up-to-date research on a topic.

3. **Handbook of Labor Economics, Volumes 1-3C** (library call number: HD4802 .H36) -- published by Elsevier, these handbooks contain extensive literature reviews on many topics in Labor Economics, written by some of the main contributors to those subfields

4. Collections of web-links to vast amounts of information and/or major data sets
   
   
   b. **The Labour Economics Gateway** ([http://labour.ceps.lu/](http://labour.ceps.lu/))
   
   c. UWM’s links for Economics
      
      ([http://xerxes.library.wisconsin.edu.ezproxy.lib.uwm.edu/uwm/?base=databases&action=subject&subject=economics](http://xerxes.library.wisconsin.edu.ezproxy.lib.uwm.edu/uwm/?base=databases&action=subject&subject=economics))
Reading list, by topic

Notes:
1. This reading list is not intended to be a comprehensive bibliography, but rather a starting point for additional research. It includes a combination of seminal articles that inspired future research, interesting applications, literature reviews, and recent work. Many of the articles listed below will be discussed in class (especially those marked with an asterisk (*)), with varying emphasis.
2. Most papers can be downloaded (free from a campus computer or by logging in through the UWM library webpage) from JSTOR: www.jstor.org, and all are available through e-reserve: http://ezproxy.lib.uwm.edu/login?url=http://www4.uwm.edu/libraries/ereserve/drewianka/ECON752.html (or else through links at https://millib.wisconsin.edu/vwebv/enterCourseReserve.do).
3. For a more advanced textbook on labor economics, see Pierre Cahuc and Andre Zylberberg, Labor Economics (Cambridge, Massachusetts: MIT Press, 2004). It is available at the bookstore.
5. The following Handbooks from Elsevier are also recommended as a general source for outstanding in-depth literature reviews of topics covered in this course:

I. Selection Models: An Introduction

II. The (Widening) Distribution of Earnings and Wage Variability

A. Income Inequality: Trends


B. Income Instability


C. Theories and Evidence


III. The Structure of Work within Firms

A. The Division of Labor and Specialization


B. Hierarchies and Teams

IV. Careers: Unemployment, Job Search, Experience, and Turnover

A. Job Search and Turnover

B. Job-Specific Human Capital and Other Match-Specific Rents


V. Economics and Demography

A. Children, Fertility, and Human Capital


B. Migration and Immigration


C. Family Structure: Marriage and Divorce


D. Families and Labor Supply


