

Reading List – Version 1
Economics 515
Labour Economics

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BEC 338

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1. Labour Supply

(a) Static Labour Supply

Becker, G. "A Theory of the Allocation of Time" Economic Journal, Sept. 1965.

Benjamin, D., Morley Gunderson and W. Craig Riddell, Labour Market Economics, Chapters 2 and 3.

Killingsworth, M.R., Labor Supply, Cambridge: Cambridge University Press, 1983.

Heckman, J. "Sample Selection Bias as Specification Error" Econometrica, January 1979.

Heckman, J. "Shadow Prices, Market Wages, and Labor Supply," Econometrica, July 1974.

Mroz, T.A., "The Sensitivity of an Empirical Model of Married Women's Hours of Work to Economic and Statistical Assumptions," Econometrica, 55, July 1987, 801-818.

(b) Dynamic Labour Supply

Heckman, J. and T.E. MaCurdy, "A Life Cycle Model of Female Labor Supply," Review of Economic Studies, January 1980, 47-74.

MaCurdy, T.E., "An Empirical Model of Labor Supply in a Life Cycle Setting," Journal of Political Economy, December 1981, 1059-1085.

(c) Household Labour Supply

Lundberg, S., "Labour Supply of Husbands and Wives: A Simultaneous Approach," Review of Economics and Statistics, Vol. 70, 1988.

Chiappori, P.A., "Collective Labor Supply and Welfare," Journal of Political Economy, 100, 1992.

2. Labour Demand

(a) Static Labour Demand

Benjamin, D., Morley Gunderson and W. Craig Riddell, *Labour Market Economics*, Chapters 5 and 6.

Hamermesh, D., *Labor Demand* Princeton, N.J.: Princeton University Press, 1993. Chapters 1-5.

Varian, H., *Microeconomic Analysis* (third edition), New York: Norton, 1992. Chapters 1-6.

(b) Dynamic Labour Demand

Nickell, S.J., "Dynamic Models of Labor Demand," *Handbook of Labor Economics*, (1986) Chapter 9.

Hamermesh, D.S., "Labor Demand and the Structure of Adjustment Costs," *American Economic Review*, 79, September 1989, 674-689.

3. Minimum Wages

(a) Early Aggregate Time-Series

Brown, C., C. Gilroy, and A. Kohen, "The Effect of the Minimum Wage on Employment and Unemployment," *Journal of Economic Literature*, 20 pp. 487-528

(b) More Recent Studies

Katz, L. and A. Krueger, "The Effects of the Minimum Wage on the Fast-Food Industry," *Industrial and Labor Relations Review*, October 1992.

Card, D., and A. Krueger. 1994. "Minimum Wages and Employment: A Case Study of the Fast-Food Industry in New Jersey and Pennsylvania," *American Economic Review*, 84, September 1994: 772-93.

Neumark, D., and W. Wascher, "The Effect of New Jersey's Minimum Wage Increase on Fast-Food Employment: A Re-Evaluation Using Payroll Records," NBER Working Paper 5224 (August 1995).

(c) Canadian Studies

Baker, M., D. Benjamin, and S. Stanger, "The Highs and Lows of the Minimum Wage Effect: A Time Series Cross-Section Study of the Canadian Law," mimeo, University of Toronto, 1997.

Schaafsma, J., and W. Walsh, "Employment and Labour Supply Effects of the Minimum Wage: Some Pooled Time-Series Estimates From Canadian Provincial Data," *Canadian Journal of Economics*, 16, February 1983: 86-97.

4. Immigration

(a) Impacts of Immigration

Overview:

Borjas, G., "The Economics of Immigration," *Journal of Economic Literature*, 32 (December 1994), pp. 1667-717.

Borjas, G., "The Economic Benefits From Immigration," *Journal of Economic Perspectives*, 9 (Spring 1995), pp. 3-22.

Friedberg, R. and J. Hunt, "The Impact of Immigrants on Host Country Wages, Employment and Growth," *Journal of Economic Perspectives* 9 (Spring 1995), pp.23-44.

Impacts:

Lalonde, R.J., and R. Topel, "Labor Market Adjustments to Increased Immigration," in J. Abowd and R. Freeman, eds., *Immigration, Trade, and the Labor Market*, Chicago, University of Chicago Press, 1991.

Altonji, J., and D. Card, "The Effects of Immigration on the Labor Market Outcomes of Less-Skilled Natives," in J. Abowd and R. Freeman, eds., *Immigration, Trade, and the Labor Market*, Chicago, University of Chicago Press, 1991, pp. 201-34.

Card, D., "The Impact of the Mariel Boatlift on the Miami Labor Market," *Industrial and Labor Relations Review* 43 (January 1990): 245-58.

(b) Immigrant Assimilation

Borjas, G., "Self-Selection and the Earnings of Immigrants," *American Economic Review*, Vol. 77 No. 4 (September 1987), pp.531-553.

Chiswick, B., "The Effect of Americanization on the Earnings of Foreign Born Men," *Journal of Political Economy* 86 (1978): 897-921

Borjas, G., "Assimilation, Changes in Cohort Quality and the Earnings of Immigrants," *Journal of Labor Economics* 3 (1985): 463-489

Friedberg, R., "The Labor Market Assimilation of Immigrants in the United States: The Role of Age at Arrival," MIT mimeo (1992)

Borjas, G., "Assimilation and Changes in Cohort Quality Revisited: What Happened to Immigrant Earnings in the 1980s?," *Journal of Labor Economics* 13 (1995): 201-245

Lubotsky, D., "Chutes or Ladders? A Longitudinal Analysis of Immigrant Earnings," Mimeo, Princeton University

Canadian Studies

Aydemir, Abdurrahman (2003) 'Effects of business cycles on the labour market assimilation of immigrants,' in *Canadian Immigration Policy for the 21st Century*, ed. Charles Beach and Alan Green (Kingston: Queen's University Press)

Baker, M. and D. Benjamin, "The Performance of Immigrants in the Canadian Labour Market," *Journal of Labor Economics* 12 (July 1994): 369-405

Baker, M. and D. Benjamin, "The Receipt of Transfer Payments by Immigrants to Canada," *Journal of Human Resources* No. 4 pp. 651-676.

Beach, C.M., and C. Worswick. "The Performance of Immigrants in the Canadian Labor Market," *Journal of Labor Economics*, 12 (July, 1993): pp. 369-405

Beaudry, P., and D. Green (2000) 'Cohort patterns in Canadian earnings: assessing the role of skill premia in inequality trends,' *Canadian Journal of Economics* 33, 987-1005

Bloom, D, G. Grenier, and M. Gunderson. "The Changing Labour Market Position of Canadian Immigrants," *Canadian Journal of Economics*, 28 (1995): pp. 987-1005

Borjas, G., 1993. "Immigration Policy, National Origin and Immigrant Skills: A Comparison of Canada and the United States," in *Small Differences That Matter: Labor Markets and Income Maintenance in Canada and the United States*, eds. D. Card and R. Freeman. Chicago: University of Chicago Press.

Ferrer, A., and C. Riddell (2003) 'Education, credentials and immigrant earnings,' paper presented at the CERF 2003 Conference, Ottawa

Green, A. G., and D.A. Green, "Canadian Immigration Policy: The Effectiveness of the Point System and Other Instruments," *Canadian Journal of Economics*, 28 (1995), pp. 1006-41.

Green, D.A., and C.Worswick (2003) 'Immigrant earnings profiles in the presence of human capital investment: measuring cohort and macro effects,' unpublished manuscript

Schaafsma, J., and Arthur Sweetman, "Immigrant earnings: age at immigration matters," *Canadian Journal of Economics*, (2001) 34 (4), pp. 1066-1099.

5. Human Capital

(a) Education

Theory:

Becker, G., Human Capital, 2d ed., NBER, 1975.

Mincer, J., Schooling, Experience, and Earnings.

Estimating the Return to Education:

Ashenfelter, O. and A. Krueger, "Estimates of the Economic Return to Schooling from a New Sample of Twins," American Economic Review 84 (December 1994), pp. 1157-73.

Angrist, J., and A. Krueger, "Does Compulsory School Attendance Affect Schooling and Earnings?" Quarterly Journal of Economics 106 (November 1991), pp. 979-1014.

Butcher, K., and A. Case, "The Effect of Sibling Sex Composition on Women's Education and Earnings," Quarterly Journal of Economics, (August, 1994), pp. 531-63

Card, D., "Using Geographic Variation in College Proximity to Estimate the Return to Schooling," in Aspects of Labour Market Behaviour: Essays in Honour of John Vanderkamp, eds. L. Christofides, E. K. Grant and R. Swidinsky. Toronto: University of Toronto Press 1995.

(b) Signalling/Screening Explanations

Theory:

Spence, Michael, "Job Market Signaling" The Quarterly Journal of Economics, Vol. 87 Issue 3 (August, 1973), pp. 355-374

Human Capital versus Sorting:

Altonji, J., "The Effects of High School Curriculum on Education and Labour Market Outcomes," Journal of Human Resources, (Summer, 1995), pp. 409-38.

Weiss, A., "Human Capital vs. Signalling Explanations of Wages," Journal of Economic Perspectives, Vol. 9, Number 4, (Fall, 1995), pp. 133-54.

Lang, K. and Kropp, "Human Capital Versus Sorting: The Effects of Compulsory Attendance Laws," Quarterly Journal of Economics, (August, 1986), pp. 609-24

Rosen, S., "Human Capital: A Survey of Empirical Research," in *Research in Labor Economics*, ed R. Ehrenberg. Greenwich, Conn., JAI Press.

Bedard, K. "Human Capital Versus Signalling Models: University Access and High School Drop-outs", *Journal of Political Economy* 109 (4) (August 2001): 749-775.

(c) Formal Training Programs

Lalonde, R., "Evaluating the Econometric Evaluations of Training Programs with Experimental Data," *American Economic Review*, Vol. 76, No. 4, (September, 1986), pp. 604-620.

Lalonde, R., "The Promise of Public Sector Sponsored Training Programs," *Journal of Economic Perspectives*, Vol. 9, (Spring, 1995), pp. 149-68.

Heckman, J., "Randomization and Social Policy Evaluation," in Charles Manski and Irwin Garfinkle, eds., *Evaluating Welfare and Training Programs*, Cambridge, Mass: Harvard University Press, pp. 201-230.

Heckman, J., R. Lalonde, and J. Smith, "The Economics and Econometrics of Active Labor Market Programs," In *Handbook of Labor Economics*, eds. O. Ashenfelter and D. Card., New York and Oxford: Elsevier Science, North Holland (1999).

Smith, J., and P. Todd, "Does Matching Overcome Lalonde's Critique of Nonexperimental Estimators?," *Journal of Econometrics* (2005).

(d) On-The-Job Training and Firm-Specific Human Capital

Theory:

Becker, G., Human Capital, Chapter 2.

Estimating the Effects:

i. Returns to Job Tenure

Topel, R., "Specific Capital, Mobility, and Wages: Wages Rise With Job Seniority," *Journal of Political Economy*, 99, (February, 1991) pp. 145-76

Brown, J.N., "Why Do Wages Increase with Tenure?" *American Economic Review*, 79, (December 1989), pp. 971-991

Brown, J. and A. Light, "Interpreting Panel Data on Job Tenure," *Journal of Labor Economics*, (July 1992).

ii. Displaced Workers

Topel, R., "Specific Capital and Unemployment: Measuring the Costs and Consequences of Job Loss," Carnegie-Rochester Conference series on Public Policy, 33 (1990), pp. 181-214.

Jacobson, L., R. Lalonde and D. Sullivan, "Earnings Losses of Displaced Workers," American Economic Review, 83, (September 1993), pp. 685-709.

Carrington, W., "Wage Losses for Displaced Workers: Is it Really the Firm that Matters?," Journal of Human Resources, 28, (Summer 1993), pp. 435-62.

6. Discrimination

Theory:

Becker, G. S., The Economics of Discrimination, Chicago UP, 1957.

Phelps, E., "The Statistical Theory of Racism and Sexism," American Economic Review, 62, (September 1972), pp. 659-61.

Measurement:

Oaxaca, R., "Male-female Wage Differentials in Urban Labour Markets," International Economic Review, 14, (October 1973), pp. 693-709.

Goldin, C., and C. Rouse, "Orchestrating Impartiality: The Impact of "Blind" Auditions on Female Musicians," American Economic Review, 90(4), (September 2000), pp. 715-41

Neumark, D., "Sex Discrimination in Restaurant Hiring: An Audit Study," Quarterly Journal of Economics, 111, (1996), pp. 915-42

Wood, Robert G. and Mary E. Corcoran and Paul N. Courant., "Pay Differences among the Highly Paid: The Male-Female Earnings Gap in Lawyers' Salaries," Journal of Labor Economics, (July 1993), pp. 417 – 441

Levitt, Steven D., "Testing Theories of Discrimination: Evidence from *Weakest Link*," NBER working paper #9449 (2003).

7. Unions

Background:

Freeman, R.B. and J.L. Medoff, What do Unions do?, New York: Basic Books, 1984.

Pencavel, J. Labor Markets Under Trade Unionism: Employment, Wages and Hours, Oxford: Blackwell, 1991.

Peter Kuhn "Unions and the Economy: What We Know: What We Should Know," The Canadian Journal of Economics, Vol. 31, Issue 5, November 1998

Union Growth and Incidence:

Dickens, W. J. Leonard, "Accounting for the Decline in Union Membership, 1950-1980," Industrial and Labor Relations Review, April 1985.

Farber, H. S., "The Decline of Unionization in the United States: What Can Be Learned From Recent Experience?" Journal of Labor Economics, 8, Part 2, January 1990.

Riddell, C. "Unionization in Canada and the United States A Tale of Two Countries," in D. Card and R. Freeman, eds., Small Differences that Matter: Labor Markets and Income Maintenance in Canada and the United States. Chicago: University of Chicago Press, 1993.

Riddell, C. "Union Suppression and Certification Success," Canadian Journal of Economics, 34 (May) 2001: 396-410.

Impacts of Unions:

Lewis H.G., Union Wage Effects: A Survey, Chicago: University of Chicago Press, 1986.

Robinson, C., "The Joint Determination of Union Status and Union Wage Effects: Some Tests of Alternative Models," Journal of Political Economy, 97, June 1989: 639-67.

Jakubson, G., "Estimation and Testing of the Union Wage Effect Using Panel Data," Review of Economic Studies, October 1991: 971-992.

Felice Martinello et al, "Union Certification in Ontario: Its Effect on the Value of the Firm," The Canadian Journal of Economics, Vol. 28, Issue 4b, November 1995