Topics in Labor Economics

Instructor: Francesco Devicienti (12 hours)

Module I: Inequalities in the Labor Market: Workers, Firms and Institutions

Course description
This course focuses on inequalities generated in the labor market, owing to the heterogeneity of workers and firms, and their interaction with labor market institutions and the general evolution of the economic and social context. The approach will mostly be empirical, generally relying on the econometric analysis of large-scale longitudinal micro datasets, especially those of the matched employer-employee type. Emphasis will also be given on how to select a promising topic for your JMP in this or related areas, how to get the data and a proper empirical strategy, by focusing on discussing the elements that made particularly successful a number of papers selected below.

Evaluation
Students will be evaluated on the basis of an in-depth classroom presentation of an important recent paper in empirical labor from an assigned reading list (max 2 students per paper). During the presentation, students are expected to show that they master, and can critically discuss, the details of: (i) why the paper’s topic was important, (ii) why the empirical strategy was appropriate, (iii) the pros and cons of the data used, (iv) any other selling point of the paper (e.g., policy implications, broader lessons, bridges to other literatures, etc.).

Meeting 1 (2 hours): 14 May 2019
Competitive vs non-competitive labor markets;
Longitudinal matched employer-employee data (LMEE): specificities, advantages and pitfalls;
Two-way fixed effect models (AKM models); reconciliation with economic theory;
Available LMEE data; differences across the various LMEE data sets; accession policies; Italian examples: INPS data and VisitINPS; COB (Veneto Lavoro), LFS from Istat, data from Inapp; Examples from other countries: IAB, Portugal, others;
How to publish in a top journal in labor economics.

References:
Meeting 2 (2 hours): 16 May 2019

Wage inequality, sorting, rent sharing

References:


Meeting 3 (2 hours): 21 May 2019

Inequality and outsourcing; diff-diff technique; event-study analyses.

References:


Meeting 4 (2 hours): 23 May 2019

Partial labor market reforms and inequality; diff-diff technique; event-study analyses.

References:


**Meeting 5 (2 hours): 28 May 2019**

Labor market effects of the Great Recession; (great) data and methods

Example of nice data collection, easy and clear methods, to get in a top-5:

*Reference:*

Example of great data effort (COB+AIDA+ASIA+Credit register) / initiative to find teams / co-authors; sound IV methods:

*Reference:*

**Meeting 6 (2 hours): 30 May 2019**

Effects of pay inequality and wage rigidity; Field experiments.

*Reference:*

**Further reading**


