Topics in Labor Economics
Instructor: Francesco Devicienti (20 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 these 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 a 1-hour written exam and 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 is important, (ii) why the empirical strategy is 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): 26 May 2020
Inequalities in the labor market. Definitions and preliminaries.

Topics:
Introduction to the course. Inequalities in the labor market. Definitions and preliminaries. Competitive vs non-competitive labor markets. Longitudinal matched employer-employee data (LMEE). Two-way fixed effect models (AKM models) LMEE specificities, advantages and pitfalls. Available LMEE data and differences across the various datasets. Data accession policies. Italian examples: INPS data and VisitINPS; COB (Veneto Lavoro), LFS from Istat, data from Inapp. Examples from other countries: IAB, Portugal, others. Your way to publishing in a top journal in labor economics.

References:
Meeting 2 (2 hours): 29 May 2020

Wage inequality, sorting, rent-sharing

Topics:
Wage inequality contributions of the sorting of workers to firms and of rent-sharing. Decomposition methods to study wage inequality. Matching worker’s data with data on firm’s financial information. Profit and loss accounts and balance sheets data (AIDA, Cerved).

References:

Meeting 3 (2 hours): 3 June 2019

Inequality and outsourcing

Topics:
The impact of outsourcing on wage inequality. Diff-in diff technique. Event-study analyses.

References:
Meeting 4 (2 hours): 5 June 2019
Inequality and labor market reforms

Topics:
Evaluation of labor market reforms: impact of EPL on worker and firms. Diff-in diff technique; event-study analyses.

References:

Meeting 5 (2 hours): 9 June 2020
Inequality and discrimination

Topics:
The effects of gender quota laws on firms and workers.

References:
Meeting 6 (2 hours): 12 June 2020
Minimum wage, collective bargaining and inequality

Topics:
Effects of minimum wages and collective bargaining on workers and firms. Diff-in diff technique; event-study analyses.

References:
Sturn S (2018), Do minimum wages lead to job losses? Evidence from Oecd countries on low-skilled and youth employment, Industrial and Labor Relation Review.

Meeting 7 (2 hours): 16 June 2019
Inequality and non-standard employment

Topics:
Pay premiums versus pay penalties for part-time and temporary work. Decomposition methods based on quantile regressions.

References:

Meeting 8 (2 hours): 19 June 2019
Intergenerational transmission of inequalities

Topics:
Intergenerational transmission of entrepreneurship
References:


Meeting 9 (2 hours): 23 June 2019

COVID-19, the Great Recession and inequality

Topics:

Impact of large economic shocks on 19 effects on workers and firms; COVID-19 and the Great Recession. [Examples of great data collection effort; easy and clear methods, to get in a top-5. COB+AIDA+ASIA+Credit register); initiative to find teams, co-authors; sound IV methods. Example of nice data collection, easy and clear methods, to get in a top-5.]

Reference:


Meeting 10 (2 hours): 26 June 2020

Exam: students presentation of papers from the course list (30’ presentation)

Final exam – date to be decided

1 hour written exam