

Fall 2012  
Instructor:  
Xiaoyan Lei

China Center for Economic Research  
Peking University  
xiaoyanlei@ccer.pku.edu.cn

### **Labor Economics I: Theory and Empirical Analysis**

9:00-12:00, Thursdays

The aim of this course is to acquaint students with traditional topics in labor economics and to develop independent research skills. Primary topics covered are neoclassical analysis of the labor market and its institutions and systematic development of the theory of labor supply, labor demand, and human capital. The course integrates theoretical modeling and empirical analysis but puts more weight on empirical methodology.

Students will take turns to present the assigned readings. In these presentations, students will be expected to critically assess papers, trying to highlight their strengths and weaknesses with respect to improving understanding of various phenomena. Regardless of presentation assignments, all students are required to attend all classes, read all assigned readings in advance, and participate actively in all discussions by asking questions or providing insights into the topics that we consider.

Grade will be based on class participation and a term paper. The paper will be an empirical research paper on a subject related to labor market issues in China. The proposal for your paper is due on November 8. The final paper is due on December 31, 2012. If time permits, we will arrange a couple of classes to discuss your proposals.

Prerequisites include graduate level microeconomics and econometrics.

There are no official textbooks for the course. Required papers, book excerpts, and books are listed in the readings section.

#### Recommended Texts

Ashenfelter, Orley, and R. Layard, eds. *The Handbook of Labor Economics*. Vols. 1 and 2. Amsterdam, Netherlands: North-Holland, 1986. ISBN: 0444878564, ISBN: 0444878572.

Ashenfelter, Orley, and David Card, eds. *The Handbook of Labor Economics*. Vols. 3A, 3B, and 3C. Amsterdam, Netherlands: North-Holland, 1999. ISBN: 0444501878, ISBN: 0444501886, ISBN: 0444501894.

Borjas, George. *Labor Economics*. 2nd ed. Boston, MA: Irwin/McGraw Hill, 2000. ISBN: 0072311983.

Outline and Tentative schedule

Week	Topic	Date
1	<b>I. Labor Market Statistics: Data Sources and Historical Overview (1 class)</b>	9/13
2	<b>II. The Neoclassical Labor Supply Model</b> <b>A. Basics (1 class)</b>	9/17
3	<b>B. The Life-Cycle Model (1 class)</b>	9/24
4	<b>C. Retirement decisions (1 class)</b>	9/30
5	<b>D. Health and retirement (1 class)</b>	10/8
7	<b>E. Household and Family Models (2 classes)</b>	10/15, 10/22
8	<b>Proposals</b>	10/29
9, 10	<b>III. Labor Demand, Immigration, Minimum Wages, and Unions</b>	11/5, 11/19
11,12	<b>IV. Human Capital, Education, and Training</b> <b>A. Schooling, Experience, and Earnings (2 classes)</b>	11/26, 12/3
13	<b>B. School Inputs, Incentives and Peer Effects (1 class)</b>	12/17
14	<b>C. On-the-job Training (1 class)</b>	12/24
15	<b>D. Other Human Capital and Schooling Topics (1 class)</b>	12/31