

Topics in Labour Economics, Migration, and Intergenerational Mobility

Syllabus

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Course Description

This course reviews recent contributions in labour economics on (i) inequality and intergenerational mobility and (ii) the labor market effects of immigration and local adjustments to economic shocks. We first cover the literature on intergenerational mobility. Particular focus will be on novel research designs exploiting large-scale administrative data, recent evidence on multigenerational mobility, and the role of firms in intergenerational processes. We then study local adjustments to economic shocks. While our focus is on the labor market effects of immigration, we also cover related work on labor demand and other economic shocks. We also discuss the implementation and challenges of the “shift share” instrumental variable approach. Theoretically, we compare classic factor proportions and more recent monopsonistic models of the labor market. Empirically, we study the different margins of adjustment via which local labor markets may adjust.

Programme:

1. Intergenerational Mobility
2. Multigenerational and Extended-kin Evidence
3. The Role of Firms in Intergenerational Persistence
4. Area Studies and Shift-share Instrumental Variables
5. The Labor Market Effects of Immigration
6. Labor Demand Shocks

Logistics

To be announced.

References

The course is structured around empirical papers, in particular the papers listed below. Cahuc, Carcillo and Zylberberg (2014, or previous edition) or Borjas' "Labor Economics" are useful background readings.

Topics

The course is divided into six modules (+1 optional module). References for each module are given below.

1 Intergenerational Mobility

1.1 Main Papers

- Becker, Gary S., and Nigel Tomes. 1986. "Human Capital and the Rise and Fall of Families." *Journal of Labor Economics*, 4(3): 1–39.
- Björklund, Anders, Mikael Lindahl, and Erik Plug. 2006. "The Origins of Intergenerational Associations: Lessons from Swedish Adoption Data." *Quarterly Journal of Economics*, 121(3): 999–1029.
- Chetty, Raj, Nathaniel Hendren, Patrick Kline, and Emmanuel Saez. 2014a. "Where is the Land of Opportunity? The Geography of Intergenerational Mobility in the United States." *Quarterly Journal of Economics*, 129(4): 1553–1623
- Chetty, Raj, and Nathaniel Hendren. 2018a. "The Impacts of Neighborhoods on Intergenerational Mobility I: Childhood Exposure Effects." *Quarterly Journal of Economics*.
- Goldberger, Arthur S. 1989. "Economic and Mechanical Models of Intergenerational Transmission." *The American Economic Review*, 79(3): pp. 504–513.
- Holmlund, Helena, Mikael Lindahl, and Erik Plug. 2011. "The Causal Effect of Parents' Schooling on Children's Schooling: A Comparison of Estimation Methods." *Journal of Economic Literature*, 49(3): 615–51.
- Nybom, Martin, and Jan Stuhler. 2017. "Biases in Standard Measures of Intergenerational Income Dependence." *Journal of Human Resources*, 52(3): 800–825.
- Solon, Gary. 1999. "Intergenerational Mobility in the Labor Market." In *Handbook of Labor Economics*. Vol. 3A, , ed. O. Ashenfelter and D. Card, Chapter 29, 1761–1800. Elsevier.

2 Multigenerational and Extended-kin Evidence

2.1 Main Papers

- Adermon, Adrian, Mikael Lindahl, and Mårten Palme. 2021. “Dynastic Human Capital, Inequality, and Intergenerational Mobility.” *American Economic Review*, 111(5): 1523–48.
- Barone, Guglielmo, and Sauro Mocetti. 2020. “Intergenerational Mobility in the Very Long Run: Florence 1427-2011.” *Review of Economic Studies*.
- Braun, Sebastian Till, and Jan Stuhler. 2018. “The Transmission of Inequality Across Multiple Generations: Testing Recent Theories with Evidence from Germany.” *The Economic Journal*, 128(609): 576– 611.
- Collado, M. Dolores, Ignacio Ortuño-Ortín, and Jan Stuhler. 2022. “Estimating Intergenerational and Assortative Processes in Extended Family Data.” *Review of Economic Studies*
- Lindahl, Mikael, Mårten Palme, Sofia Sandgren Massih, and Anna Sjögren. 2015. “Long-term Intergenerational Persistence of Human Capital: An Empirical Analysis of Four Generations.” *Journal of Human Resources*, 50(1): 1–33.
- Mare, Robert. 2011. “A Multigenerational View of Inequality.” *Demography*, 48(1): 1–23.

3 The Role of Firms in Intergenerational Persistence

3.1 Main Papers

- Abowd, John M., Francis Kramarz, and David N. Margolis. 1999. “High Wage Workers and High Wage Firms.” *Econometrica*, 67(2): 251–333.
- Bello, Salvatore Lo, and Iacopo Morchio. Forthcoming. “Like Father, Like Son: Occupational Choice, Intergenerational Persistence and Misallocation.” *Quantitative Economics*.
- Corak, Miles, and Patrizio Piraino. 2010. “The Intergenerational Transmission of Employers.” *Journal of Labor Economics*, 29(1): 37–68.
- Dobbin, Caue, and Tom Zohar. 2020. “A Quantitative Decomposition of the Intergenerational Persistence of Earnings.” Working Paper
- Kramarz, Francis, and Oskar Nordström Skans. 2014. “When Strong Ties are Strong: Networks and Youth Labour Market Entry.” *Review of Economic Studies*, 81(3): 1164–1200.
- San, Shmuel. 2020. “Who Works Where and Why? Parental Networks and the Labor Market.” Working Paper.

- Staiger, Matthew. 2020. “The Intergenerational Transmission of Employers and the Earnings of Young Workers.” Working Paper.

4 Area Studies and Shift-share Instrumental Variables

4.1 Main Papers

- Adao, Rodrigo, Michal Kolesár, and Eduardo Morales. 2019. “Shift-share Designs: Theory and Inference.” *The Quarterly Journal of Economics*, 134(4): 1949–2010.
- Bartik, Timothy J. 1991. *Who Benefits from State and Local Economic Development Policies?* Books from Upjohn Press, W.E. Upjohn Institute for Employment Research.
- Borusyak, Kirill, Peter Hull, and Xavier Jaravel. 2022. “Quasi-Experimental Shift-Share Research Designs.” *The Review of Economic Studies*, 89(1): 181–213.
- Goldsmith-Pinkham, Paul, Isaac Sorkin, and Henry Swift. 2020. “Bartik Instruments: What, When, Why, and How.” *American Economic Review*, 110(8): 2586–2624.
- Jaeger, David A., Joakim Ruist, and Jan Stuhler. 2018. “Shift-Share Instruments and the Impact of Immigration.” National Bureau of Economic Research Working Paper 24285.
- Moretti, Enrico. 2011. “Local Labor Markets.” In *Handbook of Labor Economics*. Vol. 4 of *Handbook of Labor Economics*, ed. O. Ashenfelter and D. Card, Chapter 14, 1237–1313. Elsevier.
- Topel, Robert H. 1986. “Local Labor Markets.” *Journal of Political Economy*, 94(3): pp. S111–S143.

5 The Labor Market Effects of Immigration

5.1 Main Papers

- Amior, Michael and Jan Stuhler. 2022. “The Impact of Migration Under Monopsony: Evidence from Germany”, Working Paper.
- Borjas, George J. 1999. “The Economic Analysis of Immigration.” In *Handbook of Labor Economics*. Vol. 3 of *Handbook of Labor Economics*, , ed. O. Ashenfelter and D. Card, Chapter 28, 1697–1760. Elsevier.
- Borjas, George J. 2003. “The Labor Demand Curve is Downward Sloping: Reexamining the Impact of Immigration on the Labor Market*.” *Quarterly journal of Economics*, 118(4): 1335–1374.
- Borjas, George. 2013. “The Analytics of the Wage Effect of Immigration.” *IZA Journal of Migration*, 2(1): 22.

- Card, D. 1990. “The Impact of the Mariel Boatlift on the Miami Labor Market.” *Industrial and Labor Relations Review*, 245–257.
- Dustmann, Christian, Uta Schönberg, and Jan Stuhler. 2016. “The Impact of Immigration: Why Do Studies Reach Such Different Results?” *Journal of Economic Perspectives*, 30(4): 31–56.
- Dustmann, Christian, Uta Schönberg, and Jan Stuhler. 2017. “Labor Supply Shocks, Native Wages, and the Adjustment of Local Employment.” *The Quarterly Journal of Economics*, 132(1): 435–483.
- Ottaviano, Gianmarco I. P., and Giovanni Peri. 2012. “Rethinking The Effect Of Immigration On Wages.” *Journal of the European Economic Association*, 10(1): 152–197.

6 Labor Demand Shocks

6.1 Main Papers

- Amior, Michael, and Alan Manning. 2018. “The Persistence of Local Joblessness.” *American Economic Review*, 108(7): 1942–70.
- Bartik, Timothy J. 1991. *Who Benefits from State and Local Economic Development Policies?* Books from Upjohn Press, W.E. Upjohn Institute for Employment Research.
- Blanchard, Olivier Jean, and Lawrence F. Katz. 1992. “Regional Evolutions.” *Brookings Papers on Economic Activity*, 23(1): 1–76.
- Carrington, William J. 1996. “The Alaskan Labor Market during the Pipeline Era.” *Journal of Political Economy*, 104(1): 186–218.
- Moretti, Enrico. 2011. “Local Labor Markets.” In *Handbook of Labor Economics*. Vol. 4 of *Handbook of Labor Economics*, ed. O. Ashenfelter and D. Card, Chapter 14, 1237–1313. Elsevier.
- Yagan, Danny. 2019. “Employment Hysteresis From the Great Recession.” *Journal of Political Economy*, 127(5): 000–000.

7 Trade Shocks, Multipliers and other Applications (optional)

7.1 Main Papers

- Albert, Christoph, and Joan Monràs. 2019. “The Regional Impact of Economic Shocks: Why immigration is Different from Import Competition.” *Universitat Pompeu Fabra Economics Working Papers* 1758.

- Autor, David, David Dorn, and Gordon H. Hanson. 2016. “The China Shock: Learning from Labor-Market Adjustment to Large Changes in Trade.” *Annual Review of Economics*, 8: 205–240.
- Cengiz, Doruk, Arindrajit Dube, Attila Lindner, and Ben Zipperer. 2019. “The Effect of Minimum Wages on Low-Wage Jobs.” *Quarterly Journal of Economics*, 134(3).
- Feler, Leo, and Mine Z. Senses. 2017. “Trade Shocks and the Provision of Local Public Goods.” *American Economic Journal: Economic Policy*, 9(4): 101–43.
- Helm, Ines. 2020. “National Industry Trade Shocks, Local Labor Markets and Agglomeration Spillovers.” *The Review of Economic Studies*.
- Nimeczik, Jan Sebastian. 2020. “Job Mobility Networks and Data-driven Labor Markets.” Working Paper.
- Serrato, Juan Carlos Suárez, and Philippe Wingender. 2014. “Estimating Local Fiscal Multipliers.” Working Paper.