

Essay questions
LABOUR ECONOMICS AND INEQUALITY – HILARY TERM 2020
Maximilian Kasy

Week 1: Causal inference I

Essay question:

How does the definition of causality in the social and life science differ from related notions in physics? What gives empirical content to the metaphysical notion of causality?

Readings:

Angrist, J. D. and Pischke, J.-S. (2014). Mastering 'metrics: The path from cause to effect. Princeton University Press, chapters 1 and 3.

Finkelstein, A., Taubman, S., Wright, B., Bernstein, M., Gruber, J., Newhouse, J. P., Allen, H., Baicker, K., and Group, O. H. S. (2012). The Oregon health insurance experiment: Evidence from the first year. *The Quarterly Journal of Economics*, 127(3):1057–1106

Crepon, B., Duflo, E., Gurgand, M., Rathelot, R., and Zamora, P. (2013). Do labor market policies have displacement effects? Evidence from a clustered randomized experiment. *The Quarterly Journal of Economics*, 128(2):531–580

Aizer, A. and Doyle, J. J. (2015). Juvenile incarceration, human capital, and future crime: Evidence from randomly assigned judges. *The Quarterly Journal of Economics*, 130(2):759–803

Jackson, C. K., Johnson, R. C., and Persico, C. (2016). The effects of school spending on educational and economic outcomes: Evidence from school finance reforms. *The Quarterly Journal of Economics*, 131(1):157–218

Week 2: Causal inference

Essay question:

What are the key assumptions behind the various approaches to identifying causality that we discussed? How do they relate to the idea of a randomized experiment?

Readings:

Angrist, J. D. and Pischke, J.-S. (2014). Mastering 'metrics: The path from cause to effect. Princeton University Press, chapters 2, 5, and 4.

Qian, N. (2008). Missing women and the price of tea in China: The effect of sex-specific earnings on sex imbalance. The Quarterly Journal of Economics, 123(3):1251– 1285

Cascio, E. U. and Washington, E. (2014). Valuing the vote: The redistribution of voting rights and state funds following the voting rights act of 1965. The Quarterly Journal of Economics, 129(1):379–433

Saez, E., Matsaganis, M., and Tsakloglou, P. (2012). Earnings determination and taxes: Evidence from a cohort- based payroll tax reform in Greece. The Quarterly Journal of Economics, 127(1):493–533

Card, D., Dobkin, C., and Maestas, N. (2009). Does medicare save lives? The Quarterly Journal of Economics, 124(2):597–636

Week 3: *Income inequality*

Essay question:

What are the big trends in economic inequality in industrialized countries over the 20th century? How do they differ across countries, and what are our main data sources to learn about them?

Readings:

The CORE team (2017). The Economy. Oxford University Press, chapter 19.
<http://www.core-econ.org/the-economy/book/text/19.html>

Atkinson, A. B., Piketty, T., and Saez, E. (2011). Top incomes in the long run of history. *Journal of Economic Literature*, 49(1):3–71

Fortin, N. M. and Lemieux, T. (1997). Institutional changes and rising wage inequality: Is there a linkage? *The Journal of Economic Perspectives*, 11(2):pp. 75–96

Firpo, S., Fortin, N., and Lemieux, T. (2011). Decomposition methods in economics. *Handbook of Labor Economics*, 4:1–102

Week 4: Labor demand and wage determination

Essay question:

How does the competitive model of the labor market explain inequality? How do models with employer monopsony power differ? What caused the resurgence of such models in recent years?

Readings:

Card, D. (2009). Immigration and inequality. *The American Economic Review*, 99(2):1–21

Boustan, L. P. (2009). Competition in the promised land: Black migration and racial wage convergence in the north, 1940–1970. *The Journal of Economic History*, 69(03):755– 782

Autor, D. H., Katz, L. F., and Kearney, M. S. (2008). Trends in US wage inequality: Revising the revisionists. *The Review of Economics and Statistics*, 90(2):300–323

Cengiz, D., Dube, A., Lindner, A., and Zipperer, B. (2019). The Effect of Minimum Wages on Low-Wage Jobs. *The Quarterly Journal of Economics*, 134(3):1405–1454