

Economics 532
Labor Economics II
Monday, 6:00 to 8:30 pm

Barry R. Chiswick
Spring 2010

Economics 532 will focus on the determinants of group differences in investment in human capital and labor market outcomes, as well as an introduction to the Economics of Religion. Groups will be defined by nativity, gender, race, ethnicity, and religion, among other characteristics.

The pre-requisite for the course is either Economics 501 or Economics 520, or their equivalents, or the permission of the instructor. Registrants who have not had Econ 501 should consult with the instructor. Economics 531, Labor Economics I, is helpful but is not a pre-requisite.

The schedule and selected biography are subject to revision as the course progresses. Core readings are designated by *. Many of the journal articles published five or more years ago are available on JSTOR, which is available through the UIC Library. Many important articles written in the past decade are available from the IZA Discussion Paper Series (www.iza.org). Copies of many of the books on this course outline have been placed on library reserve.

There will be a final examination, but no midterm examination. In addition each student will be expected to submit a 1,500 word analysis of one journal article approved by the instructor. Each student is also expected to attend the Midwest Economic Association Annual Meeting (March 19-21, Evanston, Illinois) and write a 1,000 word assessment of one paper or the set of papers presented at one session. The usual academic integrity rules apply.

Office Hours: Monday, 3:30 p.m. to 5:00 p.m., or by appointment, in room 724 UH.
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Students without any prior experience in an undergraduate survey course in Labor Economics are advised to do additional background reading in an advanced undergraduate textbook. An excellent book is Ronald G. Ehrenberg and Robert S. Smith, Modern Labor Economics: Theory and Public Policy (any edition). Read chapters 1 and 2 as an introduction to Labor Economics and other chapters to get a broader perspective on the field.

Designates article is also available in B.R. Chiswick The Economics of Immigration, (Edward Edgar), 2005. This is on library reserve and is also available at the bookstore.

The class will not meet on Monday, January 18, Martin Luther King Day.

I. Location Specific Human Capital – Application to Immigration (3 weeks)

A) Background Reading

*Ehrenberg and Smith, Chapters 9-10.

Reimers, David. (2008) “Migrants to America Since 1986.” Research in Labor Economics, Vol 27, pp. 9-42.

B) Adjustment

*Chiswick, Barry R. (1978), “The Effect of Americanization on the Earnings of Foreign-Born Men,” Journal of Political Economy, Vol. 86, October, pp. 897-921. #

*Chiswick, Barry R. (1986) “Human Capital and the Labor Market Adjustment of Immigrants: Testing Alternative Hypotheses.” Research in Human Capital and Development, Vol. 4, pp. 1-26. #

*Borjas, George (1985), “Assimilation, Changes in Cohort Quality and the Earnings of Immigrants,” Journal of Labor Economics, Vol. 3, pp. 463-89.

*Duleep, Harriet and Daniel J. Dowhan (2002) “Insights from Longitudinal Data on the Earnings Growth of U.S. Foreign-Born Men” Demography, 39(3) August, pp. 485-506.

Beenstock, Michael, Barry R. Chiswick and Ari Paltiel (2007) “Endogeneous Assimilation of Immigrants in Longitudinal Data” IZA Discussion Paper also Review of Economics of the Household (forthcoming).

Duleep, Harriet (2008) “Immigrant Skill Transferability and the Propensity to Invest in Human Capital” Research in Labor Economics, Vol 27, pp. 43–72

Cohen, Yinon, Tzippi Zach and Barry R. Chiswick (1997), “The Labor Market Status of Immigrants: The Effects of the Unemployment Rate at Arrival and Duration of Residence,” Industrial and Labor Relations Review, January, pp. 289-303.

Cobb-Clark, Deborah, C.R. Shields and L. Lowell, (1995), “Immigration Reform: The Effects of Employer Sanctions and Legalization on Wages,” Journal of Labor Economics, 13 (July), pp. 492-498.

Chiswick, Barry R. and Paul W. Miller (2003), “Do Enclaves Matter in Immigrant Adjustment?” City and Community, 4(1) March 2005, pp. 5-36. IZA Discussion Paper available at: www.iza.org.#

C) Impact

*Chiswick, Barry R. (1982), "The Impact of Immigration on the Level and Distribution of Economic Well-Being," in Barry R. Chiswick, ed. The Gateway: U.S. Immigration Issues and Policies, Washington: American Enterprise Institute, pp. 289-313. #

*Filer, Randall (1992), "The Impact of Immigrant Arrivals on Migratory Patterns of Native Workers," in George Borjas and Richard Freeman, eds., Immigration and the Workforce: Economic Consequences for the United States and Source Areas, Chicago: University of Chicago Press, pp. 93-134.

*Borjas, George (2003) "The Labor Market Demand Curve is Downward Sloping: Reexamining the Impact of Immigration on the Labor Market," Quarterly Journal of Economics, November, pp. 1,335-1,374.

Hunt, Jennifer (1992), "The Impact of the 1962 Repatriates from Algeria on the French Labor Market," Industrial and Labor Relations Review, Vol. 45, pp. 556-72.

Chiswick, Carmel, Barry R. Chiswick and Georgios Karras (1992), "The Impact of Immigrants on the Macroeconomy," Carnegie-Rochester Conference Series on Public Policy, Vol. 37, December, pp. 279-316. #

Chiswick, Barry R. (2000). "The Economics of Illegal Migration for the Host Economy," in M.A.B. Siddique, ed. International Migration into the 21st Century, Edward Elgar 2001, pp. 74-85. #

II. Specialization in Household Activities – Differences by Gender (3 weeks)

*Ehrenberg and Smith, Chapters 6 and 7.

Becker, Gary S. A Treatise on the Family, Harvard University Press (any edition).

*Becker, Gary S. (1965), "A Theory of the Allocation of Time," Economic Journal, 75, pp. 493-517.

*Mincer, Jacob and Solomon Polachek (1974), "Family Investment in Human Capital: Earnings of Women," Journal of Political Economy, Supplement, March, pp. 76-108.

*Polachek, Solomon (1981), "Occupational Self-Selection: A Human Capital Approach to Sex Differences in Occupational Structure," Review of Economics and Statistics, February, pp. 60-69.

Niederle, Muriel and Lise Vesterlund (2007). "Do Women Shy Away from Competition? Do Men Compete too Much?" Quarterly Journal of Economics, August, pp. 1067 -

*O'Neill, June E. and Dave M. O'Neill (2004), "What Do Earnings Differentials Tell Us About Discrimination?" in Solomon Polachek, et al. eds, (2006) The Economics of Immigration and Social Diversity, Research in Labor Economics, Vol 24 pp.293-357.

*Becker, Gary S. (1984), "Human Capital, Effort and the Sexual Division of Labor," Journal of Labor Economics, Supplement, pp. S33-S58.

Blau, Francine and Larry M. Kahn (1995), "The Gender Earnings Gap: Some International Evidence," in Richard B. Freeman and Larry Katz, eds., Differences and Changes in Wage Structures, University of Chicago Press, pp. 105-143.

Mincer, Jacob and Haim Ofek (1982), "Interrupted Work Careers: Depreciation and Restoration of Human Capital," Journal of Human Resources, Winter, pp. 1-24.

Schultz, T. Paul (1990), "Testing the Neoclassical Model of Family Labor Supply and Fertility," Journal of Human Resources, 25 (4), pp. 599-634.

Lundberg, Shelly, Robert Pollak and Terence Wales (1996), "Bargaining and Distribution in Marriage," Journal of Economic Perspectives, 10, pp. 139-158.

Polachek, Solomon (1978), "Sex Differences in College Major," Industrial and Labor Relations Review, pp. 498-508.

O'Neill, June A. and Solomon Polachek (1993), "Why the Gender Gap in Wages Narrowed in the 1980s," Journal of Labor Economics, January, pp. 205-228.

Wood, Robert G. and Mary E. Corcoran and Paul N. Courant (1993), "Pay Differences Among the Highly Paid: The Male Female Earnings Gap in Lawyer's Salaries," Journal of Labor Economics, July, pp. 417-441.

Goldin, Claudia (1986), "Monitoring Costs and Occupational Segregation by Sex: A Historical Analysis," Journal of Labor Economics, January, pp. 1-22.

III. Home Investments in Child Quality (2 weeks)

Becker, Gary S., A Treatise on the Family, Harvard University Press. (any edition).

*Chiswick, Barry R. (1988), "Differences in Education and Earnings Across Racial and Ethnic Groups: Tastes, Discrimination and Investment in Child Quality," Quarterly Journal of Economics, August, pp. 571-597. #

*Chiswick, Barry R. (1986), "Labor Supply and Investment in Child Quality: A Study of Jewish and Non-Jewish Women," Review of Economics and Statistics, November, pp. 700-703, expanded analyses in Contemporary Jewry, Vol. 9, Fall 1988, pp. 35-61. "Reply" in REStat, 1992, pp. 726-727.

Chiswick, Barry R. (1983), "An Analysis of the Earnings and Employment of Asian-American Men," Journal of Labor Economics, April, pp. 197-214.

Leibowitz, Arleen (1974), "Home Investments in Children," Journal of Political Economy, Supplement S111-S131.

IV. Language as Human Capital (2 weeks)

Chiswick, Barry R. and Paul W. Miller (2007) The Economics of Language: International Analyses (Routledge) (The Chiswick/Miller papers in this section are reprinted in this book.)

* Chiswick, Barry R. and Paul W. Miller, "Modeling Immigrant's Language Skills," Research in Labor Economics, 2008, 27 pp 75-128

Chiswick, Barry R. and Paul W. Miller (2000), "The Complementarity of Language and Other Human Capital," Economics of Education Review, 22(2003), pp. 469-480.

*Chiswick, Barry R. and Paul W. Miller "The Endogeneity Between Language and Earnings: International Analyses," Journal of Labor Economics, April 1995.

*Chiswick, Barry R., Yew Liang Lee, and Paul W. Miller (2005). "Parents and Children Talk" Review of Economics of the Household, 3 pp 243-268

Rivera, Francisco L. – Batiz, "Quantitative Literacy and the Likelihood of Employment Among Young Adults in the United States," Journal of Human Resources, Spring 1992, pp. 313-329.

Chiswick, Barry R. and Paul W. Miller, "English Language Fluency Among Immigrants in the United States," Research in Labor Economics, Vol. 17, 1998, pp. 151-200.

Casey, Teresa and Christian Dustman, "Intergenerational Transmission of Language Capital and Economic Outcomes" Journal of Human Resources, 43(3), pp 660-687.

Dustmann, Christian (1997), "The Effects of Education, Parental Backgrounds and Ethnic Concentration on Language," Quarterly Review of Economics and Finance, Vol. 37, pp. 245-263.

V. Discrimination (2 weeks)

*Ehrenberg and Smith, Chapter 12.

*Becker, Gary S., The Economics of Discrimination, University of Chicago Press (any edition). Theory chapters.

*Phelps, Edmund (1972), "Statistical Theories of Racism and Sexism," American Economic Review, September, pp. 659-661.

*Kreuger, Anne O. (1963), "The Economics of Discrimination," Journal of Political Economy, October, pp. 481-486.

*Biddle, J.E. and D.S. Hamermesh (1998), "Beauty, Productivity and Discrimination: Lawyers Looks and Lucre," Journal of Labor Economics, 16, pp. 172-201.

*Card, David and Alan Krueger (1992), "School Quality and Black-White Relative Wages: A Direct Assessment," Quarterly Journal of Economics, February, pp. 151-200.

Chiswick, Caramel U. (2009) "The Economic Determinants of Ethnic Assimilation" Journal of Population Economics, 22(4), pp. 859-880. IZA Discussion Paper No. 2212.

Landes, William M. (1968), "The Economics of Fair Employment Laws," Journal of Political Economy, July/August, pp. 507-552.

Whatley, Warren C. (1990), "Getting a Foot in the Door: Learning, State Dependence and the Racial Integration of Firms," Journal of Economic History, March, pp. 43-66.

Hamermesh, Daniel and J. Biddle (1994), "Beauty and the Labor Market," American Economic Review, December, pp. 2274-1194.

Berggren, Nicklas, et al. (2006) "The Looks of a Winner: Beauty, Gender, and Electoral Success" IZA Discussion Paper No. 2311.

Coate, Stephen and Glenn C. Loury (1993), "Will Affirmative Action Policies Eliminate Negative Stereotypes?" American Economic Review, December, pp. 1220-1240.

Chiswick, Barry R. (1972), "Racial Discrimination in the Labor Market: A Test of Alternative Hypotheses," Journal of Political Economy, November, pp. 1330-1352.

VI. Religion (2 weeks)

*Azzi, C. and R. Ehrenberg (1975). "Household Allocation of Time and Church Attendance." Journal of Political Economy 83: pp. 27-56.

*Iannaccone, Laurence R. (1990), "Religious Practice: A Human Capital Approach," Journal for the Scientific Study of Religion, 29:3, pp. 297-314.

*Iannaccone, Laurence R. (1992), "Sacrifice and Stigma: Reducing Free-riding in Cults, Communes, and Other Collectives," Journal of Political Economy, 100:2, pp. 271-291.

Iannaccone, Laurence R. (1988), "A Formal Model of Church and Sect," American Journal of Sociology, 94: Supplement, pp. S241-S268.

*Botticini, Maristella and Zvi Eckstein (2004), "From Farmers to Merchants: A Human Capital Interpretation of Jewish Economic History," May, available at: www.tau.ac.il/~eckstein.

Chiswick, Barry R. and Jidong Huang (2008), "The Earnings of American Jewish Men: Human Capital, Denomination and Religiosity" Journal for the Scientific Study of Religion, 47(4), pp. 694-709. Also in IZA Discussion Paper No. 2301

Chiswick, Carmel U. (2008), The Economics of American Judaism, Routledge.

Lehrer, Evelyn (2009), Religion, Economics, and Demography, Routledge.

Chiswick, Barry R. (1999), "Occupational Attainment and Earnings of American Jewry, 1890-1990," Contemporary Jewry, 20, pp. 68-98.

Botticini, Maristella and Zvi Eckstein (2005), "Jewish Occupational Selection: Education, Restrictions or Minorities?" Journal of Economic History, 65(4), pp. 922-948. Also presented at the Conference in Memory of Tikva Lecker, Bar Ilan University, June 2004, available at www.tau.ac.il/~eckstein.

Chiswick, C.U. (2006). "An Economic Perspective on Religious Education: Complements and Substitutes in a Human Capital Portfolio." Research in Labor Economics 24: 449-467

Iannaccone, L. R. (1991). "The Consequences of Religious Market Structure." Rationality and Society 3: 156-177.

Iannaccone, L. R. (1999). "Religious Extremism: Origins and Consequences." Contemporary Jewry 20: 8-29.