

Essay questions  
LABOUR ECONOMICS AND INEQUALITY – HILARY TERM 2021  
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 20<sup>th</sup> 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