

# GESIS

**ZA** Zentralarchiv für  
Empirische Sozialforschung  
an der Universität zu Köln



International Seminar

## "Empirical Analysis of Labor Markets"

1.-12. September 2003 in Cologne

offered by:

Central Archive for Empirical Social Research, Cologne  
and  
Institute for the Study of Labor (IZA), Bonn

The intention of the seminar is a theory and data oriented training of post graduate and doctoral students with special focus on micro data from official statistics.

- The focus of the first week is on theoretical and methodological aspects of labor market analysis, whereas in the second week the empirical analysis of selected labor market statistics is of special interest.
- The seminar is based on six 5days courses for which three courses will run parallel each week. The participants can combine a course of the first week with a course in the second week.
- Each course is divided into a theoretical part in the morning and a practical part (PC-Lab) in the afternoon. The participants will also have the opportunity to present the results of their analysis in plenary sessions.

Scientific coordinator:

**Prof. Dr. Rainer Metz**

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## SCHEDULE:

### **In the 1<sup>st</sup> week the following courses are offered (1.-5. Sept. 2003):**

- Course I: Labor Supply Effects of Low Wage Subsidies (Lecturers: Dr. Holger Bonin, IZA Bonn and Dr. Hilmar Schneider, IZA Bonn)
- Course II: The Economics of Schooling (Lecturers: Dr. Thomas K. Bauer, IZA, Bonn and Dr. Michael Fertig, RWI, Essen)
- Course III: Econometric Evaluation of Labor Market Programmes (Lecturers: Prof. Michael Lechner, University of St. Gallen, Switzerland and Prof. Jeffrey A. Smith, University of Maryland, USA)

### **In the 2<sup>nd</sup> week the following courses are offered (8.-12. Sept. 2003):**

- Course IV: Labor Supply Effects of Low Wage Subsidies (Empirical Analysis) (Lecturers: Dr. Holger Bonin, IZA, Bonn and Dr. Hilmar Schneider, IZA Bonn)
- Course V: The Economics of Schooling (Empirical Analysis) (Lecturers: Dr. Thomas K. Bauer, IZA, Bonn and Dr. Michael Fertig, RWI, Essen)
- Course VI: Empirical Analysis of Labor Market Programmes with German Employer-Employee-Matched data (Lecturer: Dr. Lutz Bellmann, IAB, Nuremberg)

Participants should have a sound basic knowledge of statistics and econometrics as well as experience in the handling of PCs and of working with SPSS and Stata. Participants not familiar with Stata will be provided with a brief introduction to it.

The fee for graduate students is 100,- EURO. The fee for other participants is 300,- EURO.

For registration please use the enclosed registration-form (deadline: 31st of July 2003) or contact <http://www.gesis.org/Veranstaltungen/ZA/CSS/>.

## DESCRIPTION OF THE COURSES

- **Course I: Labor Supply Effects of Low Wage Subsidies (Lecturers: Dr. Holger Bonin, IZA Bonn and Dr. Hilmar Schneider, IZA Bonn)**

Unemployment of low skilled workers and elderly workers is extraordinary high in Germany. Low wage subsidies are discussed as an instrument for increasing the incentives to work in the low wage sector. We want to demonstrate how the potential and the impact of such a policy can be simulated based on behavioral models.

In the first part we present a theoretical analysis of household labor supply. Particular interest is given to the institutional effects of the German tax and transfer system. In the second part it is shown, how theoretical considerations are reflected by several estimation approaches. Finally, the third part is devoted to simulation methodology.

For participants of this course it is recommended to take part in course IV also.

### Literature:

R. Blundell; T. MaCurdy (1999):

Labor Supply: A Review of Alternative Approaches. In: Ashenfelter, O.; Card D. (eds.): Handbook of Labor Economics (North-Holland) pp. 1559 – 1695.

H. Bonin; W. Kempe; H. Schneider (2002):

Kombilohn oder Workfare? Zur Wirksamkeit zweier arbeitsmarktpolitischer Strategien. IZA Discussion Paper No. 587, Bonn.

H Bonin; W. Kempe; H. Schneider (2002):

Household Labor Supply Effects of Low-Wage Subsidies in Germany. IZA Discussion Paper No. 637, Bonn.

W.H Greene (1993):

Econometric Analysis. (Macmillan).

J.A. Hausman (1980):

The Effect of Wages, Taxes, and Fixed Costs on Women's Labor Force Participation. In: Journal of Public Economics, Vol. 14, pp. 161-194.

M.R. Killingsworth (1983):

Labor Supply. (Cambridge University Press) Cambridge, New York, Oakleigh.

V. Steiner (2000):

Können durch einkommensbezogene Transfers an Arbeitnehmer die Arbeitsanreize gestärkt werden? Eine ökonometrische Analyse für Deutschland. In: Mitteilungen aus der Arbeitsmarkt- und Berufsforschung, Nr. 3, pp. 385-395.

A. van Soest (1995):

Structural Models of Family Labor Supply. A Discrete Choice Approach, in: Journal of Human Resources, 25, Nr. 3, pp. 517-558

- **Course II: The Economics of Schooling (Lecturers: Dr. Thomas K. Bauer, IZA, Bonn and Dr. Michael Fertig, RWI, Essen)**

One of the most intensively debated topics within labor economics are the determinants of educational attainment and the role of education for the subsequent success in the labor market.

The education systems of OECD countries differ in their organizational structures and educational tools. The extent to which these institutional differences affect educational attainment is the focus of the first part of the course. The second part discusses the recent literature on the identification of the causal relationship between education and earnings within the human capital framework. This part puts a special focus on the theoretical and econometric strategies to identify the causal effect of education in the presence of heterogeneous returns to schooling (IV-estimations, correlated random coefficient model, twin studies). The course covers some alternative topics within the schooling literature, including the discussion on human capital vs. signaling explanations of the relationship between education and earnings, the role of employer learning and a short survey of the literature on educational mismatch. Like the other parts of the course, this final part will emphasize the problems and potential empirical strategies of identifying causal relationships.

For participants of this course it is recommended to take part in course V also.

Literatur:

J. G. Altonji and C. R. Pierret (2001):

Employer Learning and Statistical Discrimination. In: Quarterly Journal of Economics, (February 2001): 1-37.

T. K. Bauer (2002):

Educational Mismatch and Wages: A Panel Analysis. In: Economics of Education Review, Volume 21, 221-229.

T. K. Bauer and J. P. Haisken-DeNew (2002):

Employer Learning and the Returns to Schooling. In: Labour Economics, Volume 8, Number 2, 161-180.

D. Card (1999):

The Causal Effect of Education on Earnings. In: O. Ashenfelter and D. Card (eds.), Handbook of Labor Economics, Volume 3A. Amsterdam et al.: Elsevier Science, 1801-1863.

D. Card and A. B. Krueger (1996):

Labor Market Effects of School Quality: Theory and Evidence. In: Burtless, Gary (ed.), Does Money Matter? The Effect of School Resources on Student Achievement and Adult Success. Washington D.C.: Brookings Institution, 97-140.

D. Card and A. B. Krueger (1992):

Does School Quality Matter? Returns to education and the Characteristics of Public Schools in the United States. In: Journal of Political Economy, 100, 1-40.

M. Fertig and C. M. Schmidt (2002):

The Role of Background Factors for Reading Literacy: Straight National

Scores in the PISA 2000 Study. In: IZA Discussion Paper No. 545. IZA, Bonn.

R. Gibbons and L. F. Katz (1991):

Layoffs and Lemons. In: Journal of Labor Economics, Volume 9, 351-380.

A. Weiss (1995):

Human Capital vs. Signalling Explanations of Wages. In: Journal of Economic Perspectives, Volume 9 (Fall), 133-154.

- **Course III: Econometric Evaluation of Labor Market Programmes (Lecturers: Prof. Michael Lechner, University of St. Gallen, Switzerland and Prof. Jeffrey A. Smith, University of Maryland, USA)**

The five day course is designed to discuss econometric evaluation methods at the level of a Ph course in economics. It is a combination of lectures in the morning and hands-on exercises (afternoon). Skills in econometrics at the level of Greene (2000), Econometric Analysis, are required.

Furthermore, the hands-on requires some familiarity with Gauss and Stata.

Literatur:

J. Heckman; R. LaLonde and J. Smith (1999):

"The Economics and Econometrics of Active Labor Market Programs." In: Orley Ashenfelter and David Card, eds., Handbook of Labor Economics, Volume 3A. Amsterdam: North-Holland. 1865-2097.

J. Angrist; A. Krueger (1999):

"Empirical Strategies in Labor Economics," in: Orley Ashenfelter und David Card (eds.): Handbook of Labor Economics, Volume 3A. Amsterdam: North-Holland. 1277-1366.

- **Course IV: Labor Supply Effects of Low Wage Subsidies (Empirical Analysis) (Lecturers: Dr. Holger Bonin, IZA, Bonn and Dr. Hilmar Schneider, IZA, Bonn)**

The theoretical and empirical models covered in course I will be tested using real data of the German Socioeconomic Panel (GSOEP).

For this reason it is strongly recommended to take part in course I also.

- **Course V: The Economics of Schooling (Empirical Analysis) (Lecturers: Dr. Thomas K. Bauer, IZA, Bonn and Dr. Michael Fertig, RWI, Essen)**

The theoretical and empirical models covered in course II will be tested using real data from the Pisa study and the German Socioeconomic Panel (GSOEP).

For this reason it is strongly recommended to take part in course II also.

- **Course VI: Empirical Analysis of Labor Market Programmes with German Employer-Employee-Matched data (Lecturer: Dr. Lutz Bellmann, IAB, Nuremberg)**

Wage and job mobility theories among others should be tested on the basis of data linking information and individual characteristics of workers with the data on the firms who employ them. Since a few years these linked-employer-employee panel data are made available in the IAB.

In the course the methods to analyse these data should be applied to concrete topics e.g. the effect of increased wage dispersion on the employment opportunities of unskilled and semi-skilled labour or the structure and the development of employment of firms with and without wage and investment subsidies.

Literatur:

Bellmann, L. (2002):

Das IAB-Betriebspanel: Konzeption und Anwendungsbereiche, Allgemeines Statistisches Archiv 86, S. 177-188.

Bellmann, L., Bender, St., Kölling, A. (2002):

Der Linked Employer-Employee-Datensatz aus IAB-Betriebspanel und Beschäftigtenstatistik der Bundesanstalt für Arbeit (LIAB). In: G. Kleinhenz (Hrsg.): IAB-Kompendium Arbeitsmarkt- und Berufsforschung, Beiträge zur Arbeitsmarkt- und Berufsforschung 250, Nürnberg, S. 21-30.

Bellmann, L, Bender, St., Schank, Th. (1999):

Flexibilität der Qualifikationsstruktur aus betrieblicher Sicht: Substitutionalität oder Komplementarität, Jahrbücher für Nationalökonomie und Statistik 219/1+2, S. 109-126.

# Registration Form for the International Seminar 2003

Please complete this form and return it no later than 31st of July 2003.

The fee for graduate students is 100 €. The fee for other participants is 300 €.

Students must provide proof of status (photocopy of their valid student card or equivalent).

Kindly return the registration by mail or fax to:

Gabriele Franzmann  
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50931 Köln, Germany  
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Tel. No.: +49 221 47694-34  
e-mail: franzmann@za.uni-koeln.de

## 1. Identification:

First Name:

Last Name:

Institution / Department:

Street / P.O.Box:

City:

ZIP / Postal Code:

Country:

Phone Number:

Fax Number:

E-Mail:

## 2. Courses:

Course I

Course IV

Course II

Course V

Course III

Course VI

## 3. Assistance: I will need assistance to following software:

Stata

Gauss

## 4. Registration Fees: Graduate Student (100 €) Other Participant (300 €)

## 5. Payment:

Eurocheque

(When paying by Eurocheque, a further € 5,- must be added to cover banking charges.

Kindly send the Eurocheque to Gabriele Franzmann, Central Archive for Empirical Social Research; complete address see above.)

On account (invoice)

Name of the invoice recipient:

Address of the recipient, if not mentioned above:

Credite Card:

MasterCard

Visa

EuroCard