
BLOCKSEMINAR LABOR MARKETS AND DEVELOPMENT IN LATIN AMERICA

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Vorbesprechung: 27.10.2009, 10:00-12:00 Uhr (Raum: Universitätsverwaltung – HDW 2.111)

Blockveranstaltung: 15.-16.1.2010 (Raum: ZHG – MZG 1140)

COURSE DESCRIPTION

This MA seminar deals with labor markets in Latin America. It will provide an introduction into the special characteristics of developing country labor markets in general, which are then empirically illustrated for case studies from Latin America. The topics of the seminar will be informality, labor market institutions, the labor market effects of globalization, vulnerable groups, and the poverty and distributional impacts of labor market outcomes.

COURSE REQUIREMENTS

To acquire 6 credit points students will have to write a seminar paper (50%), prepare a presentation, participate in the discussions and briefly discuss a paper of another student (which together accounts for the other 50%).

ELIGIBLE PARTICIPANTS

The seminar is open to MA students in economics, MA students in the three business MA programs, and Diplom Students in VWL or BWL.

SEMINAR PAPERS

The seminar papers should be written in English, comprising no more than 15 pages (Times New Roman, 12pt, 1.5 spaced, margins: left 2.5 cm, right 3.5; top/bottom 2.5, 15 pages excluding title page, table of content, bibliography and exhibits, max. 22 pages total). In addition, a short abstract of about 200 words (key question, methodology and main results) has to be composed. The papers should be analytical and critical, develop a coherent argument, drawing own conclusions and should

go beyond the pure summary of existing literature. Guidelines on well-written papers can be found on the webpage of Prof. Klasen.

Students should hand in an electronic (pdf) as well as two printed copies of their seminar papers. The electronic version will then be made available to all other students for reading.

PRESENTATIONS

The presentations should be in English and have a maximum (!) length of 30 min focusing on the main insights of the research papers. The speaker can use any visual device for her or his presentation (e.g. handouts, transparencies) and should be able to answer short questions during the presentation. (Please don't forget about your audience and prepare a well structured, interesting and educational presentation!)

DISCUSSIONS

In addition each student will be assigned to another paper which he should briefly (5 min) discuss after the presentation. The discussion should be a critical reflection of the paper and presentation (content, structure, unclear points) and come up with two or three questions to start a discussion. It is also expected that all other students have briefly gone through the papers of the other participants before the seminar, so that a good discussion after the presentations can take place.

TIME SCHEDULE

27.10.2009	Preliminary discussion
1.11.2009	Application deadline
3.11.2009	Announcement of participants
6.1.2010	Deadline for seminar papers. Electronic version and two printed copies should be handed in at 12:00 am latest.
15.-16.1.2010	Seminar with presentations and discussions

TOPICS (PRELIMINARY)

I. LABOR MARKETS IN DEVELOPING COUNTRIES: AN INTRODUCTION

1. Urban labor markets (segmentation and informality)
2. Rural labor markets (labor market imperfections, household models)

II. PATTERNS AND CHARACTERISTICS OF LATIN AMERICAN LABOR MARKETS

3. Informality in Latin America

[3] Gasparini and Tornarolli (2007), "Labor Informality in Latin America and the Caribbean: Patterns and Trends from Household Survey Microdata", Working Papers 0046, CEDLAS, Universidad Nacional de La Plata.

4. Rural labor markets: The rise of non-farm employment

[4] Elbers and Lanjouw (2001), "Intersectoral Transfer, Growth, and Inequality in Rural Ecuador", *World Development* 29 (3): 481-496

III. THE INFORMAL SECTOR AND MICROENTERPRISES

5. Informality: Exit or exclusion

[5] Perry, Maloney, Arias, Fajnzylber, Mason and Saavedra-Chanduvi (2007), "Informality: Exit and Exclusion", Washington, D.C.: The World Bank.

6. Microenterprises

[6] Fajnzylber, Maloney and Montes Rojas (2006), "Microenterprise Dynamics in Developing Countries: How Similar Are They to Those in the Industrialized World? Evidence from Mexico", *World Bank Economic Review* 20 (3): 389-419.

[6] McKenzie and Woodruff (2006), "Do Entry Costs Provide an Empirical Basis for Poverty Traps? Evidence from Mexican Microenterprises", *Economic Development and Cultural Change* 55(1): 3-42

IV. LABOR MARKET INSTITUTIONS

7. Job security legislation

[7] Heckman, Pagés-Serra, Cox Edwards and Guidotti (2000), "The Cost of Job Security Regulation: Evidence from Latin American Labor Markets", *Economía* 1 (1): 109-154

8. Minimum wages

[8] Bell (1997), "The impact of minimum wages in Mexico and Colombia", *Journal of Labor Economics* 15 (3): 120-134

[8] Maloney and Nuñez Mendez (2003), "Measuring the Impact of Minimum Wages: Evidence from Latin America", NBER Working Paper 9800

9. The influence of unions

[9] Murillo (2000), "From populism to neoliberalism: labor unions and market reforms in Latin America", *World Politics* 52: 135-174

[9] Cassoni, Labadie, Fachola (2002), "The Economic Effects of Unions in Latin America: Their Impact on Wages and the Economic Performance of Firms in Uruguay". Research Network Working paper #R-466.

10. The Chilean case

[10] Edwards and Cox Edwards (2000), "Economic reforms and labor markets: policy issues and lessons from Chile", *Economic Policy* 15: 181-230

V. GLOBALIZATION AND LABOR MARKETS

11. Trade liberalization

[11] Goldberg and Pavcnik (2007), "Distributional Effects of Globalization in Developing Countries", *Journal of Economic Literature* 45 (1): 39-82

[11] Goldberg and Pavcnik (2003), "The Response of the Informal Sector to Trade Liberalization", *Journal of Development Economics* 72: 463-496

12. Migration

[12] Borjas (1987), "Self-Selection and the Earnings of Immigrants," *American Economic Review*, American Economic Association, vol. 77(4), pages 531-53, September.

[12] McKenzie, Rapoport (2007), "Self-selection patterns in Mexico-U.S. migration: The role of migration networks", *World Bank Policy Research Working Paper* 4118, February.

[12] Cox Edwards and Rodríguez Oreggia (2009), "Remittances and Labor Force Participation in Mexico: An Analysis Using Propensity Score Matching", *World Development* 37: 1004-1014.

VI. LABOR MARKET OUTCOMES: INEQUALITY, POVERTY AND VULNERABILITY

13. Labor market outcomes and poverty: Brazil

[13] Ferreira and Paes de Barros (2005), "The Slippery Slope: Explaining the Increase in Extreme Poverty in Urban Brazil, 1976-96", in: Bourguignon, Ferreira and Lustig (eds.), "The Microeconomics of Income Distribution Dynamics", Washington, D.C.: The World Bank and Oxford University Press.

14. Labor market outcomes and poverty: Colombia

[14] Vélez, Leibovich, Kugler, Bouillon and Núñez (2005), "The Reversal of Inequality Trends in Colombia 1978-1995: A Combination of Persistent and Fluctuating Forces", in: Bourguignon, Ferreira and Lustig (eds.), "The Microeconomics of Income Distribution Dynamics", Washington, D.C.: The World Bank and Oxford University Press.

15. Child Labor in Latin America

[15] Brown (2009), "Child Labor in Latin America: Policy and Evidence", *The World Economy* 24: 761-778

[15] Gunnarsson, Orazem and Sánchez (2006), "Child Labor and School Achievement in Latin America", *World Bank Economic Review* 20 (1): 31-54.

[15] Psacharopoulos (1997), "Child labor versus educational attainment: Some evidence from Latin America", *Journal of Population Economics* 10 (4): 377-386.

16. Ethnic discrimination

[16] MacIsaac and Patrinos (1995), "Labour Market Discrimination Against Indigenous People in Peru", *The Journal of Development Studies* 32: 218-233

VII. THE IMPACT OF SOCIAL PROGRAMS ON LABOR MARKETS

17. Mexico's Oportunidades

[17] Freije, Bando and Arce (2006), "Conditional Transfers, Labor Supply, and Poverty: Microsimulating Oportunidades", *Economía* 7: 73-124

18. Brazil's Bolsa Escola

[18] Medeiros, Britto and Veras Soares (2008), "Targeted Cash Transfer Programmes in Brazil: BPC and the Bolsa Familia", Working Papers 46, International Policy Centre for Inclusive Growth

[18] Bourguignon, Ferreira and Leite (2003), "Conditional Cash Transfers, Schooling, and Child Labor : Micro-Simulating Brazil's Bolsa Escola Program", *The World Bank Economic Review* 17: 229-254

19. Peru's ProJoven

[19] Chong, Galdo and Saavedra (2008), "Informality and productivity in the labor market in Peru", *Journal of Economic Policy Reform* 11 (4): 229-245

[19] Ñopo, Robles and Saavedra (2008), "Occupation training to reduce gender segregation: The impacts of ProJoven", *Economía* 31: 33-54