

## ECONOMICS 153

### *Labor Economics Seminar: The Impact of Globalization on Work and Labor*

#### **Course Description:**

This seminar class is designed for Econ (and related) majors to provide students the opportunity to undertake a research project and write a research paper (usually 25 to 40 pages). Students are expected to have completed an upper division class in applied microeconomic (e.g., labor, IO, public finance) or a related course, so that they have an understanding of how to undertake economic analysis.

The class has a theme, and the theme for Econ 153 in Spring 2006 is "Labor in a Global Economy". This reflects my own expertise in high-tech labor markets and recent work on offshoring of white collar work. However the theme will be interpreted widely so that students are able to find a topic that fits their interests and knowledge.

The class time is divided into two parts. One part is devoted to lecture and discussion of assigned readings about the theme and background literature for students' projects. The other part is devoted to students working in their teams on development of their research projects and papers. The professor meets with the teams during class time.

#### **Course Goals:**

The main goal of Econ 153 is to teach students how to conduct a research project on a specific question.

Students are taught how to set up a research question, conduct a literature review, set up a conceptual framework for analysis, find or collect data, analyze the data, and draw conclusions.

An important part of the course is to learn how to write a well-written, well-argued, and grammatically-correct research paper. Students will be assigned to a team based upon their research topics. This allows students to help each other and facilitates learning.

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**Prerequisites:**

Upper division applied micro course, such as Labor, IO, Public Finance; Econ Stat/Econometrics;  
or permission of instructor (please email Prof Brown: [cbrown@econ.berkeley.edu](mailto:cbrown@econ.berkeley.edu)).

**Office Hours:**

Thursday, 3-4 pm, at IIR (2521 Channing Way; one-half block East of Telegraph)  
Phone: 643-7090

Note: this is where class is also held. The building is locked at 5 pm.

**Grading System:**

Attendance is mandatory, and you must let Prof. Brown know if you are unable to attend. You will be allowed a maximum of two excused absences. This is because important work on your research project is done during class time.

Your work with your team is also an important part of class. You will be given “team assignments” that include serving as a reviewer and discussant for other students. Each student will help another student in the research and writing of project papers. The student discussant will provide feedback to the student writer as the paper is being written and will serve as the discussant at the final presentation. This work will be included in your grade.

In preparation for each week’s class, selected students will write a short paper (2 pages max) that summarizes one topic and will make a short presentation (15-20 minutes) of the topic in class. Each *short paper and presentation* should include the following:

1. summary of the main points of the reading;
2. comparison of any of these points with another relevant readings (i.e., compare conceptual framework or approach to a similar or complementary reading);
3. consistency of these points with data or observations (e.g., consistent or inconsistent with observed outcomes or data)
4. overall summary of contribution or usefulness of reading.

Your semester grade will be based on:

Research paper/presentation	65%
Team work/reviewer/discussant	15%
Short papers/presentations	20%

### **Ethics Rules:**

Although students will have input from other students and the professor in the development of their research paper and in revising it during the semester, **all writing of the paper must be done by the student, and all sources used must be carefully footnoted. Any direct use of material written by others that is not correctly footnoted is considered plagiarism, and plagiarism will result in a failing grade.**

### **Professor:**

**Dr. Clair Brown** is Professor of Economics and Director of the Center for Work, Technology, and Society at UC Berkeley. Prof. Brown has published research on many aspects of the labor market, including labor market institutions, firm employment systems and firm performance, wage determination, and the standard of living. The industries she has studied include semiconductors, telecommunications, consumer electronics, automobiles, and New Economy start-ups. Brown heads the human resources group of the Sloan Competitive Semiconductor Manufacturing (CSM-HR) program at U.C. Berkeley. Their research has shown a significant relationship between firm performance and human resource systems. Research on firm employment systems and macroeconomic institutions in the United States and Japan is presented in *Work and Pay in the United States and Japan* (with Nakata, Reich and Ulman; Oxford University Press, 1997). Brown's work on the relationship between work roles, economic growth, and living standards and how the standard of living has changed during the 20th century is examined in *American Standards of Living, 1918-1988* (Blackwell, 1994). Currently, her research team is studying "Global Value Creation and Value Capture in the Semiconductor Industry", which is the basis for a book on the evolution of the semiconductor industry.

<http://ist-socrates.berkeley.edu/~iir/worktech/>

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### Class Syllabus

#### **Required books:**

The **required** readings for this seminar are kept to a minimum and are focused on basic readings about the global economy. The student is expected to do a literature search and read the literature related to the student's research topic. This is a critical part of the course and of the final research paper.

Required readings are available online for you to download or as a hard copy for you to make a personal copy.

Most papers are from a Brookings Institution Workshop on Offshoring White-Collar Work, and can be found at:

<http://www.brookings.edu/es/commentary/journals/tradeforum/agenda2005.htm>

**Please download the assigned papers (links given below) and read them before class.**

Please purchase, if you do not already own a copy:

Strunk and White, *Elements of Style*, any edition. You should be able to find a used copy.

#### **Week 1. Jan 19**

Introduction to Course (handout)

Self-introductions and Letter of Introduction (handout)

Discussion of research topics

Discussion of Research Paper Outline (handout)

#### **Letter of Introduction:**

During the first class, I will ask you to write a one-page letter of introduction for me. Please include the following:

Name (official, nickname, pronunciation)

Year and major (if decided)

Language

Other countries you know through living or visiting there

Background in Econ, Stat, and any other courses relevant to your research project

Reason for taking course (what you want to get out of it)

Your outside interests and experiences

Anything else interesting/important you want me to know

Your idea for your research project (to get you started; it does not have to be not well developed)

**Week 2. Jan 26**

**Topic: Overview of Trade Theory**

Assignment: turn in a short summary of proposed research project; begin collecting references

Paul Samuelson, “Where Ricardo and Mill Rebut and Confirm Arguments of Mainstream Economists Supporting Globalization”, *Journal of Economic Perspectives*, Summer 2004 (135-146), and Comments, Summer 2005 (241-243)

GAO Report, “Offshoring of Services: An Overview of the Issues”, pp 2-39, 50-58

**Week 3. Feb 2**

**Topic: Trade Theory, cont**

Assignment: turn in a list of references; mark the ones you have read with a short summary (one paragraph: main question addressed with summary of approach, answer, and data used). This summary will become part of your paper in the literature review.

JAMES MARKUSEN

[Modeling the Offshoring of White-Collar Services: From Comparative Advantage to the New Theories of Trade and FDI](#)

DANIEL TREFLER

[Offshoring: Threats and Opportunities](#) and  
Comments by [Dani Rodrik](#)

**Week 4. Feb 9**

**Topic: Overview of Offshoring of Jobs**

Assignment: continue to turn in your list of references and mark the ones you have read with a short summary.

Erica Groshen, et al. “U.S. Jobs Shipped Abroad: A New Measure”

J. BRADFORD JENSEN and LORI KLETZER

[Tradable Services: Understanding the Scope and Impact of Services Offshoring](#)

DESIREÉ VAN WELSUM and XAVIER REIF

[Potential Offshoring: Evidence from Selected OECD Countries](#)

**Week 5. Feb 16**

**Topic: Lessons from the Semiconductor Industry**

Assignment: turn in a draft of your literature review that includes the following:  
for the major references, state what is considered known about your topic, what has been researched but is still controversial; what is not known; what will your research add to our knowledge about this question?

CLAIR BROWN and GREG LINDEN

[Offshoring in the Semi-Conductor Industry: A Historical Perspective](#)

Please read revised version (available from professor).

Duke University study, “Framing the Engineering Outsourcing Debate”

**Note:** The readings for the next four weeks will be assigned to fit your research interests.

### **Week 6. Feb 23**

Assignment: write a brief summary of the simple basic model or conceptual framework (i.e., list the assumptions) and its implications (i.e., your hypotheses) for your research project

### **Week 7. Mar 2**

Assignment: write a brief summary of the data that you will use in your empirical analysis. Do you already have access to the data? What are your major data problems?

### **Week 8. Mar 9**

Assignment: describe the data you are using for your analysis. Present summary statistics of the important variables.

### **Week 9. Mar 16**

Assignment: briefly summarize your strategy for empirical analysis. What are your major estimation problems?

### **Week 10. Mar 23**

#### **Topic: Policy Issues and Mid-term Class Feedback**

Assignment: present an update on your empirical analysis. What are your major problems?

GAO Report, “Offshoring of Services: An Overview of the Issues”, pp 40-49

LAEL BRAINARD, ROBERT LITAN and NICHOLAS WARREN  
[A Fairer Deal For America's Workers In A New Era of Offshoring](#)

**Week of Mar 27-31: Enjoy Spring Break!**

**Week 11. Apr 6**

**Topic: Pitfalls to Avoid in Writing Your Paper**

Assignment: present an update on your empirical analysis. What are your major problems?

Struck and White: review section on Elementary Rules of Usage

**Week 12. Apr 13**

**Topic: Pitfalls to Avoid in Writing Your Paper, cont.**

Assignment: briefly summarize your findings and their policy implications. How robust are your findings? How do they compare to previous research?

Struck and White: review section on Elementary Principles of Composition

**Week 13. Apr 20**

Assignment: Bring in your draft so that we can work on it during class.

**Week 14. Apr 27**

**Class Presentations of Research Projects**

Please see handout for presentation.

**Week 15. May 4**

**Class Presentations of Research Projects, cont**

Class Evaluations will be done at beginning of class.