

Economics 462b/776b
Spring 2006
Tuesday, 1:30-3:20 pm
Office Hours: Thursday, 1:30 - 2:30 pm, or
by appointment

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ECONOMICS OF POPULATION

READING LIST

January 10	Modern Economic and the Demographic Transition : Puzzles
January 17	I. Private and Social Returns To, and Investments In, Schooling
January 24	II. Health: Length of Life, Stature, Sickness
January 31	III. Individual Behavior: Production-consumption
February 7	IV. Family Coordination: Unified or Bargaining
February 14	V. Family Life Cycle: Marriage, Fertility and Post-school Training
February 21	VI. Quantity and Quality of Children: Tradeoff between Fertility and Investments in the Human Capital of Children

February 28 - MIDTERM EXAM

SPRING VACATION

March 21	VII. Gender Gap in Human Capital
March 28	VIII. Wage Differences: Supply and Demand and Cohort Size
April 4	IX. Intergenerational Mobility: Genetic Inheritance, Human Capital and Transfers
April 11	X. Disability, Health Care, and Labor Supply
April 18	XI. Pre-industrial Economic-Demographic Equilibrium

May 2 - PAPERS DUE

Recommended Book Purchases: My textbook **Economics of the Population** (Addison Wesley, 1981) roughly parallels the course. It is out of print and my secretary has photocopies she can order for @ \$10.

Becker's **A Treatise on the Family** is an influential perspective on the field which is required reading for the most part and may be acquired in paperback at the Yale Bookstore. Look for 2nd edition.

Graduate students interested in household economics should acquire M. Rosenzweig and O. Stark, **Handbook of Population and Family Economics, Vol 1A** (Elsevier Science Pub, 1997), A. Deaton and J. Muellbauer, **Economics and Consumer Behavior** (Cambridge University Press, 1980), and A. Deaton, **Analysis of Household Surveys** (John Hopkins Univ. Press, 1997).

Reading List: Required reading are listed first, while other items (below the line) provide alternative viewpoints or greater depth that might be particularly useful in preparing a research paper.

Frequently used items are on overnight reserve at Social Science Library (S) or Cross Campus Libraries (C), sometimes in photocopy or reprint (X) form on reserve only at Social Science Library. Additional readings and sources will be placed on the classroom server under "Materials" or on my website.

Let Me Know Promptly If You Cannot Locate Any Item.

Seminar Objectives: First, the seminar develops economic approaches to the study of population changes. Specifically, the micro economic demand framework of household consumption, labor supply and production is used to interpret health and mortality, fertility, nutrition, and the changing character of the family and gender roles. Simple game theoretic approaches to bargaining and marriage are discussed as an alternative framework to the standard neoclassical model of the integrated family. Historical and contemporary "population problems" are assessed from the individual's perspective in the second half of the semester and related to household savings behavior. A variety of empirical studies will be reviewed and others can be added in response to student interest.

Paper: A brief empirical research paper on the economic and demographic behavior of individuals or families. Economic theory should be reviewed for its implications, particular hypotheses set forth, and an empirical methodology outlined with specific data identified to test formally the selected hypotheses. These research papers have often become senior essays or graduate students have submitted them to the Economics Department after revision to meet the applied econometrics paper requirement in the Ph.D. Program. Regression packages such as STATA, SAS or LIMDEP should suffice for most students to carry out their research. STAT lab consultants may be helpful in getting started. Summer stipends are occasionally available to extend promising research papers toward a dissertation topic, or a senior essay toward a publishable paper.

Prerequisites: It is useful to be familiar with micro-economic theory and have sufficient knowledge of statistics or econometrics to evaluate regression analyses. More econometrics, demographic methods, and economic theory, labor, history and public health will open doors to a wider and deeper literature on many interdisciplinary topics. Statistical techniques will be briefly reviewed in class but the student will not be held accountable for the tools, but for what we learn from them.

Requirements: There will be a midterm. The research paper must be handed in by **(May 2, 2005)**. Students should make an appointment with me to discuss their research paper topic **IN JANUARY** and have agreed on a promising topic with defined data **BY FEBRUARY 9**. Several problem sets may be circulated which count only 5% toward your grade, but must be turned in until they are satisfactory to let me monitor your progress with the seminar material.

GRADING

Class participation	15%
Problems	5%
Midterm	35%
Paper	45%
	100%

I. Private and Social Returns to, and Investments in, Schooling

- [SX, C] Becker, G. S., 1975, Human Capital, 2nd ed., pp. 15-56.
- [SX, C] Mincer, J., 1974, Schooling, Experience and Earnings, pp. 7-23.
- [SX,C] Psacharopoulos, G. and M. Woodhall, 1985, Education for Development, Oxford University Press, Chapter 3, pp. 28-71.
- Jstor Lam, D. and R. Schoeni, 1993, "Effects of Family Background on Earnings and Returns to Schooling in Brazil," Journal of Political Economy, 101:4, pp. 710-740.
- Jstor Angrist, J. D. and A. B. Krueger, 1991, "Does Compulsory School Attendance Affect Schooling and Earnings?" Quarterly Journal of Economics, 106:4 (November), pp 979-1014.
- Jstor Foster, A. and M. Rosenzweig, 1995, "Learning by Doing and from Others," Journal of Political Economy, (December), pp. 1176-1209.

Strauss, J. and D. Thomas, 1995, "Human Resources: Empirical Modeling of Household and Family Decisions," in Handbook in Development Economics, Vol. 3A, (eds.) J. Behrman and T. N. Srinivasan, Amsterdam: Elsevier, pp. 1885-2023, [Orbis Database Handbooks].

- Jstor Griliches, Z., 1977, "Estimating the Returns to Schooling," Econometrica, 45:1, pp. 1-22.
- Schultz, T. P., 1988, "Educational Investments and Returns," in Handbook of Development Economics, Vol. I, (eds.) H. Chenery and T. N. Srinivasan, Amsterdam: North Holland, pp. 544-630, [Orbis Database Handbooks].
- Jstor Schultz, T. W., 1975, "The Value of the Ability to Deal with Disequilibria," Journal of Economic Literature, 13:3, pp. 827-846.
- Jstor Welch, F., 1970, "Education in Production," Journal of Political Economy, 78:1 (January) pp. 35-59.

II. Health: Length of Life, Stature, Sickness

- Jstor Rosenzweig, M. R. and Schultz, T. P., 1983, "Estimating a Household Production Function: Heterogeneity, the Demand for Health Inputs, and Their Effects on Birth Weight," Journal of Political Economy, 91:5 (October), pp. 723-746, reprint.
- Jstor Strauss, J., 1986, "Does Nutrition Raise Farm Productivity?," Journal of Political Economy, 94:2 (April), pp. 297-320.
- Fogel, R. W., 1997, "New Findings on Secular Trends in Population and Mortality," in Handbook of Population and Family Economics, op. cit., Chapter 9, pp. 434-481 (alternatively AER, 84(3):369-395. 1994), [Orbis Database Handbooks].

- [SC] Preston, S. H., 1980, "Causes and Consequences of Mortality Declines in LDC's During the 20th Century," in Population and Economic Change in Developing Countries, (ed.) R. A. Easterlin, NBER University of Chicago Press, pp. 289-360.
- [SC] Schultz, T. P., 1981, Economics of Population, Addison-Wesley, Chapters 1 and 5, pp. 1-8, 111-149.
- Jstor Strauss, J. and D. Thomas, 1998, "Health, Nutrition and Economic Development," Journal of Economic Literature, 36(2), pp. 766-817.
-

- Jstor Bartel, A. and P. Taubman, 1986, "Some Economic and Demographic Consequences of Mental Health Illness," Journal of Labor Economics, 4:2 (April), pp. 243-256.
- Jstor Grossman, M., 1972, "On the Concept of Health Capital and the Demand for Health," Journal of Political Economy, 80:2 (March/April).

III. Individual Behavior: Production and Consumption

- [SC] Becker, G. S., 1981, A Treatise on the Family, Chapters 1 and 2, Harvard University Press.
- [SC] Schultz, T. P., 1981, Economics of Population, Addison-Wesley, Chapters 4 and 7, pp. 62-110, 191-226.
- Singh, I., L. Squire, and J. Strauss, (eds.), 1986, Agricultural Household Models: Extensions, Applications, and Policy, Baltimore: The Johns Hopkins Press, pp. 17-91, [Materials].
-

- Jstor Becker, G. S., 1965, "A Theory of Allocation of Time," Economics Journal, 75 (September), pp. 493-517.
- [S] Deaton, A. and J. Muellbauer, 1980, Economics of Consumer Behavior, Cambridge University Press. Part One, particularly, Chapters 3 and 4, pp. 60-95 and also Chapters 10 and 11.
- [C] Keeley, M. C., 1981, Labor Supply and Public Policy, Academic Press, pp. 1-41.
- Mincer, J., 1963, "Market Prices, Opportunity Costs and Income Effects," in Measurement in Economics, (ed.) C. Christ et al., Stanford, CA: Stanford University Press, pp. 63-82.

IV. Family Coordination: Unified or Bargaining Approaches

- [SC] Becker, G. S., 1974, "A Theory of Marriage," in Economics of the Family, (ed.) T. W. Schultz, Chicago: University of Chicago Press (see two Supplements of JPE, 1973 and 1974); or Treatise on the Family, 1981, Chapters 4 and 10.
- Jstor McElroy, M. B., and M. J. Horney, 1981, "Nash Bargained Household Decisions," International Economic Review, 22 (June), pp. 333-350.
- Jstor Schultz, T. P., 1990, "Testing the Neoclassical Model of Family Labor Supply and Fertility," Journal of Human Resources, 25:4, pp. 599-634.
- Jstor Udry, C., "Gender, Agricultural Production and the Theory of the Household," Journal of Political Economy, 104(5), pp. 1010-1046.
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Behrman, J., 1997, "Intrahousehold Distribution and the Family," in Handbook of Population and Family Economics, op. cit., Chapter 4, pp. 126-187, [Orbis Database Handbooks].

- Jstor Thomas, D., 1990, "Intrahousehold Resource Allocation," Journal of Human Resources, 25:4.
- Jstor Peters, H. E., 1986, "Marriage and Divorce: Informational Constraints and Private Contracting," American Economic Review, 76 (June), pp. 437-454.
- Jstor Thomas, D., 1994, "Like Father, Like Son; Like Mother, Like Daughter: Parental Resources and Child Height," Journal of Human Resources, 29:4, pp. 950-988.
- [SC] Boserup, E., 1965, Women's Role in Economic Development, St. Martin's Press, New York.

V. Family Life Cycle Choices: Marriage, Fertility, and Post-schooling Skill Specialization

- [SC] Becker, G. S., 1975, Human Capital, 2nd Edition, New York: Columbia University Press, pp. 56-80. Life cycle conception of labor/leisure/investment model, later developed into an intergeneration optimizing perspective in the Treatise.
- [SC] Becker, G. S., 1981, A Treatise on the Family, Harvard University Press, Chapters 3, 4 and 10.
- Jstor Rosenzweig, M. R., and T. P. Schultz, 1985, "The Demand for and Supply of Births: Fertility and Its Life Cycle Consequences," American Economic Review, 75:2 (December), pp. 992-1015.
- Jstor Schultz, T. P., 1994, "Marital Status and Fertility in the U.S.," Journal of Human Resources, 29:2, pp. 637-669.

Jstor, Orbis Moffitt, R., 2005, "Remarks on the Analysis of Causal Relationships in Population Research," Demography, 42(1): 91-108

[SC] Deaton, A., and J. Muellbauer, 1980, Economics of Consumer Behavior, Cambridge University Press, Chapter 8, pp. 191-212.

Jstor Angrist, J. and W. N. Evans, 1998, "Children and Their Parent's Labor Supply," American Economic Review, (June) 88(3), pp. 450-477.

Jstor Whittington, L. A. et al., 1990, "Fertility and the Personal Exemption," American Economic Review, 80:3, pp. 545-556.

February 28 - MIDTERM
1:30 pm - 3:20 pm

VI. Quantity-Quality Trade-off: Fertility Differentials and Investments in Children.

[SC] Becker, G. S., 1981, A Treatise on the Family, Harvard University Press, Chapters 5 and 6.

Jstor Rosenzweig, M., and K. Wolpin, 1980, "Testing the Quantity-Quality Model of Fertility," Econometrica, (January).

[SC] Schultz, T. P., 1981, Economics of Population, Addison-Wesley, Chapter 6, pp. 150-190.

[SC] Donohue, J.J. and S. D. Levitt, 2001, "Legalized Abortion and Crime", Quarterly Journal of Economics, 116 (2): 379-420.

Jstor Rosenzweig, M. and R. E. Evenson, 1977, "Fertility, Schooling and the Economic Contribution of Children in Rural India," Econometrica, 45:5 (July).

Schultz, T. P., 1997, "Demand for Children in Low-Income Countries," in Handbook of Population and Family Economics, op. cit., Chapter 8, pp. 350-430 [Orbis Database Handbooks].

VII. Gender Gap in Human Capital

[SC] Boserup, E., 1970, Women's Role in Economic Development, St. Martin's Press, New York, Chapters 1, 3, 4 and 10 in particular, pp. 15-36, 53-84, and 174-193.

- [SC] Fuchs, V. R., 1988, Women's Quest for Economic Equality, Harvard University Press, Cambridge, MA, pp. 1-9, 139-152.
- Jstor Rosenzweig, M., and T.P. Schultz, 1982, "Market Opportunities, Genetic Endowments and Intrafamily Resource Distribution," American Economic Review, (September), pp. 803-815.
- Jstor Schultz, T. P., 1993, "Investment in the Schooling and Health of Women and Men," Journal of Human Resources, 28:4, pp. 694-734.
- Jstor Behrman, J., A. Foster, and M. Rosenzweig, 1997, "Women's Schooling, Home Teaching and Economic Growth," Journal of Political Economy, 107:4, pp. 682-714.
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- [S] Goldin, C., 1990, Understanding the Gender Gap: An Economic History of American Women, Oxford University Press, Chapters 2, 3, 4 and 5.
- Jstor Juster, T., and F. Stafford, 1991, "The Allocation of Time," Journal of Economic Literature, 29:2 (June), pp. 471-522.
- Jstor Mincer, J., 1985, "Intercountry Comparisons of Labor Force Trends and Human Capital Earnings of Women," in Journal of Labor Economics, Vol. 3, Supplement (January), S1-S32, and rest of volume if interested.

VIII. Wage Structure by Skill and Gender: Demands of Labor and Supplies

- Jstor Preston, S. H., 1984, "Children and the Elderly: Divergent Paths for American Dependents," Demography, 21:4, pp. 435-458.
- Jstor Welch, F., 1979, "Effects of Cohort Size on Earnings," Journal of Political Economy, 87:5 (October), pp. S65-S98.
- Jstor Topel, R. H., 1997, "Factor Proportions and Relative Wages," Journal of Economic Perspective, 11(2), pp. 55-74.
- Jstor Card, D. and T. Lemieux, 2001, "Can Falling Supply Explain the Rising Return to College for Younger Men?" , Quarterly Journal of Economics, 116:2, pp. 705-746.
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- Hamermesh, D. S., 1986, "The Demand for Labor in the Long Run," in Handbook of Labor Economics, Chapter 8, (eds.) O. Ashenfelter and R. Layard, Amsterdam: North-Holland, pp. 429-471 [Orbis Database Handbooks].
- Jstor Juhn, C., 1992, "Decline of Male Labor Market Participation," Quarterly Journal of Economics, 107:1, pp. 79-122.

Jstor Griliches, Z., 1969, "Capital-Skill Complementarity," Review of Economic Statistics, 51, pp. 465-468.

Murphy, K., M. Plant, and F. Welch, 1988, "Cohort Size and Earnings in the USA," in Economics of Changing Age Distributions in Developed Countries, (eds.) R. D. Lee, W. B. Arthur and G. Rodgers, Oxford: Oxford University Press.

Jstor Katz, L. and K. Murphy, 1992, "Changes in Relative Wages, 1963-1987: Supply and Demand Factors", Quarterly Journal of Economics, 107(1) 35-78.

IX. Intergenerational Mobility: Genetic Inheritance, Human Capital and Transfers

Jstor Becker, G.S. and N. Tomes, 1979, "An Equilibrium Theory of the Distribution of Income and Intergenerational Mobility," Journal of Political Economy, 87(5):1153-1189 (December). (Alternatively, Chapter in Becker, Treatise on Family, 1981.)

[XS] Lam, D., 1999, "Generating Extreme Inequality," University of Michigan, processed paper.

Jstor Solon, G., 1992, "Intergenerational Mobility in the United States," American Economic Review, 82(3):393-408.

Solon, G., 1999, "Intergenerational Mobility in the Labor Market" in Handbook of Labor Economics, Vol. 3A, chap. 29, (eds.) O. Ashenfelter and D. Card, Amsterdam: Elsevier [Orbis Database Handbooks].

X. Disability, Health Care, and Labor Supply

Jstor Ashenfelter, O. and J. Heckman, 1974, "The Estimation of Income and Substitution Effects in a Model of Family Labor Supply," Econometrica, 42 (1): 73-86

Jstor Schultz T. P. and A. Tansel, 1997, "Wage and Labor Supply Effects of Illness in Cote d'Ivoire and Ghana," Journal of Development Economics, 53(2):251-286.

Jstor Bound, J., 1989, "The Health and Earnings of Rejected Disability Insurance Applicants," American Economic Review, 79(3): 482-503

Jstor Gruber, J., 2000, "Disability Insurance Benefits and Labor Supply," Journal of Political Economy, 108(6): 1162-1183.

Jstor, Orbis Bound, J. and T. Waidmann, 1992, "Disability Transfers, Self-Reported Health and Labor Force Attachment of Older Men," Quarterly Journal of Economics, 107(4): 1393-1419

XI. Preindustrial Economic-demographic Equilibrium: Malthusian Dynamics and the Transition

- [SX] Boserup, E., 1987, "Agricultural Growth and Population Change," in The New Palgrave, London : Macmillan Press, pp. 62-68.
- [SC] Schultz, T.P., 1981, Economics of Population, Chapters 2, 3 and 8, pp. 9-61, 227-238.
- [SC] National Research Council (National Academy of Sciences), 1986, Population Growth and Economic Development: Policy Questions, National Academy Press, Washington, DC, conclusions pp. 85-93.
- Jstor Kelley, A. C., 1988, "Economic Consequences of Population Change in the World," Review of Economic Literature, 26:4 (December), pp. 1685-1728.
- [SC] Wrigley, E. A., 1969, Population and History, McGraw Hill World University Library, Chapters 1, 2, 5 and 6.
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- Jstor Boyer, G., 1989, "Malthus was Right After All," Journal of Political Economy, 97:1, pp. 93-114.
- Jstor Eckstein, Z., T. P. Schultz, and K. Wolpin, 1984, "Short Run Fluctuations in Fertility and Mortality in Preindustrial Sweden," European Economic Review, 26 (November), pp. 295-317.
- [SC] Lee, R. D., 1980, "A Historical Perspective on Economic Aspects of the Population Explosion," in Population and Economic Change in Developing Countries, (ed.) R. A. Easterlin, University of Chicago Press, Chicago, pp. 517-566.
- Jstor Schultz, T. P., 1985, "Changing World Prices, Women's Wages and the Fertility Transition: Sweden 1860-1910," Journal of Political Economy, 93:6 (December), pp. 1126-1154.