

PhD-course at the NHH Norwegian School of Economics
August 29 – September 2, 2016

ECS553: *New Frontiers in Human Capital*
Lecturer: Janet M. Currie and W. Bentley MacLeod

Readings (* indicates suggested reading for class)

Lecture 1: Early Life and Human Capital Development (1)

*Almond, Douglas and Janet Currie. "Human Capital Development Before Five," Handbook of Labor Economics, David Card and Orley Ashenfelter (eds.) (Amsterdam: Elsevier) 2011.

*Almond, Douglas and Janet Currie. "Killing Me Softly: The Fetal Origins Hypothesis," the Journal of Economic Perspectives, Summer 2011, 25 #3, 153-72.

<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC4140221/>

Currie, Janet. "Inequality at Birth: Some Causes and Consequences," American Economic Review, May 2011, 101 #3, 1-22 (Ely lecture).

Lecture 2: Early Life and Human Capital Development (2)

*Almond, Douglas, Janet Currie, and Valentina Duque. "Childhood Circumstances and Adult Outcomes: Act II," December 2015.

Lecture 3: Education and Health

Aizer, Anna and Laura Stroud. "Education, Knowledge and the Evolution of Disparities in Health," NBER WP 15840, 2010.

Clark, Damon and Heather Royer. "The Effect of Education on Adult Health and Mortality: Evidence from Britain." American Economic Review, 2013.

* Currie, Janet and Enrico Moretti. "Mother's Education and the Intergenerational Transmission of Human Capital: Evidence from College Openings," Quarterly Journal of Economics, 2003, 1495-1532.

* Cutler, David and Adriana Lleras-Muney. "Understanding Difference in Health Behavior by Education," Journal of Health Economics, 29(1), January 2010, 1-28.

de Walque, Damien. 2010. "Education, Information, and Smoking Decisions: Evidence from Smoking Histories in the United States, 1940–2000," J. Human Resources 45:682-717.

Goldman, Dana and James Smith. "Can Patient Self-Management Explain the SES Health Gradient?" Proceedings of the National Academy of Science, 99:16, 2002.

Lindeboom, Maarten, Ana Llena-Nozal, and Bas van der Klaauw. 2009. "Parental Education and Child Health: Evidence from a Schooling Reform." Journal of Health Economics, 28(1): 109-131.

Lleras-Muney, Adriana. "The Relationship between Education and Adult Mortality in the United States," Review of Economic Studies, 2003.

Mazumder, B. (2008). "Does education improve health? A reexamination of the evidence from compulsory schooling laws." Federal Reserve Bank of Chicago Economic Perspectives Q2: 2-16.

McCrary, J., and H. Royer. 2011. "The Effect of Female Education on Fertility and Infant Health: Evidence from School Entry Policies Using Exact Date of Birth." American Economic Review, 101(1).

Lecture 4: Mental Health and Human Capital

Bharadwaj, Prashant, Mallesh Pai, Agne Suziedelyte. "Mental Health Stigma," NBER WP21240, 2015.

Currie, Janet and Mark Stabile. "Child Mental Health and Human Capital Accumulation: The Case of ADHD," Journal of Health Economics, 25 #6, Nov. 2006, 1094-1118.

*Currie, Janet and Mark Stabile. "Mental Health in Childhood and Human Capital," in An Economic Perspective on the Problems of Disadvantaged Youth, Jonathan Gruber (ed.) (Chicago: University of Chicago Press for NBER), 2009.

*Currie, Janet, Mark Stabile, Phongsack Manivong and Leslie Roos. "Child Health and Young Adult Outcomes," Journal of Human Resources, 45 #3, Summer 2010, 517-548.

Currie, Janet, Lauren Jones, and Mark Stabile. "Do Stimulant Medications Improve Educational and Behavioral Outcomes for Children with ADHD?" Journal of Health Economics, v 37, Sept. 2014, 58-69.
<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC4815037>

*Evans, W., Garthwaite, C. "Giving Mom a Break: The Effect of Higher EITC Payments on Maternal Health," American Economic Journal: Economic Policy, 6 #2, pages 258-90, 2014.

*Johnstone, David, Stefanie Schurer, Michael Shields. "Evidence on the Long Shadow of Poor Mental Health Across Three Generations," Journal of Health Economics, 32:1077-1089, 2013.

Lecture 5: Economics of Experts: Choosing a Career

Card, D.; Cardoso, A. R.; Heining, J. & Kline, P. (2016), 'Firms and Labor Market Inequality: Evidence and Some Theory', UC Berkeley.

Dal Bo, E.; Finan, F. & Rossi, M. A. (2013), 'Strengthening State Capabilities: The Role of Financial Incentives in the Call to Public Service', Quarterly Journal of Economics 128(3), 1169--1218.

Holmström, B. (1999), 'Managerial incentive problems: A dynamic perspective', Review of Economic Studies 66(1), 169--182.

Hsieh, C.-T. & Urquiola, M. (2006), 'The Effects of Generalized School Choice on Achievement and Stratification: Evidence from Chile's School Voucher Program', Journal of Public Economics 90, 1477--1503.

Lemieux, T. (2006), The Mincer Equation Thirty Years after Schooling, Experience, and Earnings, in S. Grossbard, ed., Jacob Mincer, A Pioneer of Modern Labor Economics, Springer Verlag, , pp. 127--145.

*MacLeod, W. B.; Riehl, E.; Saavedra, J. E. & Urquiola, M. (2015), 'The Big Sort: College Reputation and Labor Market Outcomes,' National Bureau of Economic Research Working Paper #21230.

*MacLeod, W. B. & Urquiola, M. (2013), Competition and Educational Productivity: Incentives Writ Large, in Paul Glewwe, ed., Education Policy in Developing Economies, University of Chicago Press,

MacLeod, W. B. & Urquiola, M. (2015), 'Reputation and School Competition', American Economic Review 105(11), 3471 - 3488.

Topel, R. H. & Ward, M. P. (1992), 'Job Mobility and the Careers of Young Men', Quarterly Journal of Economics 107(2), 439-479.

Lecture 6: Economics of Experts: Making Decisions

Angrist, J. D.; Imbens, G. W. & Rubin, D. B. (1996), 'Identification of causal effects using instrumental variables', Journal of the American Statistical Association 91(434), 444--455.

Athey, S. & Imbens, G. (2015), 'Machine Learning Methods for Estimating Heterogeneous Causal Effects', arXiv preprint arXiv:1504.01132.

Currie, J.; MacLeod, W. B. & Parys, J. V. (2016), 'Physician Practice Style and Patient Health Outcomes: The Case of Heart Attacks', Journal of Health Economics 47, 64-80.

Currie, J. M. & MacLeod, W. B. (2017), 'Diagnosis and Unnecessary Procedure Use: Evidence from C-Section', Journal of Labor Economics.

Finkelstein, A.; Gentzkow, M. & Williams, H. (2014), 'Sources of Geographic Variation in Health Care: Evidence from Patient Migration', NBER Working Paper #20789.

Holland, P. W. (1986), 'Statistics and Causal Inference', Journal of the American Statistical Association 81(396), 945-960.

*MacLeod, W. B. (2016), 'Human Capital: The Missing Link Between Behavior and Economics', Labour Economics.

*MacLeod, W. B. (2016), 'Viewpoint: The Human Capital Approach to Inference,' National Bureau of Economic Research Working Paper #22123.

Molitor, D. (2016), 'The Evolution of Physician Practice Styles: Evidence from Cardiologist Migration,' National Bureau of Economic Research Working Paper #22478.

Lecture 7: Economics of Experts: Incentive Design and Authority Contracts

Aghion, P. & Tirole, J. (1994), 'The Management of Innovation', Quarterly Journal of Economics 109(4), 1185--1209.

Aghion, P. & Tirole, J. (1997), 'Formal and Real Authority in Organizations', Journal of Political Economy 105(1), 1--29.

Alonso, R. & Matouschek, N. (2007), 'Relational delegation', Rand Journal of Economics 38(4), 1070--1089.

Chakravarty, S. & MacLeod, W. B. (2009), 'Contracting in the shadow of the law', Rand Journal of Economics 40(3), 533--557.

Frank, R. H. (1988), Passions within Reason, W. W. Norton & Company, New York, NY, U.S.A..

Fuchs, W. (2007), 'Contracting with Repeated Moral Hazard and Private Evaluations', The American Economic Review 97(4), 1432-1448.

Fuchs, W. (2015), 'Subjective Evaluations: Discretionary Bonuses and Feedback Credibility', American Economic Journal-Microeconomics 7(1), 99-108.

Garicano, L. & Rayo, L. (2016), 'Why Organizations Fail: Models and Cases', Journal of Economic Literature 54(1), 137-192.

*Levin, J. (2003), 'Relational Incentive Contracts', American Economic Review 93(3), 835--857.

*MacLeod, W. B. (2003), 'Optimal Contracting with Subjective Evaluation', American Economic Review 93(1), 216--240.

MacLeod, W. B. & Malcolmson, J. M. (1998), 'Motivation and Markets', American Economic Review 88(3), 388--411.

MacLeod, W. B. & Parent, D. (2014), 'Transaction Costs and the Employment Contract in the US Economy', Journal of Law, Economics and Organization 31(Supp 1), 40-76.

Pondy, L. R. (1967), 'Organizational Conflict: Concepts and Models', Administrative Science Quarterly 12(2), 296-320.

Lecture 8: Economics of Experts: Incentive Design, Malfeasance, and Guile

Dranove, D. & Jin, G. Z. (2010), 'Quality Disclosure and Certification: Theory and Practice', Journal of Economic Literature 48(4), 935--963.

Dranove, D.; Kessler, D.; McClellan, M. & Satterthwaite, M. A. (2003), 'Is More Information Better? the Effects of "Report Cards" on Health Care Providers', Journal of Political Economy 111(3), 555--587.

Kartik, N. (2009), 'Strategic Communication with Lying Costs', The Review of Economic Studies 76(4), pp.1359--1395.

Che, Y. & Kartik, N. (2009), 'Opinions as Incentives', Journal of Political Economy **117**(5), 815-860.

*MacLeod, W. B. & Tan, T. Y. (2016), 'Optimal Contracting with Subjective Evaluation: The Effects of Timing, Malfeasance and Guile', NBER Working Paper #22156.

*O'Donoghue, T. & Rabin, M. (1999), 'Doing It Now or Later', American Economic Review **89**(1), 103-124.

*Rahman, D. (2012), 'But Who Will Monitor the Monitor?', The American Economic Review **102**(6), 2767-2797.

Simon, H. A. (1951), 'A Formal Theory of the Employment Relationship', Econometrica **19**, 293--305.

Williamson, O. E.; Wachter, M. L. & Harris, J. E. (1975), 'Understanding the Employment Relation: the Analysis of Idiosyncratic Exchange', Bell Journal of Economics **6**(1), 250--278.