

Labor Economics: Theory and Empirical Analysis

Understanding the Chinese labor market by asking better questions

Instructors

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Time

Wednesdays · 9:00–12:00

Location

Lecture Room 131 · Chengze Garden

Institution

National School of Development · Peking University

Course premise

This course is not only about learning what labor economists already know. It is about learning how to identify what we do not yet know about China's labor market—and turning that uncertainty into a precise, researchable, and consequential question.

Course Overview

This advanced course studies core theories, empirical methods, and major debates in labor economics, with the Chinese labor market as the primary setting for inquiry. Topics include labor supply and demand, minimum wages, immigration, human capital, wage structure, flexible work, artificial intelligence, and the future of work.

The course is organized around a research-oriented principle: students should move from observing a real labor-market phenomenon, to locating a gap in existing knowledge, to formulating a good question, and finally to producing an evidence-based output of their own. Readings provide foundations and benchmarks; they are not the endpoint.

What You Should Learn to Do

- Use labor-economic theory to interpret important changes and policy questions in the Chinese labor market.
- Read empirical research critically: identify the question, mechanism, data, identification strategy, contribution, and limitations.
- Recognize research gaps—especially where China's institutions, data, technologies, or labor-market transitions create questions not fully answered by existing literature.
- Formulate questions that are specific, economically meaningful, empirically tractable, and capable of changing what we know.
- Use microeconomic data and empirical methods to develop credible evidence.
- Use AI tools productively and critically to accelerate exploration, comparison, coding, and communication while retaining ownership of the reasoning, evidence, and final claims.

Who Should Enroll

The course is designed for economics students with a solid foundation in microeconomic theory and econometrics who want to develop independent empirical research skills.

The Research Mindset: Question → Gap → Evidence → Output

1 · Observe	2 · Ask	3 · Locate the gap	4 · Produce
Start with a concrete feature, puzzle, policy, institution, or change in China's labor market.	Turn the observation into a question. Why does it happen? For whom? Through what mechanism? With what consequences?	Use theory and literature to establish what is known, what remains uncertain, and why the missing answer matters.	Use appropriate evidence and communicate your answer in a form suited to the question and audience.

A good project does not begin with “I need a paper topic.”

It begins with: “There is something important about the labor market that I do not understand yet. What would I need to know to answer it?”

AI as a Research Tool

Students are encouraged to use generative AI and other computational tools throughout the course. The purpose is not to outsource thinking or generate a polished answer before a question has been understood. The purpose is to expand the space of possibilities you can examine, challenge your assumptions, and help you formulate and test your own ideas.

Productive uses of AI

- Brainstorm alternative explanations, mechanisms, counterarguments, and research questions.
- Map a topic into relevant literatures, keywords, institutions, datasets, or measurable outcomes—then verify the sources yourself.
- Compare competing hypotheses and ask what evidence would distinguish among them.
- Develop, debug, document, or improve code, data workflows, tables, and visualizations.
- Stress-test identification strategies, measurement choices, and interpretations.
- Experiment with ways to communicate the same economic insight to academic, policy, or public audiences.

What AI cannot replace

- Your judgment about whether a question is important.
- Your responsibility for verifying facts, citations, data, code, and empirical results.
- Your explanation of why the evidence supports—or does not support—a claim.
- Your intellectual contribution. The final output must reflect choices and reasoning that you can explain and defend.

AI transparency

For major course outputs, briefly disclose how AI tools were used (for example: brainstorming, literature discovery, coding assistance, editing, visualization, or translation). You remain responsible for every factual statement, citation, calculation, and conclusion you submit.

Course Expectations

- Come to class prepared. All students should review assigned papers before the relevant discussion, not only the students leading that topic.
- Participate as a researcher: ask questions, identify assumptions, connect papers to the Chinese labor market, and suggest what evidence would move the discussion forward.

- Develop one independent project during the semester. The project should address a clearly articulated issue in the Chinese labor market and make explicit what gap, puzzle, or unresolved question it targets.
- Share work in progress. Presentations are opportunities to improve the question and research design—not merely to report a finished product.

Independent Research Project

The central assignment is an independent project on the Chinese labor market. The project should demonstrate economic reasoning, engagement with relevant evidence, and a clear contribution relative to what is already known.

Possible final formats

The default format is a research paper, but alternative outputs are welcome when they are better suited to the research question or intended audience. Examples include:

- Research paper or research proposal
- Policy brief or evidence-based report
- Data story or interactive website
- Short research video or other public-facing research communication

Alternative formats are not a shortcut around research. Every project—regardless of medium—must make the question, research gap, evidence, reasoning, and limitations visible. Students choosing a non-paper format should also submit a concise research memo documenting these elements and the sources/data used.

A strong project should answer five questions

1. What is the labor-market question or puzzle?
2. Why does it matter economically or for policy?
3. What does existing research already tell us, and what is missing?
4. What evidence, data, or empirical strategy can help answer the question?
5. What have you learned, and what remains uncertain?

Research paper guidance

For students choosing the paper format, the expected length is 20–30 double-spaced pages in English or 15–25 pages in Chinese, including tables and figures. The paper should use microeconomic evidence to address a specific and well-articulated issue related to China's labor market and economic development.

Final project deadline: 31 January 2027.

Assessment

Component	Weight	What matters
Research presentations	30%	Clarity of question; command of literature; quality of reasoning; ability to engage with feedback.
Participation	10%	Preparation, attendance, constructive discussion, and contribution of good questions.

Independent research project

60%

Importance and precision of question; research gap; economic reasoning; credibility of evidence; interpretation; transparency; communication.

Evaluation principle

The medium of the final output may differ, but the intellectual standard does not: a strong submission asks a consequential question, establishes a genuine gap, uses credible evidence, and makes a defensible argument.

Course Materials

The course is paper-based rather than textbook-based. A reading list will be provided. Useful reference works include:

- George J. Borjas (2013), *Labor Economics*, 6th ed., McGraw-Hill.
- Orley Ashenfelter and David Card, eds. (2010), *Handbook of Labor Economics*, Vols. 4A and 4B.
- Joshua D. Angrist and Jörn-Steffen Pischke (2009), *Mostly Harmless Econometrics: An Empiricist's Companion*, Princeton University Press.
- Pierre Cahuc and André Zylberberg (2004), *Labor Economics*, MIT Press.
- Christian Dustmann and Thomas Lemieux, eds. (2025), *Handbook of Labor Economics*, Vol. 6.

Course Schedule

Theory sessions establish core frameworks; literature and workshop sessions emphasize how published research turns labor-market problems into empirical questions. Student presentations are designed as research-development workshops.

Week	Date	Topic	Lecturer
1	9 Sep.	Introduction	D Zhang
2	16 Sep.	The Chinese labor market: institutions, facts, and open questions	D Zhang
3	23 Sep.	Labor supply	D Zhang
4	30 Sep.	Research workshop: labor supply literature	D Zhang
5	7 Oct.	National Day Holiday	—
6	14 Oct.	Labor demand	X Luo
7	21 Oct.	Minimum wage + literature	X Luo
8	28 Oct.	Immigration	X Luo
9	4 Nov.	Research workshop: literature and question formation	X Luo

10	11 Nov.	Human capital and wage structure	X Luo
11	18 Nov.	Research workshop: literature and research gaps	X Luo
12	25 Nov.	Student research presentations I	D Zhang & X Luo
13	2 Dec.	Flexible jobs and the future labor market	X Luo
14	9 Dec. (AASLE: 10–12 Dec.)	AASLE / research frontier	D Zhang & X Luo
15	16 Dec.	AI and jobs + literature	D Zhang
16–17	23 & 30 Dec.	Student research presentations II	D Zhang & X Luo

Recurring question for every topic

What is distinctive about the Chinese setting, what does the existing literature explain well, and what important question remains unanswered?