

312841 IMPACT OF GLOBALIZATION ON FIRMS AND LABOR
SPRING/SUMMER 2014

INSTRUCTOR: Professor Hâle Utar

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TIME AND LOCATION

Monday 1:00-3:00pm, U2-113

OFFICE HOURS

Monday 3:00-5:00 pm

Course Description

We will study a selection of recent theoretical and empirical research on the effect of globalization on firms and workers. In investigating the link between globalization and firms, the focus will be on the changes in internal organizations of firms. There is a common perception that over the last few decades firms have been decentralizing decisions to employees further down the managerial hierarchy. We will read a selection of recent papers that contribute to our understanding of the trend towards decentralization and discuss possible further research. In investigating the link between globalization and labor, we will read papers that focus on the changes in advanced (high wage) country markets, including papers that provide hard evidence on the impact of competition with low-wage countries.

Reading List

- ♣ Incomplete Contracts and Internal Organization of Firms, Aghion, Bloom and Van Reenen, 2013, *Journal of Law, Economics, and Organization*
- ♣ The Organization of Firms Across Countries, Bloom, Sadun, and Van Reenen, 2012, *The Quarterly Journal of Economics*
- ♣ Hierarchies and the Organization of Knowledge in Production, Garicano, 2000, *Journal of Political Economy*
- ♣ Organization And Inequality In A Knowledge Economy, Garicano and Rossi-Hansberg, 2006, *The Quarterly Journal of Economics*
- ♣ The Distinct Effects Of Information Technology And Communication Technology On Firm Organization, Bloom, Garicano, Sadun, Van Reenen,
- ♣ The Flattening Firm: Evidence from Panel Data on the Changing Nature of Corporate Hierarchies, Rajan and Wulf, *The Review of Economics and Statistics*, 2006
- ♣ The Flattening Firm and Product Market Competition: The Effect of Trade Liberalization on Corporate Hierarchies, Guadalupe and Wulf, *American Economic Journal: Applied Economics*, 2010
- ♣ Information Technology, Workplace Organization, And The Demand For Skilled Labor: Firm-Level Evidence, Bresnahan, Brynjolfsson and Hitt (2002), *The Quarterly Journal of Economics*, February 2002
- ♣ The Impact of Trade on Organization and Productivity, Caliendo and Rossi-Hansberg, *The Quarterly Journal of Economics*, 2012
- ♣ The Anatomy of French Production Hierarchies, Caliendo, Monte and Rossi-Hansberg, 2013

- ♣ Americans do IT Better: US multinational and the Productivity Miracle, Bloom, Sadun and Van Reenen, *American Economic Review*, February 2012
- ♣ The Skill Content Of Recent Technological Change: An Empirical Exploration, Autor, Levy and Murnane, 2001, *The Quarterly Journal of Economics*
- ♣ The China Syndrome: Local Labor Market Effects of Import Competition in the United States, Autor, Dorn and Hanson, 2013, *American Economic Review*
- ♣ “Trade Adjustment: Worker Level Evidence”, Autor, Dorn, Hanson and Song, 2013, working paper
- ♣ Globalization And Organization Of The Firm, Davidson, Heyman, Matusz, Sjöholm, and Zhu (2013)
- ♣ *The Second Industrial Divide* by Michael Piore and Charles Sabel Chapter 8 “Corporate Responses To The Crisis” pp.194-220.
- ♣ The Last American Shoe Manufacturers: Decreasing Productivity and Increasing Profits in the Shift from Piece Rates to Continuous Flow Production, Richard B. Freeman and Morris M. Kleiner, *Industrial Relations: A Journal of Economy and Society*, Vol. 44(2), 2005.