

BOSTON COLLEGE  
DEPARTMENT OF ECONOMICS

Ec 340-01  
Labor Economics  
MWF 10:00 a.m.

Prof. F.M.McLaughlin  
Fall 1996-1997

Text:

Ehrenberg & Smith, Modern Labor Economics, 5th ed., (Harper Collins, 1994).

Other Assignments:

At reserve desk in O'Neill.

Paper:

Each member of the class will write a short paper of five to seven pages on an issue of federal public policy with respect to labor relations. Concretely, this means on some aspect of the content or administration of the National Labor Relations Act [NLRA]. This will require that you become familiar with the history and the content of the NLRA. The paper is due on November 29, and the precise topic should be agreed upon with me by October 16. Work for the paper should be begun early in the term. It is not an overnight, or over the weekend, assignment. You may discuss the assignment among yourselves, but each of you should write his own paper. Copying from another student's paper is unacceptable. The use of another writer's words must be identified as such. Copying and plagiarism will be dealt with severely. Do a careful and professional job. There is no good excuse for sloppy typing, incorrect spelling, grammatical mistakes, imprecise use of language, and carelessness in citing sources and in presenting bibliography.

I have put Sloane and Witney, Labor Relations on reserve. Chapter three of this text can be used to help you acquire the necessary background for the paper assignment. But the same information can be acquired from any one of a number of similar texts.

Films:

The following films are assigned for viewing:

Minimum Wages: the New Economy.

Harlan County USA.

Collision Course.

Office Hours:

Carney 130 MWF from 11:00 to 11:50, and by appointment.

Examinations:

Preliminary examination dates are Oct. 2 and Nov. 1, and there will be a comprehensive final in the exam period. Make-ups will be given only if the Dean of your college is notified, and if he regards the absence as justified. Students are responsible for the assigned readings, and should prepare for class by doing it currently. Pay attention to the questions at the end of each text chapter, and raise questions about difficulties in class or during office hours.

### Topics

1. Normative vs Positive Economics.  
E&S, pp. 3-13.
2. Important Labor Market Concepts and Data Sources.  
E&S, pp. 26-35.  
Norwood, Janet L. "The Measurement of Unemployment," AEA P&P, May, 1988, pp. 284-288.
3. Statistical Facts about the U.S. Labor Market.  
E&S, pp. 26-35; 164-169.  
E&S, Tables inside book covers back and front.  
E&S. Tables pp. 289, 303, 399, 401, 407, 408, 411, 500, 502, 535, 561, 563, and 583.
4. Labor Demand Theory: the Short Run.  
E&S, pp. 58-69; 94-97.
5. Monopoly, Monoposony and Labor Demand.  
E&S, pp. 72-75.
6. Labor Demand Theory: the Long Run.  
E&S, pp. 36-40; 76-77; 97-101.
7. Labor Demand Elasticity.  
E&S, pp. 103-114.
8. Labor Demand and the Minimum Wage.  
E&S, pp. 79-92.  
Freeman & Freeman, "Minimum Wages in Puerto Rico: Textbook Case of a Wage Floor?" IRRA Proceedings 1990, pp. 243-253.  
Film: Minimum Wages: The New Economy.
9. Labor Demand with Quasi-Fixed Labor Costs.  
E&S, pp. 131-145.
10. Labor Supply Theory: the Representative Individual.

- E&S, pp. 159-186; 206-211.
11. Labor Supply Theory in the Household Context.  
E&S, pp. 212-234.  
Reimers, Cordelia, "Cultural Differences in Labor Force Participation among Married Women," AEA P&P, 5/1985, pp. 251-255.
  12. Applications of Labor Supply Theory.  
E&S, pp. 190-203; 234-238.
  13. Statistical Testing of Labor Market Hypotheses.  
E&S, pp. 16-24; 187-189.
  14. Compensating Wage Differentials: Theory.  
Smith, Adam, "Wealth of Nations," in Reynolds, Masters, and Moser, Readings in Labor Economics and Labor Relations [Prentice Hall 1974], pp. 49-54.  
E&S, pp. 241-247.
  15. Compensating Wage Differentials: Applications.  
E&S, pp. 257-278, 321-325.
  16. Expenditure on Education and Training: Theory.  
Schultz, Theodore W., "Investment in Human Capital," AER, March, 1961, pp. 1-16.  
E&S, pp. 145-162; 279-294; 315-320.
  17. Empirical Work on the Economics of Education and Training.  
E&S, pp. 295-312.
  18. Worker Mobility: Turnover, Migration, and Immigration.  
E&S, pp. 327-357.
  19. Labor Market Earnings Differences by Race and Sex.  
E&S, pp. 400-413.
  20. Theories of Labor Market Discrimination by Race and Sex.  
E&S, pp. 413-427.
  21. Unions in the United States.  
E&S, pp. 448-461; 499-504; 507-512.  
"Unionization of the Combination Window Company," Schultz & Coleman, Labor Problems (2nd ed., 1959), pp. 9-14.  
"Pages from American Labor History" in Schultz & Coleman, ibid., pp. 9-14.  
Film: Harlan County USA.

Film: Collision Course.

23. The Economics of Unions and Collective Bargaining.  
E&S, pp. 461-481.
24. The Economic Impact of Unions.  
E&S, 481-490.  
Kerr, Clark, "Labor Markets: Their Character and Consequences." in Schultz & Coleman, ibid., pp. 351-365.  
Freeman and Medoff, "The Two Faces of Unionism," Public Interest, (Fall, 1979,) pp. 69-93.  
Kohler, T, "In Praise of Unions," Crisis, October 1989.
25. The Industrial Relations Perspective.  
Dunlop, J. T., Industrial Relations Systems, Ch. 1  
McLaughlin F.M. "The Development of Industrial Peace in the Port of Boston."
26. Public Sector Labor Market Issues.  
E&S, pp. 512-529.
27. Inequality in Earnings.  
E&S, pp. 531-559.
28. Pay and Productivity.  
E&S, pp. 363-396.
29. The Economics of Unemployment.  
E&S, pp. 561-569.
30. Inflation nad Productivity Growth.  
E&S, pp. 600-634.