

BOSTON COLLEGE  
DEPARTMENT OF ECONOMICS

Ec 340.01  
Labor Economics  
MWF 11:00 a.m.

Prof. F.M.McLaughlin  
Fall 1997  
Campion 231

Text:

Ehrenberg & Smith, Modern Labor Economics, 6th ed., (Addison Wesley, 1997.)

Other Assignments:

At the reserve desk in the O'Neill Library.

Films:

The following films should be viewed in the O'Neill Library.

Minimum Wages: the New Economy.  
Harlan County USA.  
Collision Course.

Office Hours: Monday, Wednesday, and Friday from 10:00 to 10:50, and by appointment.

Examinations:

There will be four hour examinations given during the course of the semester, and there will be a comprehensive final in the examination period. Each of the hour examinations will count for fifteen percent of the final grade, and the final examination will count for the remaining 40 percent. The dates for the hour examinations and the final examination are given below. No make-up examinations will be given for any of the hour examinations which you miss, so you should plan to be present on the examination dates. If you miss one of the hour examinations for a legitimate reason, the other hour examinations and the final examination will carry proportionately greater weight in the computation of your final grade. 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.

Calendar:

I. Introduction

Basic Facts and Concepts. [Sept. 3]

E&S, ch. 1, ch. 2, pp. 25-36

II. The Neo-classical Labor Market

1. The Theory of Labor Demand

- A. Demand in the Short Run. [Sept. 5]  
E&S, ch. 3, pp. 60-72, App. 3-A, pp. 93-96
- B. Demand and Monopoly and Monoposony. [Sept.8]  
E&S, ch. 3, pp. 76-91.
- C. Demand in the Long Run. [Sept.10]  
E&S, ch. 2, pp. 36-58; ch. 3. pp. 72-76; App. 3-A. pp. 96-100.
- D. Demand Elasticity. [Sept.12]  
E&S, ch. 4, pp. 101-116.
- E. Demand with Quasi-Fixed Labor Costs. [Sept. 15]  
E&S, ch. 5, pp. 140-151.

IV. First Hour Exam [Sept. 17]

1. The Theory of Labor Supply

- A. The Supply of the Representative Individual. [Sept. 19]  
E&S, ch. 6, pp. 174-202; App 6-A. pp 214-218.
- B. Supply Theory in the Household Context. [Sept. 22 and 24]  
E&S, ch. 7, pp. 219-241.
- C. Applications of Labor Supply Theory. [Sept. 26 and 29]  
E&S, ch. 6, pp. 202-212; ch. 7, pp. 241-244.
- D. Testing of Labor Market Hypotheses. [Oct. 1 and 3]  
E&S, App. 1-A, pp. 17-24.
- E. Cultural Influences on Labor Supply. [Oct 6]  
Reimers, C., "Cultural Differences in Labor Force Participation among Married Women," AEA P&P, 5/1985, pp. 251-255.

V. Second Hour Exam [Oct 8]

VI. The Industrial Relations Perspective

- A. Industrial Relations Theory  
Dunlop, J. T., Industrial Relations Systems, Ch. 1 [Oct. 10]

B. An Application of IR Theory

McLaughlin F.M. "The Development of Industrial Peace in the Port of Boston." [Oct. 15]

IV. Unions and Collective Bargaining.

A. Unions in the US.

Unionization of the Combination Window Company, in Schultz & Coleman, Labor Problems (2nd ed., 1959), pp. 9-14.  
Pages from American Labor History, in Schultz & Coleman, ibid., pp. 9-14. [Oct. 17]

Film: Harlan County USA.

B. The Economic Theory of Unions

E&S, ch. 13, pp. 472-504. [Oct 20]

C. The Impact of Unions.

E&S, ch. 13, pp. 504-516.  
Kerr, C., "Labor Markets: Their Character and Consequences." in Schultz & Coleman, ibid., pp. 351-365.  
Freeman R. and Medoff J., "The Two Faces of Unionism," Public Interest, (Fall, 1979,) pp. 69-93. [Oct 22]

D. The Future of Unionism in the US

Hoerr, John, "Solidaritas at Harvard," The American Prospect, Summer, 1993, pp. 67 to 82.  
Estreicher, Samuel, "Employee Voice in Competitive Labor Markets," ibid., pp. 48 to 57. [Oct 24 and 26]  
Film: Collision Course.

V. Third Hour Examination [Oct. 29]

VI. Wage Differentials.

A. Compensating 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, ch. 8, pp. 247-264. [Oct. 31]

B. Compensating Differentials: Theoretical Applications

E&S, ch. 8, pp. 264-279, App. 9B, pp. 333-337. [Nov. 3]

VII. Labor Demand and the Minimum Wage.

A. Minimum Wages in the United States

E&S, ch. 4, pp. 117-127. [Nov. 5]

Film: Minimum Wages: The New Economy.

B. Minimum Wages in Puerto Rico.

Freeman & Freeman, "Minimum Wages in Puerto Rico: Textbook Case of a Wage Floor?" IRRA Proceedings 1990, pp. 243-253. [Nov. 7]

VIII. Economics of Human Capital

A. Human Capital Theory.

Schultz, T. W., "Investment in Human Capital," AER, March, 1961, pp. 1-16.

E&S, ch. 5, pp. 151-172; ch. 9, pp. 286-311, App. 9A, pp. 329-332. [Nov. 10]

B. The Economics of Education.

E&S, ch. 9, pp. 311-326. [Nov. 12]

C. The Economics of Mobility: Turnover, and Migration.

E&S, ch. 10, pp. 338-372. [Nov. 14]

IX Earnings Differences by Race and Sex.

A: The Measurement of Earnings Differences

E&S, ch. 12, pp. 413-432. [Nov. 17]

B. Theoretical Explanations for Earnings Differences

E&S, ch. 12, pp. 432-465. [Nov. 21]

C. Public Policy on Discrimination

E&S, ch. 12, pp. 432-465. [Nov. 24]

X. Fourth Hour Exam [Dec. 1]

XI. Earnings Inequality

E&S, ch, 14, pp. 524-556, App. 14A, pp. 558-561. [Dec. 3]

XII. Pay and Productivity

E&S, ch. 11, pp. 375-411.[Dec.5]

XIII.The Economics of Unemployment

E&S, ch. 15, pp. 562-595 [6th ed.] [Dec.8]

XIV. Final Examination.