

BOSTON COLLEGE
DEPARTMENT OF ECONOMICS

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

Prof. F.M.McLaughlin
Spring 1997
Campion 302

Text:

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

* The comparable page numbers for the 5th edition (Harper Collins, 1994) are given below. I have noted below with an asterisk [*] those places where the discussion in the 6th edition is somewhat different from that in the 5th edition. Students who choose to use the 5th edition will be responsible for the material as it is presented in the 6th edition.

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 and Friday from 2:00 to 3:00, and Wednesday 11:00 to 12:00, and by appointment.

Examinations:

There will be six 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 ten 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. Each of the hour examinations will consist of a single essay or problem type question on the material covered since the previous examination. 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 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:

Jan. 13 Introduction

Jan. 15 Basic Facts and Concepts.

E&S, ch. 1, ch. 2, pp. 25-36 [either 5th or 6th ed.]

Jan. 17 Labor Demand in the Short Run.

E&S, ch. 3, pp. 58-69, App. 3-A, pp. 94-97, [5th ed.]

E&S, ch. 3, pp. 60-72, App. 3-A, pp. 93-96 [6th ed.]

Jan. 20 Martin Luther King Day - no class.

Jan. 22 Monopoly, Monoposony and Labor Demand.

E&S, ch. 3, pp. 72-75 [5th ed.]

E&S, ch. 3, pp. 76-84 [6th ed.]*

Jan, 24 First Examination

Jan. 27 Labor Demand in the Long Run.

E&S, ch. 2, pp. 36-40; ch. 3, pp. 76-79; App. 3-A, pp. 97-101 [5th ed.]

E&S, ch. 2, pp. 36-40; ch. 3. pp. 72-76; App. 3-A. pp. 96-100 [6th ed.]

Jan. 29 Labor Demand Elasticity.

E&S, ch. 4, pp. 103-114 [5th ed.]

E&S, ch. 4, pp. 101-116 [6th ed.]

Jan. 31 Labor Demand and the US Minimum Wage.

E&S, ch. 3, pp. 79-92 [5th ed.]

E&S, ch. 4, pp. 117-127 [6th ed.]

Film: Minimum Wages: The New Economy.

Feb. 3 Minimum Wages: The Case of Puerto Rico.

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

Feb. 5 Labor Demand with Quasi-Fixed Labor Costs.

E&S, ch. 5, pp. 131-145 [5th ed.]

E&S, ch. 5, pp. 140-151 [6th ed.]

Feb. 7 Second Examination.

Feb. 10 Labor Supply Theory: the Representative Individual.

E&S, ch. 6, pp. 164-189; App 6-A. pp 206-211, [5th ed.]

E&S, ch. 6, pp. 174-202; App 6-A. pp 214-218, [6th ed.]

- Feb. 12 Labor Supply Theory in the Household Context.
 E&S, ch. 7, pp. 212-234, [5th ed.]
 E&S, ch. 7, pp. 219-241, [6th ed.].
- Feb. 14 Cultural Influences on Labor Supply.
 Reimers, C., "Cultural Differences in Labor Force Participation among Married Women," AEA P&P, 5/1985, pp. 251-255.
- Feb. 17 Applications of Labor Supply Theory I.
 E&S, ch. 6, pp. 190-203; ch. 7, pp. 234-238, [5th ed.]
 E&S, ch. 6, pp. 202-212; ch. 7, pp. 241-244, [6th ed.]*
- Feb. 19 Applications of Labor Supply Theory II.
- Feb. 21 Third Hour Examination.
- Feb. 24 Statistical Testing of Labor Market Hypotheses I.
 E&S, App. 1-A, pp. 16-24, [5th ed.]
 E&S, App. 1-A, pp. 17-24, [6th ed.]
- Feb. 26 Statistical Testing of Labor Market Hypotheses II
- Feb. 28 Statistical Testing of Labor Market Hypotheses III
- Mar. 3 Spring Vacation
- Mar. 5 Spring Vacation
- Mar. 7 Spring Vacation
- Mar. 10 The Theory of Compensating Wage Differentials.
 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. 241-257, [5th ed.]
 E&S, ch. 8, pp. 247-264, [6th ed.]
- Mar. 12 Applications of Theory of Compensating Wage Differentials.
 E&S, ch. 8, pp. 257-278, App. 9B, pp. 321-325 [5th ed.]
 E&S, ch. 8, pp. 264-279, App. 9B, pp. 333-337 [6th ed.]
- Mar. 14 Expenditure on Education and Training: Theory.
 Schultz, T. W., "Investment in Human Capital," AER, March, 1961, pp. 1-16.
 E&S, ch. 5, pp. 145-162; ch. 9, pp. 279-294, App. 9A, pp. 315-320 [5th ed.]
 E&S, ch. 5, pp. 151-172; ch. 9, pp. 286-311, App. 9A, pp. 329-332 [6th ed.]

- Mar. 17 Empirical Work on the Economics of Education and Training.
 E&S, ch. 9, pp. 295-312 [5th ed.]
 E&S, ch. 9, pp. 311-326 [6th ed.]
- Mar. 19 Worker Mobility: Turnover, Migration, and Immigration.
 E&S, ch. 10, pp. 327-358 [5th ed.]
 E&S, ch. 10, pp. 338-372 [6th ed.]
- Mar. 21 Fourth Hour Examination
- Mar. 23 Labor Market Earnings Differences by Race and Sex.
 E&S, ch. 12, pp. 398-413 [5th ed.]
 E&S, ch. 12, pp. 413-432 [6th ed.]
- Mar. 25 Labor Market Discrimination: Theories and Remedies
 E&S, ch. 12, pp. 413-441 [5th ed.]
 E&S, ch. 12, pp. 432-465 [6th ed.]
- Mar. 28 Good Friday - no class.
- Mar. 31 Easter Monday - no class.
- Apr. 2 Unions in the United States.
 E&S, ch. 13, pp. 448-461, ch. 14, pp. 499-512 [5th ed.]
 E&S, ch. 13, pp. 472-478 [6th ed.]*
 "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.
 Film: Harlan County USA.
 Film: Collision Course.
- Apr. 4 The Economics of Unions and Collective Bargaining.
 E&S, ch. 13, pp. 461-481 [5th ed.]
 E&S, ch. 13, pp. 478-504 [6th ed.].
- Apr. 7 The Economic Impact of Unions.
 E&S, ch. 13, pp. 481-490 [5th ed.]
 E&S, ch. 13, pp. 504-516 [5th ed.]
 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.
- Apr. 9 Fifth Hour Examination
- Apr. 11 The Industrial Relations Perspective. _
 Dunlop, J. T., Industrial Relations Systems, Ch. 1

- Apr. 14 Applications of the Industrial Relations Perspective
McLaughlin F.M. "The Development of Industrial Peace in the Port of Boston."
- Apr. 16 Sixth Hour Examination
- Apr. 18 Inequality in Earnings I
E&S, ch, 15, pp. 531-553, App. 15A, pp. 555-559 [5th ed.]
E&S, ch, 14, pp. 524-556, App. 14A, pp. 558-561 [6th ed.]
- Apr. 21 Inequality in Earnings II
- Apr. 23 Pay and Productivity I
E&S, ch. 11, pp. 363-396 [5th ed.]
E&S, ch. 11, pp. 375-411 [6th ed.].
- Apr. 25 Pay and Productivity II
- Apr. 28 The Economics of Unemployment I
E&S, ch. 16, pp. 560-595 [5th ed.]
E&S, ch. 15, pp. 562-595 [6th ed.]
- Apr. 30 The Economics of Unemployment II
- May 6 Final Examination 12:30 p.m.