

BOSTON COLLEGE  
DEPARTMENT OF ECONOMICS

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

Prof. F.M.McLaughlin  
Spring, 1998  
Campion 204

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: MWF 10:00 to 10:50, and MW 2:30 to 3:30

Examinations:

There will be three 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 20 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. Make-up examinations will not be given except at the request of the Dean, and only when the absence is for serious reason. Students should plan to be present on scheduled examination dates. 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.

II. Basic Facts and Concepts.

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

III. The Theory of Labor Demand in the Short Run.

E&S, ch. 3, pp. 60-72, App. 3-A, pp. 93-96

- IV. The Theory of Labor Demand in the Long Run.  
E&S, ch. 2, pp. 36-58; ch. 3. pp. 72-76; App. 3-A. pp. 96-100.
- V. The Effect of Monopoly and Monopsony on Labor Demand.  
E&S, ch. 3, pp. 76-91.
- VI. Labor Demand Elasticity.  
E&S, ch. 4, pp. 101-116.
- VII. Labor Demand with Quasi-Fixed Labor Costs.  
E&S, ch. 5, pp. 140-172.
- VIII. Labor Demand and the Minimum Wage  
E&S, ch. 4, pp. 117-127.  
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.  
Hour Examination on Labor Demand [Feb. 9]
- IX. The Theory of the Labor Supply of the Representative Individual.  
E&S, ch. 6, pp. 174-202; App 6-A. pp 214-218.
- X. Labor Supply Theory in the Household Context.  
E&S, ch. 7, pp. 219-241.
- XI. Applications of Labor Supply Theory.  
E&S, ch. 6, pp. 202-212; ch. 7, pp. 241-244.
- XII. Statistical Testing of Labor Market Hypotheses.  
E&S, App. 1-A, pp. 17-24.
- XIII. Cultural Influences on Labor Supply.  
Reimers, C., "Cultural Differences in Labor Force Participation among Married Women," AEA P&P, 5/1985, pp. 251-255.  
Hour Examination on Labor Supply [March 11]
- XIV. Industrial Relations Theory

Dunlop, J. T., Industrial Relations Systems, Ch. 1.

XV. Applications of Industrial Relations Theory

McLaughlin F.M., "The Development of Industrial Peace in the Port of Boston."

McLaughlin F.M., "Industrial Relations in the Irish National Police Force."

XVI. Unions in the United States.

"Pages from American Labor History," in Schultz & Coleman, Labor Problems (2nd ed., 1959), pp. 15-35.

Unionization of the Combination Window Company, Schultz & Coleman, ibid., pp. 9-14.

Hoerr, John, "Solidaritas at Harvard," The American Prospect, Summer, 1993, pp. 67-82.

Estreicher, Samuel, "Employee Voice in Competitive Labor Markets," ibid., pp. 48 to 57.

Film: Harlan County USA.

Film: Collision Course.

XV. The Economic Theory of Unions

E&S, ch. 13, pp. 472-504.

XVI. 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.

Hour Examination on Unions and Industrial Relations [April 3]

XVII. 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. 247-264.

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

XVIII. Human Capital Theory.

Schultz, T. W., "Investment in Human Capital," AER, March, 1961, pp. 1-16.  
E&S, ch. 9, pp. 286-311, App. 9A, pp. 329-332.

- XIX. The Economics of Education.  
E&S, ch. 9, pp. 311-326.
- XX. The Economics of Mobility: Turnover, and Migration.  
E&S, ch. 10, pp. 338-372.
- XXI. The Measurement of Earnings Differences by Race and Sex.  
E&S, ch. 12, pp. 413-432.
- XXII. Theoretical Explanations for Race and Sex Earnings Differences  
E&S, ch. 12, pp. 432-465.
- XXIII. Public Policy on Race and Sex Discrimination  
E&S, ch. 12, pp. 432-465.
- XXIV. The Distribution of Earnings  
E&S, ch. 14, pp. 524-556, App. 14A, pp. 558-561.
- XXV. Pay and Productivity  
E&S, ch. 11, pp. 375-411.
- XXVI. The Economics of Unemployment  
E&S, ch. 15, pp. 562-595  
Final Examination. [May 8]