

BOSTON COLLEGE  
DEPARTMENT OF ECONOMICS

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

Prof. F. M. McLaughlin  
Spring 2002-2003  
Carney 106

Text:

Labor Economics Course Pack, [contains all required readings].

Notes:

Grades will be based on two one-hour examinations given during the course of the semester, and a comprehensive final given at the regularly scheduled time in the examination period. Each of the two in-course examinations will count for 30 percent of the final grade. The final examination will count for 40 percent. Examinations will be based on the material covered in class and the readings contained in the Course Pack.

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

According to the academic regulations published in the Arts & Sciences Catalogue students are expected to attend class regularly, take tests and submit papers and other works at the times specified in the course syllabus. Students who are absent on the day of a previously announced test are not entitled, as a matter of right, to make up what was missed, and professors may include as part of the semester's grades, marks for the quality and quantity of students' participation in class.

Office Hours

MWF 10 to 10:45; MW 3 to 4; and by appointment.

Labor Market Theory Concepts

The labor market theory necessary for this course is covered in EC 201, Microeconomic Theory. The particular theoretical concepts most relevant to this course will be reviewed carefully in class meetings. If you would like to refresh your grasp of the theoretical material you should review the relevant sections in your microeconomic theory text, or in any one of several standard labor economics texts. Copies of five of these texts have been placed on reserve in O'Neill Library. The relevant chapters and pages are referenced in the syllabus. The texts are listed below.

Bellante, D., and Jackson, M., Labor Economics, McGraw-Hill, 1979.  
Filer, R. K., Hamermesh, D. S., and Rees, A., The Economics of Work and Pay, Harper Collins, 1996.  
Borjas, G. J., Labor Economics, Irwin McGraw-Hill, 1996.  
Kaufman, B., and Hotchkiss, J., The Economics of Labor Markets, Dryden, 1999.

Ehrenberg, R., and Smith, R., Modern Labor Economics, Addison Wesley Longman, 2000.

### Course Calendar

#### A. The Neo-classical Labor Market: Labor Demand - Jan. 13, 15, and 17

Bellante & Jackson, chs. 2 & 3.  
Filer, Hamermesh, & Rees, ch. 4.  
Borjas, ch. 4.  
Kaufman & Hotchkiss, chs. 4 & 5.  
Ehrenberg & Smith, ch. 3.

#### B. The Neo-classical Labor Market: Labor Supply - Jan. 22, 24 and 27

Bellante & Jackson, ch. 4.  
Filer, Hamermesh & Rees, ch. 1, esp. pp. 6-18, and ch. 2, esp. pp. 54-60.  
Borjas, ch. 2.  
Kaufman & Hotchkiss, ch. 2, pp. 43-62, and ch. 3, pp. 115-124.  
Ehrenberg & Smith, ch. 6.

#### C. A Labor Market Types - Jan 29 and 31

Kerr, Clark, "Labor Markets: Their Character and Consequences," American Economic Review, Supp., May, 1950, pp. 278-91. Course Pack, pp. 1-7.  
Fisher, Lloyd, "The Harvest Labor Market," Quarterly Journal of Economics, Nov., 1951, pp. 463-491. Course Pack, pp. .

#### D. The Theory of Occupational Wage Structure - Feb. 3 and 5

Smith, Adam, Wealth of Nations, The Modern Library, Random House, 1937, Bk. I Ch. 10, pp 99-110. 114-119. 128-132, 134-136. Course Pack, pp. .

#### E. First Hour Examination - Feb. 7

#### F. Industrial Relations Theory - Feb. 10 and 12

Dunlop, John T., "An Industrial Relations System," Industrial Relations Systems, Holt-Dryden, 1958, Ch. 1, pp. 1-32. Course Pack, pp. .  
Ramstad, Yngve, "Commons's Institutional Economics: A Foundation for Industrial Relations Theory?" Industrial Relations Research Association Series: Proceedings of the Fiftieth Annual Meeting, Volume I, January 3-5, 1998, pp. 308-319. Course Pack, pp..

#### G. Theories of the Labor Movement - Feb. 14

Dunlop, J. T., "The Development of Labor Organization: A Theoretical Framework," in Lester, R.A., and Shister J. [eds.], Insights into Labor Issues, MacMillan, 1958, pp. 163-193. Course Pack, pp. .

#### H. United States - Labor Union History - Feb. 17 and 19.

"A Short History of American Labor," AFL-CIO, American Federationist, Vol. 88, no. 3, March, 1981, pp. 1-16. Course Pack, pp. .  
Yellowitz, I., "Samuel Gompers: a half century in labor's front rank," Monthly Labor Review, July 1989, pp. 27-33. Course Pack, pp. .

Bruno, R., "Presidential Labor Regimes: Democrats from Truman to Clinton," Industrial Relations Research Association Series: Proceedings of the Fiftieth annual Meeting, Volume I, January 3-5, 1998, pp. 11-22. Course Pack, pp. .

I. United States - Public Policy on Labor Unions - Feb. 21 and 24.

Kaufman, B.E., & Lewin, D., "Is the NLRA still relevant to Today's Economy and Workplace?" Industrial Relations Research Association Series: Proceedings of the Fiftieth annual Meeting, Volume 2, January 3-5, 1998, pp. 1113-1125. Course Pack, pp. .

J. Collective Bargaining in the United States - Feb. 26 and 28.

Bok, D & Dunlop, J., "Collective Bargaining in the United States: An Overview," Labor and the American Community, Simon and Schuster, 1970, pp. 207-228. Course Pack, pp. .

L. Worker Rights and Protections - Mar. 10, 12 and 14.

Friedman, S., "Ensuring Respect for Human Rights in Employment," Industrial Relations Research Association Series: Proceedings of the 53rd annual Meeting, January 5-7, 2001, pp. 1-13. Course Pack, pp. .  
Gross, J., Roth, K., and Potter, E. "Distinguished Panel: Workers' Rights in the United States," Industrial Relations Research Association Series: Proceedings of the 53rd annual Meeting, January 5-7, 2001, pp. 373-379. Course Pack, pp. .

Anderson, Bernard, "Worker Protection Policies in the New Century," The Journal of Economic Perspectives, Winter, 2000, pp. 207-214. Course Pack, pp. .

Belman, D. & Belzer, M., "Regulation of Labor Markets: Balancing the Benefits and Costs of Competition, " in Government Regulation of the Employment Relationship, Industrial Relations Research Association Series, Kaufman.B. [editor], 1997, pp. 179-219. Course Pack, pp. .

M. The Future of Industrial Relations \_ Mar. 17 and 119

Kochan, Thomas, "Back to Basics: Creating the Analytical Foundations for the Next Industrial Relations System," Industrial Relations Research Association Series: Proceedings of the Fiftieth annual Meeting, Volume I, January 3-5, 1998, pp. 236-246. Course Pack, pp. .

Kochan, Thomas, "Building a New Social Contract at work: a Call to Action," Industrial Relations Research Association Series: Proceedings of the 52nd Annual Meeting, January 7-9, 1998, pp. 1-25. Course Pack, pp. .

N. Second Hour Examination - Mar. 21.

O. Unions and the Labor Market - Mar 24, 26, 28, and Apr., 2.

Johnson, G.E., "Economic Analysis of Trade Unionism," American Economic Review, Vol. 66, No. 3, May, 1975, pp. 23-28. Course Pack, pp. .

Rees, A., "The Effects of Unions on Resource Allocation," Journal of Law and Economics, Vol. 6, [1963], pp. 69-78. Course Pack, pp. .

Freeman, R., and Medoff, J., "The two faces of unionism." The Public Interest, 1979, pp. 69-93. Course Pack, pp. .

Kleiner, M., Leonard, J., and Pilarski, A., "Do Industrial Relations Events Have Long-Term Effects on Plant Performance? The Case of

Commercial Aircraft manufacturing," Industrial Relations Research Association Series: Proceedings of the 51st Annual Meeting, January 3-5, 1999, pp. 136-143. Course Pack, pp. .

Waddoups, C. J., "Union-Nonunion Wage Differentials in the Hotel Industry: The Case of Las Vegas and Other Large Hotel Markets," Industrial Relations Research Association Series: Proceedings of the 51st Annual Meeting, January 3-5, 1999, pp. 161-168. Course Pack, pp, .

P. Wage Inequality - Apr 4 and 7.

Blau, Francine, "Widening Inequality by Skill: An American Dilemma," Industrial Relations Research Association Series: Proceedings of the Fiftieth Annual Meeting, Volume I, January 3-5, 1998, pp. 1-10. Course Pack, pp. .

Q. Minimum Wages - Apr. 9, 11, and 14.

Prasch, Robert E., "Retrospectives: American Economists in the Progressive Era on the Minimum Wage," The Journal of Economic Perspectives, Spring, 1999, pp. 221-230. Course Pack, pp. .

"Review Symposium: Myth and Measurement: The New Economics of the Minimum Wage," Industrial and Labor Relations Review, July, 1995, pp. 827-849. Course Pack, pp. .

R. Labor Market Discrimination: Race and Sex - Apr. 16,21,23, and 26.

Holzer, H. & Neumark, D, "Assessing Affirmative Action," The Journal of Economic Literature, V. XXXVIII, No. 3, September 2000, pp. 483-488, 491-500, 504-508, 514-525, 532-544, 558-561. Course Pack, pp. .

S. Labor Economics in the United States: A Retrospective View - Apr. 28

Kaufman, Bruce E., "Reflections on Six Decades in Industrial Relations: An Interview with John Dunlop," Industrial and Labor Relations Review, Vol 55, No. 2, {Jan. 2002}, pp. 324-348.