

Econ 3100: Labor Economics
Fall 2018, Section 001

Instructor: Catherine Ruetschlin

Contact: Catherine.Ruetschlin@economics.utah.edu

Office location: Gardner Commons, 4th Floor

Office Hours: Tuesday & Thursday 3:30 - 4:30 pm

Course Meets: Tuesday & Thursday, 2:00 – 3:20 pm
Gardner Commons room 3700

Required Text: Ronald G Ehrenberg and Robert S. Smith, *Modern Labor Economics: Theory and Public Policy*, 12th Edition (Prentice Hall, 2014).

Additional materials will be made available on Canvas.

Course Goals: This course surveys the market, institutional, and sociological factors that affect decisions about employment. At the end of the term students will be able to contextualize the operation of labor markets in both historical incidence and current events and contrast neoclassical and institutionalist approaches to understanding the employment relationship and wage determination in advanced capitalist economies. This course is designated Quantitative Intensive. In accordance with this designation, students will develop the skills to interpret and critically assess labor issues presented in academic and popular publications using text, graphic, and algebraic expression. There are no prerequisites for this course.

Grades: Grades will be calculated based on the following required work:

Paper/Presentation:	25%
Midterm Exam I:	25%
Midterm Exam 2:	25%
Final Exam:	25%

Grading Scale:

90-100%: A
80-89%: B
70-79%: C
60-69%: D
0-59%: F

Presentations: Twenty-five percent of your course grade will be based on an in-class presentation, accompanied by an essay of 5 pages at minimum. Presentations can be based on

current or historical issues, events, and controversies in labor economics. Individual presentations should be up to 10 minutes in length and offer an overview of the topic and its importance or relation to course material. These presentations can be scheduled for any class meeting throughout the semester but will be assigned for the final weeks of class if not already completed.

Use course material, newspaper articles, magazines, and ideas from your personal interest and experience to determine a topic and email me or visit my office hours for approval before beginning the project. Some possible topics will be offered throughout the term to help you develop ideas.

Presentations will not be graded without the ancillary paper. This paper is a formal academic essay written in complete sentences and paragraphs, with an introduction, body, and conclusion, and with proper citations throughout. Students are encouraged to visit the University Writing Center or my office hours for assistance.

Attendance Policy: Attendance will be recorded at all course meetings. Students should be present at the beginning of class to be counted present. The attendance record will be used to inform the final grade assigned if a student is borderline between two grades. Attendance can only help your grade.

Academic Honesty: Please note the definitions of cheating, misrepresenting one's work, inappropriately collaborating, plagiarism, and fabrication or falsification of information from the University Utah Student Handbook, available here:

<https://regulations.utah.edu/academics/6-400.php>

““Plagiarism” means the intentional unacknowledged use or incorporation of any other person's work in, or as a basis for, one's own work offered for academic consideration or credit or for public presentation. Plagiarism includes, but is not limited to, representing as one's own, without attribution, any other individual's words, phrasing, ideas, sequence of ideas, information or any other mode or content of expression.”

There are many types of plagiarism, all are serious offenses and will be treated according to the University of Utah rules and procedures for student academic conduct outlined in Student Code - Policy 6-400: Code of Student Rights and Responsibilities.

Any incidents of cheating, misrepresentation, or plagiarism will result in a grade of zero for the assignment. All essays and assignments must be written in your own words with proper citations.

Class Calendar

Week 1: August 21st & 23rd

Introduction to the course and US labor history

Week 2: August 28th & 30th

August 28th: Historical foundations of labor economics: Adam Smith and Karl Marx

Heilbroner, Robert L. *Teachings from the Worldly Philosophy*. New York: W.W. Norton, 1996. Chapter 1 “Adam Smith.” (Available on Canvas)

Heilbroner, Robert L. *Teachings from the Worldly Philosophy*. New York: W.W. Norton, 1996. Chapter 2 “Karl Marx.” (Available on Canvas)

August 30th: institutional and neoclassical economics

Boyer, George R., and Smith, Robert S. (2001), *The Development of the Neoclassical Tradition in Labor Economics*, *Industrial and Labor Relations Review* Vol. 54, No. 2 (January 2001), pp. 199-223. (Available on Canvas)

Ehrenberg & Smith Chapter 2

Week 3: September 4th & 6th

September 4th: Basic supply and demand framework

Ehrenberg & Smith Chapter 2

September 6th: Measuring employment and unemployment

Ehrenberg & Smith selections chapter 14 pages 503-523

Week 4: September 11th & 13th

September 11th: The household model of labor force participation

Blau, Francine D, Anne E Winkler, and Marianne A. Ferber, *The Economics of Women, Men, and Work*, 3rd Edition, pages 35-61, “The Family as an Economic Unit.” (Available on Canvas)

September 13th: Labor supply in the neoclassical framework

Ehrenberg & Smith Chapters 6-7

Week 5: September 18th & 20th

September 18th: Labor supply in the neoclassical framework

Ehrenberg & Smith Chapters 6-7

Alberto Alesina, Edward Glaeser and Bruce Sacerdote, “Why do Americans Work so Hard?” *Public Policy Research*, Vol. 12, Issue 3, pp 148-157, Autumn 2005. (Available on Canvas)

Spencer, David A. “Love's Labor's Lost? The Disutility of Work and Work Avoidance in the Economic Analysis of Labor Supply.” *Review of Social Economy*, Vol. 61, No. 2, June 2003. (Available on Canvas)

Thursday September 20th: In class exam

Week 6: September 25th & 27th

Labor demand in the neoclassical framework

Ehrenberg & Smith Chapters 3-4

Casselman, Ben. Maybe the Gig Economy Isn't Reshaping Work After All, *The New York Times*, June 7, 2018, retrieved from <https://www.nytimes.com/2018/06/07/business/economy/work-gig-economy.html>. (Available on Canvas)

Lewchuk, Wayne. Precarious jobs: Where are they, and how do they affect well-being? *The Economic and Labour Relations Review*, Vol 28, Issue 3, pp. 402 – 419, July 26, 2017. (Available on Canvas)

Stanford, Jim. The resurgence of gig work: Historical and theoretical perspectives, *The Economic and Labour Relations Review*, Vol 28, Issue 3, pp. 402 – 419, August 8, 2017. (Available on Canvas)

Week 7: October 2nd & 4th

Market frictions and other failures: the monopsony model of labor demand, firm investment, internal labor markets, and imperfection

Ehrenberg & Smith Chapter 5

Manning, Alan. “Imperfect Competition in the Labor Market.” *The Handbook of Labor Economics*, Vol. 4, Orley Ashenfelter and David Card eds, North Holland: 2010. (Available on Canvas)

Azar, José, Ioana Marinescu, and Marshall Steinbaum. “Labor Market Concentration.” IZA Institute of Labor Economics Discussion Papers Series, December 2017. (Available on Canvas)

Webber, Douglas A. "Firm market power and the earnings distribution." *Labour Economics*, Vol. 35, pp. 123-134, 2015. (Available on Canvas)

Week 8: October 9th & 11th

Fall Break, no classes

Week 9: October 16th & 18th

Wage Determination and the minimum wage

Ehrenberg and Smith chapter 4 pages 109-118

Allegretto, Sylvia, Arindrajit Dube, Michael Reich and Ben Zipperer. "Credible Research Designs for Minimum Wage Studies: A Response to Neumark, Salas, and Wascher." Forthcoming in *Industrial and Labor Relations Review*. (Available on Canvas)

Neumark, David. "The Effects of Minimum Wages on Employment," *Federal Reserve Bank of San Francisco Economic Letter*, December 21, 2015. (Available on Canvas)

Wolfson, Paul J., and Dale Belman, "15 Years of Research on U.S. Employment and the the Minimum Wage." Tuck School of Business Working Paper No. 2705499, December 2016. (Available on Canvas)

Week 10: October 23rd & 25th

Labor market institutions

Ehrenberg & Smith Chapter 13

Callaway, Brantly, and William J. Collins, "Unions, Workers, and Wages at the Peak of the American Labor Movement, NBER Working Paper 23516, June 2017. (Available on Canvas)

Freeman, Richard, Eunice Han, David Madland, and Brendan V. Duke. "How Does Declining Unionism Affect the American Middle Class and Intergenerational Mobility?" NBER Working Paper 21638, October 2015. (Available on Canvas)

Holmlund, Bertil. "What Do Labor Market Institutions Do?" IZA Discussion Paper 7809, December 2013. (Available on Canvas)

Week 11: October 30th & November 1st

Human capital theory

Ehrenberg & Smith Chapter 9

Week 12: November 6th & 8th

In class exam Tuesday, November 6th

Week 13: November 13th & 15th

Labor market discrimination

Ehrenberg & Smith Chapter 9

Charles, Kerwin Kofi and Jonathan Guryan. "Prejudice and Wages: An Empirical Assessment of Becker's The Economics of Discrimination." *Journal of Political Economy*, vol. 116, no. 5, 2008. (Available on Canvas)

DiTomaso, Nancy, "How Social Networks Drive Black Unemployment," *The New York Times*, May 5, 2013, retrieved from <https://opinionator.blogs.nytimes.com/2013/05/05/how-social-networks-drive-black-unemployment/>. (Available on Canvas)

Pager, Devah, Bonikowski, and Bruce Western. "Discrimination in a Low-Wage Labor Market: A Field Experiment." *American Sociological Review*, Vol. 74, No. 5, October 2009. (Available on Canvas)

Week 14: November 20th - No Class Thursday, November 22nd

Compensating Differentials

Ehrenberg & Smith Chapter 8

Week 15: November 27th & 29th

Human resources management, productivity, and pay

Ehrenberg and Smith, chapter 11

Bebchuk, Lucian, and Jesse Fried. *Pay Without Performance: The Unfulfilled Promise of Executive Compensation*, Cambridge, Massachusetts: Harvard University Press 2004. Chapter 1 "The Official Story." (Available on Canvas)

Bloom, Nicholas, and John Van Reenen, "Human Resource Management and Productivity." *The Handbook of Labor Economics*, Vol. 4, Orley Ashenfelter and David Card eds, North Holland: 2010. (Available on Canvas)

Week 16: December 4th & 6th

Inequality and labor policy

Ehrenberg and Smith chapter 15

Mankiw, Gregory. "Defending the 1 Percent," *Journal of Economic Perspectives*, Volume 27, Number 3, Summer 2013, pp. 21–34. (Available on Canvas)

Piketty, Thomas, and Emmanuel Saez, "Inequality in the Long Run," *Science Magazine*, Volume 344 Issue 6186, May 23, 2014. (Available on Canvas)

Mishel, Lawrence, Heidi Shierholz, and John Schmitt. "Don't Blame the Robots." Economic Policy Institute and Center for Economic and Policy Research Working Paper, November 19, 2013. (Available on Canvas)

Week 17: Final Exam Monday, December 10, 1:00 – 3:00 pm

Regularly scheduled classroom: Gardner Commons room 3700

CSBS EMERGENCY ACTION PLAN



BUILDING EVACUATION



EAP (Emergency Assembly Point) – When you receive a notification to evacuate the building either by campus text alert system or by building fire alarm, please follow your instructor in an orderly fashion to the EAP marked on the map below. Once everyone is at the EAP, you will receive further instructions from Emergency Management personnel. You can also look up the EAP for any building you may be in on campus at <http://emergencymanagement.utah.edu/eap>.

CAMPUS RESOURCES



U Heads Up App: There's an app for that. Download the app on your smartphone at alert.utah.edu/headsup to access the following resources:

- **Emergency Response Guide:** Provides instructions on how to handle any type of emergency, such as earthquake, utility failure, fire, active shooter, etc. Flip charts with this information are also available around campus.
- **See Something, Say Something:** Report unsafe or hazardous conditions on campus. If you see a life threatening or emergency situation, please call 911!

Safety Escorts: For students who are on campus at night or past business hours and would like an escort to your car, please call **801-585-2677**. You can call 24/7 and a security officer will be sent to walk with you or give you a ride to your desired on-campus location.