



Econ 3100: Labor Economics
Fall 2019, Section 001
Tuesday & Thursday, 2:00-3:20 pm
Gardner Commons Room 3700

Instructor: Catherine Ruetschlin

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Office Hours: Wednesday 12-2 pm, or by appointment

Office Location: Gardner Commons Room 4326

Required Materials

Ronald G Ehrenberg and Robert S. Smith, *Modern Labor Economics: Theory and Public Policy*, 13th Edition (Prentice Hall, 2014).

The textbook is available through the University's inclusive access program which offers discounted text access for those students who are willing to use a digital textbook through the Canvas course site. You may opt in to or out of inclusive access using the 'bookshelf' tab in the menu on screen left and the instructions available in the file titled 'Access the textbook.' You may also opt out at the link <https://portal.verba.io/utah/login>.

Additional required materials will be made available on Canvas.

Course Description

University of Utah Course Catalog Description: Labor-market economics, wage theory, labor mobility, human-resource development, unionism, collective bargaining, employment, and public policy.

This course surveys the market and institutional factors that affect decisions about employment. Econ 3100 is a 3-credit course 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.

Course Outcomes

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. By the end of this course, students will be able to

- Identify the historical foundations of modern theories of production, including the work of Adam Smith, Karl Marx, and John Bates Clark
- Explain the decisions of workers and capitalists that provide the foundation for the labor supply and demand framework, and predict the wage and employment outcomes associated with these decisions in a competitive labor market
- Understand and interpret US labor market data including the monthly unemployment report from the Bureau of Labor Statistics

- Understand the historical, theoretical, and empirical context of current issues in labor market policy

Course Policies

1. **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.
2. **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.

University Policies

1. **The Americans with Disabilities Act.** The University of Utah seeks to provide equal access to its programs, services, and activities for people with disabilities. If you will need accommodations in this class, reasonable prior notice needs to be given to the Center for Disability Services, 162 Olpin Union Building, (801) 581-5020. CDS will work with you and the instructor to make arrangements for accommodations. All written information in this course can be made available in an alternative format with prior notification to the Center for Disability Services.
2. **Addressing Sexual Misconduct.** Title IX makes it clear that violence and harassment based on sex and gender (which Includes sexual orientation and gender identity/expression) is a civil rights offense subject to the same kinds of accountability and the same kinds of support applied to offenses against other protected categories such as race, national origin, color, religion, age, status as a person with a disability, veteran's status or genetic information. If you or someone you know has been harassed or assaulted, you are encouraged to report it to the Title IX Coordinator in the Office of Equal Opportunity and Affirmative Action, 135 Park Building, 801-581-8365, or the Office of the Dean of Students, 270 Union Building, 801-581-7066. For support and confidential consultation, contact the Center for Student Wellness, 426 SSB, 801-581-7776. To report to the police, contact the Department of Public Safety, 801-585-2677(COPS).
3. **Learners of English as an Additional/Second Language.** If you are an English language learner, please be aware of several resources on campus that will support you with your language and writing development. These resources include: the Writing Center

(<http://writingcenter.utah.edu/>); the Writing Program (<http://writing-program.utah.edu/>); the English Language Institute (<http://continue.utah.edu/eli/>). Please let me know if there is any additional support you would like to discuss for this class.

- 4. Campus Safety.** The University of Utah values the safety of all campus community members. To report suspicious activity, call campus police at 801-585-COPS (801-585-2677). You will receive important emergency alerts and safety messages regarding campus safety via text message. For more information regarding safety and to view available training resources, including helpful videos, visit safeu.utah.edu.

Assignments

Assignments in this course include reading responses to historical, narrative, or case study material, problem sets that provide practice with the technical relationships in labor economics, short in-class assignments and presentations of assigned material, and weekly quizzes over assigned reading to be completed on Canvas. All assignments are intended to help you master the material and prepare for exams, and to improve the quality of in-class discussions.

Any assignment may include a combination of short answer/essay questions and analytical/graphical analysis. All graded assignments must be written in complete sentences. Assignments are due before class begins on the due date via Canvas when possible, or via email or hard copy.

Late Assignments: All assignments are due before class begins on the due date assigned. A deduction of one letter grade per day will be imposed on late work.

Grading Policy

Grades will be calculated based on the following required work:

Weekly Quizzes, completed on Canvas before class each Monday:	10%
Problem Sets, Reading Responses, and In-Class Assignments and Presentations:	30%
Midterm Exam:	30%
Final Exam:	30%

Grading Scale:

94-100%: A
90-93%: A-
87-89%: B+
84-86%: B
80-83%: B-
77-79%: C+
74-76%: C
70-73%: C-
67-69%: D
64-66%: D
60-63%: D
0-59%: E

Course Schedule

Week 1: Introduction to the course and relationships of production in a capitalist economy

August 20 & 22

Reading:

- 1) Syllabus
- 2) Bowles, S., Edwards, R., & Roosevelt, F. (2005). *Understanding Capitalism: Competition, Command, and Change, Third Edition*. New York: Oxford University Press. Chapter 5 “The Surplus Product, Conflict and Change,” & Chapter 6 “Capitalism as an Economic System.” (Available on Canvas)

Week 2: Historical foundations of labor economics: Adam Smith and Karl Marx

August 27 & 29

Reading:

- 1) Heilbroner, Robert L. (1996). *Teachings from the Worldly Philosophy*. New York: W.W. Norton. Chapter 1 “Adam Smith.” (Available on Canvas)
- 2) Heilbroner, Robert L. (1996). *Teachings from the Worldly Philosophy*. New York: W.W. Norton. Chapter 2 “Karl Marx.” (Available on Canvas)

Week 3: Proletarianization and the organization of production in the US

September 3 & 5

Reading:

- 1) Loomis, Erik. (2018) *A History of America in Ten Strikes*. New York: The New Press. Chapter 3 “The Eight-Hour-Day Strikes.” (Available on Canvas)

Week 4: Institutional and neoclassical economics in the 20th Century

September 10 & 12

Reading:

- 1) Clark, John Bates. (1908). *The Distribution of Wealth: A Theory of Wages, Interest and Profits*. New York: The Macmillan Company. Preface (Available on Canvas or at Econlib: <https://www.econlib.org/library/Clark/clkDW.html>)
- 2) Ehrenberg and Smith, Chapter 3

Week 5: The neoclassical model of labor demand and labor demand elasticity

September 17 & 19

Reading:

- 1) Ehrenberg and Smith, Chapter 3
- 2) Ehrenberg and Smith, Chapter 4
- 3) Ehrenberg and Smith, chapter 2 pages 41-53

Week 6: The neoclassical model of labor supply: market and non-market labor over the lifecycle

September 24 & 26

Reading:

- 1) 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)
- 2) Ehrenberg and Smith, Chapter 7

Week 7: Midterm Exam

Tuesday, October 1st: Exam Review

Thursday, October 3rd: In-Class Exam

Week 8: Fall Break, No Class

October 8 & 10

Week 9: The neoclassical model of labor supply: the decision to work

October 15 & 17

Reading:

- 1) Ehrenberg and Smith, Chapter 6

Week 10: The neoclassical model of labor supply and labor supply policies

October 22 & 24

Reading:

- 1) Ehrenberg and Smith, Chapter 6

Week 11: Employment, unemployment, contingent employment

October 29 & 31

Reading:

- 1) Ehrenberg & Smith Chapter 14 pages 503-523
- 2) 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 12: Labor market frictions and the monopsony model; the minimum wage

November 5 & 7

Reading:

- 1) Ehrenberg & Smith Chapter 5, Frictions and Monopsony
- 2) Ehrenberg and Smith chapter 4 pages 109-118, the minimum wage
- 3) For reference (not required): Monopsony
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)

4) For reference (not required): minimum wage

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

Cengiz, Doruk, Arindrajit Dube, Attila Lindner, & Ben Zipperer. "The Effect of Minimum Wages on Low-Wage Jobs," *The Quarterly Journal of Economics*, Volume 134, Issue 3, August 2019, Pages 1405–1454, <https://doi.org/10.1093/qje/qjz014>.

Grimes, Donald R., Penelope B. Prime, & Mary Beth Walker. "Geographical Variation in Wages of Workers in Low-Wage Service Occupations: A U.S. Metropolitan Area Analysis," *Economic Development Quarterly*, 2019, Vol. 33(2) 121–133, <https://journals.sagepub.com/doi/pdf/10.1177/0891242419836493>.

Week 13: Human capital investments

November 12 & 14

Reading:

- 1) Ehrenberg and Smith Chapter 9
- 2) Elliott, William, & Melinda Lewis, "Student Debt Effects on Financial Well-Being: Research and Policy Implications," *Journal of Economic Surveys*, Vol. 29, No. 4, (2015) pp. 614–636, <https://onlinelibrary.wiley.com/doi/epdf/10.1111/joes.12124>.

Week 14: Discrimination in the labor market

November 19 & 21

Reading:

- 1) Ehrenberg and Smith Chapter 12
- 2) 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)
- 3) For reference (not required):

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)

Week 15-16: Internal labor Markets, Inequality, and Institutions

November 26th, December 3 & 5

Thursday, November 28th: Thanksgiving Break, No Class

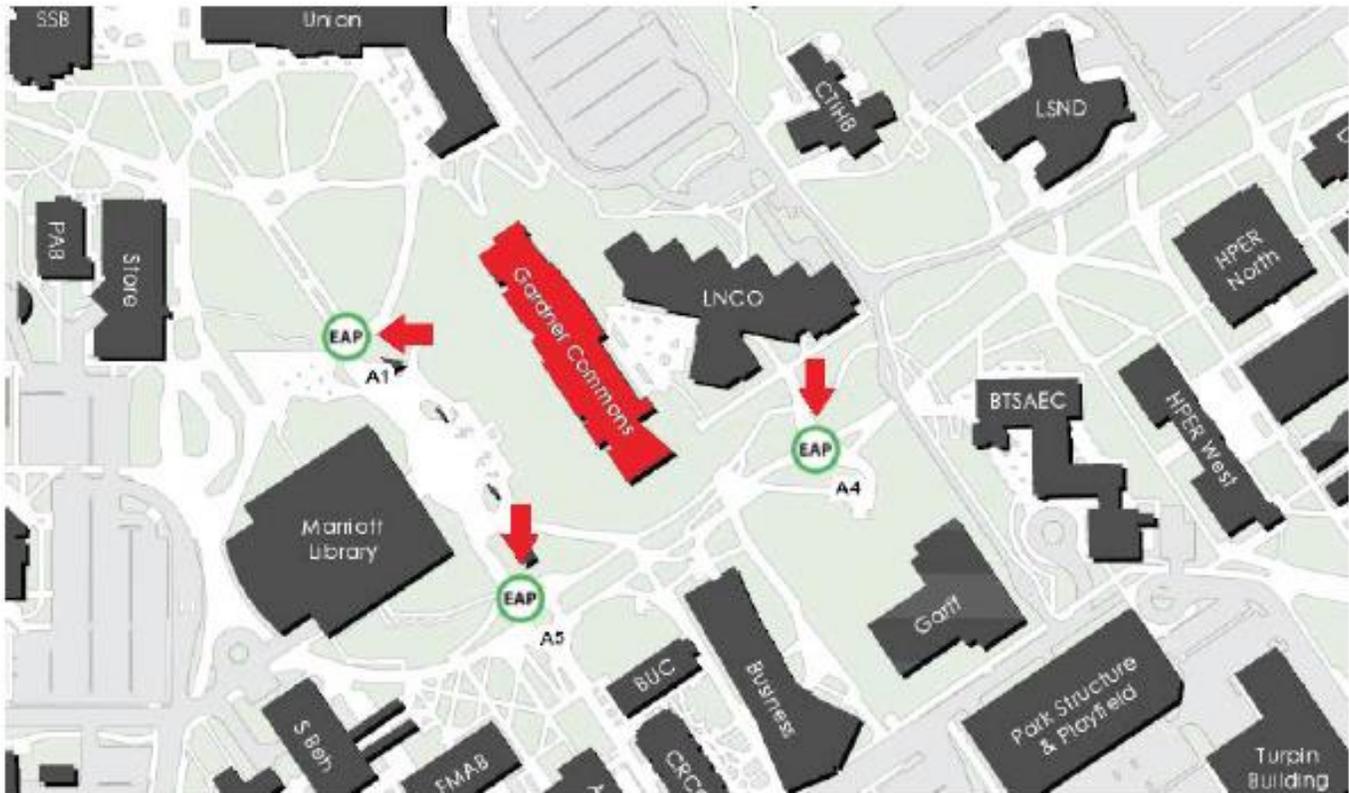
Reading:

- 1) Ehrenberg and Smith Chapter 15, inequality
- 2) Weil, David. "Income Inequality, Wage Determination, and the Fissured Workplace," in Bradford DeLong, Heather Boushey, and Marshall Steinbaum, (eds) *On Thomas Piketty's Capital*. (Cambridge, MA: Harvard University Press, 2017), pp. 209-231.
http://www.fissuredworkplace.net/assets/Weil.Inequality_Wage_Determination_the_Fissured_Workplace.After_Piketty.2017.pdf. (Available on Canvas)
- 3) For reference (not required), universal basic income and federal jobs guarantee:
Glazer, Sarah. "Universal Basic Income, CQ Researcher, vol. 27, no. 31, Sept. 8, 2017, pp 725-748.
Paul, Mark, William Darity Jr., Darrick Hamilton & Khaing Zaw. "A Path to Ending Poverty by Way of Ending Unemployment: A Federal Job Guarantee," *The Russell Sage Foundation Journal of the Social Sciences*, Vol. 4, No. 3, Anti-Poverty Policy Initiatives for the United States (February 2018), pp. 44-63.
- 4) For reference (not required), unions:
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)

Finals Week: Final Exam Tuesday, December 10th, 1:00-3:00 pm

This syllabus is meant to serve as an outline and guide for our course. Please note that I may modify it with reasonable notice to you. I may also modify the Course Schedule to accommodate the needs of our class. Any changes will be announced in class and updated in Canvas on the syllabus page.

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.