



Econ 3100: Labor Economics  
Spring 2019, Section 002  
Monday & Wednesday, 1:25-2:45 pm  
Gardner Commons Room 5490

**Instructor:** Catherine Ruetschlin

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**Office Hours:** Tuesday & Thursday 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, 12th Edition* (Prentice Hall, 2014).

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, institutional, and sociological 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.

## 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 via email before class begins or at the beginning of class in hard copy.

**Late Assignments:** All assignments are due at the beginning of class in hard copy or via email before class begins to catherine.ruetschlin@economics.utah.edu. 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

Monday, January 7

Wednesday, January 9

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

Monday, January 14

Wednesday, January 16

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

Monday, January 21: Dr. Martin Luther King Jr Day, No Class

Wednesday, January 23

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 20<sup>th</sup> Century

Monday, January 28

Wednesday, January 30

Reading:

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

**Week 5:** The neoclassical model of labor supply: market and non-market labor over the lifecycle

Monday, February 4

Wednesday, February 6

Reading:

- 1) Blau, Francine D, Anne E Winkler, and Marianne A. Ferber, *The Economics of Women, Men, and Work*, 3<sup>rd</sup> Edition, pages 35-61, “The Family as an Economic Unit.” (Available on Canvas)
- 2) Ehrenberg and Smith, Chapter 7

**Week 6:** The neoclassical model of labor supply: the decision to work

Monday, February 11

Wednesday, February 13

Reading:

- 1) Ehrenberg and Smith, Chapter 6

**Week 7:** The neoclassical model of labor demand

Monday, February 18: President's Day, No Class

Wednesday, February 20

Reading:

- 1) Ehrenberg and Smith, Chapter 3

**Week 8:** Elasticity, equilibrium in the labor market

Monday, February 25: elasticity of labor demand

Wednesday, February 27: equilibrium outcomes in the supply and demand framework

Reading:

- 1) Ehrenberg and Smith, Chapter 4
- 2) Ehrenberg and Smith, Chapter 2

**Week 9: Midterm**

Monday, March 4: review for midterm

Wednesday, March 6: **In-class Exam**

**Week 10:**

Monday, March 11: Spring Break, No Class

Wednesday, March 13: Spring Break, No Class

**Week 11:** Employment, unemployment, contingent employment

Monday, March 18: measuring employment and unemployment

Wednesday, March 20: the gig economy

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

Monday, March 25

Wednesday, March 27

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

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 Minimum Wage." Tuck School of Business Working Paper No. 2705499, December 2016. (Available on Canvas)

### **Week 13: Human capital investments**

Monday, April 1

Wednesday, April 3

Reading:

1) Ehrenberg and Smith Chapter 9

### **Week 14: Discrimination in the labor market**

Monday, April 8

Wednesday, April 10

Reading:

1) Ehrenberg and Smith Chapter 12

2) 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)

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 15: Compensating differentials, inequality and institutions**

Monday, April 15

Wednesday, April 17

Reading:

- 1) Ehrenberg and Smith Chapter 8, compensating differentials
- 2) Ehrenberg and Smith Chapter 15, inequality
- 3) For reference (not required):

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)

**Week 16:**

Monday, April 22: Review for final exam

Wednesday, April 24: Reading Day, No Class

**Finals Week: Final Exam Tuesday, April 30<sup>th</sup>, 1pm-3pm**

Note: 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.