

Labor Economics

Syllabus

Instructor: Shingo Takahashi

Office hours: TBA

This course provides a general introduction to the field of labor economics and as such is an application of basic microeconomic principles. Our approach to studying labor economics will be both theoretical and empirical. That is, not only will we discuss models of how labor markets function, we will also discuss the evidence on how well the real world matches the predictions of such models.

Required Text: Labor Economics, 6th Edition (2012) by George Borjas, published by McGraw-Hill/Irwin (This textbook is available at the bookstore or from other sources.)

Pre-requisite: Microeconomics I

Course outline (tentative)

Labor Supply Ch2

- Microeconomic model of labor leisure choice

- Impact of welfare on labor supply

- The Earned Income Tax Credit

- Japanese spousal tax exemption on female labor supply

Labor Demand, Ch 3

- Employment decision in the short run

- Employment decision in the long run

- Affirmative action and production cost

- Minimum wage and employment

Labor Market Equilibrium, Ch4

- Equilibrium in a single competitive labor market

- Competitive equilibrium across labor markets

- Payroll tax and employment subsidies

Labor market impact of immigration
The economic benefits from immigration
Noncompetitive labor markets: Monopsony models

Human Capital, Ch 6

The schooling model
-Education and earning
-School construction in Indonesia
-Early childhood education
Schooling as a signal: (The Signaling model)
On the job training

Labor Market Discrimination, Ch 9

Race and gender in the labor market
The discrimination coefficient
-Discrimination and profit
-Employer discrimination
-Employee discrimination
-Customer discrimination
Statistical discrimination
Impact of affirmative action
Male female wage gap
-Occupational crowding
-Trend in gender wage differentials

Unemployment, Ch 12 (If time allows)

Type of unemployment
Natural rate of unemployment
Job Search
Efficiency wages

Grading: Homework (problem sets) 20%, Midterm exam 40%, Final exam 40%

Midterm:

Final exam: