Course Description: Labor Economics

Introduction to the field of labor relations from an economic point of view. The labor force as an economic resource in production as opposed to other production factors: capital and work. Prerequisite MAEC 2211

Textbook


References:


U.S. Department of Labor, Monthly Labor Review, February 2004

There will be two term exams and one group project

Course grading

In class exams 75%
Group Project 20%
Class Participation 5%

Grading Standard Curve

100 – 90 A
89.9 – 80 B
79.9 – 70 C
69.9 – 60 D
Below 60 F

General Objectives:

1. Understand how the labor markets function in terms of Industry, Occupational and Wages. Special emphasis on the demand and supply and labor mobility.

2. Comprehend the various force that affect the wage structure and labor behavior

3. Analyzed wage differentials associated with race, gender, and ethnicity.
4. Provides a analysis of labor market discrimination.

5. Understand the labor market effect of Unions.


Chapters, 1, 3, 4, 6, and 19 Monthly Labor Review, and Herenberg Chapter 2, 14, and 15

Objective:

1. Describe how economics can be apply to analysis of labor market

2. Compute the labor force participation rate and compare this rate over years and explain how they change.

3. Compare the labor force participation rate across various ethnics groups

4. Compute the unemployment rate.

5. Understand the Concepts of GDP and its components and how it is related to labor market.

6. Understand how the labor force participation rate relates to general economics condition.

7. Define the three types of unemployment.

8. Understand the concepts of inflation

9. Use the Consumer Price Index to calculate real earnings

10. Explain why workers bear general training cost and why specific training lead to establish a long lasting relationship.

11. Explain wage and employment outcomes of unionized labor market.

12. Understand the concepts of the GINI Coefficient and the Lorenz Curve

Part 2 - Pay Schemes and Efficiency, Wage Structure, Mobility, Unions, Chapter 7, 8, 9, 10, 11, and 14

Objectives:

1. Explain how pay for senior may explain efficiency.
2. Understand the concept of market clearing wage and how it is related to the efficiency of the firm.

3. Describe the economics consequence of labor mobility.

4. List the determinant of migration.

5. Describe the Chamberlain Bargaining Power Model.

6. Describe the distribution of unions across various industries, occupations, geographical, age race and gender.

7. Cite the reason for public sector growth in Union membership.

8. Describe the impact of unionism on various labor variables such as fringe benefit, income inequality, and employment level.

9. Compute the index of segregation.

10. Identify conditions under which statistical discrimination may be observe.

11. Distinguish between wage employment, occupational, and human capital discrimination.

The group project will be based on any of the subject discussed in the first part of the course. The groups will design the project with the instructor's advised. Actual data from the various labor market data sources such as The Labor Bureau Statistics and The Census Bureau.