Economics 666
Seminar in Human Resources

Spring 1977

Note: While the following is intended as a reading list for the seminar, it should also provide a basic reading list for students who take this area for the Ph.D. Students who plan to take Ph.D. exams in human resources should not only follow up on suggested reading but should select at least one area of human investments (e.g., education, health care, job training, information, etc.) and become familiar with literature in this area. The reading list contains references to bibliographies available. The Journal of Human Resources is the major journal in the field and students are encouraged to go through back issues to obtain some feeling for the direction of the field. The seminar will be divided into two parts. The first seven weeks we will cover the most central literature in the field, concentrating on major theoretical contributions and the general problem of measurement. Whenever possible survey articles are used. The last seven weeks will be run as a workshop and students will be asked to select a particular area for investigation and prepare a paper presenting the findings from some empirical or theoretical investigation. For Ph.D. students the final exam will be designed to test your preparation for the comprehensive exams. General readings will be prepared for all students in the class.

Required text

G. Becker  
Human Capital  
National Bureau of Economic Research

Optional texts

1. L. Thord  
Poverty and Discrimination  
Brookings
2. T. Ribich  
Education and Poverty  
Brookings
3. M. Blaug (Ed.)  
Economics of Education 1 and 2  
Penguin*
4. R. Layard (Ed.)  
Cost Benefit Analysis  
Penguin*
5. A. Atkinson (Ed.)  
Wealth, Income and Inequality  
Penguin*
6. M. Cooper and A. Culver (Eds.)  
Health Economics  
Penguin*
7. D. Lamberton (Ed.)  
Economics of Information  
Penguin*
8. M. Blaug  
An Introduction to the Economics of Education  
Penguin*

* These are all in paperback and are excellent value for the money.
Week 1

Review of Micro Theoretic Foundation of Human Investment Evaluation.

Reading: Read or re-read (1) Bator, "The Simple Analytics of Welfare Maximization, AER, March, 1957. (2) Mishan, "A Survey of Welfare Economics," Economic Journal, June, 1960. Note the excellent bibliography at the end of this article. Students who feel they are a little weak in this area, or those wanting a more complete and critical review should read one of the following: Nath, A Reappraisal of Welfare Economics (1969); Millward, Public Expenditure Economics, Chs. 1-4; Little, A Critique of Welfare Economics (1957).

Week 2

Overview of Benefit Cost and Cost Effectiveness Analysis as Methods for Evaluating Human Investment Programs.


Week 3

Capital Theory and the "Right" Rate of Discount.


Students who have had very little capital theory or those wanting an excellent and well written overview of major problems should read: Donald Dowey, Modern Capital Theory (1965). Another possibility is H. Johnson, Theory of Income Distribution (1972). See bibliography in the beginning of Johnson.
The Special Problems of Income Distribution and Risk and Uncertainty in B/C framework and some discussion of the Costs and Benefits of B/C Analysis.


5-6

The Theory of Human Capital.

Reading: (1) G. Becker, Human Capital, (2) C. M. Lindsay, Measuring Human Capital Returns, J.P.E., Vol. 79 (1972). (3) B. Weisbrod, "Education and Investment in Human Capital," J.P.E., Vol. 70 (1962). This issue of the J.P.E. was a special supplement on Human Capital and each article has become basic reading for particular human investments. People in the field should thus read all of these articles. (4) T. Schultz "Investment in Human Capital," AER, Vol. 41 (1961). See also comment by Shaffer, AER (December 1961) and reply by Schultz.

The above should be viewed as basic reading. However, students should also consult M. Blaug, Economics of Education which contains a well organized annotated bibliography of almost 800 articles and books in the field through 1966.
