

University of Colorado -- Boulder
Department of Economics

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Economics 8686
Syllabus and Schedule
12 January 2007

Partial Syllabus

Welcome. I am Prof. Jeffrey S. Zax. This is Economics 8686, Labor Economics 2. The objective of this course is to prepare the student for original research in areas of labor demand, as well as in economics more generally. This course will explore static and dynamic models of labor demand, job matching and job hierarchies, wage inequality, employment change, discrimination in the labor market, the composition of compensation, the balance between authority and participation in the workplace, the economics of unions, and the macroeconomics of labor markets. Prerequisites are a previous graduate course in microeconomic theory and some previous exposure to econometric analysis.

The material to be mastered in this course is contained in the lectures and assigned readings. The syllabus, any assignments and readings that are difficult to access elsewhere will be available, typically in .pdf format, at the course website, www.colorado.edu/Economics/Zax/Econ8686.

This class will meet on Tuesdays and Thursdays from 9:30 a.m. to 10:45 a.m. in Hellems 220. I will hold regular office hours between 2:00 p.m. and 3:30 p.m. on Tuesdays and Thursdays in my office, Economics 111. Appointments can be made for meetings at other times.

Performance in this class will be judged on the basis of several instruments. The final examination for the course is scheduled to take place on Saturday, 6 May, from 7:30 a.m. to 10:00 a.m. It will be worth 150 points. Any student who has three final examinations scheduled on 6 May and wishes to reschedule the final examination in this course must meet with me immediately.¹ A midterm examination will take place following section III, on approximately Tuesday, 19 October. It will be worth 75 points.

In addition, all students will complete two short term papers, each outlining possible research projects. The first, due on approximately Thursday, 23 September, must be no longer than three pages, and is worth 25 points. The second, due on 7 December, must be no longer than five pages, and is worth 50 points.

¹ University policies regarding multiple final examinations on the same day are available at www.colorado.edu/policies/final_exam.html. They stipulate that examinations scheduled after the first two on any day may be rescheduled. As the examination in this course is the first scheduled for 6 May, it is unlikely that any student will be entitled to reschedule.

The course as a whole, then, is valued at 300 points. The score attained by each student, evaluated relative to the score that would be attained by an intelligent doctoral student of labor economics, will determine final letter grades.

Tentative schedule

I.	Demand	
	A. Static models of labor demand	16, 18 January
	B. Dynamic models of labor demand	23, 25 January
	C. Job matching and career evolution	30 January, 1 February
II.	Wages	
	A. Wage and earnings inequality	6, 8, 13 February
	B. The composition of compensation	15 February
	C. Incentives	20, 22 February
III.	Employment: Job stability	27 February, 1 March
	Midterm Examination	6 March
IV.	Power	
	A. Labor market discrimination	8, 13, 15 March
	B. Authority and structure	20, 22 March
	C. Participation and productivity	3, 5 April
	D. Division of the surplus	10, 12 April
	E. The economics of unions	17, 19 April
V.	Happiness	24, 26 April
VI.	Labor economics and macroeconomics	1, 3 May

Books of which you should be aware

Ashenfelter, Orley and Richard Layard (1986) Handbook of Labor Economics, Volumes 1 and 2, North-Holland.

Ashenfelter, Orley and David Card (1999) Handbook of Labor Economics, Volumes 3a, 3b and 3c, North-Holland.

Becker, Gary S. (1971) The Economics of Discrimination, Second Edition, Chicago University Press.

Becker, Gary S. (1993) Human Capital: A Theoretical and Empirical Analysis with Special Reference to Education, Third Edition, Chicago University Press.

Blanchflower, David G. and Andrew J. Oswald (1994) The Wage Curve, Massachusetts Institute of Technology Press, Cambridge.

Cahuc, Pierre and Andre Zylberberg (2004) Labor Economics, The MIT Press, Cambridge.

Davis, Steven J., John C. Haltiwanger and Scott Schuh (1996) Job Creation and Destruction, Massachusetts Institute of Technology Press, Cambridge.

Freeman, Richard B. and James L. Medoff (1984) What do Unions Do?, Basic Books, New York.

Hamermesh, Daniel S. (1993) Labor Demand, Princeton University Press, Princeton.

Hirschman, Albert O. (1970) Exit, Voice and Loyalty, Harvard University Press, Cambridge.

Lazear, Edward P. (1995) Personnel Economics, Massachusetts Institute of Technology Press, Cambridge.

Policies

Campus policy regarding disabilities requires that faculty adhere to the recommendations of Disability Services. In addition, campus policy regarding religious observances requires that faculty make every effort to reasonably and fairly accommodate all students who, because of religious obligations, have conflicts with scheduled examinations, assignments or required attendance. Any student eligible for and needing academic adjustments or accommodations because of disability or religious practice must arrange to meet with me immediately. Those with disabilities should immediately submit a letter from Disability Services describing appropriate adjustments or accommodations.²

Students and faculty share responsibility for maintaining an appropriate learning environment. Students who fail to adhere to appropriate behavioral standards may be subject to discipline. Faculty have the professional responsibility to treat students with understanding, dignity and respect, to guide classroom discussion and to set reasonable limits on the manner in which students express opinions.³

All students of the University of Colorado at Boulder are responsible for knowing and adhering to this institution's policy regarding academic integrity. Cheating, plagiarism, assistance to acts of academic dishonesty, fabrication, lying, bribery, and threatening behavior are examples of behaviors that violate this policy. All incidents of academic misconduct shall be reported to the Honor Code Council. Students who are found to be in violation of the academic integrity policy will be subject to both academic sanctions from the faculty member and non-academic sanctions, including but not limited to university probation, suspension, or expulsion.⁴

² University policies regarding disabilities are available at www.colorado.edu/disabilityservices. Disability Services can be contacted by telephone at 303-492-8671, or in person at Willard 322. Policies regarding religious practice are available at www.colorado.edu/policies/fac_relig.html.

³ University policies regarding classroom behavior are available at www.colorado.edu/policies/classbehavior.html and at www.colorado.edu/studentaffairs/judicialaffairs/code.html#student_code

⁴ The Honor Code Council can be contacted by email at honor@colorado.edu or by telephone at 303-725-2273. Additional information regarding the University Honor Code is available at www.colorado.edu/policies/honor.html and at www.colorado.edu/academics/honorcode/