This course will cover a selection of the major topics in labor economics that are microeconomic in nature. Specifically, it will cover the basic theory, empirical results relevant to that theory, and applications of the theory to important policy questions.

Organization:

There is no required text for this course, but we will use several chapters of the recommended text, Cahuc and Zylberberg, Labor Economics, and several chapters of the Handbook of Labor Economics, Volume 3A, which is on reserve in the library. For those of you who wish to purchase the handbook, it is available through Amazon.com.

The course requirements are one or two problem sets, a presentation, and a 15 - 20 page paper. The paper should be a critical review of a body of literature on some topic in Micro Labor Economics. A short original empirical study is also acceptable. Students are urged to see us within the first month of the semester to discuss paper topics. The paper is due on the last day of class.

Preliminary Course Outline and Reading List

I. Introduction and Empirical Methods

II. Labor Supply
   Cahuc and Zylberberg, Ch. 1.

Applications

Income Maintenance

The Elderly


Taxes and Labor Supply


III. Human Capital

Cahuc and Zylberberg, Ch. 2.

Application

The Gender Wage Gap

IV. Labor Demand: Theory and Empirical Analysis

Cahuc and Zylberberg, Ch. 3.
Hamermesh, D., Labor Demand, 1993, Chs. 2 and 3.
Layard and Walters, Microeconomic Theory, pp. 259-270.

Application

Minimum Wages

Cahuc and Zylberberg, pp. 715 – 733.

V. Labor Market Equilibrium and Compensating Differentials

Cahuc and Zylberberg, pp. 245 – 256 and 276 – 279.

VI. Unionized Labor Markets

A. Unions and Collective Bargaining

Cahuc and Zylberberg, pp. 370 – 405 and 419 – 430.
B. Strikes


* optional reading