

【Course Description】

This course investigates how labor markets work. We will analyze a wide range of labor issues focusing on economies of Japan and the US. Each class is composed of two parts. We begin with the neo-classical explanation of labor supply and demand using our textbook. For the second half of the class, we will analyze a well-known research article to understand how and whether the standard, neo-classical model is applied to our real economic life and to discuss controversial research questions.

【Class Goals】

- A. To understand concepts of labor economics to analyze labor issues
- B. To analyze structures, analytical methods, and arguments of a well-cited research paper
- C. To discuss how labor markets work, using both theoretical and empirical evidence

【Course Schedule】

- 【Week1】Introduction to the Course
- 【Week2】Overview of Labor Economics

*Each class is composed of "Theoretical Background; Research Articles" as follows.

I . Labor Supply

- 【Week3】Utility; Understanding Economic Empirical Studies
- 【Week4】Indifference Curve and Budget Constraint; Labor Force Participation of Married Women in Japan
- 【Week5】Income/Substitution Effect; A Survey of Lottery Players
- 【Week6】Increase in Non-labor Income; Labor Supply of a New York Taxi Driver

II . Labor Demand

- 【Week7】Production Function; Job tenure and Earnings Profile in Japan and the US
- 【Week8】Scale/Substitution Effect; The End of Lifetime Employment in Japan?
- 【Week9】Labor Supply/Demand Elasticity; Performance/Seniority-Based Wage System
- 【Week10】Minimum Wage; A Case Study of the Fast-Food Industry in New Jersey & Pennsylvania

III. Labor Market Wage Structure

- 【Week11】The Changing Nature of Wage Inequality; Reasons for Growing Income Inequality
- 【Week12】Labor Market Discrimination; Wage Gap by Race and Gender

IV. Human Capital and Labor Mobility

- 【Week13】Schooling Model and Return on Schooling; Does College Still Pay?
- 【Week14】Substitutable and Complementary Labor; The Immigration Effect on Native Labor Market
- 【Week15】Review and Final Report

【Preparation for Class】

Students need to complete the assigned readings and prepare questions/topics for the in-class discussion sections.

【Review of Class】

There will be 10 weekly quizzes. Problem sets and questions will be provided in advance. Please review the lecture slides and the given articles to prepare for quizzes and final report.

【Remarks for Class】

This course is in upper division of Economics Program.

Prerequisites: KC-2102 (Introduction to Economics A) or Consent of Instructor.

If you want to study more basic concepts of labor economics, I recommend you to take "Labor Market In the Global Economy" first.

【Texts】

Lecture notes and reading materials will be distributed in class.

【Reference Books】

Reading packs will be uploaded to the course Web.

The list of references will be provided at class

【Evaluation Criteria】

Participation in class discussions (20%)

Quizzes(40%)

Final Report (40%)

【Notes】

Daily class schedule and class activities can be adjusted depending on students' performance.