

## KC3035 Labor Economics and Public Policy

Yokohama  
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Mon 2

### **【Course Description】**

If you want to take this course, please register "KC3023 Contemporary Global Issues A (Thursday 2nd)" together. It is a 4-unit course. 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. After learning theoretical background, 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.

### **【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

#### 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; 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. This class requires a fair amount of workload and preparation. Estimated time required: 2 hours/week.

### **【Review of Class】**

There will be 10 weekly quizzes. Estimated time required to prepare a quiz: 2 hours/week. 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.