

ECONOMICS OF HUMAN RESOURCES

(Oral Communication)

Fall, 2003
ECON 430 (001)
MWF 9:30 -10:20, Keller 302
Instructor: Professor SH. Lee

Course Outline

Does college education truly increase a worker's productivity and earnings? Should the government increase minimum wage? Are salaries of top executives too high? How does business decide how many people to employ? What determines who chooses to work, and who does not? What characteristics make it more or less likely that workers will change locations or jobs? How do nature of technology and the tastes of workers interact to generate the wage differentials? How do earnings differ among families and individuals?

Economics of Human Resources tries to answer these questions. This course aims to present an analysis of the main areas in human resources and labor economics. In particular, the course studies most recent policy debates on U.S. labor policy, trend in employment, and unemployment, wages and income distribution, and labor market outcomes. This course fulfills the Oral Communication requirement.

Text

Modern Labor Economics by Ehrenberg, R.G. and Robert S. Smith (2002, 8th ed. Addison Wesley Longman) is required and available on the bookstore for purchase.

Assignment

Assignments will include i) four debate sessions which also requires students' presentational speaking (also requiring one-page summaries of debate issues and positions, ii) three discussions of assigned readings (requiring discussion questions turned in before class), and iii) quizzes and a final exam.

Debate and presentational speaking: Each student will choose two topics from assigned topics. Exploiting assigned topic, each student will develop a 5 minutes presentation which cannot be read. Each student will receive brief roles in formal debates and play a different role in each debate. I will hand out debate topics in class.

Discussions of assigned readings: Each reading and case study has a discussion day, during which students can discuss issues relevant to the book and course. Before the

discussion each student should turn in at least two discussion questions, which I distribute in class in order to stimulate discussion.

Feedback

Feedback from peers: In the class following each debate, students will respond to the various arguments and evidence presented during the debate. They will also discuss their problems and successes in presenting the debate position, in preparing arguments and evidence, in making eye contact, in handling notes. etc. This will be done in a such a way that we as a class can discuss without drawing particular or potentially embarrassing attention to anyone's shortcomings.

Self-evaluation: The course will use a brief self-evaluation form for each student. Students are expected to provide thoughtful, honest self-evaluations, as well as brief comments on the best of their classmates.

Instructor feedback: I will use the self-evaluation and feedback from peers (possibly midterm and the end of semester), hoping to allow me to play off of students' own analyses in providing out-of-class written and oral feedback (arguments, handling notes, eye-contact, etc). I will also spend time with students talking about the discussion process and the characteristics of good discussions.

Grading

Debate	25%
Discussion	15%
Quizzes	16%
1 final exam	44%

The oral communication performance will count for 40% of the final grade. Several quizzes and a final exam will count for 60% of the final grade. This will assure that students can maintain a good grade although speaking is not one of their strength. Furthermore, because each student's leaning progress will be considered, initial weakness in speaking will not ruin a student's course grade.

Help

Office Hours: MW 1:15-2:45 or by appointment
Office: SSB 512
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Important Dates

August 25 (M)	First day of Instruction
December 10 (W)	Last day of Instruction
December 19 (F)	Final Exam (9:45-11:45 AM)

Debate Topics

Will be handed out in class.

Supplementary Handout list

- “Public- vs. Private School: The Big Debate”, MSN, July 2001.
- “Home Sweet School”, Time Magazine, August, 2001.
- “UH a Billion-Dollar Player in Hawaii’s Economy”, Ku-Lama, September 2000.
- “Study Finds Preschool Boosted SAT Scores”, Honolulu Advertiser, September 2000.
- “Increasing Hawaii’s Minimum Wage: Panacea or Politics”, UHERO, February 2000.
- “Dow Industrials Fall 180.78 Points as Labor Data Slam Stocks, Bonds”, WSJ, July 1999.
- “Productivity Improves Among US Auto Makers” WSJ, June 1999.
- “Are the Baby Boomers Likely Retire Early?” WSJ, July 1999.
- “Fraud Concerns Grow over Employment-Visa Program”, WSJ, July 1999.
- “Managers Get Big Pay Despite So-So Showing”, WSJ, July 1999.
- “Hard Labor: To Reverse declines, Unions Are Targeting Immigrant Workers”, WSJ, May 1999.
- “At Some Casinos, the Worst Enemy Is Not a Card Counter”, WSJ, June 1999.
- “What Can K.O. Inequality? College”, Business Week Magazine, May 1999.
- “Web Surfing Is the Best Way To Go To Job Shopping”, WSJ, May 1999.
- “Most Workers See Only Moderate Gains in Wages Despite Tight Labor Markets”, WSJ, July 1999.

Schedule

1. Overview of the Labor Market (Ch. 2)
 - Definitions
 - Demand for labor and supply of labor
 - Determination of wage
2. Demand for Labor (Ch. 3, 4, 5)
 - Short-run
 - Long-run
 - Monopsony firm’s behavior
 - Payroll tax and other policy applications
 - Wage elasticity

- Minimum wage laws
3. Supply of Labor (Ch. 6, 7)
 - Decision to work
 - Income and substitution effects
 - Transfer payments and fixed cost
 - Household production
 - Effect of child care
 - Labor force participation patterns by age and sex
 4. Investment in Human Capital (Ch. 9, 5)
 - Schooling investment model
 - Measuring returns to schooling
 - Difficulties (signaling, quality, etc.)
 - General vs. specific training
 5. Worker Mobility, Unemployment, and Migration (Ch. 10, 15)
 - Migration decision (individual and family)
 - Turnover
 - Job search
 - Vacancies and unemployment
 6. Wage Structure (Ch. 8, 11)
 - Compensating wage differentials
 - Employee benefits
 - Effort, productivity, and pay
 - Efficiency wages
 7. Gender and Race in Pay (Ch. 12)
 - Theories of discrimination
 - Measuring discrimination
 8. Unions (Ch. 13)
 - Union structure
 - Theory of collective bargaining
 - Effects of unions