ECONOMICS OF HUMAN RESOURCES  
(Oral Communication)

Spring, 2006  
ECON 430  
MW 12:30-1:45  
Saunders 244  
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, this course includes very close scrutiny of the most recent U.S. labor policy, trends in employment and unemployment, wages and income distribution, and labor market outcomes. This course fulfills the Oral Communication requirement.

Text


Assignment

Assignments 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 and a discussion on a film, iii) quizzes and one final exam. Following each debate and discussion, there will also be post-debate discussions of debate topics.

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. Debate topics include, but not limited to i) What is the economic impact of payroll tax and minimum wage?” ii) Are government subsidies of investments in human capital an effective way to improve the economic well-being of
disadvantaged workers? iii) What is the impact of affirmative action programs on the earnings of women and minorities? iv) What is the economic impact of unions both on their members and on the rest of the economy? I will pass out handouts for details.

Discussions of assigned readings and a film: Each reading and case study has a discussion day, during which students can discuss issues relevant to the book and course. I will distribute issue papers 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 such a way that we as a class can discuss without drawing particular or potentially embarrassing attention to anyone’s shortcomings.

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, discussion, class participation 40%
Quizzes 20%
Final exam 40%

The oral communication performance will count for 40% of the final grade. Several quizzes and a comprehensive 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. Class attendance is mandatory. Final exam is scheduled on May 12 (Friday) 12:00-2:00 PM.

Help

Office Hours: MW 9:30-11:00 or by appointment
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Phone: 956-8590
E-mail: leesang@hawaii.edu
www2.hawaii.edu/~leesang/
**Schedule**

1. **Overview of the Labor Market** (Ch. 2)
   - Demand for labor and supply of labor
   - Determination of wage

2. **Demand for Labor** (Ch. 3, 4, 5)
   - Short-run vs. Long-run
   - 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
   - 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

9. **Inequality in Earnings** (Ch. 14)
Debate/Discussion Topics

Debate : Round 1

* Students should submit 1-2 pages of debate summary (issues and positions) before the class.

Topic: Does education really increase productivity and wages?
   ➔ Is education a good investment from both an individual and a social perspective?
   ➔ Why people with more education receive higher wages?

Teams

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List of major concepts

1. Investments in human beings are part of the general category of investment (what kinds of benefits?)
2. Investment entail costs (what kinds of costs?)
3. Evaluations of whether education is a good individual investment involve several sets of biases (what are they?)
4. Evaluations of whether education is a good social investment must consider that the education might act as a screening device (what is it?)
5. Think carefully why people with same education receive different wages.
6. What is sheepskin (diploma) effect?
Debate : Round 2

* Students should submit 1-2 pages of debate summary (issues and positions) before the class.

Topic: Should the US open borders more and allow more immigrants?

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Note: Immigration is a sensitive political issue. It is also one that is easily clouded by issues of race and class. Many public discussions of the topic are ill-informed with inaccurate or incomplete information. Finally, it is a multilayered issue that probably too often lumps together issues that should be dealt with separately. For example, illegal immigration, political refugees, and legal immigrants (J1, H1B visa) are clearly three very different populations. The debate we are going to have is intended more to provoke thinking and discussion than to lead one to a “correct answer”, though the tools of Chapter 10 and previous chapters should help you develop an appropriate economic analysis.

List of major concepts

1. What characteristics make it more or less likely that workers will change locations, especially internationally?
2. How do economic effects, in particular differences in wages and unemployment affect migration?
3. What are the impacts of migration on who move?
4. Is illegal migrants harmful to natives (income)?
5. What are the impacts of migration receiving country and sending country (especially labor market)?
6. How is distribution of wages related with immigration?
7. How is immigration or its impact significantly affected by public policies?
Debate: Round 3

* Students should submit 1-2 pages of debate summary (issues and positions) before the class.

Topic: Are salaries of top executives too high?

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List of major concepts

1. How can employers create and maintain incentives for workers?
2. How do different mechanisms for paying workers affect effort?
3. How are job structured to take into account long-term relationships between workers and employers?
4. How does the existence of an internal labor market imply about the relationship between age and earnings?
5. Why is there the promotion tournament?
6. What is the drawback of promotion tournament?
7. Is there a government interference in private salary decisions, such as limiting pay of top executives?
Debate: Round 4

* Students should submit 1-2 pages of debate summary (issues and positions) before the class.

Topic: Do you vote for (the Bus) strike?

Teams

List of major concepts

1. How do patterns of unionization differ among industries and occupations?
2. What causes these differences? And why does unionization differ across demographic groups?
3. What are the union goals?
4. What determines the bargaining power of firms and unions?
5. What determines when a strike occurs?
6. How frequent are strikes, and what are their economic impacts on strikers, employers, and economy as a whole?
7. How does public policy affect the chance of a strike occurring?
8. What are the union goals?
Student Evaluation of Debate

Name ___________________

I. Were the claims supported effectively?
   1) Statement/refutation/conclusion
   2) Demonstrate knowledge (use of theory and evidence)
   3) Speaking skills: speak loudly and clearly

II. Was the argument well organized?
   1) Use time efficiently
   2) Demonstrate preparedness for debate, handling notes
   3) Stick to the point/ask relevant questions

III. Does the person take debate seriously?
   1) Demonstrate enthusiasm
   2) Respect opponent/team/audience
   3) Eye contact/sit (stand) straight

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Written comments: