This course is the first of a two-quarter sequence on the economics of labor markets. The second course will be taught by Professor Luigi Pistaferri. Here is an outline of Econ 246:

I. The Demand for Labor  
   a. Homogeneous labor  
   b. Heterogeneous labor, capital-skill complementarity, skill-biased technical change  
   c. Disaggregated production functions and the organization of labor  
   d. Intertemporal models, constraints on employment changes  

II. The Supply of Labor  
   a. Static models  
   b. Social experiments and the roots of difference-in-difference specifications  
   c. Intertemporal models and retirement  

III. Wages and Income  
   a. Human capital investment  
   b. Family background and schooling  
   c. Wage mobility  
   d. Changes in the wage structure  
   e. Income inequality and poverty  

IV. Contracts  
   a. Objectives  
   b. Bargaining models  
   c. Effects of unions  
   d. Individual bargaining  

Here are some readings. They do not constitute a “hit parade” of best papers in labor economics. They have been selected for their particular contribution to instruction in this course.

I. The Demand for Labor Services

*Homogeneous and heterogeneous labor*


Disaggregate production functions: Human resource techniques and worker participation


Intertemporal models, constraints on employment changes


Patricia M. Anderson, "Linear Adjustment Costs and Seasonal Labor Demand: Evidence from Retail Trade Firms", QJE, November 1993, 1015-1042.


II. The Supply of Labor Services

Static models


*Nonlinear Budget Constraints and Social Experiments*


*Intertemporal models*


*Retirement*


### III. Wages and Incomes

*Human capital investment, family background, and schooling*


*Earnings mobility*


*Changes in the wage structure*

Finis Welch, “Growth in Women’s Relative Wages and in Inequality Among Men; One Phenomenon or Two?”, AER Proc., May 2000, 444-449.


Income Inequality and Poverty


IV. Labor Contracts: Specific Human Capital, Unions, and Worker-Owned Firms

Models


Applications


