

1. Review of Card and Krueger minimum wage studies: How can we explain the unexpected findings?
  - Short run vs. long run
  - Minimum-wage workers as hamburger eaters: demand effects
  - Minimum wage when firms have monopsony power
2. Covered and uncovered sectors: living wage ordinances, etc.
3. Monopoly power in the labor market: unions and demand elasticity
  - What is a labor union's objective? Wages and employment
  - Monopoly union: sets wage, employment determined on the demand curve
  - Role of demand elasticity: less elastic demand permits higher union wage
4. Globalization and labor markets: overview
  - Some commonly identified labor-market "problems":
    - (1) inequality (wage gap) and decline of low-skilled real wages
    - (2) increased instability and insecurity in pay and employment
  - Is globalization the culprit?
  - Defining globalization: Increased role of trade and increased immigration
5. Effects of globalization on labor markets in the United States
  - Trade: demand shift
  - Immigration: supply shift
  - Why do many economists think the effect of globalization is probably "small"?
  - Rodrik on globalization effects: the role of demand elasticity, "rent-sharing," etc.
6. Other applications of labor-market analysis
  - Income and payroll taxes
  - Economic rent in the labor market
  - Efficiency analysis: deadweight loss due to labor-market interventions

Reading for next time: Smith, *The Wealth of Nations*, chapter 10 (selections)  
Sundstrom, *Notes on Labor Economics*, chapter 6