Discussion 2

Labor Economics

10/30/2011

**Question I:** Briefly explain how the following programs would affect the elasticity of demand for labor in the steel industry.

(a) An increased tariff on steel imports.

(b) A law making it illegal to layoff workers for economic reasons.

(c) A boom in the machinery industry (which uses steel as an input) – causing production in that industry to rise.

(d) An increase in the wages paid by employers in the steel industry