3.9. Marshall's Laws of Derived Demand
   a. The elasticity of demand for labor INCREASES as:
   b. [] increases
   c. EQ (the elasticity of demand for output) increases
   d. SK (labor's share of total cost) increases
   e. the elasticity of supply of K increases

3.10. Theory, Evidence, and Policy
   a. Estimating the elasticity of demand for labor (using Belgian data)
      • What theory tells us
      • Specifying an empirical model
      • Estimating the model
   b. Experimental evidence (Do wage subsidies really increase the demand for labor?) — see handout on the Hiring Incentive Experiment
   c. A skeptical note on nonexperimental evidence
      • If we want estimates that tell us what to expect if a policy is implemented. do we need to conduct an experiment? Existing findings suggest that the answer is yes.