

Labour Economics
ECONOMICS EC3344B-001
Department of Economics
Western University

January 2021

General Information:

Instructor: Martin Luccioni
Office: SSC 4036
E-mail: eluccion@uwo.ca Please put Econ 3344 in subject.
Office hours: Tuesdays and Thursdays, 10:30 am-noon (ET, via Zoom)
Delivery mode: online asynchronous
Course website: <https://owl.uwo.ca/portal>
Undergraduate inquiries: 519-661-3507 or SSC Room 4075 or econugrd@uwo.ca

Registration:

You are responsible for ensuring you are registered in the correct courses. If you are not registered in this course, the Department will not release any of your marks until your registration is corrected. You may check your timetable by using the Login on the Student Services website at <https://student.uwo.ca>. If you notice a problem, please contact your home Faculty Academic Counsellor immediately.

Prerequisite Note:

The prerequisite for this course is **Economics 2261A/B**. An antirequisite is **Economics 2155A/B**.

You are responsible for ensuring that you have successfully completed all course prerequisites, and that you have not taken any anti-requisite courses. Lack of prerequisites may not be used as a basis for appeal. If you are found to be ineligible for a course, you may be removed from it at any time and you will receive no adjustment to your fees. This decision cannot be appealed.

If you find that you do not have the course prerequisites, it is in your best interest to drop the course well before the end of the add/drop period. Your prompt attention to this matter will not only help protect your academic record but will ensure that spaces become available for students who require the course in question for graduation.

Course Objectives:

This course is an advanced introduction to labour economics. The objective of this course is to provide students with tools to study the determinants of earnings and employment. We will examine various models of labour economics to investigate how different policies may affect earnings, labour force participation, and hours worked. We will analyze how imperfectly competitive markets may affect workers' decisions and earnings. We will also discuss some of the main challenges when bringing these models to data.

Course Learning Outcomes:

- Understand the neoclassical models of labour supply and demand.
- Be able to analyze how various policies and institutions affect the labour market.
- Understand the fundamental aspects of the theory of human capital.
- Understand the consequences of imperfect competition in the labour market.
- Be able to explain why individual workers have different wages.
- Interpret empirical evidence within the context of the theories presented during the course.

Communication:

1. Course OWL Site:

- All course materials will be posted on the course OWL site.
- Students should check the course OWL site every 24 hours.
- A weekly update will be provided on OWL.

2. Office hours:

- I will answer questions about the course on Tuesdays and Thursdays, 10:30 am-noon (ET, via Zoom).
- These meetings will not be recorded.
- Students can access office hours via OWL's Zoom tool. Access to Zoom office hours will be restricted to students with valid UWO email address, for example, @uwo.ca or @ivey.ca.

3. Email

- Emails will be monitored daily; students will receive a response in 24 – 48 hours. Please put Econ 3344 in the subject. Only emails sent from valid UWO email addresses would be answered.

Textbook and Course Material:

Required: Benjamin, Gunderson, Lemieux, Riddell, Labour Market Economics, 8th edition, McGraw-Hill Ryerson, 2017 (**hereafter BGLR**)

There will be lecture notes, slides, short videos, and problem sets posted on the course website.

The required book is not a substitute for the additional material that will be posted on OWL.

Technical Requirements

- Laptop or computer with a stable internet connection to access OWL and submit problem sets and exams.
- A Zoom account with your university email address.
- Webcam and Microphone, for office hours.

- Scanner or camera. The instructor may ask students to upload electronic copies of handwritten answers.

For technical support, see the OWL Help page or contact Western Technology Services Helpdesk (<https://wts.uwo.ca/about-wts/contact.html>). Google Chrome or Mozilla Firefox are the preferred browsers for OWL (please update your browser frequently).

Assessments and Grading:

Problem Set #1 worth 5%. Due date: February 5.

Midterm #1 worth 25%. Tentatively on February 10, 9:00AM-12:00PM.

Problem Set #2 worth 5%. Due date: March 12.

Midterm #2 worth 25%. Tentatively on March 19, 9:00AM-12:00PM.

Problem Set #3 worth 5%. Due date: April 9.

Final worth 35%. To be announced by Registrar

Problem Sets:

There are three problem sets that you must hand in for marks. You must turn in your problem sets individually. Problem sets will be posted in advance on OWL. Answer keys will be provided. Late problem sets will not be accepted. The structure of the problem sets will be announced at OWL as the date approaches.

Every week, I will post additional problems that will not be graded. You are encouraged to attend office hours to discuss their solutions.

Exam Duration and Type

The exams will consist of a set of mixed format questions. The final exam will include all the material covered up to that point in the course. All testing is open book, open notes, with calculators allowed. However, the structure of the exams will be announced at OWL as the date approaches.

You will have 3 hours to write and submit your exams. Modifications should be expected. I will be available for questions during the exam by email.

Exams dates/times will be scheduled by the Registrar's Office, after which students will be notified. Above mentioned exam dates are tentative.

During examinations, students may not communicate with any person other than the instructor or an examination proctor. Communication equipment, such as cell phones, are not allowed. At the beginning of each exam, you will sign an oath to this effect.

Midterm and Final exams are timed. If you are a student with a disability and require extra time accommodation, please ensure your accommodations are active on the Accommodated Exams website <https://studentservices.uwo.ca/Accommodatedexamssignup/> for this course 10 days before the assessment. Any accommodations posted there will be applied to your assessment.

Policies regarding missed exams:

- A. All examinations, whether regularly scheduled or make-up, are subject to the university policy for exceptional circumstances as stated at https://www.uwo.ca/univsec/pdf/academic_policies/appeals/Academic_Consideration_for_absences.pdf. Note that the policy's Sections 3, 4, and 5 (on pages 3, 4, and 5) expressly state that students must contact the instructor no later than **24 hours** after the end of their period of excused absence from academic responsibilities. Failure to do so invalidates the excuse for the purposes of this course. See the 'Please Note' section of this syllabus for details on these procedures.
- B. Unexcused unwritten exams receive a mark of **zero**.
- C. The tests must be written on the assigned dates. There are **no** make-up midterm exams. An excused midterm's weight will be shifted to the final exam.
- D. Make-up final exams will be scheduled by the instructor. (Note that Paragraph A applies to make-up final exams.)
- E. Students who have been excused from one or more exams may find that their final exam differs in form and/or content from the final exam given to students who have written all exams at the regularly scheduled times. For example, a student who has not written one of the midterms may find that their final exam (whether regularly scheduled or make-up) has more questions concerning the material that would have been tested on the unwritten midterm. Or, for another example, a student writing a make-up final exam may find that their final exam has questions on different topics than those tested in the regularly scheduled final exam. Such alterations are not intended to change the expected difficulty of the exams.

Topics Covered:

The BGLR readings should not be considered as a substitute for the OWL material. Various advanced topics covered in the lecture notes are not in BGLR.

1. Labour Supply (**Chapter 2-4, BGLR**):
 - The neoclassical theory of labour supply.
 - Empirical aspects of labour supply.
 - Public Policy: Partial equilibrium effects.
 - Household production.
2. Labour Demand (**Chapter 5-6, BGLR**):
 - The static theory of labour demand.
 - Empirical aspects of labour demand.
 - Demand for labour in the long run.
3. Labour Market Equilibrium (**Chapter 7, BGLR**):
 - The competitive equilibrium.
 - Imperfect competition.

- Minimum-wage policy.
4. Education and Human Capital (**Chapter 8-9, BGLR**):
 - The theory of human capital. The Ben-Porath model.
 - Education as a signaling device.
 - Empirical evidence on the Ben-Porath and signaling model.
 5. Topics in Labour Econometrics (**Chapter 10, BGLR**):
 - The selection problem. The Roy model.
 - Identifying the returns to education.
 - Estimating the returns to education.
 6. Contracts and Incentives (**Chapter 13, BGLR**):
 - The principal-agent model with hidden action.
 - Performance pay and efficiency.
 - Deferred wages.
 7. The Economics of Immigration (**Chapter 11, BGLR**):
 - The impact of immigrants on the labour market.
 - Study case: Mariel boatlift and the Miami labour market.
 8. Discrimination and Male-Female Earnings Differentials (**Chapter 12, BGLR**):
 - Theories of labour market discrimination.
 - Empirical evidence on male-female earnings differentials.
 - Impact of policy initiatives.
 9. Unions and Collective Bargaining (**Chapter 14-15, BGLR**):
 - Bargaining Theory.
 - Union Objectives.
 - Union Wage Impact.

Tips on How to Be Successful in this Class:

- Students in this class should understand the level of autonomy and self-discipline required to be successful.
- The lecture notes may be updated frequently. Thus, check OWL regularly to ensure you have seen everything posted.
- As you go through the material, keep a list of questions to ask during office hours.
- If you have questions or are struggling with a topic, ask the instructor during office hours or via email.
- Exams will be based on lecture notes, problem sets, and any other material uploaded by the instructor on OWL.

Privacy and Copyright:

- Students are expected to follow the [Student Code of Conduct](#).

- Students may not record office hours or any other online session. This is to protect the privacy of the other students.
- All course materials are protected by copyright law. Thus, a student may not reproduce (or allow others to reproduce) any of the course materials, unless it for the student's own educational purposes.

Please Note
Department & University Policies for 2020-2021

The University expects all students to take responsibility for their own Academic Programs. Students should check their registration to ensure they are enrolled in the correct courses.

Academic Rights and Responsibilities: Students should be familiar with their “Academic Rights and Responsibilities” as outlined [here](#) in the Western Academic Calendar. Claiming that “you didn’t know what to do” is not an acceptable excuse for not following the stated procedures.

Guidelines and Policies for Students are posted online in the current Western Academic Calendar at <http://westerncalendar.uwo.ca>. Undergraduate information for the Faculty of Social Science can be found at: <https://www.ssc.uwo.ca/undergraduate/index.html> and for the Department of Economics at: <https://economics.uwo.ca/undergraduate/index.html>.

Rules of Conduct for Examinations: Students are expected to know the university’s Rules of Conduct for Examinations, available [here](#).

Cheating and Academic Offences: Students are responsible for understanding what it means to “cheat.” The Department of Economics treats cheating and other academic offences very seriously and will investigate any suspect behavior. Students found guilty will incur penalties that could include a failing grade or being barred from future registration in Economics courses or programs. The University may impose further penalties such as suspension or expulsion.

Plagiarism: Plagiarism is an academic offence. Students must write their essays and assignments in their own words. Ideas/passages taken from another author must be referenced with footnotes or citations and acknowledged with quotation marks where appropriate. Western University uses software to check for plagiarism and students may be required to electronically submit their work. Those found guilty will be penalized as noted in point 3. See Scholastic Discipline for Undergraduate Students [here](#) in the Western Academic Calendar.

Academic Appeals: Students should refer to the Student Academic Appeals section [here](#) in the Western Academic Calendar. Please note the relevant deadlines.

Department Appeals Procedures: The Department will not consider an appeal unless an attempt has been made to settle the matter with the instructor first. Students who remain dissatisfied with the outcome may submit a written appeal to the Undergraduate Director in Economics, stating the reasons for their appeal. Information on the Department of Economics’ appeals procedure and the appeals form are available [here](#).

Systematic Adjustments: Systematic adjustments of class grade distributions (either up or down) can occur in Economics courses. The systematic adjustment of a class grade distribution is **not** grounds for an appeal.

Add/drop deadlines:

Deadline to add a second term half course:

Tuesday January 19, 2021

Deadline to drop a second term half course:

Sunday March 14, 2021

Oversleeping or Misreading the Exam Schedule: Faculty of Social Science policy states that oversleeping or misreading the exam schedule is NOT grounds for a makeup. This rule applies to all exams in the Department of Economics.

End of Term Travel: Students must book travel arrangements AFTER final exam dates have been posted; travel is not an acceptable excuse for absence from a final exam.

Rewriting Exams and Retroactive Reweighting are NOT Permitted: Students who proceed to write a test or examination must be prepared to accept the mark. Rewriting tests or examinations, or retroactive reweighting of marks, is **not** permitted.

Accommodation Policies: Students with disabilities should work with Accessible Education (formerly SSD), which provides recommendations for accommodation based on medical documentation or psychological and cognitive testing. The accommodation policy can be found here: [Academic Accommodation for Students with Disabilities](#).

Academic Consideration for Missed Assessments/Exams due to Student Absence: Students will have up to two (2) opportunities during the regular academic year to receive academic consideration if they self-report a missed assessment using the online portal, provided the following conditions are met: the assessment is missed due to an absence of no more than 48 hours in duration, and the assessment for which consideration is being sought is worth 30% or less of the student's final grade. Students are expected to contact their instructors within 24 hours of the end of the period of the self-reported absence, unless noted otherwise on the syllabus. Students are not able to use the self-reporting option in the following circumstances:

- for exams scheduled by the Office of the Registrar (e.g., December and April exams)
- absence of a duration greater than 48 hours
- assessments worth more than 30% of the student's final grade
- if a student has already used the self-reporting portal twice during the academic year

If the conditions for a Self-Reported Absence are *not* met, students will need to provide a Student Medical Certificate (SMC) if the absence is medical or provide appropriate documentation if there are compassionate grounds for the absence in question. Students are encouraged to contact their Faculty academic counselling office for more information about the relevant documentation. It is strongly recommended that students notify the instructor as soon as possible, ideally before the assessment, when they become aware of an absence. University policy is that students must communicate with their instructors no later than 24 hours after the end of the period covered by the SMC or immediately upon their return from their documented absence. Failure to follow University policy and procedures may result in denial of academic accommodation and a grade of zero.

Individual instructors are not permitted to receive documentation directly from a student, whether in support of an application for consideration on medical grounds or for other

reasons. **All required documentation for absences that are not covered by the Self-Reported Absence Policy must be submitted to the Academic Counselling office of a student's Home Faculty.**

For Western University policy on Consideration for Student Absence, see:

[Policy on Academic Consideration for Student Absences - Undergraduate Students in First Entry Programs.](#)

For the Student Medical Certificate (SMC), see:

http://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf.

Religious Accommodation: Students should consult the University's list of recognized religious holidays and should give reasonable notice in writing, prior to the holiday, to the Instructor and an Academic Counsellor if their course requirements will be affected by a religious observance. Additional information is given in the [Western Multicultural Calendar](#).

Policy Regarding Class Attendance and Engagement: If the instructor deems a student's attendance or engagement in the class to be unsatisfactory, that student may be prohibited from writing the final examination. Examples of unsatisfactory class engagement include frequent absences from an in-person or synchronous online class, lack of assignment submissions, and inadequate use of online course materials. Instructors who intend to make use of this policy will notify the student in advance.

Statement on Mental Health and Support Services: Students under emotional/mental distress should visit http://uwo.ca/health/mental_wellbeing/ for more information and a complete list of resources on how to obtain help.