

**WESTERN UNIVERSITY
LONDON CANADA**

**Department of Economics
Economics 2156A - 001
Labour Economics - Bargaining
Course Outline**

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September 2016

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Course meets: Monday, Wednesday, Friday: 9:30 – 10:30, SCC 2028

Office Hours: Monday, Wednesday, Friday: 10:30-11:30, or by appointment

Course website: <https://owl.uwo.ca>

Undergraduate Enquiries: 519-661-3507

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 are **Economics 1021A/B and 1022A/B** or **Economics 2001A/B**.

You are responsible for ensuring that you have successfully completed all course prerequisites, and that you have not taken an anti-requisite course. Lack of pre-requisites 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.

Summary Description of Course

This course will first derive the basic labour market model and the outcomes predicted by that model. The supply of labour, for the individual and for the market will be derived, along with the factors that influence these supplies. Also we will derive the demand for labour under various market structures. It is the interaction of the demand and supply that generate the outcomes in the labour market.

We will develop reasons for wage differentials to exist among workers.

We will then examine the effects of unionization on the Labour market.

Learning Outcomes

- Students will learn how to analyze supply and demand behaviour in labour markets and the consequences for wages and employment.
- Students will learn how to explain why wage differentials exist among workers.
- Students will learn how to analyze the effects of government policies, such as minimum wage laws, and health and safety laws on labour markets.
- Students will learn how unions affect the outcomes in labour markets.
- Students will be able to model how unions can effect in the outcomes for both unionized and nonunionized workers.

Assessment:

There will be two midterms worth 25% each, and a final exam worth 50%.

For missed exams with a good reason, there will be make ups offered during the following week.

Midterm #1 Friday, October 14, 4:30 – 6:30

Midterm # 2 Friday, November 11, 4:30 – 6:30

Final examination, Set by Registrar

Textbook

Benjamin, D. Gunderson, M., Lemieux, T., Riddell, W.C., *Labour Market Economics*, 7th Edition, McGraw Hill-Ryerson, 2012

Course Outline

The Chapter references in the outline of topics below refer to the textbook. Some material in some chapters will be omitted from the course,

1. Introduction – Ch. 1
 - Demand and Supply
 - Equilibrium

2. Labour Supply – Ch. 2, 3, 4
- Basic consumer Model
 - Basic Income – Leisure Model
 - Individual Supply Curve of Labour
 - Work Incentives
 - Labour supply over the Life cycle

3. Labour Demand – Ch. 5, 6
- Labour Demand in the Short Run
 - Labour Demand in the Long Run
 - Elasticity
 - Quasi-fixed Costs

4. Equilibrium Relative Wages – Ch. 7,8, 12
- Monopsony
 - Minimum wage laws
 - Compensating Wage Differentials
 - Wage Discrimination

5. Unions – Ch. 14, 15, 16
- Union Growth
 - Union models
 - Bargaining Theory

Tentative Schedule

Introduction, Demand, Supply Equilibrium	Week 1
Labour Supply, Consumer Model, Labour-Leisure Choice Model	Week 2
Supply Curve, Work incentive, Life Cycle	Week 3-4
Labour Demand, Short run, Long Run	Week 5-6
Elasticity, Quasi-Fixed Costs	Week 7-8
Compensating Wages, Wage Discrimination	Week 9-10
Union Models	Week 11-13

Please Note
Department Policies for 2016 – 2017

Remember that the University expects all students to take responsibility for their own academic Programs. Also remember to check your registration to make sure you are enrolled in the correct courses.

1. Guidelines and policies for the Faculty of Social Science and the Department of Economics are posted online in the current Western Academic Calendar at <http://westerncalendar.uwo.ca>.
2. Students must familiarize themselves with the “Rules of Conduct for Examinations” <http://westerncalendar.uwo.ca/2016/pg136.html>.
3. **Cheating as an academic offence:** Students are responsible for understanding what it means to “cheat”. The Department of Economics treats cheating incidents 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 other economics courses or programs. The University may impose further penalties such as a notation on your official academic transcript, suspension or expulsion.
4. **Plagiarism:** Students must write their essays and assignments in their own words. Whenever students take an idea or a passage from another author, they must acknowledge it by using quotation marks where appropriate and referencing with footnotes or citations. Plagiarism is a major academic offence (see Scholastic Offence Policy in the current UWO Academic Calendar at <http://westerncalendar.uwo.ca/2016/pg113.html>).

The University of Western Ontario uses software to check for plagiarism and students may be required to submit their written work in electronic form. Those found guilty will have penalties imposed as noted in point 3.

5. It is Department of Economics policy that **NO** assignments be dated, stamped or accepted by staff. Students are responsible for submitting assignments in class or to the instructor during office hours.
6. When appealing a mark, students should refer to the University’s Procedures in the current UWO Academic Calendar (<http://westerncalendar.uwo.ca/2016/pg112.html>). Please note the relevant deadlines.

The Department will not consider any appeal unless an attempt has been made to settle the matter first with your instructor. If after this discussion you remain dissatisfied with a grade or other decision, you may proceed with a written appeal (e-mails are not acceptable) to the Undergraduate Director in Economics, stating the reasons for your appeal. A useful form and checklist is provided at (http://economics.uwo.ca/undergraduate/program_counselling/responsibilities_policies.html#appeals).

7. Systematic adjustments of a class grade distribution (either up or down) can occur in Economics courses. The fact that grades have been adjusted is **not** grounds for an appeal.
8. Note the following add and drop deadlines:

Last day to **add** a first term half course:
Friday, September 16th, 2016

Last day to **drop** first term half course without academic penalty:
Monday, November 7th, 2016
9. Faculty of Social Science policy states that oversleeping or misreading an exam schedule is not an excuse for a make-up. This rule applies to all mid-term tests and final exams in the Department of Economics.

Policy Regarding Makeup Tests and Final Examinations

*Academic accommodation will **not** be granted automatically on request. You **must** demonstrate by documentation that there are **compelling** medical or compassionate grounds before academic accommodation will be considered.*

If you decide to write a test or an examination, you must be prepared to accept the mark you earn. Rewriting tests or examinations, or having the value of the test or examination reweighted on a retroactive basis, is **not** permitted. Book airline flights after you know the dates of your final examinations. Airline flights must not conflict with test or final exams.

If you are requesting a makeup test for a midterm or a final examination, unless medically incapable, notify your instructor by email or phone, preferably prior to the scheduled date of the test, but definitely within **24 hours** of the date of the test or exam. Failure to follow this procedure may result in denial of a request for academic accommodation or result in a grade of zero. Set up an appointment as soon as possible to meet personally with your instructor. If the instructor is not available, you may send an email message, copying the Undergraduate Coordinator at econugrd@uwo.ca (Social Science Room 4075). **Notifying your instructor of a missed test or exam does not automatically entitle you to a makeup test.**

Students who seek a makeup test or examination must provide medical or other relevant verification that their absence from a regularly scheduled test or examination is beyond their control. Documentation must support your reasons. Medical documentation should be given to the Academic Counselling Office of your *home* Faculty **as soon as possible (preferably within 24 hours of the test)** if you know you may not be able to write your final examination on the scheduled day and time. Failure to follow this procedure, or to provide supporting documentation, may result in denial of a request for academic accommodation or result in a grade of zero. If your documentation is not acceptable, you will be given a zero for the missed test.

For personal illness, if you consult Student Health Services regarding your illness or personal problem, you should request a Student Medical Certificate from the physician. If you were seen by an off-campus doctor, obtain a certificate from his/her office at the time of your visit. The off-campus medical certificate form must be used and can be found at: http://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf. Notes stating "For Medical Reasons" are not considered sufficient.

For any other circumstances, if you are not sure what documentation to provide, ask your Academic Counsellor. If your documentation is judged sufficient, the Academic Counsellor will issue a Recommendation for a Special Examination (a single form for midterms or a triple color form for final examinations). Once you have this form, contact your instructor as soon as possible to make arrangements. Even if approved from your home faculty Academic Counsellor, there is no guarantee that you will be allowed to write the makeup test and exam.

For final examinations, you need permission from your *home* Faculty Counsellor, your instructor, and the Department Undergraduate Director. Failure to follow this procedure may result in an examination grade of zero. You must ensure that the Special Examination form has been signed by the instructor and Department Undergraduate Director and that the form is returned to the Academic Counselling Office for approval without delay. Make-up final examinations, if permitted, will be written within one month of the end of the exam period.

Policies Regarding Academic Accommodation

Information about the Faculty of Social Science's policies regarding academic accommodation is found on its website at <http://counselling.ssc.uwo.ca/procedures/havingproblems.asp> or in Social Science Room 2105. Your "Academic Rights and Responsibilities" are also outlined in the current UWO Calendar at <http://westerncalendar.uwo.ca/2016/pg111.html>. Claiming that "you didn't know what to do" is not an acceptable excuse for not following the stated procedures.

Policy Regarding Class Attendance

If your instructor views your class attendance as unsatisfactory, you can be prohibited from writing the final examination. If there is intent to make use of this University policy, you will be notified in writing.

Statement on Mental Health and Support Services

If you or someone you know is experiencing emotional/mental distress, there are several resources here at Western to assist you. Please visit <http://www.uwo.ca/uwocom/mentalhealth/> for more information and a complete list of resources, as well as how to obtain help.