

Department of Economics
Western University
Economics 2156A-001
Labour Economics - Bargaining

Summer 2017

Instructor: Shannon Potter

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Course Website: <https://owl.uwo.ca/portal>

Course Information: M/Tu/W 9:30-11:30am, SSC Room 2020

Office Hours: Tu/W 8:30-9:30am, SSC Room 4004

Undergraduate inquiries: 519-661-3507 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 a 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

Antirequisites: Economics 3344A/B and Economics 3345A/B.

Prerequisite(s): 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.

Course Description

The objective of this course to introduce students to labour economics with a focus on the economic and legal aspects of unions and bargaining.

Students will learn about the concepts of labour supply and demand. Labour supply includes both individual decisions of participation and hours, as well as the effect of welfare programs, wage subsidies and employment insurance on these decisions. We consider labour demand in a competitive labour market, as well as the role of nonwage benefits and the quasi-fixed costs of labour. Combining labour supply and labour demand, we examine the equilibrium level of employment and wages and the role of a minimum wage. Economic theory predicts that equally productive individuals will receive different wages depending on job characteristics, such as amenities available and workplace safety. We explore this idea (*compensating wage differentials*) as well as multiple other dimensions along which wages vary: occupation, industry, public vs. private sector, demographic characteristics and union status.

A brief history of the labour movement in Canada will be presented with a focus on underlying economic forces. Students will then be introduced to labour law and the processes of certification, negotiation, bargaining, strike activity and collective agreements. We will review hypotheses for the extent of union organization, the role of legislation and why unions decline. We will examine the impact of unions on wages, working conditions, investment and profitability. Additional topics related to unions and bargaining may be covered.

Students will complete 4 quizzes, a midterm, and a final exam. The purpose of the quizzes is to motivate students to keep up with the material. The midterm will break the course in half, with the objective that students will be comfortable with the first half of the material before we proceed to the second half. The final exam will be cumulative.

Learning Outcomes

Students will be able to use the income-leisure model to derive the labour supply schedule and to analyze the work incentive effects of a variety of welfare programs, wage subsidies and employment insurance. Students will be able to explain, in words and graphically, firms labour demand decisions, both in the short- and long-run and the role of quasi-fixed costs and non-wage benefits in labour demand. They will be able to explain, in words and graphically, equilibrium in a labour market and to analyze the effect of a minimum wage. Students will recall the main historical events in Canadian labour history and link these to the economic and legal environment. Students will be able to describe the bargaining and negotiations processes, and explain the basic legal framework within which these processes occur. Students will be able to describe the changes in the extent of unionization over time, and summarize the possible explanations for these trends as presented in the course. Students will be able to describe the theoretical impacts of unions, and summarize the evidence as presented in the course.

Course Materials

Textbook: Benjamin, Gunderson, Lemieux, Riddell, *Labour Market Economics*, 7th edition, McGrawHill Ryerson, 2012

Other: Supplemental material (slides and additional readings) will be posted on OWL throughout the semester.

Evaluation

Student performance will be evaluated by quizzes, a midterm, and a final exam.

- **Quizzes (20%)** Quizzes will be written at the end of classes on May 23, May 29, May 31, and June 14. Your grade will be based on the highest 3 marks received on 4 quizzes. If you are absent for 1 out of 4 quizzes, you will receive a grade of zero on that quiz and your mark will be based on the remaining 3. This will be the case no matter what the reason for missing the quiz. If you miss more than 1 quiz, you will receive a zero on each missed quiz. If you miss more than 1 quiz due to a legitimate absence you should speak to an academic counsellor and submit appropriate documentation to the Dean's office. There will be no re-writing of quizzes, and a student with a valid reason for missing more than 1 quiz may have the weight deferred to the final exam.
- **Midterm (30%)**
This will be held in SSC 2024 from 6:30-8:30pm on Monday, June 5. If you have a course at this time, please contact me about this as soon as possible. The format will be a combination of multiple choice and short answer. It will be designed to evaluate your understanding of concepts both through your knowledge (to be demonstrated in the multiple choice section) and your ability to apply your knowledge to different contexts (to be demonstrated in the short answer section). If a student misses the midterm they may receive a grade of zero. If a student misses the midterm due to a legitimate absence they should speak to an academic counsellor and submit appropriate documentation to the Dean's office.
- **Final (50%)**
Date TBA. The format of the final exam will be similar to that of the midterm, a combination of multiple choice and short answer. It will be cumulative. It will be designed to evaluate your understanding of concepts both through your knowledge (to be demonstrated in the multiple choice section) and your ability to apply your knowledge to different contexts (to be demonstrated in the short answer section).

Note: The students may be allowed to drop the course by special permission after the official drop deadline when they get back the marks for Quiz 1-3. To obtain a special permission to drop the course please contact Gregory Pavlov, Undergraduate program director (gpavlov@uwo.ca).

Please Note

Department Policies – Summer 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/2017/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 behaviour. 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/2017/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/2017/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: *(Use Chrome or Firefox)* 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:

Dates for **adding** courses in the summer:

Last day to <u>add</u> a Distance Studies Course:	Friday, May 12, 2017
Last day to <u>add</u> an Intersession Course:	Tuesday, May 16, 2017
Last day to <u>add</u> a first term half course Summer Evening:	Friday, May 12, 2017
Last day to <u>add</u> a second term half course Summer Evening:	Friday, June 23, 2017

Dates for **dropping** Courses in the summer:

Last day to <u>drop</u> a Distance Studies Course	Monday, June 12, 2017
Last day to <u>drop</u> an Intersession Course	Monday, June 5, 2017
Last day to <u>drop</u> a first term half course Summer Evening:	Monday, June 5, 2017
Last day to <u>drop</u> a second term half course Summer Evening:	Monday, July 17, 2017

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 Counselor. If your documentation is judged sufficient, the academic counselor 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 ASAP 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 Chair. 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 Chair and that the form is returned to the Academic Counseling 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/2017/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 debarred 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.