

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

Summer 2018

**Instructor:** Shannon Potter

**Email:** [spotter5@uwo.ca](mailto:spotter5@uwo.ca)

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

**Course Information:** M/Tu/W 9:30-11:30 a.m., SSC Room 2032

**Office Hours:** Tu/W 8:30-9:30 a.m., SSC Room 4004

**Undergraduate inquiries:** 519-661-3507 SSC Room 4075 or [econugrd@uwo.ca](mailto: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

*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 22, May 28, June 4, and June 18. 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 class on Monday, June 11. 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).

## Please Note

### Department Policies for Summer 2018

Remember that the University expects all students to take responsibility for their own Academic Programs. Students should also check their registration to ensure they 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://www.uwo.ca/univsec/pdf/academic\\_policies/exam/administration.pdf](http://www.uwo.ca/univsec/pdf/academic_policies/exam/administration.pdf).
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 an official academic transcript, suspension or expulsion.
4. **Plagiarism:** Students must write their essays and assignments in their own words. When taking an idea/passage from another author, it must be acknowledged with quotation marks where appropriate and referenced with footnotes or citations. Plagiarism is an academic offence (see Scholastic Discipline for Undergraduate Students in the Western Calendar at [http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryID=1&SelectedCalendar=Live&ArchiveID=#Page\\_20](http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryID=1&SelectedCalendar=Live&ArchiveID=#Page_20)).

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.

5. It is a Department of Economics policy that **NO** assignments be dated, stamped or accepted by staff. Students must submit assignments in class or to the instructor during office hours.
6. When appealing a mark, students should refer to the Student Academic Appeals section in the current Western Academic Calendar at:  
[http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryID=1&SelectedCalendar=Live&ArchiveID=#Page\\_14](http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryID=1&SelectedCalendar=Live&ArchiveID=#Page_14).

Please note the relevant deadlines.

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 proceed with a written appeal (e-mails are not acceptable) to the Undergraduate Director in

Economics, stating the reasons for their appeal. A checklist is provided at:  
[http://economics.uwo.ca/undergraduate/program\\_counselling/responsibilities\\_policies.html#appeals](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:

Deadlines to add courses in the summer:

Distance Studies:	<b>Friday May 11, 2018</b>
Intersession:	<b>Tuesday May 15, 2018</b>
Summer Evening (first term):	<b>Friday May 11, 2018</b>
Summer Evening (second term):	<b>Friday June 22, 2018</b>

Deadlines to drop courses in the summer:

Distance Studies:	<b>Monday June 11, 2018</b>
Intersession:	<b>Monday June 4, 2018</b>
Summer Evening (first term):	<b>Monday June 4, 2018</b>
Summer Evening (second term):	<b>Monday July 16, 2018</b>

9. Faculty of Social Science policy states that oversleeping or misreading an exam schedule is NOT grounds for a makeup. This rule applies to midterm and final exams in the Department of Economics.

### **Policy Regarding Makeup Tests and Final Examinations**

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

Students who proceed to write a test or examination must be prepared to accept the mark. Rewriting tests or examinations, or having their value reweighted on a retroactive basis, is **not** permitted. Students must also book travel arrangements AFTER final exam dates have been posted as they must not conflict with test or final exams.

Unless medically incapable of doing so, students must notify their instructor prior to the test date or at least within **24 hours** when requesting a makeup exam. Failure to follow this procedure may result in denial of academic accommodation and a grade of zero. Students should also set up an appointment as soon as possible to meet with their instructor. If the instructor is not available, send an email message, copying the Undergraduate Coordinator at [econugrd@uwo.ca](mailto:econugrd@uwo.ca). **Notifying instructors of a missed exam does not automatically entitle students to a makeup.**

Students who seek a makeup exam must also provide supporting medical or other relevant documentation that their absence from a scheduled test or exam is beyond their control.

Documentation should be submitted to the Academic Counselling Office of the student's *home* Faculty **as soon as possible (preferably within 24 hours of the scheduled test)**. Failure to follow this procedure may result in denial of academic accommodation and a grade of zero. If the documentation submitted is not acceptable, students will receive a zero for the missed test.

For personal illness, students may consult Student Health Services and request a Student Medical Certificate from the physician. If assessed by an off-campus doctor, students must obtain a certificate from his/her office at the time of the visit. The off-campus medical certificate form must also be used and can be found at:

[http://www.uwo.ca/univsec/pdf/academic\\_policies/appeals/medicalform.pdf](http://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf).

Notes stating "For Medical Reasons" are not considered sufficient.

For religious or compassionate circumstances, students should ask their Academic Counsellor what documentation to provide. If 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 exams). Once students have this form, they must contact their instructor as soon as possible to make arrangements. Even if approved by their Academic Counsellor, there is no guarantee that students will be allowed to write the makeup test/exam.

For final examinations, students need to seek permission from their *home* Faculty Counsellor, Instructor, and the Department Undergraduate Director. Failure to follow this procedure may result in a grade of zero. Students 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. If approved, makeup examinations will be written within one month of the end of the exam period.

### **Policies Regarding Academic Accommodation**

The Faculty of Social Science's policies regarding academic accommodation is found at [http://counselling.ssc.uwo.ca/procedures/having\\_problems/index.html](http://counselling.ssc.uwo.ca/procedures/having_problems/index.html).

"Academic Rights and Responsibilities" are also outlined in the Western Calendar at <http://westerncalendar.uwo.ca/PolicyPages.cfm?PolicyCategoryID=1&command=showCategory&SelectedCalendar=Live&ArchiveID=>. 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 the instructor deems a student's class attendance as unsatisfactory, that student may be prohibited from writing the final examination. If there is intent to make use of this University policy, the student will be notified in writing.

### **Statement on Mental Health and Support Services**

Students under emotional/mental distress should visit [http://uwo.ca/health/mental\\_wellbeing/](http://uwo.ca/health/mental_wellbeing/) for more information and a complete list of resources on how to obtain help.

