

LABOUR ECONOMICS - BARGAINING  
ECONOMICS EC2156B-001  
Department of Economics  
Western University

May 2020

**General Information:**

**Instructor:** Deanna Walker

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\*\*Subject line must include "2156"

**Office hours:** by appointment (details on course website)

**Classroom meeting time(s) & location:** N/A

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

**Undergraduate inquiries:** 519-661-3507 or 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:** The prerequisite(s) for this course is (are) [Economics 1021A/B](#) and [Economics 1022A/B](#), or [Economics 2001A/B](#).

Antirequisite(s): [Economics 3344A/B](#) and [Economics 3345A/B](#).

*Prerequisite(s) for your course can be found in the Western Calendar at:*

<http://westerncalendar.uwo.ca/Courses.cfm?Subject=ECONOMIC&SelectedCalendar=Live&ArchiveID>

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 investigates economic and legal aspects of labour relations, including wage and price controls, labour law, the history and origin of the trade union movement, the economics of trade unions, and the relationship between unions, firms and governments. Discussion of these topics will follow from empirical observations and economic models of the labour market, unions and bargaining.

## **Course Learning Outcomes:**

- Students will recognize the rationales and effects of union interventions in the labour market as well as various government and legislative influences.
- Students will apply the assumptions and predictions of basic labour market and union models in order to explain related policy implications in terms of economic theory.
- Students will interpret issues arising in labour relations in order to evaluate outcomes of hypothetical, historical, and contemporary situations.

## **Textbook(s):**

Benjamin, Gunderson, Lemieux, Riddell, *Labour Market Economics*, 8th edition, McGrawHill Ryerson, 2017

Supplemental material and other references will be posted on OWL.

## **Expectations:**

Students are expected to work consistently throughout the term. This includes on-time completion of weekly readings and OWL lessons, submission of assigned homework problems, and participation in class forums. Students will complete an exam at the end of the term.

To pass the course, a student must complete all components of the course.

Students are responsible at all times for clear articulation and reading comprehension. Work which shows a lack of proficiency in English may either be failed or, at the discretion of the instructor, returned to the student for revision to a literate level.

**Plagiarism, whether intentional or unintentional, will be treated as a scholastic offence.**

Unless specified otherwise, the exam and all homework and forum posts are expected to be your own, individual work. A helpful tutorial with quizzes for self-testing is available at [http://lib.usm.edu/plagiarism\\_tutorial.html](http://lib.usm.edu/plagiarism_tutorial.html).

## **Copyright:**

Lectures and course materials, including power point presentations, outlines, and similar materials, are protected by copyright. Students may take notes and make copies of course materials

for their own educational purposes. Students may not record lectures, reproduce (or allow others to reproduce), post or distribute lecture notes, wiki material, and other course materials publicly and/or for commercial purposes without written consent.

### **Topics Covered and Relevant Chapters:**

Week 1: Unions and the Labour Market (Ch 1, 8)

- What the neoclassical model predicts about the labour market
- Special considerations about labour markets and function of the wage rate
- Do workers need union empowerment?

Week 2: Labour Supply (Ch 2)

- Participation and hours-of-work decision
- Union influences on individual and market labour supply
- Special constraints on choice of worker hours

Week 3: Labour Demand (Ch 5, 6)

- Demand for labour in the presence of unions
- Labour and product market structures
- Quasi-fixed costs and compensation negotiation

Week 4: Labour Market Outcomes (Ch 1, 7)

- Monopsonistic demand for labour
- Union effects on market outcomes under different market structures
- Can government regulation achieve worker objectives without unions?

Week 5: Models of Union Behaviour and Bargaining (Ch 14, 14A)

- Overview of unions in Canada
- What workers care about and union preferences
- Determining contracts

Week 6: Impact of Unions (Ch 15)

- Wage differentials and effects of unions across sectors
- How unions affect non-wage outcomes

Supplemental material and other references will be posted on OWL.

### **Grading:**

As described under “Expectations,” all components of the course must be completed in order to be given credit for the course. Upon meeting this requirement, the grade will be calculated as follows (note that late submissions count towards the completion requirement for the course credit, but will be graded as zero):

Homework: 35%

Lessons: 5%

Forum Discussion: 15%

Final Exam: 45%

Missed assessments must be submitted for the completion requirement, but will be graded as zero. If the student's absence is officially excused (including SRA), some form of accommodation will be offered as deemed appropriate by the instructor. Such accommodation will depend on the particulars of the situation and may involve altering the weight, coverage, length and/or format of the student's coursework at the instructor's discretion. Students who miss any assessments must follow Western University's procedures for approval of their absence in order to receive such an accommodation. See the 'Please Note' section of this course outline for details of these procedures. If Western University announces any procedures for the approval of absences during Summer 2020 that supplement or supplant the information provided on this syllabus, please follow those procedures.