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:**


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/](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.

   • 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 Policies for 2020-2021

To be added after university policies have been updated.