

**DEPARTMENT OF ECONOMICS
UNIVERSITY OF TORONTO**

**ECO239Y1Y: Labour Markets and Policies, 2011-12
Class Location: SS1072
(Tuesdays, 6:00 - 8:00 p.m.)**

Course Description:

This course is intended primarily for students in the Employment Relations programs. Application of economic analysis to current issues in labour policy: immigration, retirement, education, unemployment, earnings differentials, employment and pay equity, labour unions, minimum wage, and income policies.

Instructor: Steven Wald, Ph.D.

Office hours: Tuesdays, 8:00 – 9:00 p.m. or by appointment.

E-mail: steven.wald@utoronto.ca (please include ECO239Y in subject line)

Course Web site:

Course handouts, past tests, and other course information can be found on the course website on the University of Toronto portal at: <http://www.portal.utoronto.ca>. The *Blackboard* Learning Management System is used. *Partial* PowerPoint slides are usually posted on the course website by 10 pm the day before the lecture. Slides are often intentionally incomplete to facilitate class discussion of important topics.

Prerequisites and Exclusions:

Exclusion: ECO339Y1

Prerequisite: ECO100Y1(67%)/ ECO105Y1(80%)

Please note that prerequisites are strictly enforced and must be completed before taking a course. By taking this course you acknowledge that you will be removed from the course at anytime if you do not meet all requirements set by the Department of Economics. Please talk to Ms. Robbie Innes, the Undergraduate Administrator, if you have any doubt whether you meet the requirements.

Required Textbook:

Dwayne Benjamin, Morley Gunderson, Thomas Lemieux and W. Craig Riddell (BGLR), *Labour Market Economics*, 6th edition, McGraw-Hill Ryerson, Toronto, 2007.

Readings:

Additional readings will be posted on the course web site. Readings are tested to the extent that they are discussed in lectures and problem sets.

Method of Evaluation

Tests

There will be three term tests (Nov. 1, 2011; Jan. 24, 2012; and March 20, 2012) and a final exam.

Term test 1 covers Sept. 13 to Oct. 25 lectures, term test 2 covers Nov. 15 to Jan. 17 lectures, and term test 3 covers Jan. 31 to Mar. 13 lectures.

The final exam, to be held in the final exam period, is cumulative. The term tests will consist of analytical problems while the final exam will consist of analytical problems and multiple choice questions.

Term tests are worth 20% each and the final exam is worth 40%.

There are two opportunities for make-up midterms: Friday Nov. 11 for test 1 and April 3 for test 2 or test 3 (this make-up will be based on material from test 2 and test 3). Times and locations for these tests will be announced.

Missing a term test

If you miss one term test, please provide a doctor's note to me within one week of the missed test and you will be permitted to write a make-up test. (Please drop it off at the Economics Department, 150 St. George Street, or to me in class.)

Missing both term test 2 and 3

If you are unable to write both term test 2 and 3, with doctor's notes, you will be permitted to write the makeup test on April 3 (for 20%) and the weight of the final exam will be increased to 60%.

Missed make-up tests

If it is impossible to write make-up tests on the scheduled dates (on November 11 for missed test 1 and April 3 for missed test 2 or 3) then the weight from these tests will be shifted to the final exam. (Again, doctor's notes are required.)

Problem Sets

There are six problem sets. These problem sets are not graded but instead are discussed in class. Answers to the problem sets will also be posted on the Web site following their discussion.

Class Schedule

Meeting	Date	Topics	Chapters from BGLR	Problem Set Discussed
2010 Fall Session				
1	Sept. 13	Welcome and Introduction	1	
2	Sept. 20	Review of regression, Labour Market Information, Consumer Choice	1A, 2	
3	Sept. 27	Labour Supply	2	
4	Oct. 4	Labour Supply (cont'd)	2, 3	
5	Oct. 11	Unemployment	17 (pgs. 516-24)	1
6	Oct. 18	Labour Demand	5	
7	Oct. 25	Labour Demand (cont'd)	5 (cont'd), 6	2
8	Nov. 1	TERM TEST 1*		
9	Nov. 15	Wages and employment in a single market	7	
10	Nov. 22	Compensating wage differentials	8	
11	Nov. 29	Human capital theory	9	
12	Dec. 6	Human capital theory (cont'd)	9 (cont'd)	3
2010 Winter Session				
13	Jan. 10	Wage structures across markets	10	
14	Jan. 17	Economics of immigration	11	4
15	Jan. 24	TERM TEST 2*		
16	Jan. 31	Discrimination and male-female earnings	12	
17	Feb. 7	Optimal Compensation Systems	13	
18	Feb. 14	Optimal Compensation Systems (cont'd)	13 (cont'd)	5
19	Feb. 28	Unions	14, 16	
20	March 6	Unemployment	17 (pages 524-538), 18	
21	March 13	Unemployment (cont'd), Shortages	18 (cont'd)	6
22	March 20	TERM TEST 3*		
23	March 27	Current labour market issues		
24	April 3	Review Session		
FINAL EXAM – Three hour exam during the April 11-30 Exam Session				

*Note, if the university is closed due to severe weather, the scheduled tests will be held in the session immediately following.