

**DEPARTMENT OF ECONOMICS
UNIVERSITY OF TORONTO**

ECO239Y1Y: Labour Markets and Policies, Winter 2010-11
Class Location: WW121 Fall / WW120 Winter
(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: <http://individual.utoronto.ca/wald/>

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. 2, 2010; Jan. 25, 2011; and March 22, 2011) and a final exam. Term test 1 covers Sept. 14 to Oct. 26 lectures, term test 2 covers Nov. 16 to Jan. 18 lectures, and term test 3 covers Feb. 1 to Mar. 15 lectures. The final exam, to be held in the final exam period, is cumulative. The mid-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%. However, if your final exam result is better than your lowest term test, the final exam will count for 60% of your grade and your two best term tests will count for 20% each. The weight from missed term tests (for any reason) will be shifted to the final exam. There are no make-up tests for missed term tests.

Writing all term tests or missing one term test (for any reason)

If you miss one term test, then the final exam will be worth 60% and your two completed term tests will be worth 20% each. In the case of one missed term test, no explanation or medical note is required.

Missing two midterms

If you miss two term tests, you must provide a doctor's note* for the second missed test. In this case, the completed midterm counts for 20% of your grade while the final exam counts for 80% of your grade.

Missing three midterms

If you miss all the midterms, you must provide doctor's notes* for the second and third missed tests. In this case, the final exam will be worth 100% of your grade.

*Doctor's notes must be provided to me within one week of the missed term test (i.e., at or before the class following the missed test). You must also record absences related to your second and third missed term tests using the ROSI Absence Declaration.

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. 14	Welcome and Introduction	1	
2	Sept. 21	Review of regression, Labour Market Information, Consumer Choice	1A, 2	
3	Sept. 28	Labour Supply	2	
4	Oct. 5	Labour Supply (cont'd)	2, 3	
5	Oct. 12	Unemployment	17 (pgs. 516-24)	1
6	Oct. 19	Labour Demand	5	
7	Oct. 26	Labour Demand (cont'd)	5 (cont'd), 6	2
8	Nov. 2	TERM TEST 1*		
9	Nov. 16	Wages and employment in a single market	7	
10	Nov. 23	Compensating wage differentials	8	
11	Nov. 30	Human capital theory	9	
12	Dec. 7	Human capital theory (cont'd)	9 (cont'd)	3
2010 Winter Session				
13	Jan. 11	Wage structures across markets	10	
14	Jan. 18	Economics of immigration	11	4
15	Jan. 25	TERM TEST 2*		
16	Feb. 1	Discrimination and male-female earnings	12	
17	Feb. 8	Optimal Compensation Systems	13	
18	Feb. 15	Optimal Compensation Systems (cont'd)	13 (cont'd)	5
19	March 1	Unions	14, 16	
20	March 8	Unemployment	17 (pages 524-538),18	
21	March 15	Unemployment (cont'd), Shortages	18 (cont'd)	6
22	March 22	TERM TEST 3*		
23	March 29	Current labour market issues		
24	April 5	Review Session		
FINAL EXAM – Three hour exam during the April 12-29 Exam Session				

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