



Department of Economics Course Outline

UNIVERSITY OF
CALGARY

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| | | Term: | Fall 2011 |
| Course: | Economics 431 The Canadian Labor Market | Section: | 01 |
| Time: | MWF 14:00 – 14:50 | Place: | SA 121 |
| Instructor: | Ana Ferrer | | |
| Office: | SS 422 | Telephone.: | 220 - 5602 |
| Office Hours: | M-W 10:00 – 11:00 or by appointment | E-mail: | aferrer@ucalgary.ca |

Textbook(s):

“Labour Market Economics”, by Benjamin, Gunderson, Lemieux and Riddell, 6th edition (B,G,L&R). McGraw Hill

Description :

This course offers you a view of how labor economists study the way in which individuals decide how to earn a living. Labor economics provides a framework for critical thinking about many policy relevant issues. You may wonder what causes unemployment or why are some people's earnings so low that they need social assistance, whether women are paid less than men or whether or not governments should subsidize education. We will use theoretically consistent models that will help us to think about these problems and discuss policy implications.

Not less important will be our evaluation for the applicability of these models to the real world. Therefore, there will be substantial empirical content to this course. We will discuss both the empirical literature, how economists test these theories and we will also discuss the econometric problems encountered in this analysis. To provide you with hands-on experience on these econometric questions, we will use the lab to learn econometric techniques and data manipulation. The labs will include tutorial labs on how to use Stata for this purpose. Lab attendance is compulsory. You will have the chance to practice your skills with homework assignments.

We will make use of blackboard software. It is your responsibility that Blackboard uses the email address of your choice, as I will use the class email feature of blackboard to communicate with you.

Course Outline:

0. Overview of Major Trends in the Canadian Labor Market

Ref.: Class notes

1. Labour Supply

This topic studies factors that affect individual decisions of labor supply and the effects that policy programs designed for income assistance have on the labor choice of individuals.

Ref.: B,G,L& R, Chapter 2 and 3.

2. Labour Demand

In this topic we analyze how firms decide on the optimal amount of labour both in the short and long run. We examine the effects of alternative inputs in the production

Ref.: B,G,L& R, Chapter 5 and 6

3. Labour Market Equilibrium

We study the determination of wages and employment in the market. We investigate market characteristics (monopsony, monopoly and monopolistic competition), legal barriers (minimum wage legislation) and institutional constraints (unions) that affect the equilibrium outcome.

Ref.: B,G,L& R, Chapters 7 and 16

4. The Wage Structure

This topic covers different theories that explain the determination of relative wages and optimal compensation systems. In particular, we will explore the following sources of wage differentials: education and discrimination

Ref.: B,G,L& R, Chapters 9 and 12.

5. Immigration

We analyze the particularities of immigrant labour and its contribution to Canadian labor market. We review recent trends in Canadian immigration and study how to measure immigrant assimilation.

Ref.: B,G,L& R, Chapter 11.

6. Unemployment (tentative)

We study how to measure unemployment and the dynamics of the labor force. Types and causes of unemployment are also covered as well as the relationship between unemployment and inflation.

Ref.: B,G,L& R , Chapters 17 and 18.

Grade Determination and Final Examination Details:

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|--------------------------|-------|-------------------|-----|
| (2) Homework Assignments | (30%) | Midterm | 30% |
| Computer lab | (10%) | Final Examination | 30% |

The format and dates of the tests and assignments will be discussed during the first week of classes. The assignments will involve both theoretical and empirical questions involving the use of econometric techniques and program software. Each assignment is due at the beginning of the lecture on the due date.

Late assignments will not be accepted under any circumstance. You are required to work in small groups (at least 2, at most 3 students) on the assignments and a group assignment is to be handed in. All students in the group will receive the same mark for that assignment.

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Tests and final exams are marked on a numerical (percentage) basis, and then converted to letter grades according to the class distribution of grades. The course grade is then calculated using the weights indicated above. As a guide to determining standing, these letter grade equivalences will generally apply:

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|----|--------|----|-------|----|-------|
| A+ | 97-100 | B | 80-84 | C- | 62-66 |
| A | 94-96 | B- | 76-79 | D+ | 57-61 |
| A- | 90-93 | C+ | 73-75 | D | 50-56 |
| B+ | 85-89 | C | 67-72 | F | 0-49 |

A passing grade on any particular component of the course is not required for a student to pass the course as a whole.

Non-programmable calculators WILL be allowed during the writing of the final exam, but cell-phones are **strictly forbidden** during the writing of examinations. Tests and exams WILL NOT involve multiple choice questions.

No deferred midterms will be given. In case of **documented** illness or family emergency, the extra weight will be shifted to the final examination. The instructor should be *notified in advance whenever possible* if a student will be unable to write a midterm. In any case, documentation must be provided as soon as possible (within a day or so of the missed midterm).

There will be a Registrar scheduled final examination, lasting 2 hours.

Students' Union Vice-President, Academic

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Society of Undergraduates in Economics (S.U.E.)

www.ucalgary.ca/sue/

Notes:

- Students seeking reappraisal of a piece of graded term work (term paper, essay, etc.) should discuss their work with the Instructor *within fifteen days* of the work being returned to the class.
- It is the student's responsibility to request academic accommodations. If you are a student with a documented disability who may require academic accommodation and have not registered with the Disability Resource Centre, please contact their office at 220-8237. Students who have not registered with the Disability Resource Centre are not eligible for formal academic accommodation. You are also required to discuss your needs with your instructor no later than fourteen (14) days after the start of this course.

Safewalk / Campus Security: 220-5333
Emergency Assembly Point – Social Sciences Food Court
