

**University of Waterloo**  
**Department of Economics**  
**Econ 452**  
**Topics in Labour Economics**  
**Winter 2016**  
**M-W 1:00-2:20 in EV3 4408**

### **Instructor Information**

Instructor: Professor Stéphanie Lhuis

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Office Hours:               Wednesdays 2:30pm - 3:30pm.  
                                  Additional office hours will be provided before the test and assignments.

### **Course Description, Goals and Learning Outcomes**

The primary goal of this course is to introduce students to research in various topics in labour economics. More precisely, we will study research and policy questions related to the employment relationship and the mechanisms by which individuals find jobs (human capital, incentives) and their work is rewarded (efficiency wage, performance pay). After presenting the basic concepts, we will learn the methodological tools used to address the questions, discuss their strength and limitations and the relevance of the conclusions to researchers, business and policymakers. For each topic, we will see the associated seminal papers and more recent papers providing the latest findings on the issue studied. You will learn to recognize what makes a good paper, and you will gain an appreciation for some of the research being done in labour economics.

**Readings:**                Articles: A list of articles related to the topics covered. Most of the articles are available online through the library's web site. The final reading list will be posted on LEARN during the first week of class.

Textbook: For a presentation of the basic concepts in labour economics:  
1) Benjamin, D., M. Gunderson, T. Lemieux, and W.C. Riddell, Labour Market Economics (6th Edition), Toronto: McGraw-Hill Ryerson, 2007  
2) Derek Laing, Labor Economics: Introduction to Classic and the New Labor Economics, W. W. Norton and Company, 2011

**Prerequisites:**        Econ 301 and Econ 321  
                                  Econ 351 recommended

### **Course Outline**

1. Wage Determinants
2. Pay Structure and Discrimination
3. Incentives
4. Promotions and Tournaments
5. Executive Pay

## Course Requirements

Participation in Class: Students are expected to read the assigned material before class and participate to the discussions related to the articles presented.

Readings: About every week, students will develop questions based on the assigned readings for a given topic. The questions will be emailed to me by the Monday after the week a new topic is introduced. The **first reading assignment** is due **Monday January 11<sup>th</sup>**. The questions should demonstrate that you have read the paper in detail enough to have a constructive comment and/or criticism and/or idea of alternative applications or modeling. You have to formulate the comment/criticism or idea as a question. As time permits, I will address the questions (anonymously) in class. The reading list will be posted on [LEARN](http://learn.uwaterloo.ca/) (<http://learn.uwaterloo.ca/>) during the first week of class.

Assignments: Two assignments will be distributed giving you exercises to practice manipulating and applying the theoretical concepts introduced. Some exercises will involve the use of a statistical software (STATA or other) learned in Econ 321. The first assignment is due **Monday February 1<sup>st</sup>**. The second one is due **Wednesday March 9<sup>th</sup>**. Late assignments will receive a 15% penalty per day late.

Term Test: There will be one term test on **Wednesday February 10<sup>th</sup>** during class time. The test will consist of questions related to the topics and articles seen in class.

Oral Presentation: Students will be expected to do a presentation in class. The presentation should last no more than 20 minutes and devote time for class discussion. The quality of the presentation and the discussion raised will be rewarded. The presentation should come with a 5-page written report summarizing the article and your critical view of the paper. The presentations will be held in class from March 23<sup>rd</sup> to April 4<sup>th</sup>.

Final Exam: A final examination will be given during the Winter Term examination period, and will cover the entire term's material with more emphasize on the second part of the course (after the midterm).

Term Paper: You will be asked to write a paper developing a research outline on a question of your choice. The paper should outline the relevance of the question to policymakers and/or the business community, explain in details the empirical and/or theoretical framework of analysis needed to address the question. This includes reviewing the basic concept(s) the question refers to and the econometric issues that need to be addressed. The paper should also contain a literature review (present the empirical findings in the literature emphasizing the remaining gaps), and present the appropriate data for the study of the issue with a discussion of the possible gaps in the data. Information on datasets is available on the library web site through [ODESI](http://tdr.tug-libraries.on.ca/) (<http://tdr.tug-libraries.on.ca/>). The **topic/question chosen and an outline of the paper is due to me by Wednesday March 9<sup>th</sup>**. The final paper's due date will be during the exam period window.

### Late Work

Assignments submitted late will receive a daily penalty of 15%. Assignments submitted after I have done the correction in class will receive a grade of 0.

### Missed Midterm/Final Exam

There is no make-up for the midterm test. A student who is ill and misses the test needs to provide appropriate medical documentation (no photocopies, *only original documents*) to me **within 48 hours of the missed test**. If the appropriate documentation has been submitted on time, the weight of the midterm will be shifted to the final exam's weight.

A student who has been ill (documentation required, no photocopies, only original documents) and has missed the scheduled final exam **MUST** petition the department **within 48 hours of the missed final exam** to write the departmental deferred examination. If the student has failed to write the departmental deferred examination, the student will automatically receive a grade of 0 for the missed deferred final examination. For more information on the Economics Deferred Exam Policy please visit <https://uwaterloo.ca/economics/current-undergraduates/policies-and-resources/deferred-final-exam-policy>.

### **Course Assessment**

Email question assignments	10%
1 Term test	25%
2 Assignments	10%
Oral presentation	10%
Term Paper	20%
Final Exam	25%

### **Grading Policy**

Students who would like their test or assignment regraded need to ask the instructor immediately after the test has been given back. The regrading will apply to the entire test and may not automatically result in a higher grade than before.

### **Electronic Device Policy and Classroom Expectations**

Turn off and do not answer your cell phone. Laptop computers are not permitted in class unless the student can show that it is used for the purpose of notes taking.

### **Institutional-required statements for undergraduate course outlines approved by Senate Undergraduate Council, April 14, 2009**

#### **Academic Integrity**

In order to maintain a culture of academic integrity, members of the University of Waterloo community are expected to promote honesty, trust, fairness, respect and responsibility. See the [UWaterloo Academic Integrity Webpage \(https://uwaterloo.ca/academic-integrity/\)](https://uwaterloo.ca/academic-integrity/) and the [Arts Academic Integrity Office Webpage \(http://arts.uwaterloo.ca/current-undergraduates/academic-responsibility\)](http://arts.uwaterloo.ca/current-undergraduates/academic-responsibility) for more information.

## **Grievance**

A student who believes that a decision affecting some aspect of his/her university life has been unfair or unreasonable may have grounds for initiating a grievance. Read [Policy 70, Student Petitions and Grievances, Section 4](https://uwaterloo.ca/secretariat/policies-procedures-guidelines/policy-70) (<https://uwaterloo.ca/secretariat/policies-procedures-guidelines/policy-70>). When in doubt please be certain to contact the department's administrative assistant who will provide further assistance.

## **Discipline**

A student is expected to know what constitutes academic integrity to avoid committing academic offenses and to take responsibility for his/her actions. A student who is unsure whether an action constitutes an offense, or who needs help in learning how to avoid offenses (e.g., plagiarism, cheating) or about "rules" for group work/collaboration should seek guidance from the course professor, academic advisor, or the undergraduate associate dean. For information on categories of offenses and types of penalties, students should refer to [Policy 71, Student Discipline](http://www.adm.uwaterloo.ca/infosec/Policies/policy71.htm) (<http://www.adm.uwaterloo.ca/infosec/Policies/policy71.htm>). For typical penalties check [Guidelines for the Assessment of Penalties](http://www.adm.uwaterloo.ca/infosec/guidelines/penaltyguidelines.htm) (<http://www.adm.uwaterloo.ca/infosec/guidelines/penaltyguidelines.htm>).

## **Appeals**

A decision made or penalty imposed under Policy 70, Student Petitions and Grievances (other than a petition) or Policy 71, Student Discipline may be appealed if there is a ground. A student who believes he/she has a ground for an appeal should refer to [Policy 72, Student Appeals](http://www.adm.uwaterloo.ca/infosec/Policies/policy72.htm) (<http://www.adm.uwaterloo.ca/infosec/Policies/policy72.htm>).

## **Note for Students with Disabilities**

The Office for Persons with Disabilities (OPD), located in Needles Hall, Room 1401, collaborates with all academic departments to arrange appropriate accommodations for students with disabilities without compromising the academic integrity of the curriculum. If you require academic accommodations to lessen the impact of your disability, please register with the OPD at the beginning of each academic term.