

Econ 487: Topics in Labour Economics Winter 2012

Instructor: Stéphanie Lhuis
Time & Place: M-W 11:30 to 12:50 in AL 124
Office: Hagey Hall 239
Phone: 888-4567 ext 32960
Office Hours: Tuesdays 2:00 pm to 4:30 pm. Please feel free to email me to set up an appointment if these hours do not fit your schedule.

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 or previous editions.
- 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 (or equivalent)
Econ 351 recommended

Course Objectives

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 through which individuals find jobs (human capital, work incentives, job mobility) and their work is rewarded (compensating differentials, 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 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.

Student Responsibilities

Participation in Class: Students are expected to read the assigned material before class.

Readings: About every week or two, students will develop questions based on the assigned readings for a given topic. The questions will be emailed to me on the Friday of the week prior to starting the new topic. 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 during the first week of class. Users can login to LEARN via: <http://learn.uwaterloo.ca/> use your WatIAM/Quest username and password. Documentation is available at: http://av.uwaterloo.ca/uwace/training_documentation/index.html

Midterm Test: There will be a midterm test on Monday February 13th during class time. The test will consist of 3-4 questions related to the topics and articles seen so far.

Oral Presentation: Students will be expected to do a presentation in class. The presentation should last no more than 40 minutes and devote time for class discussion (for example 30-35 minutes summary and 5-10 minutes 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 on March 26th, March 28st and April 2nd.

Assignment: 2 assignments will be distributed (one before the midterm test and one after) giving you exercises to practice manipulating and applying the theoretical concepts introduced.

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 present the empirical findings in the literature emphasizing the remaining gaps, and outline the appropriate data for the study of the issue or the gaps in data. Information on datasets is available on the library web site at <http://tdr.tug-libraries.on.ca/>
The topic/question chosen and an outline of the paper is due by email by Monday March 2nd.

Grading

Email questions	10%
Assignments	10%
Midterm test	30%
Oral presentation	20%
Term Paper	30%

Main Topics

Wage Determinants and the Pay Structure (4-5 weeks)

- Education
- Implicit Contract
- Efficiency Wages
- Training/Seniority

Performance Pay (1-2 weeks)

- Theory of Incentives
- Performance Pay

Promotions and Tournaments (1-2 weeks)

- Fast-track
- Relative performance

Gender and Ethnicity (1-2 weeks)

- Hiring and Pay Discrimination
- Labour Market Outcomes

Executive Pay (1-2 weeks)

- Determinants of CEO Pay
- Impact of Risk on Executive Compensation

Missed Exam

There is no make-up exam for the midterm test. The weight of the midterm test will be split between the oral presentation and the paper.

Avoidance of Academic Offenses

All students registered in the courses of the Faculty of Arts are expected to know what constitutes an academic offense, to avoid committing academic offenses, and to take responsibility for their academic actions. When the commission of an offense is established, disciplinary penalties will be imposed in accord with Policy #71, Student Academic Discipline. For information on categories of offenses and types of penalties, students are directed to consult the summary of Policy #71, Student Academic Discipline <http://www.adm.uwaterloo.ca/infosec/Policies/policy71.htm>. If you need help in learning how to avoid offenses such as plagiarism, cheating, and double submission, or if you need clarification of aspects of the discipline policy, ask your course instructor for guidance. Other resources regarding the discipline policy are the graduate advisor and the Associate Dean of Graduate Affairs. Students who believe that they have been wrongfully or unjustly penalized have the right to grieve; refer to Policy #70, Student Grievance <http://www.adm.uwaterloo.ca/infosec/Policies/policy70.htm>

Note for Students with Disabilities

The Office for Persons with Disabilities (OPD), located in Needles Hall, Room 1132, 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.