

UNIVERSITY OF WATERLOO
ECONOMICS 651: LABOUR ECONOMICS
WINTER 2021

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Course description:

This course is a survey of core topics in labour economics at the graduate level. Familiarity with graduate-level microeconomic theory is imperative, in particular consumer choice theory. Knowledge of basic regression analysis will also be required, although no familiarity with specialized econometric methods is assumed. Students who feel they are lacking the necessary background needed to understand particular topics are strongly encouraged to spend extra time going through additional material. In these cases, the instructor can provide students with suggestions on background material.

Texts:

Benjamin, D., M. Gunderson, T. Lemieux, and W.C. Riddell, *Labour Market Economics* (8th edition), Toronto: McGraw-Hill Ryerson, 2017 [**BGLR**].

Cahuc, P., S. Carcillo and A. Zylberberg, *Labor Economics* (2nd edition), Cambridge, Mass.: MIT Press, 2014 [**CCZ**].

Note that **BGLR** is a Canadian undergraduate text in labour economics. It will provide a solid background on most of the topics that we will cover. **CCZ**, on the other hand, is a graduate text, which will cover the topics at the advanced level that they will be presented in lectures.

Lectures:

The course will be delivered online through asynchronous pre-recorded videos. The video files will be posted on the LEARN course site (<https://learn.uwaterloo.ca>) and can be watched at students' convenience. Approximately three hours of lecture material will be provided per week. Files will be posted on Mondays, Wednesdays, and Fridays. It is your responsibility to ensure that you are able to view the video files and keep pace with the material as the course proceeds.

Office Hours:

Once the term has begun, regular synchronous office hours will be scheduled providing a minimum of two hours per week for students to ask questions directly to the instructor. The Bongo platform will be used for office hours, which can be accessed through "Virtual Classroom" under "Content" in LEARN.

Student Presentations:

Each student will be responsible for giving two synchronous virtual presentations during the term using the Bongo platform on LEARN. Presentations will involve describing a research article assigned by the instructor. Assessment will be based on clarity of the presentation and students'

ability to identify the key research question and significance of the findings. Dates and times for presentations will be determined once the term has begun.

Assignments:

Students will also be responsible for completing four take-home assignments. Assignments will require the use of students' preferred statistical software package, such as R or Stata, to examine an assigned data set using methods relevant to the lecture material. Completed assignments will be submitted on LEARN using the Dropbox utility under "Submit."

Evaluation:

Each presentation will comprise 15% of final grades for a total of 30%. Each assignment will comprise 10% of final grades, for a total of 40%. The remaining 30% of final grades will be based on grades on a final exam, to be held during the final exam period in April.

Course outline:

1. Labour Supply:

Facts about labour supply; Static neoclassical theory of labour supply; Intertemporal labour supply; Empirical aspects of labour supply (**BGLR** Chapters 2, 3 and 4; **CCZ** Chapter 1).

2. Labour Demand:

Static theory of labour demand; Empirical aspects of labour demand; Dynamic labour demand (**BGLR** Chapters 5 and 6; **CCZ** Chapter 2).

3. Competitive Equilibrium:

The competitive equilibrium; Compensating wage differentials (**BGLR** Chapters 7 and 8; **CCZ** Chapter 3).

4. Imperfectly Competitive Labour Markets:

Monopsony; Adverse selection; Discrimination; Empirical results on discrimination (**BGLR** Chapters 7 and 12; **CCZ** Chapter 8).

5. Education and Human Capital:

Theory of human capital; Education as a signaling device; Identifying the return to education (**BGLR** Chapter 9; **CCZ** Chapter 4).

Academic Integrity: Academic Integrity: In order to maintain a culture of academic integrity, members of the University of Waterloo are expected to promote honesty, trust, fairness, respect and responsibility. See the UWaterloo Academic Integrity webpage and the Arts Academic Integrity webpage for more information.

Discipline: A student is expected to know what constitutes academic integrity, to avoid committing academic offences, and to take responsibility for his/her actions. A student who is unsure whether an action constitutes an offence, or who needs help in learning how to avoid offences (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. When misconduct has been found to have occurred, disciplinary penalties will be imposed under Policy 71 Student Discipline. For information on categories of offenses and types of penalties, students should refer

to Policy 71 – Student Discipline. For typical penalties check Guidelines for the Assessment of Penalties.

Grievances: 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. When in doubt, please be certain to contact the departments administrative assistant who will provide further assistance.

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.

Accommodation for Students with Disabilities: Note for students with disabilities: The AccessAbility Services office, located on the first floor of the Needles Hall extension (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 AS office at the beginning of each academic term.

Mental Health Support: All of us need a support system. The faculty and staff in Arts encourage students to seek out mental health supports if they are needed.

On Campus:

- Counselling Services: counselling.services@uwaterloo.ca / 519-888-4567 xt 32655
- MATES: one-to-one peer support program offered by Federation of Students (FEDS) and Counselling Services
- Health Services Emergency service: located across the creek from the Student Life Centre

Off campus, 24/7:

- Good2Talk: Free confidential helpline for post-secondary students. Phone: 1-866-925-5454
- Grand River Hospital: Emergency care for mental health crisis. Phone: 519-749-433 ext. 6880
- Here 24/7: Mental Health and Crisis Service Team. Phone: 1-844-437-3247
- OK2BME: set of support services for lesbian, gay, bisexual, transgender or questioning teens in Waterloo. Phone: 519-884-0000 extension 213

Full details can be found online at the Faculty of ARTS website.

Download UWaterloo and regional mental health resources (PDF).

Download the WatSafe app to your phone to quickly access mental health support information.

Territorial Acknowledgement: The Department of Economics acknowledges that we are living and working on the traditional territory of the Attawandaron (also known as Neutral), Anishinaabe and Haudenosaunee peoples. The University of Waterloo is situated on the Haldimand Tract, the land promised to the Six Nations that includes six miles on each side of the Grand River.