

UNIVERSITY OF GUELPH
College of Management and Economics
Department Of Economics and Finance

ECON*6600 – Labour Economics

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Office Hours: Monday, Wednesday 10-11:20,

It is your responsibility as a student to be aware of and to abide by the University's policies regarding academic misconduct, e-mail communication, maintaining copies of out-of class assignments, what to do when you cannot meet a course requirement and the drop date for this semester. To better understand these policies, visit:

<http://www.economics.uoguelph.ca/student-responsibilities-policies.asp>

COURSE OUTLINE

Course Description:

The purpose of this course is to familiarize graduate students with empirical techniques and theoretical ideas which are currently widely used in labour economics and personnel economics. To this end, we will discuss the main theoretical and empirical tools employed by labour economists. As well, we will learn how to use some econometric models such as the event history model (duration model), which have particular relevance to labour economists.

There is no textbook for the course. Readings will be assigned on a weekly basis, and will generally consist of simple descriptive articles from academic journals such as Canadian Public Policy and the Journal of Economic Perspectives. Key topics to be discussed include: the economics of the firm (tournament theory, promotion), explanations for trends in earnings inequality in industrialized countries, models of training within the firm, and search-matching models of the labour market. We will use STATA to work with labour market data from Canada and other OECD countries.

Grading:

We will have two midterm exams (20% each, with take home exercise components), one project with presentation (25% written, 5% presentation), and one final exam (30%).

TOPICS TO BE COVERED:

Weeks 1 and 2: Mincerian earnings functions. Measuring changes in the wage structure and inequality since the 1980s in OECD countries.

Weeks 3 and 4: Introduction to labour supply issues and economics of the firm (personnel economics).

Weeks 5 and 6: Signaling theory of education versus human capital. Optimal schooling choices. Returns to human capital in Canada and other countries.

Weeks 7 and 8: Worker training. General vs. job-specific training. Worker training and the business cycle.

Weeks 9 and 10: Micro and macroeconomics of unemployment. Introduction to duration models.

Weeks 11 and 12: Presentation of student projects and review for final exam.

You will be asked to complete an evaluation of this course at some time during the last two weeks of the semester. The Department of Economics policy regarding the conduct and use of these evaluations will be found at:

<http://www.economics.uoguelph.ca/course-evaluation.asp>