

SAULT COLLEGE OF APPLIED ARTS & TECHNOLOGY

Sault Ste. Marie, Ontario

COURSE OUTLINE

COURSE TITLE: Labour Economics

CODE NO. ECN116 SEMESTER:

PROGRAM: Human Resources Practices

AUTHOR:

DATE:

PREVIOUS OUTLINE DATED:

APPROVED:


Joe Fruchter, Dean
School of Business, Hospitality,
Natural Resources & Computer Studies

DATE:

97 05 23

TOTAL CREDITS:

3

PREREQUISITES:

LENGTH OF COURSE: _____

TOTAL CREDITS HOURS: _____

COURSE NAME: Labour Economics

CODE NO: ECM116

TOTAL CREDIT HOURS: 45

I. PHILOSOPHY/GOALS:

Among the primary objectives of the course is to familiarize the student with basic concepts in labour economics, provide an understanding as to the varying structure, conduct and performance characteristics of labour markets and show its relevance for personnel decisions. Of particular importance are labour force participation, working time and retirement, human capital and training, wage structures, union behaviour and unemployment. Thus labour market behaviour will be analyzed with a particular view toward decisions and/or applications.

II. TOPICS TO BE COVERED:

Part I. Labour Supply

Topic 1. Fertility, Family Formation and Household Production:

- Economics Theory of Fertility
- New Home Economics
- Demand for children and Labour Supply

Reading: Gunderson & Riddell, Ch. 1 pp. 2 - 16 and Ch. 3 pp. 27 - 38

Topic 2. Labour Force Participation, Hours of Work and Retirement:

- Labour Force Participation Theory
- Added and Discouraged Worker Effects
- Hidden Unemployment
- Theoretical Determinants of Hours of Work Moonlighting, Overtime and Flexible Work Hours
- Retirement Decision and Pensions

Reading: Gunderson & Riddell, Ch. 5 - 7, pp. 72 - 122

Topic 3. The Demand for Labour Markets:

- Structure of Product and Labour Markets Short and Long Run Demand for Labour
- Labour Demand, Quasi Fixed Costs and Work Sharing

Reading: Gunderson & Riddell, Ch. 9 & 10

II. TOPICS TO BE COVERED (CONT'D):

Part II. Labour Market Equilibrium and Wage Structures

- Topic 1. Equilibrium in Non-Union Labour Markets:
- Wages and Employment in Competitive Labour Markets
 - Wages and Employment Under Monopoly
 - Monopsony in the Labour Market

Reading: Gunderson & Riddell, Ch. 11 & 12, pp. 196 - 228

Part III. Wage Structures

- Topic 1. Compensating Wages:
- Fringe Benefits and Total Compensation
 - Theory of Compensating Wages
 - Equilibrium
 - Empirical Evidence on Compensating Wages
 - Policy Implications

Reading: Gunderson & Riddell, Ch. 17, pp. 342 - 363

- Topic 2. Human Capital and Training:
- Human Capital Theory
 - Education and Market Equilibrium
 - Training
 - Policy Implications

Reading: Gunderson & Riddell, Ch. 18, pp. 364 - 388

- Topic 3. Wage Structures and Wage Differentials:
- Occupational Wage Structures
 - Regional Wage Structures and Mobility
 - Inter Industry Wage Differentials

Readings: Gunderson & Riddell, Ch. 19, 20, and 21, pp. 389 - 426

- Topic 4. Wage and Employment Discrimination:
- Reasons and Sources for Discrimination
 - Theories of Labour Market Discrimination
 - Policies to Combat Sex Discrimination
 - Legislation
 - Impact of Policy Alternatives

Readings: Gunderson & Riddell, Ch. 23, pp. 446 - 477

II. TOPICS TO BE COVERED (CONT'D):

Part IV. Unions and Union Behaviour

- Topic 1. Union Growth and Incidence:
- Determinants of Union Growth
 - Unions and Collective Bargaining in Canada
 - Legal Framework

Readings: Gunderson & Riddell, Ch. 14, pp. 246 - 260

- Topic 2. Union Goals, Bargaining Theory and Union Impact:
- Theory of Union Behaviour
 - Theory of Bargaining
 - Empirical Evidence of Union Wage Impact

Readings: Gunderson & Riddell, Ch. 14, 15 and 16, pp. 246 - 339

Part V. Labour Market Behaviour and Macroeconomic Performance

- Topic 1. Unemployment:
- Meaning and Measurement
 - Canadian Experience and Evidence
 - Labour Force Dynamics
 - Types of Unemployment

Reading: Gunderson & Riddell, Ch. 25 and 26, pp. 493 - 553

- Topic 2. Wage Changes and Inflation:
- Canadian Experience
 - Determinants of Wage Change
 - Price Inflation and Unemployment
 - Full Employment and Price Stability

Reading: Gunderson & Riddell, Ch. 27, pp. 554 - 593

III. REQUIRED STUDENT RESOURCES:

Required Text

Gunderson, M. and C. Riddell: Labour Market Economics, Second Edition, McGraw Hill Ryerson, Toronto, 1988

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III. REQUIRED STUDENT RESOURCES (CONT'D):

Alternate Texts

Hamermesh, T. and A. Rees: The Economics of Work and Pay, Second Edition, Harper & Row, New York, 1988

Hoffman, S.D.: Labour Market Economics, Prentice Hall, Englewood Cliffs, N.J., 1986

McConnell, C.R. and S.L. Bruce: Contemporary Labour Economics, McGraw Hill, 1988

IV. EVALUATION METHODS: (INCLUDES ASSIGNMENTS, ATTENDANCE REQUIREMENTS, ETC.)

Attendance and participation are extremely important.

Method of Assessment:

Mid Term Exam	40%
Final Exam	40%
Assignments & Participation	<u>20%</u>
Total	100%

Grading:

A+	90 - 100%	Consistently outstanding
A	80 - 89%	Outstanding achievement
B	70 - 79%	Consistently above average achievement
C	60 - 69%	Satisfactory or acceptable achievement
R	less than 60%	The student has not achieved objectives of course and must repeat the course

Note:

Students must meet the minimum grade requirement of a "B" or 70% in every subject area except, Finance and Accounting and HRRIS, in which the minimum grade requirement is a "C" or 60%.

V. SPECIAL NOTES:

Those candidates seeking credit by examination may find it useful to consult relevant chapters in human resource management survey text to help place training and development in context. The human resource administration outline for the course identifies several such volumes.

Examinations will use short essay formats and will emphasize conceptual, program and policy issues.