



BUSINESS SCHOOL
Te Kura Pakihi

ECON 301 (18 points)

Labour Economics

COURSE OUTLINE

Disclaimer

While every effort is made to ensure that the information contained in this document is accurate, it is subject to change. Changes will be notified in class and via Blackboard. Students are encouraged to check Blackboard regularly. It is the student's responsibility to be informed.

Kindly note that there may be situations of disorder caused by factors external to us, but we (staff and students) are in it together and we have to make the best out of it.

Semester One, 2023

Welcome to Econ301!

The labour market is undoubtedly the most important market that impacts directly on almost all of us for a significant period of our lives. This course aims to introduce students to key theories, issues and problems in the analysis of labour markets. It uses microeconomic and macroeconomic theory to increase understanding of labour demand, labour supply and labour market outcomes. It addresses issues associated with changes in participation rates, the effect of minimum wage rates, the impact of unions, income inequality, labour market discrimination, unemployment (its causes and consequences) and also looks at an historical analysis of New Zealand's labour market legislation. The internal assessments and final exam will test whether or not the student can analyse issues in labour economics critically, using relevant economic principles and theory. A working knowledge of basic algebra and calculus would be an advantage.

Learning Outcomes

Upon successful completion of this paper, students should have a general understanding of how labour markets operate. Students should develop both knowledge and appreciation of applying general economic principles and theory in evaluating behaviour and interactions in the labour market. Related to this, students should be able to use quantitative data and develop qualitative analysis to explain how labour market outcomes change over time. Students should learn to analyse current issues and policy debates in this area and be able to assess and critique labour market policies from a more knowledgeable perspective.

Lecturers and lecture/tutorial times

Arlene Ozanne (Course coordinator)

Office: Rm 625 Otago Business School
Email: arlene.ozanne@otago.ac.nz
Office Hours: Mondays: 2-3pm, or email for an appointment

Neha Agarwal

Office: Rm 621 Otago Business School
Email: neha.agarwal@otago.ac.nz
Office Hours: To be confirmed

Before sending any email, check the course outline and Blackboard. ***We will not answer emails for which the answer might be found by having attended lectures and tutorials, and/or by referring to the course outline and/or Blackboard.*** Include "Econ 301" in the subject line to facilitate this process.

Lecture Day/Time: Mondays @ 11am; Tuesdays @ 2pm; Wednesdays @ 3pm;
Room: Check EVISION
Lecture recordings are posted on Blackboard within 24 hours of the scheduled lecture. Weekly lecture slides are posted at the beginning of each week.

Tutorials: Every fortnight beginning week 3
Tutorial times – check EVISION for your allocated stream
Thursday @ 1pm
Thursday @ 2pm
Rooms: check EVISION

Tutorials will be held every second week (adjusted for the mid-semester break week), starting in the **third** week of the semester. That is, tutorials will be held on the weeks beginning:

- March 13
- March 27
- April 17
- May 1
- May 15
- May 22

Tutorial questions will be posted on Blackboard the week prior to the scheduled tutorial. Please prepare for tutorials before going to them. **Tutorials are not recorded.**

If you miss a tutorial, try to attend another tutorial group for that week. If that is not possible, have a go at doing the questions and come and discuss them with the lecturer. Note that model answers to tutorials will **not** be made available. One reason for this is that providing model answers would create a disincentive to participate fully in tutorials.

Textbook and supplementary readings

The text for this course is *Labor Economics*, 2020, 8th edition, by George J. Borjas, McGraw-Hill Irwin. This text will cover most aspects of the course, however, when supplementary reading is needed, these are available on eReserve on Blackboard.

The references in the course will be based on the latest, i.e. 8th edition of the text, but students may also use the *Labor Economics*, 2016, 7th edition, by George J. Borjas, McGraw-Hill Irwin. However, it is the students' responsibility to confirm the corresponding page numbers in the earlier edition of the text. Two copies of the 7th edition will be on the Reserve Desk.

Supplementary readings as detailed in the course outline are available on Blackboard: eReserve.

Assessment

All material presented is examinable (except where stated otherwise) by quizzes, tests and assignments. All important assessment information such as dates and times, content, guidelines and so on will be discussed at lectures and, where appropriate, detailed on Blackboard, **Students are responsible for ensuring that they are aware of this information, keeping track of their own progress, and catching up on any missed classes.**

Your learning will be assessed through the following:

| Assessment | Weight |
|------------------------------|--------|
| Online quizzes (9 out of 10) | 18% |
| Assignments (×2) | 32% |
| Tests (×2) | 50%* |

* Some plussage may apply in case a student is unable to sit a test for **University approved reasons**. Refer to details in the section "What happens if I miss a test?".

Online Quizzes (18%)

There will be 10 weekly online quizzes (the first of which will be in week 2 of lectures). Beginning on Monday, March 6 at 12 noon, a quiz will be posted on Blackboard (under "Weekly quizzes 2023"). You will submit your answers on Blackboard, and your grades are posted to the Grade Centre. You are welcome to work with your classmates, but you must submit your answers individually until 11:59am on the following Monday, and the next quiz will be posted at 12 noon.

Extensions will not be given. You have a full week to complete each quiz and these can be completed from anywhere there is internet access.

Only your best 9 out of the 10 quizzes will count towards your final mark (each quiz will contribute 2% towards your final mark).

Assignments (32%)

You need to submit the assignments via Blackboard by the specified due date for each assignment. Detailed instructions are available from the Assignments folder in Blackboard.

Each assignment has a prescribed due date that you should adhere to:

| Assignment | Questions released @5pm Friday | Due Date @5pm Friday |
|--------------------|--------------------------------|----------------------|
| Assignment 1 (16%) | March 24 | April 21 |
| Assignment 2 (16%) | May 4 | June 2 |

Assignments handed in after the specific deadline, shall incur a penalty of 1 mark for each day (or part day, including weekends) late. **Assignments submitted 3 or more days after the respective deadlines will not be marked.** Students requiring an extension (no late penalty) for **University approved reasons** (essentially, in the event of illness or family emergency) must email Arlene (arlene.ozanne@otago.ac.nz) or Neha (neha.agarwal@otago.ac.nz) detailing why an extension is required **2 days before the due date**. Having to submit multiple assessments on or around the

submission date, travel plans or work pressure are typically not considered valid reasons for extension.

Tests (50%)

There will be three tests, scheduled as follows:

| Test | Material covered (Lectures, tutorials and readings) | Date |
|--------------|---|----------------------|
| Test 1 (25%) | Weeks 1-4 | 11am Monday, April 3 |
| Test 2 (25%) | Weeks 6-9 | 11am Monday, May 22 |

More details on the format of the test will be provided closer to the time. The tests will be held in-person. **Note it is not possible to sit the test at any other time.**

What happens if I miss a test?

Students who miss a test for **University approved reasons** (essentially, in the event of illness or family emergency) can have the weight transferred to their other tests and/or a special assignment. The exact nature of this arrangement will be decided on a case-by-case basis and will be relayed to the student accordingly. **Students who miss a test must email Arlene and/or Neha as soon as possible and must provide supporting documentation. Failure to inform Arlene and/or Neha will result in a zero mark for the test missed.**

Having to submit multiple assessments on or around the test date, a timetable clash, travel plans, or work pressure are typically not considered valid reasons.

In any other circumstances, students who miss a test will receive a score of zero. No make-up test will be provided.

Academic Integrity and Academic Misconduct (Plagiarism)

Academic integrity means being honest in your studying and assessments. It is the basis for ethical decision-making and behaviour in an academic context. Academic integrity is informed by the values of honesty, trust, responsibility, fairness, respect and courage. Students are expected to be aware of, and act in accordance with, the University's Academic Integrity Policy.

Academic Misconduct, such as plagiarism or cheating, is a breach of Academic Integrity and is taken very seriously by the University. Types of misconduct include plagiarism, copying, unauthorised collaboration, submitting work written by someone else (**including from a file sharing website, text generation software, or purchased work**) taking unauthorised material into a test or exam, impersonation, and assisting someone else's misconduct. A more extensive list of the types of academic misconduct and associated processes and penalties is available in the University's Student Academic Misconduct Procedures.

It is your responsibility to be aware of and use acceptable academic practices when completing your assessments. To access the information in the Academic Integrity Policy and learn more, please visit

the University's Academic Integrity website at www.otago.ac.nz/study/academicintegrity, or ask at the Student Learning Centre (HEDC) or the Library, or seek advice from your paper co-ordinator.

For further information:

Academic Integrity Policy

<http://www.otago.ac.nz/administration/policies/otago116838.html>

Student Academic Misconduct Procedures

<http://www.otago.ac.nz/administration/policies/otago116850.html>

Topics covered in ECON301, S2 2023

A list of topics that we intend to cover is given below. Note that may change as the course proceeds. Any changes will be announced at lectures and detailed on Blackboard. Each lecturer will distribute a handout at the start of their section of the course. This handout will contain detailed readings lists and/or, supplementary readings for that section of the course. Supplementary readings are available on Blackboard: eReserve. Many of these topics build on previous topics, therefore, it is important you keep up to date with the course, or you will find it difficult to catch up.

Labour Supply

An Economic Story of the Labour Market; Measuring the Labour Force; Basic Facts about Labour Supply; The Worker's Preferences; The Budget Constraint; The Hours-of-Work Decision

Labour Demand

The Production Function; Employment Decision in the Short Run and in the Long Run; The Long-Run Demand Curve for Labour; The Elasticity of Substitution; Marshall's Rules of Derived Demand; Factor Demand with Many Inputs; Overview of Labour Market Equilibrium; Policy Application: The Employment Effects of Minimum Wages; Adjustment Costs and Labour Demand

Labour Market Equilibrium

Equilibrium in a Single Competitive Labour Market; Competitive Equilibrium across Labour Markets; Policy Applications; Immigration; The Cobweb Model

Compensating Wage Differentials

The Market for Risky Jobs; The Hedonic Wage Function; Policy Applications; Compensating Differentials and Job Amenities

Human Capital

Education in the Labour Market; the Schooling Model; Education and Earnings; Rates of Return to Schooling; Schooling as a Signal; On-the-Job Training and Age-Earnings Profiles.

The Wage Structure

Measuring Inequality; The Wage Structure; The Changing Wage Distribution; Why has Wage Inequality Increased; Inequality Across Generations

Labour Mobility

Migration as a Human Capital Investment; Internal Migration; Family Migration; The Self-Selection of Migrants; Immigrant Assimilation; Job Match and Turnover.

Labour Market Discrimination

Race and Gender in the Labour Market; The Discrimination Coefficient; Different Theories of Discrimination; Measuring Discrimination; The Oaxaca Decomposition; Policy Applications; Discrimination Against Other Groups

Labour Unions

Brief History; Determinants of Union Membership; Monopoly Unions; The Effects of Unions; Public-Sector Unions.

***We hope that you enjoy this course. We intend to!
Cheers Arlene and Neha***
