ECON4104/6303
Economics of the Labour Markets

Course Outline
Semester 2, 2015

Part A: Course-Specific Information

Students are also expected to have read and be familiar with Part B Supplement to All Course Outlines. This contains Policies on Student Responsibilities and Support, Including Special Consideration, Plagiarism and Key Dates. It also contains the BUSINESS SCHOOL PROGRAM LEARNING GOALS.
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1 STAFF CONTACT DETAILS

Lecturer-in-charge: Associate Professor Benoit Julien
Room: BUSINESS SCHOOL 405 (West Wing)
Phone No: 9385 3876
Email: benoit.julien@unsw.edu.au
Consultation Times: by appointment

1.1 Communications with lecturer
You should feel free to contact the lecturer-in-charge for any general inquiries.
Discussion of course subject material will not be entered into via lengthy emails. For these matters a meeting during consultation time is advised.

2 COURSE DETAILS

2.1 Teaching Times and Locations
Lectures start in Week 1 (to Week 12): The time(s) and location(s) is/are:
Tuesday 18:00-21:00, BUSINESS SCHOOL 119

2.2 Units of Credit
The course is worth 6 units of credit.
This course is taught in parallel to both undergraduate and postgraduate students.

2.3 Summary of Course
The Economics of Labour Markets deals with issues of demand and supply of labour at the individual and the economy level. It deals with social problems such as inequality and unemployment and looks at government policies affecting labour markets. Topics are chosen so to provide thorough foundations to understand the evolution of labour markets in a global economy. The subject is suitable both for those students interested in strategic behaviour by firms and workers and in the outcomes of labour markets both at the household and social levels.

2.4 Aims and Relationship to Other Courses
ECON 4104/6303 provides a broad introduction to the economic analysis of issues arising in labour markets and relies considerably on microeconomic methods. Economic concepts such as those learned in Microeconomics II and Advanced Economic Analysis are assumed knowledge in the course. Additional microeconomic tools appropriate for the analysis of labour markets will be reviewed in class.
2.5 Student Learning Outcomes

The Course Learning Outcomes are what you should be able to DO by the end of this course if you participate fully in learning activities and successfully complete the assessment items.

The Learning Outcomes in this course also help you to achieve some of the overall Program Learning Goals and Outcomes for all students in the BUSINESS SCHOOL. Program Learning Goals are what we want you to BE or HAVE by the time you successfully complete your degree. You demonstrate this by achieving specific Program Learning Outcomes - what you are able to DO by the end of your degree.

For more information on the Program Learning Goals and Outcomes, see Part B of the course outline.

The following table shows how your Course Learning Outcomes relate to the overall Program Learning Goals and Outcomes, and indicates where these are assessed:

<table>
<thead>
<tr>
<th>Program Learning Goals and Outcomes</th>
<th>Course Learning Outcomes</th>
<th>Course Assessment Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>This course helps you to achieve the following learning goals</td>
<td>On successful completion of the course, you should be able to:</td>
<td>This learning outcome will be assessed in the following items:</td>
</tr>
<tr>
<td>1 Knowledge</td>
<td>Locate and interpret labour market data. Explain economic measures of labour market indicators such as unemployment, participation, labour demand and labour supply and evaluate any limitations.</td>
<td>Assignments</td>
</tr>
<tr>
<td>2 Critical thinking and problem solving</td>
<td>Use economic models to explain the behaviour of labour market variables. Critically engage with explanations for current labour market problems arising from inefficiency or other issues.</td>
<td>Assignments</td>
</tr>
<tr>
<td>3a Written communication</td>
<td>Construct written work which is logically and professionally presented.</td>
<td>Assignments</td>
</tr>
<tr>
<td>3b Oral communication</td>
<td>Communicate ideas in a succinct and clear manner.</td>
<td>Not specifically assessed.</td>
</tr>
<tr>
<td>4 Teamwork</td>
<td>Work collaboratively to complete a task.</td>
<td>Not specifically assessed.</td>
</tr>
<tr>
<td>5a Ethical, environmental and sustainability considerations</td>
<td>Identify and assess environmental and sustainability considerations in problems in labour markets.</td>
<td>Exams</td>
</tr>
<tr>
<td>5b Social and cultural awareness</td>
<td>Not specifically addressed in this course.</td>
<td></td>
</tr>
</tbody>
</table>
3 LEARNING AND TEACHING ACTIVITIES

3.1 Approach to Learning and Teaching in the Course
The philosophy underpinning this course and its Teaching and Learning Strategies are based on “Guidelines on Learning that Inform Teaching at UNSW. These guidelines may be viewed at: www.guidelinesonlearning.unsw.edu.au. Specifically, the lectures and assessments have been designed to appropriately challenge students and support the achievement of the desired learning outcomes. A climate of inquiry and dialogue is encouraged between students and teachers and among students (in and out of class). The lecturers and tutors aim to provide meaningful and timely feedback to students to improve learning outcome.

3.2 Learning Activities and Teaching Strategies
The examinable content of the course is defined by the references given in the Lecture Schedule and the content of Lecture meetings.

Lectures
The purpose of Lectures is to provide a logical structure for the topics that make up the course; to emphasize the important concepts and methods of each topic, and to provide relevant examples to which the concepts and methods are applied.

Out-of-Class Study
While students may have preferred individual learning strategies, it is important to note that most learning will be achieved outside of class time. Lectures can only provide a structure to assist your study, and lecture time is limited.

An “ideal” strategy (on which the provision of the course materials is based) might include:

- Reading of the relevant chapter(s) of the text and any readings before the lecture. This will give you a general idea of the topic area.
- Attendance at lectures. Here the context of the topic in the course and the important elements of the topic are identified. The relevance of the topic should be explained.
4 ASSESSMENT

4.1 Formal Requirements
In order to pass this course, you must:
- achieve a composite mark of at least 50 out of 100; and
- make a satisfactory attempt at ALL assessment tasks. This means a mark of at least 40% in all assessment items.

4.2 Assessment Details

<table>
<thead>
<tr>
<th>Assessment Task</th>
<th>Weighting</th>
<th>Length</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assignments</td>
<td>20%</td>
<td>2 Assignments</td>
<td>TBA</td>
</tr>
<tr>
<td>Mid-session Exam</td>
<td>30%</td>
<td>60 minutes</td>
<td>Week 7</td>
</tr>
<tr>
<td>Final Exam</td>
<td>50%</td>
<td>2 hours</td>
<td>University Exam Period</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td></td>
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</tbody>
</table>

4.3 Assignments
There will be two assignments. One pertaining to the material before the mid-session exam and one pertaining to the material between the mid-session and final lecture. Each assignment is worth 10% of the final grade. Although students are encouraged to work in group or in consultation with each other, each student must hand in their own assignment copy by the due date. The due date will be announced in the first lecture.

4.4 Late Submission
Late submission will be considered only in extreme circumstances. Any student, who for reasons of serious illness cannot submit at the required time, will need full and convincing documentation of that illness which must cover the period of 4 days prior to the submission deadline.

Applications for special consideration must be lodged online through myUNSW within 3 working days of the assessment (Log into myUNSW and go to My Student Profile tab > My Student Services channel > Online Services > Special Consideration). Then submit the originals or certified copies of your supporting documentation and a completed Professional Authority form (pdf - download here) to Student Central.

In cases where students have applied for special consideration, the assessment item must still be submitted, with requirement that it be submitted to the lecturer-in-charge/course administrator within three working days of the submission date or it will not be marked.

Employment obligations or holiday plans of any kind are not acceptable reasons for late submission of an assessment item.

4.5 Midsession Exam
There will be a mid-session exam in week 7. The test will be held during class time and in the usual class room. It will examine materials covered in the previous lectures. More details on the examinable material will be provided during lectures. Also examples of typical exam questions will be provided during lectures.
The exam will be designed to test the student’s knowledge of the subject matter covered in the lectures and reading assignments.

There will be **NO supplementary tests** offered for the mid-session exam. You should make every effort to take the mid-session exam. Students who fail to attend the examination will need to apply for Special Consideration.

In cases of serious illness, students will need full and convincing documentation of that illness. Students who are found to be genuinely too ill to have attended the exam will have their mark in the final exam re-weighted to include the mark reserved for the missed test. In all other cases of non-attendance students will receive a grade of zero. Employment obligations or holiday plans of any kind are not acceptable reasons for absence from any test/examination.

Applications for special consideration must be **lodged online through myUNSW within 3 working days of the assessment** (Log into myUNSW and go to My Student Profile tab > My Student Services channel > Online Services > Special Consideration). Then submit the originals or certified copies of your supporting documentation and a completed [Professional Authority form (pdf - download here)] to Student Central.

### 4.6 Final Exam Format

This will be held in the University examination period and will be 2 hours long. The final exam will cover the entire course (Week 1 to Week 12 material). The questions on the final exam will be a mixture of short and long essay questions, possibly involving explanations of mathematical results, tables and issues discussed in class and/or in the readings. More details on the format of the exam will be provided during the lectures.

### 4.7 Quality Assurance

The BUSINESS SCHOOL is actively monitoring student learning and quality of the student experience in all its programs. A random selection of completed assessment tasks may be used for quality assurance, such as to determine the extent to which program learning goals are being achieved. The information is required for accreditation purposes, and aggregated findings will be used to inform changes aimed at improving the quality of BUSINESS SCHOOL programs. All material used for such processes will be treated as confidential and will not be related to course grades.

### 5 COURSE EVALUATION AND DEVELOPMENT

Each year feedback is sought from students and other stakeholders about the courses offered in the School and continual improvements are made based on this feedback. UNSW’s Course and Teaching Evaluation and Improvement (CATEI) Process is one of the ways in which student evaluative feedback is gathered. You are strongly encouraged to take part in the feedback process.
6 COURSE RESOURCES
The website for this course is on UNSW Moodle at: http://moodle.telt.unsw.edu.au

There is no required textbook for this subject. Reference to the following textbooks may be useful in providing basic theories used to analyse labour markets. Copies of these books will be held in the Library's Open Reserve.


From here on these texts will be referred to as ES for Ehrenberg and Smith, and CZ for Cahuc and Zylberberg, respectively.


Additional reading material is assigned on the detailed schedule of lectures further below. These will be made available on the website when possible. Other reading material may also be assigned during the semester.

7 COURSE SCHEDULE

7.1 Lecture Schedule
The following schedule is still preliminary and a definite and complete schedule, with midterm exam date, and reading list will be available on the first week of lectures.

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week 1</td>
<td>Static Labour Demand</td>
<td></td>
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<tr>
<td>28 July</td>
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<tr>
<td>Week 2</td>
<td>Dynamic Labour Demand</td>
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<tr>
<td>4 August</td>
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<tr>
<td>Week 3</td>
<td>Labour Supply</td>
<td></td>
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<tr>
<td>11 August</td>
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<tr>
<td>Week 4</td>
<td>Theories of Wages: Efficiency and Incentives</td>
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<tr>
<td>18 August</td>
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<tr>
<td>Week 5</td>
<td>Alternative theories of wages: fairness</td>
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<tr>
<td>25 August</td>
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<tr>
<td>Week 6</td>
<td>Changes in the Wage Structure, Inequality and Polarization: Framework, Facts and Explanations</td>
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<tr>
<td>1 September</td>
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<tr>
<td>Week 7</td>
<td>Midsession exam</td>
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<tr>
<td>8 September</td>
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<tr>
<td>Week 8</td>
<td>Institutional Change: Causes and Labour Market Effects</td>
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<td>15 September</td>
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<tr>
<td>Week 9</td>
<td>Technological Change: Effects on Employment, Earnings and Earnings Inequality</td>
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<tr>
<td>22 September</td>
<td>Mid-semester break: Saturday 26 September - Monday 5 October inclusive</td>
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<tr>
<td>Week 10</td>
<td>Changes in the Boundaries of the Firm and Labour Market Effects</td>
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<tr>
<td>6 October</td>
<td>Note: Monday this week (6 Oct) is a public holiday</td>
<td></td>
</tr>
<tr>
<td>Week 11</td>
<td>Changes in Participation in the face of Structural Change</td>
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<tr>
<td>13 October</td>
<td></td>
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<tr>
<td>Week 12</td>
<td>Labour Markets and Unemployment: a search theoretic approach.</td>
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<tr>
<td>20 October</td>
<td></td>
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<tr>
<td>Week 13</td>
<td>NO LECTURES or revision lecture possible on demand</td>
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<tr>
<td>27 October</td>
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</table>

### 7.2 Detailed Schedule of Lectures and Readings

Please expect revisions of this reading list as the lecturer adjusts the pace and content of the subject to the current audience. Revised copies of the syllabus will be posted on Moodle and dated so you can keep track of any change. You will also be warned of any change. Finally, revisions of the syllabus may involve “starring” of some of the weekly readings, which indicate priority over other readings in the list.