



**ECONOMICS 370 (CRN 21046):**  
Labour Economics

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BEC 338  
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Office Hours:  
Mondays 2:30-3:30  
or by appointment

*We acknowledge with respect the Lekwungen peoples on whose traditional territory the University of Victoria stands, and the Songhees, Esquimalt and WSÁNEĆ peoples whose historical relationships with the land continue to this day.*

**OBJECTIVES:**

This course provides a general introduction to labour economics. We will begin by developing an understanding of the neoclassical models of labour supply, demand and their interaction. Weaknesses of these models in terms of their ability to describe labour market outcomes will be examined. Students will be presented with extensions to and departures from the basic model with a focus on understanding wage and employment outcomes in the labour market. Throughout the course current issues relevant to the Canadian labour market will be discussed. In addition to examining models of the labour market we will also discuss empirical evidence regarding the predictive powers of these models.

**TEACHING AND ASSESSMENT MODALITY:**

This course is face to face and all exams are held in person.

**COURSE PREREQUISITES/COREQUISITES:**

- Complete all of the following
  - [ECON203](#) - Intermediate Microeconomics I (1.5)

**TEXTBOOK**

The primary textbook for this course is Labour Market Economics, 9th edition, by Benjamin, Gunderson, Lemieux, Riddell and Schirle. In addition, journal articles will be used to supplement the text.

**EVALUATION:**

Evaluation in this course will consist of **two** in-class exams, six problem sets and a comprehensive final exam. Exams will be held according to the schedule listed below. The determination of your final grade for the course will be based on the two term tests each accounting for **25%**, completion of problem sets **5%**, and the remaining **45%** will be allocated to the final exam. All exams are required to pass the course.

**EXAM SCHEDULE**

Term Test #1: Thursday, February 5<sup>th</sup>

Term Test #2: Thursday, March 12<sup>th</sup>

Final Exam: Scheduled by the Registrar

**PROBLEM SETS**

A series of problem sets will be distributed throughout the term. It is important that you work through them to gauge your understanding of the material. Thus, they will be graded for completion.

**MISSED TESTS AND ASSIGNMENTS**

If you miss an exam or cannot submit an assignment at its due date, you may qualify for an academic concession. You are required to indicate the specific grounds on which you are requesting an academic concession and provide a justification. For in-course extensions, please [send me an email containing the linked information](#). In case you miss the final exam, fill in a [request for a deferral](#). I will not respond to informal requests of academic concessions.

**GRADES**

Course letter grade - numerical score (%) equivalencies used at UVic are:

A+	A	A-	B+	B	B-	C+	C	D	F
90- 100	85- 89	80- 84	77- 79	73- 76	70- 72	65- 69	60- 64	50- 59	0-49

Note: E grades will not be assigned in this course. A mark below 50% will result in an F. Students should review the University's more detailed [summary of grading](#).

**BRIGHTSPACE**

*Brightspace* is used extensively for the course. All students are expected to be fully functional with the system. I will be using Brightspace to deliver most of the material for the course. This includes, Syllabus and course information, problem sets, lecture slides, and some recorded lectures.

**LECTURE TOPICS AND READING**

\*\* I reserve the right to add/delete topics as the course moves along \*\*

<u>Topic</u>	<u>Readings</u>
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**1. Introduction** Chapter 1 + appendix

**2. Labour Supply**

I. Labour Supply and Population [A1]

II. Theory

a. Basic Income-Leisure Choice Model  
b. Fixed Hours Constraints Chapter 2 + appendix, [A2 and A3]  
pp. 63-69

c. The Participation Decision pp. 53-55

### III. Applications

- a. Social Programs Chapter 3, [A4]
- b. Labour Supply Over the Life-Cycle Chapter 4, [A5]

## 3. Labour Demand

### I. Theory

- a. Short-Run Demand Chapter 5 pp. 138-143, Ch. 7 200-207, [A6]
- b. Long-Run Demand Chapter 5 pp. 143-156
- c. Trade Chapter 5 pp. 157-166

### II. Applications

- a. Minimum wages Chapter 7 pp. 207-216, [A7 and A8]
- b. Hours v.s. Employment Chapter 6, [A9]

## 4. Wages and Wage Structure

- I. A Single Labour Market Chapter 7 (remainder)
- II. Optimal Compensation Systems Chapter 13
- III. Compensating Differentials Chapter 8, [A10]
- IV. Human Capital Theory Chapter 9

## Additional Readings

[A1] Provencher, Claudine and Nora Galbraith, “[Fertility in Canada, 1921 to 2022](#),” Statistics Canada Cat. #91F0015M Demographic Documents, 2024

[A2] Mincer, Jacob, “Labor Force Participation of Married Women: A Study of Labor Supply,” [Humphries, Jane](#), ed. Gender and economics., vol. 45. Aldershot, U.K.: Elgar; distributed in the U.S. by Ashgate, Brookfield, Vt., 1995, pages 317-49. Previously published: [1974].

[A3] Oettinger, Gerald S., “An Empirical Analysis of the Daily Labor Supply of Stadium Vendors,” Journal of Political Economy, 1999, Vol. 107, no. 2, pp. 360-392

[A4] Baker, Michael, Jonathan Gruber, and Kevin Milligan. 2019. "The Long-Run Impacts of a Universal Child Care Program." *American Economic Journal: Economic Policy* 11 (3): 1–26.

[A5] Baker, Michael and Dwayne Benjamin, “How do Retirement Tests Affect the Labour Supply of Older Men?,” Journal of Public Economics, 71, 1999, pp. 27-51.

[A6] Bruggink, Thomas H. and David R. Rose, Jr., "Financial Restraint in the Free Agent Labor Market for Major League Baseball: Players Look at Strike Three," *Southern Economic Journal*, April 1990, pp. 1029 - 1043.

[A7] Neumark, David and William Wascher, "Minimum Wages and Employment," IZA working paper No. 2570, January 2007.

[A8] Card, David and Alan B. Krueger, "Minimum Wages and Employment: A Case Study of the Fast-Food Industry in New Jersey and Pennsylvania," *American Economic Review*, September 1994, pp. 772 - 793.

[A9] Montgomery, Mark and James Cosgrove, "The Effect of Employee Benefits on the Demand for Part-time Workers," *Industrial & Labor Relations Review*, October 1993, pp. 87 - 98.

[A10] Viscusi, W. Kip, "The Value of Risks to Life and Health," *Journal of Economic Literature*, Vol XXXI, December 1993, pp. 1912-1946.

[A11] Weiss, Andrew, "Human Capital vs. Signalling Explanations of Wages," *Journal of Economic Perspectives*, Fall 1995, pp. 133 - 154.

## COURSE POLICIES

**Academic Integrity:** Academic integrity requires commitment to the values of honesty, trust, fairness, respect, and responsibility. Students are expected to observe the same standards of scholarly integrity as their academic and professional counterparts. A student who is found to have engaged in unethical academic behaviour, including the practices described in the [Policy on Academic Integrity](#) in the University Calendar, is subject to penalty by the University.

The University reserves the right to use a plagiarism software to detect violations of academic integrity.

**Attendance:** Attendance in lectures is voluntary but highly encouraged. Attendance at labs, while not mandatory, is assigned a grade as outlined above. Students who are absent because of illness, an accident or family affliction should report to me upon your return to class through email.

**Appeals:** Depending on the nature of your concern, the order in which you should normally try to resolve the matter is:

1. Me, the course instructor
2. the Associate Chair: [econassoc@uvic.ca](mailto:econassoc@uvic.ca)
3. the Associate Dean of Academic Advising
4. the Senate.

If you're seeking a formal review of an assigned grade, you should also consult the regulations in the academic calendar regarding [review of an assigned grade](#)." I only respond to grading inquiries in writing. You must file your question within 1 week of issuance of your grade and the release of the answer key. Do not approach me after class to discuss grading concerns.

**Waitlist Policies:**

- Instructors have no discretion to admit waitlisted students or raise the cap on the course.
- Students on the waitlist should discuss with the instructor how to ensure they are not behind with coursework in the event they are admitted.
- Registered students who do not participate as specified in this outline during the first 7 calendar days from the start of the course may be dropped from the course.
- Registered students who decide not to take the course are responsible for dropping the course and are urged to do so promptly out of courtesy toward waitlisted students.
- Waitlist offers cease after the last date for adding courses irrespective of published waitlists.

**UNIVERSITY POLICIES**

Please note that this course is executed in a manner consistent with the following University statements and policies.

- a. University Calendar - Section "[Information for all students](#)"
- b. [Creating a respectful, inclusive and productive learning environment](#)
- c. [Academic Integrity](#)
- d. [Academic Concession Regulations, Academic Concession and Accommodation](#),  
Academic Accommodation – [Policy AC1205](#)
- e. [Accommodation of Religious Observance](#)
- f. [Student Conduct](#)
- g. [Non-academic Student Misconduct](#)
- h. [Accessibility](#)
- i. [Diversity / EDI](#)
- j. [Equity statement](#)
- k. [Sexualized Violence Prevention and Response](#)
- l. Discrimination and Harassment [Policy](#)

**Resources for Students:**

- a. [Student wellness](#)
- b. [Centre for Accessible Learning](#)
- c. [UVic Learn Anywhere](#). UVic Learn Anywhere is the primary learning resource for students that offers many learning workshops and resources to help students with academics and learning strategies.
- d. [Library](#) resources
- e. Centre for Academic Communication ([CAC](#))
- f. Learning Strategies Program ([LSP](#))
- g. [Academic Advising](#)
- h. Economics Undergraduate Advising: [ecadvice@uvic.ca](mailto:ecadvice@uvic.ca)
- i. [Student Awards and Financial Aid](#)
- j. [International Student Advising](#)
- k. Indigenous student services ([ISS](#))
- l. [Student groups and resources](#) including UVic [Ombudsperson](#)

***Student Experience of Learning (SEL) Survey:*** I value your feedback on this course. Towards the end of term, you will have the opportunity to complete a confidential SEL survey regarding your learning experience. The survey is vital to providing feedback to me regarding the course and my teaching, as well as to help the department improve the overall program for students in the future.