Course Description

The course is intended for graduate students of economics who have had exposure to microeconomic theory and econometrics during their undergraduate or graduate studies. Upon completion of the course students will have the skills and knowledge associated with an advanced level in labour economics. They will be able to critically read public policy documents dealing with labour market issues, and many related articles published in academic journals. Students will have also developed most of the skills needed to formulate and complete a research project in applied labour market analysis.
General Course Objectives

Upon completion of this course students will be familiar with: (1) the principles of economic theory used to understand contemporary labour markets; (2) the use of theory to construct empirical models of the most important issues in labour market analysis; and (3) the most common econometric methods, identification strategies, and data sets used in applied analyses of these issues. The course involves developing knowledge of both economic theory and empirical methods, but also of the institutions and the data needed to use theory and econometrics to understand labour markets in the OECD, and particularly in Canada.

Students will read, summarize, and critically assess texts in microeconomic theory and econometric techniques, as well as develop a familiarity with the basic structure of Canadian and OECD labour markets and the types of data used to study them. With guidance from the instructor, and in conjunction with their peers, each student will prepare a term paper on an issue they find of interest and relevant to contemporary public policy.

Specific Course Objectives

1. To develop a knowledge of microeconomic theory used to understand contemporary labour markets

   (a) Students will be introduced to the basic principles of microeconomic theory through lectures based upon readings they will do from standard textbooks, but also from some of the most important journal articles and books that have influenced the discipline.

2. To use theory to construct empirical models of the most important issues in labour market analysis

   (a) Students will enhance their familiarity with microeconomic theory and its use to construct empirically testable models through a series of weekly assignments and presentations dealing with contemporary issues in public policy.
   (b) Students will work in small groups and individually in the preparation of presentations and assignments.

3. To understand the most common econometric methods, identification strategies, and data sets used in used in applied analyses of labour market issues

   (a) Students will be introduced to the most common econometric techniques and identification strategies through lectures based upon readings they will do from standard textbooks and the most influential journal articles.
(b) Students will develop a sense of the most common data used in the study of contemporary Canadian and OECD labour markets through a series of weekly assignments and presentations.

Weekly assignments and presentations will be used as a means of progressively completing a term paper, covering all three of these objectives. The term paper should provide students with a basis for successfully completing, if they so wish, the research essay required to fulfill their degree requirements in the economics MA program.

Please note: That assignments, term papers and exams must be submitted to the professor directly, they cannot be slid under the office door.

For useful tips on how to write a University paper, please refer to the following site:
http://www.socialsciences.uottawa.ca/undergraduate/writing-style-guide

Teaching Methods

The successful student will take full advantage of the opportunities provided in class. Attending classes, handing in assignments on time, and consistently contributing to the class in all activities—whether group, pair, or individual—will all be considered as measures of success in effectively using your class time.

The classroom is intended to be a safe place where students can question and practice, receive feedback from both the instructor and their peers, and rely on their classmates as partners and resources in the learning process.

The instructor’s role is to provide resources, guidance, and support, but students are responsible for engaging actively in the process.

Students are responsible for completing readings before the class, being prepared for discussions, submitting assignments on time, volunteering material for consideration by the class, offering feedback to their classmates, and constructively incorporating the feedback they receive from both classmates and the instructor into their own work.

For the most part the class will, on a weekly basis, read and discuss a research paper applying aspects of economic theory to an issue in labour economics. All students will be required to submit a one to two page summary of the article, and the in-class discussion will be led by a group of three to five students. The choice of the discussion topic will in part be motivated by the themes chosen by students for their term papers.

Students will also make in-class presentations of early drafts of their term papers. As such the weekly summaries and discussions will offer a means of progressively obtaining feedback in order to successfully complete this requirement for the course.
Resources

There is one required text for the course. Students are required to purchase this book, which is available at the Agora Bookstore located at 145 Besserer Street.


This text will serve as your primary resource for readings and some assignments. It will also often be the starting point for the instructor’s lectures. Other texts will be relied upon by the instructor in order to introduce more advanced or supplementary material.

Students, particularly those who have not previously studied labour market economics, may wish to consult one or more undergraduate textbooks. One particularly appropriate text, based upon a Canadian perspective, is:


But others, with a US perspective, are also equally appropriate. These include but are not limited to:


Reference will also be made throughout the course to a number of the essays in the following text:


Of particular interest will be the first essay in this volume by Joshua D. Angrist and Alan B. Krueger, “Empirical Strategies in Labor Economics.” pp. 1277-1366. This essay will be referred to repeatedly throughout the course with reference to the empirical methods used in labour economics, and students may wish to obtain a copy. Angrist and Krueger offer an exposition and critical overview of some of the most important identification strategies used in modern labour economics, but they also presuppose a certain level of econometric knowledge.

Another equally important and related text that focuses on the most important empirical methods used by labour economists, and that directly addresses some of the topics covered in the course is:

This text details many of the important identification strategies that are overviewed in the Angrist and Krueger chapter, and as such offers important econometric background to the course. Depending upon their background students may also wish to rely upon standard econometric texts to support their work in this course. There are many such textbooks available, only one of which is:


The instructor can be relied upon to comment and give feedback on any text the student finds appropriate for his or her level of familiarity with the subject.

The course will also rely upon articles in standard economic journals, all but the most recent of which can be obtained through JSTOR, an electronic catalogue of academic journals available through the University of Ottawa Library website by searching under the “Databases” link.

**Assessment Methods**

Emphasis is given to your engagement in the course and the activities of the class. This is best demonstrated by motivated and informed involvement. This requires attending all scheduled classes, but also involves having completed the readings before the class and being prepared to engage in discussion. It involves your contributions to group work, completion of assignments by the required date, and attention to feedback from your peers and instructor. But obviously if you are not present you cannot participate, and regular attendance is therefore expected. Appropriate documentation justifying an extended absence is required. The policy on absences and late submissions is detailed in the following box.
Policy on absences and late submissions

Policy on absences and late submissions. Class attendance is necessary (but not sufficient) to successfully complete this course. Each missed class will result in the loss of five (5) percentage points of the Informed engagement mark. For example, if a student were to miss six classes he or she would be assigned 0 for the Informed Engagement portion of the final mark (30 – 6 x 5). In addition, students not present for a scheduled class presentation for which they are responsible will be assigned a mark of zero for the class presentation. For example, if a student were to miss four classes, one of which included a scheduled presentation for which they are in part responsible as a team member the student would lose a total of 40 marks.

Late submissions of assignments and term papers will not be accepted and will receive a mark of zero. This applies to all assignments including those submitted by email, and in this case, the time of receipt of the email by the professor is guarantor of the time of delivery. Exceptions are made only for illness or other serious situations deemed as such by the professor. All absences from class or exams, and all late submissions due to illness must be supported by a medical certificate. The professor and the Faculty reserve the right to accept or reject the reason put forth if it is not medical. Reasons such as travel, work, and errors made while reading the exam schedule are not usually accepted. In the event of an illness or related complications, only the counseling service and the campus clinic (located at 100 Marie-Curie) may issue valid certificates to justify a delay or absence.

Students are advised to notify the professor as soon as possible if a religious holiday or event forces their absence during an evaluation.

The final mark will be determined as follows:

- Attendance, participation, assignments: 30%
- Class presentations: 10%
- In-class test: 10%
- Term Paper: 20%
- Final Examination: 30%

The in-class test will be held on February 11th. It will be one hour in length.

A first draft of the term paper is due as a pdf to arrive in the instructor’s e-mailbox before the beginning of the class on March 25th, and the final draft is similarly due before the beginning of the last day of the term.

The final examination will be three hours in length and will be scheduled by the University during the examination period.

Students who miss the in-class test for a valid reason will be assigned a mark of zero, and their final examination mark will account for 40% of their grade. Students who miss the in-class test for an invalid reason will be assigned a mark of zero.

Please note that the Faculty of Social Sciences has mandated that attendance at courses is compulsory, and that professors may exclude from the final examination any students whose attendance is unsatisfactory. Further, please note that students who do not submit the draft and final version of the term
paper according to the specified deadlines without valid and appropriate documentation being given to the instructor will not be permitted to write the final examination.

Absence from an examination or late submission of an assignment

Absence from any examination or test, or late submission of assignments due to illness, must be justified; otherwise, a penalty will be imposed. The Faculty reserves the right to accept or reject the reason offered. Reasons such as travel, employment, and misreading the examination schedule are not usually accepted.

Disabilities and Accommodations

Students with disabilities requiring academic accommodations are encouraged to contact the Centre for Special Services. The Centre has a variety of assistance programs and options for students with a disability or requiring special equipment. You can obtain more information at http://www.sass.uottawa.ca/access/. After meeting with access services please feel free to make an appointment with the instructor to discuss any remaining concerns you may have. You should do this as soon as possible and at least two weeks before the first in-class test.

Academic Fraud and Plagiarism

Because of the growing number of allegations of academic fraud and plagiarism in recent years, the Faculty of Social Sciences has implemented a series of strategies to raise students’ awareness of the rules of ethics governing university assignments and of the Faculty policy on academic fraud.

The first is a document called “Beware of Plagiarism!” which is available on the University’s website at www.uottawa.ca/plagiarism.pdf.

The second document is called “Says Who? Integrity in Writing: Avoiding Plagiarism”, which is available on the Faculty’s website at:

http://www.sass.uottawa.ca/writing/kit/plagiarism.pdf

Students are required to read both of these documents and to be aware of the University regulation on academic fraud, also available on the University web site.
Beware of Academic Fraud!

Academic fraud is an act committed by a student to distort the marking of assignments, tests, examinations, and other forms of academic evaluation. Academic fraud is neither accepted nor tolerated by the University. Anyone found guilty of academic fraud is liable to severe academic sanctions.

Here are a few examples of academic fraud:

- engaging in any form of plagiarism or cheating; presenting falsified research data;
- handing in an assignment that was not authored, in whole or in part, by the student;
- submitting the same assignment in more than one course, without the written consent of the professors concerned.

In recent years, the development of the Internet has made it much easier to identify academic plagiarism. The tools available to your professors allow them to trace the exact origin of a text on the Web, using just a few words.

In cases where students are unsure whether they are at fault, it is their responsibility to consult the University’s Web Site.

Persons who have committed or attempted to commit (or have been accomplices to) academic fraud will be penalized. Here are some examples of the academic sanctions, which can be imposed:

- a grade of “F” for the assignment or course in question;
- an additional program requirement of between 3 and 30 credits;
- suspension or expulsion from the Faculty.

Last session, most of the students found guilty of fraud were given an “F” for the course and had between three and twelve credits added to their program requirement.

Course Structure and Readings

1. An overview of empirical methods and identification strategies, and examples of their use in labour economics
   
   (a) Overview
      
   
   (b) Randomized Controlled Trials
      


(c) Instrumental variables and Quasi-Experiments


(d) Regression Discontinuity

2. Labour Supply

(a) The Neoclassical Model of Labour Supply

(b) Empirical Studies

3. Household and Family Models of Labour Supply, Investments in Children, and Generational Mobility
(a) Theory


ii. John F. Ermisch. An Economic Analysis of the Family. Chapters 1 to 4, but especially chapter 2.


(b) Empirical Studies


4. Human Capital, Education, Training, and Earnings

(a) Theory and conceptual framework


(b) Empirical Studies


5. Job Search and Unemployment

(a) Theory


(b) Measurement and Empirical studies


**Student Initiated Readings and Term Papers**

Students will work in small groups of two to three in order to study a topic dealing with the structure of wages or the impact of public policy and institutions on the labour market. The topics chosen should be relevant to the conduct of current public policy debates in Canada or other OECD countries. These topics may include more in depth studies of those listed in the core readings, they may be chosen from the following list, or they may be student initiated in consultation with the instructor. But in general the topic should be drawn from a chapter in the text book by Cahuc and Zylberberg, and may include:

1. Earnings Inequality, technical change, and international trade
2. Male-Female wage differentials
3. The impact of the minimum wage on earnings and unemployment
4. Labour market consequences of immigration
5. Unemployment insurance and unemployment
6. Labour supply and tax-transfer programs
7. The impact of tax-transfer programs on the decision to retire
8. Relative wage effects of unions

Successful term papers will:

1. outline the public policy relevance of the issue being addressed;
2. outline the appropriate theoretical framework for analyzing the issue;
3. review the econometric issues that need to be addressed to successful put theory into practice;
4. review the empirical findings in the literature while noting remaining gaps; outline the appropriate data for the study of the issue or the gaps in data.

The deadlines associated with the presentations and term papers are as follows:

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<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>February 11th</td>
<td>Group membership established and initial discussion of topics</td>
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<tr>
<td>February 25th</td>
<td>Topics finalized and bibliography of readings submitted</td>
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<tr>
<td>February 25th</td>
<td>Presentation schedule finalized</td>
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<tr>
<td>March 4, 11, 18th</td>
<td>In class presentations (tentative)</td>
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<tr>
<td>March 25th</td>
<td>First draft of paper due</td>
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<tr>
<td>April 8th</td>
<td>Final draft of paper due</td>
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Other Resources and Important Information

Resources for you

Mentoring Centre - [http://www.socialsciences.uottawa.ca/mentor/eng/index.asp](http://www.socialsciences.uottawa.ca/mentor/eng/index.asp) The goal of the Mentoring Centre is to help students with their academic and social well being during their time at the University of Ottawa. Regardless of where a student stands academically, or how far along they are in completing their degree, the mentoring centre is there to help students continue on their path to success.

A student may choose to visit the mentoring centre for very different reasons. Younger students may wish to talk to their older peers to gain insight into programs and services offered by the University, while older student may simply want to brush up on study and time management skills or learn about programs and services for students nearing the end of their degree.

In all, the Mentoring Centre offers a place for students to talk about concerns and problems that they might have in any facet of their lives. While students are able to voice their concerns and problems without fear of judgment, mentors can garner further insight in issues unique to students and find a more practical solution to better improve the services that the Faculty of Social Sciences offers, as well as the services offered by the University of Ottawa.

Academic Writing Help Centre - [http://www.sass.uottawa.ca/writing/](http://www.sass.uottawa.ca/writing/)

At the AWHC you will learn how to identify, correct and ultimately avoid errors in your writing and become an autonomous writer. In working with our Writing Advisors, you will be able to acquire the abilities, strategies and writing tools that will enable you to:

- Master the written language of your choice
- Expand your critical thinking abilities
- Develop your argumentation skills
- Learn what the expectations are for academic writing

Career Services - [http://www.sass.uottawa.ca/careers/](http://www.sass.uottawa.ca/careers/)

Career Services offers various services and a career development program to enable you to recognize and enhance the employability skills you need in today’s world of work.

Counselling Service - [http://www.sass.uottawa.ca/personal/](http://www.sass.uottawa.ca/personal/)

There are many reasons to take advantage of the Counselling Service. We offer:

- Personal counselling
- Career counselling
- Study skills counselling

Access Service - [http://www.sass.uottawa.ca/access/](http://www.sass.uottawa.ca/access/)

The Access Service contributes to the creation of an inclusive environment by developing strategies and implementing measures that aim to reduce the barriers to learning for students who have learning disabilities, health, psychiatric or physical conditions.