

York University

Faculty of Liberal Arts & Professional Studies

**Department of Economics
Winter 2023**

Course # and Title

AP/ECON 3259 A: Labour Economics -- Institutions

Course Webpage

<https://moodle.yorku.ca/>

Course Instructor/Contact

Name: Prof. Laura Salisbury
Office: 1092 Vari Hall
Office Hours: T, R 2:30PM-3:30PM
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Lecture Time and Location

Time: T 11:30-2:30
Location: ACW 205

Prerequisite / Co-requisite

Prerequisites: AP/ECON 3240 3.00 or AP/ECON 3249 3.00, or equivalent. Course credit exclusions: AP/ECON 3250 3.00, GL/ECON 3550 3.00.

Course Description

Examines the economic impact of trade unions, labour legislation, and industrial organization of the labour market. Specific topics to be covered include: Labour market institutions and income inequality, focusing on the role of unions, minimum wages, and taxation; Institutions governing who can work, including child labour laws, antidiscrimination laws, and laws or social norms around married women's labour force participation; Institutions governing the conditions of work, including maternity and health benefits, worker's compensation, and working hours restrictions; Institutions governing the location of work.

Weighting of Course

Final grades will be comprised two writing assignments (25% each), a grade for participation in class discussion (10%), and a final exam (40%).

Missed Exams and Late Papers

Late papers will be penalized according to the following rule: **a paper that is D business days late will lose $5 \times (\ln(D) + 1)$ points. Any assignment submitted after April 10th will receive a grade of zero.** A deferral for the final exam will be granted **only for reasons deemed acceptable by me**. In such cases students should submit a deferred exam application together with the supporting documents (e.g. physician's statement) to the economics department to my attention. The date and time of the deferred exam will be set at a later date. Students who may require further extensions or accommodation will have to submit a formal petition to the Faculty.

Grading

The grading scheme for the course conforms to the 9-point grading system used in undergraduate programs at York (e.g., A+ = 9, A = 8, B+ = 7, C+ = 5, etc.). Tests will bear either a letter grade designation or a corresponding number grade (e.g. A+ = 90 to 100, A = 80 to 90, B+ = 75 to 79, etc.) I reserve the right to make adjustments to the grading scheme as needed.

Course Text / Readings

The required reading for this course consists of papers, which are available through York libraries and will be linked from the course website. Full citations for required readings are listed below.

Writing Assignments:

You are required to complete two written assignments. Due dates are indicated on the schedule below. Each essay will summarize and critique a paper of your choosing from the reading list.

The essays should be based on your reading of your chosen paper: you need not refer to outside sources. If you do, though, remember to cite them appropriately, and to include a complete reference in a bibliography at the end of your essay. You must never include material from any resource without proper attribution.

Your essays should begin with a brief introductory paragraph that previews the argument you are going to be making. Then, you should briefly summarize the article you are discussing, in no more than a few paragraphs. Don't review everything in the article, just the important parts.

The bulk of the essay should be devoted to your critique. Here, are you are going to take a stand on whether or not the paper was successful. You must offer your opinion and supporting evidence from the text. Here are a few questions to keep in mind when formulating your argument:

- Is the paper internally coherent? In other words, does its logic flow within its own framework and set of assumptions?
- Is the economic model the author uses appropriate?
- Does the author offer compelling evidence in support of the paper's argument?
- Does the author interpret his or her results correctly? Are there other plausible interpretations that the author has overlooked?
- Can you think of additional ways to approach the key question or problem in the paper?

You should use these questions to guide your thinking; do not answer them directly in your essay.

Each essay should be approximately 6 pages in length (double spaced, 12-point font, 1-inch margins) and will be graded on both the quality of the analysis and the writing.

Grading Rubric for Writing Assignments

Grade	Description
A (excellent)	The essay is an appropriate length and accurately summarizes the paper. The essay critiques the paper on multiple interesting dimensions. Arguments are original, clearly presented, and extremely well supported. The quality of the writing is excellent.
B (good)	The essay is an appropriate length and accurately summarizes the paper. The essay critiques the paper on multiple interesting dimensions, and arguments are clearly presented and well supported. The quality of the writing is above average.
C (satisfactory)	The essay is an appropriate length and accurately summarizes the paper. The essay critiques the paper on multiple dimensions, but support for the arguments is sketchy and not terribly clear. The writing is of average quality.
D (passing)	The essay is an appropriate length and is mostly accurate in summarizing the paper. The essay critiques the paper on minimal dimensions, and arguments are presented with little to no support. The writing is below average but comprehensible.
F (fail)	The essay fundamentally fails to adhere to the parameters of the assignment.

Important Course Information for Students

All students are expected to familiarize themselves with the following information, available on the Senate Committee on Curriculum & Academic Standards webpage;

<http://www.yorku.ca/secretariat/policies/index-policies.html/>

- York's Academic Honesty Policy and Procedures/Academic Integrity Website
- Ethics Review Process for research involving human participants
- Course requirement accommodation for students with disabilities, including physical, medical, systemic, learning and psychiatric disabilities
- Student Conduct Standards
- Religious Observance Accommodation

Course Outline and Approximate Schedule

Dates	Topics	Required Reading
Jan 10 th	Introduction	
Jan 17 th	Institutions and market structure, Part 1 - Unions	Riddell (1993)
Jan 24 th	Institutions and market structure, Part 2 - Monopsony in the labor market	Naidu and Posner (2021)
Jan 31 st	In-class writing workshop	
Feb 7 th	Institutions and income inequality, Part 1 - Unions Minimum wages	Fortin and Lemieux (1997)
Feb 15 th	Institutions and income inequality, Part 2 - Taxation <i>First writing assignment due Feb 16th</i>	Piketty and Saez (2003)
Feb 21 st	Reading Week – No Class	
Feb 28 th	Institutions governing who can work, Part 1 - Child labour laws	Moehling (1999)
Mar 7 th	Institutions governing who can work, Part 2 - Antidiscrimination laws and affirmative action	Collins (2003)
Mar 14 th	Institutions and conditions of work, Part 1: - Maternity and health benefits	Gruber (1994)
Mar 21 st	Institutions and conditions of work, Part 2: - Worker's Compensation <i>Second writing assignment due March 23rd</i>	Fishback and Kantor (1998)
Mar 28 th	Institutions and location of work - Suburbanization Spatial mismatch	Boustan (2013) Boustan and Margo (2009)
Apr 4 th	Final exam review/catch up	

Required Reading List
Full Citations

- 1) Riddell, Craig (1993). "Unionization in Canada and the United States: A Tale of Two Countries," in *Small Differences that Matter: Labor Markets and Income Maintenance in Canada and the United States*. Chicago: University of Chicago Press.
- 2) Naidu, Suresh and Eric A. Posner (2021), "Labor Monopsony and the Limits of the Law." *Journal of Human Resources*, Forthcoming.
- 3) Fortin, Nicole M. and Thomas Lemieux (1997). "Institutional Changes and Rising Wage Inequality: Is there a Linkage?" *Journal of Economic Perspectives*. 11(2): 75-96.
- 4) Piketty, Thomas and Emmanuel Saez (2003). "Income Inequality in the United States: 1913-1998." *Quarterly Journal of Economics*. 118(1): 1-39.
- 5) Moehling, Carolyn (1999). "State Child Labor Laws and the Decline of Child Labor." *Explorations in Economic History*. 36: 72-106.
- 6) Collins, William J. (2003). "The Labor Market Impact of State-Level Anti-Discrimination Laws, 1940-1960." *Industrial and Labor Relations Review*. 56(2): 244-272.
- 7) Gruber, Jonathan (1994). "The Incidence of Mandated Maternity Benefits." *American Economic Review*. 84(3): 622-641.
- 8) Fishback, Price and Shawn Kantor (1998). "The Adoption of Workers' Compensation in the United States." *Journal of Law and Economics*. 41(2): 305-342.
- 9) Boustan, Leah Platt (2013). "Local Public Goods and the Demand for High-Income Municipalities." *Journal of Urban Economics*. 76: 71-82.
- 10) Boustan, Leah Platt and Robert A. Margo (2009). "Race, Segregation, and Postal Employment: New evidence on spatial mismatch." *Journal of Urban Economics*. 65: 1-10.