



LEAD CITY UNIVERSITY
Faculty of Social and Management Sciences
Department of Economics

COURSE PARTICULARS

Course Code:	ECO217
Course Title:	Labour Economics II
Number of Units:	2
Status:	Compulsory

LECTURER DETAIL

Name:	Prof. W. O. Akerele
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Area of Specialization:	Labour Economics

COURSE DESCRIPTION

This course provides a discussion of economics of the labor market. The course begins with an overview of the trends and institutional features that characterize the labor market. Particular attention is placed on the causes and consequences of rising female labor force participation rates, the growth of the service sector, and other labor market issues.

After this introductory discussion, the focus of the course turns to a discussion of the theory of labor demand. In this section of the course, students examine the short-run and long-run determinants of labor demand. The determinants of the elasticity of labor demand, and the importance of demand. Students examine the tradeoff that occurs between the number of workers hired and the length of the work week.

The next section of the course provides a discussion of the determinants of labor supply. This discussion begins with an examination of labor supply in a simple model in which workers face a choice between labor and leisure. This is followed by a discussion of the household production model in which individuals must choose to allocate time among market and various types of nonmarket activities. The effects of alternative types of welfare, unemployment compensation, and social security systems on labor supply are then examined.

The concluding section of the course provides an examination of alternative sources of wage differentials. This portion of the course provides an examination of the economics of education, unions, discrimination, compensating wage differentials, and other determinants of wage differences.

COURSE OBJECTIVES

Upon successful completion of this course, students will be able to:

- Demonstrate an understanding of basic labor economics theory, including labor market structures and wage determination.
- Apply their understanding of theoretical models to analyze trends in data pertaining to topics in labor economics.
- Apply their understanding of theoretical models to case studies presented in the course.
- Construct, defend, and analyze important labor policy issues.
- Comprehend, assess, and criticize existing empirical work in labor economics.

ASSESSMENT

- Class Tests 15%
- Term Paper 10%
- Class Attendance 5%
- Semester Examination 70%
- **Total 100%**

TEACHING PLAN

Week	Topic
1 &2	Nonwage Labour Costs
Weeks 3 &4:	Compensating wage Differentials
Weeks 5 &6	Economics of Education
Weeks 7 &8	Worker Mobility
Weeks 9 &10	Trade Unionism
Weeks 11 &12	Personnel Policies
Weeks 13&14	Collective Bargaining and Legal Aspect of Industrial Relations

READING LISTS

Ashenfelter, O. and R. Layards (eds) (1999) Handbook of Labour Economics, Amsterdam, North-Holland

Campbell R.M, Stanley L. B & David A. M (2003) Contemporary Labour Economics, McGraw-Hill Irwin, New York, Sixth edition

Cynthia L. Estlund ed.(2014)Research Handbook on the Economics of Labor and Employment Law, Edward Elgar Publishing

Janine Berg, ed. (2015),Labour Markets, Institutions and Inequality Building Just Societies in the 21st Century, International Labour Organization, Switzerland

Jason Heyes and Ludek Rychly ed.(2013), Labour Administration in Uncertain Times Policy, Practice and Institutions, Edward Elgar Publishing

Kaufman, B. E. & Hotchkiss (2003) The Economics of Labour Markets, Thomson, Southwest, Sixth edition

TUTORIAL QUESTIONS

- 1a. Explain the concept “non-wage labour costs”.
- 1b. Explicitly explain the various components of non-wage labour costs
2. Explain the difference between general and firm specific training the world of work
- 3a. What is hedonic pricing model?
- 3b. How can the model be used to determine compensating wage differentials
4. With the aid of graphs discuss the term “compensating wage differentials” across occupations
- 5a. What is human capital investment?
- 5b. Explain the components of investment in human capital?
6. List and discuss in details the types of cost and benefits of education
- 7a. What are the factors affecting human capital investment?
- 7b. Explain the concept hedonic pricing model
- 8a. Explain the factors affecting mobility of individual workers
- 8b. Use the present value of benefits model to determine the mobility of workers
9. Discuss in details the various determinants of labour turnover in the firms
10. What is a union and what do the unions and firms bargain over?
11. The process of bargaining over labour contracts can take various forms. Explain these forms
12. What are the objectives of unions and what do the union in the public sector want for their members?