COURSE DESCRIPTION AND SCOPE

This course seeks to explain the inner workings of the labor market. The main part of the course focuses on the economics of the labor market. It covers the determination of labor market demand and supply, wage determination, wage differentials, human capital investment, migration and discrimination, as well as unemployment and labor policies. The course also aims to explain why workers join unions, trade union behavior, wage determination under the union, and the economic impact of unions.
<table>
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<tr>
<th>Period</th>
<th>Readings</th>
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<tr>
<td><strong>Week 1</strong></td>
<td><strong>INTRODUCTION AND LABOR SUPPLY</strong>&lt;br&gt;1.1 Why study labor economics&lt;br&gt;1.2 Participants in the labor market&lt;br&gt;1.3 Labor market definitions&lt;br&gt;1.4 Labor-leisure choice and the labor supply curve</td>
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<td><strong>Week 2</strong></td>
<td><strong>Public Policy and Work Effort</strong>&lt;br&gt;2.1 CPF and pension Schemes&lt;br&gt;2.2 Labor supply over the life and business cycles&lt;br&gt;2.3 Fertility Model&lt;br&gt;Tutorial 1 to be conducted at TR114 TR+1.</td>
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<td><strong>Week 3</strong></td>
<td><strong>Public Policy and Labour Supply</strong>&lt;br&gt;3.1 The Social Contract&lt;br&gt;3.2 Over time&lt;br&gt;3.3 Moon lighting&lt;br&gt;3.4 Labor market policies to encourage work and reduce poverty&lt;br&gt;Tutorial 2</td>
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<td><strong>Week 4</strong></td>
<td><strong>LABOR DEMAND</strong>&lt;br&gt;4.1 Labor demand&lt;br&gt;4.2 Elasticity of labor demand&lt;br&gt;4.3 Marshall’s rules of derived demand&lt;br&gt;Tutorial 3</td>
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| Week 5 | 5 | Wage Determination, Mobility, Payroll Tax, Labour Exploitation  
5.1 Wage determination  
5.2 Mobility  
5.3 Payroll and Labour Exploitation  
Tutorial 4 | CSB, GB, chs 4, 5  
MBM, chs 6, 8 |
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| Week 6 | 6 | ECONOMIC ASPECTS OF UNIONS  
6.1 A model of union membership  
6.2 Monopoly unionism  
6.3 The union and labour demand  
6.4 Union effects on wages and employment  
Tutorial 5 | CSB, GB, ch 10  
MBM, chs 10,11 |
| Week 7 | 7 | MACRO-FOCUSED UNIONS  
7.1 Strategic Collective Bargaining  
7.2 Free Ridership  
7.3 Another model of union membership  
Tutorial 6 | CSB |
| Week 8 | | RECESS |
| Week 9 | 8 | PAY AND EFFICIENCY  
8.1 Incentive pay  
8.2 Efficiency wages | CSB, GB, ch 11  
MBM, ch 7 |
| Week 10 | 9 | HUMAN CAPITAL INVESTMENT  
| 9.1 Returns to education  
| 9.2 On-the-job training  
| 9.3 Skills Development Fund  
| Tutorial 8 | CSB, GB, ch 6  
| MBM, ch 4 |
| Week 11 | 10 | DISCRIMINATION  
| 10.1 Labour market discrimination  
| 10.2 Economics of Household Production  
| 10.3 Gender wage gap in Singapore  
| Tutorial 9 | CSB, GB, ch 9  
| MBM, ch 14 |
| Week 12 | 11 | EMPLOYMENT, UNEMPLOYMENT AND LABOUR MARKET POLICY  
| 11.1 Sources of unemployment  
| 11.2 Impact of unemployment  
| 11.3 Public policies and programmes  
| 11.4 The inflation-unemployment trade-off  
| Tutorial 10 | CSB, GB, ch 12  
| MBM, chs 17,18 |
| Week 13 | 12 | Income Inequity and Wage Fixing  
| 12.1 What contributes to income Inequity  
| 12.2 National Wages Council | CSB |
| Week 14 | 13 | Revisions |
Quiz 2 will be conducted in Lecture 13
Tutorial 12

BASIC TEXT
CSB : Chew Soon Beng, Labour Markets and Public Policy, World Scientific Publishing Company, forthcoming. (The relevant parts of the manuscripts will be posted before each lecture).

SUPPLEMENTARY READINGS

JOURNAL ARTICLES ON SINGAPORE


Other journal references will be indicated when required.

**METHOD OF INSTRUCTION**
Lectures : 2 hours per week  
Tutorials : 1 hour per week

**COURSE ASSESSMENT** (it is subjected to change)
Quiz 1 : 15%  
Quiz 2 : 15%  
Final Examination : 70%  
Total : 100%

**Course Coordinator**  
Professor Chew Soon Beng  
Room No.: HSS-4-78  
Extension: 4761

**Lecturing/Tutoring Staff**  
Professor Chew Soon Beng