

Economics of Imperfect Labor Markets WS 14/15

Prof. Dr. Guido Schwerdt

Times and Room

Lectures: Thursday, 11:45 -13:15, F424
 Wednesday, (biweekly), 11:45 -13:15, C424
Tutorials: Friday, (biweekly), 8:15 – 9:45, H307

Course Description

The course puts a focus on labor market institutions and labor market policy. Emphasis will be placed on how public policy affects efficiency on labor markets and on the redistributive properties of institutions operating in imperfect labor markets, subject to market failures. Topics of interest include: minimum wages, unions, anti-discrimination legislation, regulation of working hours, early retirement, family policies, education, migration policies, EPL, unemployment benefits, active labor market policies and payroll taxes. For each institution, the course presents and discusses the main definitions, available measures, stylized facts, relevant theories, empirical evidence on the causal effects on outcomes of interest, as well as current policy issues. After completion of the course, a student should be able to evaluate how changing institutions and public policy will affect the labor market, individuals and businesses.

Outline

1. Introduction
2. Labor Market Institutions: A Simple Theoretical Framework
3. Estimating Effects of Labor Market Institutions: An Econometric Toolbox
4. Minimum Wages
5. Unions and Collective Bargaining Institutions
6. Anti-Discrimination Legislation
7. Regulation of Working Hours
8. Early Retirement Plans
9. Family Policies
10. Education and Training
11. Migration Policies
12. Employment Protection Legislation
13. Unemployment Benefits
14. Active Labor Market Policies
15. Payroll Taxes

Prerequisites and Assessment

Students should have a solid background in microeconomics and econometrics. Assessment will be based on a final exam. The exam will be in written form.

Required Text and Materials

The course is based on Boeri, T. and van Ours, J., *The Economics of Imperfect Labor Markets*, 2013, Princeton University Press, second edition.

Each chapter contains references to background readings and review questions. Selected review questions will be discussed in the tutorial.

Lecture notes for each chapter of the lecture will also be provided which can be downloaded before each lecture. Further references to relevant readings are provided at the end of the lecture notes for each chapter.

All lecture notes and other documents will be provided via the e-learning-Plattform **ILIAS**.

Students can sign up to the corresponding **ILIAS** group using the password provided in the first lecture. The password will not be sent by Email.

Lecture notes are not comprehensive and not self-explanatory, so attending the lectures is critical. Lecture notes might be updated, so it is best to print lecture notes only shortly before the lecture.

Office Hours

Guido Schwerdt: Wednesday, 5 to 6 p.m. Room F229

(write an e-mail to: Gundula.Hadjiani@uni-konstanz.de)

Lisa Leschnig (tutor): Thursday, 10.30 to 11.30 a.m. - Room F228

(write an e-mail to: Lisa.Leschnig@uni-konstanz.de)