



Labor Economics WS 2011/12

Dozent: Professor John T. Addison

Zeit/Ort: tba (Block-Vorlesung zwischen 01.12.2011 und 20.12.2011)

Course description and learning objectives. The course aims to provide the student with a solid introduction to contemporary labor economics. The objectives are to obtain an appreciation of the theory and reach of labor economics; to understand how labor markets can be analyzed from different economic perspectives; to obtain an understanding of how the experimental method of inquiry can be applied to analyze issues in labor and employment relations; to get some acquaintance with the key institutions of the labor market together with some appreciation of the diversity of employment relations. The course will comprise 9 chapters of the required text (Ronald G. Ehrenberg and Robert S. Smith, *Modern Labor Economics*, 11th ed., Boston and New York: Pearson/Addison-Wesley, 2011). The course material covers labor demand and supply, monopsony, minimum wages, labor as a quasi-fixed factor, hiring and training investments by the firm, internal labor markets compensating wage differentials, investments in human capital, signaling, payment systems, contract theory, efficiency wages, the wage-tenure profile, the economic impact of unions, and unemployment **plus** an additional topic not contained in that text. The additional topic is German codetermination, drawing upon John T. Addison (2009), *The Economics of Codetermination: Lessons from the German Experience*, New York: Palgrave-Macmillan; and Uwe Jirjahn (2010), "Ökonomische Wirkungen der Mitbestimmung in Deutschland: Ein Update." Arbeitspapier 186, Hans Böckler Stiftung, 2010.

Assessment. The grade for the course will be on the basis of a final exam (65%), class participation (10%), and a term paper (25%).

Itemized Content. The topics of the lectures and the relevant chapter(s) from the set text are given below. One piece of further reading will be provided for topic 8.

The topics of the lectures and the relevant chapters from the set text are as follows:-

1. The demand for labor (3);
2. Demand elasticities (4);
3. Labor market frictions (5);
4. The simple theory of labor supply (6);
5. Compensating wage differentials (8);
6. Human capital investments (9);
7. Pay and productivity (11);
8. Unions (13);
9. Unemployment (14) ;
10. Codetermination: the German model.

Dates:

Thursday, Dec. 1st, 15:30 – 18:45, Thüringer Weg 7 room K012

Friday, Dec. 2nd, 11:30 – 17:00, Thüringer Weg 7 room K012

Thursday, Dec. 8th, 15:30 – 18:45, Thüringer Weg 7 room K012

Friday, Dec. 9th, 11:30 – 17:00, Thüringer Weg 7 room 410

Thursday, Dec. 15th, 15:30 – 18:45, Thüringer Weg 7 room K012

Friday, Dec. 16th, 11:30 – 17:00, Thüringer Weg 7 room 410