

**Economics of Imperfect Labor Markets WS 19/20**  
Prof. Dr. Guido Schwerdt

**Time and Location**

Lectures:      Wednesday, 10:00 – 11:30, G227a

**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. Theoretical Framework
3. Econometric Toolbox
4. Minimum Wages
5. Regulation of Working Hours
6. Equilibrium Unemployment Theory
7. Unemployment Benefits
8. Unions and Collective Bargaining
9. Education and Training
10. Employment Protection Legislation
11. Anti-Discrimination Legislation
12. Active Labor Market Policies

**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: by appointment (write an e-mail to [office.schwerdt@uni-konstanz.de](mailto:office.schwerdt@uni-konstanz.de))