

# Seminar Labour Economics (HS 12/13) "Empirical Analyses of Wage Formation":

After an introductory meeting at the beginning of the semester (7th September 2012, 10.15-11.45, P044) the seminar takes place as a block seminar on 16th and 17th November, 2012, at ZEW (Room 2, "Neuer Seminarbereich"). Students can enrol for the seminar by **7th September**, 2012. Please send an email to Nicole Guertzgen including your matrikel number and 2-3 topics of your choice.

Contact person: PD Dr. Nicole Gürtzgen, phone: 0621/1235-155, ZEW, L 7, 1, email: Guertzgen-at-zew.de Prerequisites: Advanced Econometrics I. Examination: Seminar paper (max. 20 pages), presentation, discussion of another paper. Seminar papers have to be submitted to Nicole Gürtzgen until **9th November**, 2012.

## Topics and Selected Literature:

The references merely serve as an introduction into the literature, it is by no means sufficient to read only these selected references. Please note that the seminar paper should contain an own critical review of the relevant literature (*not* a simple summary of the reviewed papers' content!) .

### 1. The evolution of the German wage structure

Borjas, G. (2010), Labor Economics, Chapter 7, 5th Edition, McGraw Hill.

Dustmann, C., Ludsteck, J. und U. Schönberg (2009), Revisiting the German wage structure, Quarterly Journal of Economics 124, 843-881.

Kohn, K. (2006), Rising Wage Dispersion, After All! The German wage structure at the turn of the century, IZA DP 2098.

## 2. **The impact of unions on the level and structure of wages**

Gürtzgen, N. (2009), Rent-sharing and collective bargaining coverage - evidence from linked employer-employee data, *Scandinavian Journal of Economics* 111, 323-349.

Fitzenberger, B. K. Kohn und A.C. Lembcke (2008), Union density and varieties of coverage: The anatomy of union wage effects in Germany, ZEW Discussion Paper No. 08-012, Mannheim.

Cardoso, A. R. und P. Portugal (2005), Contractual wages and the wage cushion under different bargaining settings, *Journal of Labor Economics* 23, 875-902.

Stephan, G. und K. Gerlach (2005), Wage settlements and wage setting: results from a multi-level model, *Applied Economics* 37, 2297-2306.

## 3. **Employment effects of minimum wages - theory and empirical evidence**

Stewart, M. (2004), The impact of the introduction of the U.K. minimum wage on the employment probabilities of low wage workers, *Journal of the European Economic Association* 2, 67-97.

Machin, S. et al. (2003), Where the minimum wage bites hard: Introduction of minimum wages to a low wage sector, *Journal of the European Economic Association* 1, 154-180.

Borjas, G. (2000), *Labor Economics*, Chapter 5, McGraw Hill.

## 4. **The cyclicity of wages**

Devereux, P. and R. A. Hart (2007), The spot market matters: Evidence on implicit contracts from Britain, *Scottish Journal of Political Economy* 54, 661-683.

Grant, D. (2003), The effect of implicit contracts on the movement of wages over the business cycle: evidence from the national longitudinal surveys, *Industrial and Labor Relations Review* 56, 393-408.

Beaudry, P. and J. DiNardo (1991), The effect of implicit contracts on the movement of wages over the business cycle: evidence from micro data, *Journal of Political Economy* 99, 665-688.

#### **5. Wages and risk-sharing contracts**

Cardoso, A. R. and M. Portela (2009), Micro foundations for wage flexibility: wage insurance at the firm level, *Scandinavian Journal of Economics* 111, 29-50.

Gürtzgen, N. (2009), Wage insurance within German firms: Do institutions matter?, *ZEW Diskussionspapier* 09-043, Mannheim.

Guiso, L., Pistaferri, L. and F. Schivardi (2005), Insurance within the firm, *Journal of Political Economy* 113, 1054-1087.

#### **6. Efficiency wages - theory and empirical evidence**

Cahuc, P. and A. Zylberberg (2004), *Labor Economics*, Chapter 6, MIT Press.

Krueger, A. and L. Summers (1988), Efficiency wages and the inter-industry wage structure, *Econometrica* 56, 259-293.

Campbell, C. M. (1993), Do firms pay efficiency wages? Evidence with data at the firm-level, *Journal of Labor Economics* 11, 442-470.

#### **7. Seniority wages**

Dustmann, C. and S. Pereira (2008), Wage growth and job mobility in the UK and in Germany, *Industrial and Labor Relations Review* 61, 374-393.

Topel, R. H. (1991), Specific capital mobility and wages: Wages rise with job seniority, *Journal of Political Economy* 99, 145-176.

Altonji, J. G. and R. A. Shakotko (1987), Do wages rise with job seniority? *Review of Economic Studies* 54, 437-459.

#### **8. Earnings losses after job displacement**

Schmieder, J., von Wachter, T. and S. Bender (2009), The Long-Term Impact of Job Displacement in Germany During the 1982 Recession on Earnings, Income, and Employment, Columbia University, Department of Economics Discussion Paper Series DP0910-07.

Dustmann, C. and C. Meghir (2005), Wages, experience and seniority, *Review of Economic Studies* 72, 77-108.

Bender, S., Dustmann, C., Margolis, D. and C. Meghir (2002): Worker displacement in France and Germany. In: P. J. Kuhn (ed.), *Losing work, moving on: international perspectives on worker displacement*, Kalamazoo: Upjohn Institute for Employment Research, 375-470.

Jacobson, L., LaLonde, R. and D. Sullivan, Daniel (1993), Earnings losses of displaced workers, *American Economic Review* 83: 685-709.

#### 9. **Wage effects of career interruptions**

Schönberg, U. und J. Ludsteck (2008), Maternity leave legislation, female labor supply, and the family wage gap, Unpublished manuscript. London, Nürnberg. (Older version 2007 published as IZA Discussion paper 2699).

Lalive, R. und J. Zweimüller (2007), Estimating the effect of maximum parental leave duration on mothers' subsequent labor market careers, Unveröffentlichtes Manuskript.

Baum, C. L. (2003), The effect of state maternity leave legislation and the 1993 Family and Medical Leave Act on employment and wages, *Labour Economics* 10, 573-596.

#### 10. **Compensating wage differentials - theory and empirical evidence**

Villanueva, E. (2007), Estimating compensating wage differentials using voluntary job changes: Evidence from Germany, *Industrial and Labor Relations Review* 60, 544-561.

Rosen, S. (1986), The theory of equalizing differences, in: Ashenfelter, O. and R. Layard (eds.), Handbook of Labor Economics, Vol. 1. Elsevier, Amsterdam.

Duncan, G. and B. Holmlund (1983), Was Adam Smith right after all? Another test of the theory of compensating differentials, Journal of Labor Economics 1, 366-379.

#### 11. **Wage growth implications of fixed-term contracts**

Amuedo-Dorantes, C. and R. Serrano-Padial, R. (2007). Wage growth implications of fixed-term employment: An analysis by contract duration and job mobility. Labour Economics, 14. 829-847.

Gagliarducci, S. (2005). The dynamics of repeated temporary jobs. Labour Economics 12, 429-448.

Booth, A. L., Francesconi, M. and J. Frank (2002). Temporary jobs: Stepping stones or dead ends? Economic Journal 112 , 189-213.

#### 12. **Estimating the part-time wage penalty**

Manning, A. und B. Petrongolo (2008), The part-time pay penalty for women in Britain, Economic Journal, 118, F28-F51.

Hirsch, B. (2005), Why do part-time workers earn less? The role of worker and job skills, Industrial and Labor Relations Review 58 (4), 525-551.

Wolf, E. (2002), Lower wage rates for lesser hours ? A simultaneous wage-hours model for Germany, Labour Economics 9, 643-663.

R. Blank (1998), Labor market dynamics and part-time work, Research in Labor Economics 17, 57.