

**Hubert H. Humphrey School of Public Affairs**  
**CENTER FOR HUMAN RESOURCES AND LABOR STUDIES, CARLSON SCHOOL OF**  
**MANAGEMENT**  
**UNIVERSITY OF MINNESOTA**

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**Public Policies on Work and Pay**  
**PA 5431 / HRIR 5655**  
**Spring Semester 2015**

<b>Professor Morris M. Kleiner</b> <b>260 HHH Center</b> <b>Office Phone: 612-625-2089</b> <b>E-mail:kleiner@umn.edu</b>	<b>Tuesday 6:00- 8:45 PM</b> <b>Classroom: L-126 Carlson School</b> <b>Office Hours: Tuesday 3:00.p.m.- 4:30 p.m.</b> <b>Other times by appointment</b>
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\*Syllabus and other course materials are available on the *Public Policies on Work and Pay* Moodle website. Further details will be announced in class

**Welcome to Public Policies on Work and Pay!**

The purpose of this course is to examine and analyze how public policies affecting the employment relationship can be developed and evaluated. The major methods of analysis used are cost/benefit techniques and economic methods. Lessons from other countries are integrated throughout the course. The latter part of the course is devoted to the issue of who should govern the workplace, with a special emphasis on proposals for potential changes in U.S. public policy on labor and industrial relations in both the public and private sector.

Course Goals: The key goals for this course are to develop an understanding of:

- the role of public policies in the employment relationship
- the impact of government on key elements of work in the U.S. and elsewhere
- what might be the impact of changes in current laws and policies

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**Grading and Due Dates:**

Class Participation and homework .....	10%
In class exam—March 31 <sup>st</sup> .....	40%
Class Debates on a Labor Policy topic .....	20%
Essay/Exam on Workplace Governance -- May 12 <sup>th</sup> , 2015 .....	30%

### Classroom Expectations (From the HRIR guidelines):

*Honesty.* Do your own work. Plagiarizing from other students, books and journals, the internet, and other sources is a serious offense and is not acceptable. Be sure to fully cite your work. Make honest contributions to your group projects (do not be a free rider).

*Preparation.* Come to class prepared to listen, learn, and participate. Attend group meetings and be prepared to make meaningful contributions and to help other group members make contributions.

*Politeness.* Ask questions and contribute to class discussions in a positive, inclusive, and respectful manner. Respond to dissenting views with respect and reason.

*Attentiveness.* Turn off and do not answer your cell phone. Laptop computers are welcome for class-related purposes such as note taking. Other activities are inappropriate. Limit individual conversations and other distractions to break times. Focus on the tasks at hand during group meetings.

*Timeliness.* Complete assignments on time. Be on time for group meetings and for class. Unforeseen events occur and students have multiple demands on their time. If you must arrive late or leave early, do so without walking in front of any speakers. Provide advance notice to the professor whenever possible. Try to reserve the seats by the door for those who must arrive late or leave early.

### **Required Texts:**

*Emerging Labor Market Institutions for the Twenty-First Century, (ELMI)* ed. Richard B. Freeman, Joni Hersch & Lawrence Mischel, National Bureau of Economic Research, University of Chicago Press, Chicago, 2005.

**Stages of Occupational Regulation: Analysis of Case Studies**, Morris M. Kleiner, (Upjohn Institute for Employment Research, Kalamazoo, Mi. 2013). (Professor Kleiner receives no financial benefits from the sale of this book).

Audio Podcast and Interview. "Occupational Licensing" *Econ Journal Watch*,  
<http://econjwatch.org/podcast/morris-kleiner-on-occupational-licensing>

Lecture: *Stages of Occupational Regulation*,  
<http://hhei.umn.edu/news/pastEvents/2013occupationalregulation.php>

**Other texts or papers are available "on-line"**

\***The Economics of Work and Pay**, R. Filer, D. Hamermesh, and A. Rees, Harper Collins, 1996. (F., H., and R.) (optional, read only as background).

**Report and Recommendations, Commission on the Future of Worker-Management Relations,**

December 1994

**Employee Free Choice Act**, <http://thomas.loc.gov/cgi-bin/query/D?c110:4:./temp/~c110px1XO2>

**An Employer's Guide to Employment Law Issues in Minnesota July 2000. (GUIDE)** –

Available on website

**The Economic Effects of Occupational Licensing Among the States**, M. M. Kleiner and E. Vorochnikov, January 2015. Center for Labor Policy, Working Paper , University of Minnesota, (optional, read only as background)

**Other Required Material:**

Additional required readings will be available at the class website and at the Herman Reference Room 3-306 in the Carlson School of Management

**Future Directions for Labor Policy Essay:**

A take-home essay is required of no longer than five pages, on the policy implications of the “Findings of the Presidential Commission on the Future of Worker Management Relations”, and the proposed Employee Free Choice Act (2007). More specifics will be announced later in the semester.

**Policy Debate Topics:**

- 1) What is the appropriate back-pay for past gender discrimination?
- 2) How do you get managers to comply with labor policies?
- 3) Discrimination versus Safety at a U.S. Airline
- 4) Should Harvard Pay a “Living Wage”?

**Introduction and Techniques for Examining Public Policies on Labor Issues**

*Labor Policy Issues*

**Weeks 1 and 2** - January 20 and 27

Historical Conditions of Employees, the Labor Force and the Supply of Labor

Film “A Job at Ford”- A Case Study of the Conditions of the Employment Relationship prior to the Depression

“Introduction.” R. Freeman, J. Hersch, and L. Mischel, ELMI, pp. 1-12.

“The Economic Approach to Human Behavior,” G. Becker, 1976, pp. 3-14.

\* Filer, Hamermesh, and Rees (F., H., and R.), Chapters 1 and 2

## Methods of Analyzing Public Policies on Work and Pay

**Weeks 3 and 4** – February 3 and February 10

### Implications of Human Capital Concepts for Public Policies

“Evaluating the Effectiveness of National Labor Relations Act Remedies: Analysis and Comparison with Other Workplace Penalty Policies,” M. Kleiner and D. Weil. in *Research Handbook on the Economics of Labor and Employment Law* edited by Cynthia Estlund and Michael Wachter (2013).

“Introduction and Overview” in *Stages of Occupational Regulation*, M. Kleiner. Upjohn Institute for Employment Research, 2013. Ch 1.

“Analyzing the Extent and Influence of Occupational Licensing on the Labor Market,” M. M. Kleiner and A. B. Krueger, *Journal of Labor Economics*, vol. 31, no. 2, pt. 2. 2013. April. pp.S-173-S202.

\*F., H., and R., Chapter 3.

**Weeks 5 and 6** - February 17 and 24

### Labor Demand: Applications to Policy Analysis

“White Hats or Don Quixotes? Human Rights Vigilantes in the Global Economy“, K. Elliott and R. B. Freeman, ELMI, pp. 47-98.

“Developing Intermediaries and the Training of Low-Wage Workers,” ELMI, L. Lynch, pp. 293-314.

“An Initial Stage of Regulation: Interior Designers” and “The Rise, Fall, and Regulation of Mortgage Brokers” in *Stages of Occupational Regulation*, M. Kleiner. Upjohn Institute for Employment Research, 2013. Chapters 2 and 3.

\* F., H., and R., Chapters 4 and 5, The Firm, Production, and Costs, The Demand for Labor.

**Case 1 -“Maximizing Shareholder Value at Robber Barron Inc.” February 25<sup>th</sup>**

### Government Policies Toward Institutions and Individuals

**Weeks 7 and 8**– March 3 and March 10

### Government Regulation in the Labor Market and The Logic of Regulatory Intervention

“Occupational Regulation of Child Care Services” and “Of Life, Limbs, and Licensing: Electricians and Plumbers”, in *Stages of Occupational Regulation*, M. Kleiner. Upjohn Institute for Employment

Research, 2013, Chapters 4 and 5.

“How Workers Judge Government Regulations” Ch. 6, R. Freeman and J. Rogers, *What Workers Want*, Cornell University Press, 1999, pp. 117-139.

“How Risky Are Recessions for Top Earners?” F. Guvenen, G. Kaplan and J. Song, *American Economic Review*, forthcoming, May 2014.

\*F., H., and R., Chapter 15 (Income Inequality).

### **March 4<sup>th</sup>: Case 2: How does government get managers to comply with labor policies?**

Weeks 9 and 10 – March 24<sup>th</sup> The Regulation of Wages and Policies on Discrimination

GUIDE, pp. 26-34.

“Battles Among Universally Licensed Occupations” and “Lessons from Studies on the Stages of Occupational Regulation”, in *Stages of Occupational Regulation*, M. Kleiner. Upjohn Institute for Employment Research, 2013, Chapters 6 and 7.

“The Living Wage Movement: “What Is It, Why Is It, and What’s Known about Its Impact?”, J. Bernstein, ELMI, pp 99- 140.

“When the Minimum Wage Really Bites: The Effect of the U.S.-Level Minimum on Puerto Rico,” A. J. Castillo-Freeman and R. B. Freeman, in *Immigration and the Work Force*, eds., G. Borjas and R. Freeman, 1992, pp. 177-211.

GUIDE, pp. 2-18.

“The Role and Functioning of Public-Interest Legal Organizations in the Enforcement of Employment Laws”, C. Jolls, ELMI, pp-141-178.

“The Specter of Affirmative Action,” J. Leonard, in Clark Kerr and Paul Staudohar, eds., *Labor Economics and Industrial Relations: Markets and Institutions*, 1994, pp. 574-600.

\* F., H., and R., Chapter 14.

### **March 24<sup>th</sup>: Case 3 “Potential Discrimination and Its Impact on the Firm and Society**

**Week 10** – March 31<sup>st</sup>

**Exam**

## **Week 11 - April 7<sup>th</sup>**

### Health and Safety—Mind Exercise

*GUIDE*, pp. 69-83.

“Safety and Health in the Workplace,” in *Report on the American Workforce*, U.S. Department of Labor, 1994, pp. 95-138.

*Review of \*Of Life, Limbs and Licensing: Electricians and Plumbers” Chapter 5, Stages of Occupational Regulation*, Upjohn Institute, 2013.

\*F., H., and R., Chapter 10 through p. 392.

## **Weeks 12 and 13 - April 14 and 21**

### Collective Bargaining and Public Policy

“A Submerging Labor Market Institution? Unions and the Nonwage Aspects of Work” T. Buchmueller, J. DiNardo, and R. Valletta, *ELMI*, pp. 179-206.

“A New Portrait of U.S. Unionism,” R. B. Freeman and J. Medoff, in *What Do Unions Do?*, 1984, Chapter 1, pp. 3-25.

“The Influence on Resale Prices of Labor–Management Disputes in Aircraft Manufacturing” L. Ding, M. Kleiner, J.S. Leonard, and A. Pilarski, *Proceedings, Labor and Employment Relations Association Meetings*, 2014, pp. 53-57.

“Intensity of Management Resistance: Understanding the Decline of Unionization in the Private Sector,” M. Kleiner, *Journal of Labor Research*, Vol 22, No. 3, Summer 2001, pp. 519- 540.

“Easy in, Easy Out” A Future for U.S. Workplace Representation”. S. Estreicher, New York University School of Law, July 2014.

\* F., H., and R., Chapters 11 and 12.

## **April 22<sup>nd</sup> Case 4: “Adopting a Living Wage at Harvard”**

## **Week 14 and 15 – April 28 and May 5**

### Employee Representation: Public and Private Sectors

“Unions, Dynamism, and Economic Performance,” B. Hirsch, in *Research Handbook on the Economics of Labor and Employment Law ed.* Cynthia Estlund and Michael Wachter (2013).

“Who Benefits Most From Employee Involvement: Firms or Workers?” R. Freeman and M. Kleiner, *American Economic Review*, May 2000, pp. 219-223.

“What Can We Learn from NLRA to Create Labor Law for the 21<sup>st</sup> Century?”, Richard B. Freeman, *The National Labor Relations Act at 75: Its Legacy and its Future*, 2011.

\*F., H., and R., Chapter 13.

“Compensation for State and Local Government Workers” M. Gittleman, and B. Pierce, *Journal of Economics Perspectives*, Vol. 26, No. 1, Winter 2011, pp 1-27.

**Week 16** - May 12<sup>th</sup>, 2015 by 6:00 p.m.

Essay Due on Workplace Governance