

**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**  
**Fall Semester 2020**

<p><b>Professor Morris M. Kleiner</b> 260 HHH Center Office Phone: 612-625-2089 E-mail: <a href="mailto:kleiner@umn.edu">kleiner@umn.edu</a></p> <p>Office Hours: Tuesdays 3:00.p.m - 4:30 p.m. Other times by appointment</p>	<p>Class is Tuesday 6:00 - 8:45 PM Classroom: Carlson School of Management 1-136</p> <p>T.A. – Wenchen Wang Office hours- 4:30- 5:30 p.m. on Tuesdays and Wednesdays</p> <p>E-mail: wang6054@umn.edu</p>
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\*Syllabus and other course materials are available on the *Public Policies on Work and Pay* Canvas 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 used are cost/benefit techniques and economic methods of analysis. Lessons from other countries and alternative work arrangements 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 influence of changes in current laws and public policies

## Grading and Due Dates:

Class participation and homework	10%
Exam—, 2020	40%
Class Debates on a Labor Policy topic	20%
Essay on Workplace Governance —, 2020	30%

### Classroom Expectations for the class (From the *Work and Organization* department guidelines):

*Honesty.* Do your own work. Plagiarizing from other students, books and journals, the internet, and other sources is a serious offense and will not be accepted. 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.

*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.

**Guild-Ridden Labor Markets: The Curious Case of Occupational Licensing**, Morris M. Kleiner, (Upjohn Institute for Employment Research, Kalamazoo, Mi. 2015). (Professor Kleiner receives no financial benefits from the sale of this book). download PDF free of charge at <http://www.upjohn.org/publications/upjohn-institute-press/guild-ridden-labor-markets-curious-case-occupational-licensing>

*Rockonomics: A Backstage Tour of What the Music Industry Can Teach Us about Economics and Life* by Alan B. Krueger, Currency Press, New York, 2019.

Recommended Texts and Audio-Visuals:

OCCUPATIONAL LICENSING: A FRAMEWORK FOR POLICYMAKERS, July 2015. download PDF at [OCCUPATIONAL LICENSING: A FRAMEWORK FOR POLICYMAKERS](#)

License to Work: Excessive or Essential? MSNBC <http://www.msnbc.com/velshiruhle/watch/license-to-work-excessive-or-essential-1112553539666>, December 2017.

Audio Podcast and Interview. “Occupational Licensing” *Econ Journal Watch*, <http://econjwatch.org/podcast/morris-kleiner-on-occupational-licensing>, 2014.

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

Lecture Video: "[Reforming the Regulation of Professions](#)", European Commission, European Union, Brussels, Belgium, May 18, 2016.

Policy Statement Audio: [Podcast of U.S. Senate Committee on the Judiciary: "License to Compete: Occupational Licensing and the State Action Doctrine"](#), Washington, D.C. February 2, 2016.

Policy Statement U.S. House of Representatives, [Testimony, U.S. House of Representatives, Small Business Committee, Subcommittee Hearings on Economic Growth, Tax, and Capital Access, February 27, 2018.](#)

Audio Podcast and Interview: <https://paw.princeton.edu/podcast/pawcast-professor-alan-krueger-rockonomics>

**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). On Canvas

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

**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 2018. (GUIDE)** – Available on website <https://www.leg.state.mn.us/edocs/edocs?oclcnumber=23885646>

**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, and the proposals suggested in “What Can We Learn from NLRA to Create Labor Law for the 21<sup>st</sup> Century?”. More specifics will be announced later in the semester.

### **Policy Debate Topics:xxx**

- 1) What is the appropriate back-pay for past gender discrimination?
- 2) Should UBER ride-sharing drivers be required to have a government issued taxi license?
- 3) How does government get managers to comply with Fair Labor Standard Act policies?
- 4) Statistical discrimination versus Safety at a U.S. Airline
- 5) Should Harvard University Pay Food Service Workers a “Living Wage”?

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

#### Labor Policy Issues

#### **Weeks 1 and 2 – September 8 and September 15**

#### Analytical Techniques and the 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 U.S. Great 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.

“Prelude,” *Rockonomics*.

\* 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 – September 22 and September 29 yyy**

#### Implications of Human Capital Concepts and Cost-Benefit Techniques 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).

“Anatomy of Occupational Licensing” Ch 1 in *Guild-Ridden Labor Markets*.

“Supply of Musicians and The Economics of Superstars” Chapter 3 and 4, *Rockonomics*.

“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.

### **Case 1 -“Maximizing Shareholder Value at Robber Barron Inc.”—September 24<sup>th</sup>**

#### **Weeks 5 and 6 – October 1 and October 8**

##### 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.

The Evolution of Occupational Licensing and The Costs, Mobility and Quality of Occupational Licensing Services. Chapters 2 and 3 in *Guild-Ridden Labor Markets*.

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

“The Show Must Go On” Ch. 6. *Rockonomics*.

Guest Speaker: Terry Fitzgerald, Vice President, Federal Reserve Bank of Minneapolis  
Presentation on the role of central banking policy on labor markets and policy

### **Case 2- Should UBER drivers be required to have a government issued taxi license?- October 8<sup>th</sup>**

##### Government Policies Toward Institutions and Individuals

#### **Weeks 7 and 8 – October 15 and October 22**

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

Ch. 5 Occupational Licensing in Different Context, *Guild-Ridden Labor Markets*

“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*, May 2014.

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

**Case 3: How does government get managers to comply with labor policies? October 22<sup>nd</sup>**

**Week 9 –October 29**

**The Regulation of Wages and Policies on Discrimination**

GUIDE, pp. 57-102.

Ch. 6 Policy Implications of the Evolution of Occupational Licensing in the U.S. and Elsewhere, *Guild-Ridden Labor Markets*

“The Living Wage Movement: “What Is It, Why Is It, an 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. 31-40.

“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.

**October 29<sup>th</sup> Case 4 Statistical Discrimination versus Safety at a U.S. Airline**

**Week 10 – November 5<sup>th</sup>**

**Exam**

**Week 11 – November 12<sup>th</sup>**

**Health and Safety—Mind Exercise developed by Professor John Budd**

GUIDE, pp. 115-132.

“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 – November 19 and November 26**

### Collective Bargaining and Public Policy

Guest speaker from the National Labor Relations Board Regional Office in Minneapolis

“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. download at [The Influence on Resale Prices of Labor–Management Disputes in Aircraft Manufacturing](#)

“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.

“Scams, Swindles and the Music Business,” Ch. 7. *Rockonomics*.

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

## **November 26<sup>th</sup>--Case 5: “Adopting a Living Wage at Harvard”**

### **Week 14 and 15 – December 3 and December 10**

#### 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?”, R. B. Freeman, *The National Labor Relations Act at 75: Its Legacy and its Future*, 2011. *ABA Journal of Labor & Employment Law* 26(2): 327-343.

“Blurred Lines,” Chapter 9, *Rockonomics*.

\*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 15 - Essay**

**Essay Due on Workplace Governance**

**Due December 10th by 6:00 p.m.**