

Johannes Gutenberg University Mainz
Master in International Economics and Public Policy

Labour market theory: Wage inequality, redistribution and international trade

Summer Term

Klaus Wälde (lecture) and Hoang Van Khieu (tutorial)

www.macro.economics.uni-mainz.de

February 25, 2020

**Labour market theory:
Wage inequality, redistribution and international trade**

1. Introduction: Some facts on German, European and OECD labour markets

Part I The origins of wage inequality

2. Luck – The example of pure search models
3. Luck and endogenous wage distributions
4. Education and experience – Human capital

Part II Redistribution

5. The basics of tax theory
6. Taxation and inequality

Part III International trade, wage inequality and redistribution

7. A short reminder of trade and inequality
8. Autarky wage inequality due to human capital heterogeneity
9. Distributional effects of trade
10. Redistribution and Pareto-improving gains from trade

Part IV Summary

11. Conclusion and long-term redistribution