

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

1. Motivation and some facts on German, European and OECD labour markets

Part I The origins of wage inequality

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

Part II Redistribution

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

Part III International trade, wage inequality and redistribution

7. The literature on trade and labour markets
8. A simple (autarky) model with heterogeneous agents
9. Opening up to trade
10. Redistribution and Pareto-improving gains from trade

Part IV Summary

11. Conclusion and long-term redistribution