



Labor Markets and the Applied Microeconomics of Transition

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RESOURCE PERSONS: *Alexander Dyck* (Harvard University), *John Sutherland Earle* (CEU, Budapest and Stanford University), *Robert Flanagan* (Stanford University), *Saul Estrin* (London Business School)



Purpose of the Course:

The purpose of this course is to provide East European economists with an opportunity to improve their training in the tools of applied microeconomics, with an emphasis on the particular restructuring issues and labor market and privatization policy problems of economies in transition. The importance of the topic lies in the need of the region's economies for institutional development and policy design in the context of a massive reallocation of human resources, with its attendant unemployment and other social costs.

Course Description:

This two-week course will consist of 4 modules, each involving approximately 15 contact hours:

Principles of applied microeconomic analysis. Factor demand and labor supply, factor price determination. Concepts of measurement of labor market activity, unemployment and their relation to other aggregate indicators. Initial consultations on the draft research project. (*See below*) Curriculum development in microeconomics and labor market analysis for universities in transition.

Firms and workers in transitional economies. Role of trade unions, the educational system, and other labor market institutions. Research methods, including data collection, for analyzing issues in transition economies. Second draft of research project due at the end of the week.

Labor Market policies, including unemployment benefits, welfare policy, retraining programs, wage subsidies, employment legislation, minimum wages, old-age pensions, wage ceilings, regulation of collective bargaining, etc. Policy design considering social impact as well as effects on economic efficiency. Further consultations on research project.

Special topics in the reallocation of human resources in transition economies. Guest lectures. Examinations. Presentation of research projects by participants.

Institutional Co-Organizers or Co-Sponsors:

International Labor Office, the group working on labor issues in Central and Eastern Europe in the OECD.

Special Course Application Requirements:

Applicants must submit a prospectus for an analysis of a labor market issue or policy in their home country. Successful applicants will receive feedback on their proposals and will be required to complete a first draft of a complete study prior to their arrival at the summer course. This procedure will allow them to finish their papers during the course and to present their completed research at the end of the final week.

Course Dates:
July 2-15, 1996

Application Deadline
April 1, 1996

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