

Lecture Outline for: Work and Wages in Political Economy Theory

Reading: UPF Ch. 7

I. Wage Determination

- A. Labor Theory of Value (Marxist view)
 - Commodities worth the total amount of labor that is required to make them
 - Differentials between labor time and labor = surplus
- B. Modern PE
 - Role of custom and institutions and fairness
- C. Role of Home Production and the Family Wage
 - Family wage
 - Jobs with Wives
- D. Role of Government Welfare

II. Macroeconomic Factors in the PE Model

- A. Marxist view: Capitalists need unemployment.
- B. Modern view
 - Cost of losing job
 - Ideology of unemployment
 - Business Cycle

III. The Labor Market

- A. Cost of Job Loss
- B. Controlling the Labor Process

IV. Wage Differentials in the PE Model

- A. Labor Segmentation
- B. Custom and Tradition