

# How to Reduce Unemployment Without Creating Poverty

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## Basic structure and references

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## 1 Introduction: Some facts on German, European and OECD unemployment

### 1.1 Unemployment in OECD countries

- Elsby, Hobijn and Sahin (2013) “Unemployment Dynamics in the OECD”
- Launov and Wälde (2012) Slides for “Estimating incentive and welfare effects of non-stationary unemployment benefits”
- OECD (2011) “Persistence of high unemployment: what risks? what policies?”
- Shimer (2012) “Reassessing the ins and outs of unemployment”

### 1.2 Unemployment in Germany

- Launov and Wälde (2013) Slides for “Thumbscrews for agencies or for individuals? The Hartz Reforms in Germany” (see slide 8/24)
- Krebs and Scheffel (2013) “Macroeconomic Evaluation of Labor Market Reform in Germany”
- Reinberg and Hummel (2005) “Höhere Bildung schützt auch in der Krise vor Arbeitslosigkeit”
- Strasser and Wälde “Unemployment stocks and flows for Germany” (see web site)

### 1.3 Wages and wage inequality

- Acemoglu and Autor (2011) “Skills, Tasks, and Technologies: Implications for Employment and Earnings”
- Autor, Katz and Kearney (2008) “Trends in U.S. wage inequality: revising the revisionists”
- Dustmann, Ludsteck and Schönberg (2009) “Revisiting the German wage structure”
- Prasad (2004) “The Unbearable Stability of the German Wage Structure: Evidence and Interpretation”

## **2 Theories of unemployment**

### **2.1 The static textbook background**

- Pierre Cahuc and André Zylberberg (2004) Labor Economics

### **2.2 The search and matching approach**

- Burdett and Mortensen (1998) “Wage Differentials, Employer Size, and Unemployment”
- Moen (1997) “Competitive search equilibrium”
- Pissarides (1985) “Short-run Equilibrium Dynamics of Unemployment Vacancies, and Real Wages”
- Rogerson, Shimer and Wright (2005) “Search-Theoretic Models of the Labor Market: A Survey”
- Stigler (1961) “The economics of information”
- Wälde (2012) Applied Intertemporal Optimization

### **2.3 The role of trade unions**

- Booth (1995) “The Economics of the Trade Union”
- Donado and Wälde (2012) “How Trade Unions Increase Welfare”

## **3 Economic policy**

### **3.1 OECD countries during the great recession**

- Bentolila, Cahuc, Dolado and Le Barbanchon (2012) “Two-tier labour markets in the Great Recession: France versus Spain”
- Cherepnev and Wälde (2013) “Unemployment in OECD countries: Policy or Luck?”

### **3.2 Working time accounts**

- Burda and Hunt (2011) “What Explains the German Labor Market Miracle in the Great Recession?”

### **3.3 Hartz IV reforms in Germany**

- Krause and Uhlig (2012) “Transitions in the German labor market: Structure and crisis”
- Krebs and Scheffel (2013) “Macroeconomic Evaluation of Labor Market Reform in Germany”
- Launov and Wälde (2013) “Estimating incentive and welfare effects of non-stationary unemployment benefits”
- Launov and Wälde (2012) Slides for “Estimating incentive and welfare effects of non-stationary unemployment benefits”

### 3.4 Hartz III vs Hartz IV – what helped more in reducing unemployment?

- Krebs and Scheffel (2013) “Macroeconomic Evaluation of Labor Market Reform in Germany”
- Launov and Wälde (2013) “Thumbscrews for agencies or for individuals? How to reduce unemployment”

### 3.5 Earned Income Tax Credit

- Golosov, Maziero and Menzio (forthcoming) “Taxation and Redistribution of Residual Income Inequality”
- Lिंगens and Wälde (2009) “Pareto-Improving Unemployment Policies”
- Moffitt (2003) “The Negative Income Tax and the Evolution of U.S. Welfare Policy”
- Saez (2002) “Optimal Income Transfer Programs: Intensive versus Extensive Labor Supply Responses”

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