

How to Reduce Unemployment Without Creating Poverty

2014 Summer Term

Basic structure and references

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May 14, 2014

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 Some background

- Akerlof (1982) "Labor Contracts as Partial Gift Exchange"
- Burda and Wyplosz (2012) Macroeconomics: A European Text
- Cahuc and Zylberberg (2004) Labor Economics
- Shapiro and Stiglitz (1984) "Equilibrium Unemployment as a Worker Discipline Device"
- Solow (1979) "Another possible Source of Wage Stickiness"

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

- Chetty, Friedman and Saez (2013), “Using Differences in Knowledge across Neighborhoods to Uncover the Impacts of the EITC on Earnings”
- 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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