
Upcoming Seminars

Hans-Moeller-Seminar

11/20/2018, 5:00-6:15 pm

Ludwigstraße 28/II (Vgb.), International Economics Library (room 221)

SIMON JÄGER, MIT DEPARTMENT OF ECONOMICS, CAMBRIDGE (MA)
“Wages and the Value of Nonemployment”

(joint with Benjamin Schoefer, Samuel Young, and Josef Zweimüller)

Abstract: Nonemployment is often posited as workers’ outside option in wage setting models such as bargaining or monopsony. The value of this state is therefore a fundamental determinant of wages, and in turn labor supply and job creation. We measure the effect of the value of the nonemployment option on wages in existing jobs and among job switchers. Our variation in nonemployment values arises from four large reforms of unemployment insurance (UI) benefit levels in Austria, which we study quasi-experimentally by measuring wage responses in existing and new jobs using administrative data. Our worker-level analysis reveals an insensitivity of wages to UI benefit levels with point estimates for pass-through of less than 0.01. We can reject values larger than 0.03, thus implying a pass-through of less than \$0.03 per \$1.00 UI increase. In contrast, a calibrated bargaining model would have predicted a ten times larger sensitivity of 0.39. The empirical insensitivity holds even among workers with a priori low bargaining power and for workers with low labor force attachment, in areas of high unemployment, with high predicted unemployment duration, in firms with flexible pay policies, among job switchers and among recently unemployed workers, and despite high take-up and eligibility – factors that either eliminate confounders or ought to render wages even more sensitive to nonemployment values. This insensitivity of wages to the nonemployment option presents a puzzle to widely used wage setting protocols in macroeconomics and implies that nonemployment scenarios may not constitute a relevant threat point in bargaining. Our evidence supports wage setting mechanisms that largely insulate wages from the value of nonemployment.

Brown Bag Seminars

ORG Seminar

11/20/2018, 12:00 pm-1:00 pm
Prof.-Huber-Platz 2, Room V005

ANIK ASHRAF, LMU MUNICH

“Lay-offs and Productivity at a Bangladeshi Sweater Factory”

Public Economics Seminar (Fuest, Haufler, Holzner, Peichl, Sachs)

11/22/2018, 12:00 pm-1:30 pm
Schackstraße 4/II, Room 214

MAZHAR WASEEM, UNIVERSITY OF MANCHESTER

“Pecuniary and Non-Pecuniary Motivations in Tax Compliance:
Evidence from Pakistan”

CES Lectures

11/22/2018, 10:15 am-11:45 am
Schackstraße 4/II, Room 214

YILIN HOU, SYRACUSE UNIVERSITY

“Counter-cyclical Fiscal Policy and Local Real Property Tax: Optimal Design and
Empirical Tests”

Miscellaneous

Conference Presentation

Matthias Lang “Signaling versus Costly Information Acquisition”, ASSET 2018,
Florence, Italy 11/8/2018-11/10/2018.

Visitors

Research visits

CES Guests

MARA SQUICCIARINI, BOCCONI UNIVERSITY	11/05/2018-12/11/2018
RALPH SIEBERT, KRANNERT SCHOOL OF MANAGEMENT	10/29/2018-12/21/2018
DIRK SCHINDLER, NHH NORWEGIAN SCHOOL OF ECONOMICS	11/18/2018-12/22/2018
YILIN HOU, SYRACUSE UNIVERSITY	11/19/2018-01/13/2019

CESifo Guests

MAZHAR WASEEM, UNIVERSITY OF MANCHESTER	11/19/2018-11/24/2018
BRIGITTA RABE, UNIVERSITY OF ESSEX	11/25/2018-11/30/2019

Obituary to the decease of Franz Gehrels

It is with great sadness that we announce that Franz Gehrels, Professor Emeritus of Economics at the Ludwig-Maximilians-University of Munich, passed away on Tuesday 06 November 2018 at the age of 96. He was a professor at the faculty from 1977 to 1990. His research focus was in the areas of international trade, macroeconomics, and growth.

Our deepest thoughts and condolences go out to his family and friends.

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