



## Labor Market Institutions and the Macroeconomy

Friedrich-Alexander-University, Findelgasse 7/9, Nuremberg, June 17-18, 2011

Workshop of the Ensuring Economic and Employment Stability Network  
Jointly organized by the Institute for Employment Research (IAB), the Friedrich-Alexander-University  
Erlangen-Nuremberg and the Kiel Institute for the World Economy (IfW)

### Friday, 17 June 2011:

#### For interested participants

11:00-12:00 Introduction to the data sources at the IAB  
Stefan Bender (IAB)

12:00-12:45 Registration and Lunch

12:45-13:00 Introductory Words by the Organizers

13:00-15:00 Micro Data and Macro Implications

#### **New Evidence on the Hiring Process and Labor Market Flows**

Steven Davis (University of Chicago)

#### **The Great Increase in Relative Volatility of Real Wages in the United States**

Julien Champagne (Université du Québec à Montréal)

\*André Kurmann (UQAM and University of Pennsylvania)

Discussant: Michael Reiter (Institute for Advanced Studies, Wien)

15:00-16:00 Poster Session

- Sanjay Chugh (University of Maryland & IfW, Kiel), Christian Merkl (FAU, Nuremberg), **Efficiency and Labor Market Dynamics in a Model of Labor Selection**
- Stefano Gnocchi, Evi Pappa (Universitat Autònoma de Barcelona), **Do labor market rigidities matter for business cycles?**
- Benedikt Herz, Thijs van Rens (Universitat Pompeu Fabra), **Structural Unemployment**
- Annaig Morin (Bocconi University, Milan), **Cyclical Volatility of Wages and Union Power**
- Alisdair McKay (Boston University), Tamas Papp (Institute for Advanced Studies, Wien), **Accounting for the Cyclical Volatility of Wages**
- Tom Krebs (University of Mannheim), Martin Scheffel (ZEW, Mannheim), **A Macroeconomic Model for the Evaluation of Labor Market Reforms**
- Matthias S. Hertweck (University of Konstanz), Oliver Sigrist (University of Basel), **The Cyclical Dynamics of European Unemployment**

16:00-16:30 Coffee Break

## **16:30-18:30 Labor Market Institutions: A Transatlantic Perspective**

### **Training or Search? Evidence and an Equilibrium Model**

Jun Nie (Federal Reserve Bank of Kansas)

Discussant: Michael Krause (Deutsche Bundesbank, Frankfurt)

### **The Evolution of Okun's Law and of Cyclical Productivity Fluctuations in the United States and in the EU-15**

Robert Gordon (Northwestern University)

Discussant: Enzo Weber (University of Regensburg & IAB, Nuremberg)

## **20:00 Workshop dinner at Goldener Geier (Golden Vulture)**

## **Saturday, 18 June 2011**

### **09:00-11:00 Monetary Policy and the Labor Market**

#### **The Evolution of Inflation Dynamics and the Great Recession**

\*Laurence Ball (Johns Hopkins University)

Sandeep Mazumder (Wake Forest University)

#### **The Optimal Inflation Rate under Downward Nominal Wage Rigidity**

Mikael Carlsson (Sveriges Riksbank)

\*Andreas Westermarck (Sveriges Riksbank)

Discussant: Wolfgang Lechthaler (IfW, Kiel)

### **11:00-11:30 Coffee Break**

### **11:30-12:30 Unemployment and the Zero Lower Bound**

#### **Clashing Theories of Unemployment**

Robert Hall (Stanford University)

Discussant: Dale Mortensen (Northwestern University)

### **12:30-13:30 Lunch Break**

### **13:30-15:30 Institutions and the Business Cycle**

#### **Unemployment and Productivity in the Long Run: the Role of Macroeconomic Volatility**

\*Pierpaolo Benigno (International Free University of Social Sciences Guido Carli, Rome)

Luca Antonio Ricci (IMF)

Paolo Surico (London Business School)

Discussant: Christopher Reicher (IfW, Kiel)

#### **Optimal Unemployment Insurance over the Business Cycle**

Pascal Michailat (London School of Economics)

Discussant: Sanjay Chugh (University of Maryland & IfW, Kiel)

### **15:30-16:00 Coffee Break**

**16:00-18:00 The Great Recession and the Labor Market**

**Uncertainty Shocks in a Model of Effective Demand**

\*Susanto Basu (Boston College)

Brent Bundick (Boston College)

Discussant: Liam Graham (University College London)

**Labor Markets Before and after the Great Recession**

Giuseppe Bertola (Universito di Torino)

**18.15** For interested participants: **Guided city tour**

**20:00** **Workshop dinner at Marientorzwinger (Marys Gate Ward)**

**Sunday, 19 June 2011**

After workshop program: Lunch at the Erlangen Bergkirchweih (Franconian Beer Festival)

**Program committee:**

Hermann Gartner (IAB, Nuremberg)

Christian Merkl (Friedrich-Alexander-University Erlangen-Nuremberg & IfW, Kiel)

Mewael Tesfaselassie (IfW, Kiel)

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