

The European Unemployment Problem: Past Trajectory, Present Dilemmas and Future Policies

Dates: June 5-6, 2023
Location: [HG E33.3](#), ETH Zurich

Organizers: Nauro CAMPOS, Vera EICHENAUER and Jan-Egbert STURM

After the Covid pandemic, the choices policymakers face today are dire: while inflation has reached highs not seen since the early 1980s, unemployment reached lows not seen since the late 1960s. While the academic, policy and media debate has gone almost exclusively so far into how to tame inflation, it would be over-optimistic to expect that such attention would not next have to turn to unemployment if a recession erupts. This has short- as well as long-term implications both at the national and global levels, and with particularly severe consequences to European countries because of the high levels of economic integration among them.

The economics literature famously uses the term “European unemployment problem” to refer to the fact that unemployment rates have been persistently higher in Europe than in the US since the late 1970s. This has generated a large amount of research and attracted huge interest from civil society and policymakers. Moreover, it has important gender and youth dimensions that have not yet been fully studied and that will be a focus of the here proposed conference. The proposed conference will inform and contribute to the current debate and help policymakers and civil society to evaluate the new macroeconomic landscape and formulate appropriate policy responses.

The aim of the proposed conference is to bring together a group of leading researchers working on these issues to help map the frontier and distil novel policy suggestions. We will invite a mix of well-established and young researchers who can contribute to the analysis from different angles.

Programme as of May 30, 2023

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June 5, 2023

Session I: Taking Stock of the European Unemployment Problem: Facts and Theories

- 9.30 Welcoming remarks and information about the EER Special Issue
- 9.35 – 10.35 Presentation 1: Philipp HEIMBERGER (Vienna Institute for International Economic Studies) **How Far From Full Employment? The European Unemployment Problem Revisited**. Discussant: Joanna TYROWICZ
- Presentation 2: Vera Z. EICHENAUER (ETH Zurich) **The Shocking Institutions Hypothesis and The European Unemployment Problem**. Discussant: Rasmus WIESE
- Chair: Nauro CAMPOS (University College London)
- 10.35 – 11.00 Coffee break
- 11.00 – 12.30 Presentation 3: Vasco BOTELHO (European Central Bank) **Labour-at-risk**. Discussant: João JALLES
- Presentation 4: Krzysztof MAKARSKI (SGH Warsaw School of Economics and GRAPE|FAME) **The European Unemployment Puzzle: Implications From Population Aging**. Discussant: Christian PRÖBSTING (KU Leuven)
- Presentation 5: Linda TESAR (University of Michigan) **Labor Mobility and the Level of Unemployment in a Currency Union**. Discussant: Joanna TYROWICZ
- Chair: Tito BOERI (Bocconi University)
- 12.30 – 2.00 Lunch break

Session II: Temporary Work and Insurance in the European Labour Market

- 2.00 – 3.00 Keynote I: Tito BOERI (Bocconi University)
Temporary Work and Social Insurance
- Chair: Joanna TYROWICZ (University of Regensburg)
- 3.00 – 3.30 Coffee break

- 3.30 – 4.30 Presentation 6: Britta GEHRKE (University of Rostock) **Minimum Wages and Financial Constraints in Firms**. Discussant: Linda TESAR
- Presentation 7: Mathias DOLLS (ifo Institute) **An Unemployment Re-Insurance Scheme for the Eurozone? Stabilizing and Redistributive Effects**. Discussant: Vasco BOTELHO
- Chair: Vera Z. EICHENAUER (ETH Zurich)
- 7.00 Conference dinner at Dozentenfoyer, ETH Zurich

June 6, 2023

Unemployment: Country Experiences and Economic Crises

Session III: Country Experiences During the Great Recession and Labour Market Reforms

- 9.30 – 10.30 Presentation 8: Nathan VIEIRA (Aix-Marseille University). **Short-Time Work Policy, Financial Constraint and Great-Recession: Evidence of a “French Miracle”**. Discussant: Clemens HETSCHKO
- Presentation 9: Hugo DE ALMEIDA VILARES (LSE, University of Porto, School of Economics and Management and CEF.UP) **The Last Dance? Credit Cycles and Labour Market Adjustments throughout Downturns**. Discussant: Philipp HEIMBERGER
- Chair: Britta GEHRKE (University of Rostock)
- 10.30 – 11.00 Coffee break
- 11.00 – 12.30 Presentation 10: Rasmus WIESE (University of Groningen) **The Impact of Product and Labour Market Reforms on Unemployment: New Evidence Based on Local Projections**. Discussant: Krzysztof MAKARSKI
- Presentation 11: João JALLES (University of Lisbon) **Minimum Wage and Collective Bargaining Shocks: A Narrative Database for Advanced Economies**. Discussant: Nathan VIEIRA
- Presentation 12: Gerhard RÜNSTLER (European Central Bank) **The Macroeconomic Impact of Euro Area Labour Market Reforms Evidence from a Narrative Panel VA**. Discussant: Mathias DOLLS
- Chair: Jan-Egbert STURM (KOF, ETH Zurich)
- 12.30 – 2.00 Lunch break

Session IV: Participation in the European Labor Market: Causes and Benefits

2.00 – 3.00 Keynote II: Evi PAPPA (Universidad Carlos III de Madrid)

The Divided Fall of the Labor Share in Europe and its Common Explanation

Chair: Linda TESAR (University of Michigan)

3.00 – 3.30 Coffee break

3.30 – 4.30 Presentation 13: Núria RODRIGUEZ-PLANAS (City University of New York)
Gender Norms and the Motherhood Employment Gap. Discussant: Britta GEHRKE

Presentation 14: Clemens HETSCHKO (University of Leeds) **Income or Leisure? On the Hidden Benefits of (Un)Employment.** Discussant: Gerhard RÜNSTLER

Chair: Evi PAPPA (Universidad Carlos III de Madrid))

4.30 Farewell