



HELLENIC REPUBLIC

**National and Kapodistrian
University of Athens**

EST. 1837

Department of Economics

Research Seminar Series in Economic Sciences, 2021-2022

Speaker: Ioannis Kospentaris, *Assistant Professor of Economics School of Business, Virginia Commonwealth University*

Webpage: <https://sites.google.com/site/ioanniskospentaris/>



Title: Accounting for Unemployment Differences in OECD (coauthored with Athanasios Geromichalos)

Date & Time: Wednesday, June 1st, 2022, 19:00 - 20:30

Webex Link: <https://uoa.webex.com/uoa/j.php?MTID=m6f2d44769f2375bf2090852c432d9ac6>

Url: <http://www.econ.uoa.gr/ereynhtika-seminaria-research-seminars.html>

Abstract: There are significant differences in the unemployment rates between OECD countries. We use the standard Diamond-Mortensen-Pissarides (DMP) model of the labor market as an accounting device to understand the channels behind these differences. The main determinants of unemployment in the DMP model are: labor productivity, UI benefits, workers' bargaining power, staffing costs, and labor market frictions. We parameterize these forces from the data of different OECD countries and standard values from the literature. We use the job creation equation of the model to predict unemployment rates. We find that the standard DMP model accounts for a relatively small fraction of the observed variation in unemployment rates. The performance of the model improves substantially when we take into account worker heterogeneity and public sector hiring.

Organizers: Dimitris Kenourgios, *Professor*
George Dotsis, *Assoc. Professor*
Frago Kourandi, *Assist. Professor*

Thank you.

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