Institut für Arbeitsmarkt- und Berufsforschung

Die Forschungseinrichtung der Bundesagentur für Arbeit

IAB-DiskAB

Einladung

Fiscal Rules and Unemployment

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This paper analyzes fiscal policy under fiscal rules in a New Keynesian model with search and matching labor market frictions and distortionary taxation. The model is estimated with US data including detailed information on the labor market and fiscal instruments. Several findings stand out. First, fiscal rules enhance the positive effects of fiscal policy on output and unemployment. Second, spending and consumption tax cuts have the largest fiscal multipliers, but multipliers are smaller than one. Third, under labor market frictions, multipliers for labor tax cuts are small.

Dienstag, 6. Oktober 2015

10.00 Uhr

Raum **126a**