

Privatissimum in
Economic Theory and Policy

WS 2008/09, Technische Universität Wien

Institute for Mathematical Methods in Economics, Research Unit: Economics

- 09.10.08 17:00-19:00 Prof. Witt (Jena, Max-Planck-Institut)
Output Dynamics, Flow Equilibria and Structural Change - A Prolegomenon to Evolutionary Macroeconomics
(Sitzungssaal des Dekanats für Architektur - Hauptgebäude, Stiege 3, 4.Stock)
- 21.10.08 17:00-19:00 Prof. Keuschnigg (Univ. St.Gallen)
Pension Reform, Retirement and Life-Cycle Unemployment
(Prechtlsaal - Hauptgebäude, EG)
- 13.11.08 17:00-19:00 Prof. Aiginger (WIFO)
Positionierung Österreichs in einer Globalisierten Wirtschaft
(Sitzungssaal des Dekanats für Architektur - Hauptgebäude, Stiege 3, 4.Stock)
- 09.12.08 17:00-19:00 Dr. Knell (OeNB)
The Impact of Reference Norms on Inflation Persistence When Wages are Staggered: Theoretical Analysis and Empirical Results
(Sitzungssaal des Dekanats für Architektur - Hauptgebäude, Stiege 3, 4.Stock)

A B S T R A C T S

Prof. Witt (Universität Jena, Max-Planck-Institut)

Output Dynamics, Flow Equilibria and Structural Change - A Prolegomenon to Evolutionary Macroeconomics

In an evolutionary approach to macroeconomics, the market disequilibrium dynamics resulting from structural change need to be properly represented at the aggregate level. As suggested by the late F.A. Hayek, a suitable equilibrium concept required to this end as a frame of reference, is that of a flow equilibrium. The paper explores the corresponding flow dynamics that draw attention to variables not usually considered in macroeconomic theorizing. Using statistical estimates for these new variables for the West German manufacturing sector during the German unification process allows some important new insights on the relationships between structural change and macroeconomic performance.

Prof. Keuschnigg (Universität St. Gallen)

Pension Reform, Retirement and Life-Cycle Unemployment

This paper investigates the labor market impact of four often proposed policy measures for sustainable pensions: strengthening the tax benefit link, moving from wage to price indexation of benefits, lengthening calculation periods, and introducing more actuarial fairness in pension assessment. We consider the impact on three margins of aggregate labor supply, retirement behavior, job search and hours worked. We provide some analytical results and use a computational model to demonstrate the economic and welfare impact of recent pension reform in Austria. Reducing the distortion in the retirement decision by introducing pension supplements and discounts conditional on the chosen retirement date promises the largest gains in terms of GDP and welfare.

Dr. Knell (OeNB, Wien)

The Impact of Reference Norms on Inflation Persistence When Wages are Staggered: Theoretical Analysis and Empirical Results

In this paper we extend the Taylor model with staggered wages to allow for reference norms and for asymmetries between sectors. We show that reference norms can considerably increase the persistence of inflation and the extent of real wage rigidity but that these effects depend on the definition of reference norms (e.g. how backward-looking they are) and on whether the importance of norms differs between sectors. Using data on collectively bargained wages in Austria from 1980 to 2006 we show that wage-setting is strongly influenced by reference norms, that the wages of other sectors seem to matter more than own past wages and that there is a clear indication for the existence wage leadership (i.e. asymmetries in reference norms).