

Seminari di Economia

Venerdì 2 dicembre 2016

Ore 13:20 - Aula Magna Baffi (SI-A0-F)

Facoltà di Scienze Economiche Giuridiche e Politiche - Viale S. Ignazio 74, piano terra

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An analysis of Okun's law for the Spanish provinces

Abstract The inverse relationship between unemployment and Gross Domestic Product (GDP), commonly known as Okun's law, has been traditionally analysed in the economic literature. Its application to Spain is particularly interesting due to the sharp effect that economic shocks have on unemployment. The purpose of this study is to analyse the relationship between unemployment and economic growth for the Spanish provinces between 1985 and 2013, a period characterized by economic booms and recessions that had a great impact on unemployment. After testing the time series properties of provincial GDP and unemployment, we specify and estimate the difference version of Okun's law using VAR and panel VAR techniques. The obtained results point out that Spain's provinces show large differences in their unemployment sensitivity to economic variations. In particular, provinces that show less diversified industries, a more developed services sector and higher rates of labour participation suffer from higher variations in unemployment rates.

La serie di seminari è coordinata da Silvia Balia (silvia.balia@unica.it) e Fabio Cerina (fcerina@unica.it)

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