

A European Unemployment Insurance System (EUIS)

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Objectives

- To examine the potential benefits of a European Unemployment Insurance System (EUIS)
- To evaluate the extent to which member states would benefit from such a system
- To assess whether member states would unanimously be in favour of this change without the need for permanent cross-border monetary transfers

What are the potential benefits of developing a European unemployment insurance system (EUIS)? Could all the European countries involved benefit from a common, simple change to their current unemployment insurance systems? Could unanimous agreement for this change be achieved without needing permanent transfers across countries?

To properly address these questions, we have developed a dynamic equilibrium model with job search frictions, which provides a new characterisation of the differences in each euro area labour market.

Our answer to the question of whether such an agreement can ever be reached is, yes, it can be done.

Further reading

To read the full paper which accompanies this policy brief, see chapter three (pages 33-43) of the ADEMU e-book published by VoxEU.org:

www.voxeu.org/The-emu-after-the-crisis

You can see a short video summary of this topic by the author at:

www.ademu-project.eu/an-unemployment-insurance-system-for-the-euro-area-with-arpad-abraham-and-joao-broqueira

This topic also relates to the following policy briefs:

Macroeconomic stabilisation in heterogeneous societies

www.ademu-project.eu/macroeconomic-stabilisation-in-heterogeneous-societies

Recessions following expansions: The instability of market economies

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Reassessing tax policies and tax coordination: The case for a tax on automation

www.ademu-project.eu/reassessing-tax-policies-and-tax-coordination-the-case-for-a-tax-on-automation

Stimulus packages? Better be persistent!

www.ademu-project.eu/stimulus-packages-better-be-persistent

There are 38 working papers related to this topic. See the full list:

www.ademu-project.eu/ademu-working-papers-related-to-work-package-2

www.ademu-project.eu



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