

Review Problems: Unemployment in Europe vs U.S.

Econ520. Spring 2015. Prof. Lutz Hendricks. January 3, 2016

1. Explain the main differences between U.S. and European unemployment facts.
 2. How could downwardly rigid wages explain the European unemployment experience?
 - (a) Illustrate in an AS/AD diagram
 3. Explain how rising “turbulence” could explain the rise in European unemployment with essentially unchanged institutions.
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