



KATEDRA HOSPODÁRSKEJ POLITIKY



CENTRUM PRE EKONÓMIU A FINANČIE



NÁRODNÁ BANKA SLOVENSKA
EUROSISTÉM



20 February 2013

Herbert Dawid

Bielefeld University, Germany

Spatial labor market frictions and economic convergence: policy implications from a heterogeneous agent model

Abstract

This paper studies the effectiveness of different types of cohesion policies with respect to convergence of regions. A two-region agent-based macroeconomic model is used to analyze short-, medium- and long-term effects of policies improving human capital and fostering adoption of technologies in lagging regions. With fully integrated labor markets the human capital policy positively affects the economically stronger region but reduces production in the targeted weaker region. Subsidies for high technology investment in the weaker region have a positive local output effect and a negative effect on the neighboring region, thereby fostering convergence. When labor markets are not integrated both policies support convergence.

Venue: National Bank of Slovakia, conference room,
Imricha Karvaša 1, Bratislava

Date: 20 February 2013

Program: 15:00 Herbert Dawid: Spatial labor market frictions and economic
convergence: policy implications from a heterogeneous agent model
16:30 coffee