

Vous êtes invité à la prochaine réunion du

**SEMINAIRE ECONOMIQUE DE LOUVAIN**



**François Langot (Université du Mans)**

fera un exposé sur

**Does the growth process discriminate against older workers ?**

Abstract

This paper seeks to gain insights on the relationship between growth and employment, particularly when considering heterogeneous agents in terms of age. We introduce in the endogenous job destruction framework a la Mortensen and Pissarides (1998) life cycle features. We show that, under the assumption of homogeneous productivity among workers, firms tend to fire more often older workers rather than young ones, when deciding whether to update or not a technology: there is an equilibrium where the creative destruction effect dominates over the capitalization effect for old workers, whereas the capitalization effect dominates for young workers. This discrimination against older workers can be moderated when we introduce heterogeneity (in terms of productivity) among workers. Indeed, it may be more interesting for the firm to pay the updating cost and train high-productivity old workers, in spite of their advanced age, rather than destroying their job and creating a new one. We also provide empirical support to these theoretical findings using OECD panel data set, and numerical simulations of the model.

(Joint paper with Eva Moreno)

Le séminaire aura lieu mardi **16 septembre** 2008 à 16h30,  
Département des Sciences économiques  
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Renseignements : Henri Sneessens