



You are cordially invited to

UCLouvain Economics Seminar

On Thursday March 14, 2019, from 12:45 to 14:00
Doyen 22, Place des Doyens, 1

Regina T. Riphahn
(Erlanger Nürnberg)

Will give a presentation on

Employment Effects of Payroll Tax Subsidies

Abstract: This paper exploits several reforms of wage subsidies in the framework of the German Minijob program to investigate substitution and complementarity relationships between subsidized and non-subsidized labor demand. We apply an instrumental variables approach and use administrative data on German establishments for the period 1999-2014. Particularly in small establishments (0-9 employees), subsidized Minijob employment comprises large shares of the work force, on average over 40 percent. For these establishments, robust evidence shows that increasing the subsidization of Minijob employment crowds out non-subsidized employment. Our results imply that Minijob employment in 2014 may have eliminated more than 0.5 million unsubsidized employment relationships just in small establishments.

(Joint paper with Matthias Collischon and Kamila Cygan-Rehm)

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