

# SEMINAR

## The Macroeconomic Stabilization Role of Unemployment Benefit Extensions in a Monetary Union, joint with Rubén Domínguez Díaz

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**Date: 27 September 2023 (Wednesday)**

**Time: 3:00 PM – 4:30 PM**

**Venue: WYL314, 3/F, Dorothy Y. L. Wong Building,  
Lingnan University**

### ABSTRACT:

We infer the macroeconomic effects of unemployment insurance (UI) extensions through a novel identification scheme based on the non-linear design of UI policy. Our approach exploits variation in the responses to government spending shocks across US states with different levels of UI duration. Our results indicate that UI extensions have a significant stabilization role. We then show that a New Keynesian small-open-economy model with imperfect insurance against unemployment can rationalize our empirical findings. We finally use the model to measure the contribution of the demand and supply-side channels of UI extensions and to recover their union-wide effects on employment.

### BIOGRAPHY:

Prof. Zhang Donghai is an Assistant Professor at the National University of Singapore and a research fellow at the University of Bonn. He received his Ph.D. from the Universitat Pompeu Fabra in 2018. His research interests include Macroeconomics, Monetary Economics, Time Series Econometrics and Financial Economics. Donghai's publications have appeared in such journals as *Journal of Monetary Economics*, *Journal of the European Economic Association* and *Journal of Monetary Economics*.

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