

## The IER Seminar in Empirical Economics

We would like to invite you to the **Empirical Seminar** series organized by the Institute of Economic Research, Slovak Academy of Sciences, Šancová 56 that will be held in hybrid form (online and at the library of the Institute of Economic Research, Slovak Academy of Sciences). The seminar will take place on **October 28<sup>th</sup>, 2024 at 10.00 (CET)**.

The speaker will be **Olga Popova** (Leibniz Institute for East and Southeast European Studies (IOS), Germany).

The topic of the seminar is: ***The Societal Costs of Inflation and Unemployment***

**Author:** Olga Popova

### **Abstract**

What are the broad societal implications of inflation and unemployment? Analyzing a dataset of over 1.9 million individuals from 156 countries via the Gallup World Poll spanning 2005 to 2021, alongside macroeconomic data at the national level, we find that both inflation and unemployment have a negative link with confidence in financial institutions. While inflation is generally unassociated with confidence in government and leadership approval, unemployment still has a strong negative association with these outcomes. While we find no gender differences in the consequences of inflation and unemployment for confidence in political and financial institutions, the associations we document are more substantial for the cohorts that are likely to bear a disproportionate burden from inflation and unemployment—the middle-aged, lower-educated, and unmarried individuals, and for those living in rural areas. Uncertainty about the country's economic performance and one's own economic situation are the primary channels behind the associations we identify. These findings hold significant implications for policymakers, Central Banks, and public discourse, necessitating targeted strategies to alleviate the social consequences of inflation and unemployment.

The seminar will be co-chaired by Mária Širaňová and Jarko Fidrmuc.

**Link:** <https://teams.microsoft.com/l/meetup-join/19%3aN1DbFP4xWw8up59Qx5Y-CJmz8Q-Y4jiniJZWjqs6Q9RA1%40thread.tacv2/1728393083200?context=%7b%22Tid%22%3a%2217c92093-1286-4bb4-b6ea-02f3119dd49c%22%2c%22Oid%22%3a%22dab7fd44-1715-4397-8059-4adfa112d04a%22%7d>