

# **Did European labor markets become more competitive in the 1990's? Evidence from estimated worker rents**

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## ABSTRACT

This paper analyses the evolution of quantitative measures of employee rents in Europe during the nineties, using the European Household Panel Survey. One looks at two class of measures: wage differentials between workers along industry and firm size dimensions, and estimated welfare differences between employed and unemployed using a model of labor market transitions. The results are largely negative; there is robust evidence of falling rents during that period only in Ireland.

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| • Keywords: | <b>Unemployment, Insiders, Rents, Labour market flexibility,</b> |
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| • JELs: | <b>D3, E24, J3</b> |
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