

Environmental Tax Reform and the Labour Market

The Double Dividend in Different Labour
Market Regimes

Kurt Kratena

*Senior Economist, WIFO - Austrian Institute
of Economic Research, Austria*

Edward Elgar
Cheltenham, UK «Northampton, MA, USA

Contents

<i>List</i>	<i>of</i>	<i>figures</i>	vi
<i>List</i>	<i>of</i>	<i>tables</i>	vii
Introduction	,		1
1. General aspects of environmental tax reform			5
1.1 Empirical evidence of environmental tax reform			11
1.2 The 'critical view' on environmental tax reform			33
1.3 A common model framework: production, input demand and goods demand			41
1.4 Environmental tax reform in the common model framework			47
2. Theoretical assessment of different labour market regimes			55
2.1 Competitive labour markets			58
2.2 Union wage-bargaining			61
2.3 Efficiency wages in a search model			65
2.4 Conclusions for modelling the labour market			72
3. Environmental tax reform in different labour market regimes: theory			74
3.1 Tax shifts in the competitive model			77
3.2 Tax shifts in the union wage-bargaining model			80
3.3 Tax shifts in the efficiency wage model			84
4. Environmental tax reform in different labour market regimes: applications			89
4.1 A competitive labour market in a CGE model: GEM-E3			90
4.2 An application of GEM-E3			93
4.3 Union wage-bargaining in a multi-sectoral macroeconomic model: E3ME			96
4.4 An application of E3ME			103
5. Conclusions			110
<i>References</i>			117
<i>Index</i>			121