

**The Insider-Outsider  
Theory of Employment  
and Unemployment**

Assar Lindbeck and  
Dennis J. Snower

The MIT Press  
Cambridge, Massachusetts  
London, England

# Contents

Foreword	ix
Articles on Which Chapters 2–10 Are Based	xi
<b>1 Introduction</b>	<b>1</b>
<b>2 Explanations of Unemployment</b>	<b>15</b>
<b>3 Efficiency Wages versus Insiders and Outsiders</b>	<b>61</b>
<b>4 Wage Setting, Unemployment, and Insider-Outsider Relations</b>	<b>75</b>
<b>5 Cooperation, Harassment, and Involuntary Unemployment</b>	<b>85</b>
<b>6 Job Security, Work Incentives, and Unemployment</b>	<b>119</b>
<b>7 Strike and Lockout Threats and Fiscal Policy</b>	<b>143</b>
<b>8 Wage Rigidity, Union Activity, and Unemployment</b>	<b>173</b>
<b>9 Union Activity and Unemployment Persistence</b>	<b>207</b>
<b>10 Long-Term Unemployment and Macroeconomic Policy</b>	<b>225</b>
<b>11 Predictions and Policy Implications</b>	<b>239</b>
References	271
Name Index	281
Subject Index	283