

Macroeconomics Beyond the NAIURU

[Author & abstract](#)[Download](#)[22 Citations](#)[Related works & more](#)

Author

Listed:

- Storm, Servaas
(Delft University of Technology)
- Naastepad, C. W. M.
(Delft University of Technology)

[Registered:](#)

Abstract

Economists and the governments they advise have based their macroeconomic policies on the idea of a natural rate of unemployment. Government policy that pushes the rate below this point—about 6 percent—is apt to trigger an accelerating rate of inflation that is hard to reverse, or so the argument goes. In this book, Servaas Storm and C.W.M. Naastepad make a strong case that this concept is flawed: that a stable Non-Accelerating Inflation Rate of Unemployment (NAIRU), independent of macroeconomic policy, does not exist. Consequently, government decisions based on the NAIRU are not only misguided but have huge and avoidable social costs, namely, high unemployment and sustained inequality. Skillfully merging theoretical and empirical analysis, Storm and Naastepad show how the NAIRU's neglect of labor's impact on technological change and productivity growth eclipses the many positive contributions that labor and its regulation make to economic performance. When these positive effects are taken into account, the authors contend, a more

humane policy becomes feasible, one that would enhance productivity and technological progress while maintaining profits, thus creating conditions for low unemployment and wider equality.

Suggested Citation

Storm, Servaas & Naastepad, C. W. M., 2012. "[Macroeconomics Beyond the NAIRU](#)," [Economics Books](#), Harvard University Press, number 9780674062276, December.

Handle: *RePEc:hup:pbooks:9780674062276*

Download reference

as HTML



More services and features

MyIDEAS

Follow serials, authors, keywords & more

MPRA

Upload your paper to be listed on RePEc and IDEAS

New papers by email

Subscribe to new additions to RePEc

EconAcademics

Blog aggregator for economics research

Author registration

Public profiles for Economics researchers

Plagiarism

Cases of plagiarism in Economics

Rankings

Various rankings of research in Economics & related fields

Job market papers

RePEc working paper series dedicated to the job market

RePEc Genealogy

Fantasy league

Who was a student of whom,
using RePEc

Pretend you are at the helm of
an economics department

RePEc Biblio

Curated articles & papers on
various economics topics

Services from the StL Fed

Data, research, apps & more
from the St. Louis Fed

IDEAS is a [RePEc](#) service hosted by the [Research Division](#) of the [Federal Reserve Bank of St. Louis](#). RePEc uses bibliographic data supplied by the respective publishers.