

*Università degli Studi di Salerno*

*DISES – Dipartimento di Scienze Economiche e Statistiche*



*Tesi di Dottorato in Economia del Settore Pubblico – IX Ciclo*

**Titolo:**

*Tax wedge, employment and productivity: micro and macro evidence.*

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## Abstract

*In this paper I investigate the effect of the tax wedge on productivity and employment. The first chapter presents an overview of existing literature, both at micro and macro level. The second chapter analyzes the effect of the tax wedge on total factor productivity. Using plant-level data referred to a sample of OECD countries, I find that the tax wedge has a negative effect on productivity at the firm level, especially with regard to the small ones. Moreover, the results suggest that the manufacturing sector is relatively more affected by introductions or increases of the tax wedge on labour income, while, among the countries involved in the sample, Italy is relatively more affected by changes in the tax wedge. The third chapter examines, for the Italian case, the impact of the tax wedge on private employment with data disaggregated at region/sector level. The results show that the tax wedge has a negative effect on private regional employment, especially with regard to the northern regions. In particular, building and construction is the sector that experiences the most negative employment effect due to introductions or increases in the tax wedge.*