

# Unemployment, trade union and social security system

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## Abstract

This study analyzes how the endogenous wage level set by the monopolistic trade unions is affected by the social security system consisting of a pay-as-you-go public pension, child allowances and unemployment insurance in an overlapping generations model with endogenous fertility. The analysis reveals that when pension level increases, the wage level will be increased. In addition, there exists two equilibria.

**Key words:** unemployment, trade union, pay-as-you-go pension, unemployment insurance, child allowances, fertility

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