

The Effects of Minimum Wage Increases in the Czech Republic

Jakub Grossmann*

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Abstract

This paper analyzes employment effects of four minimum wage increases implemented in the Czech Republic during 2012-2017, which cumulatively increased the national minimum wage by 37 percent. We analyze outcomes at the level of firm-occupation-county-specific job cells and apply an intensity-treatment estimator similar to that of Machin et al. (2003). Our preferred specifications suggest that minimum wage increases led to higher wages for low-paid workers and did not have significant impacts on their employment.

JEL Codes: J31, J38, J68.

*CERGE-EI, a joint workplace of Charles University and the Economics Institute of the Czech Academy of Sciences, Politických vězňů 7, 111 21, Prague 1, Czech Republic. Email: jakub.grossmann@cerge-ei.cz.

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Keywords: Minimum wage, intensity treatment, job cells, Czech Republic.