

# OXFORD ECONOMIC PAPERS

Volume 60 Number 2 April 2008

[www.oep.oxfordjournals.org](http://www.oep.oxfordjournals.org)

## CONTENTS

<b>Longer life, higher welfare?</b>	193
by Michael Grimm and Kenneth Harttgen	
<b>Growth, inequality, and welfare: comparisons across space and time</b>	212
by Carola Gruen and Stephan Klasen	
<b>Job-worker mismatch and cognitive decline</b>	237
by Andries de Grip, Hans Bosma, Dick Willems, and Martin van Boxtel	
<b>Unemployment duration and unemployment insurance: a comparative analysis based on Scandinavian micro data</b>	254
by Knut Røed, Peter Jensen, and Anna Thoursie	
<b>Why are more redistributive social security systems smaller? A median voter approach</b>	275
by Marko Koethenbueger, Panu Poutvaara, and Paola Profeta	
<b>Assessing inflation targeting through intervention analysis</b>	293
by Alvaro Angeriz and Philip Arestis	
<b>Non-productive consumption loans and threshold effects in the inflation-growth relationship</b>	318
by Fu-Sheng Hung	
<b>How to measure the unobservable: a panel technique for the analysis of TFP convergence</b>	343
by Adriana Di Liberto, Francesco Pigliaru, and Roberto Mura	
<b>Intrinsic comparative statics of a general class of profit-maximizing rate-of-return regulated firms</b>	369
by Michael R. Caputo and M. Hossein Partovi	
<b>Acknowledgements</b>	383



# OXFORD ECONOMIC PAPERS

OXFORD ECONOMIC PAPERS, of which eight numbers appeared at irregular intervals between 1938 and 1947, became a periodical in 1949 and is now published four times a year in January, April, July and October. *Oxford Economic Papers* Advanced Access contains papers that have reached corrected proof stage, but have not yet been included within an issue. Advanced Access is updated weekly

SUBSCRIPTION RATES FOR 2008

INDIVIDUALS: £51 UK rest of world, €77 Europe; US\$97. Single issues £16 UK rest of world, €24 Europe; US\$30

INSTITUTIONS: £239 UK rest of world, €359 Europe; US\$454. Single issues £66 UK, €99 Europe; US\$126

ONLINE ONLY: £227 UK rest of world, €341 Europe; US\$431.

PRINT ONLY: £227 UK rest of world, €341 Europe; US\$431.

Activate your subscription at <http://www3.oup.co.uk/Register>.

Please note: US\$ rate applies to US & Canada, Euros applies to Europe, UK£ applies to UK and Rest of World.

Keep up-to-date with the latest contents of *Oxford Economic Papers* by registering for our email alerting service at <http://www3.oup.co.uk/jnls/tocmail/> (this service is freely available to all, no subscription required).

*Oxford Economic Papers* (ISSN 0030-7653) is published quarterly in January, April, July and October by Oxford University Press, Oxford, UK. Annual subscription is US\$424. *Oxford Economic Papers* is distributed by Mercury International, 365 Blair Road, Avenel, New Jersey, NJ 07001, USA. Periodicals postage paid at Rahway, New Jersey and at additional entry points.

US POSTMASTER: send address changes to *Oxford Economic Papers* c/o Mercury International, 365 Blair Road, Avenel, New Jersey, NJ 07001, USA.

Please add sales tax to prices quoted. All prices include postage and for subscribers outside the USA delivery is by standard air. Orders should be sent to Journals Subscriptions, Great Clarendon Street, Oxford OX2 6DP. Tel: +44(0)1865 353907, Fax: +44(0)1865 353485, E-mail: [jnl.cust.serv@oxfordjournals.org](mailto:jnl.cust.serv@oxfordjournals.org).

## METHODS OF PAYMENT

Payment should be made: (i) Cheque (payable to Oxford University Press, to Oxford University Press, Cashiers Office, Great Clarendon Street, Oxford OX2 6DP, UK) in GB£ Sterling (drawn on a UK bank), US\$ Dollars (drawn on a US bank), or EU€ Euros. (ii) Bank transfer to Barclays Bank Plc, Oxford Group Office, Oxford (bank sort code 20-65-18) (UK), overseas only Swift code BARC GB 22 (GB£ Sterling to account no. 70299332, IBAN GB89BARC20651870299332; US\$ Dollars to account no. 66014600, IBAN GB27BARC20651866014600; EU€ Euros to account no. 78923655, IBAN GB16BARC20651878923655). (iii) Credit card (Mastercard, Visa, Switch or American Express).

## OXFORD JOURNALS ENVIRONMENTAL AND ETHICAL POLICIES

Oxford Journals is committed to working with the global community to bring the highest quality research to the widest possible audience. Oxford Journals will protect the environment by implementing environmentally friendly policies and practices wherever possible. Please see <http://www.oxfordjournals.org/ethicalpolicies.html> for further information on Oxford Journals' environmental and ethical policies.

## DOIs

For information about DOIs and to resolve them, please visit <http://doi.org/index.html>

## BACK ISSUES

The current plus two back volumes are available from Oxford University Press. Previous volumes can be obtained from the Periodicals Service Company, 11 Main Street, Germantown, NY 12526, USA. Tel: +1(518)537 4700; Fax: +1(518)537 5899.

## ADVERTISING

Advertising is welcomed. Contact Helen Pearson, Oxford Journals Advertising, P.O. Box 347 Abingdon, OX14 1GJ, UK. Tel: +44 (0)1235 201904. Email: [helen@oxfordads.com](mailto:helen@oxfordads.com)

© Oxford University Press 2008. All rights reserved; no part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without either the prior written permission of the Publishers, or a licence permitting restricted copying issued in the UK by the Copyright Licensing Agency Ltd, 90 Tottenham Court Road, London W1P 9HE, or in the USA by the Copyright Clearance Center, 27 Congress Street, Salem, Mass 01970.

OXFORD is a trade mark of Oxford University Press