

Blanchflower, David G. and Andrew J. Oswald. *The wage curve*. Cambridge, MA.: MIT Press. 1994. 481pp. ISBN: 978-0-262-02375-7

The authors suggest that both the orthodoxies in macroeconomics and in labor and regional economics are incorrect in their beliefs regarding the relationship between unemployment and the rate of change of wages. They argue that the stable relationship is a downward-sloping convex curve linking local unemployment and the level of pay. Their important study is based on random samples that provide computerized information on nearly four million people from sixteen countries.