

SYLLABUS

University of North Carolina-Chapel Hill
Department of Economics

Econ 882: Topics in Labor Economics - Dynamics and Search

SPRING 2019

Instructor:

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Time and Place:

Class: 3:30pm-6:15pm Tu in Gardner 308
Office Hours: 2.00pm-3.30pm Tu and by appointment

Description:

The course covers topics in labor economics characterized by an attention to dynamic considerations. For each topic, we will study both theoretical and empirical issues. We will focus on two groups of contributions, organized by the main methodology implemented. The first group includes papers emphasizing search frictions in the labor market. The second group includes contributions using discrete choice models to treat labor market dynamic.

This approach will lead to two results. First, you should be able to learn *tools* useful to conduct and understand research contributions in labor economics. Second, you should be able to learn how some important *topics* in the literature are treated and which new avenues of research are currently developed to study them.

Some topics will be covered in more details than others. The choice of topics reflect the current other offerings available in the department and the research area I have been more actively involved in.

The course material will mainly consist of research articles published in leading international Journals. I will make occasional use of selected books chapters. The complete list of references is included at the end of this document. The rest of the syllabus lists an approximate calendar organized by topics and the course requirements.

All students are responsible for knowing the UNC's Honor Code (<http://honor.unc.edu/>).

Note: References and topics denoted by * are required reading and they will be covered in class; references and topics denoted by - are additional readings and they may or may not be covered in class. All * papers and most of the - papers are available in PDF on the Course Website in Sakai under Resources.

Calendar:

1. Search Models [Week 1 to 6]

- (a) Introduction:
 - Van den Berg 1999
 - Eckstein and van den Berg 2005
 - 2010 Nobel Prize Motivation
- (b) Baseline model and general results for identification:
 - * Flinn and Heckman 1982

- (c) Search-Matching-Bargaining Models:
 - * Returns to Schooling: Eckstein and Wolpin 1995
 - * Gender Differentials: Flabbi 2010
 - Health insurance: Dey and Flinn 2005
 - Minimum Wage: Flinn 2006
- (d) Equilibrium search models:
 - Theory: Albrecht and Axell 1984 [AA]
 - Theory: Burdett and Mortensen 1998 [BM]
 - * Basic identification results for BM: Mortensen 1990
 - * Estimation of AA: Eckstein and Wolpin 1990
 - * Estimation of BM using between market heterogeneity: Van den Berg and Ridder 1998
 - Estimation of BM using within market heterogeneity: Bowlus, Kiefer and Neumann 1995
 - Estimation of equilibrium search models using matched employer-employee data: Postel-Vinay and Robin 2002
 - Estimation of equilibrium search models with strategic wage bargaining: Cahuc, Postel-Vinay and Robin 2006
- (e) Household search models:
 - Theory: Guler, Guvenen and Violante 2012
 - Estimation: Dey and Flinn 2008
 - * Estimation with comparison between household and individual search: Flabbi and Mabli 2012 and 2018
 - Theory and estimation of joint search in marriage and labor markets: Flabbi, Flinn, and Salazar 2018

2. Dynamic Discrete Choice Models [Week 7 to 9]

- (a) Introduction:
 - * Eckstein and Wolpin 1989
 - Aguirregabiria and Mira 2010 (* Section 2)
 - Keane, Todd and Wolpin 2011 (* Selected Sections)
 - Heckman 1981
 - Wolpin 1996
 - Rust 1994
- (b) Application - Occupational Choice:
 - Lee and Wolpin 2006
 - * Keane and Wolpin 1997
 - Miller 1984
- (c) Application - Child Development:
 - * Bernal 2008
 - * Del Boca, Flinn and Wiswall 2014
 - Mroz, Liu, and Van der Klaauw 2010
 - Tartari 2015

3. Exam [Week 10]

- Exam Session: March 19, 2019

4. Methodological Issues [Week 11]

- (a) Economic Theory and Empirical Work:
 - Wolpin 2013 (* Selected Chapters)
 - Athey and Imbens 2017
 - Keane 2010
 - Rust 2010 and 2014
- (b) Structural and Reduced Form Econometrics:
 - * Rosenzweig and Wolpin 2000
 - Deaton 2010
 - Imbens 2010
 - Heckman 2010
 - Low and Meghir 2017

5. Students Presentations [Week 12 to 14]

Course Requirements [relative weight]:

1. Exam [40%]:

It will be the only exam of the course and it will be late in the semester but before the usual time of a final so you can devote the last part of the semester to the paper.

2. Presentation [10%]:

It will be an in-class presentation of about an hour on the paper you are proposing to complete for the course. Tentative starting date for students' presentations is April 9, 2019.

3. Paper [50%]:

It should be a replication study of some or all the empirical results included in a paper already published. You can choose a paper from the list of references included in this syllabus or you may propose another paper. Each of you should choose a different paper and should previously discuss the choice with me. The deadline to hand in the final version of the paper is the last day of the examination period: May 7, 2019.

References

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- [3] Athey, S. and G. Imbens (2017), “The State of Applied Econometrics: Causality and Policy Evaluation”, *The Journal of Economic Perspectives*, 31(2): 3 – 32.
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