

SYLLABUS

University of North Carolina-Chapel Hill
Department of Economics

Econ 882: Topics in Labor Economics - Dynamics and Search

SPRING 2024

Course Information:

Credit Hours: 3
Meeting Pattern: Tu 3:30PM - 6:15PM
Instructional Format: in-person
Classroom: GA (Gardner Hall) 307

Instructor Information:

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Office Hours: By appointment.
<https://sites.google.com/site/lucaflabbi/home>

Description:

The course covers specific topics in labor economics by paying particular attention to dynamic considerations. For each topic, we will study both theoretical and empirical issues. The focus is on two groups of contributions, organized by methodology. The first group includes papers emphasizing search frictions in the labor market; the second, papers 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.

Calendar:

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 Canvas under Files.

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 BM with Productivity Dispersion: Bontemps, Robin, and van den Berg 2000
 - 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-Saenz 2020
 - Theory and estimation of joint search and wealth accumulation: Garcia-Perez and Rendon 2020
 - Theory and estimation of joint search and household production: Salazar-Saenz 2021

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
 - Heckman 1981
 - Wolpin 1996
 - Rust 1994
- (b) Application - Occupational Choice:
 - Miller 1984
 - * Keane and Wolpin 1997
 - Lee and Wolpin 2006
 - Britton and Waltmann 2021
- (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: 4/2/2024

4. Methodological Issues [Week 11 to 12]

- (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 13 to 14]

Course Requirements [relative weight]:

1. Exam [35%]:

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. This way, you can devote the last part of the semester to the paper. The exam will be open book, i.e. you will be free to consult any books or notes of your choice.

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.

3. Paper [55%]:

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 complete the final version of the paper is the last day of the examination period: 5/10/2023.

Policy Statements:

Academic Policies

1. University Class Attendance Policy: As stated in the University's [Class Attendance Policy](#), no right or privilege exists that permits a student to be absent from any class meetings, except for these University Approved Absences:
 - (a) Authorized University activities: [University Approved Absence Office \(UAAO\) website](#) provides information and FAQs for students and FAQs for faculty related to University Approved Absences
 - (b) Disability/religious observance/pregnancy, as required by law and approved by [Accessibility Resources and Service](#) and/or the [Equal Opportunity and Compliance Office \(EOC\)](#).
 - (c) Significant health condition and/or personal/family emergency as approved by the [Office of the Dean of Students](#), [Gender Violence Service Coordinators](#), and/or the [Equal Opportunity and Compliance Office \(EOC\)](#).

Instructors may work with students to meet attendance needs that do not fall within University approved absences. For situations when an absence is not University approved (e.g., a job interview, illness/ flu or club activity), instructors are encouraged to work directly with students to determine the best approach to missed classes and make-up assessment and assignments.

2. Honor Code Statement: All students are expected to follow the guidelines of the UNC Honor Code. In particular, students are expected to refrain from “lying, cheating, or stealing” in the academic context. If you are unsure about which actions violate the Honor Code, please see me, or consult studentconduct.unc.edu.
3. Syllabus Changes: The instructor reserves the right to make changes to the syllabus including project due dates and test dates. These changes will be announced as early as possible.
4. Acceptable Use Policy: By attending the University of North Carolina at Chapel Hill, you agree to abide by the University of North Carolina at Chapel Hill policies related to the acceptable use of IT systems and services. The Acceptable Use Policy (AUP) sets the expectation that you will use the University’s technology resources responsibly, consistent with the University’s mission. In the context of a class, it is quite likely you will participate in online activities that could include personal information about you or your peers, and the AUP addresses your obligations to protect the privacy of class participants. In addition, the AUP addresses matters of others’ intellectual property, including copyright. These are only a couple of typical examples, so you should consult the full [Information Technology Acceptable Use Policy](#), which covers topics related to using digital resources, such as privacy, confidentiality, and intellectual property. Additionally, consult the [Safe Computing at UNC website](#) for information about data security policies, updates, and tips on keeping your identity, information, and devices safe.
5. Data Security and Privacy: Web-based Discussion Forum, Assignments, DropBox, Gradebook, and Tests and Quizzes tools are designed to share FERPA-protected information privately between instructors and individual students, in accordance to [UNC-Chapel Hill Privacy Statement](#).
6. Grade Appeal Process: If you have any concerns with grading and/or feel you have been awarded an incorrect grade, please discuss it with the instructor as soon as possible. If you cannot resolve the issue the instructor, you may talk to the director of graduate studies or the department chair.

Services and Student Support Policies

1. Accessibility Resources and Services (ARS): [ARS \(ars@unc.edu\)](mailto:ars@unc.edu) receives requests for accommodations, and through the Student and Applicant Accommodations Policy determines eligibility and identifies reasonable accommodations for students with disabilities and/or chronic medical conditions to mitigate or remove the barriers experienced in accessing University courses, programs and activities. ARS also offers its Testing Center resources to students and instructors to facilitate the implementation of testing accommodations. Faculty and instructors with any concerns or questions about accommodations and/or their implementation, are invited to reach out to ARS to discuss.
2. Counseling and Psychological Services (CAPS): UNC-Chapel Hill is strongly committed to addressing the mental health needs of a diverse student body. The [Heels Care Network website](#) is a placeto access the many mental health resources at Carolina. CAPS is the primary mental health provider for students, offering timely access to consultation and connection to clinically appropriate services. Go to their [website](#) or visit their facilities on the third floor of the Campus Health building for an initial evaluation to learn more. Students can also call CAPS 24/7 at 919-966-3658 for immediate assistance.
3. Title IX Resources: Any student who is impacted by discrimination, harassment, interpersonal (relationship) violence, sexual violence, sexual exploitation, or stalking is encouraged to seek resources on campus or in the community. Reports can be made online to the EOC at <https://eoc.unc.edu/report-an-incident/> or by contacting the University’s Title IX Coordinator (Elizabeth Hall, titleixcoordinator@unc.edu) or the Report and Response Coordinators in the Equal Opportunity and Compliance Office (reportandresponse@unc.edu). Confidential resources include Counseling and Psychological Services and the Gender Violence Services Coordinators (gvsc@unc.edu). Additional resources are available at safe.unc.edu.
4. Policy on Non-Discrimination: The University is committed to providing an inclusive and welcoming environment for all members of our community and to ensuring that educational and employment decisions are based on individuals’ abilities and qualifications. Consistent with this principle and applicable laws, the University’s [Policy Statement on Non-Discrimination](#) offers access to its educational programs

and activities as well as employment terms and conditions without respect to race, color, gender, national origin, age, religion, genetic information, disability, veteran's status, sexual orientation, gender identity or gender expression. Such a policy ensures that only relevant factors are considered, and that equitable and consistent standards of conduct and performance are applied. If you are experiencing harassment or discrimination, you can seek assistance and file a report through the Report and Response Coordinators (email reportandresponse@unc.edu or see additional contact info at safe.unc.edu) or the Equal Opportunity and Compliance Office at <https://eoc.unc.edu/report-an-incident/>.

5. Diversity Statement: I value the perspectives of individuals from all backgrounds reflecting the diversity of our students. I broadly define diversity to include race, gender identity, national origin, ethnicity, religion, social class, age, sexual orientation, political background, and physical and learning ability. I strive to make this classroom an inclusive space for all students. Please let me know if there is anything I can do to improve. I appreciate any suggestions.
6. Learning Center: Want to get the most out of this course or others this semester? Visit UNC's Learning Center at <http://learningcenter.unc.edu> to make an appointment or register for an event. Their free, popular programs will help you optimize your academic performance. Try academic coaching, peer tutoring, STEM support, ADHD/LD services, workshops and study camps, or review tips and tools available on the website.
7. Writing Center: For free feedback on any course writing projects, check out UNC's Writing Center. Writing Center coaches can assist with any writing project, including multimedia projects and application essays, at any stage of the writing process. You don't even need a draft to come visit. To schedule a 45-minute appointment, review quick tips, or request written feedback online, visit <http://writingcenter.unc.edu>.

References

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