

PhD 12: Empirical Micro

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The purpose of this course is to prepare students to do research in empirical microeconomics. The course places emphasis on state-of-art empirical methods and using these tools to answer policy-relevant questions in labor, health, industrial organization, and education. There will be an emphasis on empirical (data-related) work, although theoretical work will also be presented and discussed, with a view towards motivating (1) how theory can be tested; (2) how theoretical models can be adapted into empirical models, in order to estimate theoretically important parameters.

- Regular Lectures: Thursdays 2-4pm
- Guest Lecture: One guest lecture in January, 2019 (by Prof. Marc Chan)

Requirements: The course will be evaluated using projects. They include:

- (50%) Class presentation of paper and one accompanying written report (5-10 pages).
- (50%) Small data-based projects

Topics

1. Empirical methods in Empirical Micro (KL):
 - (a) Potential outcomes and Instrumental variables
 - (b) Switching regression models (empirical Roy models)
 - (c) Dynamic discrete-choice models and estimation methodologies (KL)
2. Modeling and estimation of consumer demand (NA)
 - (a) Classic Labor Demand Models
 - (b) Concerns with Demand Estimation: Dimensionality curse and Censoring

- (c) A look at current literature using demand systems

This lecture will be held on Wednesday, November 14, from 2 to 4 pm and will include short presentations of the paper you choose to referee.

3. Job search models: theory and estimation (WZ)

- (a) Preparation: survival analysis and duration models
- (b) The simplest discrete-time search model
- (c) A continuous-time variant
- (d) Identification and estimation
- (e) Two applications: unemployment insurance and minimum wage policy