

Seminar Econometric Projects

Seminar Dates:

Organizational Meeting:	October 17, Mi 17:00-18:00 Uhr, SPA 1, 112
PC pool session:	October 23, Tue, 18-20, SPA 1, 025
Work-in-Progress Reports:	November 29, Thu, 12-20, SPA1, 112
Presentations:	January 24, Thu, 14-20, SPA1, 112
Presentations:	January 25, Fri, 08-18, SPA1, 112
Presentations:	January 31, Thu, 14-20, SPA1, 112

MA: 6 SP

Seminar Description

Students conduct (i) their own empirical studies (applied econometric projects) or (ii) present and discuss an econometric method typically based on their own Monte Carlo study, present their results and write a seminar paper to successfully complete this project seminar.

A number of the applied econometric projects are based on data from the German Socioeconomic Panel (SOEP) available at DIW (see www.diw.de/de/soep), from the BIBB/IAB or BAuA employment surveys (see <https://www.bibb.de/de/1387.php>), from the Labor Market Monitor East or from the General Social Survey. Some further data sources will be used in specific projects. Some topics involve a scientific replication of a research paper. For the applied econometric projects, students are expected to extract and prepare the data needed for their econometric analysis. The methodological projects typically involve programming and running a Monte Carlo study.

Interested students are asked to attend the first seminar meeting on 23 October 2017. Students who have already attended a seminar with the same number are not allowed to attend it again this semester, independent of the specified content.

Topics

Applied Econometric Projects

1. Cohort Changes in Savings and Wealth Inequality in Germany: An Empirical Analysis based on the GSOEP

Reference:

- Bönke, T., M. Grabka, C. Schröder, E. Wolff (2017): A Head-to-Head Comparison of Augmented Wealth in Germany and the United States, SOEPpapers 899-2017.

2. The effects of Education and individual Labor Market History in the GDR on Labor Market performance after Reunification: An empirical Analysis based on the BIBB-IAB Survey 1991/92 or 1997/98

Reference: Bird, E., Schwarze, J. and Wagner, G. (1994). Wage Effects of the Move Toward Free Markets in East Germany, Industrial and Labor Relations Review, 47(3):390 - 400

3. Perceptions of East Germans about the GDR, West Germany and the East German Labor Market after Reunification: An Empirical Analysis based on the German Social Survey

Reference: Beblo, M. and Görge, L. (2015). On the nature (and nurture) of gender differences in work preferences: Evidence from East and West Germany, mimeo, University of Hamburg.

4. Expectations and Actual Labor Market Outcomes in East Germany after Reunification: An Empirical Analysis based on the German Socio-Economic Panel

References:

- Dickerson, A. and Green, F. (2012). Fears and Realisations of Employment Insecurity. *Labour Economics*, 19(2):198-210.

- Dominitz, J. and Manski, C. F. (1997). Perceptions of Economic Insecurity: Evidence from the Survey of Economic Expectations. *Public Opinion Quarterly*, 61(2):261-287.

5. Has the rise in wage inequality come to an end? An Empirical Analysis based on the GSOEP

References:

- Kügler, A., Schönberg, U. and Schreiner, R. (2018). Productivity growth, wage growth and unions. Paper presented at ECB Sintra 2018 meeting.

- Möller, J. (2016). Lohnungleichheit–Gibt es eine Trendwende?. *Wirtschaftsdienst*, 96(1), 38-44.

6. Decomposing the Increase in Wage Inequality in Germany: An Empirical Analysis based on the BIBB-IAB Survey 1998/99 and the BIBB-BAuA Survey 2012

Reference: Antonczyk, D., B. Fitzenberger und U. Leuschner (2009). Can a Task-Based Approach Explain the Recent Changes in the German Wage Structure? *Jahrbücher für Nationalökonomie und Statistik (Journal of Economics and Statistics)*, 229 (2+3), 214-238.

7. The gap in earnings and the standard of living across regions in Germany

Reference:

- Moretti, E. (2013): Real Wage Inequality, *American Economic Journal: Applied Economics*, 5(1), 65-103.

- Roback, J. (1988). Wages, rents, and amenities: differences among workers and regions. *Economic Inquiry*, 26(1), 23-41.

8. The Long-term Impact of Refugees on Economic Growth and Socio-demographic Characteristics

References:

- Michael Peters (2017), "Refugees and Local Agglomeration - Evidence from Germany's Post-war Population Expulsions", Working Paper, Yale University

- Luke Keele and Rocio Titiunik (2015), "Geographic Boundaries as Regression Discontinuities", *Political Analysis* 23:127-155

9. The role of immigration for election outcomes

References:

- Barone, G., D'Ignazio, A., de Blasio, G., and Naticchioni, P. (2016). Mr. Rossi, Mr. Hu and politics. The role of immigration in shaping natives' voting behavior. *Journal of Public Economics*, 136, 1-13.

- Dustmann, C., Vasiljeva, K., and Damm, A. P. (2016). Refugee migration and electoral outcomes. *CREAM DP*, 19, 16.

10. Regional labor market development and election outcomes

Reference:

- Wolfers, J. (2002). Are voters rational?: Evidence from gubernatorial elections. Graduate School of Business, Research Paper No. 1730, Stanford University.
- Autor, D., Dorn, D., and Hanson, G. H. (2014). The labor market and the marriage market: How adverse employment shocks affect marriage, fertility, and children's living circumstances, Unpublished Manuscript.

11. Regional labor market development, marriage markets, and fertility

Reference:

- Autor, D., Dorn, D., and Hanson, G. H. (2014). The labor market and the marriage market: How adverse employment shocks affect marriage, fertility, and children's living circumstances, Unpublished Manuscript.

12. Identification of Age-Period-Cohort Model of Wages and Lasso Regression: An Empirical Analysis based on the GSOEP

Reference:

- Antonczyk, D., DeLeire, T., & Fitzenberger, B. (2018). Polarization and rising wage inequality: comparing the US and Germany. *Econometrics*, 6(2), 20.

13. The labor supply effect of marriage

References:

- Angelov, N., Johansson, P., and Lindahl, E. (2016): Parenthood and the Gender Gap in Pay, *Journal of Labor Economics*, Vol. 34, Nr. 3).
- Lechner, M. (2009): Sequential Potential Outcome Models to Analyze The Effects of Fertility on Labor Market Outcomes, In: Engelhardt H., Kohler HP., Fürnkranz-Prskawetz A. (eds) *Causal Analysis in Population Studies. The Springer Series on Demographic Methods and Population Analysis*, vol. 23. Springer.

14. Predicting Average Rents and Rent Dispersion: Flexible OLS regressions with heteroscedasticity versus Regression Trees

References:

- Fitzenberger, B., Fuchs, B. (2017). The residency discount for rents in Germany and the Tenancy Law Reform Act 2001: Evidence from quantile regressions. *German Economic Review*, 18(2), 212-236.
- Mullainathan, S., Spiess, J. (2017). Machine learning: an applied econometric approach. *Journal of Economic Perspectives*, 31(2), 87-106.

15. Actual wages and perceptions of fair wages: Are wages fair and what drives the fairness gap? An Empirical Analysis based on the GSOEP

Reference:

- Adriaans, J., Liebig, S. (2018). Inequality of earnings in Germany generally accepted but low incomes considered unfair. *DIW Weekly Report*, 8(37), 347-352.
- Carsten Sauer, Peter Valet und Stefan Liebig (2016): Welche Lohnungleichheiten sind gerecht? Arbeitsmarktbezogene Ursachen von Lohnungleichheit und die wahrgenommene (Un-)Gerechtigkeit des eigenen Erwerbseinkommens. *Kölner Zeitschrift für Soziologie und Sozialpsychologie*, 68, 619–645.
- Guillermina Jasso (1978): On the Justice of Earnings: A New Specification of the Justice Evaluation Function, *American Journal of Sociology*, Vol. 83 (6), 1398–1419

Methodological Econometric Projects (for References refer also to the general references at the end)

16. Randomization Inference for the Synthetic Control Method

References:

- Abadie A, Diamond A, Hainmueller J (2010) Synthetic Control Methods for Comparative Case Studies: Estimating the Effect of California's Tobacco Control Program. *Journal of the American Statistical Association* 115:493–505
- Abadie A, Diamond A, Hainmueller J (2015) Comparative politics and the synthetic control method. *American Journal of Political Science* 59(2):495–510

17. Synthetic Control Method versus Difference-in-Differences: Which method is more appropriate?

References:

- Abadie A, Diamond A, Hainmueller J (2010) Synthetic Control Methods for Comparative Case Studies: Estimating the Effect of California's Tobacco Control Program. *Journal of the American Statistical Association* 115:493–505
- Abadie A, Diamond A, Hainmueller J (2015) Comparative politics and the synthetic control method. *American Journal of Political Science* 59(2):495–510

18. Inference for Difference-in-Differences Estimation

References:

- Bertrand, M., Duflo, E., & Mullainathan, S. (2004). How much should we trust differences-in-differences estimates?. *The Quarterly journal of economics*, 119(1), 249-275.
- Conley, T. G., & Taber, C. R. (2011). Inference with "difference in differences" with a small number of policy changes. *The Review of Economics and Statistics*, 93(1), 113-125.

19. A Comparison between the Gelbach decomposition and the Blinder-Oaxaca decomposition

Reference:

- Gelbach, J. B. (2016). When do covariates matter? And which ones, and how much?. *Journal of Labor Economics*, 34(2), 509-543.

20. Dyadic Regression: Economic Application and Robust Standard Errors

Reference:

- Cameron, A.C., Miller, D.L. (2014). Robust Inference for Dyadic Data, Unpublished Manuscript, University of California-Davis.

General References

- **AP: Angrist, J. D. and J.-S. Pischke** (2009): *Mostly Harmless Econometrics – An Empiricist's Companion*, Princeton University Press.
- **CT: Cameron, A. C. and P. K. Trivedi** (2005): *Microeconometrics – Methods and Applications*, Cambridge University Press.
- **GR: Greene, W.** (2008): *Econometric Analysis*, 6th ed., International Edition, Prentice Hall.
- **WOADV: Wooldridge, J. M.** (2010): *Econometric Analysis of Cross Section and Panel Data*. 2nd edition, Cambridge, MA: MIT Press (see also: <http://mitpress.mit.edu/books/econometric-analysis-cross-section-and-panel-data>).
- **WOBAS: Wooldridge, J. M.** (2013): *Introductory Econometrics – A Modern Approach*, 5th ed., South Western, Cengage Learning.

Prerequisites

Knowledge of econometrics at the level of the course "Econometric Methods" (First Master course). Practical experience with or the willingness to learn Stata.

Grade

Seminar paper (100 %)

Further Information

Max. number of participants: 20

Students are expected to use the econometric package Stata for data preparation and estimation. Information on how to use Stata in the PC Pool will be given in the seminar.