

**„Aktuelle FF der Ökonometrie / Empirischen FiWi und Wipo“
(„Topics in Applied Microeconometrics / Empirical Public Economics”)
SS 2017**

Prof. Viktor Steiner & Robin Jessen

Aim of the seminar

Each student is expected to write an empirical paper on applied microeconometrics/empirical public economics, broadly defined, and present it in the seminar. The paper may be a replication of an earlier study or an original study (more difficult). The replication study would also involve a critical assessment of the underlying assumptions, alternative specifications of regression equations, and alternative sample selections, and could also apply the methodology of a previous paper to another data set.

A brief introduction to the seminar and possible research topics (see list below) are presented by the organizers at the preliminary meeting (“Vorbereitung”). Own research topics may also be suggested by the student, if appropriate for the seminar.

Knowledge of microeconometrics at the level of the MSc Economics course “Applied Microeconometrics” is assumed.

Requirements

In addition to the preliminary meeting, there will be two meetings: In the first of these students will briefly present their research topic including a summary of previous research, the proposed methodology, data to be used, and perhaps already some preliminary descriptive analyses. In the second meeting completed papers will be presented and discussed. The final paper is due a couple of weeks after this second meeting. The paper and the presentation may be in English or German. The grade will be made up of the final paper, the presentation of the paper, and the participation in the seminar. The paper should be about 15 pages including figures and tables. Relevant supplementary material can be included in an Appendix. A good guide for the structure and the format of the paper can be found in J. Wooldridge, *Introductory Econometrics*, Chapter 19.5: “Writing an Empirical Paper”, 4 ed., South Western, 2009.

Time table

- **Preliminary meeting:** Wednesday, 18 April, 16:00 – 17:30, HS 328, Boltzmannstr. 20
- **Second meeting:** Early-June (exact date to be determined at the preliminary meeting)
- **Third meeting:** Mid-July (exact date to be determined at the preliminary meeting)
- **Completed paper due:** Mid-August

Inquiries about the seminar to: robinjessen@zedat.fu-berlin.de

Topics

- 1. Labor market transitions over the business cycle**
Estimate unemployment-employment transition models similarly to Nagore Garcia/van Soest (2015) using SOEP panel before after the 2009 crises
- 2. Income losses after job loss**
Replicate and extend Fackler/Hank (2016) using SOEP panel data; alternatively, with a focus on the “second-worker” effect
- 3. Wage inequality**
Replicate Gernandt & Pfeiffer (2007) or replicate parts of Dustman et al. (2009) using SOEP data instead of IAB data.
- 4. Inequality decomposition**
Apply quantile regressions to decompose differences in inequality between two years into contributions of changes in coefficients, in characteristics, and a residual. Can be applied to income inequality or wage inequality. Apply the procedure described in Machado and Mata (2005).
- 5. Educational expansion and returns to education**
Replicate and update parts of analysis in Gebel/Pfeiffer (2010) using SOEP panel data, possibly with a focus on identification of cohort effects
- 6. Vocational training and labor market success**
Estimate returns to vocational education using SOEP panel data similarly to Riphahn/Zibrowius (2015)
- 7. Modeling Educational Choice**
Application of a Conditional Logit Model to Educational Decisions. Replication of Lauer (2006) using more recent SOEP data
- 8. Educational assortative mating and the distribution of household incomes**
Replicate German part of Eika et al. (2017)
- 9. The performance of immigrants in the German labor market**
Replicate parts of Beyer (2017)
- 10. Disability, pension reform and early retirement in Germany**
Various papers possible: Boersch-Supan and Juerges (2011); Hanel (2010); SOEP or social security data
- 11. Child care and labor supply of young mothers**
Evaluate the impact of the 2013 introduction of the legal claim to a place in a kindergarten for children under the age of two on the labor supply of mothers. Use the methodology used by Bauernschuster & Schlotter (2015) to evaluate previous similar reforms. Müller et al. (2013) describe the 2013 reform.
- 12. State dependence in welfare receipt**
Replicate and possibly extent Riphahn & Wunder (2015) using different transition models.

References

- Bauernschuster, S. & Schlotter, M. (2015) "Public child care and mothers' labor supply— Evidence from two quasi-experiments," *Journal of Public Economics*, vol. 123(C), 1-16.
- Beyer, R.C.M. (2017): The performance of immigrants in the German labor market. SOEPpapers 892 (Internet).
- Boersch-Supan, Axel H., Hendrik Juerges (2011): Disability, Pension Reform and Early Retirement in Germany. NBER Working Paper No. 17079.
- C. Dustmann & J. Ludsteck & U. Schönberg (2009): "Revisiting the German Wage Structure," *The Quarterly Journal of Economics*, vol. 124(2), pages 843-881.
- Eika, L., M. Mogstad, B. Zafar (2017): Educational Assortative Mating and Household Income Inequality. Federal Reserve Staff Report No. 682 (Internet)
- Fackler, D., E. Hank, Who buffers income losses after job displacement? The role of alternative income sources, the family, and the state. SOEPpapers 863 (Internet)
- Gebel, M., F. Pfeiffer (2010): Educational expansion and its heterogenous returns for wage workers. ZEW Discussion Paper No. 07-010 (internet)
- Gernandt J. & Pfeiffer F. (2007): Rising Wage Inequality in Germany," *Journal of Economics and Statistics (Jahrbuecher fuer Nationaloekonomie und Statistik)*, vol. 227(4), pages 358-380.
- Hanel, B. (2010): Disability Pensions and Labor Supply. BGPE Discussion Paper No. 86, University Erlangen-Nürnberg (Internet).
- Lauer, C. (2006): A Model of Educational Attainment - Application to the German Case. ZEW Discussion Paper No. 02-06.
- Machado, J. A. F. and Mata, J. (2005): Counterfactual decomposition of changes in wage distributions using quantile regression. *Journal of Applied Econometrics*, vol. 20(4), pages 445-465.
- Müller, Kai-Uwe, C. Katharina Spieß & Katharina Wrohlich, 2013: Rechtsanspruch auf Kitaplatz ab zweitem Lebensjahr: Erwerbsbeteiligung von Müttern wird steigen und Kinder können in ihrer Entwicklung profitieren. DIW Wochenbericht, DIW Berlin, vol. 80(32), pages 3-12.
- Nagore Garcia, A., A. van Soest (2015): New job matches and their stability before and during the crises. IZA DP No. 9574. <http://ftp.iza.org/dp9574.pdf>
- Riphahn, R., M. Zibrowius (2015): Apprenticeship, vocational training and early labor market outcomes in East and West Germany. SOEPpapers 743 (internet)
- Riphahn, R. T. & Wunder, C. (2015): "State Dependence in Welfare Receipt: Transitions Before and After a Reform, IZA Discussion Papers 9035, Institute for the Study of Labor (IZA).