

1. Research design (approx 2-3 classes)

a) Heterogeneity and State dependence

Heckman, JJ, 1981. "Heterogeneity and State Dependence," in *Studies in Labor Markets*, ed. S. Rosen, Chicago: University of Chicago Press, pp. 91-139.

Heckman and Borjas, 1980. "Does Employment cause future unemployment? Definitions, Questions and Answers from a Continuous Time Model of Heterogeneity and State Dependence." *Economica*, 1980: 247-283.

Keane, Michael P. 1997. "Modeling Heterogeneity and State Dependence in Consumer Choice Behavior," *Journal of Business and Economics Statistics*

Feinberg, S. "The International R&D Location Choices of US Multinationals," 2000, *Working Paper*.

b) Structural Estimation and Natural Experiments

Heckman, JJ and Jeffrey Smith, "Assessing the Case for Social Experiments," *Journal of Economic Perspectives*, Volume 9, Number 2 - Spring 1995

***Would need to flesh this week out a little ***

c) Econometric Analysis of Policy change

Lucas, RE, 1976. Econometric Policy Evaluation: A critique. In K. Brunner and AH Meltzer (eds) *The Phillips Curve and Labor Markets*, Amsterdam, North Holland.

Keane, Michael P. and David Runkle 1989. "Are Economic Forecasts Rational?" *Quarterly Review, Federal Reserve Bulletin of Minneapolis*, Spring pp. 26-33.

Selected readings from "Sources of Comparative Advantage" by Edward Leamer

Feinberg and Keane 2001. US-Canada Trade Liberalization and MNC Production Location, *Review of Economics and Statistics*.

Feinberg and Keane 2005. Accounting for the Growth of MNC-based Trade using a Structural Model of US MNCs, *Working Paper*.

2. Panel data econometrics

(Focus on what can be done and the questions that can be answered with panel data versus cross-section data).

See: <http://nobelprize.org/economics/laureates/2000/public.html>

This is a nice description of the work by James Heckman and Dan McFadden – two economists who won the Nobel Prize in 2000 for their pioneering work using micro panel data

a) Research design, micro-data – Using micro panel data to answer macro questions

1. Michael P. Keane & Eswar S. Prasad, 2002. "Inequality, Transfers, And Growth: New Evidence From The Economic Transition In Poland," *The Review of Economics and Statistics*, MIT Press, vol. 84(2), pages 324-341.
2. Keane, Michael P & Prasad, Eswar S, 1996. "The Employment and Wage Effects of Oil Price Changes: A Sectoral Analysis," *The Review of Economics and Statistics*, MIT Press, vol. 78(3), pages 389-400.
3. Feinberg, Keane and Bognanno, 1998. "Trade Liberalization and 'De-Localization': New Evidence from Firm-Level Panel Data" *Canadian Journal of Economics*.
4. Morck, Randall, Stephanie Lenway and Bernard Yeung. 1996. "Rent Seeking, Innovation and Protectionism and the American Steel Industry: An Empirical Study." *Economic Journal*
5. Li, Morck, Yeung and Yang. 2004. "Firm-specific Variation and Openness in Emerging Markets." *The Review of Economics and Statistics*.

b) Research Design – Exogeneity, Fixed and Random Effects Models, Instrumental Variables (approx. 3-4 weeks)

1. MaCurdy, Thomas 1981. An Empirical Model of labor supply in a life-cycle setting. *Journal of Political Economy*, 89: 6, 1059-85.
2. MaCurdy, Thomas 1983. "A simple scheme for estimating and inter-temporal model of labor supply," *International Economic Review* p. 265-289.

***More readings here from text books (e.g., Hsiao, Maddala, Baltagi) and articles! T.B.D. ***

3. Other topics in Research Design (to be determined)

- a) Discrete Choice models for Cross –Section and Panel data
- b) Event History Analysis and Hazard Models
- c) Learning to look at data, exercises, statistical packages.

