Economics 567

2020

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This course is about empirical industrial organization. It focuses on what is known as "New Empirical Industrial Organization" — the use of structural econometric techniques to study specific markets. Notes and assignments will be posted on the main course web page at `http://faculty.arts.ubc.ca/pschrimpf/565/565.html`. UBC Canvas `https://canvas.ubc.ca/` will be also be used to post grades and share material that should not be publicly posted on the web.

1 Schedule

	Day(s)	Time	Location
Lecture	Tuesday & Thursday	9:30am-11:00am	Iona 533
Office hours	Tuesday 12:00pm-1:00pm	Iona 107	

Office hours are subject to change. Any changes in office hours will be posted on the course web page. If you cannot come to my office hours, feel free to drop by anytime or email me to schedule an appointment.

2 Course Work

Course work will consist of a presentation, problem sets or replication of a paper, and a research proposal. Required reading should be completed before each lecture. Participation in class discussion is expected, especially during student presentations. If there is not enough discussion, weekly summaries of readings will be required.

2.1 Presentation

Each student will present a paper. The paper should be related to or on the reading list. Presentations will occur throughout the term. Each presentation should last for 30 minutes including questions. The presentation should:

1. Summarize the paper
2. Identify the paper's contributions
3. Discuss weaknesses of the paper
4. Make suggestions for further research

2.2 Problem Sets or Replication

There will three to five problem sets that will each involve reproducing some results from a paper. Some coding will be required for all problem sets. The problem sets will include instructions and example code using Julia. You may use another programming language if you wish, but I expect that will be more difficult. I encourage you to work together on problem sets. Sharing code is acceptable, as long you clearly indicate with whom you worked.

Instead of completing the problem sets, students may choose to replicate one or two papers. If you want to pursue this route, you should discuss your choice of paper(s) to replicate with me by the due date of the first problem set. The paper(s) you replicate must include some structural estimation.

2.3 Research Proposal

A research proposal will be due on April 21st. I encourage sending a rough draft of your proposal by the last day of class, April 7th. I will give feedback on rough drafts within a week. Your proposal should clearly state a research question. It should include a related literature review. It should also include a description of some of the following: institutional background, data, and empirical approach.

2.4 Grading

The grade for this course will be 20% presentation, 45% problem sets / replication, 25% research proposal, and 10% participation. Participation includes attending lecture, contributing to discussion, attending office hours, and emailing me questions.

3 Course Outline

The topics of the course and some related readings are listed below. The slides for each topic contain the most up to date references. I will announce required readings at the end of each lecture. The order of topics may be changed depending on class interest. We are unlikely to cover all of the topics. The notes of Aguirregabiria (2017) and the *Handbook* chapters by Reiss and Wolak (2007) and Ackerberg et al. (2007) provide good overviews of many of these topics. The references therein are good sources of further reading.

1. Introduction
   - Recommended: Aguirregabiria (2017) chapter 1, Reiss and Wolak (2007)
   - Suggested: Einav and Levin (2010)
2. Estimation of production functions
   - Recommended: Ackerberg et al. (2007) section 2, Olley and Pakes (1996)
   - Suggested: Levinsohn and Petrin (2003), Ackerberg, Caves, and Frazer (2015), Aguirregabiria (2017) chapter 2, Gandhi, Navarro, and Rivers (2013), Wooldridge (2009)
3. Static demand and supply of differentiated products
   - Recommended: Ackerberg et al. (2007) section 1, Berry, Levinsohn, and Pakes (1995)
   - Suggested: Berry (1994), Aguirregabiria (2017) chapter 3, Nevo (2000), Nevo (2001)
4. Market entry
   - Recommended: Aguirregabiria (2017) chapter 5, Bresnahan and Reiss (1991),
   - Suggested: Bresnahan and Reiss (1990), Seim (2006), Sweeting (2009), Jia (2008)
5. Single-agent dynamic structural models
   - Recommended: Rust (1994)
   - Suggested: Aguirregabiria (2017) chapters 7, Rust (1987), Hotz and Miller (1993), Timmins (2002), Aguirregabiria and Mira (2002)
6. Dynamic oligopoly
   - Recommended: Ackerberg et al. (2007) section 3, Aguirregabiria and Mira (2010)
   - Suggested: Aguirregabiria (2017) chapters 6, 9, Magnac and Thesmar (2002), Pesendorfer and Schmidt-Dengler (2008), Bajari, Benkard, and Levin (2007), Pakes, Ostrovsky, and Berry (2007), Aguirregabiria and Mira (2007), Bajari et al. (2009), Ryan (2012)
7. Auctions
8. Contracting and asymmetric information
9. Search and matching
10. Networks

References

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Ackerberg, Daniel A., Kevin Caves, and Garth Frazer. 2015. "Identification Properties of Recent Production Function Estimators." Econometrica 83 (6):2411–2451. URL http://dx.doi.org/10.3982/ECTA13408.

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