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ESCUELA DE VERANO 2019

Salón: PTE

Fechas: 18 al 28 de junio. No hay clases los sábados

Horario: 10:00 am a 1:45 pm

Programa sujeto a cambios

CLASS DESCRIPTION

This course considers how locations – at the metropolitan (labor-market) and neighborhood level – influence economic outcomes. The first half covers methodological literature and emphasizes on econometric techniques for the study of inequality. The second half focuses on how local labor markets relate in spatial equilibrium – with amenities and local costs – and are impacted by trade, residential location, amenities, segregation, and infrastructure (transportation). The course is designed to cover a wide range of topics that highlight the importance of locations, amenities, workplaces, and individual heterogeneity as determinants of inequality and segregation. In the last lectures we will do specific emphasis on cutting-edge literature that analyzes the Colombian context.

The class will be discussion-oriented so students are encouraged to read the papers before class. For each lecture students will be required to turn in a summary of the assigned readings. The summaries are expected to include additional analysis that engage future discussion of the analyzed topic.

GRADING

50% Daily summaries: You must read and summarize the assigned paper(s) before each class. There is no page limit, but you should try to condense the most important information. Each summary should be divided into four sections. The odd sections should be short; the even ones long.

1) **QUESTION:** What is (are) the question(s) the paper is trying to answer?

2) **METHODOLOGY:** What methodology is the author using to address the question? Describe the theory and/or empirical methods.

3) **CONCLUSION:** What conclusions does the author reaches.

4) **LIMITATIONS:** How are the conclusions sensitive to the methodology used?

50% Two empirical applications: We will distribute some questions and data so that students learn how to apply certain techniques covered in class using (but not strictly limited to) stata.

READINGS AND TOPICS BY DAY

Tuesday, June 18th:*Equality of Opportunity:*

David Grusky, Maximilian Hell, Nathaniel Hendren, Robert Manduca, Jimmy Narang "The Fading American Dream: Trends in Absolute Income Mobility since 1940", *Science* 356 (6336): 398-406, 2017

Chetty, Raj, Nathaniel Hendren, and Lawrence Katz. 2016. "The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Project." *American Economic Review* 106 (4)

Wednesday, June 19th:*Wage Gaps:*

DiNardo, John, Nicole M. Fortin, and Thomas Lemieux. 1996. "Labor Market Institutions and the Distribution of Wages, 1973–1992: A Semiparametric Approach." *Econometrica* 64 (5), pp. 1001–44

Blinder, Alan S. (1973) "Wage Discrimination: Reduced Form and Structural Estimates" *Journal of Human Resources* 8(4), pp. 436-473

Kline, Patrick "Oaxaca-Blinder as a Reweighting Estimator" AEA Papers and Proceedings

Albouy, David. 2008. "The wage gap between Francophones and Anglophones: a Canadian perspective, 1970-2000." *Canadian Journal of Economics* 1211-1238.

Thursday, June 20th:*Estimation of Heterogeneity:*

Djebbari, Habiba, and Jeffrey Smith. 2008. "Heterogeneous Impacts in PROGRESA." *Journal of Econometrics* 64-80.

Friday, June 21st:*Individual and Workplace Wage Heterogeneity:*

Card, David, Jorg Heining, and Patrick Kline. 2013. "Workplace Heterogeneity and the Rise of West German Wage Inequality." *The Quarterly Journal of Economics* 967-1015.

Tuesday, June 25th:*Trade, inequality, and the labor market:*

Autor, David, David Dorn, and Gordon Hanson. 2013. "The China Syndrome: Local labor markets effects of import competition in the United States." *American Economic Review* 2121-2168.

Wednesday, June 26th:*Location, wages, and amenities:*

Roback, Jennifer. 1982. "Wages, Rents, and the Quality of Life." *Journal of Political Economy* 1257-1278.

Diamond, Rebecca. 2016. "The Determinants and Welfare Implications of US Workers' Diverging Location Choices by Skill: 1980-2000." *American Economic Review* 479-524.

Thursday, June 27th:

Tipping and Segregation:

Schelling, Thomas. 1971. "Dynamic Models of Segregation." *Journal of Mathematical Sociology* 143-186.

Card, David, Alexander Mas, and Jesse Rothstein. 2008. "Tipping and the Dynamics of Segregation." *Quarterly Journal of Economics* 177-218.

Friday, June 28th:

Transportation and Inequality in Colombia:

Duranton, Gilles. 2015. "Roads and Trade in Colombia." *Economics of Transportation* 16-36.

Tsivanidis, Nick. 2018. "The Aggregate and Distributional Effects of Urban Transit Infrastructure Evidence from Bogota's Transmilenio." *Mimeo*.

ADDITIONAL INFORMATION:

The student may withdraw the course, without refund, up to one business day before the date of the final test stipulated by the teacher. The University will not return the money for tuition paid for these summer courses.