

Course Program (Updated 15/3/17)

1. Generalized method of moments (GMM)

AR Appendix A and B. Other refs.: CT ch. 6, W ch. 8

- 1.1 Moment problems and generalized moment problems. Analogy principle. IV and 2SLS in the GMM framework. Estimation. Asymptotic distribution of GMM estimators in the 2SLS and in the general case. Optimal weighting matrix.
- 1.2 Measurement error and how to instrument for it. Optimal instruments. 2SLS in nonlinear models.

2. Panel data methods

AR ch. 2, 3, 4, 6 and 7. AP, ch. 5. Other refs.: CT ch. 21, 22. W ch. 10,11.

- 2.1 Fixed effects panel data models. First differences and within-groups. Interactive fixed effects.
- 2.2 Random effects and Hausman test. Measurement error in panels. Diffs-in-diffs estimator.
- 2.3 Dynamic panels and internal instruments. Arellano-Bond. Predetermined variables.

3. Standard errors topics: clustering and bootstrap

CM. AP ch. 8. CT ch. 11

- 3.1 Clustered data and standard errors. Two-way clustering and panel data. Few clusters. Bootstrap and bootstrapped s.e.

4. Nonparametric and semiparametric estimation

CT, ch. 9, papers

- 4.1 Nonparametric and semiparametric models: advantages and drawbacks. Kernels. Problems with multivariate extensions.
- 4.2 Nonparametric regression. Local linear regression and RDD.

5. Duration analysis

- 5.1 Duration data. Likelihood with censored and non censored durations. Estimation.

List of references

1. **AR: M. Arellano**, *Panel Data Econometrics* (Oxford University Press, 2003).
2. **CT : C. Cameron and P. Trivedi**, *Microeconometrics* (Cambridge University Press, 2005)
3. **W: J. Wooldridge**, *Econometric Analysis of Cross Section and Panel Data* (MIT Press 2nd ed. 2010)
4. **CM: C. Cameron and D. Miller**, *A Practitioner's Guide to Cluster-Robust Inference* (paper, Journal of Human Resources 2015).
5. **AP: J. Angrist and J.S. Pischke**, *Mostly Harmless Econometrics* (Princeton University Press, 2008).

List of papers for the nonparametric class

- David S. Lee and Thomas Lemieux (2010). Regression Discontinuity Designs in Economics, *Journal of Economic Literature* 48 (June 2010): 281–355
- Imbens, Guido W., and Thomas Lemieux (2008). "Regression discontinuity designs: A guide to practice." *Journal of Econometrics* 142.2: 615-635.
- Hahn, Jinyong, Petra Todd, and Wilbert Van der Klaauw (2001). "Identification and estimation of treatment effects with a regression-discontinuity design." *Econometrica* 69.1: 201-209.