Instructor: Neil Lloyd
Instructor Email: neil.lloyd@alumni.ubc.ca
Office Hours: TBD
Office Location: TBD (Iona Room 435)

Lecture Days and Times: Tuesday and Thursday from 14:00-15:30
Lecture Location: Buchanan B316

TA Office Hours and Location to be provided early in the term.

Prerequisites:
This course is restricted to fourth year students within a declared BA non-honours major in Economics. Students must have successfully completed all of ECON 325 and ECON 326 and one of ECON 301/304 and ECON 302/305. I assume familiarity with basic econometrics, including multiple regression and statistics. I also assume you understand the basic economic models associated with intermediate microeconomics and macroeconomics.

DETAILED COURSE DESCRIPTION

LEARNING OUTCOMES:

Description/Objective:

In this course you will explore the role of institutions in the labour market, from a global perspective. The term ‘institution’ is used to describe a wide variety of laws, regulations, public policies and organizations; both formal and informal. During the course we will discuss some of the more common labour market institutions, such as minimum wages, income taxes, and unions; while also exploring informal institutions, and institutions in a developing context. Economic models typically have strong predictions as to the impact of these institutions on the equilibrium outcomes of wages and labour supply; however, in this course we will assess the empirical evidence for these claims.
While exploring the literature on labour market institutions, you will learn about the empirical challenges and potential solutions offered by economists, as they attempt to identify the relationship between institutions and individual outcomes. Over the duration of the semester you will develop your own skills in empirical research. In the end you will have developed the ability to source and manage data, design a research question and implement appropriate econometric techniques.

Approach to learning:

The course includes parallel lectures on core topics related to labour market institutions, and applied econometrics tools. These lectures will be designed to equip you with the knowledge and skills you need to write your own research paper. The topical lectures will include an overview of minimum wages, income taxes, and unions. I will also discuss how the impact of these institutions may differ across developed and developing contexts. This list is by no means exhaustive, and students are more than welcome to choose additional institutions for their research. Time permitting I hope to discuss informal institutions as well: for example, informal savings clubs (ROSCAs) and their impact on female labour supply in developing countries. While discussing these topics you will learn about the various ways in which researchers incorporate specific institutional characteristics in their research design.

The applied econometrics classes will cover the basics of regression analysis and statistical inference; as well as popular causal inference approaches such as difference-in-difference, instrumental variables, propensity score matching. Time permitting, I hope to cover some of the more popular decomposition techniques. Along the way you will learn important data management tools in Stata. In general, all econometrics classes will contain extensive Stata application.

At the end of the semester you will be required to submit your own original piece of research. While this may seem like a daunting task, you will be able to achieve the this goal by reaching each of the waypoints set out during the semester. For example, in week 6 you will submit a short 3-5min video outlining your research question, labour market and data source, institutional overview, and (preliminary) research design. I will provide some suggestions on where to find micro-level data. In week 8 you will need to submit a concise literature review, providing a brief discussion of peer-reviewed publications related to your topic.

During the last four weeks of class I will cover additional applied research topics one day a week. These topics will include discussions on how to communicate research outcomes in both spoken and written form. By achieving each of the intermediate steps, and participating in class, I am confident that you will be able to achieve the required goal of writing an original research paper. To show case your achievement we will hold a poster-presentation session at the end of term. This will include a peer-review process where the quality of feedback you give to your fellow students will count towards your own grade. Student evaluations will also consist of two econometric assignments, the short video submission, literature review, poster presentation, and final submission.
Learning objectives:

- Recognize the various ways in which institutions affect individuals in the labour market, and how this may differ across economic contexts.
- Compare and critique the ways in which researchers have utilized institutional characteristics and changes in their research design.
- Identify your own research question, and source the data to implement an original research project.
- Execute appropriate econometric models and interpret their results.
- Assess whether your choice of estimator adequately controls for various sources of endogeneity, and search for potential solutions.
- Collect your research output in a concise, well-written research paper, and present your findings to your peers.

RECOMMENDED MATERIALS:

Throughout this course I will make extensive use of Stata, both in my teaching material and applied assignments. Stata is proprietary software that can purchased online. While the software can be found on computer labs on campus, I highly recommend that students purchase a copy for themselves, as it will be integral to your research output. The software comes in different packages: IC, SE, MP (2-core), and MP (4-core). Stata/IC should be sufficient for this course. A 6-month license for Stata/IC will cost you $45 USD. For those students who think they will continue to use Stata after this course and intend to buy a perpetual license, I recommend buying Stata/SE.

NOTE: to qualify for the student pricing you will need to have your student ID verified which can take time. I therefore advise that you purchase Stata prior to the start of term.

Those students with extensive programming experience are welcome to make use of other languages such as Python or R. However, be advised that I may not be able to assist in any of your programming queries. Moreover, it will be your own responsibility to ensure that the estimators you use are correctly designed.

At this point there is no required textbook for this course. However, for students who need more assistance with introductory econometrics, I can recommend A.H. Studenmund’s Using Econometrics (7th edition) which is available online and from the UBC Bookstore. For more advanced readers, Angrist and Pischke’s Mostly Harmless Econometrics is an excellent resource, and has become a compendium to economists at all levels of the field. A free PDF version can be found online via ResearchGate. Finally, Angrist and Pischke have also published Mastering Metrics which is a less technical version of Mostly Harmless.
REQUIRED READINGS: TBD

COMMUNICATION:

I am more than happy to receive communication via email. Please ensure that you only use the email address found on this document. I would also appreciate it if you would begin the subject line of your email with “ECON490: “. If for any reason I do not respond within 2 working days, please remind me in person before or after class.

Please make full use of my dedicated office hours (TBD); especially when you have a technical question (e.g. econometrics related). Responding to questions that require mathematical notation in an email is time consuming and limited.

When Stata questions arise, first attempt to answer your question via:

1. online discussion forums (e.g. Statalist)
2. your peers

If your query persists feel free to contact me, but ensure that you provide me with the full details of your problem, and your complete working .do file. Stata can be a little “fussy”, and the error in your code may not be where you think it is. However, I am confident that by the end of the semester you will be adept at spotting your coding errors.

ASSESSMENT METHODS:

The final course grade will be determined according to the following weighting:

<table>
<thead>
<tr>
<th>Assessment Method</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Final paper</td>
<td>65%</td>
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<tr>
<td>Poster presentation</td>
<td>15%</td>
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<tr>
<td>Literature review</td>
<td>5%</td>
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<tr>
<td>Short video presentation</td>
<td>5%</td>
</tr>
<tr>
<td>2 Technical assignments</td>
<td>10%</td>
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2 Technical Assignments:

- These two assignments will be due during the first five weeks of term (TBD). They will contain econometrics questions which test the material covered in class. They will also contain applied questions which need to be implemented using Stata.

Short video presentation:

- Due towards the end of week 6, this short presentation, is designed to synthesize your research interests, and ensure that you are thinking about your own project from day 1. Be warned, this assignment will take more time than you realise.

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• You will be provided with more details at the start of term, but in short your presentation should consist of exactly 4 slides, as follows:
  o Slide 1: research question
  o Slide 2: labour market and data source
  o Slide 3: relevant institutional details
  o Slide 4: research design
• While I encourage you to take this assignment seriously, you are more than welcome to change your research project following this submission. In fact, I suspect that many of you will.

Literature review:
• This assignment is designed to ensure that you learn to read, interpret, and critique publications. It is a skill in and of itself, that requires practice.
• Completing this task well, will also help you towards the end of goal of your final written submission. A good research paper clearly conveys an understanding of the existing literature into which it is writing. For that reason, I encourage all students to settle on a topic before this point.
• The exact details of this assignment will be provided closer to the time.

Poster presentation:
• Near the end of the semester (TBD) we will hold a poster presentation session. Each student will be required to present their findings on a poster. This will provide an excellent intermediary step towards your final submission, as the poster will need to be more concise than your written paper. Hence, you will need to distill your findings, making for a better read.
• On the day of the presentation each student will be required to peer review 3-4 of their peers’ work. Each student’s reviews (of their peers’ work) will go towards their own grade. The feedback you give will also be provided to the students you review, and assist them in compiling their final written paper.

Final paper:
• The final paper will be due towards the middle of the exam period (exact date TBD).
• The paper will be graded by the instructor, and the rubric used to grade your submission will be made available to you ahead of time. The focus of the grading will be on the quality of your work, not the significance of your results. Your attention should therefore be on implementing a well thought out research project and communicating it well.
• We will discuss many of the practical matters of writing during the semester.

POLICY ON ATTENDANCE/PARTICIPATION:

Your experience of this course will greatly depend on your own level of engagement and class participation. I welcome rigorous debate and discussion in my classes. While class attendance is not compulsory, I do expect it unless you have a compelling reason. I communicate clearly the instances when students are welcome to select out of attending class: for example, some students may have Stata experience, and may therefore want to skip the introductory classes.
PENALTY FOR LATE / UNSUBMITTED WORK:

Late work will be penalized at a rate of 50% per day late, but pro-rated by the number of hours later, rounded up to the nearest hour. For example, if you have in an assignment 1 minute late, it will be penalized at $1/24 \times 50\% = 2.1\%$. If you hand in an assignment 4 hours later, it will be penalized at $4/25 \times 50\% = 8.33\%$.

STATEMENT ON ACADEMIC HONESTY:

It is the policy of the Vancouver School of Economics to report all violations of UBC’s standards for academic honesty to the office of the Dean of Arts. Those standards can be found here. In addition to the explicitly stated violations in that document (for example, plagiarism), any student who hires a tutor/editor to help with any portion of their work will be given an automatic grade of zero on their final paper. Additionally, students who falsify their references, or act in any such dishonest manner, will also be given a grade of zero on their final paper. Further penalties may be levied by the President’s Advisory Committee on Student Discipline. Those further penalties could include a notation on your transcript indicating that you have committed an academic offence, failure of the course, a grade of zero in the course and/or suspension from the university. Speak to your instructor in person if you have any questions regarding the standard for academic honesty at UBC.

COURSE SCHEDULE:

This schedule is tentative and subject to change as we progress through the term.

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RELATED POLICIES

Academic Concession
http://www.calendar.ubc.ca/vancouver/index.cfm?tree=3,48,0,0

Academic Honesty and Standards
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Student Conduct and Discipline
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Religious Accommodations and Exams
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