

Syllabus: Macro Topics with Search, 2018, EUI

Instructor: Dr. Kory Kantenga (kory.kantenga@eui.eu)

Location: To Be Determined¹

Objective: This course will explore applications of search theory in active areas of economic research. The course will examine quantitative and empirical work where search theory provides guidance on how to process and interpret data as well as draw inference from data. The course aims to familiarize students with active areas of research and show them applications in which the search framework may be useful. This course is complementary to “Competitive Search” taught by Professor Kircher but focuses on applications rather than theoretical tools and insights.

Overview: The search and matching framework provides powerful tools and insights for practitioners and policy makers, because it can speak to important questions in the public arena. For example, what has been the impact of unemployment insurance extensions? What is the optimal provision of unemployment insurance at different points in the business cycle? Why do we see a large racial disparity in who finds marriage partners? What will be the impact of an intervention to prevent HIV transmission? Can changes in sexual behavior explain the rise in HIV infection rates among some demographics? All of these questions involve the concepts of search and matching in some way, be it for employment, spouses, or sexual partners. We will discuss how active areas of research bring this framework to bear on such questions, starting in the labor market and expanding into other settings. The course focuses on work in active areas of research, so students will be asked to present a short research proposal or a very recent paper in the spirit of this course.

This is a half-course and is structured around five sessions of two hours:

1. Unemployment Insurance
2. Wage Inequality and Job Polarization
3. The Economics of Crime
4. Sexual Behavior and Disease Transmission
5. Presentation of research proposals/recent papers

Papers we will cover in each topic follow but remain subject to change.

1. Unemployment Insurance (12 NOV 2018, 15.00-17.00)

- Citations in Hagedorn, Manovskii and Mitman (2016) “Interpreting Recent Quasi-Experimental Evidence on the Effects of Unemployment Benefit Extensions”
- Landais, Michaillat, and Saez (2018) “A Macroeconomic Approach to Optimal Unemployment Insurance: Applications”
- Mitman and Rabinovich (2014) “Optimal unemployment insurance in an equilibrium business-cycle model”

2. Wage Inequality and Job Polarization (19 NOV 2018, 16.30-18.30)

- To Be Announced

¹Location and final time are subject to change by the Department of Economics.

3. The Economics of Crime (26 NOV 2018, 16.30-18.30)

- Braun (2017) “Crime and the Minimum Wage”
- Caucutt, Guner, and Rauh (2017) “Is Marriage for White People? Incarceration and the Racial Marriage Divide”
- Engelhardt (2010) “The Effect of Employment Frictions on Crime”
- Burdett, Lagos, and Wright (2004) “An on-the-job search model of crime, inequality, and unemployment”
- Imrohoroglu, Merlo, and Rupert (2000) “On the Political Economy of Income Redistribution and Crime”

4. Sexual Behavior and Disease Transmission (3 DEC 15.00-17.00)

- Greenwood, Kircher, Santos, and Tertilt (2017) “An Equilibrium Model of the African HIV/AIDS Epidemic”
- Kantenga and Mitman (2018) “HIV and Risky Sexual Behavior: Evaluating the Equilibrium Impact of ART and PrEP”
- Pieter, Svarer, and Tuelings (2010) “Marriage and the city: Search frictions and sorting of singles”
- Greenwood and Guner (2010) “Social Change: The Sexual Revolution”
- Kremer (1996) “Integrating Behavioral Choice into Epidemiological Models of AIDS”

5. Presentation of research proposals/recent papers (10 DEC 2018 15.00-17.00)