

ERMAS 2017

Conferința Științifică Anuală a Economistilor Români
din Mediul Academic din Străinătate

Facultatea de Științe Economice și Gestiunea Afacerilor,
Universitatea Babeș-Bolyai, 26 - 28 Iulie 2017

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Facultatea de Științe Economice și Gestiunea Afacerilor

Mini-course “Topics in Empirical Industrial Organization”¹

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Synopsis

This crash/ refresh course on Topics in Empirical IO aims to provide the participants with an overview of some of the state-of-the-art econometrics tools for analyzing industrial market outcomes. We will cover the main methodological issues arising in the *estimation of demand systems*, and in the *estimation of production functions*, wrapping up with a bird’s-eye view of *the empirical analysis of dynamic oligopoly games*. Applications drawn from the Empirical IO literature will illustrate the methodological discussions.

Schedule/ Format

Schedule: **25 July 2017** (the day preceding the ERMAS 2017 conference); 10.00-13.00 and 15.00-18.00

Format: 2 lectures x 3 hours

Lecture 1. Introduction. Demand estimation.

Lecture 2. Production function estimation. (Glimpse in) Empirical dynamic oligopolies.

Prerequisites

Basic microeconomics, basic econometrics (at master level).

Registration²

Deadline: **20 July 2017**, via the host institution’s links:

<https://econ.ubbcluj.ro/ermas2017/curs.php> (RO) or <https://econ.ubbcluj.ro/ermas2017/en/curs.php> (EN)

Course venue

Faculty of Economics and Business Administration (FSEGA), Babes-Bolyai University (UBB)

Teodor Mihali street, no. 58-60

400591, Cluj-Napoca, Romania

Room **102**

Recommended reading list

Registered course participants will be provided with digital copies of the articles in the far-from-exhaustive set following below. The more red * stars preceding it, the higher priority of reading through that article before the course (more stars indicate reviews/ surveys; one star indicates an application to be discussed).

¹ Initial version at 14-06-2017, final version at 22-07-2017; “Topics in Empirical Industrial Economics” is a *free* mini-course associated to the ERMAS 2017 conference—see <http://www.econacademia.net/ermas2017.html> or [https://econ.ubbcluj.ro/ermas2017\(...\)/en](https://econ.ubbcluj.ro/ermas2017(...)/en).

² The host institution, UBB-FSEGA, is in charge with registering all the course participants (and publicizing the course). Should the online registration links above malfunction, please email the coordinator of the local organizers at cristian.litan@econ.ubbcluj.ro.

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Review of basic Empirical IO concepts

- ***Akerberg, D., C. Lanier Benkard, S. Berry, and A. Pakes (2007) "Econometric tools for analyzing market outcomes", Handbook of Econometrics 6: 4171–4276. *NB. This article appears listed in all the subsequent course parts from below.*
- **Einav, L. and J. Levin (2010) "Empirical Industrial Organization: A Progress Report", Journal of Economic Perspectives 24 (2): 145–62
- **Reiss, P.C. and F.A. Wolak (2007) "Structural Econometric Modeling: Rationales and Examples from Industrial Organization", Handbook of Econometrics 6: 4277–4415

Estimation of demand systems

- ***Akerberg et al (2007) listed above in the Introduction, here specifically for its Section 1.
- S. Berry (1994) "Estimating Discrete-Choice Models of Product Differentiation", Rand Journal of Economics, 242-62
- *S. Berry, J. Levinsohn and A. Pakes (1995) "Automobile Prices in Market Equilibrium", Econometrica, 841-90
- Nevo, A. (2000) "A Practitioner's Guide to Estimation of Random Coefficients Logit Models of Demand," Journal of Economics and Management Strategy, 513-48
- *Nevo, A. (2001) "Measuring Market Power in the Ready-to-Eat Cereal Industry," Econometrica, 307-42
- **Nevo, A (2011) "Empirical Models of Consumer Behavior," Annual Review of Economics, 3: 51-75

Estimation of production functions

- ***Akerberg et al (2007) listed above in the Introduction, here specifically for its Section 2.
- **Akerberg, D. A., K. Caves, and G. Frazer (2015) "Identification Properties of Recent Production Function Estimators", Econometrica, 83: 2411–51.
- Bond, S., and M. Söderbom (2005) "Adjustment Costs and the Identification of Cobb Douglas Production Functions", IFS Working Papers W05/04, Institute for Fiscal Studies
- *Buhai, I.S., E. Cottini, and N. Westergaard-Nielsen (2015) "How Productive is Workplace Health and Safety?", forthcoming, Scandinavian Journal of Economics
- Levinsohn, J. and A. Petrin (2003) "Estimating Production Functions Using Inputs to Control for Unobservables", Review of Economic Studies 70: 317-42
- *Olley, S. and Pakes, A. (1996) "The Dynamics of Productivity in the Telecommunications Equipment Industry", Econometrica 64: 1263-95

Estimation of dynamic oligopoly games

- ***Akerberg et al (2007) listed above in the Introduction, here specifically for its Section 3.
- **Aguirregabiria, V. and P. Mira (2010) "Dynamic Discrete Choice Structural Models: A survey", Journal of Econometrics 156 (1): 38 –67
- **Aguirregabiria, V., and A. Nevo (2013), "Recent Developments in Empirical IO: Dynamic Demand and Dynamic Games," in Advances in Economics and Econometrics, eds. D. Acemoglu, M. Arellano, and E. Deckel, New York: Cambridge University Press, 53–122
- Bajari, P., C. L. Benkard, and J. Levin (2007) "Estimating Dynamic Models of Imperfect Competition", Econometrica 75 (5): 1331–70
- Ericson, R. and A. Pakes (1995): "Markov-Perfect Industry Dynamics: A Framework for Empirical Work", Review of Economic Studies, 62, 53-82
- *Ryan, S.P. (2012) "The Costs of Environmental Regulation in a Concentrated Industry", Econometrica, 80 (3): 1019–61