

DiW Master Class, May 23, 2013

Title: Macro-Labor Analysis

2:00pm-3:15pm

1. Labor Matching Analysis

- a. Introduction to Diamond-Mortensen-Pissarides model
- b. Applications in macro
- c. Basic data

Readings

- Pissarides (2000, *Equilibrium Unemployment Theory*, Chapter 1)
- Shimer (2005 *American Economic Review*)
- Hall (2005 *American Economic Review*)
- Rogerson and Shimer (2011 *Handbook of Labor Economics*)

3:15pm-3:30pm: BREAK

3:30pm-4:45pm

2. Efficiency Properties in Labor Matching Frameworks

- a. Nash Bargaining
- b. Mortensen-Hosios Condition
- c. Competitive Search Equilibrium

Readings

- Mortensen (1982 *American Economic Review*)
- Hosios (1990 *Review of Economic Studies*)
- Moen (1997 *Journal of Political Economy*)

4:45pm-5:00pm: BREAK

5:00pm-6:00pm

3. Endogenous Separations

- a. Idiosyncratic Productivity Shocks
- b. Selection effects

4. Intensive Margin of Labor

- a. Determination of hours worked

Readings

- Mortensen and Pissarides (1994 *Review of Economic Studies*)
- Krause and Lubik (2007 *Journal of Monetary Economics*)
- den Hann, Ramey, and Watson (2000 *American Economic Review*)

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9:00am-10:00am

5. Intensive Margin of Labor (cont'd)

- a. Determination of hours worked
- b. Simultaneous Nash Bargaining
- c. Right-to-Manage

Readings

- Andolfatto (1996 *American Economic Review*)

10:00am-10:15am: BREAK

10:15am-11:30am

6. Optimal Policy Analysis in Labor Matching Frameworks

- a. Optimal Fiscal Policy
- b. Optimal Monetary Policy

Readings

- Arseneau and Chugh (2012 *Journal of Political Economy*)
- Ravenna and Walsh (2011 *American Economic Review*)
- Blanchard and Gali (2010 *American Economic Review*)

11:30am-11:45am: BREAK

11:45am-12:30pm

7. Finish / Catch up / Assorted Points / Review / Discussion

- a. Labor Selection Model
- b. Endogenous Separation Model

Readings

- Chugh and Merkl (2013 working paper)