Replication package for "Outside Options in the Labor Market"

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Data

The data used come from two sources:

1. LIAB Longitudinal Model 1993-2014 (LIAB LM 9314). We requested and received access to detailed geographic data (ao_kreis and wo_kreis), detailed occupational codes (5 digit), and consistent industry codes. The data cannot be shared for privacy reasons.
2. BIBB Task data. These are also available through the IAB upon request.

Please contact the IAB to gain access to all of these files: https://fdz.iab.de/en/data-access/

To run R files, on-site access is required.

OOI Package

To implement the calculation of the OOI on any employer-employee data, please use our package: https://cran.r-project.org/web/packages/OOI/index.html

Analysis

The file **analysis.do** produces all the estimates that were calculated to produce all figures and tables in the paper. Approximate run time: 6 hours.

Required STATA packages: estout

Data Preparation:

To generate the data files that were used in the analysis files, follow the following steps:

1. Data preparation in Stata: run the file: **master_clean.do**
   Approximate run time: 1 day
   Input: raw LIAB files
   Output: dta files for
   - Main sample (workers employed on June 30th 2014)
   - Shift share analysis (includes also workers employed on June 30th 2004)
   - Train sample (workers employed in 1999 and 2012)
   - Mass-layoff sample
   - Size of districts by workers
   - Vacancies data
   - Shift-share shocks

2. OOI calculation: **master_R.R**
   Required packages: backports, crayon, dplyr, foreign, haven, modi, readr, stringi, xtable
   Required software: R or R-studio **64-bit**
   Approximate run time: 22 days
   Input: processed dta files from the previous stage
   Output:

- Adds the OOI calculations to the previous files
- OOI calculation weighted by district size
- OOI by different subsets of variables (Table A4)
- OOI using vacancies instead of all jobs (Columb 7, Table 5)
- Counterfactual OOIs with equal commuting cost (Figure 4)
- Shift share IV

For the map (Figure 2) run the additional two steps:

3. clean_postR_build_map_data.do:
   Input: dta file for the main sample
   Output: dta file for map sample

4. Final R run: map.R
   Input: map data (reweighted); OOI object
   Output: dta files for map data (used for production of Figure 2 in 03_restud2_map.do)