Comments on

Identification and Estimation of Continuous-Time Job Search Models with Preference Shocks

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Overview of the Paper

- Clear goal: *Bring Conditional Choice Probability (CCP) methods into continuous-time job search models.*

- Important contributions:
  1. Constructive identification of all model parameters
  2. Estimation without solving differential equations.
     ↳ Computation efficiency

- Interesting application: *Hungarian administrative data linking unemployment and job-to-job transitions.*
  ↳ Over time, unemployed workers face fewer and worse wage offers. (*strong nonstationarity*)
  ↳ *Accepted wages decline* with unemployment duration—both due to worsening offers and reduced selectivity.

Contextualization

- Some conceptual questions raised by the introduction. Contextualization could help the reader grasp the paper relevance better

- *What is a nonstationary search model?*
  ↳ Environment changes with time (e.g., benefits expire, arrival rates fall, workers become less selective.)

- *What are "preference shocks"?*
  ↳ Random utilities or switching costs attached to each job offer; can be read as idiosyncratic preferences for job types?

- *Why continuous time?*
  ↳ Continuous time aligns with hazard-based estimation and avoids time aggregation.

Clarity and Intuition

- The identification results are powerful, but the intuition is sometimes buried under algebra.

- The paper's technical clarity would reach a broader audience with more intuition before formal results.

- Clearer contrasts with traditional estimation would be helpful
  ↳ How does CCP estimation compare to MLE or SMM?
  ↳ What trade-offs arise from avoiding differential equations?

- Also adding more *economic interpretation:*
  ↳ What do the identified parameters $(\lambda(t), g(w|t))$ tell us economically?

Interpretation and Relevance

- The *preference shock mechanism* deserves more empirical illustration:
  ↳ Are implied acceptance probabilities consistent with observed transitions?

- Could the framework extend to *general equilibrium search* (e.g., wage posting by firms)?

- Empirical section could discuss Policy implications — e.g., optimal unemployment benefit design.