

Structural Econometrics in Labor and IO.

Problem Set: demand estimation in the wild.

Description

The aim of this problem set is to transfer what we have learned so far into assessing state-of-the-art research.

Task

Using e.g. Google Scholar, find a paper citing Berry (1994) and/or Berry et al. (1995) that uses a similar discrete choice model to analyze a policy question you find interesting. The paper can be from any field, does not have to be an IO paper. Criteria:

- Published since 2010
- Published in high-quality Economics journal, if possible in leading general interest journal

Questions

Submit your short answers to the following questions in written by e-mail (absolute max. 2 pages).

1. What are the structural assumptions made?
2. Which of these assumptions are derived from domain knowledge, economic theory, or seem ad hoc?
3. Which are crucial identifying assumption(s)?
4. Would it be possible to find data that enables answering the research question using weaker structural assumptions? Which data? Which assumptions?

References

Berry, Steven T. (1994), “Estimating Discrete Choice Models of Product Differentiation,” *Rand Journal of Economics*, 25 (2), 242-262.

Berry, Steven T., Jim Levinsohn, and Ariel Pakes (1995), “Automobile Prices in Market Equilibrium,” *Econometrica* 63 (4), 841-890.