

Title of the project: Econometric Methods: theory and applications to Labor Economics and Finance

Summary:

This project aims to analyze both theoretical issues and applications of various econometric models that are relevant in Labor Economics and Finance. We will deal with the following issues:

1. Empirical issues in Labor Economics. In particular, we will examine the role of minimum wages as a source of wage indexation in developing countries; we will assess the effect of health insurance on individual behavior; and we will empirically analyze some facts that can affect the supply and demand of labor and also the performance of workers in Spain.
2. Program evaluation in developing countries. In particular, we will study the effectiveness of microfinance with data from Bangladesh; we will study whether involuntary permanent contraception reduce child mortality with data from Peru; we will evaluate the Roma Teaching Assistant Program in Serbia; and we plan to investigate the impact of public interventions in primary schools in the Dominican Republic.
3. Econometric Theory. In particular, we will analyze how to estimate characteristics of latent variables from ordered discrete choice data; we will discuss how to test for restricted conditional stochastic dominance; and we will analyze the specification and robust estimation of models of financial data.
4. Financial Econometrics and Finance. In particular, we will analyze empirically systemic risk identification and estimation procedures; we will discuss the estimation of copula functions and portfolio risk measures based on lower partial moments; and we will discuss empirical evidence on high frequency trading and market fragmentation.