Syllabus
Senior Seminar
Spring, 2014
American University of Central Asia
Economics Department

Instructors:

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Class Schedule: Thursday 9:25, 12:45, Friday 9.25, room 1/309

Office Hours: By appointment.

Course Objectives and Description:

The purpose of this course is to train students to conduct rigorous (typically empirical) research in economics. Students will gain expertise in choosing research topics, the analysis of large data sets, further development of econometric skills, and writing a research paper.

Our role, as instructors, in this class is (slightly) different from our role in a lecture course. As opposed to a lecture course where information is transmitted from instructor to student, seminars are a group endeavor involving give and take in many directions. We are all working together to create something new. Our role in this workshop is that of facilitators, though we will deliver some review lectures. We are here (as are the other students in the workshop) to help you succeed at undertaking novel research. We are therefore a resource, a sounding board, a mentor for you.

Course design and assignments. The course will include both group meetings and individual consultations involving student teams with the instructors. During the course, students have to deliver several presentations. Students are expected to use Kyrgyz Integrated Household Survey or other datasets listed in the syllabus to produce a paper based on use of economic theory and, especially, applied econometrics. The paper will be presented to the class at the end of the term. Each student team is expected to prepare a paper of 25-40 pages in length, with an accompanying PowerPoint presentation, by the end of the term. Students **CANNOT** submit their thesis papers, or papers written for other classes as a research paper for this class.

Students are required to form teams of three (or on occasion, two) people, and then to write and present a research paper that includes the following items:
    Abstract
    Introduction
    Review of the Literature

Theoretical Background
Data Description
Econometric Model (and extensions)
Results and Interpretation (and plans for future work)
Conclusion
Proper Citations and References

The list of topics covered in the course and milestones are:

Review of Household Survey Data: content and purpose, survey design and its implications for analysis, using survey data in research and policy analysis. Introduction to *Kyrgyz Integrated Household Survey:* review of the questionnaire and available information in the data, sample research topics, shortcomings and problems with the data. *By the end of week zero students form groups consisting of three/two people. Groups start thinking about a broad research topic.*	Week 0,1	Nurbek Jenish
Review of other data sources and sample research topics	Week 1	Nurbek Jenish
Group presentations and discussion of research topics. *Each group makes a presentation (15min) and receives feedback.*	Week 2	Nurbek Jenish Nurgul Ukueva
Review of main econometric estimation methods: *OLS, GLS, IV, Nonlinear estimation of cross sectional models.*	Week 3	Nurbek Jenish
Review of main econometric estimation methods: *Panel data estimation methods*	Week 4	Nurgul Ukueva
Group Presentation of refined topics, literature review, methodology and data and descriptive statistics to be used for the paper	Week 5, 6	Nurgul Ukueva
More on panel data estimation methods *By the end of week 7 groups should obtain preliminary results and send a draft paper to us*	Week 7	Nurgul Ukueva
Group presentations of preliminary results and paper discussions *Each group presentation will be followed by discussion that will be done by other group (acting as discussant).*	Weeks 8,9	Nurgul Ukueva
Group presentations of final results and final paper discussions *Final group presentations to be followed by discussion.*	Weeks 10,11	Nurgul Ukueva Nurbek Jenish

Grading Policy. Incompletes will be given only to those who have obtained permission by the end of Week 8, or who face a legitimate medical emergency. In general, we do not intend to give incompletes. Grading will be based on a combination of individual and team performance. The final grade for the course will be calculated as follows:

1.	Presentation of Research topic, Literature review, data and methodology	group	15%
2.	First draft presentation	group	15
3.	Final presentation	group	15
4.	Final paper	group	50
5.	Class attendance and participation	individual	5

Penalty for late assignments: 10% per day late.
Penalty for misrepresenting others' work as your own or other AUCA honor code violations: 0% (failure) of assignment; other penalties TBA.

The following grading scale will be used:
A= 90+
A-=85-89
B+=80-84
B= 76-80
B-=72-76
C+=68-71
C=64-67
C-=60-63
D+=56-59
D=53-55
D-=50-52
F<52

Readings. There will be no readers for this course. However, students are strongly encouraged to consult the following books for this course.

Dudenhefer, Paul, 2009. *A Guide to Writing in Economics*. Unpublished, Duke University

Wooldridge, Jeffrey. *Introductory Econometrics. A Modern Approach. 4th Edition.*, South-Western, Cengage Learning, 2009

Additional handouts and course materials will be available on web-resources designated for the course

Choosing a research topic. Students are expected to choose their own research area, but given the limited time available, you will choose research topics that will be based on the data sets listed below. We will also group students with similar interests into a team, and then suggest a topic to the team that

matches interests and is feasible (and, hopefully, is interesting). This inevitably will mean some disappointment, but the alternative would lead to many papers not being completed. The procedure for identifying a topic will be spelled out in more detail during the class.

A tentative list of supported data sets includes:

For Kyrgyzstan:
- ***Kyrgyz Integrated Household Survey*** (conducted by the National Statistical Committee, panel data available at our department for 2005-2007)
- World Bank's Living Standards Measurement Surveys http://www.worldbank.org/lsms/ (this source contains old LSMS surveys for Kyrgyzstan as well)

We strongly encourage you to work on Kyrgyzstan, with the *Kyrgyz Integrated Household Survey* in particular, however, you can also use and work with the following data sources:

For US and Mexico:

- *Encuesta Nacional de Ingresos y Gastos de los Hogares* (Mexico National Survey of Household Income and Expenditures): http://www.inegi.gob.mx/prod_serv/contenidos/espanol/catalogo/Default.asp
- *National Longitudinal Survey of Youth.* http://www.bls.gov./nls/
- *Health & Retirement Study.* http://hrsonline.isr.umich.edu/
- *National Educational Longitudinal Survey.* This survey tracks individuals in the 8th, 10th, and 12th grades, and also has a post-graduation follow-up. Examining behaviors of students in both public and private schools, it contains transcripts (grades), test scores in several areas, as well as separate parent, teacher, student, and administrator interviews. Dropouts are also tracked. http://nces.ed.gov/surveys/nels88/
- **[CPS 1]** *Annual Demographic Survey of the Current Population Survey (March CPS).* Household level data set collected each March. Provides detailed information on income, work experience, education and poverty status. This data set contains an additional sample of Hispanics that allows in depth analysis of this group. http://www.census.gov/cps/
- **[CPS 2]** *Current Population Survey Work Schedule Supplements (May CPS).* This supplement contains information on multiple job holding, work schedules, and telecommuters who work at home or at a designated site. http://www.census.gov/cps/
- **[CPS 3]** *Current Population Survey Outgoing Rotations (ORG).* Besides the basic CPS monthly questions, this survey contains a special set of earner questions like weekly hours (usual and last week); hourly, weekly or salaried paid, and union membership. This data set has the advantage that the sample size is three times bigger than the basic CPS survey. http://www.census.gov/cps/

Several major international databases are also available, including:

- World Bank's Living Standards Measurement Surveys http://www.worldbank.org/lsms/ (this source contains old LSMS surveys for Kyrgyzstan as well as other Central Asian and CIS countries)
- World Bank's *World Development Indicators* http://www.worldbank.org/data/onlinedatabases/onlinedatabases.html
- Barro-Lee dataset http://www.nber.org/pub/barro.lee/
- *Demographic & Health Survey* dataset (specific country up to you) http://www.measuredhs.com
- Mexican migration project: http://www.pop.upenn.edu/mexmig/welcome.html
- Mexican Family Life Survey: http://www.radix.uia.mx/ennvih/

- IPUMS: domestic and international census microdata http://www.ipums.org/
- Penn world tables http://pwt.econ.upenn.edu/
- Africa Household Survey Databank: http://www4.worldbank.org/afr/poverty/databank/default.cfm
- African Census Analysis Project http://www.acap.upenn.edu/
- Bosworth-Collins developing country macro dataset http://www.brookings.edu/es/research/projects/develop/develop.htm
- Human Mortality Database http://www.mortality.org/

Also keep in mind:
- US Census small area income and poverty estimates http://www.census.gov/hhes/www/saipe/saipe.html
- FBI Uniform Crime Reports http://www.fbi.gov/ucr/ucr.htm
- Bureau of Justice Statistics crime trends http://bjsdata.ojp.usdoj.gov/dataonline/Search/Crime/Crime.cfm

Check out data sets on the website before choosing your topic!

SUGGESTED RESEARCH TOPICS
Students are permitted to identify their own research topics, though, as mentioned, we will merge interests and ultimately impose compromise topics. To get you thinking, though, below are some topics that might lead to good papers.   • *Labor and social economics*. (a) Have racial wage differentials narrowed? (b) Does Head Start matter? (c) Is there a "sheepskin" effect with the GED? (d) Does foreign immigration drive down unskilled domestic wages? (e) How important is outsourcing to American workers? (f) Why is the wealth/income ratio much lower for minorities than for white Americans?   • *Economic history*. (a) Are racial differences in mortality finally narrowing? (c) Did the great northward migration raise Southern white and black wages? (d) Mexico in the early 20th century: would neoclassical simulation models suggest class conflict and revolution? [that is, was income inequality widening?]   • *International economics and economic development*. (a) Does corruption stifle or promote economic development? Are come kinds of corruption worse than others? (b) Is NAFTA good for Mexico? (you'll have to narrow this topic down to say anything substantive); (c) What is the financial return to migration to the continental United States for Puerto Ricans or Mexicans? (d) International default: do the costs outweigh the benefits? (e) Do remittances from abroad affect Mexico's income distribution? (f) Forget about poverty: what can we learn from studying the wealthy in developing countries? (g) Does corruption aid or hinder economic growth? (h) Skilled emigration – brain drain, or a source of investment funds and development of international contacts?   • *Urban economics and regional economic development*. (a) what types of enterprises settle and thrive in low-income urban neighborhoods? (b) Are there more churches in minority neighborhoods – and, if so, why? (c) Does living in a highly segregated neighborhood affect earnings? (d) Will Mexico City's population reach 50 million by 2050? (and, if so, what will it be like?) (e) Is poverty moving from the urban core to less visible fringe neighborhoods and suburbs/suburbanization of poverty? Where do the poor move when inner cities revive? (f) The aftermath of Hurricane Katrina: who died? Where is recovery taking place? (g) The rust belt *vs.* the kudzu belt: what happens to small industrial cities in the northeast, Midwest, and south when the main industry moves out? (h) Racial separation, class separation, or both? (i) Hedonic price estimates: does good schooling affect house value more in minority neighborhoods and big cities?   • *Crime*. Topics might include (a) Do the death penalty or mandatory sentencing rules deter crime? (b) Are there viable strategies to reduce the minority prison population?   • *Health & economic demography*: (a) Is there really a racial health disparity? (you will need to

narrow this down) (b) Does the marginal product of medical care differ by race, ethnicity, and gender? (c) Why is use of preventive care lower in minority populations? (d) "Education boosts" and "income/wealth boosts" to longevity and health – which matters more? (e) Is there a Mexican "baby bust" and, if so, why? (f) What causes inter-racial/ethnic differences in marriage, and are marriage rates converging?

- *Finance & International Finance, and Macroeconomics:* (a) Has the Mexican-US risk premium declined since NAFTA? (b) Should small countries grow their own stock markets? (c) Are American pension funds adequately diversified? (c) How diversified can we get? Is it really possible to hedge against the dollar? (d) Sources of economic growth: foreign direct investment, skills transfer, or trade? [incidentally, once can get some interesting ideas from http://www.fdimagazine.com/] (e) Are smaller financial markets becoming more competitive? Are runs and bubbles disappearing? [pick your favorite market to work on].

Research Paper Guidelines

Your assignment this semester is to produce a proposal to conduct original research. Next semester you will produce a finished research paper that will be your Honors Thesis. Both your proposal and your thesis should be structured according to the following outline:

I. Introduction - The introduction should motivate your topic. That is, why is it interesting and relevant today? You may also provide necessary background institutional detail. Then, you should briefly place your work in the context of what has already been done, with the goal of identifying the gap in the literature you intend to fill. Next, you should clearly state your thesis – the single main argument of your paper. Finally, you should include a road map outlining the structure of your proposal.

II. Literature Review – Here you should more fully discuss the work that has already been done on your subject. Focus on the research that is most closely related to your own work. The goal of this section is to place your work into the context of what has already been done. It should be clear by the end of this section what your original contribution to the literature will be.

III. Theoretical Framework - Describe the relevant economic theory. This is, most likely, not where you will make an original contribution. Perhaps you will be testing a particular theory. You should lay that theory out here (using graphs and equations as appropriate). What does the theory suggest ought to be true empirically? Perhaps the theory is not decisive. What remains is an empirical question you intend to answer. Outline the theory here and demonstrate how it does or does not offer a clear prediction. Leave the reader with an understanding of how the theory informs your work. Perhaps it offers a clear testable prediction. Perhaps it will only inform your empirical specification (e.g. what are likely and appropriate explanatory variables?)

IV. Data (For Empirical Papers) - What data will you use in your work? Describe the data. What is its source? Why are these the appropriate or best data for your project? Acknowledge any weaknesses. By the end of the semester you will want to have your data in hand and know that it is operational. The best way to know this is to have run some basic descriptive statistics (e.g. means and standard deviations). These should be included in this section along with a discussion of these statistics. Later on this section might include more detail on how you may have created particular variables for your own use in your particular project. (Extensive detail along these lines might be left for a data appendix.)

V. Empirical Specification (for Empirical Papers) - This section should describe how you plan to empirically estimate your model. What are the dependent variables? What are the independent variables? Do you have expectations about the signs and/or the magnitudes of the coefficients you plan to estimate? Ultimately, this section will also include your findings from your study and may also include a comparison of your results to what others have already found.

VI. Conclusion - This will obviously be largely left until your study is complete as you will want to summarize your findings in this section. You may also want to discuss any policy implications of your study as well as leave the reader with a sense of the questions that remain unanswered.