



**DECOMPOSITION METHODS IN ECONOMICS TRAINING WORKSHOP,
BY SERGIO FIRPO**

**XIX Annual Meetings of the LACEA / IADB / WB/ UNDP Research Network on
Inequality and Poverty (NIP)
Lima, Peru – October 31st, 2012**

The next meeting of the LACEA/IDB/WB/UNDP Network on Inequality and Poverty (NIP) will be held at GRADE in the City of Lima on October 31st, 2012. The NIP is an initiative that aims to advance the state of knowledge and expertise regarding the causes and consequences of poverty, inequality, and social exclusion, as well as on the whole range of policies, institutions, and social structures that influence their dynamics. For more information on the NIP, go to www.lacea.org/nip. The NIP meetings cover all topics related to poverty and inequality in Latin America and the Caribbean. This edition of the conference will cover issues of “Gender, poverty and inequality”.

On that regard, as part of the meetings we are programming a workshop on “Decomposition Methods in Economics”. This will provide a comprehensive overview of decomposition methods that have been developed since the seminal work of Oaxaca and Blinder in the early 1970s. These methods are used to decompose the difference in a distributional statistic between two groups, or its change over time, into various explanatory factors. While the original work of Oaxaca and Blinder considered the case of the mean, the main focus will be on other distributional statistics besides the mean, such as quantiles, the Gini coefficient or the variance. Assumptions required for identifying the different elements of the decomposition, as well as various estimation methods proposed in the literature are discussed. Finally, an illustration on how these methods work in practice is provided by discussing existing applications and working through a set of empirical examples.

The workshop will be delivered by Sergio Firpo (PhD Berkeley, 2003). Sergio Firpo holds a BA in Economics from UNICAMP-Brazil, MA in Economics from PUC-Rio, MA in Statistics from UC Berkeley and Ph.D. in Economics from UC Berkeley. He was Assistant Professor at UBC –Vancouver from 2003-2006 and at PUC-Rio from 2004-2008. Currently, he is Associate Professor at São Paulo School of Economics, FGV. His research areas of interest are Microeconometrics and its applications to Labor Economics, Political Economics and Public Policy. He has been the editor of "Brazilian Review of Econometrics". He is a CNPq (Brazil) researcher since 2006, IZA research fellow since 2009 and member of the "Standing Committee of Latin American Chapter of the Econometric Society" since 2007. His publications have appeared in leading journals and books such as *Econometrica* and the *Handbook of Labor Economics*.

Participation in this workshop is free and open to the public, provided participants register before the event. Young researchers are invited to send their expression of interest to participate in the workshop. For that purpose, those interested should send a PDF file with their CV and a short (two-paragraph) statement about their interest and potential benefits from participating at the workshop. Please send this material to: nip@cedlas.org by September 30, 2012. Strict compliance with this deadline is required. We expect to communicate our decisions by October 5, 2012.

Executive Committee, NIP