

README file to accompany “Dynamic Monopsony with Large Firms,” by Gottfries and Jarosch

1. Data Availability and Provenance Statements

Statement about Rights

- I certify that the author(s) of the manuscript have legitimate access to and permission to use the data used in this manuscript.
- I certify that the author(s) of the manuscript have documented permission to redistribute/publish the data contained within this replication package.

Details on each Data Source

No external data is used.

2. Computational requirements

Software Requirements: MATLAB (R2024a) with installed Optimization Toolbox.

Details: Code was run on a Windows desktop with a 24-core Intel Xeon processor (2.5 GHz) and 256 GB RAM.

Approximate time needed to reproduce the analyses is 30 seconds.

Approximate storage requirements: <1GB.

Approximate memory requirement: 3GB of RAM.

3. Description of programs/code

The replication package contains: README.pdf (this file). `Files/` with the MATLAB programs listed in Section 5 that replicates all results. The main script `Files/main_noncomp.m` runs all files and creates all the outputs. All outputs are saved in the folder `Files/Figures/` when `main_noncomp.m` is run.

4. Instructions to Replicators

In MATLAB, run the file `Files/main_noncomp.m`. This calls all relevant ancillary files (described in section 5 below) and generates all figures and tables.

The table is saved in the folder `Files/Figures`.

5. List of tables and programs

The provided code reproduces all numbers provided in the text as well as all tables and figures in the paper. The Online Appendix contains no figures, tables or reported numbers.

List of tables and figures:

Table	Program	Line Number	Output file
Table 1	main_noncomp.m	432	table_1.tex
Table 2	main_noncomp.m	532	table_2.tex
Table 3	main_noncomp.m	532	table_3.tex
Table 4	main_noncomp.m	532	table_4.tex
Figure 1A	main_noncomp.m	203	Figure_1A.png
Figure 1B	main_noncomp.m	219	Figure_1B.png

Other reported numbers. In addition to the tables and figures, several numbers quoted in the text are displayed in the MATLAB Command Window when `main_noncomp.m` runs. These are also saved in the file `reported_numbers.xlsx`. The values for b are printed in line 260. The job-to-job rate for firm with and without noncompetes under partial enforceability are printed in lines 253 and 254. The comparison between the change in welfare under the analytical approximation and the exact numbers is printed in lines 266 and 270.

List of programs:

Program	Explanation
<code>main_noncomp.m</code>	Calibrates the model and creates all output files
<code>moments_noncomp.m</code>	Performs all steps involved in the calibration
<code>w_nocomp_fun.m</code>	Solves the model
<code>emp_demand_fun.m</code>	Calculates employment demand given user cost of labor and marginal revenue of output
<code>input_fun.m</code>	Calculates the amount of capital used in production given user cost of labor and employment
<code>output_fun.m</code>	Calculates firm level output given employment and user cost of labor
<code>theta_trans_noncomp.m</code>	Transforms the parameter guess within the calibration to ensure parameters are within the right bounds

6. References

No external data is used and hence no data citations are included.