

Analyzing Institutions in Resource and Development Econometrics: Recognizing Institutions, Exploring Levels, and Querying Cases

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Abstract

Often, resource and development economists do not explicitly analyze institutions, with their energies devoted to using econometrics and microeconomic models, even though they may think that institutions are important. They can use three strategies to further institutional analysis in resource and development econometrics: (1) recognizing institutional variables, (2) using multilevel thinking and estimation, and (3) drawing causal graphs. I illustrate each strategy with examples from three past studies, by others and myself: (a) biomass extraction from Ranthambore National Park, (b) air pollution in Goa, and (c) carbon and forest livelihoods across countries.