



Seminario de Microeconomía Aplicada- Institutions and Global Crop Yields

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Abstract: We estimate annual discontinuities in remotely-sensed crop yields at all international land borders and link them to changes in the economic freedom index by the Fraser Institute, a country-level measure of institutional quality. Each point of the ten-point index increases the discontinuity by 2.2% over the next five years, highlighting that institutional reforms have the potential to close some of the observed crop yield gap. Three subcategories are consistently significant: credit market regulation, inflation, and the top marginal tax rate. We present suggestive evidence that higher average yields are achieved through increased use of irrigation and mechanization. Yield variability remains unchanged, and reforms lead to cropland expansion through deforestation.

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Acerca del expositor: David Wuepper is Professor at the University of Bonn, and head of the Land Economics Group of the same university. He studies agricultural sustainability issues and potential solutions from various angles: From local to global and through a policy, institutional, and a behavioral lense. He is currently working on the causal effects of policy and institutional changes on agricultural and environmental outcomes, on the potential of different sustainable innovations in the agricultural sector, and how behavioral factors such as culture and personality shape how farmers respond to external incentives.

Tiempo de exposición: 1 hora