Reading Notes:

Bardhan and Udry, Ch. 2-4

Multiple markets are incomplete, then separable property of decision does not hold. If there is only one market incomplete, then it still holds.

Separable property makes decision between production and consumption independently.

Ch3

Female, male have different utility functions

Female bear the most burden of child-care, as well as risk of child-birth, so female have different preference.

There are not enough food for bigger population.

Ch4

Efficient wage , wage too low so that productivity too low and employee increases wage to increase productivity. Firm chooses wage as well as how many quantity supply determines the wage.

Labor time, given the seasonality, production agriculture, if not enough worker in the peak season, even want to hire worker in bottom season with promise to work in the peak season. Risk-averse employer.

Labor tying, several explanations

Sharecropping paper

Landowner share risk to the farmers, fixed wage contracts

Abuse of assets: do not care about land quality

Transaction cost is important in this case

Share 50% with farmers

in India

30 working households and 10 owner households

Intensity of cultivation

SURE seeming unrelated regression errors