Module 2 – Regression and Prediction

CASE STUDY ACTIVITY TUTORIAL

Case Study 3: Do poor countries grow faster than rich countries?

Contents of Case Study 3:

The video that covers this case study is given in Module 2, Segment 2.4.

1. Codebook.txt contains the name of the variables and a brief description.

2. growth.Rdata: The dataset contains the variables used in the regression

3. Regression 2.4.CaseStudy.R looks at how the rates at which economies of different countries grow related to initial wealth levels in each country controlling for several country specific characteristics.

4. This relationship is estimated in two ways. In the first analysis a simple regression linear model is used. In the second analysis control variables are partialled out using the Lasso method and then residuals of dependent variable is regressed on residuals of indepedent variable.

5. Regression.2.4.pdf is the set of slides that describes the estimation technique and present the results.

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