

Some ideas for term paper topics.

I would urge you to use international data, where each observation is a country or territory. In the section on reading and writing data, there are links to many spreadsheets containing international data.

Start with a **dependent variable** that you think is interesting. Any of the following would work well, but don't limit yourself to these:

- Gini Coefficient (Income inequality)
- Per Capita GDP
- Human Development Index
- Fertility Rate
- Life Expectancy
- Corruption
- Innovation
- Happiness
- Freedom

After selecting a variable, go to Google Scholar (<https://scholar.google.com>) and search for papers that deal with the topic. For example, enter in the search field *causes of income inequality*. Pick out a few papers that look easy to read and see what they use as **independent variables**.

By using dummies, interaction terms, and polynomial specification, you should be able to do something interesting even with just a few independent variables.

I expect from you a half page proposal in which you tell me the names of your variables and the spreadsheet from which they are taken. You also need to state the main hypothesis you wish to test in your model. For example: "my main hypothesis is that income inequality increases as globalization increases."

A few examples:

Dependent variable: **Total Fertility Rate**.

- Gary Becker's idea that TFR is conditioned by: 1) The opportunity cost of a mother's time; 2) the benefit/cost ratio of having a child.
- Life history theory that TFR is conditioned by the child mortality rate and the amount of investment given to each child.

Dependent variable: **Gini coefficient (income inequality)**.

- Kuznets/Myrdal idea that inequality increases as a country begins to develop, and then decreases past a certain development threshold.
- Notion that globalization and increases in human capital increase inequality.

Dependent variable: **growth rate of GDP per capita**.

- Determine whether rich countries grow richer and poor fall further behind, or rich slow down and poor catch up.
- Determine the importance of human capital formation for economic growth.

Dependent variable: **Happiness**.

- Test the hypothesis that low economic inequality increases happiness.
- Test the hypothesis that high ethnic heterogeneity decreases happiness.