

PROPOSAL: ASSESSING THE DEMAND FOR FORMAL INSURANCE AMONG INDIAN FARMERS

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Professor Mark Rosenzweig is looking to hire an Undergraduate Research Assistant through the SRO program to assist him on a randomized field experiment in India to assess the demand for formal insurance among the informally insured. Currently, farmers and entrepreneurs largely resort to informal alternatives—insuring each other through gifts and loans—to cope with risks associated with pest or drought-induced harvest failure or price volatility in commodities markets. This research project seeks to understand the reasons behind the low demand for formal insurance products despite the high-risk associated with agricultural activity.

The RA will work directly with Professor Rosenzweig and other members of the project team. The RA will participate in the design of the questionnaire and sampling design, critical components of economic research that employs the use of randomized control trials. Among the activities the RA will undertake are writing up non technical project descriptions, writing up letters to potential insurers, formatting of questionnaires, preparing documentation for the Human Subjects review, and preparing a literature review on insurance demand based on both academic studies and the microinsurance policy world. The questionnaires will seek to generate new evidence on how well Indian farmers are already informally insured, as well as explanations for their reluctance to purchase formal insurance products that might mitigate their risk. A slightly longer project description can be found here: <http://www.theigc.org/index.php?q=node/465>.