



How to detect interdependencies among institutional and economic factors: correlation network analysis

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via Zoom

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“Institutional and economic factors have often been investigated with a view to detect complementarities or substitution-effects. Typically, such analysis adopts a pairwise approach, focusing on the link between two specific factors. In this seminar, I would like to share some insights on an innovative methodological approach: correlation network analysis. Such technique has been used to study gene co-expression and is adequate to introduce greater complexity into the analysis of institutional and economic interdependencies. It maps symmetric and asymmetric relationships between different factors into network visualization: this helps identifying most “central” factors - that are most interconnected to others, or factors on which many others depend. Such factors are likely to be “system changers”, or “bottlenecks”, which could become object of targeted policy action. I will present an exemplary application to municipality-level data in Brazil.”