

Development PS 1 Chenxu Fu

1 Question 1

1.1 Report average CIW per household separately for rural and urban areas.

Table 1: Average CIW for rural and urban areas

variables	mean_urban	mean_rural
consumption_usd	1486	901
income_usd	4147	1198
wealth_usd	8923	3343

1.2 CIW inequality: (1) Show histogram for CIW separately for rural and urban areas; (2) Report the variance of logs for CIW separately for rural and urban areas.

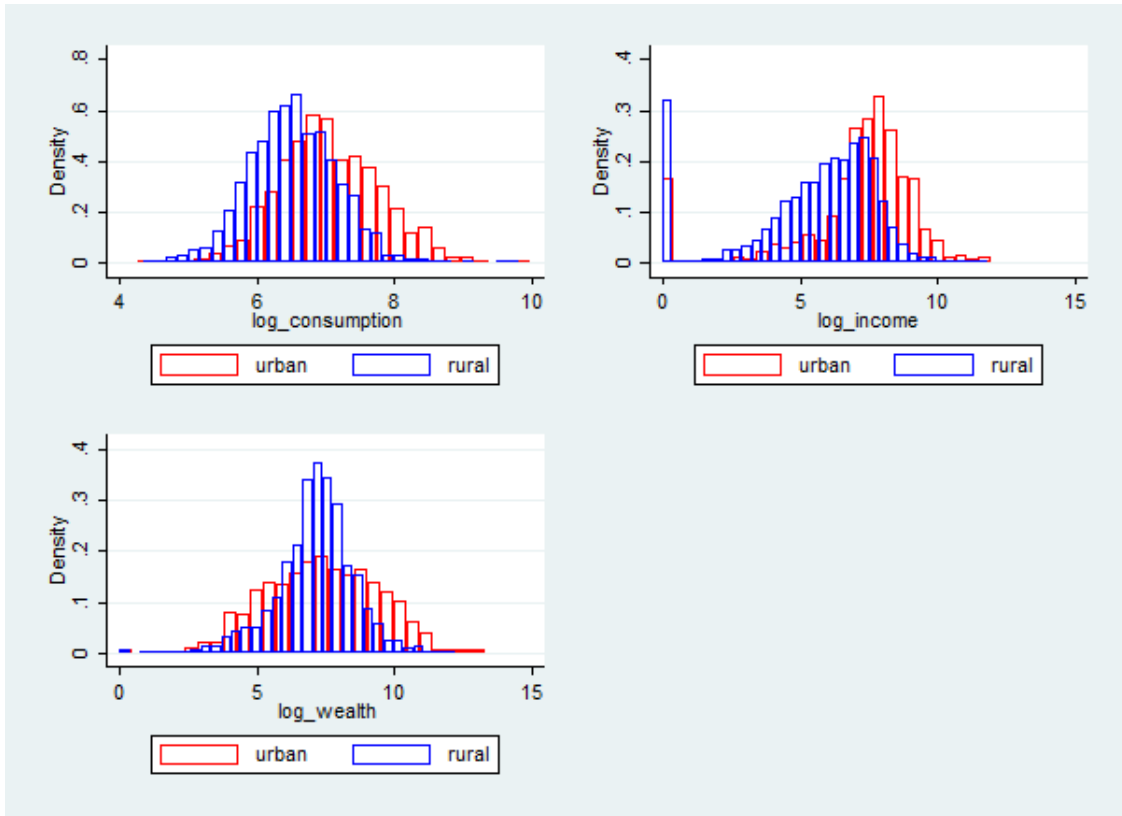


Figure 1: Histogram for CIW

Table 2: Covariance of CIW by urban

covariance	urban	rural
consumption & income	0.7915	0.4825
consumption & wealth	0.9514	0.4929
income & wealth	1.3953	0.5377

1.3 Describe the joint cross-sectional behavior of CIW.

Table 3: Correlation of CIW

correlation	urban	rural
consumption & income	0.4176	0.3047
consumption & wealth	0.6054	0.5419
income & wealth	0.2661	0.1775

1.4 Describe the CIW level, inequality, and covariances over the lifecycle.



Figure 2: CIW lifecycle

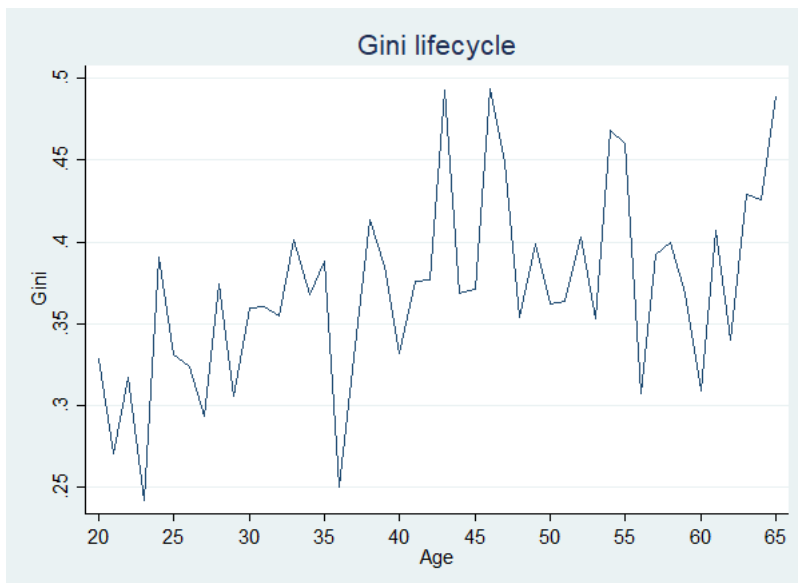


Figure 3: Gini lifecycle

1.5 Rank your households by income, and discuss the behavior of the top and bottom of the consumption and wealth distributions conditional on income.

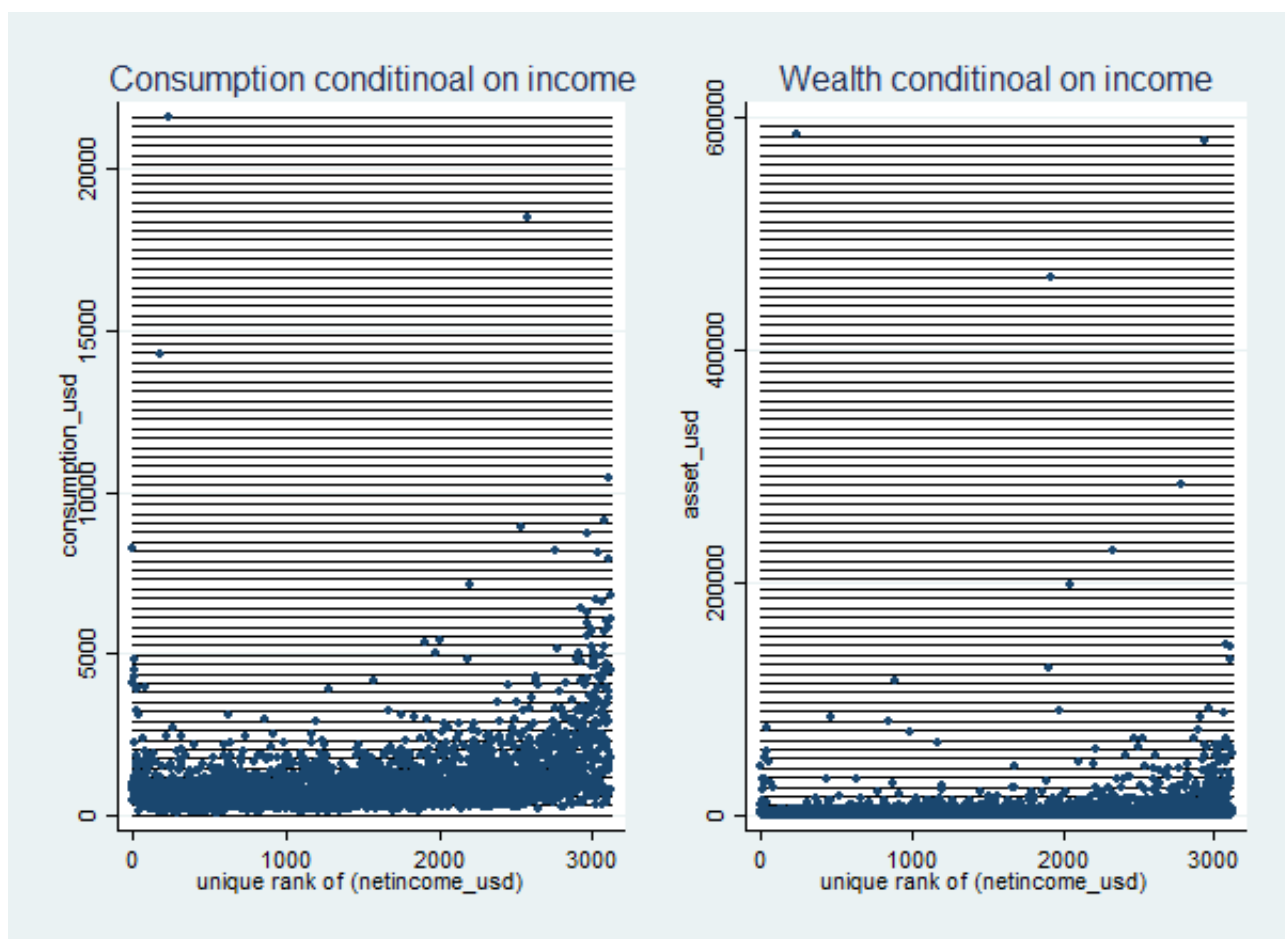


Figure 4: CW conditional on income

2 Question 2

2.1 Redo Question 1 for intensive and extensive margins of labor supply.

2.2 Redo separately for women and men, and by education groups (less than primary school completed, primary school completed, and secondary school completed or higher).

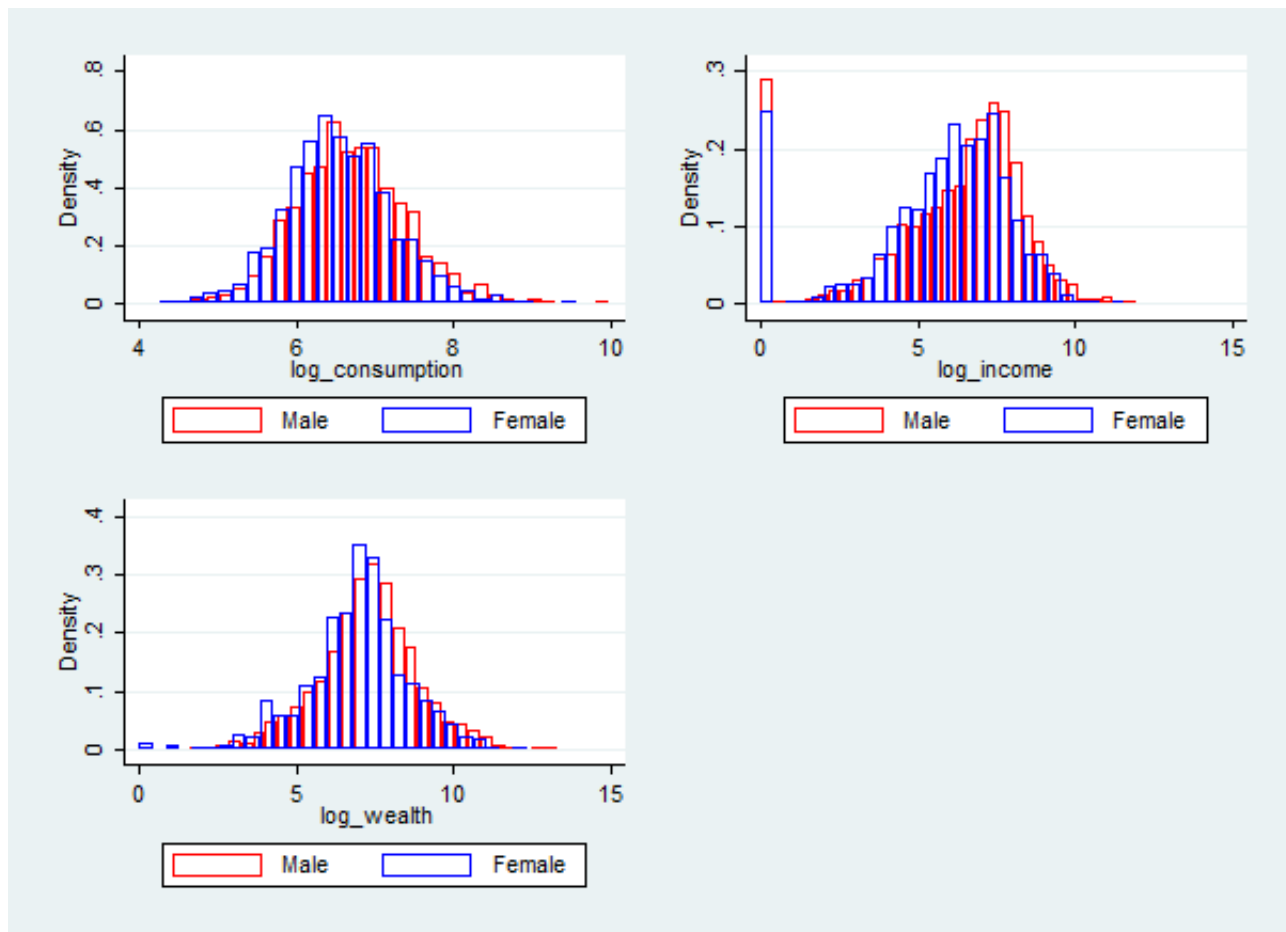


Figure 5: Histogram CIW by sex

Table 4: Covariance of CIW by sex

covariance	male	female
consumption & income	0.6917	0.7464
consumption & wealth	0.6577	0.5533
income & wealth	0.7913	0.8361

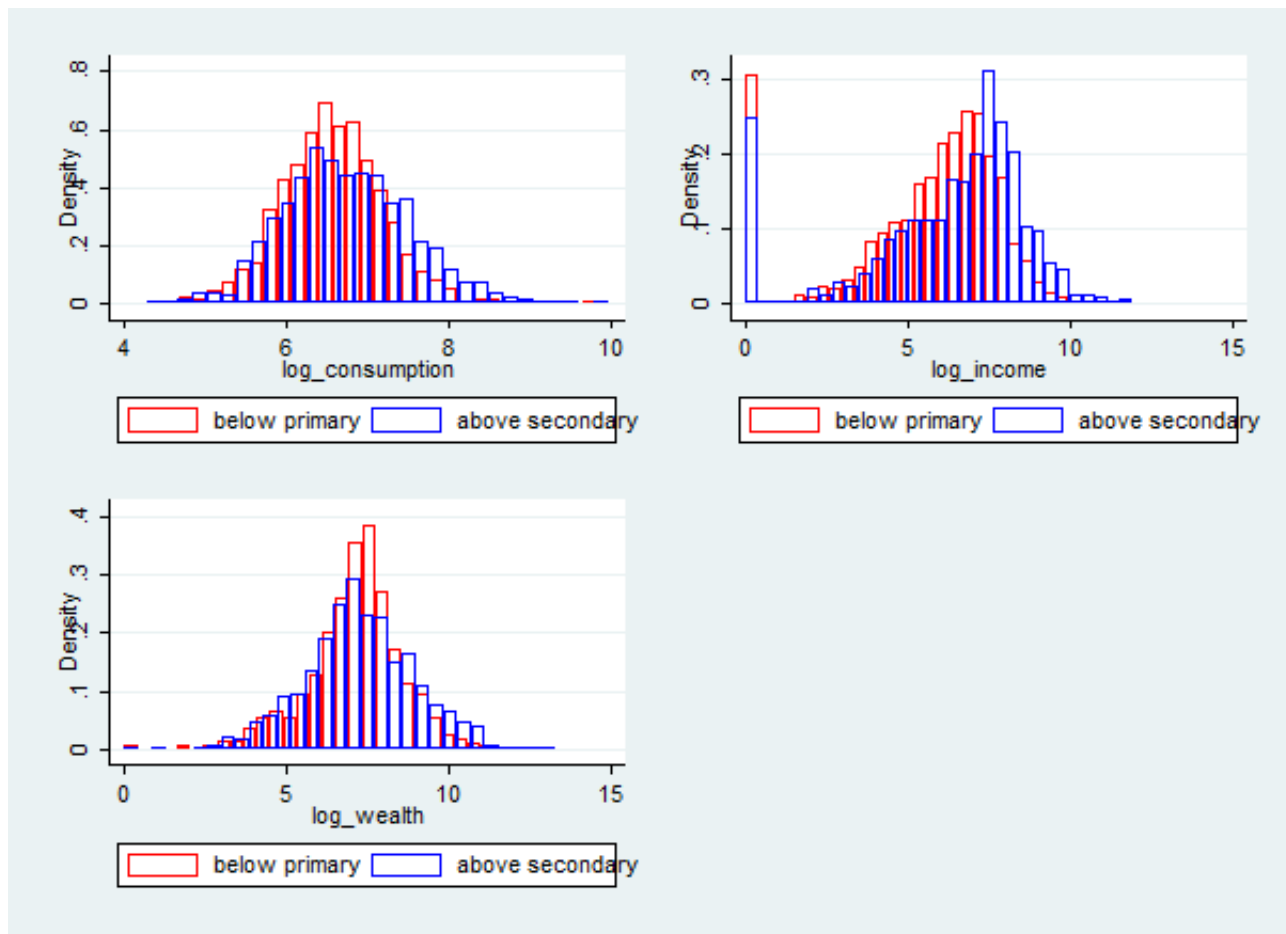


Figure 6: Histogram CIW by education

Table 5: Covariance of CIW by education

covariance	primary and below	secondary and above
consumption & income	0.4921	0.8976
consumption & wealth	0.4931	0.7765
income & wealth	0.5059	1.1084

3 Question 3

- 3.1 Plot the level of CIW and labor supply by zone (or district) against the level of household income by zone.

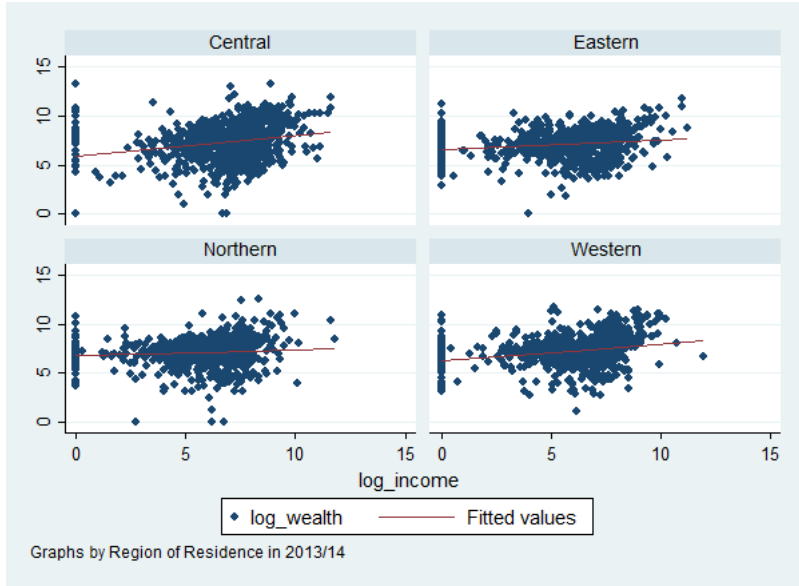


Figure 7: Wealth against income by region

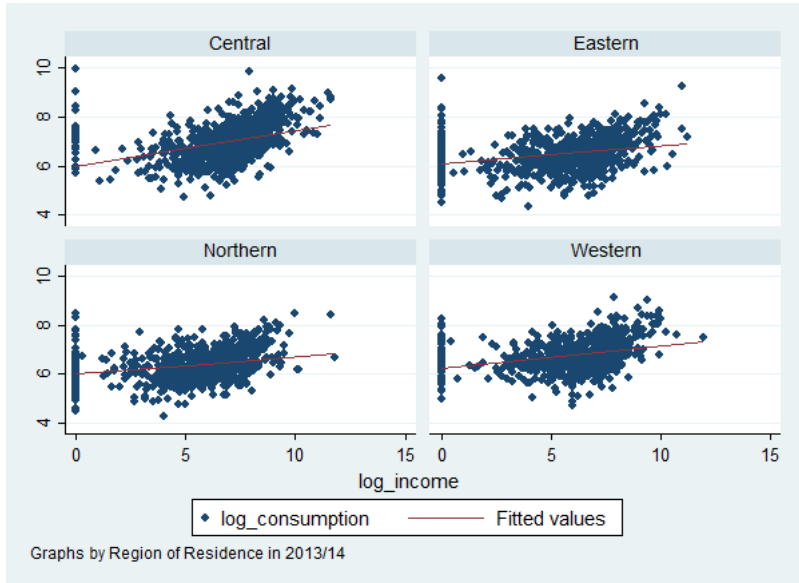


Figure 8: Consumption against income by region

- 3.2 Plot the inequality of CIW and labor supply by zone (or district) against the level of household income by zone
- 3.3 Plot the covariances of CIW and labor supply by zone (or district) against the level of household income by zone.