

Home Assignment 1: Growth and Development Economics*

Daniel Carvajal Zuniga[†]

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*All data is obtained from LSMS-ISA data from World Bank

[†]Email: daniel.carvajal@cemfi.edu.es

1 Inequality in consumption, income, wealth and labor supply

The data is converted to US Dollars, using the exchange rate of 2013, in order to interpret. Table 8 show how all three variables are higher in urban population than rural, as expected. Moreover, this differences are higher in income and wealth, which is similar to the results of Malawi seen in class.

I could not have time to elaborate more on this. The rest of the graphs are in the code, they will be saved as *graphiii*, with $i = 1, 2, 3$.. Thanks

	Consumption	Income	Wealth
Urban	1103.5	5828.8	7198.3
Rural	634.0	1409.6	2528.8

Table 1: Mean by zone

	Consumption	Income	Wealth
Urban	0.57	2.34	2.31
Rural	0.39	1.55	1.19

Table 2: Mean by Year and Group

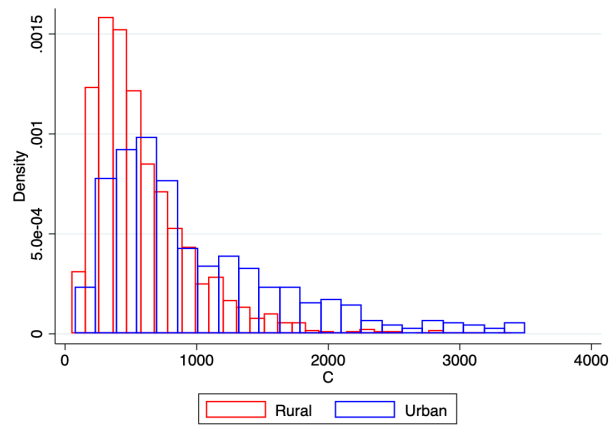


Figure 1: Consumption

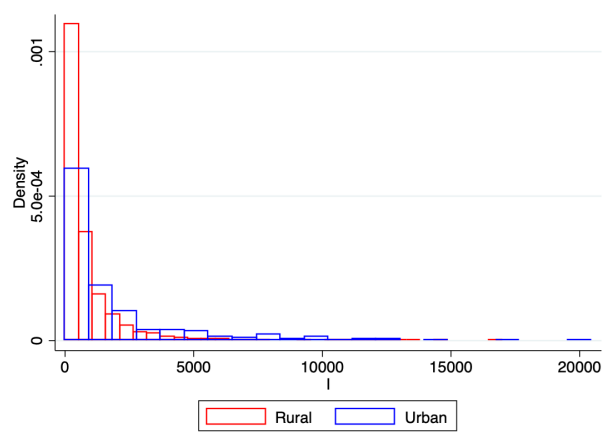


Figure 2: Income

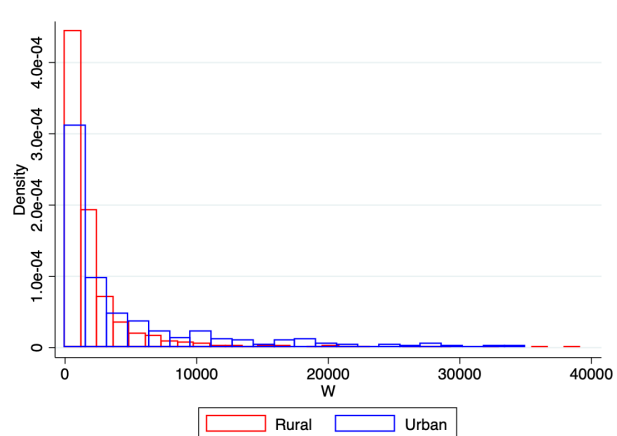


Figure 3: Wealth

	C	I	W
C	1.0000		
I	0.4947	1.0000	
W	0.5823	0.3408	1.0000

Figure 4: Total

	C	I	W
C	1.0000		
I	0.5283	1.0000	
W	0.6097	0.3480	1.0000

Figure 5: Urban

	C	I	W
C	1.0000		
I	0.4158	1.0000	
W	0.5032	0.2772	1.0000

Figure 6: Rural

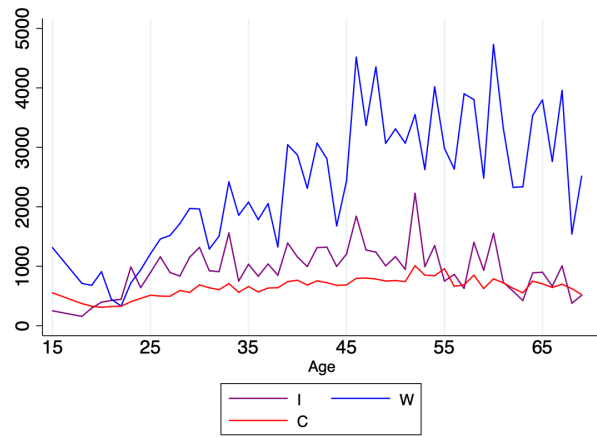


Figure 7: CIW level over life cycle

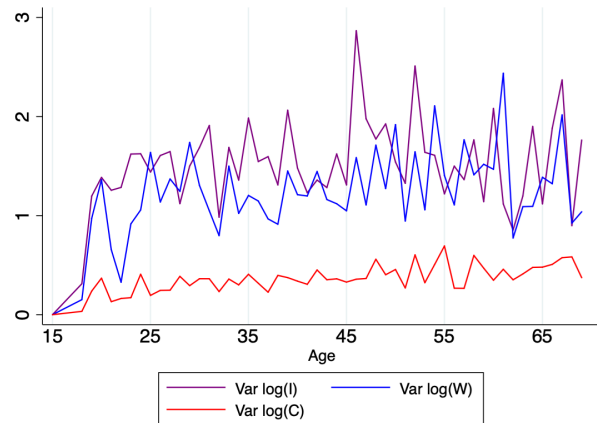


Figure 8: CIW inequality over life cycle

	Percentiles	Smallest		
1%	9306.559	317.7108		
5%	45838.29	470.2568		
10%	95996.97	650.1443	Obs	2,486
25%	252425.2	808.9479	Sum of Wgt.	2,486
50%	600708.9		Mean	681175.6
		Largest	Std. Dev.	486717.6
75%	1057619	1814702		
90%	1405898	1815424	Variance	2.37e+11
95%	1578582	1817528	Skewness	.477293
99%	1765116	1818854	Kurtosis	2.150371

Figure 9: Consumption

	Percentiles	Smallest		
1%	57978.54	724.5397		
5%	175631	927.7012		
10%	344065.5	1433.774	Obs	2,486
25%	1020225	1595.23	Sum of Wgt.	2,486
50%	2389167		Mean	2921425
		Largest	Std. Dev.	2290032
75%	4658102	9342043		
90%	6221766	9344180	Variance	5.24e+12
95%	7608036	9349280	Skewness	.7395609
99%	8896258	9355111	Kurtosis	2.679665

Figure 10: Wealth

2 Inequality in consumption, income, wealth and labor supply

	Total	Urban	Rural
Average	783.9	1352.4	627.5
Variance of logs	1.53	1.84	1.42

Table 3: Statistics for the total population

	Total	Urban	Rural
Average	800.8	1236.4	683.3
Variance of logs	1.58	1.87	1.48

Table 4: Statistics for the male population

	Total	Urban	Rural
Average	784.3	1611.2	494.8
Variance of logs	1.42	1.80	1.25

Table 5: Statistics for the female population

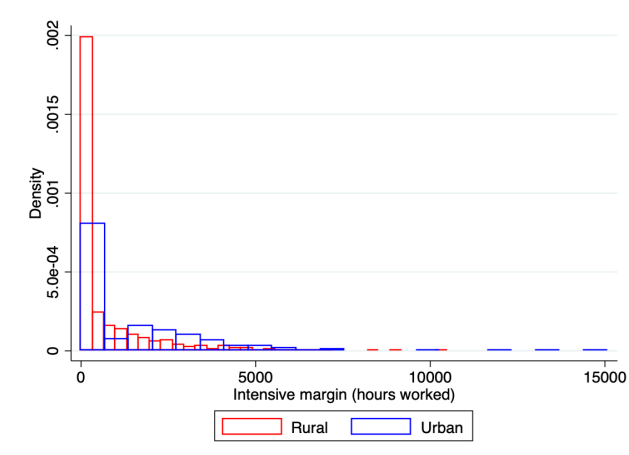


Figure 11: Intensive margins of labor supply

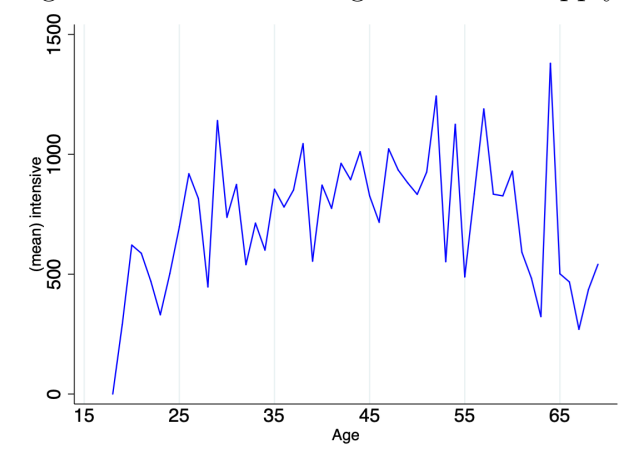


Figure 12: Labor supply level over the lifecycle

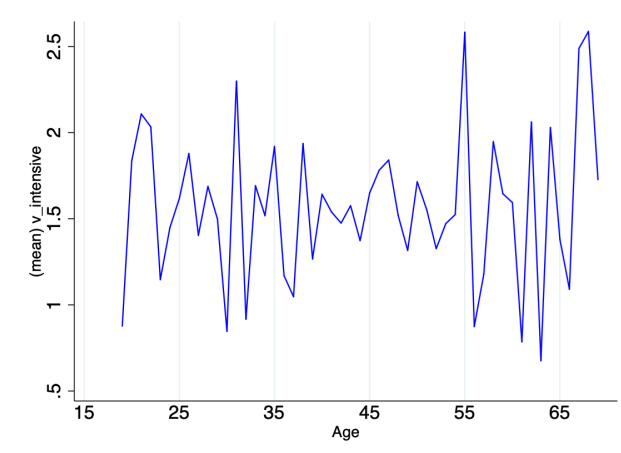


Figure 13: Labor supply inequality over the lifecycle

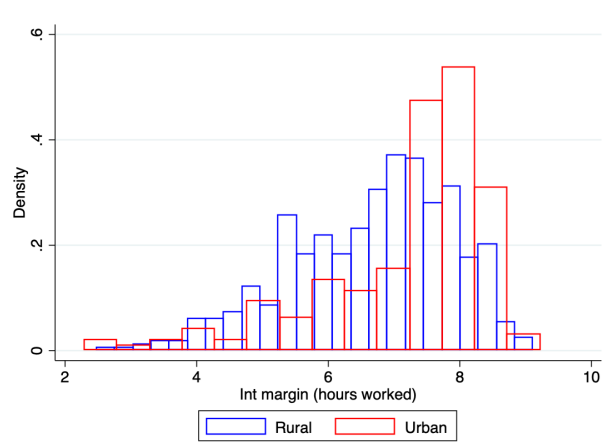


Figure 14: Labor supply for man



Figure 15: Labor supply for woman

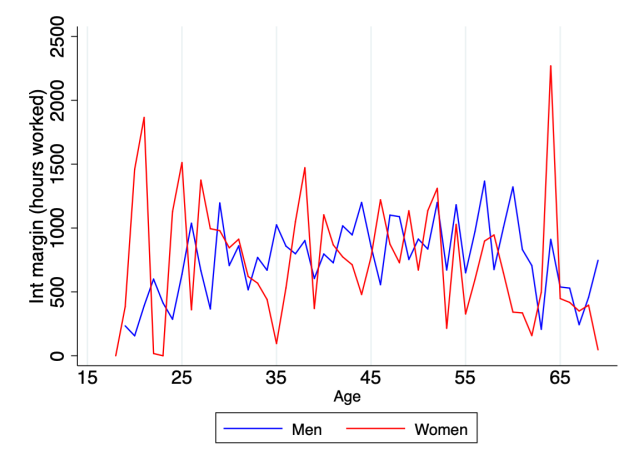


Figure 16: Labor supply level over the lifecycle by gender

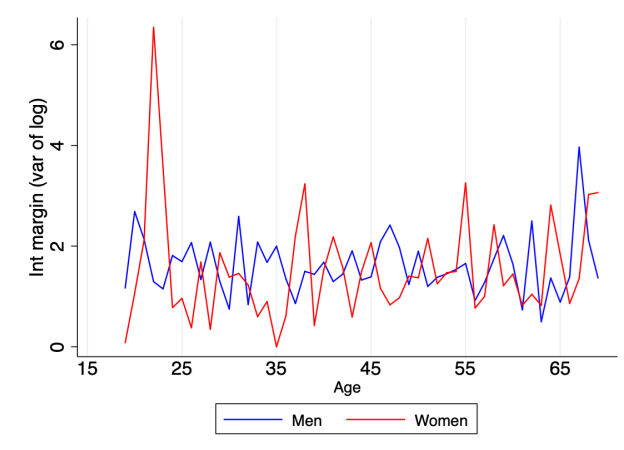


Figure 17: Labor supply inequality over the lifecycle by gender

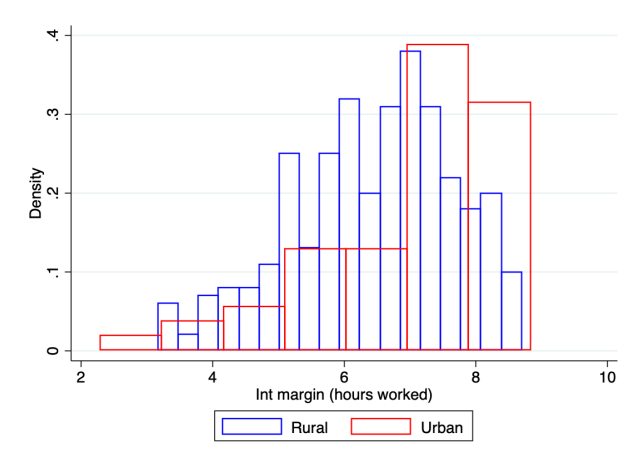


Figure 18: Histogram for low education level

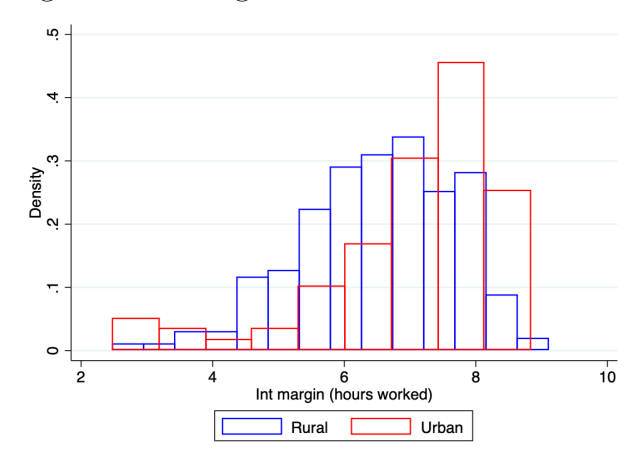


Figure 19: Histogram for middle education level

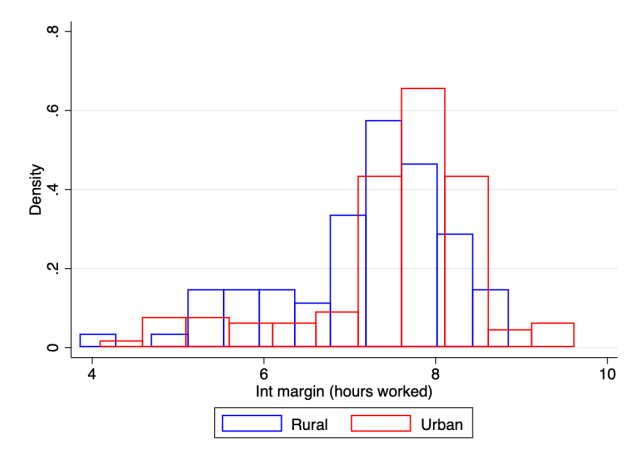


Figure 20: Histogram for high education level

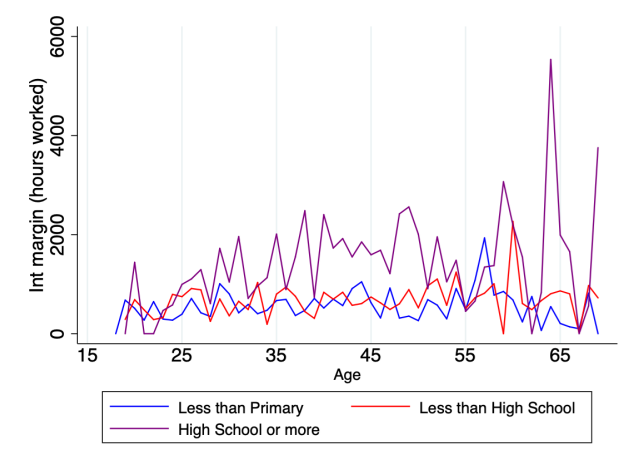


Figure 21: Labor supply level over the lifecycle by education level

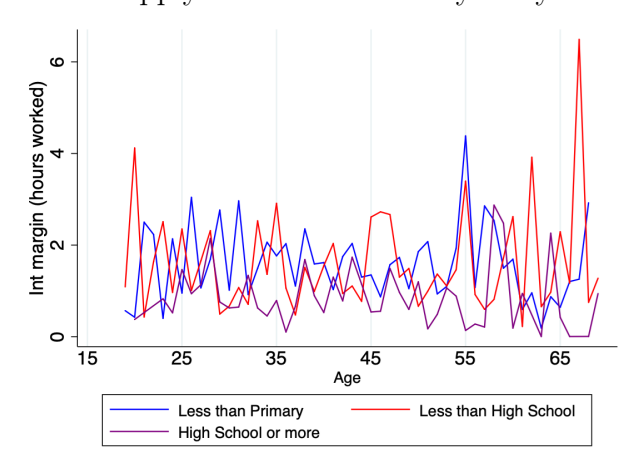


Figure 22: Labor supply inequality over the lifecycle by education level

	Total	Urban	Rural
Average	595.0	995.0	535.7
Variance of logs	1.56	2.23	1.45

Table 6: Statistics for the low educated population

	Total	Urban	Rural
Average	706.6	1168.9	566.6
Variance of logs	1.53	2.02	1.35

Table 7: Statistics for the middle educated population

	Total	Urban	Rural
Average	1479.6	1857.0	1188.3
Variance of logs	0.99	1.06	0.92

Table 8: Statistics for the highly educated population