

Home Assignment 1: Growth and Development Economics*

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

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1 Inequality in consumption, income and wealth (CIW)

The data is converted to US Dollars, using the exchange rate of 2013, in order to interpret. Table 1 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.
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

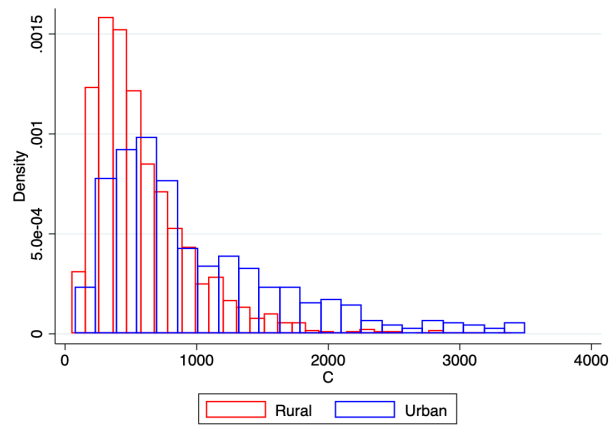


Figure 1: Consumption

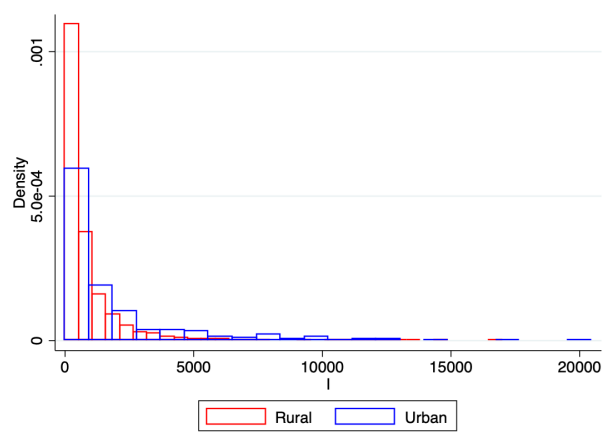


Figure 2: Income

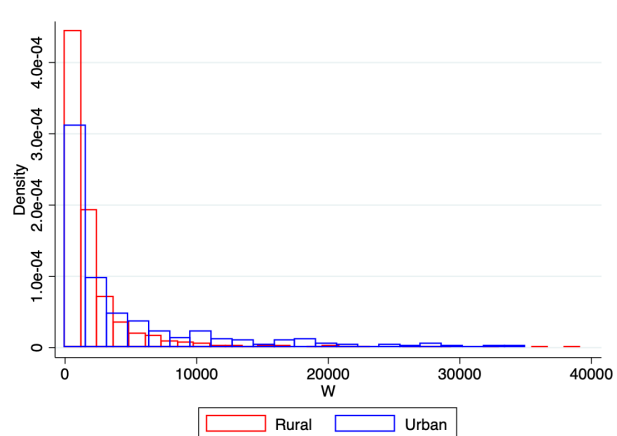


Figure 3: Wealth

	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

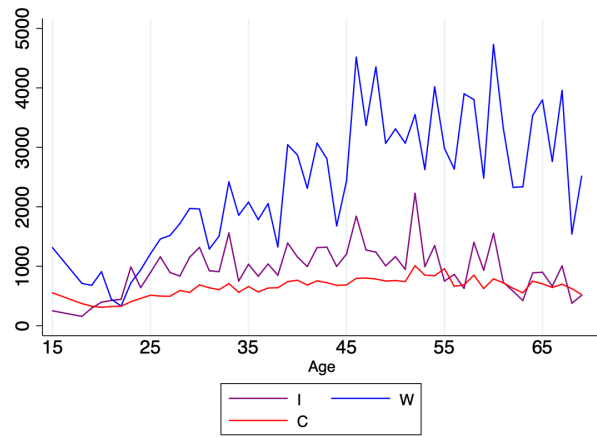


Figure 7: CIW level over life cycle

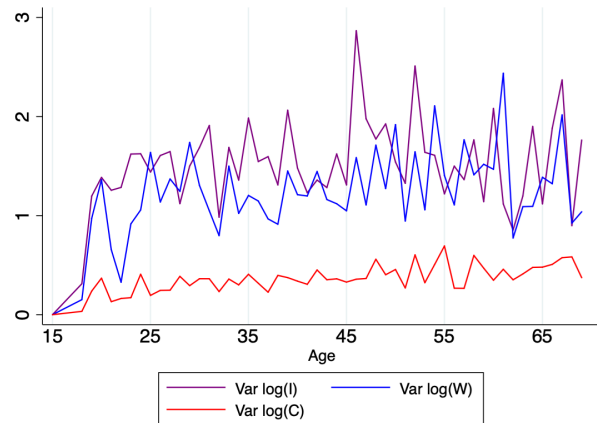


Figure 8: CIW inequality over life cycle

	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