

Another case of the middle-income trap: Chile, 1900-1939 - Replication code

Couyoumdjian, JP - Larroulet, C - Diaz, DA

Figure 1

Figure 1 shows the relative income of Chile over the United States and the average between the average of the Europe 12 countries and the average of the Western Offshoots countries.

The following code creates Figure 1 presented in the article. All figures are saved in the Figures folder.

```
source('data_preparation.R')  
source('structural_break_tests.R')  
  
ggplot_relative_income()
```

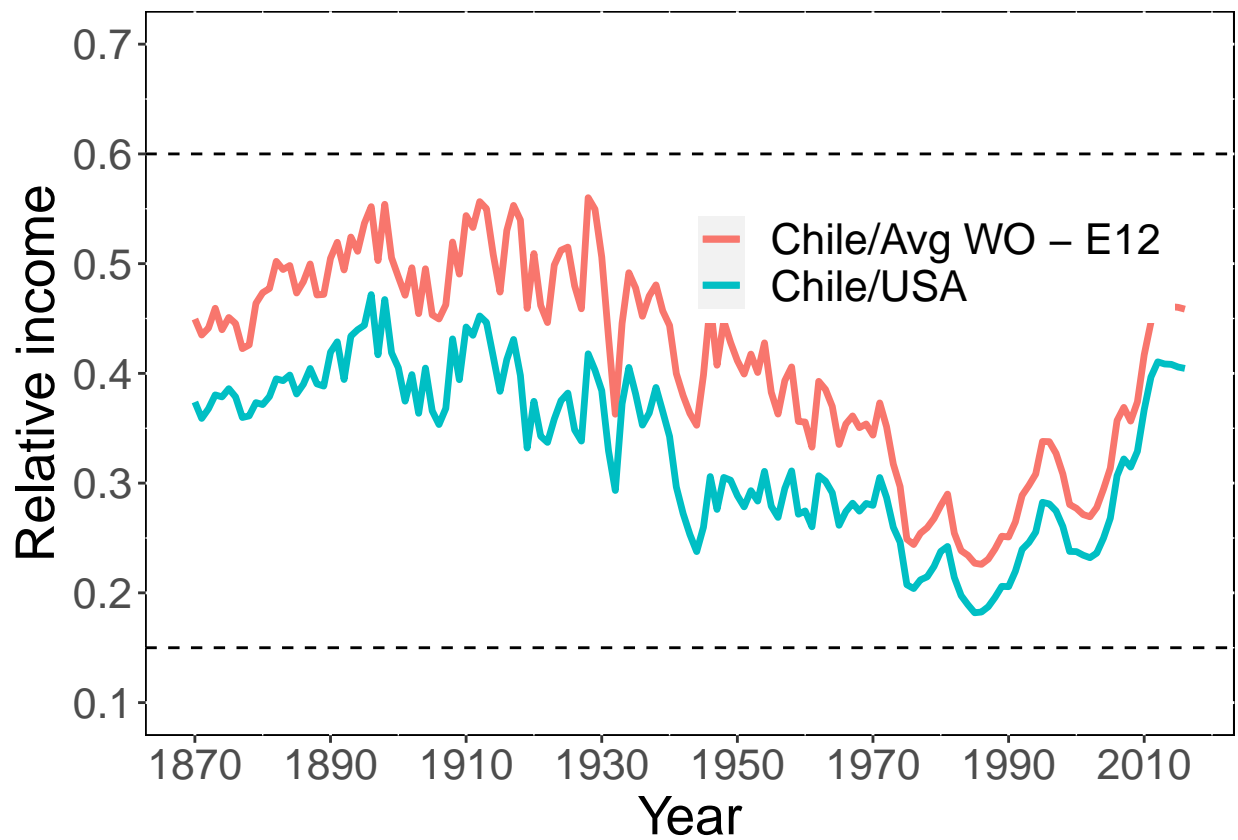


Figure 2

Figure 2 shows structural break tests of the relative income series of Chile and three countries or groups of countries. These figures are shown separately in this section, starting with the the relative income of Chile over the United States, following with the relative income of Chile and the average between the average of the Europe 12 countries and the average of the Western Offshoots countries, and finally against the Nordic 3 countries, the average of Sweden, Norway and Finland.

```
usa_rel <- get_relative_usa(1820)
#Figure 2_1
plot_time_series(usa_rel, 'chile_relative', 1820, 'Figure 2_1')
```

```
FALSE pdf
FALSE 2
```

```
#Figure 2_2
plot_Fstat_test(usa_rel, 'chile_relative', 1820, 'Figure 2_2')
```

```
FALSE pdf
FALSE 2
```

```
wo_e12 <- average_wo_e12()
#Figure 2_3
plot_time_series(wo_e12, 'chile_relative', 1880, 'Figure 2_3')
```

```
FALSE pdf
FALSE 2
```

```
#Figure 2_4
plot_Fstat_test(wo_e12, 'chile_relative', 1880, 'Figure 2_4')
```

```
FALSE pdf
FALSE 2
```

```
nordic3 <- get_Nordic3_relative()
#Figure 2_5
plot_time_series(nordic3, 'chile_relative', 1880, 'Figure 2_5')
```

```
FALSE pdf
FALSE 2
```

```
#Figure 2_6
plot_Fstat_test(nordic3, 'chile_relative', 1880, 'Figure 2_6')
```

```
FALSE pdf
FALSE 2
```

Figure 3-4-5

These figures are produced with the synthetic control method which is implemented in Matlab, please execute the script `main_synthetic_controls.m` to replicate.

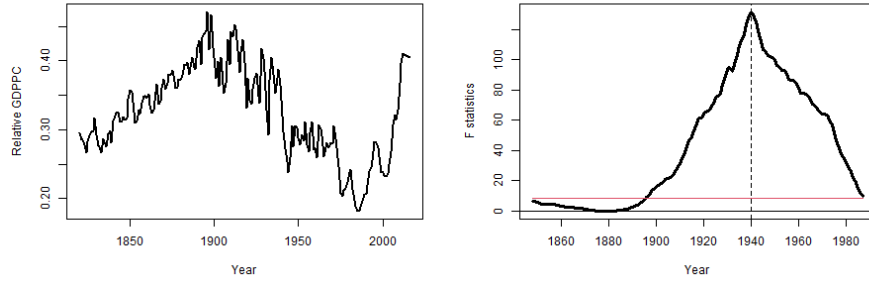


Figure 1: Structural break test - Chile / United States

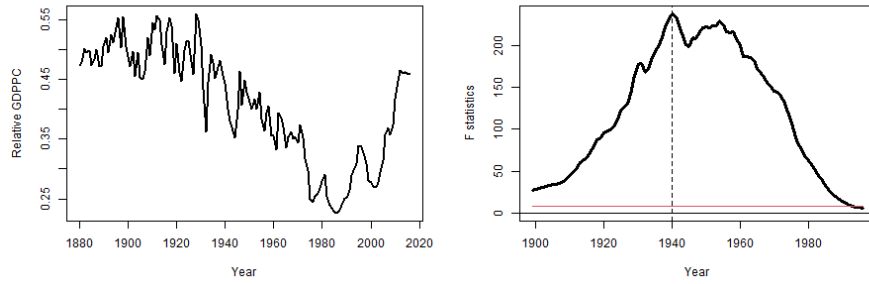


Figure 2: Structural break test - Chile / Western Offshoots + Europe 12

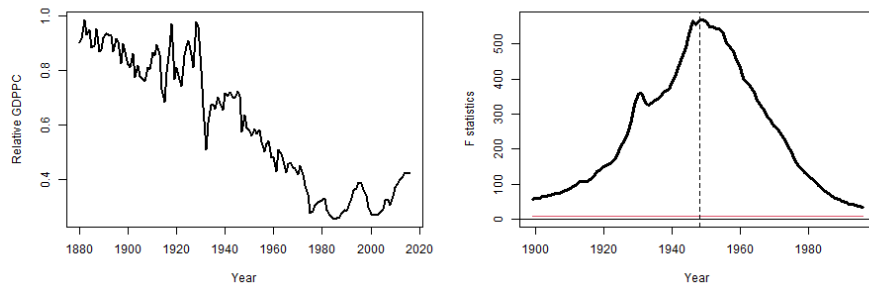


Figure 3: Structural break test - Chile / Nordic 3 countries