

# Facts About Growth:

## ECON807 Macroeconomic Theory & Policy, PS2 Q2

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This document goes through my code and output done to answer question 2 (ECON)

### Preliminaries

Below, I load the libraries which I will need for doing the assignment.

```
# Load libraries

library(tidyverse)
library(WDI)
```

### Question 2 (a): Investment/GDP & Per-person GDP

To answer this question, I will use data from the World Bank's World Development Indicators, which is a lot of data at the country level since 1960. I will extract the data from the World Bank's API by using the marvelous package [WDI](#) from [Vincent Arel-Bundock](#). I load the data below:

```
# Create my vector of indicators that I want to use

indicators <- c(
  'NE.GDI.FTOT.ZS', # Gross fixed capital formation (% of GDP)
  'NY.GDP.PCAP.PP.KD', # GDP per capita, PPP (constant 2017 international $)
  'NY.GDP.MKTP.PP.KD', # GDP, PPP (constant 2017 international $)'
  'CO.01', # Region,
  'C2.5d' # Region2
```

```
)  
  
# Now get my data  
  
wdi_raw <-  
  WDI(indicator = indicators,  
      start = 1960,  
      end = 2021)
```

I will use gross fixed capital formation as a % of GDP to proxy Investment/GDP, as according to the database's documentation, this variable “includes land improvements (fences, ditches, drains, and so on); plant, machinery, and equipment purchases; and the construction of roads, railways, and the like, including schools, offices, hospitals, private residential dwellings, and commercial and industrial buildings” (2022).

## References

The World Bank. 2022. “Gross Fixed Capital Formation (% of GDP).”