

Assignment 1: Use the data from growthecon135.xls, available on the website
due Wednesday April 13

- a) Create a table with the average growth rate, categorizing countries into whether they are African or not, and whether their initial incomes (proxied by lcon) were high initially or not (hint, sort the countries by lcon, then insert a new column, code the first 50% as zero, the second 50% as 1). Put a name for that column. Then use Pivottable
- b) What ten countries had the highest growth rates? What ten countries had the lowest growth rates? What was the average growth rate of the first group, compared with the second group. What was the average consumption level in 1960 for the first group compared with the second? (hint, to undo the log function you need to take the exponential function, so insert a new column, then type in =exp(b2) for example as the formula). Make a table with the average of all other variables (except lconsq) for the top ten and bottom ten countries of the world. Do you notice any patterns?
- c) Run four regressions explaining GDP growth rates, testing whether certain variables matter or not. The first should only include lcon and lconsq and africa. The second should include the whole sample of countries and variables. The third should include all the variables but only countries from Africa. The fourth should include all the variables and only non-African countries. (When you run these last two regressions, you must delete the 'africa' variable).

Variable definitions

cname	country name
ccode	country code
growth	growth rate for period 1960-1995
lcon	log of initial level of consumption (income) per capita in 1960
lconsq	lcon squared (to capture convexity/concavity)
g	government spending as percent of GDP
open	how open is economy to foreign trade? higher is more open
blck	black market exchange rate relative to official- higher is bad for country
lifeexpm	life expectancy of males
lifeexpf	life expectancy of females
africa	dummy variable - is country in sub-saharan africa?
landlock	dummy variable - is country landlocked
muslim	dummy variable - is country Muslim
yearfemvote	year women granted right to vote
hrtreatygrade	grade on whether country has signed early human rights treaties - higher is better
womtreatygrade	grade on whether country has signed early women's rights treaties - higher is better

1. Analysis tips
 - a. if you have multiple variables, don't run multiple regressions with just one variable each; that is just a table of correlation coefficients. You need to run a regression with multiple variables
 - b. R-square is important in regression- total variation explained
 - c. Excel cannot run regressions if some data cells are 'missing' or blank. So those observations need to be deleted
 - d. to round off numbers so they (e.g. year of marriage) are whole numbers, highlight cells, then use 'format' then 'number' then have decimals be zero or two decimals
 - e. Pivot table- easy way to make crosstabs in Excel. do 'data', then 'pivot table report' then follow wizard, then after table is created on new sheet, highlight data in middle, right-click, choose 'field' and change to 'average' or 'variance' or whatever you want.
2. Save your work on the hard drive into new versions as you go along (e.g. datav1, datav2... that way, if you make a mistake like deleting a bunch of rows, an earlier version will have the correct data). At the end, save the file to a floppy or zip drive.