Keep in mind

AUTHOR OR EDITOR

Barrientos, Marín Jorge

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Abstract

In this paper we are interested in estimating semi parametric Engel curves for different categories of goods using data drawn from the 1997 Family Expenditure Survey (ECV1997). Most of the papers about consumer behavior include food and clothing shares in the analysis. Since people in developing countries spend a great deal of time going to work, through their use of public transportation, then it is interesting to take this into account in this study. Due to joint determination of expenditure shares and total expenditure, we adjust for any possible endogeneity, which is a familiar problem in demand analysis. So, not only estimation but also adaptive testing is provided by non-parametric procedures. Our estimations produce quadratic food and transportation Engel curves, which is an interesting result.