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Subject: Re: Wealth Index or CWI

Posted by [Reduced-For\(u\)m](#) on Sun, 08 Nov 2015 21:53:03 GMT

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Just a note on 2: if you want wealth index as a predictor and are using multiple surveys, you have to rely exclusively on within-country-year variation in estimating your effect of interest. There is no reasonable comparison of wealth quintile effects across country or survey round, wealth index gives information only relative to others measured at the same place and same time. Isolating that kind of variation may be hard (de-meaning by country-year might help, but then still you are saying that the effect of changing a wealth quintile is the same in each country at each time period).

So it sounds like you know all that, and want to use the CWI to get around that problem. I would just say that this has a different kind of effect, allowing for the comparisons across-country but maybe doing less-well within country. If you want an "effect modifier" that describes differences in the relationship of interest across-countrys, this makes sense. If you want an effect modifier that describes within-country-time inequalities in health, you want the wealth index.

If you just want a "control" variable - I'd guess that you don't really need either one. If you want to know the impact of relative wealth at a given point in time and space on your outcome (not as an "effect modifier" but as a determinant of health, you'd want the wealth index. If you want to see how the outcome changes across space and time (how does child health respond to economic growth/changes) you'd want the CWI, and to think carefully about what variation from survey-to-survey you want to use.

You might be able to use both, to get at within- and across-country-year variation. But I guess mostly it just depends on what kind of "wealth effect" you are interested in.

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