

Many thanks for the comment. With regard to the lack of economic rationalization for the different processes illustrated in the last part of the paper, I have to agree, they were not really elaborated in “Boats and Tides” which really leaves it as a matter of conjecture. Indeed similar seminar comments on this paper have prompted further work on this issue with my colleagues Maria Grazia Pittau and Roberto Zelli ([1] and [2] available from the author on request). Following the Functionings and Capabilities work of Nussbaum [3], Sen [4] and others, we conjecture that constraints on these (often un-measurable) aspects of individual (or household or country) behavior limit their actions in measurable realms (such as income generation) determining the processes those measureable quantities follow. It turns out (see [1]) that the probability of membership of group “i” at income x can be computed as $w_i f_i(x) / \sum_i w_i f_i(x)$ which in turn can be used to study factors that govern class membership (see [2]) in as much as proxies for unobservable functionings and capabilities can be found. As for the possibility of agents switching processes, this is a possibility in this environment and the extent to which agents are mobile between groups is a matter for my current research agenda.

References.

[1] Poor-Non Poor Country Probability Status: A New Approach to Measuring Poor Country - Rich Country Progress and Convergence. Gordon Anderson, Maria Grazia Pittau and Roberto Zelli (2012).

[2] The progress and characteristics of poor, middle and rich classes in urban China: Results from partial definition of class membership. Gordon Anderson, Maria Grazia Pittau and Roberto Zelli (2012).

[3] Creating Capabilities: The Human Development Approach, Harvard University Press
Nussbaum, Martha C. (2011).

[4] Inequality Reexamined. Cambridge, MA: Harvard University Press. Sen, A.K. (1992).