



Course: Topics in poverty and inequality POI9X01

Marks: 100

Time : 3 hours

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Moderator: Prof M. Benhura

Instructions:

1. The paper consists of **3** questions
 2. Answer **Question one** and **any other** question of your choice.
 3. Number of pages: 4 pages
 4. A STATA data file has been provided. Please refer to the variable codes in appendix
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QUESTION ONE

Consider the dataset provided:

- a. Describe the steps you would follow to generate the FGT family of poverty measures (15)
- b. Use the dataset provided to generate the measures (15)
- c. Does your measure vary with
 - i. The use of weights and why (10)
 - ii. Consider the adult equivalence formulation of OECD, where

$$AE = 1 + 0.7(N_{adults} - 1) + 0.5N_{children}$$

Use this information to repeat the exercise in (1b) above. Do the new poverty indices you have computed differ from that of simple per capita consumption in (1b) above? Explain why (20)

QUESTION TWO

Discuss the use of Survey Data in poverty analysis (40)

QUESTION THREE

- a. What is a country poverty profile (5)
- b. Generate a table of poverty profile for South Africa using five relevant dimensions of your choice (15)
- c. Explain the variations of poverty across these dimensions (20)

End of paper

Appendix of variable codes

uqno	<i>Unique identifier</i>
province	1= Western Cape 2=Eastern Cape 3=Northern Cape 4=Free State 5=KwaZulu-Natal 6=North West 7=Gauteng 8=Mpumalanga 9=Limpopo
settlement_type	1=Urban formal 2=Urban informal 4=Traditional area 5=Rural formal
q12sex	1=Male 2=Female
q13popgroup	1= African/Black 2=Coloured 3=Indian/Asian 4= White
q14age	Age in years
q17mainincome	<i>Main income source</i> 01 = Salaries and wages 02 = Net profit from business or professional practice/activities of commercial farming 03 = Income from subsistence farming 04 = Income from letting of fixed property 05 = Royalties 06 = Interest received and/or accrued on deposits, loans, savings certificates, and dividends on building society shares 07 = Dividends on shares other than building society shares 08 = Regular receipts from pension from previous employment and pension from annuity funds 09 = Social welfare grants (including old age pension) 10 = Alimony, maintenance and similar allowances from divorced spouse, family members, etc., living elsewhere 11 = Regular allowances received from non-household members 12 = Other income, specify at the bottom 88 = Not applicable 99 = Unspecified
q21highestlevel	<i>The highest level of education successfully completed</i> 00=Grade 0 01=Grade 1 02 = GRADE 2 03 = GRADE 3/STANDARD 1 /ABET 1 04 = GRADE 4/ STANDARD 2 05 = GRADE 5/ STANDARD 3 /ABET 2 06 = GRADE 6/STANDARD 4 07 = GRADE 7/STANDARD 5/ /ABET 3 08 = GRADE 8/STANDARD 6 09 = GRADE 9/STANDARD 7/ABET 4 10 = GRADE 10/ STANDARD 8/ NTC I 11 = GRADE 11/ STANDARD 9/ NTC II 12 = ATTENDED, BUT NOT COMPLETED GRADE 12 13 = GRADE 12/STANDARD 10/NTC III (NO UNIV. EXEMPTION) 14 = GRADE 12/STANDARD 10/NTC III (WITH UNIV. EXEMPTION)

	15 = CERTIFICATE WITH LESS THAN GRADE 12/STD 10 16 = DIPLOMA WITH LESS THAN GRADE 12/STD 10 17 = CERTIFICATE WITH GRADE 12/STD 10 18 = DIPLOMA WITH GRADE 12/STD 10 19 = BACHELORS DEGREE 3 YEARS 20 = BACHELORS DEGREE 4 YEARS OR MORE 21 = POSTGRADUATE DIPLOMA 22 = HONOURS DEGREE 23 = HIGHER DEGREE (MASTERS, PHD) 24 = NO SCHOOLING 25 = OUT OF SCOPE (< 5 YEARS OF AGE) 26 = OTHER, <i>specify in the box at the bottom</i> 27 = DON'T KNOW 99 = UNSPECIFIED
full_calwgt	Weights
hsize	householdsize
q46pipedwater	<i>Access to piped water</i> 1 = Yes 2 = No 9 = Unspecified
q48toilettype	<i>Type of toilet facility available</i> 11 = FLUSH TOILET WITH OFF-SITE DISPOSAL IN-DWELLING 12 = FLUSH TOILET WITH OFF-SITE DISPOSAL ON-SITE 13 = FLUSH TOILET WITH OFF-SITE DISPOSAL OFF-SITE 21 = FLUSH TOILET WITH ON-SITE DISPOSAL (SEPTIC TANK) IN-DWELLING 22 = FLUSH TOILET WITH ON-SITE DISPOSAL (SEPTIC TANK) 32 = CHEMICAL TOILET ON-SITE 33 = CHEMICAL TOILET OFF-SITE 42 = PIT LATRINE WITH VENTILATION PIPE ON-SITE 43 = PIT LATRINE WITH VENTILATION PIPE OFF-SITE 52 = PIT LATRINE WITHOUT VENTILATION PIPE ON-SITE 53 = PIT LATRINE WITHOUT VENTILATION PIPE OFF-SITE 62 = BUCKET TOILET ON-SITE 63 = BUCKET TOILET OFF-SITE 73 = NONE 99 = UNSPECIFIED
q49mainsconnection	<i>Connection to the main electricity supply</i> 1 =Yes 2 =No 9 =Unspecified
consumptiondecile	
consumptions	Household consumptions
income	Household income
incomedecile	