

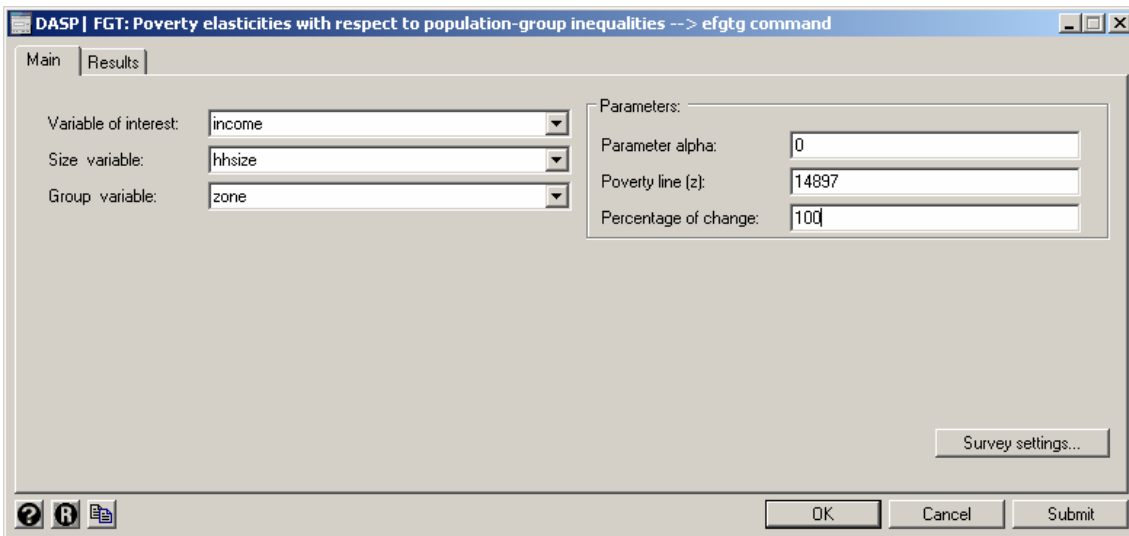
# 1 Poverty, marginal impacts and elasticities

## 1.1 FGT-Elasticity with respect to within/between group components of inequality (efgtg).

This module estimates the FGT marginal impact and elasticity with respect to within/between group components of inequality. A group variable must be provided.. This module is mostly based on Araar and Duclos (2007):

Araar, Abdelkrim and Jean-Yves Duclos, (2007), Poverty and inequality components: a micro framework, Working Paper: 07-35. CIRPEE, Department of Economics, Université Laval.

To open the dialog box of this module, type the command **db efgtg**.



After clicking on SUBMIT, the following should be displayed:

```
efgtg income, hgroup(zone) hsize(hhsz) alpha(0) pline(14897) prc(1) dec(3)
```

### Poverty and Inequality Indices

Indices	Estimate
FGT	0.585
Gini	0.617

### Marginal Impact & Elasticities By Groups

	Group	Population Share	Marginal Impact on Ineq.	Marginal Impact on Pov.	Elasticity
$\sigma(g)$	1: South south	0.150	0.110	0.036	0.350
	2: South east	0.119	0.076	0.014	0.196
	3: South west	0.194	0.138	0.077	0.588
	4: North central	0.139	0.065	0.005	0.078
	5: North east	0.135	0.060	0.002	0.029
	6: North west	0.263	0.090	-0.008	-0.090
$\sigma$	Within	.	0.539	0.126	0.247
$\gamma$	Between	.	0.051	0.051	1.045
$\lambda$	Population	1.000	0.617	0.135	0.231

## 1.2 FGT-Elasticity with respect to within/between income components of inequality (efgtc).

This module estimates the FGT marginal impact and elasticity with respect to the within/between income components of inequality. A list of income components must be provided. This module is mostly based on Araar and Duclos (2007):

Araar, Abdelkrim and Jean-Yves Duclos, (2007), Poverty and inequality components: a micro framework, Working Paper: 07-35. CIRPEE, Department of Economics, Université Laval.

To open the dialog box of this module, type the command **db efgtc**.

After clicking on SUBMIT, the following should be displayed:

```
efgtc source1- source6, tot(income) hsize(hhsiz) alpha(0) pline(14987) prc(1)
```

Poverty and Inequality Indices

Indices	Estimate
FGT	<b>0.584667</b>
Gini	<b>0.616503</b>

Marginal Impacts & Elasticities of poverty with respect to the within/between inequality in income components

	Source	Income Share	Impact on Inequality	Impact on Poverty	Elasticity
$\eta(k)$	1: source1	0.352966	0.265888	0.097233	0.385605
	2: source2	0.199865	0.063585	-0.032419	-0.537610
	3: source3	0.023731	0.012489	0.002508	0.211784
	4: source4	0.344093	0.229384	0.067828	0.311798
	5: source5	0.024588	0.013828	0.002247	0.171358
	6: source6	0.054758	0.031356	0.005368	0.180533
$\lambda$	← Within	.	0.616503	0.134793	0.230546
$\tau$	← Between	.	0.049948	0.041846	0.883417

In case one is interested in changing income-component only among individuals that are effectively active in some economic sectors (schemes  $\eta^*(k)$ ,  $\tau^*$  and  $\lambda^*$  in the paper of reference), the user should select the approach "Truncated income component".

**Note:**

1. The following modules are a part of the DASP Stata package. The *DASP* package is freely distributed and freely available. Please acknowledge its use by quoting it as:

Araar Abdelkrim and Jean-Yves Duclos (2007), "*DASP: Distributive Analysis Stata Package*", PEP, CIRPÉE and World Bank, Université Laval.

Web site: <http://dasp.ecn.ulaval.ca>

2. If a sampling weight variable is set with the command **svyset**, the *efgtg* and *efgtc* modules take it into account for the estimation of the relevant statistics.