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Subject: Re: Gini - Income Inequality
Posted by Trevor-DHS on Mon, 08 Sep 2014 16:49:23 GMT
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Here is some code for calculating the Gini coefficient. To run this for subgroups, drop the cases
not needed - see example:
use "BDHR61FL.DTA", clear
* Use a selection here to run this for a specific subgroup
* e.g. for urban
* drop if hv025!=1
* Summarize and get the minimum and the maximum
quietly summ hv271
local w_min = r(min)
local w max = r(max)
* Calculating the range
local w_range = `w_max' - `w_min'
* Create 100 groups
gen w group = int( (hv271-w min') / (w range'/(100-1)) + 1
* Transformed wealth score - 0 based
gen wscore trans = hv271 - `w min'
* Summarize by the 100 groups
collapse (sum) pop=hv012 ws=wscore_trans [pw=hv005/1000000], by(w_group)
* Accumulate population and wealth scores across groups
gen pop_accum = pop
replace pop accum = pop accum[ n-1] + pop if n>1
gen wdx accum = ws
replace wdx_accum = wdx_accum[_n-1] + ws if _n>1
* Sum total population and total wealth scores
quietly summ pop
local pop_tot = r(sum)
quietly summ ws
local wdx_tot = r(sum)
* Calculate proportion in each group for population and wealth
gen pop_prop = pop_accum / `pop_tot'
gen wdx_prop = wdx_accum / `wdx tot'
* Calculate Gini coefficient elements
gen gini = (pop_prop - pop_prop[_n-1]) * (wdx_prop + wdx_prop[_n-1]) if _n>1
* Gini coefficient is 1 - sum of elements, multiplied by 100 to be a percentage
```

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