

Analysing the effect of the Covid-19 relief grant on Hunger - Evidence from NIDS-CRAM

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Keywords:

JEL classification

1. Introduction

This report attempts to apply and compare panel-data methods to investigate the effect of the Covid-19 Social Relief of Distress (SRD) grant on household reported hunger. The SRD is a Covid-specific grant implemented to support unemployed individuals who did not receive any other social grant, UIF (Unemployment Insurance Fund) payment or employment income. The transfer constituted out of 6 monthly payments of R350. Panel-data analysis could prove useful in disentangling this effect due to the possibility of controlling for time invariant unobservables. In the case of panel regression, one could compare household hunger when individuals receive the SRD grant to when they do not, thereby isolating the effects of the SRD more clearly.

Methodologically, three static panel model specifications are compared: 1) a pooled OLS (POLS), 2) Fixed Effects (FE) Regression and 3) Random Effects (RE) Regression. Throughout, the varying estimators and specifications will be discussed in terms of their ability to obtain causal effects.

You are required to go beyond simply estimating and presenting your results, but to convince the reader of their robustness by presenting alternative specifications. You should apply different estimators and specifications where possible. Discuss the shortcomings of the estimators in obtaining a causal effect and argue why your strategy is the best available to obtain a causal effect that satisfies relevant assumptions.

2. Data

The analysis in this report relies on the National Income Dynamics Study - Coronavirus Rapid Mobile Survey 2020 (NIDS-CRAM) data, supplied by the Southern Africa Labour and Development Research Unit (SALDRU) from May 2020 to May 2021. NIDS-CRAM is a nationally representative longitudinal household survey, conducted using Computer-Assisted Telephonic Interviews (CATI), meant to investigate the impact of the Covid-19 pandemic and subsequent national lockdown on the South African socio-economic environment (???)¹.

Sample Design

Interviewed individuals were drawn from the sample members of the fifth wave of the NIDS and sampling followed a stratified sampling design. In wave 1, 7073 respondents were interviewed successfully, whilst a top-up of 1084 respondents were added to the sample in wave three. Sampling weights were

balanced panel? assume no attrition

2.1. Descriptive Statistics

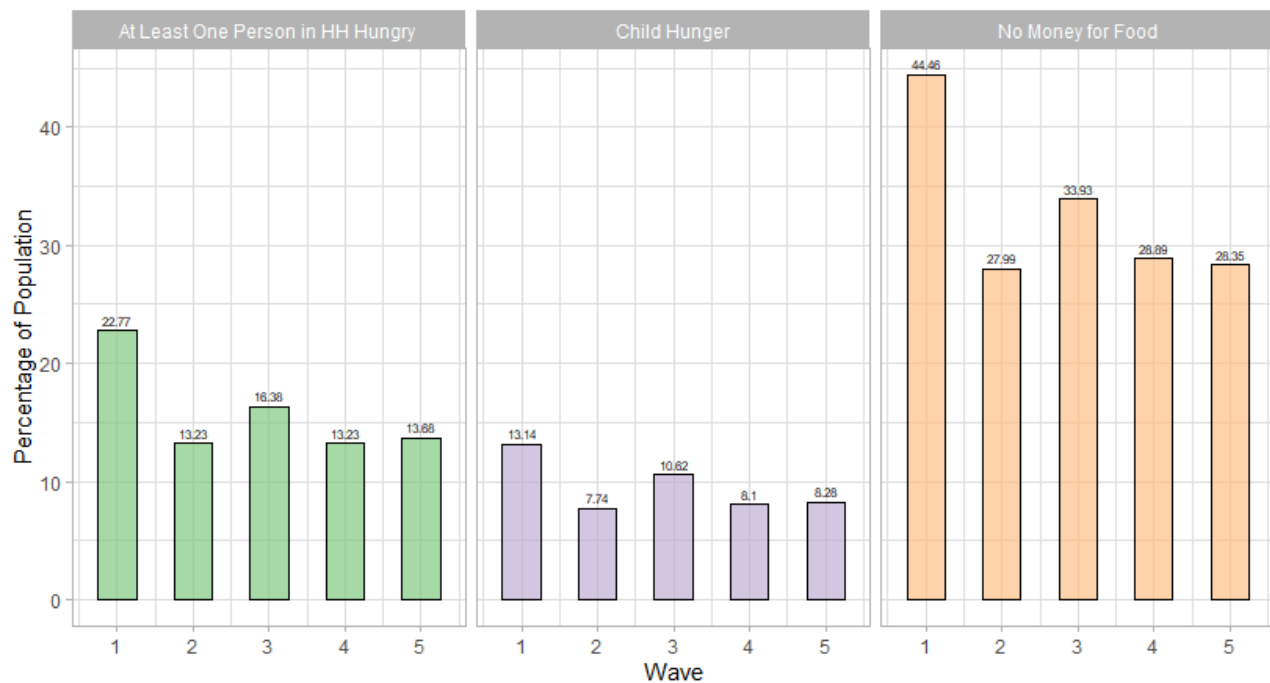


Figure 2.1

¹Data is publicly available at <https://www.datafirst.uct.ac.za/>.

plot of receiving SRD

3. Methodology

OLS

POLS

4. Results

Table of Results

interpretation of results

Discuss which is more appropriate, given your assumptions about the omitted variables in the model.

5. Conclusion

This report attempted to compare and contrast three different panel specifications in order to obtain the causal effect of the Special Relief of Distress grant implemented during the Covid-19 pandemic in South Africa.

References

Appendix

Appendix A

Appendix B