

TITLE:

A Multitemporal Relative Deprivation Index

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ABSTRACT:

The paper provides the axiomatic characterization of a new relative deprivation index. The concept of relative deprivation is here extended towards the multitemporal framework.

In fact, if we agree that poverty is a relative concept, we should also believe that individuals not only care of their relative position with respect to others, but also of their relative position with respect to their own past.

Moreover, the two dimensions overlap: if I am worse-off when all other individuals are worse-off, I am experiencing a different situation than being worse-off when everybody else around me is better-off.

The new index is illustrated with an application to EU countries.