

Transitions in Deprivations and Poverty

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Paper Abstract: This paper explores a novel way to analyse poverty dynamics, specific to certain measures of multidimensional poverty, like the ‘adjusted headcount ratio’ of Alkire and Foster (2011a). Assuming panel data, I show that a simultaneous and comprehensive account to transitions in deprivations and poverty allows to handle complex interdependencies between dimensions in a dynamic context and, moreover, permits several advanced types of analyses. These analyses include (i) a decomposition of changes in multidimensional poverty, which reveals why poverty decreased or increased; (ii) a framework to examine and understand the relation of the dashboard approach and dimensional contributions to multidimensional poverty in a dynamic setting; (iii) analyses which illuminate the process of the accumulation of deprivations. The suggested types of analyses are illustrated using German panel data. Implications for monitoring, policy evaluation, and strategies for analyses with repeated cross-sectional data are discussed.