

Vulnerability to Poverty: An Empirical Comparison of Alternative Measures

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Abstract:

The recent common feeling about an increased economic risk has drawn back attention to its role and consequences in terms of welfare. In literature one of the concept that aims to measure this risk is vulnerability to poverty, i.e. the probability, today, of being in poverty or to fall into deeper poverty in the future (The World Bank, 2011). This paper compares empirically the several measures of individual vulnerability as expected poverty, in order to understand which is the best signal of poverty that can be used for policies purposes; we use the Receiver Operating Characteristic (ROC) curve, the Pearson and Spearman correlation coefficients as precision criteria. The results show that are two groups of indexes, high- and low-performers, and, among the formers, one of those proposed by Dutta, Foster, and Mishra (2010) is the most precise.