

Abstract for “An Individual Approach to Multidimensional Poverty – The Case of Chile, Colombia, Peru and Ecuador”

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In the measurement of multidimensional poverty, the selection of unit of analysis is a central decision to take. This paper compares the results of an individual measure of Multidimensional Poverty Index for Chile, Colombia, Ecuador and Peru with a household measure. In the construction of the index, four dimensions were initially identified: living conditions, health, education and labour. The theoretical framework in which the index is based is the Capabilities Approach of (Sen, 1999) and the method used in its calculation is the Alkire-Foster (Alkire and Foster, 2009).

This paper introduces a discussion about the implications of variation in the selection of the unit of analysis. Literature on different fields has acknowledged that individuals have different preferences according to their age (Osberg, 2012), which do not necessarily agree with the collective preferences of the household. The decision was also supported on the need to recognize that capabilities are mainly an individual concept. The individual index is constructed according to the age group classification: children (less than 18 years old), adults (between 18 and 59 years) and elderly (60 year or older).

The results of the multidimensional approach are considerable different to those presented by income poverty analysis. In a simple ranking constructed with the four countries for every individual approach, it was found that the ordering prevails for smaller levels of the deprivation cut-off. For every scenario Chile has the best scores of multidimensional poverty. Colombia shows a pattern similar to the Chilean one. The proximity of results between Ecuador and Peru shows that the ordering of the ranking does not prevail for this two positions when the unit of analysis changes.