

Abstract for “A Dynamic Multidimensional Measure of Poverty”

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This paper unites two strands of the literature on subgroup decomposable poverty measurement originating from Foster, Greer and Thorbecke (1984) by incorporating information on both multiple dimensions and multiple periods. This generalises the Alkire and Foster (2011a) measure into a dynamic setting. In doing so, it introduces two variants of the 'transfer' axiom: one that gives increasing weight to individuals whose deprivations are concentrated as repeated dimensions in a specific period (what we term 'breadth') versus one that gives increasing weight to individuals whose deprivations are concentrated as repeated periods in a specific dimension ('length'). The measure is able to differentiate between both aspects of poverty as well as quantify the relative contribution of each aspect towards overall poverty. This makes it well suited to make comparison across subgroups when individual longitudinal data is available as well as allowing policy-makers to quickly identify if the breadth or length aspect requires more attention since the policy prescriptions for each may differ. We apply the proposed measure to longitudinal data from China and Indonesia where we find that the length aspect of poverty is a larger contributor to overall poverty.