Relationships Between Monetary Poverty and MPI: Joint, Separate or Correlated Distributions?

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An interesting attempt

- The paper conducts three exercises:
  1. Conducts an international comparison of aggregated poverty incidence for monetary and multidimensional poverty (MDP) headcount ratios (HCR)
     - Lack of correlation between monetary and MDP HCRs for the poorest third of countries
  2. Uses microdata from 6 countries to investigate individual-level relationships between welfare and poverty in monetary and multidimensional terms
     - **One Key observation**: The concentration of non-monetary hardships among the monetary poor population is greater in the least poor countries
  3. Considers a joint index of monetary and non-monetary deprivations and shows its advantages and disadvantages
     - **Key observation**: A measure that identifies an individual as being poor regardless of whether it is because lack of income or non-monetary welfare or both, may be less attractive for policy

Observations on Exercise 1

- Use of average ranks and their volatility (dispersion) is a bit arbitrary

- Volatility across which ranks?
  - Within MDP/monetary or between MDP/monetary ranks? Please clarify
  - Alternative: may rank countries based on how many countries they dominate subject to a range of weights around the equal weight (1/6)

- Is the observed lack of correlation for poorer countries surprising?
  - Please check the dispersion in HCRs for the group of poorest tertile

Observations on Exercise 2

- Notion of inequality in deprivation scores across monetary quintiles
  - MD hardships is greater among monetary poor in least poor countries

- Your observations will probably reverse if you use attainment scores instead of deprivation scores

- Mean deprivation scores (poorest and richest quintiles)
  - ECU: 0.17 and 0.03 ETH: 0.58 and 0.32
- Mean attainment scores (poorest and richest quintiles)
  - ECU: 0.83 and 0.97 ETH: 0.42 and 0.68

Observations on Exercise 2

- Absolute vs relative (Seth and Alkire 2014, 2017)

- The concentration curves are relative
  - Alternative analysis should be conduct using attainment scores as well as absolute concentration curves
  - I feel that the conclusion will not remain robust

- “Frequency of matches” analysis
  - You should be careful about comparing changes in MD poverty cutoff vs change in monetary poverty line; MD cutoffs are bounded and as flexible

Observations on Exercise 2

- Model based analysis (identification of poor at the household level?)
  - What is the unit of analysis? Household or individuals?
  - What does the variable female capture? Individual or household head?

- In the model based analysis, is it possible to control for other factors such as any in-kind transfers or any social security program
  - In a study, we found that different factors may be differently associated with monetary and non-monetary poverty (Bag and Seth 2018)

Observations on Exercise 3

- Are the values for indicators reported in Table 8 and 9 censored headcount ratios? It was not clear to me.