

Unidimensional Poverty Measurement

Suggested basic readings on this topic:

- ALKIRE, S. and M. E. SANTOS (2009), "Poverty and Inequality Measurement", in DENEULIN, S. and SHAHANI, L. *An Introduction to the Human Development and Capability Approach*, Chapter 6. London, Earthscan. http://www.idrc.ca/en/ev-146721-201-1-DO_TOPIC.html
- FIELDS, G. (2001): *Distribution and Development*. New York: Russell Sage Foundation and Cambridge, MA: MIT. Chapter 4.
- FOSTER, J. E. (2006): "Poverty Indices" in A. de Janvry and R. Kanbur (eds), *Poverty, Inequality and Development: Essays in Honor to Erik Thorbecke*. New York: Springer Science.
- RAY, D. (1998): *Development Economics*. New Jersey: Princeton. Chapter 8.
- A more advanced reading for this topic (which we will be covering during the lecture) are:
- FOSTER, J. E. and A. Sen (1997): "On Economic Inequality: After a Quarter Century". Annex to the Expanded Edition of A. Sen. *On Economic Inequality*. Oxford: Clarendon Press. Section A.6.
- ATKINSON, A. B. (1987): "On the Measurement of Poverty", *Econometrica*. 55: 749-764.
- FOSTER, J. E. and A. SHORROCKS. (1988): "Poverty Orderings and Welfare Dominance", *Social Choice and Welfare*. 5: 179-198.

Further readings:

- ATKINSON, A. B. (1987): "On the Measurement of Poverty", *Econometrica*. 55: 749-764.
- BARRET, G. and S. DONALD, (2003), "Consistent Tests for Stochastic Dominance", *Econometrica*, 71(1): 71-104.
- CLARK, S., HEMMING, R., and D. ULPH. (1981): "On Indices for the Measurement of Poverty", *Economic Journal*. 91: 515-26.
- FOSTER, J. E. (1998) "Absolute versus Relative Poverty" *American Economic Review, Papers and Proceedings*. 88: 335-341.
- FOSTER, J. E. and A. SHORROCKS. (1988): "Poverty Orderings and Welfare Dominance", *Social Choice and Welfare*. 5: 179-198.
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- FOSTER, J. E. and A. SHORROCKS. (1991): "Subgroup Consistent Poverty Indices", *Econometrica*. 59: 687-709.
- FOSTER, J.E., GREER, J., and E. THORBECKE. (1984): "A Class of Decomposable Poverty Indices", *Econometrica*. 52: 761-6.
- RAVALLION, M. (1996): "Issues in Measuring and Modelling Poverty", *Economic Journal*. 106: 1328-1343.
- RAVALLION, M. (1992): "Poverty Comparisons, A Guide to Concepts and Methods", Living Standards Measurement Study, Working Paper 88, World Bank, Washington D.C.
- RAVALLION, M. and CHEN, S. (2009) "Weakly Relative Poverty" *Policy Research Working Paper 4844, World Bank*, http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1348985
- SEN, A. (1976): "Poverty: An Ordinal Approach to Measurement", *Econometrica* 44: 219-231.

Suggestions on applied research on the topic:

There is a huge literature of empirical application of poverty measures to different countries and regions. The World Bank has produced a lot of applied research on these topics. The most common measures such as the FGT Indices as well as the Gini Coefficient are periodically estimated and released through the World Development Indicators. There is also a big amount of World Bank Policy Research Working Papers done on specific countries. Two recent World Bank Development Reports are worth noting: the World Development Report 2000/2001, *Attacking Poverty: Opportunities, Empowerment and Security* and the World Development Report 2006: *Equity and Development*. For all these information please visit <http://www.worldbank.org>. These documents can be found either on 'Data and Research' or on 'Publications'.

Examples of applications of poverty measurement to specific cases include:

ARIMAH, B. (2004): "Poverty Reduction and Human Development in Africa", *Journal of Human Development*. 5: 399-415.

BOROOAH, V. K., GUSTAFSSON, B. and SHI, L. (2006): "China and India: Income Inequality and Poverty North and South of the Hymalayas", *Journal of Asian Economics*. 17: 797-817.

DEATON, A. and DREZE, J. (2002): "Poverty and Inequality in India: A Re-Examination", *Economic and Political Weekly*. September 7, 2002.

<http://www.hss.iitm.ac.in/people/faculty/courses/debashis/Poverty1.pdf>

DERCON, S. and KRISHNAN, P. (1998): "Changes in Poverty in Rural Ethiopia 1989-1995: Measurement, Robustness Tests and Decomposition", Working Paper 98-7, Centre for the Study of African Economies, Institute of Economics and Statistics, University of Oxford.

<http://www.csae.ox.ac.uk/workingpapers/pdfs/9807text.pdf>

GASPARINI, L. CRUCES, G., TORNAROLLI, L. y MARCHIONI, M. (2009) "A Turning Point? Recent Developments on Inequality in Latin America and the Caribbean", Documento de Trabajo del CEDLAS Nro. 81.

OZLER, B. (2007): "Not separate, Not Equal: Poverty and Inequality in Post-Apartheid South Africa", *Economic Development and Cultural Change*. 55: 487-529.

SZEKELY, M. and HILGERT, M. (1999): "What's Behind the Inequality We Measure: An Investigation Using Latin American Data", Research Working Paper 409,

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Inter American Development Bank (IADB).

<http://siteresources.worldbank.org/INTDECINEQ/Resources/szekely.pdf>

SZÉKELY, M., LUSTIG, N., MEJÍA, C., JOSÉ, A. and M. CUMPA. (2000): "Do We Know How Much Poverty There Is?", Research Working Paper No. 437, Inter American Development Bank (IADB). <http://ssrn.com/abstract=258949>