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A COMPARISON BETWEEN UNIDIMENSIONAL AND MULTIDIMENSIONAL APPROACHES TO THE MEASUREMENT OF POVERTY¹

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Abstract

The paper presents a comparison between an unidimensional approach to the measurement of poverty, obtained as a function of observable income, and a multidimensional approach, defined on the basis of economic, social, demographic and cultural indicators. The comparison is carried out by means of rank correlation analysis, which stresses how the two approaches indicate the presence of two different sets of poor households. An analysis performed on 12 European countries shows that income based evaluation provides only partial insights on poverty condition.

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1. Introduction

Modern concept of poverty greatly differs from traditional view: actually sociologists, psychologists, economists and politicians refer to poverty as social exclusion, that is a wide and general notion, which includes many aspects other than income or wealth (Hagenaars, 1986; Dagum, 1989; Sen, 1992; World Bank, 2001). While unidimensional approach to the measurement of poverty refers only to one information variable, usually the income, in the multidimensional approach several indicators are used, in order to obtain a more exhaustive and useful measure. By means of the multidimensional analysis it is possible to identify the main causes of poverty and, therefore, to adopt socioeconomic policies to reduce poverty diffusion. A relevant step in the poverty analyses is to compare uni- and multidimensional approaches, in order to find if the set identified as poor on the basis of income information corresponds to the set identified as poor according to the multidimensional approach. If the differences are negligible, unidimensional analysis maintains an important role in poverty studies, on the other hand, when the two sets of poor display strong dissimilarities, it is necessary to choose the most adequate framework.

The paper presents a rank correlation analysis between uni- and multidimensional approaches, allowing a comprehensive comparison for household population in 12 European countries on the basis of European Community Household Panel data.

2. Methodology

This section follows the research program outlined in Dagum and Costa (2002) in order to compare uni- and multidimensional approaches to the measurement of poverty. The methodological tool is represented by correlation analysis, carried out by means of different measures (Balakrishnan and Rao, 1998*a*,*b*; Stuart et al., 1999): Bravais-Pearson correlation coefficient, Kendall correlation index, Spearman rank correlation index and Gini rank correlation, or cograduation, index.

The first step of the research refers to the unidimensional approach.

By using only the net income as information about poverty status of the household, the OECD equivalence scale is adopted in order to ensure comparability among incomes of households of different sizes. By indicating with $\mathbf{n_e}$ the number of adult equivalents, with \mathbf{n} the household size and with $\mathbf{n_a}$ the number of adults (14 years or more), the OECD equivalence scale states that:

$$n_e = 1 + 0.7 * (n_a - 1) + 0.5 * (n - n_a)$$
.

Table 1 Household size n, number of adults n_a and number of adults equivalents n_e according to OECD equivalence scale

| n | 1 | 2 | 2 | 3 | 3 | 3 | 4 | 4 | 4 | 5 | 5 | 5 |
|-------|---|-----|-----|-----|-----|---|-----|-----|-----|-----|-----|-----|
| n_a | 1 | 2 | 1 | 3 | 2 | 1 | 4 | 3 | 2 | 4 | 3 | 2 |
| n_e | 1 | 1.7 | 1.5 | 2.4 | 2.2 | 2 | 3.1 | 2.9 | 2.7 | 3.6 | 3.4 | 3.2 |

Table 1 shows the relation between household size and number of adults equivalents for some values of \mathbf{n} and \mathbf{n}_a ; with respect to the simple per capita household income \mathbf{y}_i / \mathbf{n}_i , the transformation $\mathbf{y}_{ei} = \mathbf{y}_i$ / \mathbf{n}_{ei} gives the per capita household income corrected by the effect of different household sizes, thus allowing to correctly compare household incomes.

Given an information variable and an equivalence scale it is possible to obtain the unidimensional list (list A) of the households by ascending order of their equivalent income y_{ei} , i.e. from the poorest to the richest household.

The last relevant element needed in the unidimensional approach is represented by a poverty line (Ravallion, 1998), that is a rule partitioning total population into poor and non-poor. In the following it is adopted the International Standard of Poverty Line (ISPL), which states that the poverty line for a two-person household corresponds to the per capita average income of the population, or, equivalently, that the individual poverty line is equal to 50% of the per capita average income of the population.

By using OECD equivalence scale, thus moving from y_i to $y_{ei} = y_i / n_{ei}$, the reference is represented by a one-member household and therefore the poverty line is defined as

$$\sum_{i=1}^{N} y_i / (2*NN)$$

where N and NN are, respectively, the number of households and the number of individuals belonging to the population. The i-th household is considered poor if $y_{ei} \leq \sum_{i=1}^{N} y_i / (2*NN)$.

Given an equivalence scale and a poverty line it is finally possible to obtain some synthetic unidimensional poverty measure, such as the head count ratio

$$\mathbf{H} = \mathbf{q} / \mathbf{N}$$

that is the ratio of poor households, \mathbf{q} , to total population of households, \mathbf{N} .

The second step of the research takes into account the multidimensional approach to the measurement of poverty (Dagum and Costa, 2002).

The multidimensional poverty ratio of the i-th household, μ_{Bi} , i=1, ..., N, i.e. the degree of membership of the i-th household to the set of poor households, is obtained from the results in Costa (2002), where are also explained the choice of the m indicators of poverty, $X_1, ..., X_m$, the choice of the weights $\mathbf{w}_1, ..., \mathbf{w}_m$, attached to each indicator X_j , and the choice of the degrees of membership of the i-th household to the set of poor households with respect to the j-th indicator. The poverty ratios μ_{Bi} allow to obtain the multidimensional list (list B) of the households by descending order of μ_{Bi} , i.e. from the poorest to the richest household.

Given the poverty ratios μ_{Bi} , it is possible to calculate the multidimensional poverty ratio for the population, μ_{Bi} , as the average³ of μ_{Bi} :

$$\mu_B = \sum_{i=1}^N \mu_{Bi} / N \ .$$

The third step of the research deals with the comparison between uni- and multidimensional approaches by means of four correlation measures which are applied to lists A and B.

Correlation analysis is carried out on the ranks $\mathbf{p_i}$, i=1,...,N, of list A, derived from the unidimensional approach, and on the ranks π_i , i=1,...,N, of list B, obtained in the multidimensional framework. Rank correlation analysis aims to assess the similarity between the ranks related to the two approaches and also allows to evaluate the similarity between the ranks of specific subsets of households, that is an extension of particular interest for the case of the subset of poor households.

The first standard correlation measure used is the Bravais-Person correlation coefficient \mathbf{r} applied to the ranks $(\mathbf{p_i}, \pi_i)$:

$$r = \frac{\sum_{i=1}^{N} (\mathbf{p}_{i} - \overline{\mathbf{p}})(\mathbf{\pi}_{i} - \overline{\mathbf{\pi}})}{\sqrt{\sum_{i=1}^{N} (\mathbf{p}_{i} - \overline{\mathbf{p}})^{2}} \sqrt{\sum_{i=1}^{N} (\mathbf{\pi}_{i} - \overline{\mathbf{\pi}})^{2}}}$$

where \overline{p} and $\overline{\pi}$ are, respectively, the mean of p_i and the mean of π_i .

The second correlation measure is represented by Kendall's τ , which can be expressed as

$$\tau = \frac{C - D}{N(N-1)/2}$$

³ Working with survey data usually requires to resort to a weighted average, where the weights are attached to the sample observations.

where C is the number of concordant pairs of ranks $(\mathbf{p_i}, \pi_i)$, and D is the number of discordant pairs of ranks $(\mathbf{p_i}, \pi_i)$. Kendall's index does not consider the amount of the differences between $\mathbf{p_i}$ and π_i and therefore can be less informative than other measures, such as Bravais-Person \mathbf{r} .

A further important rank correlation measure is represented by Spearman index:

$$S = \frac{1 - 6 * \sum_{i=1}^{N} (p_i - \pi_i)^2}{N(N^2 - 1)}$$

Finally, the fourth correlation measure considered is the Gini rank correlation, or cograduation, index:

$$G = \frac{\sum_{i=1}^{N} \left| \mathbf{p}_{i} - \mathbf{\pi}_{i} \right| \left| \mathbf{p}_{i} - \mathbf{\pi}_{i} \right|}{N^{2} / 2}$$

where π_i is the reverse rank of list B, that is the rank of multidimensional list of the households by ascending order, i.e. from the richest to the poorest.

All indexes range between -1 and 1, reaching their maximum (minimum) value for perfect positive (negative) correlation and assuming value zero for the absence of correlation between $\mathbf{p_i}$ and $\mathbf{\pi_i}$.

3. Data

The data used in this study are derived from the 2001 release⁴ of the European Community Household Panel (Eurostat, 1996a,b, 2001a,b) and refer to household total net income, household size, number of adults (14 years or more) and sample weight. These variables contain all information for unidimensional approach, while the multidimensional poverty ratio μ_{Bi} for each household is obtained from the results of a previous research (Costa, 2002).

On the basis of ECHP data, 12 European countries (Germany, Denmark, The Netherlands, Belgium, France, United Kingdom, Ireland, Italy, Greece, Spain, Portugal, Austria) are analyzed for 1998.

Tables 2 and 3 report for the case of Germany a subset of observations of the four variables of interest:

- (i) the household equivalent income y_{ei} ,
- (ii) its rank **p**_i,
- (iii) the multidimensional poverty ratio μ_{Bi} ,
- (iv) its rank π_i .

⁴ ECHP UDB, version of December 2001.

Table 2 $\label{eq:multidimensional} \text{Multidimensional poverty ratio μ_{Bi}, rank of μ_{Bi}, equivalent income y_{ei}, rank of y_{ei} for increasing ranks of $\mu_{Bi}$$

| | | Germany | | |
|--------------|-----------------------------|---------------------|--------------------------|-----------------|
| $F(\pi_i)\%$ | $\pi_i,$ rank of μ_{Bi} | μ_{Bi} | p_i , rank of y_{ei} | y _{ei} |
| 0 | 1 | 0.937 | 18 | 2541.0 |
| 0 | 2 | 0.906 | 107 | 7054.4 |
| 0 | 3 | 0.847 | 174 | 8777.3 |
| 0 | 4 | 0.837 | 269 | 10544.1 |
| 0 | 5 | 0.828 | 295 | 10800.0 |
| 0 | 6 | 0.819 | 73 | 5946.0 |
| 0 | 7 | 0.817 | 63 | 5400.0 |
| 0 | 8 | 0.817 | 154 | 8400.0 |
| 0 | 9 | 0.792 | 311 | 11040.0 |
| 0 | 10 | 0.788 | 102 | 6955.0 |
| 1 | 56 | 0.657 | 710 | 14675.3 |
| 5 | 289 | 0.482 | 3029 | 25667.0 |
| 10 | 612 | 0.345 | 1065 | 16784.0 |
| 25 | 1487 | 0.207 | 705 | 14661.7 |
| 50 | 2986 | 0.097 | 1976 | 20975.9 |
| 75 | 4319 | 0.056 | 1964 | 20934.1 |
| 90 | 5028 | 0.029 | 3016 | 25588.0 |
| 95 | 5305 | 0 | 2075 | 21412.6 |
| 99 | 5542 | 0 | 5472 | 70847.0 |
| 100 | 5561 | 0 | 5546 | 104652.4 |
| 100 | 5562 | 0 | 5548 | 108607.1 |
| 100 | 5563 | 0 | 5552 | 118020.0 |
| 100 | 5564 | 0 | 5559 | 141474.1 |
| 100 | 5565 | 0 | 5561 | 144102.4 |
| 100 | 5566 | 0 | 5565 | 155877.0 |
| 100 | 5567 | 0 | 5566 | 193699.0 |
| 100 | 5568 | 0 | 5567 | 205328.0 |
| 100 | 5569 | 0 | 5568 | 231142.3 |
| 100 | 5570 | 0 | 5569 | 243729.0 |

Table 3 $\label{eq:multidimensional} \text{Multidimensional poverty ratio μ_{Bi}, rank of μ_{Bi}, equivalent income y_{ei}, rank of y_{ei} for increasing ranks of $y_{ei}$$

| | | ermany | G | |
|-----------------|--------------------------|------------|-----------------------------|------------|
| y _{ei} | p_i , rank of y_{ei} | μ_{Bi} | $\pi_i,$ rank of μ_{Bi} | $F(p_i)\%$ |
| 82.0 | 1 | 0.233 | 1235 | 0 |
| 97.0 | 2 | 0.238 | 1170 | 0 |
| 140.0 | 3 | 0.694 | 35 | 0 |
| 185.0 | 4 | 0.703 | 32 | 0 |
| 208.0 | 5 | 0.541 | 182 | 0 |
| 447.1 | 6 | 0.231 | 1255 | 0 |
| 972.0 | 7 | 0.207 | 1485 | 0 |
| 1033.5 | 8 | 0.233 | 1236 | 0 |
| 1294.1 | 9 | 0.442 | 348 | 0 |
| 1500.0 | 10 | 0.575 | 126 | 0 |
| 3946.0 | 36 | 0.262 | 1019 | 1 |
| 9764.0 | 226 | 0.238 | 1175 | 5 |
| 12769.0 | 464 | 0.489 | 273 | 10 |
| 18686.5 | 1452 | 0.085 | 3456 | 25 |
| 25457.1 | 2991 | 0.191 | 1591 | 50 |
| 34287.7 | 4363 | 0.066 | 3962 | 75 |
| 47482.3 | 5158 | 0.061 | 4148 | 90 |
| 57211.4 | 5357 | 0.061 | 4159 | 95 |
| 97381.8 | 5541 | 0.212 | 1425 | 99 |
| 144102.4 | 5561 | 0 | 5565 | 100 |
| 146134.1 | 5562 | 0.177 | 1792 | 100 |
| 151402.0 | 5563 | 0.031 | 4983 | 100 |
| 152423.5 | 5564 | 0.031 | 4984 | 100 |
| 155877.0 | 5565 | 0 | 5566 | 100 |
| 193699.0 | 5566 | 0 | 5567 | 100 |
| 205328.0 | 5567 | 0 | 5568 | 100 |
| 231142.3 | 5568 | 0 | 5569 | 100 |
| 243729.0 | 5569 | 0 | 5570 | 100 |
| 391460.0 | 5570 | 0.056 | 4616 | 100 |

The first column of Table 2 shows selected values of the cumulative distribution of μ_{Bi} , the second and the fourth columns contain, respectively, multidimensional list B and unidimensional list A, which will be used in the rank correlation analysis. Observations presenting the same value of μ_{Bi} are sorted by increasing size of y_{ei} : that is only a simplifying procedure which ensures a more clear and regular synthesis of the relation between p_i and π_i , without influencing neither its direction or its importance.

By comparing column 2 to column 4 in Table 2 it is immediate to observe how the highest ranks of μ_{Bi} generally correspond to the highest ranks of equivalent income, while, on the contrary, the lowest ranks of μ_{Bi} do not correspond to the lowest ranks of equivalent income.

Analogously to Table 2, Table 3 reports multidimensional poverty ratio μ_{Bi} , rank of μ_{Bi} , equivalent income \mathbf{y}_{ei} and rank of \mathbf{y}_{ei} for increasing ranks of \mathbf{y}_{ei} : from Table 3 it is possible to observe how, for the lowest ranks of \mathbf{y}_{ei} , the differences between \mathbf{p}_{i} and π_{i} are even more accentuated than on the case of Table 3. Similarly to the previous case, observations presenting the same value of \mathbf{y}_{ei} are sorted by decreasing size of μ_{Bi} .

Data for the other countries are reported in Table A.1 in the Appendix and regularly confirm the pattern outlined for Germany: while highest ranks of μ_{Bi} correspond to highest ranks of y_{ei} , lowest ranks of μ_{Bi} generally differ from lowest ranks of y_{ei} .

Multidimensional and undimensional approaches seem to define two different sets of poor households: a more complete analysis, carried out on the basis of rank correlation, will be illustrated in the next paragraph.

4. Results

The results of the first step of the research refer to unidimensional poverty ratio. On the basis of OECD equivalence scale, the international standard of poverty line is obtained dividing the per capita average income of the population by 2. For Germany the per capita average income and the ISPL in 1998 are, respectively, equal to 19698.28 and to 9849.14. Consequently, all incomes equal or less than 9849.14 indicate a poor household belonging to the unidimensional set **q**. From Table 2 it is possible to observe how, in the set of the 10 poorest households according to multidimensional approach, 7 households have an equivalent income lower than 9849.14, and therefore are to be considered poor also in the unidimensional approach.

The ratio of the poor households \mathbf{q} to total population of households \mathbf{N} gives an important unidimensional poverty ratio, the head count ratio, which for Germany is equal to 0.059.

The head count ratio by country is reported on Table 5 and indicates that, in the set of 12 European countries analyzed in this study, Portugal, Greece and Spain are the poorest, while Denmark, Austria and the Netherlands are the richest countries.

In the second step of the research the multidimensional poverty ratio for the population μ_B is obtained as a weighted average of the multidimensional poverty ratio for the household μ_{Bi} , where the weights are the sample weights attached to the survey observations.

The multidimensional approach does not possess a poverty line partitioning total population into poor and non-poor: in order to individuate poor households it is necessary to calculate the rank π^* corresponding to $F(\pi^*)=\mu_B$.

For Germany μ_B =0.152, and F(π^*)= μ_B for π^* =952: therefore in the multidimensional approach the German poor households are the first 952 by descending order of μ_{Bi} . From Table 3 it is possible to observe how, in the set of the 10 poorest households according to unidimensional approach, only 5 are also poor in the multidimensional framework, having a rank π_i lower than 952.

Table 4

Values observed in the multidimensional approach variables for 5 German households

| Household | I, p _I =1, | II, p _{II} =2, | III, p _{III} =6, | IV, p _{IV} =7, | V, p _V =8, |
|--------------------------|-----------------------|-------------------------|---------------------------|-------------------------|-----------------------|
| Variables | $\pi_I = 1235$ | $\pi_{II} = 1170$ | π_{III} =1255 | $\pi_{IV} = 1485$ | $\pi_{V} = 1236$ |
| Observed income | 82.0 | 97.0 | 760.1 | 972.0 | 1757.0 |
| Equivalent income | 82.0 | 97.0 | 447.1 | 972.0 | 1033.5 |
| Household size | 1 | 1 | 2 | 1 | 2 |
| Number of adults | 1 | 1 | 2 | 1 | 2 |
| Household residence: | | | | | |
| - Number of rooms | | | | | |
| without kitchen | 3 | 2 | 3 | 2 | 4 |
| - Heating | yes | yes | yes | yes | yes |
| - Bath or shower | yes | yes | yes | yes | yes |
| - Indoor flushing toilet | yes | yes | yes | yes | yes |
| Reference person: | | | | | |
| -level of education | ISCED 3 | ISCED 3 | ISCED 0-2 | ISCED 0-2 | ISCED 3 |
| -principal activity | Retired | Employer in | Retired | Self- | Retired |
| | | paid | | employment, | |
| | | apprenticeship | | manager | |
| Household type | Female | Female | 2 adults both | Male | 2 adults both |
| | under 65 | under 65 | under 65 | under 65 | under 65 |
| | | | | | |

^{*}For the level of education, ISCED 3 corresponds to second stage of secondary level education, ISCED 0-2 corresponds to less than second stage of secondary education.

In order to assess the poverty condition of these 5 households it is possible to observe analytically (Table 4) the values which they present in the variables used for the multidimensional analysis.

The household with the lowest equivalent income, y_e =82, is a one-adult, retired female under 65 household, with the second stage of secondary level education achieved, living in a dwelling of 4 rooms, with heating, bath and indoor flushing toilet: the only poverty signal originates from equivalent income, while other variables do not detect any condition of deprivation. Also for the other four cases illustrated in Table 4 the same pattern is repeated: the only clear poverty signal comes from equivalent income, while other variables indicate a non-poor condition. The more exhaustive and complete information provided by multidimensional approach allows to correctly classify these households as non-poor units.

The multidimensional poverty ratio by country is reported on Table 5 and indicates Portugal, Spain and Greece as the poorest countries (the same results given by the head count ratio), while Denmark, France and United Kingdom are the richest.

Table 5 Unidimensional H and multidimensional μ_B poverty ratios by country

| Country | D | DK | NL | В | F | UK | IRL | I | GR | SP | P | A |
|--------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Н | 0.059 | 0.033 | 0.046 | 0.059 | 0.065 | 0.113 | 0.046 | 0.075 | 0.144 | 0.122 | 0.159 | 0.041 |
| μ_{B} | 0.152 | 0.102 | 0.130 | 0.142 | 0.127 | 0.127 | 0.160 | 0.154 | 0.172 | 0.177 | 0.191 | 0.142 |

In the two approaches Denmark and Portugal maintain the same position, respectively at the top and at the bottom of the list. It also interesting to observe how in all countries, the unidimensional poverty ratio indicates a lower diffusion of poverty with respect to the multidimensional measure.

The global and aggregate measures reported on Table 5 provide only partially insights on the comparison between uni- and multidimensional approaches and, moreover, on the socio-economic policies able to reduce poverty. The key point in poverty analyses is not to establish how many are the poor households, but who are they.

These objectives require a more exhaustive analysis, which can be performed on the basis of the rank correlation indexes presented in paragraph 2.

Table 6 reports the results of rank correlation analysis related to Germany. The first column shows selected values of the cumulative distribution of μ_{Bi} , $F(\mu_{Bi})$, with μ_{Bi} in decreasing order, while the following four columns contain the values of the four rank correlation indexes.

Table 6 $Rank\ correlation\ between\ multidimensional\ poverty\ ratio\ \mu_{Bi}\ and\ equivalent\ income\ y_{ei}$

| | | Germany | | |
|-------------------|---------|------------|---------------|--------|
| $F(\mu_{\rm Bi})$ | | Rank corre | elation index | |
| | Kendall | Bravais | Spearman | Gini |
| 5 | 0.2680 | 0.3574 | 0.3010 | 0.2969 |
| 10 | 0.3174 | 0.4610 | 0.3333 | 0.4489 |
| 25 | 0.2390 | 0.2930 | 0.0902 | 0.2583 |
| 50 | 0.3422 | 0.4597 | 0.3625 | 0.4173 |
| 75 | 0.4081 | 0.5604 | 0.5008 | 0.4813 |
| 90 | 0.4207 | 0.5925 | 0.5672 | 0.4935 |
| 95 | 0.4370 | 0.6127 | 0.5918 | 0.5059 |
| 100 | 0.4597 | 0.6396 | 0.6229 | 0.5244 |

The rank correlation indexes for the whole population, that is for $F(\mu_{Bi}) = 100$, are, respectively:

0.4597, 0.6396, 0.6229 and 0.5244.

If only the poorest 5% of total population is analyzed, that is for $F(\mu_{Bi}) = 5$, the rank correlation indexes are, respectively:

0.2680, 0.3574, 0.3010 and 0.2969.

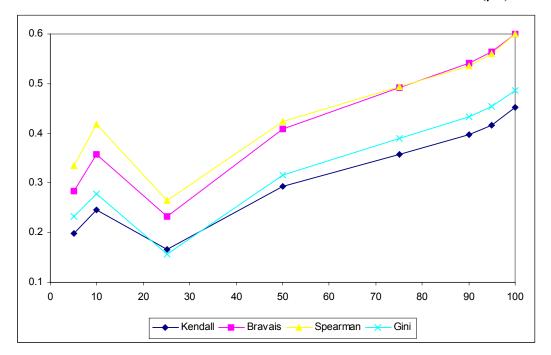
From Table 6 it is possible to observe how, moving from $F(\mu_{Bi}) = 100$ to $F(\mu_{Bi}) = 5$, there is a strong decrease in rank correlation, clearly indicating that only few of the households identified as poor in the multidimensional analysis correspond to the households which are poor with respect to their income.

Rank correlation results for the other countries here analysed are reported in Table A.2 in the Appendix. In all countries the same pattern is easily detectable, with rank correlation indexes which decrease from $F(\mu_{Bi}) = 100$ to $F(\mu_{Bi}) = 5$, generally reaching the minimum value for $F(\mu_{Bi}) = 25$. For Greece are also present negative rank correlation indexes for $F(\mu_{Bi}) = 25$ and $F(\mu_{Bi}) = 10$.

As a synthesis of the values of the rank correlation indexes, Figure 1 illustrates their mean in the 12 European countries for some values of $F(\mu_{Bi})$.

Kendall's and Gini's measures give quite similar results and report a lower correlation between p_i and π_i than Bravais-Pearson and Spearman indexes. All indexes, however, clearly signal a decreasing rank correlation for decreasing values of $F(\mu_{Bi})$, with a minimum value corresponding to $F(\mu_{Bi})=25$.

Figure 1 Mean of rank correlation indexes in the 12 countries for some values of $F(\mu_{Bi})$



5. Conclusion

Perception of poverty changes greatly in the last decades, leading to a wide theoretical debate, which states that income and wealth provide insufficient information on poverty condition. The adoption of a more general and multidimensional definition of poverty requires to adequate methodological tools for the measurement of poverty, actually generally still obtained on the basis of income only.

The paper illustrates a comparison between traditional unidimensional approach to the measurement of poverty and a new multidimensional approach, obtained by taking into account economic, social, demographic and cultural indicators. The results of a rank correlation analysis allow to demonstrate that the two approaches define two different sets of poor households.

Therefore any socio-economic policy to reduce poverty developed on the basis of income information is likely to not achieve its proposed goals, being addressed to socioeconomic units which are, in effect, non-poor. Only in the framework of the multidimensional approach it is possible to correctly individuate the set of the poor and to formulate actions able to reduce poverty.

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Appendix

Table A.1 $\label{eq:multidimensional} \mbox{Multidimensional poverty ratio μ_{Bi}, rank of μ_{Bi}, equivalent income y_{ei}, rank of y_{ei} for increasing sizes of $\mu_{Bi}$$

| | | Denmark | | |
|----------|--------------------------|---------------------|-----------------------------|---------------|
| yei | p_i , rank of y_{ei} | μ_{Bi} | $\pi_i,$ rank of μ_{Bi} | $F(\mu_{Bi})$ |
| 41600.0 | 37 | 0.500 | 21 | 1 |
| 81037.1 | 434 | 0.329 | 125 | 5 |
| 93176.5 | 652 | 0.237 | 245 | 10 |
| 113011.1 | 1067 | 0.137 | 574 | 25 |
| 144851.2 | 1684 | 0.065 | 1140 | 50 |
| 150624.0 | 1761 | 0.041 | 1732 | 75 |
| 260942.9 | 2330 | 0.021 | 2136 | 90 |
| 146148.1 | 1701 | 0 | 2257 | 95 |
| 239070 | 2304 | 0 | 2369 | 99 |
| 239070 | 2304 | 0 | 2369 | 99 |

| | , | The Netherlands | | |
|---------------|-----------------------------|---------------------|-------------------------|----------|
| $F(\mu_{Bi})$ | $\pi_i,$ rank of μ_{Bi} | μ_{Bi} | $p_{i}, rank of y_{ei}$ | y_{ei} |
| 1 | 39 | 0.517 | 163 | 10326.0 |
| 5 | 202 | 0.363 | 2647 | 28112.5 |
| 10 | 412 | 0.298 | 1623 | 21348 |
| 25 | 1050 | .0200 | 1031 | 18276.0 |
| 50 | 2204 | 0.106 | 2883 | 30145.3 |
| 75 | 3389 | 0.016 | 1364 | 20004.7 |
| 90 | 4102 | 0 | 3504 | 36768.2 |
| 95 | 4309 | 0 | 4061 | 46782.5 |
| 99 | 4474 | 0 | 4419 | 73252.0 |

Table A.1 (continued)

| | | Belgium | | |
|-------------|---------------------------|---------------------|-----------------------------|---------------|
| y ei | $p_i, rank of y_{ei}$ | μ_{Bi} | $\pi_i,$ rank of μ_{Bi} | $F(\mu_{Bi})$ |
| 119546.7 | 32 | 0.579 | 26 | 1 |
| 45229.0 | 14 | 0.426 | 111 | 5 |
| 611771.2 | 1640 | 0.327 | 218 | 10 |
| 384364.7 | 675 | 0.191 | 562 | 25 |
| 1449373.0 | 2365 | 0.104 | 1146 | 50 |
| 960000.0 | 2211 | 0.053 | 1762 | 75 |
| 514193.6 | 1262 | 0.020 | 2168 | 90 |
| 541381.0 | 1392 | 0 | 2290 | 95 |
| 1050000.0 | 2263 | 0 | 2426 | 99 |
| | | France | | |
| yei | p_i , rank of y_{ei} | μ_{Bi} | $\pi_i,$ rank of μ_{Bi} | $F(\mu_{Bi})$ |
| 8326.0 | 39 | 0.585 | 53 | 1 |
| 63632.0 | 1910 | 0.422 | 275 | 5 |
| 1651.8 | 15 | 0.320 | 531 | 10 |
| 89655.6 | 3448 | 0.178 | 1304 | 25 |
| 56478.0 | 1524 | 0.071 | 2697 | 50 |
| 140747.8 | 4915 | 0.029 | 4106 | 75 |
| 163270.0 | 5173 | 0.021 | 4954 | 90 |
| 117911.5 | 4473 | 0 | 5258 | 95 |
| 201831.2 | 5364 | 0 | 5470 | 99 |
| | | ted Kingdom | Uı | |
| yei | $p_i, rank of y_{ei}$ | μ_{Bi} | $\pi_i,$ rank of μ_{Bi} | $F(\mu_{Bi})$ |
| 2117.2 | 102 | 0.492 | 54 | 1 |
| 9072.0 | 2424 | 0.371 | 234 | 5 |
| 6175.9 | 1385 | 0.303 | 439 | 10 |
| 5424 | 1091 | 0.186 | 1101 | 25 |
| 5466.3 | 1102 | 0.091 | 2171 | 50 |
| 7071.1 | 1698 | 0.033 | 3299 | 75 |
| 9410.4 | 2523 | 0 | 4011 | 90 |
| 15642.3 | 3875 | 0 | 4246 | 95 |
| 26632.9 | 4376 | 0 | 4437 | 99 |

Table A.1 (continued)

| | | Ireland | | |
|-----------------|---------------------------|---------------------|-----------------------------|----------------------|
| y ei | $p_i, rank of y_{ei}$ | μ_{Bi} | $\pi_i,$ rank of μ_{Bi} | $F(\mu_{Bi})$ |
| 3461.3 | 236 | 0.627 | 12 | 1 |
| 3829.0 | 380 | 0.438 | 101 | 5 |
| 2935.0 | 133 | 0.364 | 190 | 10 |
| 4297.0 | 589 | 0.238 | 509 | 25 |
| 5597.5 | 1009 | 0.111 | 1169 | 50 |
| 9384.8 | 1848 | 0.055 | 1915 | 75 |
| 14867.0 | 2374 | 0.020 | 2326 | 90 |
| 10295.9 | 1975 | 0 | 2466 | 95 |
| 22017.1 | 2530 | 0 | 2571 | 99 |
| | | Italy | | |
| y _{ei} | p_i , rank of y_{ei} | μ_{Bi} | $\pi_i,$ rank of μ_{Bi} | $F(\mu_{Bi})$ |
| 1764.7 | 102 | 0.585 | 59 | 1 |
| 23000.0 | 4742 | 0.427 | 295 | 5 |
| 17550.0 | 3644 | 0.334 | 590 | 10 |
| 11334.7 | 1914 | 0.198 | 1473 | 25 |
| 22028.3 | 4588 | 0.099 | 2946 | 50 |
| 11503.1 | 1967 | 0.057 | 4419 | 75 |
| 47847.1 | 5799 | 0.038 | 5302 | 90 |
| 15466.7 | 3116 | 0.018 | 5597 | 95 |
| 29010.0 | 5360 | 0 | 5833 | 99 |
| | | Greece | | |
| y _{ei} | p_i , rank of y_{ei} | μ_{Bi} | $\pi_i,$ rank of μ_{Bi} | $F(\mu_{\text{Bi}})$ |
| 630808.0 | 440 | 0.532 | 40 | 1 |
| 495000.0 | 279 | 0.410 | 209 | 5 |
| 1320000.0 | 1568 | 0.352 | 407 | 10 |
| 2752941.0 | 3262 | 0.232 | 1059 | 25 |
| 1800000.0 | 2374 | 0.142 | 2125 | 50 |
| 1375294.0 | 1651 | 0.082 | 3129 | 75 |
| 3540000.0 | 3657 | 0.044 | 3691 | 90 |
| 4128067.0 | 3791 | 0.032 | 3855 | 95 |
| 2819362.0 | 3323 | 0 | 4008 | 99 |

Table A.1 (continued)

| | | Spain | | |
|-----------------|--------------------------|------------|-----------------------------|---------------|
| y ei | p_i , rank of y_{ei} | μ_{Bi} | $\pi_i,$ rank of μ_{Bi} | $F(\mu_{Bi})$ |
| 50746.5 | 68 | 0.560 | 33 | 1 |
| 868125.0 | 2378 | 0.432 | 203 | 5 |
| 779800.0 | 1916 | 0.359 | 469 | 10 |
| 609734.7 | 1146 | 0.251 | 1261 | 25 |
| 815961.2 | 2130 | 0.139 | 2627 | 50 |
| 1565792.0 | 4266 | 0.090 | 4041 | 75 |
| 2378824.0 | 5011 | 0.047 | 4887 | 90 |
| 1666667.0 | 4396 | 0.022 | 5141 | 95 |
| 2690177.0 | 5128 | 0 | 5302 | 99 |
| | | Portugal | | |
| y _{ei} | p_i , rank of y_{ei} | μ_{Bi} | $\pi_i,$ rank of μ_{Bi} | $F(\mu_{Bi})$ |
| 32127.0 | 23 | 0.611 | 55 | 1 |
| 1415000.0 | 3849 | 0.433 | 272 | 5 |
| 1009511.0 | 3166 | 0.353 | 516 | 10 |
| 426166.7 | 892 | 0.247 | 1146 | 25 |
| 758925.8 | 2404 | 0.152 | 2286 | 50 |
| 2716000.0 | 4408 | 0.110 | 3428 | 75 |
| 1103230.0 | 3387 | 0.072 | 4229 | 90 |
| 4414118.0 | 4544 | 0.054 | 4421 | 95 |
| 4970000.0 | 4555 | 0.019 | 4560 | 99 |
| | | Austria | | |
| yei | p_i , rank of y_{ei} | μ_{Bi} | $\pi_i,$ rank of μ_{Bi} | $F(\mu_{Bi})$ |
| 102500.0 | 462 | 0.510 | 32 | 1 |
| 73200.0 | 167 | 0.373 | 148 | 5 |
| 94175.9 | 352 | 0.317 | 273 | 10 |
| 85264.7 | 237 | 0.202 | 739 | 25 |
| 139825.5 | 1053 | 0.099 | 1435 | 50 |
| 148510.0 | 1193 | 0.048 | 2161 | 75 |
| 263000.0 | 2435 | 0.038 | 2605 | 90 |
| 236584.0 | 2269 | 0.022 | 2758 | 95 |
| 246628.4 | 2333 | 0 | 2871 | 99 |

Table A.2 $\label{eq:Rank} Rank\ correlation\ between\ multidimensional\ poverty\ ratio\ \mu_{Bi}\ and\ equivalent\ income\ y_{ei}$

| | | Denmark | | |
|----------------------|---------|----------------|---------------|--------|
| $F(\mu_{\text{Bi}})$ | | Rank corre | elation index | |
| | Kendall | Bravais | Spearman | Gini |
| 5 | 0.2570 | 0.3463 | 0.3300 | 0.3369 |
| 10 | 0.2777 | 0.4423 | 0.4476 | 0.3757 |
| 25 | 0.0655 | 0.1170 | 0.1830 | 0.0337 |
| 50 | 0.2770 | 0.4080 | 0.4979 | 0.2761 |
| 75 | 0.3361 | 0.5175 | 0.5629 | 0.3931 |
| 90 | 0.4187 | 0.6159 | 0.6296 | 0.4873 |
| 95 | 0.4088 | 0.5830 | 0.5950 | 0.4747 |
| 100 | 0.4575 | 0.6296 | 0.6352 | 0.5142 |
| | П | The Netherland | ls | |
| $F(\mu_{\text{Bi}})$ | | Rank corre | elation index | |
| | Kendall | Bravais | Spearman | Gini |
| 5 | 0.2584 | 0.3644 | 0.5272 | 0.2428 |
| 10 | 0.2578 | 0.3038 | 0.4573 | 0.1930 |
| 25 | 0.2261 | 0.3251 | 0.4515 | 0.2366 |
| 50 | 0.2925 | 0.4173 | 0.4721 | 0.3104 |
| 75 | 0.2993 | 0.4225 | 0.4407 | 0.3196 |
| 90 | 0.3352 | 0.4575 | 0.4684 | 0.3494 |
| 95 | 0.3796 | 0.5139 | 0.5246 | 0.3910 |
| 100 | 0.4289 | 0.5748 | 0.5859 | 0.4402 |

Table A.2 (continued)

| able A.2 (co | | Belgium | | | |
|----------------------|------------------------------|----------------|----------|--------|--|
| $F(\mu_{Bi})$ | Rank correlation index | | | | |
| - (P•BI) | Kendall Bravais Spearman Gir | | | | |
| 5 | 0.1135 | 0.1702 | 0.3320 | 0.1539 | |
| 10 | 0.2929 | 0.3893 | 0.5582 | 0.2604 | |
| 25 | 0.1983 | 0.2807 | 0.4288 | 0.2019 | |
| 50 | 0.3611 | 0.5310 | 0.6078 | 0.3903 | |
| 75 | 0.3744 | 0.5354 | 0.5849 | 0.4037 | |
| 90 | 0.3888 | 0.5417 | 0.5713 | 0.4177 | |
| 95 | 0.3909 | 0.5467 | 0.5729 | 0.4246 | |
| 100 | 0.4259 | 0.5772 | 0.5895 | 0.4515 | |
| | | France | | | |
| $F(\mu_{Bi})$ | Rank correlation index | | | | |
| | Kendall | Bravais | Spearman | Gini | |
| 5 | 0.1843 | 0.2330 | 0.2322 | 0.1879 | |
| 10 | 0.3346 | 0.4800 | 0.5173 | 0.3696 | |
| 25 | 0.2021 | 0.2786 | 0.3704 | 0.1990 | |
| 50 | 0.3014 | 0.4333 | 0.4587 | 0.3299 | |
| 75 | 0.3960 | 0.5361 | 0.5387 | 0.4233 | |
| 90 | 0.4179 | 0.5529 | 0.5512 | 0.4333 | |
| 95 | 0.4269 | 0.5657 | 0.5606 | 0.4521 | |
| 100 | 0.4696 | 0.6149 | 0.6112 | 0.4900 | |
| | J | Inited Kingdon | m | | |
| $F(\mu_{\text{Bi}})$ | Rank correlation index | | | | |
| | Kendall | Bravais | Spearman | Gini | |
| 5 | 0.1486 | 0.2184 | 0.1595 | 0.1987 | |
| 10 | 0.1901 | 0.2643 | 0.3187 | 0.2163 | |
| 25 | 0.1911 | 0.2488 | 0.3036 | 0.1847 | |
| 50 | 0.2419 | 0.3413 | 0.3879 | 0.2504 | |
| 75 | 0.3200 | 0.4485 | 0.4729 | 0.3396 | |
| 90 | 0.3482 | 0.4888 | 0.4965 | 0.3817 | |
| 95 | 0.3749 | 0.5220 | 0.5256 | 0.4067 | |
| 100 | 0.4308 | 0.5832 | 0.5837 | 0.4563 | |

Table A.2 (continued)

| Table A.2 (C | | Ireland | | | |
|----------------------|------------------------|---------|----------|---------|--|
| $F(\mu_{Bi})$ | Rank correlation index | | | | |
| ·/ | Kendall | Bravais | Spearman | Gini | |
| 5 | 0.0590 | 0.0429 | 0.3797 | 0.0037 | |
| 10 | 0.1423 | 0.2468 | 0.5691 | 0.1543 | |
| 25 | 0.3391 | 0.4800 | 0.6864 | 0.2803 | |
| 50 | 0.3726 | 0.5590 | 0.6528 | 0.4185 | |
| 75 | 0.3816 | 0.5688 | 0.5716 | 0.4728 | |
| 90 | 0.4297 | 0.6431 | 0.6193 | 0.5497 | |
| 95 | 0.4451 | 0.6646 | 0.6367 | 0.5755 | |
| 100 | 0.4859 | 0.7052 | 0.6787 | 0.6117 | |
| | | Italy | | | |
| $F(\mu_{Bi})$ | Rank correlation index | | | | |
| | Kendall | Bravais | Spearman | Gini | |
| 5 | 0.1430 | 0.2411 | 0.5391 | 0.1333 | |
| 10 | 0.2273 | 0.3437 | 0.5271 | 0.2425 | |
| 25 | 0.1557 | 0.2454 | 0.3213 | 0.1569 | |
| 50 | 0.2562 | 0.3524 | 0.3561 | 0.2642 | |
| 75 | 0.3160 | 0.4259 | 0.4532 | 0.3274 | |
| 90 | 0.3691 | 0.4939 | 0.5131 | 0.3813 | |
| 95 | 0.4014 | 0.5322 | 0.5457 | 0.4100 | |
| 100 | 0.4246 | 0.5609 | 0.5693 | 0.4332 | |
| | | Greece | | | |
| $F(\mu_{\text{Bi}})$ | Rank correlation index | | | | |
| | Kendall | Bravais | Spearman | Gini | |
| 5 | 0.1861 | 0.2876 | 0.2144 | 0.2404 | |
| 10 | -0.0352 | -0.0216 | -0.0592 | -0.0549 | |
| 25 | 0.0143 | -0.0412 | -0.2092 | -0.0665 | |
| 50 | 0.3088 | 0.3258 | 0.2231 | 0.2973 | |
| 75 | 0.3885 | 0.4587 | 0.4099 | 0.3953 | |
| 90 | 0.4386 | 0.5416 | 0.5188 | 0.4539 | |
| 95 | 0.4553 | 0.5732 | 0.5589 | 0.4775 | |
| 100 | 0.4833 | 0.6095 | 0.6010 | 0.5054 | |

Table A.2 (continued)

| Table A.2 (Co | | C · | | | | | |
|---------------|------------------------|---------|----------|--------|--|--|--|
| - () | Spain | | | | | | |
| $F(\mu_{Bi})$ | Rank correlation index | | | | | | |
| | Kendall | Bravais | Spearman | Gini | | | |
| 5 | 0.2069 | 0.4497 | 0.6491 | 0.2723 | | | |
| 10 | 0.3642 | 0.5339 | 0.6310 | 0.3906 | | | |
| 25 | 0.1221 | 0.2091 | 0.2619 | 0.1364 | | | |
| 50 | 0.2295 | 0.3441 | 0.3436 | 0.2554 | | | |
| 75 | 0.3486 | 0.4927 | 0.4728 | 0.3936 | | | |
| 90 | 0.4076 | 0.5614 | 0.5393 | 0.4560 | | | |
| 95 | 0.4285 | 0.5927 | 0.5721 | 0.4832 | | | |
| 100 | 0.4567 | 0.6245 | 0.6112 | 0.5071 | | | |
| Portugal | | | | | | | |
| $F(\mu_{Bi})$ | | | | | | | |
| | Kendall | Bravais | Spearman | Gini | | | |
| 5 | 0.4505 | 0.5685 | 0.3066 | 0.6081 | | | |
| 10 | 0.3150 | 0.4303 | 0.2272 | 0.4191 | | | |
| 25 | 0.0554 | 0.0960 | 0.0646 | 0.0591 | | | |
| 50 | 0.2813 | 0.3342 | 0.3244 | 0.2618 | | | |
| 75 | 0.3767 | 0.4499 | 0.4374 | 0.3536 | | | |
| 90 | 0.4103 | 0.4903 | 0.4504 | 0.3873 | | | |
| 95 | 0.4364 | 0.5301 | 0.4992 | 0.4185 | | | |
| 100 | 0.4642 | 0.5809 | 0.5598 | 0.4597 | | | |
| | | Austria | | | | | |
| $F(\mu_{Bi})$ | Rank correlation index | | | | | | |
| | Kendall | Bravais | Spearman | Gini | | | |
| 5 | 0.1125 | 0.1329 | 0.0557 | 0.1245 | | | |
| 10 | 0.2769 | 0.4154 | 0.4847 | 0.3165 | | | |
| 25 | 0.1798 | 0.2584 | 0.2309 | 0.2126 | | | |
| 50 | 0.2560 | 0.4004 | 0.3949 | 0.3133 | | | |
| 75 | 0.3419 | 0.4906 | 0.4903 | 0.3790 | | | |
| 90 | 0.3733 | 0.5166 | 0.5113 | 0.4004 | | | |
| 95 | 0.3996 | 0.5422 | 0.5365 | 0.4209 | | | |
| 100 | 0.4327 | 0.5827 | 0.5788 | 0.4520 | | | |
| | | | | | | | |

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