

ON THE MEASUREMENT OF ECONOMIC POVERTY *

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November 27, 1995

Abstract

We consider four compelling axioms for poverty indices, and show that a familiar class of poverty measures is characterized by these axioms. An unambiguous (partial) poverty ordering is then defined as the intersection of the (complete) orderings induced by the members of the characterized class; given a poverty line, one income distribution is "*poorer than*" another if, and only if, the former is ranked higher than the latter by *all* poverty indices which satisfy our axioms. Our class of poverty measures is defined in terms of the income distribution, poverty line and an additional parameter, and the paper explores the possibility of making poverty comparisons without the knowledge of this parameter value. We present several easily verifiable sufficient conditions under which such comparisons can be made, making our poverty ordering of potential use in empirical applications.

Journal of Economic Literature Classification Numbers: D31, D63.

Key words: Compromise poverty indices, subgroup consistency, poverty orderings

*The authors wish to thank Gary Fields, James Foster, Peter Lambert, Jonathan Morduch, and Josip Pecaric for their illuminating comments. We, however, bear full responsibility for the contents of the paper. The financial support of C.V. Starr Center for Applied Economics at New York University is gratefully acknowledged.

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