

Opportunity-sensitive poverty measurement

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July, 2011

JEL Classification: D31, D63, J62

Keywords: Inequality of opportunity, poverty measures, poverty comparisons.

Abstract

This paper characterizes new poverty measures and the respective dominance condition, inspired by the theory of equality of opportunity. Individual poverty is assessed taken into consideration the type the person belongs to. Within the class of poverty measures presented, we propose a measure based on a rank-dependent aggregation of the type-specific poverty levels. Using household data from Brazil in the last decade, we show that when circumstances are included in the measurement of poverty the evolution of poverty is quite distinct from that emerging using traditional poverty tools.