

Counting Multidimensional Deprivations in the Presence of Differences in Needs

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Paper Abstract: Individuals from different demographic population subgroups and households of different size and composition exhibit different needs. Multidimensional deprivation comparisons in the presence of these differences in needs have yet to be analysed. This paper proposes a family of multidimensional deprivation indices that explicitly takes into account observed differences in needs across demographically heterogeneous units (i.e., either households of different size and composition or individuals of different population subgroups). The proposed counting family of indices draws from the one-dimensional parametric equivalence scale literature and aims to describe how much deprivation two demographically heterogeneous units with different needs must exhibit to be catalogued as equivalently deprived. Through the use of empirically developed counterfactual scenarios, we evaluate the effects on multidimensional deprivation incidence profiles of using the different approaches to measurement included in our proposed family of indices. The results of this evaluation demonstrate that neglecting differences in needs yields biased multidimensional deprivation incidence profiles. These results also shed light on the ability of our proposed measures to effectively capture differences in needs. Our family of measures is also evaluated in this paper in terms of its properties. These results prove our proposed approach to measurement has the proper orientation and is adequate for the purposes of poverty measurement.