

Monitoring Progress in Multi-dimensional Poverty Reduction: A Person Focused and Inequality-sensitive Approach with Evidence from Nicaragua

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Abstract

In this paper, considering the overarching concern of the 2030 sustainable development agenda, leaving no one behind, and the targets 1.2 and 10.1 of the SDGs, we point out that the mainstream approach to the multi-dimensional poverty measurement in developing countries is deficient to properly monitor progress in multi-dimensional poverty reduction mainly because it uses the household as the unit of analysis, ignoring thus intrahousehold inequalities, and is totally insensitive to inequality among the multi-dimensionally poor individuals, a serious defect of any poverty measure. Consequently, we propose to depart somewhat from the mainstream approach and to adopt a person-focused and inequality-sensitive framework, which is applied to the case of Nicaragua. Overall, we find that in this country, multi-dimensional poverty decreased by at least 17% between 2001 and 2014, but inequality among the multi-dimensionally poor individuals, an issue that is ignored by the mainstream approach, increased by at least 24% during that period, which suggests that progress in multi-dimensional poverty reduction in Nicaragua seems to be leaving behind the poorest of the poor.

Keywords: multi-dimensional poverty, individual-based measures, inequality-sensitive measures, Nicaragua, Latin America and the Caribbean

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