

Social Exclusion Measures

Abstract

One of the biggest challenges in the promotion of social inclusion policies is the difficulties of quantifying social exclusion. This paper proposed three new measures for social exclusion using preference, happiness index and a single censoring multidimensional poverty measure. Those three models are also verified with empirical data collected from a survey in Ethiopia.

The first paper, preferences in multidimensional poverty measure, estimates multidimensional poverty index (MPI) using six preference models and compared them with the equal weighting approach. The estimated results showed that the MPI measure with preference based weighting approach is higher than the equal weighting approach. The inclusions of all domains in the preference based weighting scheme have a significant difference on MPI estimates compared to the situation where only one domain used as a weight. The findings from the regression result also confirmed that individual's well-being improves more with people's perceived deprivations than the observed deprivations used as explanatory variables. Hence, the paper suggests that considering people's perception about dimensional threshold and weights could help to identify the dimensions which improve people's welfare.

The second paper, the single censoring multidimensional poverty measure, used censoring only at the last stage of the estimation to determine whether a person is poor or not. The model gives priority for the achievement of aggregate well-being by avoiding the initial censoring on dimensions. The model contributes to the existing literature by adding richer information set in the welfare measurement of individuals. Moreover, it also suggests a statistical based poverty cutoff technique based on the deprivation function. The measure satisfies most of the multidimensional poverty axioms, including transferability and monotonicity axioms.

The third paper, happiness as a measure of social exclusion, is based on happiness function and individual's self-reported subjective and objective deprivations. The proposed method is a three stage estimation technique, which includes: happiness regression, estimation of happiness score index and calculating social inclusion or exclusion. The study found that, there is high correlation between happiness and social exclusion.

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