

# Poverty intensive curve: a new form of pro-poor growth index

## Opinion

The term 'Pro-poor growth' was coined in the early 1970s by Ahluwalia et al.,<sup>1</sup> subsequently move forward in Ahluwalia et al.<sup>2,3</sup> All of these studies mostly gyrated under the growth, inequality and poverty trajectory, which was further carry on by Wheeler et al.<sup>4-7</sup> In 1990s, pro-poor growth agenda become the more volatile figure in the academic literature and every one become contribute to recommend the basket of policy recommendations for the poor's, especially, McCulloch et al.<sup>8-11</sup> In 2000s, Kakwani et al.,<sup>12</sup> proposed an index of pro-poor growth by relative component of growth elasticity of poverty by total poverty elasticity, while<sup>13</sup> measured pro-poor growth rate for China by Watts's index of poverty. Son<sup>14</sup> proposed a new index for measuring pro-poor growth i.e., 'poverty growth curve' that is based on 'Atkinson's theorem'. Klasen<sup>15</sup> in the similar line emphasized the importance of pro-poor growth and discussed policy issues for sectoral pro-poor growth. Lopez<sup>16</sup> unveiled the reality of pro-poor growth and suggested successful poverty reduction strategies across the countries. Kraay<sup>17</sup> defined pro-poor growth i.e., "Growth is pro-poor if the poverty measure of interest falls" and argued that pro-poor growth policies should required institutional coverage to trickledown its impact on poor.

Son et al.,<sup>18</sup> estimated the global pro-poor growth estimates by the measure of 'poverty equivalent growth rate'. Kakwani<sup>19</sup> linked labour market with social support programmes that lead to strengthen the pro-poor growth agenda for Brazil. Recently, Dollar et al.,<sup>20</sup> confirmed the previous notion of 1970s for pro-poor growth i.e., 'growth still is good for the poor (p.68)'. Pro-poor growth agenda is more complex as it is associated with the different theoretical and empirical linkages, however, after studying these pro-poor growth theories it is evident that growth rate alone is not a sufficient tool for poverty reduction. Therefore, it is necessary to device an appropriate pro-poor growth theory that would more sound with the growth rate of the countries. This study proposed a new pro-poor growth theory, called 'poverty intensive curve' rather than 'poverty growth curve' by Son.<sup>14</sup> The major chunks of this pro-poor growth theory are as follows i.e., Poverty -based countries have a slow or weaker growth base, while using the estimates of per capita income for measuring pro-poor growth for these countries have may not presented the correct picture of pro-poor growth reforms held in a countries, as per authors' believe. Poverty intensive curve would allowed to re-correct the per capita income specification in the pro-poor growth agenda i.e., growth elasticity of poverty should be substitute with the square of the growth elasticity of poverty.

It should serve two main purposes i.e., it would reduce the sudden jumps of growth rates by some unexpected structural adjustments in a countries, while lower growth rate should be adjusted for future policy dimensions that would designed more pro-poor and pro-growth for the countries. Secondly, inequality elasticity of poverty substituted by square of inequality elasticity of poverty (as the name implies i.e., 'poverty intensive curve') that would allow to access the intensification of inequitable income distribution in the countries. Thirdly, it includes social expenditures related to poverty that would provide more social

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adjustments for achieving the pro-poor growth framework. Finally, the series of residual for poverty, growth, inequality and social expenditures should be used as a regress or to examine the policy lags for the countries. The study perceived that 'Poverty intensive curve' would be the better measure for pro-poor growth rather than conventional pro-poor growth index available in the previous literatures. The study opens the debate on 'poverty intensive curve' for measuring pro-poor growth for poverty-associated countries and advice for long-term sustained policy framework for poor's to live better and prosperous against the unwanted war of hunger and thrust. This debate is open for discussion.

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## Conflicts of interest

The author declares that there are no conflicts of interest.

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