

Referee report on “On Various Ways of Measuring Pro-Poor Growth”

This paper does a very fine job of reviewing various ways of looking at pro-poor growth. Thus, to start with it makes its initial contribution as an excellent review article.

Certain paragraphs are unnecessary. There is no need to discuss pro-poor growth measured on the basis of non-income criteria (paragraph 2 of the introduction needs to be deleted), or the the inadequacies left by not following specific individuals over time. The space constraints in a journal need to be respected.

Measuring pro-poor growth on the basis of a poverty line based on relative incomes (for example, considering the poverty line as half the median level of income) is a good idea though the specific choice in this regard needs to be rationalised by the authors (can we use this poverty line level of income as a benchmark for the lower middle class?)

It also needs to be noted that as a result what we have is an endogenous measure of pro-poor growth and not an exogenous one -- this mis-perception needs to be corrected by the authors. Note that "50 percent of the median level of income" is a function of the per capita income.

The empirical conclusions about Israel are not earth shattering. However, they do highlight the impracticality of the GIC as a tool of pro-poor growth. To conclude that growth would be pro-poor only if the GIC is always above the positive axis everywhere is asking for conditions which would be rarely seen -- if I consider all percentiles, from the 0th to the 40th in ascending order of come, the chance that one of them has suffered a negative growth of income is substantial. Aggregative measures of rates of growth (average of the rate of growth over the entire poor population or the difference between the poverty equivalent rate of growth of population and the actual growth rate of population seem to be much more practical ways of evaluating the pro-poor nature of growth).