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Multidimensional Poverty in Arab Countries:

Proposed New Regional MPI and Policy Implications

Economic and Social Commission for Western Asia



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ESCWA

Khalid Abu Ismail

Economic Development and Integration Division

Outline

1- Arab MPI and how it differs from the Global MPI

2- Main Results

3- Conclusions and Policy Considerations

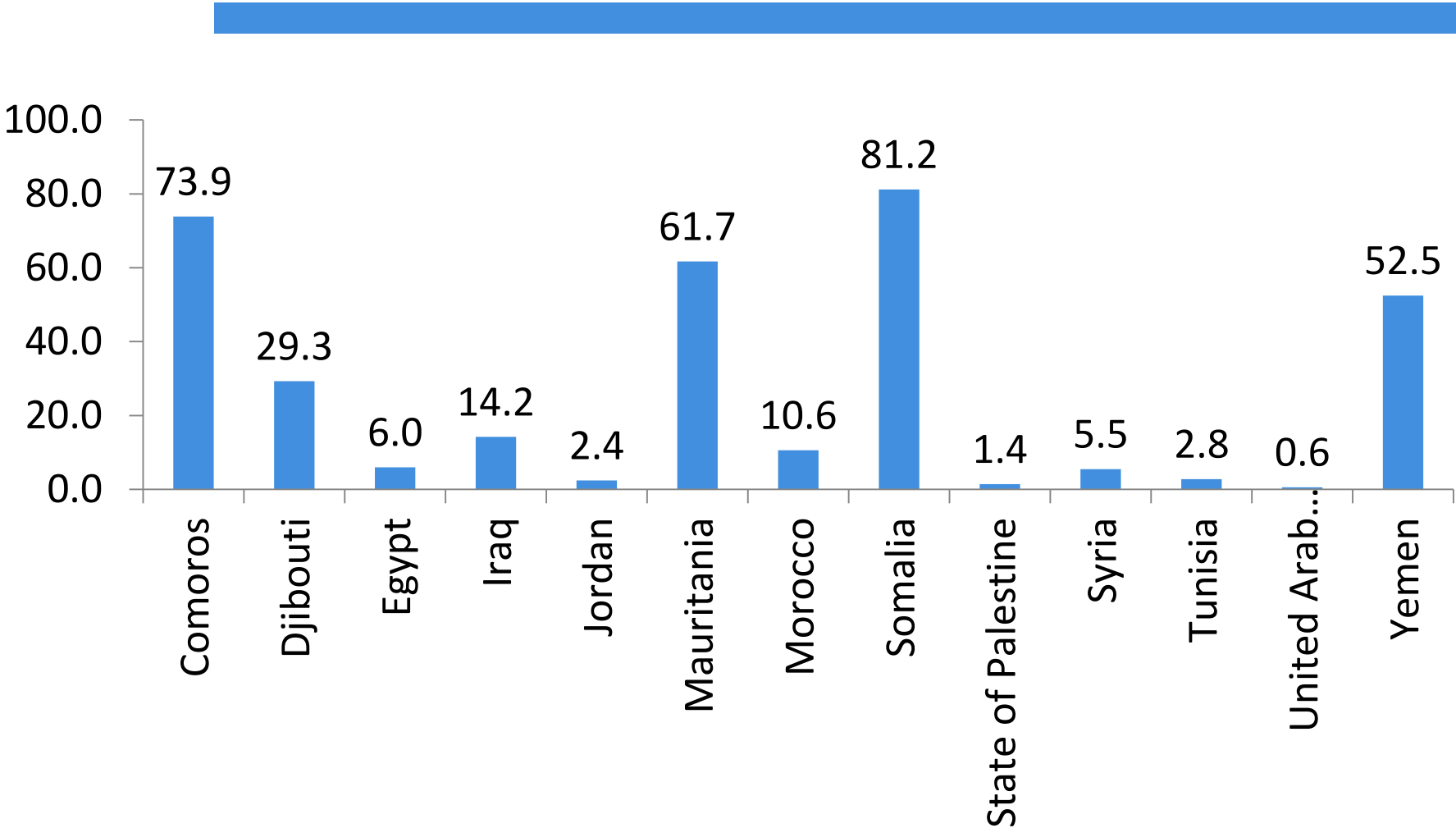
Global MPI as a basis

- The Global MPI chooses 3 main dimensions of poverty Education, Health, and Living standards – with 10 indicators (Alkire and Santos, 2014).
- Monitors household deprivation in more than 100 countries and is regularly published by the Human Development Report of UNDP.

MPI Dimensions, Indicators and Weights

	Indicator	Global MPI	Weight
Education	Years of Schooling	No household member aged 10 years or older has completed five years of schooling.	(1/6)
	School Attendance	Any school-aged child is not attending school up to the age at which he/she would complete class 8.	(1/6)
Health	Child Mortality	Any child death reported by eligible mothers during the five-year period preceding the survey, irrespective of the age of the child.	(1/6)
	Child Nutrition	Any adult under 70 years of age, or any child for whom there is nutritional information is undernourished in terms of weight for age	(1/6)
Living Conditions	Electricity	Household has no electricity	(1/18)
	Sanitation	The household's sanitation facility is not improved (according to MDG guidelines), or it is improved but shared with other households	(1/18)
	Water	The household does not have access to improved drinking water (according to MDG guidelines) or safe drinking water is at least a 30-minute walk from home, roundtrip.	(1/18)
	Floor/Roof	The household has a dirt, sand, dung or 'other' (unspecified) type of floor.	(1/18)
	Cooking Fuel	The household cooks with dung, wood or charcoal.	(1/18)
	Assets	The household does not own more than one radio, TV, telephone, bicycle, motorbike or refrigerator and does not own a car or truck.	(1/18)

Global MPI results for Arab States (most recent)



Tailoring the MPI to the Arab region

- The Global MPI is designed to capture extreme forms of deprivation, which may overlook the more moderate (but still worrying) forms of poverty prevalent in most countries in the Arab region.
- Two levels of multidimensional poverty are considered to capture the kind of poverty found in the Arab region:
 - Acute poverty
 - Poverty (with more stringent definitions to capture the more moderate forms of poverty)

Process, Process, Process!

- Started More than 3 years ago with a technical paper.
- 3 EGMs and regional consultations with our poverty network
- Proposal to PC with methodology discussed and accepted.
- Methodology presented at Amman meeting to MCs, global and regional experts including option to drop comparability with global MPI.
- Agreement to construct the Arab MPI with 3 added indicators.
- Statistical team computing results (in house contribution for the first time) for HH and Child poverty.
- Report presented to High-Level Technical Meeting (Cairo, May 2017)
- Report endorsed by the LAS Ministerial Council.

Methodology (Step 1): Add region-specific indicators to MPI

Female Genital Mutilation/ Early Pregnancy

- The prevalence of early pregnancy and FGM deeply affects the lives and health status of women in several countries in the Arab world.
- Early pregnancy causing complication at childbirth is a major factor behind death among adolescent girls (15-19) in the region.
- FGM is still practiced on a large scale in many Arab countries (e.g. 87% of women in the age group 15-29 in Egypt report FGM)
- FGM has serious health implications and is considered a violation of human rights

Overcrowding

- Overcrowding has become a major factor in deprivation in the context of rising real estate and housing prices in several countries in the region, along with rapid population growth and migration into a few cities
- Overcrowding is associated with health risks and a crowded dwelling threatens the functioning of its dwellers
- If more than 4 persons share one sleeping room, the HH is considered deprived in acute poverty; if more than 3 persons it is deprived in the more moderate poverty index

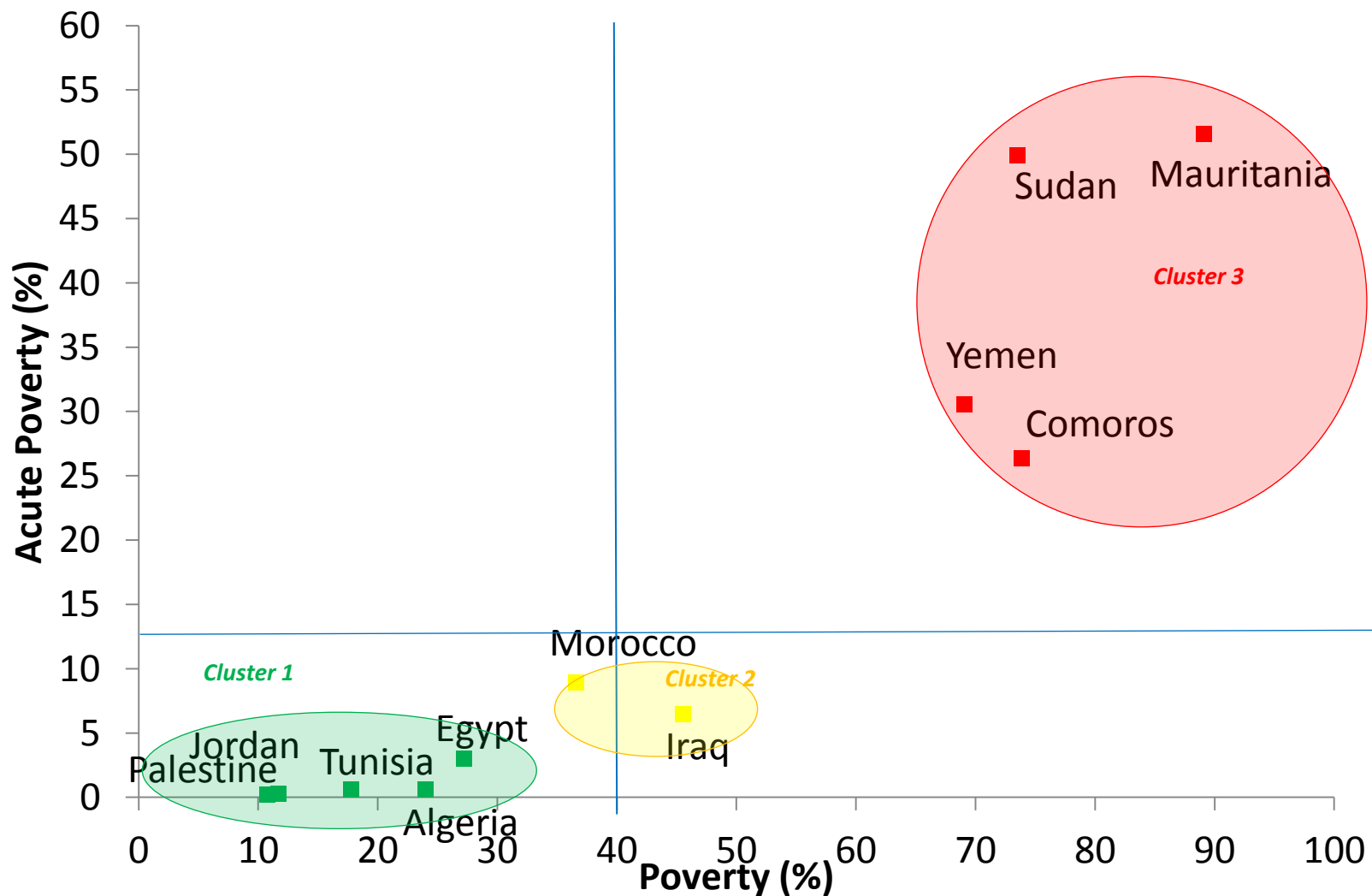
Methodology (Step 2): Adjust thresholds

Dimension	Indicator	Acute Poverty Deprived If	Poverty Deprived if	Weight
Education	Years of Schooling	No household member has completed primary schooling.	No household member has completed secondary schooling.	1/6
	School Attendance	Any child of primary school age is not attending school.	Any school-age child is not attending school or is 2 years or more behind the right school grade.	1/6
Health	Child Mortality	Any child less than 60 months has died in the family during the 59 months prior to the survey.	Same as MPI1	1/9
	Child Nutrition	Any child (0-59 months) is stunted (height for age < -2) or any adult is malnourished (BMI < 18.5).	Any child (0-59 months) is stunted (height for age < -2) or any child is wasted (weight for height < -2) or any adult is malnourished (BMI < 18.5).	1/9
	FGM/Early Pregnancy	A woman less than 28 years old got her first pregnancy before 18 years old and has undergone a female genital mutilation (FGM).	A woman less than 28 years old got her first pregnancy before 18 years old or has undergone a female genital mutilation (FGM).	1/9
Living standards	Electricity	Household has no electricity.	Same as MPI1	1/21
	Sanitation	Household sanitation is not improved, according to MDG guidelines, or it is improved but shared with other household.	Same as MPI1	1/21
	Water	Household does not have access to safe drinking water, according to MDG guidelines, or safe drinking water is 30-minutes roundtrip walk or more away from home.	Household does not have piped water into dwelling or yard.	1/21
	Floor/Roof	Floor is earth, sand, dung or roof is not available or made of thatch, palm leaf or sod	Floor is earth, sand, dung, rudimentary (woodplanks/bamboo/reeds/grass/canes), cement floor (not slab or tiles/asphalt strips) or roof is not available or made of thatch, palm leaf, sod, rustic mat, palm, bamboo, wood plank, cardboard.	1/21
	Cooking Fuel	Household cooks with solid fuels: wood, charcoal, crop residues or dung or no food is cooked in the household.	Household cooks with solid fuels: wood, charcoal, crop residues or dung or no food is cooked in the household or does not have a separate room for cooking.	1/21
	Overcrowding	Household has 4 or more people per sleeping room.	Household has 3 or more people per sleeping room.	1/21
	Assets	Household has not access to information or has access to information but cannot use it.	Household has less than two assets for accessing information, the radio, the television, the mobile phone, the internet.	1/21

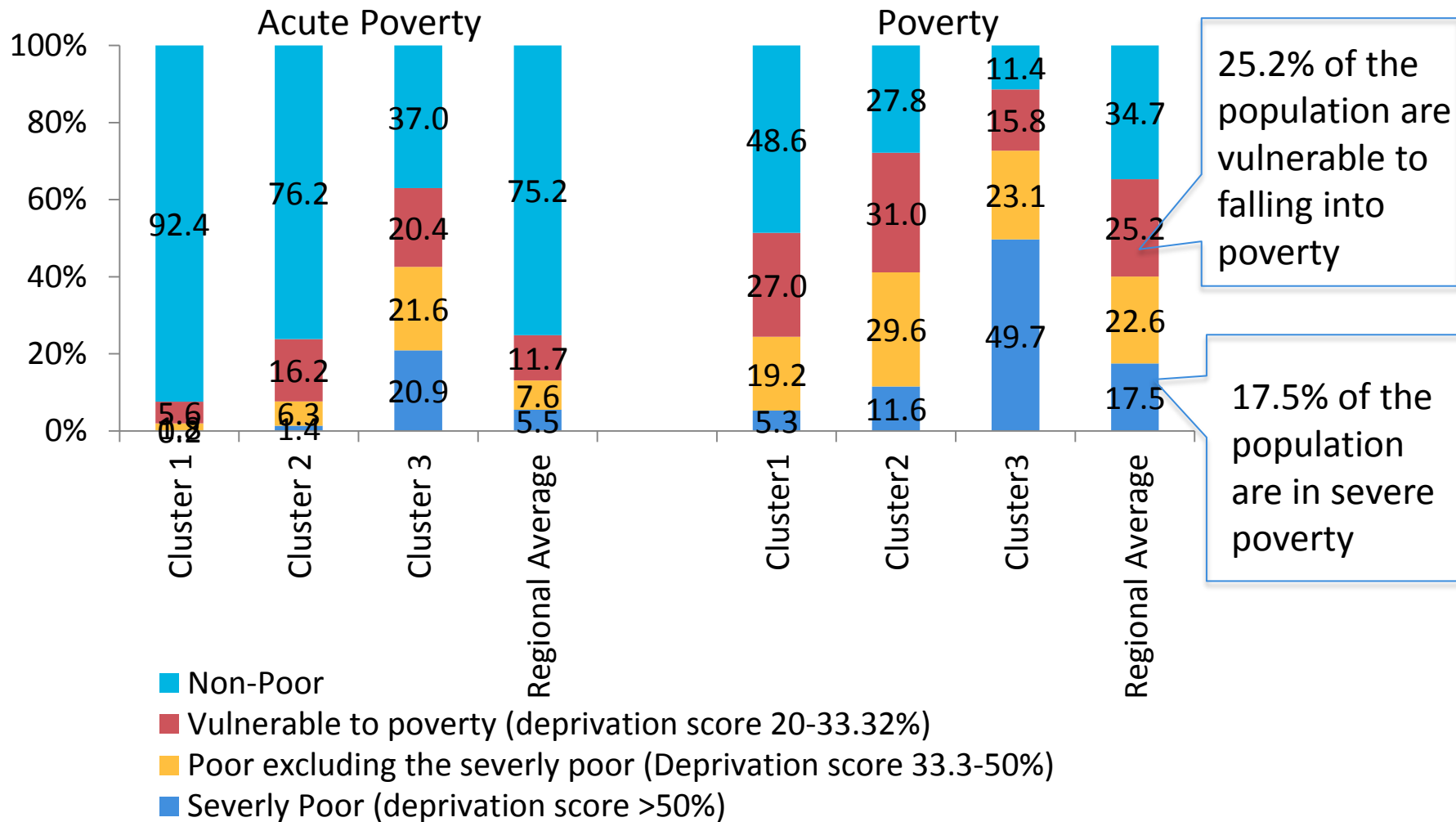
Coverage and data sources

- We apply these new indices to 11 Arab countries for which recent data are available: Algeria, Comoros, Egypt, Iraq, Jordan, Morocco, Mauritania, Palestine, Sudan, Tunisia and Yemen
- These countries make up over 90% of the population of non-Gulf Cooperation Countries (GCC) Arab countries.
- Data sources: DHS/MICS/MICS (2011-2014)

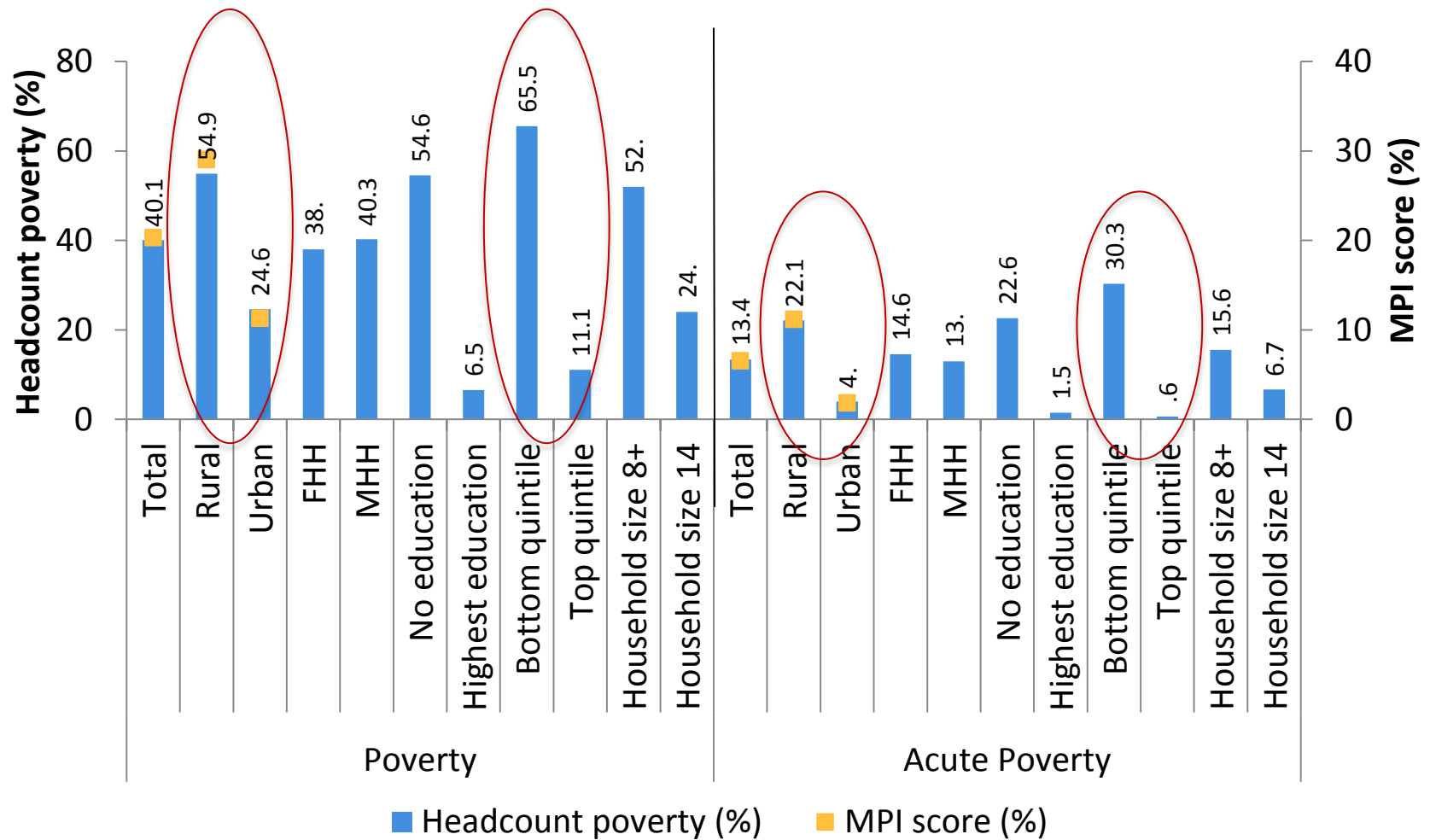
Household poverty is more widespread than we think affecting 4 in 10 HHs



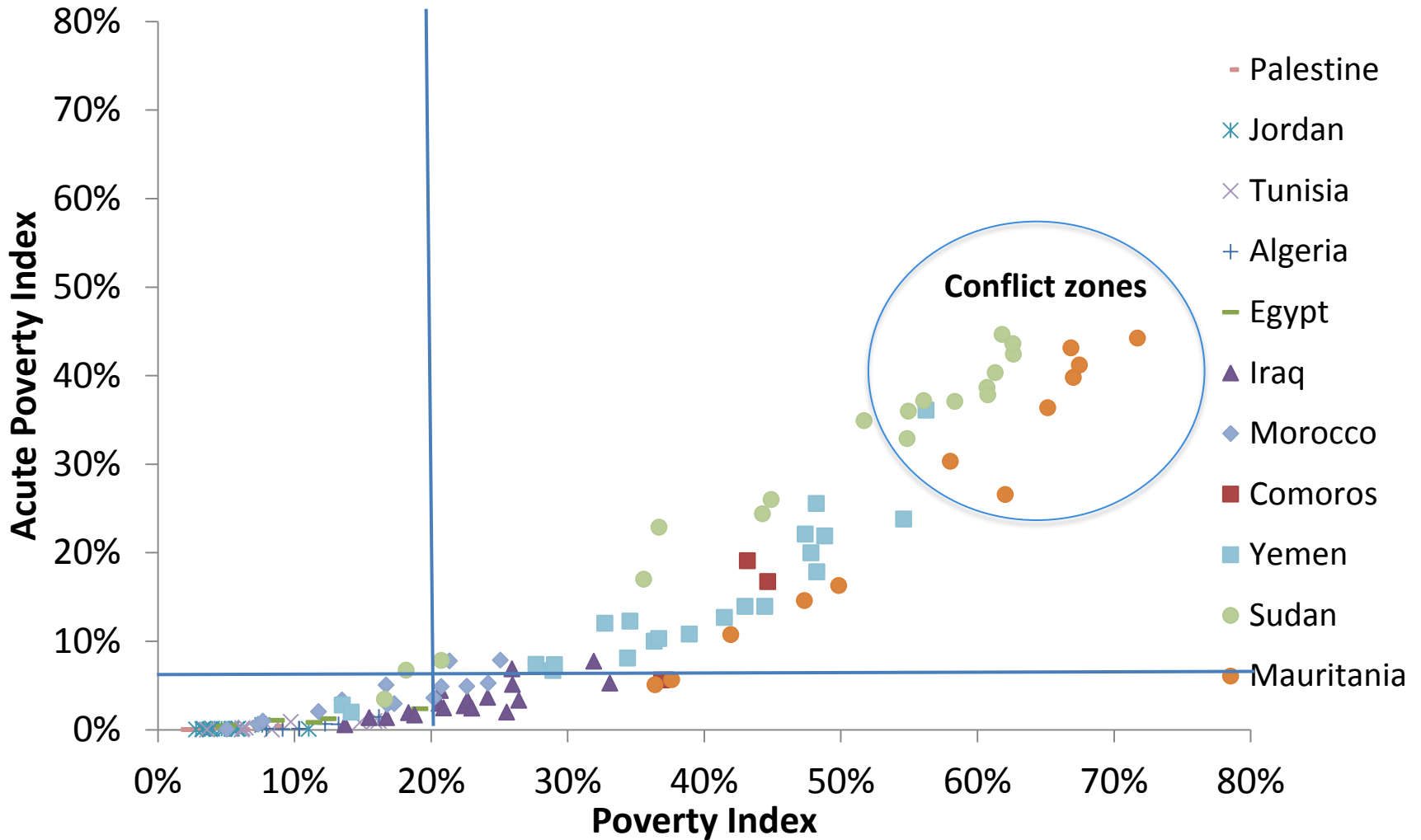
Vulnerability to HH Poverty is high in MICs and severity high in LDCs



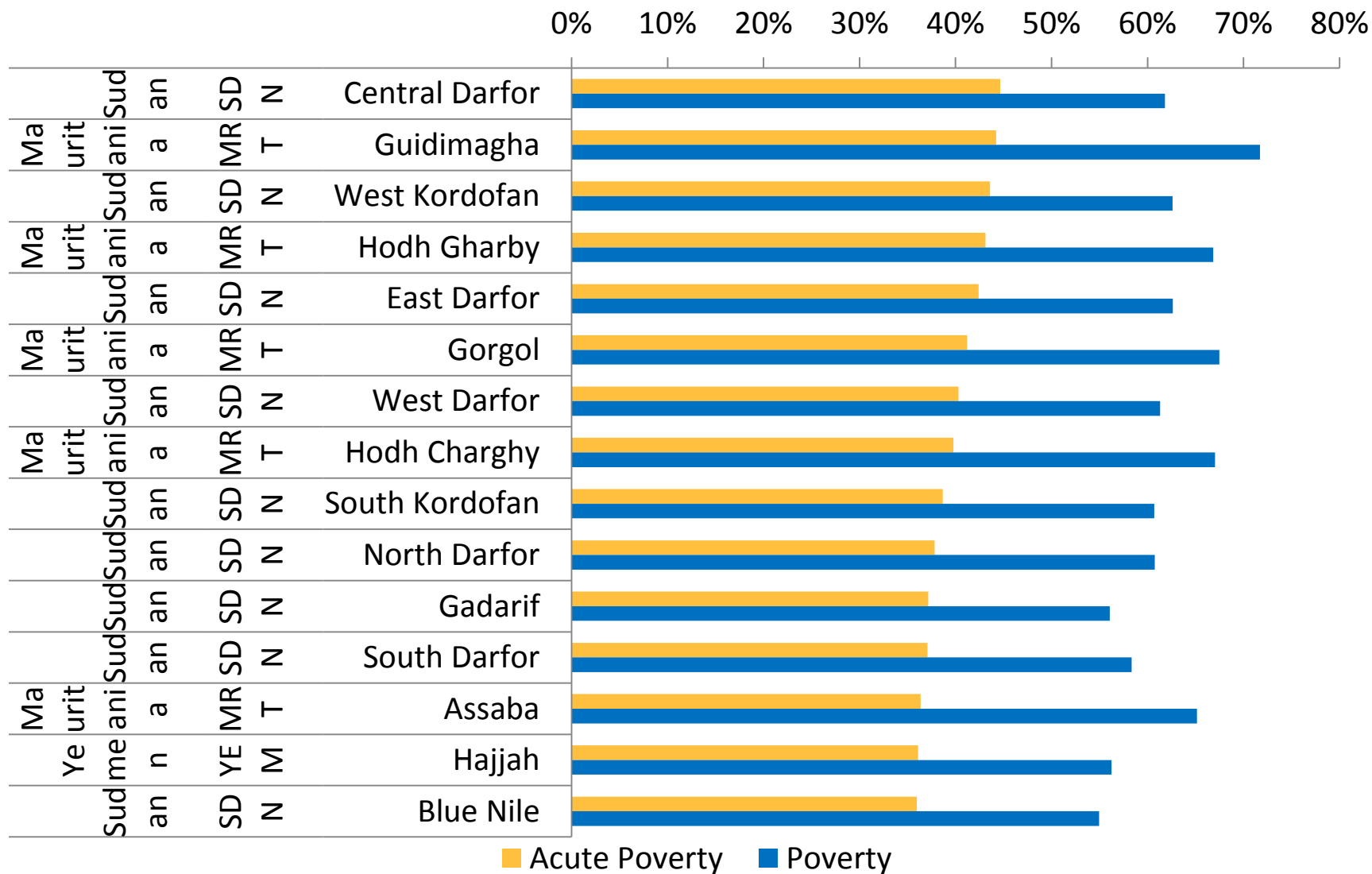
High inequality in deprivation across household characteristics



Poorest cluster 1&2 sub-regions are still better off than the least deprived cluster 3 sub-region

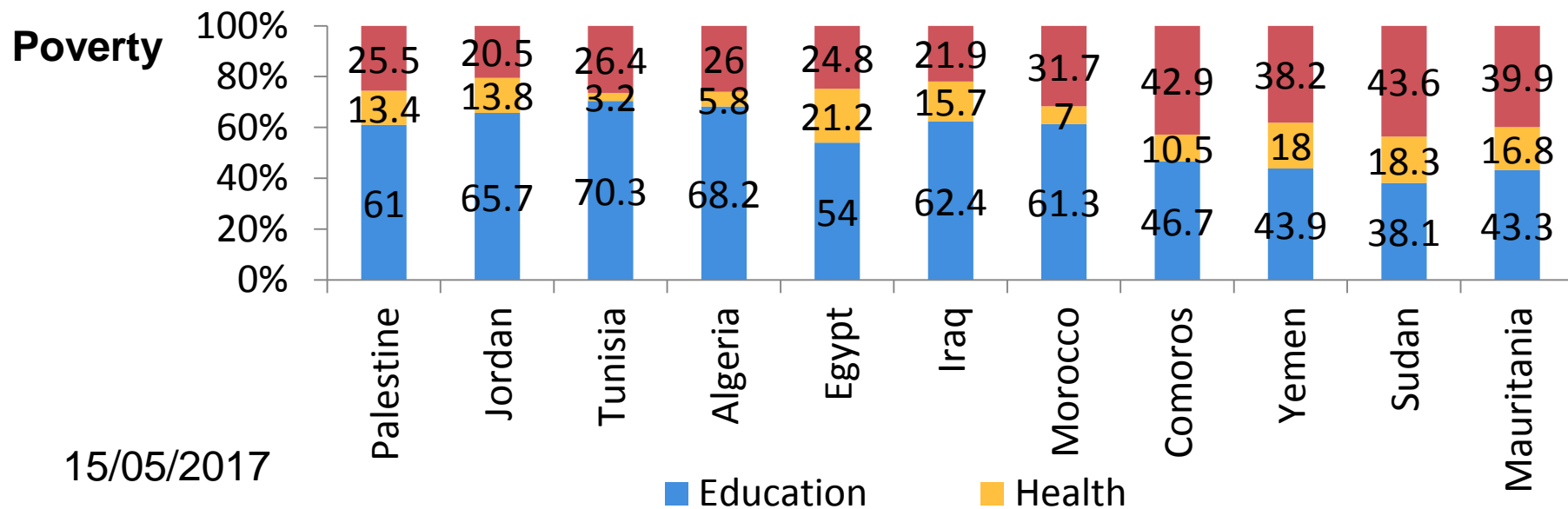
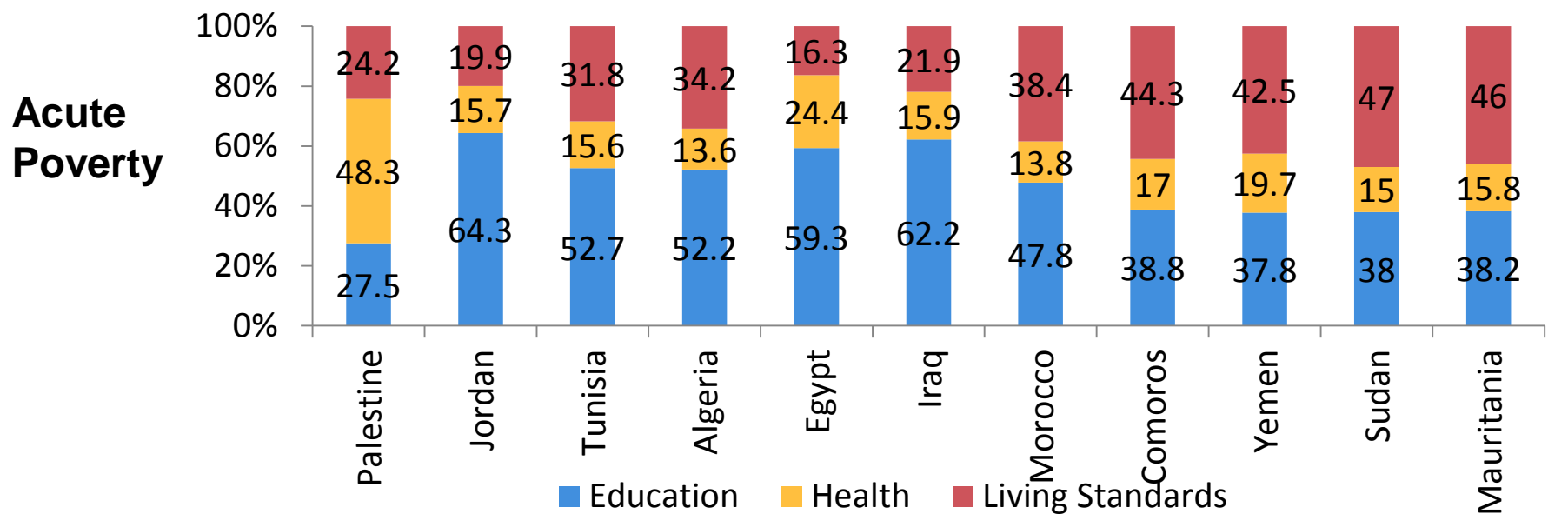


Most of these sub-regions are in 2 countries only



15/05/2017

Education is also main channel of poverty even in LDCs



15/05/2017

2 Main Conclusions

- MP more powerful in depicting various facets of deprivation and their overlap and thus is more relevant, especially for social policy interventions.
- Poverty and Inequality story is very different especially for latter. MP reveals strikingly higher inequalities.

Definitely, we need more effective social policies

- Address gaps in education
- Reform and expand social protection systems
- Address food security needs and rural development

Regional interventions for the Ultra Poor

Activate the Arab food security emergency programme launched by the AofAD with 14.3 USD Billion in 2016 commitments and expected to rise to 31.5 Billion by 2031.

Targeted support to poorest sub-regions regions as a basis for the forthcoming Arab Poverty Reduction Strategy (focus on 1000 poorest villages)

We also need better statistics and capacity building on poverty measurement

1. MP more powerful in depicting different facets of deprivation and their overlap. It is the future of poverty measurement but best approach (Mexico is to combine both for same HHs).
2. In any case there is a dire need to significantly improve statistics and analytical capacities for poverty monitoring is needed in ACs. *We suggest an Arab Poverty and Inequality Center (ESCWA-OPHI, LAS)*

But these policies will not work unless root causes of poverty/conflict are addressed

Arab Vision 2030 Report calls for major change across the board:

1. Peace and stability
2. Governance
3. Structural transformation
4. Inclusive development
5. Regional integration

Finally.. The cost of BAU is high

- Since vulnerability is high (both MM and Multidimensional) poverty in ACs today will be higher, whichever way it is measured since most of our surveys were for 2011-14.
- Conflict, especially after 2011, has had devastating impact on Yemen, Libya, Syria and Iraq (2007-2012 saw a decline in average schooling for children in Iraq and Yemen) especially in areas of high intensity of conflict.

Thank you



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