

Revisiting the Arab Multidimensional Poverty Index

Economic and Social Commission for Western Asia



UNITED NATIONS

الاستسقا

ESCWA

Khalid Abu-Ismaïl

Economic Development and Integration Division

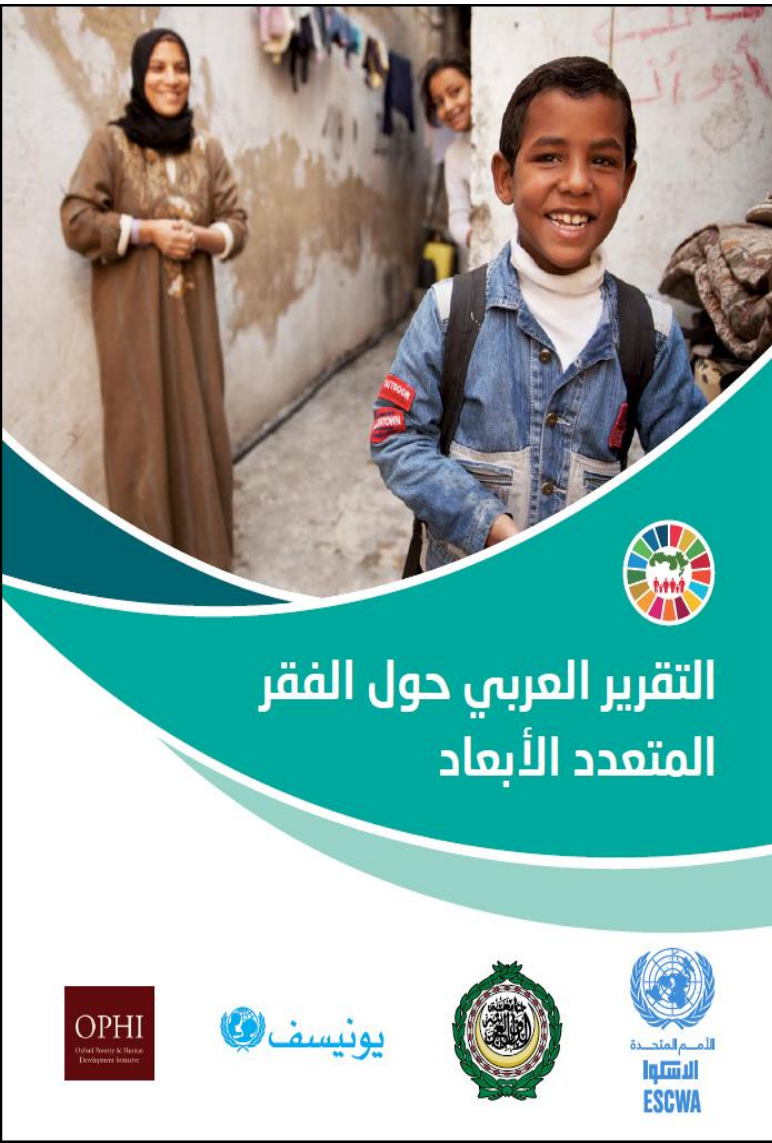
-
- 1. Current MPI**
 - 2. Revised MPI**
 - 3. Initial results**
 - 4. Reflections and Way Forward**

Why build a regional MPI?



1. **Developing a measure which is tailored to the Arab region as the global indices may overlook less severe forms of poverty that characterize many middle-income Arab countries.**
2. **Engage with countries in technical and policy discussions on multidimensional poverty.**
3. **A foundation for an evidence-based for regional interventions.**

Milestones of the report and its Impact



- More than three years of cooperation between League of Arab States (LAS), Economic and Social Commission for Western Asia (ESCWA), Oxford Poverty and Human Development Initiative (OPHI) and UNICEF
- Several working papers
- More than 200 experts and representatives
- Several Regional and global consultations at LAS in Jordan and Cairo and the Multidimensional Poverty Peer Network (MPPN) in Mexico and at experts meetings in New York (UNDESA) and Rabat (ONDH) etc.
- Endorsement of the report by the LAS ministerial council.
- **Arab Poverty reduction strategic framework based on report is approved by Arab Development Summit in 2019.**
- Basis for National MPIs in some countries

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

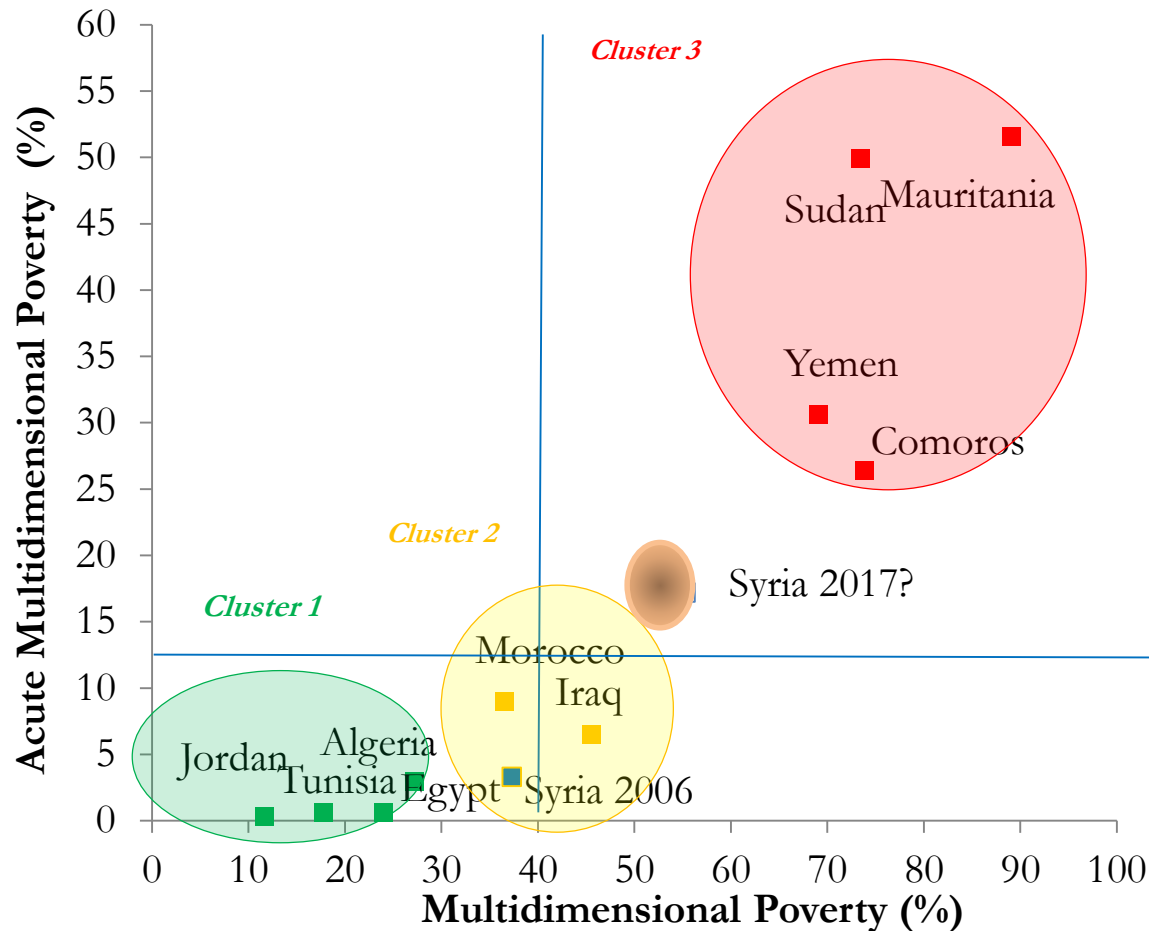
Methodology (Step 2): Adjust thresholds

Dimension	Indicator	Acutely Poor If	Poor if	WGT
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 Acute Poverty	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 Acute Poverty	1/21
	Sanitation	Household sanitation is not improved, according to MDG guidelines, or it is improved but shared with other household.	Same as Acute Poverty	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 and no access to easy mobility and no access to livelihood assets.	Household has less than two assets for accessing information, or there is more than one information asset and less than two mobility assets and less than two livelihood assets.	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, 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)

Key finding: 40.6% of households are poor and 13.4% live in acute poverty in 2011-2014

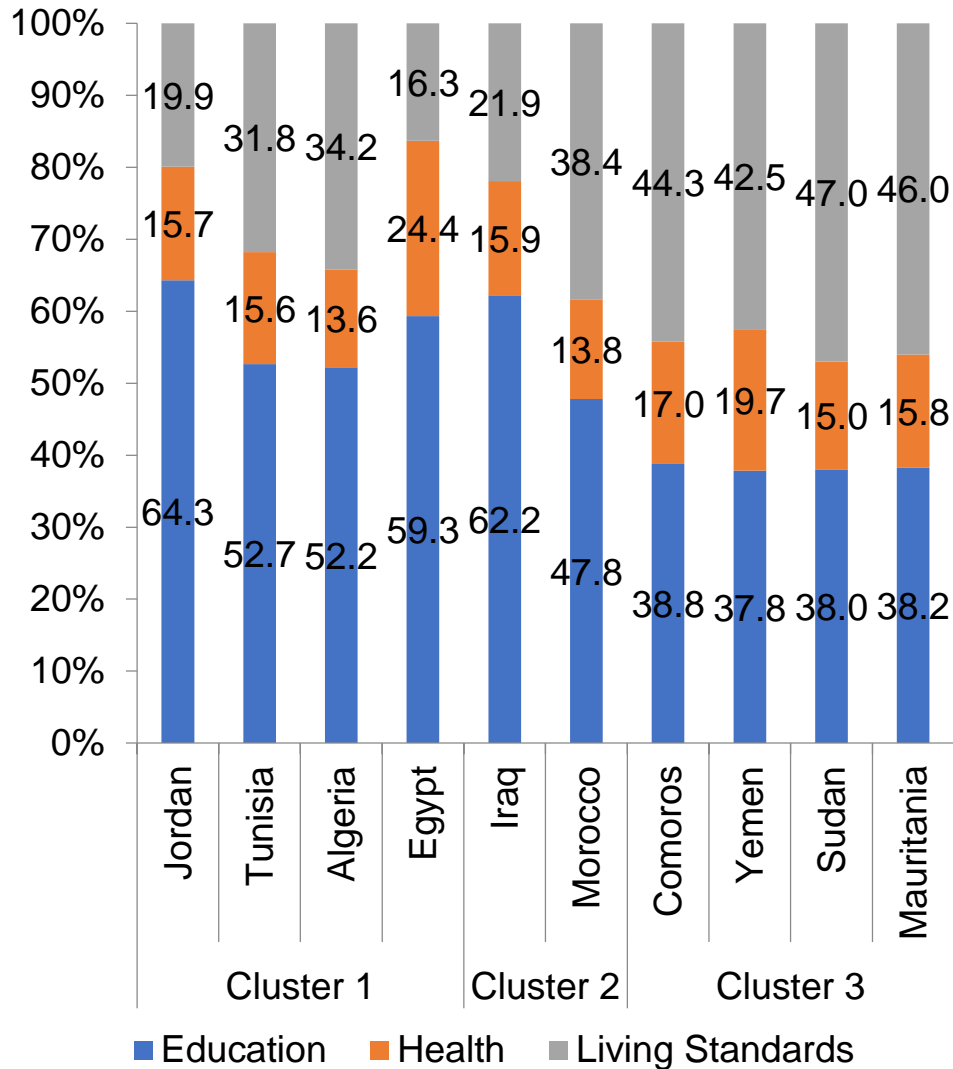


Disclaimer:
As the survey data dates back to 2011-2014, the poverty rates of some countries are expected to have increased significantly (e.g. Syria and Yemen)

Blue lines indicates weighted average of countries

Other key findings

Contribution of Dimensions



1. High disparities between spatial areas (rural/urban), between socio-economic characteristics (gender and education of head of household), between the country clusters and within the states of one country
2. Education contributes most to household poverty
3. One quarter of the population of the countries surveyed is vulnerable to poverty.

Rationale for Revised Arab MPI

- ❖ Enhance cross country comparison by excluding indicators not applicable to all countries (FGM).
- ❖ Continue engagement with a broad set of stakeholders on best methodology for poverty monitoring to achieve wider consensus.
- ❖ Improve **time comparison** and the monitoring of multidimensional poverty.

Revised Arab MPI

- ❖ The revised Arab MPI consists of four dimensions: health and nutrition, education, housing, and assets.
- ❖ The weights assigned to the four dimensions are as follows: health and nutrition with a weight of 20%, education 30%, housing 30%, and assets 20%.
- ❖ Health and nutrition includes three indicators: child mortality, stunting, and a combined child pregnancy and postnatal care.
- ❖ Education dimension includes three indicators: school enrolment and repetition, educational attainment of household head and/or spouse, and adult educational attainment in the household.
- ❖ Housing dimension includes four indicators: overcrowding, improved water, improved sanitation, and type of dwelling.

Revised Regional MPI Methodology – Health

Dimensions of Poverty (weight assigned)	Indicator	Deprived if... (weight assigned)
Health & Nutrition (weight = 20%)	Child mortality	Deprived if any child in the HH died before the age of 5 during the past 10 years (weight = 6.7%)
	Stunting	Deprived if any child under the age of 5 has moderate or severe stunting (weight = 6.7%)
	Child pregnancy and Postnatal Care	<p>Deprived in at least one of the following two indicators: Child Pregnancy: Households with women aged 15-24 who gave birth before the age of 18 OR Postnatal Care: Households with women aged 15-49 who did not receive a health check following delivery at a healthcare facility OR who delivered outside a healthcare facility but did not receive a post-natal care visit within 2 days after delivery of last birth, during the past 2 years. (weight = 6.7%)</p>

Revised Regional MPI Methodology – Education

Dimensions of Poverty (weight assigned)	Indicator	Deprived if... (weight assigned)
Education (weight = 30%)	School enrolment and progression	Any child aged 6-15 not enrolled in school OR any school child age 8-17 enrolled at two grades or more below the appropriate grade for their age (weight = 10%)
	Educational Attainment – Head and spouse	Households with head or spouse not completing basic (9 years) education (weight = 10%)
	Educational Attainment	No household member aged 19+ has completed secondary education (weight = 10%)

Revised Regional MPI Methodology – Housing

Dimensions of Poverty (weight assigned)	Indicator	Deprived if... (weight assigned)
Housing (weight = 30%)	Overcrowding	<i>More than 2 persons aged 5+ years per sleeping room (weight = 7.5%)</i>
	Improved water source	<i>The household does not have access to improved drinking water (according to MDG guidelines) (weight = 7.5%)</i>
	Improved sanitation	<i>Households with toilet not connected to piped sewer system; or shared toilet; or no toilet facility (weight = 7.5%)</i>
	Type of dwelling	<i>Deprived if housing situation fits at least one of the following conditions: (i) home has only one room; (ii) home is a place other than stand-alone house or apartment; (iii) without kitchen; (iv) non-permanent floor or non-permanent roof (weight = 7.5%)</i>

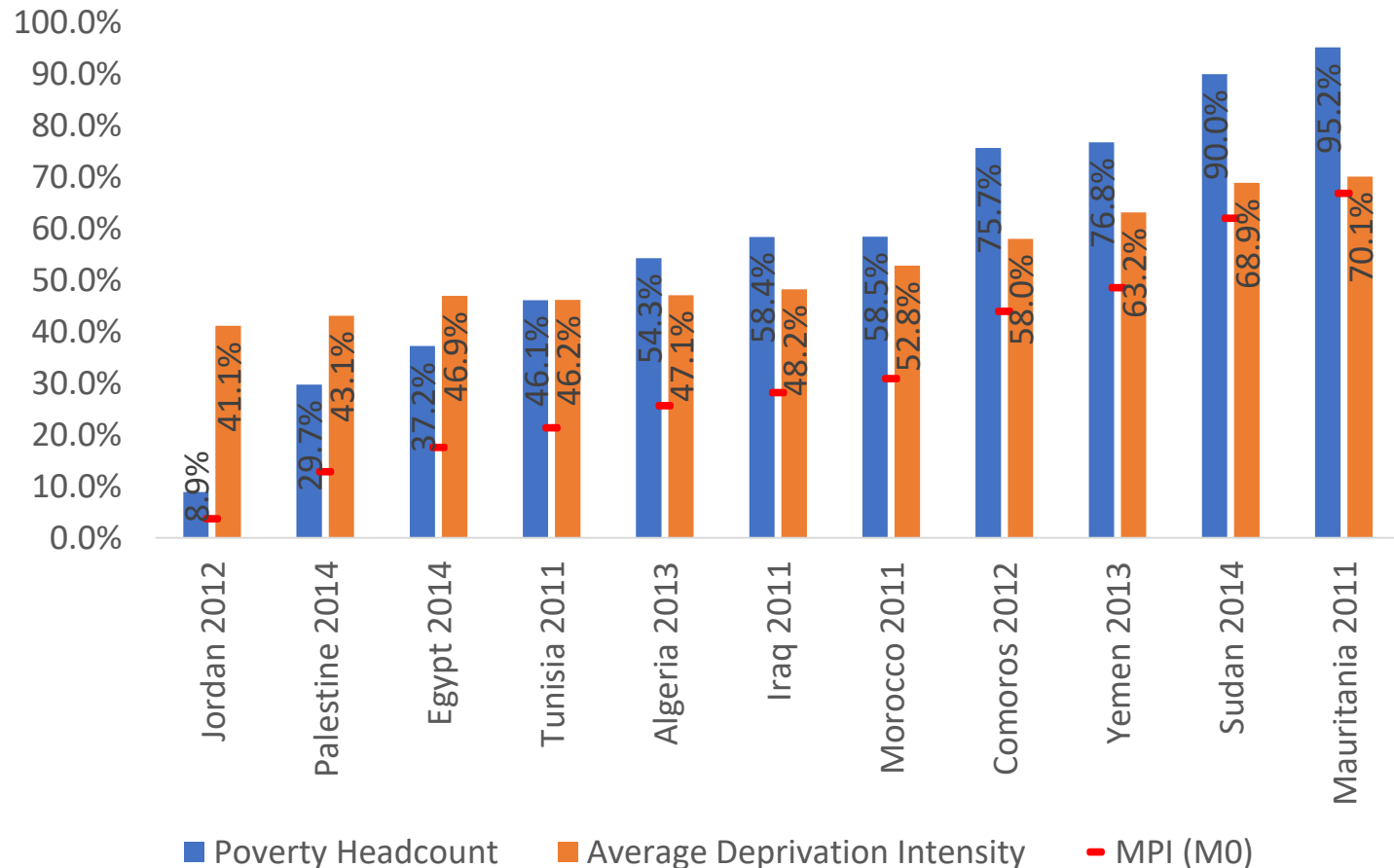
Revised Regional MPI Methodology – Assets

Dimensions of Poverty (weight assigned)	Indicator	Deprived if... (weight assigned)
Assets (weight = 20%)	Durable goods	Deprived if HH has less than half of the following durable goods: Color TV, computer, washing machine, fridge, radio, smart phone, air conditioner, satellite dish, car/truck. (weight = 20%)

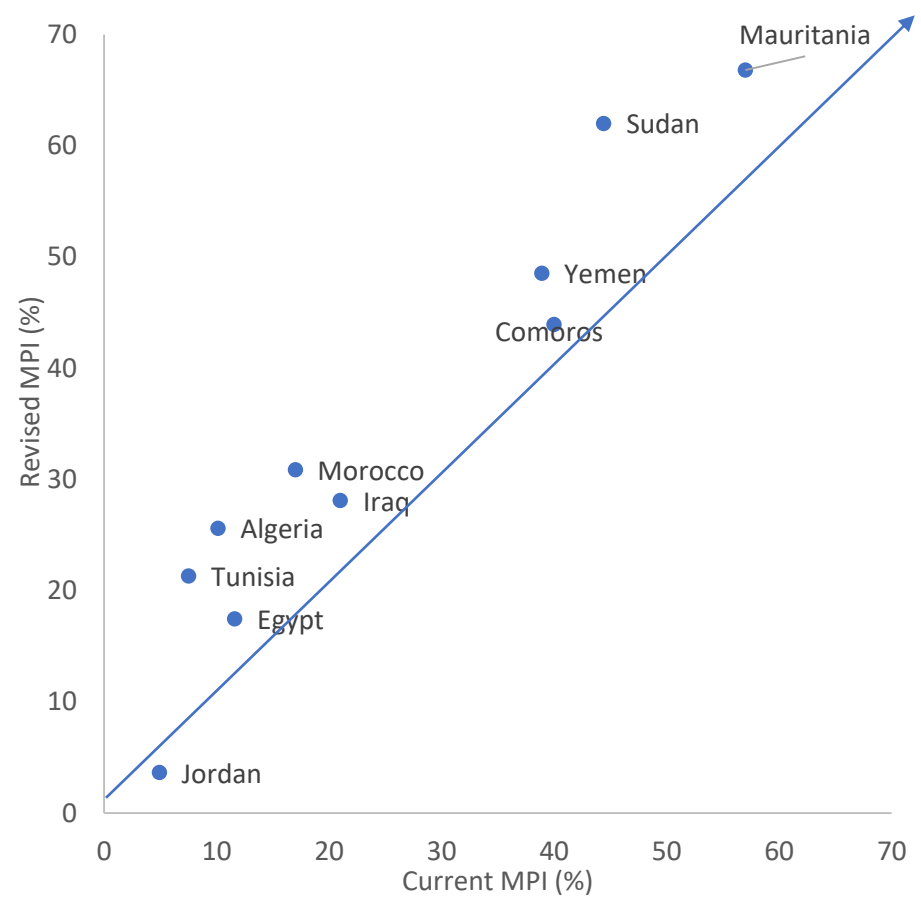
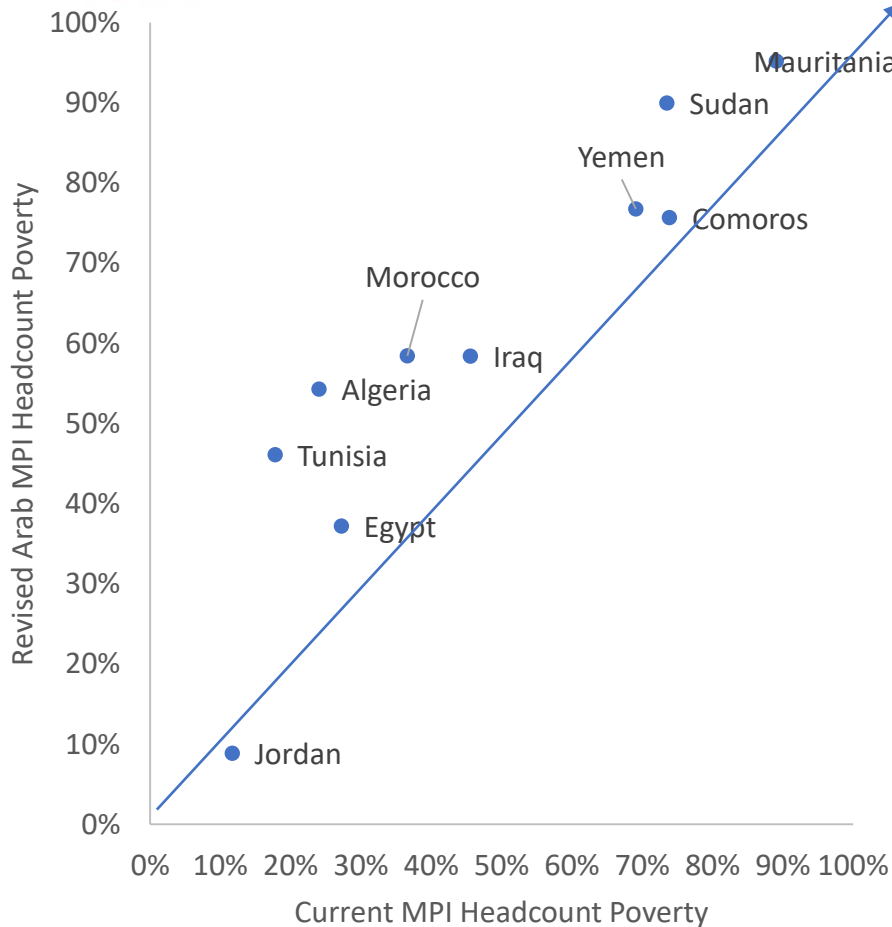
Revised Arab MPI

Poverty Headcount, Intensity, and M0

55.6% of the population suffer multidimensional poverty (population weighted average)



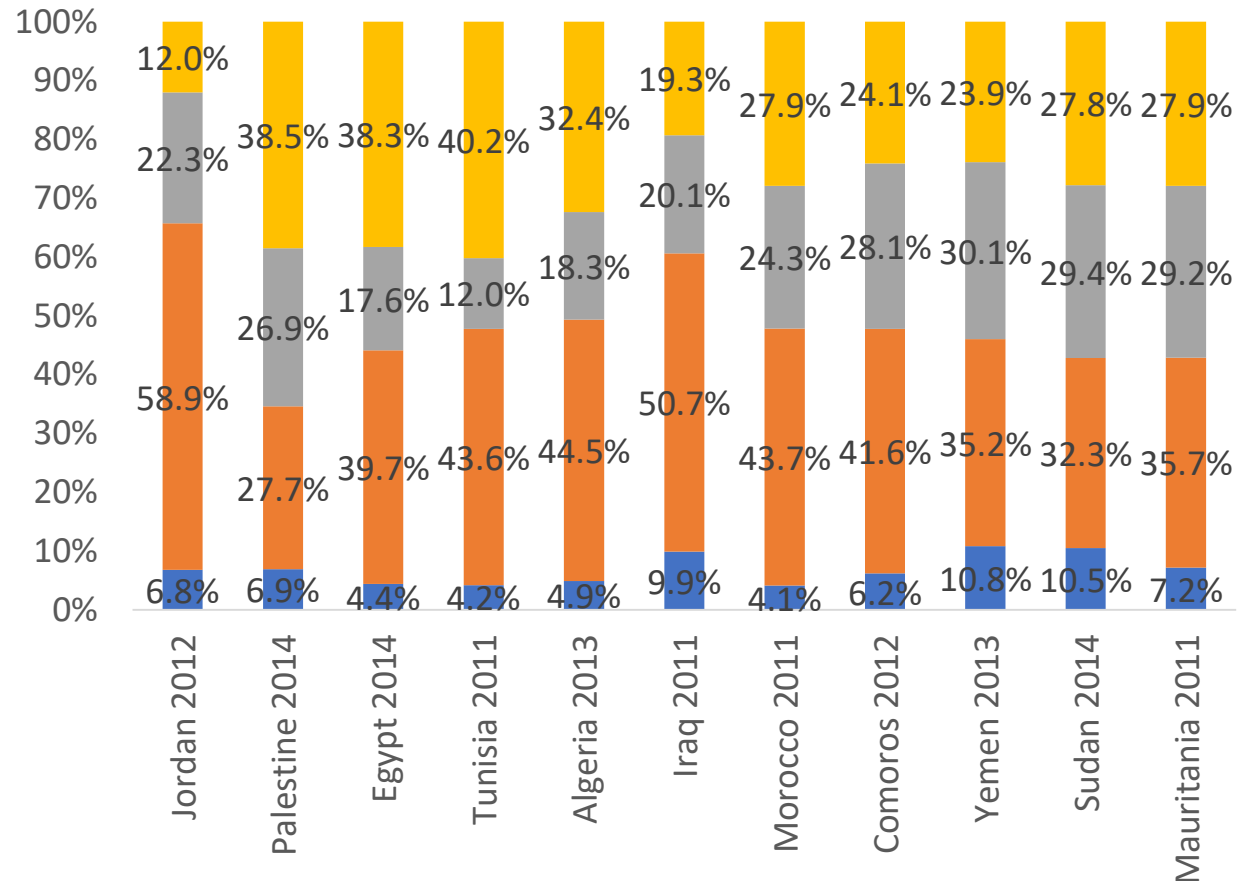
Revised vs Current Index Results for Headcount Poverty and MPI



Revised Arab MPI

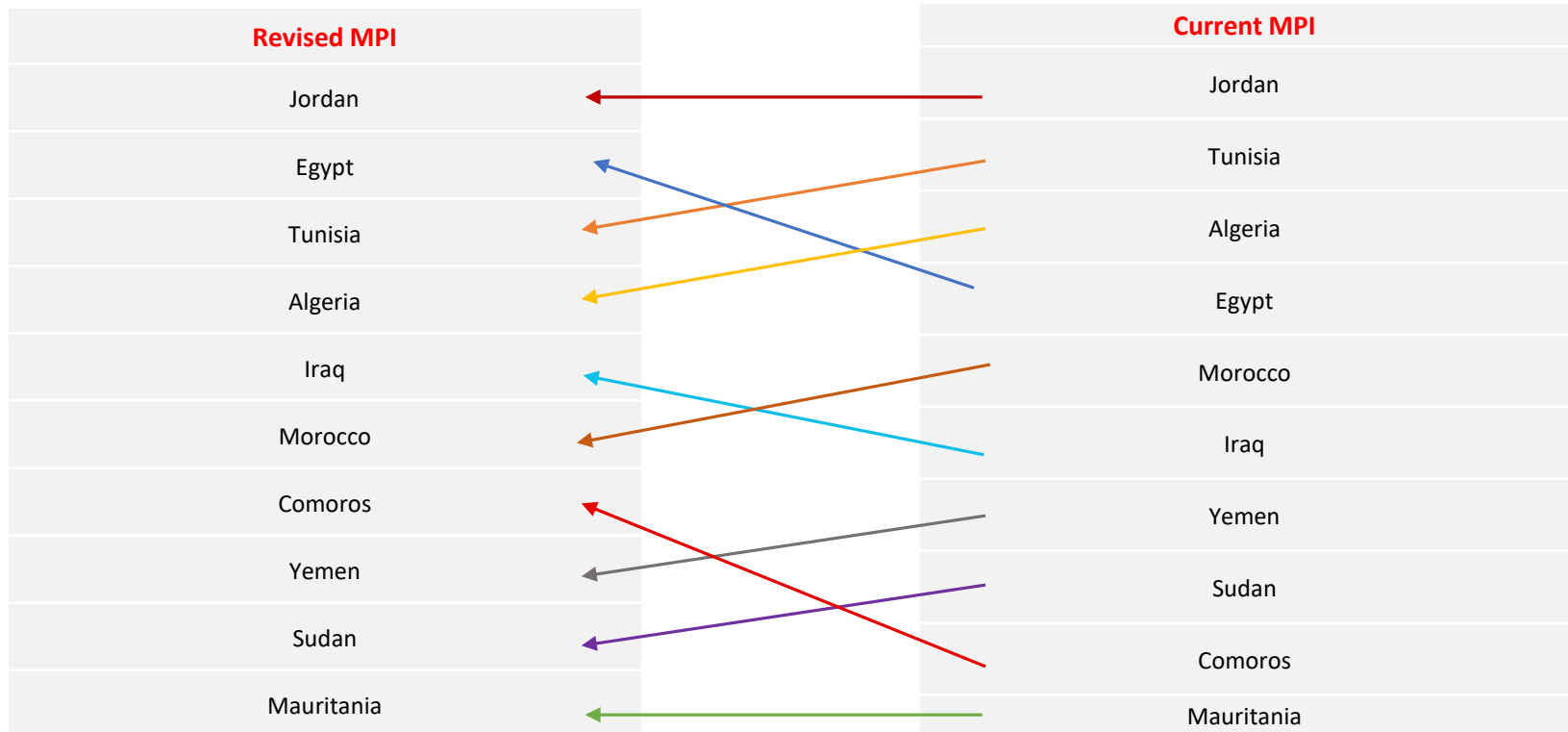
Dimensions' Contribution to M0

- Education Indicators (school enrolment, educational attainment of HH members, educational attainment of HH Head) and Assets indicator (ownership of durable goods) have the highest contribution to poverty (M0)

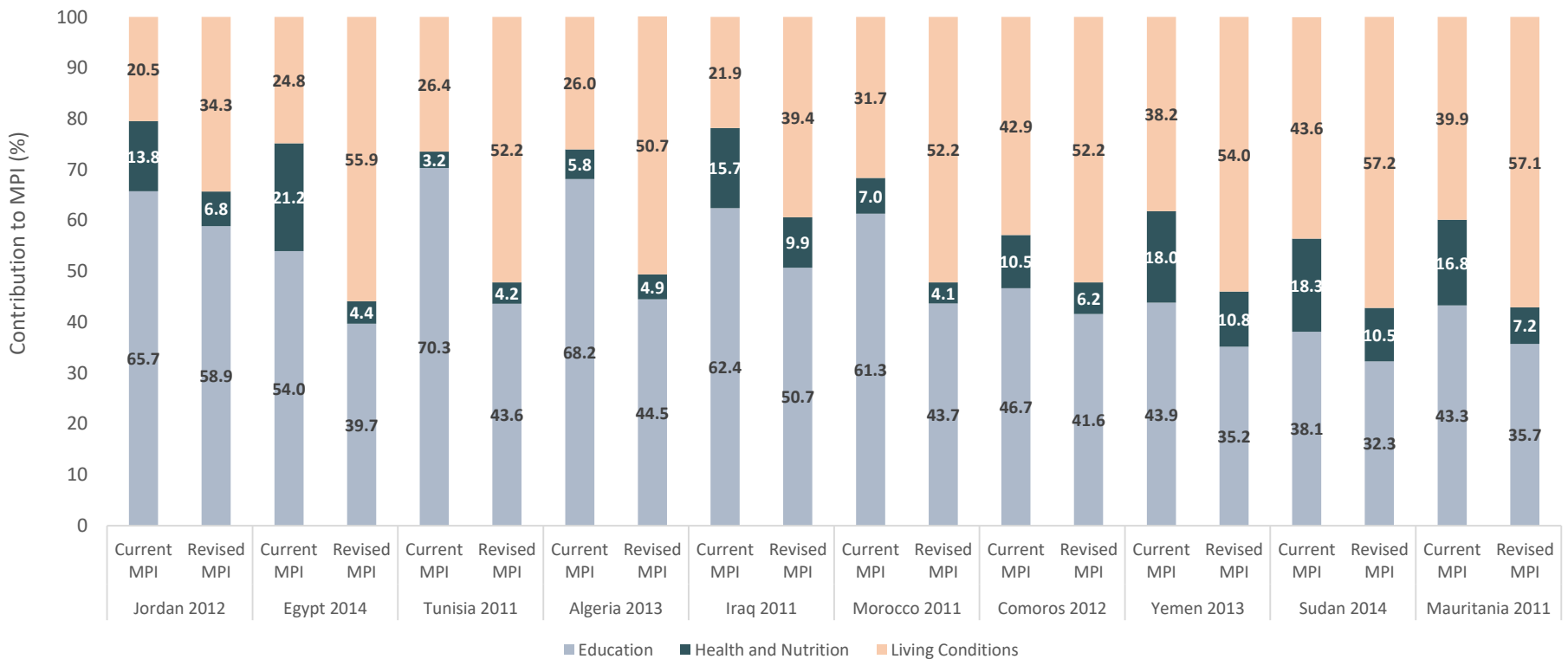


Rankings Changes by Country

Countries are ordered from lowest to highest in terms of MPI (If Palestine is included its rank drops from 1 to 2)



Changes in Dimension Rankings by Country



Note that for comparability purposes, we combine here the housing and assets dimensions of the revised MPI as the living condition dimension.

Does the new index make more sense?

- ❖ Some controversial indicators such as the FGM and cooking fuel are out.. But that does not significantly affect the results. Results are mainly affected by adding weight to assets and living conditions. ***Is this justifiable?***
- ❖ ***Biggest Adv: Time comparison is better and even more tailored to Urban Poverty and MICs.***
- ❖ ***Biggest Dis Adv: Assets may be a problem. But do we really want to depart that much from existing index which already has regional ownership and is the basis for on going country work and Arab Dev Summit decisions?***

Next steps

- ❖ More sensitivity analysis especially with the asset deprivation dimension and finalization of a technical paper by end of August.
- ❖ Peer review process and consultations with LAS/OPHI to agree on revised index by end of 2019 beginning of 2020.
- ❖ By 2020 June begin update of Arab poverty report.

THANK YOU

Economic and Social Commission for Western Asia



UNITED NATIONS

الاسكوا
ESCWA