

# Multidimensional Poverty and Inequality in the Arab Region

Economic and Social Commission for Western Asia



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Bilal Al-Kiswani (Ph.D.)  
Economic Development and Integration Division

# Outline

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- ❖ Poverty and Inequality
- ❖ Benefit Incidence of Social Protection
- ❖ Way forward



# SDG 1: End poverty in all its forms everywhere

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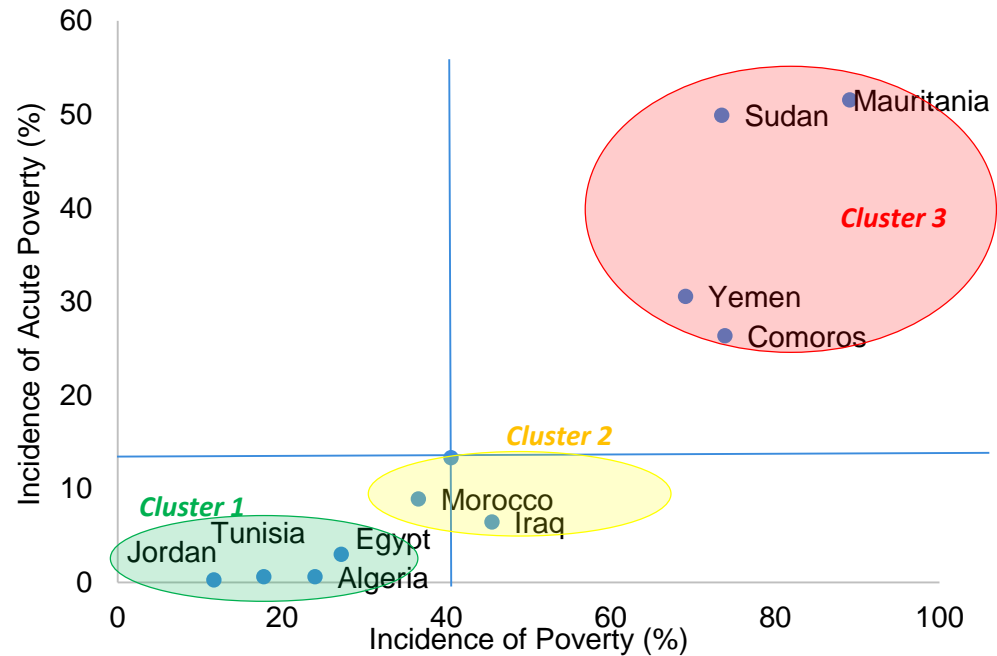
## Targets:

- 1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day
  - 1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions
  - 1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable
  - 1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance
  - 1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters
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- 1.A Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions
  - 1.B Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions

# Multidimensional Poverty Situation (1)

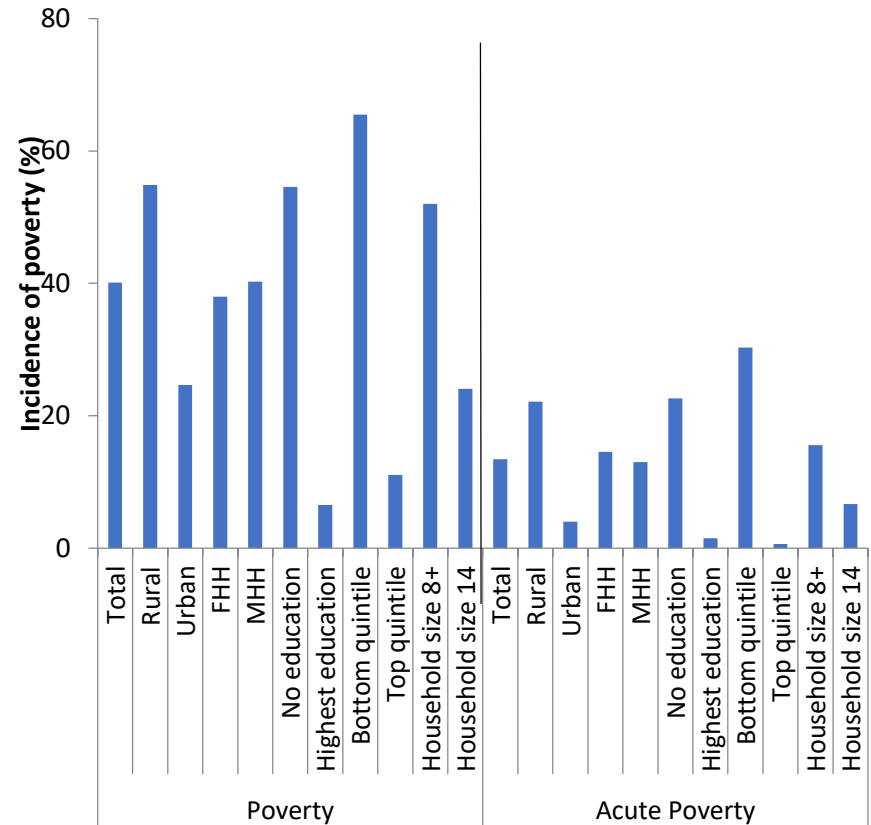
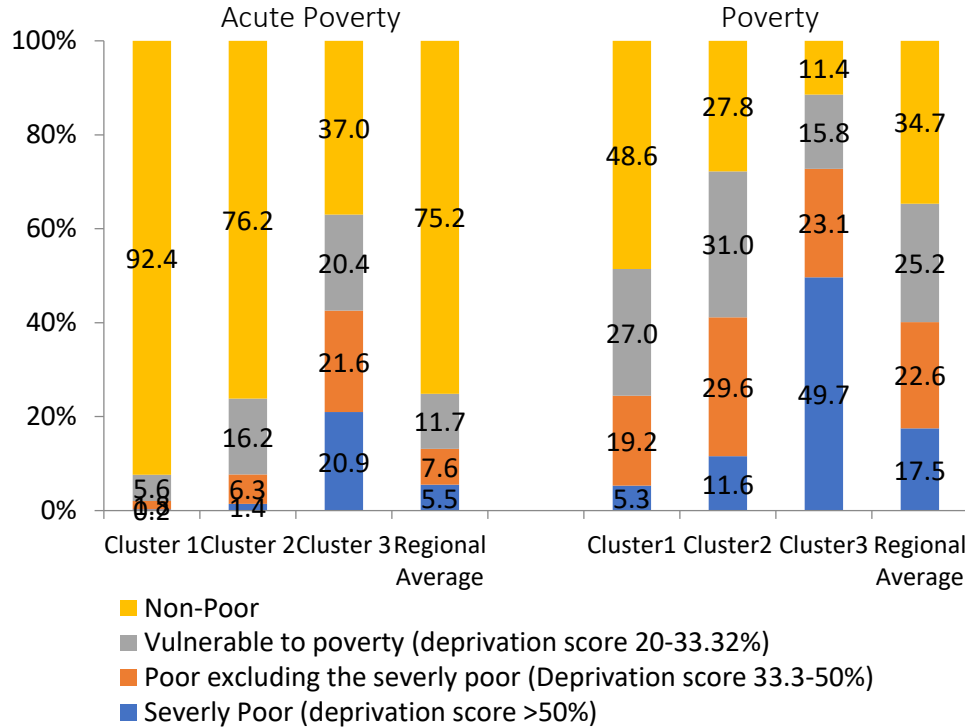
Arab Multidimensional Poverty Report (LAS, ESCWA, OPHI, UNICEF 2017) put forward an index tailored for the Arab Region to measure multidimensional poverty

40.6% of households are poor and 13.4% live in acute poverty



# Multidimensional Poverty (2)

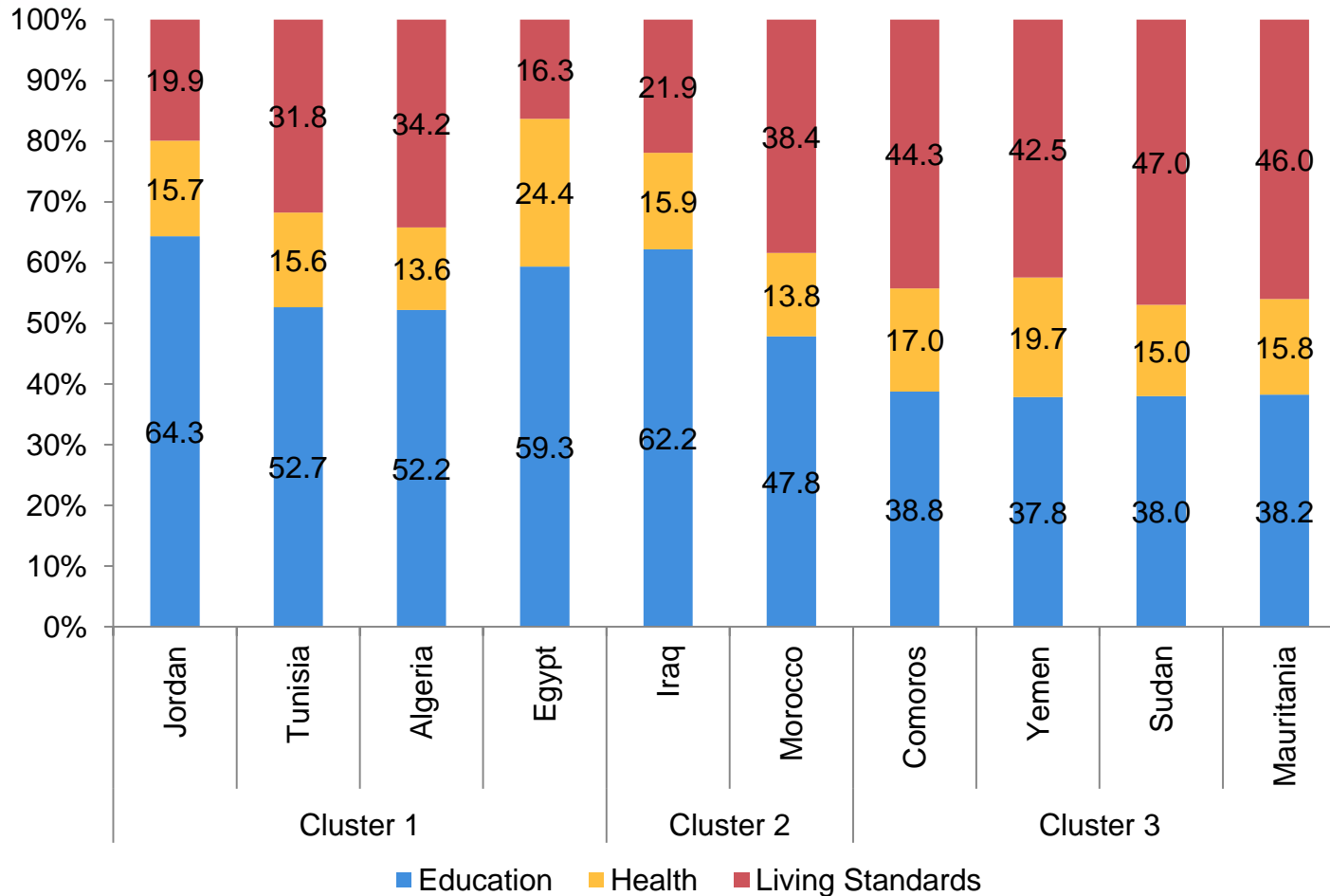
High prevalence of acute poverty in LDCs, high prevalence of vulnerability in MICs, and wide disparities and disadvantage for rural areas, households whose head has no education, and families in the bottom wealth quintile



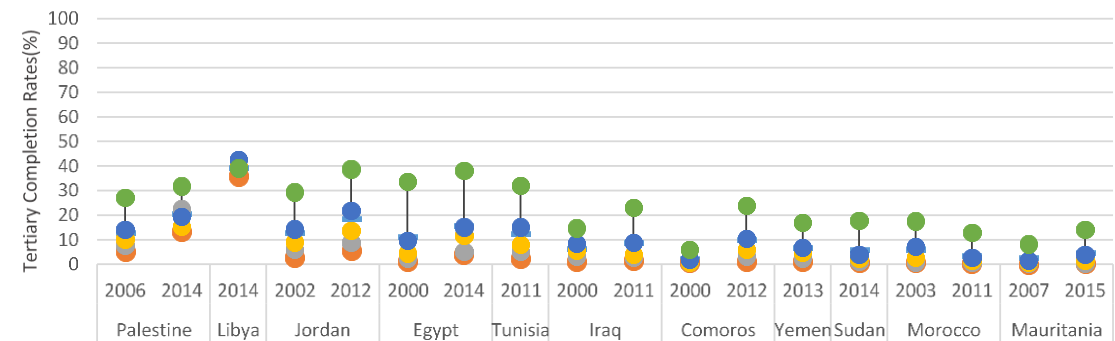
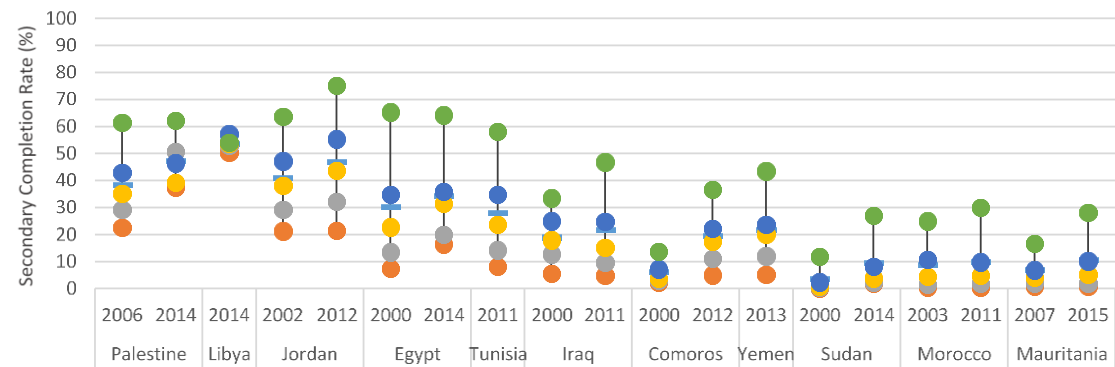
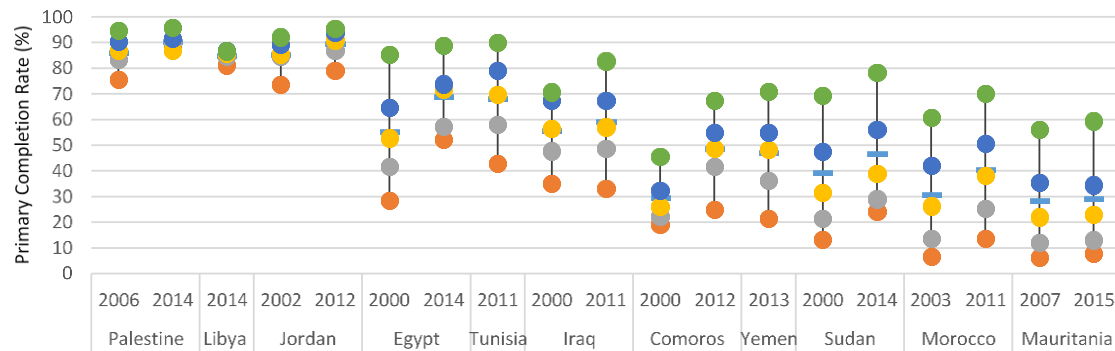


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## Multidimensional Poverty (2) Dimension contribution

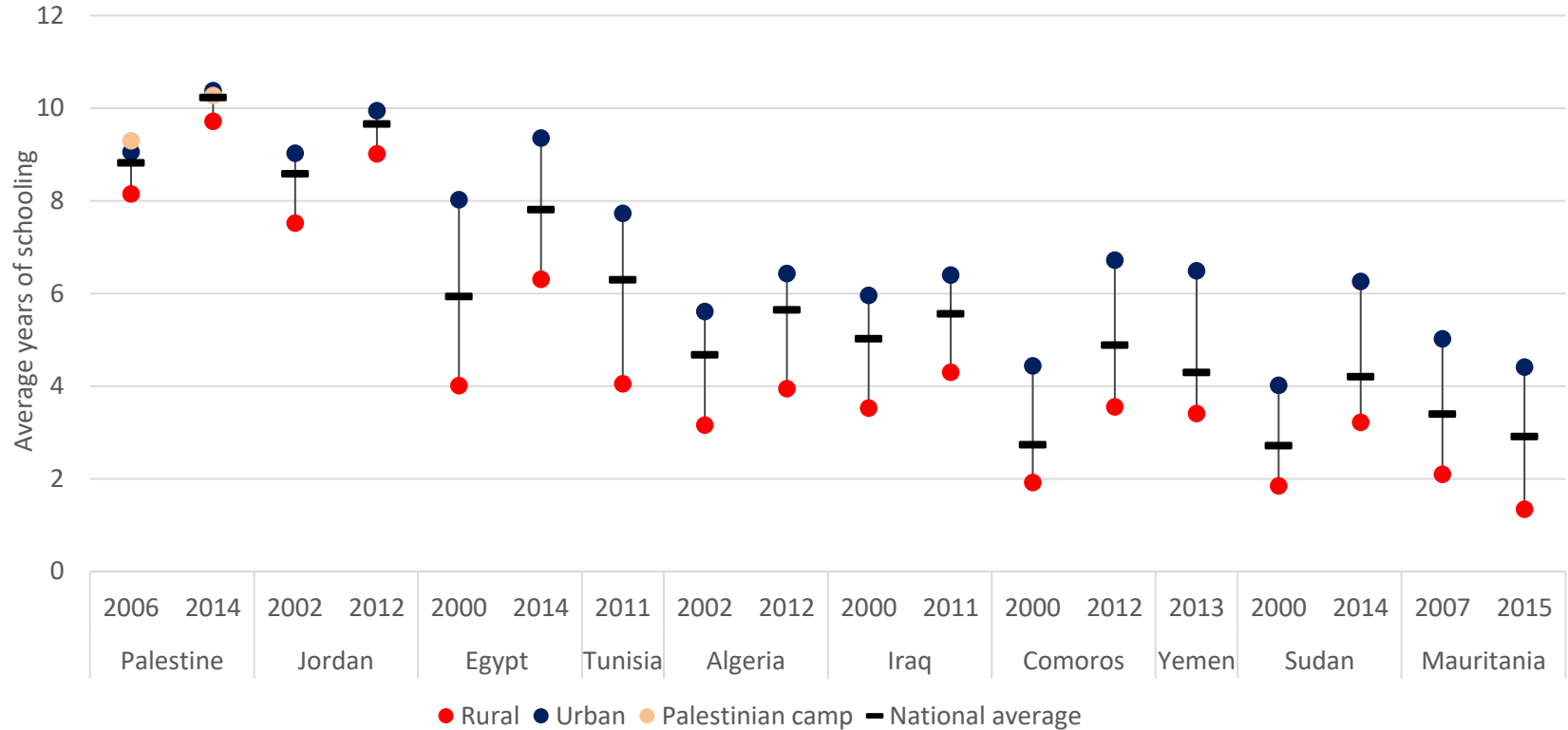


# Completion Rates by wealth



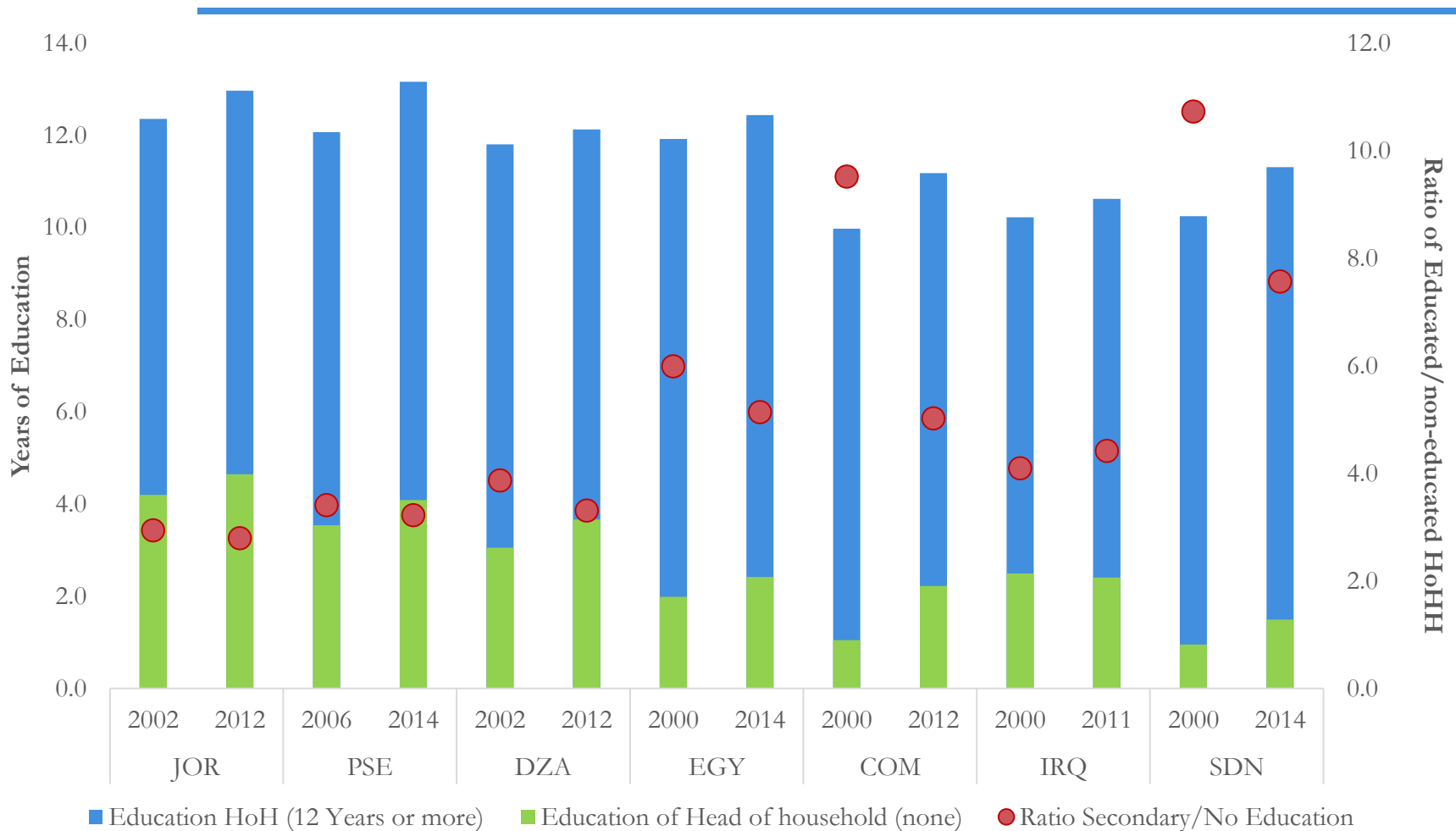
— National average    ● Poorest    ● Poor    ● Middle    ● Rich    ● Richest

# Indicator Years of Education: Gaps between rural and urban areas

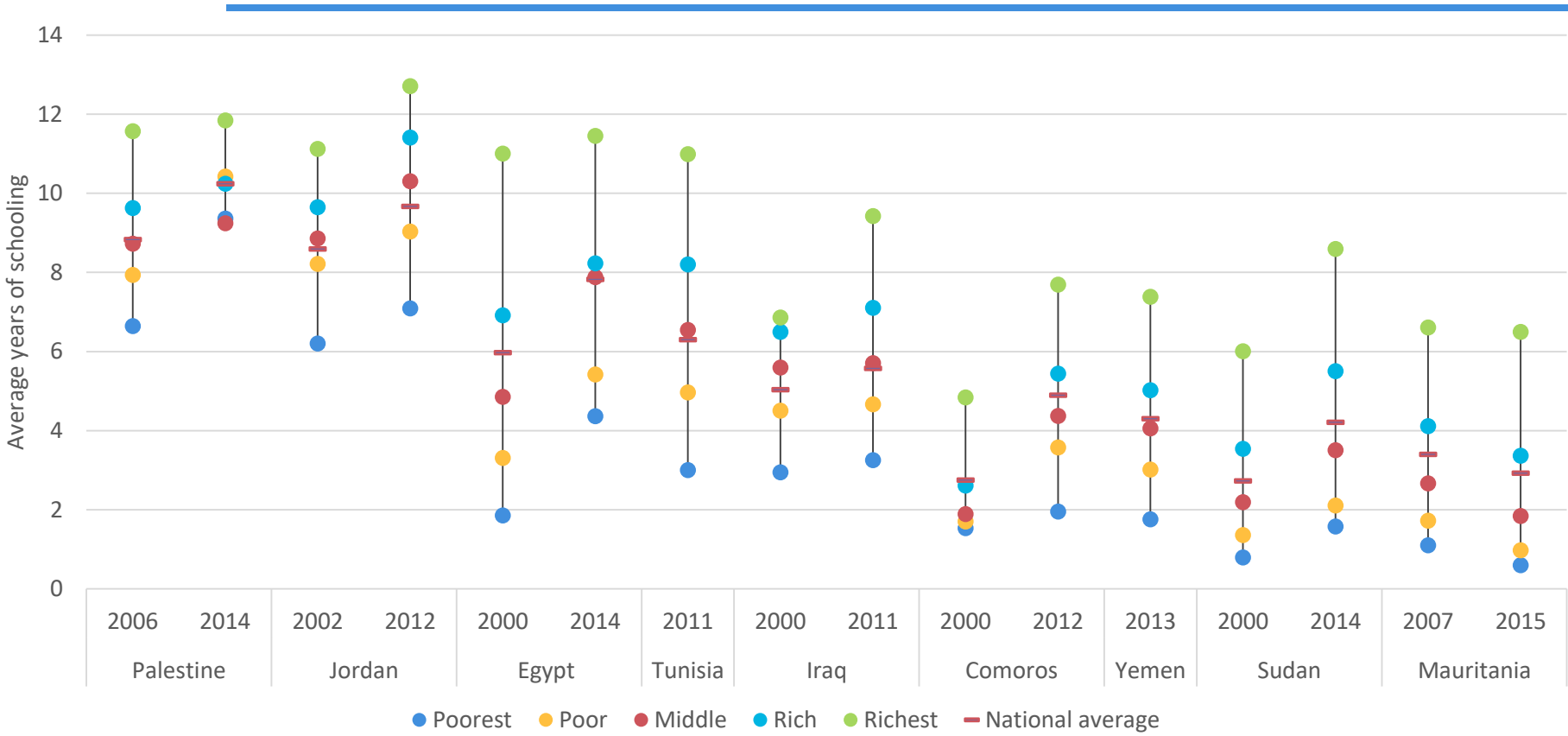




# Indicator Years of Education: Gaps between educated and non-educated head of households

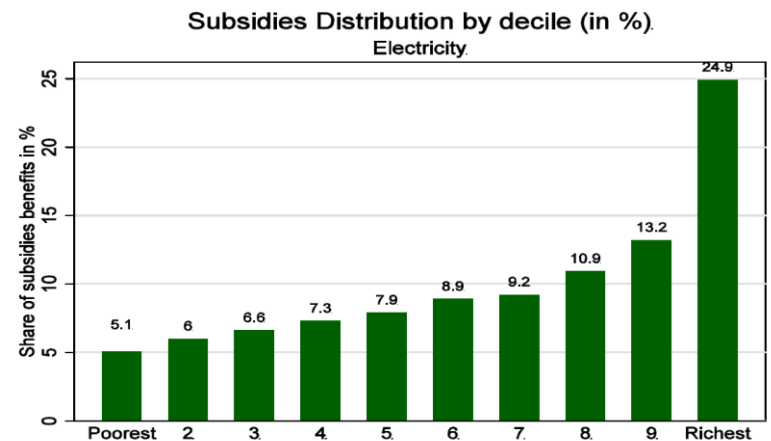
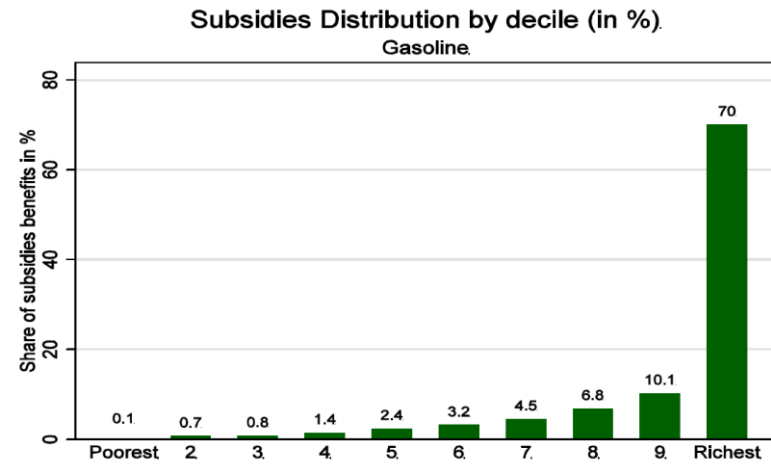
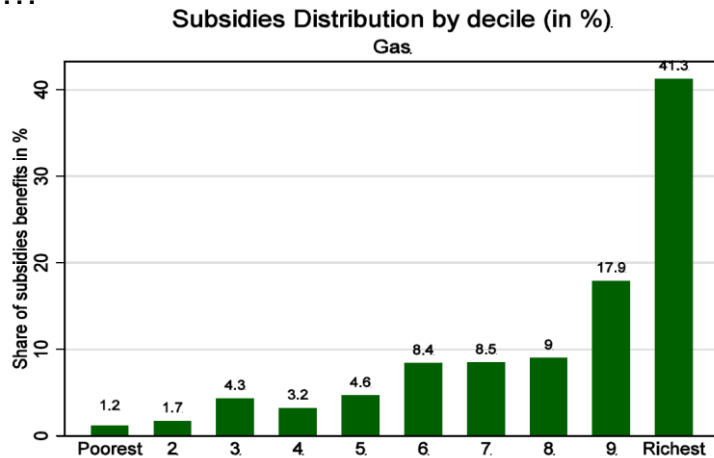


# Indicator Years of Education: Gaps by wealth



# Egypt: Benefit Incidence of Energy Subsidies

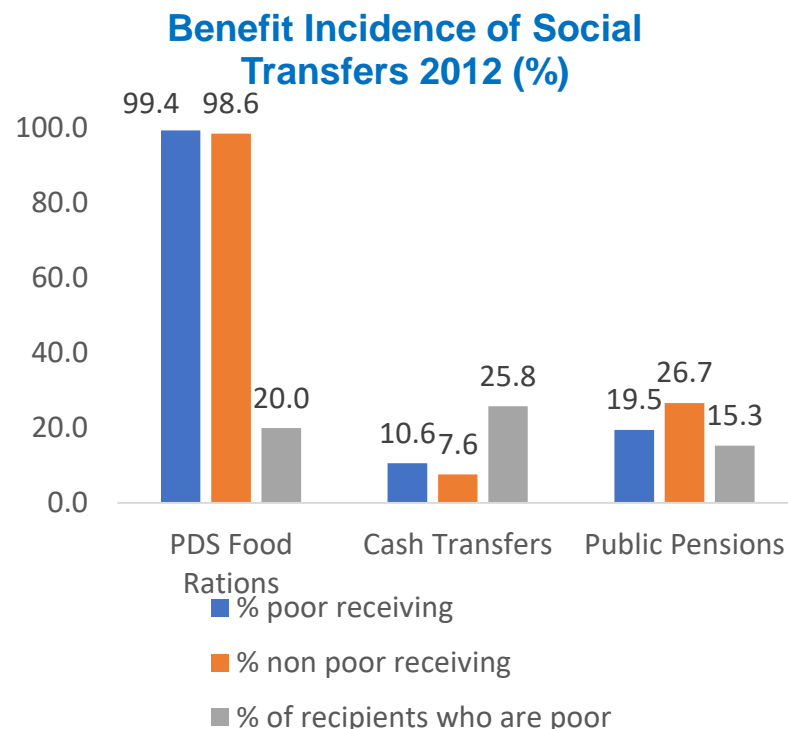
Consumption subsidies represent a particularly heavy fiscal burden, reaching 10% of GDP in Egypt (Ministry of Finance, 2012). Energy subsidies which account for 6.2% of GDP has very low benefit incidence to the poor...



MoF, PEP, and UNICEF (2014)

## Iraq: Benefit Incidence of Cash Transfer

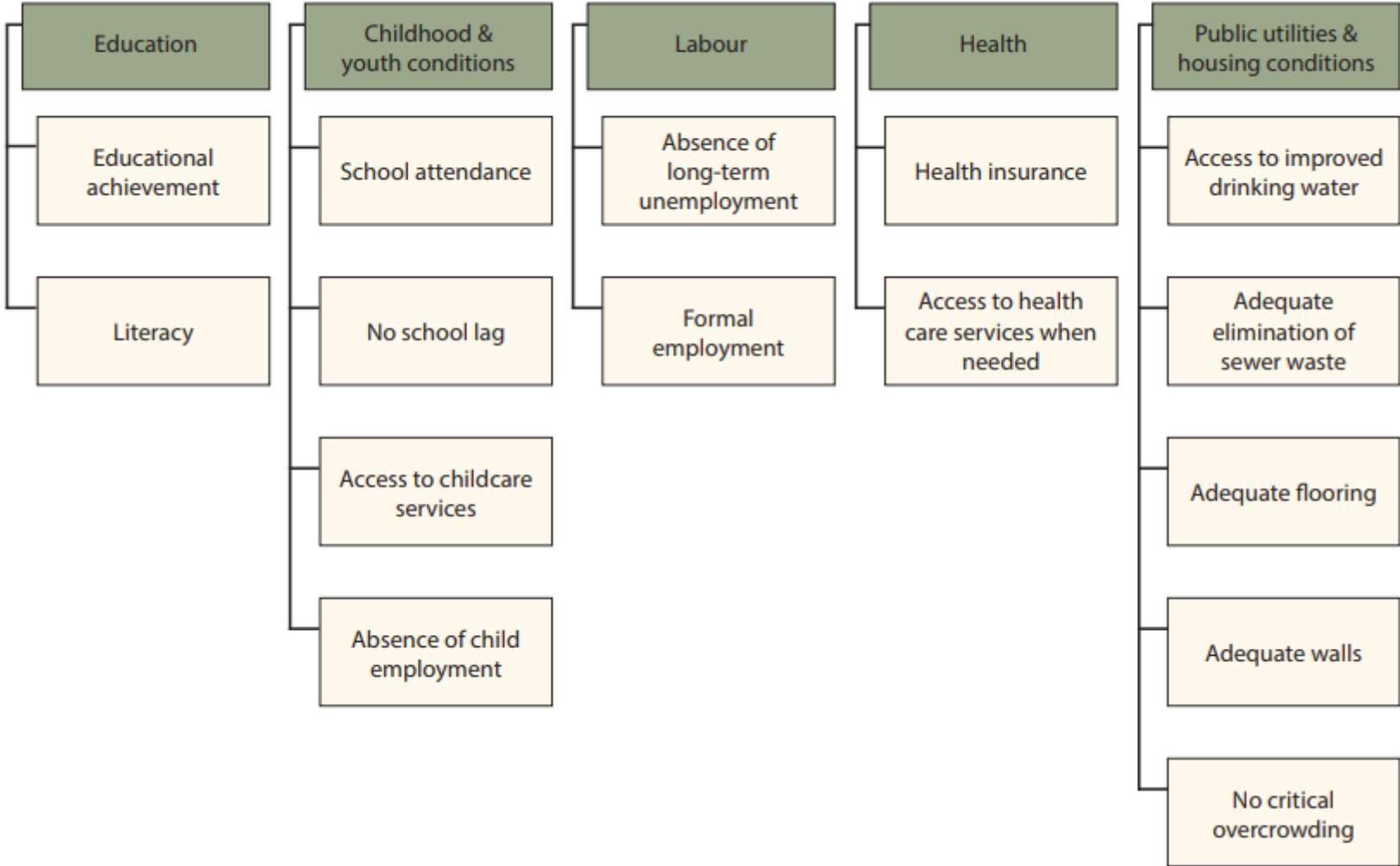
- social protection transfers provide up to one third of the recipient poor households incomes;
- Social protection transfers are associated with lower risk to child poverty and deprivation in health, nutrition, and water and sanitation; the effect is higher in Governorates with better services;
- Though only 1 in 4 of the recipients of Social Safety Net were poor;
- Social transfers are implemented in isolation from social services (conceptually and programmatically);



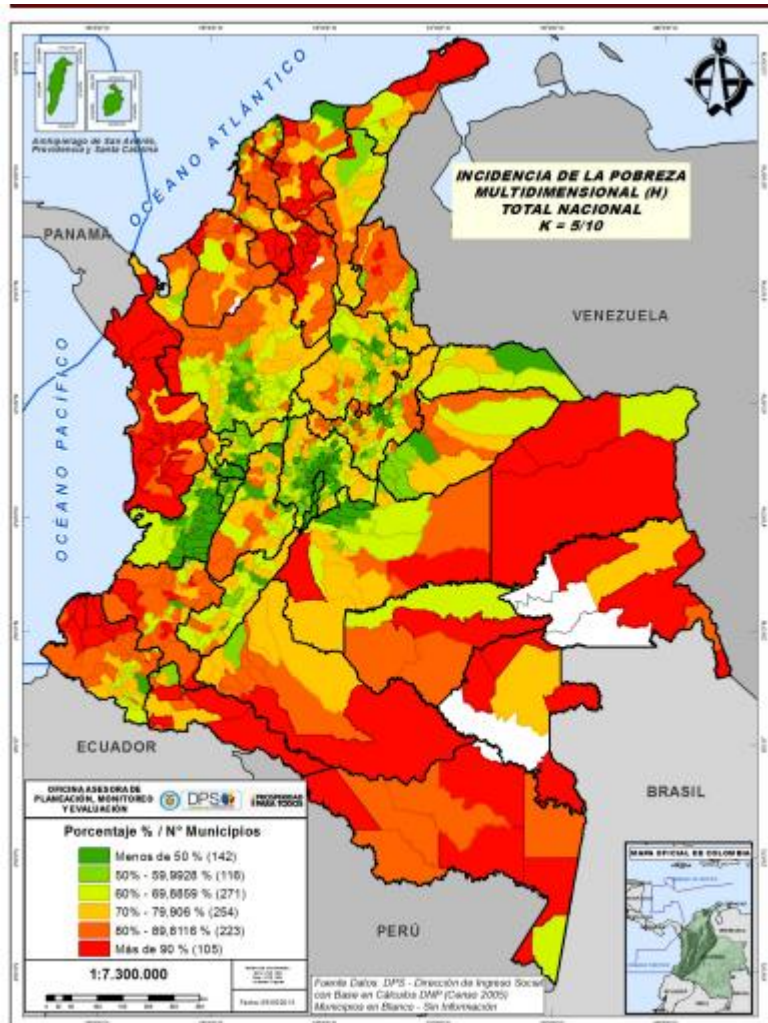
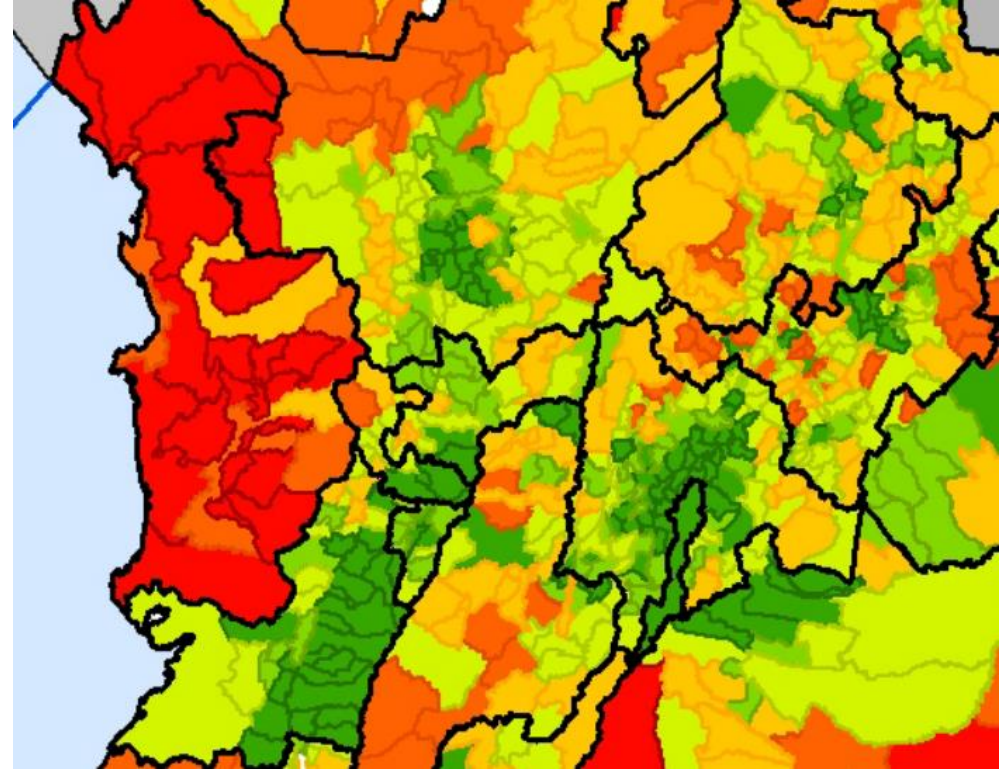
# Multidimensional Poverty

## Columbia

### MPI-Colombia: A nested weighting structure



# Multidimensional Poverty Columbia



- National Development Plan
- Social Protection Programs
- Targeting Strategy
- Social Spending
- Monitoring and Accountability

# Dashboard based on a stoplight system – sector specific goals

Pobreza		Linea Base PND 2008	Dato 2011	Dato 2012	Análisis	Goal
<b>MPI (Multidimensional Poverty)</b>		<b>34.7%</b>	<b>29.4%</b>	<b>27.0%</b>	●	<b>22.5%</b>
A <sup>(1)</sup>	▪ Educational achievement (≥15 yrs)	58.8%	54.6%	53.1%	●	52.8%
	▪ Literacy (≥15 yrs)	14.2%	12.0%	12.1%	● ★	12.0%
B <sup>(2)</sup>	▪ School attendance (6-16)	5.4%	4.8%	4.1%	●	3.5% ***
	▪ No school lag (7-17)	33.4%	34.1%	33.3%	●	33.1%
	▪ Access to child care services (0-5)	12.1%	10.8%	9.4%	●	10.6% ***
	▪ Children not working (12-17)	5.5%	4.5%	3.7%	●	2.9% ***
C <sup>(3)</sup>	▪ Long-term unemployment	9.6%	9.1%	10.0%	● ★	9.3% ***
	▪ Formal employment	80.6%	80.4%	80.0%	●	74.7% ***
D <sup>(4)</sup>	▪ Health insurance	24.2%	19.0%	17.9%	●	0.5%
	▪ Access to health services	8.9%	8.2%	6.6%	●	2.4% ***
E <sup>(5)</sup>	▪ Access to water source	12.9%	12.0%	12.3%	● ★	10.9%
	▪ Adequate sewage system	14.1%	14.5%	12.1%	●	11.3% ***
	▪ Adequate floors	7.5%	6.3%	5.9%	●	5.6%
	▪ Adequate external walls	3.1%	3.2%	2.2%	●	2.1% ***
	▪ No critical overcrowding	15.7%	14.2%	13.1%	●	8.4%

Source: Multidimensional Poverty Index – Applications Colombia. Presentation to the Multidimensional Poverty Peer Network meeting by Bruce Mac Master, Director of the Department for Prosperity, Oxford, June 2013

# Simulations on microdata - Colombia

Deprivation matrix Year 0																	Total number of deprivations
Dimensions and weights	Educational conditions of household (20%)		Children and youth condition (20%)				Employment (20%)		Health (20%)		Access to public utilities and household conditions (20%)						
indicators	Educational achievement	Literacy	School attendance	School lag	Access to childcare services	Children not working	No one in long-term unemploy.	Formal employment	Health insurance	Access to healthcare	Access to water source	Adequate elimination of sewer waste	Adequate floors	Adequate external walls	No critical overcrowding		
Person 1	1	1	1	1	1	0	0	1	1	0	0	0	0	0	0	0	7
Person 2	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1
Person 3	0	0	0	0	0	0	0	1	1	0	1	1	0	0	1	5	
Person 4	0	1	0	1	0	0	0	0	0	0	0	1	0	0	0	3	
Person 5	1	0	1	1	1	1	1	1	1	0	0	0	1	1	0	10	
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

1. Identify social investment by sector



2. Simulate those investments in survey following sector-specific focalization rules



3. Generate new deprivation matrix simulating the changes



Deprivation matrix Year 1																	Total number of deprivations
Dimensions and weights	Educational conditions of household (20%)		Children and youth condition (20%)				Employment (20%)		Health (20%)		Access to public utilities and household conditions (20%)						
indicators	Educational achievement	Literacy	School attendance	School lag	Access to childcare services	Children not working	No one in long-term unemploy.	Formal employment	Health insurance	Access to healthcare	Access to water source	Adequate elimination of sewer waste	Adequate floors	Adequate external walls	No critical overcrowding		
Person 1	1	1	1	1	1	0	0	1	0	0	0	0	0	0	0	0	6
Person 2	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1
Person 3	0	0	0	0	0	0	0	1	1	0	1	1	0	0	1	5	
Person 4	0	1	0	1	0	0	0	0	0	0	0	1	0	0	0	3	
Person 5	1	0	1	1	1	1	1	1	0	0	0	0	1	1	0	9	
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

It could be done the other way around to estimate the cost of achieving specific SDGs



# THANK YOU

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# Education

**Table 1. Dimensions and indicators of deprivation for household poverty and their weights**

	Indicator	Global MPI	Regional MPI	
			Acute poverty if	Poverty if
Education	Years of Schooling	No household member aged 10 years or older has completed five years of schooling (1/6)	No household member has completed primary schooling* (1/6)	No household member has completed secondary 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)	Any child of primary school age is not attending school (1/6)	Any school-age child is not attending school or is 2 years or more behind the right school grade (1/6)

# Health

Health	Child Mortality	Any child has died in the family during the 5 years period preceding the survey (1/6)	Any child less than 60 months old has died in the family during the 5 years period preceding the survey (1/9)	Same as for acute poverty (1/9)
	Nutrition	Any adult under 70 years of age, or any child (0-59 months) is undernourished in terms of weight for age (1/6)	Any child (0-59 months) is stunted (height for age < -2) or any adult is undernourished (BMI < 18.5) (1/9)	Any child (0-59 months) is stunted (height for age < -2) or any child is wasted (weight for height < -2) or any adult is undernourished (BMI < 18.5). (1/9)
	FGM/Early Pregnancy	Not present in the Global MPI	Any woman under 28 years got her first pregnancy while under 18 years old and has undergone a female genital mutilation (FGM) (1/9)	Any woman under 28 years got her first pregnancy while under 18 years old or has undergone a female genital mutilation (FGM) (1/9)

# Living Conditions

Living Conditions	Electricity	Same as for acute poverty (1/18)	Household has no electricity (1/21)	Same as for acute poverty (1/21)
	Sanitation	Same as for acute poverty (1/18)	Household sanitation is not improved, according to SDG guidelines, or it is improved but shared with other household (1/21)	Same as for acute poverty (1/21)

# Living Conditions

Water	Same as for acute poverty (1/18)	Household does not have access to safe drinking water, according to SDG guidelines, or safe drinking water is 30-minutes roundtrip walk or more away from home (1/21)	Household does not have piped water into dwelling or yard. (1/21)
Floor/Roof	Floor is either, sand, dung, dirt or 'other' (unspecified) type of floor. Roof is not considered in the Global MPI (1/18)	Floor is earth, sand, dung or roof is not available or made of thatch, palm leaf or sod (1/21)	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	The household cooks with dung, wood or charcoal (1/18)	Household cooks with solid fuels: wood, charcoal, crop residues or dung or no food is cooked in the household (1/21)	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	Not present in the Global MPI	Household has 4 or more people per sleeping room (1/21)	Household has 3 or more people per sleeping room (1/21)
Assets	Household does not own more than one radio, TV, telephone, bicycle, motorbike or refrigerator and does not own a car or truck (1/18)	Household has either no access to information or Households with no access to easy mobility and livelihood assets (1/21)	Household has less than two assets for accessing information or households with less than two mobility and less than two livelihood assets (1/21)