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**Multidimensional poverty in the Arab region:
regional and national reduction efforts**

Summary

The present document reviews work undertaken by the Economic and Social Commission for Western Asia (ESCWA) in support of regional and national efforts to eradicate multidimensional poverty in Arab countries. It gives a brief assessment of the region's situation in terms of poverty, based on the 2017 *Arab Multidimensional Poverty Report*, produced by ESCWA in partnership with the League of Arab States, the United Nations Children's Fund (UNICEF) and the Oxford Poverty and Human Development Initiative (OPHI), and concludes with proposed steps to continue responding to the growing needs of member States in that area.

In contrast with what was commonly reported for the region, multidimensional poverty is widespread, affecting more than 4 in 10 households. There are disparities in the prevalence of multidimensional poverty, spatially and along education levels of the household head and wealth quintiles. In order to support member States in tackling the related challenges, the ESCWA secretariat focuses on monitoring progress and generating evidence to inform regional and national poverty reduction frameworks, developing policy tools and building stakeholders' capacity to use them. The Executive Committee is invited to review progress made by ESCWA in supporting poverty eradication efforts and comment on the steps it proposes to respond to the growing needs of member States.

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Introduction

1. Poverty is among the key challenges facing the Arab region on its path towards sustainable development. Political instability, conflict, and economic, social and environmental challenges continue to throw burdens on a large segment of its population and exacerbate the severity and complexity of poverty and vulnerability.
2. The Economic and Social Commission for Western Asia (ESCWA) has been closely monitoring poverty in the Arab region, and is supporting regional and national partners to step up their efforts to eradicate poverty in all its dimensions. In September 2017, it launched, in partnership with the League of Arab States, the Oxford Poverty and Human Development Initiative (OPHI) and the United Nations Children's Fund (UNICEF), the first Arab Multidimensional Poverty Report since the adoption of the 2030 Agenda for Sustainable Development.
3. The present document gives an overview of the situation of the Arab region in terms of multidimensional poverty, based on the methodology and data of the first Arab Multidimensional Poverty Report. It then presents the Arab Strategic Framework for the Eradication of Multidimensional Poverty 2020-2030, and proposes a way forward for ESCWA work in that area.

I. MULTIDIMENSIONAL POVERTY IN THE ARAB REGION

A. ARAB MULTIDIMENSIONAL POVERTY REPORT

4. The 2017 Arab Multidimensional Poverty Report examines household and child poverty using international methodologies that were adapted to the Arab region. Global tools that were tailored to the region's needs were the Global Multidimensional Poverty Index (MPI) for household poverty, developed by OPHI and the United Nations Development Programme, and the Multiple Overlapping Deprivation Analysis, a methodology developed by UNICEF to analyse the extent and nature of child poverty across countries. Consultations with regional and global experts and government representatives were carried out to define regional poverty dimensions and indicators of relevance to Arab countries' social and economic contexts and challenges.
5. The conceptual framework of the report draws from Sen's capability approach, according to which development is realized not only through increased incomes and shares in assets, but also through people's increased capabilities to lead lives that they have reason to value.¹ Sen contends that capability deprivation is a more complete measure of poverty than income as it captures the aspects of poverty which may get lost or hidden in aggregate statistics. The methodology of the report is based on the Alkire-Foster (AF) method² for counting types of deprivation that individuals or households experience at the same time, such as lack of education, employment, poor health or low living standards. If the weighted sum of deprivations is greater than or equal to a poverty cut-off, the person or household is identified as poor. Following the global MPI, the Arab MPI includes the three dimensions of education, health and living standards. Two levels of poverty were defined, "acute poverty" and "poverty",³ making the measure of relevance to Arab least developed countries and middle-income countries.
6. In addition to providing a methodological framework to calculate multidimensional poverty in the Arab region, the report provides practical proposals for decision makers in Arab States to support their efforts towards eradication of multidimensional poverty and realization of the 2030 Agenda.

¹ Amartya Sen, *Development as Freedom* (New York, Oxford University Press, 1999); Amartya Sen, *Commodities and Capabilities* (Amsterdam and New York, Elsevier Science Publisher, 1985).

² For additional information on the Alkire-Foster (AF) method developed by the Oxford Poverty and Human Development Initiative (OPHI), see <https://ophi.org.uk/research/multidimensional-poverty/alkire-foster-method/>.

³ For a distinction between "acute poverty" and "poverty" along regional poverty dimensions and indicators, see *Arab Multidimensional Poverty Report*, p. 47.

B. POVERTY SITUATION IN THE ARAB REGION

7. *Multidimensional poverty is widespread in the Arab region:* data from the 2017 Arab Multidimensional Poverty Report show that multidimensional poverty is widespread in the region, affecting more than 4 in 10 households, with the estimated number of persons affected standing at 116.1 million (40.6 per cent of the total population of the 10 countries⁴ included in the report). This number includes the 38.2 million people (13.4 per cent) that were identified as acutely poor.

8. *Large variations exist in the prevalence of multidimensional poverty between countries:* these variations range from 11.7 per cent in Jordan to 89.1 per cent in Mauritania.⁵ Multidimensional poverty is not confined to the least developed countries; rather, many multidimensionally poor people are residents in several upper-middle-income countries. Algeria, Egypt, Jordan and Tunisia register very low levels of acute poverty and moderate levels of poverty. Iraq and Morocco have low levels of acute poverty but significantly higher levels of poverty. Arab least developed countries included in the analysis, the Comoros, Mauritania, the Sudan and Yemen, have medium to high levels of acute poverty and poverty.

9. *Two thirds of the Arab population are either poor or vulnerable to poverty:* the multidimensional poverty approach allows to determine the share of the population living slightly above the poverty line. People who are identified as non-poor according to the poverty cut-off can still be suffering from deprivation in several indicators. The share of the non-poor population deprived in 20-33.3 per cent of the indicators is considered as “vulnerable to poverty”. This accounts for 25.3 per cent of the region’s population.

10. *The education dimension is the largest contributor to poverty in the Arab region:* in order to design effective policies to address multidimensional poverty, it is important to know which indicators contribute the most to multidimensional poverty and hence constitute a priority. The analysis shows that across all countries, education indicators have the highest contribution to multidimensional poverty. These indicators measure years of schooling of household members and children’s school attendance. In least developed countries, this result holds true, but the indicators related to living standards also have a high contribution to poverty.

11. *High spatial inequalities and by household socioeconomic characteristics:* the analysis highlights disparities between different subgroups of the population based on gender or education of the head of the household, household size or wealth quintile of the household. Households in rural areas are more likely to be poor than those in urban areas. The same holds true for the education of the household head: people are more likely to be poor if the head of the household did not receive education. Disaggregation by wealth quintile reveals sharp inequality among the strata of society: people in the bottom wealth quintile are 50 times more likely to be acutely poor than people in the highest wealth quintile, and 6 times more likely to be poor. This finding highlights high inequality in the Arab region.

12. *Challenges and policy considerations:* addressing gaps in education is central to reduce multidimensional poverty and the existing spatial and socioeconomic disparities in the region. Despite progress in school enrolment rates in the past decades, more work is needed to improve the quality of education and ensure a reduction of school drop-out rates, mainly in secondary school. Other key areas for intervention are social protection and employment generation. Countries should consider designing and implementing pro-poor social protection policies, without which a significant reduction of multidimensional poverty in the region would be impossible.

13. *Developing rural areas:* the analysis showed stark disparities between rural and urban areas. The subnational disaggregation confirmed this finding and showed that many of the poorest states/governorates are located in rural areas. This calls for geographically targeted interventions to address the urgent needs of the poorest villages in those areas.

⁴ These are Algeria, the Comoros, Egypt, Iraq, Jordan, Mauritania, Morocco, the Sudan, Tunisia and Yemen.

⁵ Surveys in Iraq and Yemen date back to 2011 and 2013, respectively. Thus, data do not account for the full impact of the recent waves of conflict that those countries experienced.

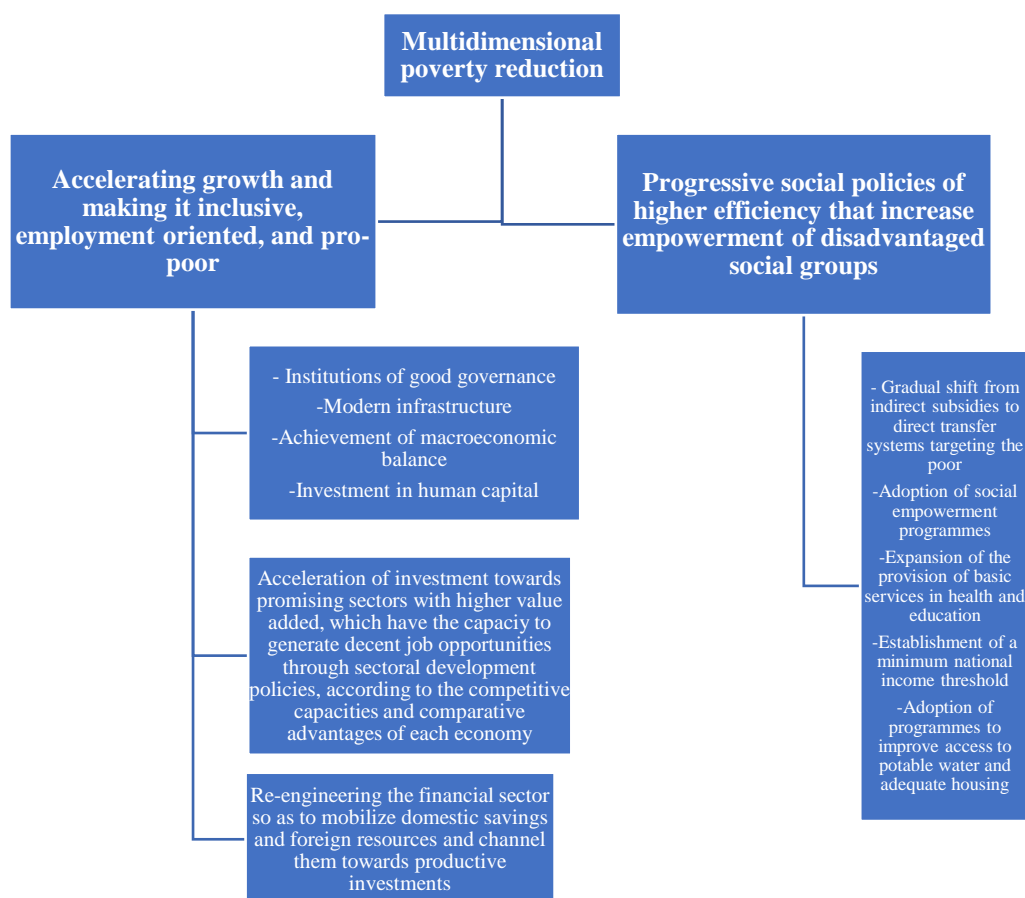
II. ARAB STRATEGIC FRAMEWORK FOR THE ERADICATION OF MULTIDIMENSIONAL POVERTY 2020-2030

14. During the Arab summits held in Sharm el-Sheikh, Egypt (2015), Nouakchott (2016) and Amman (2017), Arab leaders reaffirmed their determination to achieve sustainable development. Political will to eradicate poverty in all its dimensions, promote development for Arab citizens based on social justice and uphold the "leaving no one behind" sustainable development principle is not lacking. To support the realization of this vision, ESCWA has worked closely with the League of Arab States to inform the development of the Arab Strategic Framework for the Eradication of Multidimensional Poverty 2020-2030 and build the technical capacity of policymakers in that area. Joint efforts have led to the adoption of the Framework at the fourth Arab Economic and Social Summit, held in Beirut on 20 January 2019.

15. The Arab Strategic Framework is accompanied by a Results Framework and indicators with defined targets by 2030. In addition, it defines monitoring and evaluation tools to ensure regular tracking, review of progress and identification of challenges to ensure progress in implementation.

16. The target set by the Framework is reducing the multidimensional poverty rate by 50 per cent by 2030 on the Arab MPI. It aims to achieve that result through revitalizing the economy and accelerating economic growth, which should increase employment and enhance inclusiveness; creating work opportunities in sectors requiring skills compatible with the qualifications of the persons suffering from multidimensional poverty; and developing social policies to increase opportunities, enable the poor to live in decent conditions, and provide quality education and health services.

Framework for poverty eradication in Arab countries



III. ESCWA WORK ON MULTIDIMENSIONAL POVERTY IN THE ARAB REGION

17. The ESCWA secretariat has been building the capacity of policymakers to implement poverty reduction frameworks, update policies and formulate plans and budgets since 2015. It has implemented, jointly with the League of Arab States and OPHI, five regional training workshops on that subject (Algiers, 26-29 April 2015; Amman, 31 October – 3 November 2016; Sharm El Sheikh, Egypt, 18-20 December 2017; Amman, 17-19 April 2018; and Amman, 16-18 April 2019). These workshops served as regional platforms to step up poverty eradication efforts by presenting the required concepts and methodologies to create national multidimensional poverty indices; sharing best practices in mainstreaming poverty issues in policy frameworks; and developing national action plans to address data gaps and develop adequate measurement and policy tools. Joint efforts by ESCWA, the League of Arab States, OPHI and UNICEF had led to the publication of the above-mentioned Arab Multidimensional Poverty Report in 2017.

18. Building on that achievement, the ESCWA secretariat provided support to the League of Arab States in formulating the Arab Strategic Framework for the Eradication of Multidimensional Poverty 2020-2030, adopted at the fourth Arab Economic and Social Development Summit in January 2019 (see paras. 14-16 of the present document).

19. Moreover, the ESCWA secretariat exerts constant efforts towards the harmonization of global and regional frameworks to eradicate poverty and achieve sustainable development. It has ensured the integration of the Arab region's perspective in the global discussion on the Third United Nations Decade for the Eradication of Poverty (2018-2027) and the associated system-wide action plan. In addition, and in collaboration with the United Nations Department of Economic and Social Affairs and the Economic Commission for Latin America and the Caribbean, ESCWA organized an expert group meeting in Beirut, from 8 to 10 May 2018, to facilitate the exchange of best practices and lessons learned between middle-income countries in Latin America and the Arab region. Participants from government entities, academic and research institutions and civil society organizations discussed the needed socioeconomic policies to address poverty in all its dimensions in the two regions.

20. The ESCWA secretariat is pursuing its advocacy efforts to disseminate knowledge and engage a broad range of stakeholders in poverty eradication. Throughout 2018, it presented its work at conferences organized by academic and research institutions, such as the Lebanese American University and the Economic Research Forum (ERF). It has also published a series of blog posts on poverty and inequality on the ERF webpage; and a paper on multidimensional poverty in the Arab region in Spanish in Awraq.

21. At the national level and driven by demand from seven of its member States, ESCWA has developed in-depth multidimensional poverty country profiles and provided technical support in policy formulation and the design of programmes and tools to eradicate multidimensional poverty.⁶ ESCWA is also working in collaboration with OPHI to develop a joint plan of action to build the capacity of member States in formulating poverty-related policies, plans and budgets, and to facilitate the exchange and adoption of best practices.

IV. THE WAY FORWARD

22. Building on the current momentum and demand, ESCWA is planning to expand its support to member States towards the eradication of multidimensional poverty. At the regional level, the ESCWA secretariat is strengthening its partnership with the League of Arab States to support the implementation of the Arab Strategic Framework for the Eradication of Multidimensional Poverty 2020-2030. Areas of collaboration include monitoring progress; generating evidence to inform implementation; capacity-building; and working to harmonize global, regional and national frameworks and initiatives to eradicate multidimensional poverty.

⁶ See <https://www.unescwa.org/our-work/7805/publications>.

23. At the national level and in response to State requests, ESCWA will continue supporting national partners in developing policy tools to enhance the effectiveness of national policies, plans and budgets.

24. Key activities planned for the coming years include:

(a) Developing the Arab Poverty Survey to provide evidence on subnational disparities in multidimensional poverty;

(b) Responding to country requests (Iraq, Mauritania, the Sudan and Yemen) by developing, in collaboration with OPHI, a tailored technical workshop aimed at building capacity in formulating national action plans to address multidimensional poverty [throughout 2019];

(c) Developing a regional plan of action to support efforts to eradicate multidimensional poverty, which will include the following activities:

- (i) Providing tailored and comprehensive support in the reform of policies, development of national measures to track multidimensional poverty, and formulation of plans and budgets to address multidimensional poverty;
- (ii) Designing and implementing two types of capacity-building trainings: the first would focus on building technical capacity to analyse and track multidimensional poverty and assess policy impact; the second would focus on presenting the analysis and policy tools to decision makers and help them in identifying the most effective solutions to varying policymaking and implementation challenges and scenarios when addressing multidimensional poverty;
- (iii) Developing knowledge tools and a database on multidimensional poverty, to offer policymakers a user-friendly and interactive platform on the poverty situation at the national and subnational levels; to help in identifying sectoral priorities for poverty eradication; and to simulate policy impact;
- (iv) Facilitating the exchange of best practices and lessons learned and supporting their adoption by, and adaptation to, member States.
