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Regional and global issues

Multidimensional poverty in the Arab region

Summary

This document summarizes the findings and recommendations of the *Arab Multidimensional Poverty Report 2017*, which is the result of a three-year collaboration between the League of Arab States' Council of Arab Ministers for Social Affairs, the Economic and Social Commission for Western Asia (ESCWA), the United Nations Children's Fund (UNICEF), and the Oxford Poverty and Human Development Initiative (OPHI). The report covers 10 Arab countries, accounting for 75 per cent of the region's population. It examines household and child poverty using international methodologies that were adapted to the Arab region. In addition, it assesses household vulnerability to poverty, examines its underlining causes and features the results at the national and subnational levels.

In contrast with what was commonly reported for the region, the report shows that multidimensional poverty is widespread, affecting more than 4 in 10 households. When using a strict definition of poverty, 13.4 per cent of households are classed as acutely poor and about 25 per cent as vulnerable to poverty. Spatial and other inequalities are important. In middle-income countries, while poverty levels are below the regional average, a large share of the population is vulnerable to poverty. Arab least developed countries show a high prevalence of acute poverty. Deprivation in education appears to be an important contributor to such poverty across the region. The report concludes by making key policy recommendations to improve social protection systems, address education gaps, invest in children, and develop rural areas. Finally, a call is made for a 'data revolution' in the Arab region to support evidence-based policymaking.

CONTENTS

Introduction

1.   Political instability, conflict, and economic and social challenges have been intensifying in the Arab region, causing an increase in poverty and vulnerability. This calls for developing stronger regional frameworks and initiatives to leverage national efforts to reduce poverty by 2030. A key requirement to support these efforts is to develop a poverty measure adapted to the region, which provides the evidence required to inform poverty reduction efforts.

2.   The first *Arab Multidimensional Poverty Report* was published in September 2017, after three years of joint efforts by the League of Arab States' Council of Arab Ministers for Social Affairs, the Economic and Social Commission for Western Asia (ESCWA), the United Nations Children's Fund (UNICEF) and the Oxford Poverty and Human Development Initiative (OPHI). The report examines household and child poverty using international methodologies that were adapted to the Arab region, namely the global Multidimensional Poverty Index (MPI) for household poverty and the Multiple Overlapping Deprivation Analysis of UNICEF for child poverty. Consultations with experts and Arab government representatives were held to adapt these methodologies and determine the poverty dimensions and indicators that are of relevance to the region's socioeconomic context and challenges.

3.   This document summarizes the findings of the report on household poverty, acute poverty and vulnerability to poverty as measured by the newly developed Arab Multidimensional Poverty Index (Arab MPI). It features the main results at the national and subnational levels. It also mentions the underlining causes of poverty in the Arab region.

I.   METHODOLOGY AND DATA

4.   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. Sen contends that capability deprivation is a more complete measure of poverty than income, as it captures the aspects of poverty that may get lost or hidden in aggregate statistics. This conceptual framework is translated into practice in the measure of household poverty through the global MPI.

5.   The MPI methodology is also based on the Alkire Foster (AF) method, which identifies the poor by counting the simultaneous deprivations that a person or household experiences in different poverty indicators. If the weighted sum of deprivations is greater than or equal to a poverty cut-off, the person is identified as poor.

6.   The global MPI is not very effective in capturing the less severe forms of poverty that characterize many Arab middle-income countries, such as Egypt, Jordan or Morocco, and underestimates their prevalence. The indicators and cut-off thresholds of the global MPI were thus modified to better reflect the specificities of the Arab region, and two levels of poverty were considered: acute poverty and poverty.

7.   The analysis covers 10 Arab countries, which account for 75 per cent of the region's population. The selection of countries is based on the availability of data for the period 2011-2014. The household surveys used are the demographic and health surveys for the Comoros (survey year 2012), Egypt (2014), Jordan (2012) and Yemen (2013); the multiple indicator cluster surveys for Algeria (2013), Iraq (2011), Mauritania (2011), the Sudan (2014) and Tunisia (2011); and the Pan-Arab Project for Family Health survey for Morocco (2011).

8.   Surveys used to measure multidimensional poverty should be household surveys, statistically representative at the country level and implemented regularly. For a regional measure, all indicators of multidimensional poverty must be available and comparable across all national surveys, which severely constrains the choice of indicators. It was thus not possible to include indicators related to personal freedom,

safety from violence, social relations, gender inequality, employment or working conditions, for example, although these dimensions are very relevant in the Arab context.

9.   The annex gives an overview of the dimensions and indicators adopted for the Arab MPI, and presents the thresholds and weights for each indicator. Following the global MPI, the Arab MPI includes the three dimensions of education, health and living standards. Two new indicators were added: female genital mutilation/early pregnancy in the health dimension, and overcrowding in the living standard dimension. In the context of region-wide rapid population growth, the overcrowding indicator was deemed important. Early pregnancy and female genital mutilation deeply affect the lives and health of a high number of women in the Arab region and were thus included in the Arab MPI. Indeed, early pregnancy is the second cause of death among adolescent girls (15-19), and female genital mutilation has serious health effects, including recurrent infections and infertility, in addition to being a violation of the human rights of women. Following the global MPI, the poverty cut-off was set at 33.3 per cent for the poverty and acute poverty indices. If poor people are deprived in over half of the indicators, meaning that if the deprivation score is higher than 50 per cent, they are considered as severely poor.

II. FINDINGS

A. MULTIDIMENSIONAL POVERTY IS WIDESPREAD, AFFECTING MORE THAN 4 IN 10 HOUSEHOLDS IN THE ARAB REGION

10.   The analysis shows that household poverty is more widespread than previously reported: the estimated number of multidimensional poor is 116.1 million persons (40.6 per cent of the total population of the 10 countries included in the analysis). This figure includes the 38.2 million persons (13.4 per cent) that were identified as acutely poor. Results also show that multidimensional poverty is not only a feature of the least developed countries (LDCs), with many poor people living in the upper-middle-income countries included in the analysis.

Figure 1. Incidence of acute poverty and poverty by country
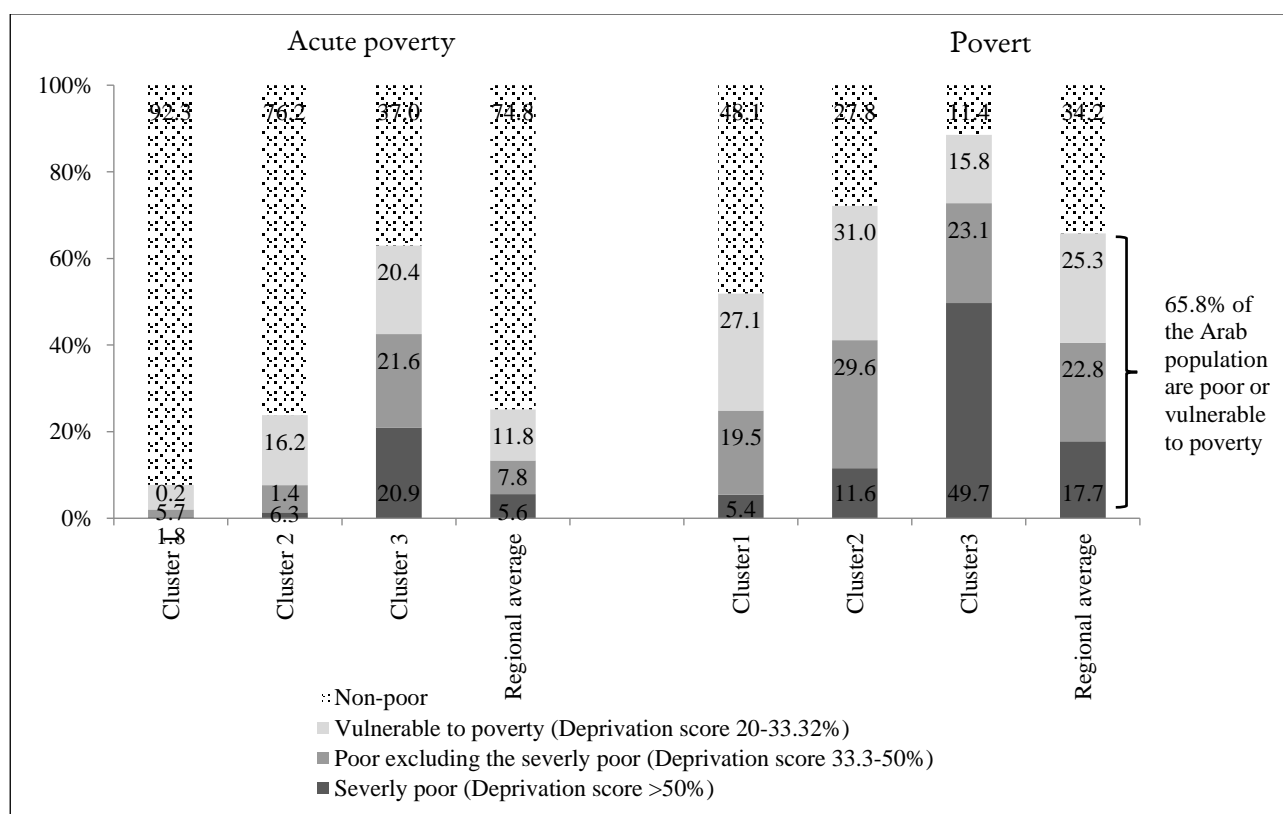(*Percentage*)
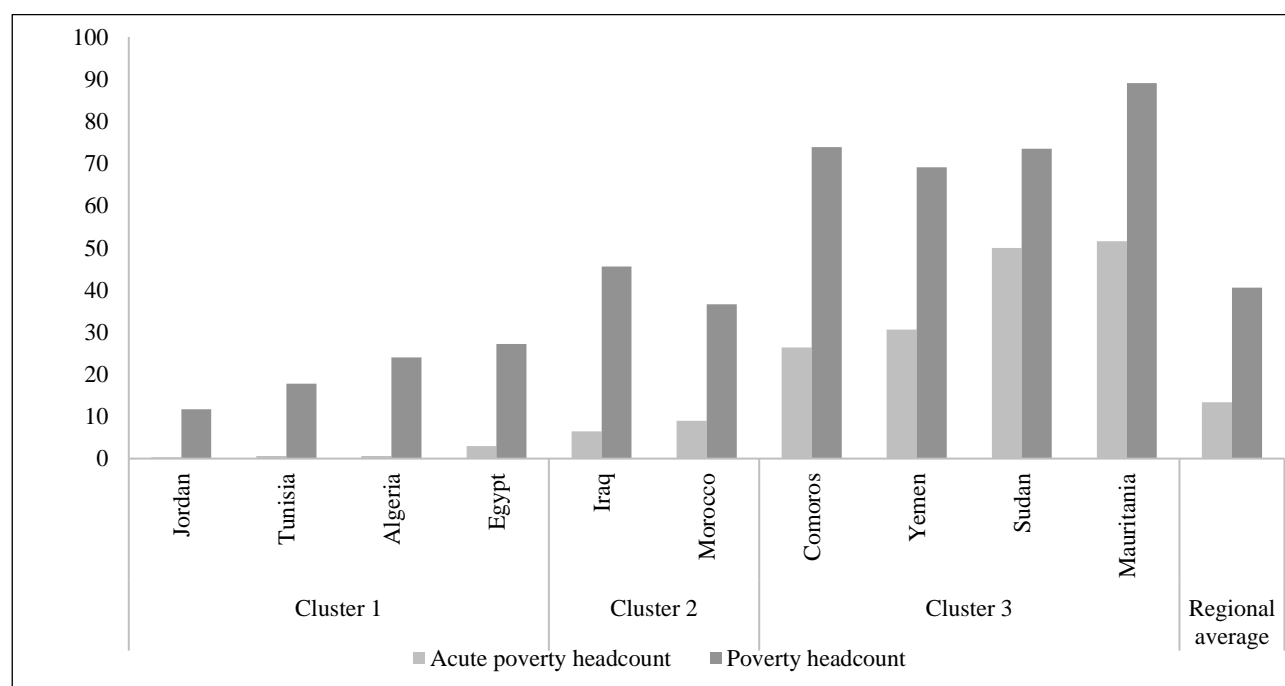
11.   In figure 1, the 10 surveyed countries are grouped in three clusters according to the incidence of poverty. Cluster 1 comprises countries with very low levels of acute poverty and low levels of poverty (Jordan, Tunisia, Algeria and Egypt); cluster 2 comprises countries with low levels of acute poverty but medium levels of poverty (Morocco and Iraq); and cluster 3 comprises countries with medium to high levels of acute poverty and poverty (Comoros, Mauritania, the Sudan and Yemen). It highlights the importance of using a poverty measure tailored to the region: while the incidence of acute poverty is restricted to clusters 2 and 3, poverty is spread across all 10 countries and is prevalent in upper-middle-income countries such as Jordan, Tunisia and Algeria. Although the poverty measure captures more moderate forms of deprivation than that of acute poverty, it is still a reflection of serious shortcomings in basic needs, such as having no electricity and no access to drinking water within the dwelling or yard, and having more than three people sharing a room.

12.   Figure 1 also shows great variation between countries, with the poverty headcount ranging from 11.7 per cent in Jordan to 89.1 per cent in Mauritania. Thus, it is important to look at countries individually or use the clusters defined above for any detailed analysis. Regarding the specific situation of countries affected by conflict, such as Iraq and Yemen, available household survey data are not recent (dating back to 2011 and 2013, respectively) and do not account for the latest repercussions that these countries are experiencing.

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B. TWO THIRDS OF THE ARAB POPULATION ARE EITHER POOR
OR VULNERABLE TO POVERTY

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13.   One strength of the multidimensional poverty approach is that it allows for an in-depth analysis of the share of the population living slightly above the poverty line, which are the people who are identified as non-poor according to the poverty cut-off but still suffer from deprivation in several indicators. The non-poor population deprived in 20 to 33.3 per cent of the indicators is considered vulnerable to poverty.

<div align="center">

**Figure 2. The non-poor, vulnerable, poor
and severely poor populations**
(*Percentage*)

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14.   Figure 2 shows the percentages of the population vulnerable to poverty and severely poor by country cluster, considering both measures for acute poverty and poverty, and features regional averages. People suffering from severe deprivations are mainly found in cluster 3 countries. Clusters 1 and 2 have a relatively low incidence of poverty, be it acute or not, but large shares of their population are vulnerable. Overall, one quarter of the region's population is vulnerable to poverty and 40.5 per cent are poor or severely poor.

15.   These results seem to point out that the real challenge for countries in clusters 1 and 2 is to deal with vulnerability to poverty. In cluster 3 countries, however, the urgent need is to alleviate severe poverty that affects almost half of the total population.

C. DEPRIVATION IN EDUCATION IS THE KEY CONTRIBUTOR TO POVERTY IN THE ARAB REGION

16.   The analysis also considers the contribution of each indicator to overall poverty, which makes it important to understand the triggers of poverty in each country. Figure 3 highlights one key finding: deprivation in education contributes the most to poverty at the regional level. In cluster 1 and 2 countries (except for Egypt), education indicators contribute two thirds to overall poverty. In cluster 3 countries, living standards also have a high contribution to poverty.

Figure 3. Contribution of each dimension to the overall Index by country
(*Percentage*)
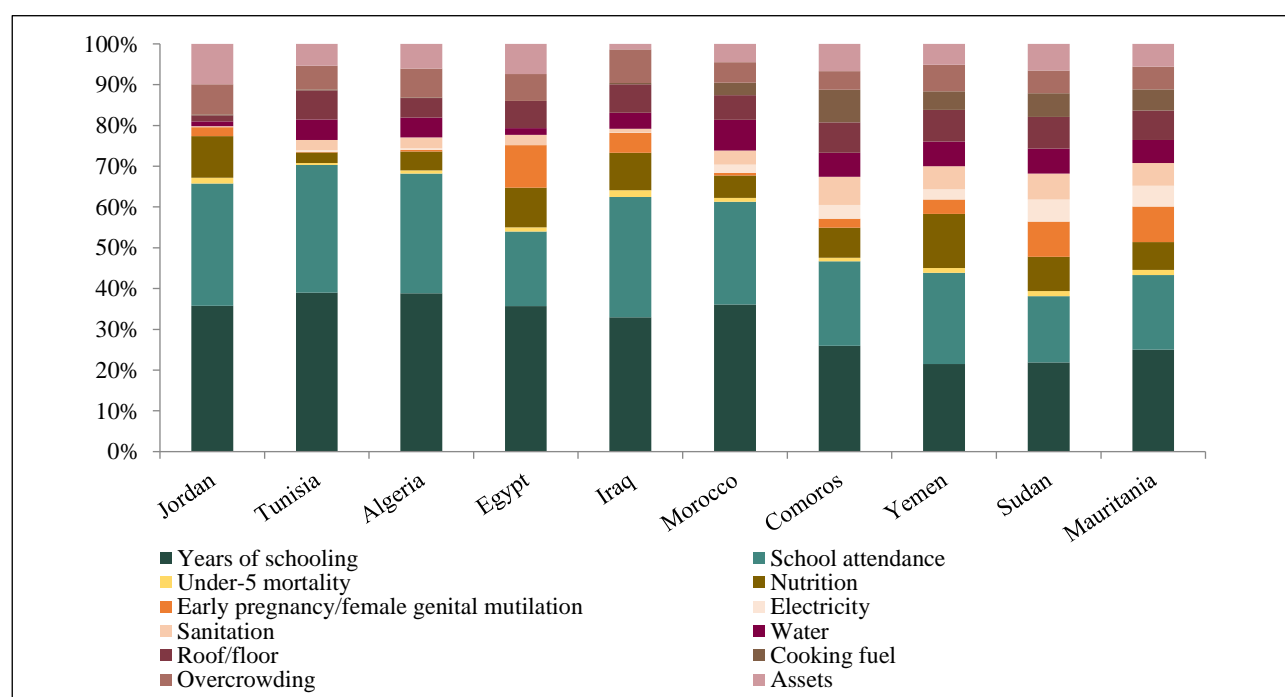
D. HIGH SPATIAL AND SOCIOECONOMIC INEQUALITIES

17.   Another advantage of the MPI methodology is that results can be disaggregated by spatial (rural/urban) and socioeconomic characteristics of households. The analysis highlights disparities between the different population subgroups, along the gender, education of the household head, household size or wealth quintile dimensions. Figure 4 shows high spatial and socioeconomic inequalities in the Arab region. Households living in rural areas are more likely to be poor than those living in urban areas. Households are also more likely to be poor if the household head is not educated. They are 50 times more likely to be acutely poor and 6 times more likely to be poor if they are in the lowest wealth quintile compared with those in the highest one.

Figure 4. Headcount poverty and acute poverty across household characteristics
(*Percentage*)
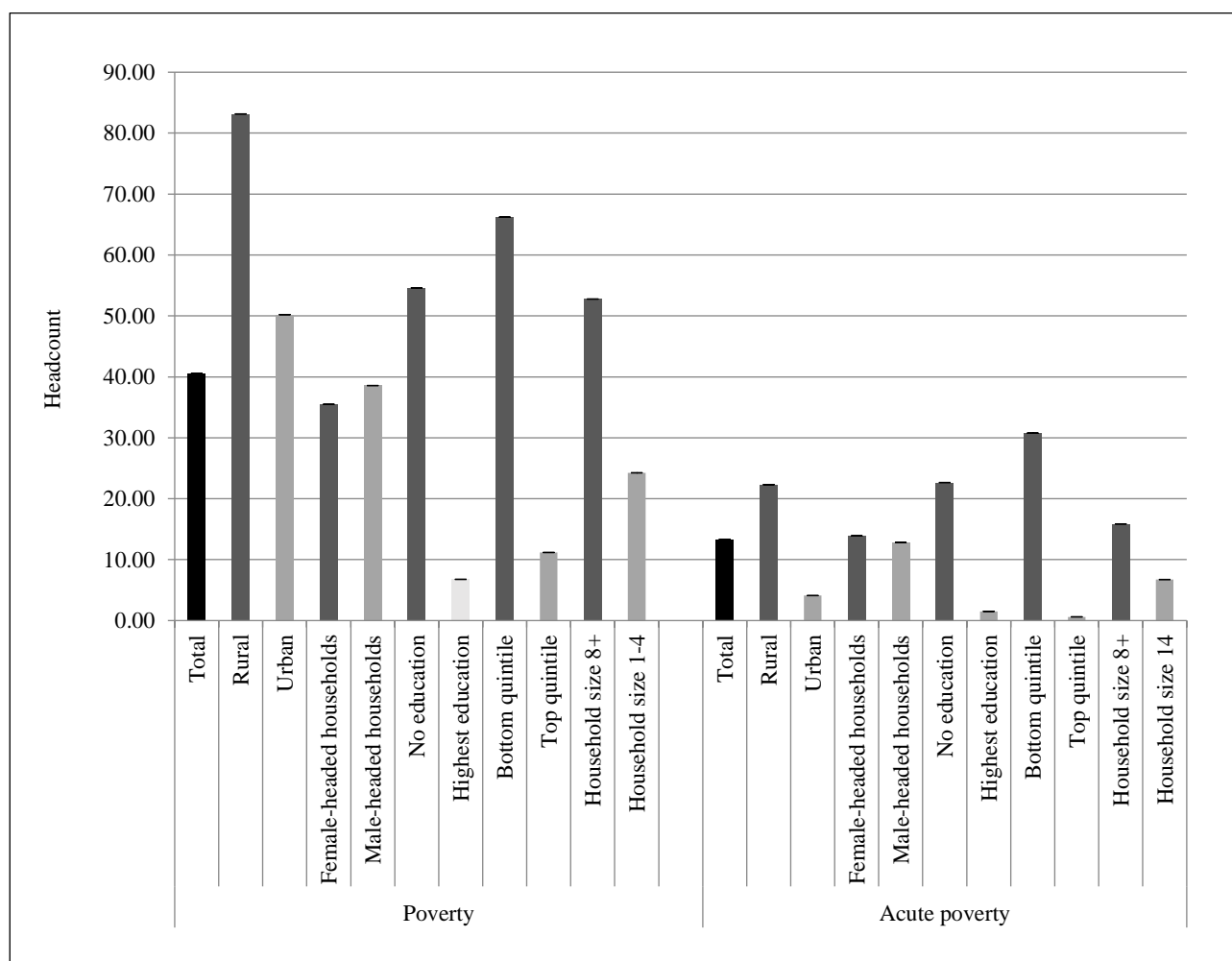
E. MULTIDIMENSIONAL POVERTY AT THE SUBNATIONAL LEVEL:
ALARMING DISPARITIES

18.   There are alarming disparities between governorates/states, especially in cluster 2 and 3 countries. It is also striking that even the poorest governorates in cluster 1 and 2 countries have a lower poverty headcount than the least poor ones in Mauritania, the country with the highest poverty incidence in the analysis.

19.   Figure 5 shows that the 15 poorest governorates/states in the 10 countries under consideration are located in only 3: the Sudan (9), Mauritania (5) and Yemen (1). Many states of the Sudan and Yemen are in conflict zones and rural areas. The poorest state of the analysis is Central Darfur in the Sudan, an area suffering from recurring conflicts and hosting many internally displaced persons. Decomposing the MPI value of Central Darfur into its two components, headcount and intensity, shows that 95 per cent of the population are identified as poor and are on average deprived in 65 per cent of the indicators.

20.   Results for Yemen should be analysed with caution, as the demographic and health survey was undertaken there in 2012 and does not reflect the current state of poverty in the country. Recent reports by the Food and Agriculture Organization of the United Nations and the World Food Programme reveal that education, health and particularly food security have deteriorated significantly since then, especially for children, as a result of the ongoing conflict.

Figure 5. The 15 poorest governorates/states in the Arab region
(*MPI value*)
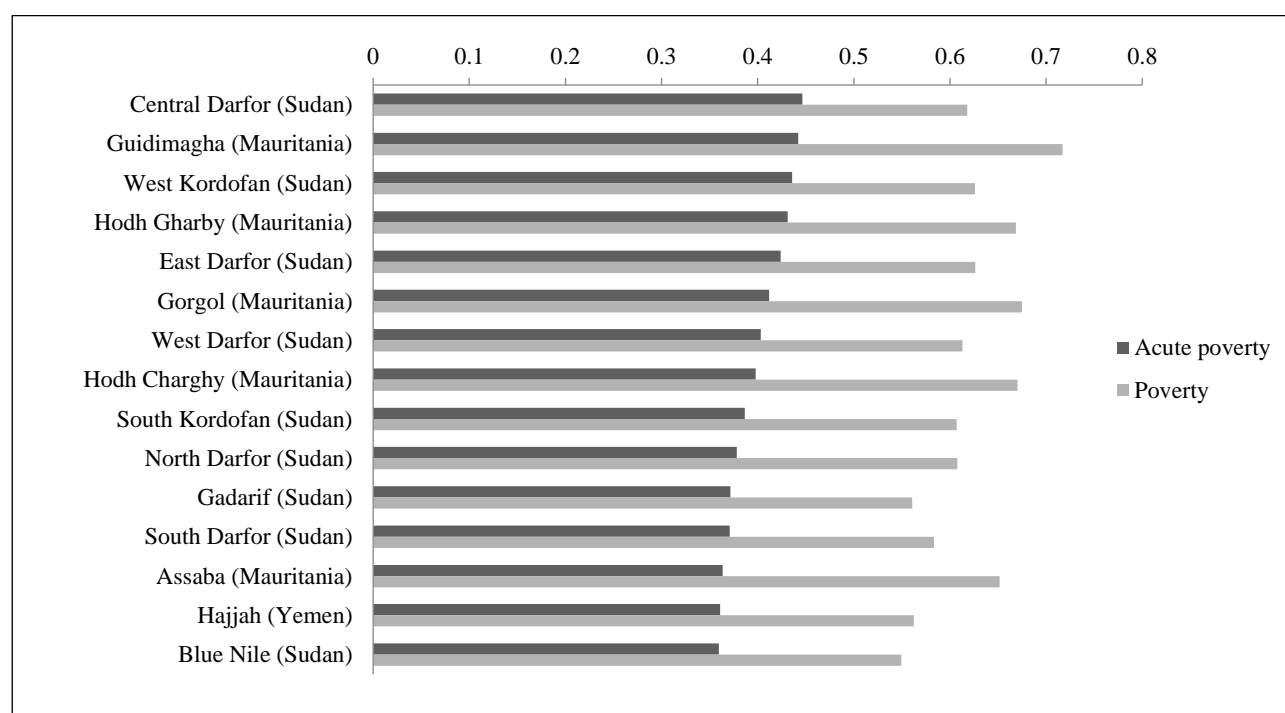
III. CHALLENGES AND POLICY CONSIDERATIONS

21.   The analysis in the *Arab Multidimensional Poverty Report 2017* shows that poverty is more prevalent across the Arab region than commonly thought. There are also striking inequalities within and between countries that must be addressed. The report makes several recommendations to that effect.

A. BRIDGING GAPS IN EDUCATION

22.   Despite progress in school enrolment rates in the past decades, school attendance and completion rates remain low, and seem to be the main contributors to multidimensional poverty in the Arab region. Gaps in the quantity and quality of education should be addressed, and not necessarily more but better spending on education should be facilitated. Countries must explore policy options to ensure that every child enrols in school and stays there until he/she completes the full course of compulsory education.

B. IMPROVING SOCIAL PROTECTION

23.   Given the strong negative correlation between wealth and multidimensional poverty, there is a need to consider a comprehensive package of social protection and employment generation to address multidimensional poverty and inequality. Countries must consider designing and implementing pro-poor social protection policies, without which a significant reduction of multidimensional poverty in the region is impossible.

C. INVESTING IN CHILDREN

24.   The analysis has shown great disparities related to the education level of the household head. Unless this problem is overcome, deprivations will be passed down from generation to generation. Thus, the report calls for investments in children to ensure that all, irrespective of social status, have access to a full range of quality health and education services, adequate nutrition and social protection benefits.

D. DEVELOPING RURAL AREAS

25.   Subnational disaggregation of the results has shown that many of the poorest states are located in rural areas. The report thus suggests geographically targeted interventions through a regional fund for poverty reduction and sustainable livelihoods, which would focus on the urgent needs of the poorest villages in those areas.

E. SPARKING A DATA REVOLUTION IN THE ARAB REGION

26.   Finally, the report calls for a data revolution in the Arab region. The work was severely constrained by data availability and their temporal and cross-sectional comparability. To improve future multidimensional poverty analysis in the region, it is critical that countries invest in their national surveys and data collection systems to provide robust estimates on a range of deprivation indicators at the level of households and individuals.

IV. CONCLUSION

27.   This document is aimed at putting the findings and recommendations of the *Arab Multidimensional Poverty Report 2017* before ESCWA member States to seek their support and contribution to the acceleration of poverty reduction efforts at the regional and country levels, focusing on two areas:

(a) Enhancing regional cooperation to develop and implement a regional poverty reduction strategy and programmes targeting the poorest areas in the Arab region;

(b) Strengthening partnerships to provide technical support and facilitate the exchange of expertise on poverty measurement and analysis, and on the development of poverty reduction programmes and the tools required for their successful implementation.

28.   In that regard, ESCWA will mobilize its resources, enhance its capacity and strengthen its strategic partnerships to provide more technical support to its member States for the fight against poverty in the Arab region.

Annex

DIMENSIONS, INDICATORS AND WEIGHTS OF THE ARAB MULTIDIMENSIONAL POVERTY INDEX

	Indicator	Arab Multidimensional Poverty Index	
		Acute poverty if	Poverty if
Education	Years of schooling	No household member has completed primary schooling (1/6).	No household member has completed secondary schooling (1/6).
Education	School attendance	Any child of primary school age is not attending school (1/6).	Any school-age child is not attending school or is two years or more behind the right school grade (1/6).
Health	Child mortality	Any child aged less than 60 months has died in the family during the five years preceding the survey (1/9).	Same as for acute poverty (1/9).
Health	Child nutrition	Any child (aged 0-59 months) is stunted (height for age < -2) or any adult is undernourished (body mass index (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).
Health	Female genital mutilation/early pregnancy	A woman less than 28 years old was first pregnant before 18 years old and has undergone female genital mutilation (1/9).	A woman less than 28 years old was first pregnant before 18 years old or has undergone female genital mutilation (1/9).
Living conditions	Electricity	Household has no electricity (1/21).	Same as for acute poverty (1/21).
Living conditions	Sanitation	Household sanitation is not improved, according to Sustainable Development Goals (SDG) guidelines, or it is improved but shared with another household (1/21).	Same as for acute poverty (1/21).
Living conditions	Water	Household does not have access to safe drinking water, according to SDG guidelines, or safe drinking water is 30-minute roundtrip walk or more away from home (1/21).	Household does not have piped water into dwelling or yard (1/21).
Living conditions	Floor/roof	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 (wood planks/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).
Living conditions	Cooking fuel	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 household does not have a separate room for cooking (1/21).
Living conditions	Overcrowding	Household has 4 or more people per sleeping room (1/21).	Household has 3 or more people per sleeping room (1/21).
Living conditions	Assets	Household has either no access to information or no access to easy mobility and livelihood assets (1/21).	Household has less than two assets for accessing information or less than two mobility means and less than two livelihood assets (1/21).