

SDG 1 and Multidimensional Poverty Indices (MPIs)

Sabina Alkire 30 September 2020

Tabita, Kenya

Rabiyi, India

Stephanie, Madagascar

Agathe, Madagascar

Dalmo, Kenya

Ann-Sophie, Kenya

Valérie, Madagascar



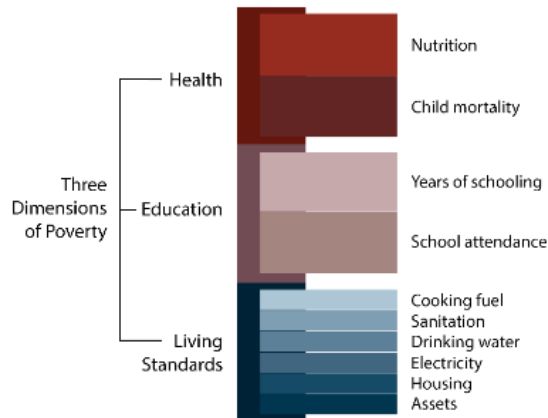
Why is SESRIC key for SDG 1

- According to the global MPI 2020 which has data for 40 OIC countries, member states include:
 - one-third of the 1.3 billion poor people (446 Million)
 - the **poorest** country (Niger)
 - 10 of the 18 countries that were **not on track** to halve MPI 2015-2030 (and 15 that are on track)
 - the **fastest** of 80 countries to reduce MPI (Sierra Leone)
- Beyond the global MPI, 30+ SESRIC countries are engaged with national MPIs.
- Plus, two Heads of states and 3 Ministers spoke **last Thursday** about their work on MPI in COVID

What is a Multidimensional Poverty Index MPI

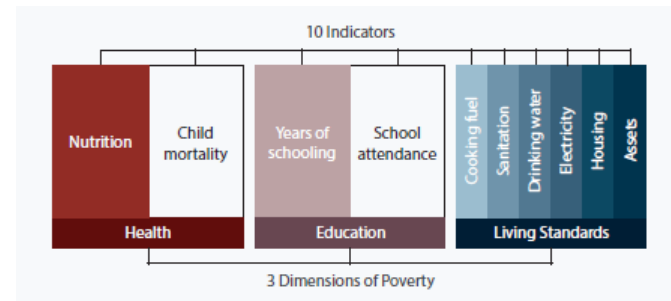
how do you make it?

1. Choose priority indicators



2. Build a Deprivation Profile for each person or household

This deprivation score is $\frac{1}{6} + \frac{1}{6} + 6(\frac{1}{18}) = \frac{2}{3}$



3. Identify Who is Poor Using a Poverty Cutoff (for example, 1/3):

If deprivation score $\geq$ poverty cutoff, person is poor. Here, $\frac{2}{3} \geq \frac{1}{3}$, so the person is identified as poor.

4. Compute MPI

$$\text{MPI} = H \times A$$

H "Incidence" = Headcount ratio of those identified as poor

A "Intensity" = Average deprivation score among all poor people

Out of the 57 SESRIC/OIC Countries

- Over 30 SESRIC countries have official national MPIs, or are/were exploring or designing them.
- Many countries have official MPIs including:
Afghanistan, Libya, Maldives, Malaysia, Morocco, Mozambique, Nigeria, Pakistan, **Palestine, Sierra Leone**
Countries in red launched 2019 or 2020.
- Official National MPIs are reported in the global SDG database by: Afghanistan, Guinea, Guinea-Bissau, Mali, Morocco, Mozambique, Pakistan as of 16 Sept 2020

23 SESRIC/OIC Countries participate in the 60-country Multidimensional Poverty Peer Network, as do 19 institutions: SESRIC, IDB, UNESCWA

- Afghanistan
- Bangladesh
- Burkina Faso
- Chad
- Djibouti
- Egypt
- Gambia
- Indonesia
- Iraq
- Malaysia
- Maldives
- Morocco
- Mozambique
- Nigeria
- Pakistan
- Palestine
- Senegal
- Sierra Leone
- Sudan
- Tajikistan
- Tunisia
- Turkey
- Uganda

www.mppn.org

11 SESRIC/OIC Countries Reported on Multidimensional Poverty in Their VNRs

- Bangladesh
- Egypt
- Indonesia
- Jordan
- Kyrgyzstan
- Morocco
- Mozambique
- Nigeria
- Sierra Leone
- Tajikistan
- Uganda

Side Event at UNGA 2020 featured Five SESRIC speakers on Poverty at a Crossroad: Using Leadership and the MPI during COVID-19

- Afghanistan
- Bangladesh
- Indonesia
- Maldives
- Pakistan (co-host)

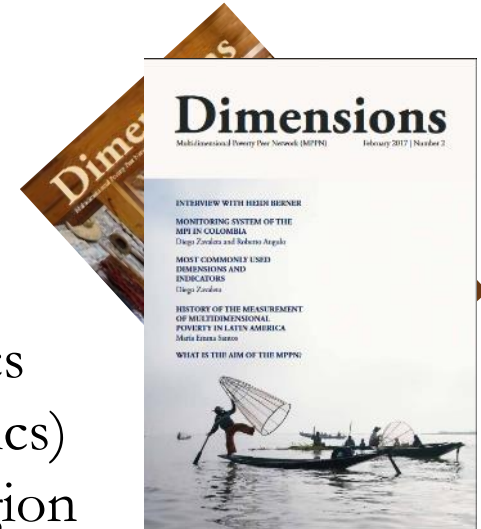
Libya & Uganda were among UNSC 2020 speakers





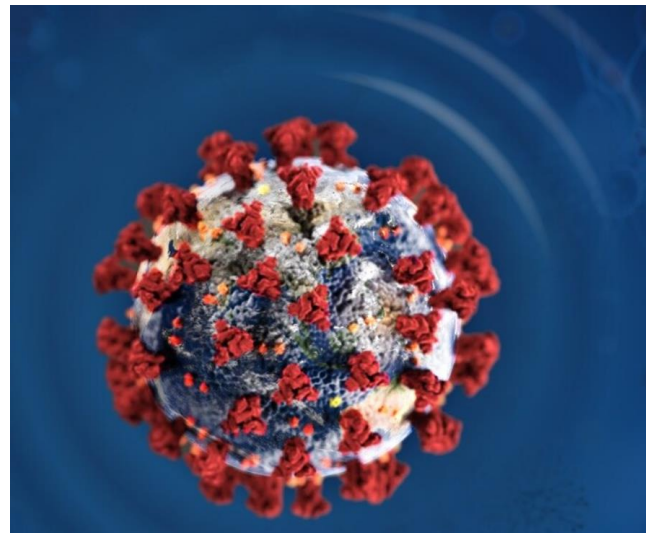
Policy makers use national MPIs to:

1. **Complement** monetary poverty statistics
2. **Track poverty** over time (official statistics)
3. **Allocate resources** by sector and by region
4. **Target** marginalized regions, groups, or households
5. **Coordinate** policy across sectors and subnational levels
6. **Adjust** policies by what works (measure to manage)
7. **Leave No One Behind** see the poorest & track trends
8. **Be Transparent** so all stakeholders engage – NGOs,
 - Private Sector etc, all parts of government.



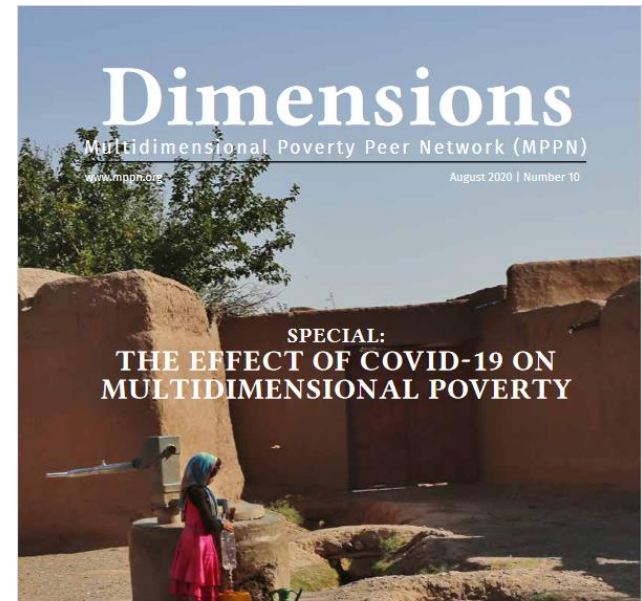
Enter Covid-19

- **For many of us, Covid-19 is a shocking exposure to a new threat**
- **For the MPI poor, it is another addition to their already extensive deprivation load.**



Enter Covid-19

- **Countries and Agencies such as UNESCWA have responded powerfully. Our August 2020 Magazine carries examples:**



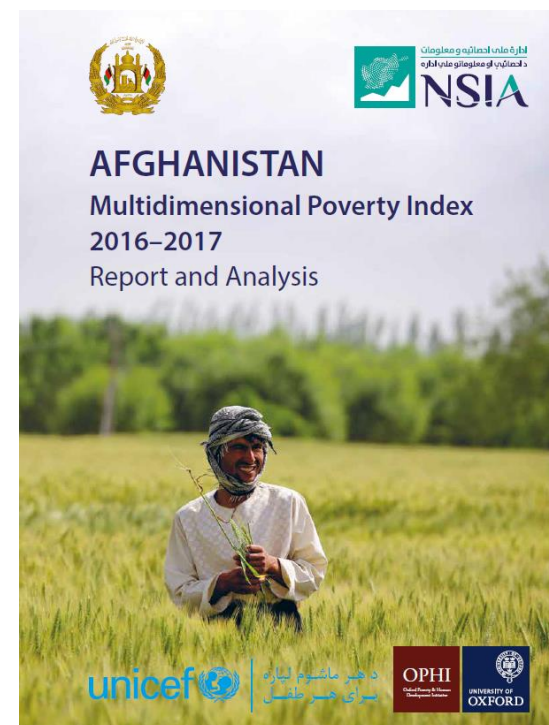
ARAB COUNTRIES

Khalid Abu-Ismaïl and Vladimir Hlasny,
UN Economic and Social Commission for Western Asia

One of the greatest challenges of estimating the impact of COVID-19 on poverty is the lack of available microdata. Faced with a lack of data, a team within the Economic and Social Commission for Western Asia is currently developing a model meant to contribute to the understanding of the accumulative cross-dimensional impact of the pandemic over the next 18–24 months. For this, the team is using household data from the last available health surveys (2016–2018). Their model consists of simulating counterfactual probabilistic shocks within each household under each dimension within the regional multidimensional poverty measurement – education, health, housing conditions and access to services and assets – subject to correlations of shocks across indicators. The shocks are calibrated using country updates, and food security and health system capacity indices. The model will provide MPI projections under several scenarios each with confidence intervals.

Example: Afghanistan

- **5 dimensions: health, education, living standards, work, and shocks.**
- **Reminded of MPI results – 51.7% poor, disaggregations**
- **Focused on four indicators: food security, water, sanitation, cooking fuel.**
- **Microsimulations for rise in hunger**
- **Microsimulations for loss of employment**
- **Microsimulations children out of school**

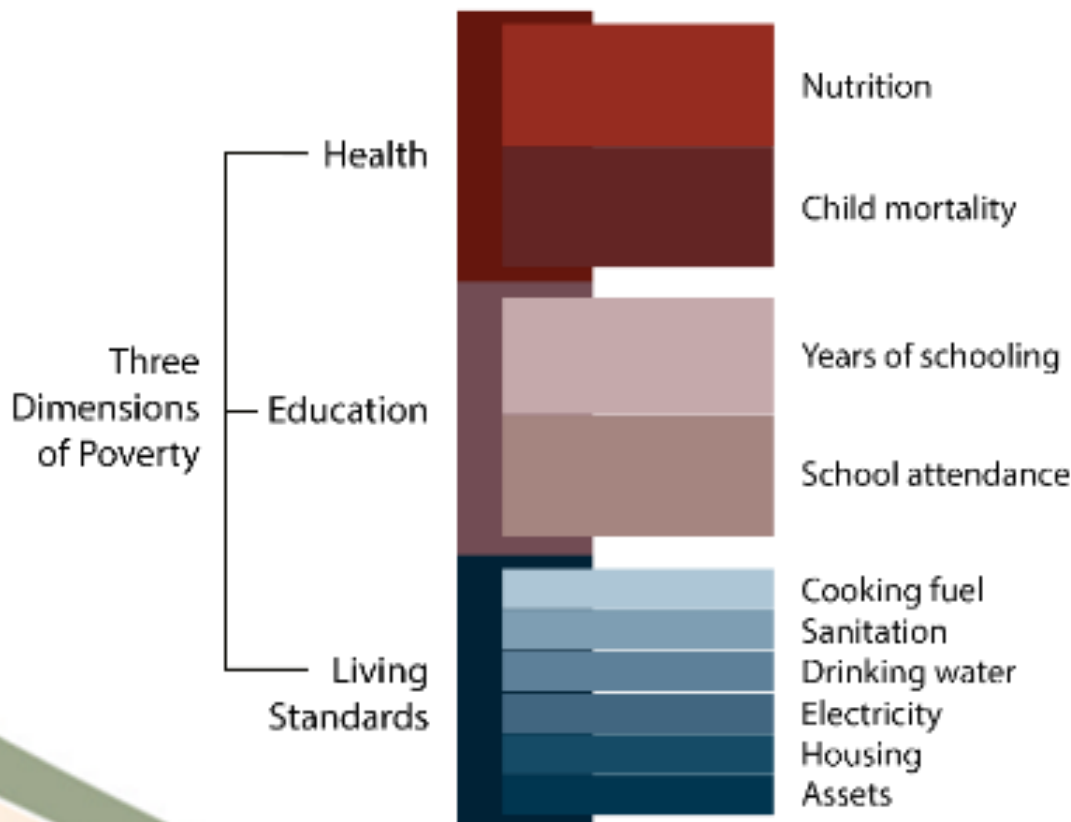


THE GLOBAL MPI 2020

We use harmonised data for 107 countries and 5.9 billion people, that match as much as data permit, definitions for 10 indicators.

Data Source: DHS and MICS surveys launched before April 2019 for most countries; national surveys for a few.

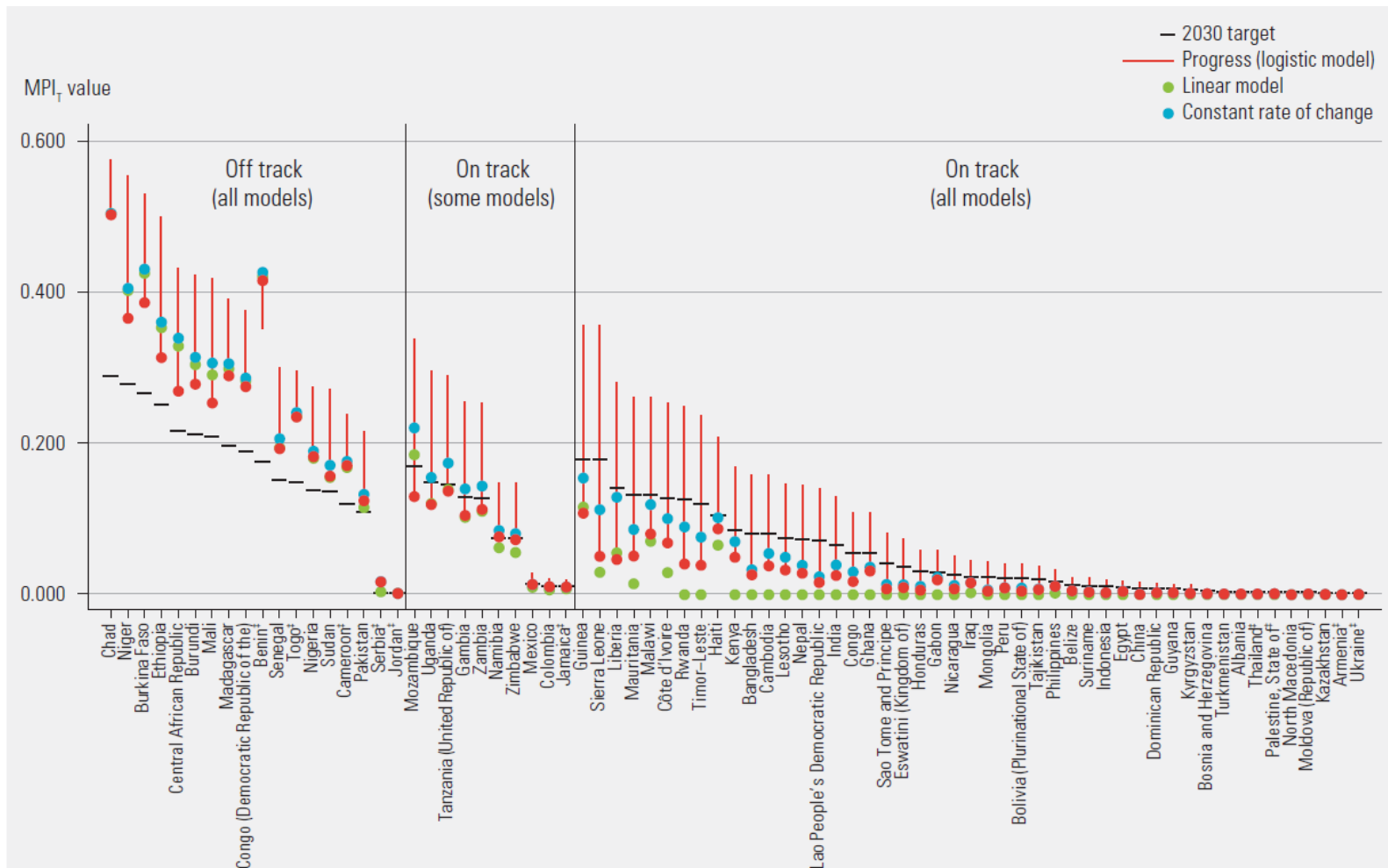
Next global MPI update: July 2020

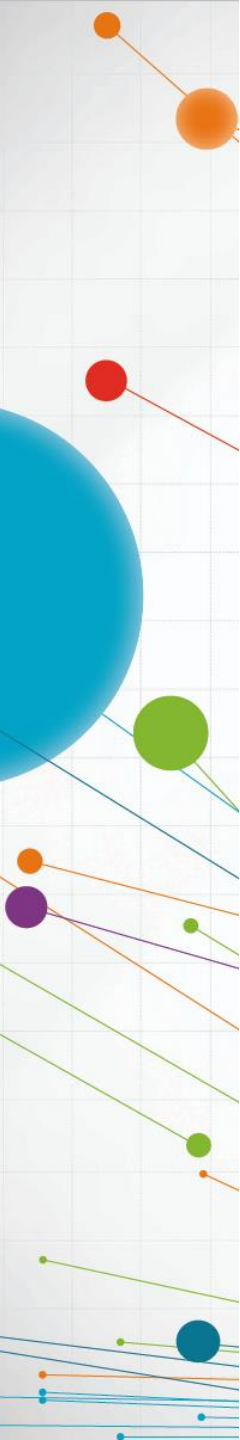


The global MPI is built directly on data covering deprivations that are directly ‘interlinked’ in the lives of people who are sharing the same household

Will the global MPI halve 2015–2030?

47 of the 75 countries (15 OIC) were on track to halve global MPI 2015–30
18 were off track – including 10 OIC countries: Burkina Faso, Chad, Cote D'Ivoire, Jordan, Mali, Nigeria, Pakistan, Senegal, Sudan, Togo.





Sierra Leone: Tremendous Progress despite the Ebola Crisis

The global MPI 2020 report found that the **fastest reduction** of multidimensional poverty among over 70 countries and five billion people **was in Sierra Leone**. Sierra Leone **2013-17** reduced the percentage of multidimensionally poor people from 74% to 58% - **during the precise years when the Ebola epidemic** raged and then was brought under control.

Pandemics require responses at a galloping speed and human error as well as tragedy seem inevitable. Despite this, **OIC member** Sierra Leone shows that it was possible, during a driving epidemic, to take a giant step forward in reducing multidimensional poverty. **Can we do so now?**