Multidimensional Poverty Index: a new perspective for poverty analysis Some Evidences from Arab Countries

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Abstract:

This research aims to analyze the multidimensional situation of poverty in some Arab countries compared to using other poverty indicators, and then to present proposals for their inclusion in the national and regional strategies concerned with combating this phenomenon in these countries. The results of the study show that Arab countries face serious challenges in reducing poverty, because the estimates indicate that the level of poverty is deep. Therefore, the indicators of absolute income poverty alone, or even the multidimensional poverty index, cannot be considered sufficient to express the level of fragility and cohesion of society in the Arab countries, as they do not take into account the level of individuals' access to basic services and their aspirations and future expectations.

الملخص :

تهدف هذه الورقة البحثية بصورة أساسية إلى تطبيق مؤشر الفقر المتعدد الأبعاد لتحليل واقع الفقر في بعض الدول العربية مقارنة بمؤشرات الفقر الأخرى، ومن ثم تقديم اقتراحات لإدراجها ضمن السياسات الوطنية و الإقليمية المعنية بمحاربة هذه الظاهرة في هذه الدول.

و تظهر نتائج البحث أن البلدان العربية تواجه تحديات خطيرة في الحد من الفقر لأن التقديرات تشير إلى أن حجم الفقر وعمقه كبيران للغاية . لذا لا يمكن اعتبار مؤشرات فقر الدخل المطلقة وحدها، أو حتى مؤشر الفقر متعدّد الأبعاد، كافية للتعبير عن مستوى هشاشة الاستقرار والتماسك المجتمعي في الدول العربية ، ولا يأخذ في الاعتبار مستوى حصول الأفراد على الخدمات الأساسية وتطلعات أفراد المجتمع ونظرتهم للمستقبل.

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1. Introduction.

Poverty is one of the most important issues that dominate the thinking of economists, politicians and sociologists alike. It is also one of the most important phenomena that any development policy, whether in developed or developing countries, seeks to eliminate because of its multiple economic, social and political aspects. The phenomenon of poverty is of great national, international and global interest. This interest appears through studies, plans and programs adopted by some international and international institutions in order to eradicate or reduce poverty through the knowledge of poverty points, causes, characteristics and indicators.

Although poverty is generally a relative concept, it has many definitions and methodologies. A universally accepted definition of poverty and an agreed instrument for measuring it is not expected, since poverty has subjective dimensions that are no less relevant.

Economists have traditionally linked poverty to inequitable distribution of income, by linking the growing level of per capita income of GDP, which is the primary objective of economic policies, among others, and the decline of the number of poor people in society. However, the prevailing opinion today is that monetary indicators cannot be relied upon to measure poverty. Indeed, poverty is a complex and multidimensional phenomenon that results from the interaction of many economic, political and social conditions that exacerbate the deprivation faced by the poor. Economic growth is not a sufficient condition for poverty alleviation, but there must be expansion that can create new and adequate employment and income levels for all segments of society above the poverty line. Despite the difficulties in devising a practical measure of poverty that accurately reflects the magnitude of the phenomenon and so that households and individuals can be formally classified as poor, there are many attempts at economic thought, empirical studies, and practical practices of economic policies to measure the phenomenon.

Because poverty is one of the main challenges facing many Arab countries, these countries have prepared policies and developed social and development programs that contribute to the eradication of poverty at the national and regional levels, including the Arab Anti-Poverty Strategy, the Arab Integrated Program for Employment and Unemployment Reduction, and the Arab Program to reduce poverty, the Arab Declaration for the implementation of 2030 Agenda for Sustainable Development "social dimensions", and other national programs. In this context, this paper uses the concept of multidimensional poverty as an approach to analyze the phenomenon of poverty in a group of Arab countries, guided by the latest international scientific research.

Hence, the problem that the paper attempts to answer in the following questions, which can be posed as follows:

- What indicators can be adapted to measure poverty, and what is the difference between them?
- Does the multidimensional poverty index provide a comprehensive and integrated measure of poverty?
- What are the conditions of poverty in the Arab region, according to different measures of poverty? What is the picture of the multidimensional poverty index in these countries?

The main objective of this research is to apply the multidimensional poverty methodology for analyzing the situation of poverty in a group of Arab countries, compared to other poverty methodologies, and then make suggestions for inclusion it in national and regional strategies to reduce poverty in these countries.

The importance of research stems from the topic it deals with, which is a complex and multidimensional phenomenon, especially in the Arab countries at the present time, which is represented by the increasing levels of poverty and its spread, and perhaps highlighting the best ways to measure this phenomenon, will allow the development of practical scenarios to combat the phenomenon.

2. Measuring poverty: are there deficiencies in monetary approaches?

The importance of measuring poverty lies in the identification of the poor, their location and their size relative to society and their demographic characteristics and living standards, in a number of ways in order to develop plans and policies to lift these poor from poverty to non-poverty.

In order to classify or sort poor households from non-poor households, we must use some tools and indicators that help us judge whether the households are poor or not. Some of these tools represent the poverty line method. The idea of this method is to divide the society into two categories, the poor and the non-poor, depending on the poverty line, from which the poverty indicators are estimated as the percentage of the poor, the severity of their poverty and the size of the gap between them and the poverty line.

2.1. The concept of the poverty line.

It is the limit between the income or consumption of the poor from the non-poor, and it is considered an individual poor if the consumption or income falls below the minimum level of basic needs for the individual, is defined as the minimum basic needs of the individual as the poverty line. Individuals or households whose expenditure or income is below the poverty line are classified as poor and households or individuals whose expenditure or income is above the poverty line classify as non-poor. The main types of poverty lines are (Badran, 2002, pp. 8-9):

a. Extreme poverty line

The extreme poverty line is defined as the level of income or expenditure required by the household or individual to meet the basic food needs that provide him with the calories necessary for his normal daily activities.

b. The absolute poverty line:

The absolute poverty line is defined as the level of income or expenditure needed by the household or individual to meet basic food and non-food needs. The basic non-food needs relate to housing, clothing, education, health and transportation.

c. The relative poverty line Relative poverty line

It is an indirect method and it is estimated through income data. According to the agreed definition of relative poverty, the relative poverty line could be the Median or any Percentile believed to be the value between the income of the poor and the income of the non-poor.

2.2. Poverty line measures

Some indicators of poverty and inequality along the poverty line approach are more common in the literature than others. However, each indicator has its pros and cons, which are mainly derived from the quality of the different variables used in developing these indicators. (Standing Committee for Economic and Commercial Cooperation of the Organization of Islamic Cooperation, 2015, pp. 11-12):

a. Number of heads index:

It is the simplest and most common measure, and attempts to measure the phenomenon of poverty. This indicator reflects the number of household members of the community who fall below the poverty line, and if we assume that a certain size of the population (Q) is poor (i.e., their consumption level is below the estimated poverty line), and that the size of the population is equivalent to (N), Number of heads can be expressed in:

$H = N / Q$

This indicator is useful for many purposes. It is easy to understand and is good for comparison or for evaluating the impacts of poverty reduction strategies. However, for other purposes, including an analysis of the potential impacts of some policies on the poor, there are clear shortcomings.

b. Poverty gap:

To complement the previous indicator, a poverty gap index was introduced, which attempts to measure the gap between the income of the poor and the poverty line. This measure determines as

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follows: If we rank consumption in society in ascending order, that is, the poorest have (Y1), then the poorest have (Y2)….Thus, until we reach the poorest group that has Y q, which by definition is not greater than the poverty line Z, the poverty gap index can be expressed as follows:

PG = I. H . Where (I) is the income gap index, and is expressed by:

I = Z - Yq / Z .Where, Yq is the average consumption of the poor.

This indicator although also useful, but it receives some observations, the most important that this indicator does not reflect the extent of income inequality between the poor. For example, the poverty gap will be equal when two individuals have a level of expenditure equal to 50% of the poverty line, or when one has 75% of the poverty line while the other has 25%. , In both cases the poverty gap is 0, 5.

c. Poverty severity index

It can be calculated by averaging the relative square of the poverty gap and can be expressed as:

$$PS = 1 / n \sum (Z- Yi)^2 / Z * 100$$

Whenever the poverty index high, poverty was stronger and the disparity between the poor increases.

d. Gini coefficient

It is a popular measure used as an indicator of inequality. This indicator is based on the Lorenz curve, which is a cumulative frequency curve that compares the distribution of a given variable, for example, income, against the population to show inequality. The Gini coefficient is a good indicator of inequality due to its powerful features, including:

- If all income doubles, the indicator will not change.

- If the population size changes, but the distribution remains constant, then the index will remain unchanged.

- If two people in the exchange of income the index will not change.

- If a high income individual is converted to a low income person, the index will decline.

However, the Gini coefficient has some disadvantages such as other measurements. It is a compound, but not a fixed subset. Consistency of a subgroup requires that, if poverty in one subgroup falls and remains unchanged in another, both of which have a fixed population size, the overall poverty level should similarly decrease. The problem with the Gini coefficient occurs when the input ranges of subgroup distributions overlap. In this case, the effect of a given distribution change on an unequal subset can be counterproductive to the overall inequality and the Gini coefficient can be divided into an intra-group term, a term between a group and an overlap term, the latter one that can bypass an intra-group effect to generate Sub-discrepancies (Michaelwright, 2009, p. 45).

3. Multidimensional Poverty Index

In addition to the above measures of poverty and inequality, efforts have been made to develop new tools that can take into account various aspects of human deprivation. This section aims to analyze the multidimensional poverty index, which is designed to assess poverty and inequality within society, including an assessment of human poverty, gender-related development, and inequality in economic opportunities, polarization, and vulnerability to poverty or social exclusion.

The Multidimensional Poverty Index first used in the 2010 UNDP Human Development Report by Oxford Poverty and Human Development Initiative (OPHI) (UNDP, World Human Development Report , 2010, p. 96). It complements the critical measures of poverty by taking into account the multiple and interdependent aspects of human deprivation. The index examines deprivations across the same three indicators that make up the Human Development Index (HDI). Education, health and standard of living, and It consists of 10 sub-indicators 10 shows the number of people who are poor multidimensional meaning that they suffer from deprivation in 33% of the weighted indicators. The index can be set by region, ethnicity, and other classifications. Therefore, a change from one-dimensional to a multidimensional measure of poverty is an important theoretical development and offers advantages to policymakers.

The Multidimensional Poverty Index consists of three dimensions and ten indicators (The Kingdom of Morocco, 2014, p. 3):

The education dimension has two indicators: school attendance and school years. The health dimension has two indicators: nutrition and child mortality. Indicators of the standard of living include six indicators: availability of electricity, adequate sanitation, safe drinking water, clean cooking fuel, adequate flooring and roof, and access to minimum assets.

Each indicator has two thresholds for determining the level of deprivation, the first of which reflects a higher level of deprivation that implies by extreme poverty, while the other limit reflects a less severe level of deprivation that implies by poverty. Its role is to measure poverty, including extreme poverty. While the boundaries of segregation usually vary between indicators of extreme poverty and poverty, they remain the same in the case of the overall degree of identification of poor households. The household is classified as extremely poor or as poor if the total level of deprivation they suffer (the total weight of the ten indicators) is more than 33.3 per cent of the maximum possible deprivation.

The crucial question then is how many indicators a household must suffer to be deprived of in order to be considered poor or extremely poor Similar to the poverty line indicators, many segregation limits can be defined to reflect different levels of extreme poverty and poverty. It has been adopted that the threshold for multidimensional poverty separation is when the total weight of deprivation indicators is 33.3 % or more, meaning that a household with 33.3 % of the deprivation score will be seen as suffering from multidimensional poverty. When the ratio is between 20 and 33.3 %, the household is considered vulnerable to poverty. When the value is 50 % or more, the household is considered to be in extreme poverty.

The last stage of establishing the Multidimensional Poverty Index is to aggregate information into a single scale at the country, a group of countries or region level. The indicator widely used in the development literature is the ratio of the poor to the total population (H). The severity of poverty (symbol A) is also calculated by using the Alkier Foster AF method, which is equivalent to the weighted average deprivation experienced by the poor, and by multiplying A by H we obtain the poverty index : MPI = H × A(UNDP, World Human Development Report , 2010, p. 97).

A number of objectives have been taken into account in the development of the Multidimensional Poverty Index and the methodology for analyzing multiple overlapping deprivations, with each guide and methodology being useful tools in comparing countries at the international, regional, sub regional, national levels and regions within the country, which in turn will contribute to this. Indicators to guide geographical targeting within and between countries.

This analysis allows policymakers and international organizations to monitor and address spatial inequalities to reduce multidimensional poverty, and can help Governments and international agencies to assess their policies, particularly in terms of their access to the poor in general and the most disadvantaged groups in particular. It is hoped, therefore, that the Multidimensional Poverty Index and the analysis of multiple overlapping deprivation will encourage developing national standards that are designed according to the needs of individual countries, and used with the monetary measures of poverty.

In terms of advantages, it should be noted that although the Human Development Index (HDI) contributes to the assessment of poverty, it does not illustrate the need for families. Therefore, the Multidimensional Poverty Index (MPI) aims to modify this problem by identifying deprivation at the household level across the same three dimensions as education, health and living conditions. However, the MDI is a weighted average deprivation experienced by the poor and is not sensitive to Equality between the poor.

Finally, it should be noted that the multidimensional poverty index and the methodology for analyzing multiple overlapping deprivations have been widely accepted in a short time and are used as a complementary measure of monetary poverty measures in a number of countries. However, addressing their merits should be combined with talking about the limits of their use, and their main drawback is that it does not address all forms of qualitative and quantitative deprivation. There are important dimensions of deprivation that arise at the community level and are not expressed in the

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context of the Multidimensional Poverty Index and the methodology for analyzing the multiple overlapping deprivations, such as insecurity, violence, criminality, environmental degradation, poor quality of education, the absence of social cohesion, a sense of citizenship and so on.

4. Methods and Materials:

In order to observe the specific situation of the Arab rgion, the United Nations Economic and Social Commission for Western Asia (ESCWA), in cooperation with the League of Arab States(within the framework of the initiative of the Ministerial Council for Social Affairs of the League of Arab States) and the United Nations Organization for Motherhood and Childhood (UNICEF) and the University of Oxford has added two indicators to the Global Multidimensional Poverty Index when preparing the regional multidimensional poverty index for the Arab countries, a similar methodology was adopted to calculate a multidimensional poverty index for the ten Arab countries included which data were available, namely Jordan , Tunisia, Algeria, Comoros, Sudan, Iraq, Egypt, Morocco, Mauritania and Yemen, as well as Palestine in relation to child poverty analysis, using the same dimensions as the Global Multidimensional Poverty Index (Economic and Social Commission for Western Asia and the League of Arab States, 2017, p. 47).

The multidimensional poverty index for the ten Arab countries differs from the Global Multidimensional Poverty Index by adding two other indicators: "congestion" and "female genital mutilation as well as early pregnancy".

It is noteworthy that the rationale for choosing these indicators is not in doubt, especially from a human rights perspective, but its relevance to Arab countries should be understood at different levels of social and economic development. Given the high prices of real estate and homes in some countries and rapid population growth across the region, it is important to pay due attention to the overcrowding index, but stressing that overcrowding differ widely between countries. Early pregnancy and female genital mutilation FGM have a significant impact on the lives of a large number of women in the Arab region, and it is all the more important to monitor early pregnancy that the second leading cause of death for females between the ages of 15 and 19 years is childbirth complications. Early pregnancy is a risk to the mother's life.

The research is based on the descriptive analytical approach, with the application of various statistical methods that allow describing, analyzing and measuring the phenomenon of poverty in Arab countries.

5. Results and discussion :

This part of the research analyzes the poverty situation in the group of Arab countries which the statistics and the surveys are available. To do this, the two poverty measurement methods discussed above were used, the income poverty and the multidimensional poverty.

5.1. Poverty indicators in Arab countries according to the poverty line method

According to the latest available data, the poverty rate according to the national poverty lines in the Arab countries ranges from 48.6% in Yemen to 4.8% in Morocco. While poverty rates are linked to the level of development in each country in terms of average per capita income, other Factors have contributed to the rise in poverty rates in a number of Arab countries as a result of their living conditions, as in Palestine as a result of the occupation, and in Yemen as a result of internal conditions. While there is no recent data available in the countries affected by such conditions, the concrete reality in a number of Arab countries indicates an increase in poverty rates and reaching more than half of the population, especially in Syria and Yemen, as a result of the internal conditions in these countries and the ensuing Challenges in living conditions, Figure (1).

Figure 1. Income Poverty Ratio by National Poverty Line in Arab Countries (the Latest Available Data)
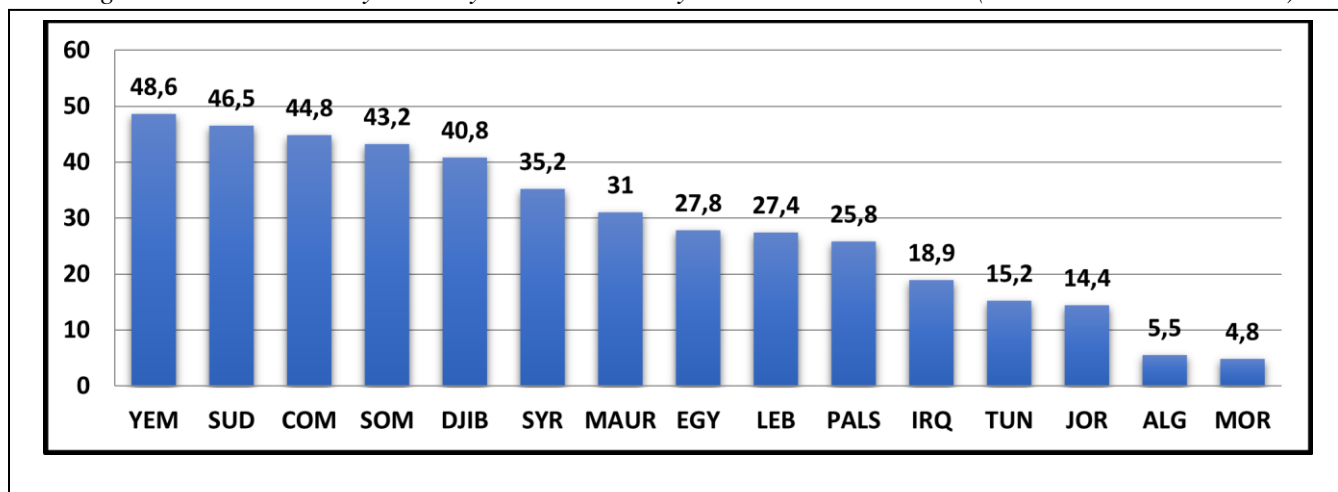

Source: The League of Arab States and others (2019), Unified Arab Economic Report 2018, Abu Dhabi, Arab Monetary Fund, P 33.

More than one-third of the population is living in poverty in six Arab countries at least, namely Yemen, Sudan, the Moon, Somalia, Djibouti and Syria, while the poverty rate varies between a quarter and a third in four Arab countries, and less than those levels in other countries for which data are available. Algeria and Morocco have poverty rates of less than 10 per cent.

By 2010, the threshold of extreme poverty in the region was 4.1 per cent, up from 5.5 in 1990, thanks to the progress made by many Arab countries through their commitments to the Millennium Development Goals, with the best results achieved in Jordan, Egypt and the Syrian Arab Republic (Economic and Social Commission for Western Asia and the League of Arab States, 2016, p. 3). However, this trend quickly began to decline, with the latest data and estimates for 2012 suggesting that extreme poverty has exceeded the 1990 level, with estimates of 7.4 per cent as shown in figure (2).

Figure 2. Extreme poverty rate in Arab countries (The percentage of people living on less than $ 1.25 per day), according to data: 1990 and 2012
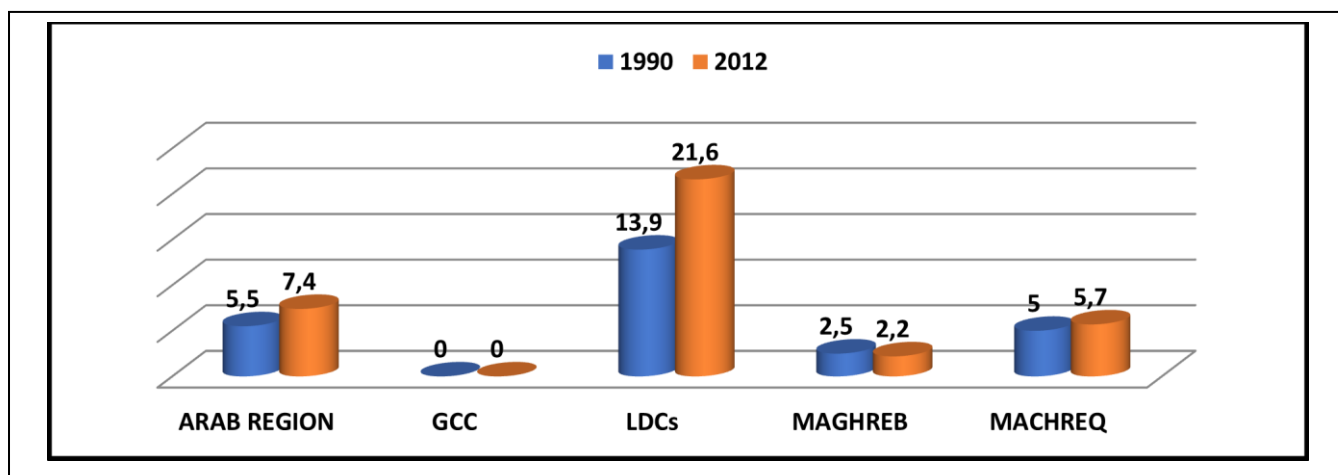
Source: Economic and Social Commission for Western Asia and the League of Arab States (2016), Arab Millennium Development Goals Report, Beirut, ESCWA, P 3.

Extreme poverty was the highest in the Arab least developed countries (LDCs), reaching 21.6 per cent in 2012, down from 13.9 per cent in 1990, and the decline appears to be not confined to the least developed countries, but to those with advanced results before 2010, especially Syria, Yemen and Egypt.

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In Syria, the conflict that erupted in 2010 has wasted decades of progress, with extreme poverty in the country falling from 7.9 per cent in 1997 to 0.3 per cent in 2007. As a result of the ongoing conflict, it is estimated that extreme poverty has returned to 7.2% from 2012 to 2013.

Another notable development is the rise in poverty in Egypt's national poverty line from about 16.7 per cent in 2000 to about 27.8 per cent in 2016, as a result of slower employment-supporting growth, reflecting the impact of some economic reforms implemented during recent years, the government has sought to strengthen social protection networks to mitigate the impact of economic reforms on these classes (The League of Arab States And others, 2019, p. 34).

It can be said that several factors contributed to high poverty rates in a number of Arab countries as a result of the circumstances in which they live, as in Palestine as a result of the occupation and in Yemen, Libya and Iraq as a result of internal conditions. In addition, weak overall growth in a large number of Arab countries due to the decline in high oil prices and the weak recovery of the global economy and its impact on development programs and social programs in a number of these countries, even on the decline in the value of remittances from rich Arab countries to poor countries Many families depend on workers and remittances in these countries.

On the other hand, poverty in most Arab countries is rural, with the proportion of the rural poor increasing in some countries such as Mauritania to make up about three quarters of the total number of poor. Poverty rates according to national rural poverty lines are also high compared to urban poverty rates, Figure (3).

Figure 3. Poverty rate by rural and urban poverty line in some Arab countries (the latest available data)
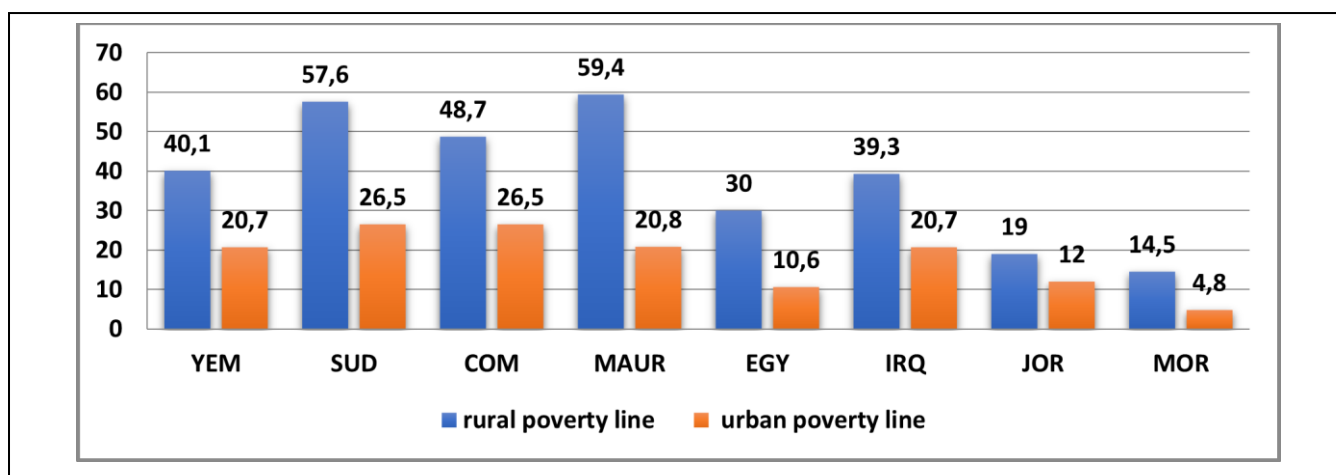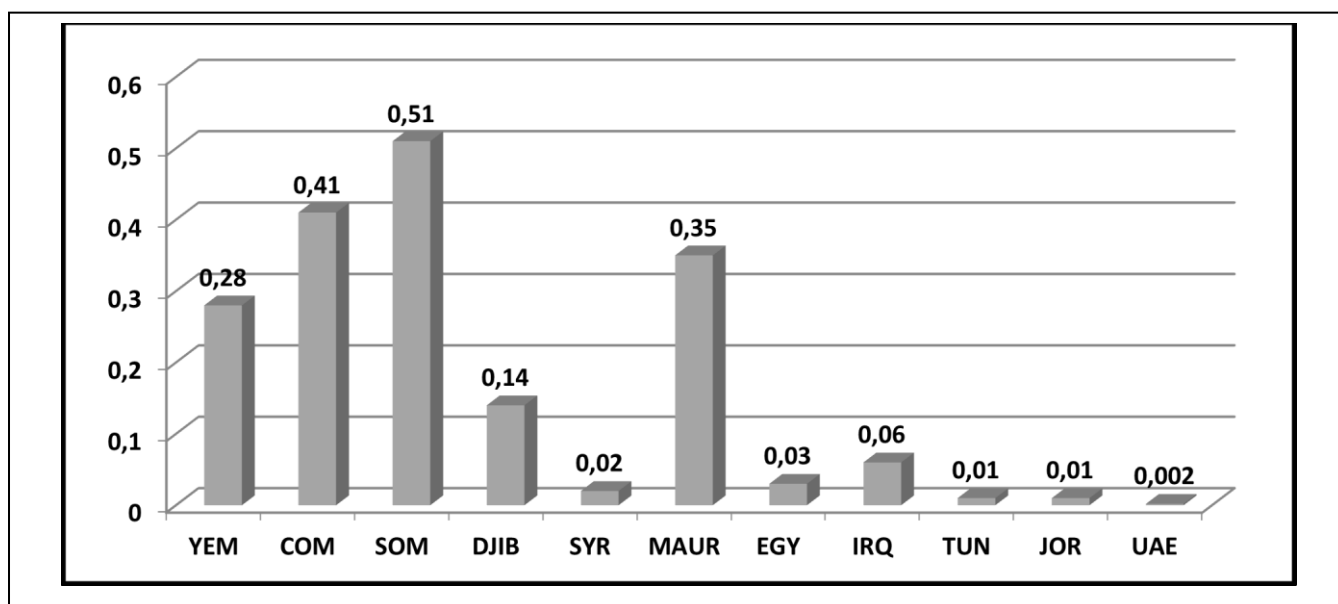

Source: League of Arab States and others (2018), Unified Arab Economic Report 2017, Abu Dhabi, Arab Monetary Fund, P 33.

According to the latest available data, some Arab countries have succeeded in reducing poverty rates to varying degrees since the beginning of the third millennium. Poverty rates in Morocco decreased from 15.3% in 2000 to about 4.8% in 2014. In Tunisia, from 25.4 per cent in 2000 to 15.2 per cent in 2015 as a result of efforts to implement poverty alleviation programs by better targeting the poor in support, social transfers and support for safety nets and social protection (The League of Arab States And others, 2019, p. 34).

4.2. The Poverty Situation in the Arab Countries according to the Multidimensional Poverty Index

It is clear from the multi-dimensional poverty index that poverty indicators in Arab countries are relatively different among these countries. Although there is a significant statistical correlation between income poverty rates, and the levels of the multidimensional poverty index, the ranking of the Arab countries varies according to the two indicators due to the different nature of the variables involved in each. Figure (4) shows the level of the multidimensional poverty index for the Arab countries for which data are available.

*Figure 4. Multidimensional Poverty Index in Some Arab Countries 2000– 2008*

Source: The League of Arab States and others (2013), Unified Arab Economic Report 2012, Abu Dhabi,
Arab Monetary Fund, P 32.

As demonstrated by the political and economic developments witnessed by a number of Arab countries since 2011, and in the light of the global movement towards achieving the Sustainable Development Goals in accordance with the United Nations Agenda 2030, with its 17 Goals and its 169 aims, it is an ambitious step to eradicate poverty and live in dignity by the year 2030. Since the beginning of international consultations for this plan, the Arab countries have developed their own perceptions and considered the national and regional plans necessary to achieve sustainable development in the Arab countries. The priorities of the Arab countries focused on the eradication of poverty in all its faces as a key condition for achieving the 2030 Sustainable Development Goals. The League of Arab States, in coordination with its member States and through its specialized organs, initiated plans and strategies to achieve the 17 SDG with a focus on multidimensional poverty.

In light of these developments, Figure (5) shows the latest data on multidimensional poverty in a sample of Arab countries, and the indicator shows the contribution of each of three dimensions.
The index shows that multidimensional poverty is between 0.5 in Somalia and 0.004 in Jordan. In a trend similar to the poverty line index, the index shows that countries in extreme poverty along the income poverty line also rank low in the multidimensional poverty index such as Somalia, Mauritania and Djibouti (LDCs). The same conclusion does not apply to other middle-income countries such as Jordan and Morocco. The poverty line index (Figure 1) shows that Morocco has the best results in the Arab countries in terms of low poverty rate, while it scores higher levels of multidimensional poverty according to this indicator, unlike Jordan (where a difference of more than 10 percentage points is shown according to the poverty line index).
The indicator shows the relative importance of the standard of living in describing the multidimensional poverty situation of the least developed countries (Somalia, Mauritania, Sudan, and Yemen). The health and education dimensions contribute more to other middle-income countries.

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Figure 5. The Multi-dimensional poverty index in some Arab countries (2005-2014)
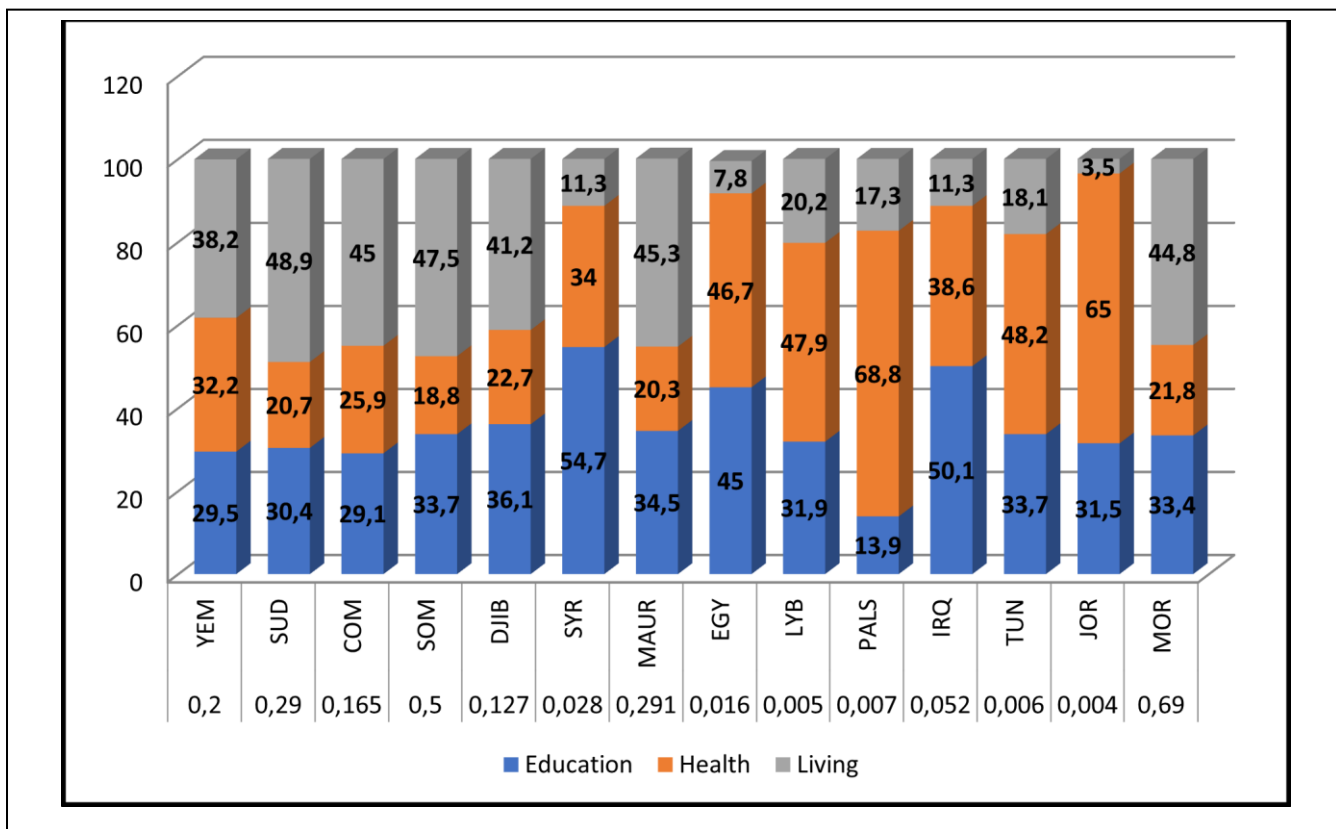

Source: UNDP (2016), Human development report 2015, New York, United Nation. PP230-231.

Comparing developments during the period 2008-2014 (comparing Figures 4 and 5), we note a slight improvement in Somalia, Morocco, Mauritania, and Egypt (almost constant multidimensional Poverty). While there are very encouraging results in Comoros (a decrease from 0.41 to 0.18) and Jordan (from 0.01 to 0.004).

At the level of the Arab countries as a group (countries with data available), the rate of extreme household poverty is modest at the regional level, but it does not reveal the whole picture, as the percentage of the poor is 13.4% (38.2 million). The percentage of poor people in the 10 Arab countries for which data is available is about 40.6 per cent (116.1 million), and the level of poverty, which also includes extreme poverty, is much higher. The Multidimensional Poverty Index is 20.6 per cent. The Regional average for the severity of poverty (poverty severity index) is about 50 per cent of both poverty and extreme poverty (Economic and Social Commission for Western Asia and the League of Arab States, 2017, pp. 15-16).

Arab countries with the latest data on multi-dimensional poverty can be categorized into three groups based on their poverty rates. As shown in Figure (6), for household poverty, the first group includes countries with very low levels of extreme poverty and poverty, and includes Egypt, Jordan, Tunisia and Algeria. The second group includes Morocco and Iraq, which have low levels of extreme poverty and moderate poverty. Group 3 comprises the rest of the least developed countries, Comoros, Mauritania, Sudan and Yemen, with moderate and high levels of extreme poverty and poverty.
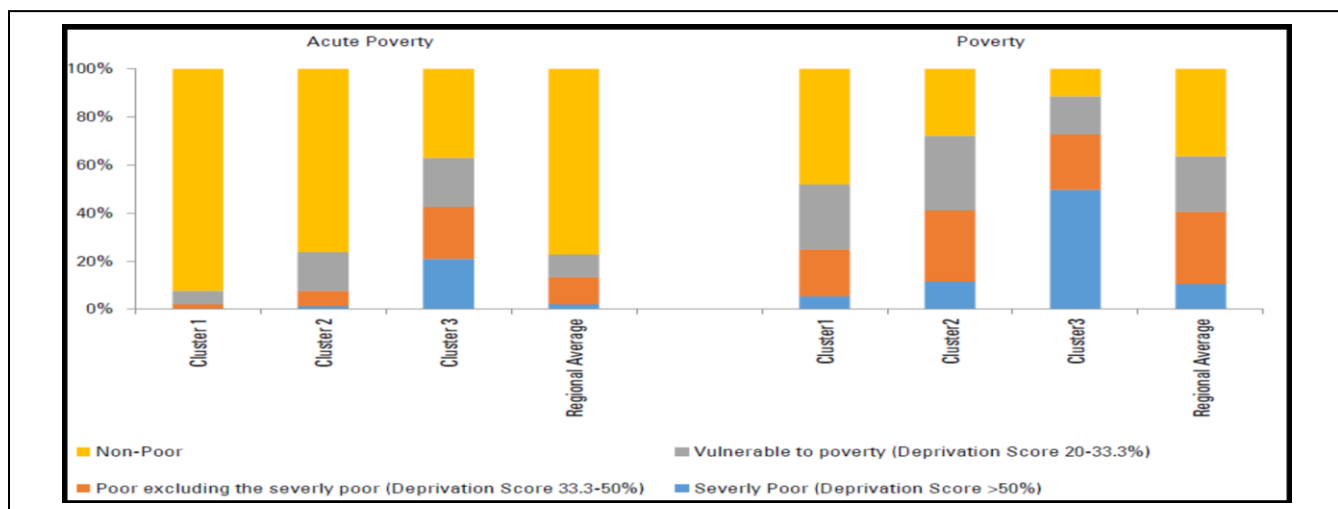
Figure 6. Household poverty level according to the multi-dimensional poverty index for groups of Arab countries
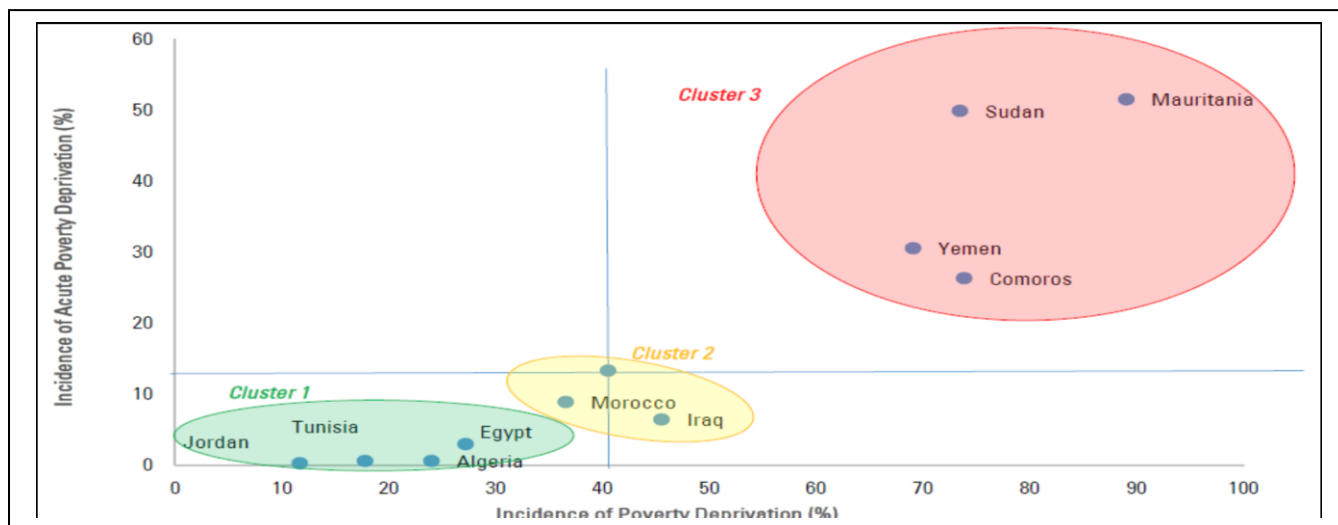
Source: Economic and Social Commission for Western Asia and the League of Arab States (2017), Arab Report on Multidimensional Poverty, Beirut. ESCWA, 2017; P18.

Based on the data shown in the same figure, it can be concluded that 41 percent of the population of these countries fall under the category of poor households and 13 percent of them are in extreme poverty. The percentage of the poor in these countries is higher than that of the extreme poor, but the gap between extreme poverty and poverty appears to be very large. This finding undermines the widespread conclusion that poverty in the Arab region is low. Deprivation is already a widespread phenomenon, not just for the least developed countries. The challenge of poverty exacerbates by the high vulnerability of poverty as well. Households are at risk of falling into poverty if their total disadvantage indicators are above 20 per cent but less than 33.3 per cent. At the level of the Arab States for which recent data are available, 11.8 per cent of households are at risk of extreme poverty. The ratio in groups 2 and 3 to reach 16.2 and 20.4 per cent, respectively, as shown in figure (7).

Figure 7.The Percentage of Non-Poor and Vulnerable People to Poverty and Extreme Poverty Through groups of Arab countries for which data were available

Source: Economic and Social Commission for Western Asia and the League of Arab States (2017), Arab Report on Multidimensional Poverty, Beirut. ESCWA, 2017; P22.

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The results differ when moving from extreme poverty to poverty. Although the countries of groups 1 and 2 have a relatively low percentage of poverty, a much larger proportion of the population is at risk of poverty 27.1 per cent in group 1 and 31.0 per cent in group 2. Overall, a quarter of the population of the countries surveyed poor, which means that nearly two-thirds of its population is either poor or vulnerable to poverty.

Although the percentage of the extreme poor is very low in countries 1 and 2, the picture varies when transitioning from extreme poverty to poverty, especially in group 2 countries where 11.6 per cent of the population suffers a disadvantage above 50 per cent, as opposed to Only 5.4 per cent in Group 1 countries. Thus, Figure (7) indicates that the real challenge facing countries 1 and 2 is to address the large percentage of the population at risk of poverty. Group 3 countries need to alleviate extreme poverty, which affects about half of their total population.

The Multidimensional Poverty Index shows other characteristics of the pattern of poverty in Arab countries. The analysis shows that inequality in the distribution of poverty is high at the spatial level (between rural and urban; between governorates or provinces within countries, between different groups of the countries), and in terms of socio-economic conditions of households (like larger households, less affluent households). Families whose heads have not been educated are more vulnerable to poverty. Figure (8) shows a summary of these variations.

The figure shows that the percentage of poor (both of extreme poverty and poverty) is higher in rural than in urban areas, in households where the head of the household is not educated compared to those with higher education, and in rural areas.

The values of MDP indicators in rural areas are much higher than those in urban areas in both extreme poverty and poverty. For the group of countries as a whole, the MDP indicators for extreme poverty are 1.87 per cent for urban and 11.26 for rural people. Similarly, these poverty values are 11.4 per cent for the urban population and 29.2 per cent for the rural population. Although less than half of the population lives in rural areas, 83 per cent of the population living in extreme poverty and 67 per cent of those living in poverty live in rural areas.

Figure 8.The Multidimensional Poverty Index of Household Poverty in Rural and Urban Areas across Groups of Arab Countries for which Data are Available
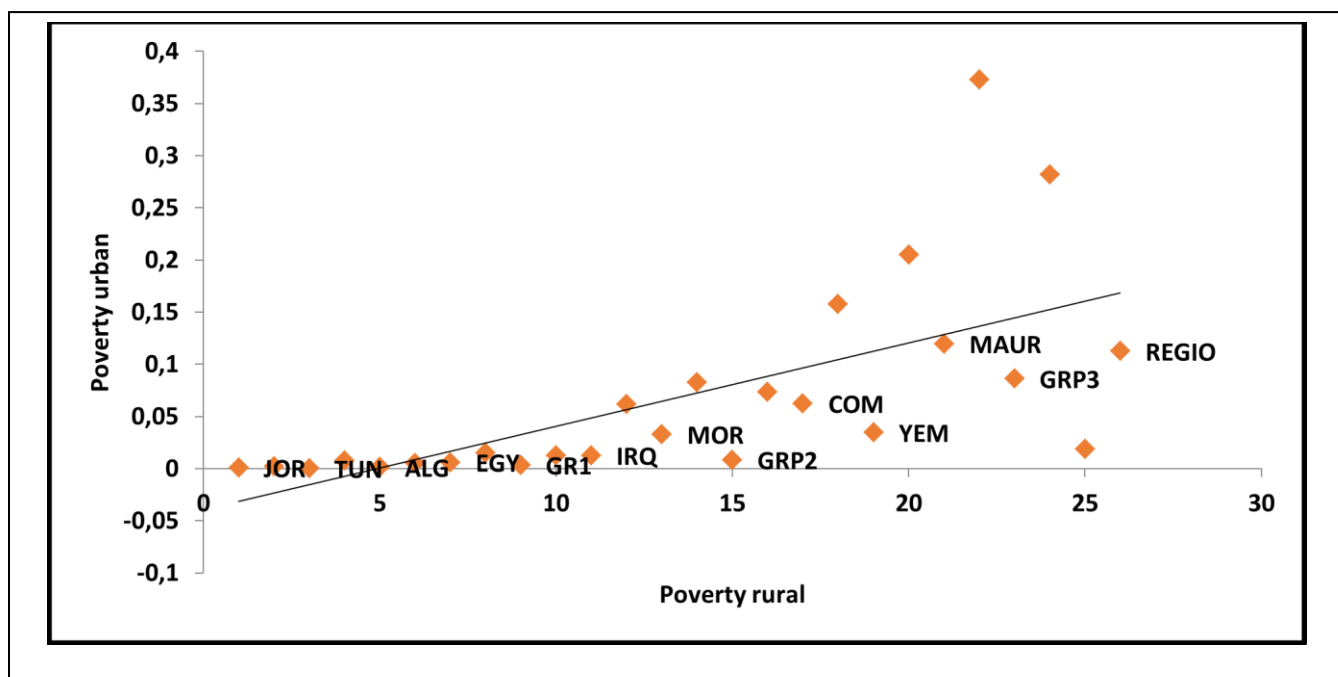
Source: Economic and Social Commission for Western Asia and the League of Arab States (2017), Arab Report on Multidimensional Poverty, Beirut. ESCWA, 2017; P24.

6. Conclusion.

There is no consensus on a single indicator of poverty and inequality. Therefore, there are a number of different methodologies that help researchers and policymakers interested in poverty issues identify poverty and inequality indicators that are commensurate with their specific situation. It should be noted that one should not rely on a single indicator - even if it is true - but must rely on several indicators able to reflect the different aspects of the phenomenon. Under different development policies, a scientific review of the various measures of poverty is required to reflect the numerical and synthetic image of the poor in society, as well as to judge the quality and performance of the policy.

In Arab region specifically, there are many indicators related to poverty, but it is regrettable that these dimensions of poverty are often absent from public debate at the national and regional levels.

It is agreed that poverty in the Arab countries is a serious challenge, because it is estimated that the scale and scope of poverty are very deep. Therefore, absolute poverty indicators alone, or even a multidimensional poverty index, cannot be considered sufficient to reflect the level of fragility and social cohesion in Arab countries, since the concept of poverty based on an absolute line of income poverty does not adequately reflect the degree of satisfaction of each individual's social status. It does not take into account the access level of individuals to basic services and the aspirations of members of society and their outlook for the future. Absolute income poverty indicators can improve if the income / expenditure of all income brackets increase, without any improvement in relative income indicators that usually depend on average or median income or expenditure. Per capita income can rise without satisfaction with the current and future situation with regard to many aspects of life such as public services, social justice and freedoms.

The multidimensional poverty index in a group of Arab countries for which data are available shows that poverty is more prevalent than envisaged, and is about double the poverty rate in the region measured using the National Monetary Poverty Lines. Tens of millions of families are at risk of falling into poverty, and the deprivation of the poor is very high in the least developed countries. Although extreme poverty is fairly low in the Arab region, but poverty is widespread and is not limited to low-income countries. The estimated number of poor people in the Arab region in 2017 was 116 million, or 40.6 per cent of the total population of the countries for which the data were available.

Despite their efforts at the national, regional and international levels to combat poverty, many of the gains made in poverty reduction in some countries have eroded by political transformations and conflicts, which have affected and continue to affect many countries directly and indirectly, but their impact in each country is different.

The challenges associated with the eradication of poverty in Arab countries require special attention to many urgent political, economic and social reform measures. However, when framing these measures, Arab countries must undertake profound reforms to address the causes of widespread poverty. The development challenges facing the Arab region require new strategies at the different levels. In light of this, we propose a set of recommendations for necessary policy interventions in these countries:

- Poverty must be assessed from a holistic perspective that takes into account the multiple dimensions of poverty. Attempts have been recorded, including the Multidimensional Poverty Index, but are limited to the dimensions of human development, and the measurement of poverty remains narrow. Another addition that could support the measurement of poverty is the inclusion of poverty among children, using methodologies such as multifaceted disadvantage analysis. It is therefore necessary to assess poverty within the family to monitor gender disparities in asset control and in the distribution of inheritance rights, as these are important indicators for measuring human potential.

- Adopting policies to achieve inclusive economic growth directly for the poor and to create favorable conditions that encourage reducing unemployment and generating income for the poor. at a faster rate than that of the rest of the population, thus expanding the middle class base. Effective social and financial policies are needed to achieve this. A concrete example of such policies is the

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reorientation of fuel subsidies, which benefit most of the rich, to flow through pro-poor spending channels in income transfers, food security and employment programs, particularly in rural areas where the majority of poor citizens live.

- Adopting social protection systems for all, especially the poor and vulnerable, ensuring access to economic resources and basic services, the right to own and dispose of assets and natural resources, and access to technology and financial services. More specific tools for such comprehensive poverty reduction approaches include the design of social safety nets specifically addressing income poverty. These include cash transfers, food aid and housing support, expansion of social security and insurance network,

- Investing in people as an important component of poverty reduction strategies, through emphasizing human capacity building and alleviating obstacles to the poorest segments of society. In designing public policies, countries must look for options to ensure that every child attends school and that they stay in school to complete compulsory education.

- Increasing statistical capacity to measure and monitor poverty, with an emphasis on a multidimensional approach. And to enhance the use and analysis of statistics to support decision-makers, through the widespread use of information systems related to poverty and employment. And cooperation at the regional level to strengthen institutional capacities, while developing specific methodologies to the Arab region in the field of poverty indicators, including the creation of databases for all methodologies used to assess poverty measures and build on them in mapping poverty.

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