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Arab Multidimensional Poverty Report

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Arab Multidimensional Poverty Report

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Mohamed Mohiedin: "Poverty in Contemporary Arabic Literature and Heritage" Technical paper presented by LAS 2015

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This publication is based on datasets drawn from national surveys on family and child health. The household poverty analysis contained in this report benefited from the computational method (STATA Do File) developed by OPHI.

Forward – Report Partners

The Arab region currently faces a number of severe challenges. Armed conflict left a heavy humanitarian toll, reflected in the unprecedented waves of refugees and displaced persons within the Arab region and beyond, with over half of the world's refugees originating from the region. Furthermore, the endeavors to rebuild destroyed cities will undoubtedly require billions of dollars, placing additional burdens on development efforts and economic reforms, and directly affecting citizens' living standards and quality of life in conflict-affected Arab countries.

Despite such difficulties, Arab countries are determined to move forward to eradicate all dimensions of poverty, given that it is the greatest challenge facing the world today, and to achieve the 2030 Agenda for Sustainable Development. Accordingly, the Council of Arab Ministers for Social Affairs, ESCWA, UNICEF, the University of Oxford and other relevant United Nations organizations, collaborated in preparing the first regional report to be produced after the launch of the 2030 Agenda on multi-dimensional poverty in Arab countries.

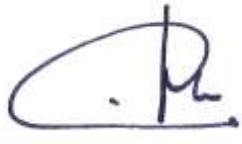
The report begins with a reference to the conceptual formulations of poverty in classical Arabic literature, moving to benefit from internationally recognized scientific research, to which the Arab region contributed significantly. The report also uses an index which reflects the multidimensional nature of poverty, and accounts for the challenges facing the region, and the differences between Arab countries in terms of population size, economic development and structure and human development. The report stresses that poverty is not inherent to the Arab region, but is rather the result of historical, political and economic circumstances leading to a regression in economic growth and, in turn, unstable social conditions and stark differences in living standards.

The report also highlights the levels of multidimensional deprivation suffered by children, which require an integrated set of policies to inclusively tackle child poverty, and to increase public spending on children in Arab countries.

Combatting and eradicating poverty is a continuous and integrated process. It must be consistent with Arab and regional agreements and the outcomes of Arab summits to develop an integrated Arab plan for formulating successful social policies which ensure decent living standards, social cohesion, and economic stability to eliminate poverty and achieve development.

The report's main objective is to provide practical proposals for decision-makers in Arab countries to support their efforts to eradicate multidimensional poverty, and achieve the 2030 Agenda. We hope that the in-depth analysis of

multidimensional poverty presented in this report, including child and household poverty, will clarify its root causes in Arab countries on the national and subnational levels. We also hope that through facilitating fruitful cooperation between regional and international partners, it would be a step towards the eradication of poverty in all its dimensions in the Arab region.

Economic and Social Commission for Western Asia	League of Arab States	United Nations Children's Fund	University of Oxford
			
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Forward - Council of Arab Ministers for Social Affairs

It is my pleasure to present this key Arab report, prepared as a result of Arab countries' desire to eradicate poverty in all its dimensions. Poverty is a challenge which faces all Arab countries and the world at large, and it is at the forefront of Arab and international agendas. This report is consistent with international processes to develop measurable regional and national indicators using international standards under the 2030 Agenda for Sustainable Development.

The present report is the fruit of tireless efforts over three years with partners from the Economic and Social Commission for Western Asia (ESCWA), UNICEF and the University of Oxford. It stemmed from several meetings and workshops involving high-level officials from Arab countries to develop indicators on multidimensional poverty affecting households and children, which take into account the specificities of the Arab region and disparities within countries.

The report also develops an objective and technical base for eradicating multidimensional poverty to support Arab efforts in achieving the 2030 Agenda.

I would like to thank all those who contributed to the present report, the first of its kind worldwide following the launch of the 2030 Agenda, and to stress the ongoing collaboration between all partners in implementing its recommendations to positively impact Arab citizens' lives and Arab social development.

Ghada Waly

President of the Executive Bureau of the Council of Arab Ministers for Social Affairs

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Acronyms

A	Intensity of poverty
AF method	Alkire-Foster method
BMI	Body mass index
CC-MODA	Cross-country multiple overlapping deprivation analysis
CRC	Convention of the Rights of the Child
DHS	Demographic and Health Survey
ESCWA	United Nations Economic and Social Commission for Western Asia
FGM	Female genital mutilation
FHH	female headed households
GNI	Gross national income
GCC	Gulf Cooperation Council
H	Poverty headcount ratio
HDI	Human development index
HDR	Human Development Report
HH	Households
IDP	Internally displaced persons
IHDI	Inequality-adjusted human development index
LDC	Least developed countries
MDG	Millennium Development Goals
MENARO	Middle East and North Africa Regional Office, UNICEF
MHH	Male headed households
MICS	Multiple indicator cluster survey

Acronyms (*continued*)

MODA	Multiple overlapping deprivation analysis
MPI	Multidimensional poverty index
OoR	Innocenti Office of Research
OPHI	Oxford Poverty and Human Development Initiative
PAPFAM	Pan Arab Project for Family Health
PAMPS	Pan Arab Multi-Purpose Survey
PPP	Purchasing power parity
SDG	Sustainable Development Goals
U5MR	Under 5 years old mortality rate
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UN-Habitat	United Nations Human Settlements Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
WDI	World Bank Development Indicators
WHO	World Health Organization
WI	Wealth index

Terminology and definitions

Term	Definition
Deprivation Level of a Household	Deprivation level of a household is determined by summing up its deprivation scores in all the indicators. If the household is deprived in an indicator, its deprivation score is equal to the weight assigned to the latter, as given within brackets in annex table 1. When it is not deprived, its deprivation in that indicator is taken as zero. The deprivation levels are to be computed separately for acute poverty and poverty, based on the corresponding indicators and cut off points.
Acute Poverty and Poverty	The child and household poverty measures distinguish between two levels of deprivations for each indicator as specified in annex tables 1 and 2: Acute poverty which measures severe forms of deprivation and uses more strict deprivation cut-off for each indicator; and Poverty which measures moderate forms of deprivation and uses less strict deprivation cut-off for each indicator
Acute Poverty	A household is identified as being in acute poverty if its deprivation level is equal to or more than 1/3 or 33.3 per cent of the maximum possible deprivation in the indicators using the strict acute poverty deprivation cut-offs for the indicators as described in annex table 1. When a household is acutely poor, all its members are identified as so. A child is identified to be in acute poverty if she/he is deprived in 2 or more of the dimensions specified by the acute poverty measure as described in annex table 2. A child is considered deprived in a specific dimension if it is deprived in any of that dimension's indicators.
Poverty	A household is identified as being in poverty if its deprivation level is equal to or more than 1/3 or 33.3 per cent of the maximum possible deprivation in the indicators using the less strict poverty deprivation cut-offs for the indicators as described in annex table 1. When a household is poor, all its members are identified as so. A child is identified to be in poverty if she/he is deprived in 2 or more of the poverty dimensions specified by the poverty measure as described in annex table 2. A child is considered to suffer from a deprivation in a specific dimension if it is deprived in any of that dimension's indicators.
Poverty Headcount (H)	Poverty headcount is the proportion of the total population which lives in poor households (acute poverty/poverty) to the total population.

Term	Definition
	The poverty headcount in the child poverty measure is the proportion of children suffering from (acute poverty/poverty) in multiple dimensions to the total child population.
Intensity of Poverty (A)	The intensity of poverty is the average of the deprivation levels of all individuals who have been identified as poor, computed by summing the deprivation level of all the poor and then dividing by the total number of the poor. The intensity of poverty in the child poverty measure is the average number of deprivations in dimensions of children identified as poor calculated as a share of the total number of deprivation' dimensions considered. It is computed by adding up the share of deprivations in dimensions and then dividing by the total number of poor children.
Multidimensional Poverty Index (MPI) (HxA)	The multidimensional poverty index is calculated by multiplying the headcount ratio by the intensity of poverty.
Vulnerability	A household is considered to be vulnerable to falling into acute poverty/ poverty, if the deprivation level of the household is between 0.20 and 0.33.
Severity	A household is considered to be in a severe state of poverty or acute poverty, if the deprivation level of the household is 0.50 or above. People classified as severely poor are a subset of the poor in both poverty measurements (acute poverty and poverty).
Regional Average	Regional average is the weighted average of the countries included in the analysis weighted by population size.
Adjusted Headcount (Child Poverty index)	The adjusted headcount accounts for intensity of poverty by multiplying it with the headcount. This is methodologically equivalent to the Multidimensional Poverty Index.
Monetary poverty	Money-metric poverty measures rely only on household expenditure and consumption measures. In money-metric poverty measures, a poverty line is constructed and the household expenditure/consumption is compared against this poverty line. A family is considered as poor (in money-metric terms) if their expenditure/consumption is below the poverty line.
Wealth Index	A composite index which measures the economic wellbeing of the family and constructed accounting for household ownership of assets and durable goods.

Note: **It is important to mention that headcount ratio, and intensity of poverty are generally reported in percentage points while the MPI is reported as decimal numbers. However, people not used to mathematical formulations may find it easier to deal with percentage figures. Consequently, in the present report all three measures have been presented and discussed as percentages.**

Introduction

The report's objective and poverty concept in the Arab heritage

The 2030 Agenda for Sustainable Development (2030 Agenda) was launched with its ambitious 17 goals and 169 targets with the objective of eradicating poverty and promoting decent living standards by 2030. Since the inception of international consultations on the 2030 Agenda, Arab States began developing their conceptions and considering the national and regional plans needed to achieve sustainable development in the Arab region.

The plans devised built on the Arab region achievements in the implementation of the Millennium Development Goals (MDGs). Regional priorities focused on eradicating poverty in all its dimensions, as a prerequisite for the implementation of the 2030 Agenda.

In the three previous Arab summits held in Sharm el-Sheikh (2015), Nouakchott (2016) and Amman (2017), Arab leaders expressed their determination to achieve sustainable development and to dedicate their endeavours to this end. Hence, political will is harnessed at the highest decision-making levels in the Joint Arab Action System to enhance all efforts towards eradicating poverty in all its dimensions; promoting development for Arab citizens based on social justice; and upholding the "no one left behind" sustainable development slogan.

However, this determination is hampered by the tremendous challenges facing a number of Arab countries, such as widespread political and security crises; growing extremism; terrorism, and related inhuman practices; exacerbated armed conflicts and ensuing displacement; refugee movements, and illegal migration. All these factors are impediments to achieving development, poverty eradication and social justice.

To reaffirm this determination for achieving sustainable development in the Arab region, and in coordination with its member States and specialized agencies, the League of Arab States developed important plans and strategies, in line with its priorities and specificities, to implement the 17 Sustainable Development Goals (SDG) with a focus on multidimensional poverty. To be implemented, these plans and strategies require not only mobilizing resources but also a political and security infrastructure conducive for development, and optimization of the huge potential and resources of the region to the extent allowed by the prevailing challenges.

Considering that poverty is one of the key challenges facing many Arab States, the League devised social development policies and programmes which contribute to multidimensional poverty eradication at the national and regional levels, such as the Arab Poverty Reduction Strategy, the Arab integrated

programme to support employment and reduce unemployment, the Arab Programme to Eradicate Poverty and the Arab Declaration on the Implementation of the 2030 Agenda for Sustainable Development.

Against this backdrop, the present Arab Multidimensional Poverty Report is the first of its kind for the Arab region, it was prepared as a joint initiative 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), Oxford Poverty and Human Development Initiative, and other partners from relevant United Nations agencies. This report provides a technical analysis of poverty in all its dimensions and root causes in various Arab States and even in different parts within the one State. Therefore, it conveys to Arab decision makers practical suggestions to step up Arab efforts towards eradicating poverty in all its dimensions and implementing the 2030 Agenda.

The present report focuses on multidimensional poverty in the Arab States using an approach that is aligned with the conceptual definitions of poverty found in Arab heritage and literature, while being guided by recent advancements in multidimensional poverty research and academic theories, to which the Arab region highly contributed. It is therefore crucial to briefly shed light on poverty contexts and meanings as captured by Arab scholars during the pre-modern era. It is also useful to explore the religious concept of poverty as presented in the Holy Quran and the Holy Bible, which both dedicated a significant space to poverty and the poor and have influenced the ideological and intellectual structure of Arab societies. This interest is clearly perceived in the Arab scholars' writings.

Islamic religious heritage, as presented in many verses of the Holy Quran, address poverty and the poor using different terms which bear different meanings. These verses classify the poor into different segments according to specific criteria, including age, gender, economic power, and relation to means of production as understood by modern sociology. It is also evident that the Holy Quran attaches a particular importance to poverty and the poor: "And those within whose wealth is a known right, for the petitioner and the deprived" (Al-Maarij: 24-25) and holds society accountable for it.

Christian ideals are also an important component of the collective values of many Arab communities, even those with a Muslim majority. These values have a similar vision of poverty and the poor. They clearly state the inviolability of the dignity of the poor, call for giving and caring for them, and caution against inflicting injustices on them.

Prior to the emergence of modern academic systems, the Arab scholar Ibn Khaldun mentioned in his Muqaddimah (Introduction) three distinct structural patterns of society: necessities, conveniences, and luxuries. Necessities refer to the "social organization and cooperation for the needs of life and civilization [... that] do not take [people] beyond the bare subsistence level, because of their inability to provide for anything beyond those things".[1]

Conveniences and luxuries apply when people "live on a level beyond the level of bare necessity, and their way of making a living corresponds to their wealth".[2] In sociology, Ibn Khaldun's discourse on necessity-driven societies refers today to the so-called subsistence economy.[3] By comparing necessities with the two other patterns that upgrade consumption level in society, namely conveniences and luxuries, Ibn Khaldun maintains a progressive vision which conceives society as a single analysis unit in time and space. Yet, he does not tackle poor people as a distinctive social segment and does not explore the root causes of their poverty. He does not explicitly state a definition of both concepts, but rather refers to several manifestations of poverty, such as his explanation that "injustice brings about the ruin of civilization" in chapter 43 of the Introduction,[4] in chapter 51, he notes that the State perishes when deaths and famines, both key features of poor societies, abound. Ibn Khaldun also refers, to some characteristics of poverty in necessity-driven communities such as: " the houses are low and clustered together without space between them".[5] This discourse is similar to poverty definition captured by the present study.

It is important to underline that poverty is not intrinsic in the Arab region. Rather, it is the result of a sequence of historical, political and economic conditions which contributed to a decline in economic growth and disrupted social conditions. This, in turn, brought about disparities in living standards, and was coupled with the absence of proper planning and management based on modern scientific approaches. This has been reflected in the way of thinking and led to weakness in keeping pace with the economic development realized by other countries in the world, especially the less capable and less wealthy than the Arab states, which broke their cycle of underdevelopment and poverty fulfilling significant progress.

Therefore, we find that the development lag in the Arab region resulted in an economic and intellectual decline which reflected on life in Arab societies. It also resulted in poverty, which had many manifestations and repercussions, including the rising vulnerability of the social fabric. This, in turn, enabled the control of subversive ideas amongst a large group of people within these societies, especially the youth.

The fight against poverty is an integrated process. First, a reform in education is needed. Then a reform of the legislative systems is needed, which is in line with the Arab conventions declared and adopted by the Arab Summit. Third, an integrated Arab development plan should be established. This should lead to genuine economic cooperation which responds to the current situation and leads to successful social policies that guarantee a decent life, social solidarity and stability, contributing to the fight against poverty and the promotion of development.

The scope of the report cannot cover all the relevant works of Arab scholars. A particular spotlight will, however, be shed on a single work that best tackled poverty and poor people in Arab societies had not yet been thrust into the limelight. It is the book of Ahmad Ben Ali Al-Dalaji, titled "Al-Falaka wa al-Maflukun" (Poverty and the Poor).

Al-Dalaji adopts several methodological approaches and tools in analysing poverty and the poor. The most striking characteristic of his approach is positive extrapolation as he describes and relates facts, from which he infers a common denominator or general scientific rule, similar to his predecessor, Ibn Khaldun. Al-Dalaji also relies on the methodology of observation through identification with the poor, as he considered himself one of them. Moreover, Al-Dalaji resorts to another methodological tool, namely case studies and biographies, as he translated the life stories of sixty-six Arab and Muslim scholars suffering from indigence and destitution. Many scholars, whose biographies were documented by Al-Dalaji, had lived in opulence throughout their life but eventually lost their privileges. Hence, Al-Dalaji referred not only to their "poverty" but also to their "impoverishment". Based on this positive extrapolation methodology, Al-Dalaji infers law-like conclusions, including that financial poverty entails an overall state of poverty in all other aspects of life.

In a nutshell, the region's heritage can be reliable if coupled with in-depth research and elaboration of the content in line with modern academic disciplines to formulate concepts and derive variables to better understand poverty in Arab countries from a multidimensional perspective, taking into account country-specific social aspects. This does not necessarily require conceptions which contradict with modern academic views of sociology but rather complement them, as shown in the history of science. This is the ultimate objective of this report.

Conceptual Framework

Conventional wisdom of development relies primarily on quantifiable macroeconomic growth indicators to measure a nation's advancement. However, economists have increasingly challenged the long-standing connection between economic growth and welfare with empirical evidence that growth does not always reduce poverty, and that greater wealth does not necessarily entail improved living standards.[6] Sen's Capability Approach defines poverty as the inability to enjoy basic rights and substantive freedoms.[7] Development is realised not only through increased incomes and asset shares, but also through people's increased capabilities to lead lives 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 which may get lost or hidden in aggregate statistics. He advocates for a more holistic view of poverty, inequality, and development in order to draw the appropriate policies to help maximise individual freedom and choice.

However, there are some challenges with regard to measurement using this concept of poverty (i.e. the lack of ability to enjoy basic rights). Among them are the absence of data related to those rights at the household level, especially in national survey like multiple indicator cluster survey and household expenditure surveys. Thus, it is difficult to implement this concept of poverty measurement in Arab countries and to analyse its association with other socio-economic characteristics.

Complementing money metrics of development, multidimensional poverty indices articulates nonmonetary deprivations across various dimensions, providing a more accurate depiction of the experience of the poor. The Global Multidimensional Poverty Index (MPI), developed by OPHI and United Nations Development Programme (UNDP), for example, chooses three such domains - Education, Health, and Living standards – with ten indicators. UNICEF also developed the cross-country Multiple Overlapping Deprivation Analysis (CC-MODA) - a methodology to analyse the extent and nature of multidimensional child poverty in aspects beyond material wealth. These global multidimensional poverty measures are a powerful tool for measuring acute deprivation. However, they are not very effective in capturing the less severe forms of poverty that characterise many middle-income Arab countries such as Jordan, Egypt or Morocco.

Many developing countries have developed their own country-specific multidimensional poverty measures, tailored to suit national development policy priorities and data constraints, using other methods. These innovations in measuring multidimensional poverty are already influencing the mainstream poverty reduction perspectives and future agenda. The indicators yet to be developed for monitoring the achievement of the SDG 1 on poverty also pertain to multiple dimensions of poverty.

It is important to emphasize that there is no contradiction between money-metric poverty measure and multidimensional poverty measures, and one is not to be used as an alternative to the other. A lack of monetary resources can result in non-monetary deprivation, but this is must not always be the case. Households that are considered non-poor in money-metric terms, may face some non-material deprivations. The two approaches are therefore complementary and can be used simultaneously in the analysis of poverty in any country if data are available at the household level in a single survey.

However, for purposes of cross-country comparison, money-metric poverty measures are based on the assumption of purchasing power parity across time and space. Given the limitations documented in the literature regarding the exchange rate and inflation adjustments, international comparisons underestimate the cost of living in middle-income countries compared with poor countries. In this perspective, multidimensional poverty measures avoid these problems by directly measuring deprivations. Thus, regarding cross-country comparisons, multidimensional poverty measures have an absolute advantage over monetary poverty measures. The Global Multidimensional Poverty Index has a distinct advantage over other methods in the matter of comparison between different countries.

In the above context, the present report offers an in-depth understanding of the incidence of household poverty in ten Arab countries: Algeria, Comoros, Egypt, Iraq, Jordan, Morocco, Mauritania, Sudan, Tunisia and Yemen. For the child poverty measure, the State of Palestine is added to the analysis. This report presents the main findings of the household and child poverty measure and is complemented by several background papers

and a technical report. Combined, these countries constitute over 75% of the total Arab population. These, however, differ in population size, economic level and structures, human development and exposure to conflicts and occupation (See annex table 3). Given this heterogeneity, the report proposes new regional indices, tailored to the region's household and child poverty challenges: the Arab MPI, developed by ESCWA and OPHI and the cc-MODA, developed by UNICEF.

These indices revise the cut-off thresholds and modify the indicators of the global multidimensional poverty indices. Furthermore, two levels of deprivation are proposed for each of these two indices: one to measure acute deprivation and another to measure overall deprivation, including the acute poverty or deprivation. Second, the report makes use of the analysis evidence on the spatial pattern, intensity and main channels of poverty in the Arab region to present a policy perspective, particularly at the regional-level. By providing a comparable measure of household and child poverty in many dimensions across the countries, sub-regions and purposively identified groups/categories, the report can better inform policy interventions by identifying segments of population that are likely to be otherwise left out.

Arab countries not included in this report

The report recommends a different study on multidimensional poverty in the Cooperation Council for the Arab States of the Gulf (GCC) Countries, that takes into account their specificities given their different living conditions and living standards, and therefore differences in deprivation aspects. It requires the use of household surveys. The report proposes to cooperate with the GCC.

The State of Palestine is characterized by a significant and steady increase in the poverty rate linked to degrading socio-economic conditions and the detrimental impact of the ongoing Israeli occupation and its practices including access and movement restrictions, and the control over a large share of the land which is the most important source of livelihood for the Palestinian people.

Considering the exceptional circumstances experienced by the State of Palestine, multidimensional poverty measure should be dealt with using a different approach. It would be appropriate to prepare a separate report on the State of Palestine, taking into account the results of the report expected to be issued by the State of Palestine during the first quarter of 2018. This report will be based on official statistics according to scientific methodology and new dimensions that include the different aspects of social marginalization in the State of Palestine. Therefore, this report does not include the State of Palestine in the analysis of multi-dimensional household poverty. However, the analysis of multi-dimensional child poverty includes the State of Palestine in its analysis.

ESCWA is coordinating, in cooperation with the concerned authorities in Libya, to prepare

a specialized study that takes into account the situation and challenges the country is going through. The report did not include neither Lebanon nor Djibouti. The report also recommends, in this regard, to be updated after receiving the figures that could be included.

Emphasis on child poverty

The emphasis on child poverty merits an explanation. As noted in a recent report by the World Bank,[8] children are more severely affected by poor infrastructure, (shelter, water, sanitation), basic services (schools, health care) and poor household relationships (domestic violence) than by lack of monetary resources. The effect of these circumstances is permanent. Conceptualisation of child poverty, therefore, requires a multidimensional approach that takes into account both monetary and nonmonetary indicators. Child poverty is important for the Arab region since under 18 population represents over quarter of the total population. In six of the ten countries examined in the study, the share is over 45% (As demonstrated by figure 1).

Persistence of the conflict situation in the Arab region makes the focus on child poverty even more relevant. By identifying the main characteristics of child poverty and the main drivers of deprivation in the region, multidimensional poverty analysis can provide policymakers with the necessary evidence to target poverty reduction strategies in post-conflict settings. Investing in children should receive the utmost priority as they represent a key asset for social transformation, peace and growth in the region.

The present study reveals that across the 286 million people living in the 10 countries covered in this analysis, 116.1 million (40.6%) belong to poor households, of which 38.2 million (13.4%) live in acute poverty. It is also noted that the main deprivations requiring attention in the region are education – both schooling for children and educational attainment for those who are past the school age. Whereas less than half of the region's population – 48%, - live in rural areas, these account for 83.4% of the acutely poor population and 67% of the poor population. This underlines the need for spatially targeted action. Examples of such action are proposed in policy recommendations.

The under-18 population in the countries studied has a size of approximately 118.9 million, about 6% of the global child population. Of these children, 52.5 million (44.1%) suffer from poverty, while 29.3 million, or 24.7 per cent experience acute poverty.

Data sources and challenges

There are numerous national data sets available that can be used to measure and monitor indicators of multidimensional poverty. However, some indicators of multi-dimensional poverty (at both of their levels) may not be available and comparable in all national surveys. Ideally, surveys that should be used to measure multidimensional poverty should be household surveys, statistically representative at the state level, implemented at specific intervals and collecting the variables and indicators included in the multidimensional poverty index. The most widely used household surveys used to calculate the multidimensional

poverty index, including all 12 indicators are: the Demographic and Health Survey (DHS) (carried out in more than 90 developing countries), the Multiple Indicators Cluster Survey (MICS) (implemented in countries with no health population survey) and the Arab Family Health Project (PAPFAM) (implemented in 10 countries where the population health survey or cluster survey was not carried out).

The report identifies clearly 'pockets' in which the incidence of acute poverty is high. These are mainly in countries like Sudan, Yemen and Mauritania. Interestingly, there are pockets of high poverty also exist in non-LDC countries.

To investigate these pockets comparatively in Arab countries, the MPI and MODA methodology use the data from the above surveys during the period from 2011 to 2014. These surveys provide information on nutrition, to female genital mutilation, to pregnancy, and to child mortality. Unfortunately, these datasets exclude some dimensions of poverty which would have made the Arab MPI more complete, such as personal freedom and safety from violence, insecurity, social relations, gender inequality and working conditions (e.g. formal and informal), the quality of education, work, moral values, and the threat of war.

Thus, in the measurement of multidimensional poverty index, easily measurable indicators that are available from national surveys have been used. Another challenge is that surveys also exclude some population from the sampling frame. These population groups are ignored in traditional surveys, for example, displaced persons and those living in charity institutions. It is important to recall in this regard that the region is undergoing radical transformations in a relatively short period of time.

It is also important to note that countries in the region are experiencing significant changes in a short period of time. Indeed, the living conditions in a few have deteriorated since 2011-2014, the period during which these surveys were conducted. Hence, caution needs to be exercised in interpreting the results, particularly in countries where conflict, occupation or other humanitarian crises such as famine etc. have worsened living conditions such as Yemen and Iraq.

In addition to the above, the survey data are statistically representative at the urban, rural and governorate/state level, but not on smaller levels such as the district level, the village levels, or remote areas.

People with disabilities in Arab countries

Development cannot be considered comprehensive if it excludes the segment of persons with disabilities from its development processes and plans. Failing to give due attention to the development of this vulnerable group will result in adverse effects on at least 15 to 20 per cent of the total population of the Arab countries. In a number of Arab countries, disability caused by conflict, occupation and terrorist operations increased. Apart from increases in poverty levels, many causes of

disabilities should be taken into consideration, which vary between rural and urban communities and countries with poor resources, rich, and developing, developed, industrial, and agricultural countries.

As a result, it is important to emphasize that disability and poverty exhibit a reciprocal relationship, namely, that as the incidence and severity of poverty increases, so does its negative impact on persons with disability. In addition the prevalence of persons with disability is generally higher within poor societies. The latter is further exacerbated in countries affected by conflict and occupation; where the deprivation of persons with disability from their rights or the difficulty of working towards claiming these rights is increasing as well. It should be mentioned that the situation of women and children with disabilities reflects even higher levels of vulnerability

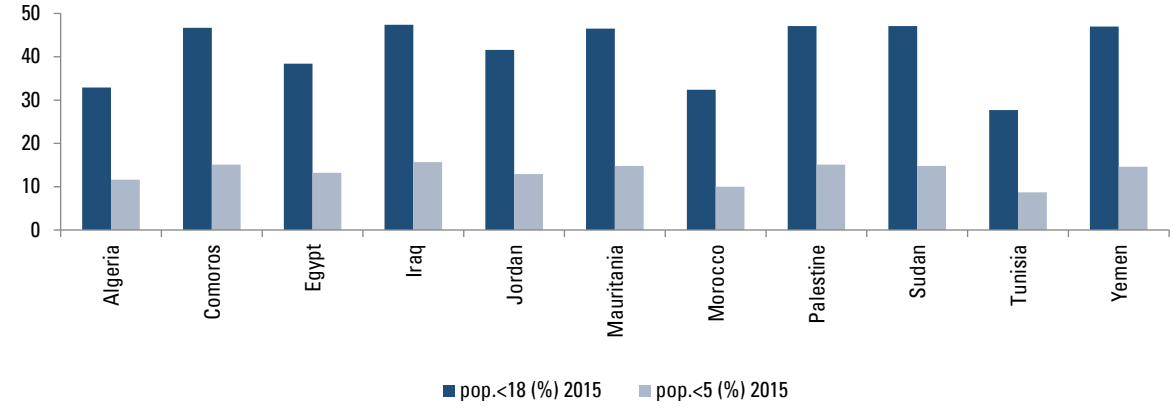
Reports on this regard show that people with disabilities are among the poorest, as confirmed by the World Health Organization (WHO) and World Bank Disability Report in 2011. However, many poor people with disabilities have shown individual success as much as their counterparts with greater potentials. This emphasizes the need to continue working on securing the rights of people with disabilities so that they can be integrated into society, engage in work, and other aspects of life.

The Sustainable Development Agenda, based on the "leaving no one behind" development principle, emphasized the inclusion of persons with disabilities in the development process. They were clearly mentioned in seven of the plan's objectives and 169 sub-goals, as indicated by the plan more than ten times among marginalized and vulnerable groups.

The Convention on the Rights of Persons with Disabilities, adopted by the United Nations, is an important international reference which, if implemented, will contribute to the integration of persons with disabilities into society. However, as a first step this requires the establishment of accurate and comprehensive database of persons with different disabilities, specifying the condition and type of each one's disability. However, the increase in terrorist attacks targeting all segments of society, as well as the lack of access to many conflict areas, makes it difficult to intervene to provide support and care on the one hand, and to run surveys producing accurate data collection on classification of disabilities.

Furthermore, the difficulties faced by a number of Arab countries, especially the least developed ones, and rural areas, and the lack of correct data, prevented the use of quality data on persons with disabilities in this report. As a result, the lack of data on disability in national surveys has had a negative impact of non-representing the issue of disability in the poverty and social protection agendas. This is one of the challenges facing the data at hand. Subsequent sections present the methodology, review the results of the study and discuss the recommendations.

Figure 1. Percentage of population under 18 and under 5 in 11 Arab countries



Source: UNICEF (2016b).

1. Constructing the Arab MPI and MODA

The indices applied in this report were constructed through a series of consultations with officials from Arab countries as well as national and international stakeholders. In constructing the regional MPI and MODA, several objectives were kept in mind. First, they should be useful tools for cross-sectional comparisons within the region. As the results can be examined at regional, cluster, national and sub-national levels, these indices can guide geographic targeting within and across Arab countries. Moreover, the analysis provides a regional baseline for household and child poverty and constitutes a yardstick against which developmental progress and the efficacy of social protection schemes can be assessed. It allows policy makers and international organisations to identify and address spatial inequalities in order to reduce multidimensional poverty in the Arab region. It can help governments and international agencies to evaluate their policies and assess how they can reach the poor and those who are more deprived among them. The regional MPI and MODA, therefore, would hopefully lead to the development of tailored national Multidimensional Poverty Measures alongside monetary measures and be produced as part of regular national statistics.

The main difference between the MPI and MODA in the present report is that the former is assessed using household level data while the latter is calculated based on information at individual (i.e. child) level.[9] However, in both cases, the individual is the unit of analysis and all the results are reported in terms of percentage to the entire population in the country or a group. The methodology for constructing these two regional indices and their constituent indicators are presented below, highlighting their differences with the global MPI and MODA. Detailed information on the indicators and their thresholds defining poverty, are provided in annex tables 1 and 2.

For the regional MPI, the choice of dimensions, and therefore of indicators, is based on two sources a) the Global MPI published by OPHI; and b) a participatory process through conferences and workshops held with partners from the League of Arab States and ministries of social affairs across the region. Based on these efforts, the technical team of the Study devised a list of possible indicators available in the datasets, matching them with those in the Global MPI as well as the priorities identified through the participatory processes. By doing this, the regional MPI used the academic rigour that went into building the Global MPI and, while focusing on the priorities of the Arab region. It is agreed that the regional MPI will include the three dimensions of education, health and living standards, as is the case of global MPI.

The regional MPI is composed of three dimensions and twelve indicators. The education

dimension has two indicators: school attendance and years of schooling. The health dimension includes three indicators: nutrition, child mortality, and early pregnancy combined with female genital mutilation. The living standard indicators are: access to electricity, adequate sanitation, safe drinking water, clean cooking fuel, having suitable floor and roof, no overcrowding, and minimum assets of information, mobility, and livelihood (see annex table 1).

Each of these indicators has two associated deprivation cut-offs.[10] One reflects the deprivation of acute poverty which is similar (but not identical) to the global MPI. The other, a higher cut-off denoting a slightly higher standard, measures poverty which is inclusive of acute poverty. While the cut offs usually vary across indicators for acute poverty and poverty, in case of the aggregate score for identifying a poor household, the cut off is the same.
A household is considered acutely poor or poor if its total level of deprivation (total of weighted deprivations in all indicators) is higher than one-third of the total possible deprivation.

To take the specific conditions of Arab countries into account,[11] the report departs from the global MPI by adding two indicators, one pertaining to 'FGM combined with early pregnancy' and the second regarding: 'overcrowding'.

The rationale for choosing these indicators is not in question, particularly from a rights-based perspective. However, their relevance to Arab countries at different levels of social and economic development must be understood. In the context of rising real estate and house prices in some countries along with region-wide rapid population growth, the overcrowding indicator is important to consider. However, one must emphasize that the incidence of overcrowding varies significantly across countries.

Early pregnancy and FGM deeply affect the lives and health status of a large number of women in the Arab world. Given that the second most common cause of death among adolescent girls (15-19) is childbirth complication, early childbearing is a life risk to both the mother and the newborn.[12]

It is important to include the indicator of female genital mutilation because of its strong association with children, forced marriage and early pregnancy, as well as serious health effects, including recurrent infections, infertility and complications of childbirth, high risk of neonatal death, in addition to the violations of human rights of women and children. Its cost is high, including medical treatments, social services and litigation procedures, as well as loss of productivity, which leads to increased rates of poverty and malnutrition. Therefore, the report recommends the activation of the legislations and procedures already adopted by governments of concerned Arab countries, and to support them in the elimination of this phenomenon and thus achieve higher growth rates. Despite the efforts, the spread of this phenomenon still varies from one country to another. The prevalence of female genital mutilation in the Arab region is as follows:

- Egypt: 87% of 15-49 years (UNICEF 2016a), 14% of 0-14 years, during 2010 to 2015 period (UNICEF 2016a);

- Sudan: 87% of 15-49 years (MICS report, 2014), 32% of 0-14 years, during 2010 to 2015 period (UNICEF 2016a);
- Djibouti: 93% of 15-49 years (UNICEF 2016a);
- Yemen: 19% of 15-49 years (UNICEF 2013).

The prevalence of early pregnancy (mothers younger than 18 years) in Iraq is 23.4% (MICS report, 2011) and 14.4% in Egypt (DHS report, 2014). In Yemen, most women aged 15-49 years get married at 18 (DHS report, 2013).

To capture these factors that deeply affect the lives and health of a large proportion of women in the Arab world, early pregnancy and female genital mutilation have been included in the analysis. As emphasized earlier, one can think of many other indicators that should have been included had data been available, particularly concerning living in dignity, exposure to violence and mobility without restrictions among other things.

In order to determine whether a household is deprived or not in a specific indicator, its value or attainment is to be assessed against a deprivation threshold or cut-off. These cut-off points are typically drawn from publicly accepted standards. The compulsory years of education, for example, are taken from United Nations Educational, Scientific and Cultural Organization (UNESCO), age-specific standards for malnutrition from the World Health Organization (WHO) and overcrowding from United Nations Human Settlements Programme (UN Habitat). Annex table 1 presents the indicators used in the regional MPI, showing the different definitions and thresholds used for the acute poverty and poverty, highlighting the differences with the Global MPI, both in terms of their definitions and weights.

Importantly, a household is considered deprived in the first indicator of education, years of schooling, if none of its eligible members have completed primary education (eligible members are members of the household who are older than the age at which they should have completed primary education), for acute poverty. In the case of the MPI for poverty, the bar is raised to secondary education. Raising the bar has a significant impact on the final result since many households in LDCs do not have any member with secondary education. The question is whether or not this is an appropriate indicator for measuring poverty.

The issue merits examination. A few experts have argued that given that the average number of years of schooling in the region is significantly below the 12-13 years, required for secondary education, this is an ambitious target. However, the literature is abundant with evidence on the strong correlation between secondary educational attainment and health and living conditions indicators. It is well known that infant mortality and child nutrition and hygiene indicators improve significantly if the mother has attained secondary education. Furthermore, it is difficult to foresee how poorer households, which are typically much larger in size, would be able to transform their living conditions and improve their source of livelihood without having *a single member* who has attained secondary education, especially given the low (and in some cases declining) quality of education. Also, the thresholds of poverty are determined based on considerations and in many cases, these can be higher than the

average values in certain regions. The commonly used norm of $1.90 for poverty is higher than the average income in a few regions. In light of these facts, the broad consensus therefore was to retain the criteria of secondary school attainment for poverty.

Now, the critical question is: In how many of these indicators does a household have to be deprived to be considered poor or acutely poor? Similar to the monetary poverty measures, multiple poverty cut-offs can be set to reflect different levels of acute poverty and poverty. The cut-off in multidimensional poverty has been set at 33.3 per cent of the maximum possible value of the deprivation. This implies that a household getting a deprivation score of 0.333 or 33.3 per cent in the region would be identified as having multidimensional poverty. When the deprivation score is between 0.20 and 0.333 (or 20 per cent and 33.3 per cent), the household is considered to be vulnerable to poverty. However, when the value is more than 0.50 (or 50 per cent), the household is considered to be in severe poverty.

The final stage in creating an MPI is to aggregate the information into a country, region or group level measure. The most commonly used measure in the development literature is the Poverty Headcount (H) or the percentage of poor people/households in the total. Furthermore, following the Alkire-Foster (AF) method, the intensity of poverty (A) has been computed, which is the average of weighted deprivations experienced by the poor. The multiplication of H and A yields the multidimensional poverty index (MPI = H × A). This is referred to as the adjusted headcount ratio which measures the proportion of actual deprivations out of the total number of possible deprivations that a society can experience.

There is complementarity between the multidimensional child poverty analysis and household poverty. The MODA looks at five dimensions of child well-being, selected in line with the rights-based approach from the Convention on the Rights of the Child, for two age categories: 0-4 years and 5-17 years. For children 0-4, the dimensions examined are water, sanitation, housing, health, and nutrition. For children 5-17, the dimensions considered are water, sanitation, housing, information and education (see annex table 2). Due to different needs and abilities of children over their lifecycle, and partly owing to data availability, these indicators have been defined differently for the two age groups.

The data for child poverty are also analysed for all the selected indicators against two poverty lines, acute poverty and poverty. Acute child poverty is defined as in the original global MODA (CC-MODA) methodology as explained in annex table 2. Hence, the results for acute child poverty are identical to the global CC-MODA which was not the case for acute MPI. As in the case of the regional MPI, child poverty is determined by introducing changes in thresholds and adding indicators to those considered for acute poverty, taking into consideration specific characteristics and experiences of Arab countries. Another major difference between the two methodologies is that whereas a *household* is considered poor if

it is deprived in one-third of the total possible deprivations, a *child* is considered poor if he or she suffers from two or more deprivation dimensions.

Finally, it is worthwhile to note that the MPI and MODA are rapidly garnering global interest. They are used as complimentary measures to monetary poverty around the developing world (e.g. Bhutan, Chile, Colombia, Costa Rica, Ecuador and El Salvador) and in several Arab countries. Nevertheless, it is prudent to consider both their benefits and limitations. Once again, the major disadvantage of these measures is that they do not address all qualitative and quantitative deprivations. Important qualitative dimensions such as insecurity, violence, criminality, environmental degradation, poor quality of education, absence of social connectedness and sense of citizenship etc. that are experienced at societal level, are not articulated within the framework of MPI or MODA. In the Arab region, one can think of many possibilities of indicators that are pertinent to poverty. Unfortunately, these dimensions of poverty are generally missing from national and global poverty debates and consequently from public discussions. When one of these important aspects of poverty, such as the impact of occupation in Palestine, are taken into account, the scenario changes dramatically, as discussed in box item 1.

2. Main Findings

A. The Spread of Poverty

Poverty is widespread, affecting more than four in ten households and children

At the regional level, acute household poverty is relatively modest, but this hides more than it reveals. The population weighted acute poverty headcount is 13.4% (38.2 million) and acute poverty MPI is 6.6%. The headcount of poverty, which is inclusive of that of acute poverty, is much higher. The regional weighted poverty headcount is 40.6% (116.1 million) while the poverty MPI is 20.6%. The regional average for the intensity of deprivation is around 50% both for acute poverty and poverty.

The ten countries considered in the study are classified in three clusters based on their poverty rates. As shown in figure 2, for household poverty, cluster 1 includes countries with very low levels of both acute poverty and poverty: Jordan, Tunisia, Algeria, and Egypt. Cluster 2 includes Morocco and Iraq which have low levels of acute poverty but medium levels of poverty. Cluster 3 comprises the remaining LDCs - Comoros, Mauritania, Sudan and Yemen that have medium to high levels of acute poverty as well as poverty. Annex tables 4 and 5 report the standard error and confidence intervals for the poverty headcount at the country, cluster and regional level for both acute poverty and poverty.

The incidence of child deprivation is also very high but varies greatly across the countries. A total of 52.5 million, accounting for 44.1% of children, suffer from poverty, while 29.3 million, or 1 out of 4, from acute poverty. The distribution of countries across the three clusters for child poverty is identical to that for household poverty. The only difference is that cluster 1 also includes the children of Palestine who were included in the analysis of child poverty. Cluster 1 countries have very low incidence of acute poverty, the figures being 1.2% to 7.7% of the child population, the corresponding figures for poverty deprivation being 16.6% and 34.7%. Half of the children in all four countries in this cluster, however, experience at least one type of deprivation. Cluster 2 countries have acute poverty incidence that ranges from 14% to 23.8% and a poverty incidence that ranges from 41.8% to 46.5%. Child poverty is particularly alarming in cluster 3. Here, acute child poverty affects nearly half to three quarters of all children (from 48.8% to 74.2%), while poverty affects 76.4%-87% of children.

Figure 2. clusters of countries in household poverty

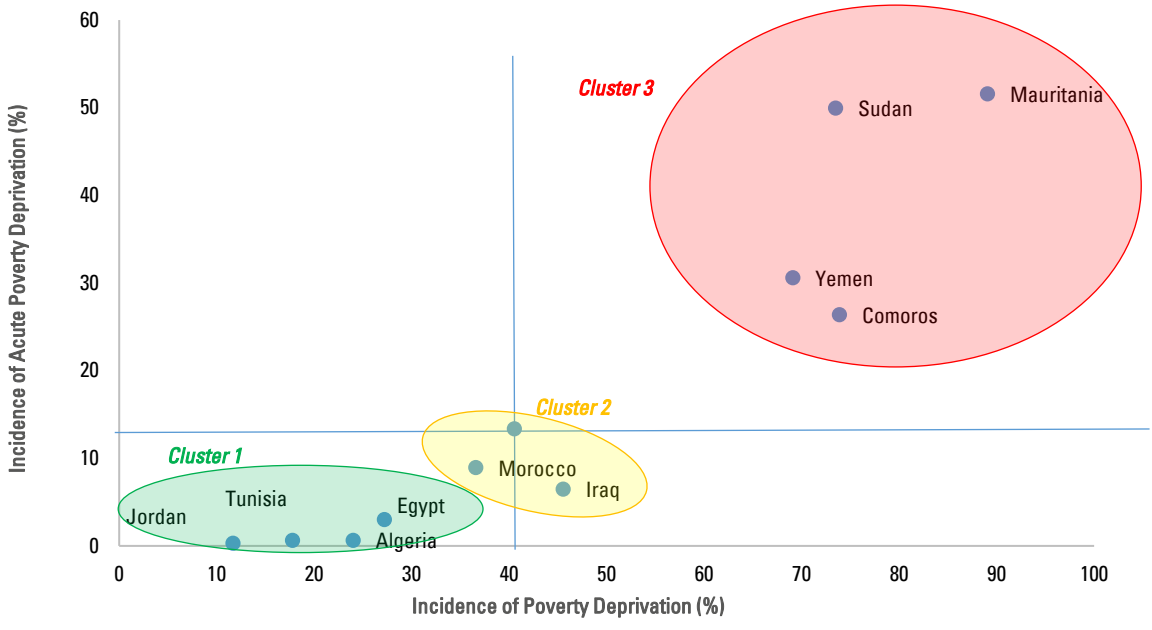
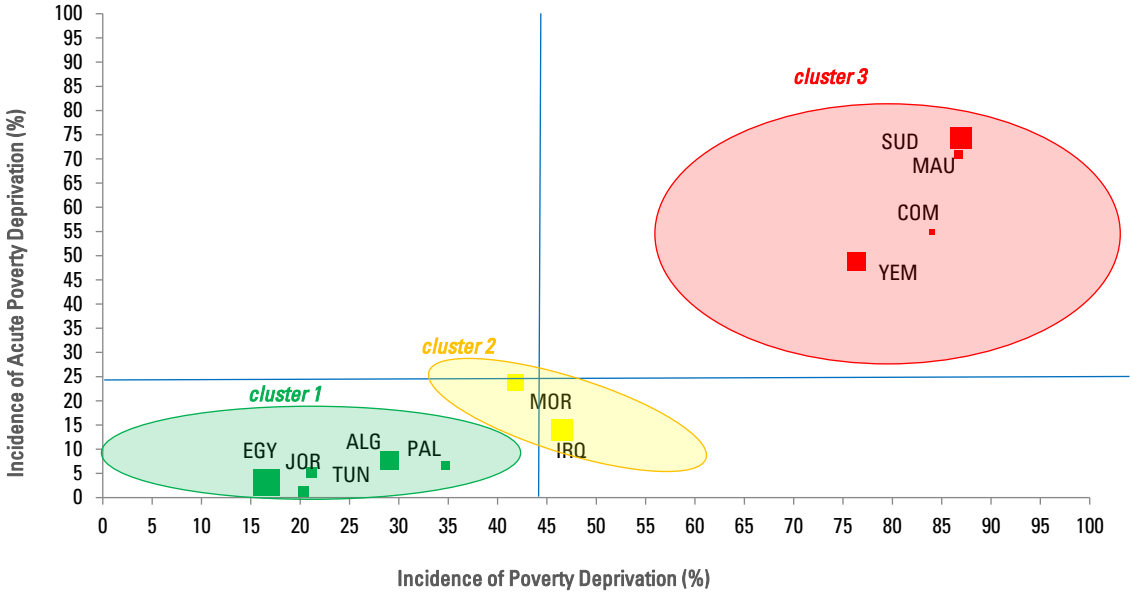


Figure 3. clusters of countries in child poverty



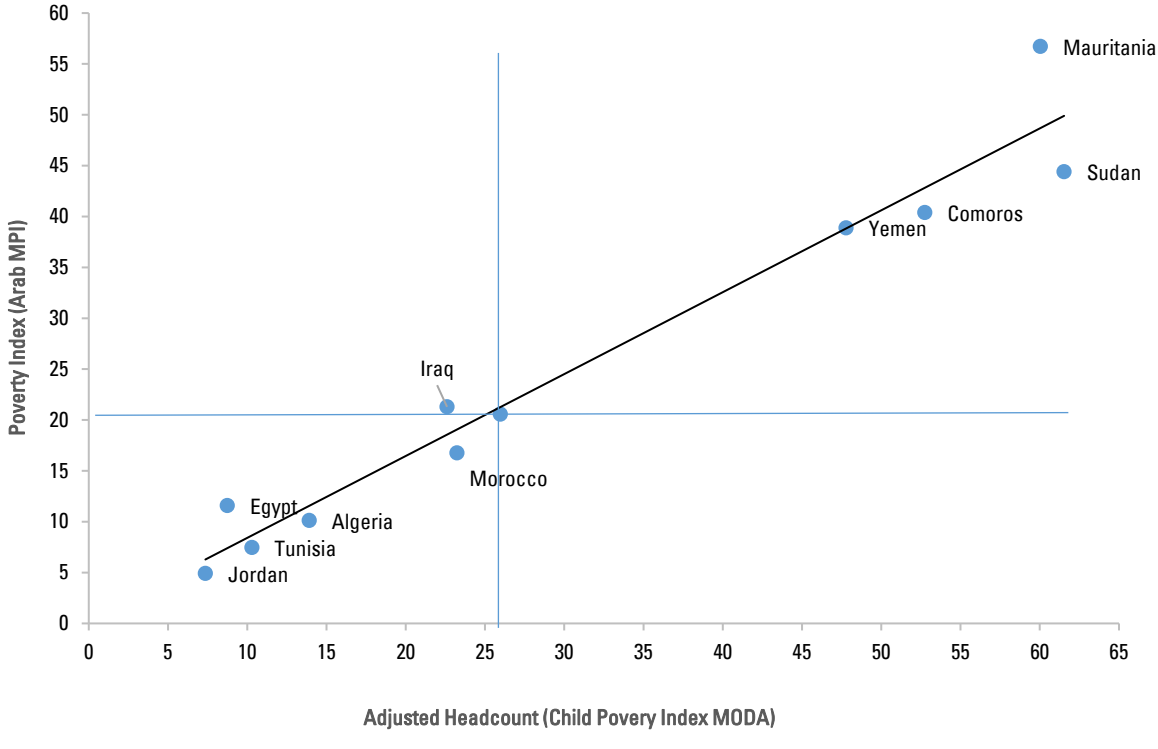
Notes: (i) Size point reflects size of population U18.

(ii) Blue lines indicate weighted average of countries.

Figure 4 shows the relationship between the child poverty index, or adjusted headcount (according to MODA) and the household MPI. The blue lines indicate the weighted average for the region. All cluster 1 countries, are below both the weighted average of household and child poverty for the region. The same holds true for Morocco. Iraq shows a slightly higher poverty at the household level but is below the average with respect to child poverty. Finally, cluster 3 countries are all above the weighted average in terms of both household MPI and child poverty adjusted headcount. The strong positive relationship between child and household poverty reveal that the two are intrinsically intertwined and each affect the other, which has serious policy implications.

The above results, however, need to be interpreted with caution. The datasets, used in the study, date from 2011 to 2014 for several countries. Hence, the full impact of political instability and conflict in several Arab countries in recent years has not been captured in the information and data used here. As can be noted in figure 4, Palestine is not included in the measure of household poverty. Box below elaborates on child poverty in Palestine and presents very different results when it brings in non-material deprivations into the framework of a national poverty measurement.

Figure 4. Relation between child poverty index (MODA) and household poverty index (MPI)



Poverty in Palestine

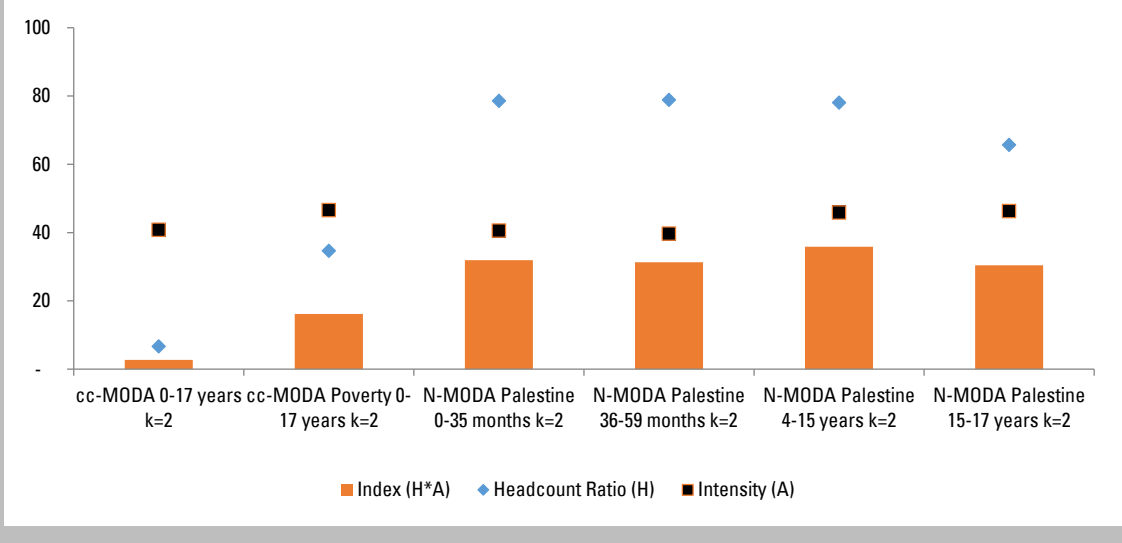
N-MODA for the situation of children in Palestine

UNICEF developed a country-specific MODA for Palestine (N-MODA). Here, the MODA reflects not only different aspects of child well-being drawn from the MICS database, but includes an analysis of additional dimensions, which are: violent living environment (VLE) and humanitarian access to education(HAE), include information on child injuries, killings, demolitions and access to education (e.g. restricted access to education) and attacks on schools.

When applying the specific MODA for Palestine, the results for child poverty change drastically. The national headcount places 65.7% of the children as deprived in two or more indicators. However, in Gaza the headcount is 100%, which means that every single child between the age of 15 and 17 is deprived in at least 2 dimensions. In the West Bank, the headcount stands at 43.7%. The decomposition of the results shows that regardless of the age group, the dimension VLE is the biggest contributor to the overall deprivations on the national level. In the age group of 15-17 years, VLE even contributes over 50% to overall deprivation. Water and/or HAE also have a main contribution in almost all age groups.

The findings of the MODA inclusive of VLE are very different from those in the Arab Poverty Report. Cross-country measures such as the cc-MODA are not suitable to reflect the context of ongoing conflict as they do not include the non-material deprivations that the households and children suffer. Although the N-MODA methodology is not directly comparable with that of cc-MODA, the results reveal that including measures of violence and insecurity would certainly change the narrative of poverty.

Figure 5. Measuring poverty in Palestine using alternate methodologies



Source: UNICEF (forthcoming).

B. Vulnerability and Severity of Poverty

An additional quarter of the population are vulnerable to household poverty and the majority of the poor in LDCs are severely poor.

It is expected that the incidence of poverty would be higher than acute poverty. However, the difference between the prevalence of acute poverty and poverty indicators is quite significant. This discounts the conventional narrative that poverty in the Arab region is low. Deprivation is indeed quite widespread and is not confined to the least developed countries. Also, the poverty challenge is exacerbated by the fact that vulnerability to falling into poverty (weighted deprivation score is more than 20% but less than 33.3% of the maximum possible score, as noted above) is high. At regional level, 11.8% of the households are vulnerable to falling into acute poverty. The share is higher in cluster 2 and 3 countries 16.2% and 20.4% respectively.

The narrative changes when moving from acute poverty to poverty. While cluster 1 and 2 countries have relatively low incidence of poverty, far larger shares of their population are vulnerable to poverty (27.1% for cluster 1 and 31% for cluster 2). Overall, one quarter of the regional population is vulnerable to poverty, while 40.6% are poor or severely poor. That means that nearly two thirds of the Arab population are either poor or vulnerable to poverty.

It is estimated that 5.6 per cent of the region's population are severely deprived (with deprivation score above 50 per cent) in terms of acute poverty. Despite this low figure at the aggregative level, the severity of acute poverty is extremely high in cluster 3 countries, at 20.9%. Moving from acute poverty to poverty, the severity rate for cluster 3 countries soars to 49.7%, implying that poverty is both widespread and intense.

Cluster 1 and 2 countries have a very small share of severely deprived population in acute poverty. However, this narrative changes when moving from acute poverty to poverty, especially for cluster 2 countries where 11.6% population report deprivation score higher than 50 per cent. The corresponding figure is 5.4% for cluster 1 countries. figure 6, thus, suggests that the real challenge of cluster 1 and 2 countries is to deal with the big share of the population that is vulnerable to falling into poverty. Cluster 3 countries, on the other hand, the need is to alleviate the severe poverty that affects almost half of their total population.

Child poverty exhibits similar patterns. An analysis of the intensity of poverty in multiple dimensions helps in assessing the depth of deprivation that children experience. Figure 7 shows the 1+ to 4+ deprivations[13] by both poverty levels for countries in all three clusters and the 11-country averages. 1+ deprivation reports the percentage of children that suffer from at least one deprivation. Similarly, in 4+ deprivation, children are deprived in 4 or more dimensions. One can notice that most children in the region suffer from at least one deprivation by both poverty measures. As previously noted, children are much more affected by these overlapping deprivations than adults.

The inter-cluster analysis provides interesting insights into the nature and inter-regional

variations in child poverty. In cluster 1, for example, about one third of the children suffer from at least 1 acute deprivation, only 0.5% experience 3+ acute deprivation, while almost none suffers from 4+ acute deprivation. The corresponding figures for poverty are much higher but the pattern is similar, with only 0.8 per cent children having deprivation in 4+ indicators. In contrast, cluster 3 countries show a higher incidence in both poverty measures, which holds true not only for 2+ deprivations, but also for the 3+ and 4+ ones.

Figure 7 further underlines the fact that more than 50 per cent of the children experience at least 1 or 2 deprivations for both measures of poverty. Cluster 3 countries account for some 33.8 million or 28.5%, of the total children in the 11 countries included in the analysis, wherein 5.1 million suffer from acute poverty in 4+ dimensions. This percentage is significantly lower for cluster 2 countries, where less than half a million or about 1.5% are affected by acute poverty in more than 4 dimensions.

Figure 6. Percentage of non-poor and poor population in acute poverty and poverty across clusters

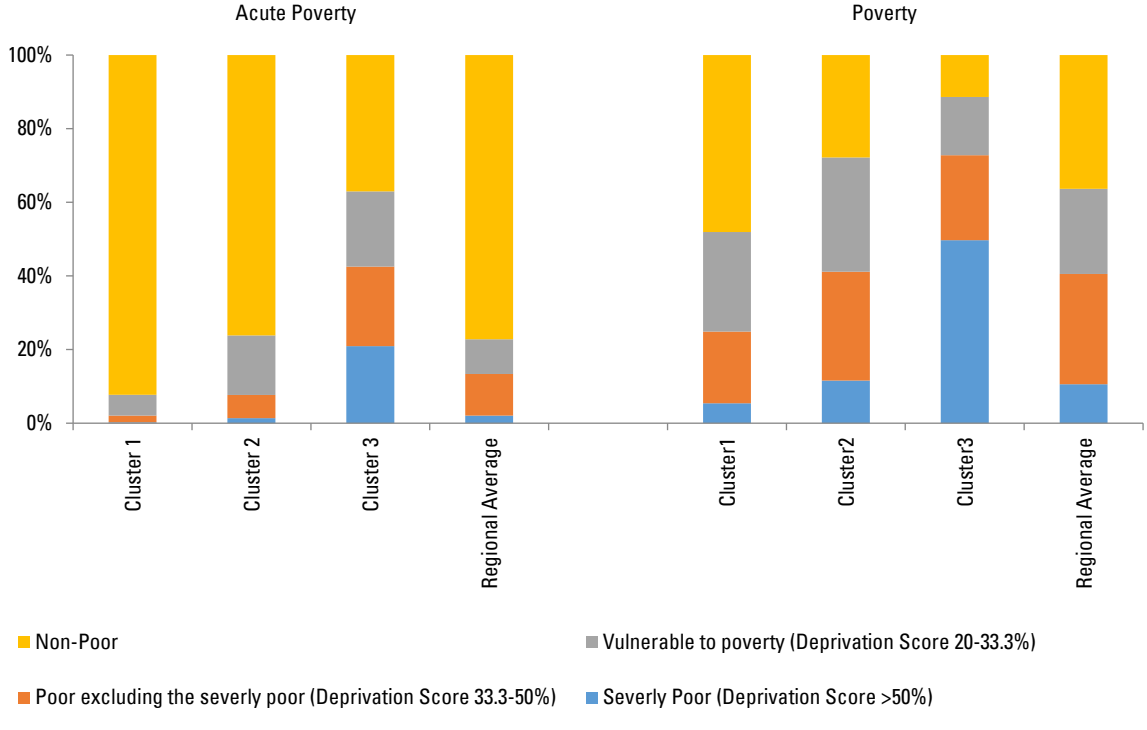
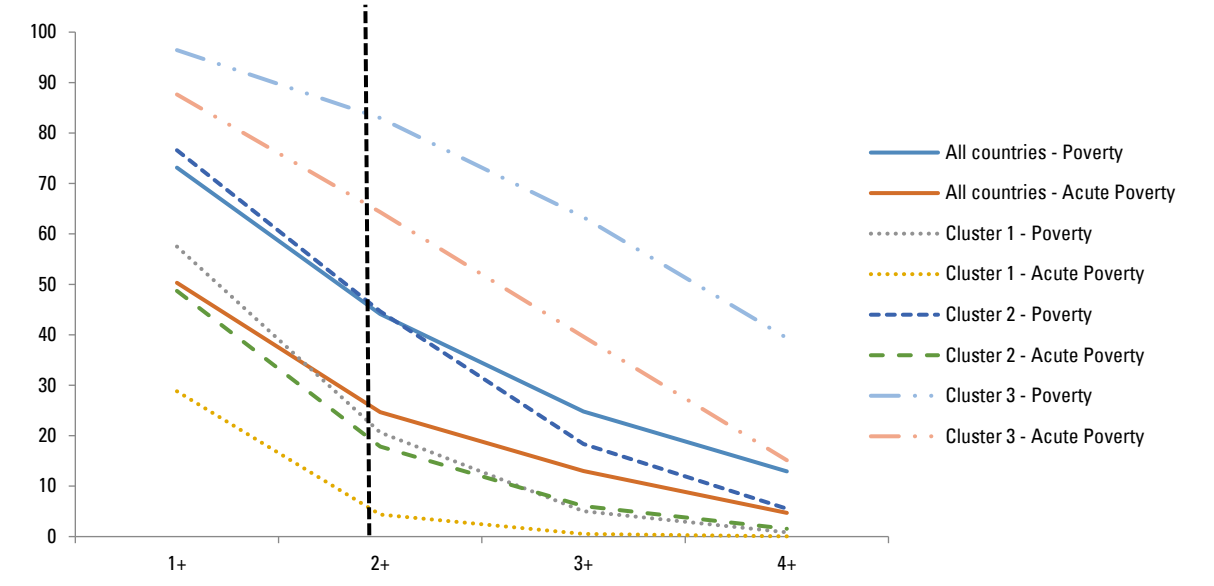


Figure 7. Distribution of child population by number of deprivations



C. Inequality by spatial and socio-economic characteristics of households

There is high inequality at the spatial level (between rural and urban areas: provinces or states within countries; between different clusters) and between socio-economic characteristics of households such as household size, education of the head of household, or the wealth quintile of the household. Figure 8 below shows a summary of these disparities, which we shall examine in more detail.

As shown in the figure 8, poverty headcounts for both acute poverty and poverty are higher in rural than urban areas, in households where the head has no education, in large sized households and in households in the bottom wealth quintiles. In case of female-headed households (FHHs), the poverty headcount is lower than male-headed households (MHHs) at poverty. However, acute poverty in FHHs shows slightly higher headcounts. Importantly, the results of the technical report show that FHHs are more likely to be in acute poverty and poverty in cluster 3 countries, while MHHs are more likely to be in acute poverty and poverty in cluster 1 and 2 countries.[14] Annex table 8 reports the standard errors and confidence intervals of the poverty headcount by location and socio-economic characteristics at both levels of poverty.

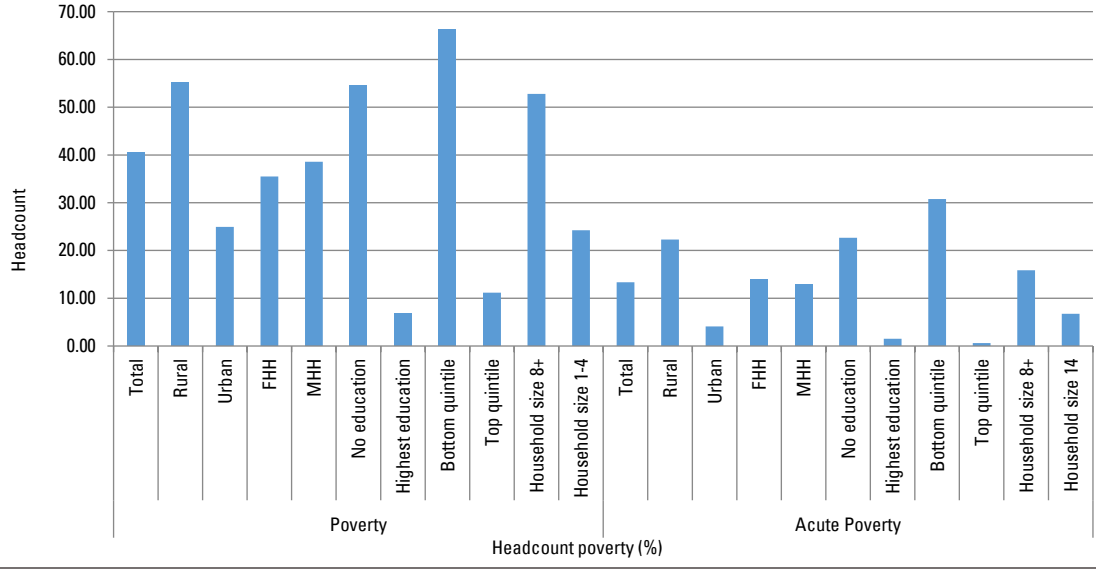
Table 1 presents the ratios between headcount poverty between groups of households with different characteristics (e.g. poverty headcount in households where the head of household did not receive any education divided by the poverty headcount in households where the head of household has received the highest possible education). The maximum relative gap

or the highest ratio in case of poverty is reported between two educational categories. Households whose head have no education are 8 times more likely to be poor then those whose head has the highest level of education the country has to offer. The technical report also disaggregates these results by clusters and finds that the ratios for education are higher in clusters 1 and 2 that record low poverty. In cluster 3 countries, however, the incidence of poverty is somewhat similar across households differentiated by levels of education. This implies that in these countries, education is not a sufficient factor for escaping poverty, possibly due to a lack of decent employment opportunities for the educated.

For acute poverty, the highest disparity is reported across wealth quintiles. Households in the bottom quintile are 50.4 times more likely to be in acute poverty than those in the top quintile. While the acute poverty tends to go down with the increase in household wealth, the extremely high ratio of poverty between the bottom and top quintiles testifies to the high inequality in the region.

The rural MPIs are significantly higher than those for urban areas for both acute poverty and poverty. At the regional level, the acute poverty MPI is 1.9 for the urban population and 11.3 for the rural population. Similarly, as shown in figure 9, the poverty MPI is 11.4 per cent in urban and 29.2 per cent in rural areas. Despite the fact that less than half of the total population of the 10 countries live in rural areas, they account for 83 per cent of the acutely poor population and 67 per cent of the poor population. Annex tables 6 and 7 report the standard errors and confidence intervals for MPI across rural and urban areas at the country, cluster, and regional levels for both measures of poverty.

Figure 8. Headcount poverty across household characteristics

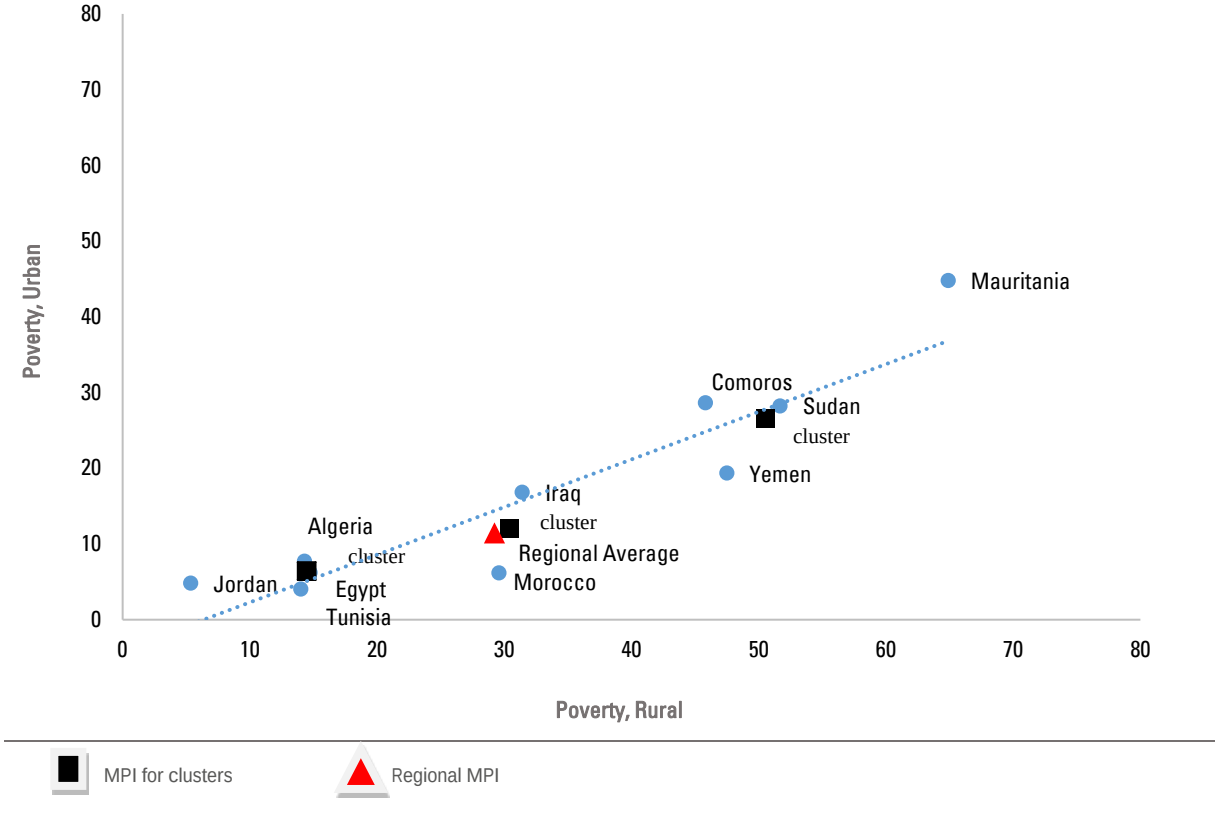


Note: All differences between corresponding groups are statistically significant at the 5% significance level. (see annex table 8).

Inequality ratios across household characteristics

Ratios	Poverty	Acute poverty
Rural/urban	2.21	5.44
FHH/MHH	0.92	1.08
No education/highest education	8.08	14.98
Bottom wealth quintile/top wealth quintile	5.93	50.42
Household size 8+ /household size 1-4	2.18	2.35

Figure 9. Household MPI in rural and urban areas with cluster and regional averages



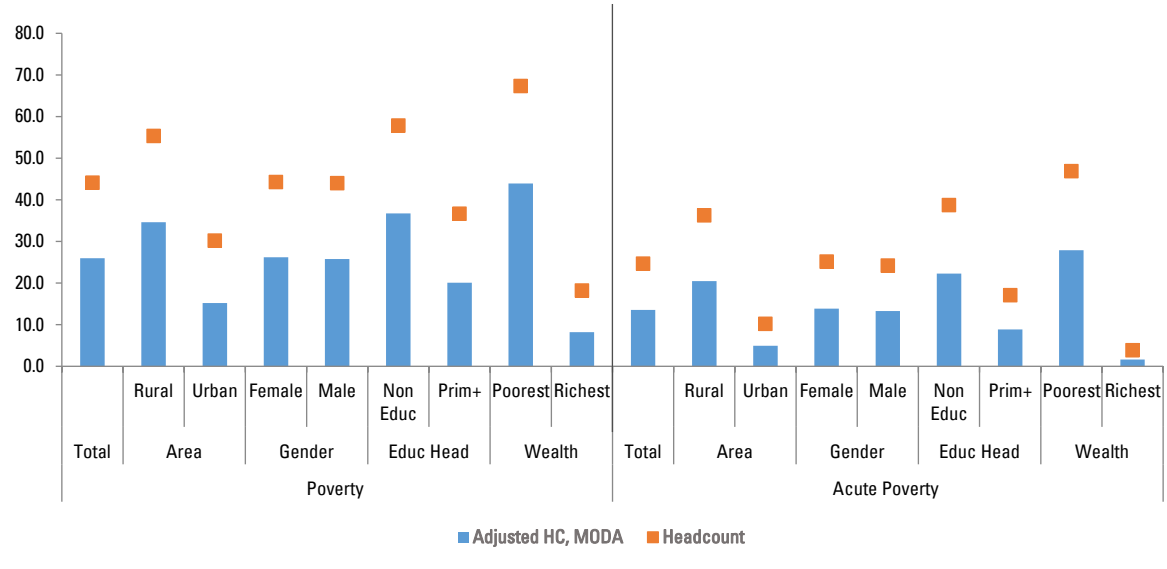
D. Inequality in child poverty

Inequality in child poverty is also very high, especially across areas, education and wealth status.

As in the case for households, inequality in child poverty is also affected by the location of the household, wealth status, gender, and educational level of the head of household. Figure 10 contrasts the levels of child poverty and acute child poverty by area, sex, education of household head and wealth. It reveals that disparities are especially high when the households are categorised as per three indicators: area (rural or urban), education and wealth.[15]

The poverty incidence of children in rural areas is nearly 55.3%, 1.8 times that of urban children. In line with the results for household poverty, the deprivations experienced by females and males are almost the same, signifying that their poverty incidence are similar in the eleven countries analysed. The education of the household head, on the other hand, plays an important role in determining the probability that a child will experience poverty. Poverty for children living in households where the head received no education is 57.8%, but when the head has primary education or more, the figure drops to36.7%. The likelihood of disadvantaged children experiencing poverty, thus, is 1.6 times when the head of household has no education. Disparities based on wealth quintiles are even greater. The incidence for children in the bottom quintile is almost 67.4%, while that of children in the top quintile is 18.2%. This means that the children in households with no wealth are 3.7 times more likely to experience poverty than those in more advantaged wealth categories.

Figure 10. Child poverty and acute child poverty by area, gender, education of household head and wealth



The area based classification shows that the acute poverty incidence is approximately 26.3% higher for rural than urban children. This means that children in rural areas (incidence level of 36.3%) are close to 3.6 times more likely to experience acute poverty than urban children. At the acute level, the gender factor shows no significant difference between female and male children as well. Both have nearly the same probability of being in acute poverty. In terms of the education of the household head, 38.9% of children live in a household where the head has no education at the acute poverty measure. This means that the disadvantaged groups are 2.3 times more likely to experience acute poverty than children in educationally advantaged groups. The wealth indicator shows the greatest disparity in acute poverty as 46.9% of the children in the bottom wealth quintile experience acute poverty, the figure falls to 3.97% for the children in the wealthiest category. In other words, children in the lowest wealth quintile are 12.1 times more likely to experience acute poverty than children in the top quintile.

E. Main contributors to household and child poverty

Education is the largest contributor to household poverty whereas housing conditions and nutrition are the main sources of child poverty.

Figure 11 shows that the education dimension contributes the most to acute poverty in clusters 1 and 2. In cluster 3, the highest contributor is the living standard dimension, but education follows it closely. Health makes the lowest contribution to acute poverty in all countries except Egypt. In the technical report, the contribution to acute poverty was also disaggregated by urban and rural areas. The disaggregation shows that the contribution of education is generally higher in urban areas than in rural areas. In rural areas, the contribution of living standards is higher than in urban ones.

For poverty, the pattern is similar as shown in figure 12. Education is the main contributor in all countries except Sudan, where it is the living standards. Health is the lowest contributor in all countries. There are no significant deviations from the national results in urban or rural areas. The fact that education is the largest contributor to acute poverty and poverty should make a case for massive policy intervention at regional and national levels.

Looking at the indicators of each dimensions, figure 13 reveals that nutrition is the highest contributor to acute poverty in the health dimension, ranging from 9.4% in Sudan to 16.9% in Yemen. Within the living standards dimensions, overcrowding makes the largest contribution although the figure is low, the maximum being 7.9% in case of Iraq. For cluster 3 countries, however, cooking fuel is the main contributor.

For poverty, the contribution of the single indicators is similar to the acute poverty level for countries in cluster 2. In cluster 1 countries, the contribution of indicator years of schooling increases, as shown in figure 14. In cluster 3 countries, the contribution of early-pregnancy/ FGM increases when moving from acute poverty to poverty.

Figure 11. Contribution of different dimensions to acute household poverty index (MPI)

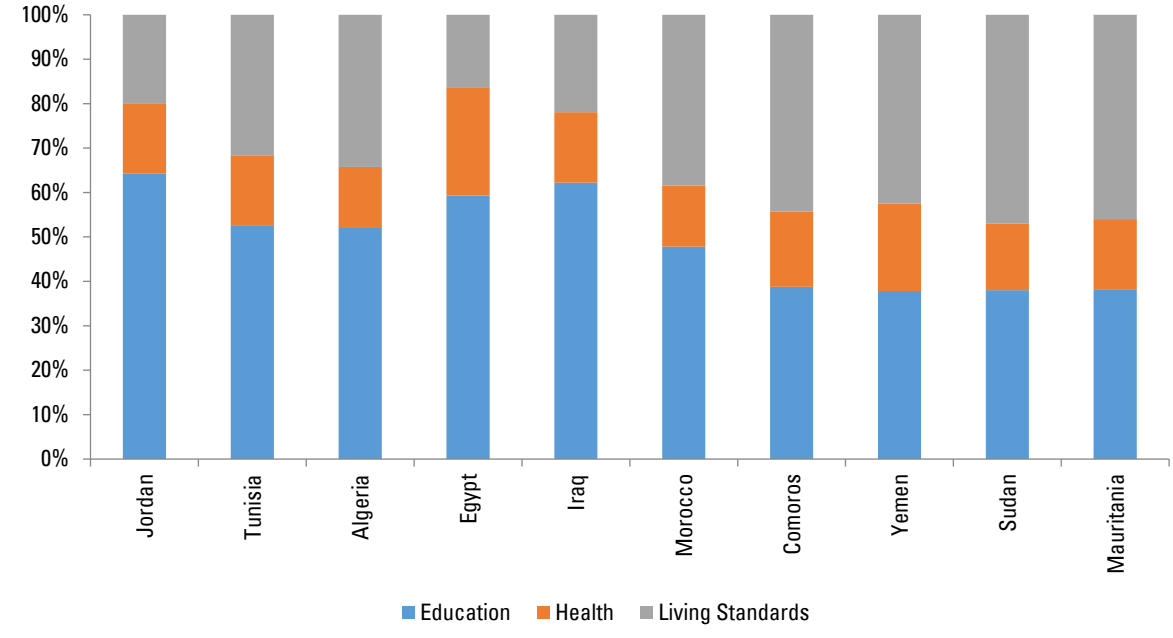


Figure 12. Contribution of different dimensions to household poverty index (MPI)

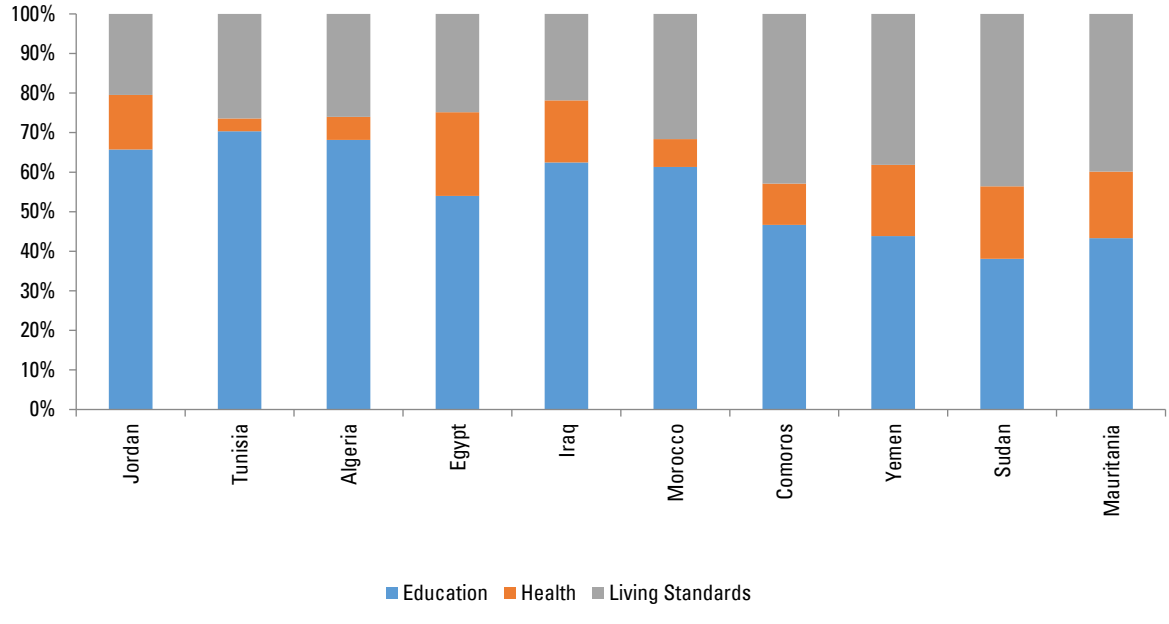


Figure 13. Percentage contribution of indicators to acute poverty

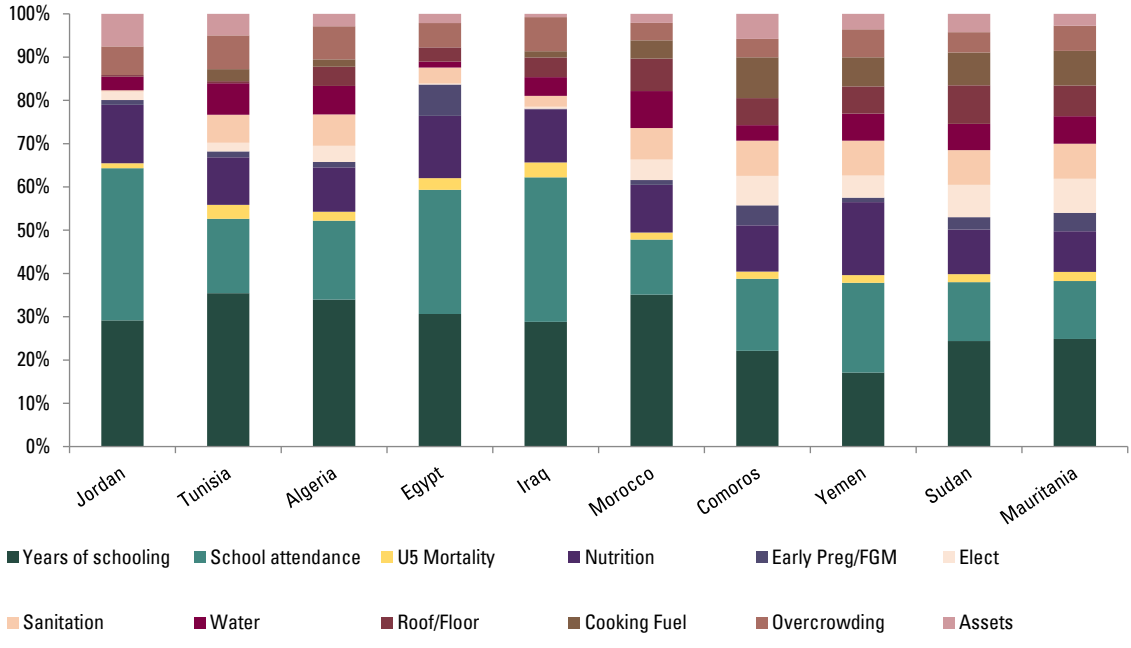
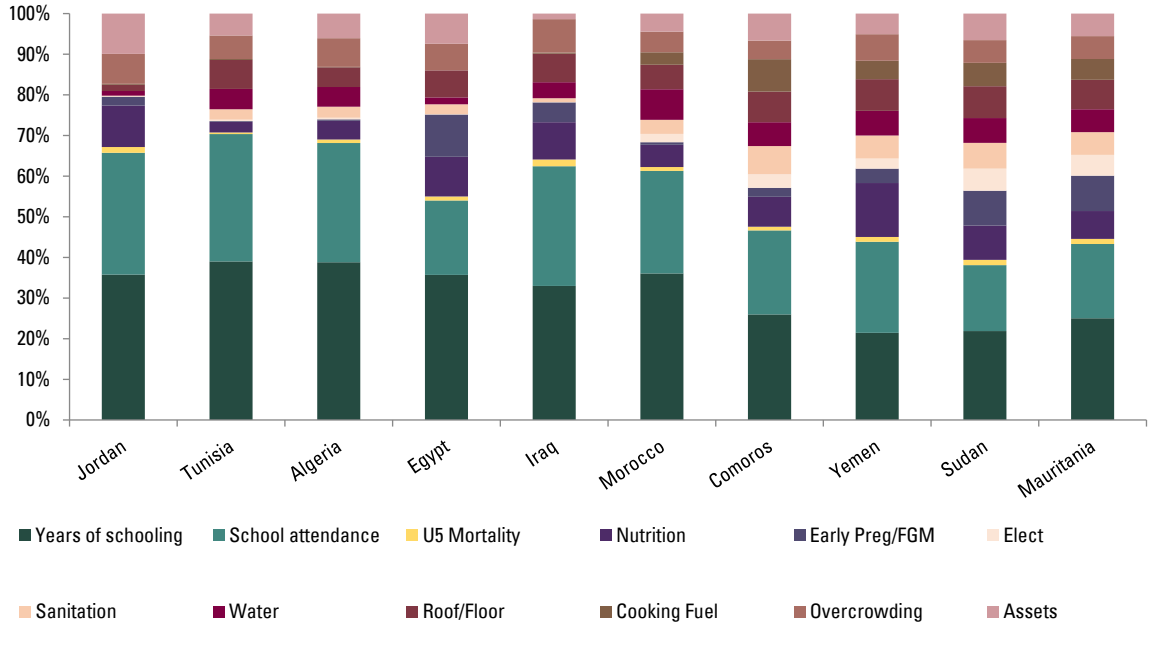


Figure 14. Percentage contribution of indicators to poverty



The incidence of child poverty by dimensions varies significantly across and within the three

clusters. The 11-country deprivation averages for housing, nutrition and health are particularly high, as shown in figure 15. While the deprivation in housing and water is high in all clusters, they are conspicuous in clusters 2 and 3. Health deprivation poverty measure is high in all clusters as well, but in cluster 3, it is 1.9 times higher than in cluster 1. Cluster 3 has an acute housing deprivation that is 7.4 times higher than that of cluster 1, and 2.6 times higher than that of cluster 2. Undoubtedly, cluster 1 countries emerge as relatively better in almost all dimensions, compared to those in other clusters. And yet, the health and nutrition deprivations in this cluster are worryingly high, in addition to those in housing and water supply.

F. Alarming Subnational Disparities

Poverty is also heterogeneously distributed within countries - among governorates or states. The differences across countries, provinces or territories are generally higher in cluster 2 and 3 than in cluster 1. Figure 16 shows the distribution of states within each country along the acute poverty and poverty indices. While countries such as Tunisia and Algeria fall in the lower left quadrant, regions within LDCs, such as Sudan, Yemen and Mauritania are more stretched which implies that their internal inequalities are higher.

The sub-national disparities in the region are extremely high and should be given due consideration in designing a new anti-poverty strategy. One must note that the governorate with the lowest MPI in Mauritania, the country with highest poverty MPI, has a higher rate of deprivation than the poorest governorate in clusters 1 and 2 countries. The 15 poorest governorates/states within the ten countries under consideration are located in just three countries: Sudan (9 states), Mauritania (5 states), and Yemen (1 state). Many of these states in Sudan and Yemen are located in conflict zones.

Caution must be taken when comparing the results of Yemen to other countries, as it must be considered in their temporal context. Despite the already high poverty rate, the DHS survey was conducted in 2012 and its results do not reflect the current state of poverty in the country. For example, recent reports by the FAO and the WFP reveal that education, health and particularly food insecurity in Yemen have deteriorated significantly, and especially for children, as a result of the on-going conflict.

Figure 17 zooms on the 15 poorest states in the ten countries surveyed. As stated above, these are located in three cluster 3 countries: Sudan (9 states), Mauritania (5 states), and Yemen (1 state). It is noteworthy that almost all these states are either rural governorates or fall in conflict zones, such as the case of Sudan and Yemen.

Figure 15. Acute poverty and poverty by dimensions across clusters

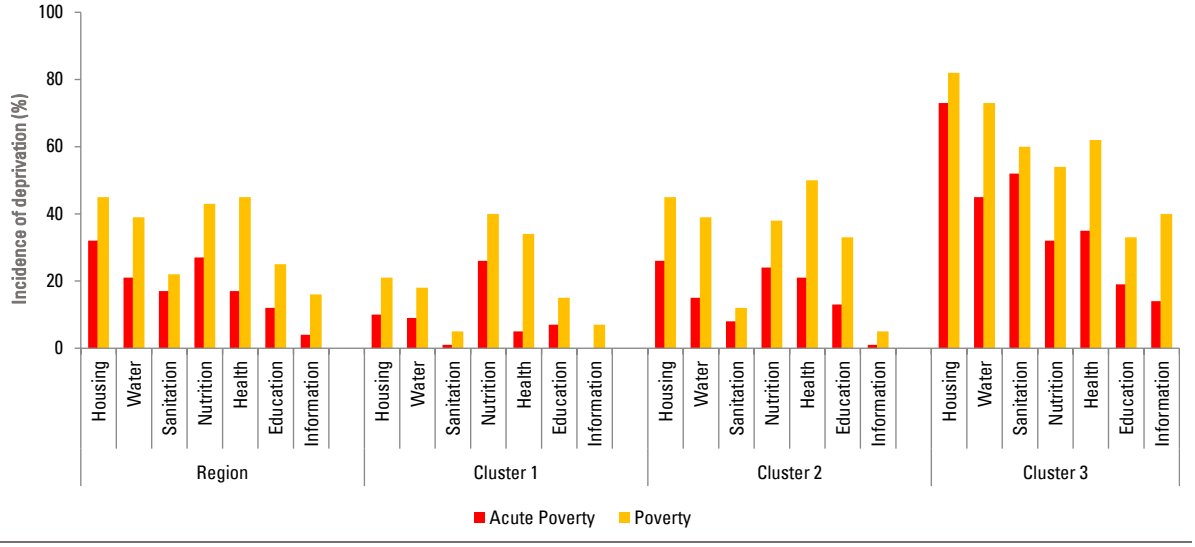


Figure 16. Sub-national units by their levels of acute poverty and poverty across the countries

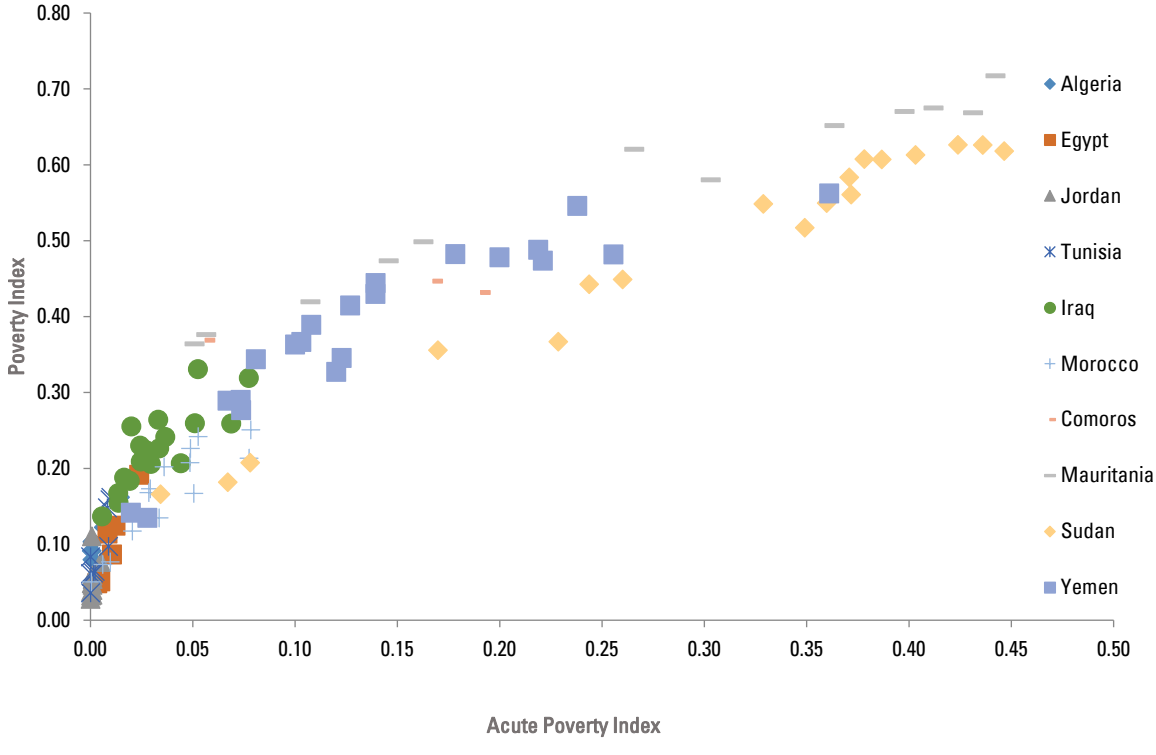
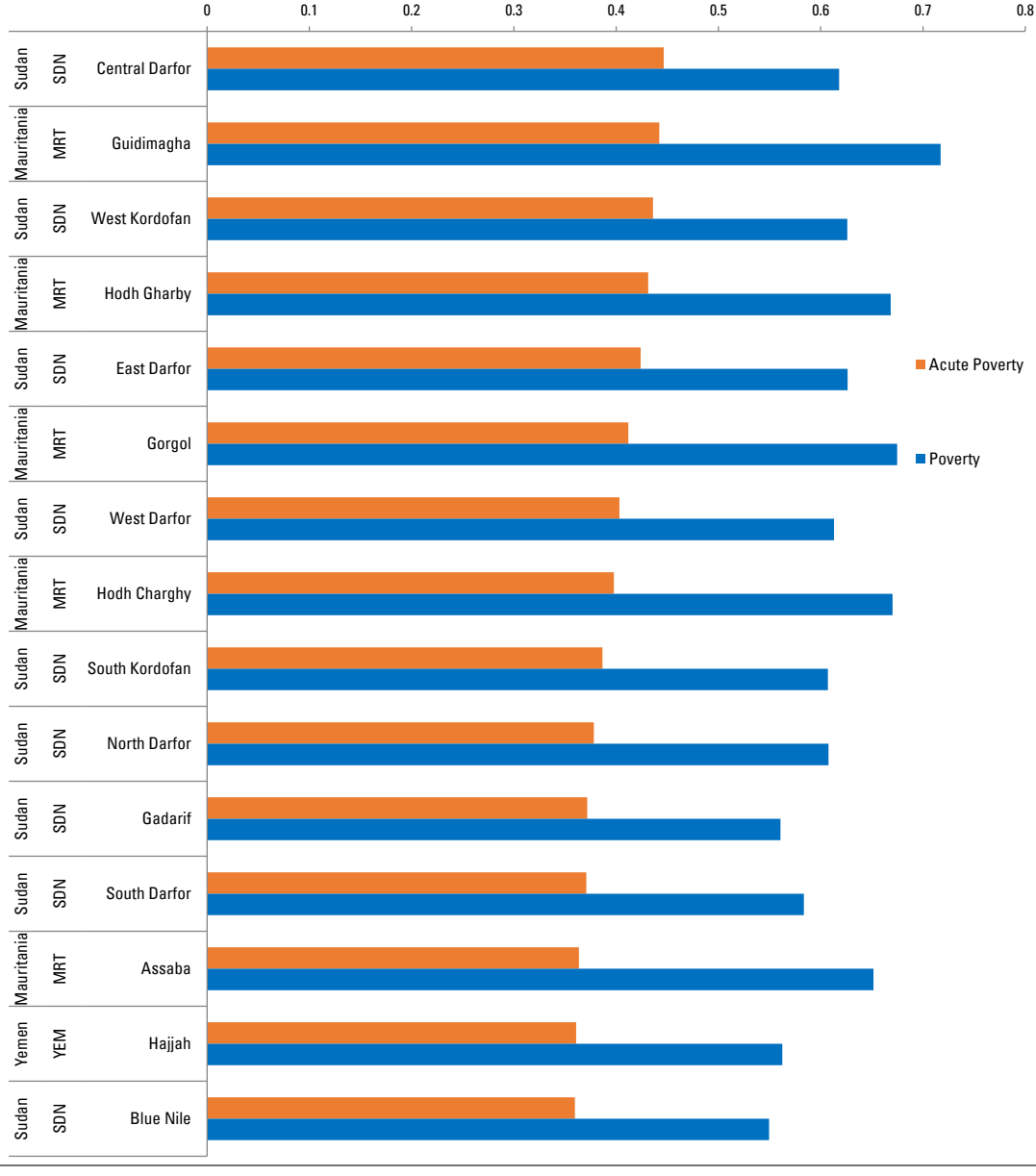


Figure 17. Fifteen poorest states in the region



3. Challenges and Policy Considerations

A. Challenges

Arab countries face serious poverty reduction challenges since both the scale and depth of poverty are estimated to be extremely high. Multidimensional poverty among households and children is far more prevalent than commonly thought; tens of millions of households and children are vulnerable to fall into poverty and the intensity and severity of deprivation among the poor is alarmingly high in the LDCs. Although extreme poverty is relatively low in the region, poverty as a whole is widespread and is not confined to low-income Arab countries. The estimated number of people in poverty in the Arab region (the 10 countries surveyed) amounts to 116.1 million, or 40.6% of the total population. It is nearly double the poverty rate obtained by using the national money metric poverty lines.[16] It is also worth emphasising that the definition of "poverty" employed here is still based on serious deprivations in terms of the needs for survival, such as having no electricity, not having access to drinking water within the dwelling unit and having more than 3 people sharing a room.

The report also reveals that child poverty is more prevalent in the region than commonly thought. Its distribution varies greatly across the 11 Arab countries analysed. The under-18 population in the countries examined is approximately 118 million, or about 6% of the world's total child population. Of these children, 52.5 million (44.1%) suffer from poverty while 29.3 million, or 1 out of 4, suffer from acute poverty. Child poverty is particularly acute in cluster 3 countries, where nearly 5.1 million children are afflicted by acute poverty in more than four dimensions.

Inequality in deprivation between and within these countries is also a major challenge since in all cases, it is far more acute than inferred from household expenditure survey. In so far as the explanatory indicators or dimensions are concerned, the results show that education is the key factor for household poverty, while nutrition and housing are the most significant sources of child deprivation.

Conflict is a challenge at a regional level, although it affects many of the 10 countries directly but differentially. It is important to note that the poverty analysis in the study is based mostly on datasets dating from 2011 to 2014. Hence, the full impact of political instability and conflict which spread throughout the region might not have been captured. Renewed conflicts have had a serious negative impact on the region's poor, and have pushed a larger percentage of the population below the poverty line. For example, the ongoing conflict in Yemen has pushed the nation into a humanitarian crisis and driven millions of people to the brink of starvation. More than 10,000 civilians have died in the conflict, and some 7 million people face severe food shortages. The country has been declared at risk of famine by the UN World Food

Programme.[17] Undoubtedly the situation of multidimensional poverty today in Yemen is far worse than implied by the numbers in this report, particularly in the dimension of health.

Many other Arab countries also face geopolitical turmoil: Four of the ten countries have been directly and significantly affected by conflict and/or occupation: Yemen, Iraq, Sudan and Palestine. The impact of ongoing conflict on human development is far more severe than the damage in terms of physical assets and deceleration in the growth rate of GDP. Perhaps nothing exemplifies this more than the fact that, despite having less than 5 per cent of the world's population, the region hosts more than 53 per cent of the world's refugees and 37 per cent of displaced populations.[18]

These challenges set the stage for the policy recommendations which follow. However, in framing these, it is noted that the Arab countries need to think beyond temporary fixes and address the root causes of these poverty challenges. As argued by the Arab vision 2030 report, the seriousness and multiplicity of development challenges facing the region require different policies, both at the national and regional levels. We propose seven pillars for such policy interventions.

B. Policy considerations

1. Addressing gaps in education

The findings on education in the Arab Poverty Report indicate that, despite the tremendous progress the region has made in terms of school enrolment in past decades, problems of attendance and completion of certain level is still a key factor in multidimensional deprivation. Three main policy messages can be derived from the analysis of education in this report. The first is that the countries must explore policy options to ensure that every child enrols and stays in school to obtain the full course of compulsory education. This requires a mix of supply- and demand-side interventions tailored to the specific circumstances faced by children in the region. The level of public expenditure on education is considered generally acceptable. The report does not call of expenditure on education to increase, but to be more properly allocated.

The region is currently facing many conflicts and mass displacements leading to serious humanitarian crisis. The immediate effect of displacement is the disruption of children's education. Bearing in mind the strong negative relationship between educational attainment and poverty demonstrated in this report, it is clear that continuation of education for children affected by crisis should be a top priority. Educational infrastructure, teachers and students need to be spared in conflict settings. Where children are displaced or take refuge in neighbouring countries, efforts need to be made to ensure that they receive quality education. It should be possible to mainstream them into the education process, providing them with certification, equivalent to what they would receive at their place of origin.

The most worrying finding is that, in countries with relatively higher levels of multidimensional

deprivation, even those with higher educational attainment have a high chance of being poor. This means that the returns on education are not always high in this region. This underlines the need to improve the quality and relevance of education for the job market, ensuring that curricula, besides making them good citizens, also provides a set of skills that make them effective economic agents. The government should launch major initiatives to create more and better jobs for their educated youth. This can be achieved by several policies, including the promotion of non-traditional and employment-intensive sectors, such as manufacturing and services, and shifting resources away from extractive industries, as the latter create fewer jobs.

The current macroeconomic policy framework, with its emphasis on economic stability rather than structural transformation, will not steer growth and employment towards sectors that give a higher return on education. The fiscal space for such transformation is linked to redistribution and measures of fiscal reforms. Although these issues are not addressed in the present report, it is important to stress that they are necessary conditions for reducing multidimensional poverty in Arab countries.

2. Social protection

The vicious cycle of inter-generational transmission of poverty needs to be broken. The report finds a strong negative correlation between wealth and multidimensional poverty, which implies that multidimensional deprivations in the region disproportionately affect the people who are deprived of any wealth or, in other words, who have no assets. This makes a strong case for considering a comprehensive package of social protection and employment generation to address multi-dimensional poverty and inequality. Social protection package should include a range of policy instruments to safeguard families and children not only against material poverty but deprivations in multiple social dimensions. This must ensure access to quality health and education services, as well as remove barriers to good nutrition. Finally, social protection should link people to labour market leading them to economic empowerment that would help take them off social assistance programmes.

In this context, it is important to activate the Arab initiatives related to financing small and medium-sized enterprises, particularly the initiative of His Highness Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah, Amir of the State of Kuwait, on the provision of financial resources to support and finance small and medium-sized private sector projects in the Arab world,(Arab Summit for Development Kuwait 2009).

Unfortunately, social protection measures in the Arab region have been limited to those working in the public and formal sectors. Those who work in the informal sector, are mostly self-employed, beside the unemployed or those outside the labour force, and consequently, have limited access to social protection schemes. This partly explains the strong preference amongst job seekers for public sector employment. Sadly, however, the capacity of the public sector to absorb a significant share of the new entrants into the labour market, has been dramatically reduced,

as a result of demographic changes as well as of new economic and fiscal realities. This has made the need to offer social protection to the informal sector workers, self-employed and unemployed in the region, all the more urgent.

The non-contributory social protection measures in the Arab region have been mainly in the form of universal subsidies – typically on essential food commodities, fuel and energy. In 2010, the Arab region spent on average around 5.7% of GDP on subsidies and less than 1% of GDP on non-subsidy social safety nets. This can be a problem because subsidies generally tend to be of a regressive nature with the rich benefiting relatively more, due to the absence of a mechanism for targeting.[19] The case for subsidy reform in the region is strong, and many countries have already embarked upon the measures. The low oil price of the last few years has strengthened incentives for subsidy reform in oil exporting countries, while it has somewhat reduced the pressure elsewhere. Subsidy reform can, undoubtedly, free up significant fiscal space for poverty-targeting and designing child sensitive social protection initiatives in the region.

Non-subsidy social safety nets in the Arab region are highly fragmented, having many gaps. In Morocco, for example, a recent mapping by UNICEF identified some 140 different schemes, each focusing on a specific population category or a particular risk, each with its own eligibility criteria and administrative arrangements. Even so, the social protection system leaves considerable gaps in coverage, with family benefits limited to those in formal employment and no social protection coverage for children of pre-school age. Clearly, much is to be gained from a rationalisation of this multitude of schemes. In addition to fragmentation, the level of benefits is generally low. For example, while children represent 32.1% of the population in the Middle East, public social protection expenditure for children amounts to only 0.8% of GDP. According to the World Bank's ASPIRE database, the Middle East and North Africa region has, after South Asia, the lowest average per capita transfer in its social protection and labour market measures. Moreover, the targeting accuracy of these interventions in the region is noted as the lowest in the world.

Given these weaknesses, the current social protection measures only have a limited impact on poverty. This underlines the huge gains that can be achieved by reforming the social protection system. Countries in the Arab region, therefore, must consider designing and implementing pro-poor, child-sensitive social protection policies, without which a significant reduction of multi-dimensional poverty in the region is impossible. The experiences of member states can be a very useful asset in this regard.

3. Investing in Children

The study reveals that childhood poverty is closely related with the education status of the household head. Children in a household whose head did not receive any education are twice as likely to suffer from acute poverty compared to those wherein the household

head received at least primary education. This indicates that children in households headed by parents who suffered deprivation in their childhood are more likely to suffer acute deprivation. Unless this deprivation is successfully mitigated or overcome, the deprivation chain will pass through the generations. This inter-generational transmission of poverty is responsible for maintaining and deepening inequality in the Arab region. Appropriate policies must be found to end this situation. The deprivation of children, besides being linked to educational attainment of the head of the household, is strongly correlates with its wealth status. Compared to children from the wealthiest households, children in the lowest wealth quintile are 3.7 times more likely to be in poverty and 12 times more likely to be in acute poverty. Spatial disparities are also significant in the region. Children in rural areas are 3.6 times more likely to be acutely deprived than those in urban areas.

When considering child poverty, it is worth mentioning that the child population in the Arab region has grown dramatically in recent decades. Many countries are experiencing a demographic transition while the most are expected to reach replacement fertility level by no later than the middle of this century. However, the 'youth bulge' in many of the countries is posing serious challenges to the policies of social development, employment generation and provisioning of basic services Therefore, not only do young people face the intergenerational transmission of deprivation, but even those whose parents are non-poor, can suffer poverty or acute poverty due to wealth deficit and other factors.

With the countries in the Arab region experiencing demographic transition, there is a unique opportunity to benefit from 'demographic dividend', which would result from the dramatic reduction in the dependency ratio. However, such demographic dividend will not materialise if the youth are ill-prepared for the labour market owing to incomplete and low quality education, poor health and the lack of jobs . It is, therefore, critical to invest in childhood by ensuring that all children, irrespective of their social status, have access to a full range of quality health and education services, adequate nutrition, and social protection benefits.

It is important to note that in many countries, a significant proportion of children suffer deprivation in several dimensions. In Sudan, for example, half of the children face four or more deprivations simultaneously. This calls for an integrated set of policies which addresses child poverty in a holistic manner. The evidence in the report also underlines the need to make the policy responses context-specific; they need to be tailored to the reality of different countries and to the specific needs of children having different characteristics and geographic locations. In some situations, access to services will be the main concern, while in others the quality of these services will be of paramount importance. In some cases, the emphasis should be on social protection; elsewhere the interventions should be in terms of labour market policies.

This report makes an attempt to provide analytical tools for a practical understanding of multidimensional deprivation, based on which context-specific and integrated policy responses

can be designed. In order to facilitate the required investment in children and determine its sectorial allocation, it is important that governments analyse the current pattern of public expenditure on children in great detail. These must be examined in terms of their adequacy, effectiveness, efficiency and equity in order to propose an optimal allocation of the funds, so that greater value for money can be obtained.

4. Food Security and Rural Development

Pro-poor economic growth strategy can be defined as one whereby the income of the poor grows at a faster rate than that of the rest of the population. The graduation of the poor to the next higher category leads to expansion of the middle class. For making growth pro-poor, effective social and fiscal policies are needed. One concrete example is redirection of fuel subsidies that mainly benefit the affluent groups, towards pro-poor expenditures such as income transfers, food security and employment schemes, especially in rural areas where the bulk of the poor reside. To suggest geographically targeted intervention focusing on agriculture and rural development, the poorest 15 governorates in the region have been identified, the majority of which are in rural regions.

In this context, the report proposes activating the Arab Summit Resolution (Kuwait 2009), which endorsed the Arab Program for Poverty Reduction in the Arab States, and its proposal to establish a regional fund for poverty reduction, as well as promoting sustainable livelihoods and agricultural development, focusing on the urgent needs of the poorest villages in those provinces.

Combating food insecurity in the Arab region, however, would require more inter-Arab cooperation, as highlighted in the 2008 Riyadh Declaration. The ambitious Arab Food Security Emergency Programme 2011-2031, launched by the Arab Organization for Agricultural Development, is designed to provide relief during food shortages and emergencies, reduce hunger and malnutrition, and boost productivity. Estimated investment commitments by governments are US$ 14.3 billion until 2016, rising to around US$ 28.5 billion until 2021, and US$ 31.5 billion by 2031. The programme is expected to receive US$ 12 billion in private-sector funding too. What is needed is to activate these agreements and begin implementation in a coordinated manner.

Besides addressing the immediate and short-run food security needs, there should be an emphasis on long-term and sustainable solutions. For this end, investing in high valued agriculture through scientific research and innovation to boost productivity, non-farm activities and overall rural development holds the key. Substantial increase in agricultural productivity can be achieved in most of these countries with no, or little, environmental cost. Environment friendly technologies need to be explored, especially those which maximise water-use efficiency. Effective water management can improve water-use efficiency in agriculture by 15 to 30 percent, which could

boost agricultural production, increase farmers' income and conserve non-renewable groundwater.

Investment in wastewater facilities can increase reuse, and subsidies and loans to farmers would expand adoption of water-saving technologies. Policies are needed to stabilise food prices and respond to food emergencies. Immediate options may include the direct provision of food, food vouchers and subsidies to the poor. Food aid is essential for responding to sudden declines in availability and market failures. It also can play a key role in conflict-affected countries and LDCs in keeping food prices low and increasing access of the poor to public distribution system and minimise displacement.

5. Protection for persons with disability

Arab countries continue to work on integrating this important group through a number of strategies and programmes that came within the framework of the implementation of Arab Summit resolutions, including the Arab Decade for Persons with Disabilities and the Arab Law on the Rights of Persons with Disabilities, the training courses and workshops offered by the Council of Arab Ministers of Social Affairs to support the efforts of Arab countries in this context, and the pioneering experiences of a number of Arab countries that can be benefited from.

In light of the above, the report proposes a number of recommendations, which revolve around the development of regional policies in the field of the rights of persons with disabilities, leading to an Arab vision in accordance with the Arab priorities for sustainable development adopted by the Arab Summit. While stressing on the adoption of the human rights approach, those recommendations aim at eliminating the manifestations of discrimination and exclusion of persons with disabilities and to reduce their poverty, including the guarantee of their rights to health, education and all social services. In order to achieve this, that the following is proposed:

- To continue the reform of constitutions and legislations based on international and Arab references related to disability and poverty issues, and to include laws on the protection of persons with disabilities from poverty, exclusion and marginalization, and to benefit from the Arab Decade on the Rights of Persons with Disabilities, and was approved by the Arab Parliament;
- Adopting participatory planning to achieve tangible results at the developmental, political and economic levels;
- To continue to work on developing Arab indicators of disability in the efforts to implement the 2030 Sustainable Development Plan;
- Give greater attention to children with disabilities by intensifying early detection and diagnosis efforts and providing early intervention and support to develop their capacities to the fullest;
- Activating the media plan for persons with disabilities approved by the Council of Ministers of Social Affairs with the aim of reaching an Arab society that has the knowledge and positive attitude on issues of disability and consensus on a unified societal opinion to integrate them into society;
- To develop an integrated Arab plan to implement the goals and objectives related

to the rights of persons with disabilities, guided by the relevant Arab and international conventions.

6. Establishing the Arab Centre for Poverty Reduction and Social Policy

In the light of the consultations of the High Level Meeting, which discussed the first draft of this report, the importance of establishing an Arab centre for poverty reduction and social policies, to support the preparation of programs to reduce poverty and generate growth to create decent work opportunities, especially for youth in the Arab countries, and to support the strengthening of relevant institutions and the improvement of statistical capacity were emphasized. The report therefore proposes to establish the Centre in an Arab country to promote growth and capacity development for poverty monitoring on the basis of development planning and decision support in various areas related to poverty in its various dimensions.

The proposed centre will be mandated to implement an integrated strategy covering the following elements:

- The harmonization of economic and social policies to promote growth and expansion of demand for employment, enterprise development, job creation, legislation capable of increasing economic growth in the region, flexibility of the labor market, policies and programs to achieve this and formulation of strategies to promote social cohesion and protect decent work opportunities;
- Develop strategies to support economic growth that benefit the poor directly, create an enabling environment that encourages their employment, increase their real incomes and strengthen basic human capacities through increased regional cooperation among Arab countries, through an integrated and coherent approach to promote growth and increase employment and social cohesion in Arab countries;
- Increased statistical capacity for measuring and monitoring poverty with a focus on multidimensional measurement and analytical use of data for decision-making by building an information system to collect and mainstream all available data related to poverty and employment, and formulating regional programs to strengthen institutional capacity to support decision-making;
- Develop harmonized methodologies for the Arab region in the areas of poverty measurement, including the compilation of a database of all the methodologies used to assess poverty actions and to use them for poverty mapping;
- Strengthen regional institutional capacity to design and monitor an integrated strategy for poverty, formulate social and economic policies capable of achieving the goals of sustainable development 2030, and work on policy proposals for each country and regionally.

The centre will work in collaboration with international organizations and various regional and national research institutions and in close collaboration with United Nations commissions and specialized agencies, particularly ESCWA,

UNDP, UNFPA, UNICEF and other agencies. In addition, to benefit from the existing cooperation between the Arab countries and international groups, especially with the South American countries, and the African Union, thus contributing to the enhancement and modernization of Arab capabilities in the fields of data collection and information and monitoring and evaluation, and thus contributing to the activation of national measures leading to the elimination of multi-dimensional poverty.

Sources to fund the centre include the following:

- Contributions of Arab and international funding institutions and specialized UN agencies;
- Contributions of the Member States of the League of Arab States in accordance with its decision;
- Donations and grants.

Following the approval of the proposal by member states, a comprehensive vision on the management, cost and current expenses of the system and its mechanism of work needs to be developed.

7. A Data Revolution: Data collection for evidence-based poverty-reduction policies

The analysis in the report is constrained by a number of factors related to data availability and their temporal and cross sectional comparability. To further improve future multi-dimensional poverty analysis in the region and hopefully bringing this out at regular intervals, it is critical for countries to invest in the system of their national surveys that can produce robust estimates on a range of deprivation indicators at the level of household and individual. A number of countries in the region could not be included either because they did not possess such survey data for recent years or because such data sets were not made available for secondary analysis. It was impossible to cover Libya and Syria. Palestine could not be covered in the household poverty measure. Also, Lebanon could not be covered because no recent survey data are available.

Moreover, surveys used for Iraq and Yemen are relatively old (2011 and 2013) and were conducted before the most recent wave of conflicts have had their impact. Analysis of multidimensional poverty in high-income Arab countries would certainly have permitted better comparative assessment and provided more useful policy insights. It confirms the recommendations of this report, on doing a study on multidimensional poverty in the Gulf Cooperation Council countries that takes into account their specificities, in cooperation with the Executive Office of the Council of Ministers of Social Affairs and Labor of the Gulf Cooperation Council States, even in countries, where survey data were available, limitations in terms of their comparability restricted their usage. Certain indicators could not be covered as they were not collected and compiled systematically and comprehensively in surveys across the countries. As a result, we were unable to look at some important dimensions of wellbeing or deprivation such as child protection, gender violence etc.

This issue can be best explained by taking Palestine and the effects of the Israeli occupation on it as an illustrative case. All residents in

Palestine are directly affected by the occupation. Movement restrictions hinder economic growth and productive activities, fragment the territory socio-politically and geographically, and restricts people's access to critical resources such as water and land. In the case of Gaza, the impact of the 10-year long blockade of the territory needs to be factored in any poverty analysis. Furthermore, the circumstances limit the space for the Palestinian government to develop and implement a definite and long term strategy of development.[20]

Palestinians are vulnerable to various types of uncertainties and deprivations in their lives and livelihood. On-going construction of Israeli settlements often takes place along with demolition of Palestinian structures. In 2016, a total of 1,093 Palestinian homes were demolished, which is the highest number recorded since data collection began in 2009. Palestinian residents of East Jerusalem live under the permanent threat of being evicted from their homes or having their residency revoked. The population in Gaza has been has been cut off from the rest of the Palestinian territory for a decade and its infrastructure is under great strain. As of 2017, acute electricity shortages of up to 20 hours a day occur daily.[21] Due to contamination and over-extraction, only five per cent of the water drawn of the coastal aquifer is fit for human consumption.[22] Children are especially impacted by the occupation and the recurrent escalation of violence in the West Bank and Gaza.

This underlines the importance of strengthening the data collection system in Arab countries and of regional collaboration for multi-dimensional poverty analysis. In the context of this perspective, following a recent paper from ESCWA,[23] we propose a pan Arab Multi-Purpose Survey (PAMPS) that can provide harmonised datasets across the countries, including information on the missing dimensions previously discussed. This would enable computation of money metric and multi-dimensional poverty on a regular basis. Such surveys would greatly assist Arab countries in monitoring progresses on many of the SDGs. Importantly, the region already has good experience of conducting similar surveys: such as the Pan Arab Project for Family Health (PAPFAM), national household expenditure surveys etc. Finally, if the PAMPS can be applied to all Arab countries, it could lead to a new era of data generation in the region. The advantage of the PAMPS is that it does not rely on PPP-based poverty lines and consequently allows measurement of harmonised money metric poverty along with that of multi-dimensional poverty for the same set of households.

For implementing the PAMPS, several operational modalities can be considered. One, the PAPFAM pan-Arab surveys, undertaken by the League of Arab States, can be extended and expanded to cover all Arab countries. A module on expenditure and a few other critical modules on multi-dimensionality can be added to PAPFAM schedule and carried out at regular intervals. It of course requires significant capacity development, given the existing capacity constraints of PAPFAM. The second option would be to expand the canvas of the national household expenditure surveys,

conducted by the national statistical systems, to include non-income modules. This would, however, be an expensive and time-consuming proposition, given the big sample size of existing expenditure surveys.

In order to reduce these costs, a sub-sample of the big households' sample could be considered for the PAMPS. As a third option, an entity under the umbrella of League of Arab States, can take on the responsibility to generate the required information, as an inter-governmental body in the region. This entity would be mandated to coordinate among countries to carry out the survey.

The institutional arrangement for the implementation of the PAMPS need to be discussed and elaborated at regional level. There is an urgent need for building a devoted and specialised centre of excellence with the mandate to conduct pan-Arab survey and undertake research for development of policy based on evidence. This would address the institutional deficits in surveying and monitoring mechanism in the region. To allow the implementation of multi-purpose surveys that are regionally comparable, this centre could work closely with Arab planning agencies and national statistical bureaus in different countries.

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Annex

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	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	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)

Indicator	Global MPI	Regional MPI	
		Acute poverty if	Poverty if
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)

* According to UNESCO guidelines, the definition of primary schooling and secondary schooling is country-specific, as different countries have different durations of primary and secondary schooling. Therefore, our thresholds change according to the definitions of primary and secondary schooling of each country found on the UNESCO website.

Table 2. A multidimensional poverty approach to child poverty

(i) The Multiple Overlapping Deprivation Analysis (MODA) Approach: MODA is a methodology that UNICEF developed building on the work started with Bristol (Gordon et al. 2003), to identify the extent and nature of multidimensional poverty experienced by children (de Neubourg et al., 2012). It draws on the international framework of child rights to construct dimensions of child well-being in the domains of survival, development, protection and social participation, and the AF measurement methodology described above.*

(ii) The Seven Dimensions of Child Poverty.**

Water	Sanitation	Housing	Health	Nutrition	Education	Education

Dimension	Acute poverty	Poverty	Age
Water	Unimproved source of water	Household does not have piped water into dwelling or yard	All children 0-17
	Distance of more than 30 minutes roundtrip		
Sanitation	Unimproved toilet facility	Unimproved toilet facility	All children 0-17
		Shared toilet	
Housing	Primitive floor/type of household	Primitive floor/type of household	All children 0-17
	Overcrowding (more than 4 people per room)	Overcrowding (more than 3 people per room)	
Health	Un-skilled birth assistance (0-23 months)	Un-skilled birth assistance (0-23 months)	Children 0-4
	Not immunized: DPT (12-59 months)	Not fully immunized (12-59 months)	
		No ante-natal care (0-23 months)	
Nutrition	Infant and young child feeding (IYCF) (0-23 months)	Infant and young child feeding (IYCF) (0-23 months)	Children 0-4
	Wasting (0-4 years)	Wasting (0-4 years)	
		Stunting (>24 months)	
		Obesity (>24 months)	
Education	Not enrolled in primary school (children of primary age)	Not enrolled in school (all ages)	Children 5-17
	Did not finish primary (from age of end of primary to 17)	Two or more grades behind school or did not complete primary (from age of end of primary to 17)	
Information	No access to any information or communication device	No access to any information device	Children 5-17
		No access to any communication device	

Incidence of Child poverty (2+).

In conducting the child poverty analysis in the later chapters of this report, we consider a child to be deprived if he or she suffers from two or more deprivations.

* Lucia Ferrone, Bilal Al-Kiswani "A Multiple Overlapping Deprivation Analysis for the Arab Region," UNICEF Innocenti Office Technical Note, 2017.

** Adapted from Gordon's (2000) theory of relative deprivation.

Table 3. Selected socio-economic indicators for 11 Arab countries

Country	Population		GNI per capita PPP (current international $)	Human Development Index		Under 5 mortality (per thousand)
	Total	< 18 (%)		Index Value	World Rank	
	2015	2015	2015	2014	2014	2015
Algeria	39,666,519	32.9	14,310	0.736	83	25.5
Comoros	788,474	46.7	1,490	0.503	159	73.5
Egypt	91,508,084	38.4	10,710	0.69	108	24.0
Iraq	36,423,395	47.4	15,340	0.654	121	32.0
Jordan	7,594,547	41.6	10,760	0.748	80	17.9
Mauritania	4,067,564	46.5	3,710*	0.506	156	84.7
Morocco	34,377,511	32.4	7,690	0.628	126	27.6
Palestine	4,668,466	47.1	5,080*	0.678	113	21.1
Sudan	40,234,882	47.1	3,990	0.479	167	70.1
Tunisia	11,253,554	27.7	11,100	0.721	96	14.0
Yemen	26,832,215	47	2,720	0.498	160	41.9

* for 2014.

Table 4. Headcount ratios and their standard error and confidence intervals for acute poverty

Acute Poverty Index Poverty Cutoff (k=33%)				
Headcount ratio (H, %)	Value	Standard error	Confidence interval (95%)	
Jordan	0.282	0.0355901	0.2120653	0.3515794
Tunisia	0.612	0.0362925	0.5407865	0.683055
Algeria	0.622	0.021006	0.5808957	0.6632386
Egypt	2.995	0.0589284	2.87909	3.110088
Group 1	2.051	0.00001	2.048	2.053
Iraq	6.467	0.0669568	6.336051	6.598518
Morocco	8.928	0.1542108	8.625923	9.230429
Group 2	7.700	0.00003	7.667	7.68
Comoros	26.359	0.3549073	25.66345	27.05473
Yemen	30.584	0.1673363	30.25632	30.91227
Sudan	49.933	0.2235468	49.49517	50.37147
Mauritania	51.568	0.2315809	51.11451	52.02231
Group 3	42.600	0.00006	42.546	42.57
Regional	13.35	0.00002	13.345	13.353

Table 5. Headcount ratios and their standard error and confidence intervals for poverty

Poverty index poverty cutoff (k=33%)				
Headcount ratio (H, %)	Value	Standard error	Confidence interval (95%)	
Jordan	11.68	0.2196079	11.24977	12.11064
Tunisia	17.783	0.2251696	17.34144	18.22412
Algeria	24.004	0.1465051	23.71635	24.29065
Egypt	27.208	0.1546533	26.90496	27.5112
Group 1	24.870	0.00004	24.863	24.877
Iraq	45.542	0.1618716	45.2249	45.85943
Morocco	36.583	0.2381167	36.11617	37.04958
Group 2	41.200	0.00006	41.138	41.162
Comoros	73.881	0.3511028	73.19272	74.56909
Yemen	69.101	0.1717941	68.76464	69.43806
Sudan	73.49	0.2040302	73.09057	73.89037
Mauritania	89.065	0.1482937	88.77469	89.356
Group 3	72.700	0.00005	72.729	72.75
Regional	40.55	0.00003	40.543	40.555

Table 6. MPI values for rural and urban areas for acute poverty

Countries	Area	MPI value	Standard error	Lower bound	Upper bound
Jordan	Urban	0.0008481	0.0001421	0.0005697	0.0011266
	Rural	0.0021707	0.0003589	0.0014672	0.0028742
Tunisia	Urban	0.0001382	0.000036	0.0000676	0.0002088
	Rural	0.0073715	0.0004571	0.0064756	0.0082674
Algeria	Urban	0.0011899	0.0000874	0.0010186	0.0013612
	Rural	0.0051732	0.0001789	0.0048227	0.0055238
Egypt	Urban	0.0060441	0.0002662	0.0055224	0.0065659
	Rural	0.0148327	0.0003282	0.0141895	0.0154759
Group 1	Urban	0.00342	0.00001	0.00341	0.00344
	Rural	0.01253	0.00001	0.01251	0.01256
Iraq	Urban	0.0126768	0.0002777	0.0121324	0.0132211
	Rural	0.06202	0.000646	0.0607539	0.0632862
Morocco	Urban	0.0032994	0.0002124	0.0028831	0.0037158
	Rural	0.0824551	0.0014397	0.0796333	0.0852769
Group 2	Urban	0.00843	0.00001	0.0084	0.00846
	Rural	0.07343	0.00005	0.07333	0.07354
Comoros	Urban	0.0624811	0.0021237	0.0583185	0.066644
	Rural	0.1577876	0.0023846	0.1531136	0.162462
Yemen	Urban	0.034623	0.0008633	0.0329309	0.0363151
	Rural	0.20519	0.0011145	0.2030055	0.2073745
Sudan	Urban	0.1153595	0.0015459	0.1123295	0.1183894
	Rural	0.329399	0.0015251	0.3264098	0.3323883
Mauritania	Urban	0.1197523	0.0016402	0.1165376	0.1229671
	Rural	0.3731048	0.0015681	0.3700313	0.3761783
Group 3	Urban	0.0862	0.00006	0.08609	0.08631
	Rural	0.28178	0.00007	0.28165	0.28191
Regional	Urban	0.01867	0.00001	0.01865	0.01869
	Rural	0.11255	0.00003	0.11249	0.1126

Table 7. MPI values for rural and urban areas for poverty

Countries	Area	MPI value	Standard error	Lower bound	Upper bound
Jordan	Urban	0.0481344	0.0010971	0.045984	0.0502848
	Rural	0.0535894	0.0014538	0.0507399	0.0564389
Tunisia	Urban	0.040377	0.0009354	0.0385435	0.0422105
	Rural	0.1400972	0.0019317	0.136311	0.1438834
Algeria	Urban	0.0770891	0.0006691	0.0757777	0.0784006
	Rural	0.1430047	0.0012143	0.1406246	0.1453847
Egypt	Urban	0.0621446	0.0008142	0.0605487	0.0637405
	Rural	0.1474657	0.0009384	0.1456264	0.149305
Group 1	Urban	0.06418	0.00003	0.06413	0.06424
	Rural	0.14459	0.00004	0.14451	0.14467
Iraq	Urban	0.1682035	0.0009278	0.1663849	0.170022
	Rural	0.3141237	0.0011277	0.3119134	0.316334
Morocco	Urban	0.0616049	0.0008561	0.059927	0.0632828
	Rural	0.2958051	0.0018871	0.2921065	0.2995038
Group 2	Urban	0.11993	0.00005	0.11983	0.12002
	Rural	0.30389	0.00009	0.30371	0.30408
Comoros	Urban	0.2862932	0.0035154	0.2794028	0.2931835
	Rural	0.4581037	0.002518	0.4531682	0.4630392
Yemen	Urban	0.1936216	0.0017815	0.19013	0.1971133
	Rural	0.4750625	0.0010744	0.4729568	0.4771682
Sudan	Urban	0.2822151	0.0021709	0.2779601	0.2864702
	Rural	0.5167719	0.0015102	0.513812	0.5197319
Mauritania	Urban	0.4478276	0.0020496	0.4438104	0.4518449
	Rural	0.6490076	0.0010565	0.6469368	0.6510783
Group 3	Urban	0.26607	0.00009	0.2659	0.26625
	Rural	0.50494	0.00007	0.5048	0.50509
Regional	Urban	0.11445	0.00003	0.1144	0.1145
	Rural	0.29229	0.00004	0.29221	0.29237

Table 8. Standard errors and confidence intervals for different characteristics and their differences, regional average

	Regional average	Headcount ratio (%)	Standard error	95% Confidence interval		Difference	
				Lower bound	Upper bound	Headcount	Statistically significant
Poverty	Urban	24.94	0.00004	24.93374	24.94764	-0.30301	Yes
	Rural	55.24	0.00004	55.23327	55.24989		
	Female HH Head	35.48	0.00009	35.46510	35.50048	-0.03090	Yes
	Male HH Head	38.57	0.00003	38.56708	38.57895		
	No Education	22.66	0.00004	22.65008	22.66556	0.21146	Yes
	Highest Education	1.51	0.00002	1.50783	1.51648		
	Bottom Quintile	66.21	0.00006	66.19769	66.22219	0.55036	Yes
	Top Quintile	11.17	0.00004	11.16554	11.18186		
	HH Size 1-4	24.25	0.00005	24.23838	24.25734	-0.285192	Yes
	HH Size 8+	52.77	0.00006	52.75595	52.77816		
Acute Poverty	Urban	4.10	0.00002	4.09328	4.09965	-0.18207	Yes
	Rural	22.30	0.00004	22.29615	22.31006		
	Female HH Head	13.90	0.00007	13.88415	13.90973	0.01079	Yes
	Male HH Head	12.82	0.00002	12.81349	12.82164		
	No Education	54.61	0.00005	54.60014	54.61855	0.47850	Yes
	Highest Education	6.76	0.00005	6.75075	6.76855		
	Bottom Quintile	30.76	0.00006	30.74559	30.76949	0.30148	Yes
	Top Quintile	0.61	0.00001	0.60802	0.61205		
	HH Size 1-4	6.74	0.00003	6.73460	6.74570	-0.09123	Yes
	HH Size 8+	15.86	0.00004	15.85515	15.87141		

Endnotes

1 Ibn Khaldoun (1986).

2 Idem.

3 Marshall (1998, p. 651).

4 Idem.

5 Idem.

6 See for example, Kanbur (2000, p. 791-841); Cornia and Kiiski (2001); and World Bank (2005).

7 Sen (1985).

8 Newhouse et al. (2016).

9 It is worth noting however, that the MPI using the Alkire Foster methodology can be applied to individual data, as is the case with national MPIs in Mexico and other East Asian countries.

10 The Arab MPI thus uses two vectors of deprivation cutoffs (acute poverty and poverty) which share the same poverty cutoff of one-third. The relationship between the set of people living in acute poverty and poverty is thus methodologically equivalent to the relationship between those living in acute poverty and destitution in the MPI (Alkire and Seth, 2016).

11 A more detailed discussion of the choice of dimension, indicators, and their cut-offs as well as their definitions is given in annex 1.

12 WHO (2014).

13 Annex Table 2 presents the dimensions of the child poverty measure and the deprivation cut-offs for each indicator which are used to classify poor children.

14 It should be noted that the unit of identification in the Arab MPI is the household, not the individual. Thus, gender gaps or inequalities are not studied or analysed. However, as shown above, it is possible to show the disparity between male-headed and female-headed households as this characteristic is analysed at the household level.

15 For each disparity indicator, the disaggregated incidence of deprivation was calculated using the estimated under 18 population corresponding to the specific population groups examined: rural, urban, female, male, children living in households where the head has no education, households where the head has at least a primary education, and children in Q1 and those in Q5. For this purpose, a coefficient of relative population derived from the sample examined was applied to the total country population under 18 for each country. This information was also used to estimate the cluster weighted averages.

16 UN and LAS (2013).

17 The UN adheres to a strict definition of famine laid out in an internationally recognized scale that goes from one, normal, to five, famine. Famine is declared when at least 20 per cent of households face the complete lack of food, levels of acute malnutrition exceed 30 per cent and more than two people per 10,000 die each day.

18 World Bank (2014).

19 See for example UNICEF (2014).

20 UNCT (2016).

21 UN Human Rights (2017).

22 World Bank (2016).

23 Sarangi et al (2015).

The Arab Multidimensional Poverty Report, the first of its kind following the launch of the 2030 Agenda, is the result of three years of 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 Oxford Poverty and Human Development Initiative (OPHI).

The primary objective of the report is to provide practical proposals to support Arab efforts to eradicate poverty in all its dimensions and implement the 2030 Agenda. To this end, the report examines household and child poverty using normative methodologies that were adapted to the needs of the Arab region after a consultative process with regional and global experts, and representatives of governments in the region. After establishing the root causes of multidimensional poverty in the Arab region, the report offers key recommendations for addressing gaps in education, improving social protection systems, investing in children, developing rural areas and accounting for the challenges and limitations in developing an Arab multidimensional poverty index.

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