COVID-19 and Multidimensional Poverty in South Asia

3 December, 2020, Sabina Alkire
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Fostering Sustainable and resilient recovery from COVID-19 in South Asia
Poverty is Multidimensional: We focus on poverty in many dimensions. We ask what deprivations poor people are carrying.
“Measures are like eyes
They help us to see things
They bring matters into focus.”

“Bhutan’s National MPI is not only a measure, it is a tool—a policy tool.”

Tshering Tobgay, Prime Minister of Bhutan at the UN High Level event Anchoring a Global Multidimensional Poverty Index within the Sustainable Development Goals. New York, 27 Sept 2015
Key Questions:

1. MPI trends prior to COVID
2. Impact of COVID in S Asia
3. COVID Response in S Asia
The MPI in the Era of the SDGs

- The Global SDGs, adopted on 25 Sept 2015, address poverty in all its forms and dimensions, opening official space for Multidimensional Poverty Indices.
- The first SDG target (1.1) is to end $1.90/day monetary poverty.
- The second target (1.2): to halve multidimensional poverty.

**Target 1.2:** by 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.

- The National MPI is reported as SDG Indicator 1.2.2
Computing the MPI

1. Consider 10 indicators

2. Build a Deprivation Profile for each person
   This deprivation score is $1/6 + 1/6 + 6(1/18) = 2/3$

3. Identify Who is Poor
   Kari’s Dep Score: 2/3
   Poverty Cutoff: 1/3

4. Compute MPI (etc)
   \[ MPI = H \times A \]
   \[ H = \text{Headcount Ratio} \]
   \[ A = \text{Intensity: Average Deprivation Score among poor} \]
### Data used for global MPI 2020 in S Asia

<table>
<thead>
<tr>
<th>Country</th>
<th>Year</th>
<th>Source</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maldives</td>
<td>2016/17</td>
<td>DHS</td>
<td></td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>2016</td>
<td>DHS</td>
<td></td>
</tr>
<tr>
<td>Bangladesh</td>
<td>2019</td>
<td>MICS</td>
<td>(child)</td>
</tr>
<tr>
<td>India</td>
<td>2015/16</td>
<td>DHS</td>
<td></td>
</tr>
<tr>
<td>Nepal</td>
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<td>DHS</td>
<td></td>
</tr>
<tr>
<td>Bhutan</td>
<td>2010</td>
<td>MICS</td>
<td>(child)</td>
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<tr>
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<td>2016/17</td>
<td>DHS</td>
<td></td>
</tr>
<tr>
<td>Afghanistan</td>
<td>2015/16</td>
<td>DHS</td>
<td>No Nutr</td>
</tr>
</tbody>
</table>

Data on Bhutan are out of date.
Others vary with India and Afghanistan the oldest at 2015/16
All data are pre-COVID
Fast Facts on global MPI 2020 in S Asia

Total coverage 8 countries and 1.8 billion people

- 530 million people are multidimensionally poor
- 29.2% of people are poor in South Asia
- Average MPI = 0.132     Intensity: 44.7%

Of the 530 million people:
- 44.8% are children (237 million)
- 87.7 million live in rural areas (465 million)
- 204 Million are destitute.
Fast Facts on South Asia:

Poverty rate: 1% - 56%;

MPI: 0.003 - 0.232

- Maldives (2016/17)
- Sri Lanka (2016)
- Bangladesh (2019)
- India (2015/16)
- Nepal (2016)
- Bhutan (2010)
- Pakistan (2017/18)
- Afghanistan (2015/16)

Incidence of poverty (%)
Other neighbours on international stage

83.5% have 5+ deprivations at the same time
Subnational Levels of MPI vary in South Asia

Composition of Poverty in South Asia: Sri Lanka, India and Nepal are similar
**MPI Trends: 75 countries & 5 Billion people**

**65 countries reduced MPI**

**Fastest in Absolute Terms**
- Sierra Leone (2013–2017)

**Fastest in Relative Terms**
- North Macedonia (2005/06–2011)
- China (2010–2014)
- Armenia (2010–2015/16)

**No. of People Leaving Poverty**
- India (270M) (2005/06–2015/16)
- China (70M) (2010–2014)

Annualized absolute change in percentage of people who are multidimensionally poor and deprived in each indicator (percentage points)
Fast Facts on Bangladesh 2014-19

Poverty fell 13.5 percentage points in 5 years.

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2019</th>
<th>Annualised absolute change</th>
<th>Annualised relative change</th>
</tr>
</thead>
<tbody>
<tr>
<td>MPI(T)</td>
<td>0.175</td>
<td>0.101</td>
<td>-0.015 ***</td>
<td>-10.4%</td>
</tr>
<tr>
<td>H</td>
<td>37.6%</td>
<td>24.1%</td>
<td>-2.7% ***</td>
<td>-8.5%</td>
</tr>
<tr>
<td>A</td>
<td>46.5%</td>
<td>42.0%</td>
<td>-0.9% ***</td>
<td>-2.0%</td>
</tr>
</tbody>
</table>
Fast Facts on Bangladesh 2014-19

Every indicator reduced significantly

Figure 2. Changes in censored headcount ratios (absolute) between 2014 and 2019
In 2014-2019, Children were the poorest and reduced poverty fastest.
In 2014-2019, the subnational pattern of reduction in Bangladesh was pro-poor, with Sylhet having the fastest MPI reduction.

This contrasts with 2004-2014 (below) where Sylhet changed the slowest.
Bangladesh’s annualised reduction of the incidence of MPI was twice as fast as its reduction of $1.90/day poverty.
Afghanistan has highest poverty, and Maldives and Sri Lanka lowest; South Asia had the largest reduction of all regions globally.
Will the global MPI halve 2015–2030?

47 of the 75 countries were ‘on track’ to halve global MPI 2015–30. Including India, Nepal, Bangladesh. 18 were off track including Pakistan. Study did not include Afghanistan, but it is on track.
2. Impact of COVID in S Asia
Enter COVID-19
How are Trends Impacted?

We use World Food Programme & UNESCO predictions to simulate 6 scenarios.

1-3: undernutrition among the poor & vulnerable rises by 10%, 25%, and 50%

4-6: half of all primary school children leave school.
Enter COVID-19

How are Poverty Trends Impacted?

Set back 3.1 to 9.9 years
View online:

hdr.undp.org/en/content/2020-MPI

ophi.org.uk/multidimensional-povertyindex/

- HDRO's Interactive Databank
- HDR Technical Note 5
- MPI Frequently Asked Questions
- MPI statistical programs
- OPHI's global MPI databank
- Country briefings
- Excel data tables and do-files
- Methodological notes
3. COVID Response in S Asia
Covid-19 affects poor people differently

- For many, Covid-19 has been a shocking exposure to a new threat

- For the MPI poor, it is another addition to their already extensive deprivation load.
What about other variables?

The poor are far more deprived in **handwashing** and **overcrowding** that the non-poor, slightly more deprived in lack of **internet**. In India, Nepal, and Pakistan the poor are somewhat more at risk of **domestic violence** — but in Bangladesh it’s not very different.

<table>
<thead>
<tr>
<th></th>
<th>Handwashing</th>
<th>Overcrowding</th>
<th>Internet</th>
<th>Dom. Violence</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bangladesh</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MPI poor</td>
<td>35.0</td>
<td>48.0</td>
<td>84.5</td>
<td>58.6</td>
</tr>
<tr>
<td>MPI non-poor</td>
<td>19.1</td>
<td>26.2</td>
<td>51.1</td>
<td>55.9</td>
</tr>
<tr>
<td>Total</td>
<td>23.2</td>
<td>31.7</td>
<td>59.6</td>
<td>56.9</td>
</tr>
<tr>
<td><strong>India</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MPI poor</td>
<td>4.6</td>
<td>72.4</td>
<td>97.9</td>
<td>42.6</td>
</tr>
<tr>
<td>MPI non-poor</td>
<td>2.6</td>
<td>49.9</td>
<td>85.5</td>
<td>30.0</td>
</tr>
<tr>
<td>Total</td>
<td>3.2</td>
<td>56.1</td>
<td>89.0</td>
<td>33.8</td>
</tr>
<tr>
<td><strong>Nepal</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MPI poor</td>
<td>32.4</td>
<td>47.3</td>
<td>68.9</td>
<td>34.9</td>
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<td>19.6</td>
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<td>42.1</td>
<td>89.9</td>
<td>97.1</td>
<td>40.7</td>
</tr>
<tr>
<td>MPI non-poor</td>
<td>17.7</td>
<td>65.4</td>
<td>82.7</td>
<td>31.4</td>
</tr>
<tr>
<td>Total</td>
<td>27.0</td>
<td>74.8</td>
<td>88.3</td>
<td>35.1</td>
</tr>
</tbody>
</table>

with Dirksen, Nogales, and Oldiges (forthcoming)
Inequalities by geography can be stark in South Asia. Persons deprived in 2 out of 3 (nutrition, water, cooking fuel) with Dirksen, Nogales, and Oldiges (forthcoming).
### Some Rapid Examples in South Asia

<table>
<thead>
<tr>
<th>Country</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan</td>
<td>Microsimulations of vulnerability in employment, food security</td>
</tr>
<tr>
<td>Bhutan:</td>
<td>Remote Rapid Survey of Tourism &amp; Allied Sectors</td>
</tr>
<tr>
<td></td>
<td>Disaster Preparedness using Census Data to map Vulnerability</td>
</tr>
<tr>
<td>Pakistan</td>
<td>Multidimensional Vulnerability Index</td>
</tr>
<tr>
<td>Maldives</td>
<td>Multidimensional Vulnerability Index</td>
</tr>
</tbody>
</table>
Covid-19 responses in South Asia and Beyond

- Many are using the national MPI or global MPI
  - To identify the poor
  - To simulate how MPI increased due to COVID
  - To identify newly vulnerable groups
  - To prepare for new phases of the pandemic

- Existing Survey Data
- Census / Registry Data
- Rapid remote Surveys
A National MPI is a permanent official statistic of poverty, that reflects people’s experience of poverty in different forms and dimensions, and reflects the policy priorities regarding poverty eradication.

Flexible  Rigorous  Transparent

OPHI are Secretariat of a South-South network of countries exploring MPIs.
Context specific — National MPJs:

- Reflects national contexts and priorities
- They guide policies — like targeting and allocation, monitoring and coordination
- Useful for policy but can’t be compared internationally

Every South Asian Country has or is designing an national MPI.

<table>
<thead>
<tr>
<th>Country</th>
<th>Since</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bhutan</td>
<td>since 2010</td>
</tr>
<tr>
<td>Pakistan</td>
<td>since 2016</td>
</tr>
<tr>
<td>Nepal</td>
<td>since 2017/18</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>since 2019</td>
</tr>
<tr>
<td>Maldives</td>
<td>since 2020</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>since 2020</td>
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Multidimensional poverty index is an alternative to measure poverty and to capture acute deprivations that people face at the same time in different aspects of their lives.

Maldives national MPI has 3 dimensions and 8 indicators.

Where do the MPI poor people live?

Across the regions, there is variation in the number of people who are poor. However, the level of multidimensional poverty across regions is the same.

A person is MPI poor if he or she is deprived in \( \frac{1}{3} \) of the dimension or \( k=34\% \).

National MPI shows

3 in every 10 person is multidimensionally poor in the country. (28% of the population)
National MPIs are being extended to MVIs – Multidimensional Vulnerability Indices and Analyses of poor & near poor for Emergency response
Example: Afghanistan

• 5 dimensions: health, education, living standards, work, and shocks.

• National MPI results — 51.7% poor, extensive disaggregations

• Focused on four indicators: food security, water, sanitation, cooking fuel.

• Microsimulations for rise in hunger

• Microsimulations for loss of employment

• Microsimulations children out of school

NSIA, Govt of Afghanistan, with OPHI, UNICEF
Example: Pakistan Ehsaas strategy

• Needed a fast emergency response
• Did not have up to date census/registry data nor survey data for MPI.
• Created a MVI using existing survey data to map probable vulnerabilities
• Opened a demand response call by SMS
• Used a short list of exclusion criteria available by id via administrative data
• Reached ~ 80 million people (12.7 M families)

Ehsaas Strategy Office, and UNDP
Across 8 indicators, 80% of workers in the sector faced deprivations in at least 3 core vulnerabilities. Analysed these by gender, age, type of job.

Probed coping strategies, profiling those who were for example, returning to rural areas.

Probed interest in re-training for other profession by gender — some surprises (plumbing popular)!
Example: Bhutan Tourism Sector MVI

- Needed a fast emergency response for workers in Tourism and Allied Sectors
- Did a phone Rapid Socio Economic Impact Assessment (RSEIA)
- Created an MVI to give an overview at-a-glance

Key Findings

The three key findings from the RSEIA, supported by various sub-findings are as follows:

Key Finding 1: The impact of the COVID-19 crisis is already deep, wide-spread and cross-cutting. In other words, the crisis has had a grave impact on lives, affected many people and increased vulnerability across many dimensions. Over 80 percent of the respondents reported facing three or more deprivations simultaneously according to the Multidimensional Vulnerability Index for Tourism (MVI-T) developed by the Oxford Poverty and Human Development Initiative (OPHI). The finding suggests severe impact even at an early stage as most of those surveyed were employees (regular and casual) who generally had little or no economic security (in the form of personal savings or employee saving schemes) and were living from paycheck to paycheck (or season to season in case of guides who had seasonal income).

Royal Govt of Bhutan & UNDP 2020
Uses of the MPI in Covid-19 response globally

a. For **coordination, planning and monitoring** (lack of coordination among institutions is a major problem).

b. To design interventions for addressing **clusters of cases and risks for community transmission** (could help to adapt social measures based on **risk factors**).

c. To **plan** and orient policy solutions from a multidimensional approach, integrating health, social and economic priorities (this is also a major problem).

d. For **targeting people and places** (considering the different risks of subnational areas, e.g., to relax lockdowns in specific areas).

e. To orient **differentiated** policy responses (i.e. children, women)

f. To adapt policy responses to the different **national contexts**.

[www.ophi.org.uk](http://www.ophi.org.uk)
Thank you