Multidimensional poverty in Egypt

An in-depth analysis

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Economic and Social Commission for Western Asia

Multidimensional poverty in Egypt: An in-depth analysis

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Key messages

- *Multidimensional poverty has affected 21 per cent of the population in Egypt in 2022, i.e., more than one out of five are classified as multidimensionally poor. The main contributing dimensions to the national Multidimensional Poverty Index (MPI) are services and employment, followed by housing, education, social protection, food security, and health.*

- *Disaggregations of the MPI at the subnational level reveal considerable disparities between areas of residence. Poverty is more concentrated in rural areas where it is driven by deprivations in services.*

- *The report highlights the need for macroeconomic policies that drive the creation of decent jobs, coupled with social and welfare policies to protect the poor and the vulnerable. Moreover, redistributive policies and economic governance reforms are recommended to close the poverty gap and drive inclusive growth.*

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Introduction

A. Context

Poverty in Egypt is typically discussed in monetary terms and has been shown to have generally increased during the first two decades of the new millennium. According to the Central Agency for Public Mobilization and Statistics (CAPMAS, 2021), monetary poverty in Egypt increased from 21.6 per cent in 2008/2009 to 32.5 per cent in 2017/2018, based on a national consumption-based poverty line. This trend slightly reversed, with poverty decreasing to 29.7 per cent in 2019/2020. Meanwhile, extreme monetary poverty, which is based on a national food poverty line, decreased from 6.2 per cent in 2017/2018 to 4.5 per cent in 2019/2020.[1] It is worth noting that these trends coincided with relatively high economic growth rates between 2000 and 2019/2020, with annual GDP growth rates averaging around 4.4 per cent with peaks of up to 7.2 per cent (2008).[2]

The latest trends in the slight poverty reduction between 2017/2018 and 2019/2020 coincided with the implementation of public policies that targeted the poor, such as the Takaful and Karama cash transfer programme, which was introduced in 2015. Additionally, several economic reforms were recently implemented with support from the International Monetary Fund (IMF). For instance, tax credits were raised for low-income households, social insurance pensions were increased by 15 per cent, and several reforms in food security schemes were introduced (IMF, 2018).[3]

The slight decline in monetary poverty from 32.5 in 2017/2018 to 29.7 in 2019/2020 was accompanied by three challenges: (1) secondary school enrolment rates decreased, especially among poor females (from 69.1 per cent to 66.4 per cent), (2) the overall percentage of working children aged 15 to 17 years increased slightly from 12.8 per cent to 13.7 per cent, but the increase among the poor was more substantial (from 16.8 per cent to 19.6 per cent) and (3) the process of informalization continued, as the share of the public sector continued to decline steadily (-2.5 per cent of total employment) while wage employment growth in the formal private sector continued to be weak (+1 per cent of total employment). In general, the poor depend more on the informal labour market, where the share of self-employed or unpaid workers has increased, as well as informal waged workers outside the establishments. Consequently, the working poor are more exposed to inadequate work conditions and are not covered by any social and health protection systems.[4]

Important as it may be, the measurement of poverty in monetary terms via income or

1. CAPMAS, 2021.
2. World Bank, GDP growth (annual %) – Egypt. Available at https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=EG.
3. IMF, Arab Republic of Egypt - IMF Country Report No. 18/213, 2018.
4. Osman, M and H. El-laithy, The Poverty Trap: Why is it persisting in Egypt?, 2022; In K. Ikram and H. Nassar (eds.), The Egyptian Economy in the Twenty-first Century: The Hard Road to Inclusive Prosperity. The American University in Cairo Press, Cairo New York.

consumption expenditure narrows the definition of poverty, which is at heart a multifaceted phenomenon. A multidimensional approach considers a wider range of deprivations in capabilities, resources and rights that characterize an individual's well-being. Goal 1 of the United Nations 2030 Agenda Sustainable Development Goals (SDGs) clearly states the intention to end poverty in all its forms everywhere. While target 1.1 addresses extreme income poverty, the aim of target 1.2 is to: "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."

In line with this orientation, over the past decade, multidimensional analysis has been growing steadily, transforming from a purely academic discussion into domestic policies and policy-centred dialogues in international forums on poverty reduction – such as that created by the multidimensional poverty peer network (MPPN), which brings together policymakers from across the world to share experiences in building and using multidimensional measures of poverty. The driving force for this expansion is the realization that measurement of income poverty is important but not sufficient and thus necessitates a complementary approach to go beyond the normative economic goal of satisfying desires and basic needs.[5]

In this context, and inspired by global, regional and national sources, the first national Multidimensional Poverty Index (MPI) for Egypt is constructed using the Household Income, Expenditure, and Consumption Survey (HIECS) for the period 2021/2022. The novel index is based on a measurement framework that captures the country-specific and multidimensional challenges of poverty in Egypt. It is hoped that the national MPI becomes an official measure of poverty in the country, which can be monitored and tracked in the years to come when new household data become available.

The report explores the national multidimensional poverty profile of Egypt in 2022, and lays out major challenges and priorities for policy action. Where possible, a comparison of 2018 and 2022 indicators was undertaken. Being the first national MPI, it can be used as a baseline for monitoring and evaluating the impact of many ongoing initiatives such as Hayah Kareema and 100 million Seha. A key element is to show the multifaceted deprivations in Egypt, given the rapid growth rate of the Egyptian population, at 1.5 per cent between 2021 and 2022 (CAPMAS). With a rapidly growing and young population that is unable to find decent jobs – 15.4 per cent of young people are unemployed in 2022 (CAPMAS) – more people are at risk of falling into multidimensional poverty. The Egypt national MPI helps to highlight demographic differences, and plays a role in exposing differences between female- and male-headed households as well as gender disparities in deprivation profiles.

B. Links to national strategies

The national framework for the Egypt national MPI marks a major shift in poverty assessment efforts as it attempts to address the key needs and priorities for economic and social development agendas and policies.

Consultations are of crucial importance in the design of any national poverty measurement

5. Alkire, Sabina, Why the Capability Approach?, Journal of Human Development, 6:1, 115–135, 2005.

framework. Several meetings were held and attended by stakeholders or their representatives. First, a baseline framework was proposed using indicators suggested by all stakeholders. Meetings were held to discuss and assess the conceptual framework and selection of indicators. Once an agreement was reached on the conceptual framework, a technical validation of the methodology was conducted by a number of stakeholders.

This extensive consultative process also ensured that the national multidimensional poverty measurement framework was aligned with other current initiatives and ongoing national development strategies. Of particular significance was the alignment with the following reform policies and strategies:

- Updated National Sustainable Development Strategy (SDS) for Egypt 2030.
- Second phase of structural reforms.
- Hayah Kareema (decent life) programme.
- Human Rights Strategy.
- Social Protection Strategy.

The updated Egyptian National Sustainable Development Strategy (SDS) for 2030 clusters the 17 SDGs into six main strategic goals to provide in-depth analysis of the current development situation in Egypt, the gaps and challenges, as well as the way forward in relation to each SDG under the six SDS clusters. The strategic goals are:

1. Raise people's quality of life and standard of living, comprising Goals 1, 2, 3 and 4.
2. Social justice and equality, comprising Goals 5 and 10.
3. Sustainable and comprehensive environment ecosystem, comprising Goals 12, 13, 14 and 15.
4. Innovative, competitive and diversified economy, comprising Goals 8, 9 and 12.
5. Improvement of infrastructure, comprising Goals 6, 7 and 11.
6. Partnerships and strong institutions, comprising Goals 16 and 17.

The national MPI framework builds on the Sustainable Development Strategy: Egypt Vision 2030 and proposes tailored indicators to address multiple dimensions of poverty in terms of quality of education, health, housing and strengthening social safety nets and food security as aligned with strategic goal (1). It also highlights regional and gender disparities, thus promoting gender and spatial equality aligned with strategic goal (2). Additionally, it incorporates the employment dimension, which raises the need to accelerate economic growth and create decent jobs, which is aligned with strategic goal (4). Finally, it identifies deprivations in water accessibility, electricity, waste disposal and internet access, especially in rural communities in Egypt, in line with goal (5).

Second, the national MPI provides a framework for subnational and local policy, planning and action designed to reduce poverty and implement SDG targets at the local level, which took place after the outbreak of the COVID-19 pandemic and became crucial to achieving Vision 2030 for Egypt. The Ministry of Planning, with the help of the United Nations Population Fund (UNFPA), launched 27 reports for the localization of SDGs in different governorates annually to document the progress of each governorate in its efforts towards achieving the SDGs. Efforts made by the Ministry of Planning towards localization include the adoption of a governorate investment allocation formula as an instrument to improve the efficiency of public investment management and to raise levels of

equality and fairness among governorates, as well as to promote the concept of decentralization at the governorate level. The Ministry of Planning also introduced the governorate competitive index to improve productivity and competitiveness at the local level, leading to a more conducive environment at the local level. The index, which can be broken down to the sub-national governorate level, provides a rich source to complement these localization efforts.

The MPI framework also aligns with the second phase of structural reforms. The programme is designed in accordance with Vision 2030 for Egypt and the United Nations Agenda 2030 and aims to increase the resilience of the Egyptian economy and its ability to absorb external and internal shocks and promote decent jobs, to reduce multidimensional poverty and transform the Egyptian economy into one which is knowledge-based. The focus of the programme is distributed between three leading sectors: manufacturing, agriculture and information communications technology. It also works on deepening financial inclusion and widening access to finance, and boosting the efficiency and governance of public institutions, driven by concerns for human capital in terms of education, health and social protection.

The MPI framework acts as a useful instrument for georeferencing, which the Government can use to identify deprivation rates in health, education and decent work. In this context, the Government can focus on relevant public fiscal policies designed to raise the efficiency of health services and widen their scope, increase the efficiency of educational systems, improve targeting methods of food subsidies, and unify all types of cash transfers under one umbrella. It can also use the framework to gauge the impact of reforms on various aspects of human development and whether specific groups are marginalized or left behind.

Hayah Kareema (or decent life) programme is a fourth programme the national MPI can inform upon. The periodic estimation of MPI can aid in monitoring the programme's effectiveness in reducing deprivations and thus eradicating multidimensional poverty in Egypt. First launched in 2019, the focus of the programme is to alleviate multidimensional poverty and provide integrated services to improve the quality of life of Egyptian citizens, especially those who are living in rural areas. It aims to promote social, economic and environmental development in poor villages and provide basic services, including infrastructure and telecommunication services. In July 2021, the President scaled up the programme in its second phase, transforming it from a focused initiative into a comprehensive national programme aimed at developing Egyptian rural villages. The objective is to reach 4,500 villages in 175 centres in 20 governorates (covering 57 per cent of the total population) at a total cost of 800 billion Egyptian pounds for three years. To combat multidimensional poverty, the programme includes pillars addressing levels of education, health care, nutrition, family and childhood services, housing, basic services and economic empowerment. The national MPI covers all the pillars of the Hayah Kareema programme.

In September 2021, Egypt launched its first Human Rights Strategy designed to advance human rights by promoting the protection of civil, political, economic, social and cultural rights. The aspects covered embed the core dimensions of the national MPI adopted in this report. For instance, the Egypt Human Rights strategy reflects the right to health, so that every citizen is entitled to high quality comprehensive health-care services fulfilling specific standards,

particularly in rural, remote and border areas. The State should also ensure the right to education for every citizen, protect workers' rights and ensure access to decent and formal job opportunities, in addition to enhancing partnerships with the private sector. Each citizen has the right to healthy, sufficient quantities of food, access to clean water, as well as safe and adequate housing.

Lastly, social protection plays a crucial role in the Egyptian economy to ensure a decent life for all citizens. In this regard, the national MPI can be of great use in assessing the effectiveness of such programmes and particularly in tracking the proportion of citizens eligible for, yet not actually receiving, transfers, or in other words people who are deprived in the social assistance indicator in the social protection dimension. According to the Egyptian Constitution, the Ministry of Social Solidarity (MoSS) is mandated to design social policies and implement social protection programmes in Egypt. The Ministry adopts a life-cycle approach to enhance investment in human capital and empower the most vulnerable groups by strengthening social protection programmes and insurance coverage, providing job opportunities, supporting micro-projects, fostering financial inclusion and equal educational opportunities, and providing health-care schemes.

A comprehensive set of social protection measures has been adopted in Egypt, including (1) social assistance, in the form of non-contributory transfers to provide a minimum level of income or consumption to support the poor and vulnerable, such as child and disability grants and in-kind transfers such as food ration cards, (2) social insurance: contribution-based schemes that include pension, insurance, and health insurance, (3) active labour market policies, which include livelihood and skills development programmes.

Consistent with the developmental progress that Egypt has pursued, the national MPI can become a tool to assess social protection policies and programmes to reveal their effectiveness and accuracy.

The following sections discuss the measurement methodology, followed by a brief presentation of the main findings highlighting disparities across gender and areas. The report concludes with the discussion and policy implications, where it analyses the results of the national MPI along with recent advances in Egypt's economy and provides recommendations for the reduction of multidimensional poverty using this national framework.

1. Methodology and conceptual framework

As common practice for the computation of a national MPI, the Egypt national MPI relies on the Alkire-Foster counting method with its dual cut-off approach.[6] The idea is to first count the simultaneous deprivations each person faces – using indicator-specific cut-offs – and then to apply a poverty cut-off that determines whether a person is multidimensionally poor or not.

The national MPI for Egypt is shown in table 1, with its 7 dimensions, 19 indicators, indicator-wise weights and indicator-wise cut-offs. The details on the choice of the technical and normative decisions associated with the selection of the indicators and the computation of national MPI are provided in annex 1. The poverty cut-off is set at 2/7 (29 per cent), implying that anyone deprived in at least 2 out of the 7 dimensions is considered multidimensionally poor. For aggregation, three key figures are computed. First, to answer how many people are poor, the headcount ratio (H), or the incidence of multidimensional poverty, provides for the proportion of MPI-poor people as a share of the total population. Second, to answer how poor the poor are, the average intensity of multidimensional poverty (A) provides for the average deprivation share among the MPI-poor population. And finally, the adjusted headcount ratio (MPI) is computed as the product of H and A, so that: MPI=H x A. The MPI ranges between 0 and 1, reaching 1 when all people are deprived in all indicators. Robustness and sensitivity analyses are provided in annex 2.

Table 1. Egypt national multidimensional poverty framework, 2022

Dimension	Indicator	Weight	Deprivation cut-off
Education (1/7)	Years of schooling	1/14	A household is deprived if no household member has completed 12 years of schooling in 18+ years
	School attendance	1/14	A household is deprived if any household member aged 6–17 is not attending school and has not completed secondary education
Health (1/7)	Child mortality	1/21	A household is deprived if any child in the household has died before the age of 5

6. Alkire and Foster (2011): Counting and multidimensional poverty measurement, Journal of Public Economics, Vol 95, Issue 7-8, Alkire and Foster, Multidimensional Poverty Index 2011: Brief Methodological Note (2011). Available at https://www.sciencedirect.com/science/article/abs/pii/S0047272710001660.

Dimension	Indicator	Weight	Deprivation cut-off
	Access to health-care services	1/21	A household is deprived if any household member has a chronic disease, disability,[a] illness or injury and does not have access to medical services
	Health insurance	1/21	A household is deprived if no household member has health insurance coverage
Housing (1/7)	Type of dwelling	1/14	A household is deprived if the housing situation fulfils at least one of the following conditions: (i) home is a place other than a stand-alone house or apartment; (ii) it has a non-permanent floor or (iii) it has a non-permanent roof
	Livelihood asset ownership	1/14	A household is deprived if the household does not own a car and is deprived of at least four of the following assets: refrigerator, deep freezer, oven, stove, washing machine, semi-automatic washing machine, automatic washing machine, dishwasher, water heater, vacuum cleaner, air conditioner, electric fan, heater, electric iron, VCR, digital camera, personal computer, water filler, blender, kitchen machine
Services (1/7)	Sanitation and overflow	1/35	A household is deprived if it does not have a public or private network sanitation method or has a network but experiences frequent sanitary sewer overflows (more than once a month)
	Uninterrupted water	1/35	A household is deprived if it does not have access to safe drinking water, according to Millenium Development Goal (MDG) guidelines, or it has access but the service is interrupted more than once a week
	Waste disposal services	1/35	A household is deprived if it disposes of its waste through one of the following methods: on the street, feeding animals, burning it, dumping it, or the household has access to proper waste collection systems, but waste is collected less than twice a week
	Electricity	1/35	A household is deprived if it is not connected to the public network or is connected but the service is interrupted more than once a week

Dimension	Indicator	Weight	Deprivation cut-off
	Internet access	1/35	A household is deprived if it has no access to internet cable, wireless network or 3G router
Employment (1/7)	Unemployment	1/14	A household is deprived if any household member aged 15 to 64 and part of the labour force is not working and is actively looking for a job
	Decent work and social insurance	1/14	A household is deprived if a working household member aged 15 to 64 is working with no contract or is working and not participating in social insurance
Social protection (1/7)	Access to social assistance	1/14	A household is deprived if it falls below the poverty line, has children under 18 years old, elderly or a person with disability and does not receive transfers from takaful or karama program.[b]
	Access to social protection	1/14	A household is deprived if less than 1/2 of family members aged 18+ have a source of income: including labour income, assets or real estate, or social transfers
Food security (1/7)	Child stunting and wasting	1/21	A household is deprived if any child aged 0–59 months is stunted (height for age <-2 SD) OR if any child aged 0–59 months is wasted (weight-for-age <-2 SD)
	Animal source food intake (ASF)	1/21	A household is deprived if it has any child aged 6–59 months not having received in the past week animal source food: (a) eggs (b) meat, poultry, fish or (c) dairy products
	Household food security	1/21	A household is deprived if the household suffers from a food security problem[c] for at least 12 months and up to more than 24 months

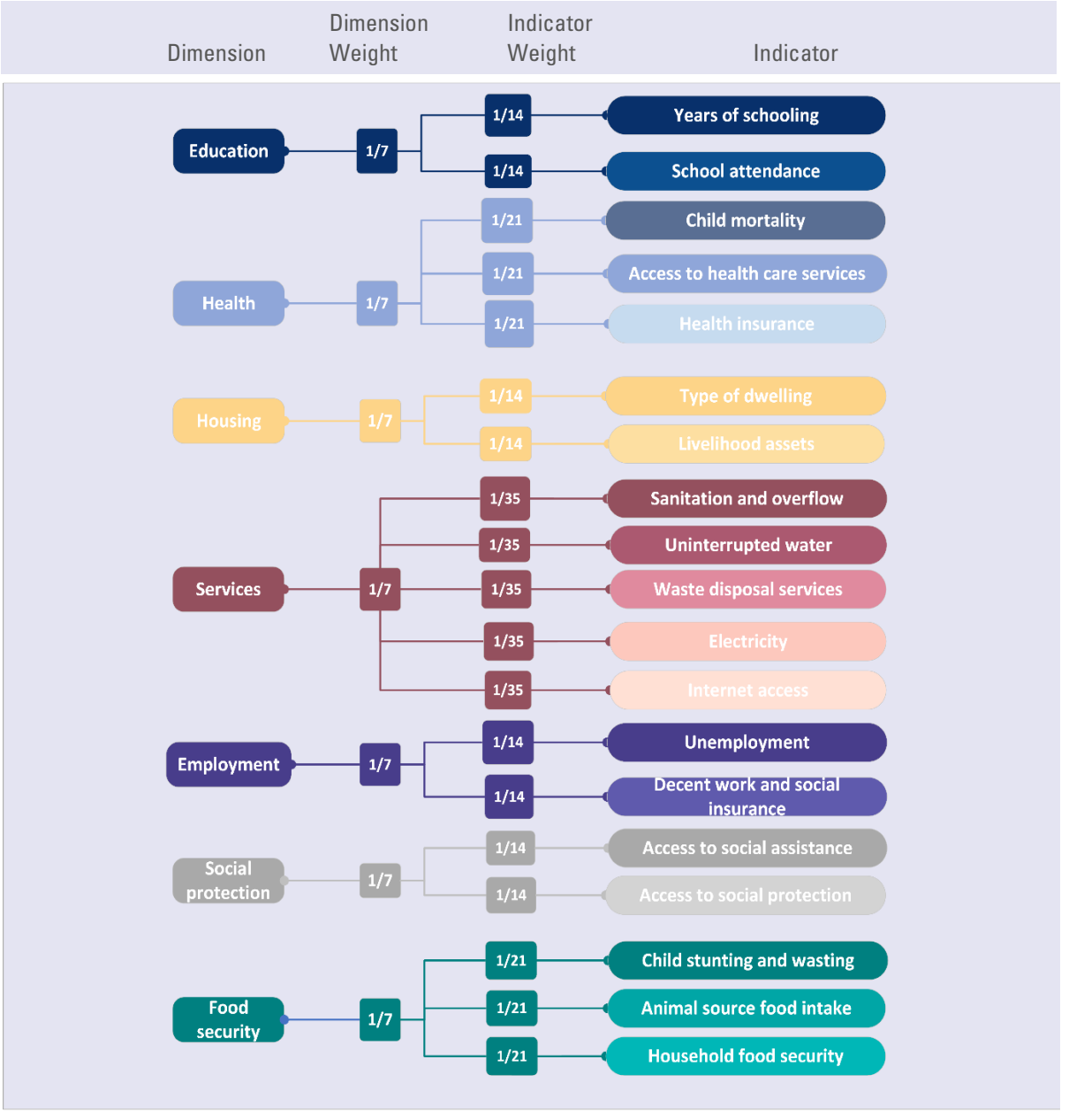
Source: ESCWA calculations.

[a] Chronic disease or disability in the past six months of the survey.

[b] Monetary poor households that are not receiving ration card are added to those deprived in social assistance.

[c] A food security problem is defined by an insufficient amount of food consumption as perceived by the household.

Figure 1. Egypt national MPI framework 2022



Source: ESCWA calculations.

2. Results

A. Main findings at the national level

The national MPI in Egypt uncovers the intensity and prevalence of poverty, accounting for country-specific challenges and the nature of poverty in the country. Findings report an average poverty headcount of 21.2 per cent using a poverty cut-off of 2/7 (29 per cent), which indicates that approximately more than one in five are classified as multidimensionally poor (table 2). The average deprivation intensity is estimated at 36.5 per cent, which signifies that, on average, the poor are deprived in over one third of the weighted indicators. The MPI, which is the product of the poverty headcount ratio and the intensity of poverty, stood at 0.077. This means that multidimensionally poor people in Egypt experience about 8 per cent of the weighted deprivations out of all possible deprivations that would be experienced if everyone was deprived in all indicators (table 2).

B. National uncensored headcount ratio for MPI indicators

Uncensored headcount ratios denote the percentage of the population (including the poor and non-poor) that is deprived in a specific indicator. They are not a measure of multidimensional poverty per se, but they are useful in giving a sense of each deprivation in isolation. Figure 2 shows that uncensored headcounts vary substantially across indicators, and the largest deprivations are registered in the employment dimension, with 65.4 per cent of Egyptians deprived in the decent work and social insurance indicator. This is followed by the food security dimension, with 48.8 per cent of Egyptians deprived in the household food security indicator. High uncensored headcount ratios are also prominent among indicators of the services dimension, with 45.1 per cent of the population deprived in internet access, 44.8 per cent deprived in sanitation method and overflow, and 38.7 per cent deprived in waste disposal services. Somewhat lower uncensored headcount ratios are noted for access to social assistance (25.3 per cent) and access to social protection (10.8 per cent), and similarly so for years of schooling (23.2 per cent) and type of dwelling (18.7 per cent). Relatively lower uncensored headcount ratios are also observed in the health dimension, where 14.3 per cent are deprived in access to health services and 9.6 per cent are deprived in the health insurance indicator. The remaining indicators have rates that are lower than 10 per cent, including school attendance, child mortality, livelihood asset ownership, electricity, unemployment, child stunting and wasting and animal source food intake.

Although a strict comparison of the change in the MPI between 2018 and 2022 was not possible, a significant decrease in uncensored deprivation rates was registered across some indicators. For example, deprivation rates in internet access decreased from 70.7 per cent to 45.1 per cent (25.6 percentage points), in type of dwelling from 24.5 per cent to 18.7 per cent (5.8 percentage points), in sanitation and overflow from 49.6 per cent to 44.8 per cent (4.8 percentage points), and in uninterrupted

water from 19.1 per cent to 14.9 per cent (4.2 percentage points). Deprivation rates for years of schooling decreased from 26.9 per cent to 23.2 per cent (3.7 percentage points), while they decreased to a lesser extent for school attendance, by 2.9 percentage points. Social protection deprivation decreased from 11.5 per cent to 10.8 per cent.

Table 2. Main findings at the national level, 2022

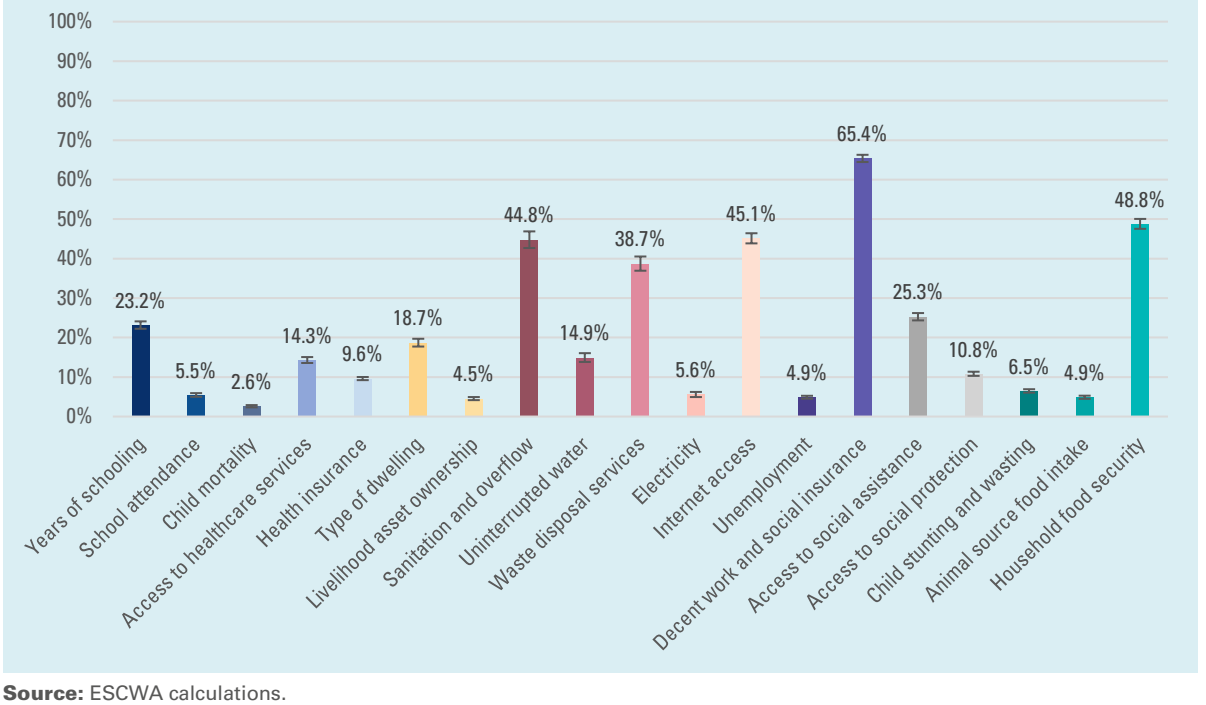
	MPI		H (percentage)		A (percentage)	
Year	Value	95 per cent CI	Value	95 per cent CI	Value	95 per cent CI
2022	0.077	0.073|0.082	21.2	20.2|22.3	36.5	36.2|36.8

Source: ESCWA calculations.

Note: A household is considered vulnerable to falling into poverty if its deprivation score is greater than or equal to 0.14 and less than 0.29.

A household is considered to be in severe poverty if the deprivation level of the household is 0.43 or above. People classified as severely poor are a subset of the poor.

Figure 2. Uncensored headcount ratios for Egypt national MPI, 2022



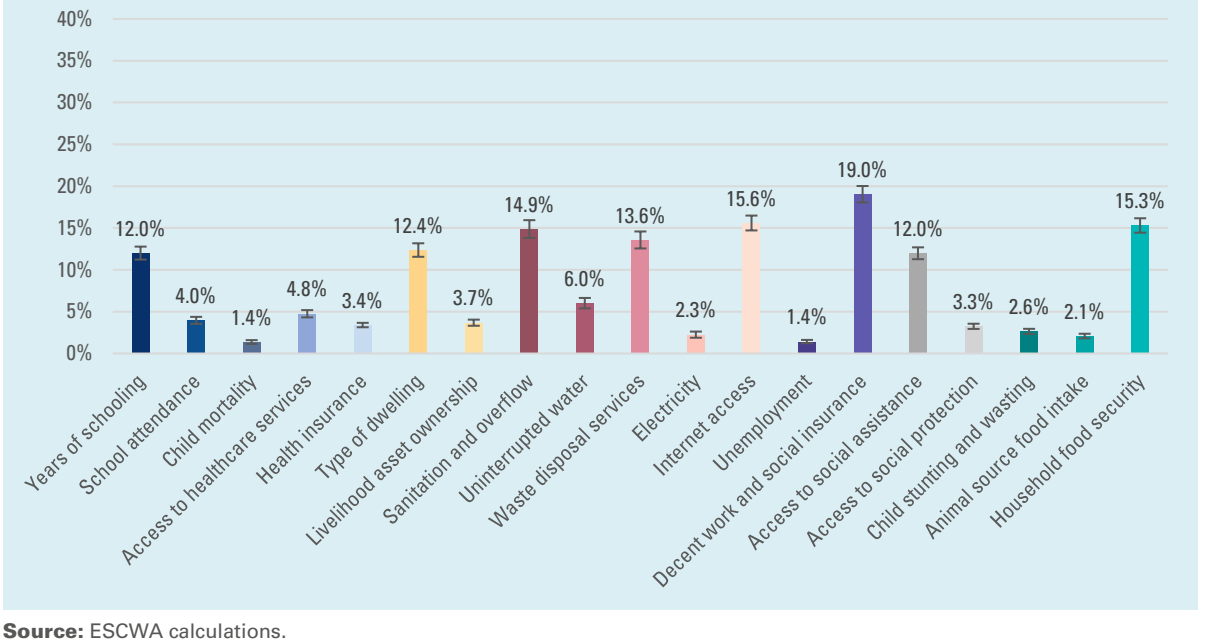
Source: ESCWA calculations.

C. National censored headcount ratios for MPI indicators

Figure 3 displays indicator-wise censored headcount ratios, defined as the proportion of the population classified as multidimensionally poor and deprived in a given indicator. The highest censored headcount ratios are within the employment dimension in decent work and social insurance (19 per cent). Likewise, there are relatively high censored headcount ratios noted in the services and food security dimensions, where 15.6 per cent are deprived in internet access and 15.3 per cent are deprived in household food security. Other high censored headcount ratios are observed in the indicator of sanitation and overflow (14.9 per cent), and in the waste disposal services indicator (13.6 per cent). Censored headcount ratios hover around 12 per cent for years of schooling, type of dwelling, and access to social assistance. On the other hand, low censored headcount ratios of less than 5 per cent are observed for school attendance, access to health services, health insurance, electricity, child stunting and wasting, and animal source food intake. The lowest censored headcount ratios are reported for child mortality and unemployment (1.4 per cent).

A comparison between the censored and uncensored deprivations shed useful light on the prevalence of deprivations suffered by the non-poor population. The slightest differences are observed in livelihood asset ownership and in school attendance in the education dimension. This means that deprivations in these indicators among the non-poor are quite rare. For example, in the school attendance indicator, uncensored headcount ratios show that 5.5 percent of the population are deprived in this indicator (refer to figure 2). According to censored headcount ratios (shown in figure 3), 4 per cent of the population are poor and deprived in this indicator, which indicates that a significant portion of the deprived population are considered poor.

Figure 3. Censored headcount ratios for Egypt national MPI, 2022



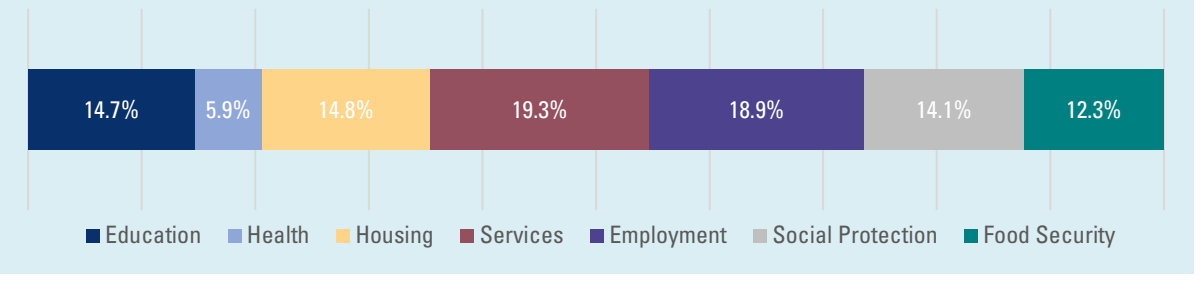
Source: ESCWA calculations.

D. Relative contribution of dimensions and indicators to the national MPI

To better understand the composition of poverty, the relative contributions, and thus importance, of indicators and dimensions to the MPI value are displayed in figure 4 (A) and 4 (B). At the dimension level, the leading contributor to multidimensional poverty is services with a contribution of 19.3 per cent, followed by employment with a contribution of 18.9 per cent, housing (14.8 per cent), education (14.7 per cent), social protection (14.1 per cent), food security (12.3 per cent) and health (5.9 per cent). With respect to the indicators, the largest contribution is from an employment dimension indicator, which is decent work and social insurance (17.6 per cent). This can be explained by the considerable prevalence of deprivation in this indicator in general, with an uncensored headcount ratio of 65.4 per cent and the highest censored headcount ratio of 19 per cent. The figure also sheds light on relatively high percentage contributions of the following indicators: type of dwelling (11.4 per cent), years of schooling (11.1 per cent) and social assistance (11.1 per cent).

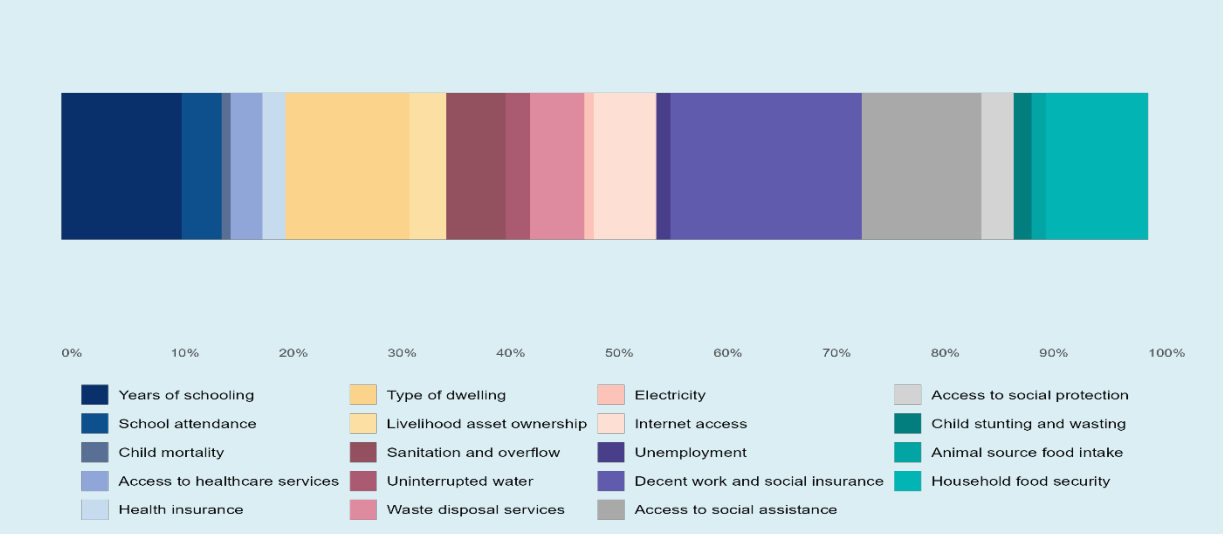
Figure 4. Contribution of dimensions and indicators to the national MPI, 2022

(A) Contribution of dimensions to MPI



Source: ESCWA calculations.

(B) Contribution of indicators to MPI



Source: ESCWA calculations.

E. Differences by area and gender of household head

A disaggregation of results by area and gender of household head offers significant evidence of disparities in Egypt and calls for attention to specific segments of the population.

1. Disaggregation of MPI by area

A disaggregation by area, provided in table 3, reveals variations across areas, where rural areas show significantly higher MPI values of 0.103 compared to urban areas with an MPI value of 0.042. This disparity is strongly driven by the difference in the poverty headcount ratio, where 28 per cent of individuals are classified as poor in rural areas, compared to 11.9 per cent in urban areas.

Censored headcount ratios (figure 5) show disproportionately higher levels of deprivation in rural areas compared to urban areas, except for the unemployment indicator which is almost the same between both areas.

Contributions of dimensions and indicators to the MPI score somewhat vary between areas (figures 6A and 6B). The primary contributors to multidimensional poverty in urban areas are the dimensions of employment (21.2 per cent) and education (16.2 per cent), followed by social protection (15.8 per cent), food security (14.4 per cent), access to services (14.2 per cent), housing (11.6 per cent) and health (6.5 per cent). For rural areas, the primary contributors to multidimensional poverty are the dimensions of services (20.8 per cent) and employment (18.2 per cent). Subsequently, the housing dimension contributes by 15.7 per cent, education by 14.3 per cent, social protection by 13.6 per cent, food security by 11.7 per cent, and health by 5.7 per cent. Access to services is therefore the dimension with the highest difference in contribution percentage between rural and urban areas: 6.6 percentage points. This means that remote and vulnerable areas in Egypt are still lagging far behind the required levels in terms of services (electricity, water, sanitation, waste disposal and Internet access).

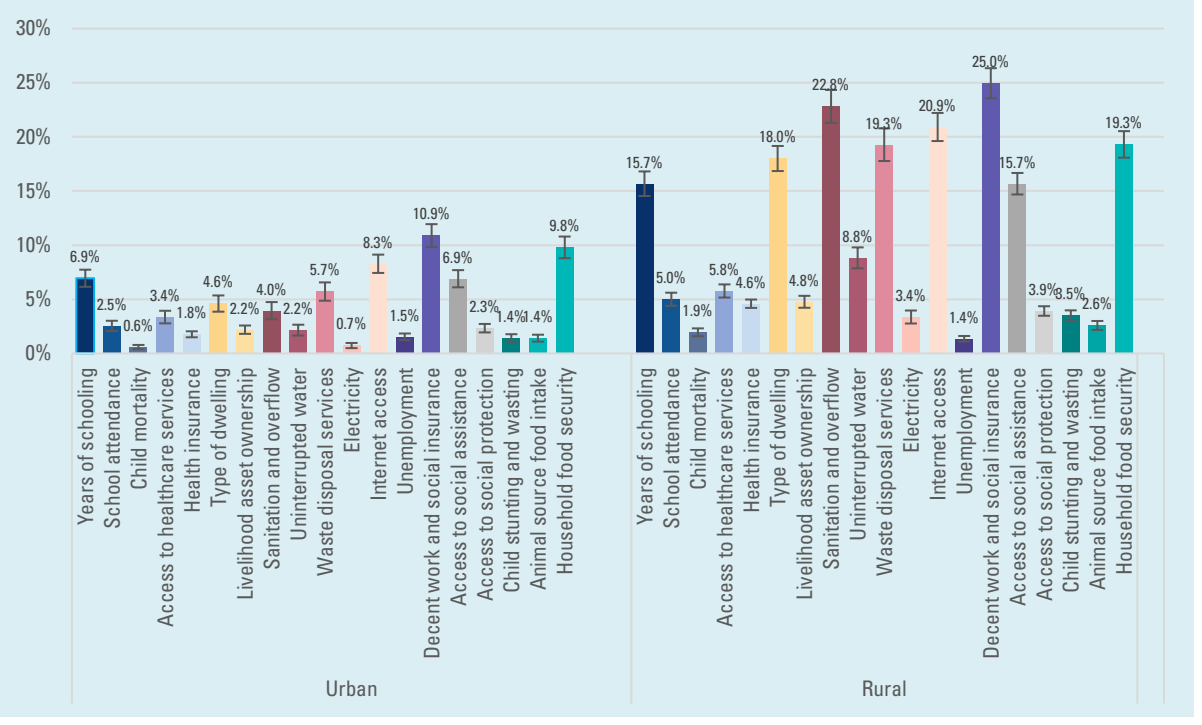
When looking into contributions of indicators, decent work and social insurance appears to be the strongest contributor to multidimensional poverty in both urban and rural areas (around 18 per cent). The second highest contributor in urban areas is years of schooling (11.9 per cent in urban areas vs 10.8 per cent in rural areas). The third highest contributor in urban areas is social assistance (11.8 per cent in urban areas and 10.8 per cent in rural areas).

Table 3. Disaggregation of the national MPI by area, Egypt 2022

		MPI		H (percentage)		A (percentage)	
Area	Population shares (percentage)	Value	95 per cent CI	Value	95 per cent CI	Value	95 per cent CI
Urban	42.1	0.042	0.038|0.046	11.9	10.8|13.0	35.1	34.6|35.6
Rural	57.9	0.103	0.097|0.109	28	26.5|29.4	36.9	36.6|37.3

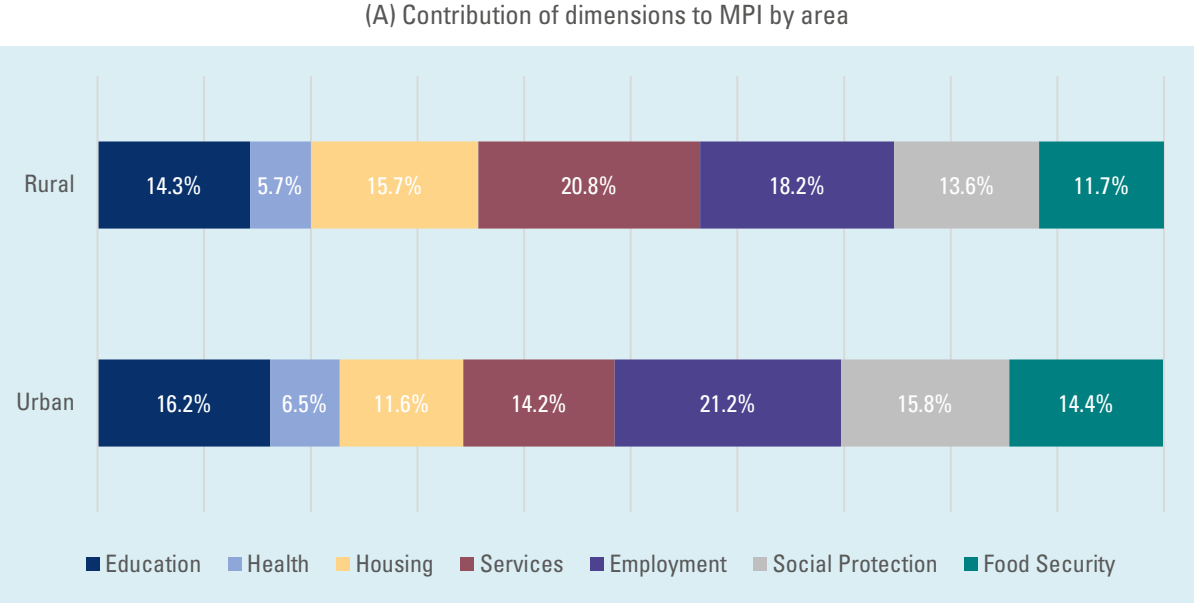
Source: ESCWA calculations.

Figure 5. Censored headcount ratios between rural and urban areas, Egypt national MPI 2022



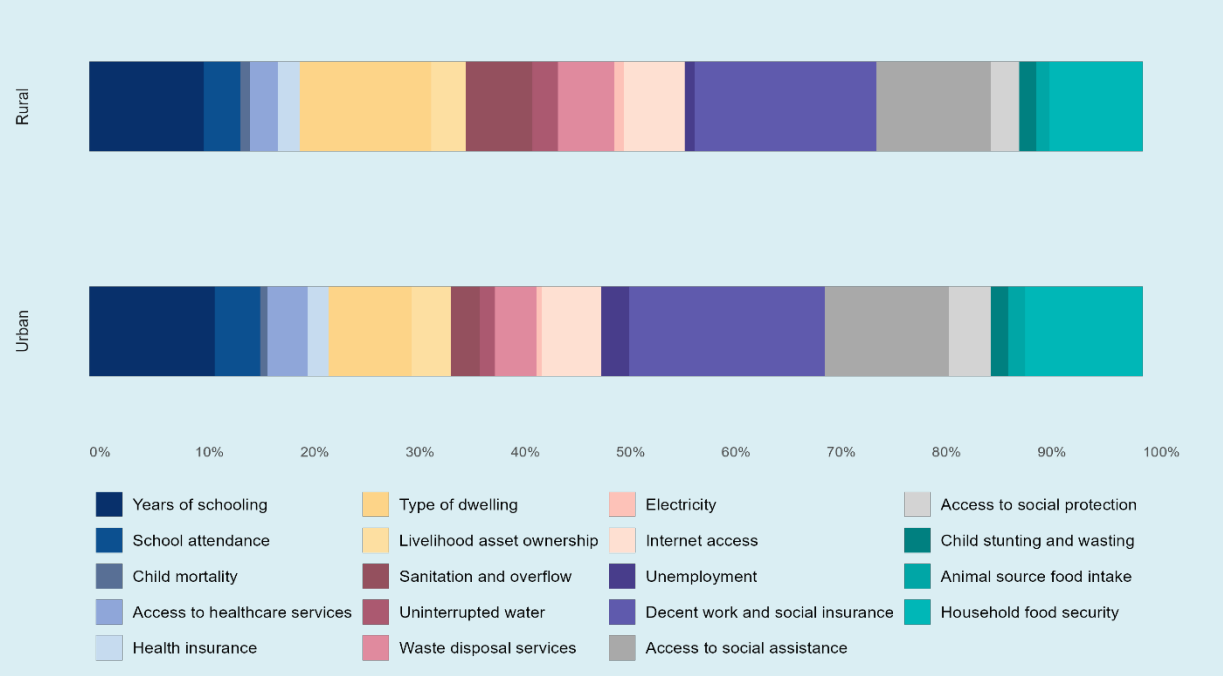
Source: ESCWA calculations.

Figure 6. Contribution of dimensions and indicators to the MPI by area, 2022



Source: ESCWA calculations.

(B) Contribution of indicators to MPI by area



Source: ESCWA calculations.

2. Disaggregation by gender of household head

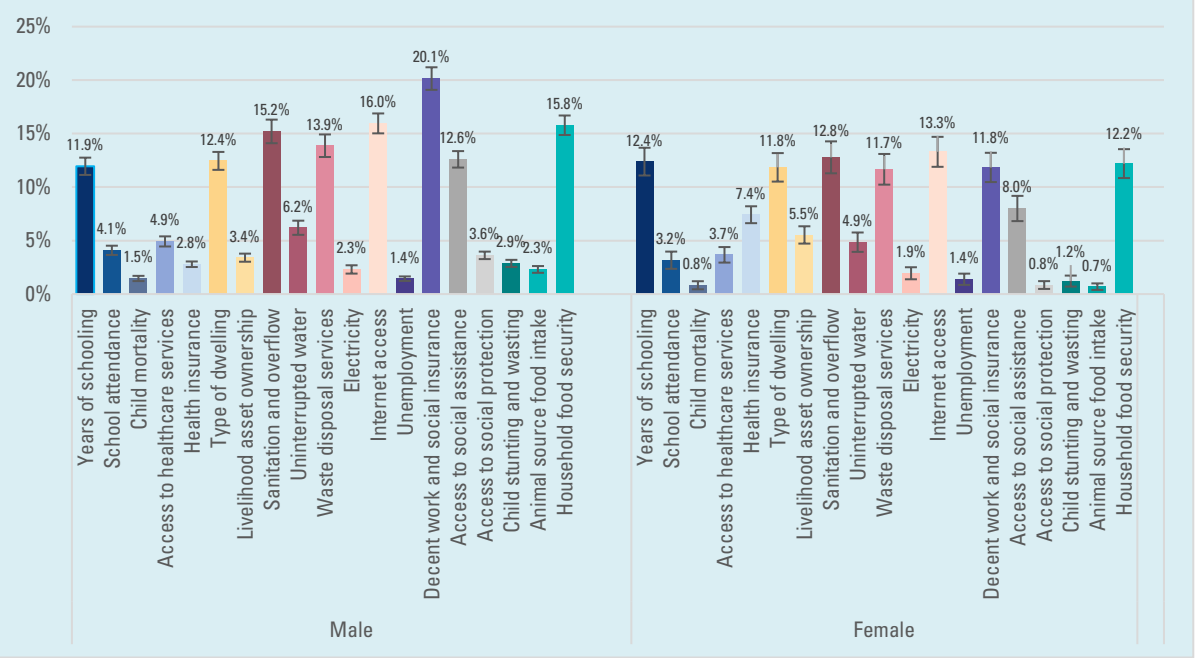
Table 4. Disaggregation of the national MPI by gender of household head, Egypt 2022

		MPI		H (percentage)		A (percentage)	
Gender	Population shares (percentage)	Value	95 per cent CI	Value	95 per cent CI	Value	95 per cent CI
Female	13.3	0.064	0.075|0.084	17.7	20.7|22.8	36.4	36.2|36.8
Male	86.7	0.079	0.058|0.071	21.8	16.1|19.3	36.5	35.8|37.1

Source: ESCWA calculations.

Disparities are also evident, but to a lower extent, between female- and male-headed households, where the MPI for male-headed households is 0.079 compared to 0.064 for female-headed households, as shown in table 4. This difference is largely due to the higher poverty headcount ratio observed for male-headed households (21.8 per cent), compared to female-headed households (17.7 per cent).

Figure 7. Censored headcount ratios by gender of the household head, Egypt national MPI 2022

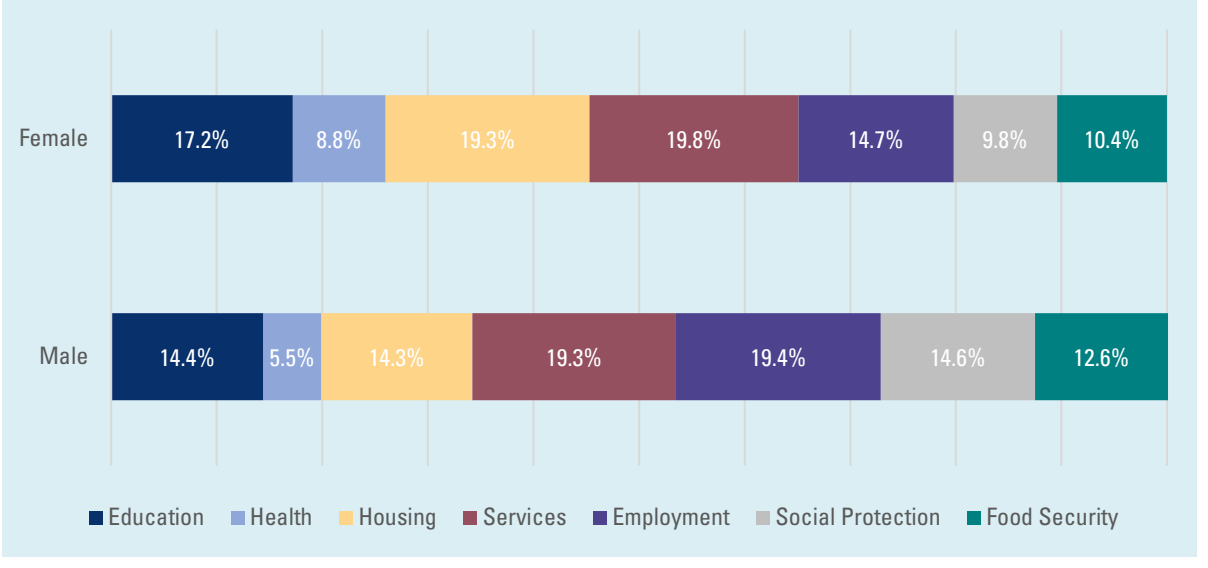


Source: ESCWA calculations.

A disaggregation by gender of the household head reveals differences in the contribution of the employment dimension. It contributes 19.4 per cent to multidimensional poverty for male-headed households and is higher than for female-headed households (14.7 per cent) (figure 8). This finding can be attributed to the larger contribution of decent work and social insurance for male-headed households (18.1 per cent), compared to that for female-headed households (13.1 per cent). In contrast, the contribution of the second employment indicator, unemployment, is negligible for both female and male-headed households (around 1 per cent). The rest of the dimensions also report a similar contribution between female- and male-headed households, except for the social protection dimension, which exhibits a significant variation. For female-headed households, the social protection dimension contributes by 9.8 per cent to multidimensional poverty, less than for male-headed households (14.6 per cent). Moreover, clear disparities in contributions to MPI is detected for the health dimension, which is 8.8 per cent for female and 5.5 per cent for male-headed households. This is attributable to improving the targeting system of the poverty reduction programmes, as female-headed households are more likely to be poor than male-headed households. The indicator mostly contributing to multidimensional poverty for male-headed households is decent work and social insurance (18.1 per cent vs 13.1 per cent for female-headed households), followed by access to social assistance (11.3 per cent for male-headed households vs 8.9 per cent for female-headed households) and type of dwelling (11.2 per cent for male-headed households vs 13.1 per cent for female-headed households).

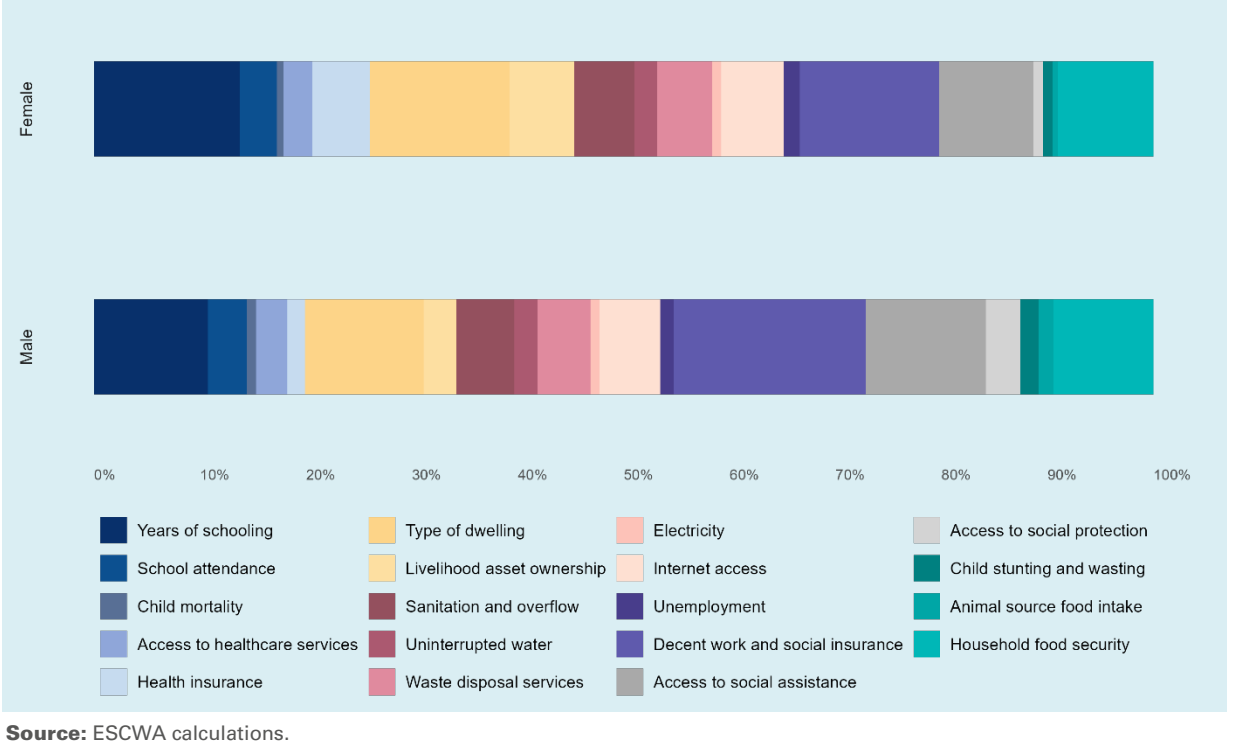
Figure 8. Contribution of dimensions and indicators to the MPI by gender of the household head, 2022

(A) Contribution of dimensions to MPI by gender of household head



Source: ESCWA calculations.

(B) Contribution of indicators to MPI by gender of the household head



Source: ESCWA calculations.

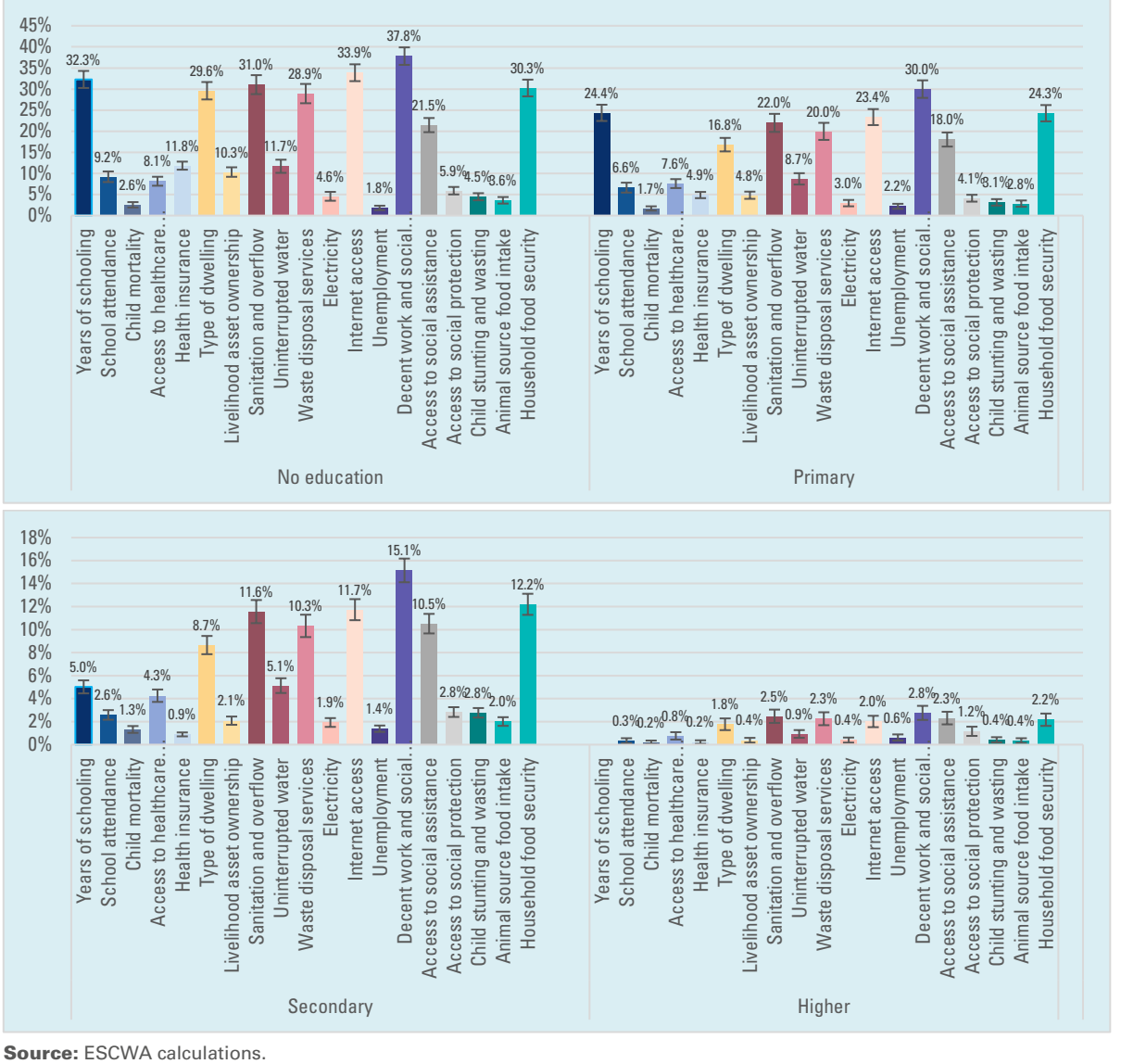
3. Disaggregation by educational level of the household head

Table 5. Disaggregation of the national MPI by educational level of the household head, Egypt 2022

		MPI		H (percentage)		A (percentage)	
Education level	Population shares (percentage)	Value	95 per cent CI	Value	95 per cent CI	Value	95 per cent CI
Higher	21.0	0.011	0.009|0.013	3.2	2.6|3.9	33.7	32.8|34.7
Secondary	45.2	0.057	0.053|0.061	16.3	15.3|17.4	35.1	34.7|35.4
Primary	15.2	0.120	0.111|0.128	32.7	30.5|34.8	36.6	36.0|37.1
No education	18.7	0.166	0.158|0.175	43.9	41.8|46.0	37.9	37.5|38.4

Source: ESCWA calculations.

Figure 9. Censored headcount ratios by educational level of the household head, Egypt national MPI 2022



Source: ESCWA calculations.

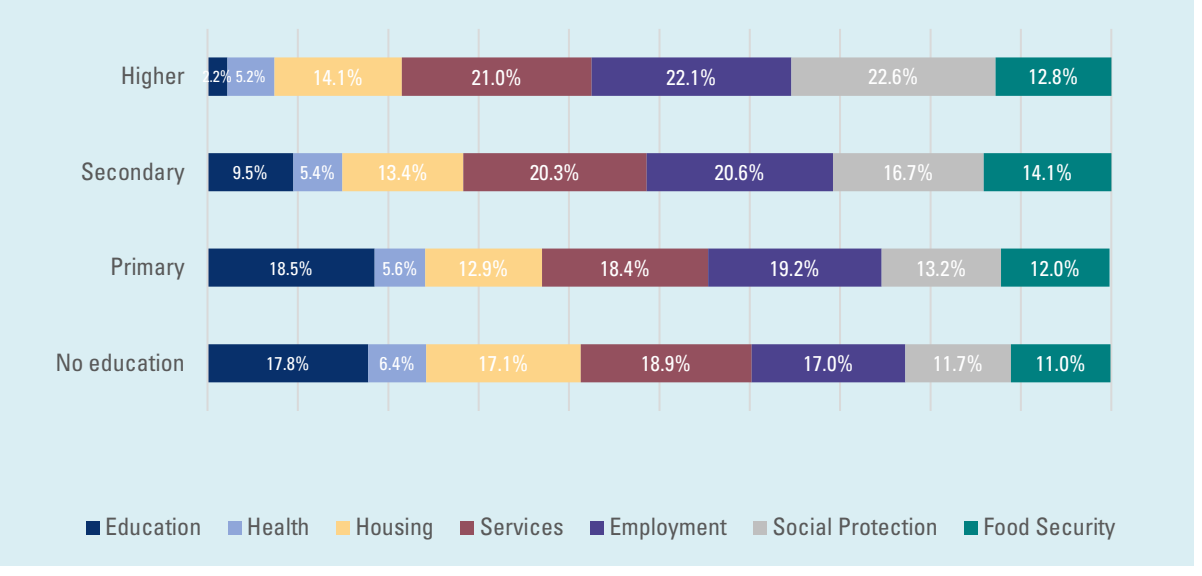
As shown in table 5, the national MPI increases with a generalized decrease in the educational level of the household head. The multidimensional poverty headcount ratio varies between 3.2 per cent for households whose household heads achieved higher education and 43.9 per cent for households whose household heads are non-educated. Figure 9 shows that lower levels of education are associated with higher censored headcount ratios.

The contribution of the education dimension to the MPI is higher for households with a lower educational level of the household head (figure 10). The education dimension contributes by 17.8 per cent to multidimensional poverty in households with non-educated household heads and similarly by 18.5 per cent for primary educated household heads. The contribution drops to only 9.5 per cent for households with secondary educated household heads and 2.2 per cent for households with higher educated household heads. Education levels can be perpetuated from one generation to the next. The employment dimension's contribution to the national MPI is higher in households with a higher educational level of the household head, compared with non-educated household heads, at 22.1 per cent and 17.0 per cent, respectively.

In the employment dimension, decent work and social insurance contributes by a quite similar extent to MPI for households with a higher educational level of the household head and those with non-educated heads (around 5 per cent). Interestingly, the unemployment indicator contributes to the MPI by 4 per cent for households with higher educated heads, which is much more than its contribution for households with non-educated heads (0.8 per cent). This trend has prevailed in Egypt since 2006, where unemployment rates have remained highest among those with secondary and higher education (Krafft and others, 2019).

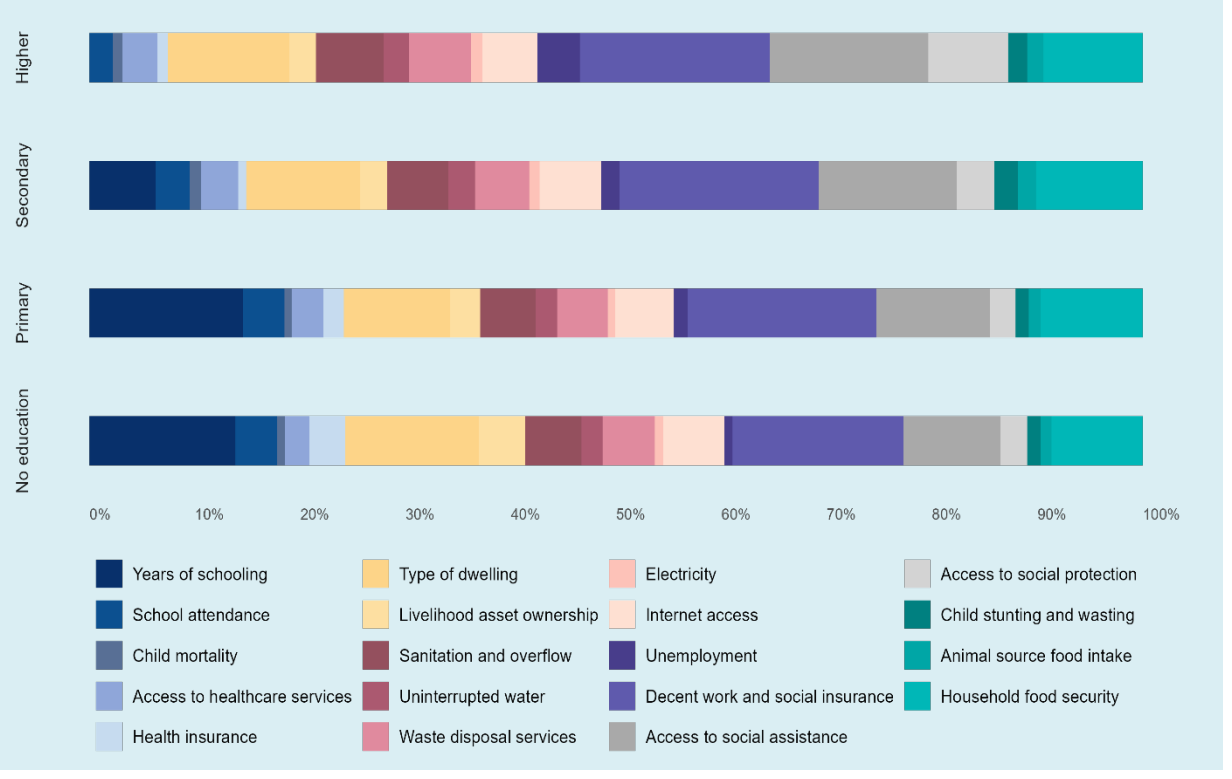
Figure 10. Contribution of dimensions and indicators to the MPI by educational level of the household head, Egypt national MPI 2022

(A) Contribution of dimensions to MPI by educational level of household head



Source: ESCWA calculations.

(B) Contribution of indicators to MPI by educational level of household head



Source: ESCWA calculations.

4. Disparities by wealth quintiles

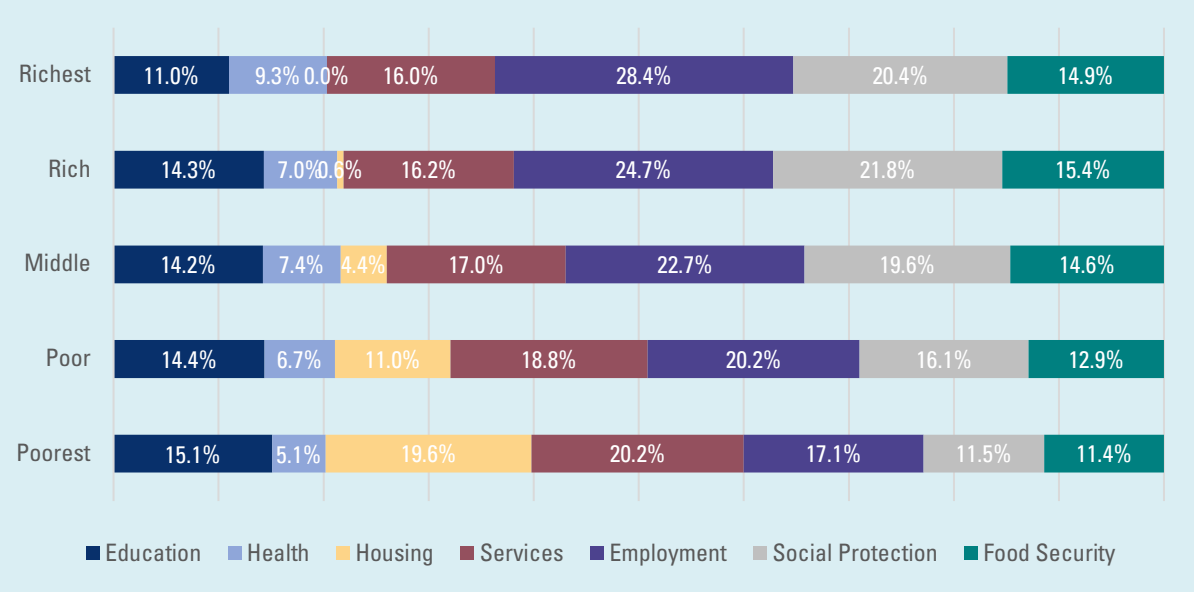
Table 6. Disparities of the national MPI in Egypt by wealth quintiles, 2022

		MPI		H (percentage)		A (percentage)	
Wealth	Population shares (percentage)	Value	95 per cent CI	Value	95 per cent CI	Value	95 per cent CI
Richest	20	0.003	0.002|0.004	1.0	0.7|1.4	31.2	30.4|32.0
Rich	20	0.016	0.013|0.018	4.9	4.1|5.7	32.2	31.5|32.8
Middle	20	0.040	0.036|0.044	12.0	10.7|13.2	33.1	32.7|33.6
Poor	20	0.103	0.096|0.109	29.1	27.4|30.9	35.3	34.9|35.7
Poorest	20	0.225	0.216|0.234	58.9	56.9|60.9	38.2	37.8|38.6

Source: ESCWA calculations.

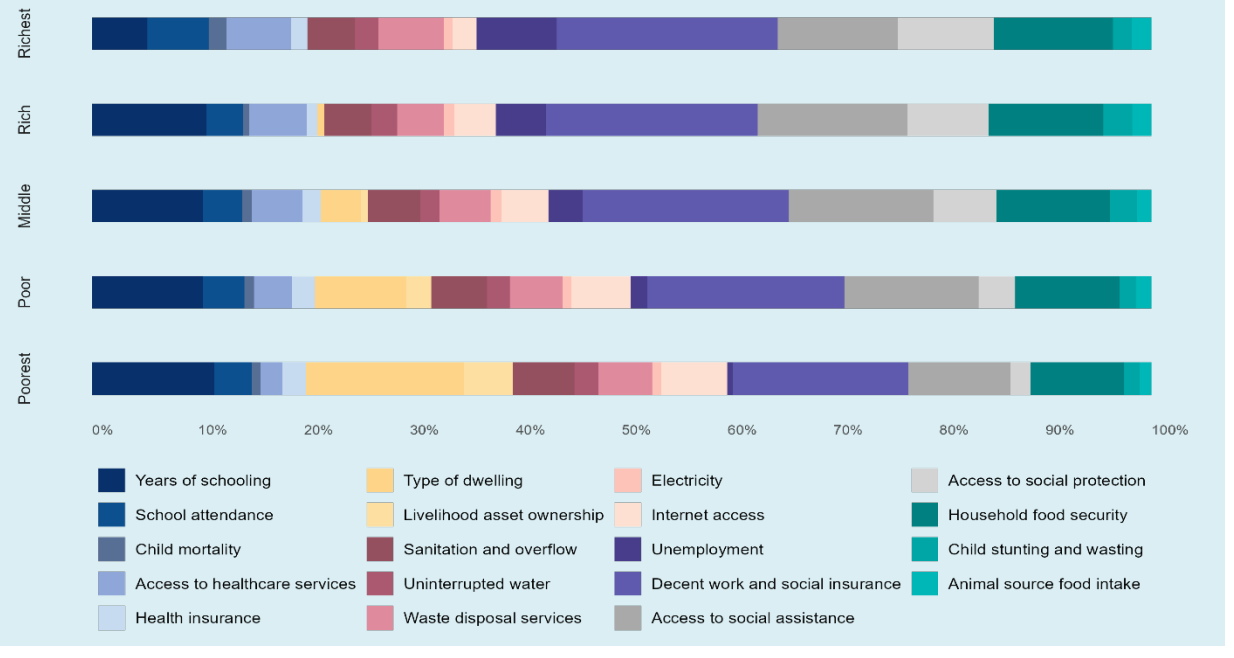
Figure 11. Contribution of dimensions and indicators to the national MPI by wealth, 2022

(A) Contribution of dimensions to MPI by wealth



Source: ESCWA calculations.

(B) Contribution of indicators to MPI by wealth



Source: ESCWA calculations.

Disaggregation by wealth quintiles[7] (table 6) enables an investigation into the association between wealth and poverty. Given that with an increase in wealth the incidence of poverty declines significantly, MPI declines significantly across the higher wealth quintiles. Households among the lowest wealth quintile have an MPI value of 0.225, which is more than two and a half times greater than the national average (0.077). Households in the lowest wealth quintile also show a much higher headcount ratio of 58.9 per cent, more than double the national average of 21.2 per cent, and an intensity of poverty that is 38.2 per cent compared to 31.2 per cent in the richest quintile.

The contribution of dimensions to the MPI in most of the wealth quintiles (figure 11 (A)) shows that the employment dimension is the highest contributing dimension to the national MPI. It is followed by social protection and services. With respect to indicators (figure 11 (B)), those that contribute most to the MPI are decent work and social insurance among all wealth quintiles, type of dwelling among the poorest, and access to social assistance and years of schooling among the poorest.

7. The methodology for constructing the wealth index is clarified in annex 1 in the data sources section.

3. Policy implications

A. Main challenges

Multidimensional poverty is high, affecting more than one in five individuals, and MPI-poor people are on average deprived in more than one third of all indicators. Thus, policies aimed at reducing multidimensional poverty require joint focus on several indicators.

Results show that multidimensional poverty is unevenly distributed in Egypt. Rural areas record a higher MPI compared to urban parts of Egypt. Thus, regional disparities require further attention by policymakers when designing policy strategies.

The most important dimensions contributing to multidimensional poverty are the services and employment dimensions. In the services dimension, the prevalence of deprivation in access to the internet among Egyptians is a cause for concern, given that 45.1 per cent of the population report not having access to the internet. Additionally, the employment dimension, and particularly the decent work and insurance indicator, contributes to the MPI by the largest proportion compared to other indicators in both urban and rural areas. This is consistent with the national studies on the labour market using recent Labour Force Surveys and Labour Force Market Panel Surveys (ELMPS).

The dimension of access to services contributes by a significantly larger extent to the MPI in rural areas, compared to urban areas, which can be attributed mostly to deprivations in sanitation, water and waste disposal services. The Government of Egypt is actively working on closing this gap by launching the Hayah Kareema initiative, which is aimed at improving the quality of life in rural communities. The initiative has a strong focus on local infrastructure by ensuring access to water, electricity, internet, and sanitation.

The dimension of social protection (mainly the social assistance indicator) contributes considerably to the MPI in urban areas, which shows that social assistance programmes in urban areas are not well targeted and that a significant proportion of people below the poverty line are not receiving social assistance. Improving the targeting system could provide fiscal space to reduce poverty.[8]

The education dimension contributes considerably to the MPI (around 14.7 per cent), as the years of schooling indicator is relatively high. It is reported that 26.9 per cent of the Egyptian population is deprived in the years of schooling indicator, signifying that they have not completed their education.

Although a strict comparison of the change in MPI between 2018 and 2022 was difficult, a significant improvement in deprivation rates across several indicators was registered. For example, deprivation rates in indicators such as internet access, type of dwelling, sanitation, and uninterrupted water decreased significantly.

8. IMF, Arab Republic of Egypt, IMF Country Report No. 18/213, 2018.

Additionally, years of schooling and school attendance rates improved, with a decrease in their deprivation rates. A slight decrease was also reported in deprivation rates across the social protection indicator.

Education showed an improvement in different indicators. Since 2010/2011, net and gross enrolment rates were on the rise until 2019/2020 (Ministry of Education Information Centre), and notable improvements were recorded in closing the gender gap in enrolment rates between 2010/2011 and 2019/2020 at all levels of pre-university education. Enrolment rates in higher education have also risen up to the year 2020.[9]

Notwithstanding that education is free at all stages from elementary level up to university, the enrolment rates remain low at the secondary level. The poor quality of education in public schools generates substantial demand for private tutoring which can be critical for achieving academic success for households which, however, cannot afford it.[10,11] This forces a large proportion of students to drop out of school after only completing primary education and to participate in the labour market. Other factors include the limited provision of education services in remote areas of the country. Moreover, regional gaps persist, such as in Upper Egypt where enrolment rates are significantly lower than in other parts of Egypt.

Indicators show an improvement not only in education, but also in health and services between 2010 and 2019. For example, under-five mortality decreased from 28.8 deaths per 1,000 to 20.3 deaths per 1,000, which is lower than the optimal target listed in SDGs (25 deaths per 1,000 live births).[12] There have also been continuous improvements in health sector capacity over the years. For example, the primary health-care units (including maternal, child and family health centres, health offices, clinics, and urban health centres and rural primary care units) have experienced ongoing expansion, growing by around 365 units between 2010 and 2020.[13] However, with the substantial annual population growth, the increase in health-care units remains inadequate in relation to population growth. For example, the number of hospital beds per 100,000 population recorded a downward fall from 14.3 in 2010 to 11.3 in 2020.[14] With respect to drinking water, 98.7 per cent of the population benefited from access to national drinking water compared to 97 per cent in 2014. Sanitation coverage was also expanded to reach 65 per cent of the population in 2020, compared to 50 per cent in 2014. Despite the significant reduction in regional gaps in 2020, urban areas remain significantly better off for sanitation coverage (96 per cent) compared to rural areas (37.5 per cent).

Moving to unemployment, which is a main contributor to the country's national MPI, it decreased from 13.1 per cent in 2014 to 11.7 per cent in 2018. Following this drop, a more substantial reduction was achieved in 2020, reaching 7.9 per cent.[15]

9. Central Agency for Public Mobilization and Statistics, Annual Bulletin of Pre-University Education for the year 2020/2019.
10. Obbey Elamin, Reham Rizk and John Adams, Private tutoring and parents' decision to work more: evidence from Egypt, Education Economics, 2018.
11. R. Assaad and C. Krafft, C., Is free basic education in Egypt a reality or a myth?, International Journal of Educational Development, 2015. Available at https://doi.org/10.1016/j.ijedudev.2015.09.001.
12. World Bank database.
13. Central Agency for Public Mobilization and Statistics. Multiple health-related sources.
14. World Health Organization (WHO) database. Available at https://data.humdata.org/dataset/who-data-for-egypt?
15. ILOSTAT estimates.

The clear progress in unemployment reduction, however, is partially driven by the contraction in the labour force participation rate, which was reported at 41.5 per cent in 2020 compared to 48 per cent in 2014,[16] as a portion of Egyptians stopped seeking employment.

Moreover, the positive employment outlook might mask job creation concentrated in the informal sector or the formal sector, but with low wages, poor working conditions and absence of insurance. This trend was observed in the 2006–2008 boom, providing a scenario of high growth and weak decent job creation (Diwan and others, 2016). Data supplied by the Egypt Labour Market Panel Survey of 2018 (ELMPS)[17] reveal a low level of improvement of employment conditions in Egypt, with an increasing trend towards informal employment and a decline in workers' real wages as a result of high inflation.

B. Policy recommendations

1. Macroeconomic policies for decent work

Reviewing these socioeconomic challenges and the multidimensional poverty determinants highlights the need for social welfare programmes coupled with macroeconomic policies to ensure a sustainable economy. The main challenge lies in the provision of decent work.

With regard to the quality of jobs and the informal sector, it has been observed that poor people have limited access to formal employment. While non-poor people have better access to formal employment, they have experienced continuous difficulties with being employed due to the downsizing of the public sector and the inability of the private sector to generate jobs.[18]

Lifting people out of multidimensional poverty with its different dimensions in Egypt entails acting at the macroeconomic level to maintain a robust labour market where decent job creation happens in the formal sector, along with strengthening welfare policies to protect the poor and the vulnerable and ensuring a fair distribution of the country's resources. However, macroeconomic policies and economic growth are not sufficient stimulators to generate decent work, as has been the case in Egypt.[19] Policies at the national level should be coupled with the formulation and implementation of an employment policy aimed at raising the quantity and improving the quality of employment.

Given that the main deprivation lies in the employment dimension, and specifically concerning decent employment and the provision of social insurance, investment needs to be focused on labour-intensive sectors such as manufacturing. A structural transformation is necessary because the Egyptian economy has been shifting towards construction, wholesale and retail trading and petroleum refining, while facing contraction in manufacturing and agricultural industries. The former listed industries (especially the construction sector)

16. Ibid.
17. Krafft, Caroline and others, Introducing the Egypt Labor Market Panel Survey 2018, 2019.
18. Assaad and Krafft, Labor market dynamics and youth unemployment in the Middle East and North Africa: Evidence from Egypt, Jordan, and Tunisia, 2016; Assaad, Krafft and Yassin, Job creation or labor absorption? An analysis of private sector job growth in Egypt, 2018.
19. Diwan, I., Keefer, P. and Schiffbauer, M., Pyramid Capitalism: Cronyism, Regulation and Firm Productivity in Egypt. IDB Publications, 2016.

generate precarious working conditions. Moreover, the oil and petroleum sector is capital-intensive. Such trends hinder the process of generating better jobs that offer good working conditions and long-term employment within establishments.[20] What is needed is a mix of labour-intensive and capital-intensive investment to absorb the new generations of highly skilled entrants into the labour market.

2. Inclusive growth

The low trickle-down growth effects to the poorest segments can be linked to the tight concentration of wealth in Egypt, where economic benefits and aggregate growth are reaped by the wealthiest individuals who enjoy high wealth and capital rents.

Acting beyond GDP is of great urgency to help vulnerable groups that are left behind. Redistribution efforts through progressive taxation policies can close the inequality gap. Taxation reforms should be coupled with scaling up investments on human capital and particularly access to education. Education provides people with better labour market opportunities, which in turn reduces inequality of opportunity. Along with macroeconomic policies that act on the aggregate level, microeconomic and social policies are of equal importance in targeting the vulnerable and lifting the poor from poverty.

3. Social policies

Austerity measures need to be accompanied by social protection programmes targeting the poorest sectors of the population. Although Egypt has introduced several programmes that target the poorest sectors of the population and benefit different dimensions, still more funding is required to ensure an equitable geographic distribution of cash and services.

Successive social protection programmes have been introduced and enacted in Egypt, with continuous expansion over the years. Since the New Constitution of 2014, efforts have been made to improve the standard of living of Egyptians and fulfil the promise of a decent life.

Takaful and Karama, the cash transfer programme, was launched in 2015. The proportion of the population benefiting from cash transfers rose from 60,000 in 2015 to 3.7 million by May 2021 with predominantly female beneficiaries.[21]

It is recommended to increase the number of eligible beneficiaries of cash support services, while continuing to deliver service integration, especially economic empowerment, to ensure that the largest number of beneficiary households graduate from the programme and transition from receiving support to achieving production and economic independence.

Hayah Kareema (decent life) programme emerged to target the different dimensions of poverty, and to close the regional gaps that exist in Egypt, as poverty is more prevalent in rural areas. The programme covers 11 governorates and started with the poorest villages. This programme, together with Sakan Karim (decent housing), is designed to improve people's living standards, including housing conditions, service provision (water, sanitation, electricity, etc.) and

20. ILO, Growth and Precariousness in Egypt, 2019. Available at https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_735169.pdf.

21. Voluntary National Review 2021. Available at https://sustainabledevelopment.un.org/content/documents/279512021_VNR_Report_Egypt.pdf.

education, and even invest in the employment dimension by offering training packages to new and existing employees in order to fulfil a capacity-building approach. Such programmes are strongly encouraged as positive steps towards sustainable development in Egypt. In July 2021, the President scaled up the initiative by launching the National Programme for the Development of Egyptian Rural Villages "Hayah Kareema". The programme aims to promote social, economic and environmental development in rural villages and provide basic services including infrastructure and telecommunication services. The objective is to reach 4,500 villages in 175 districts in 20 governorates.

As mentioned in the Egypt Human Development Report, one of the challenges in policy implementation lies in the limited funding allocated to education and health, compared to international levels. Although notable progress has been made in health and education indicators in recent years, increasing funding in these areas is needed to enhance the quality of education and health services, which suffer low maintenance appropriation, weak infrastructure and shortage of supplies and equipment. Moreover, such policies are essential to maintain the resilience of the services sector in Egypt which is burdened by its ongoing rapid population growth. Additionally, policies targeted towards education contribute to reducing the gap between education outcomes and the labour market demand, which paves the way to capturing the full economic potential of the population.

4. Government effectiveness

A reassessment of government macroeconomic policies is necessary, with a focus on ensuring that all regions benefit from the proceeds of growth in a balanced manner. Moreover, promoting a culture of competition in the market is also important to build strong and transparent institutions that all segments of society could benefit from. One positive policy reform in this direction is the National Anti-Corruption Strategy of 2014. Such initiatives are highly encouraged, as they are intended to improve judicial procedures, increase transparency in the public sector and enact anti-corruption legislation. To sum up, improving governance and public institutions is of high importance in the context of reducing poverty in all its forms, to ensure that policies do not act unfairly in the interest of the rich and provide equal opportunities for all businesses and enterprises.

Annex 1. Methodology

A. Framework and indicators

The national multidimensional poverty index (MPI) in Egypt comprises 7 dimensions (health, education, housing, services, employment, social protection and food security), and 19 indicators selected based on consultations with national representatives and technical specialists in multidimensional poverty (table 1). These consultations included members from the Ministry of Planning, Ministry of Social Solidarity, CAPMAS, OPHI, UNICEF, and ESCWA.

The HIECS survey for the period 2020/2021 provided the data used for generating the index.

The choice of dimensions draws on the latest framework of multidimensional poverty in Egypt published by El-Laithy and Omar (2021),[22] and adds 3 additional dimensions to the framework. The education and health dimensions are both included in the latter framework, and similarly used in the Global MPI and Revised Arab MPI. The living conditions dimension used in the framework by El-Laithy and Omar is divided into the housing and the services dimensions. This division was considered a more favourable approach from a policy perspective, as it allows for better planning of interventions, allocation of resources, and implementation of policies. Also, this was done to better capture deprivations related to public services. The social protection dimension was added to reflect current programmes that distribute social transfers and are currently being implemented in Egypt. The food security dimension was added, as it is an important aspect of deprivation in Egypt.

1. Health

The health dimension is composed of the following three indicators: child mortality, access to health services and health insurance. The first indicator, child mortality, considers a household deprived if any child in the household has died before the age of five. This indicator is included in the Revised Arab MPI. However, owing to the lack of data on time of death, the definition used here omits the condition that the death must have been reported within the past five years. Despite the progress in child mortality over time, the current estimate in Egypt is 19 deaths per 100 live births, with a confidence interval of 13–29.[23] It is therefore important to monitor this indicator to assess progress towards ending preventable child death by 2030. In the health insurance indicator, a household is considered deprived if no household member has health insurance coverage. This indicator has been adopted from the framework proposed by El-Laithy and Omar. It is estimated that 30 per cent of Egyptians cannot afford to pay for medical services. In addition, more than one third of the Egyptian population do not have any form of health insurance. Uninsured individuals have worse health outcomes than insured individuals,

22. Heba El-Laithy and Noha S. Omar. Multidimensional Deprivation in Egypt, World Economics 2021, vol. 22, issue 1, 161-196.
23. United Nations Children's Fund (UNICEF) and others, Levels and Trends in Child Mortality: Report 2021. Available at https://childmortality.org/wp-content/uploads/2021/12/UNICEF-2021-Child-Mortality-Report.pdf. Accessed on 28 February 2022.

and the cost of medical care represents a fiscal burden to this vulnerable group. This may have unidentified consequences, given that not benefiting from health insurance increases the risk of inequalities in access to affordable health care. Another important measure of health status is the indicator of access to health-care services, where a household is deprived if any household member has a chronic disease, disability, illness or injury and does not have access to medical services. In the HIECS questionnaire, only individuals with chronic disease or illness/injury are asked about the location/availability of health services. An indicator on the status of having disability/chronic diseases was proposed, but it was not selected since deprivation in this indicator cannot be targeted with actionable policies.

2. Education

This dimension is composed of two indicators: years of schooling and school attendance, similar to the composition of the Global MPI[24] and El-Laithy and Omar's framework, but the definitions of the Revised Arab MPI framework were adopted. The age schooling gap indicator was not chosen, as deprivation in this indicator was low. In the school attendance indicator, a household is deprived if any household member aged 6–17 is not attending school and has not completed secondary education. National progress means that a universal rate of educational enrolment in primary education has been achieved in Egypt; however, enrolment alone is not indicative of children that are attending school and are likely to earn an academic qualification. Factors such as age of 9–11 years, male gender, older household heads and lower levels of parental education increase the risk of deprivation in education. Although another definition for school attendance was tested, which stratified school attendance by gender, it was not adopted as there was no difference in the indicator between males and females.[25] The second indicator, years of schooling, was defined as a household being deprived if no household member aged 18+ has completed secondary schooling (12 years of schooling), following the selection of 18+ as the cut-off point. Individuals with higher levels of education are able to gain more knowledge and skills on the job than those with lower levels of education and have better success in the labour market.[26]

3. Housing

This dimension consists of the following two indicators: type of dwelling and livelihood assets. For the type of dwelling indicator, a household is deprived if the housing situation fits at least one of the following conditions:
(i) home is a place other than stand-alone house or apartment; (ii) it has a non-permanent floor or (iii) it has non-permanent roof. Inadequate housing is an impediment to development programmes in Egypt. Population growth and migration from rural to urban areas, along with directing public funds to constructing new housing units, led to the emergence of informal and inadequate housing since the mid-1970s. This raises the importance of the housing indicators to determine suitable housing facilities, especially in

24. Oxford Poverty and Human Development Initiative (OPHI), The Global Multidimensional Poverty Index (MPI): 5-year methodological note, 2016. Available at https://ophi.org.uk/publications/MN38-B38. Accessed on 18 May 2021.
25. Sabine Alkire and others, Moderate Multidimensional Poverty Index: Paving the way out of poverty, OPHI, 2020. Available at https://ophi.org.uk/publications/RP-59a. Accessed on 18 May 2021.
26. National Research Council, Education for Life and Work: Developing Transferable Knowledge and Skills in the 21st Century, 2012. Available at https://www.nap.edu/catalog/13398/education-for-life-and-work-developing-transferable-knowledge-and-skills. Accessed on 7 February 2022.

urban areas. From a policy perspective, the Egypt Housing Strategy was launched with an objective to achieve SDG 11, i.e. provide adequate housing for all segments of society and decrease slums. This is in alignment with the Global Housing Strategy and the Arab Strategy for Housing and Sustainable Urban Development.[27]

In the livelihood assets indicator, a household is deprived if it does not own a car and is deprived in at least four of the following assets: refrigerator, deep freezer, oven, stove, washing machine, semi-automatic washing machine, automatic washing machine, dishwasher, water heater, vacuum cleaner, air conditioner, electric fan, heater, electric iron, VCR, digital camera, personal computer, water filler, blender, kitchen machine. In this definition, a score was computed for the number of assets by adding ownership of all assets.

4. Services

Five services are included in this dimension: sanitation method and overflow, uninterrupted water, waste disposal services, internet access and electricity. The sanitation method is used in all other frameworks; however, we imposed a modification to include the frequency of overflows. The sanitation method and overflow indicator considers a household deprived if it does not have a public or private network sanitation method or is connected to a network but experiences frequent sanitary sewer overflows. The quality of sanitation services is included in this indicator to capture additional deprivation.

It was initially suggested to include a "toilet" indicator that considers a household deprived if it has an unimproved type of toilet. However, this indicator was removed since it was highly correlated with the indicator on sanitation method and overflow. In the uninterrupted water indicator, a household is deprived if it does not have access to safe drinking water, according to MDG guidelines, or has access but the service is interrupted more than once a week. The quality of this service was also added. Unimproved sanitation can have an environmental impact on agricultural soil, especially through traditional septic tanks, and is a substantial issue in slums where more than half of the children are severely deprived in sanitation.[28] Although significant progress has been made in Egypt concerning water supply and sanitation, monitoring these indicators remains vital, especially with a rapidly growing population and increased agricultural and industrial activities putting great pressure on water resources in Egypt. The quality of services is controlled by several factors such as ageing networks, deterioration of water reservoirs, and leakages in groundwater and sewer systems.[29]

With respect to waste disposal services, a household is considered deprived if the household disposes of its waste through one of the following methods: on the street, feeding animals, burning, dumping it, or if the household has access to proper waste

27. UN-Habitat, Egypt Housing Strategy. Available at https://unhabitat.org/sites/default/files/2020/09/egypt_housing_strategy.pdf. Accessed on 18 May 2021.
28. UNICEF, Multidimensional Child Poverty in Slums and Unplanned Areas in Egypt, 2013. Available at https://www.unicef.org/egypt/reports/multidimensional-child-poverty-slums-and-unplanned-areas-egypt. Accessed on 11 May 2021.
29. Yogita Mumssen and Thelma A. Triche, Status of Water Sector Regulation in the Middle East and North Africa, 2017. Available at https://elibrary.worldbank.org/doi/abs/10.1596/27465. Accessed on 28 February 2022.

collection systems but waste is collected less than twice a week. The quality of services was added to this indicator to measure an additional aspect of deprivation in waste disposal services. The electricity indicator defines a household as deprived if it is not connected to the public network or is connected, but the service is interrupted more than once a week. Internet access defines a household as deprived if it has no access to the internet cable, wireless network or router.

5. Employment

The first indicator, unemployment, takes account of any household member aged 15 to 64 and therefore part of the labour force, who is not working and is actively looking for a job. Unemployment is highest for younger people, females and those with higher education in Egypt.[30] In the period prior to COVID-19, although employment rates increased, employed workers had no contract or health insurance, and there were limited jobs in the formal sector. In the indicator decent work and social insurance, a household is deprived if a working household member aged 15 to 64 is working with no contract or is working and not participating in social insurance. With 61.9 per cent of the Egyptian population being of working age (15-64 years), working conditions affect a large proportion of the population.

6. Social protection

This dimension includes two indicators: access to social assistance and access to social protection. The social protection indicator was constructed such that a household is deprived if less than half of family members aged 18+ have a source of income, including labour income, assets or real estates, or social transfers. The social protection indicator stipulates that every member should have a source of income, and especially that social protection should reduce poverty and prevent people from falling into poverty.[31] The social assistance indicator defines a household as deprived if it falls below the poverty line, has children below 18, elderly or a person with disability but but does not receive social transfers from Takaful and Karama program. The poor are also eligible for ration cards. The ration card alone as an indicator for social assistance was not suitable as it was widely used, with 90.02 per cent of households having a ration card, while only 24.66 per cent of households received "Takaful and Karama" social assistance. Social assistance is an indicator that captures extreme forms of poverty and destitution.

7. Food security

The food security dimension includes three indicators: child stunting and wasting, animal source food intake, and household food security. The child stunting and wasting indicator considers a household deprived if a child aged 0–59 months is stunted (height for age <-2 SD), or a child aged 0-59 months is wasted (weight for age <-2 SD). This indicator was modified by adding wasting to capture both elements of undernutrition. Child stunting is a reflection of inequality in societies and is both a symptom of

30. L. Fedi. M. Amer and A. Rashad, Growth and Precariousness in Egypt, ILO/Sida Partnership on Employment Working Paper No. 2, 2019. Available at https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_735169.pdf. Accessed on 10 May 2021.

31. ILO, R202 - Social Protection Floors Recommendation, 2012 (No. 202). Available at https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:3065524. Accessed on 7 February 2022.

past deprivation and a predictor of future poverty, since stunting increases the risk that affected children do not grow well enough to meet their physical and intellectual potential.[32] Wasting, a reflection of acute malnutrition, reflects food shortages, poor feeding and episodes of illness which can be compounded by poverty, and can lead to child mortality.[33] In Egypt, stunting is a major public health concern and affects one in five children. Moreover, an increase in wasting, with a prevalence of 8 per cent, has been noted since the year 2000.[34] Structural causes of poor nutrition are also determinants of poverty and include inadequate access to services, inadequate financial and human resources and the sociocultural, economic and political context.[35]
For the second indicator in this dimension, animal source food intake, a household is deprived if it includes any child aged 6–59 months not having received animal source food within the past week: (a) eggs (b) meat, poultry, fish or (c) dairy products. Animal source foods are rich in micronutrients and in proteins that are deficient in children living in low- and middle-income countries.[36] Studies show that the level of animal source food consumption is associated with stunting in children aged 6–23 months.[37] This indicator was determined using the questionnaire data since the definition of animal source food intake score measures intake of animal source food during the previous day. The indicator of minimum dietary diversity (MDD) was tested;[38] however, the data collected in the survey were not available for the eight defined food groups to be able to construct this indicator. A third indicator, household food security, was added: a household is deprived if it suffers from a food security problem for at least 12 months up to over 24 months. This indicator captures the sufficient intake of food, and indirectly assesses the accessibility component of food insecurity. With several macro-level interventions implemented by the Egyptian Government to ensure access to basic food, this indicator is an important measure of the coverage of these programmes, especially to vulnerable groups.[39]

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32. UNICEF, The State of the World's Children, 2019. Available at https://www.unicef.org/reports/state-of-worlds-children-2019. Accessed on 26 April 2021.
33. Ibid.
34. Central Agency for Public Mobilization and Statistics (CAPMAS), Ministry of Social Solidarity and UNICEF Egypt, Understanding Child Multidimensional Poverty Analysis in Egypt, Report Highlights, 2017. Available at https://www.unicef.org/egypt/media/1341/file/MODA_Highlights_EN.pdf. Accessed on 26 April 2021.
35. UNICEF, Child Malnutrition - Unfolding the situation in Egypt. UNICEF Egypt Data Snapshot - Issue 1, 2018. Available at https://www.unicef.org/egypt/media/2686/file. Accessed on 26 April 2021.
36. Myra J. Shapiro and others, A Systematic Review Investigating the Relation Between Animal Source Food Consumption and Stunting in Children 6–60 months in Low and Middle-Income Countries, 2019. Available at https://www.researchgate.net/publication/333676192_A_Systematic_Review_Investigating_the_Relation_Between_Animal-Source_Food_Consumption_and_Stunting_in_Children_Aged_6-60_Months_in_Low_and_Middle-Income_Countries. Accessed on 7 February 2022.
37. Julia Krasavec and others, Diet quality and risk of stunting among infants and young children in low and middle-income countries, 2017. Available at https://pubmed.ncbi.nlm.nih.gov/29032628/. Accessed on 7 February 2022.
38. World Health Organization, Indicators for assessing infant and young child feeding practices, 2021. Available at https://www.who.int/publications-detail-redirect/9789240018389. Accessed on 7 February 2022.
39. Abd Elaziz, Khaled, Egypt Nutrition Landscape analysis 2012 - Country preparedness to accelerate action to improve nutrition, 2012. Available at https://www.researchgate.net/publication/273259911_Egypt_Nutrition_Landscape_analysis_2012_Country_preparedness_to_accelerate_action_to_improve_nutrition. Accessed on 28 February 2022.

B. Data sources and methodology

1. Data sources

The HIECS survey of 2021/2022 was used develop indicators for the national framework and to present the analysis of the national MPI, along with some trends comparing 2018 to 2022 figures. The 2020/2021 survey was conducted on a sample of 26,000 households. Interviewers and field editors were trained by CAPMAS, and data was collected by the person interview method with the head of the household or spouse or any eligible person in case of their absence. The survey consists of the expenditure and consumption questionnaire, the dairy questionnaire, and the income questionnaire.

2. Method for MPI computation

The MPI was computed following the Alkire-Foster counting methodology. First, the status of each individual was determined in terms of being either deprived or not deprived in each indicator. Then the deprivation score was computed for each individual by counting the deprivations in all indicators. The relative weight of each indicator in relation to all other indicators was determined. Then a weighted sum of all deprivations was calculated for each individual by summing all weighed deprivations. Individuals were then classified as poor or non-poor and the poverty cut-off was set. Following this step, three measures were computed: the headcount ratio (H), average intensity (A), and the adjusted poverty headcount ratio (MPI).

The headcount ratio (H) computes the incidence of poverty in the general population. The intensity of poverty (A) measures the average weighted deprivation score that multidimensionally poor people experience. The product of H and A yield the MPI, MPI=H×A.

The wealth index was missing from the dataset. It was constructed by applying the principal component analysis to a list of durable assets. The Kaiser-Meyer-Olkin measure of sampling adequacy, evaluating the proportion of variance among variables common to them, is 0.76, exceeding the critical value of 0.60. The set of asset types is thus adequate to perform principal component (PC) analysis. The Bartlett test of sphericity, determining whether the correlation matrix used for factor analysis is an identity matrix, rejects the null hypothesis of zero correlation across the variables, implying that variable correlations are not due to sampling error, and justifying the use of these variables. The factor loadings have the expected ordering across asset types. These findings validate the construction of the durable-asset wealth index.

Annex 2. Robustness and sensitivity analyses

A. Measures of association and redundancy

Correlation between indicators was measured using Cramer's V. Cramer's V is a measure of association between two dichotomous variables that determines the strength and direction of the existing correlation. It is affected by the matches between indicators, whether individuals are deprived or not, as well as by the headcount ratios of the two indicators. Because we are interested in redundancies in deprivation status, we also calculated the redundancy between indicators. The redundancy measure R0 is a measure of the overlap in deprivation between two indicators. It measures the number of observations having the same deprivation status in two indicators, as a proportion of the indicator with the lower uncensored headcount ratio. The measures of association between two given indicators should not be sensitive to other indicators, thus should not vary with the choice of frameworks that usually affect the total number of included observations. To this end, the two measures are computed for a pair of indicators at the binary level right after applying the deprivation cut-off, and before any censoring; the observations are population weighted.

In terms of results, rules of thumb for the association cut-off are 0.3 for Cramer's V and 0.8 for R0.

Figure A2.1 Cramer's V showing all correlations applied to the indicators in Egypt national framework

	Years of schooling	School attendance	Child mortality	Access to healthcare services	Health insurance	Type of dwelling	Livelihood asset ownership	Decent work and social insurance	Unemployment	Sanitation and overflow	Uninterrupted water	Waste disposal services	Electricity	Internet access	Access to social protection	Access to social assistance	Household food security	Child stunting and wasting	Animal source food intake
Years of schooling	1	0.184	0.043	0.003	0.192	0.252	0.193	0.069	-0.075	0.120	0.054	0.127	0.038	0.288	-0.100	0.051	0.095	0.052	0.009
School attendance	0.184	1	0.056	0.017	-0.008	0.143	0.090	0.107	0.005	0.089	0.036	0.080	0.015	0.109	-0.016	0.125	0.075	0.033	0.026
Child mortality	0.043	0.056	1	0.014	-0.038	0.055	0.021	0.049	-0.016	0.064	0.042	0.048	0.014	0.037	-0.013	0.033	0.016	0.048	0.011
Access to healthcare services	0.003	0.017	0.014	1	-0.010	-0.006	-0.004	0.030	0.048	-0.045	0.010	-0.024	-0.011	-0.010	0.011	0.029	0.070	-0.035	0.006
Health insurance	0.192	-0.008	-0.038	-0.010	1	0.084	0.137	-0.013	0.012	0.018	-0.017	0.034	0.005	0.090	-0.001	-0.094	-0.034	-0.086	-0.078
Type of dwelling	0.252	0.143	0.055	-0.006	0.084	1	0.250	0.149	-0.048	0.271	0.146	0.232	0.045	0.226	-0.034	0.141	0.075	0.041	0.007
Livelihood asset ownership	0.193	0.090	0.021	-0.004	0.137	0.250	1	0.045	-0.020	0.103	0.091	0.099	0.022	0.148	-0.023	0.063	0.063	0.008	0.010
Decent work and social insurance	0.069	0.107	0.049	0.030	-0.013	0.149	0.045	1	-0.070	0.111	0.071	0.099	0.030	0.149	-0.099	0.168	0.105	0.046	0.055
Unemployment	-0.075	0.005	-0.016	0.048	0.012	-0.048	-0.020	-0.070	1	-0.055	-0.009	-0.043	-0.015	-0.079	0.114	0.003	0.026	-0.030	-0.018
Sanitation and overflow	0.120	0.089	0.064	-0.045	0.018	0.271	0.103	0.111	-0.055	1	0.155	0.333	0.082	0.161	-0.043	0.122	0.038	0.045	0.059
Uninterrupted water	0.054	0.036	0.042	0.010	-0.017	0.146	0.091	0.071	-0.009	0.155	1	0.150	0.249	0.086	-0.021	0.052	0.025	0.008	0.031
Waste disposal services	0.127	0.080	0.048	-0.024	0.034	0.232	0.099	0.099	-0.043	0.333	0.150	1	0.105	0.189	-0.014	0.110	0.050	0.037	0.050
Electricity	0.038	0.015	0.014	-0.011	0.005	0.045	0.022	0.030	-0.015	0.082	0.249	0.105	1	0.051	-0.020	0.007	0.029	0.026	0.011
Internet access	0.288	0.109	0.037	-0.010	0.090	0.226	0.148	0.149	-0.079	0.161	0.086	0.189	0.051	1	-0.128	0.157	0.118	0.067	0.056
Access to social protection	-0.100	-0.016	-0.013	0.011	-0.001	-0.034	-0.023	-0.099	0.114	-0.043	-0.021	-0.014	-0.020	-0.128	1	0.062	-0.011	-0.071	-0.055
Access to social assistance	0.051	0.125	0.033	0.029	-0.094	0.141	0.063	0.168	0.003	0.122	0.052	0.110	0.007	0.157	0.062	1	0.078	0.029	0.035
Household food security	0.095	0.075	0.016	0.070	-0.034	0.075	0.063	0.105	0.026	0.038	0.025	0.050	0.029	0.118	-0.011	0.078	1	0.016	0.017
Child stunting and wasting	0.052	0.033	0.048	-0.035	-0.086	0.041	0.008	0.046	-0.030	0.045	0.008	0.037	0.026	0.067	-0.071	0.029	0.016	1	0.105
Animal source food intake	0.009	0.026	0.011	0.006	-0.078	0.007	0.010	0.055	-0.018	0.059	0.031	0.050	0.011	0.056	-0.055	0.035	0.017	0.105	1

Source: ESCWA calculations.

Figure A2.2 Redundancy measure estimates for Egypt national framework

	Years of schooling	School attendance	Child mortality	Access to healthcare services	Health insurance	Type of dwelling	Livelihood asset ownership	Decent work and social insurance	Unemployment	Sanitation and overflow	Uninterrupted water	Waste disposal services	Electricity	Internet access	Access to social protection	Access to social assistance	Household food security	Child stunting and wasting	Animal source food intake
Years of schooling	1	0.555	0.341	0.236	0.478	0.453	0.594	0.708	0.095	0.555	0.287	0.496	0.300	0.716	0.113	0.292	0.575	0.317	0.248
School attendance	0.555	1	0.131	0.167	0.089	0.421	0.146	0.859	0.060	0.630	0.202	0.546	0.069	0.680	0.090	0.476	0.645	0.096	0.080
Child mortality	0.341	0.131	1	0.171	0.031	0.319	0.076	0.790	0.029	0.638	0.240	0.524	0.073	0.566	0.088	0.338	0.538	0.133	0.067
Access to healthcare services	0.236	0.167	0.171	1	0.132	0.184	0.136	0.683	0.216	0.391	0.158	0.355	0.127	0.443	0.153	0.282	0.575	0.095	0.152
Health insurance	0.478	0.089	0.031	0.132	1	0.289	0.279	0.629	0.115	0.474	0.130	0.434	0.105	0.591	0.110	0.128	0.437	0.000	0.000
Type of dwelling	0.453	0.421	0.319	0.184	0.289	1	0.624	0.795	0.107	0.726	0.327	0.617	0.263	0.688	0.152	0.378	0.566	0.251	0.201
Livelihood asset ownership	0.594	0.146	0.076	0.136	0.279	0.624	1	0.743	0.030	0.674	0.293	0.598	0.077	0.783	0.079	0.372	0.628	0.071	0.062
Decent work and social insurance	0.708	0.859	0.790	0.683	0.629	0.795	0.743	1	0.503	0.707	0.729	0.708	0.708	0.725	0.514	0.786	0.699	0.732	0.761
Unemployment	0.095	0.060	0.029	0.216	0.115	0.107	0.030	0.503	1	0.327	0.135	0.294	0.040	0.283	0.268	0.257	0.546	0.032	0.035
Sanitation and overflow	0.555	0.630	0.638	0.391	0.474	0.726	0.674	0.707	0.327	1	0.631	0.656	0.617	0.544	0.386	0.551	0.510	0.533	0.572
Uninterrupted water	0.287	0.202	0.240	0.158	0.130	0.327	0.293	0.729	0.135	0.631	1	0.558	0.520	0.558	0.128	0.306	0.518	0.160	0.196
Waste disposal services	0.496	0.546	0.524	0.355	0.434	0.617	0.598	0.708	0.294	0.656	0.558	1	0.596	0.574	0.364	0.476	0.520	0.453	0.488
Electricity	0.300	0.069	0.073	0.127	0.105	0.263	0.077	0.708	0.040	0.617	0.520	0.596	1	0.561	0.086	0.264	0.550	0.090	0.065
Internet access	0.716	0.680	0.566	0.443	0.591	0.688	0.783	0.725	0.283	0.544	0.558	0.574	0.561	1	0.276	0.590	0.553	0.583	0.574
Access to social protection	0.113	0.090	0.088	0.153	0.110	0.152	0.079	0.514	0.268	0.386	0.128	0.364	0.086	0.276	1	0.327	0.474	0.026	0.038
Access to social assistance	0.292	0.476	0.338	0.282	0.128	0.378	0.372	0.786	0.257	0.551	0.306	0.476	0.264	0.590	0.327	1	0.556	0.300	0.317
Household food security	0.575	0.645	0.538	0.575	0.437	0.566	0.628	0.699	0.546	0.510	0.518	0.520	0.550	0.553	0.474	0.556	1	0.520	0.526
Child stunting and wasting	0.317	0.096	0.133	0.095	0.000	0.251	0.071	0.732	0.032	0.533	0.160	0.453	0.090	0.583	0.026	0.300	0.520	1	0.172
Animal source food intake	0.248	0.080	0.067	0.152	0.000	0.201	0.062	0.761	0.035	0.572	0.196	0.488	0.065	0.574	0.038	0.317	0.526	0.172	1

Source: ESCWA calculations.

Figure A2.1 shows the results of Cramer's V correlation applied to the indicators in the national framework. Results show that only one pair of indicators, "sanitation method and overflow" and "waste disposal services", shows an association with a Cramer's V value of 0.333. Sanitation method and overflow has an uncensored headcount ratio of 44.8 per cent and waste disposal services 38.7 per cent. Although it seems logical to have both services offered together or interrupted together, a better understanding of this association and redundancy of information can be depicted by inspecting the value of R0 at the deprivation level. The value of R0 is equal to 0.656, which means that around 65.6 per cent of the persons deprived in waste disposal services are also deprived in sanitation method overflow, but the indicators capture additional profiles of deprivations that are not common to both indicators.

If the value of R0 is below the cut-off of 0.8, then the two indicators are capturing different deprivation profiles and do not introduce redundant information into the index (figure A2.2).

For the R0 matrix, it can be seen that internet access may be providing redundant information across the board. The uncensored headcount ratio for internet access is around 45.1 per cent, which is the highest deprivation rate in the framework. This means that most other deprivations will occur to individuals that are already deprived in internet access. R0 should not be considered unless Cramer's V is above 0.3. Decent work and social insurance is

redundant with school attendance, however Cramer's V value is 0.06.

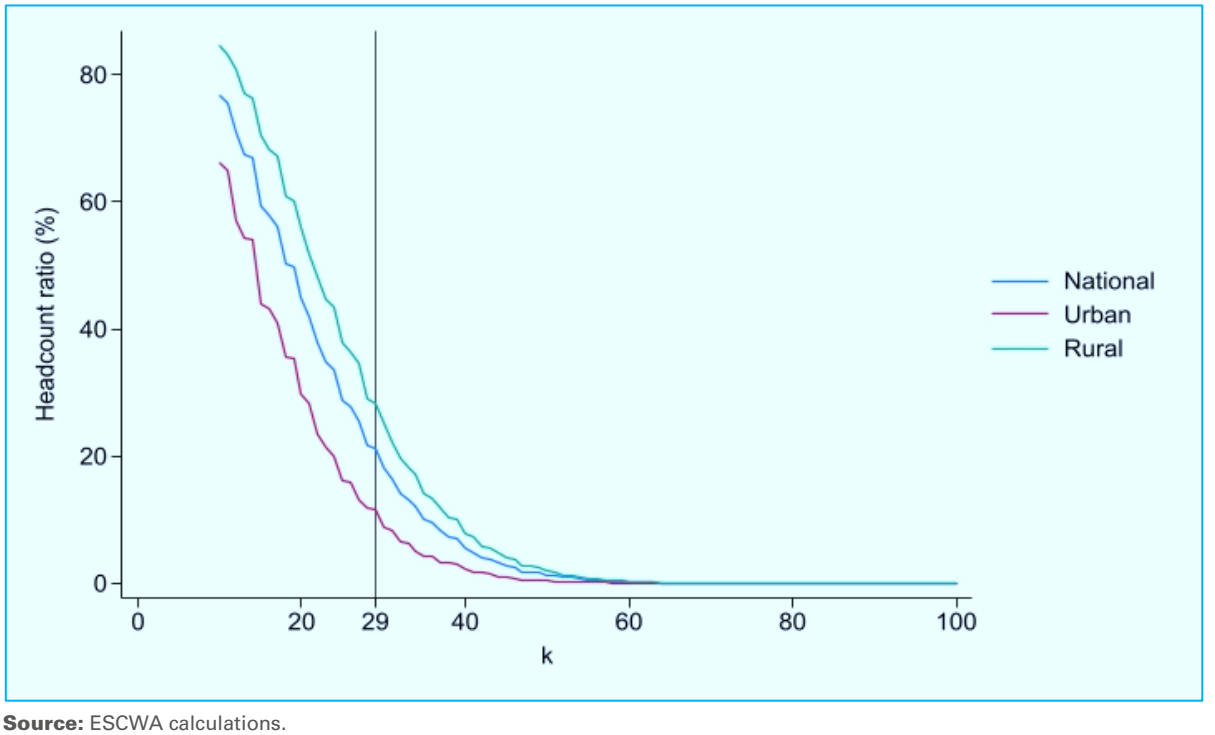
B. Sensitivity to changes in poverty cut-off

We assess the sensitivity to changes in poverty cut-offs based on the concept of stochastic dominance. This concept is applied to assess the robustness of the baseline model to other values of the poverty cut-off.

We plot the headcount ratios against all k values (i.e. poverty thresholds), for national and rural and urban area subgroups of the population (e.g. figure A2.3).

Figure A2.3 shows stochastic dominance of rural areas over urban areas for all poverty cut-offs. In other words, regardless of the choice of the poverty cut-off k, the headcount ratio index for rural areas is always greater than the index in urban areas.

Figure A2.3. Stochastic dominance of rural-urban areas, for all poverty cut-off points



Source: ESCWA calculations.

Following a lengthy consultative process, the first national Multidimensional Poverty Index (MPI) for Egypt was constructed to capture country-specific multidimensional poverty challenges, with a view to becoming an official measure of poverty in the country that could be monitored regularly. The report presents the Egypt national MPI in 2022, lays out the major challenges and priorities for policy action and discusses the effectiveness of social welfare programmes and macroeconomic policies in alleviating multidimensional poverty. The MPI defines deprivations in human capability and decent living, divided across seven dimensions: education, health, housing, services, employment, social protection and food security.

Indicators of employment, and particularly decent work and insurance, reveal significant deprivations among both the poor and the non-poor. Policymakers are called upon to act at the macroeconomic level to drive growth in the formal private sector, while maintaining and expanding social policies to help the poor and protect the vulnerable from falling into poverty. This needs to be coupled with policies aimed at inclusive growth and government effectiveness to ensure that national growth trickles down to the household level and provides equal opportunities to everyone, regardless of political connections and wealth.

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