



Multidimensional Poverty Index – Pakistan

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Why a multidimensional approach to measuring poverty?

- Poverty is a complex and multifaceted phenomenon. A unidimensional measure based on income alone cannot capture the true extent and depth of poverty.
- While official monetary measures reflect deprivation in income/consumption only – MPI reflects deprivation in other dimensions such as education, health and living standards. Hence MPI complements monetary measures of poverty.
- Pakistan's official poverty measure estimates 29.5% of population to be living below the poverty line of PKR 3,030.32 per adult per month.

Construction of a National MPI

A thorough process of Provincial and Regional consultations with Government officials including Planning & Development Departments & Bureau of Statistics, and CSOs including academia and NGOs was undertaken to finalize the indicators.

MPD&R and UNDP organized 10 day training course on Multi-dimensional Poverty Index (MPI) from 7 - 18 April 2014. The training was delivered by the OPHI



Consultation in Sindh (Karachi)
(29th Oct 2014)

Consultation in Punjab (Lahore)
(30th Oct 2014)

Consultation in Khyber Pakhtunkhwa (Peshawar)
(20th Nov 2014)

Consultation in Balochistan (Quetta)
(30th Dec 2014)

Consultation in Azad Jammu & Kashmir (Muzaffarabad)
(19th Feb 2015)

Background

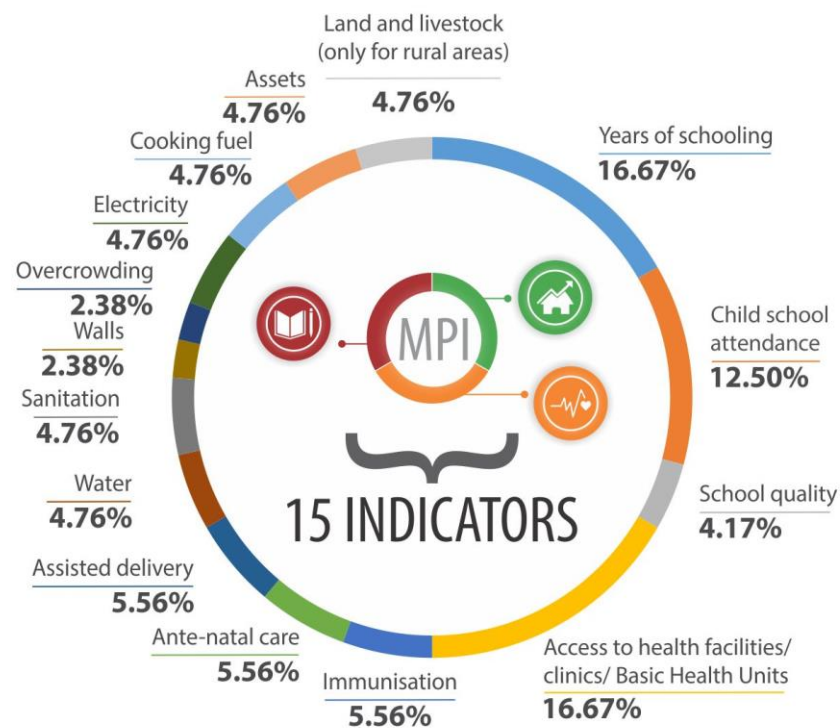
- The first ever national report on multidimensional poverty in Pakistan was launched on Monday, 20th June 2016.
- The process began in April 2014 when an agreement was signed between the Ministry of Planning, Development & Reform, OPHI and UNDP
- Pakistan's MPI builds upon the global MPI, retaining the same three core dimensions: education, health and living standards.
- The choice of indicators, however, reflects the country's particular context and political priorities, as well as the data available in the PSLM surveys.
- In total, 15 indicators are used in this national index, of which 7 indicators are the same as those used in the global MPI.

What does Pakistan's MPI include?

Education

Health

Standard of Living

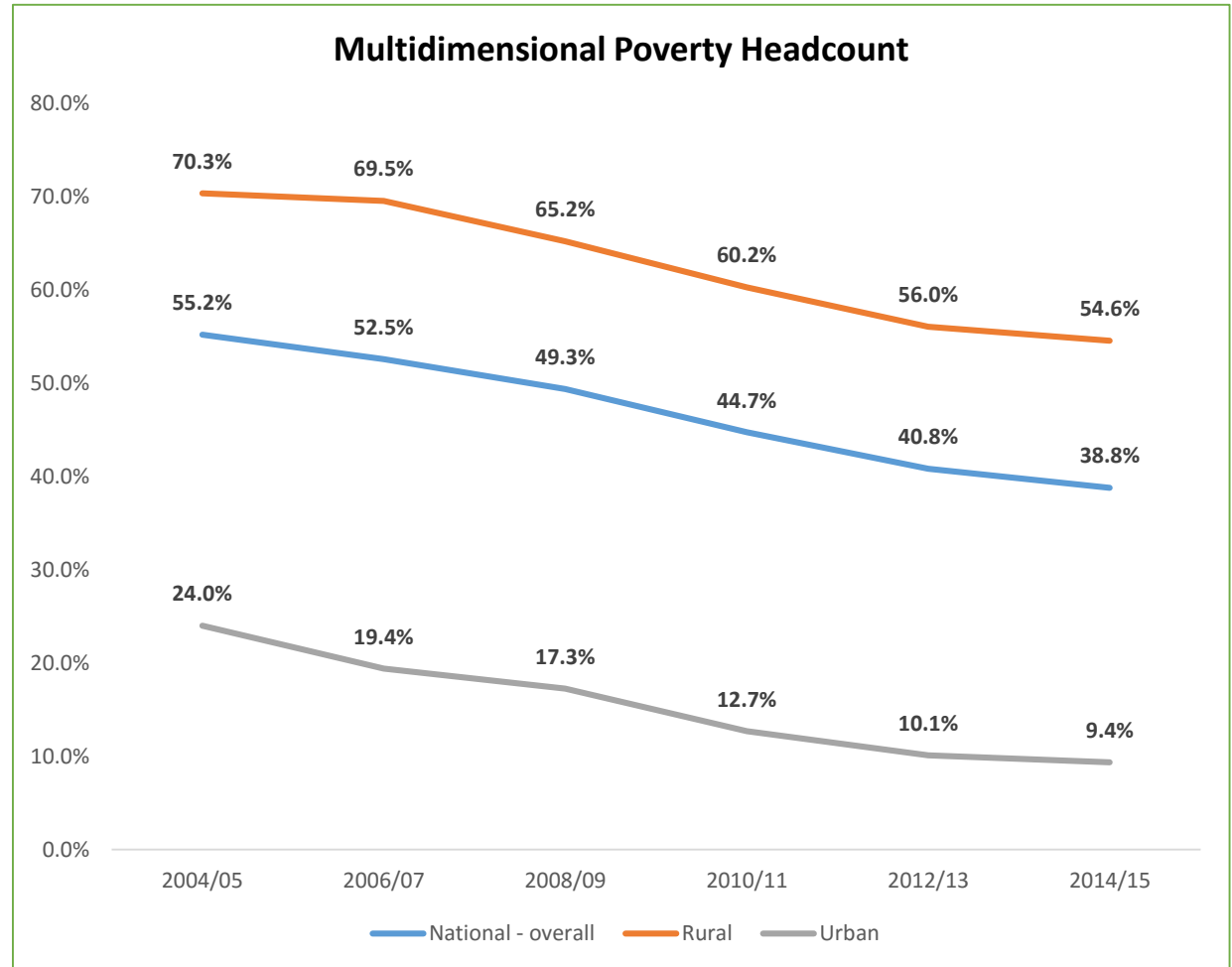


Data Source: PSLM Survey – 2004/05, 2006/07, 2008/09, 2010/11, 2012/13 and 2014/15

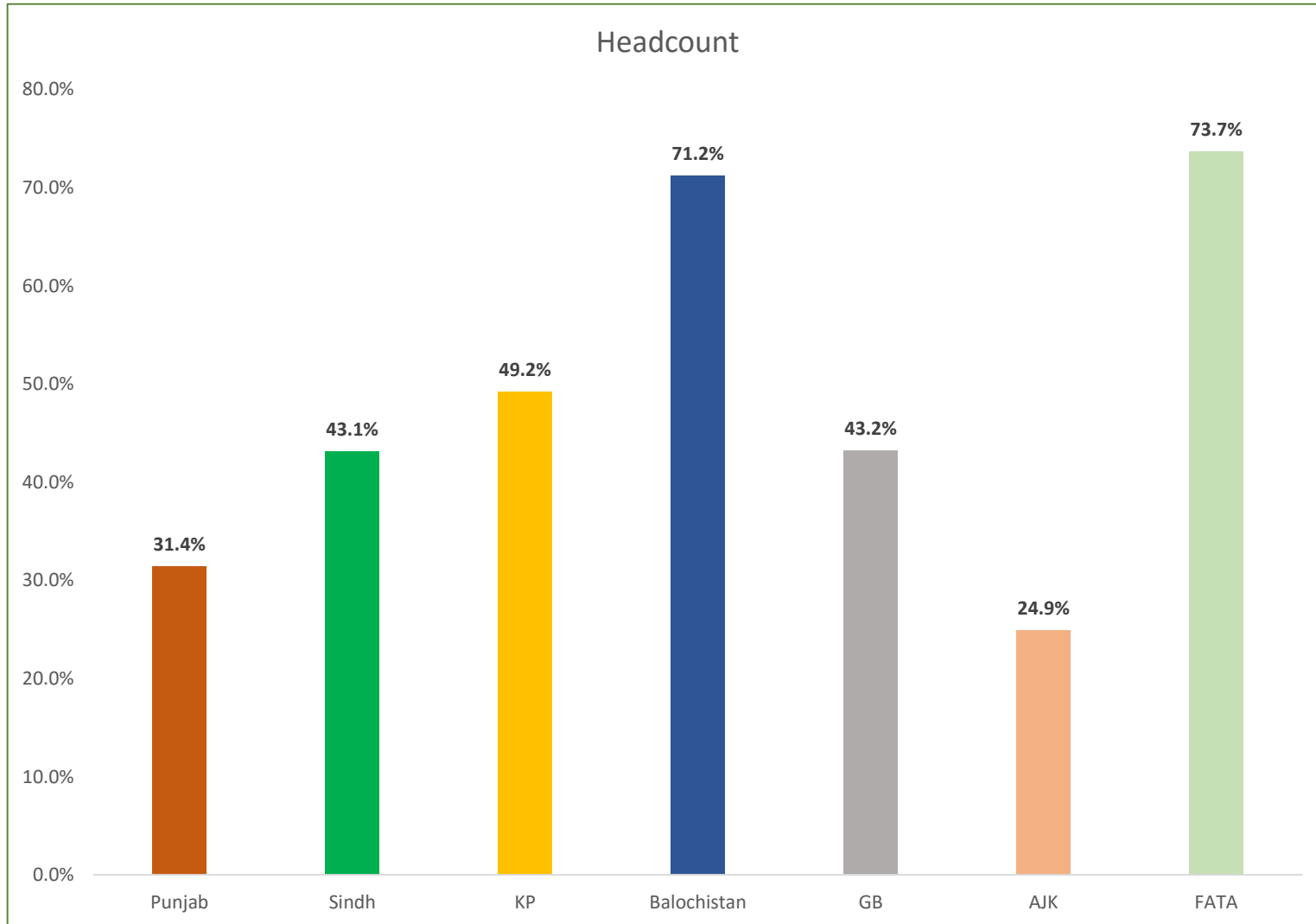
National Multidimensional Poverty Headcount

Current Statistics

- National: 38.8%
- Rural: 54.6%
- Urban: 9.4%

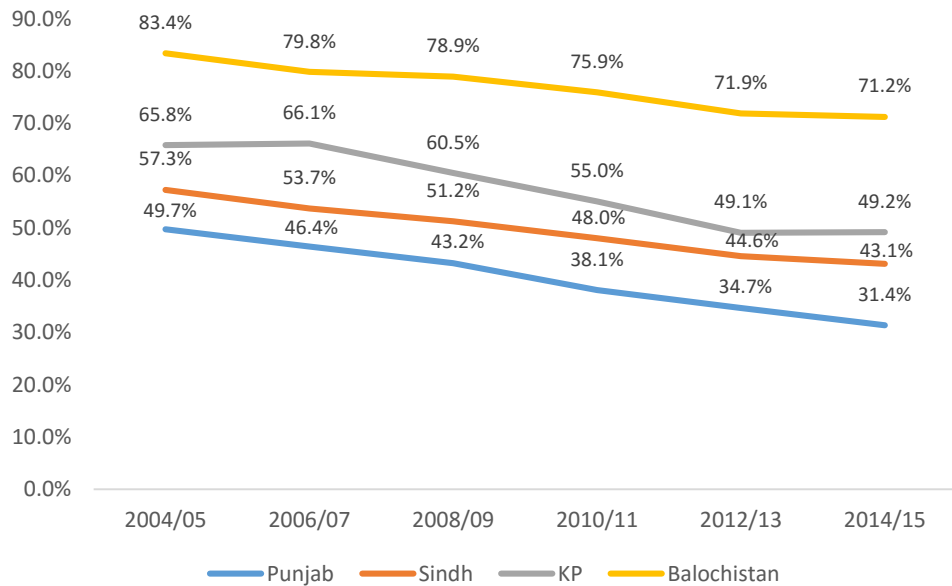


Provincial Poverty Headcount

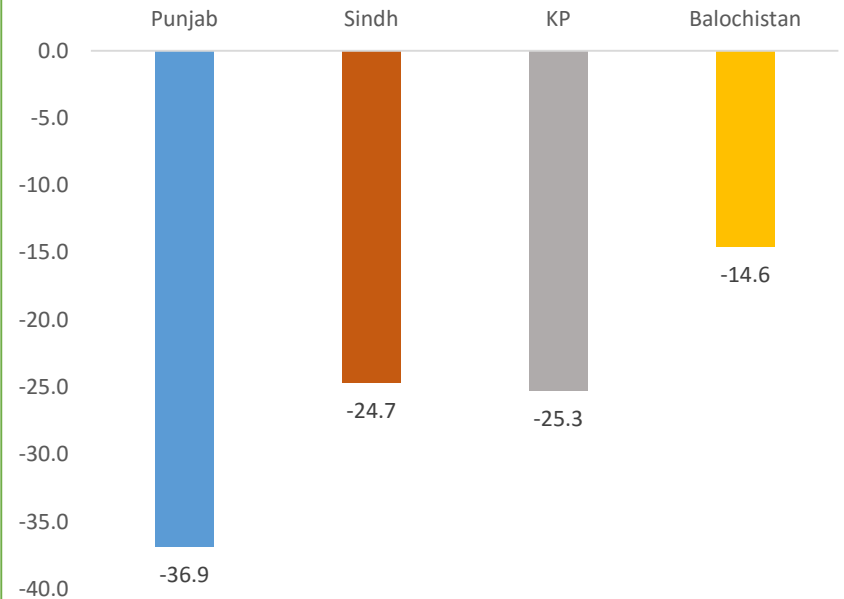


Provincial Poverty Headcount

Provincial Headcount (2004/05 - 2014/15)

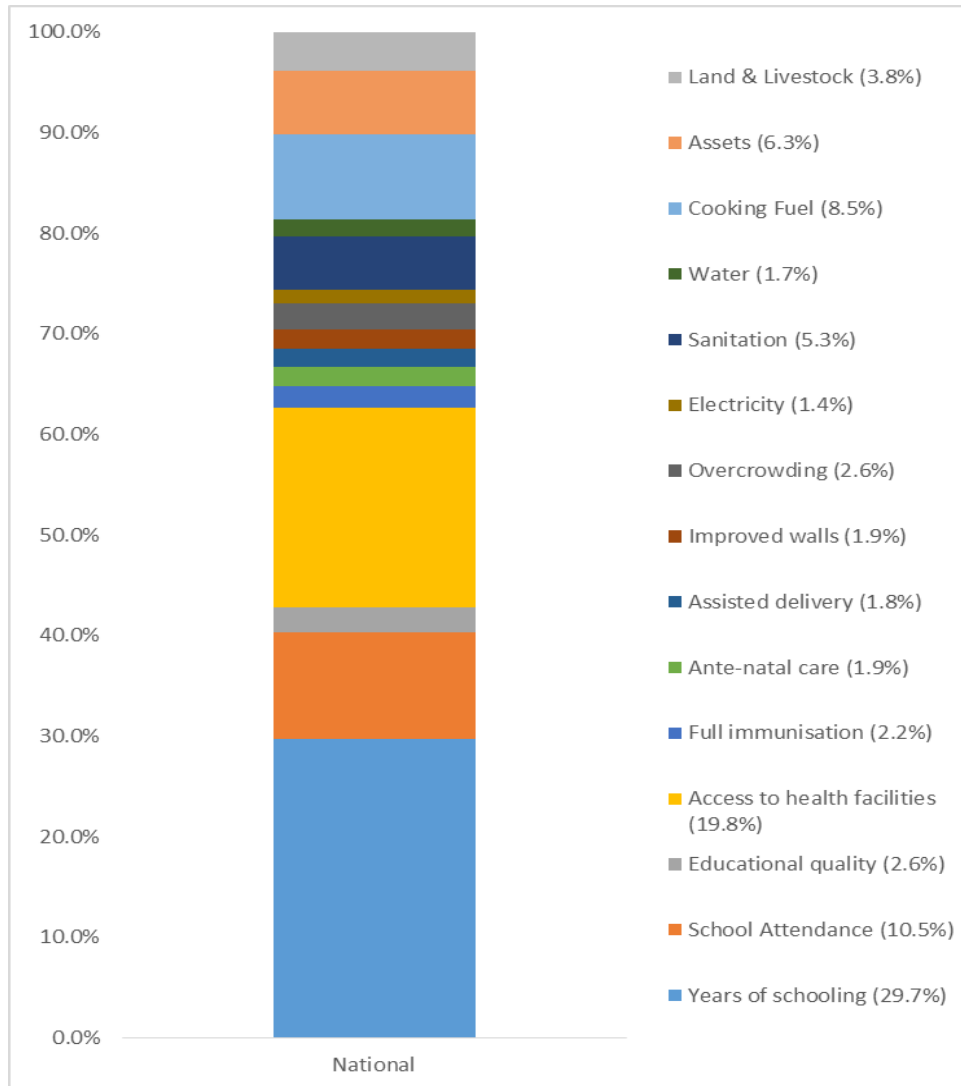


Provincial Decrease in Headcount (%)



Composition of National MPI

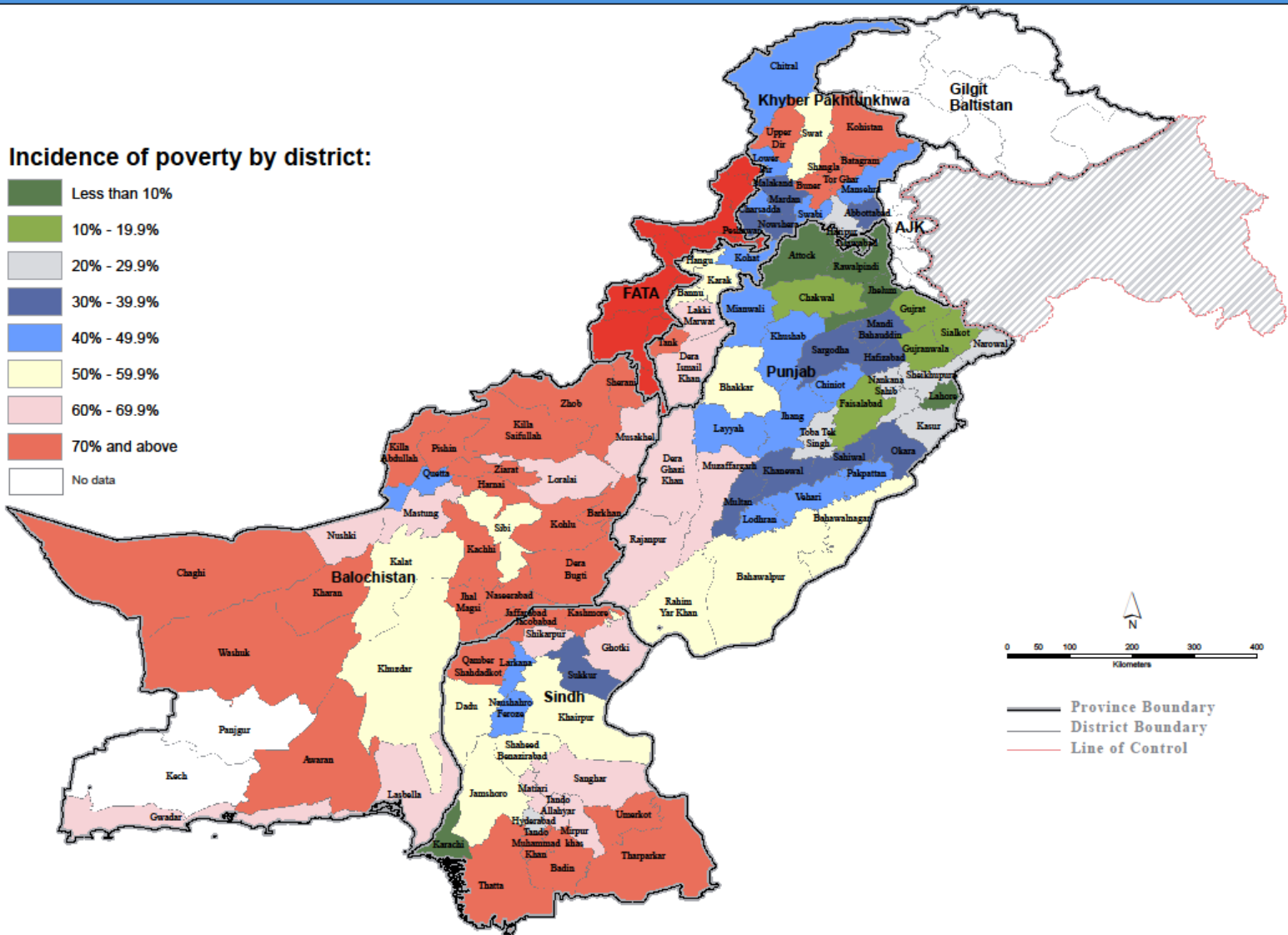
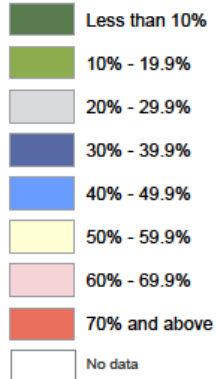
Percentage Contribution of each indicator to MPI



Incidence of Poverty 2014-15

District Map

Incidence of poverty by district:



Use of MPI for resource allocation

The statistics show that more resources should be allocated to the education sector in Muzaffargarh.



Creating incentives for families to send their children to school and focusing on both demand and supply factors of educational sector



can reduce the number of households deprived in indicators of 'years of schooling', 'child school attendance' and 'educational quality'.



It will reduce the MP headcount for the district of Muzaffargarh

Benefits of MPI for Policy Makers

- Helps to identify *where* poor people live (district) and *how* they are poor (sectors)?
- Learning from the experiences of the districts that reduced poverty the most
- As a tool for effective resource allocation
- Can be used as a criteria for resource allocation in National and Provincial Finance Commission Awards
- Effectiveness of poverty reduction programmes can be gauged by changes in MPI

Way Forward

- Regular publishing of MPI report with updated data
- Launch of provincial MPI reports
- An online dashboard for MPI
- Promoting the use of MPI for resource allocation - NFC and PFC
- Capacity building of national and provincial institutes for computing MPI