Second Arab
Multidimensional Poverty Report

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Second Arab
Multidimensional Poverty Report

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Extensive discussions took place over the course of three years, beginning with an expert group meeting organized by the League of Arab States Social Affairs Unit (Development and Social Policies Department) in Amman on 18-19 December 2019, during which participants discussed an ESCWA background paper that proposed a revision of the Arab Multidimensional Poverty Index (MPI) used in the First Arab Multidimensional Poverty Report. The meeting was attended by representatives of the Oxford Poverty and Human Development Initiative (OPHI), the United Nations Children's Fund (UNICEF), the United Nations Population Fund (UNFPA), the Arab Centre for Social Policy Studies and Poverty Eradication in Arab States and by regional experts. Following the proposal of the revised Arab MPI, the 40th ministerial session was held on 17 December 2020, in which the revised framework was officially endorsed by the Arab Social Ministerial Council to form the basis of measuring household multidimensional poverty in the report. This led to the Second Arab Multidimensional Poverty Report Preparatory Discussion held in Amman on 27 October 2021. The meeting was organized by ESCWA and participants included partner agencies, namely the United Nations Development Programme (UNDP), UNFPA, UNICEF, the League of Arab States and OPHI. It aimed to discuss the preparation and structure of the present Second Arab Multidimensional Poverty Report, with additional input drawn from the meeting of Social Affairs Ministers held in Amman on 25 October 2021. Finally, a high-level meeting was held in Amman on 16 October 2022 with the participation of partners and member States to discuss the first draft of the Second Arab Multidimensional Poverty Report and receive suggestions from the member States. The meeting was followed by a training workshop held on 17–18 October 2022 aimed at training ministries on measuring multidimensional poverty and the underlying conceptual framework.

The authors of this report wish to thank Arab Ministers for Social Affairs and heads of delegation for their participation in these meetings, including experts and specialists from other relevant entities in member States, whose inputs and comments were extremely valuable in shaping the approach, methodology and policy recommendations of this report.

Last but by no means least, the authors wish to thank Haifa Abu Ghazaleh, Assistant Secretary General and Head of Social Affairs sector in the League of Arab States, for her guidance and support.

Foreword

The Second Arab Multidimensional Poverty Report is a result of three years of policy debate, research and regional consultations in cooperation between the League of Arab States, the United Nations Economic and Social Commission for Western Asia (ESCWA), the United Nations Children's Fund (UNICEF), the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA) and the Oxford Poverty and Human Development Initiative (OPHI). The Council of Arab Ministers of Social Affairs approved this report pursuant to its Resolution No. 969 (regular session 42) (26/1/2023).

Despite positive trends in the multidimensional poverty headcount ratio and reductions in deprivations in most indicators and dimensions in recent decades, multidimensional poverty in the Arab region remains high. In Arab middle-income countries, lack of education remains the lead contributor to multidimensional poverty. In Arab least developed countries, using the definition of poverty relevant to them, major contributions to multidimensional poverty come from deprivations in indicators related to living standards. For multidimensional child poverty, deprivations are highest in the earliest years (the under-5 age group), especially in terms of health and nutrition. Therefore, addressing multidimensional poverty requires a renewed focus on equity and on making essential infrastructure, services and income generation opportunities available to everybody.

The report also shows that progress towards Sustainable Development Goal (SDG) 1 (Ending poverty in all its forms everywhere) has been slowed or even reversed in some Arab countries due to conflict, as well as economic and fiscal challenges, which have been exacerbated by the impacts of COVID-19, the war in Ukraine and the weak capacity of the Arab region to manage risks and vulnerability.

The report represents the Arab region's contribution to monitoring SDG 1, to better understand the nature, extent and determinants of multidimensional poverty affecting households and children, and to inform effective policy initiatives for its reduction and eradication, through different initiatives launched by Arab States, the Arab Summit and the Council of Arab Ministers of Social Affairs.

Building on the recommendations of the first Arab Multidimensional Poverty Report, the present analysis emphasizes some recommendations that are still relevant and introduces new priority actions in light of the recent developments. These include the urgent need to expand access to and the coverage of social protection, addressing gaps in education, strengthening primary healthcare, ensuring food security and adequate nutrition, promoting rural development, empowering and protecting persons with disabilities, and strengthening data collection and making data widely available for monitoring progress in poverty reduction, while building on relevant decisions of the League of Arab States and the Council of Arab Ministers of Social Affairs and implementing them in cooperation with partners.

The findings and recommendations of the report shed light on the multifaceted nature of poverty in the region and the progress made towards SDG 1, feed into the 2024 Arab Sustainable Development Report, and assist Member States in their policy reforms toward poverty reduction.

Our six organizations, through the complementarity of our mandates and the vision of Our Common Agenda, confirm our continued commitment to supporting Arab countries in their efforts to eradicate multidimensional poverty and achieve the 2030 Agenda for Sustainable

Development. We hope that the recommendations of this report will support Arab policymakers in the implementation of multidimensional policies, which will have a positive effect on the lives of Arab people.

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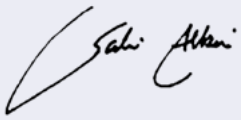

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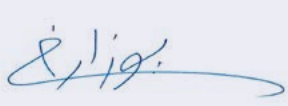

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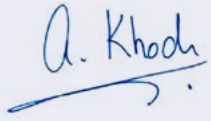

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Abbreviations and acronyms

COVID-19	Coronavirus disease
ESCWA	Economic and Social Commission for Western Asia
GCC	Gulf Cooperation Council
ICPD	International Conference on Population and Development
LDCs	least developed countries
MICs	middle-income countries
MPI	Multidimensional Poverty Index
MODA	Multiple Overlapping Deprivation Analysis
OPHI	Oxford Poverty and Human Development Initiative
PDCI	Population Development Composite Index
SDG	Sustainable Development Goal
UNICEF	United Nations Children's Fund
UNDP	United Nations Development Programme

Key messages

1

Even before the onset of the COVID-19 pandemic, Arab countries were facing daunting challenges, including conflict, instability, displacement, high rates of material deprivation and unemployment, and increasing financial pressures that all affected poverty and efforts to reduce it. The pandemic and the war in Ukraine have exacerbated money-metric poverty and deprivations in several dimensions relating to household capabilities, especially as many Arab countries are not equipped to deal with these additional crises.

2

In Arab middle-income countries, despite the progress achieved in reducing multidimensional household poverty over the past decade, poverty remains widespread, affecting nearly one in four individuals. Lack of education is the main contributor to multidimensional household poverty, followed by material well-being dimensions, which are also significant contributors. Rural areas remain the most affected and experience the highest levels of deprivation.

3

Child poverty also remains prevalent, affecting about a quarter of children in the six middle-income Arab countries towards the end of the 2010s, but has seen some improvement compared to earlier in the same decade, when the multidimensional child poverty rate was around 30 per cent. More than a fifth of children live in dwellings not connected to a water network, and a quarter live in overcrowded housing. Average national poverty rates obscure significant disparities within countries, as children in rural areas and children belonging to the lowest wealth quintile are severely disadvantaged.

4

According to the global Multidimensional Poverty Index framework, in Arab least developed countries, the headcount ratio of multidimensional poverty, Index (MPI) is high but declining. The main factors contributing to multidimensional poverty are related to deprivations in living standards indicators. A large proportion of the non-poor are also disadvantaged in several indicators, particularly those related to living standards. It is clear that rural areas suffer from higher rates of deprivation.

5

In many countries, development gains have been lost due to conflict and its spillover effects on income, employment, gender equality, food security, health and education. In light of these developments, which have been exacerbated by the socioeconomic impact of COVID-19 and the war in Ukraine, there is a need for pro-poor social and economic policies.

6

The region needs interventions at various levels. These include strengthening health systems, improving the quality of education as well as ensuring access to education, strengthening risk management, driving digital transformation, addressing disparities within countries, designing green solutions and building institutional capacity – which includes investing in more comprehensive and disaggregated data collection – along with other key steps to strengthen institutions and enhance coordination between them.

Executive summary

This report describes and analyses the extent, characteristics and evolution over time of multidimensional poverty in Arab countries. It reveals trends over the last decade and discusses the impacts on poverty of the multiple crises affecting the region, highlighting elements of progress and stagnation in poverty reduction efforts. It also sets out the way forward by laying out policy recommendations that remain needed and valid after the first Arab Multidimensional Poverty Report.

Thus, building on the first Arab Multidimensional Poverty Report, this report updates the multidimensional poverty profile and accounts for sub-regional differences by using the most appropriate Multidimensional Poverty Index (MPI) framework tailored to reflect the severity of poverty prevalent in a sub-region. Importantly, it adopts a revised version of the Arab MPI framework and applies it to six middle-income countries and the State of Palestine to capture moderate levels of household poverty. The report combines analysis of multidimensional poverty measured at the household level using the MPI with measurements of child poverty based on the Multiple Overlapping Deprivation Analysis (MODA) approach, which has been adapted to the context of the Arab region. This method focuses on the situation of children, with the child as the unit of observation. Multidimensional poverty in the least developed countries (LDCs) was analysed independently using the global MPI framework, which captures more severe levels of poverty.

The report's consultative process brought together more than 200 experts and representatives of Governments in the region, all to ensure the poverty definitions and policy recommendations are of relevance to the region's diverse social and economic contexts and challenges.

Much has changed in the region since the publication of the first Arab Multidimensional Poverty Report in 2017. The new report highlights that even before the onset of the COVID-19 pandemic, Arab countries were facing daunting challenges, including conflict, instability, displacement, high rates of material deprivation and unemployment, and increasing financial pressures that all affected poverty and efforts to reduce it. The pandemic and the war in Ukraine have exacerbated money-metric poverty and deprivations in several dimensions relating to household capabilities, especially as many Arab countries are not equipped to deal with these additional crises. In Arab middle-income countries, despite the progress achieved in reducing multidimensional household poverty over the past decade, poverty remains widespread, affecting nearly one in four individuals. Moreover, vulnerability to poverty remains prevalent and inequalities, especially geographic inequalities, remain high. As in the case of the first Arab Multidimensional Poverty Report, lack of education is the main contributor to multidimensional household poverty, followed by material well-being dimensions, which are also significant contributors. The prevalence of poverty varies across areas and socioeconomic groups, with rural areas remaining the most affected and experiencing the highest levels of deprivation.

Child poverty also remains prevalent, affecting about a quarter of children in the six Arab middle-income countries towards the end of the 2010s, but has seen some improvement compared to earlier in the decade, when the multidimensional child poverty rate was around 30 per cent. Over 20 million children in these countries were deprived in at least two essential dimensions of their well-being, such as health, nutrition, education, access to information and communication devices, access to water, sanitation and adequate housing. Around one third of children aged 0–4 years were deprived in nutrition or health, and nearly a fifth of children aged 5–17 years were deprived in education. More than a fifth of children live in housing that is not connected to a water network, and a quarter live in overcrowded housing. Average national poverty rates obscure significant disparities within countries, as children in rural areas and children belonging to the lowest wealth quintile are severely disadvantaged.

In Arab least developed countries, the headcount ratio of multidimensional poverty, according to the global MPI framework, is high but declining. However, given the data from these countries is not recent and many adverse shocks (conflict, climate change, COVID-19) have happened since the year data was collected, the decline in multidimensional poverty might have stagnated or reversed. The main factors contributing to multidimensional poverty are related to deprivations in living standards indicators. A large proportion of the non-poor are also disadvantaged in several indicators, particularly those related to living standards. Most LDCs registered significant improvements in sanitation and utilities, but urban-rural gaps have increased or stagnated. It is therefore clear that rural areas are being left behind. When the revised Arab MPI (which captures moderate levels of poverty) was applied to the case of Mauritania, the assessment revealed that poverty affected 92 per cent of the population in 2011, but the poverty headcount ratio had lowered to 88 per cent by 2015.

In many countries, development gains have been lost due to conflict and its spillover effects on income, employment, gender equality, food security, health and education. In light of these developments, which have been exacerbated by the socioeconomic impact of COVID-19 and the war in Ukraine, there is a need for pro-poor social and economic policies.

Fragility and conflict continue to affect a sizeable proportion of the region's population, making the fight against poverty a daunting task. While significant achievements have been made following the recommendations of the first Arab Multidimensional Poverty Report, most of those recommendations remain valid. This includes recommendations to address gaps in education, expand access to and the coverage of social protection, invest in children, ensure food security, promote rural development through quality investments in basic social and economic infrastructure, protect persons with disabilities, strengthen data collection and make data widely available. The report's proposals in this respect can be summarized as follows:

First, it is crucial to strengthen the capacity of health systems to respond to existing health demands as well as unexpected shocks. Maternal and child health, along with sexual and reproductive health, should be prioritized, and strong investments in water, sanitation and child nutrition are essential.

Second, given the contribution of education to the region's poverty profile, and since improvements in the quality of education and learning have not kept pace with significant improvements in access to education in some countries, a shift in focus from quantity to quality of education is needed. This includes reforming policies and re-examining practices to prevent continued deterioration, streamlining learning approaches that prioritize life skills and citizenship education to address the skills mismatch, and implementing inclusive policies that target educational attainment for all children, regardless of sex, socioeconomic background or ability.

Third, building resilience and the capacity to manage risks and vulnerability across all segments of the society is needed. Conflict, drought, disease and economic crisis are also some of the risk factors pushing people into poverty. A greater policy focus is needed on incomes, expenditure, markets and prices to achieve food security objectives. Countries must also strengthen disaster risks and early warning systems. Moreover, managing risks and vulnerability involves investing in social protection and scaling up the effective coverage of protection. In the longer term, empowering a healthy and inclusive labour market as well as achieving the economic capacity to create decent jobs are essential.

Beside these specific proposals, the report calls for digital transformation to be spearheaded and for digital divides to be narrowed as integral steps in the process, particularly in Arab LDCs. Country-to-country recommendations include investing in information and communications technology infrastructure in LDCs; ensuring inclusion in access to digital services (between urban and rural areas, between men and women, and among different ethnic groups) by promoting digital literacy and integrating digitalization into the school curriculum; and re-examining policies and the regulatory environment.

Most of the countries in the region that witnessed progress in poverty reduction over the 2010s are still experiencing important subnational disparities across urban and rural areas, with a substantial share of populations being left behind and excluded from access to opportunities and resources available to the majority of the population. Ensuring that no one is left behind requires addressing disparities within countries by implementing targeted poverty-reduction interventions and investing in disaggregated and timely data.

Moreover, Arab States should strive towards a faster, greener, resilient and equitable recovery from current crises. The pandemic has shown that solutions exist to restore the balance between people and the planet by designing green solutions as part of a new social safety net for the world. Countries should embark on investing in an inclusive green economy and boosting a green and resilient recovery by translating their nationally determined contributions and adaptation plans into climate solutions for urban planning, agriculture and land use. Countries should also promote community-based and community-owned solutions and approaches, particularly in indigenous communities, and accelerate the transition to green energy as part of their COVID-19 response.

Building Arab States' institutional capacity is highly important. This involves investing in more comprehensive, disaggregated data collection, including the use of big data. Sufficiently disaggregated data are crucial for addressing both spatial and gender-based disparities. Without them, it is impossible for poverty-reduction interventions to be adequately targeted. Arab States may consider creating a mechanism to undertake technical assessments and simulations that are comparable across countries. It is important to enhance the scale and uniformity of data collection, not only for the purpose of measuring multidimensional poverty but also for engaging in joint, region-wide policy dialogue. The report emphasizes the need to strengthen the data collection system in Arab countries and encourage regional collaboration for multidimensional poverty analysis. Developing capacities to make the best use of big data is also critical.

To build institutional capacity, the Arab Centre for Social Policy Studies and Poverty Eradication in Arab States, which was established following the recommendations of the first Arab Multidimensional Poverty Report, must still be empowered with financial and human resources, and the Arab Strategic Framework must be operationalized. The Framework's implementation would require mainstreaming it into the national development frameworks of member States. Capacity for monitoring and evaluating the Framework at the national and regional levels should also be prioritized.

Countries should strengthen institutional coordination as central to the implementation of the 2030 Agenda for Sustainable Development, which underscored the importance of strong institutional frameworks for sustainable development at the national and subnational levels that embrace relevant principles, respond to current and future challenges and bridge gaps in the implementation of sustainable development agendas. Therefore, countries must continuously assess and strengthen vertical and horizontal coordination mechanisms to accelerate progress towards achieving the Sustainable Development Goals (SDGs).

In parallel, Arab countries should strive toward strengthening cross-country economic ties. This involves the exchange of resources, including water, animal, agricultural, technological and petrochemical resources, as a pillar of safety for all societies. These links would allow economic integration between Arab countries to be achieved and deliver collective benefits.

Finally, the socioeconomic policies advocated by the report are consistent with the targets set by the "Arab Strategic Framework for the Eradication of Multidimensional Poverty 2020–2030" which was approved by the Arab Development Summit in Beirut, 2019. With its innovative approach, rich analyses and evidence-based policy findings, we hope this report will enrich policy dialogues on poverty reduction policies and inform national efforts towards the attainment of these targets.

Contents

List of tables

List of figures

List of boxes

Introduction

A. The report's objective

In line with their commitments to achieve the Sustainable Development Goals (SDGs) by 2030, Arab countries have rallied efforts at the national and regional levels to implement the 2030 Agenda and its pledge to "leave no one behind". However, in several Arab countries, these efforts have encountered stumbling blocks and setbacks, including increased political instability, conflicts and mass displacement, as well as deepening economic crises such as those triggered by the coronavirus disease (COVID-19) pandemic and more recently by the war in Ukraine. As a result of these political, security and economic challenges and their ramifications, a large segment of the population suffers from poverty, while another substantial segment is vulnerable to it.

Poverty, however, is not inevitable in the region, but rather stems from a series of challenges, structural deficiencies and policy changes related to socioeconomic, institutional and governance factors. These deficiencies have gradually emerged, accumulated, or deepened over the years. This has slowed progress towards economic outcomes and led to regional instability. A 2022 study by the United Nations Economic and Social Commission for Western Asia (ESCWA) stressed that money-metric poverty was on the rise in the Arab region prior to the outbreak of the COVID-19 pandemic, a situation largely attributed to structural constraints and ongoing conflicts across the region (ESCWA, 2022a). Furthermore, the pandemic has exposed and exacerbated existing socioeconomic and institutional deficits, leading to a rise in poverty and heightened vulnerability, which many countries around the world also experienced as the pandemic spread. Arab countries have seen these challenges worsen despite their efforts at the national level – through numerous government initiatives in cooperation with the private sector, civil society, and international and regional partners – as well as at the level of the joint action system, through the League of Arab States and its specialized bodies addressing various areas of economic and social development. These efforts are supported by political will at the highest levels of decision-making: the Arab Summit has approved many plans, programmes and projects aimed at eradicating poverty in its various forms and implementing the 2030 Agenda with a focus on vulnerable groups in society, primarily persons with disabilities, the elderly and children. These efforts have also aimed to empower young people and women, and to strengthen the role of the family, but poverty remains a key challenge for sustainable development in the Arab region. This reality has serious repercussions on all social and economic fronts and fuels a sense of social frustration, especially among the region's youth.

Combating poverty—particularly in light of the multiplicity of prevailing challenges—requires a multidimensional approach that focuses on both material and non-material deprivations. SDG target 1.2 recognizes the multidimensional nature of poverty and calls for it to be alleviated "in all its forms". This approach complements the methodology for assessing money-metric poverty by focusing on the various dimensions of non-financial indicators of deprivation, thus contributing to a more comprehensive assessment of the deprivations suffered by the poor. As articulated in Sen's capability approach, poverty is not captured solely through income deprivations, but is rather defined as the inability to enjoy basic rights and freedoms.[1] Sen calls for an all-encompassing approach to poverty and development that maximizes people's individual freedoms, choices and ability to lead lives they have reason to value. It is important to note that the multidimensional and money-metric approaches to poverty complement one another but are not interchangeable. Monetary deprivations can lead to non-monetary deprivations and vice versa. By the same token, a person could be considered non-poor in money-

metric terms, while experiencing various non-monetary deprivations in areas such as education or health.

Over the past two decades, multidimensional poverty indices have increasingly gained traction at the national, regional and international levels, particularly after the adoption of the 2030 Agenda, which was the first to incorporate the goal of reducing multidimensional poverty.

Two notable examples of measures used to assess and compare multidimensional poverty across countries are the global Multidimensional Poverty Index (MPI), developed by the Oxford Poverty and Human Development Initiative (OPHI) and the United Nations Development Programme (UNDP) to assess multidimensional poverty at the household level, and the cross-country Multiple Overlapping Deprivation Analysis (MODA), developed by the United Nations Children's Fund (UNICEF) to assess multidimensional poverty among children.

These global measures focus on acute manifestations of poverty and do not capture the less severe forms of deprivations prevalent in Arab middle-income countries (MICs). As a result, many countries—in the region as well as globally—have developed their own national multidimensional poverty measures to account for their specificities and development priorities.

To better reflect the nature of poverty in the region, the Council of Arab Ministers for Social Affairs, ESCWA, UNICEF and OPHI joined forces in 2017 to produce the first Arab Multidimensional Poverty Report, featuring the results of the Arab MPI and the Arab MODA, and providing measures of multidimensional poverty at the household and child level, respectively. The measurements from both assessment tools build on their respective global counterparts, yet are tailored to reflect the circumstances in the Arab region.

Against this backdrop, the present report provides an updated assessment of poverty levels and trends in the Arab region, expanding the number of organizations contributing to its findings. Over the past years, the region has witnessed substantial socioeconomic developments that have necessitated revising the original Arab MPI to better capture the various facets of moderate poverty. For children, the same parameters that were adopted for the first Arab Multidimensional Poverty Report were retained within the Arab MODA.[2]

The poverty indices utilized in the present report provide a regional benchmark for household and child poverty against which development gaps and the progress and efficacy of development programmes can be assessed. Linking development policies and programmes to these poverty indices could help to design better-targeted initiatives that reach the poor and address the severity and complexity of poverty. Any poverty reduction strategy in the region should address the overwhelming, complex and multidimensional challenges and should prioritize stability and security, since recurrent episodes of conflict and violence thwart poverty alleviation efforts. The Arab MPI and Arab MODA indices also contribute to devising multidimensional poverty measures tailored to national contexts that complement monetary measures.

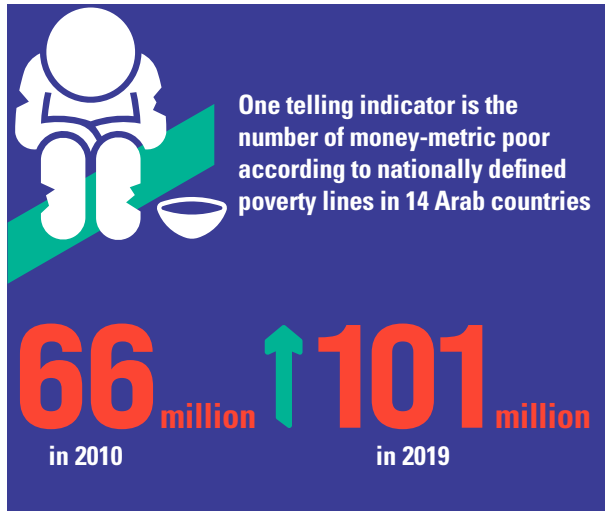
B. **Household poverty:** the revised Arab Multidimensional Poverty Index

After being approved by the Council of Arab Ministers for Social Affairs, the first Arab Multidimensional Poverty Report was published in September 2017, following three years of policy discussions and research by ESCWA, UNICEF and OPHI, in consultation with the League of Arab States.[3] This extensive collaboration aimed to rethink measures of child and household poverty from a regional perspective and to offer tailored policy solutions with targets that extend beyond eradicating extreme deprivation. The departure point for measuring household poverty was the OPHI-UNDP global MPI, which was revised and adapted through an iterative consultative process with regional and global experts and representatives of Arab Governments, with the aim of identifying poverty dimensions and indicators relevant to the region's diverse socioeconomic contexts and challenges.

The 2017 Arab Multidimensional Poverty Report adopted the Alkire-Foster method and proposed an Arab MPI framework corresponding to moderate degrees of deprivation in MICs and countries with medium human development.[4] The introduction of the concept of moderate poverty was consistent with the development status of the majority of Arab States. It reflected the policy focus of national Governments on combatting moderate degrees of deprivation, since substantial progress had been made in reducing severe poverty in the early 2000s. The focus on moderate poverty was also in line with the way in which national money-metric poverty lines were established in the Arab region, ensuring policy relevance and complementarity between multidimensional and money-metric poverty measures.

The 2017 Arab Multidimensional Poverty Report has undoubtedly made a valuable contribution to poverty measurement and policy debates in the region. At the fourth Arab Economic and Social Development Summit, held in Beirut on 20 January 2019, States approved the 2020–2030 Arab Strategic Framework for the Eradication of Multidimensional Poverty, with an overarching target of halving multidimensional poverty by 2030. Two other high-level regional initiatives and resolutions came about as a result of the Report's findings, namely a decision at the twenty-seventh session of the Arab Summit to prioritize the eradication of multidimensional poverty and a decision at the twenty-ninth session to establish the Arab Centre for Social Policy Studies and Poverty Eradication in Arab States.

The success of the Report and the decision at the Arab Development Summit to adopt the Strategic Framework allocated additional responsibilities to the League of Arab States, ESCWA and partner institutions, particularly in relation to carrying out consultations on the present Second Arab Multidimensional Poverty Report in light of the difficult circumstances faced by the region. Much has changed since 2013, when consultations began on the first Report. In some countries, development gains have been lost as a result of conflicts, economic crises and their impacts on gender equality, food security, health and education. One telling indicator is the number



of money-metric poor according to nationally defined poverty lines, which jumped from 66 million in 2010 (22.8 per cent of the population in 14 Arab countries) to 101 million in 2019 (30 per cent). The economic slowdown caused by COVID-19, as well as other concurrent and subsequent natural and human-made disasters, is expected to further negatively impact the health and education sectors, employment, income and business in the Arab region.[5] The war in Ukraine is also expected to aggravate pre-existing deprivations and increase poverty.

In light of the above, the original Arab MPI was revised based on recommendations from an expert group meeting on the preparation of a second report on poverty that was held in Amman in December 2019, at which the League of Arab States, United Nations partner organizations, OPHI and regional experts, agreed to better capture moderate poverty levels and take into account the increasing economic hardship so as to reflect the developmental reality in the majority of Arab countries. Changes in the availability of survey data also required enhancements in order to achieve better intercountry harmonization while retaining temporal comparability. During its fortieth session, held on 17 December 2020, the Council of Arab Ministers for Social Affairs officially endorsed the revised Arab MPI framework as a basis for this Second Arab Multidimensional Poverty Report. The structure of the revised Arab MPI is described in chapter 2.

C. **Child poverty:** The Arab Multiple Overlapping Deprivation Analysis

In addition to the analysis of multidimensional poverty at the household level measured with the Arab MPI, the first Arab Multidimensional Poverty Report focused on multidimensional poverty as experienced by children, measured using the Arab-Multiple Overlapping Deprivation Analysis' approach, with a framework of dimensions and indicators adapted to the conditions within the Arab region. The same approach is used for this second report.

Children do not experience poverty and its consequences in the same way as adults. Poverty in early stages of life influences growth and development and can have long-lasting and sometimes irreversible impacts on children's well-being and well-becoming. Given the importance of quality basic social services and infrastructure for the survival and development of children, childhood poverty and well-being are intrinsically multidimensional, encompassing aspects related to access to primary healthcare and healthy nutrition; education; family and social relations; and access to water, sanitation, adequate housing and knowledge and information. All of these aspects shape the environment, the interactions and the care that children need at different ages to develop to their full potential.

Deprivation in health or education can have an enduring impact on a child's development, cognitive abilities and productive employment prospects, fuelling a vicious cycle of intergenerational transmission of poverty. Impoverishment deprives children of basic needs to survive and thrive, including lack of access to adequate health, education, housing and sanitation, and puts them at risk of exclusion and marginalization. These deprivations and risks are further intensified in situations of conflict and humanitarian crisis. Various socioeconomic conditions also act as stumbling blocks to development and economic growth.

The focus on child poverty is particularly relevant in the Arab region, where children aged 0–17 years constitute 38 per cent of the overall regional population. That share exceeds 45 per cent in some countries.[6] Furthermore, escalating and recurrent conflicts in the region leave millions of children highly vulnerable and increasingly deprived of their basic needs and rights.

As a result, the present report supplements the analysis of multidimensional poverty at the household level (using the revised Arab MPI) with a specific analysis focused on children. In view of the available data and to facilitate comparability with prior results, the measurement approach and parameters used in the 2017 report are also employed here. A description of the Arab MODA framework and justifications for its use are found in chapter 2.

The analysis of multidimensional child poverty complements that of household poverty. The differences between the two are methodological. The MPI is measured using individual-level data aggregated at the household-level, whereas the MODA is measured at the child level.[7] Nevertheless, the unit of analysis in both indices is the individual, and the results are reported as a percentage of the total relevant population in a given country or group of countries.

D. Structure of the analysis and data used

Chapter 1 aims to provide an updated picture of poverty in the Arab region from 2020 to 2023 and discusses how the COVID-19 pandemic and the war in Ukraine have impacted several dimensions of poverty in the Arab region. The chapter is based on updated estimates by international organizations. Owing to data scarcity since the COVID-19 outbreak, the chapter is limited to reporting a dashboard of impacts on key stand-alone indicators and dimensions. It also explores the transmission and impact of these shocks on money-metric and multidimensional poverty through the use of forecasting. A discussion of the implications of the MPI for several countries is provided in a separate box and is based on

previous studies conducted by ESCWA on the rise in multidimensional poverty following the outbreak of the COVID-19 pandemic.

Chapter 2 relies on surveys conducted during the 2011–2019 period in six Arab MICs – Algeria, Egypt, Iraq, Jordan, Morocco and Tunisia — as well as in the State of Palestine. With regard to the child poverty measure, the survey years for two countries (namely, Egypt and the State of Palestine) differ from those used in the revised Arab MPI because of data-related issues. This should be taken into account when comparing the status and trends under the two respective poverty assessments. The report assesses trends in poverty levels using data from household surveys at two points in time: a baseline year closest to 2011 and an endline year closest to 2019. The results are also disaggregated by various socioeconomic subgroups to identify those most vulnerable. These include area of residence (urban-rural), gender of head of household, education of head of household and wealth quintile. With regard to the disaggregation by wealth quintile, it is important to note that the wealth index in the surveys is a proxy for the socioeconomic status that is specific to each survey and point in time. The primary focus, therefore, is on analysing the ratio between the top and bottom quintiles.

All surveys were harmonized to ensure comparability of indicators across countries and over time. They offer representative data on health, nutrition, education and living standards. Nonetheless, in the majority of cases, they exclude other socioeconomic aspects that are pertinent to poverty, such as quality of services (including health, education and housing), adult health, health coverage and social protection (including health insurance, disability, employment status, working conditions and human security). These indicators are recommended for inclusion once data become available in future surveys in order to better assess multidimensional poverty in the region.

While largely homogenous in content, some of the latest available surveys have discrepancies in the way in which some indicators are collected. In a few cases, these discrepancies led to minor adjustments in computing poverty indices for the individual countries, which does not affect comparability. In the cases of Egypt and the State of Palestine, different surveys were used for the analyses of household multidimensional poverty and multidimensional child poverty. The annex table presents the list of surveys used in computing the revised Arab MPI and Arab MODA for each country.

A lack of recent survey data precluded the computation of the Arab MPI and Arab MODA for a larger set of countries in the region. Therefore, cooperation with all Arab countries is recommended in order to provide the necessary data, since the poverty indices address development issues of concern to all Arab countries, regardless of wealth.

The poverty status of the least developed countries (LDCs) and conflict-affected countries is addressed in chapter 3, using the 2021 global MPI as well as other secondary data sources. The global MPI is suited to the context of LDCs as it captures the acute poverty prevalent in these countries. The chapter aims to overcome the lack of recent data in these countries at the time of writing the present report.

The report concludes with a set of recommendations for policies and programmes to support decision makers in continuing to implement the Arab Strategic Framework for the Eradication of Multidimensional Poverty, which was adopted at the fourth Arab Economic and Social Development Summit (Beirut, 2019), as well as the Arab Older Population Strategy adopted at the 30th Arab Summit (Tunis, 2019), the Arab Strategy for the Promotion of Voluntary Work (2030), and the Riyadh Declaration titled "The Differentiated Effects of the COVID-19 Pandemic: Charting recovery paths in the Arab region and supporting vulnerable groups in epidemics and crises." These important strategies and programmes should first be adapted in relation to current developments in a way that supports Arab efforts advance sustainable development despite all the regional and international challenges and difficulties.

1

1. The current situation

Even before the COVID-19 pandemic swept through the region, Arab countries were facing numerous socioeconomic challenges, including intensified conflicts and political instability, mass displacement, numerous persons seeking asylum, rising poverty and unemployment, sluggish economies, rising debt levels and fiscal pressures. Limited socioeconomic opportunities stoked popular sentiment that entire demographic groups were marginalized, particularly the increasingly university-educated youth and women, given that the existing status quo had failed to meet their aspirations.

The pandemic and the war in Ukraine caused a large-scale negative shock that the Arab region was ill-equipped to handle as it grappled with existing structural deficiencies in terms of socioeconomic, institutional and governance factors. These crises have produced unprecedented socioeconomic repercussions around the world, creating new vulnerabilities and exacerbating existing ones.

Arab countries, like many countries around the world, were not prepared for the shock of the COVID-19 pandemic. This made facing the pandemic and addressing its repercussions difficult. Given the socioeconomic and political pressures facing Arab countries, the health and education sectors and institutions have struggled to respond to the pandemic. Prolonged lockdowns and the disruptions to global and domestic economic activity triggered direct and indirect adverse impacts on nearly all social and economic aspects, demonstrated by deteriorating health conditions, high unemployment and poverty rates, and high levels of violence, especially domestic violence. While most countries have begun to relax mobility restrictions and adapt to the post-COVID-19 situation, some are still enforcing lockdown policies. The full impacts of the pandemic are likely to continue to reverberate across the world over the coming years and it is clear that the pandemic has slowed progress towards development goals.

The war in Ukraine that erupted in February 2022 has had far-reaching implications for the global economy, including in the Arab region. While the full toll will become gradually evident only after the end of the war, the trends unfolding indicate aggravated deprivations in several dimensions as the impacts of the war compound the lingering effects of the pandemic. The international sanctions imposed on the Russian Federation and the disruption of global supply chains that were already affected by the COVID-19 pandemic are projected to have consequences that spread asymmetrically across Arab countries. As at April 2022, global prices of wheat and maize had already soared by 35 per cent, while overall food prices had witnessed an increase of 5 per cent.[8]

In order for the Arab region to recover from the pandemic, there must be a thorough assessment of its impact on various fronts and an understanding of the multifaceted difficulties facing the region that aggravate disruption and prevent recovery. Shocks introduced by the pandemic and the accompanying lockdowns, in addition to the war in Ukraine, have severely affected Arab economies due to the weakness of health sectors as well as the economic and political challenges and internal conflicts prevailing in some countries (such as in Iraq and the Syrian Arab Republic).

The present chapter discusses how the COVID-19 pandemic and the war in Ukraine have impacted dimensions of poverty in the Arab region. Owing to data scarcity since the COVID-19 outbreak, the chapter is limited to reporting a dashboard of impacts on key stand-alone indicators and dimensions. It also explores the transmission and the impact of these shocks on money-metric and multidimensional poverty for selected countries.

A. Transmission of shocks from COVID-19 and the war in Ukraine in the aggregate economy

1. Impact of the COVID-19 pandemic

Partial and complete COVID-19-related lockdown measures, mobility restrictions, curfews and closures of national borders that were prevalent for a large part of 2020 and 2021 caused severe disruptions to the global order, including production supply chains, trade and travel and tourism sectors.[9] In the Arab region, stay-at-home orders led to a severe slump in aggregate demand and, by extension, the demand for labour in the private sector. The greatest burden has fallen on informal and irregular workers and small and medium-sized enterprises, particularly in sectors where remote working is less feasible, such as manufacturing and offline retail.[10]

In 2020 and 2021, weaker trade and exports, the collapse of tourism, a decline in remittances and limited fiscal space to stimulate economies coincided with a dramatic drop in oil prices. As a result, the Arab region experienced a total gross domestic product (GDP) contraction of 6.3 per cent in 2020, compared to the global contraction of 3.2 per cent. A modest recovery was estimated for 2021, where regional GDP growth was projected at 4.4 per cent.[11]

Varying impacts have emerged across Arab subregions. The weakly diversified export portfolios of countries in the Gulf Cooperation Council (GCC) increased their vulnerability to shocks in global commodity markets. Their GDP declined in 2020, due in part to a decrease in global oil demand and oil prices. The strongest hit was Kuwait with an 8.9 per cent contraction, followed by the United Arab Emirates at 6.1 per cent and Bahrain at 5.4 per cent. GCC countries also lost a significant amount of State revenues in 2020, totalling 54 per cent, which constrained State budgets.[12] Nevertheless, the effective roll-out of vaccinations, the lifting of economic lockdowns and the resulting rapid rebound in oil demand and prices put GCC countries on a path to recovery beginning in late 2020.

Arab MICs rely heavily on exports, inflows of remittances and tourism. However, they had differing fates amid the COVID-19 pandemic and amid other overlapping crises, with the GDP of Lebanon falling by 25 per cent in 2020 and that of Tunisia falling by 8.6 per cent due to the prevailing economic and political instability in the country. Despite the burden posed by their ballooning debt-to-GDP ratios, economic growth should rebound in MICs, provided that their aggregate demand recovers—if their trade partners implement effective stimulus packages and if consumption and confidence are restored.

LDCs and conflict-affected countries quickly saw significant GDP contractions due to COVID-19 and other economic and political pressures. A striking downturn was observed in Libya, where GDP declined by 48.4 per cent in 2020. The contraction was acutely exacerbated by a plunge in commodity prices since the production of oil and gas accounts for over 60 per cent of the country's GDP. A 113.7 per cent rise in GDP is projected for 2021 and a 10.5 per cent rise is projected for 2022.[13]

2. Impact of the war in Ukraine

Like the pandemic, the war is expected to have asymmetrical impacts on countries across the Arab region. Low- and middle-income countries are likely to bear the brunt, given their high dependence on energy, food imports and the availability of financial aid.

The effects of the war are expected to spill over on Arab MICs, LDCs and conflict-affected countries, whose GDPs in 2022 are projected to decline by 2.3 per cent, 0.6 per cent and 0.5 per cent, respectively. In contrast, Arab high-income, energy-exporting countries are expected to see a rise in GDP of approximately 0.7 per cent compared with pre-war forecasts, driven by the increased price and demand for oil. Taken together, Arab economies are expected to bear a loss of $11 billion and $16.9 billion in 2022 and 2023, respectively.[14]

The surge in oil prices would have a significant impact on oil-importing, low- and middle-income countries in terms of increasing fiscal and current account deficits, aggravating their external deficits and liquidity shortages, and triggering increases in their external borrowing. Furthermore, as a result of interest rate increases and exchange rate depreciation, their fiscal deficits are expected to increase between 2 and 6 percentage points over pre-war projections. Oil-importing countries that have planned their 2022 budgets based on lower oil prices are likely to experience a steeper increase in their fiscal deficits (for example, Mauritania estimated $50 per barrel; Jordan, $55; Egypt, $60; and Tunisia, $75).[15]

B. Impact on money-metric poverty

Aggregate economic figures may mask deteriorations in living standards for specific economic or demographic groups; it is therefore necessary to zoom in on those most deprived. Income poverty in the Arab region was on the rise before the outbreak of COVID-19, given the various structural deficiencies in market governance, the reoccurrence of conflict and natural disasters, and inadequate and ineffective policies. In addition, the Arab population is highly vulnerable to aggregate shocks. Even minor shocks to mean incomes significantly impact the prevalence of poverty, compared to other developing regions.[16] Unfortunately, household incomes and consumption could not be observed during the past three years, so poverty can only be estimated using modelled projections from the World Economic Forecasting Model (WEFM).[17] These projections take into account all major shocks affecting living standards in Arab countries, from conflicts and wars (such as the internal wars in the Syrian Arab Republic and Iraq) to other inherited shocks that occur independently of the effects of the COVID-19 pandemic and the war in Ukraine.

Prior to the overlapping shocks that impacted the Arab region (the COVID-19 pandemic and the war in Ukraine), money-metric poverty in the Arab region was expected to continue declining until 2023, based on improving macroeconomic conditions and ongoing governance reforms. The extreme poverty rate and the national poverty rate were expected to reach 9.5 per cent and 28.4 per cent in 2023, down from 9.6 per cent and 29.6 per cent, respectively, in 2019.[18]

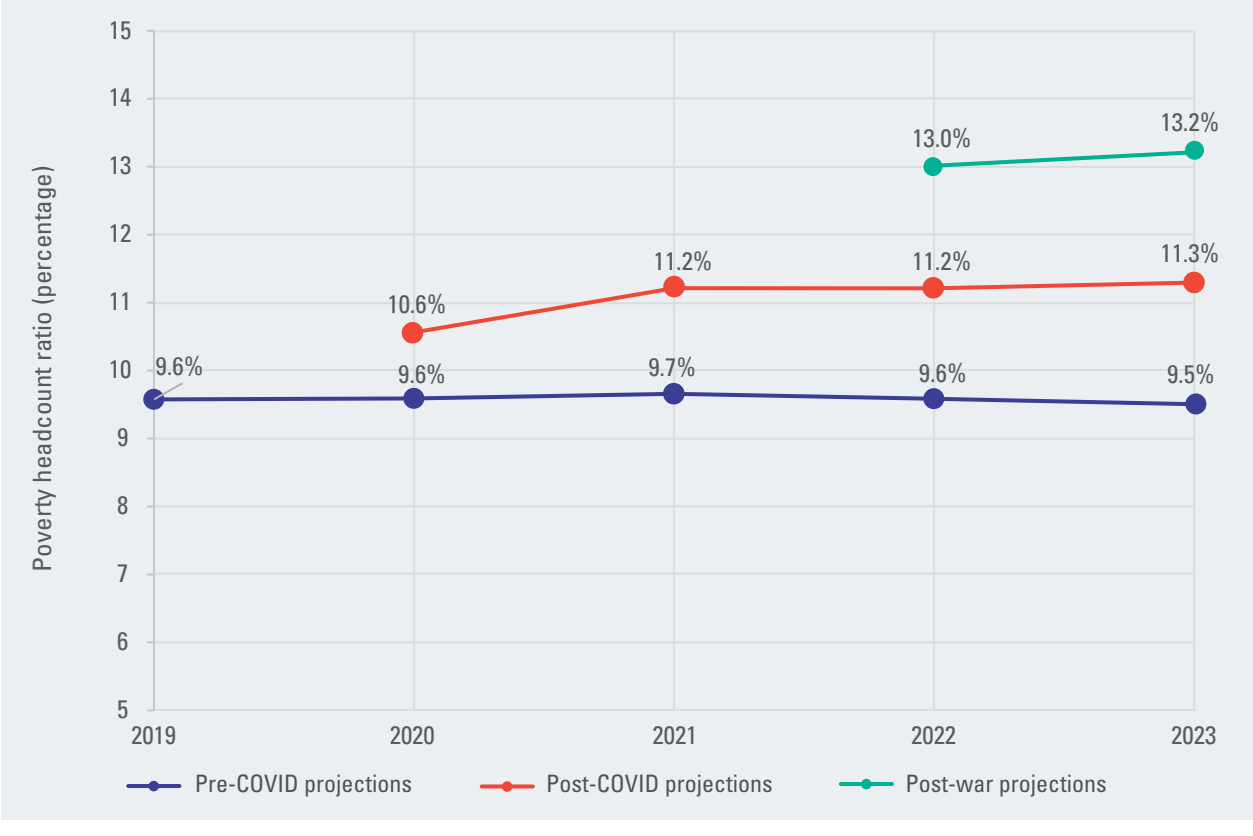
The unprecedented COVID-19 shock to the region is expected to bring about significant losses in household income. Extreme poverty increased to 10.6 per cent in 2020, compared to an expected 9.6 per cent under pre-pandemic projections (figure 1), and poverty using the national poverty lines increased to 33 per cent in 2020, compared to 29.2 per cent under pre-pandemic projections (figure 2). In 2021, poverty rates using the $1.9 poverty line and the national poverty lines reached 11.2 per cent and 33.6 per cent, respectively. Poverty rates are subsequently expected to remain steady for 2022 and 2023, with the respective poverty rates

in 2023 estimated at 11.3 per cent and 34.2 per cent, respectively. Thus, the COVID-19 pandemic is expected to push 8 million additional people into the ranks of the extreme poor (based on the poverty line of $1.90 per day), resulting in a total of 48 million people living below the extreme poverty line in 2023 (figure 3). Moreover, the number of people classified as moderate poor (using national poverty lines) is expected to reach 131 million people in 2023 (figure 4), with an additional 22 million people pushed into moderate poverty.

Exacerbating the effects of the pandemic, the war in Ukraine has brought about a significant rise in the extreme poverty rate above both pre- and post-COVID-19 levels, to reach 13 per cent in 2022 and 13.2 per cent in 2023 (figure 1), thereby pushing an additional 8 million people below the poverty line of $1.90 per day and bringing the total of extreme poor to 56 million in 2023 (figure 3) The moderate poverty rate based on national poverty lines is expected to reach 35.3 per cent in 2022 and subsequently rise to 35.8 per cent in 2023 (figure 2), causing the number of moderate poor to grow to 137 million in 2023 (figure 4). Therefore, 6 million people will be pushed into moderate poverty in 2023 because of the war, compared to post-COVID-19 projections.

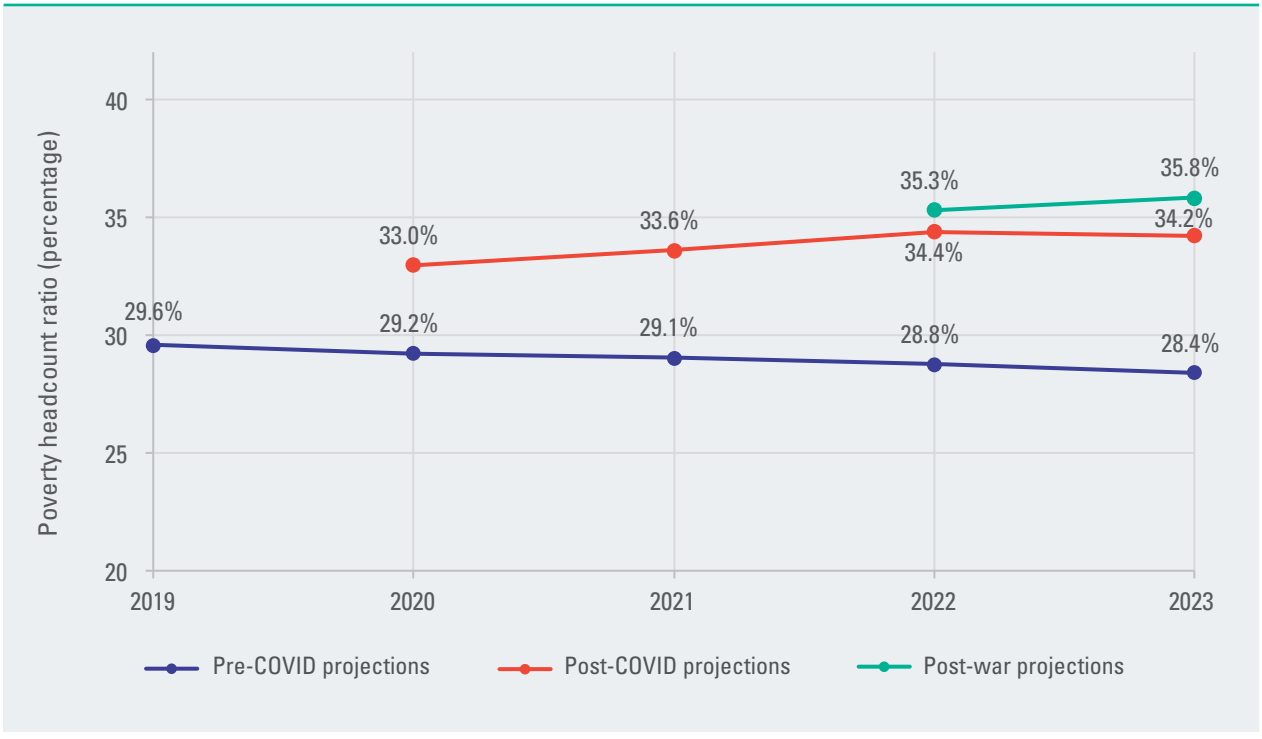
The combined effect of the COVID-19 pandemic and the war in Ukraine is therefore expected to yield an additional 16 million people living in extreme poverty and an additional 28 million people living below national poverty lines in 2023.

Figure 1. Extreme poverty headcount ratio projections, using the poverty line of $1.90 per day



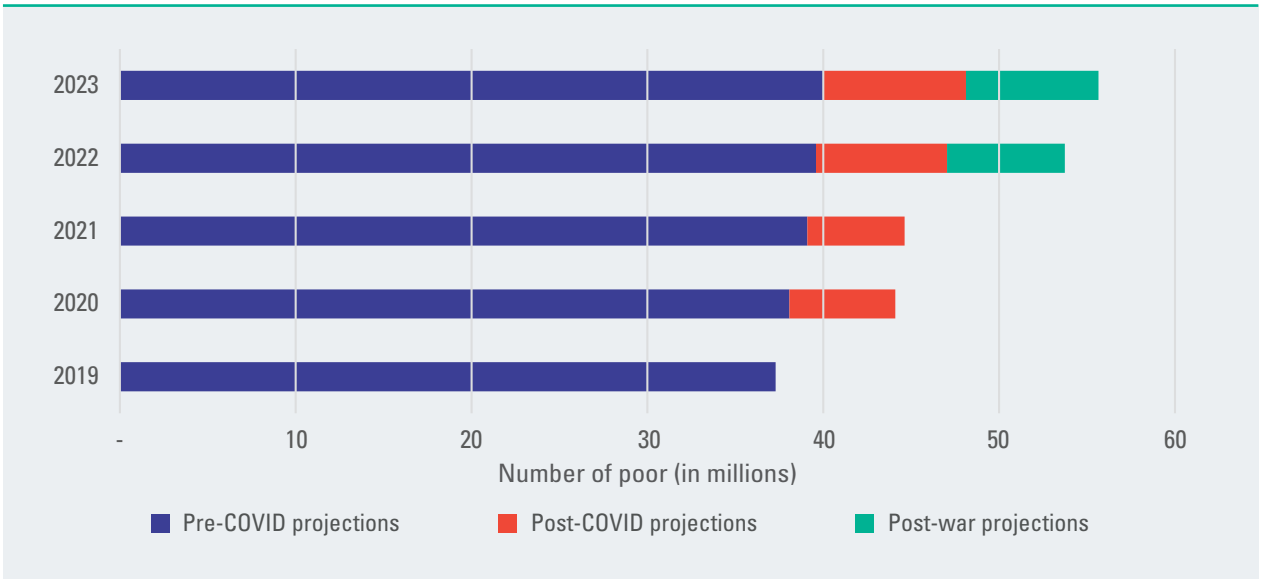
Source: Authors' calculations based on the World Economic Forecasting Model (WEFM) of the United Nations Department of Economic and Social Affairs (DESA, 2018). The national accounts growth projections are based on the projections of per capita consumer spending growth projections contained in the April 2021 edition of DESA Global Economic Outlook (DESA, 2018), which illustrates the impact of COVID-19 on economic activity. Pre-COVID-19 projections were estimated as of November 2019. Post-COVID-19 projections were estimated as of November 2021. Post-war projections were estimated as of June 2022. For more on the methodology and countries covered, please refer to Abu-Ismail, Khalid, 2020a.

Figure 2. Poverty headcount ratio projections, using national poverty lines



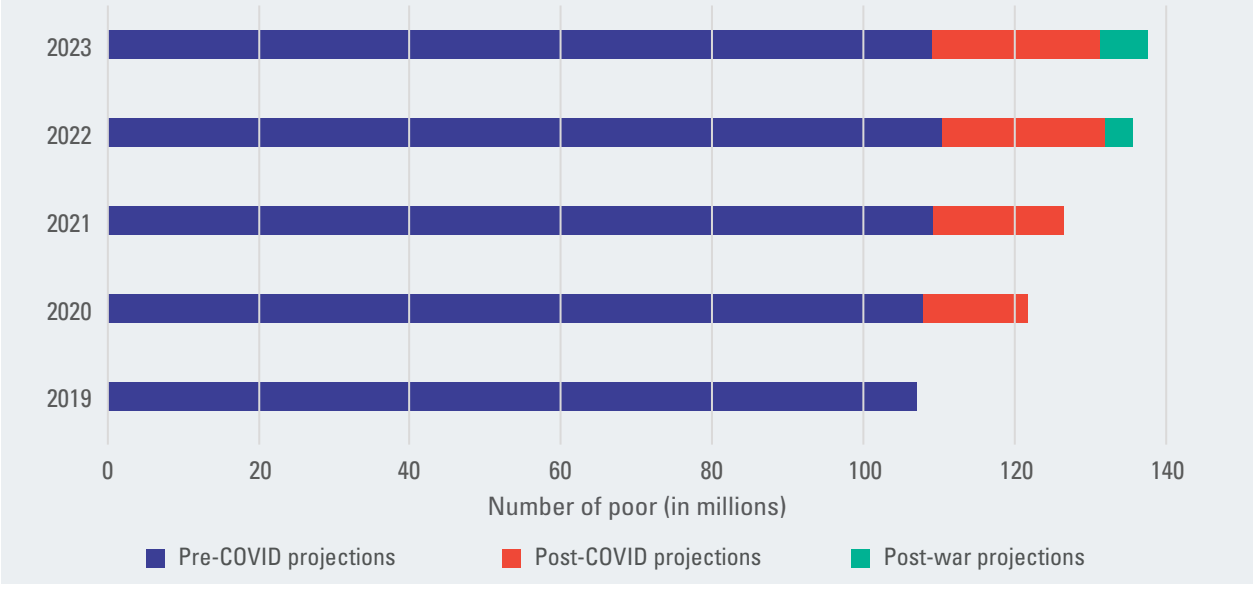
Source: Authors' calculations based on the World Economic Forecasting Model (WEFM) of the United Nations Department of Economic and Social Affairs (DESA, 2018). Pre-COVID-19 projections were estimated as of November 2019. The national accounts growth projections are based on the projections of per capita consumer spending growth projections contained in the April 2021 edition of DESA Global Economic Outlook (DESA, 2018), which illustrates the impact of COVID-19 on economic activity. Post-COVID-19 projections were estimated as of November 2021. Post-war projections were estimated as of June 2022. For more on the methodology and countries covered, please refer to Abu-Ismail, Khalid, 2020a.

Figure 3. Number of people classified as extreme poor, using the poverty line of $1.90 per day (in million)



Source: Authors' calculations based on the World Economic Forecasting Model (WEFM) of the United Nations Department of Economic and Social Affairs (DESA, 2018). The national accounts growth projections are based on the projections of per capita consumer spending growth projections contained in the April 2021 edition of DESA Global Economic Outlook (DESA, 2018), which illustrates the impact of COVID-19 on economic activity. Pre-COVID-19 projections were estimated as of November 2019. Post-COVID-19 projections were estimated as of November 2021. Post-war projections were estimated as of June 2022. For more on the methodology and countries covered, please refer to Abu-Ismail, Khalid, 2020a.

Figure 4. Number of people classified as poor, using national poverty lines (in million)



Source: Authors' calculations based on the World Economic Forecasting Model (WEFM) of the United Nations Department of Economic and Social Affairs (DESA, 2018). The national accounts growth projections are based on the projections of per capita consumer spending growth projections contained in the April 2021 edition of DESA Global Economic Outlook (DESA, 2018), which illustrates the impact of COVID-19 on economic activity. Pre-COVID-19 projections were estimated as of November 2019. Post-COVID-19 projections were estimated as of November 2021. Post-war projections were estimated as of June 2022. For more on the methodology and countries covered, please refer to Abu-Ismail, Khalid, 2020a.

In light of these economic trends and their implications for living conditions and livelihoods, the following sections review the multifaceted deprivations experienced by households amid the pandemic.

The multidimensional poverty approach also acknowledges that alleviating overlapping deprivations after the pandemic will require more than efforts to restore economic output or enlarge and improve the use of fiscal space. There is also a need for targeted policies and programmes that address the multiple dimensions of the issue of well-being among the poor and vulnerable.

C. Impact on the labour market

The partial and complete COVID-19-induced lockdowns, as well as consumer uncertainty and demand shock, have caused a contraction in Arab labour markets in terms of job losses and wage cuts.[19] This has inevitably impacted people's capacity to consume essential commodities and services, thereby affecting various dimensions of their lives such as access to nutrition and food security. Therefore, examining the effects of COVID-19 on Arab labour markets is crucial for assessing the headcount ratio and trends of multidimensional poverty.

Arab labour markets were already short of decent jobs and dominated by informal employment in both the formal and informal sectors, owing to weak economic growth, insufficient structural transformation, political unrest, extended armed conflicts and weak governance, which impeded the development of a strong, productive and well-diversified private sector and the formalization of jobs and institutions. Given working-age population growth in the Arab region, prior to the impact of the pandemic, an estimated 33.3 million new jobs were needed to lower the unemployment rate to 5 per cent.[20] Owing to low female labour force participation, as many as 65 million jobs could be required to raise female labour force participation rates to the levels reached in middle-income countries. The situation has since worsened, due to the job losses and reduction in working hours and/or wages resulting from the pandemic (ILO, 2021).

Given working-age population growth in the Arab region, prior to the impact of the pandemic, an estimated

33.3 million new jobs

were needed to lower the unemployment rate to 5%

Looking more closely at the Arab subregions in Western Asia, it is noteworthy that informality and precarious work are more engrained in non-GCC countries, leaving a large share of their populations particularly vulnerable to the repercussions of the pandemic. On the other hand, the GCC countries have greater political stability and fiscal space to allow for sizeable responses to shocks; however, the drop in oil prices during the COVID-19 pandemic constrained fiscal space. This reiterates the need to rethink public spending and reduce the population's reliance on public sector employment. If not coupled with improved workforce nationalization efforts and effective structural transformation policies to encourage private sector employment, such changes will have serious, long-term implications for GCC nationals who rely heavily on public employment, as opposed to migrant workers who represent up to 90 per cent of the private sector in Kuwait, Qatar and the United Arab Emirates.[21]

Unemployment in the Arab region increased from 8.2 per cent in 2019 (already the region with the highest levels in the world) to an estimated 9.6 per cent in 2021. Despite a slight improvement in 2022, regional unemployment remains among the highest globally, at 9.2 per cent.[22] The recovery has been significantly hampered and will continue to be affected in the long term by the war in Ukraine that has caused global inflationary pressures (particularly in food and energy prices), disrupted global supply chains, and increased fiscal pressure and contractionary monetary policies. In addition to its impact on unemployment, the pandemic has also increased the number of people leaving the

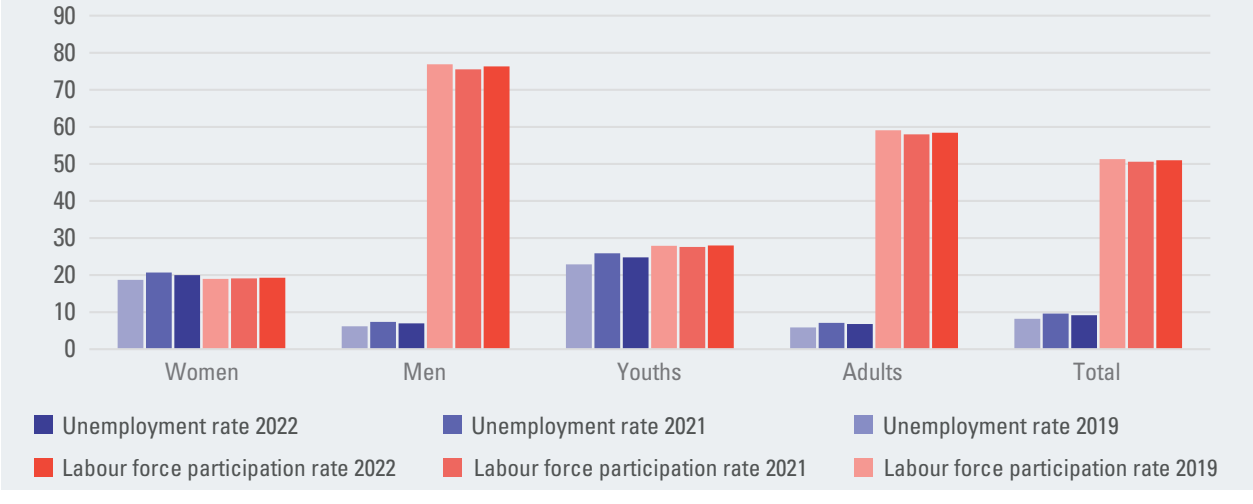
workforce. The labour force participation rate in the Arab region decreased from 51.3 per cent in 2019 to 50.6 per cent in 2021. This was largely the result of individuals' discouragement and withdrawal from the labour force as they lost jobs and/or witnessed economic contraction and mass layoffs.[23] This decline was reflected in male labour force participation, which fell from 76.9 per cent to 75.5 per cent, while female labour force participation remained steady, going from 19 per cent to 19.1 per cent. The increase in unemployment, people leaving the workforce and the reduction in working hours are reflected in an overall loss in working hours estimated at 5.4 per cent in 2021, relative to the fourth quarter of 2019. According to modelled International Labour Organization (ILO) estimates, total hours worked in the Arab region in 2022 remained 4.1 per cent below their pre-pandemic level, corresponding to a deficit equivalent to 2.1 million full-time jobs (assuming a 48-hour workweek).[24] The pandemic has also widened gender and age gaps in employment. The female unemployment rate rose from 18.7 per cent in 2019 to 20.7 per cent in 2021, compared to an increase from 6.2 per cent to 7.4 per cent among men. The youth unemployment rate jumped from 22.9 per cent to 25.9 per cent, compared to an increase from 5.9 per cent to 7.1 per cent among adults (figure 5).[25]

Informal economy workers and migrant workers have also suffered more from deteriorating working conditions, since they lack proper government support to help them weather the repercussions of the pandemic. Low-paid workers and those classified as working poor, the latter estimated at almost 7.6 million in 2019, have also been severely impacted by substantial job losses.

Further to its impact on workers, the pandemic has also affected business operations, leading to the disruption of economic activity and the temporary or permanent closure of many businesses. Evidence has shown a greater impact on low-productivity and informal enterprises and those operating in hard-hit sectors. High-productivity businesses, on the other hand, seemed more resilient and have coped better with the pandemic's repercussions when many of those with lower productivity were forced to exit the market altogether (Hoogeveen and Lopez-Acevedo, 2021).

Overall, the pandemic has exposed structural challenges in the Arab region and has re-emphasized the need for structural transformation and a rethinking of the development model followed in Arab countries. Hence, there is an urgent need to support a shift from low-productivity and low-wage economies to high-productivity and high-wage economies and to promote inclusive growth and decent job creation, with a view to contributing ultimately to a real reduction in poverty and vulnerability.

Figure 5. Unemployment and labour force participation rates, by gender and age



Source: International Labour Organization, 2021. ILO modelled estimates series. Accessed in November 2021. "Youth" is defined as persons between the ages of 15 and 24 years. "Adults" are defined as persons of the age of 25 or over.

D. Impact on health

1. Challenges facing healthcare systems in the Arab region

It is well known that health care systems in Arab States face many challenges, which are often multidimensional and complex. This applies to most countries, regardless of the level of social, economic or health care development. Arab States often face insufficient funding and a higher share of direct out-of-pocket health payments, which may be higher in some low-income countries. Such payments are considered one of the main challenges to providing comprehensive, high-quality healthcare services; ensuring the availability of an adequate health workforce; improving access to medicine and basic technology; and bridging the current gaps in health information systems. On the other hand, the prevailing challenge for many countries is the need for political will and commitment at the highest levels to move towards universal health coverage with high-quality healthcare services for all.

When COVID-19 emerged in early 2020, healthcare centres across the Arab region became progressively overwhelmed with caseloads. The situation was aggravated by inadequate preparedness and resilience of public health systems and pre-existing governance and budgetary challenges. The limited availability of oxygen tanks, hospital beds and even doctors and nurses also contributed to the crisis.

Epidemiological trends have significantly affected the region, leaving it with high loads of both non-communicable and communicable diseases. By early June 2022, the COVID-19 pandemic had led to around 13 million officially reported cases in the region and nearly 170,000 reported deaths. Regional rates were somewhat lower than global averages, but rates per million people ranged from 380 cases in Yemen to 324,000 cases in Bahrain (compared to a global average of around 69,000 cases) and from 69 officially reported deaths per million people in Yemen to 2,376 deaths in Tunisia (compared to a global average of 811). As at December 2021, the fatality rate appeared to be notably high in conflict-affected countries and LDCs, such as Yemen (19.5 per cent), the Syrian Arab Republic (5.7 per cent), the Sudan (7.3 per cent) and Somalia (5.8 per cent), possibly on account of inconsistencies in the countries' COVID-19 detection and reporting rates.[26]

The pandemic has further uncovered deficiencies, weaknesses and the fragmentation of healthcare systems; problems in accessing services, especially for groups most in need; a lack of adequate human resources to provide appropriate healthcare; and funding deficits in countries with limited means. In addition, there are clear inequalities and uneven capacities in health systems across the region. One third of Arab countries have fewer than 10 health care providers per 10,000 people, while the richest third of countries have at least 50 providers per 10,000 people (and over 70, in some cases). The regional doctor-to-population ratio stands at 2.9 per 1,000 people, below the global mean of 3.42. On average, 61 per cent of the region's population can access health services without suffering deep financial hardship, although this number differs strikingly among countries; it ranges from as high as 77 per cent in Kuwait to as low as 22 per cent in Somalia.[27] The pandemic has also revealed stark differences when comparing the ratio of medical doctors to the burden of disease, the latter of which measures the sum of mortality and morbidity in each country (figure 6). Somalia ranks lowest when comparing the burden of disease (66,692 disability-adjusted life years per 100,000 people) with medical doctors (0.23 doctors per 10,000 inhabitants). On the other end of the graph lies Kuwait, with a burden of disease of 20,179 per 100,000 and 23.42 medical doctors per 10,000 inhabitants. Hence, the pandemic exerts uneven burdens on countries and subregions because of disparities in their capacities. Some Arab States face pressures and challenges in terms of their healthcare system's responsiveness to the needs of significant numbers of refugees and forcibly displaced persons, owing to wars, conflicts, crises and crisis-driven humanitarian situations. National health systems face additional pressure to deliver services to 11.5 million refugees and 14.5 million internally displaced persons in the region, most of whom have been repeatedly displaced.[28]

It is also important to note the disproportionate effect of the pandemic on services for women, particularly maternal health facilities, antenatal and postnatal services and family planning.

Women's health continues to be adversely impacted by the reallocation of resources and priorities, including with regard to sexual and reproductive health services.

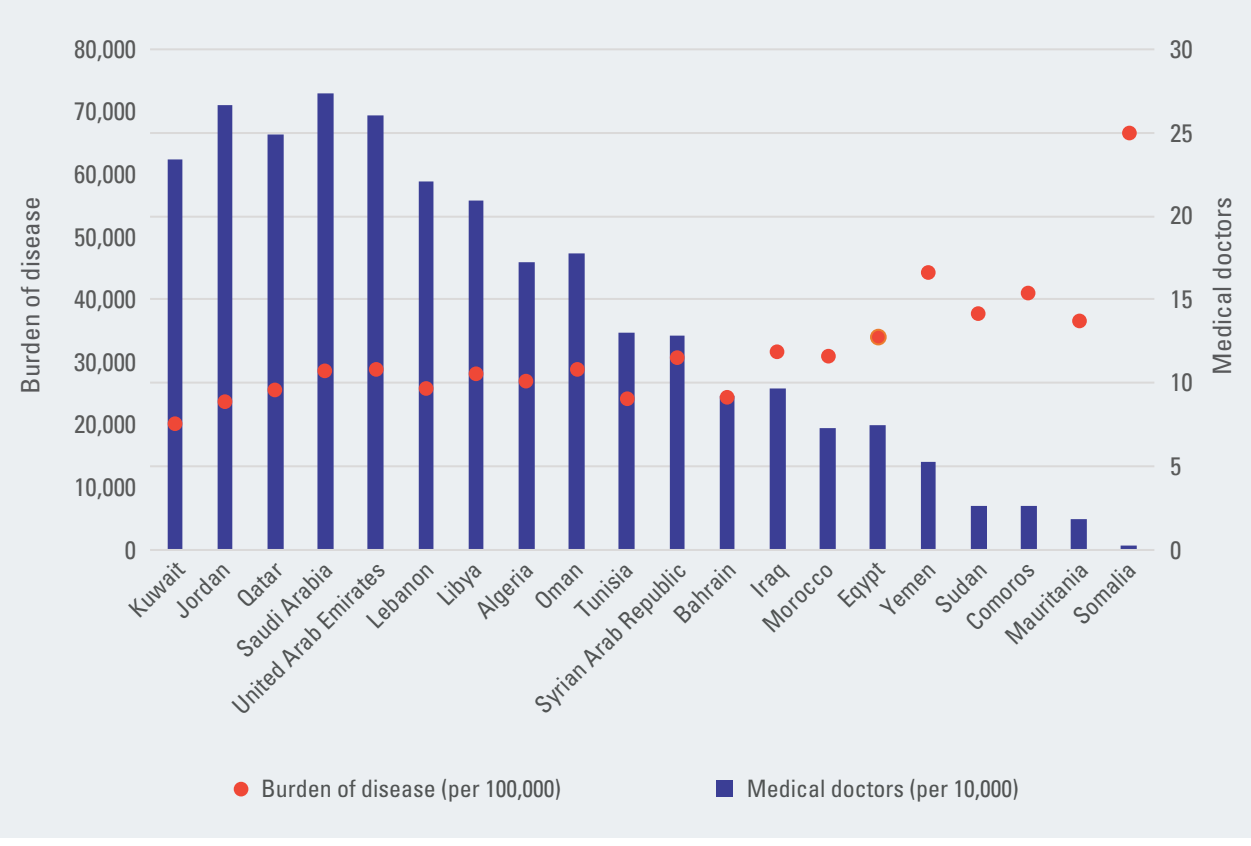
2. Increased challenges facing older persons

The region's older persons and persons with disabilities, particularly women, bear a double burden mirrored in the health risks posed by the virus and in social protection schemes, leaving a significant portion of them without protection. Many older persons have had limited access to medical services in the event of infection, increasing the probability of a shortened life expectancy. The risk of dying from COVID-19 increases with age, with older persons (aged 60 years and above) at higher risk of severe symptoms and health complications. The COVID-19 pandemic has increased the risk for some 32 million older persons in the Arab region. Disability multiplies the COVID-19 pandemic's effects on and risks to older persons. Older persons with disabilities suffer from other health conditions that increase their vulnerability to risks and their need for support and limit their mobility, and most may face multiple functional difficulties in their daily lives. More than 46 per cent of all older persons have disabilities, and more than 7 million of them have moderate to severe disabilities. Persons with disabilities are twice as likely to experience inadequate health care services and facilities, causing them further difficulties in recovering from the pandemic.[29] They are three times more likely to be denied health care, putting them at risk of not receiving treatment. Almost half of people with disabilities cannot afford healthcare and persons with disabilities are more likely to incur unaffordable health expenses, making them one of the most vulnerable groups in the pandemic. Older women with moderate to severe disabilities, in particular, are at higher risk from the COVID-19 pandemic. They constitute 4 million of the region's 7 million older persons with moderate to severe disabilities.

3. Disparities in vaccination rates

Vaccines have proved effective at reducing COVID-19 symptoms, hospitalizations and, more broadly, the pandemic's burden on national healthcare systems. Nevertheless, the region appears to be underperforming in terms of vaccination rates with a regional average that falls below the global average. The percentage of the population that has been fully vaccinated ranges widely, from a mere 1.4 per cent in Yemen to 97 per cent in the United Arab Emirates (compared to a global average of 60 per cent). As at April 2021, the GCC countries were among the most well-vaccinated populations worldwide.[30] The vaccination process in the Arab region has been hampered by the limited availability of vaccines in most LDCs, which makes the region vulnerable to COVID-19 variants and indicates that the path to recovery may take longer.

Figure 6. Number of medical doctors and the burden of disease



Source: Data on medical doctors from the Global Health Observatory of the World Health Organization. Data on the burden of disease from Our World in Data database.

Notes: Burden of disease is calculated in disability adjusted life years per 100,000 inhabitants. The latest data vary by country. For the burden of disease data, figures for 2019 were available for all countries. For data on the number of medical doctors, the most recent year that data was available for was as follows: Somalia (2014), Mauritania (2018), the Comoros (2018), the Sudan (2017), Yemen (2014), Egypt (2019), Morocco (2017), Iraq (2020), Bahrain (2015), the Syrian Arab Republic (2016), Tunisia (2017), Oman (2020), Algeria (2018), Libya (2017), Lebanon (2019), the United Arab Emirates (2019), Saudi Arabia (2020), Qatar (2018), Jordan (2019) and Kuwait (2020).

4. Deficiencies in sexual, reproductive, maternal and child health

Women, girls and children constitute a significant portion of the population facing various health risks, particularly risks related to sexual and reproductive health, because of unstable situations that make them prone to vulnerability. In the Arab region, more than 15.5 million women of childbearing age, including nearly 1.5 million pregnant women, were in need of some form of humanitarian assistance prior to the pandemic.[31] While most Arab countries have low maternal mortality rates, they perform poorly on other indicators such as the teenage birth rate, the prevalence of contraceptive methods and the rate at which family planning needs are met. It should be noted that these indicators may not adequately reflect the health needs of the population in this region, given the challenges posed by outdated, missing or inaccurate data, as well as the existence of data gaps.

Sexual and reproductive health are still not prioritized in the same way as other needs such as food, water, sanitation, hygiene and shelter. Experience with other epidemics has shown that sexual and reproductive health as well

as reproductive rights are often overlooked, although they substantially affect the health and well-being of women and girls. Any crisis, including the outbreak of diseases, has the potential to increase the risk of adolescent girls contracting HIV or experiencing unwanted pregnancy, maternal mortality, sexual violence or child marriage.

A public health emergency often contributes to increasing the burden on weak health systems, affecting the provision of sexual, health and reproductive health services. For example, in some Arab countries, the medical sector and health professionals are focusing on the COVID-19 response, at the expense of providing sexual and reproductive health services such as antenatal care and other maternal health services.[32]

5. Deficiencies in food security and nutrition

(a) Impact of the COVID-19 pandemic

It is still too early to assess the full impact of the pandemic on health and nutrition. Signs of deterioration may manifest in the longer term, for example, in the lifelong health outcomes of children today. The pandemic has clearly pushed additional people into deprivation in terms of access to food and food security through its impact on household livelihoods, disruptions in food supply chains and surges in the prices of essential products.[33] Income losses in the informal employment sector, which accounts for a sizeable share of Arab labour markets, are likely to translate into deprivations in terms of child mortality, child stunting and undernourishment, as well as other health outcomes among groups that are already vulnerable to food insecurity.

Prior to the pandemic, there were 64.2 million undernourished people and 131 million without adequate access to food in the Arab region, largely concentrated in the LDCs.[34] In addition, 33.2 per cent of women of childbearing age were anaemic in 2019, exceeding the global average of 29.9 per cent. The figure was higher for LDCs,

where 45.9 per cent of women of childbearing age (those aged 15–39) were anaemic; and rates were highest in Yemen, at 61.5 per cent.[35] Maternal malnutrition also plays a central role in influencing maternal, neonatal and child health outcomes. The region has witnessed an increasing headcount ratio of hunger since 2015, as a result of conflict in LDCs. Climate change presents another major threat to food security, as it constrains food production and reduces agricultural yields.

The COVID-19 pandemic exerted further pressure on food security. In 2020, the number of people affected by undernourishment increased by 4.8 million, mainly in Somalia and Yemen, to reach 69 million, or 15.8 per cent of the region's population. Moreover, the number of people lacking adequate access to food increased by 10 million to reach 141 million, or 32.3 per cent of the entire Arab population. The estimated

prevalence of acute food insecurity, as a proxy for hunger, has also increased, impacting an additional 2.9 million to reach 49.4 million people across both conflict-affected and conflict-free countries in 2020.[36] Despite decreasing between 2000 and 2020, stunting and wasting in children aged under 5 remained high in 2020, at 20.5 per cent and 7.8 per cent respectively. Wasting in the Arab region was above the global average of 6.7 per cent in 2020.

States with pre-existing vulnerabilities were hindered in coping with the pandemic. Between 2019 and 2020, Lebanon grappled with severe currency devaluation, inflation, political instability, loss of infrastructure at the Port of Beirut resulting from the 2020 explosion that took place there, and the implications of COVID-19 restrictions. A 2020 World Food Programme survey found that most Lebanese resorted to some coping mechanisms, of which the most common was reducing food consumption. Concerns regarding the ability to consume adequate amounts of food were prevalent among all population groups, including Lebanese nationals (50 per cent), Palestine refugees (63 per cent) and Syrian refugees (64 per cent).[37] In 2021, 46 per cent of the Lebanese population and 50 per cent of Syrian refugees were food insecure. By December 2021, food prices were 11 times higher than pre-crisis levels.[38]

Yemen presents another worrying case. In the years leading up to the pandemic, the country faced a barrage of consecutive shocks to food security amid armed conflicts and natural disasters. It previously imported over 90 per cent of food for consumption, and the pandemic has curtailed these imports. Pandemic-induced increases in food prices (11 per cent for rice and 20 per cent for wheat) were compounded by increases in fuel prices (by over 20 per cent) that hindered crop irrigation. Remittances flows from GCC countries have dried up, and vulnerability to food insecurity has spread to 80 per cent of the population.[39] This equates to 17.4 million people, 31,000 of whom were experiencing famine-like conditions as at late 2021. In Yemen, the prevalence of acute food insecurity was expected to increase to 19 million people by the end of 2022.[40]

A precarious situation has also unfolded in the State of Palestine following the escalation of conflict, public unrest, the continuing practices of Israel as the occupying Power, and the spread of COVID-19. Food insecurity increased from 1.7 million people in 2018 to 2.0 million in early 2021. Following an upsurge in conflict in May 2021, food insecurity grew further owing to losses of household income and assets such as refrigerators and cooking facilities, resulting from displacement and losses in agricultural production reaching $103 million, according to the Ministry of Agriculture.[41]

Other countries affected by conflict also suffer high food insecurity. For example, 7.3 million people in the Sudan and 4.1 million people in Somalia face acute food insecurity and require urgent assistance.[42] Acute food insecurity and child malnutrition in these countries are largely due to a combination of continued conflicts, political instability, erratic rainfall, economic decline and inflation.

(b) Impact of the war in Ukraine

It is necessary to assess the impact of the war on food security and nutrition, since the Arab region imports a significant share of grains and edible oil from the Russian Federation and Ukraine. Two thirds of wheat imported by Egypt, Lebanon, Oman and Somalia were sourced from the Russian Federation and Ukraine in 2020. Moreover, sunflower oil imported from the two countries constitutes over 60 per cent of sunflower oil imports in Iraq, Jordan, Lebanon, Oman, Qatar, Saudi Arabia and the United Arab Emirates and over 90 per cent in Algeria, Egypt, the Sudan and Tunisia.

The war and ensuing sanctions have induced a supply shock that reduced the supply of grains and edible oil from the Russian Federation and Ukraine. The food shortage and low food reserves accompanied by the seasonal high demand for food (during the month of Ramadan) have put upward pressure on food prices. Coupled with high oil prices, this has further burdened government budgets, given that most food items are subsidized. For example, Egypt witnessed a

significant increase of 17 per cent in food prices during February 2022, which came on the heels of substantial price increases in previous years. In the Sudan, cereal prices had increased by 70–80 per cent in February 2022, compared to February 2021. The food price increase in the Syrian Arab Republic was mostly driven by the increase in fuel prices. In Idleb in particular, which is experiencing a shortage in wheat production and a reduction in agricultural space due to ongoing conflicts, the price of dry beans increased by 13 per cent and sugar by 27 per cent, compared to prices in January 2022.[43] Lebanon presented a particularly dire scenario. The State lost its only grain silos in the 2020 port explosion, which had serious implications on its food reserves. In addition to the spillover from the war, North African countries are suffering from lower wheat and grain production due to drought in 2022, which increases their dependence on imports. Moreover, the decrease in the supply of fertilizer, which is mainly produced in the Russian Federation, has aggravated this decline in production.

Protracted supply constraints would threaten global food security in the medium term; moreover, the Arab region remains more affected than other regions because of its strong dependence on food imports and limited capacity to compensate for lost imports by boosting food production.

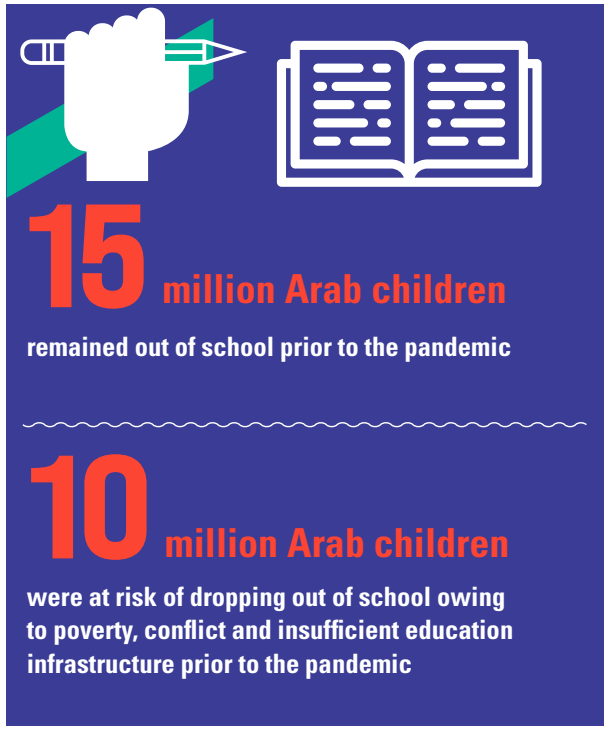
6. Effects on mental health

The health impacts of COVID-19 and other socioeconomic developments in the region extend beyond respiratory problems and those vulnerable to them. The closure of civic spaces as well as partial and complete lockdowns are believed to have exacerbated cases of severe depression, substance abuse, self-harm and mental disorders among Arab youths, particularly among young men aged 15–24 years and young women aged 20–24 years.[44] School closures and the lack of access to recreational, sports and social venues (in addition to job and wage losses) are detrimental to those already struggling with mental health issues and may lead to life-threatening situations, particularly since schools usually provide essential counselling services.

In November 2020, UNICEF highlighted the ramifications of complete lockdowns, closures and quarantine measures on children's lives using key dimensions crucial to children's development and well-being: psychological well-being, social relations, education, access to health services and nutrition. The assessment suggested that children had struggled mentally and emotionally, and parents and caregivers expressed concern about the inefficacy of distance learning.[45]

E. Impact on access to education

Over the past decades, the Arab region has made progress in providing general access to education. Despite this progress, prior to the pandemic, 15 million Arab children remained out of school and two-thirds lacked proficiency in reading.[46] Another 10 million were at risk of dropping out of school owing to poverty, conflict and insufficient education infrastructure.[47] Various deficits have persisted, particularly in relation to poor-quality education and outdated teaching methods, which have reinforced the mismatch between job skills and skills acquired in school. The education system has also shown deep inequalities among socioeconomic groups.



For example, in Tunisia, children in the richest quintile have surpassed those in the poorest quintile in basic reading achievements by 34 percentage points.

In March 2020, schools across the region shut down in accordance with the complete lockdown measures taken to contain the spread of COVID-19. Additionally, higher education institutions suspended or cancelled lessons. Between March 2020 and January 2021, the duration of school closures in the Arab region exceeded the global average by four to six weeks, amounting to 28 weeks of lost learning in the region, compared to 22 weeks worldwide.[48] Distance learning brought about new challenges and inequalities resulting from systematic differences in Internet access and devices across socioeconomic groups.[49] Other factors contributing to these gaps include differences in adults' ability to support distance learning for children and the suitability of dwellings for distance learning (for example, overcrowding and space for children to study and follow lessons). Around 100 million students in the Arab region were found to be out of school in the early months of the pandemic, and 1.31 million children and adolescents were deemed at risk of permanently dropping out, with little inclination to return to school.[50] In addition, 40 per cent of families have expressed concern about the adverse impact of COVID-19 on education quality. This situation disproportionately impacted vulnerable groups, including young people living in low-income households, those in conflict-affected countries, refugees and children with disabilities, and in particular, female students.[51]

Not all students across the region were well-equipped to access online education. Prior to the pandemic, only 58.9 per cent and 52.8 per cent of Arab households had Internet and a computer at home, respectively. Only 26 per cent of Arab households had access to both a computer and the Internet.[52] Digital connectivity was weaker in pre-primary and primary grades compared to higher grades, as well as in public schools compared to private schools. Additionally, there were wide disparities among subgroups, with rural households much less likely to have Internet access (38.4 per cent) than urban households (74 per cent). Approximately 47.3 per cent of women in the region had access to the Internet, compared to 61.3 per cent of men.[53] Furthermore, 37 million students from pre-primary to upper secondary levels (or 40 per cent) were not offered any remote learning services during the complete lockdowns.[54] Children from low-income families are therefore likely to be particularly affected by COVID-19-related restrictions.

Regional disparities in education quality are also likely to widen among countries of different income levels. For instance, over 90 per cent of the population in GCC countries have access to the Internet, with almost full coverage in Bahrain, Qatar and the United Arab Emirates. On the other hand, this figure falls below 30 per cent in Arab LDCs and below 2 per cent in Somalia. Overall, connectivity remains a challenge to ensuring access to information and distance learning for all.[55]

The pandemic has affected learning poverty, learning adjusted years of schooling, the percentage of children performing below minimum proficiency on the Programme for International Student Assessment (PISA) and, consequently, the development of children's skills and future employability and earnings.[56] Between pessimistic and optimistic scenarios for the duration of closures and the effectiveness of mitigation measures, learning poverty is estimated to have increased by 4.5 to 9.4 per cent (from 59.9 per cent of children to as high as 69.3 per cent in the pessimistic scenario).[57] Increases in learning poverty are concentrated in high-income countries, suggesting that the deterioration in lower-income countries impacts the existing learning poor population. This is not surprising, given that 94.7 per cent of the population in Arab LDCs was among the learning poor prior to the pandemic. Moreover, 0.5 to 1 year of learning adjusted years of schooling are expected to be lost. Learning losses are expected to decrease the lifetime earnings of the current cohort of students by approximately $0.4 trillion to $0.8 trillion (in 2017 purchasing power parity) in the Middle East and North Africa, which translates to $15,000 to $33,000 per individual.[58]

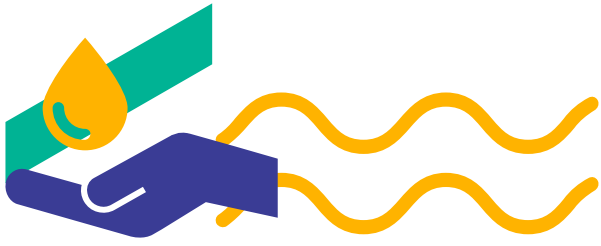
Lastly, school closures coupled with the economic crisis have placed adolescents at a higher risk of dropping out, child marriage, early pregnancy, exposure to domestic violence and other deprivation outcomes, leading to a dire situation for young people living in poor households and conflict-affected countries. The medium-

and long-term impacts could be irreparable if adequate measures are not taken to guarantee the basic rights of adolescents and youths.

F. Other impacts

1. Water access

More than 362 million people in the Arab region experience water scarcity and live on less than 1,000 cubic metres of fresh water per capita per year. Water scarcity impacts 18 of the 22 Arab countries. In addition, 40 per cent of households in Arab LDCs lack basic drinking water, and 60 per cent lack sanitation services. The region's water scarcity has posed a major challenge since handwashing and personal hygiene have been labelled as the best ways to prevent COVID-19 transmission. The demand for water for handwashing in households is estimated to have increased by 9 to 12 litres per person per day. Owing to the lack of access to basic handwashing facilities, over 74 million people in the region were considered to be at a higher risk of contracting COVID-19, particularly in vulnerable communities in Egypt (9.9 million), the Sudan (31 million) and Yemen (14.3 million), as well as in conflict-affected areas suffering from interruptions in the water supply.[59]



More than

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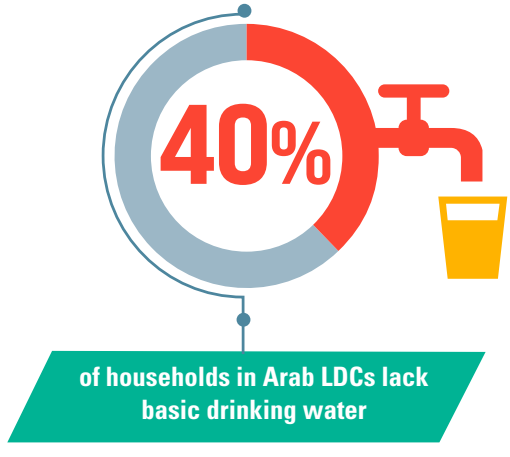
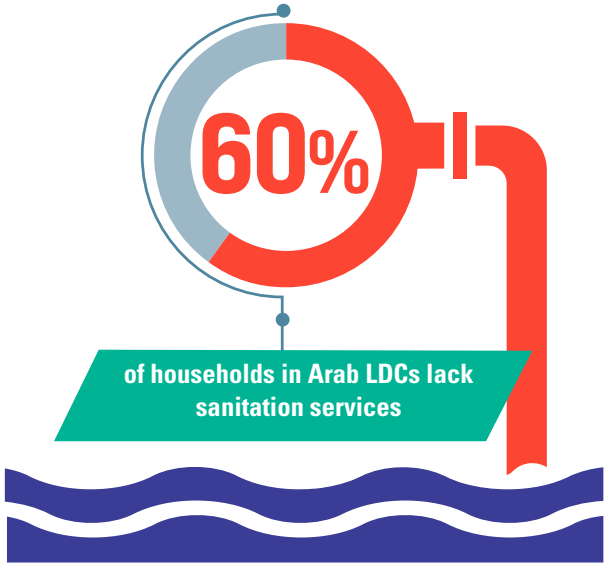


2. The increase in domestic violence

The COVID-19 pandemic is likely to undermine efforts to end gender-based violence owing to an increased headcount ratio of violence and a decrease in prevention and protection efforts, social services and care. Exploitative practices and violence against women have become more pronounced amid pandemic-related complete lockdowns. Prior to the pandemic, 1 in 5 Arab girls had reported marrying under the age of 18.[60] With more household members trapped at home by distance learning and remote working, women's care work has multiplied, leaving them prone to increased mental stress and physical exploitation in terms of domestic work. Over half of the population surveyed by the United Nations Entity for Gender



Equality and the Empowerment of Women in nine Arab countries acknowledged that complete COVID-19 lockdowns increased the risk of violence against women in general and domestic violence in particular.[61] In Lebanon, 57 per cent of women feel less safe after the pandemic, with emotional abuse (79 per cent) and physical abuse (55 per cent) being the most prevalent types of violence.[62] In Iraq, 65 per cent of service providers (including 93 static centres and 17 gender-based violence mobile teams across 11 governorates) confirmed an increase in the headcount ratio of one or more types of violence in their areas of intervention.[63] In Tunisia, the increased prevalence of violence was detected by the number of calls reporting violent incidents (2,700 of 9,800 calls to the toll-free numbers concerned violence against women). Furthermore, 90 per cent of violence-related calls reported verbal abuse, 80 per cent reported emotional abuse and 76 per cent reported physical violence.[64]

Box 1. Case study – Impacts on multidimensional poverty in Iraq, Lebanon and the State of Palestine

While the absence of new data impedes the assessment of post-pandemic multidimensional poverty, this challenge could be partially overcome in some Arab countries by using simulations. By imposing simulated shocks to recent pre-pandemic surveys, ESCWA has estimated the MPI score and poverty headcount ratios for 2020 and 2021 in Iraq, Lebanon and the State of Palestine.[a] Multidimensional poverty is projected to increase considerably owing to the shocks in several dimensions of household well-being.

Projections for money-metric as well as multidimensional deprivations indicate that seven years of progress in the fight against multidimensional poverty may be witnessing reversal in Iraq, where pandemic-related school closures and business shutdowns affected school enrolment and attendance rates for children, as well as the affordability of nutrition and improved water and sanitation, sending the country's projected poverty headcount ratio and MPI score back to 2014 levels. In the State of Palestine, the effects of the pandemic combined with those of the occupation—such as school closures and the demolition of schools and health centres—have caused the projected poverty headcount ratio and MPI score to reach levels unseen in a decade. In Lebanon, the pandemic is just one of several catastrophes that have caused multidimensional poverty to double and health deprivations to triple during 2019–2021. This situation leaves many more people behind and negatively impacts governments' ability to achieve the SDGs.

Despite the absence of recent data that accurately reveal the pandemic's impact on multidimensional poverty, simulation analyses have uncovered substantial increases in this area.[b] Nonetheless, more recent data are needed to assess the impacts properly.

Sources: Makdissi, Paul (2021). Nowcasting multidimensional poverty in the occupied Palestinian territory. E/ESCWA/CL3.SEP/2021/TP.7; A flexible modelling approach to nowcasting and forecasting Arab multidimensional poverty. E/ESCWA/CL3.SEP/2021/TP.1; ESCWA (2021). Multidimensional poverty in Lebanon (2019–2021). Painful reality and uncertain prospects. E/ESCWA/CL3.SEP/2021/POLICY BRIEF.2.

Notes:

a The Arab MPI was used in Iraq and the national multidimensional poverty measures were used for both the State of Palestine and Lebanon.

b For projections worldwide, refer to: Alkire, Sabina, Ricardo Nogales, Natalie Naïri Quinn, and Nicolai Suppa. "Global multidimensional poverty and COVID-19: A decade of progress at risk?." Social Science & Medicine 291 (2021): 114457. In the Arab region, a handful of Arab countries, including Djibouti, Egypt, Iraq, Morocco, the State of Palestine and Tunisia, have recently conducted phone surveys on the pandemic's impact on various dimensions of well-being, often in cooperation with international agencies.


2

2. Multidimensional poverty according to the revised MPI and the MODA framework for children in Arab States

A. Household poverty in middle-income Arab countries

1. Framework of the revised Arab Multidimensional Poverty Index

The proposal for the revised Arab MPI builds on the conceptual framework of the first Arab MPI, which embraces Amartya Sen's capability approach, while being guided by recent developments in multidimensional poverty research.[65,66] It offers a more regional perspective on poverty to better capture the manifestations of moderate poverty in Arab MICs.[67] To this end, the proposed revised Index focuses on moderate levels of deprivation in its structure, dimensions and indicators, while the global MPI will serve as a frame of reference for measuring acute multidimensional deprivations.

The main innovation in the structure of the revised Arab MPI is its assessment of poverty in terms of both material and social capability well-being, giving both pillars equal weight. This approach provides a more comprehensive and balanced representation of multidimensional poverty in the region, particularly as Arab countries have witnessed progress in social well-being but less so in material well-being and living conditions. Within the two pillars, poverty dimensions also carry similar importance. The dimensions and indicators in the revised framework and their respective definitions, weights and deprivation thresholds were determined with consideration for their relevance to moderate poverty in the region, human rights principles and the SDGs; their statistical properties; and the availability of data within and across surveys. This choice is also the product of continuous consultations with the League of Arab States, OPHI and United Nations partner organizations in addition to a participatory process carried out with regional experts and other partners.

The revised Arab MPI therefore consists of 2 pillars, 5 dimensions and 14 indicators, all with cut-offs aimed at consistently capturing moderate multidimensional deprivation. They are weighted to recognize the equal importance of the two pillars and the relative importance of all dimensions and indicators (table 1).[68]

The capability (or non-material) well-being pillar is reflected in two equally weighted dimensions: (i) health and nutrition and (ii) education, each with three indicators. The importance of these dimensions in the early years and beyond is well recognized. Both have long-term impacts on various aspects of well-being and contribute to shaping individuals' cognitive abilities and knowledge, school-to-work transition and employment opportunities. Consequently, both dimensions are integral parts of the 2030 Agenda. The three health and nutrition indicators are child mortality, child nutrition and early pregnancy. The three education indicators are school attendance, age-schooling gap and adult educational attainment.

In both the health and education dimensions, data scarcity did not allow for the inclusion of other indicators to capture the quality

Table 1. Revised Arab Multidimensional Poverty Index framework

A household is considered multidimensionally poor if its total weighted deprivation score is greater than 20 per cent.			
Pillar and weight assigned	**Dimension**	**Indicator and weight assigned**	**Household is deprived if**
Social capability (non-material) well-being (weight = 50%)	Health and nutrition (weight = 50/2)	Child mortality (weight = 50/6)	Any child in the household died before the age of 5 during the past five years.
		Child nutrition (weight = 50/6)	Any child (0–59 months) is stunted (height for age < -2) or any child is underweight (weight for age < -2).
		Early pregnancy (weight = 50/6)	Any women aged 15–24 years in the household gave birth before the age of 18.
	Education (weight = 50/2)	School attendance (weighting = 50/6)	Any child in the household aged 6–18 years is not attending school and has not completed secondary education.
		Age-schooling gap (weight = 50/6)	Any child aged 8–18 years is enrolled at two or more grade levels below the appropriate grade for their age.
		Adult educational attainment (19+) (weight = 50/6)	All household members aged 19+ have not completed secondary education.
Living standard (material) well-being (weight = 50%)	Housing (weighting = 50/3)	Overcrowding (weighting = 50/6)	The household has three persons or more aged 10+ years, per sleeping room.
		Type of dwelling (weight = 50/6)	The housing situation meets at least one of the following conditions: (i) home is place other than a stand-alone house or apartment, (ii) it has a non-permanent floor; or (iii) it has a non-permanent roof.[a]
	Access to services (weighting = 50/3)	Improved drinking water (weighting = 50/9)	The household does not have any of the following sources: piped water into a dwelling, piped water into a yard, or bottled water.
		Improved sanitation (weighting = 50/9)	The household does not have access to improved sanitation[b] or it is improved but shared with other households.
		Electricity (weight = 50/9)	The household does not have access to electricity.[c]
	Assets (weight = 50/3)	Communication assets (weight = 50/9)	The household has no phone (mobile or landline), television or computer.
		Mobility assets (weight = 50/9)	The household has no car/truck, motorbike or bicycle.
		Livelihood assets (weight = 50/9)	Given the availability of electricity, the household has no fridge, washer, any type of heaters, or any type of air conditioning/cooler.

Notes:

[a] Non-permanent floors include earth, sand, dung or rudimentary materials (e.g., wood planks, bamboo, reeds and grass). Non-permanent roofs include those made of straw, palm leaves, grasses, rustic mat, bamboo, wood panels or cardboard.

[b] Improved sanitation in line with the WHO-UNICEF Joint Monitoring Programme guidelines include flush/pour flush to piped sewer system; septic tanks or pit latrines; and ventilated improved pit latrines, composting toilets or pit latrines with slabs.

[c] Those who are deprived in the electricity indicator are considered non-deprived in the livelihood asset indicator to avoid double-counting.

of health and education services or other important aspects, such as health insurance and coverage. These indicators are recommended for inclusion once data become available in future surveys.

The material well-being pillar is divided into three equally weighted dimensions: housing, access to services and assets. The 2030 Agenda emphasizes the need to guarantee basic services and decent housing, which is defined as adequate, safe and affordable. Inadequate housing—a manifestation of poverty—remains a major challenge in the region, particularly when factoring in quality.

The housing dimension assesses individuals' access to an adequate living space and the type of dwelling; and the services dimension gauges the availability of utilities in local communities or living quarters. The two housing indicators are overcrowding and type of dwelling. The three indicators for access to services are improved drinking water, improved sanitation and electricity. The third dimension is assets and measures personal access to portable resources independent of individuals' home conditions. The introduction of a separate assets dimension gauges household access to functions provided by various basic assets and offers a proxy for material scarcity. This dimension includes three indicators: communication, mobility and livelihood assets.

Lastly, the classification of multidimensional poverty applies to households with a deprivation score of greater than 20 per cent in all weighted indicators. This poverty identification cut-off is selected for its preferred conceptual properties, thus better capturing moderate forms of poverty.

As in the original Arab MPI, the Alkire-Foster method is employed.[69] The poverty headcount ratio (H) is defined as the percentage of people living in multidimensionally poor households, and the intensity of poverty (A) is defined as the average weighted deprivation score of the multidimensionally poor. The adjusted poverty headcount ratio (revised MPI) is then derived by multiplying the headcount ratio by the intensity of poverty (MPI=H×A).

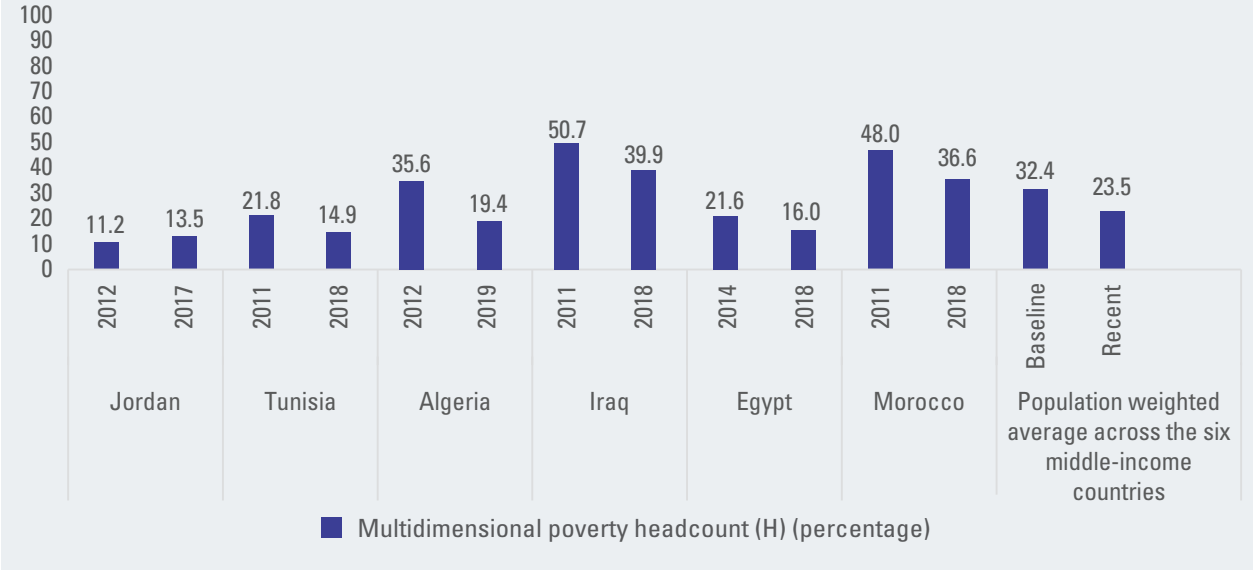
2. Spread of household multidimensional poverty

The present section focuses on the spread, characteristics and trends in household multidimensional poverty in six Arab MICs, using the revised Arab MPI.

Figures 7, 8 and 9 present the main results of the poverty headcount ratio (H), the intensity of poverty (A) and the revised Arab MPI (M0) for six Arab MICs. Countries are ranked by their MPI score (M0) in the last survey year, in ascending order. The revised multidimensional poverty headcount ratios range from 13.5 per cent in Jordan to 36.6 per cent in Morocco. Figure 7 shows that the majority of countries exhibited declines in the headcount ratio of multidimensional poverty between 2011 and 2019, with the exception of Jordan. In Jordan, the slowdown in economic growth and increase in unemployment rates since 2010, coupled with the refugee crisis, have played a role in increasing deprivations at the national level. Among the remaining countries, Algeria recorded the highest average annual decline in the headcount ratio of multidimensional poverty. The average deprivation intensity is near or exceeds 30 per cent in the majority of countries. The standard errors and confidence intervals for the revised MPI are reported in figure 9 as upper and lower bounds.

As a group, the weighted multidimensional poverty headcount ratio declined from 32.4 per cent to 23.5 per cent, coupled with a fairly stagnant average deprivation intensity among the poor of 29.0 per cent. These changes yield an MPI score of 0.070 on average (population weighted) across the six countries. The results at the country and group levels therefore depict a general declining trend in the headcount ratio of multidimensional poverty among the Arab MICs. However, poverty remains widespread and deep in many countries.

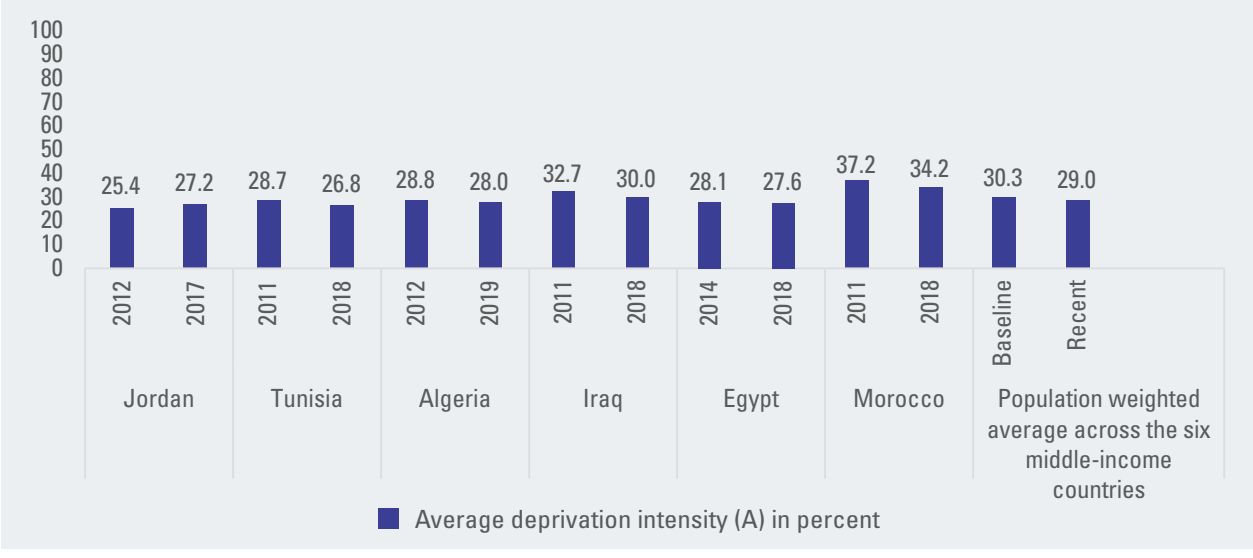
Figure 7. Multidimensional poverty headcount ratio in Arab middle-income countries over time



Source: Authors' calculations. Population data are retrieved from the DESA database (accessed on June 2021).

Notes: Population weighted averages across the six countries are computed using the population in 2015 and 2019 for the baseline and recent survey, respectively. For Morocco, data relating to the age-schooling gap indicator are missing. The education dimension was therefore reweighted such that the school attendance indicator receives double the weight of the adult educational attainment indicator, given the relatively high correlation between child attendance and the age-schooling gap. In the latest survey, there was no data on early pregnancy in Egypt nor any data on child nutrition in Jordan. In these cases, the health dimension was reweighted equally between the two remaining indicators. No data was available on the electricity indicator in Jordan. The access to services dimension was reweighted equally between the two remaining indicators. In all cases, the aforementioned approach is applied across the baseline and recent survey to maintain comparability of the results.

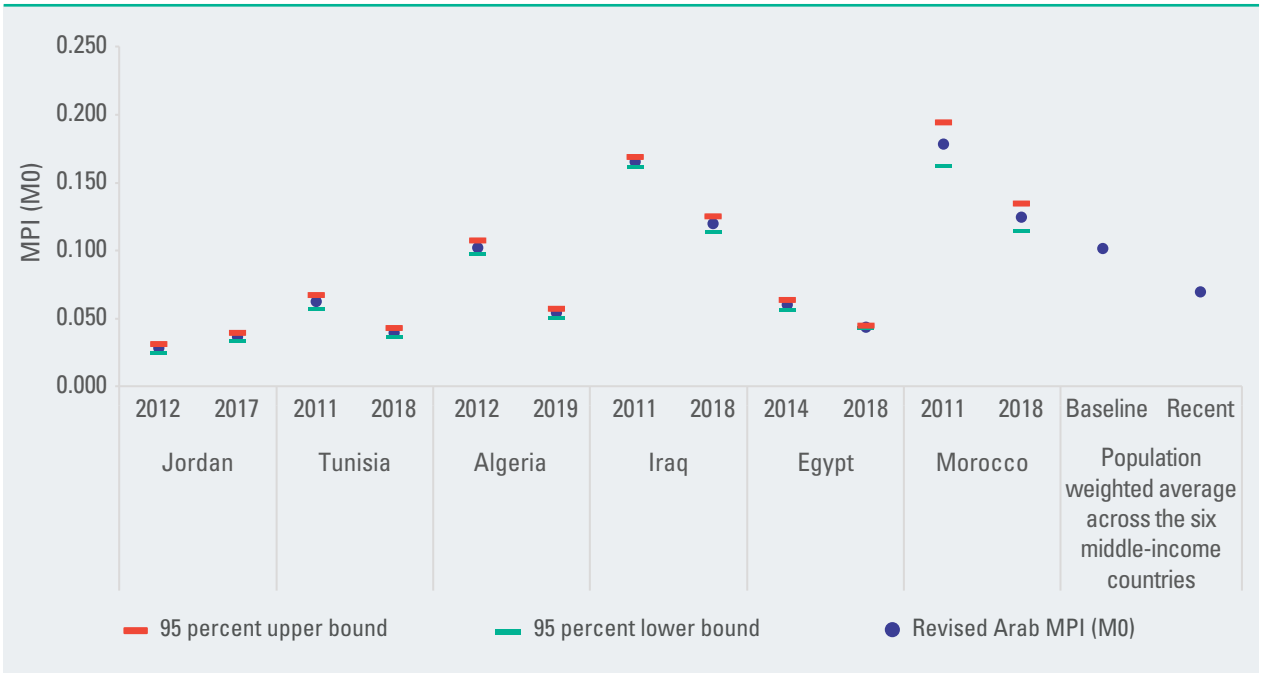
Figure 8. Average deprivation intensity among the poor in Arab middle-income countries over time



Source: Authors' calculations. Population data are retrieved from the DESA database (accessed on June 2021).

Note: Population weighted averages across the six countries are computed using the population in 2015 and 2019 for the baseline and recent survey, respectively.

Figure 9. Multidimensional Poverty Index in Arab middle-income countries over time



Source: Authors' calculations.

Notes: The reported standard errors are based on the Taylor-linearized variance estimator, account for sampling design and enable correction for stratum with a single sampling unit. The primary sampling unit is missing for Egypt 2018.

Table 2. Vulnerability to multidimensional poverty and severity of poverty in Arab middle-income countries over time

Country	Year	Multidimensional poverty headcount ratio (H) (Percentage)	Percentage of total population vulnerable to poverty[a]	Percentage of total population in severe poverty[b]
Algeria	2012	35.62	33.20	8.87
	2019	19.39	30.74	4.05
Egypt	2014	21.60	29.46	4.38
	2018	16.00	24.98	3.13
Iraq	2011	50.69	22.06	21.95
	2018	39.95	24.50	12.97
Jordan	2012	11.17	23.92	0.94
	2017	13.47	20.17	2.14
Morocco	2011	48.04	27.69	28.68
	2018	36.55	25.65	18.17
Tunisia	2011	21.82	31.65	5.23
	2018	14.91	33.74	2.11

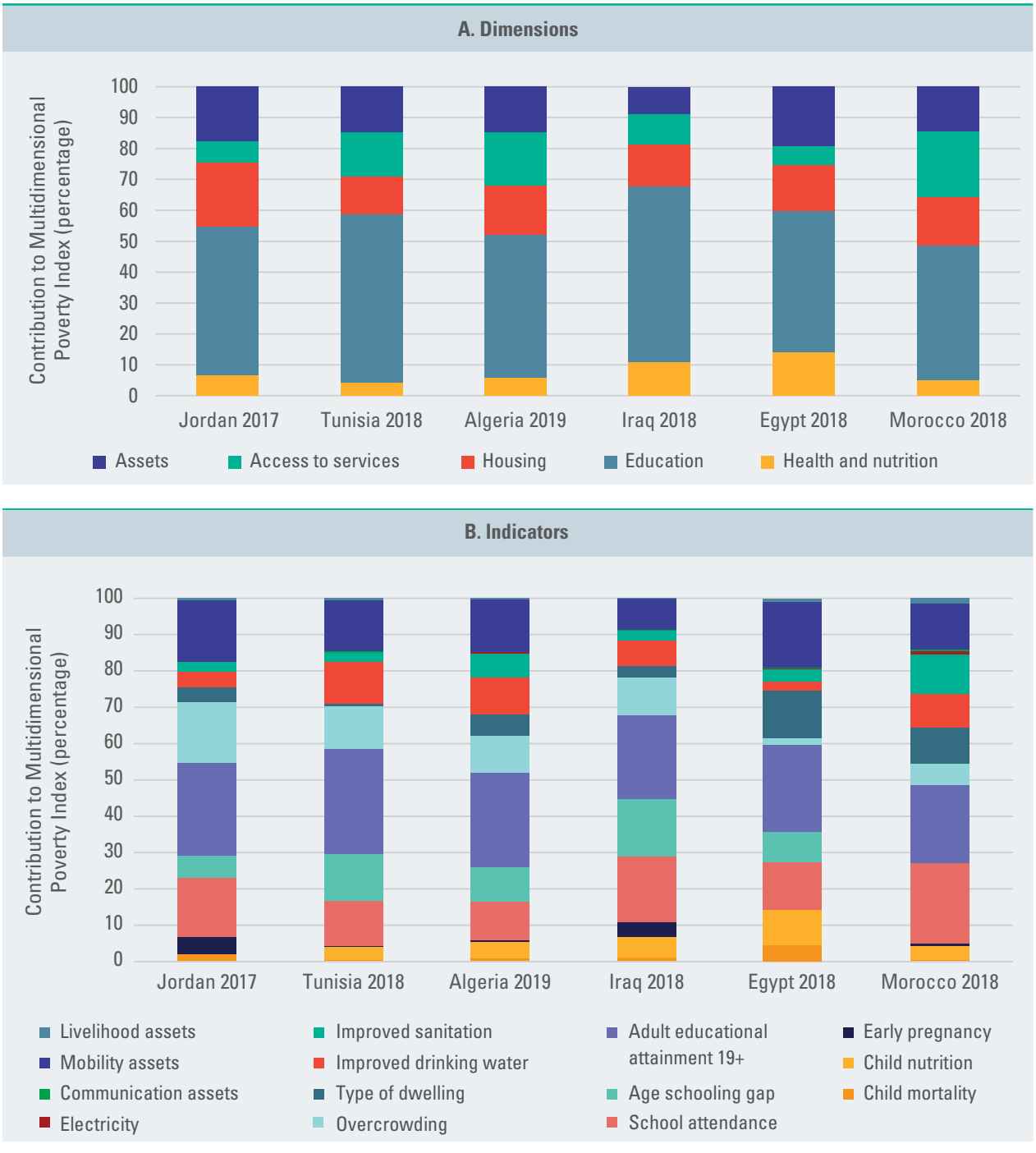
Source: Authors' calculations.

Notes:

[a] A household is considered to be vulnerable to poverty if its deprivation score is less than or equal to 0.2 and greater than or equal to 0.1167 (i.e., the difference between 0.2 and the highest weight on an indicator, 50/6 per cent).

[b] A household is considered to be in severe poverty if the deprivation level of the household is greater than 0.33. Severe poverty is understood as a subset of poverty, meaning that people classified as severe poor are automatically considered to be poor.

Figure 10. Contribution of dimensions and indicators to multidimensional poverty in Arab middle-income countries



Source: Authors' calculations.

Notes: For Morocco, the age-schooling gap indicator is missing. The education dimension was therefore reweighted such that the school attendance indicator receives double the weight of the adult educational attainment indicator, given the relatively high correlation between child attendance and the age-schooling gap. In the recent survey, there were no data on early pregnancy in Egypt nor any data on child nutrition in Jordan. In these cases, the health dimension was reweighted equally between the two remaining indicators. In Jordan, data for the electricity indicator was missing. The access to services dimension was reweighted equally between the two remaining indicators. In all cases, the aforementioned approach is applied across the baseline and recent survey to maintain comparability of the results.

Severe poverty in the majority of countries is low and has fallen over time. Nonetheless, vulnerability to multidimensional poverty remains substantial, exceeding 20 per cent in all countries (table 2). In addition, it is near or exceeds 30 per cent in Tunisia and Algeria. As a result, while poverty headcount ratios have been declining overall, a substantial portion of the population in Arab MICs remain at risk of falling into poverty. More efforts are needed to lift them out of the margins. The COVID-19 pandemic is also expected to have caused a rise in poverty and vulnerability rates; however, the surveys used in this study do not capture this impact since they were conducted between 2017 and 2019.

In terms of poverty composition, figure 10A shows that, using the revised Arab MPI, education remains the lead contributor to multidimensional poverty in all six countries examined. Nevertheless, the combined contributions of the housing, access to services and assets dimensions to poverty are also considerable, exceeding 40 per cent in most countries. Among the indicators included, those that contribute the most to multidimensional poverty are under education, as well as the indicators for overcrowding, improved drinking water and mobility assets (figure 10B).

The uncensored headcount ratios of deprivations, which measure the share of the total population deprived in an indicator, indicate that deprivations are generally declining and that countries have made some marked improvements on various fronts in relation to social and material well-being. Nonetheless, table 3 shows that some deprivations remain significant even for those classified as non-poor and that many people are at risk of falling into poverty. In general, deprivation levels are relatively low in key child health and nutrition indicators. And yet, uncensored deprivation ratios remain particularly high for the education indicators, particularly for adult educational attainment. It is worth noting that deprivations would rise further if the available data had allowed for the inclusion of indicators on education quality. Deficits in the quality of education and knowledge have persisted over the years and have played a role in widening the skills and knowledge gaps between education and labour market outcomes, particularly in light of the fourth industrial revolution and evolving labour market needs.

Among the remaining indicators, deprivations in overcrowding, improved drinking water and mobility assets remain high, although some countries witnessed progress on those fronts. Ensuring access to drinking water remains a severe nationwide challenge in several countries, with deprivation levels near or exceeding 30 per cent. Water scarcity adversely impacts development and economic opportunities and tends to disproportionately affect rural areas. In many countries, such as Iraq, water and sanitation infrastructures have been increasingly strained because of factors such as ageing, damage due to violence, the displacement crisis, a lack of proper resource management, increased periods of drought, increased pollution and the lack of proper water treatment leading to the contamination of water sources. Adequate access to improved water and sanitation, the importance of which has been amplified during the COVID-19 pandemic, must be ensured.

Table 3. Uncensored headcount ratios of deprivation in each indicator over time

			Algeria		Egypt		Iraq		Jordan		Morocco		Tunisia	
Pillar	Dimension	Indicator	2012	2019	2008	2018	2011	2018	2011	2017	2011	2018	2011	2018
Social or capability well-being	Health and nutrition	Child mortality	1.28	0.97	1.38	2.48	3.98	2.58	1.33	0.97	1.59	1.04	0.64	0.48
		Child nutrition	7.76	5.75	14.01	6.19	23.13	10.45	.	.	9.14	8.14	3.81	3.06
		Early pregnancy	0.34	0.31	.	.	7.67	7.96	1.43	1.66	1.08	1.00	0.23	0.14
	Education	School attendance	14.36	10.84	14.48	10.22	39.55	33.93	13.92	12.79	27.33	17.55	12.84	9.11
		Age-schooling gap	20.97	9.85	10.59	8.82	34.22	32.33	1.95	4.52	.	.	11.27	9.85
		Adult educational attainment (19+)	65.57	45.55	29.35	27.75	59.02	55.69	31.68	30.34	79.40	57.12	56.37	51.70
Living standards or material well-being	Housing	Overcrowding	20.60	10.52	8.11	1.09	28.39	20.33	12.99	17.41	11.82	12.93	13.39	8.46
		Type of dwelling	9.81	5.02	6.88	10.56	12.85	4.87	0.20	2.31	22.73	15.94	1.00	0.56
	Access to services	Improved drinking water	27.02	33.47	6.53	7.20	26.03	23.45	7.36	4.38	41.02	27.88	22.02	33.71
		Improved sanitation	12.93	15.02	9.86	3.99	6.19	8.61	0.32	1.98	16.05	32.93	6.88	3.58
		Electricity	1.19	0.35	0.18	0.60	1.18	0.10	.	.	8.24	2.40	0.62	0.13
	Assets	Communication assets	0.20	0.13	0.48	0.28	0.26	0.09	0.04	0.12	2.41	0.79	0.84	0.28
		Mobility assets	54.07	47.72	76.88	75.50	36.72	32.26	44.50	40.01	67.90	61.55	53.06	44.34
		Livelihood assets	1.62	0.29	0.83	0.94	1.69	0.08	0.57	0.51	13.46	3.95	5.30	0.69

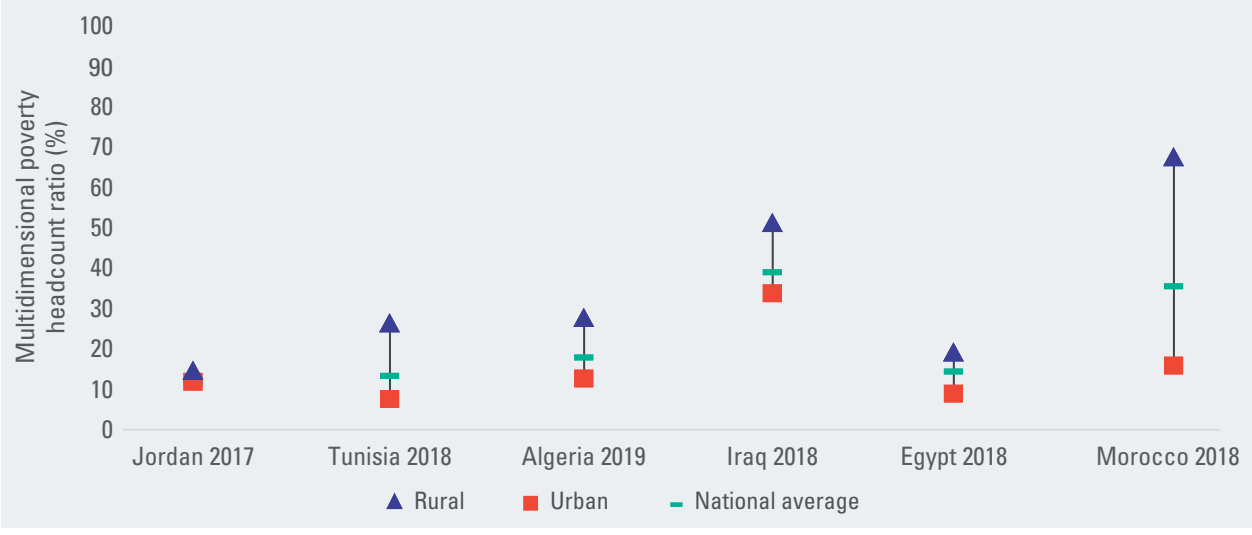
Source: Authors' calculations.

Note: For Morocco, the age-schooling gap indicator is missing. The education dimension was therefore reweighted such that the school attendance indicator receives double the weight of the adult educational attainment indicator, given the relatively high correlation between child attendance and the age-schooling gap. In the latest survey, there was no data on early pregnancy in Egypt nor any data on child nutrition in Jordan. In these cases, the health dimension was reweighted equally between the two remaining indicators. In Jordan, the electricity indicator is missing. The access to services dimension was reweighted equally between the two remaining indicators. In all cases, the aforementioned approach is applied across the baseline and recent survey to maintain comparability of the results.

3. Poverty by spatial and socioeconomic characteristics of households

The prevalence of poverty varies across areas and socioeconomic groups. Rural areas remain at a disadvantage, experiencing higher deprivation levels (figure 11). For example, rural populations are twice as likely to experience multidimensional poverty than those in urban areas in Algeria and Egypt. That ratio rises to more than three times as likely in Morocco and Tunisia. In both rural and urban areas, education is the primary contributor to poverty; however, the contributions of the housing and access to services dimensions tend to be higher in rural areas (figure 12).

Figure 11. Multidimensional poverty headcount ratio by area of residence



Source: Authors' calculations.

Figure 12. Contribution of dimensions to multidimensional poverty by area of residence

Source: Authors' calculations.

The prevalence of poverty also varies with the characteristics of the household and head of household (table 4 and figure 13). Across all countries, the headcount ratio of poverty tends to increase as the household size increases, particularly for those living in households classified as large (with eight or more members). In a majority of countries, those living in large households are over three times more likely to be multidimensionally poor than those who live in small households. That number goes up to more than five times as likely in Tunisia (figure 13B). Similarly, the headcount ratio of multidimensional poverty declines significantly across the richer quintiles. In MICs, individuals in the bottom quintiles tend to have a very high headcount ratio of multidimensional poverty, depicting the double burden of material and non-material deprivations.

In terms of the gender of the head of household, the countries examined exhibit different trends. In Jordan and Egypt, the headcount ratio of poverty is higher among those living in female-headed households than

Table 4. Multidimensional poverty headcount ratio by socioeconomic characteristics of household

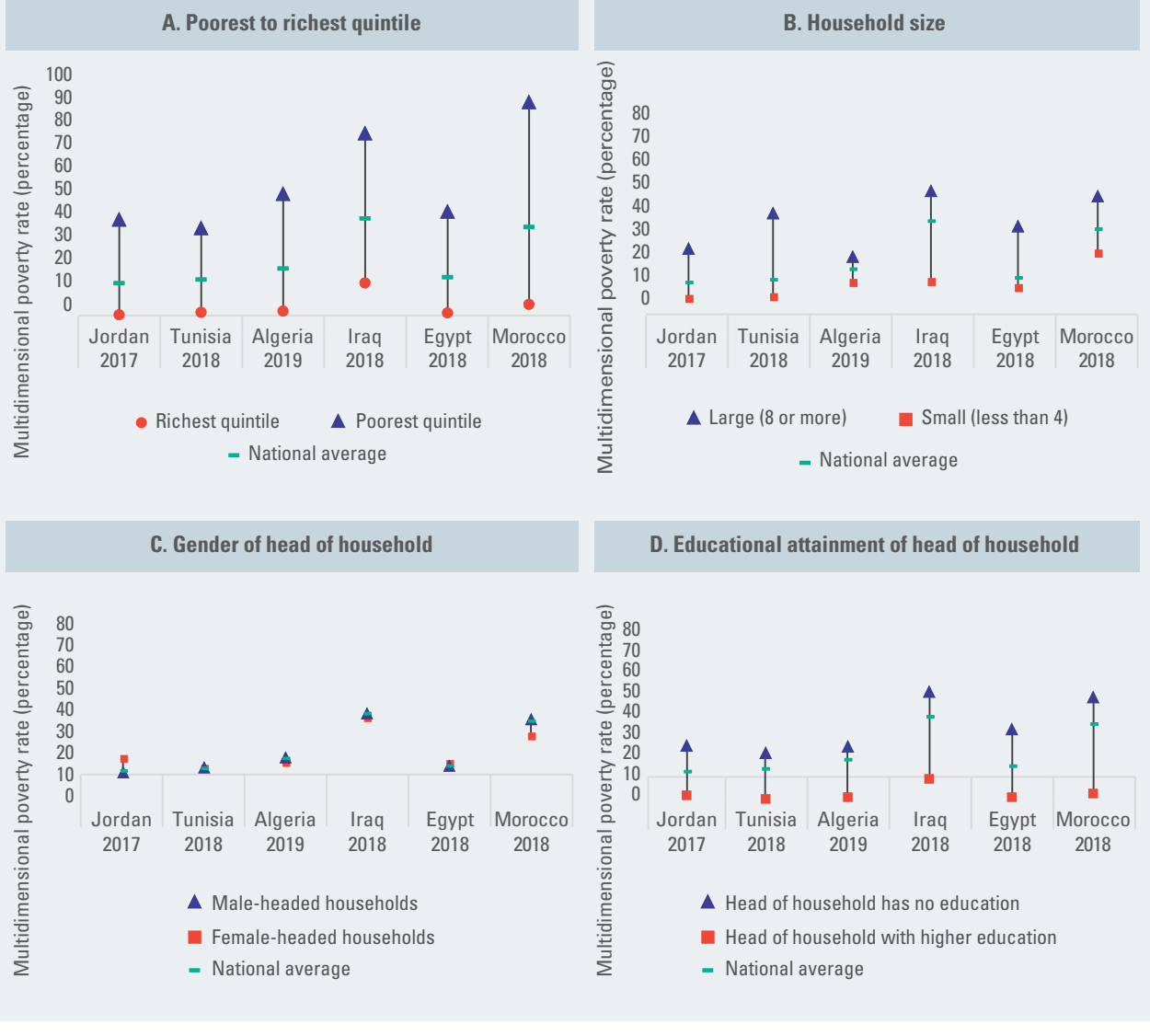
		Algeria 2019	Egypt 2018[a]	Iraq 2018	Jordan 2017	Morocco 2018	Tunisia 2018
Wealth	Poorest	49.71	42.53	74.56	39.40	87.41	35.85
	Poor	23.49	21.74	49.57	17.20	54.79	18.93
	Middle	14.52	10.43	40.69	7.47	26.89	12.07
	Rich	7.81	4.18	21.33	2.67	13.79	6.53
	Richest	1.93	1.18	13.44	0.53	4.74	1.33
Household size	Small (less than 4)	13.36	11.36	13.67	6.25	26.03	6.96
	Medium (4 to 7)	19.15	15.19	31.86	11.37	35.68	15.86
	Large (8 and above)	24.86	38.06	53.08	28.24	50.74	43.66
Gender of head of household	Male	19.59	15.91	40.10	12.97	37.46	14.98
	Female	17.16	16.57	37.97	18.88	29.15	14.33
Educational attainment of the head of household	None	25.63	34.01	52.51	26.22	49.71	22.35
	Primary education	25.11	25.03	50.60	32.76	38.63	21.54
	Secondary education	15.01	8.27	37.15	14.34	15.80	8.32
	Higher education	1.21	1.27	10.16	1.99	2.96	0.23
	National average	19.39	16.00	39.95	13.47	36.55	14.91

Source: Authors' calculations.

Note:
[a] In the case of Egypt, the wealth index was missing from the data set. The authors constructed it by applying the principal component analysis to a list of durable assets. The result of the Kaiser-Meyer-Olkin test to measure sampling adequacy is 0.76, exceeding the critical value of 0.60. It evaluates the proportion of variance among variables common to them. The set of asset types is thus adequate to perform the 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.

those living in male-headed households. In the remaining countries, the gap is reversed, with male-headed households having slightly higher poverty headcount ratios (figure 13C). Disparities are particularly evident based on the education level of heads of households. In general, the headcount ratio of poverty tends to decline as the educational attainment of the head of household increases, particularly at the secondary and higher education levels. For instance, across most of the examined countries, the poverty headcount ratio is more than 15 times higher for those living in households whose head has no education compared to those whose head has attained higher education (figure 13D). This also highlights the role of education as a means by which the vicious cycle of intergenerational transmission of poverty is broken and social mobility is promoted.

Figure 13. Disparities in the multidimensional poverty headcount ratio by socioeconomic characteristics of household



Source: Authors' calculations.

B. Child poverty in middle-income countries

1. Framework of the Arab Multiple Overlapping Deprivation Analysis

This study adapts to the Arab context the MODA analytical approach developed by UNICEF to measure multidimensional child poverty.[70] The analysis covers the following Arab MICs: Algeria, Egypt, Iraq, Jordan, Morocco and Tunisia.

The dimensions of the child poverty index are based on the MODA analytical approach, which is in line with the rights-based approached adopted in the Convention of the Rights of the Child. The Arab MODA framework for dimensions, indicators and thresholds was set out in the first edition of the Arab Multidimensional Poverty Report. It reflects the measurement parameters observed in national studies on multidimensional child poverty in many Arab countries and the type of data typically available through accessible surveys in the region.

The Arab MODA approach assesses multidimensional poverty for two age groups—children aged 0–4 years and children aged 5–17 years—and analyses five child well-being dimensions for each group.[71] The dimensions studied include: health and nutrition (for children aged 0–4 years), education and access to information (for children aged 5–17 years), and access to water, sanitation and adequate housing (for all children).[72]

Deprivation in the health, nutrition and education dimensions is measured at the individual child level, while deprivation in access to water, sanitation, housing and information is determined at the level of the household in which the child lives. Table 5 displays the seven dimensions analysed in the Arab MODA, along with their corresponding indicators.

Once the analysis of deprivation by individual dimension is complete, the Arab MODA approach identifies multidimensionally poor children as those deprived in two dimensions or more. While this approach is able to capture only a limited number of aspects of child poverty owing to data constraints, it is a powerful tool to indicate the plight of children living in households with limited material resources who do not have access to essential social services and are not reached by the basic socioeconomic infrastructure.

Table 5. Multidimensional child poverty index: Multiple Overlapping Deprivation Analysis

Dimension	Indicator	Age group
Water	No access to piped water into the dwelling, yard or plot	All children aged 0–17 years
Sanitation	No improved sanitation facility	All children aged 0–17 years
	Shared sanitation facility	
Housing	Primitive flooring/inadequate housing	All children aged 0–17 years
	Overcrowding (more than 3 people per room)	
Health	Birth not attended by skilled health personnel (0–23 months)	Children aged 0–4 years
	Not fully immunized (12–59 months)	
	Mother did not receive regular antenatal care (0–23 months)	

Nutrition	Inadequate infant and young child feeding (0–23 months): children under 6 months not exclusively breastfed, children aged 6–23 months not provided with the minimum dietary diversity or minimal meal frequency	Children aged 0–4 years
	Wasting (0–4 Years)	
	Stunting (>24 months)	
	Obesity (>24 months)	
Education	Not enrolled in school (all ages)	Children aged 5–17 years
	Two or more grades behind in school or did not complete primary school (from the grade appropriate for their age at the end of primary school to 17 years)	
Information	No access to any information device (television, radio, computer)	Children aged 5–17 years
	No access to any communication device (phone, mobile phone, computer)	

Source: Ferrone, Lucia and Bilal Al-Kiswani, 2017. A multiple overlapping deprivation analysis for the Arab region UNICEF Innocenti Office Technical Note.

Note: A child is considered to be deprived if he or she suffers from two or more deprivations.

Table 6. Child population in the selected Arab middle-income countries (2020)

Child population	0–4 years	5–17 years	0–17 years	The 0–17 years age group as a share of total population	The 0–17 years age group as a share of total child population across the six countries
	(Thousands)			(Percentage)	(Percentage)
Algeria	5,042	10,250	15,292	34.9	16.6
Egypt	12,697	27,291	39,988	39.1	43.4
Iraq	5,380	12,322	17,702	44.0	19.2
Jordan	1,058	2,931	3,989	39.1	4.3
Morocco	3,381	8,490	11,871	31.6	12.9
Tunisia	1,004	2,340	3,344	28.3	3.6
Total	28,562	63,624	92,186	37.6	100.0

Source: United Nations, Department of Economic and Social Affairs, Population Division, 2019.

While the Arab countries are at different stages in their demographic transition, they are all characterized by a relatively young population, with a substantial share made up of children and a growing share constituted by adolescents and young people. In 2020, 165 million children (0–17 years old) were living in the 22 Arab countries, representing approximately 38 per cent of the region's population, but with substantial heterogeneity across countries.[73] The six Arab MICs covered by this analysis have a combined child population of 94.5 million, accounting for 57 per cent of the total child population in Arab countries.

Egypt has the highest child population in the region, with almost 40 million children accounting for 39 per cent of the country's population in 2020. Iraq, Algeria and Morocco

had a child population of 17.7 million, 15.3 million and 11.9 million, respectively. The other two countries had a child population of no more than 5 million, but with substantially different demographic structures: children account for 28.3 per cent of the overall population in Tunisia, compared with 39.1 per cent in Jordan (table 6).

The following subsections present the results of the multidimensional child poverty analysis, beginning with an analysis of the spread of multidimensional child poverty and deprivation in child well-being dimensions. This is followed by an analysis of the socioeconomic factors correlated with child poverty and the trends in multidimensional child poverty for the six Arab MICs during the last decade (from the early to mid-to-late 2010s).

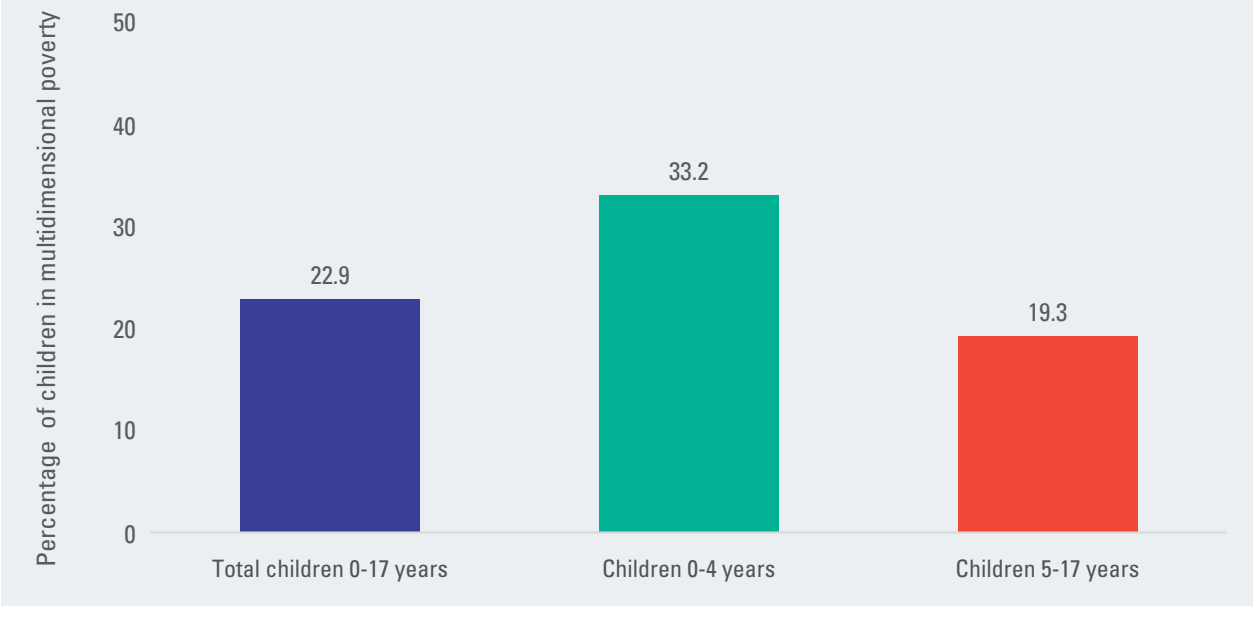
2. Spread of multidimensional child poverty

A significant number of children living in Arab MICs experience multidimensional poverty on a daily basis. According to the most recent data (figure 14), approximately one quarter of children living in the six countries under analysis are deprived of at least two essential dimensions of their well-being and are therefore multidimensionally poor. This corresponds to approximately 21.1 million of the 92.2 million children living in those six countries.

Among children aged 0–4 years, the share of children living in multidimensional poverty is as high as 33.2 per cent, corresponding to 9.5 million children who are deprived in at least two well-being dimensions, which include health; nutrition; and access to water, sanitation or adequate housing.

For school-age children (5–17 years), the average multidimensional poverty headcount ratio amounted to 19.3 per cent, or 12.3 million children suffering from deprivation in at least two dimensions, which include education and access to information, communication devices, water, sanitation or adequate housing. Figure 15 displays the prevalence of deprivation in each child well-being dimension included in the Arab MODA framework. See table 6 for a detailed description of the indicators included under each dimension.

Figure 14. Multidimensional child poverty headcount ratio by age group, average of the six Arab middle-income countries (mid-to-late 2010s)



Source: Authors' calculations. The population weighted average across the six countries is computed using child population data for 2020 extracted from United Nations, Department of Economic and Social Affairs, Population Division, 2019.

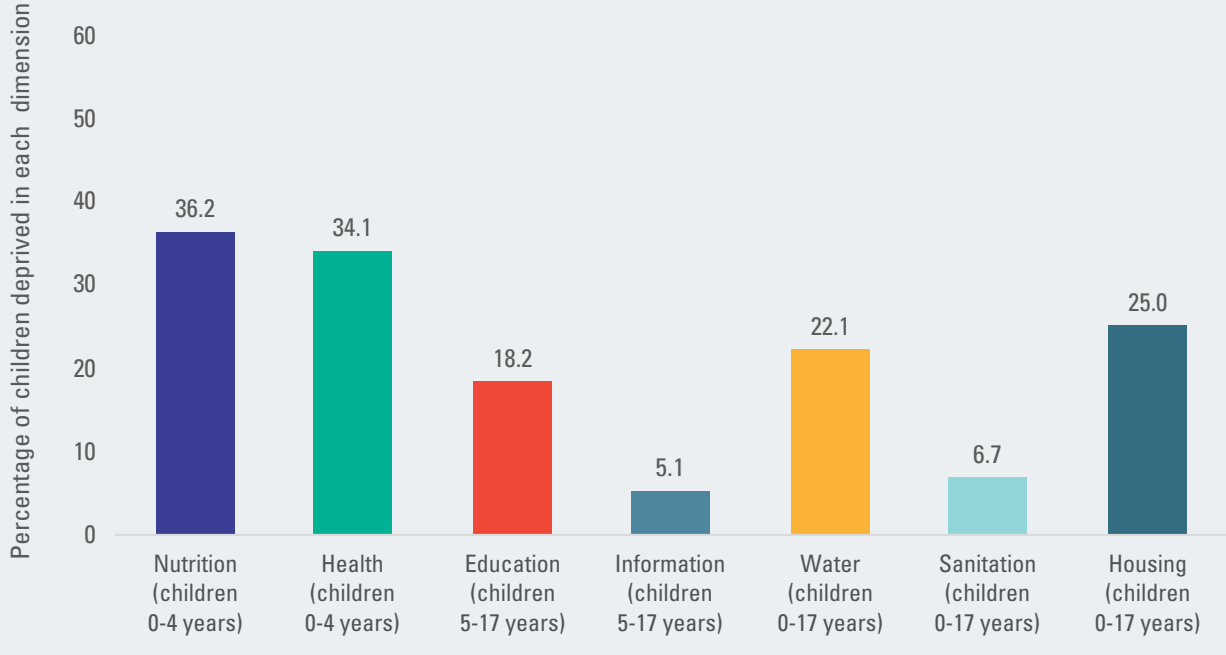
According to the most recent surveys, around 36 per cent of children under the age of 5 were deprived in terms of nutrition, suffering from either wasting, stunting or obesity or lacking access to a healthy, diversified diet. In the same age group, 34 per cent of children did not have adequate access to health services, reflecting incomplete immunization, a lack of access to antenatal care, or the absence of skilled health personnel at birth.

Among older children aged 5–17 years, 18.2 per cent are deprived in education since they are not enrolled in school or are behind by two or more grade levels. In comparison, 5.1 per cent lack access to devices essential for communication.

For the three well-being dimensions measured for the entire child population (aged 0–17 years), 22.1 per cent were deprived in terms of water (living in households without piped water in the dwelling or the yard); 25 per cent were deprived in housing (living in overcrowded or poorly constructed homes) and 6.7 per cent were deprived in terms of sanitation (having access to only unimproved or shared toilets).

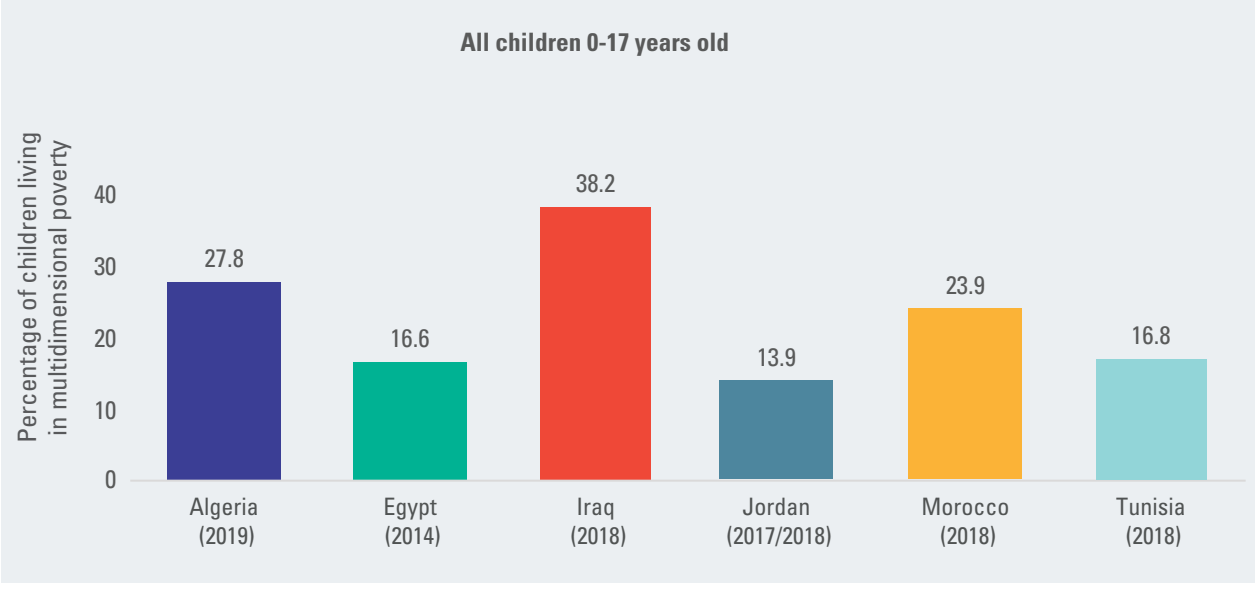
When examining each country's results individually (figure 16), the analysis found the highest multidimensional child poverty headcount ratio rate in Iraq (at 38.2 per cent, corresponding to 6.8 million children in absolute terms). Jordan and Egypt had the lowest levels of multidimensional child poverty, with a headcount ratio rate of 13.9 per cent and 16.6 per cent, respectively, corresponding to 0.6 million and 6.6 million children.

Figure 15. Percentage of children deprived in essential well-being dimensions by age group, average of the six Arab middle-income countries (mid-to-late 2010s)



Source: Authors' calculations. The population weighted average across the six countries is computed using child population data for 2020 extracted from United Nations, Department of Economic and Social Affairs, Population Division (2019). World Population Prospects 2019: Highlights. ST/ESA/SER.A/423.

Figure 16. Multidimensional child poverty headcount ratio rate by country (mid-late 2010s)

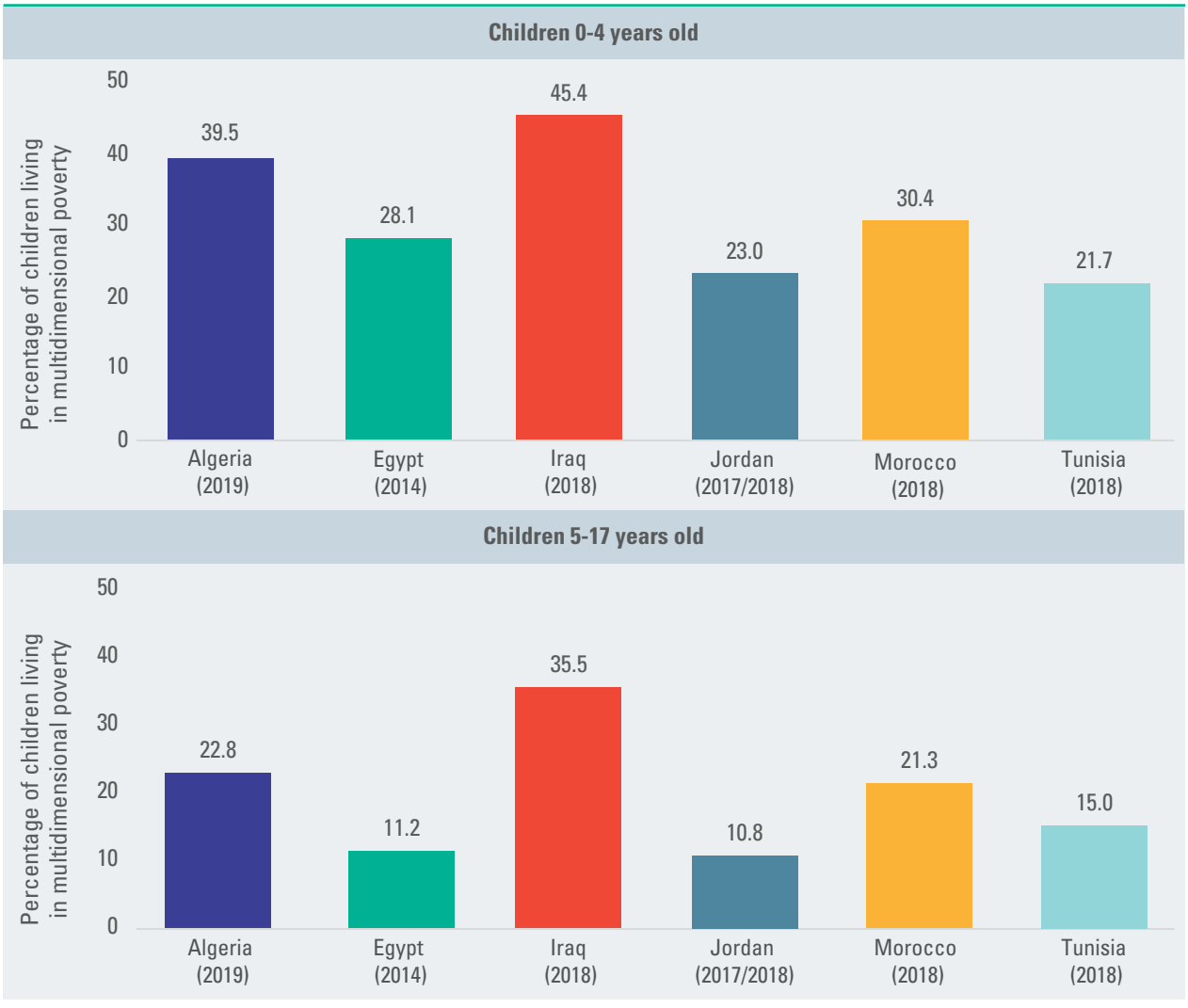


Source: Authors' calculations.

Figure 17 presents the results of the country level multidimensional poverty analysis by childhood age group. For the younger group (aged 0–4 years), the highest level of multidimensional poverty is found in Iraq, where 45 per cent of that population is deprived in two or more essential well-being dimensions, followed by Algeria (39 per cent). Table 7 provides detailed figures on the share of children deprived in each well-being dimension of the Arab MODA framework.

For school-age children (aged 5–17 years), the highest rates of multidimensional poverty were observed in Iraq (35 per cent), where the dimensions responsible for the higher rates of deprivations are education, water and housing (with children living in overcrowded dwellings or poorly constructed homes). Rates of multidimensional poverty were lower among this age group in all countries compared with rates observed among younger children.

Figure 17. Multidimensional child poverty headcount ratio rate by country and age group (mid-to-late 2010s)



Source: Authors' calculations.

Table 7. Percentage of children experiencing deprivation in each dimension of the Arab Multiple Overlapping Deprivation Analysis framework by country (mid-to-late 2010s)

	Nutrition (0–4 years)	Health (0–4 years)	Education (5–17 years)	Information (5–17 years)	Water (0–17 years)	Sanitation (0–17 years)	Housing (0–17 years)
Algeria (2019)	36.1	33.6	15.3	6.0	34.9	15.8	21.0
Egypt (2014)	42.3	39.3	19.2	6.2	9.5	2.5	17.2
Iraq (2018)	24.0	42.1	25.8	2.5	39.4	8.8	42.5
Jordan (2017/2018)	67.9	26.1	15.5	1.9	8.1	2.2	28.9
Morocco (2018)	34.9	14.9	12.9	6.9	22.5	8.4	32.6
Tunisia (2018)	22.5	25.3	15.1	2.8	36.9	3.8	12.7

Source: Authors' calculations.

3. Disparities in multidimensional child poverty within countries

Multidimensional child poverty varies substantially not only across Arab MICs but also within countries. Rural areas experience a higher headcount ratio of multidimensional poverty in all the countries under analysis (figure 18). In three countries (Algeria, Iraq and Morocco) the poverty headcount ratio rate in rural areas exceeds 40 per cent.

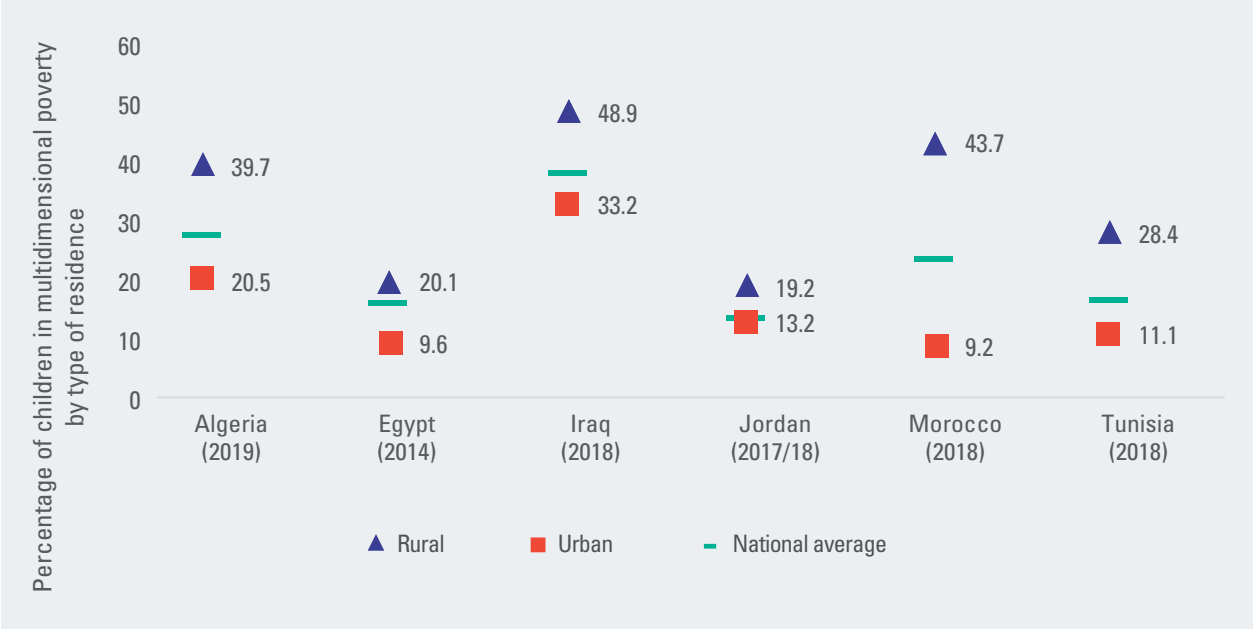
Morocco experiences the most significant gap in multidimensional child poverty rates (both in absolute and relative terms) between urban and rural areas: 9.2 per cent versus 43.7 per cent. At the same time, it has the lowest poverty rate for urban areas and the second-highest rate for rural areas. This significant disparity stems from the marked disadvantage of rural areas in terms of housing and water infrastructure and deprivations in health and education.

Egypt and Jordan recorded the lowest levels of multidimensional child poverty among rural inhabitants (with a rate of approximately 20 per cent). Additionally, Jordan displays the lowest gap between urban and rural areas, with very narrow disparities in health and education. While rural areas experience more marked disadvantages in terms of access to water and housing, urban areas experience higher levels of nutritional deprivation (primarily due to less diversified diets for younger children).

Multidimensional child poverty in urban areas reaches its highest levels in Iraq, where more than 1 in 3 urban children are deprived in two or more well-being dimensions.

Table 8 reports the results of the Arab MODA disaggregated by a set of household socioeconomic characteristics. Based on the assets index, which is an indicator of household material well-being, the wealth quintiles strongly correlate with the prevalence of multidimensional child poverty in all countries. The highest disparities between the richest and the poorest quintiles are found in Morocco and Tunisia, but they are substantial in all countries analysed.

Figure 18. Multidimensional child poverty headcount ratio by urban/rural residence and by country (mid-to-late 2010s)



Source: Authors' calculations.

Table 8. Multidimensional child poverty headcount ratio by household socioeconomic characteristics and by country (mid-to-late 2010s)

		Algeria (2019)	Egypt (2014)	Iraq (2018)	Jordan (2017/2018)	Morocco (2018)	Tunisia (2018)
By wealth	Poorest quintile	56.7	29.4	73.5	31.4	65.0	40.1
	Richest quintile	8.2	5.4	7.2	2.7	1.8	2.3
By gender of head of household	Male	28.1	16.4	38.5	13.7	24.4	16.9
	Female	21.9	20.0	34.5	17.5	17.7	16.3
By educational attainment of head of household	No education	37.3	24.5	48.6	28.8	33.6	30.8
	Primary education only	30.0	17.8	43.5	16.4	23.5	22.3
	Secondary or higher education	17.7	11.6	31.1	8.0	10.7	10.3
By number of children in household	<3 children under 18 years	26.1	13.9	26.2	10.8	19.5	14.1
	>3 children under 18 years	31.6	22.9	44.9	17.3	35.3	29.9
National average		27.8	16.6	38.2	13.9	23.9	16.8

Source: Authors' calculations.

Note: Percentages are for children aged 0–17 years.

Similarly, but to a lesser extent, the level of education of the head of household shows a significant correlation with multidimensional poverty, particularly in Egypt, Jordan, Morocco and Tunisia, where higher levels of education correspond to a lower prevalence of multiple deprivations. By contrast, the gender of the head of household does not show a clear correlation trend with multidimensional child poverty across countries.[74]

Inequalities often overlap. To disentangle the role of individual factors, a simple logistic regression model was used to investigate the correlation between multidimensional child poverty and household socioeconomic characteristics and urban-rural residence for each of the six countries. The results shown in figure 19 are expressed in average marginal effects and can be interpreted as changes in percentage points.

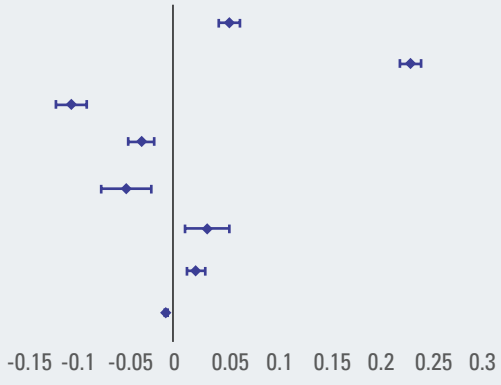
Rural residence is correlated with a higher likelihood that a child will be multidimensionally poor in four of the six countries analysed, while belonging to the poorest household quintile is associated with a substantially higher probability of multidimensional child poverty across all countries.

The educational attainment of the head of household generally has an inverse relationship with multidimensional poverty (the higher the education, the lower the probability of multidimensional poverty), with strong impacts observed in Jordan and Tunisia.

The regression results confirm that the gender of the head of household has no systematic effect on the probability of a child being multidimensionally poor. In addition, the age and gender of the child have little to no effect.

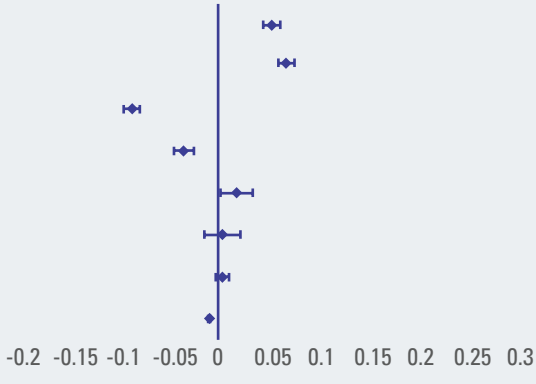
Figure 19. Correlation between household socioeconomic characteristics and multidimensional child poverty (marginal effects of different variables on the probability for a child to be multidimensionally poor)

Algeria



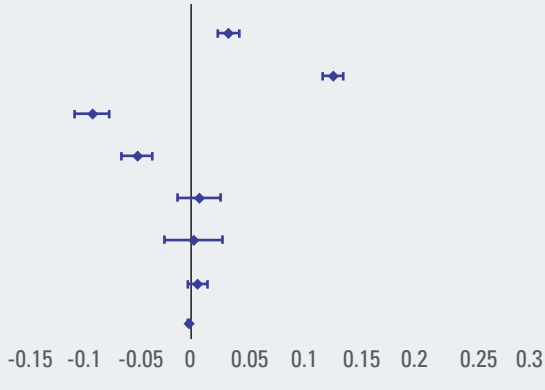
Rural area
Poorest quintile
Household head: secondary/higher education
Household head: primary education
Female household head
Child of household head
Male child
Age (years)

Egypt



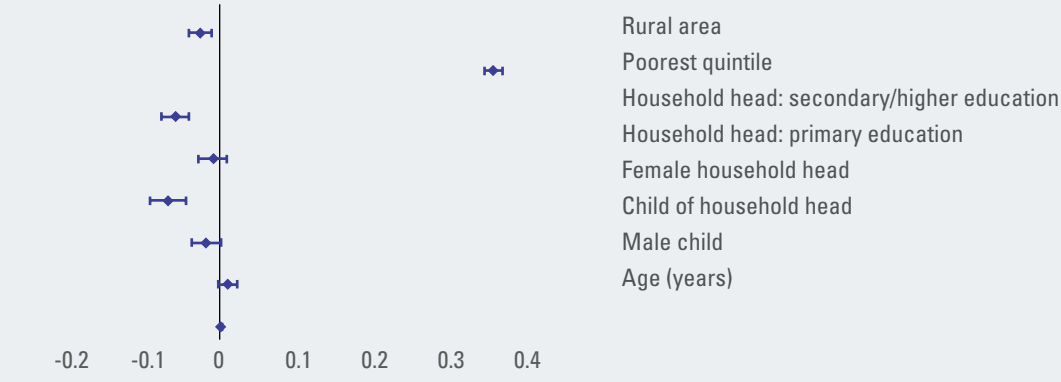
Rural area
Poorest quintile
Household head: secondary/higher education
Household head: primary education
Female household head
Child of household head
Male child
Age (years)

Jordan

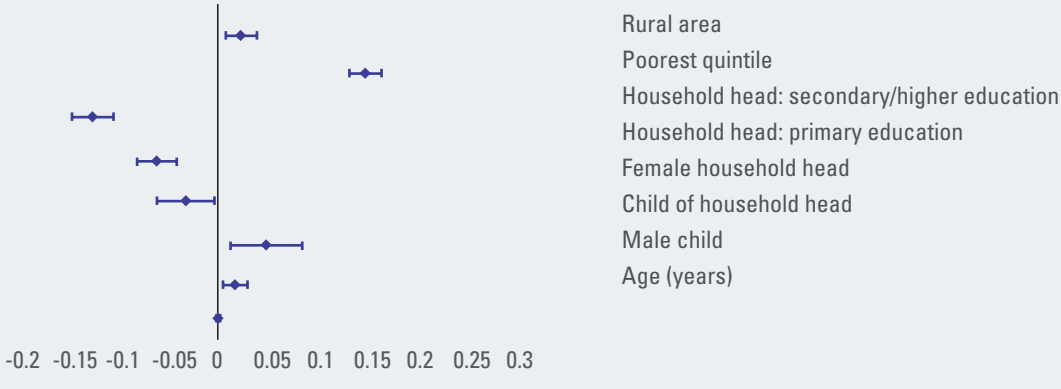


Rural area
Poorest quintile
Household head: secondary/higher education
Household head: primary education
Female household head
Child of household head
Male child
Age (years)

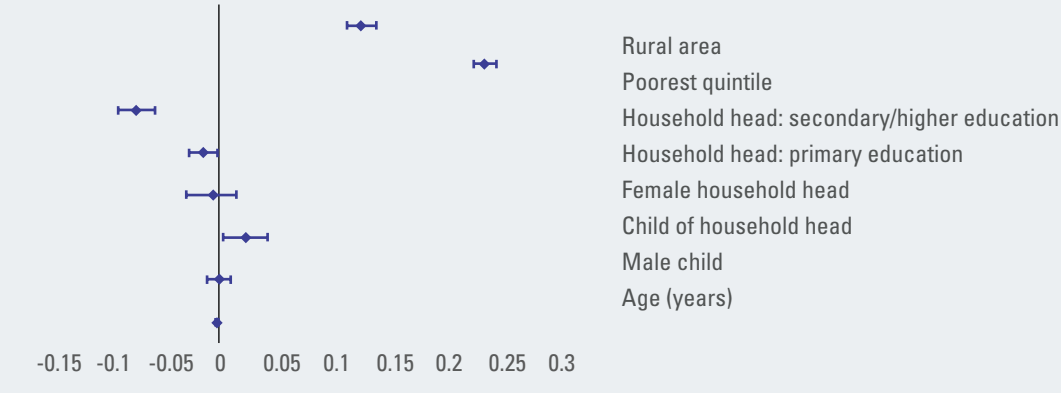
Iraq



Tunisia



Morocco



Source: Authors' calculations. Results of a logistic regression model. Marginal effects represent percentage point changes, all else being equal.

4. Trends in multidimensional child poverty (throughout the 2010s)

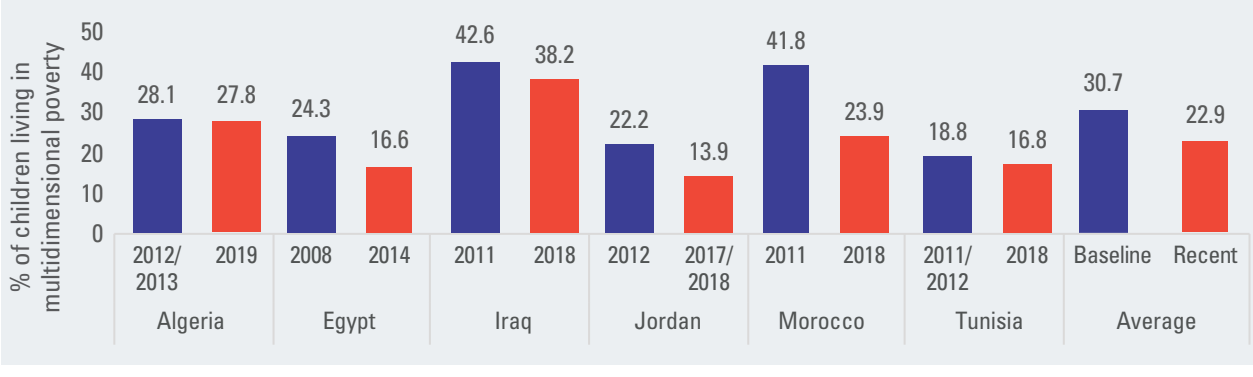
The decade of the 2010s has been characterized in the Arab region by several episodes of social, political and economic instability, including a substantial period of economic stagnation. At the same time, most countries began to reform their national systems, especially in strategic sectors like education and social protection, which are essential to addressing the challenges facing child well-being and poverty.

Figure 20 presents a comparison of multidimensional child poverty data from the early 2010s to the mid-to-late 2010s. Overall for the six MICs analysed, multidimensional poverty declined by 7.8 percentage points, from 30.7 per cent at the beginning of the decade to 22.9 per cent towards the end.[75] However, this is not the result of a homogeneous decline across the region. Morocco recorded the most significant improvement, with a decline in the multidimensional child poverty headcount ratio rate from 41.8 per cent in 2011 to 23.9 per cent in 2018, driven primarily by the nutrition and education dimensions and partially slowed by stagnation in access to water.

Substantial improvements were also observed in Egypt, Jordan and Iraq (which nevertheless recorded relatively high levels of child poverty).

Over the last decade, progress in reducing multidimensional poverty virtually stagnated in Tunisia, where improvements have been observed in child nutrition while access to water has deteriorated. In Algeria, progress in child poverty reduction has been negatively affected by a deterioration in access to water and health, particularly with regard to immunizations, which is partially compensated by improvements in education and housing.

Figure 20. Trends in the multidimensional child poverty headcount ratio by country (early 2010s versus mid-to-late 2010s)



Source: Authors' calculations. The population weighted average across the six countries is computed using child population data for 2020 extracted from United Nations, Department of Economic and Social Affairs, Population Division (2019). World Population Prospects 2019: Highlights. ST/ESA/SER.A/423.

C. Multidimensional poverty in the State of Palestine

The framework for both the revised Arab MPI and the MODA for analysing child poverty is better suited to the context of middle-income countries as its dimensions and indicators focus on moderate rates of deprivation. In the present section, the framework is applied to the State of Palestine to provide poverty estimations for the revised Arab MPI and the Arab MODA. This section has been prepared to present findings on household poverty and child poverty in the State of Palestine separately from the middle-income countries due to the exceptional situation of the State of Palestine under Israeli occupation and the oppression of the Palestinian people. Therefore, care should be taken when interpreting the findings and consideration should be given to the deprivations adopted by these two approaches (health and nutrition; education; housing; and access to services, information devices and assets), which do not capture the effects of intimidation and oppression on the quality of life of households and children in the State of Palestine.[76]

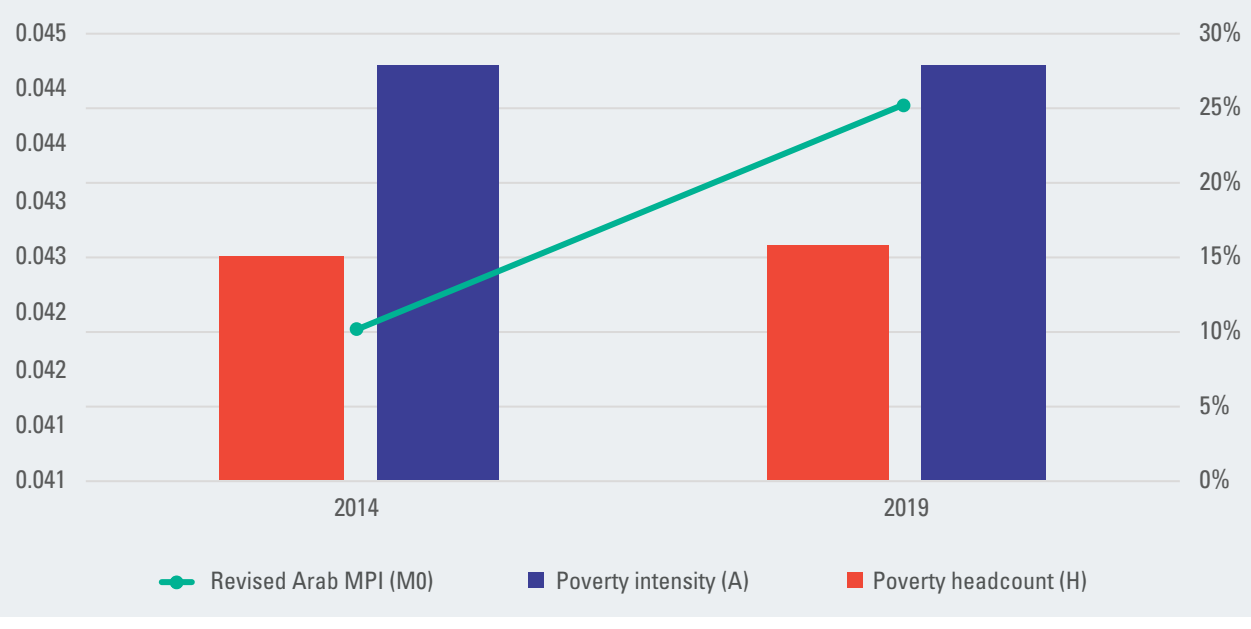
Household poverty

1. Spread of household poverty

The present section focuses on the spread, characteristics and trends in household multidimensional poverty in the State of Palestine, using the revised Arab MPI. Figure 21 presents the main results of the poverty headcount ratio (H), the intensity of poverty (A) and the revised Arab MPI score (M0) for the State of Palestine. Unlike the majority of countries, which have shown a reduction in multidimensional poverty over the past decade, the State of Palestine has recorded an increase in poverty – from 15 per cent to 15.8 per cent – and an average deprivation intensity of 27.7 per cent. These changes result in an MPI score of 0.044.

Vulnerability to poverty has reached 29.96 per cent in the State of Palestine, and the rate of severe poverty 2.85 per cent (figure 22).

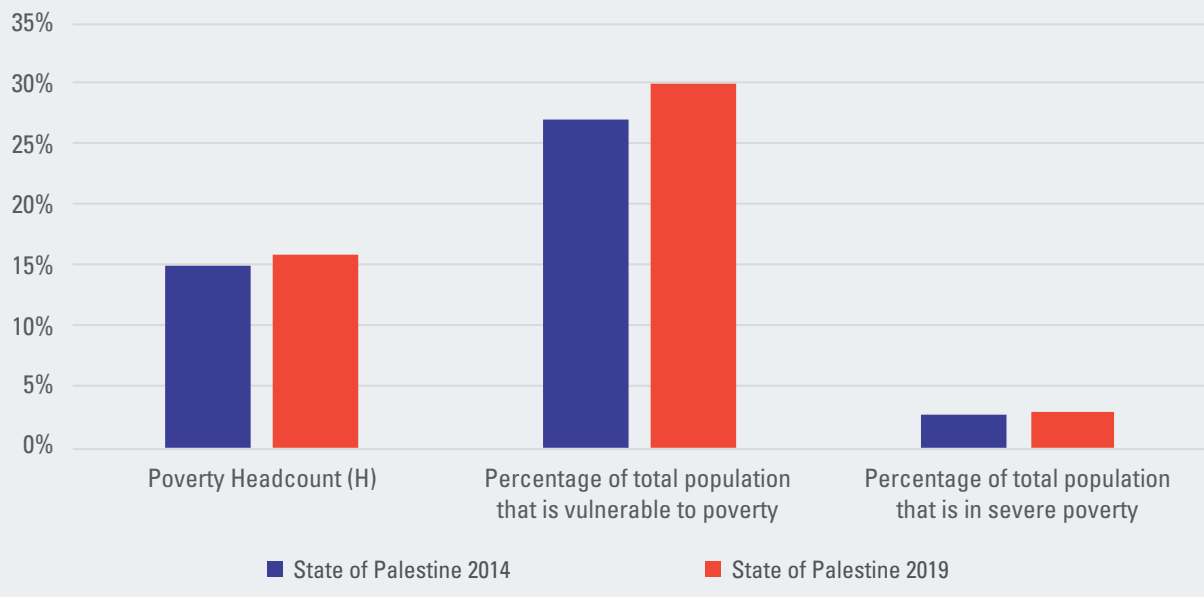
Figure 21. Multidimensional poverty headcount ratio, average deprivation intensity and the Multidimensional Poverty Index in the State of Palestine over time



Source: Authors' calculations.

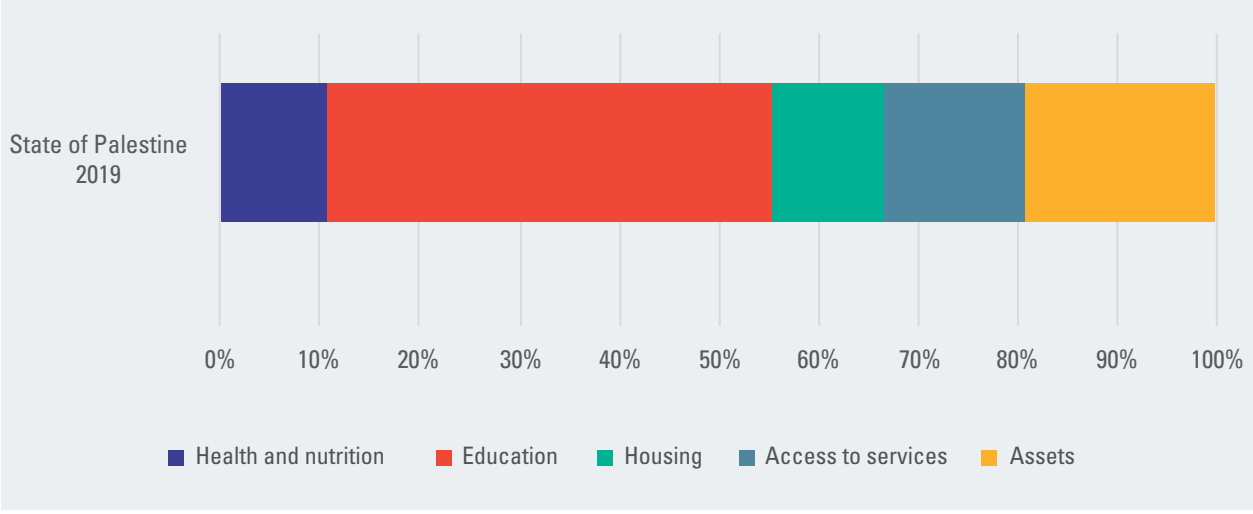
In terms of poverty composition, figure 23 shows that, using the revised Arab MPI, education remains a major contributor to multidimensional poverty in the State of Palestine, as in all of the six middle-income countries surveyed. Nevertheless, the combined contributions of the housing, access to services and assets dimensions to poverty are also considerable, exceeding 40 per cent. Among the indicators included, those that contribute the most to multidimensional poverty are under education (adult educational attainment, followed by school attendance) as well as the indicators for overcrowding, improved drinking water and mobility assets.

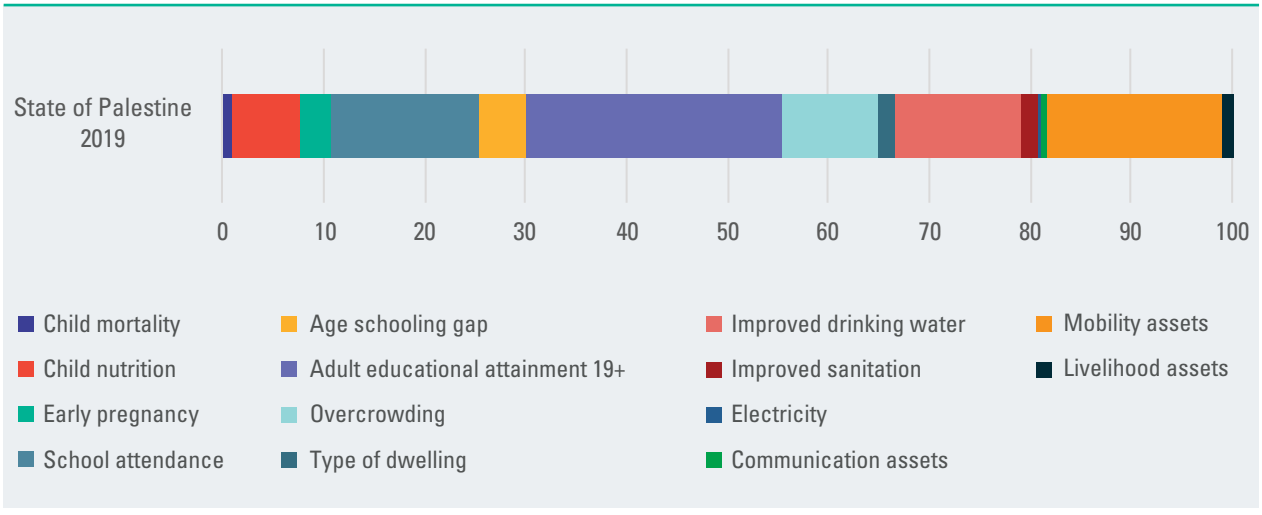
Figure 22. Vulnerability to poverty and severity of poverty in the State of Palestine over time



Source: Authors' calculations.

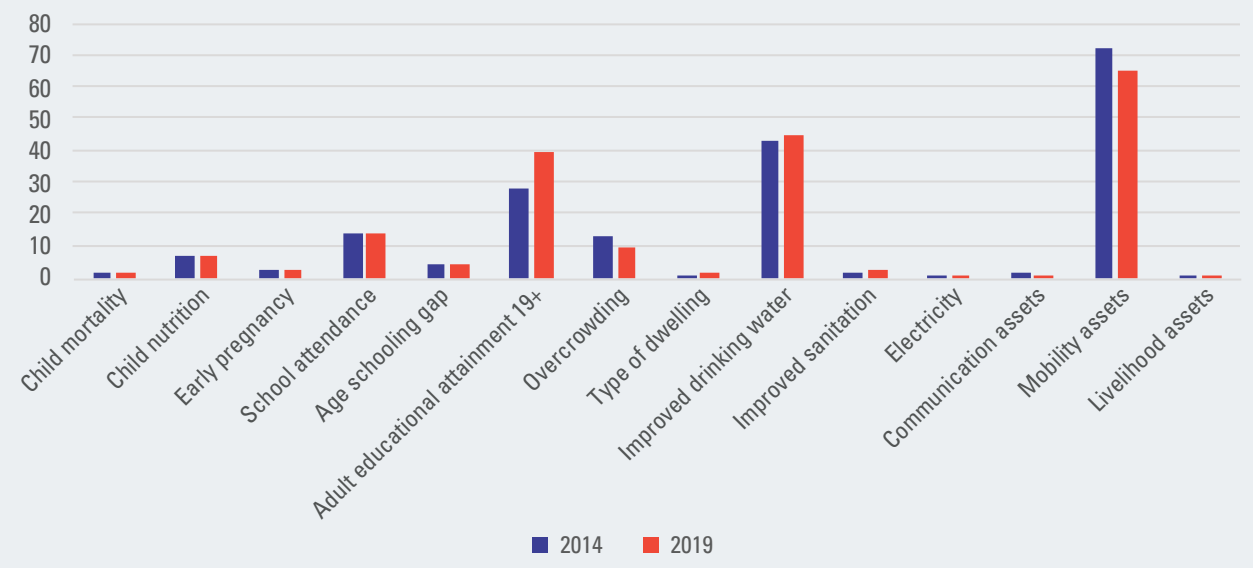
Figure 23. Contribution of dimensions and indicators to multidimensional poverty in the State of Palestine





Source: Authors' calculations.

Figure 24. Uncensored headcount ratio ratios



Source: Authors' calculations.

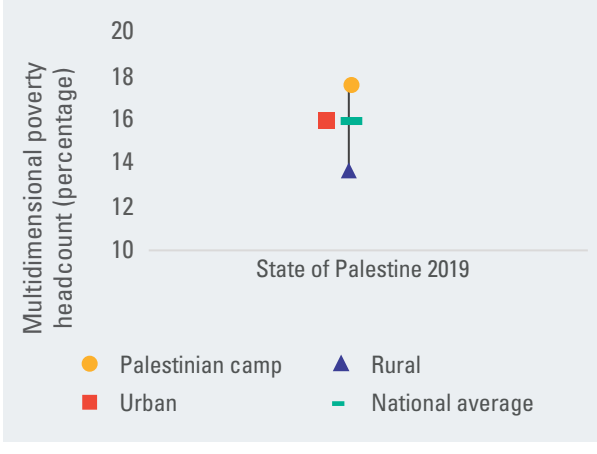
Figure 24 shows the uncensored headcount ratio of deprivation, which measures the share of the total population deprived in an indicator. Deprivation levels have been declining in some indicators, such as mobility assets and overcrowding, yet increasing in others, particularly adult educational attainment and improved drinking water, where 39.30 per cent and 44.64 per cent of the Palestinian population are considered disadvantaged in these two indicators, respectively. In the State of Palestine, occupation and blockades (along with a lack of proper resource management, increased periods of drought and increased pollution) impede access to clean water and the delivery of the equipment needed to develop adequate water and sanitation infrastructure, depriving millions of people of basic rights – especially those living in the Gaza Strip. Forced displacement and violence also lead to adverse demographic changes in population.

2. Poverty by spatial and socioeconomic characteristics of households

The prevalence of poverty varies across areas. In the State of Palestine, the headcount ratio of poverty is highest in camps, which lack several basic socioeconomic services (figure 25). However, the gap between rural and urban areas is not as large as in middle-income countries and, in contrast to these countries, the urban poverty rate (16.01 per cent) is higher than that of rural areas (13.62 per cent). In both rural and urban areas, education is the primary contributor to poverty, alongside the significant combined contribution of the housing and access to services and assets dimensions (figure 26).

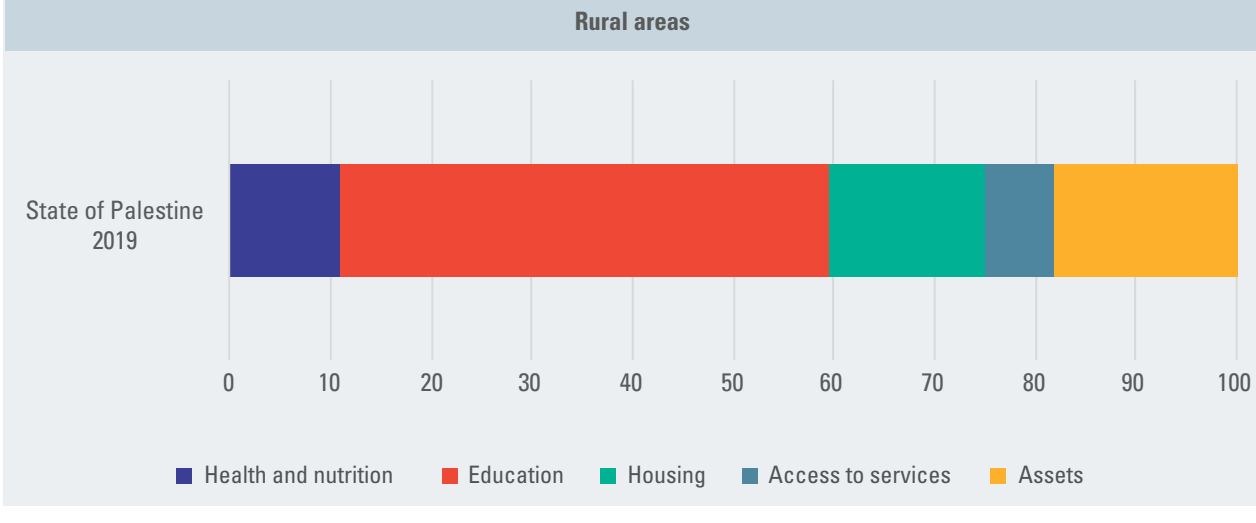
The prevalence of poverty also varies with the characteristics of the household and the head of household (table 9 and figure 27). Across all countries, the headcount ratio of poverty tends to increase as the household size increases, particularly for those living in households classified as large (with eight or more members). Those living in large families are over three times more likely to be multidimensionally poor than those living in small households. Similarly, the headcount ratio of multidimensional poverty declines significantly across richer quintiles. Individuals in the bottom quintile tend to have a high rate of multidimensional poverty (34.3 per cent). The headcount ratio of poverty is also higher among those living in female-headed households than those living in male-headed households. Furthermore, disparities are particularly evident based on the education level of heads of households. The headcount ratio of multidimensional poverty tends to decline as educational attainment increases. For instance, the multidimensional poverty headcount ratio is as high as 32.63 per cent for households whose head has no education, compared to 2.33 per cent for households whose head has attained higher education.

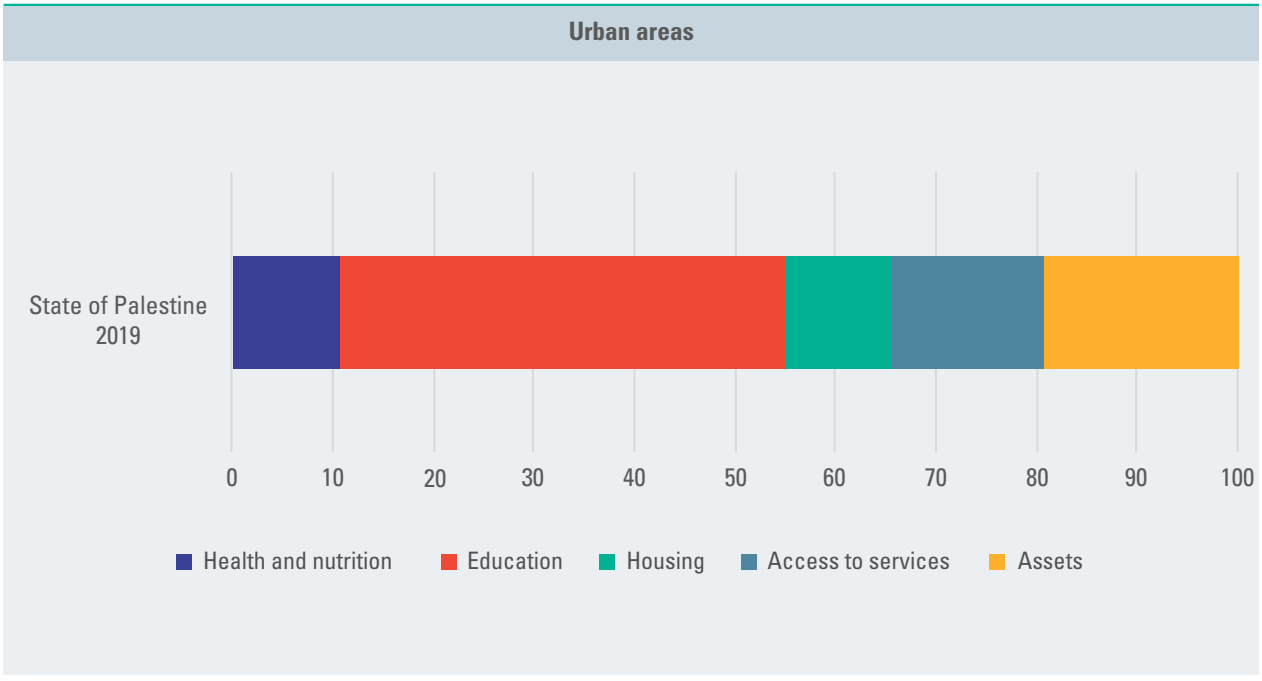
Figure 25. Multidimensional poverty headcount ratio by area of residence



Source: Authors' calculations.

Figure 26. Contribution of dimensions to multidimensional poverty by area of residence





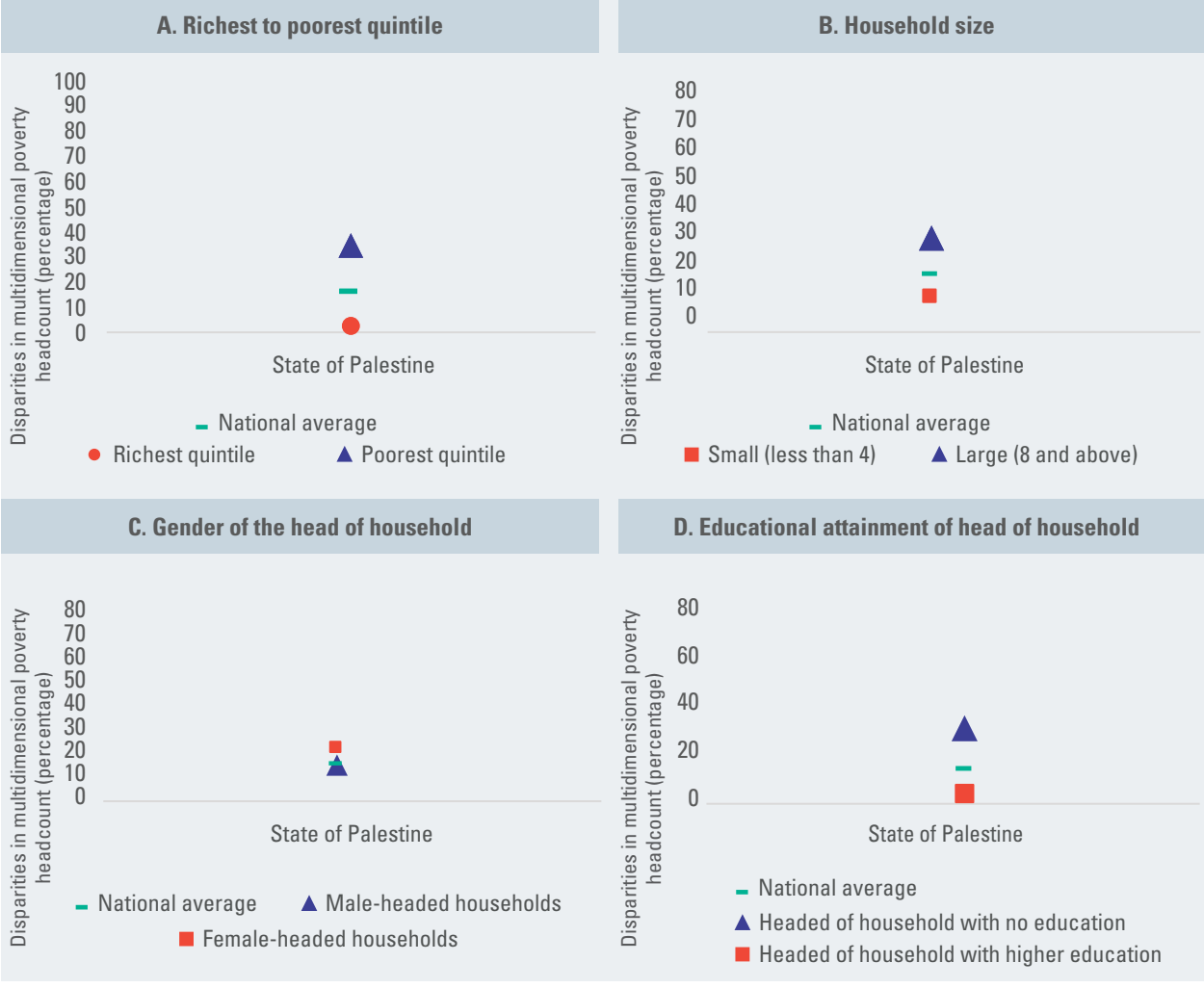
Source: Authors' calculations.

Table 9. Multidimensional poverty headcount ratio by socioeconomic characteristics of household

		State of Palestine, 2019
Wealth	Poorest	34.30
	Poor	19.36
	Middle	13.96
	Rich	8.46
	Richest	1.53
Household size	Small (less than 4)	7.89
	Medium (4 to 7)	12.52
	Large (8 and above)	28.23
Gender of head of household	Male	15.33
	Female	22.27
Educational attainment of the head of household	None	32.63
	Primary	31.53
	Secondary	17.42
	Higher	2.33
National average		15.78

Source: Authors' calculations.

Figure 27. Disparities in multidimensional poverty headcount ratio by socioeconomic characteristics of household



Source: Authors' calculations.

Child poverty

Table 10. Number of children in the State of Palestine (millions 2020)

Number of children	0–4 years	5.5–17 years	0–17 years	The 0–17 years age group as a share of total population
State of Palestine	693	1.579	2.272	44.5%

Source: World Population Prospects 2019: Highlights. ST/ESA/SER.A/423.

There are 2.272 million children in the State of Palestine and children represent a large percentage of the total population of the State of Palestine (44.5 per cent).

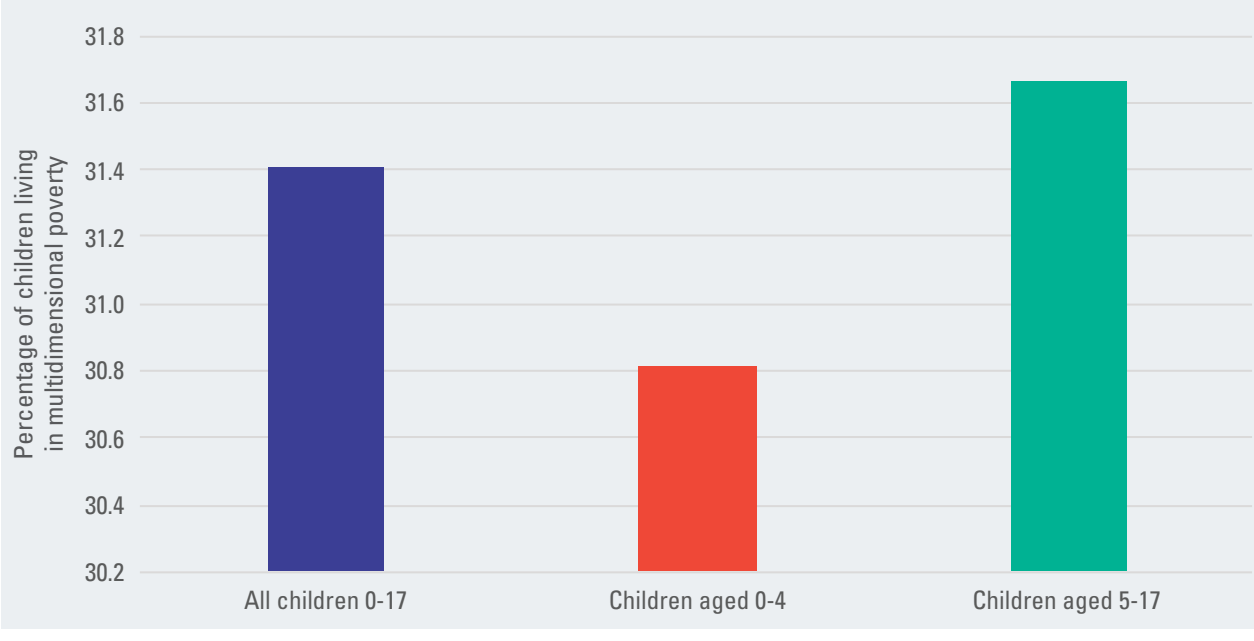
The following subsections present the findings of the multidimensional child poverty analysis, beginning with an analysis of the spread of multidimensional child poverty and deprivation in

child well-being dimensions. This is followed by an analysis of the socioeconomic factors related to child poverty and the trends in multidimensional child poverty for the State of Palestine during the last decade (from the early 2010s to 2019/2020).

Based on figure 28, the analysis found a high headcount ratio of multidimensional poverty among children in the State of Palestine, where just under a third of children are deprived in at least two well-being dimensions (31.4 per cent of children), with a similar proportion of poor children in both age groups (children aged 0–4 and children aged 0–17). Compared to the six middle-income countries in the previous section, the State of Palestine had the second highest headcount ratio of multidimensional poverty (after Iraq) among school-age children.

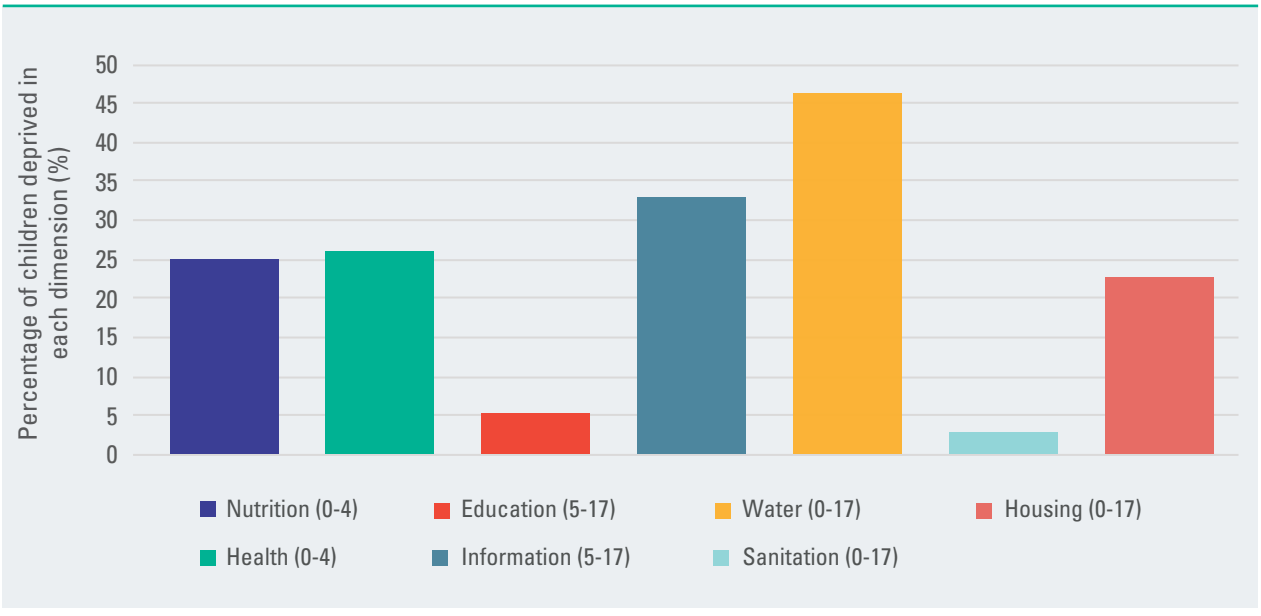
The high headcount ratio of multidimensional poverty in the State of Palestine is largely driven by the water dimension (figure 29), with the percentage of children deprived in this dimension reaching 46.2 per cent. This is followed by deprivation in information devices and communication assets standing at 32.8 per cent.

Figure 28. Multidimensional child poverty headcount ratio rate by age group (2019/2020)



Source: Authors' calculations.

Figure 29. Percentage of children experiencing deprivation in each dimension of the Arab Multiple Overlapping Deprivation Analysis framework in the State of Palestine (2019/2020)



Source: Authors' calculations.

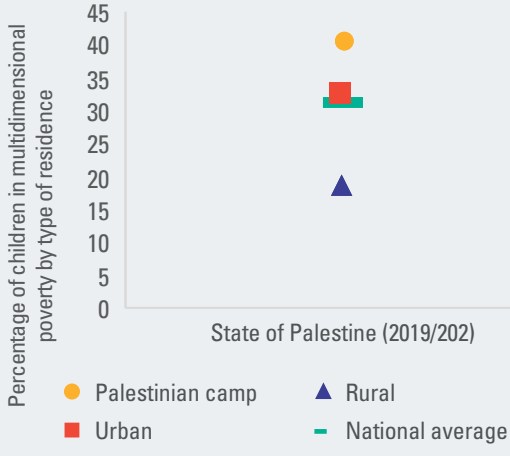
3. Disparities in multidimensional child poverty within the State of Palestine

Multidimensional poverty among children varies substantially within the State of Palestine and is more concentrated among children living in refugee camps, with children living in urban areas also experiencing higher rates of multidimensional poverty compared with children living in rural areas, unlike in the six middle-income countries examined earlier (figure 30).

It is worth mentioning that the levels of multidimensional poverty for children in rural areas of the State of Palestine are among the lowest compared to the middle-income countries included in the study and are similar to the rates of multidimensional poverty in rural areas of Jordan and Egypt (at a rate of about 20 per cent). Multidimensional poverty among urban children is high in the State of Palestine, with more than 1 in 3 urban children deprived in two or more well-being dimensions (this rises to more than 1 in 2 in Gaza).

Figure 31 presents the Arab MODA scores disaggregated by a set of household

Figure 30. Multidimensional child poverty headcount ratio by urban/rural residence in the State of Palestine (2019/2020)



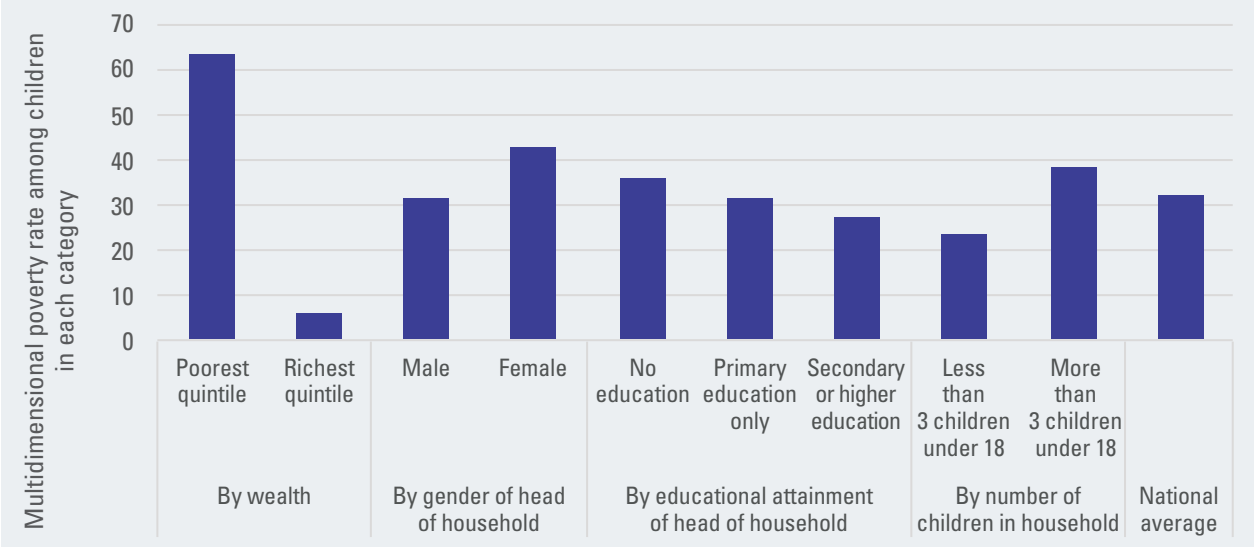
Source: Authors' calculations.

socioeconomic characteristics. The greatest disparity is evident between the children living in households in the poorest wealth quintile and those in the richest quintile, with the

multidimensional poor children representing respectively 5.5 per cent of the richest quintile and 62.6 per cent of the poorest quintile. Similarly, but to a lesser extent, disparities arise when analysing multidimensional poverty by the gender and level of education of the head of household as well as by the number of children living in the household, with a higher headcount ratio of child poverty among female-headed households and in those households with more than three children. The poverty rate also increases as the educational attainment of the head of household decreases.

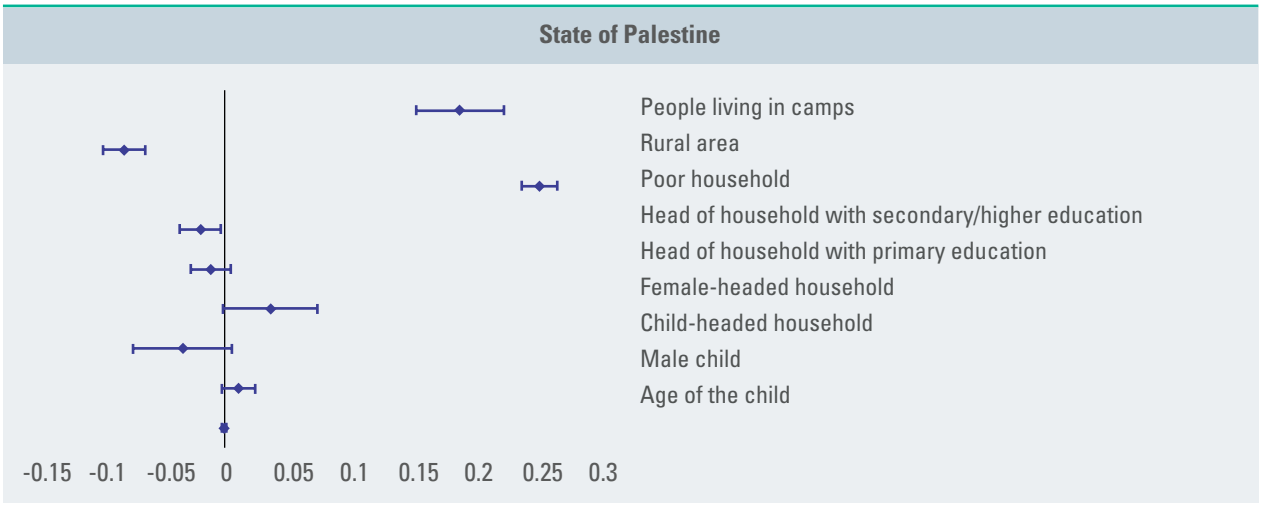
Based on Figure 32, the relationship between household characteristics and the headcount ratio of multidimensional child poverty is displayed by reporting the average marginal effects using a simple logistic regression model. Belonging to the poorest wealth quintile is associated with a high probability that children will suffer from multidimensional poverty. There is also a clear link between the location of households in refugee camps and the headcount ratio of multidimensional poverty. The figure also shows a negative correlation between rural residence and the headcount ratio of multidimensional poverty, indicating that the likelihood of multidimensional poverty is lower if households are located in rural areas compared with urban areas. The sex of the head of the household is also associated with multidimensional poverty: if the head of the household is female, the likelihood for a child to experience multidimensional poverty is higher. In addition, the age and gender of the child have little to no effect.

Figure 31. Multidimensional child poverty headcount ratio by household socioeconomic characteristics in the State of Palestine



Source: Authors' calculations.

Figure 32. Correlation between household socioeconomic characteristics and multidimensional child poverty (marginal effects of different variables on the probability for a child to be multidimensionally poor)



Source: Authors' calculations. Results of a logistic regression model. Marginal effects represent percentage point changes, all else being equal.

4. Trends in multidimensional child poverty (throughout the 2010s)

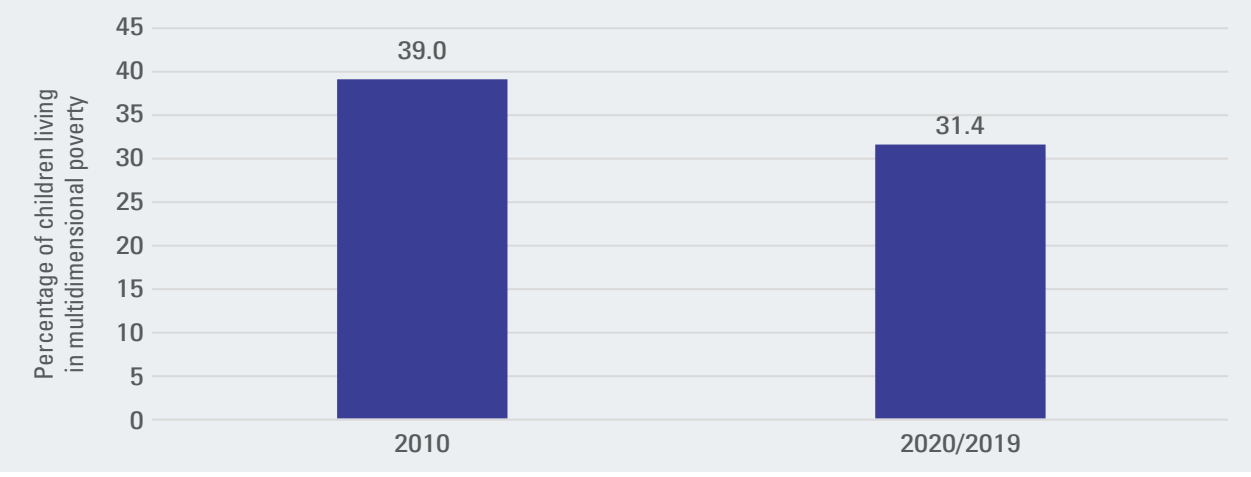
The State of Palestine witnessed a significant decrease in the headcount ratio of multidimensional poverty between 2010 and 2019/2020, recording a decrease of 7.6 percentage points (figure 33). It should be noted that this positive trend in the prevalence of child poverty contrasts with the increase in the MPI between 2014 and 2019.

It is important to stress the particularity of the State of Palestine and that neither the revised Arab MPI framework, which is used to analyse household poverty, nor the Arab MODA for child poverty analysis, fully capture multidimensional poverty in the State of Palestine, as they reflect moderate rates of deprivation. Several studies have focused on multidimensional poverty in the State of Palestine, which includes, alongside the dimensions covered in the revised MPI, other deprivations such as those relating to violence, personal freedom and the destruction of property.

The first Arab Multidimensional Poverty Report referred to an index designed by UNICEF with the aim of adapting the MODA approach to the situation of the State of Palestine. The index integrated two dimensions - violent living environment and children's access to education - in order to reflect information on child killings, injuries, demolitions, and barriers to access to education. The results showed significant discrepancies between this index, which includes the violent living environment dimension, and the index adopted in the first Arab Multidimensional Poverty Report. The poverty rate recorded (the proportion of children disadvantaged in two or more indicators) was 65.7 per cent, with the poverty rates for the West Bank and the Gaza Strip recorded as 43.7 per cent and 100 per cent, respectively. The latter indicates that all children aged 15–17 are multidimensionally poor. According to the specially designed index, the biggest contributor to poverty was the violent living-environment dimension.[77]

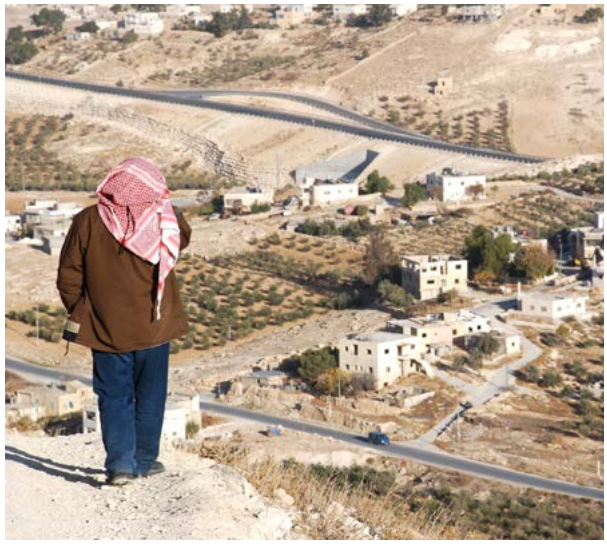
As for household poverty, the Palestinian Central Bureau of Statistics (PCBS), in cooperation with ESCWA, has built a national index tailored to the Palestinian context. This index is distinct as it not only highlights the various aspects of household well-being derived from the database of Multiple Indicator Cluster Surveys such as the revised MPI, but also includes money-metric poverty as a dimension of multidimensional poverty – based on the experiences of some Latin American countries which have demonstrated successful

Figure 33. Trends in the multidimensional child poverty headcount ratio (2010 versus 2019/2020)



Source: Authors' calculations.

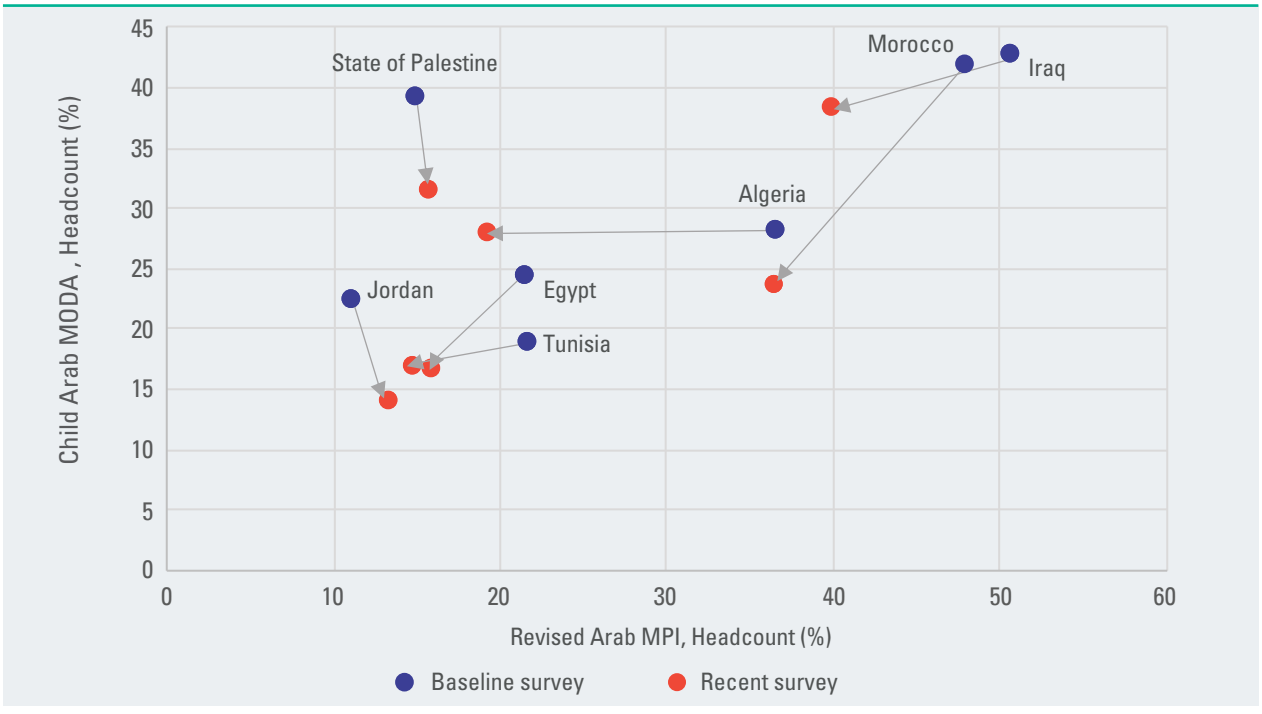
results in measuring multidimensional poverty – as well as dimensions relating to work, personal safety and personal freedom, in order to capture the particular nature of poverty in the State of Palestine. The results of the analysis revealed that 24 per cent of Palestinian households suffered from multidimensional poverty in 2017, a rate that it is 8 percentage points higher than the poverty rate according to the revised MPI. In terms of the composition of poverty, money-metric poverty is the largest contributor to multidimensional poverty, accounting for 45 per cent of total poverty (deprivation). Indicators relating to violence, control over women's incomes, labour market participation and labour benefits account for the largest contribution, respectively (to the money-metric poverty dimension), contributing to more than 5 per cent of the MPI.[78]



D. Trends in the multidimensional poverty headcount ratios of households and children in the six middle-income countries covered and the State of Palestine

Lastly, a comparison is made between the poverty headcount ratios of households (using the revised Arab MPI) and those of children (using MODA) for illustrative and validation purposes. Figure 34 confirms that a strong positive association of nearly one-to-one exists between them, which supports the idea that two indices espouse a similar concept of moderate poverty. Figure 34 also shows a consistent development profile in household and child poverty rates between the baseline and most recent year. In Algeria, Egypt, Iraq, Morocco and Tunisia, there have been drops in both child and household poverty, albeit to varying degrees. The only exceptions are the State of Palestine and Jordan, where the two indices moved in opposite directions. In the State of Palestine, this is partly due to the different years of the surveys used for the analysis.

Figure 34. Trends in multidimensional household poverty and child poverty, percentage living in poverty by country (early 2010s versus mid-to-late 2010s)



Source: Authors' calculations.

Note: In the State of Palestine, the baseline year differs between the revised Arab MPI and the Arab MODA. In Egypt, both the baseline and recent years differ.

Box 2. Population and development index in Arab countries

The Arab States Regional Office of the United Nations Population Fund constructed the Population Development Composite Index (PDCI) to quantify progress on implementing the Programme of Action of the International Conference on Population and Development (ICPD). It reflects the position and status of implementation by Arab countries based on the SDG indicators within the context of the ICPD Beyond 2014 review and the post-2015 development agenda. The objectives of the Index are to provide scientific measurements and a policy tool to advocate for the achievement of people-centred SDGs and to demonstrate quantitatively the importance of accommodating the population agenda as a key enabler for achieving the SDGs.

The PDCI is structured based on the thematic pillars of the "ICPD Beyond 2014". It is based on 35 indicators categorized into 5 dimensions: dignity, sexual and reproductive health, place and mobility, governance and sustainability. It is also based on the monitoring framework of development goal indicators from a population perspective.

Results estimate medium performance of the Arab region on the Index, with a score of 58.7. The highest performance was registered for sexual and reproductive health (estimated at approximately 71.2), followed by place and mobility (at 68.6) and sustainability (at 58.9). Governance and dignity rank lowest, with a level of performance considered weak (53.4 and 48.4, respectively).

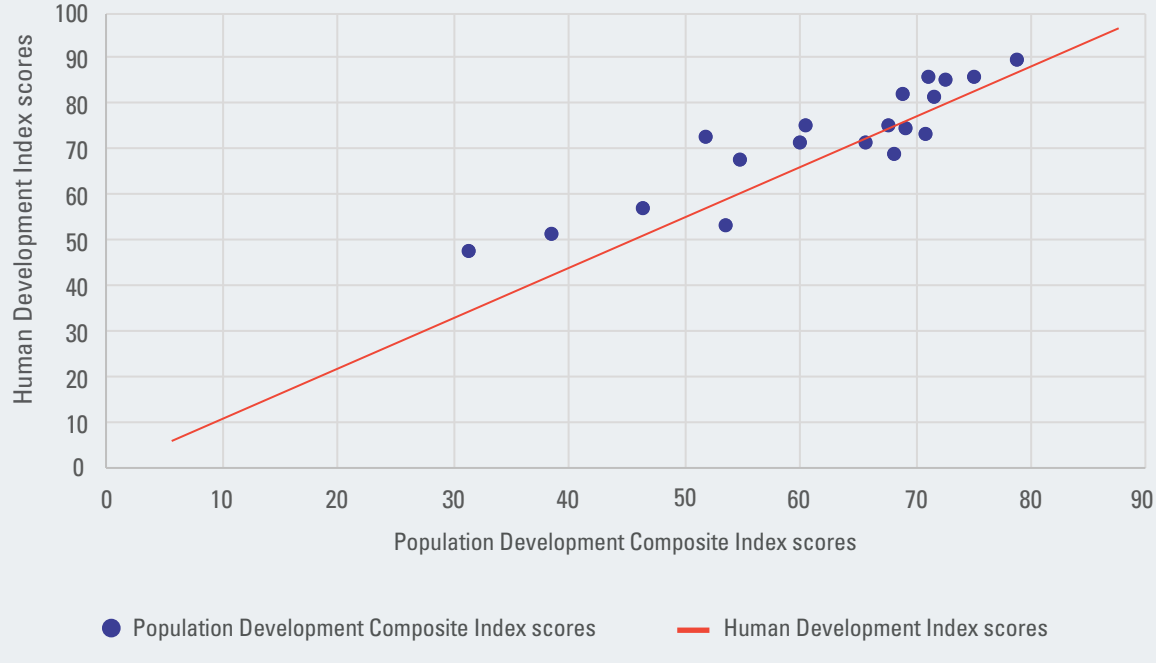
Accordingly, PDCI scores were divided into four groups: (i) very high performance (80 or higher), (ii) high performance (70 to less than 80), (iii) medium performance (55 to less than 70) and (iv) low performance (less than 55).

For the Arab countries:

- High performance was measured in six countries: Bahrain, Jordan, Kuwait, Qatar, Saudi Arabia and the United Arab Emirates, which represent high-income countries. Cross-country analysis using poverty-level quantiles is required to further identify inequalities.
- Medium performance was measured among eight countries: Algeria, Egypt, Iraq, Lebanon, Morocco, Oman, the State of Palestine and Tunisia. These countries are facing performance challenges and also require further subnational analysis where variation can be identified.
- Low performance was measured in six countries facing major challenges and instabilities: Djibouti, Libya, Somalia, the Sudan, the Syrian Arab Republic and Yemen.

The results demonstrate large disparities among countries in terms of implementing the population and development agenda. Results also show that progress in one dimension does not necessarily imply better performance in the others. In other words, the five dimensions are integrated, rather than associated. This makes the PDCI and its subindices valuable for evaluating achievements under population policies, as well as for setting priorities and allocating resources for interventions related to the Programme of Action, the SDGs and to leaving no one behind.

Human Development Index scores versus the Population Development Composite Index scores for Arab countries



Source: Authors' calculations.

The Population Development Composite Index and the Human Development Index

The comparison of the PDCI and the Human Development Index for Arab countries in the figure below shows that their scores are likely to be better in latter. While the Human Development Index measures achievements in three basic dimensions of human development (health, education and income), it does not reflect short-term changes in basic service delivery. The PDCI should be set, since it essentially measures the impact on people's lives and is therefore considered a more comprehensive multidimensional assessment of countries' achievements in terms of dignity, equality, participation, poverty, accessibility to sexual and reproductive health services, migration, security of place, mobility, governance and sustainability. Comparing it to poverty levels would help to further assess and contribute to policy directions.

Impact of COVID-19 on the Population Development Composite Index

The population and development agenda in some Arab countries is expected to be affected by the COVID-19 pandemic; however, the severity of such effects will vary according to the measures taken by countries to reduce the pandemic's social and economic impact. In general, it is expected to affect the PDCI in various dimensions at a varying pace in the coming years. According to rapid assessments conducted in several Arab countries, various degrees of negative impacts from the pandemic were reported by all. The two dimensions most affected were dignity and sexual and reproductive health.

For example, of the 13 indicators under the dignity dimension, 8 individual indicators were affected. It should be noted that a 1 percentage point change in one indicator will have a 0.08-point impact on the performance scores of the dignity dimension. Therefore, if the eight individual indicators are equally affected by 1 percentage point in a country, then the value of the dignity dimension would be affected by 0.65 points.

Given that most Arab countries have not published recent national data covering the post-pandemic period, it was not possible to measure the magnitude of the impact on the PDCI using national data.

E. Summary considerations

This chapter presented key findings on the multidimensional poverty situation among households and children in the six middle-income Arab countries included in the study and in the State of Palestine. Based on the revised Arab MPI, most of the countries included in the study have witnessed progress in reducing multidimensional poverty over the past decade; nevertheless, vulnerability to poverty remains prevalent, exceeding 20 per cent in all countries. Poverty headcount ratio also varies across spatial and household characteristics. Rural areas experience higher deprivation rates compared to urban areas. In the State of Palestine, the highest rates of multidimensional poverty were recorded in refugee camps. Moreover, the COVID-19 pandemic continues to push up poverty and vulnerability rates, yet the surveys used in this study do not capture these impacts since they were conducted prior to the pandemic. Lastly, it is worth noting that the global ramifications of the ongoing war in Ukraine are also expected to aggravate the already precarious situation.

Poverty headcount ratio tends to exhibit a relationship with household size and the education level of the head of household, particularly at levels beyond secondary education. Lack of education is the primary contributor to multidimensional household poverty, even though the combined contribution of the material well-being dimensions under living standards is also considerable. Any poverty

reduction strategy should therefore tackle the multiplicity of challenges, with a particular focus on education, water, sanitation and hygiene.

Child poverty is similarly persistent in the region. Poverty in its multidimensional aspects afflicts around one quarter of the children living in six Arab MICs. Towards the end of the last decade, over 20 million children in those countries were deprived in at least two essential well-being dimensions, including health, nutrition, education, access to information and communication devices, access to water, sanitation and adequate housing infrastructure.

Just over one third of younger children aged 0–4 years are deprived in nutrition, health or both. At the same time, 18 per cent of children aged 5–17 years are deprived in education, either from not attending school or being behind in their educational progress. More than 1 in 4 children live in dwellings not connected with a water network, and 25 per cent live in overcrowded dwellings or in poorly constructed homes.

Household wealth is strongly correlated with the multidimensional poverty risk for children, the highest probability of which was displayed by children living in households in the lowest quintile. Children in rural areas are at a marked disadvantage in most of the countries analysed. The education level of the head of household is systematically associated with a child's risk of being multidimensional poor, while an association between the latter and the gender of the head of household did not emerge clearly from the analysis.

Despite the social and economic challenges that the region faced over the previous decade, the available data show that the majority of the MICs analysed experienced a decrease in the share and the total number of children living in multidimensional poverty. The overall poverty rate for the six countries declined from 30.7 per cent in the early 2010s to 22.9 per cent in the mid-to-late 2010s.

3

3. Multidimensional poverty in least developed and conflict-affected countries

The revised MPI reflects the contexts of MICs and captures moderate levels of multidimensional poverty rather than the acute levels observed in LDCs. In contrast, this chapter presents the status of multidimensional poverty in five Arab LDCs—the Comoros, Mauritania, the Sudan, the Syrian Arab Republic and Yemen—based on the *Global Multidimensional Poverty Index 2021* report and other secondary data sources.[79] The global MPI is particularly suited to the context of LDCs as it captures the acute poverty prevalent in these countries. This chapter is organized as follows. First, it briefly presents the status of multidimensional poverty in LDCs using the global MPI framework, as highlighted in the 2021 report. Second, in order to link the global MPI-based results for LDCs to the results shared in the previous chapter, it presents the findings from applying the revised Arab MPI to Mauritania as a case study. The chapter then concludes with a brief summary.

A. Multidimensional poverty in least developed countries

1. Headcount ratio of poverty, vulnerability to poverty and intensity of deprivation

The previous chapter has presented the status and trends of multidimensional poverty in MICs and the State of Palestine, taking into consideration the dimensions and indicators adopted for the revised Arab MPI. This subsection presents the levels and trends of multidimensional poverty in LDCs by using data from the *Global Multidimensional Poverty Index 2021* report.

Evidence shows a high level of multidimensional poverty in LDCs, as estimated using the global MPI framework.[80] Approximately 42.8 per cent of the population in LDCs (excluding Djibouti and Somalia due to obsolete data) was estimated to be multidimensionally poor in 2019.[81] Using the global MPI framework, the LDCs account for only 27.2 per cent of the combined population of LDCs, conflict-affected countries and MICs but contain 77.3 per cent of the multidimensionally poor in those groups.[82] The highest headcount ratio of poverty is observed in the Sudan, where 52.3 per cent of the population is estimated to be multidimensionally poor, followed by Mauritania at 50.6 per cent.[83] Except for the Syrian Arab Republic, for which multidimensional poverty is estimated using data from 2009, all LDCs witnessed a higher headcount ratio of multidimensional poverty than the average of the Arab States evaluated (which was 14.5 per cent).

The level of vulnerability to multidimensional poverty in LDCs is also high when compared to MICs and the regional average.[84] Approximately 17.4 per cent of the population in LDCs is vulnerable to multidimensional poverty, which is more than three times the average for MICs (5.9 per cent) and almost twice the regional average (8.9 per cent). Among LDCs, vulnerability is highest in Yemen and the Comoros (both at 22.3 per cent), followed by Mauritania (18.6 per cent) and the Sudan (17.7 per cent).

There is also a high intensity of deprivation, which is the average deprivation score experienced by people in multidimensional poverty. On average, the multidimensionally poor experience deprivation in more than half (51.8 per cent) of the weighted indicators, exceeding the averages of 38.6 per cent for MICs and 48.7 per cent for the Arab States. The intensity of deprivation is highest in the Sudan (53.4 per cent), Mauritania (51.5 per cent) and Yemen (50.6 per cent) (table 11).

Table 11. Headcount ratio of multidimensional poverty, intensity of deprivation and vulnerability to multidimensional poverty, based on the global Multidimensional Poverty Index

Country	MPI	Headcount ratio (Percentage)	Intensity of deprivation (Percentage)	Population vulnerable to poverty (Percentage)
Comoros (2012)	0.181	37.3	48.5	22.3
Mauritania (2015)	0.261	50.6	51.5	18.6
Sudan (2014)	0.279	52.3	53.4	17.7
Syrian Arab Republic (2009)	0.029	7.4	38.9	7.8
Yemen (2013)	0.245	48.5	50.6	22.3
All Arab countries	0.038	14.5	48.7	8.9

Source: Authors' analysis, based on data from Oxford Poverty and Human Development Initiative (OPHI) and United Nations Development Programme (UNDP) (2021). Mendiratta and Duplantier, 2020.

While data for Djibouti are not included in the *Global Multidimensional Poverty Index 2021* report, estimations for Djibouti from other sources also show a high headcount ratio of multidimensional poverty.[85] According to the analysis, multidimensional poverty is estimated to be approximately 28 per cent for Djibouti, but with significant variation among geographical areas and places of residence.[86] For example, there is a higher headcount ratio in rural areas (80 per cent) than in urban areas (20 per cent).[87] Findings from the study show that multidimensional poverty in Djibouti correlates strongly with the household, whether it is (a) headed by an unemployed person or a person employed in the informal private sector, (b) headed by an individual with no education, or (c) located in a rural area.

2. Levels of deprivation by dimension and indicator

Table 12. Level of deprivation in least developed countries, by indicator

		Health		Education		Living standards					
Country (data year)	Censored/ Uncensored ratio	Nutrition	Child mortality	Years of schooling	School attendance	Cooking fuel	Sanitation	Drinking water	Electricity	Housing	Assets
Comoros (2012)	Uncensored	26.36	4.65	22.26	16.83	80.61	71.28	39.48	30.09	39.31	32.59
	Censored	18.89	3.63	19.57	14.72	35.84	31.20	19.29	22.04	23.73	22.88
Mauritania (2015)	Uncensored	32.65	5.81	24.00	33.64	59.79	59.51	47.20	60.19	60.89	20.09
	Censored	26.73	4.88	21.88	29.95	43.18	41.86	31.20	43.26	43.30	16.06
Sudan (2014)	Uncensored	36.97	6.38	27.96	22.78	56.91	66.42	45.09	52.31	91.21	34.86
	Censored	29.75	5.56	27.01	21.87	43.82	46.06	35.81	42.61	51.86	30.27
Syrian Arab Republic (2009)	Uncensored	17.51	6.15	8.03	11.22	0.20	10.34	10.33	0.32	6.90	1.58
	Censored	4.62	2.43	3.68	4.78	0.15	1.44	1.55	0.12	1.56	0.49
Yemen (2013)	Uncensored	55.13	5.39	18.48	31.55	35.61	53.48	44.20	21.59	82.52	19.22
	Censored	37.85	4.74	17.17	27.57	29.52	37.16	29.86	19.83	45.80	17.14

Source: Authors' analysis, based on Alkire and others, 2021.

Notes: "Uncensored headcount ratio" refers to the percentage of the population deprived in a particular indicator. "Censored headcount ratio" refers to the percentage of the population that is multidimensionally poor and deprived in each of the indicators.

An examination of the proportion of people experiencing deprivation (uncensored headcount ratio) and the proportion of people who are multidimensionally poor and experience deprivation in each of the indicators (censored headcount ratio) shows that a substantial number of the non-poor are also deprived in individual indicators, particularly those relating to living standards (table 12).

3. Poverty by urban and rural area

The level of multidimensional poverty varies between urban and rural areas and by subnational region. The headcount ratio, intensity and severity of poverty are all higher in rural areas.[88] The gap between poverty rates in rural and urban areas is highest in Mauritania (47.5 percentage points), followed by Yemen (44.5 percentage points) and the Sudan (37.7 percentage points). The gap in the severity of poverty in rural and urban areas is also highest in Mauritania (33.3 percentage points), followed by the Sudan (30.3 percentage points) and Yemen (29.1 percentage points). Gaps in the intensity of deprivation range from 3.1 percentage points in the Comoros to 8.6 points in the Sudan, indicating that the multidimensionally poor are likely to face similar levels of average deprivation scores, whether they live in urban or rural settings (table 13).

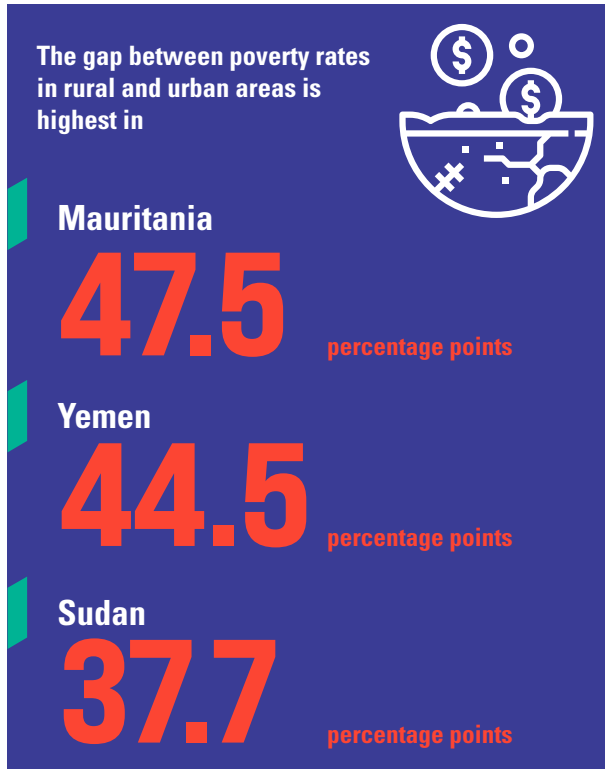


Table 13. Poverty headcount ratio, intensity of deprivation and severe poverty, by place of residence

Indicator	Place of residence	Country				
		Comoros (2012)	Mauritania (2015)	Sudan (2014)	Syrian Arab Republic (2009)	Yemen (2013)
Poverty headcount ratio	National average	37.3	50.6	52.3	7.4	48.5
	Urban areas	18.7	25.6	26.3	5.6	17.5
	Rural areas	45.7	73.1	64	9.6	62
Intensity of deprivation	National average	48.5	51.5	53.4	38.9	50.6
	Urban areas	45.9	45.4	46.1	36.8	43.6
	Rural areas	49	53.5	54.7	40.4	51.4
Severe poverty	National average	16.1	26.3	30.9	1.2	24.3
	Urban areas	7.3	8.8	10	0.7	4.1
	Rural areas	20.1	42.1	40.3	1.9	33.2

Source: OPHI. Global MPI Country Briefings 2021.
Available at: https://ophi.org.uk/multidimensional-poverty-index/mpi-country-briefings/.

4. Poverty by sex of head of household

The level of multidimensional poverty also varies according to the sex of the head of household, but the findings do not conclusively indicate which group experiences greater poverty. In female-headed households, there is generally a lower headcount ratio of multidimensional poverty (except in the Sudan), a lower intensity of deprivation among the poor (except in the Comoros and the Syrian Arab Republic) but greater vulnerability to multidimensional poverty (except in the Sudan and Yemen) (table 14).

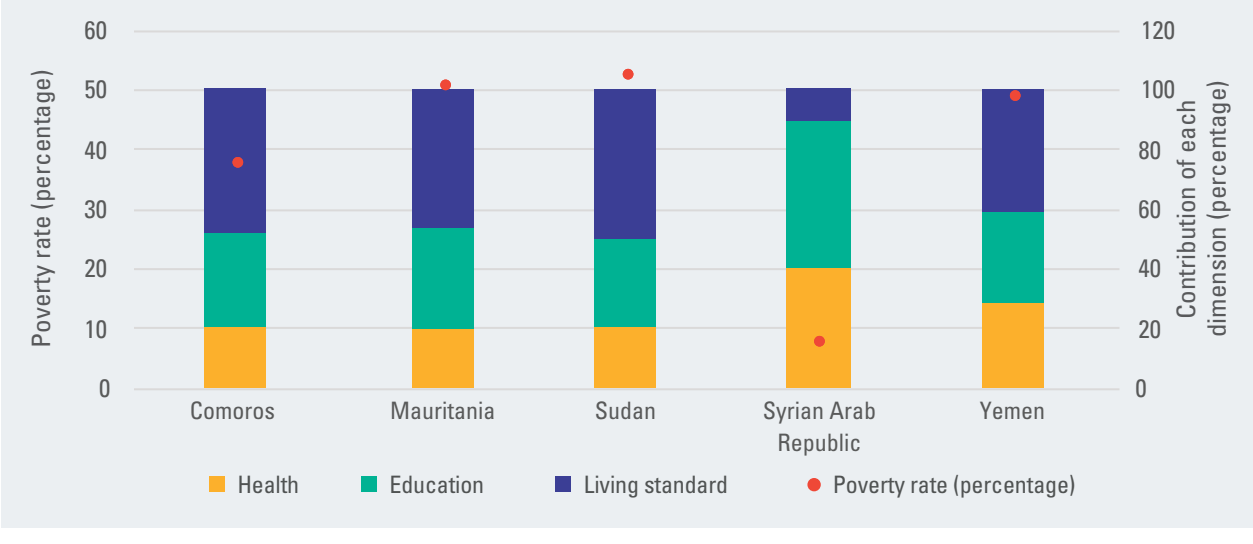
Table 14. Multidimensional poverty by sex of the head of household

Country	Sex of the head of household	Population in multidimensional poverty (Percentage)	Intensity of deprivation among the poor (Percentage)	Population vulnerable to poverty (Percentage)
Comoros	Female	34.10	48.84	23.34
	Male	39.22	48.34	21.63
Mauritania	Female	50.33	51.02	19.54
	Male	50.69	51.81	18.08
Sudan	Female	56.72	51.93	16.00
	Male	51.77	53.61	17.87
Syrian Arab Republic	Female	6.46	40.52	9.38
	Male	7.46	38.85	7.66
Yemen	Female	42.92	48.73	21.99
	Male	48.79	50.68	22.30

Source: Author's analysis, based on Alkire, Sabina and others (2021).

5. Contributions to multidimensional poverty

Figure 35. Poverty headcount ratio and the contribution of deprivations in each dimension to overall poverty (percentage)



Source: Authors' analysis, based on data from OPHI and UNDP (2021).

According to the global MPI framework, major contributions to multidimensional poverty in LDCs come from deprivations related to standard of living indicators, except in the Syrian Arab Republic where the contribution of deprivations in education and health are greater. As indicated in figure 35, the standard-of-living indicators contribute jointly to 47.6 per cent of multidimensional poverty in the Comoros, 46.6 per cent in Mauritania, and 49.8 per cent in the Sudan. Education is the second greatest contributor to multidimensional poverty, with about 32 per cent in the Comoros, 33 per cent in Mauritania, 29 per cent in the Sudan and 30 per cent in Yemen. Health contributes to approximately 21 per cent in the Comoros, 20 per cent in Mauritania, 21 per cent in the Sudan, 41 per cent in the Syrian Arab Republic and 29 per cent in Yemen.

In terms of the contributions of specific indicators, the most prominent are nutrition, school attendance and years of schooling, with the level of impact varying by country. In the Comoros and the Sudan, the primary contributions to multidimensional poverty come from years of schooling and nutrition, while in Mauritania and Yemen, nutrition and school attendance are the major contributors. In the Syrian Arab Republic, significant contributions come from nutrition, school attendance and years of schooling (table 15).

The contributions of specific dimensions and indicators to poverty also vary by urban and rural areas; these gaps, in turn, vary by country. In both rural and urban areas in the Comoros and Mauritania, and in rural areas in Yemen, major contributions to poverty come from the standard of living. In the Syrian Arab Republic, education is the major contributor to poverty in both rural and urban areas. The standard-of-living dimension contributes more heavily in rural areas than in urban areas, irrespective of whether it is the primary contributor. This may be due to the relatively high level of service provision in urban areas. Education is the major contributor to poverty in urban areas, more so than in rural areas (except in the Sudan). In the urban areas of Yemen, health makes the primary contribution to poverty, while it is the second-highest contributor in both urban and rural areas of the Syrian Arab Republic (figure 36).

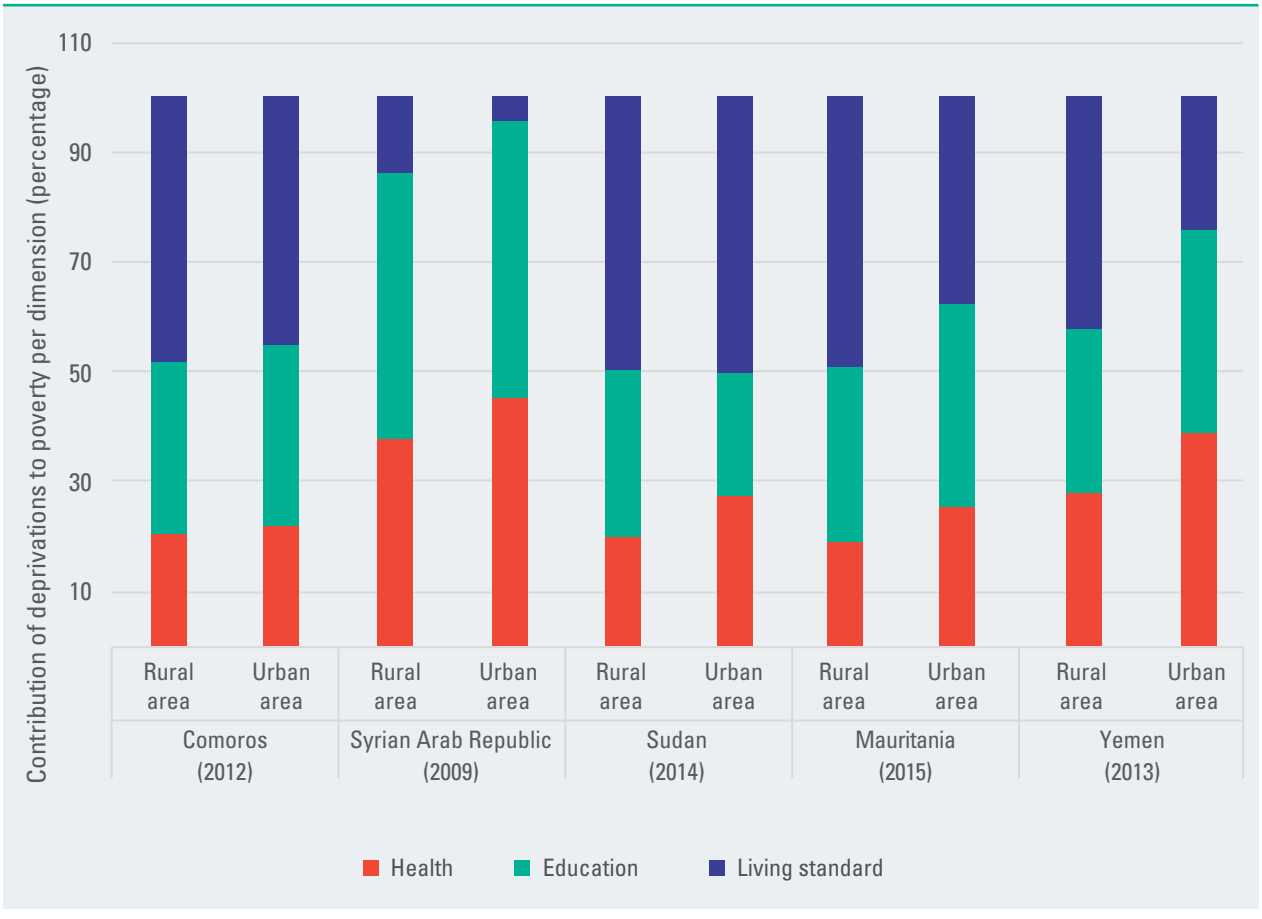
Table 15. Contribution of deprivations to overall poverty, by indicator (percentage)

Country	Health		Education		Living standards					
	Nutrition	Child mortality	Years of schooling	School attendance	Cooking fuel	Sanitation	Drinking water	Electricity	Housing	Assets
Comoros	17.41	3.34	18.04	13.57	11.01	9.59	5.93	6.77	7.29	7.03
Mauritania	17.09	3.12	13.99	19.15	9.20	8.92	6.65	9.22	9.23	3.42
Sudan	17.74	3.32	16.11	13.04	8.71	9.16	7.12	8.47	10.31	6.02
Syrian Arab Republic	26.72	14.06	21.33	27.66	0.29	2.78	3.00	0.22	3.00	0.94
Yemen	25.73	3.22	11.67	18.74	6.69	8.42	6.77	4.49	10.38	3.88

Source: Authors' analysis, based on Alkire and others, 2021.

Note: Data are not available for Djibouti and Somalia.

Figure 36. Contribution of deprivations to poverty per dimension, by urban and rural area (percentage)

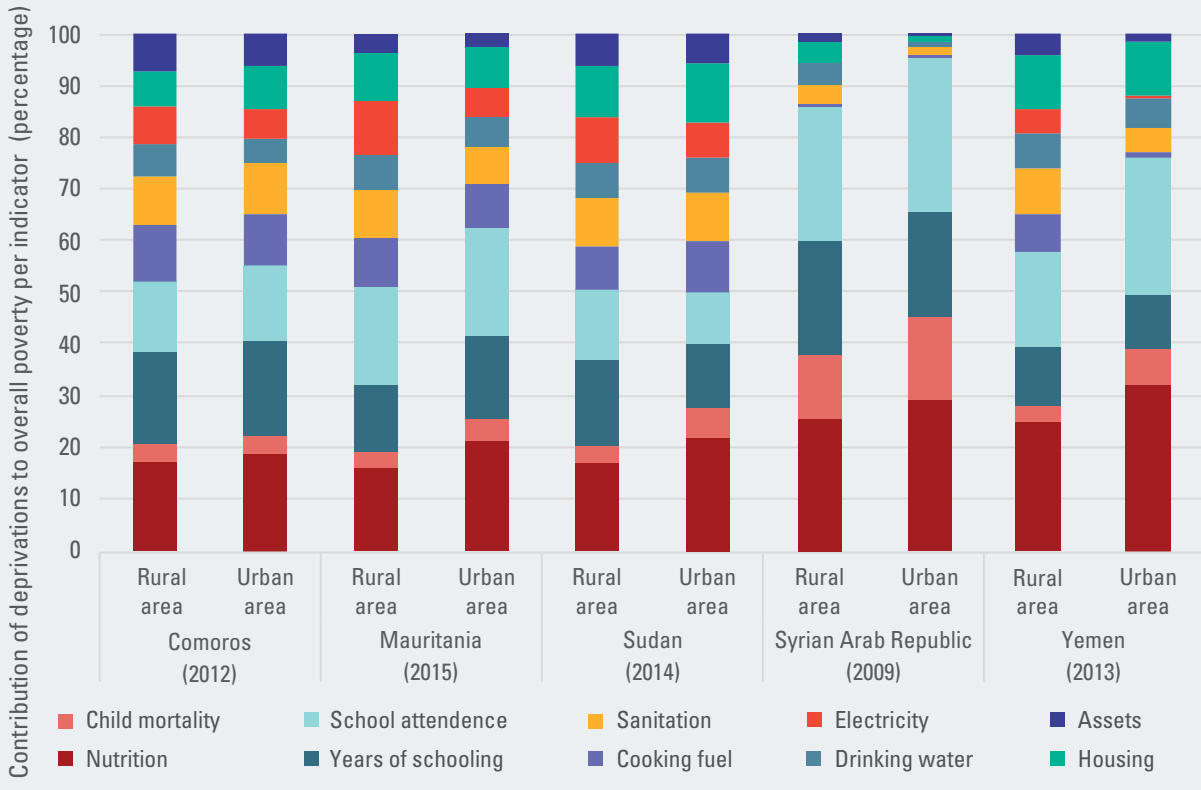


Source: Author's analysis, based on Alkire and others, 2021.

At the indicator level, school attendance, nutrition and years of schooling are the primary contributors to multidimensional poverty in urban and rural areas in all countries (although the impact varies) (figure 37).

Various factors affect household achievements related to the individual dimensions and indicators. For example, one of the major challenges facing education for girls, particularly at post-primary levels, is child marriage. It is prevalent in many of the Arab LDCs, such as Somalia, the Sudan and Yemen, and its effect on educational attainment for girls is immense (box 3).

Figure 37. Contribution of deprivations to overall poverty per indicator, by urban and rural area (percentage)



Source: Authors' analysis, based on Alkire and others, 2021.

Box 3. Education and child marriage

In Somalia, 8 per cent of women aged 20–24 years were married or in a union before the age of 15.[a] The UNFPA estimates that between 2005 and 2019, child marriage (prior to the age of 18) affected around 45 per cent of women.[b] Nevertheless, some studies suggest that this trend is declining.[c] The 2020 Somali Demographic and Health Survey shows that 16 per cent of women aged 20–49 years had already married by the age of 15. In addition, 34 per cent and 33 per cent of women aged 20–49 years and 25–49 years, respectively, were first married by the age of 18. Furthermore, 14 per cent of women aged 15–19 years have either given birth or been pregnant. The data show that about 10.1 per cent of girls aged 15–19 years had their first child by the age of 17, while 4.2 per cent of girls aged 17 years or younger were pregnant and another 14.3 per cent had begun bearing children.[d]

In the Sudan, child marriage is still legal under the Muslim Personal Law of 1991, which means that any programmes that encourage abandoning child marriage would contravene the law and likely face objections from interest groups. In 2014, child marriage, defined as marriage before the age of 18 among women aged 20–24 years, accounted for 46.1 per cent of all marriages in the Sudan.[e] Of this share, 34.2 per cent were married between the ages of 15 and 18 and 11.9 per cent before the age of 15. Evidence suggests that considerable subnational variations exist in child marriage among girls younger than 15 years old in the Sudan, with the highest rate reaching 45 per cent.[f] A similar situation was observed in Lebanon, where the prevalence is higher among Syrian refugees and internally

displaced persons. According to UNFPA, over one third of those surveyed between the ages of 20 and 24 years had been married before reaching the age of 18, which is twice the rate found in the Syrian Arab Republic in 2009.[g] Furthermore, among refugee girls who are currently 15 to 17 years old, approximately 24 per cent are already married.[h] Among Syrian refugees in Jordan, official statistics show that 1 in 4 registered marriages is of a girl under the age of 18.[i] The proportion of registered marriages among the Syrian refugee community in Jordan where the bride was under the age of 18 rose from 12 per cent in 2011 (roughly the same as the figure in the Syrian Arab Republic prior to the war) to 18 per cent in 2012 and as high as 25 per cent by 2013. In Yemen, a study undertaken in several governorates shows that the rate of child marriage was highest among displaced populations, with 1 in 5 displaced girls aged 10–19 years being married, compared to 1 in 8 girls in the host community.[j]

The high rate of child marriage is attributed to multiple factors, including cultural factors that encourage the marriage of girls while they are still young in the hope that marriage will benefit them both financially and socially while also relieving the financial burden on their family. Considerable social pressure is exerted on girls to marry as early as possible, owing to the stigma attached to marrying late. In countries such as the Sudan, marriage—but also child marriage—is assumed to be deeply rooted in Islamic principles, and religious leaders resist prohibiting child marriage. In the Syrian Arab Republic, increased financial stress coupled with limited educational opportunities caused adolescent girls and young women to be more likely to marry early or enter the workforce following their displacement. Both practices were considered options to increase financial security, despite widespread objections and negative views regarding child marriage among most adult men and women, as well as among adolescents of both genders.[k]

Evidence confirms the negative impact of child marriage on the educational attainment of women and girls. One report from the Sudan shows that among all women aged 20–49 years, the share of women who marry early decreases as the level of education increases.[l] For example, of the total number of married women aged 20–49 years who have no education, 54.6 per cent were married before the age of 18. On the other hand, only 3.1 per cent of women aged 20–49 years who completed higher education were married before the age of 18.

In Yemen, one study examined the impact of child marriage on education by asking married girls about the highest level of education they had completed. The study found that more married girls reported never having attended school compared to unmarried girls (16.0 per cent and 6.4 per cent, respectively).[m] Internally displaced persons suffer the dire consequences of child marriage. Among married girls, 73.7 per cent of displaced girls did not complete secondary education, compared to 65.6 per cent of girls in host communities.

Notes:

a UNICEF, 2020c.
b UNFPA, 2022 a.
c Care International and Save the Children, 2017.
d Data from the 2020 Somali Demographic and Health Survey.
e UNICEF, 2016.
f Tonnessen and Al-Nagar, 2018.
g UNFPA, 2022 a.
h Plan International and Women Now for Development, 2021.
i Save the Children, 2014.
j UNFPA, 2021.
k Wringe and others, 2019.
l UNICEF, 2017.
m Hunersen and others, 2021.

B. Changes in the headcount ratio of, vulnerability to and intensity of poverty over time

While the level of multidimensional poverty in Arab LDCs remains high, the good news is that multidimensional poverty has been on the decline, similar to the situation for MICs.[89] Between 2011 and 2015, multidimensional poverty as measured by the global MPI dimensions and indicators declined by 19.8 per cent (from 63.0 to 50.6 per cent) in Mauritania. The Sudan registered the lowest amount of progress among Arab countries in the *Global Multidimensional Poverty Index 2021* report. Between 2010 and 2014, the multidimensional poverty headcount ratio fell by 8.2 per cent overall (from 57.0 to 52.3 per cent), at a rate of about 2.1 per cent per year. Compared to Morocco, which registered a significant decline (54.3 per cent overall decline over five years at an average annual rate of 11.4 per cent), very little progress was made in the three Arab LDCs for which comparable data for two points in time were available. As table 16 shows, while there has been an overall decline in multidimensional poverty in Arab LDCs, the level of progress is not on par with that of MICs, all of which performed better.

The three LDCs for which comparable data exist, Mauritania, the Sudan and Yemen, have recorded a statistically significant reduction in their MPI score, which declined by 7.57 per cent, 3.08 per cent and 4.33 per cent per year, respectively (table 16).

While the level of poverty consistently declined between the two years, deprivation did not necessarily decline across all indicators. In fact, it actually increased in some indicators; however, this is not statistically significant in some cases. Table 17 presents changes in the deprivation in the indicators included in the *Global Multidimensional Poverty Index 2021* report. For example, while better performance was registered in expanding access to electricity, this did not translate into a reduction in deprivation related to cooking fuel. This may be attributed to the respective costs of electricity and other fuels, and to preferences, whereby people in

Table 16. Changes in the level of multidimensional poverty over time, using the global Multidimensional Poverty Index framework

Country	Survey year		Multidimensional Poverty Index			Multidimensional headcount ratio			Intensity of poverty			Vulnerability to poverty		
	Year 1 (Y1)	Year 2 (Y2)	Y1	Y2	Average annual per-centage change	Y1	Y2	Average annual per-centage change	Y1	Y2	Average annual per-centage change	Y1	Y2	Average annual per-centage change
Algeria	2012/2013	2018/2019	0.008	0.005	-6.50	2.10	1.38	-6.79	38.45	39.17	0.31	5.09	3.61	-5.58
Egypt	2008	2014	0.032	0.018	-8.81	7.98	4.89	-7.84	40.07	37.58	-1.06	8.03	5.98	-4.80
Iraq	2011	2018	0.057	0.033	-7.63	14.41	8.64	-7.05	39.56	37.86	-0.63	7.54	5.24	-5.06
Jordan	2012	2017/2018	0.002	0.002	-2.65	0.52	0.43	-3.44	33.80	35.35	0.82	0.89	0.66	-5.27
Morocco	2011	2017/2018	0.078	0.033	-12.30	17.26	7.86	-11.40	45.45	42.53	-1.02	13.31	10.10	-4.15
Mauritania	2011	2015	0.357	0.261	-7.57	63.03	50.57	-5.36	56.66	51.54	-2.34	14.50	18.57	6.38
State of Palestine	2010	2014	0.004	0.003	-7.50	1.11	0.80	-7.76	35.39	35.79	0.28	2.15	1.22	-13.14
State of Palestine	2014	2019/2020	0.003	0.002	-7.25	0.80	0.55	-6.72	35.79	34.69	-0.57	1.22	0.90	-5.47
Sudan	2010	2014	0.317	0.279	-3.08	57.00	52.33	-2.12	55.55	53.40	-0.98	16.30	17.66	2.03
Tunisia	2011/2012	2018	0.006	0.003	-9.44	1.38	0.79	-8.16	39.96	36.49	-1.39	4.15	2.39	-8.17
Yemen	2006	2013	0.189	0.139	-4.33	37.97	29.21	-3.68	49.84	47.54	-0.68	19.73	16.02	-2.93

Source: Authors' analysis, based on Alkire and others, 2021.

Notes: For the trend analysis, it was necessary to harmonize indicators between the two data points to ensure comparable results between the two survey years. Two time periods are provided for the State of Palestine due to the availability of three sets of surveys.

Table 17. Annual percentage change in uncensored deprivations in indicators

Country	Nutrition	Child mortality	Years of schooling	School attendance	Cooking fuel	Sanitation	Drinking water	Electricity	Housing	Assets
Mauritania (2011-2015)	0.40	-10.36***	-15.23***	-8.01***	-0.42	-3.46***	-5.08***	-0.56	-1.31	-5.94***
Sudan (2012-2014)	3.29	-5.91***	-3.24**	-7.25***	-2.53***	-2.18***	-3.64***	-3.21***	-0.58*	-1.31
Yemen (2006-2013)		-5.69***	0.98	-6.32***	0.02	0.85	-1.26	-8.69***	1.84	-8.22***

Source: Authors' analysis, based on Alkire and others, 2021.

Notes: *** change significant at 1 per cent, ** change significant at 5 per cent, * change significant at 10 per cent. Data were not available for the Comoros, Djibouti, Somalia and the Syrian Arab Republic.

many countries continue using solid fuels (especially charcoal) for cooking. LDCs also failed to make progress in reducing deprivation related to housing.

Table 17, in fact, shows cases of increases in deprivation at the indicator level among Arab LDCs. For example, in the Sudan and Mauritania, the level of deprivation in nutrition increased slightly; however, the increase is not statistically significant. In Yemen, the figures have worsened in relation to years of schooling, cooking fuel, sanitation and housing. While other factors contribute to the worsening deprivations, the prevalence of conflict and the high level of fragility have played a significant part in hampering efforts to reduce multidimensional poverty in some LDCs.

C. Changes in the headcount ratio of, vulnerability to and intensity of poverty by urban and rural area

Trends in the headcount ratio poverty ratio, intensity of poverty and vulnerability to poverty are not uniform across rural and urban areas. In Mauritania, the headcount ratio of multidimensional poverty declined faster in urban areas than in rural areas (7.96 per cent and 2.94 per cent, respectively), which contributed to increasing urban-rural gaps. This was also the case for the Sudan (4.59 per cent and 1.67 per cent, respectively). In Yemen, poverty in rural areas declined faster than in urban settings (by 3.88 per cent and 2.17 per cent, respectively). All results on urban and rural areas for the two data points were statistically significant, except the decline in the urban areas of Yemen.

In relation to the intensity of poverty, all areas witnessed improvement, except the urban areas of Yemen. All changes were statistically significant, except the increase in poverty intensity in the urban areas of Yemen. Among the three LDCs, the greatest reduction in poverty intensity was found in the rural areas of Mauritania (2.47 per cent).

While the headcount ratio poverty ratio declined, vulnerability to poverty significantly increased in rural areas in Mauritania (by 16.4 per cent) but declined in urban areas (by 2.68 per cent), although the latter was not statistically significant. This suggests that some of the poor have transitioned to being vulnerable to poverty or out of poverty, to a lesser degree. Meanwhile, in the rural and urban areas of the Sudan, vulnerability to poverty increased by 2.08 per cent and 1.98 per cent, respectively, but the change was not statistically significant. Vulnerability to poverty remained unchanged between the two periods. In Yemen, urban areas had witnessed a statistically significant reduction in vulnerability (by 7.76 per cent), while the change in rural areas (down by 1.92 per cent per year) was not statistically significant. Similarly, the MPI score has shown significant decline in all settings, except urban areas in Yemen (table 18).

Table 18. Changes over time in the proportion of people who are multidimensionally poor and experience deprivations in each of the Multidimensional Poverty Index indicators, by rural and urban area

Country (Year 1 – Year 2)	Area	MPI	Percentage change in multidimensional headcount ratio	Percentage change in poverty intensity	Percentage change in vulnerability to poverty
Mauritania (2011-2015)	Rural	-5.34***	-2.94***	-2.47***	16.40***
	Urban	-9.54***	-7.96***	-1.71***	-2.68
Sudan (2010-2014)	Rural	-2.68***	-1.67*	-1.03***	2.08
	Urban	-5.72**	-4.59*	-1.19**	1.98
Yemen (2006-2013)	Rural	-4.58***	-3.88***	-0.73***	-1.92*
	Urban	-1.96	-2.17	0.22	-7.76**

Source: Authors' analysis, based on Alkire and others, 2021.

Notes: *** change significant at 1 per cent, ** change significant at 5 per cent, * change significant at 10 per cent. Data were not available for the Comoros, Djibouti, Somalia and the Syrian Arab Republic.

D. Multidimensional poverty in Arab least developed countries using the revised Arab Multidimensional Poverty Index framework: The case of Mauritania

The revised Arab MPI focuses on more moderate levels of poverty, which suits the context of MICs. In the present section, the framework is applied to an Arab LDC, Mauritania, for which data were available to conduct this exercise.

Mauritania is a lower-middle-income country that was classified in 2019 as having a low human development index.[90] It is also classified as an LDC according to the United Nations Conference on Trade and Development.[91] Despite the country's various economic and natural riches, poverty has long been rampant owing to a number of factors, including natural hazards, prolonged droughts and governance deficits. An assessment of multidimensional poverty in Mauritania using the revised Arab MPI shows that it has made progress; its headcount ratio declined from 91.52 per cent in 2011 to 88.51 per cent in 2015. The average deprivations intensity among the poor also declined from 50.03 per cent to about 48.5 per cent, yielding an MPI value of 0.429. On the other hand, severe poverty in Mauritania remained high in 2015, at above 75.53 per cent (table 19).[92]

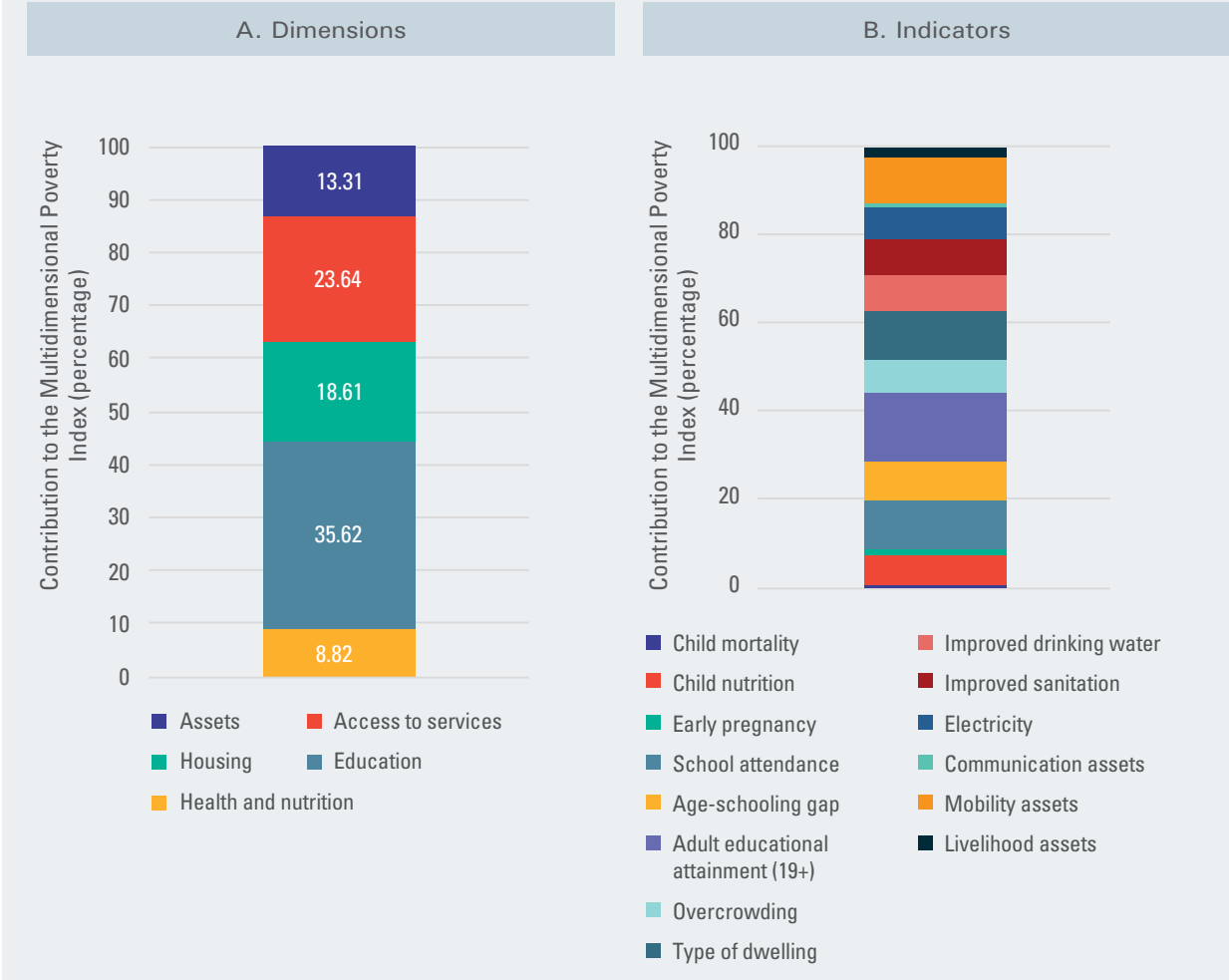
The education dimension remains the primary contributor to multidimensional poverty in Mauritania (figure 38). Nevertheless, the combined contributions of housing, access to services and assets (under the living standards dimension) exceed those of health and education. This suggests that deprivations in material well-being and access to basic services are still considerable in the LDCs, which is consistent with findings under the global MPI framework. Among the indicators analysed, those related to education, child nutrition, the type of dwelling and access to services contribute most to multidimensional poverty (figure 38B).

Table 19. Primary findings at the national level in Mauritania over time, using the revised Arab Multidimensional Poverty Index

	Poverty headcount ratio (H)	Intensity (A)	Multidimensional poverty index (M0)	Percentage of total population in severe poverty
2011	91.52	50.03	0.458	80.59
2015	88.51	48.45	0.429	75.53

Source: Authors' calculations.

Figure 38. Contribution of dimensions and indicators to multidimensional poverty at the national level in Mauritania (2015)



Source: Authors' calculations.

Table 20 provides the censored and uncensored headcount ratios in each indicator. Deprivation levels in nearly all indicators decreased between 2011 and 2015 for both censored and uncensored headcount ratios, but they remain high for most indicators. Child nutritional deprivations exceed 32 per cent, owing to various factors including low incomes, poor medical services, natural hazards and food insecurity.[93] Mauritania also has high levels of deprivations in access to services, particularly in improved water and sanitation. The water and sanitation infrastructure has been impacted by droughts, floods and pressure from displacement. Strain in that regard has also impaired the country's containment of COVID-19. The uncensored headcount ratios remain high for adult educational attainment (exceeding 80 per cent) and school attendance (exceeding 55 per cent). As a result, financial constraints may lead many of the poor and vulnerable to attend free, non-formal, religious education. In summary, deprivations in several indicators of the revised Arab MPI are widespread in Mauritania, including among groups classified as non-poor.

Table 20. Uncensored and censored headcount ratios over time in Mauritania (percentage)

			Mauritania, 2011		Mauritania, 2015	
Pillar	Dimension	Indicator	Uncensored headcount ratio (percentage of total population deprived)	Censored headcount ratio (percentage of total population that is multidimensionally poor and deprived in all indicators)	Uncensored headcount ratio (percentage of total population deprived)	Censored headcount ratio (percentage of total population that is multidimensionally poor and deprived in all indicators)
Social or capability well-being	Health and nutrition	Child mortality	6.51	6.46	4.84	4.68
		Child nutrition	33.16	32.62	32.59	31.66
		Early pregnancy	10.32	10.20	9.21	9.03
	Education	School attendance	57.44	56.40	56.78	56.02
		Age-schooling gap	49.56	48.13	48.05	45.99
		Adult educational attainment (19+)	89.75	86.62	85.72	81.30
Living standards or material well-being	Housing	Overcrowding	40.13	39.43	39.18	38.40
		Type of dwelling	61.60	61.27	57.54	57.35
	Access to services	Improved drinking water	69.46	67.47	64.19	62.60
		Improved sanitation	68.77	67.37	60.78	60.02
		Electricity	62.48	61.80	60.45	59.84
	Assets	Communication assets	14.40	14.39	7.28	7.28
		Mobility assets	85.10	81.41	82.57	77.85
		Livelihood assets	21.29	20.06	19.37	17.64

Source: Authors' calculations.

Table 21. Multidimensional poverty headcount ratio (percentage) across area and various socioeconomic group in Mauritania (2015)

Group		Poverty headcount ratio (H)
Area	National average	88.51
	Urban	77.05
	Rural	98.83
Sex of head of household	Male	87.73
	Female	90.06
Educational attainment of the head of household	None	93.66
	Primary	91.53
	Secondary	71.29
	Higher	31.87
Household size	Small (less than 4)	81.18
	Medium (4 to 7)	87.75
	Large (8 and above)	91.27

Source: Authors' calculations.

The prevalence of multidimensional poverty in Mauritania varies between areas and across socioeconomic groups, although it is widespread, as shown in table 21. Rural populations are more disadvantaged and are 1.3 times more likely to be poor than urban residents. The headcount ratio of poverty also varies according to household characteristics. It increases with household size, particularly for households classified as large. Members of female-headed households have higher deprivation levels than those in male-headed households. Disparities are even more noticeable based on the education level of the head of household. Members of households whose head has no education are nearly three times as likely to be multidimensionally poor as those in households whose head has obtained post-secondary education.

Multidimensional poverty is therefore highly prevalent in Mauritania when evaluated using the revised Arab MPI, which focuses on moderate deprivation. Even in terms of basic needs, however, LDCs such as Mauritania suffer from high levels of acute poverty and deprivations. Both the global MPI and the revised Arab MPI show that Mauritania made progress between 2011 and 2015, yet multidimensional poverty remains high. It is concluded that the revised Arab MPI serves as a useful benchmark for comparing LDCs with MICs, while the global MPI serves as a relevant framework for evaluating LDCs on their own, in order to better capture their current realities, specificities and policy priorities to alleviate acute multidimensional deprivations.

E. Summary considerations

Although it is difficult to generalize due to the variations in data points available for each country, it is clear that the headcount ratio of multidimensional poverty in the LDCs is high but has been declining. Improvements have varied across countries, urban and rural settings, households' characteristics and the global MPI dimensions and indicators. A significant share of the non-poor are also deprived, with respect to many of the indicators. For example, LDCs have performed poorly in reducing deprivations related to living standards. In terms of deprivations relating to cooking fuel, no statistically significant change was observed in Mauritania or Yemen, but significant progress was recorded in the Sudan. The same trend was observed in access to drinking water. LDCs have also succeeded in reducing deprivation in electricity, but this has not translated into reduced deprivations related to cooking fuel, which is due in part to cultural factors. The transition may also require time to adapt. Furthermore, almost all countries registered significant improvements in sanitation over the time period analysed. Urban-rural gaps have increased in some cases and stagnated or showed slight decreases in others. It is therefore clear that rural areas are being left behind in some countries.[94]

4

4. Policy recommendations

While the present report recognizes the important achievements made following the recommendations of the first Arab Multidimensional Poverty Report and in implementing the Arab Strategic Framework for the Eradication of Multidimensional Poverty 2020–2030, which was endorsed by the Arab Economic and Social Development Summit at its fourth session (held in Lebanon in January 2019), most of these recommendations remain valid. These include addressing gaps in education, expanding access to and coverage of social protection, investing in children, ensuring food security and promoting rural development, protecting persons with disabilities, improving data collection and making data widely available. The region has witnessed unexpected challenges such as the COVID-19 pandemic and constraints on global commodity supply chains, which disproportionately affect the multidimensional poor owing to their exposure to COVID-19 risk factors, thereby further aggravating multidimensional poverty in a vicious cycle of deprivation. Fragility and conflict still affect a sizeable proportion of the region's population, making the fight against poverty a daunting task. As was mentioned in the first Report, the present report recognizes that countries are not uniform, and it is impossible to draw policy recommendations applicable to all. They are at different stages of development, have different social and cultural contexts and face a variety of country-specific challenges and vulnerabilities. With this in mind, the present report makes the following recommendations.

A. Re-examine policies, strategies and capacities of health systems

The COVID-19 pandemic has exposed the ineffectiveness of health systems in responding to unexpected health emergencies, which put pressure on healthcare systems. It is therefore crucial to strengthen the capacity of health systems to respond to existing health demands as well as unexpected shocks. Some related policy interventions include measures to improve the quality and affordability of health services; investments in the public health sector, including the expansion of capacities and facilities for hospitals and primary health clinics; and the provision of additional services to ensure more comprehensive and equitable coverage. In this regard, an essential entry point is to reorient health systems towards prevention, with an emphasis on primary healthcare, enhanced local primary healthcare centres and patient follow-up. In countries where health services are not well-established, it is important to define national essential or priority health service packages, including preventive, promotive, curative, rehabilitative and palliative services related to communicable and non-communicable diseases for all ages. Where health services are absent, people-centred, integrated models of care with functioning referral systems should also be developed. Countries must formulate a national vision for universal health coverage and a roadmap for achieving it that considers country-specific health system challenges, macroeconomic outlooks, individual needs and related budget priorities. In this endeavour, they may benefit from both a report on the health and social impacts of COVID-19 prepared by the Social Affairs Sector, as well as the Riyadh Declaration titled "The Differentiated Effects of the COVID-19 Pandemic: Charting recovery paths in the Arab region and supporting vulnerable groups in epidemics and crises," which was approved by the Council of Arab Ministers of Social Affairs.

Maternal and child health should be prioritized. Maternal health outcomes are strongly associated with child health, nutrition and child education outcomes. Studies have shown that poor maternal health

is correlated to high infant mortality, lower levels of educational attainment for younger children and poor nutrition outcomes.[95] Policies should devote more attention to women's health; take measures to support efforts to halt practices that contribute to maternal mortality, such as female genital mutilation and early pregnancy; and protect girls and women from all forms of violence and discrimination. Unlocking the potential of the region's girls and young women requires policy measures that protect them from gender-based violence, exploitation and abuse and help them access culturally sensitive and age-appropriate reproductive health information and services. Urgent action is therefore required throughout the region to address gender-based violence and child marriage—a determining factor in sustaining elevated rates of adolescent pregnancy, high fertility rates and exclusion from education and the labour market. Enhanced maternal and child healthcare also requires establishing health facilities that can provide services associated with gender-based violence; providing essential services for survivors of gender-based violence; expanding life skills programmes for marginalized girls; and providing support for prevention, protection and care related to child and forced marriages. In order to improve overall health outcomes, it is crucial to invest in child health, with a particular focus on reversing the downward trend in child immunization rates.

It is also essential to develop and strengthen integrated national development plans for sexual and reproductive health. Such plans must prioritize access for vulnerable groups; integrate sexual and reproductive health in emergency preparedness plans; provide relevant training; establish advocacy platforms against harmful traditional practices and other gender discriminatory laws, policies and practices that affect women and girls; expand basic emergency obstetrics and neonatal care centres, which are essential for reducing maternal and child mortality rates; and provide appropriate health services (such as mobile clinics in pastoral areas and for internally displaced persons, among others).

Substantial investment in child nutrition is essential to make progress in reducing multidimensional poverty and child multidimensional poverty. The nutritional status of deprived households and those vulnerable to poverty can be improved by instituting measures that guarantee food security, which continues to be widely impacted in conflict-affected countries, LDCs and countries in economic crisis. Food security requires interventions such as rationalizing agricultural input subsidies, while simultaneously ensuring that small- and medium-sized farms have access to affordable inputs and preserving agricultural land through appropriate land-use policies, in addition to expanding social protection (both vertically and horizontally) to enable poor and food insecure households to gain access to food.

B. Support quality education

Although some countries still lack universal access to education, the focus on education must shift from quantity to quality. Improvements in the quality of education have not kept pace with the significant improvements in school attendance rates. In some countries, improving the qualifications and income of teachers remains critical, alongside investing in education that focuses more on learning outcomes for children in early grades. As discussed in the present report, the education dimension is the main contributor to multidimensional poverty. Addressing education-related deprivations would require reforming policies and re-examining practices to prevent continued deterioration. Some essential measures in that regard include encouraging children to not only attend school but also remain in school, particularly in rural areas and LDCs, and reforming the education system to address the skills mismatch. The latter includes investing in new curriculum

designs; encouraging early career guidance; raising interest in science, technology, engineering and math; and prioritizing teacher training and facilities. It is also critical to improve access to digital solutions by expanding affordable and equitable access to the Internet.

Inclusive policies should be implemented that target educational attainment for all children, regardless of gender, socioeconomic background or ability. The education system must be continuously reviewed and upgraded. It is essential to allocate sufficient resources to empower students, teachers and parents and engage them in continuous reforms, ensuring the right to equitable and quality education (for example, with equitable spending on education to supplement gaps in rural and marginalized areas). Adequate resources should be allocated for both expanded access to and improved quality of education. Schools must be equipped with the physical and human resources necessary to address the needs of girls and boys alike, as well as persons with both physical and non-physical disabilities. This may prompt a more fundamental reassessment of the education system in countries that will see more dramatic changes in their school-age population. To ensure that the education system produces effective labour market entrants, it is essential to invest in a broader set of life skills that enhance youth employability.

Education is the key to preparing young people for the jobs of the future and adapting to the changing nature of work due to technology. As Arab countries increase production for global markets, they will need to compete with other countries to secure larger market shares in both goods and foreign investment. This requires shifting the emphasis from the quantity to the quality of learning. A well-educated workforce with the right combination of technical and life skills is crucial for any country aiming to realize a demographic dividend. The more skilled the workforce, the better equipped a country will be to compete internationally. Countries must implement inclusive policies targeting educational attainment and improve the quality of education throughout the pre-primary, primary and secondary levels. To ensure that the education system produces effective labour market entrants, learning approaches that prioritize life skills and citizenship education are critical.

C. Build resilience and the capacity to manage risks and vulnerability to poverty

Conflict, drought, disease and economic crisis are also some of the risk factors pushing people into poverty. As indicated previously, human development gains can be reversed if countries are unable to manage risks and vulnerabilities.[96] The COVID-19 pandemic is a case in point: it increased poverty, food insecurity, inequality and unemployment, and it limited access to education and health services. A greater policy focus is needed on incomes, expenditure, markets and prices to achieve food security objectives such as strengthening related information systems, for example, by putting in place technologies that help countries with limited capacities to establish mechanisms that analyse threats and risks within their food system. Countries must also strengthen disaster risk preparedness and early warning systems. Additionally, there is a need to expand accessibility for the poor and those vulnerable to poverty to key infrastructure services such as transport, water and energy networks, as well as access to finance and productive assets.

One way of managing risks and building resilience is investing in social protection. Among the interventions required are social protection systems that provide adequate food for consumption and help poor consumers achieve and maintain better nutritional status, particularly in conflict- and drought-affected countries. To address multidimensional poverty, it is of paramount importance to expand livelihood opportunities for vulnerable communities, female-headed households, youth and women,

and expand access to social protection to help affected populations cope with shocks (for example, via broad registration programmes). One of the policy shortcomings observed following the emergence of COVID-19 was the inadequate coverage of existing social protection schemes, as well as disparities in social protection coverage between and within countries. National social protection floors are essential to guarantee universal access to education, health, nutrition, income security and other services to ensure that no one, including older persons and persons with disabilities, is left behind. There is also a need to scale up effective coverage of social protection initiatives to ensure access to essential services for the region's most vulnerable children, adolescents and youth—including those from the poorest families, informal workers, refugees and persons with disabilities—as a prerequisite for their eventual transition to productive work. The return on investment from conditional cash transfers might justify investments in social assistance. Expanding social protection, however, requires a significant upfront investment. Countries may lack adequate fiscal space and may need to rationalize and reprioritize fiscal spending. Options to expand fiscal space may include reforming subsidies, implementing progressive and innovative taxation, reforming taxes, reallocating public expenditures, managing or restructuring debt, expanding social security coverage and contributory revenues, integrating zakat into formal social protection systems and strengthening existing national zakat funds. All these solutions should be grounded in sound medium-term budget frameworks and anchored in national development plans and strong public finance management systems. A shift towards developing shock-responsive social protection systems will also be needed to quickly address evolving risks.

A healthy and inclusive labour market and the economic capacity to create decent jobs are essential for managing risks and vulnerability to poverty, providing the ultimate solution to lift people from poverty. In this regard, essential measures include reviewing the overall macroeconomic policy framework and implementing policies that aim to address deficiencies in decent work opportunities through improved structural transformation, economic diversification efforts and the successful shift from low-productivity/low-wage economies to high-productivity/high-wage economies. Strategies should be implemented that aim to encourage and support the formalization of workers and businesses through a comprehensive list of policies and measures, including the establishment of optimal tax systems and financial assistance plans for micro-, small and medium-sized enterprises. Support should also be provided to the informal sector by enhancing access to social protection, facilitating skills development, marketing support and access to finance, as well as addressing legal barriers. Countries should also create an enabling environment for private sector development, particularly with respect to improving access to finance, incentivizing innovation (including research and development) and encouraging digital transformation. In addition, policies should be instituted to enhance the inclusion of women in the labour market, such as revisiting labour laws to ensure higher participation as well as laws aimed at combating child labour. Promotional policies should be reformed to encourage equality and non-discrimination, and financial inclusion should be promoted, particularly to guarantee access for women, youth and other marginalized groups in both urban and rural areas. Furthermore, it is important to strengthen labour market institutions and design and implement effective wage and minimum wage policies that take into account both economic factors and the needs of workers and their families. The role of social dialogue should also be enhanced.

D. Prioritize digital transformation and narrow the digital divide, particularly in least developed countries

The pandemic rebooted the digital revolution in an effort to meet the needs of a world in recovery. It is essential to shock-proof social and economic development outcomes through digitalization and

digital transformation. High-quality and affordable communication services are needed for an inclusive transition. The pandemic has underscored the need for equal access to high-quality connectivity for all, regardless of location. Given the heterogeneous development in the region, it is difficult to develop policy mechanisms to expand digital access and narrow the digital divide. Country-to-country recommendations include investing in information and communications technology infrastructure in LDCs; ensuring inclusion in access to digital services (between urban and rural areas, between men and women and among different ethnic groups) by promoting digital literacy, including by integrating digitalization into the school curriculum; and re-examining policies and the regulatory environment. The benefits of promoting competition are clear. For example, increased competition for Internet service provision in Mexico has led to a drop in prices of up to 84 per cent, expanded Internet subscriptions and facilitated Internet access for low-income households.[97] In India, new entrants in telecom markets have helped to reduce connection costs and significantly increase the number of subscribers.

E. Enhance equity

An essential element of the SDGs is the commitment to ensure that no one is left behind. While overall progress is important, certain areas and people are being excluded from access to opportunities and resources. Countries must focus on ensuring that these groups benefit from the progress made in social and development outcomes. Equity is a cross-cutting concept and its achievement requires reviewing and reforming discriminatory laws and practices that perpetuate inequality, among other measures. Access to opportunities for the poor and marginalized should be expanded. To address disparities within countries, targeted poverty-reduction interventions are needed to focus on the groups or areas most affected by particular deprivations. Investing in disaggregated and timely data is also essential to fulfil the promise of leaving no one behind. The Riyadh Declaration pledges to support the efforts of Arab countries in advancing sustainable development.

F. Move towards a faster, greener, resilient and equitable recovery from the pandemic

The pandemic and countries' responses to it have created opportunities to reflect on the inequality and unsustainability of existing development paradigms. It is time to reset. The pandemic has provided an opportunity to restore balance between people and the planet by designing green solutions as part of a new social safety net for the world. It has also opened the possibility to expand access to social protection; enable digital transformation; encourage sustainable public-private partnerships; transform agriculture from a carbon contributor to a carbon sink; and engage in integrated thinking and action with the health sector to tackle air pollution, which kills millions of people each year. Countries should embark on investing in an inclusive green economy and boosting a green and resilient recovery by translating their nationally determined contributions and adaptation plans into climate solutions for urban planning, agriculture and land use. Countries should also promote community-based and community-owned solutions and approaches, particularly in indigenous communities, and accelerate the transition to green energy as part of their COVID-19 response. This should include reforming subsidies, particularly for fossil fuels. Vaccine equity is essential for a full recovery from the pandemic

and its effects. In addition to saving lives, accelerating vaccine equity is critical for driving a faster and fairer recovery with benefits for all. Cooperation between high- and low-income countries in the region in terms of vaccine access will be essential to both recovery in low-income countries and sustained progress in high-income countries. In addition to a lack of vaccines, a lack of awareness also prevents vaccination progress in some countries. Awareness campaigns must therefore be scaled up.

This work could benefit from the Riyadh Declaration on "The Differentiated Effects of the COVID-19 Pandemic: Charting recovery paths in the Arab region and supporting vulnerable groups in epidemics and crises", endorsed by the Council of Arab Ministers for Social Affairs.

G. Build institutional capacity

1. Invest in more comprehensive, disaggregated data collection, including the use of big data

The Arab region suffers from a serious shortage of data in all countries, but the problem is worse in LDCs. Without timely and quality data, efforts to leave no one behind cannot be adequately assessed and policy analysis will be constrained. Whether needed to address spatial or gender-based disparities, sufficiently disaggregated data are crucial. Without them, it is impossible for poverty-reduction interventions to be adequately targeted. Governments, especially in LDCs, should exert more effort to make data available for monitoring poverty through household surveys. States should invest in better, more comprehensive and disaggregated data collection (by gender and by spatial unit at the lowest administrative level), including the potential use of big data to complement existing metrics. Furthermore, cooperation among all countries is needed to provide the necessary data to harmonize poverty indices. LDCs require enhanced capacities to collect disaggregated data by gender, location, disability, income level and other markers. Arab States may consider creating a mechanism to undertake technical assessments and simulations comparable across countries. It is important to enhance the scale and uniformity of data collection not only to measure multidimensional poverty but also to engage in joint, region-wide policy dialogue. The present report recommends utilizing the capacity of the League of Arab States to undertake new surveys on socioeconomic conditions in the Arab region, alongside collaboration with agencies of the United Nations and other development partners.

The present report reiterates the recommendations of the first Arab Multidimensional Poverty Report, which highlighted the need to strengthen the data collection system in Arab countries and encourage regional collaboration for multidimensional poverty analysis. In addition to conducting surveys on the social dimensions of the 2030 Agenda, and particularly on multidimensional poverty, cooperation among all Arab countries is key to providing the necessary data to compute poverty indices, which examine development issues of concern to all Arab countries, both rich and poor.

Developing capacities to make the best use of big data is also critical. The customary on-the-ground surveys are time-consuming and expensive to execute. Technology is advancing, and the world has reached a stage where it is possible to make use of big data to manage risks and vulnerability to poverty and measure social and economic development outcomes to effectively draft, implement and evaluate policies.

Lastly, the present report recommends developing a separate measure of multidimensional poverty for LDCs to account for their more acute deprivations and harsher living conditions. Alongside LDCs, the present report also urges GCC countries to provide the necessary data to calculate the MPI and to direct efforts towards designing a national index that corresponds to the low poverty rates in these countries and accounts for different living standards and contexts. The present report also stresses the importance of preparing national multidimensional poverty reports in order to define countries' characteristics in relation to appropriate dimensions and indicators for measuring multidimensional poverty.

2. Implement and operationalize the Arab Strategic Framework for the Eradication of Multidimensional Poverty

On the basis of the recommendations of the first Arab Multidimensional Poverty Report, the Arab Centre for Social Policy Studies and Poverty Eradication in Arab States has been established and its by-laws and organizational structure have been adopted. In addition, the Arab Strategic Framework for the Eradication of Multidimensional Poverty 2020–2030 has been adopted by the League of Arab States and endorsed at the fourth Arab Economic and Social Development Summit (Lebanon, January 2019). Nevertheless, the Arab Centre must still be empowered with financial and human resources, and the Arab Strategic Framework must be operationalized. Moreover, the Surveys and Social Studies Unit of the League of Arab States could play a role. The Framework's implementation would require mainstreaming it into the national development frameworks of Member States. Capacity for monitoring and evaluating the Framework at the national and regional levels should also be prioritized.

3. Strengthen institutional coordination

Development challenges are complex and require integrated and coordinated approaches. The 2030 Agenda underscored the importance of a strong institutional framework for sustainable development at the national and subnational levels that embraces relevant principles, responds to current and future challenges and bridges gaps in the implementation of sustainable development agendas. All stakeholders have a role to play, including governments; civil society; the private sector; social partners, including representatives of both workers and employers; and other development partners. Their ability to work together will determine whether the region will be able to address some of its most pressing development challenges. Countries must continuously assess and strengthen vertical and horizontal coordination mechanisms to accelerate progress towards achieving the SDGs.

H. Strengthen regional economic integration projects

It is necessary to strengthen economic ties between Arab countries and urge them to exchange resources, including water, animal, agricultural, technological and petrochemical resources, as a pillar of safety for all societies. These links would allow economic integration between Arab countries to be achieved and would deliver collective benefits. Such exchange could, for example, benefit Arab countries in the Gulf that suffer from scarcity of water resources and agricultural space. Public interest associations play a key role in supporting resource exchange projects and facilitating their implementation by providing assistance in training and implementation.

Annex

List of surveys used to calculate the revised Arab MPI and MODA for children in the Arab countries examined

State	Baseline year survey	Last available survey
Middle-income countries included in analysis of trends		
Jordan	Demographic and Health Survey, 2012	Demographic and Health Survey, 2017-2018
Tunisia	Multiple Indicator Cluster Survey, 2011	Multiple Indicator Cluster Survey, 2018
Algeria	Multiple Indicator Cluster Survey, 2012-2013	Multiple Indicator Cluster Survey, 2019
Iraq	Multiple Indicator Cluster Survey, 2011	Multiple Indicator Cluster Survey, 2018
Egypt*	Demographic and Health Survey, 2014	Household Income, Expenditure and Consumption Survey, 2018
Egypt**	Demographic and Health Survey, 2008	Demographic and Health Survey, 2014
Morocco	National Population and Family Health Survey, 2011	National Population and Family Health Survey, 2018
Other countries included in analysis of trends		
State of Palestine*	Multiple Indicator Cluster Survey, 2014	Multiple Indicator Cluster Survey, 2019-2020
State of Palestine**	Multiple Indicator Cluster Survey, 2010	Multiple Indicator Cluster Survey, 2019-2020
Countries presented as LDC case studies		
Mauritania	Multiple Indicator Cluster Survey, 2011	Multiple Indicator Cluster Survey, 2015

* Data used when calculating the revised Arab MPI.

** Data used to measure child poverty using the MODA.

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3. ESCWA and others, 2021.
4. For more details, see Alkire and others, 2015.
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8. ESCWA and others, 2022.
9. United Nations Development Programme (UNDP), 2021a.
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11. ESCWA, 2020a.
12. Ibid.
13. Ibid.
14. ESCWA and others, 2022.
15. Ibid.
16. Abu-Ismail, 2020b.
17. Estimates in the present section are based on ESCWA, 2022b. The World Economic Forecasting Model (WEFM) uses high-frequency data (when available) and runs a series of equations based on economic theory (using a structural econometric model) and/or statistical analysis of past behaviour. Several assumptions affect the results, including changes in taxation or spending, monetary policies and external assumptions (sensitivity to oil prices, exchange rate, policy), etc.
18. The extreme poverty rate is the percentage of the population living on less than $1.90 a day using 2011 purchasing power prices. The moderate poverty rate is the percentage of the population living below the national poverty line(s). National estimates are based on population-weighted subgroup estimates from household surveys. National poverty lines reflect local perceptions of the level of consumption or income required to be considered non-poor.
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56. UNESCO, UNICEF and the World Bank, 2021. Learning poverty is defined as the inability to read and understand a simple text by the age of 10. The World Bank learning adjusted years of schooling concept combines quantity (access) and quality (learning outcomes) of schooling into a single metric of progress. The minimum proficiency on the PISA is Level 2, or 407.47 points.
57. UNESCO, UNICEF and the World Bank, 2021.
58. Ibid.
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60. UNFPA, 2020a.

61. UN-Women, 2020. The Internet survey covered nine countries in the region: Egypt, Iraq, Jordan, Lebanon, Libya, Morocco, the State of Palestine, Tunisia and Yemen.
62. Inter-Agency SGBV Task Force Lebanon, 2020.
63. UNFPA, 2020b.
64. UN-Women, 2020.
65. For more details on the capability approach, see Sen, 1985, 1999.
66. ESCWA and others, 2017.
67. Arab MICs covered by the present report include Algeria, Egypt, Iraq, Jordan, Morocco and Tunisia.
68. For a detailed explanation of the framework and choice of indicators, please see ESCWA and others, 2020.
69. For more details on this method, see Alkire and others, 2015.
70. UNICEF, n.d.
71. Some countries, for instance Algeria, have institutionalized a measure of multidimensional poverty using the MODA approach that also measures multidimensional poverty among 18- to 24-year-olds in addition to multidimensional child poverty.
72. Compared with the 2017 Arab Multidimensional Poverty Report, the current analysis adopts only the "moderate cut-off threshold" to determine whether an individual child is deprived in each well-being dimension, since this set of thresholds has been defined to better reflect the socioeconomic contexts of the Arab countries included in the analysis.
73. Authors calculations based on ST/ESA/SER. A/423.
74. The analysis of multidimensional poverty using the Arab MODA framework does not take into account the gender of the child because the majority of the indicators and dimensions included in the framework are measured at the household level and cannot provide a clear picture of the gender dimension of child poverty.
75. In absolute terms, owing to rapid growth in the child population in the last decade, the decline in poverty numbers appears more contained, from 24.0 million children living in multidimensional poverty in the early 2010s to 22.3 million in the mid-to-late 2010s.
76. It is worth noting that Palestine has a national MPI that tries to capture some of these missing dimensions of poverty in their context, such as violence and freedom dimensions.
77. ESCWA and others, 2017.
78. Palestinian Central Bureau of Statistics, 2020.
79. The global MPI has three dimensions: health, education and standard of living. All are weighted equally at one third. The health dimension has two indicators (nutrition and child mortality, each having a weight of 1/6), and the education dimension has two indicators (years of schooling and school attendance, with a weight of 1/6 each). Standard of living has six indicators: cooking fuel, sanitation, drinking water, electricity, housing and assets, each having a weight of 1/18. A person is identified as multidimensionally poor if they are deprived in one third or more of the weighted indicators. For more information on the indicators, see Alkire and others, 2021.
80. Oxford Poverty and Human Development Initiative (OPHI) and UNDP, 2021. It should be noted that data for many LDCs are obsolete due to the lack of recent surveys.
81. Authors' analysis, based on Alkire and others, 2021.
82. Countries included in the analysis include Algeria, the Comoros, Egypt, Iraq, Jordan, Libya, Mauritania, Morocco, the State of Palestine, the Sudan, the Syrian Arab Republic, Tunisia and Yemen.
83. A person is multidimensionally poor if the person's weighted deprivation score is greater than or equal to the poverty cut-off of 33.33 per cent (Alkire and others, 2021). Comparative analysis should be treated with caution given that the data used are from different years.

84. A person is identified as vulnerable to poverty if they are deprived in 20 to 33.33 per cent of the weighted indicators.
85. Multidimensional poverty was estimated based on 2017 household survey data using three equally weighted dimensions: money-metric poverty (with an indicator of daily consumption of less than $1.90 per person), education (with two indicators, completion of primary education among adults and enrolment status among school-age children) and access to basic infrastructure (with indicators on access to electricity, sanitation and drinking water) (Mendiratta and Duplantier 2020).
86. This should not be compared with the other countries as the dimensions, indicators and indicator definitions are different.
87. Mendiratta and Duplantier, 2020.
88. According to the Global Multidimensional Poverty Index 2021 report, a person is identified as living in extreme poverty if they are deprived in 50 to 100 per cent of the weighted indicators.
89. For some countries, an analysis of trends over time is not possible, owing to either a lack of surveys for earlier time periods or incomparable results.
90. Lower-middle-income status is based on World Bank income classification for fiscal year 2022. Available at: https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups.
91. For a list of LDCs, visit https://unctad.org/topic/least-developed-countries/list.
92. A household is considered to be in extreme poverty if the deprivation level of the household is greater than 0.33. Extreme poverty is understood as a subset of poverty, meaning that people classified as extreme poor are automatically considered to be poor.
93. Doraisamy, 2013.
94. For reference, OPHI and the Food and Agriculture Organization have proposed a rural MPI: Measuring Rural Poverty with a Multidimensional Approach: The Rural Multidimensional Poverty Index.
95. Moucheraud and others, 2015.
96. UNDP, 2021d.
97. Organisation for Economic Co-operation and Development (OECD), 2021.

Even before the onset of the COVID-19 pandemic, Arab countries were facing daunting challenges, including conflict, instability, displacement, high rates of material deprivation and unemployment, and increasing financial pressures that all affected poverty and efforts to reduce it. The pandemic and the war in Ukraine have exacerbated money-metric poverty and deprivations in several dimensions relating to household capabilities.

This report describes and analyses the extent, characteristics and evolution over time of multidimensional poverty in Arab countries. It reveals trends over the last decade and discusses the impacts on poverty of the multiple crises affecting the region, highlighting elements of progress and stagnation in poverty reduction efforts. It also sets out a way forward by laying out policy recommendations that remain valid and important after the first Arab Multidimensional Poverty Report. Linking development policies and programmes to the poverty indices used in this report could help to design better-targeted initiatives that reach the poor and address the severity and complexity of poverty.

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