

Multidimensional Poverty in Pakistan

Introduction

Debate of inequality of outcome and inequality of opportunity is not over and so is the debate to choose from outcome based poverty measure and opportunity based poverty measure or employ both. Pakistan has been using consumption based poverty to keep track of poverty dynamics; but, responding to the need of opportunity based poverty measure, the Planning Commission has decided to start Multidimensional Poverty Index to know the nature and extent of deprivations. It is a response to having an indicator for inclusive and balanced socioeconomic development and it is a demand arising from our commitment to Sustainable Development Goals.

Vision 2025 and multidimensional poverty

Pakistan Vision 2025 is people centric and aimed at reducing poverty and enhancing people's well-being. Vision 2025 recognises poverty as being both multidimensional and multifaceted and stresses a broader definition of poverty – one which includes health, education and other amenities alongside income and consumption. Therefore, MPI will help in implementation of vision 2025 and track its progress overtime.

Multidimensional Poverty Index

The Multidimensional Poverty Index (MPI), developed by OPHI and UNDP's Human Development Report Office is a new measure to compute acute poverty. The MPI complements consumption based poverty measures by reflecting deprivations that individuals face in other dimensions such as education, health and standard of living.

The MPI captures the severe deprivations that each person experiences with respect to education, health and standard of living.

MPI is the product of two components:

- 1) Incidence of poverty (H): the percentage of people who

are identified as multidimensionally poor, or the poverty headcount.

- 2) Intensity of poverty (A): the average percentage of dimensions in which poor people are deprived. In simple terms it means how intense, how bad the multidimensional poverty is, on average, for those who are poor.

The need for a multidimensional approach to measure poverty

Poverty is a complex and multidimensional phenomenon. There are various facets of deprivation that can effect peoples well-being, such as the inability to attain a good education, a lack of access to healthcare facilities, poor housing and an unsafe environment in which to live. Although an income-based measure continues to be among the most widely used measures of poverty, a unidimensional measure based on income alone is insufficient to reflect the true extent and depth of poverty.

The MPI provides disaggregated statistics on the main contributors to poverty in all its dimensions; education, health and standard of living. Thus, the MPI provides strong evidence for policy makers, with which to identify the root causes of poverty and deprivation. The biggest utility of having multidimensional poverty is its disaggregation according to different vulnerabilities and geographies thus enabling policy makers to develop context specific development plans.

Methodology to measure Multidimensional Poverty Index in Pakistan

Pakistan's national MPI constitutes three dimensions; health, education and standard of living and 15 indicators. While each dimension carries an equal weight of 1/3, the weights of component indicators differ.

Pakistan's National MPI – Indicators, Deprivation Cut-offs and Weights

Education		Health		Standard of Living	
Indicator	Weights	Indicator	Weights	Indicator	Weights
Years of schooling	1/6 = 16.67%	Access to health facilities/clinics/Basic Health Units (BHU)	1/6 = 16.67%	Water	1/21 = 4.76%
Child school attendance	1/8 = 12.5%	Immunisation	1/18 = 5.56%	Sanitation	1/21 = 4.76%
Educational quality	1/24 = 4.17%	Ante-natal care	1/18 = 5.56%	Walls	1/42 = 2.38%
		Assisted delivery	1/18 = 5.56%	Overcrowding	1/42 = 2.38%
				Electricity	1/21 = 4.76%
				Cooking fuel	1/21 = 4.76%
				Assets	1/21 = 4.76%
				Land and livestock (only for rural areas)	1/21 = 4.76%

Data source for MPI analysis

The data used for the Pakistan's national poverty measure is drawn from the Pakistan Social and Living Standards Measurement (PSLM) surveys for the years 2004/05, 2006/07, 2008/09, 2010/11, 2012/13 and 2014/15.

State of multidimensional poverty

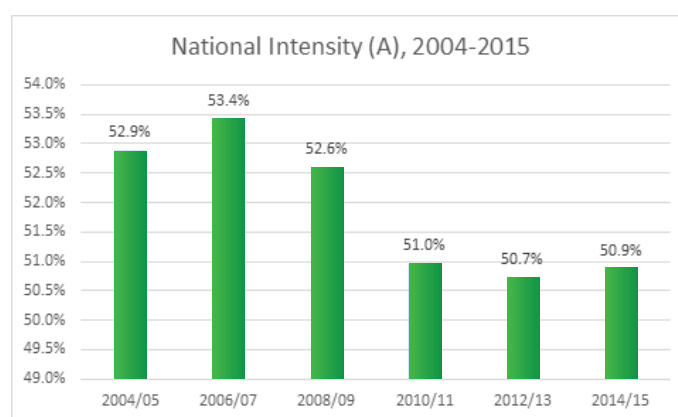
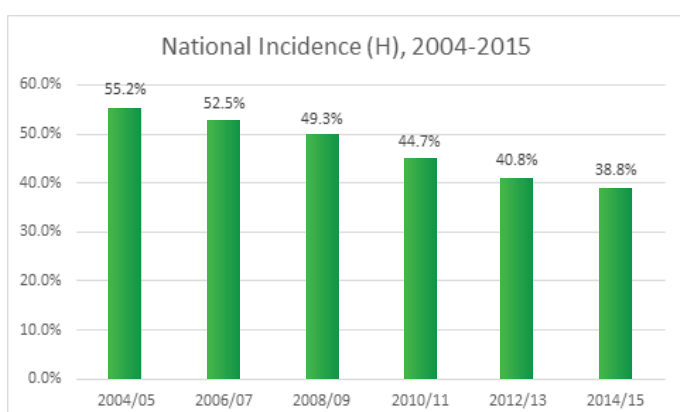
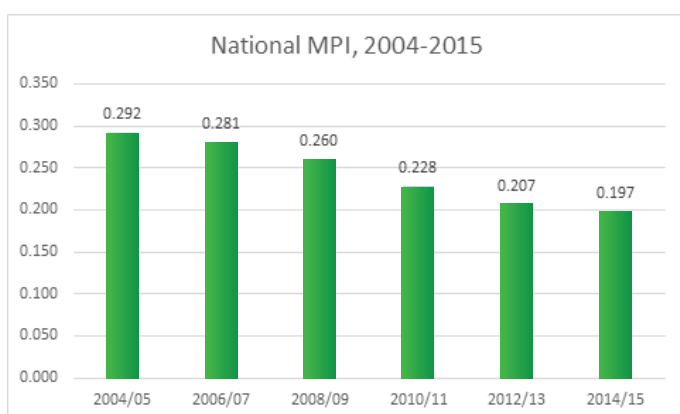
The headcount ratio (H) of multidimensional poverty is 38.8 percent.

The average intensity of deprivation (A), which reflects the share of deprivations each poor person experiences on average, is 50.9 percent. That is, each poor person is, on average, deprived in almost half of the weighted indicators.

Since the MPI is the product of H and A, it yields a value of 0.197. This means that multidimensionally poor people in Pakistan experience 19.7 percent of the total deprivations that would be experienced if all people were deprived in all indicators.

Trends in multidimensional poverty

The MPI dropped from 0.292 in 2004/05 to 0.197 in 2014/15, while the headcount ratio (H) fell by over 16.4 percentage points, from 55.2 percent to 38.8 percent. However, the average deprivation share of the poor declined relatively little, from 52.9 percent to 50.9 percent.



Regional comparison of multidimensional poverty

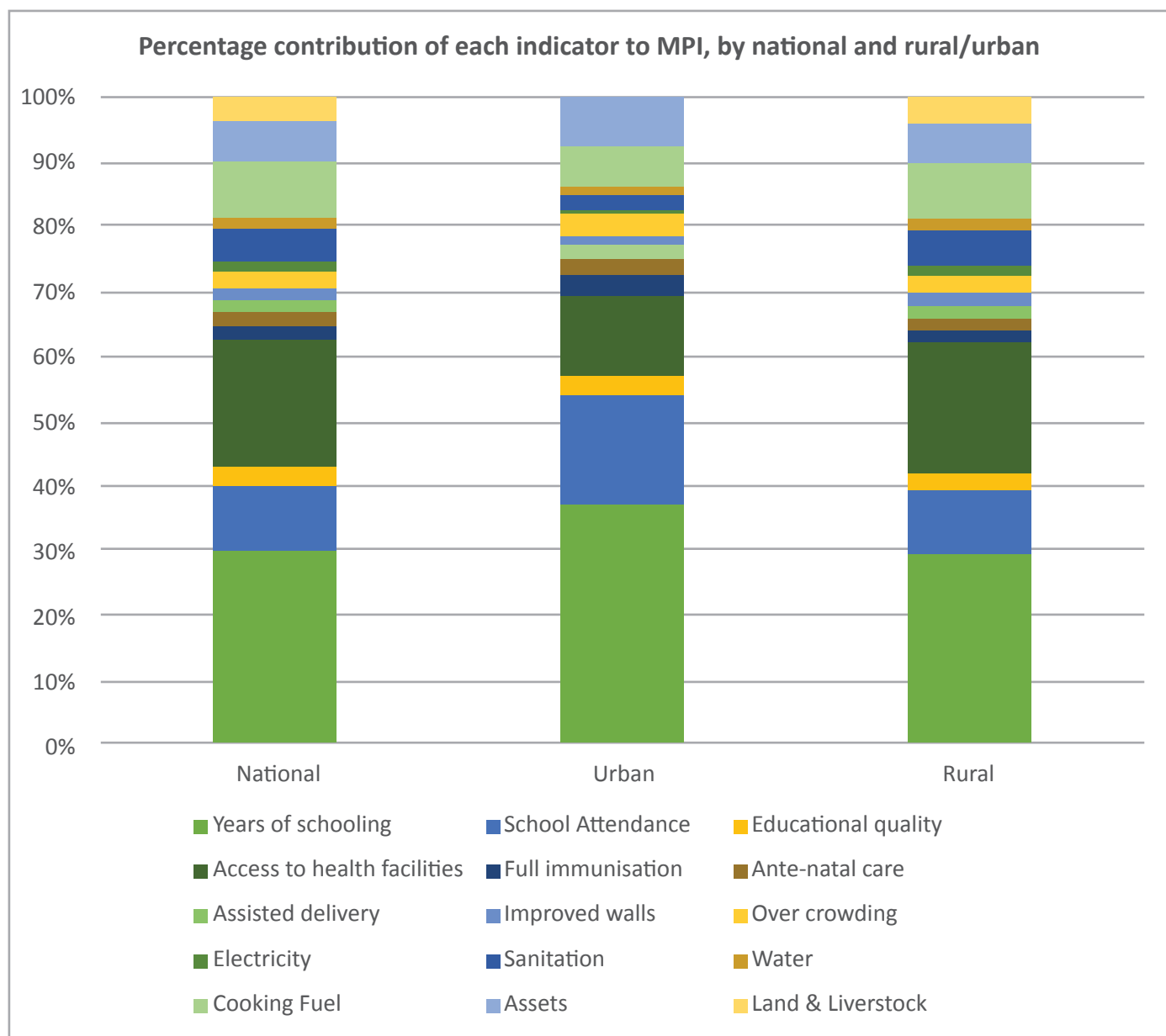
Estimates for the MPI, H and A suggests that among Pakistan's provinces, multidimensional poverty is highest in Balochistan and lowest in Punjab. The proportion of people identified as multidimensionally poor in urban areas is significantly lower than in rural areas – 9.4 percent and 54.6 percent, respectively. Also, in all four provinces, poverty in rural areas is significantly higher than in urban centres. Amongst regions, FATA appears to be experiencing highest levels of multidimensional poverty in terms of index value and incidence, followed by Gilgit Baltistan (GB) and Azad Jammu and Kashmir (AJK). The intensity of deprivation is similar across the three regions.

Multidimensional Poverty by Province/Region

Province		Value		
		MPI	Incidence (H)	Intensity (A)
Punjab	Overall	0.152	31.4%	48.4%
	Rural	0.214	43.7%	48.9%
	Urban	0.026	6.3%	41.8%
Sindh	Overall	0.231	43.1%	53.5%
	Rural	0.415	75.5%	54.9%
	Urban	0.046	10.6%	43.4%
KPK	Overall	0.250	49.2%	50.7%
	Rural	0.295	57.8%	51.1%
	Urban	0.042	10.2%	41.5%
Balochistan	Overall	0.394	71.2%	55.3%
	Rural	0.482	84.6%	57.0%
	Urban	0.172	37.7%	45.7%
FATA	Overall	0.115	24.9%	46.3%
	Rural	0.130	28.1%	46.3%
	Urban	0.013	3.1%	41.0%
AJK	Overall	0.209	43.2%	48.3%
	Rural	0.238	49.0%	48.3%
	Urban	0.036	7.9%	45.0%
GB	Overall	0.337	73.7%	45.8%
	Rural			
	Urban			

Main contributors to multidimensional poverty in Pakistan

Years of schooling (29.7 percent), followed by access to health facilities (19.8 percent) and child school attendance (10.5 percent) contribute most to the MPI. At the dimensional level, deprivations in education are the largest contributor to the MPI (42.8 percent), followed by living standards (31.5 percent) and health (25.7 percent).



District wise multidimensional poverty

Killa Abdullah, Harnai, Barkhan, Kohistan and Ziarat have lagged behind significantly in terms of social development, exhibiting extremely high levels of poverty and deprivation. Most of these districts also have the highest levels of the incidence (headcount) and intensity in all of Pakistan. On the other hand, Islamabad, Lahore, Karachi, Rawalpindi, Jhelum and Attock have the least MPI values. These districts also have the lowest poverty headcount in the country.

	MPI	Incidence (H)	Intensity (A)
Balochistan	2014/15		
Awaran	0.415	77.2%	53.8%
Barkhan	0.627	93.6%	67.0%
Bolan/Kachhi	0.414	73.1%	56.7%
Chagai	0.546	89.2%	61.2%
Dera Bugti	0.499	88.4%	56.4%
Gawadar	0.293	60.8%	48.2%
Harnai	0.633	94.2%	67.2%
Jaffarabad	0.404	75.0%	53.8%
Jhal Magsi	0.528	89.7%	58.9%
Kalat	0.275	57.1%	48.1%
Kech/Turbat			
Kharan	0.454	78.4%	57.9%
Khuzdar	0.285	57.5%	49.6%
Killa Abdullah	0.641	96.9%	66.2%
Killa Saifullah	0.386	79.3%	48.7%
Kohlu	0.503	86.8%	58.0%
Lasbela	0.395	68.1%	58.0%
Loralai	0.320	68.5%	46.7%
Mastung	0.302	62.0%	48.7%
Musakhel	0.351	66.9%	52.4%
Nasirabad	0.413	77.0%	53.6%
Nushki	0.316	64.0%	49.4%
Panjgur			
Pishin	0.453	82.2%	55.1%
Quetta	0.213	46.3%	46.0%
Sherani	0.526	90.6%	58.1%
Sibi	0.324	57.5%	56.3%
Washuk	0.466	81.9%	56.9%
Zhob	0.514	82.8%	62.1%
Ziarat	0.575	90.3%	63.7%

	MPI	Incidence (H)	Intensity (A)
Sindh	2014/15		
Badin	0.433	74.8%	57.9%
Dadu	0.247	51.4%	48.0%
Ghotki	0.356	67.3%	52.9%
Hyderabad	0.129	25.7%	50.2%
Jacobabad	0.391	71.3%	54.8%
Jamshoro	0.297	55.6%	53.3%
Kambar Shahdadt	0.383	72.0%	53.2%
Karachi	0.019	4.5%	42.4%
Kashmore	0.431	74.9%	57.6%
Khairpur	0.261	51.6%	50.7%
Larkana	0.194	42.0%	46.3%
Matiari	0.324	62.1%	52.2%
Mirpurkhas	0.401	68.9%	58.2%
Naushehro Feroze	0.214	45.0%	47.5%
Nawabshah/ Shaheed Benazirabad	0.314	59.3%	53.0%
Sanghar	0.386	66.8%	57.7%
Shikarpur	0.324	60.1%	54.0%
Sujawal	0.447	82.0%	54.5%
Sukkur	0.197	39.5%	50.0%
Tando Allahyar	0.366	67.3%	54.4%
Tando Muhammad Khan	0.455	78.4%	58.1%
Tharparkar	0.481	87.0%	55.2%
Thatta	0.437	78.5%	55.6%
Umerkot	0.504	84.7%	59.5%

	MPI	Incidence (H)	Intensity (A)
ICT	2014/15		
Islamabad	0.013	3.1%	43.2%

	MPI	Incidence (H)	Intensity (A)
KP	2014/15		
Abbottabad	0.149	32.9%	45.4%
Bannu	0.289	58.6%	49.2%
Batagram	0.422	75.2%	56.1%
Buner	0.373	71.6%	52.0%
Charsadda	0.213	44.6%	47.8%
Chitral	0.194	43.3%	44.9%
D.I. Khan	0.362	65.6%	55.2%
Hangu	0.271	55.8%	48.5%
Haripur	0.110	24.7%	44.5%
Karak	0.253	50.3%	50.3%
Kohat	0.238	47.5%	50.0%
Kohistan	0.581	95.8%	60.6%
Lakki Marwat	0.320	62.7%	51.0%
Lower Dir	0.194	41.6%	46.7%
Malakand	0.171	37.1%	46.1%
Mansehra	0.204	40.7%	50.1%
Mardan	0.153	33.8%	45.3%
Nowshehra	0.168	37.4%	44.9%
Peshawar	0.148	31.5%	46.8%
Shangla	0.438	80.2%	54.6%
Swabi	0.210	43.8%	48.0%
Swat	0.271	55.0%	49.3%
Tank	0.385	71.1%	54.2%
Torgarh	0.571	92.0%	62.1%
Upper Dir	0.443	76.4%	58.0%

	MPI	Incidence (H)	Intensity (A)
Punjab	2014/15		
Attock	0.041	9.9%	41.1%
Bahawalnagar	0.244	50.1%	48.7%
Bahawalpur	0.273	53.0%	51.5%
Bhakkar	0.255	51.7%	49.3%
Chakwal	0.056	12.9%	43.6%
Chiniot	0.199	42.1%	47.4%
D.G. Khan	0.351	63.7%	55.1%
Faisalabad	0.086	19.4%	44.5%
Gujranwala	0.064	14.0%	45.6%
Gujrat	0.078	18.4%	42.1%
Hafizabad	0.152	32.3%	47.0%
Jhang	0.196	41.6%	47.2%
Jhelum	0.035	8.5%	40.7%
Kasur	0.095	21.9%	43.6%
Khanewal	0.189	39.9%	47.4%
Khushab	0.200	40.4%	49.7%
Lahore	0.017	4.3%	38.8%
Layyah	0.214	45.6%	46.9%
Lodhran	0.230	46.8%	49.2%
Mandi Bahauddin	0.147	31.5%	46.7%
Mianwali	0.239	46.9%	50.8%
Multan	0.173	35.7%	48.5%
Muzaffargarh	0.338	64.8%	52.1%
Nankana Sahib	0.110	24.6%	44.6%
Narowal	0.118	26.6%	44.3%
Okara	0.185	39.5%	47.0%
Pakpattan	0.189	42.6%	44.4%
Rahim Yar Khan	0.289	56.8%	50.8%
Rajanpur	0.357	64.4%	55.4%
Rawalpindi	0.032	7.5%	43.0%
Sahiwal	0.140	30.8%	45.6%
Sarghoda	0.166	35.4%	46.8%
Sheikhupura	0.093	21.4%	43.5%
Sialkot	0.059	14.0%	41.8%
T.T. Singh	0.107	23.8%	45.0%
Vehari	0.200	41.9%	47.6%