NATIONAL MULTIDIMENSIONAL POVERTY IN MALDIVES

Joint effort by:
National Bureau of Statistics
Oxford Poverty and Human Development Initiative (OPHI)
UNICEF Maldives Country Office

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NATIONAL MULTIDIMENSIONAL POVERTY IN MALDIVES: Summary Report

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The Multidimensional Poverty Index (MPI) captures acute deprivations that people suffer from. It complements traditional income-based poverty measures in the country and identifies a range of disadvantages the poor experience.

The MPI creates a comprehensive picture of various form of multidimensional poverty for the country as a whole, for Male' and the Atolls as well as for various socio-economic subgroups.

The national MPI is based on three dimensions and 8 indicators [1].

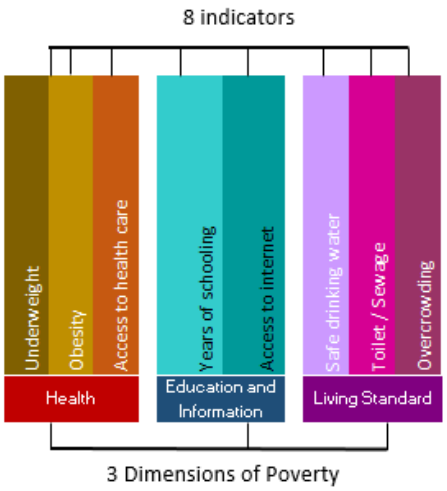

Figure 1.1: MPI indicators

** Deprivation cut-off used for each indicator given at the end.*

Identifying who is poor:

A person is considered multidimensionally poor if he/she is deprived in at least 34 percent of the weighted indicators (which is equivalent to being deprived in more than one dimension). All the required data to compute the MPI stems from one data source which in the case of the Maldives is the Demographic Health Survey (DHS) 2016/17.

The MPI is based on the Alkire-Foster methodology as follows:

MPI = H x A

H: the percentage of people who are multidimensionally poor (headcount ratio)

A: Intensity of people's poverty or the average percentage of weighted indicators in which poor people are deprived

MPI: the MPI is the product of H and A

Almost one third of the population was multidimensionally poor (H) in 2016.

In 2016, 28 percent of the population was multidimensionally poor. On average, the poor experienced more than half (51 percent) of all the deprivations (A). With an MPI of 0.145, multidimensionally poor people in Maldives experienced 14.2 percent of the total deprivations that would be experienced if all the people were deprived in all the indicators.

The MPI ranges between 0 and 1 with results closer to 1 showing higher multidimensional poverty.

1 Consultation was carried out to define indicators and the cut-off for each indicator to account for country context with Maldives being a middle income country.

Index	Republic	Male'	Atolls
MPI	0.145	0.047	0.207
Headcount ratio (H, %)	28.40	9.6	40.3
Intensity (A, %)	51.10	48.7	51.4

Table 1.1: Incidence, Intensity and Multidimensional Poverty Index (MPI) for Republic, Male' & Atolls, 2016/17

Higher multidimensional poverty in the Atolls than in Male'.

A regional comparison reveals that 10% of the population in Male' was multidimensionally poor whereas 40% of the population is poor in the Atolls.

Even though only 61% of the population lived in the Atolls, 87% of Maldives' poor population lived in the Atolls. Only about 13 percent of the country's multidimensionally poor lived in the capital city, Male', disproportionately less than Male's population share. This implies that in order to improve the condition of the poor, better targeted poverty reduction programmes need to be carried out for the population living in the Atolls.

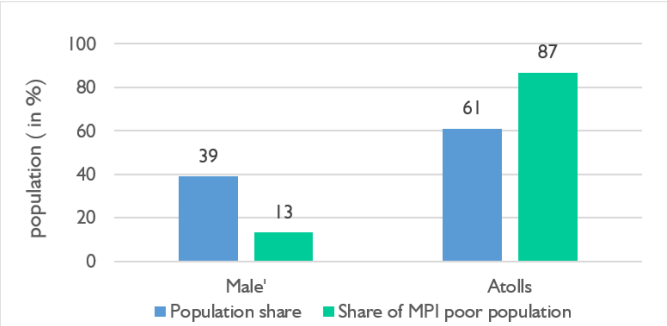

Figure 1.2: Distribution of population and poor population by Male' and Atolls, 2016/17

Higher multidimensional poverty was experienced in the Central region (K, AA, ADh and V Atoll) with an MPI value of 0.239. However, as there is no statistically significant difference across regions, no clear poverty ranking is possible between different regions. This means, that the poverty profile in the five regions other than Male' are very similar in terms of multidimensional poverty. Hence, the most feasible comparison is that between Male' and Atolls.

Region	Population Share (%)	MPI	H (%)	A (%)
Male'	39.0	0.047	9.6	48.7
North Region (HA, HDh, Sh)	13.8	0.231	44.0	52.4
North Central Region (N, Raa, Baa, Lh)	13.3	0.185	36.5	50.7
Central Region (K, AA, Adh, V)	6.3	0.239	46.7	51.2
South Central (M, F, Dh,Th, L)	12.4	0.198	38.5	51.4
South (GA, GDh, Gn, S)	15.2	0.200	39.0	51.1

Table 1.2: Multidimensional Poverty by Regions, 2016/17
** Refer to main report for confidence intervals*

Poverty equally driven by health and living standard dimensions

Years of schooling contributed close to one fifth (19%) to overall poverty at the national level. Access to health contributed 16% to the overall contribution.

In Male'- overcrowding (19%) and the lack of access to health care (21%) are the two main contributors to the MPI. In the Atolls – years of schooling is the main contrib-

utor to overall poverty (20%); followed by contributions from access to adequate toilet/sewage system (17%), access to health care and safe drinking water (16% each). The composition of MPI across the 5 regions are quite similar. In almost all the regions, the main contributor to MPI was years of schooling, access to safe drinking water and proper toilet/sewage system. This was followed by health-related indicators

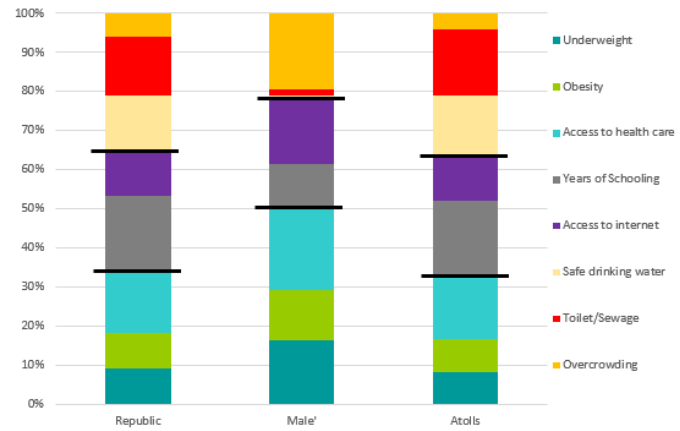

Figure 1.3: Percentage contribution of each indicator to MPI for National, Male' and Atolls, 2016

More people were multidimensionally poor than income poor

According to income poverty (based on data from HIES 2016), 8% of the population was monetary poor, given the national poverty line of MVR74, which is half of the median of total expenditure per person per day). Close to 13% of the population was poor in the Atolls and less than 3 percent were poor in Male'.

A comparison of multidimensional and monetary poverty shows that more people were multidimensionally poor than monetary poor. At the national level, the headcount ratio of multidimensional poverty was 20 percentage points higher than the income poverty rate.

The large difference between the two measures illustrates the vital importance of using both measures to inform policy and planning, as they convey information about people who are poor in different ways and thus inform different policy interventions.

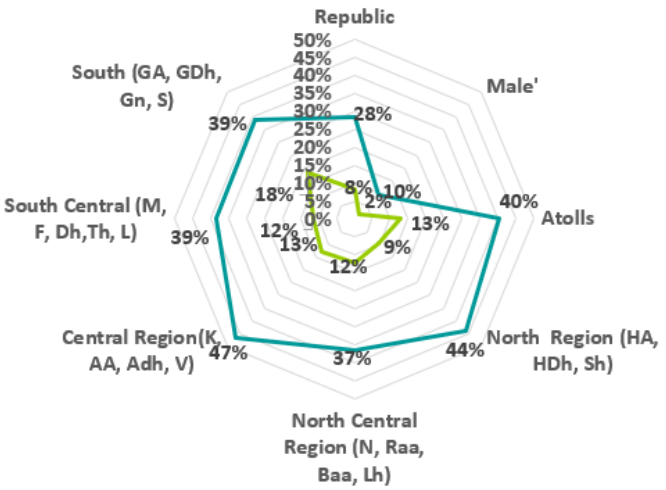

Figure 1 4: Comparison of headcount ratio for poverty (% of poor) using MPI and Income poverty

** Note that both the MPI and income poverty headcount ratios do not necessarily identify the same people, as the two underlying surveys, HIES for income poverty and DHS for the MPI, did not interview the same households*

1 in every 3 children is multidimensionally poor

Looking at age groups, children have a higher likelihood of being multidimensionally poor than any other age group. 34% of 0-17 year old live in MPI poor households. Among the youth, aged 18-35, this rate is around 22 %.

There is no difference in the level of multidimensional poverty between male and female headed households

Disaggregation by the gender of the household head does not reveal differences in multidimensional poverty. Close to 44 percent of the population lives in female-headed households. Yet, while the MPI value for this group is higher than for the male-headed households, the overlapping confidence intervals do not allow for an unambiguous ranking of multidimensional poverty between male and female-headed households.

The population in the poorest quintile in terms of assets ownership was 20 times poorer than the richest quintile.

Using wealth quintiles (groups containing around 20% of the total population) contained in the DHS 2016/17, the poorest quintile experienced high incidence and intensity multidimensional poverty. While 57% of the people in the poorest quintile lived in poverty, only 3% in the richest quintile were poor.

Wealth Status	Population Share (%)	MPI	H (%)	A (%)
Poorest	21.0	0.302	57.1	52.9
Poorer	20.5	0.205	40.6	50.6
Middle	20.3	0.121	24.6	49.0
Richer	19.6	0.061	12.7	48.3
Richest	18.6	0.015	3.1	47.8

Table 1.3: Multidimensional poverty by wealth quintile, 2016/17

* In DHS 2009, information on household assets was used to create an index representing the wealth of the households. Refer to main report for details

Multidimensional poverty tends to decrease with increasing household size, although the MPI for Maldives shows a somewhat different pattern.

The average household size in Maldives is 5.4 in 2016/17. While multidimensional poverty varied across household size, small households with members of up to five accounted for the highest MPI. However, these results need to be interpreted with caution as confidence intervals overlap, prohibiting any claims of statistically significant differences.

Household size	Population Share (%)	MPI	H (%)	A (%)
1-5	40.8	0.154	29.52	52.08
6-7	24.5	0.137	26.59	51.46
8+	34.7	0.140	28.24	49.52

Figure 1.5: Multidimensional poverty by household size, 2016/17

Households with a disabled person experienced more multidimensional poverty than households without a member experiencing a disability.

In 2016/17, household members were asked whether they suffered from any disability and 4% of the population responded they did. For MPI, this is aggregated at the household level and thus households can be identified as a 'household having a member that ex-

periences a disability'. In total, 22% of the households reported having at least one member with some form of disability. Such households experienced a higher incidence of multidimensional poverty (34%) than households without any disabled member (27%).

** In DHS, disability is defined as being or having any of the following: blind or partially blind, deaf of partially deaf, paralyzed, missing limb, intellectual disability, speech impairment, medical disability, or learning disability.*

Multidimensional poverty has reduced over time.

Between 2009 and 2016/17, multidimensional poverty has reduced significantly. The MPI has decreased to one third of its original value – from 0.425 to 0.145.

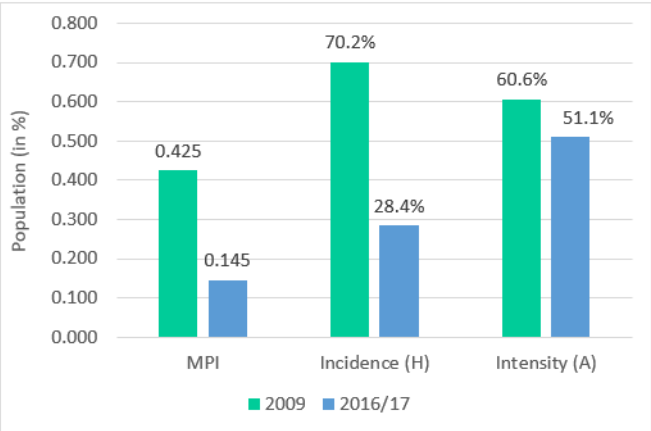

Figure 1.6: Multidimensional poverty in Maldives, 2009 – 2016/17

Both Male' and the Atolls account for a huge reduction in the MPI over time, with especially the Atolls reducing the multidimensional poverty headcount ratio by much more than a half.

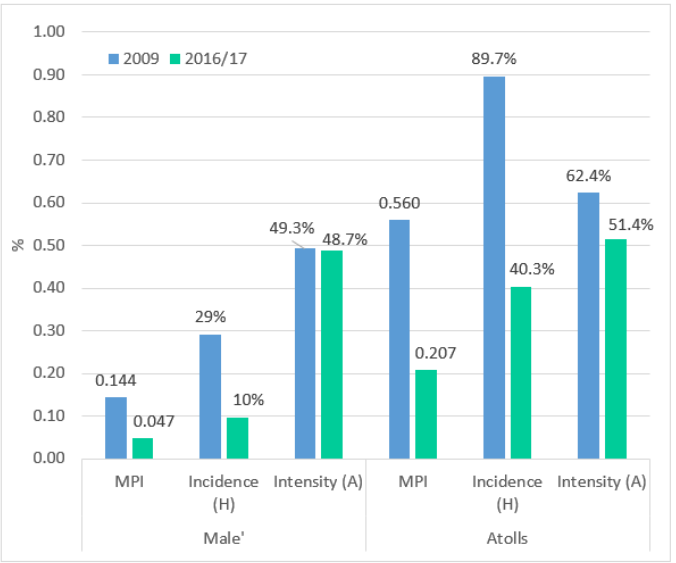

Figure 1.7: Mutidimensional poverty by Male' and Atolls, 2009-2016/17

Health indicators showed lowest improvement

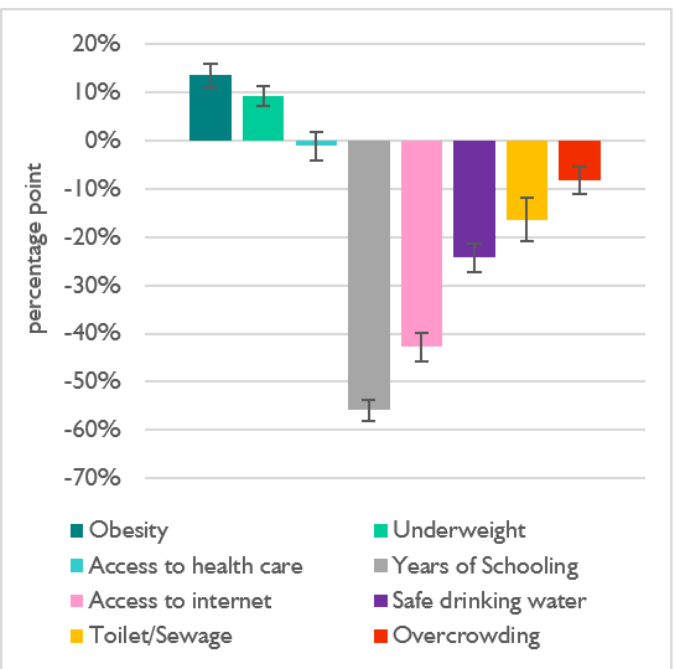

Figure 1.8: Absolute change in uncensored headcount ratios between 2009 & 2016/17

Over the 8 years, education and living standard dimension showed the most visible improvement.

80 percent of the indicators have shown improvement over the years, immediate action is needed to improve the health condition of the population given that health indicators remained without much improvement.

Policies addressing public health, nutritional of child and mother needs to be revitalized.

MPI AS A POLICY TOOL

How can the Maldives MPI be used for policy?

The following section looks at eight key ways in which the results of the MPI can be used for effective policymaking in poverty reduction.

1. Tracking the targets of Sustainable Development Goals (SDGs)

The Maldives MPI can be used as an immediate tool for policy and monitoring. Each of its indicators can be linked to help track SDG indicators as showcased in Figure 3. Collectively, improvement in these outcomes also contributes to progress towards achieving Sustainable Development goals.

The methodology is also an essential tool for reporting on the SDGs. The first goal of the SDGs is to end poverty in all its forms everywhere and includes multidimensional poverty in Target 1.2, which is by 2030 to 'reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions'. According to the MPI, the Maldives is on track to achieve this. From 2009 to 2016/2017, the MPI value for Maldives decreased to close to one third of its original value, from 0.425 to 0.145. Figure 3 also indicates how the indicators of the Maldives MPI correspond with different SDGs, highlighting that the Maldives is on track to reducing deprivations in many of these individual targets.

Achieving the SDGs requires an understanding of the interlinkages between the goals. The Maldives MPI can explore these interrelationships and help government departments approach poverty in a multi-sectoral, integrated way, with multiple government departments tackling poverty together.

In addition, the MPI also helps the government respond to the call of the SDGs to 'leave no one behind' by tracking progress on poverty for different groups. The disaggregation of the data reveals poverty across the sub-national regions of the Atolls, and among vulnerable groups such as children and disabled persons.

Dimension	Indicator (Deprivation)	SDG Target	Starting level (% deprived and MPI poor)	Absolute change between 2009 and 2016 (in ppts)
Health & Education	Obesity	2.2	12.2%	-0.4%
	Underweight	2.2	13.7%	-1.8%
	Access to Health Care	3.8	50.5%	-29.2%
Education and Information	Years of Schooling	4.1	60.0%	-47.8%
	Access to internet	9.c	61.4%	-46.1%
Housing	Safe drinking water	6.1	52.7%	-34.7%
	Toilet/Sewage	6.2	50.8%	-31.0%
	Overcrowding	11.	21.5%	-13.7%

Figure 3: MPI linkages to SDGs

2. Guiding policy interventions

The results of the Maldives MPI highlight priority areas for policy interventions. The MPI shows where the largest proportions of the population are living in multidimensional poverty. It also reveals where to find the highest clusters of interlinked deprivations. An analysis of trends in MPI levels, also known as changes over time, identifies indicators that have changed slowly, or even worsened between 2009 and 2016/2017. All this information is available at both national and subnational levels, and can be disaggregated further to examine the situation for specific population sub-groups, such as women and children. It is strongly recommended that the insights from the 2020 Maldives MPI Report are used to inform policy decisions. Key insights on vulnerable geographical areas, demographic groups and underperforming policy sectors include:

• The majority of multidimensionally poor people (87 percent) live in the Atolls, where the range of poverty across the regions is reasonably even.
• Nationally, the average intensity of poverty is 51 percent, which means people living in multidimensional poverty are on average deprived in half of the possible indicators.
• The worst performing indicators at a national level are years of schooling (19 percent) and lack of access to health care for women (16 percent).
• In Male', the indicators of overcrowding (19 percent) and lack of access to healthcare (21 percent) are the two main contributors to the MPI. In the Atolls, the following indicators contribute the most: years of schooling (20 percent), access to adequate toilet/sewage system (17 percent), access to health care and safe drinking water (16 percent each).
• Children, elderly people, and people with disabilities are more multidimensionally poor than the rest of the population. The MPI shows that one in three children (0-17 years) live in multidimensional poverty. Among the households with a member who has a disability, 34 percent are multidimensionally poor, whereas for households without a member with a disability, 27 percent are multidimensionally poor.

3. Budget allocation

The results of the Maldives MPI clearly identify the sectors, atolls, and the segments of the population that require more attention and further allocation of national resources. By integrating this information into the budget allocation process, duplications in investment, or gaps, can be identified, resources shared out rationally and efficient progress made against poverty. There a range of ways in which countries have used national MPIs to inform this process:

- Bhutan's district allocation formula uses a national MPI as the basis to allocate resources across sectors, districts and villages.
- Costa Rica officially incorporated the MPI and its results into their budget allocation process.
- In Mexico, members of Congress receive reports on multidimensional poverty before their annual budget meeting.

4. Coordination

A key benefit of the MPI is that it provides a tool to break down government silos and help coordinate policymaking across ministries and stakeholders. With an MPI, governments can more easily persuade departments and ministries to work together. In Colombia, the former President Santos convened a roundtable Cabinet meeting that met at least twice a year to identify actions across several departments and ministries at the same time. The reason is clear. The actions of ministries working on, for example, the environment, housing, drinking water, educational attainments will all affect the challenges facing the ministry of health. The MPI can also help the process of assigning departments accountability for progress in poverty reduction.

5. Transparency and accountability

The Maldives MPI can foster transparency and accountability from government through public scrutiny and debate. Openly sharing the results of the MPI engages academia, civil society and future champions of multidimensional poverty reduction. Honduras, for example, created a website to share its results at launch. It is recommended that the MPI documentation is freely accessible online in Dhivehi and English and shared with government, academia, and other institutions operating in the provinces. The files required to compute the MPI should also be posted online so that researchers can replicate and understand the results.

6. Targeting

The Maldives MPI can be used for targeting resources to the poorest subgroups and sectors most in need. Several approaches are possible:

- Costa Rica uses its national MPI to target households according to an MPI deprivation score.

- Colombia uses its national MPI to identify areas of severe poverty and target those areas with specific social programmes and benefits.

- Mexico targeted people in extreme multidimensional poverty who were also experiencing food insecurity.

- Chile knew through its MPI that they needed to target out-of-school children so they focused on this policy sector in the Metropolitan Region by then identifying children through the Social Household Register.
- In Ho Chi Minh in Viet Nam, people in need of support were identified through a measure which in-

corporates income and multidimensional features.

The Maldives MPI reveals 2.9 percent of the population are deprived in seven or eight of the eight indicators. The data could be used to target the areas they live in, or the population subgroups who are affected, so that the poorest of the poor are reached first.

7. Monitoring and evaluation

If updated regularly, the Maldives MPI should be used to monitor and evaluate policy interventions. Any reduction in the incidence or intensity of poverty will cause the MPI value to fall. Colombia has tracked changes over time to evaluate policy interventions by setting up alerts for underperforming areas.

8. Understanding the drivers of poverty

The MPI produces a set of figures that describe the nature and scope of multidimensional poverty, but these figures do not explain it. Whilst an MPI can offer avenues for research on the interlinkages between deprivations, it is best complemented with qualitative research to understand the drivers of poverty.

The Atolls have seen faster reductions in poverty from 2009-2016/17 than Male'. This pro-poor trend should be sustained, and further qualitative research undertaken to understand better the different obstacles and success stories the Atolls have experienced. It is recommended that local academics and researchers at, for example, the Maldives National University explore the results further.

WHAT DOES THE MPI NEED TO BE EFFECTIVE?

1. Political commitment

As a new methodology, in order to be effective, the Maldives MPI needs to be embedded in the political processes of Maldives so that it remains an official and permanent poverty statistic. It is important that the newly elected government is informed about the Maldives MPI and how it helps with the country's commitment to its National Development Plan and the SDGs. Support from the highest levels of government are critical to ensuring that poverty reduction can benefit from the advantages of the methodology.

2. Institutionalisation

The MPI is a tool for use by successive governments. Chile has described their MPI as 'a tool for Chile, not a single government [2] . The MPI offers governments easy-to-understand data, which can be shared with civil society.

3. Regularization and improved data

The Maldives MPI offers baseline figures to help monitor trends and progress. To this end, the MPI should be updated as regularly as surveys permit. The lag between data collection and MPI release should be minimized to allow for accurate and real-time policy making, which can then benefit from the intuitive use of technologies such as maps. For example, Pakistan is able to produce district level maps from frequent survey maps which

[2] *Comments by Teodoro Ribera Neumann, Minister of Foreign Affairs, Chile, UNGA 2019, OPHI website, https://ophi.org.uk/ophi_stories/high-level-side-event-at-the-74th-united-nations-general-assembly-during-the-sdg-summit/*

clearly visualize the challenges and successes.

Governments who invest in data invest in their people. There are opportunities with the Maldives MPI to develop data collection and analysis further in future survey rounds. Extending data collection throughout the regions, using larger samples, and revising questions on indicators relating to nutrition, healthcare and transport will guarantee high quality outputs from the Maldives MPI.

SUMMARY

By introducing a national MPI, Maldives has joined the ranks of the first wave of countries in South Asia to honour their commitments to the SDGs and National Development Plans and take responsibility for eliminating multidimensional poverty. Around the world, countries are adapting national MPIs to their specific contexts and learning vital lessons along the way. It is hoped that Maldives can share its success stories with other countries in due course. Through sustained use and with political leadership and technical support, the MPI can help Maldives to leave no one behind. The 2020 launch of the MPI in Maldives is not the end, but the beginning of the next phase in its journey.

Dimension	Indicator	Deprivation Cutoff	Weights
Health	Underweight	- Deprived if household has any child (<5 years) that is either underweight or stunted OR if the household has any adult female (15 to 49 years) that is malnourished (BMI <18.5)	1/9 = 11%
	Obesity	- Deprived if household has any child (<5 years) that is obese OR if household has any adult female (15 to 49 years) that is obese (BMI >=30)	1/9 = 11%
	Access to Health Care	Deprived if any eligible women in the household declares having problems in seeking medical advice or treatment (i.e. either 'distance to a health facility' or 'not having a female health provider')	1/9 = 11%
Education and Information	Years of Schooling	Deprived if household does not have any person with at least ten (10) years of schooling (for 15+ population)	2/9 = 22%
	Access to Internet	Deprived if household does not have access to internet	1/9 = 11%
Living Standard	Safe drinking water	Deprived if household does not use safe drinking water (e.g. rainwater that is not purified or from unprotected well and purified)	1/9 = 11%
	Toilet/Sewage	Deprived if household does not have toilets connected to public sewage system	1/9 = 11%
	Overcrowding	Deprived if household has more than 3 persons per sleeping room	1/9 = 11%

Table 1.4: Maldives MPI- indicators deprivation cut-offs and weights

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