



Making Cooperation Work

# COMCEC STRATEGY

For Building an Interdependent Islamic World

## COMCEC POVERTY OUTLOOK

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Poverty Alleviation Working Group Meeting

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Ankara, Turkey



# Outline

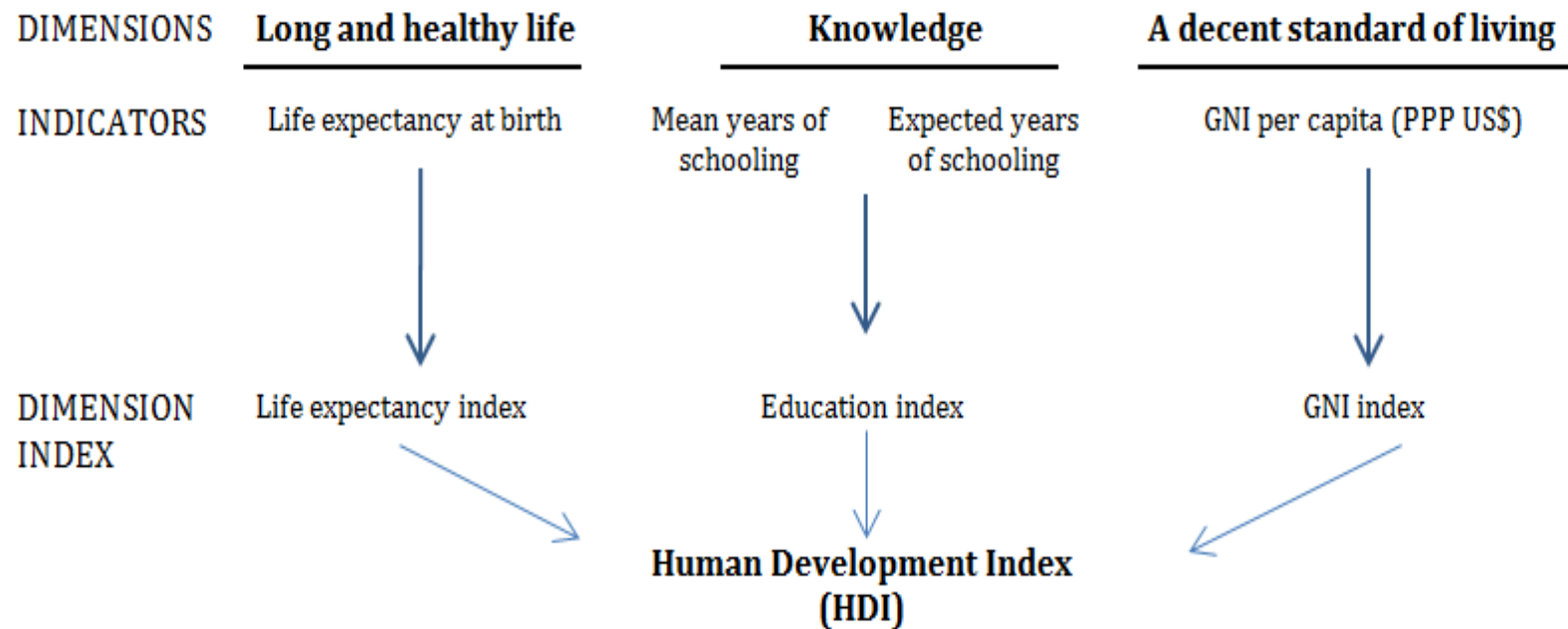
- Basic Concepts
- State of Poverty in the World
- State of Poverty in the OIC Member States
- Human Development in the OIC Member States
- Conclusion

## Basic concepts

- Monetary poverty
  - World Bank: Poverty headcount ratio at \$1.90
- Non-monetary poverty
  - Human Development Index
  - Multidimensional Poverty Index
  - Global Hunger Index

# Basic concepts: Human Development Index

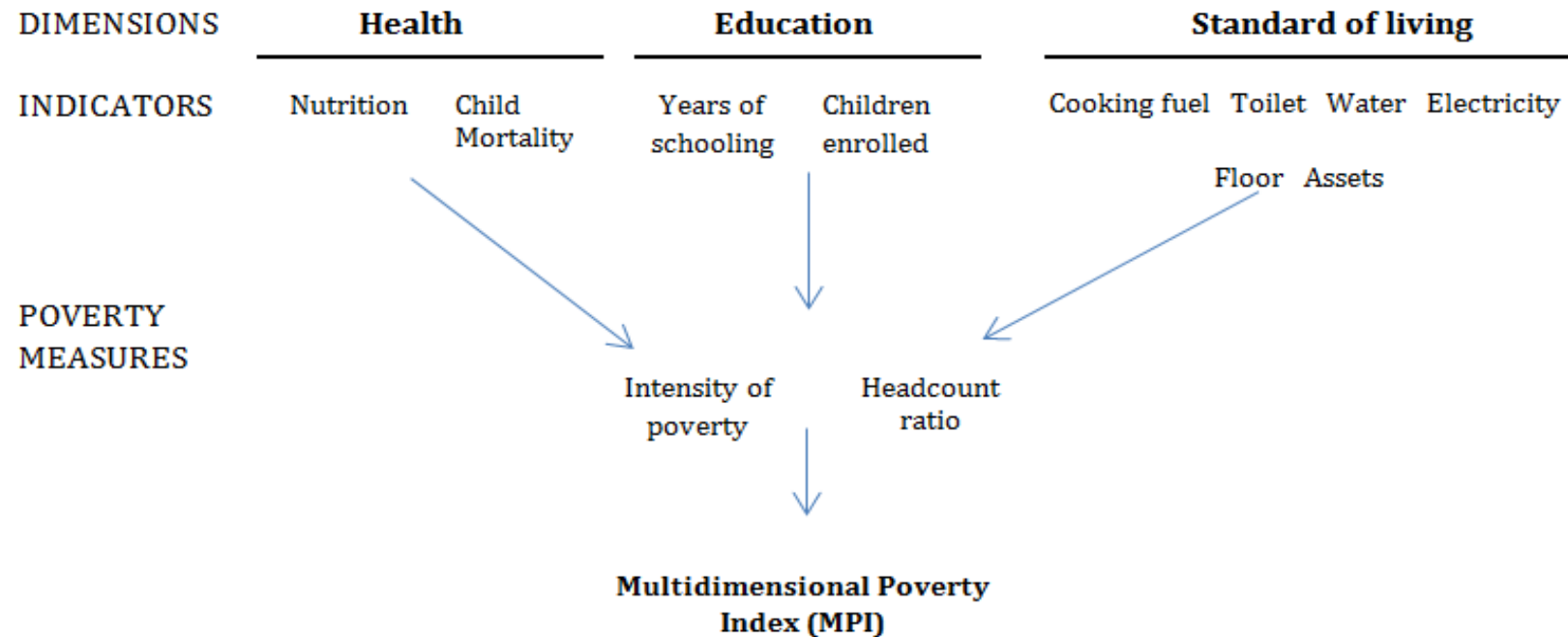
## Dimensions of the HDI



Source: The UNDP, 2015.

# Basic concepts: Multidimensional Poverty Index

## Dimensions of the MPI



Source: UNDP, 2015

# Methodology of Calculating MPI:

Source: [ophi@geh.ox.ac.uk](mailto:ophi@geh.ox.ac.uk) (2011)

Indicators	Households				Weights
	1	2	3	4	
Household size	4	7	5	4	
<i>Education</i>					
No one has completed five years of schooling	0	1	0	1	1/6=0.167
At least one school-age child not enrolled in school	0	1	0	0	1/6=0.167
<i>Health</i>					
At least one member is malnourished	0	0	1	0	1/6=0.167
One or more children have died	1	1	0	1	1/6=0.167
<i>Living Standards</i>					
No electricity	0	1	1	1	1/18=0.056
No access to clean drinking water	0	0	1	0	1/18=0.056
No access to adequate sanitation	0	1	1	0	1/18=0.056
House has dirt floor	0	0	0	0	1/18=0.056
Household uses "dirty" cooking fuel (dung, firewood or charcoal)	1	1	1	1	1/18=0.056
Household has no car and owns at most one bicycle, motorcycle, radio, refrigerator, telephone or television	0	1	0	1	1/18=0.056
Score $c_i$ (sum of each deprivation multiplied by its weight)	0.222	0.722	0.389	0.500	
Is the household poor ( $c \geq 1/3 = 0.333$ )?	No	Yes	Yes	Yes	
Censored score $c_i(k)$	0	0.722	0.389	0.500	

Note: 1 indicates deprivation in the indicator; 0 indicates non-deprivation.

$$\text{Score in household 1: } c_i = \left(1 \times \frac{1}{6}\right) + \left(1 \times \frac{1}{18}\right) = 0.222.$$

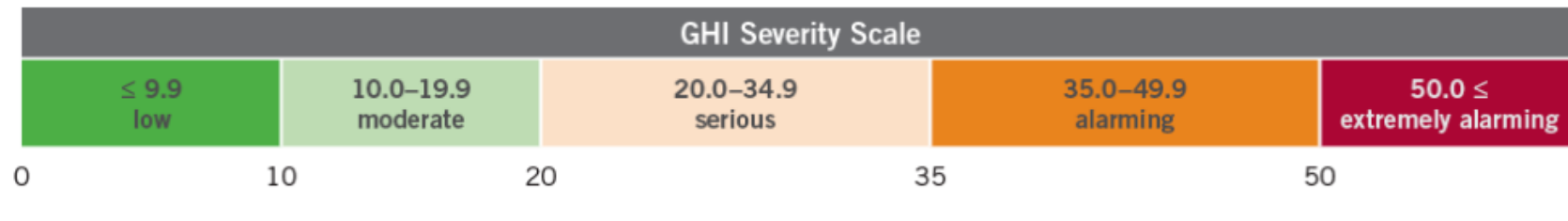
$$\text{Multidimensional Headcount ratio } (H) = \left(\frac{7 + 5 + 4}{4 + 7 + 5 + 4}\right) = 0.800$$

$$\text{Intensity of poverty } (A) = \frac{(0 \times 4) + (0.722 \times 7) + (0.389 \times 5) + (0.500 \times 4)}{(7 + 5 + 4)} = 0.5625$$

$$\text{MPI} = H \times A = 0.450.$$

## Basic concepts: Global Hunger Index

- Developed by International Food Policy Research Institute (IFPRI)
- Components: undernourishment, child wasting, child stunting and under-five mortality rate
- GHI severity scale

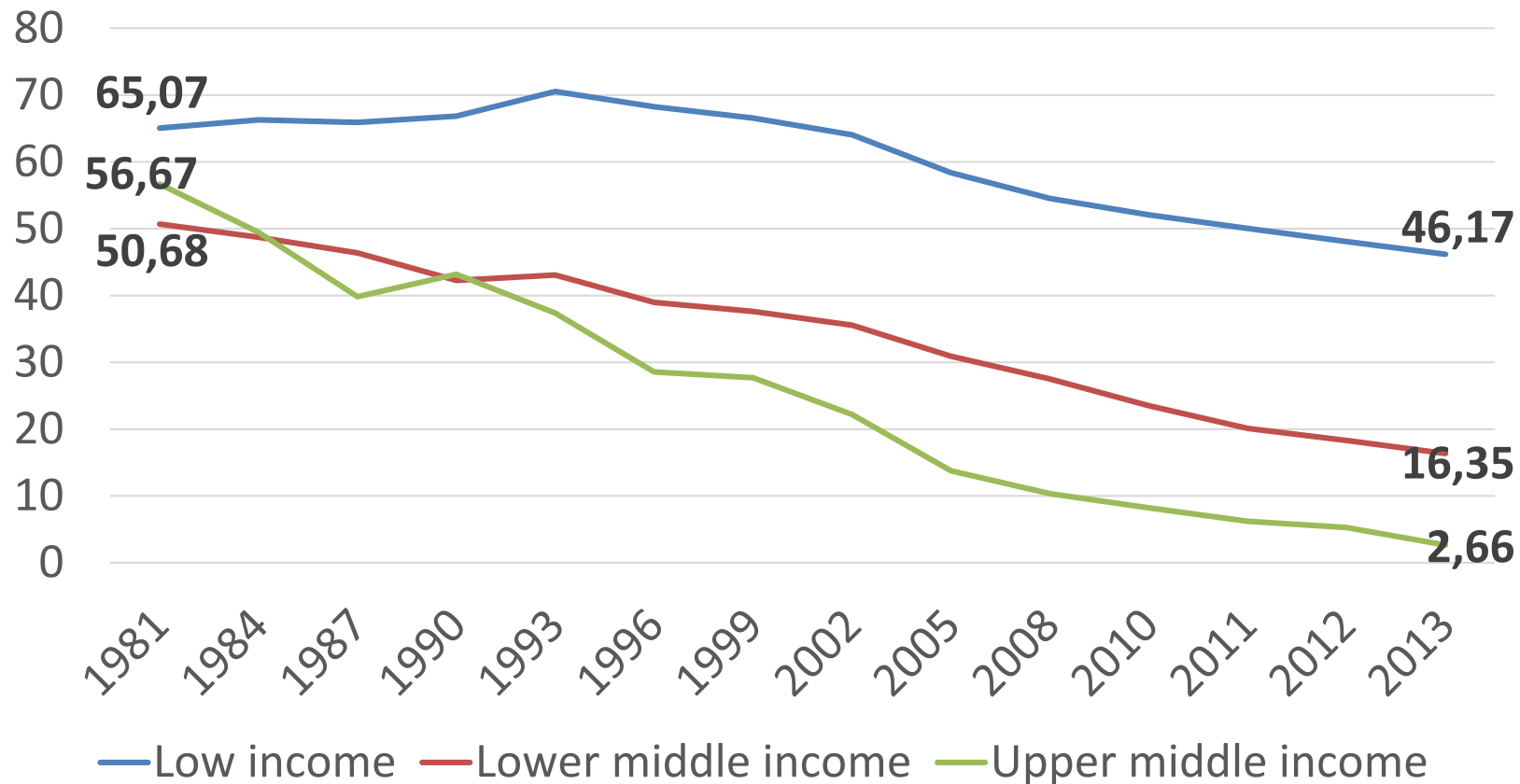


# STATE OF POVERTY IN THE WORLD



# Monetary Poverty in the World

Poverty Headcount Ratio at US\$1.90 a day (PPP) (% of Population)



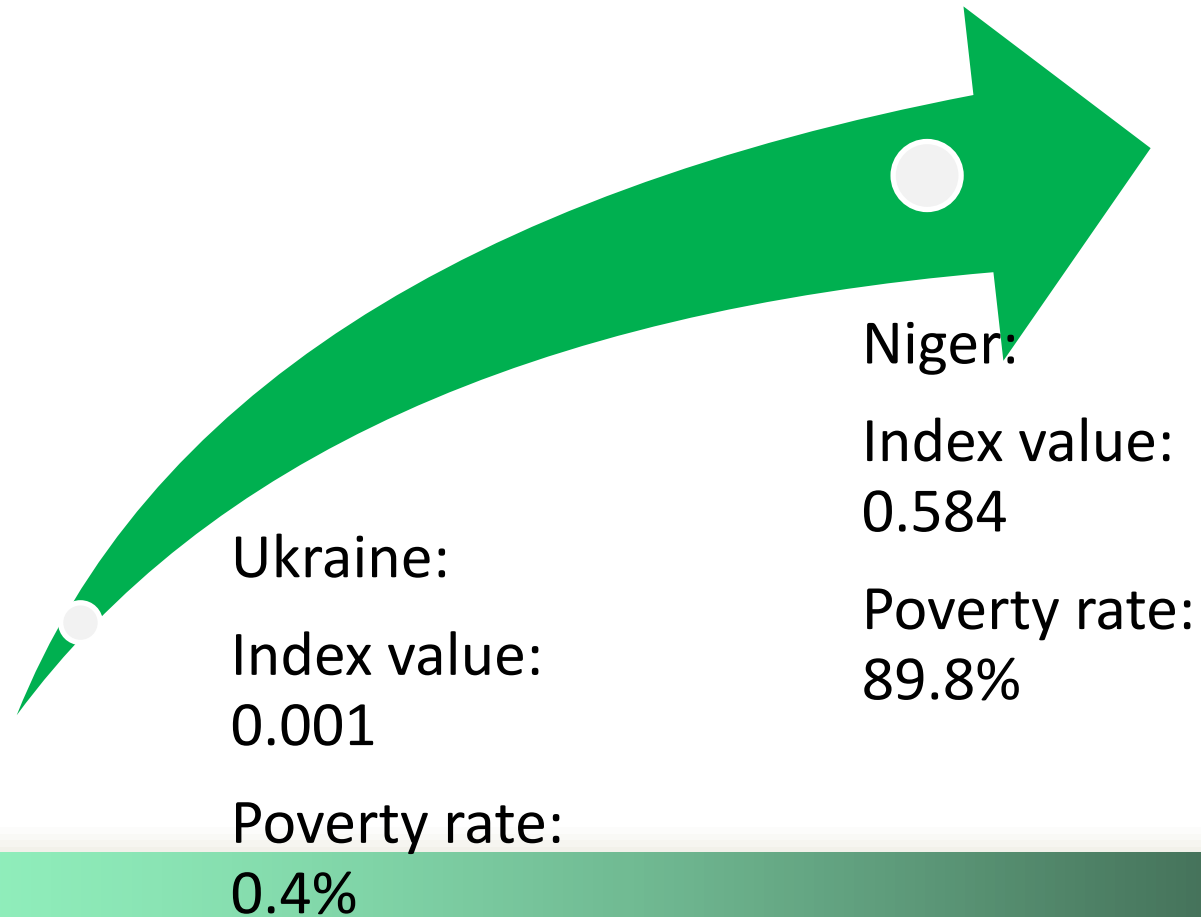
# Non-monetary Poverty in the World: HDI

Income Levels of the Different Categories of Human Development

		Low income	Lower-middle income	Upper-middle income	High income	Total
Low human development	# of countries	28	13	0	0	41
	%	68%	32%	0%	0%	100.0%
Medium human development	# of countries	1	31	9	0	41
	%	2%	76%	22%	0%	100.0%
High human development	# of countries	0	8	38	9	55
	%	0%	15%	69%	16%	100.0%
Very high human development	# of countries	0	0	5	46	51
	%	0%	0%	10%	90%	100.0%

## Non-monetary Poverty in the World: MPI

- HDR 2016: 102 countries around the World
- 1,5 billion people live in multi dimensional poverty

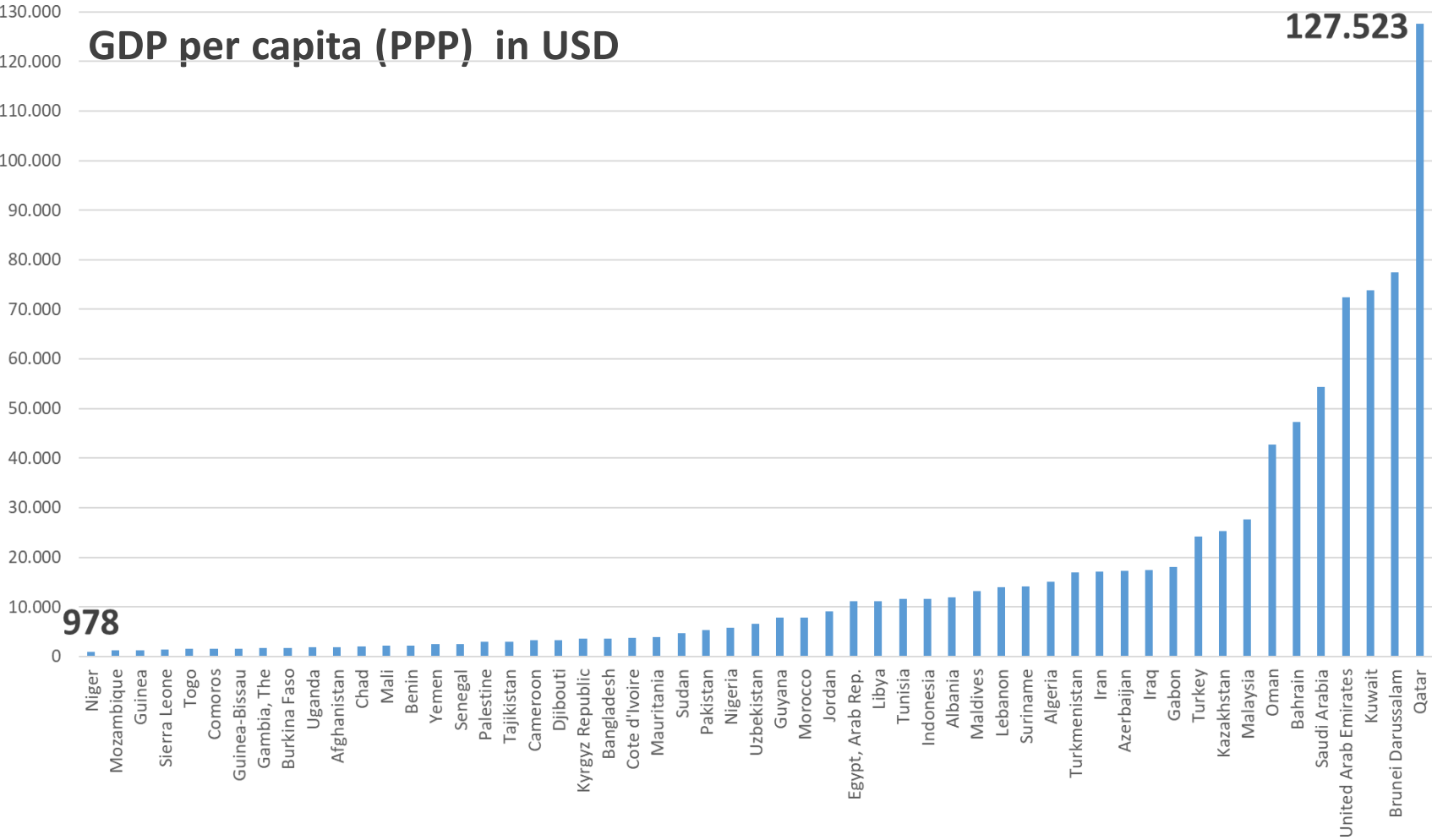


# Non-monetary Poverty in the World: GHI

- GHI 2016:
  - Improving globally, GHI-2000: 30 GHI-2016: 21.3
  - Still, 50 countries in serious or alarming situation
    - 815 million undernourished
    - 51.7 million wasted children
    - 154.8 million stunted children

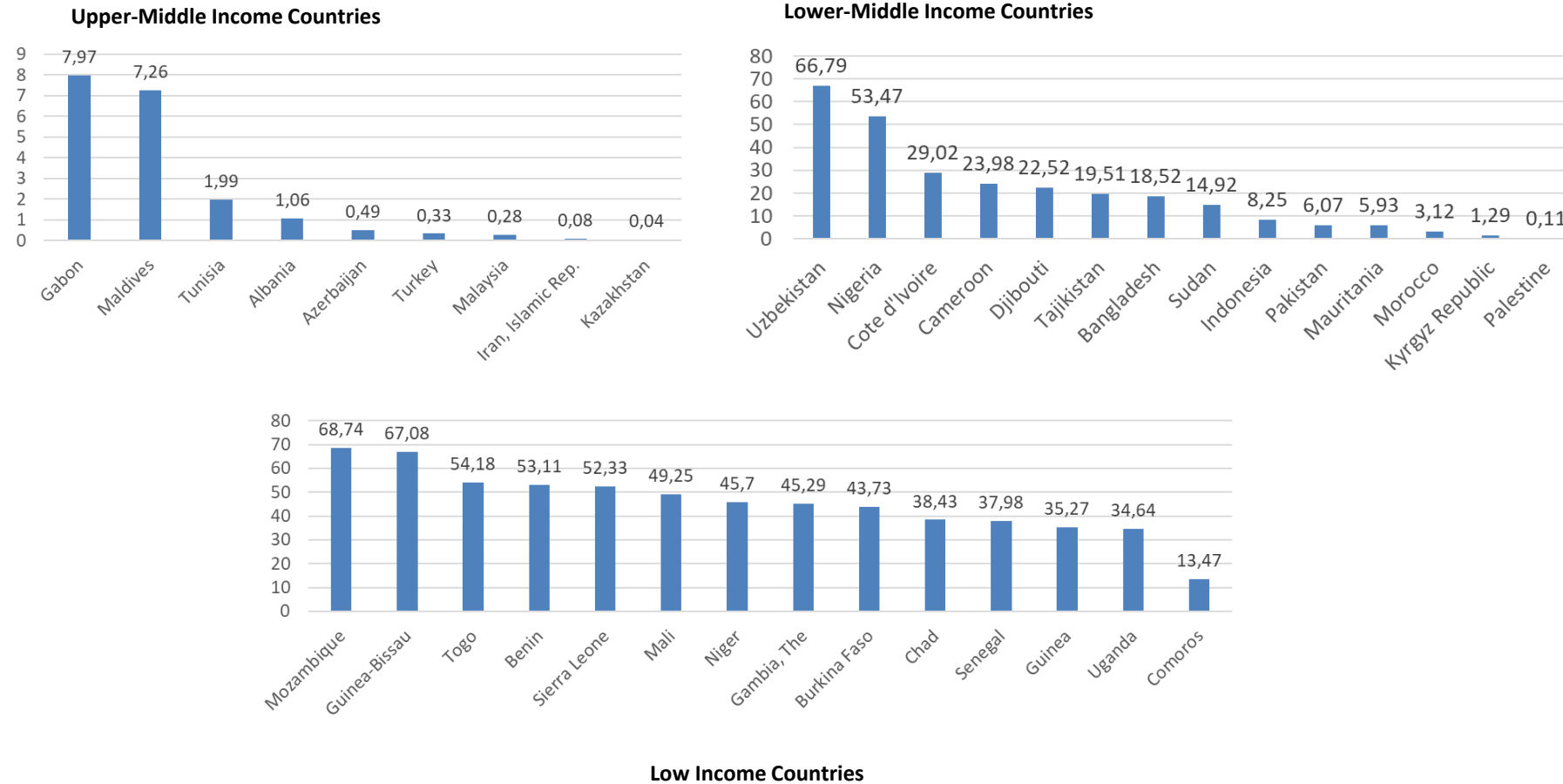
# STATE OF POVERTY IN THE OIC MEMBER STATES

# Monetary Poverty in the OIC: GDP



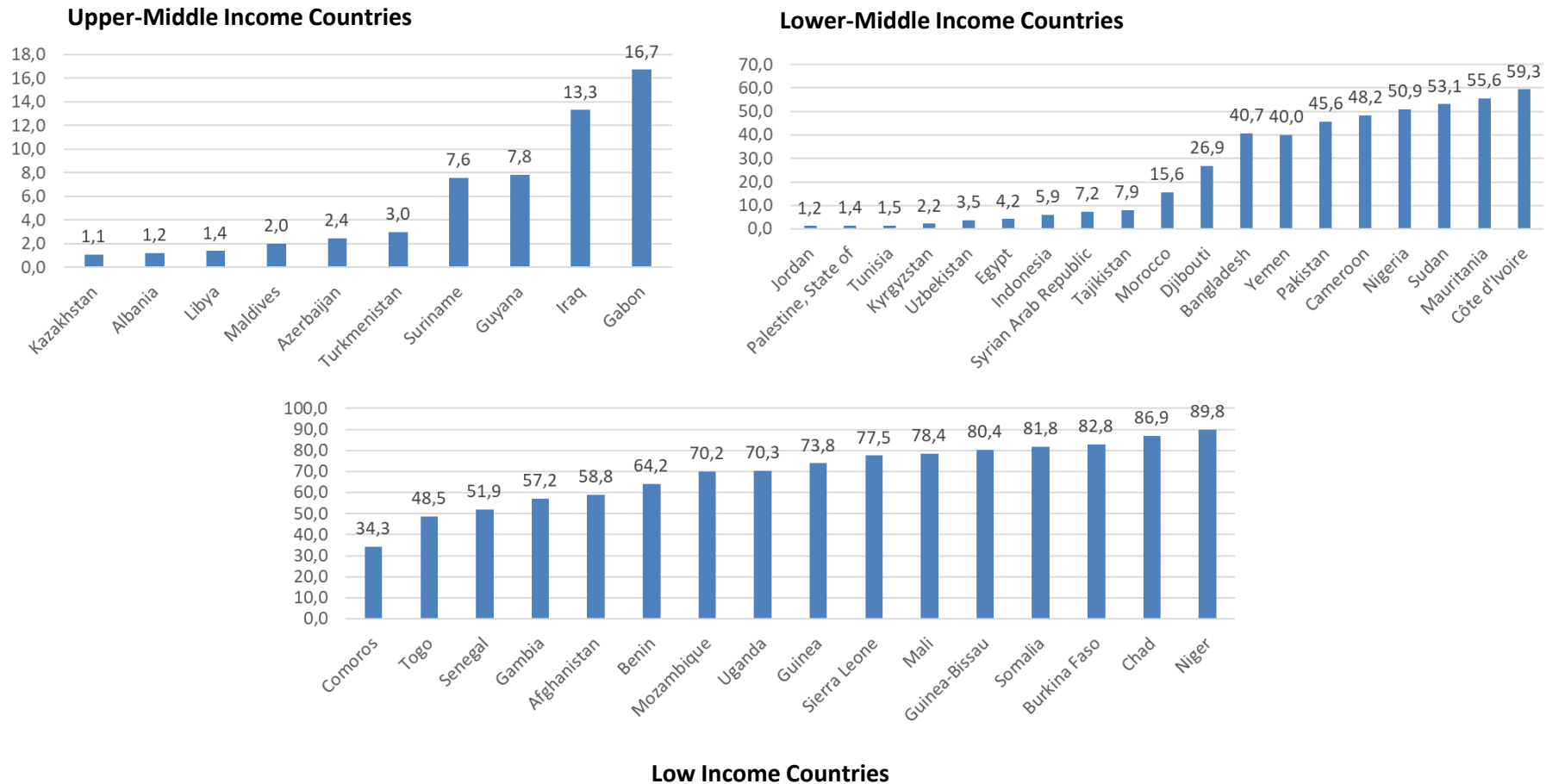
# Monetary Poverty in the OIC: Poverty Headcount Ratio

## Poverty Headcount Ratios (US\$ 1.90 a day) in the OIC Member Countries



# Non-Monetary Poverty in the OIC: MPI

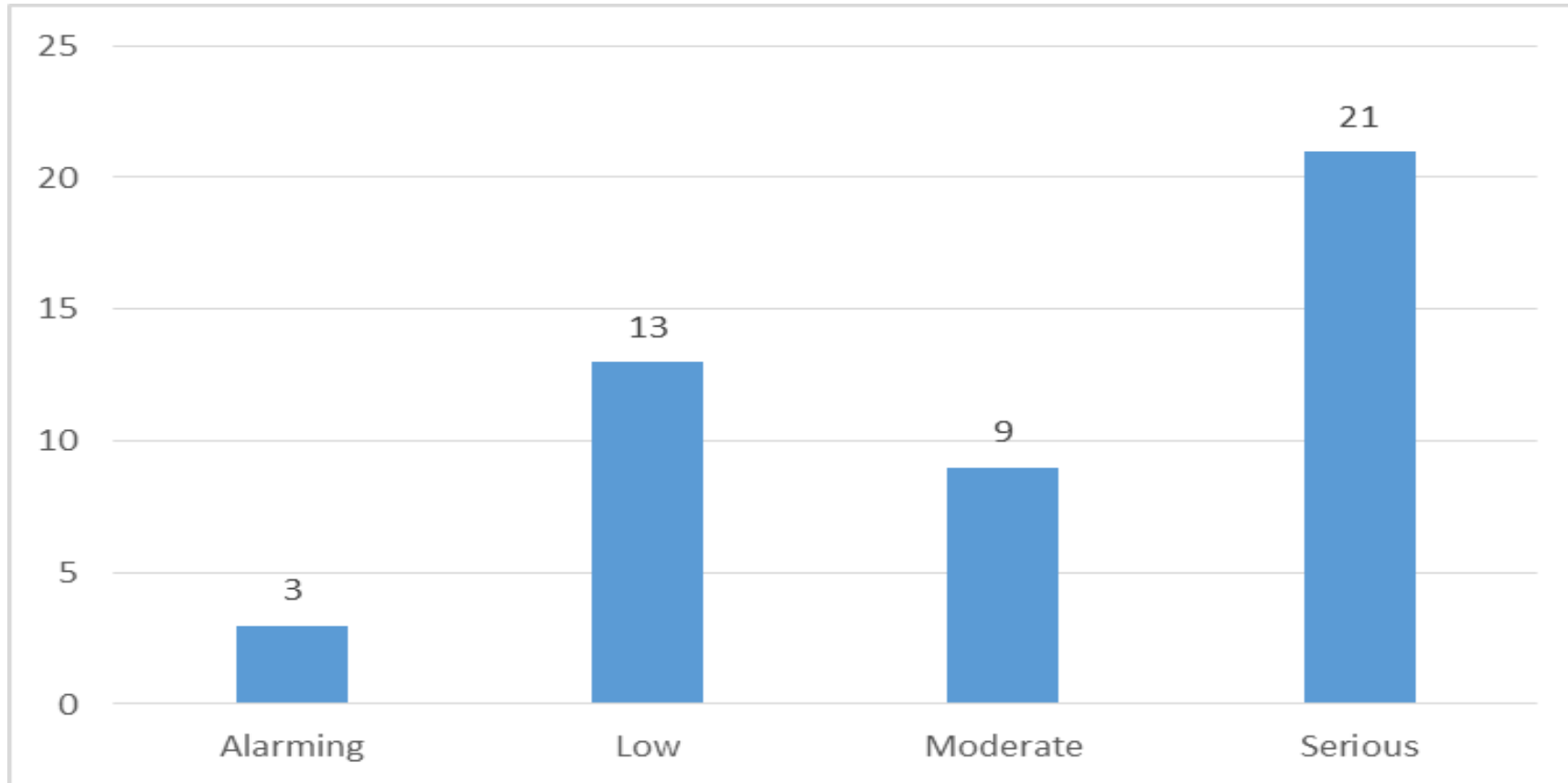
## Multidimensional Poverty Headcount Ratio in the OIC Member Countries





# Non-Monetary Poverty in the OIC: GHI

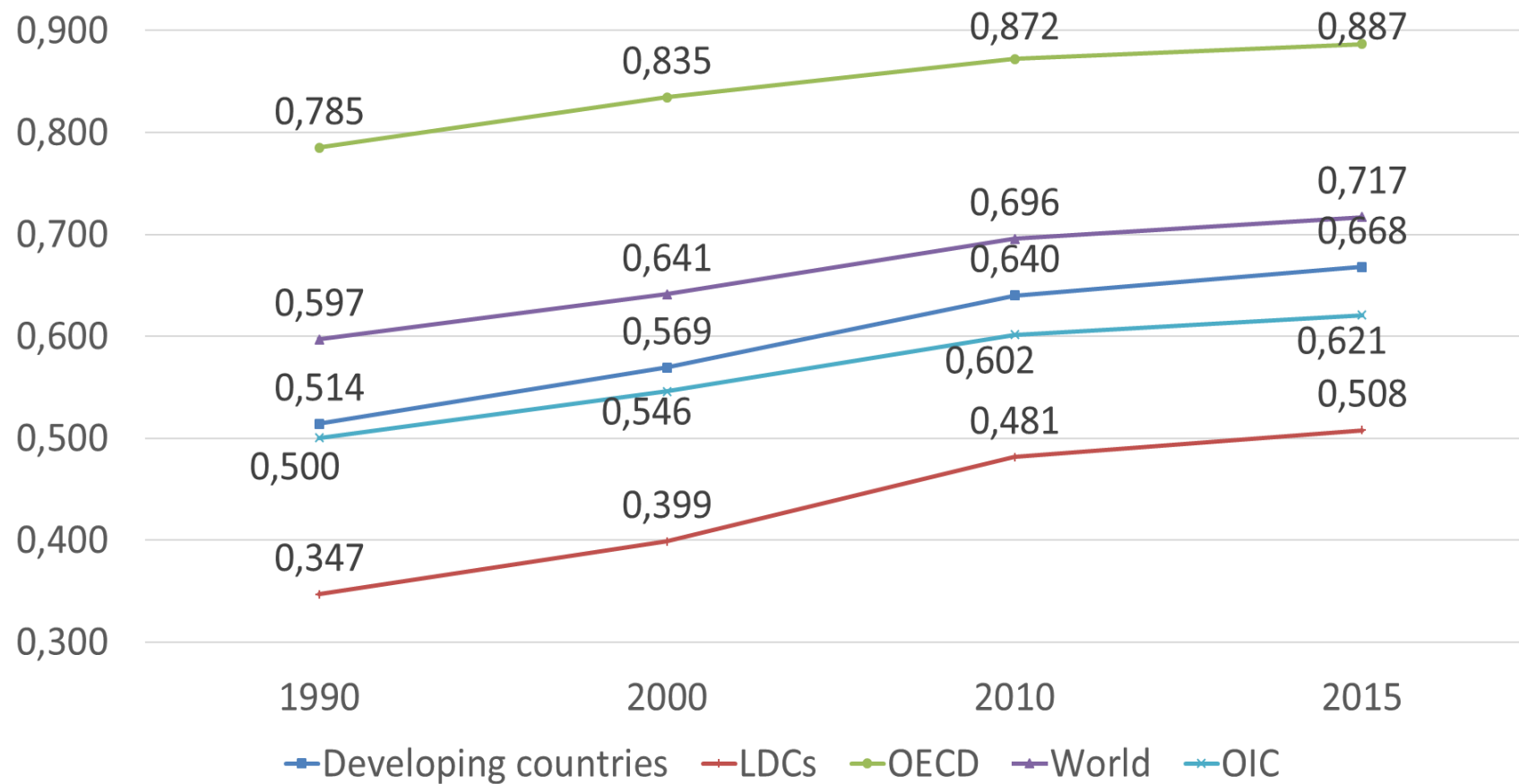
GHI ranges between 0 and 44.3



# **HUMAN DEVELOPMENT IN THE OIC MEMBER STATES**

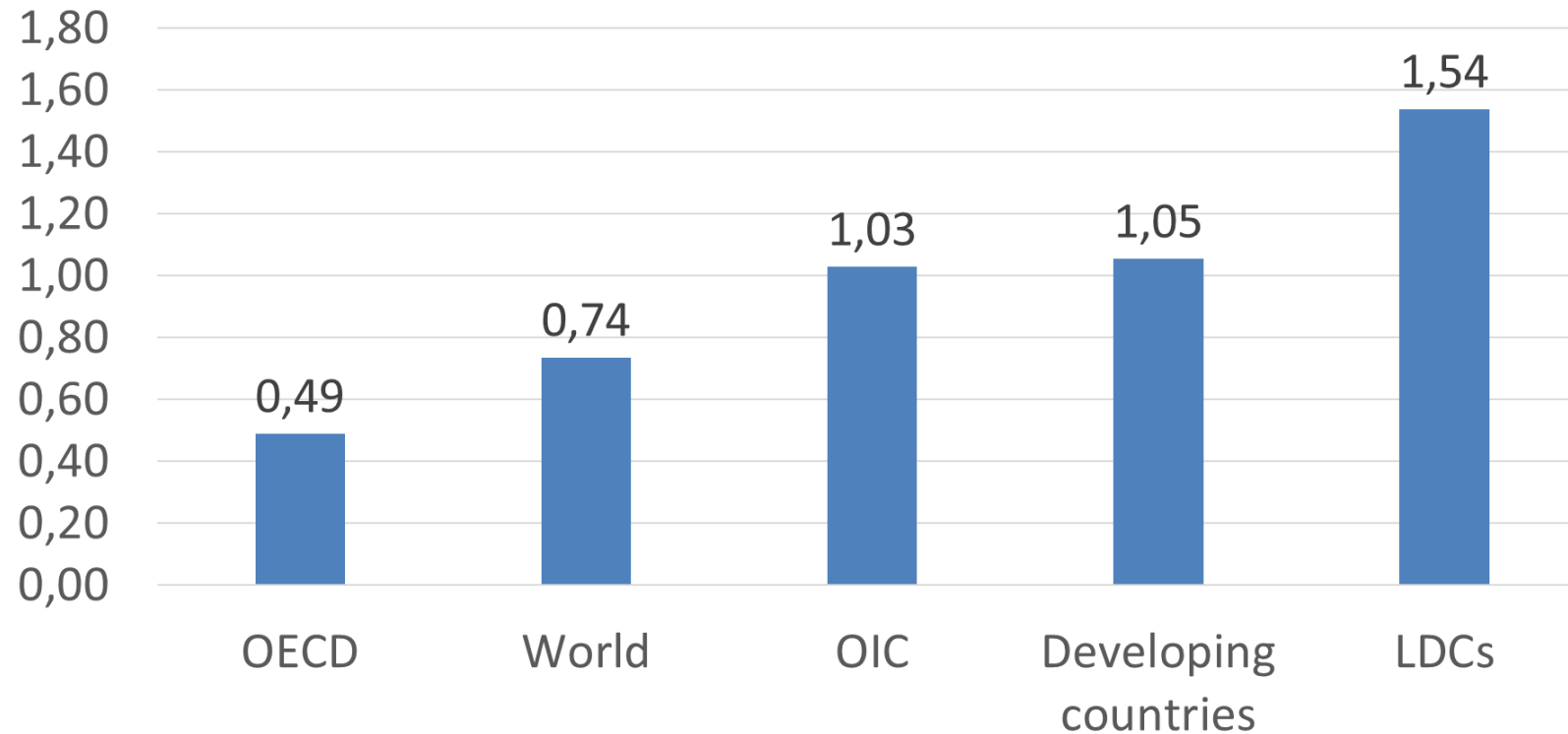
# Human Development in OIC: Global Trends

Global Trends in Human Development Index, 1990-2015



# Human Development in OIC: Global Trends

Annual compounded growth rate in HDI between 1990 and 2015

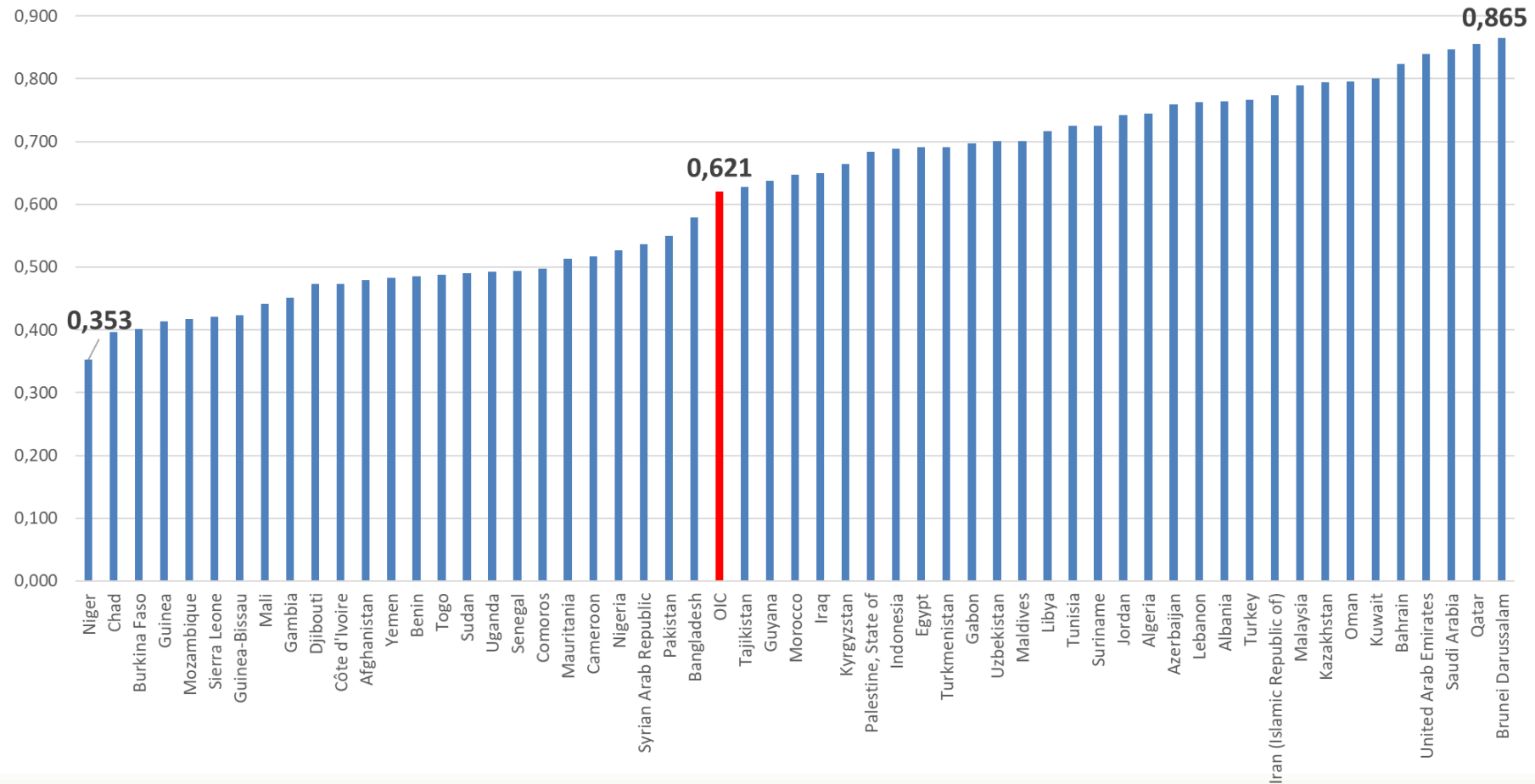


**25 years** are needed for the OIC to reach the current level of world average

# Human Development in OIC: HDI Values

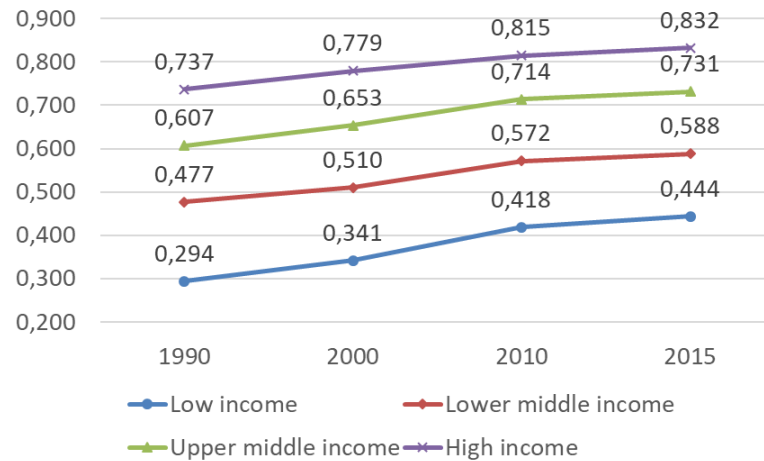
6 countries in VHHD  
15 countries in HHD  
12 countries in MHD  
23 countries in LHD

Human Development Index Score of the OIC Member States, 2015



# Human Development in OIC: HDI by Income

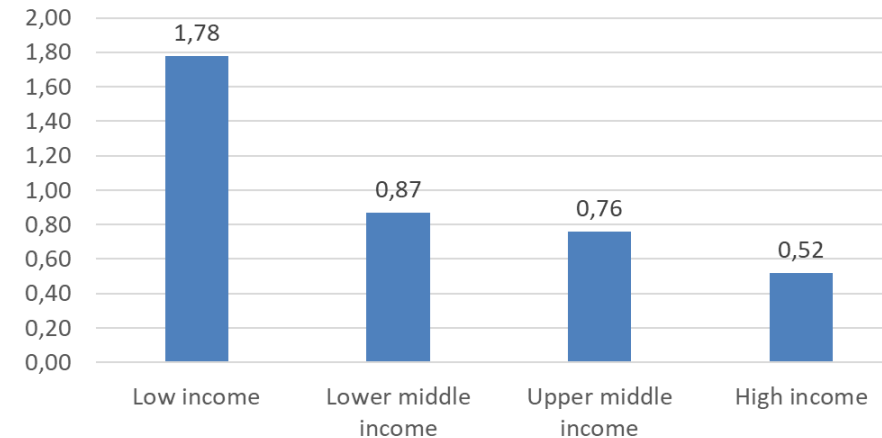
Trends in Human Development Index, 1990-2015



- Negative association with income and level
- High income OIC grows faster than OECD
- Low income OIC grows faster than LDCs

- Strong association with income
- HDI level of low income countries in 2015 is lower than that of OIC average in 1990

Annual Compounded Growth Rate, 1990-2015



# Human Development in OIC: Components of HDI

	Life expectancy (years)	Expected years of schooling (years)	Mean years of schooling (years)	GNI (2011 PPP \$)	GNI rank - HDI rank difference
OIC	67,4	11,3	6,6	14.621	-6,1
Low income	58,9	9,2	3,2	1.573	2,1
Lower middle income	66,3	10,4	6,6	4.963	0,6
Upper middle income	72,6	13,1	8,6	14.865	-11,0
High income	76,7	14,2	9,0	66.857	-29,4

- Strong association with income for all components
- Significant HDI-GNI rank difference for high income

# Human Development in OIC: Evaluation of HD Categories

## OIC Member States by human development level, 1990, 2000 and 2008

	1990		2000		2008	
	# of Countries	%	# of Countries	%	# of Countries	%
<b>HDI Category</b>						
Low Human Development	22	58	20	37	12	22
Medium Human Development	14	37	29	54	32	59
High Human Development	2	5	5	9	10	19
<b>Total</b>	<b>38</b>	<b>100</b>	<b>54</b>	<b>100</b>	<b>54</b>	<b>100</b>

- Improvement over time
- Transition from lower HD categories to higher categories



# Human Development in OIC: Evaluation of HD Categories

- 1990 to 2000
  - 3 countries from low to medium
  - 1 country from medium to high
  - No transitions from medium
  - No downward transition
- 2000 to 2008
  - 8 countries from low to medium
  - 5 countries from medium to high
  - No downward transitions

**Transition between development categories from 1990 to 2000**

		2000		
		Low HD	Medium HD	High HD
1990	Low HD	18	3	0
	Medium HD	0	14	0
	High HD	0	1	1

Source: Own calculations from corresponding years' HDR.

**Transition between development categories from 2000 to 2008**

		2008		
		Low HD	Medium HD	High HD
2000	Low HD	12	8	0
	Medium HD	0	23	5
	High HD	0	0	5

Source: Own calculations from corresponding years' HDR.

# Human Development in OIC: Evaluation of HD Categories

- In HDR 2009
  - 14 low
  - 28 medium
  - 16 high
  - 4 very high
- In HDR 2016
  - 23 low
  - 12 medium
  - 15 high
  - 6 very high
- Methodology changed in 2010, not comparable over time

OIC Member States by human development level, 2009 and 2016

	2009		2016	
	# of Countries	%	# of Countries	%
Low Human Development	14	25	23	41
Medium Human Development	28	51	12	21
High Human Development	9	16	15	27
Very High Human Development	4	7	6	11
<b>Total</b>	<b>55</b>	<b>100</b>	<b>56</b>	<b>100</b>

Transition between development categories from 2015 to 2016

		2016			
		Low HD	Medium HD	High HD	Very High HD
2015	Low HD	22	1	0	0
	Medium HD	1	11	1	0
	High HD	0	0	14	0
	Very High HD	0	0	0	6

# EFFORTS ON POVERTY ALLEVIATION

# Global Poverty Alleviation Efforts



## Efforts on Poverty Alleviation at the OIC Level

**Capacity  
Building  
Program of  
SESRIC  
(CAB)**

**Islamic  
Solidarity  
Fund for  
Development**

**Special  
Program for  
Development  
of Africa**

## Efforts on Poverty Alleviation at the OIC Level

**Youth  
Employment  
Programme**

**OIC  
Framework  
for  
Cooperation  
on Labour,  
Employment  
and Social  
Protection**

**COMCEC  
Strategy**

# COMCEC Strategy and Poverty Alleviation

## **Strategic Objective:**

- Eradicating extreme poverty and hunger in the member countries

## **Output Areas:**

- Aid Effectiveness
- Productive Capacity of the Poor
- Effective Utilization of Financial Resources
- Monitoring Poverty

# CONCLUDING REMARKS





## Concluding Remarks

- Monetary poverty is still a significant problem in the member countries
- Non-monetary poverty seems to be a even bigger problem
  - A quarter of the population (26.75%) in the OIC member countries live under multidimensional poverty
- Progress in the human development varies significantly
  - Improvement over time but faster progress is needed
  - OIC needs to keep investing in people



# Thank You



10<sup>th</sup> Meeting of the Poverty Alleviation Working Group  
October 5<sup>th</sup>, 2017 Ankara, Turkey

