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For Building an Interdependent Islamic World

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POVERTY OUTLOOK 2016: Human Development in the OIC

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Poverty Alleviation Working Group Meeting

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Ankara, Turkey



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Outline

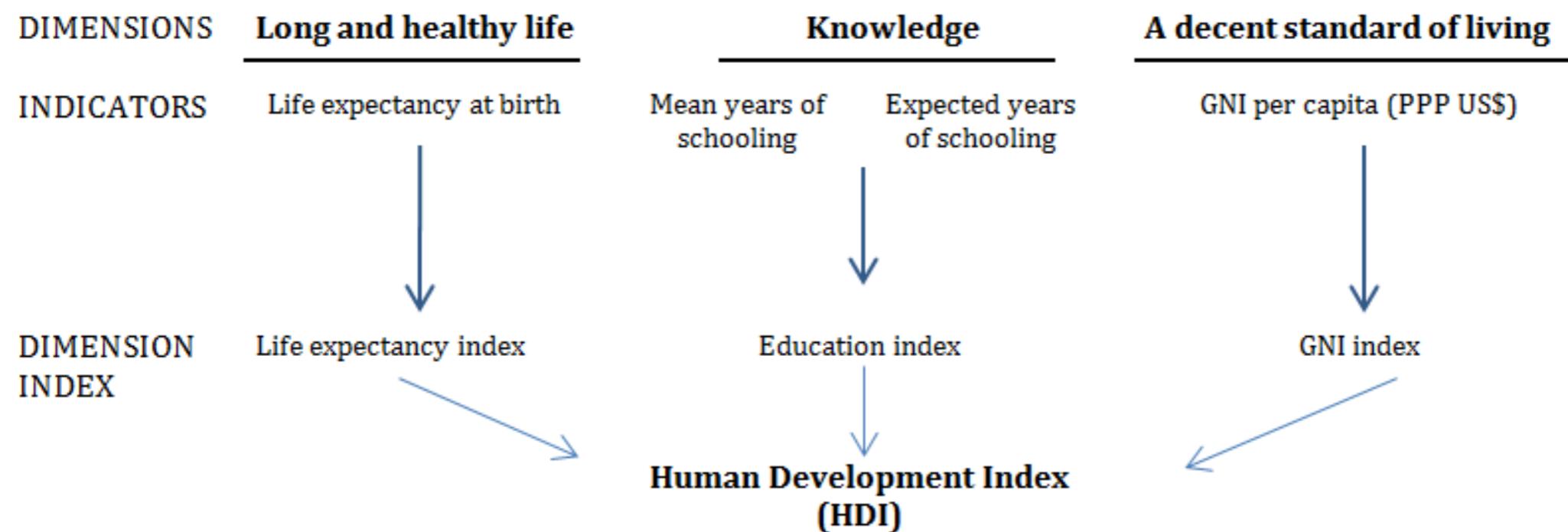
- Basic Concepts
- State of Poverty in the World
- State of Poverty in the OIC Member States
- Human Development in the OIC Member States
- Conclusion

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

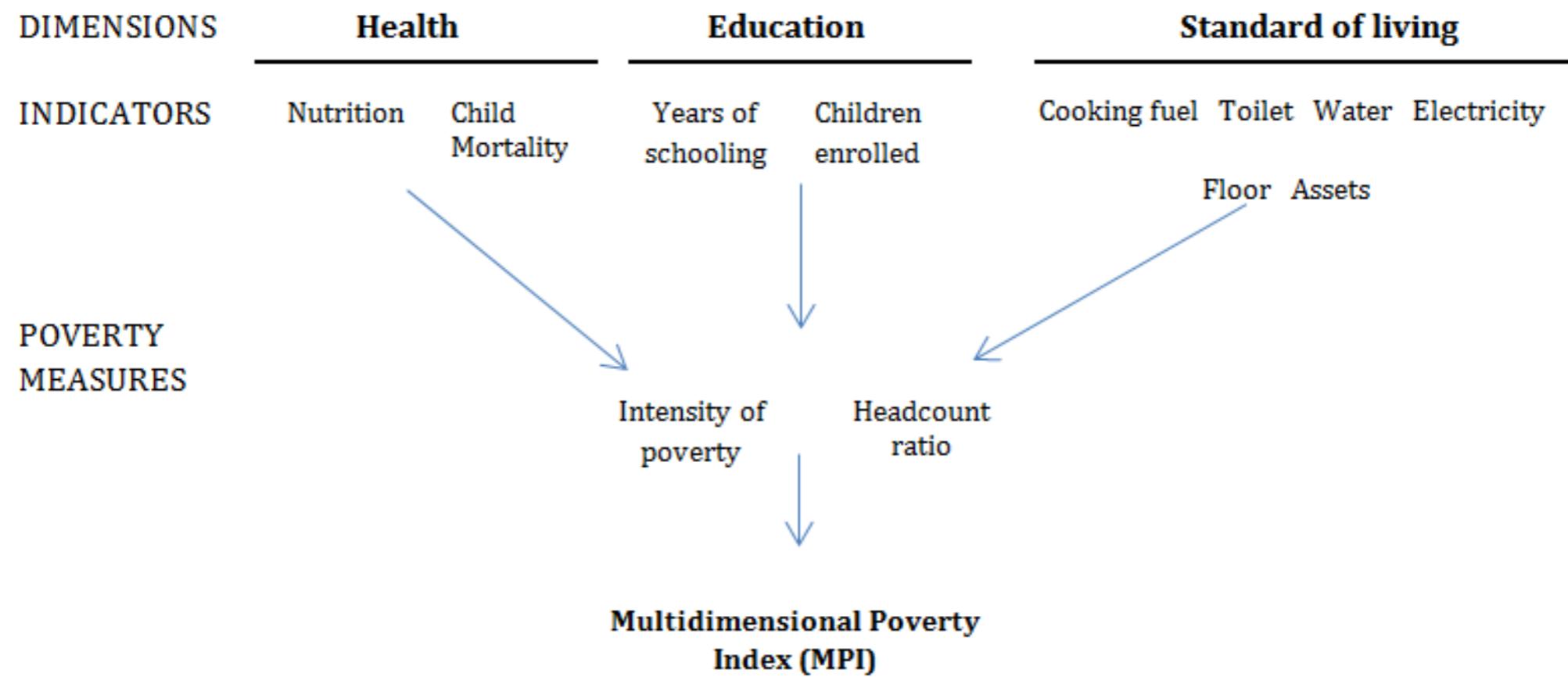
Dimensions of the HDI



Source: The UNDP, 2015.

Basic concepts: Multidimensional Poverty Index

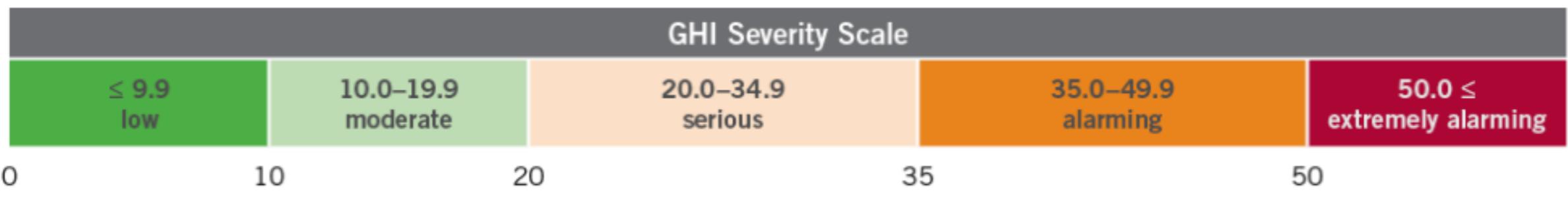
Dimensions of the MPI



Source: UNDP, 2015

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



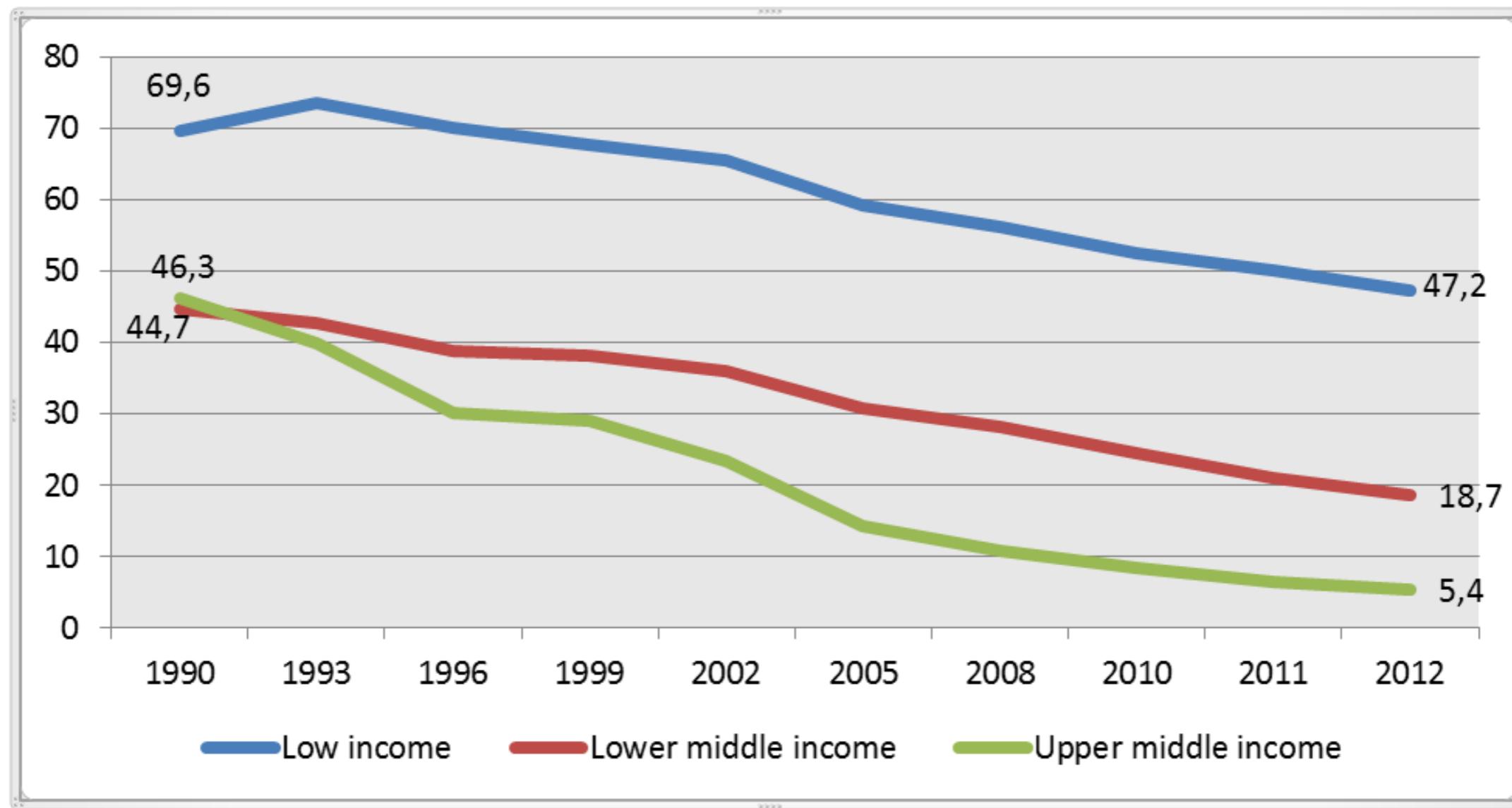
STATE OF POVERTY IN THE WORLD



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Monetary Poverty in the World

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



Source: *World Development Indicators of the World Bank*

Non-monetary Poverty in the World: HDI

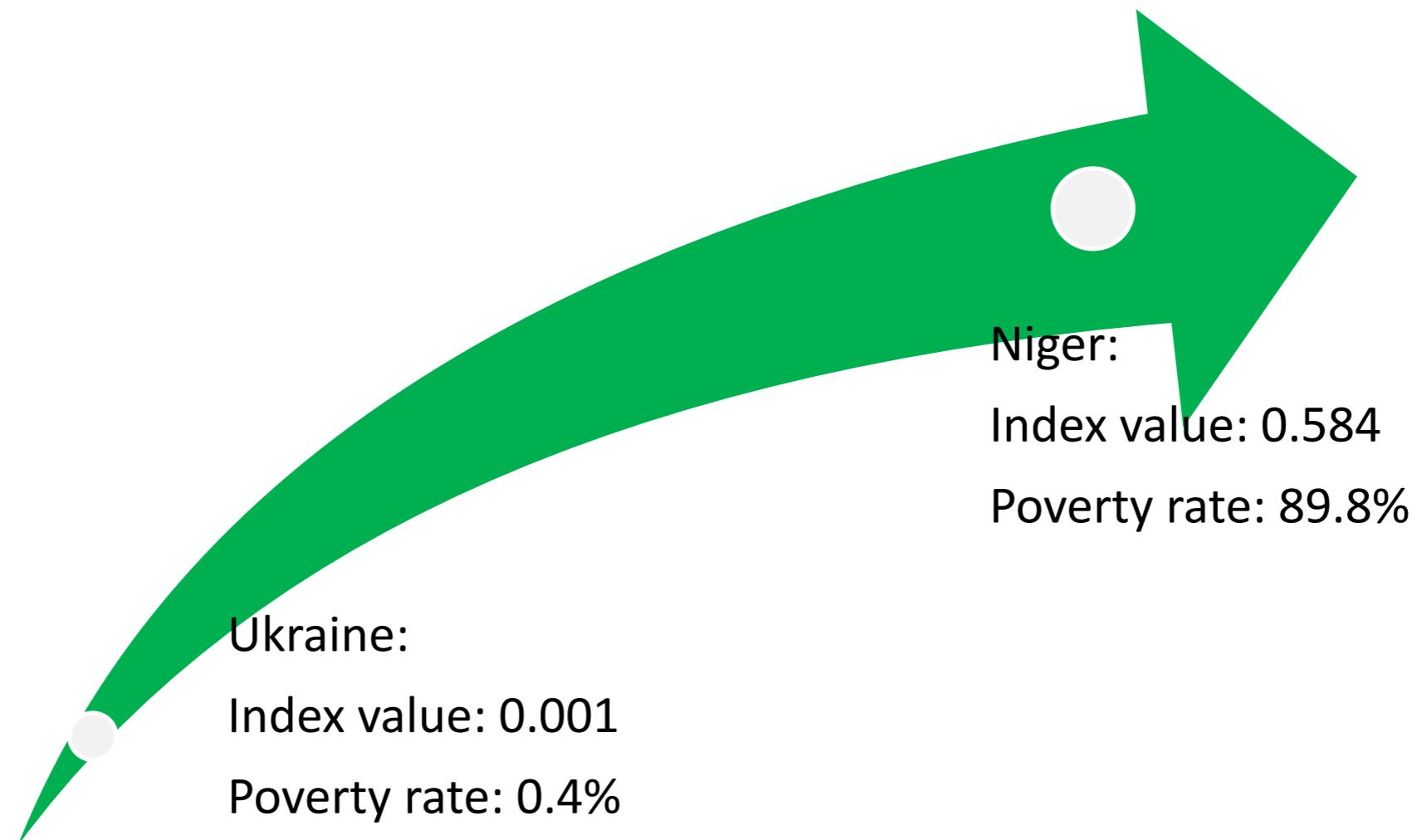
Income Level and Human Development Category, 2015

		Low income	Lower-middle income	Upper-middle income	High income	Total
Low human development	# of countries	28	14	1	1	44
	%	63.6%	31.8%	2.3%	2.3%	100.0%
Medium human development	# of countries	0	30	9	0	39
	%	0.0%	76.9%	23.1%	0.0%	100.0%
High human development	# of countries	0	7	41	8	56
	%	0.0%	12.5%	73.2%	14.3%	100.0%
Very high human development	# of countries	0	0	1	48	49
	%	0.0%	0.0%	2.0%	98.0%	100.0%

Source: UNDP (2015).

Non-monetary Poverty in the World: MPI

- HDR 2015: 101 countries around the World
- 1,5 billion people live in multi dimensional poverty

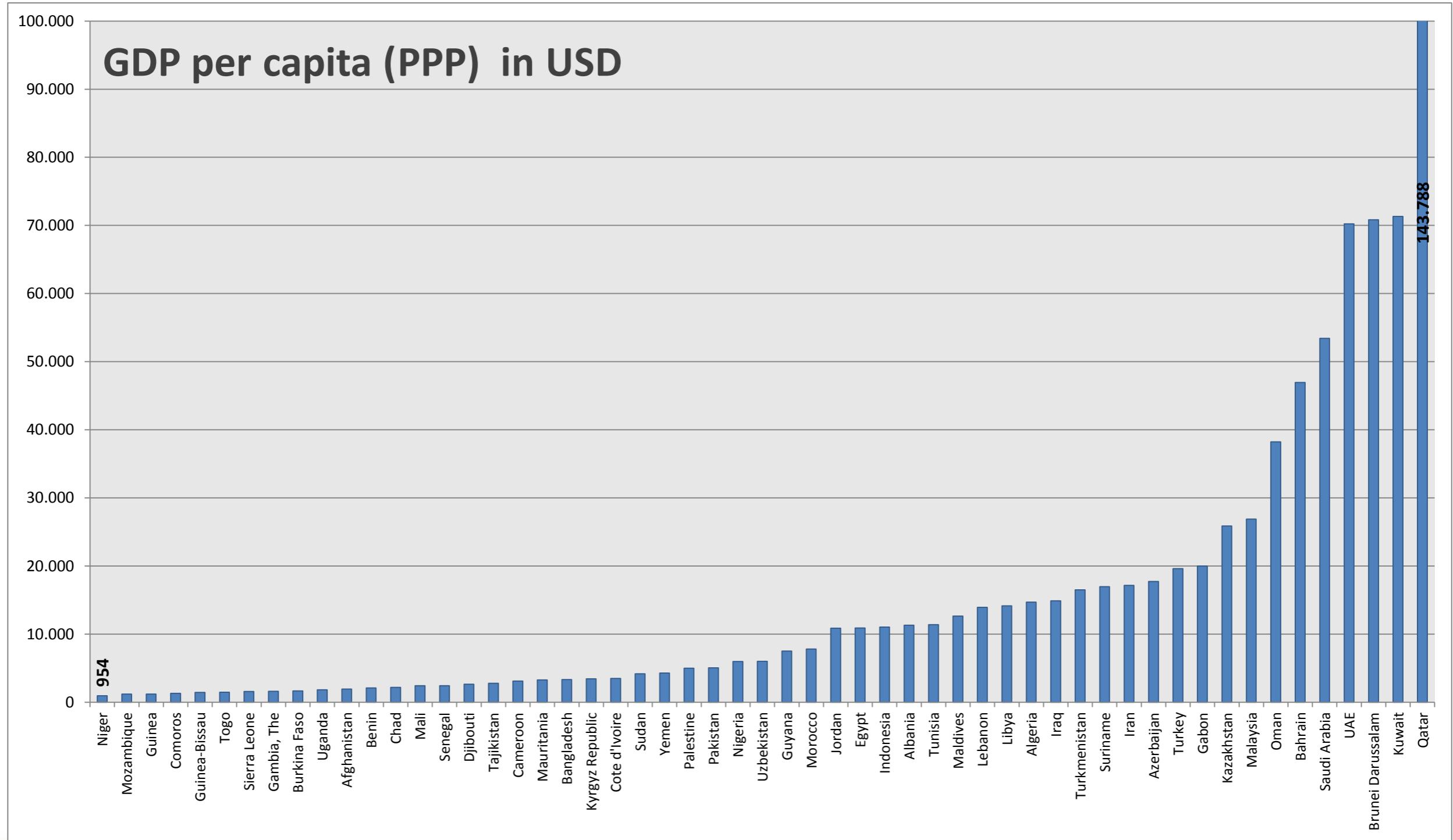


Non-monetary Poverty in the World: GHI

- GHI 2015:
 - Improving globally, GHI-2000: 0.30 GHI-2015: 0.22
 - Still, 52 countries in serious or alarming situation
 - 795 million undernourished
 - 51 million wasted children
 - 161 million stunted children
 - 3.1 million infant deaths due to malnutrition

STATE OF POVERTY IN THE OIC MEMBER STATES

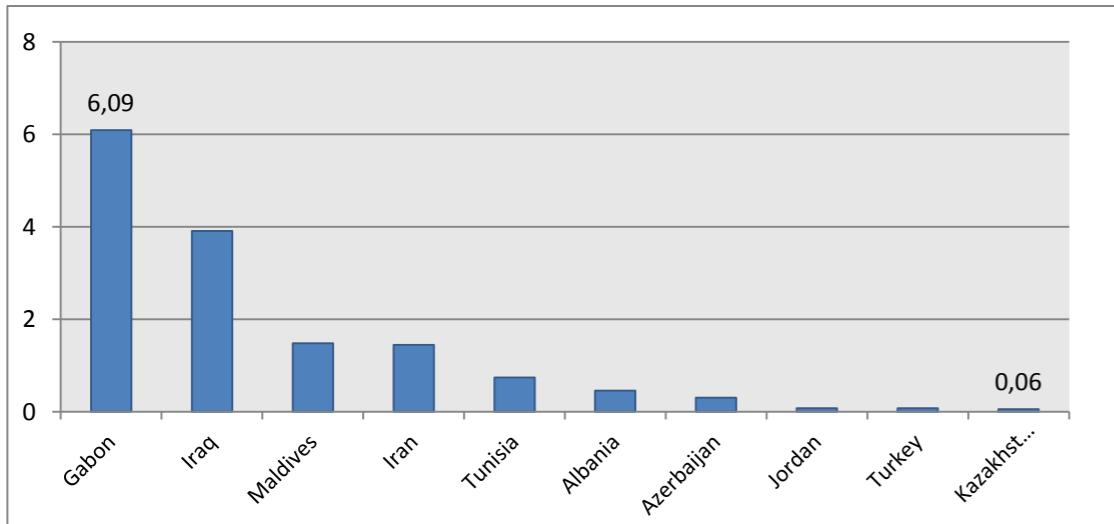
Monetary Poverty in the OIC: GDP



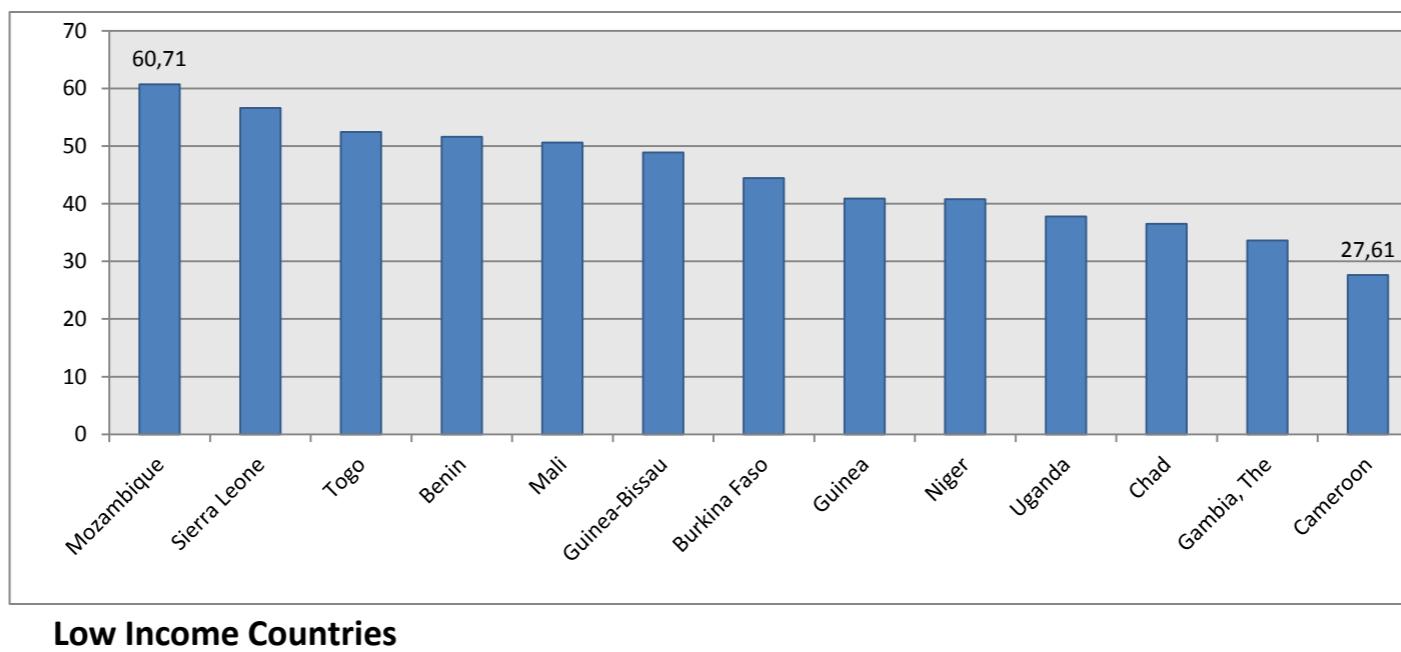
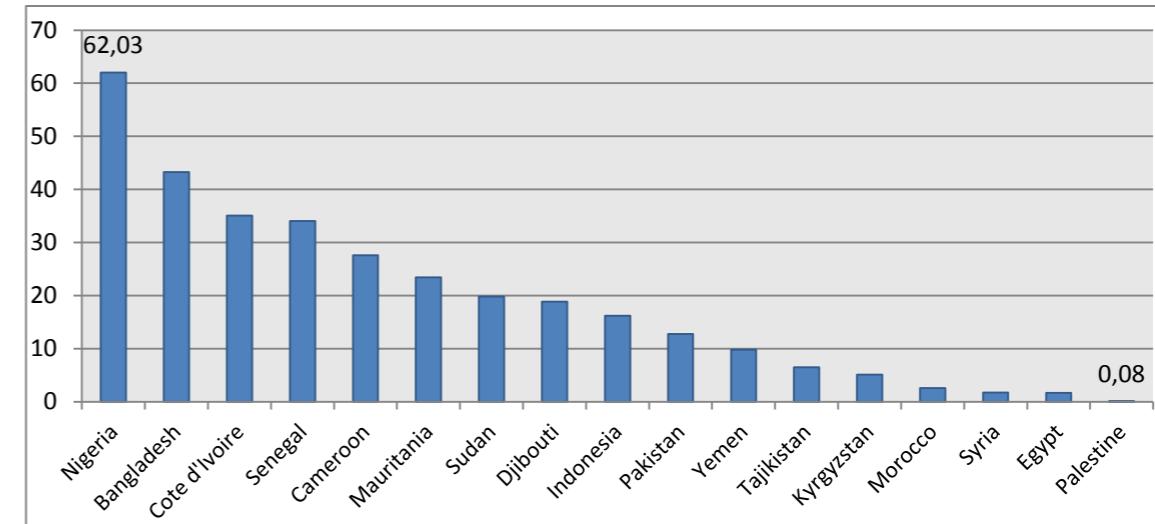
Monetary Poverty in the OIC: Poverty Headcount Ratio

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

Upper-Middle Income Countries



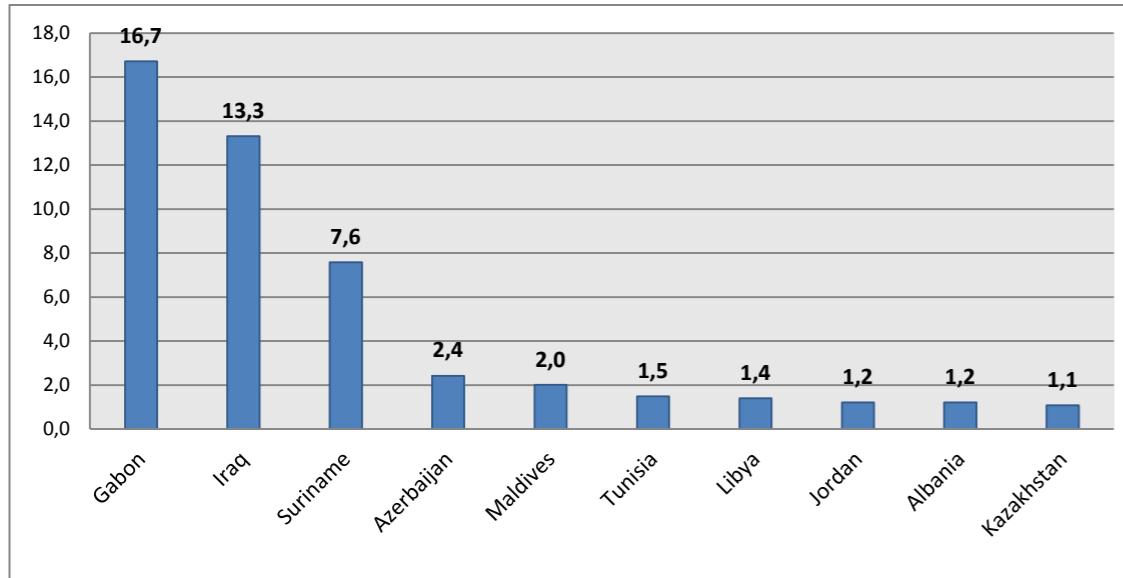
Lower-Middle Income Countries



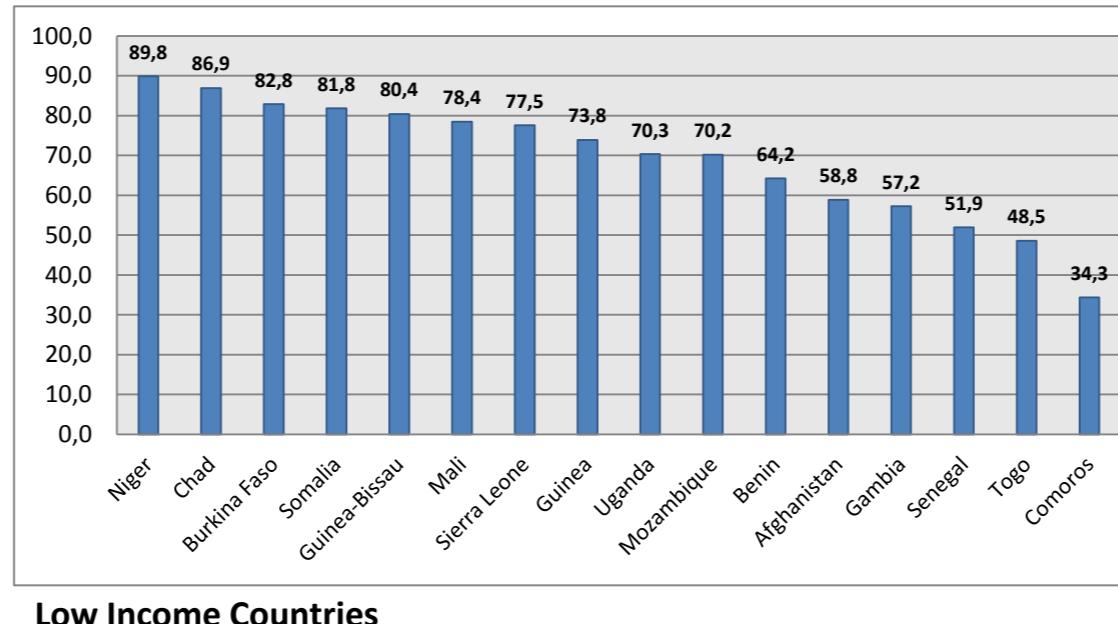
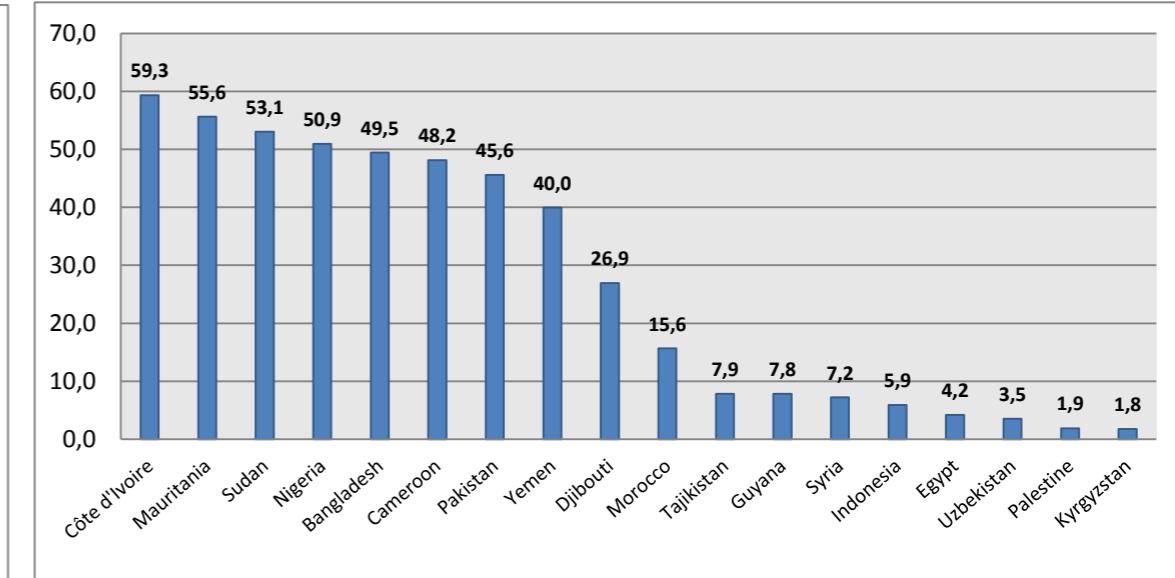
Non-Monetary Poverty in the OIC: MPI

Multidimensional Poverty Headcount Ratio in the OIC Member Countries

Upper-Middle Income Countries



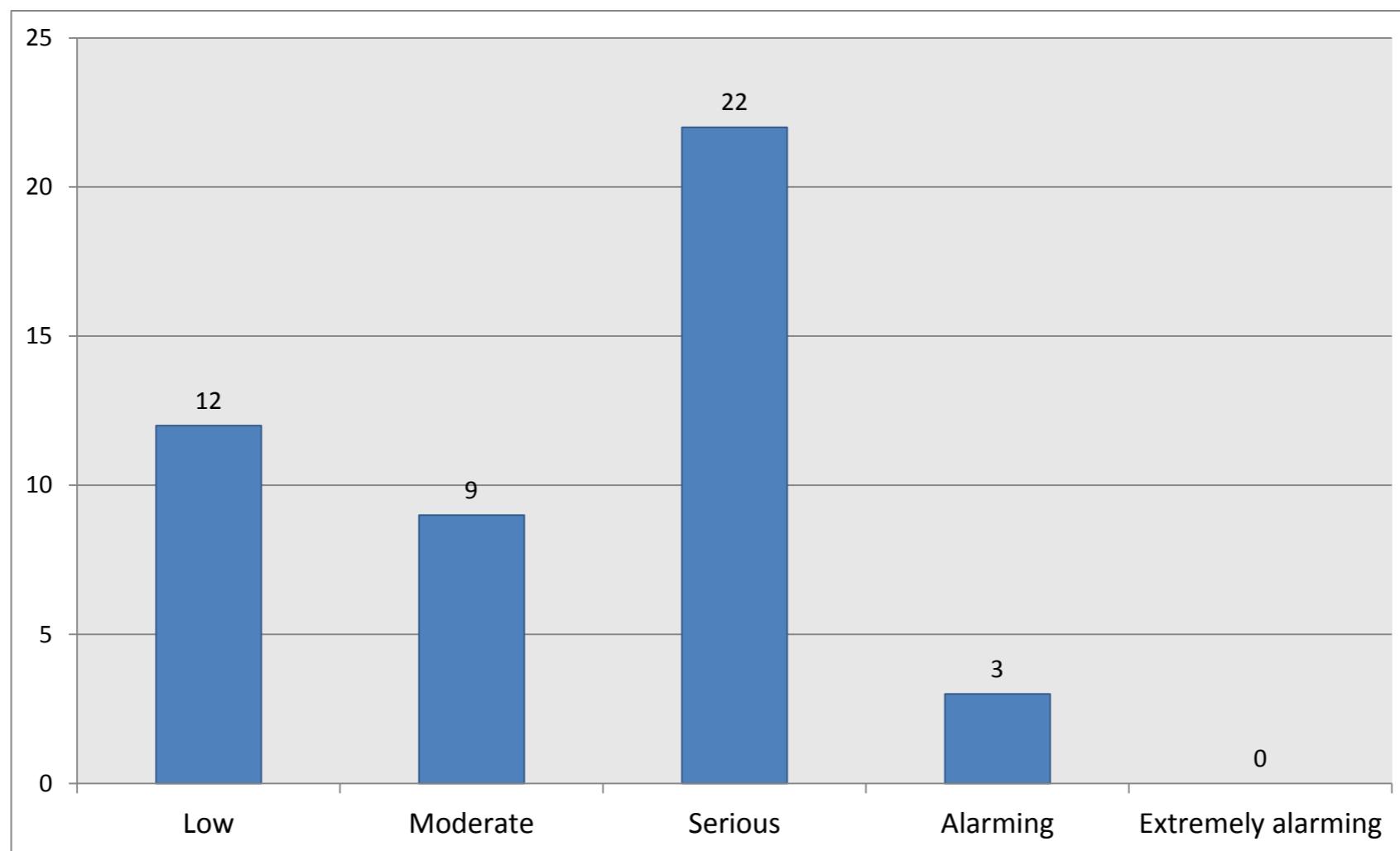
Lower-Middle Income Countries



Low Income Countries

Non-Monetary Poverty in the OIC: GHI

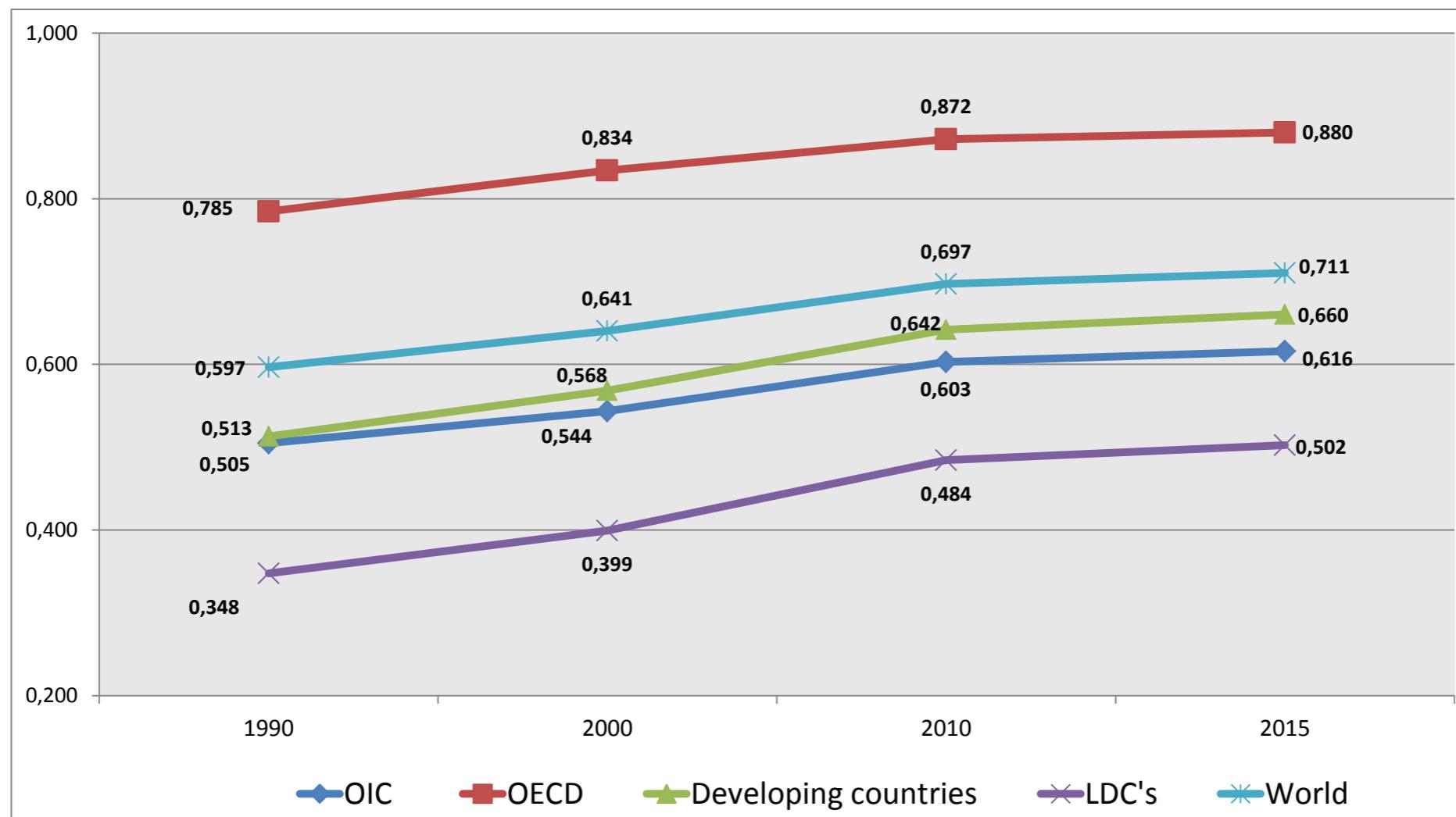
- GHI ranges between 0 and 46.4



HUMAN DEVELOPMENT IN THE OIC MEMBER STATES

Human Development in OIC: Global Trends

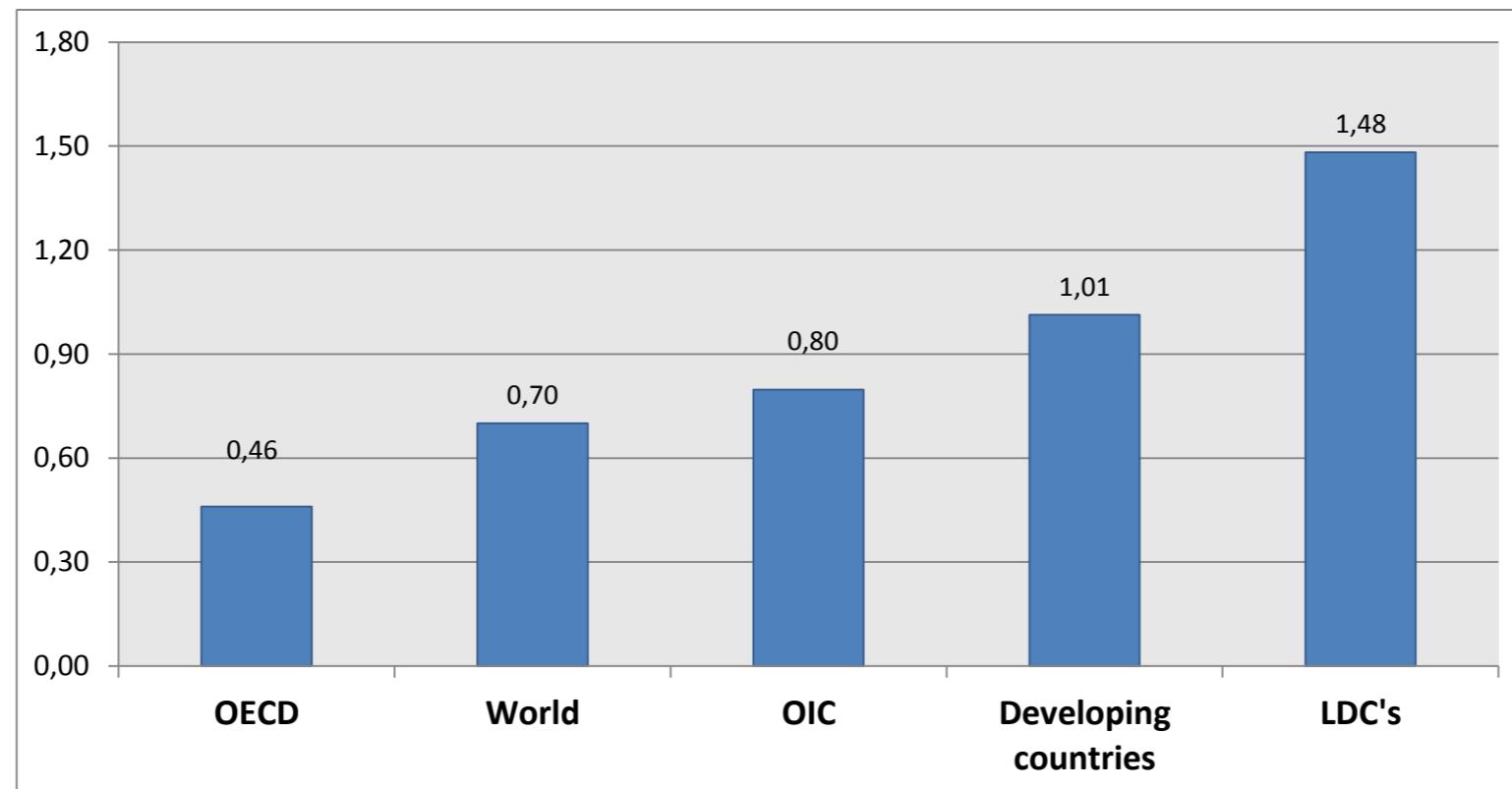
Global Trends in Human Development Index, 1990-2015



Source: Own calculations from UNDP(2015)

Human Development in OIC: Global Trends

Annual compounded growth rate in HDI between 1990 and 2015

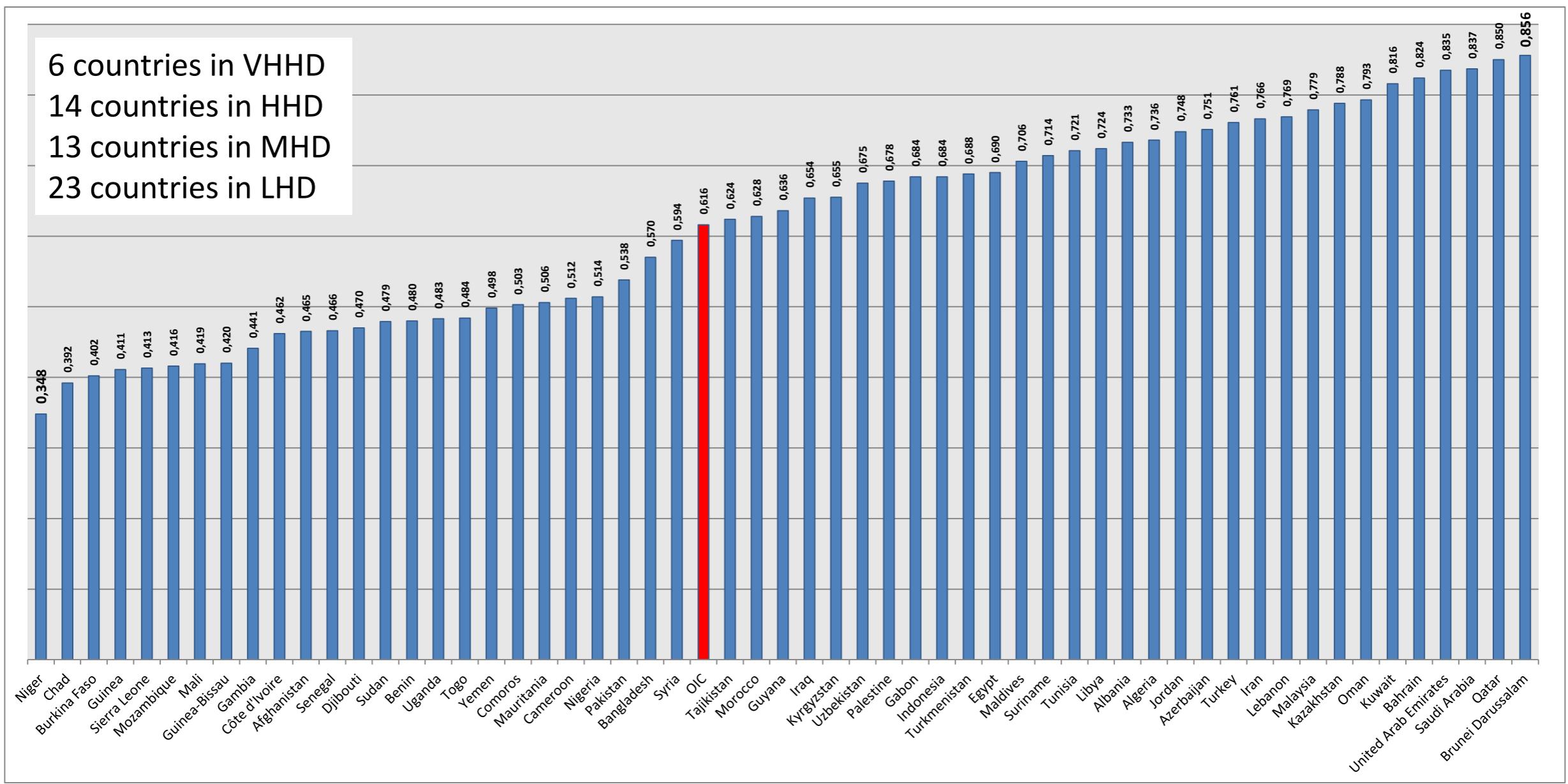


Source: Own calculations from UNDP(2015)

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

Human Development in OIC: HDI Values

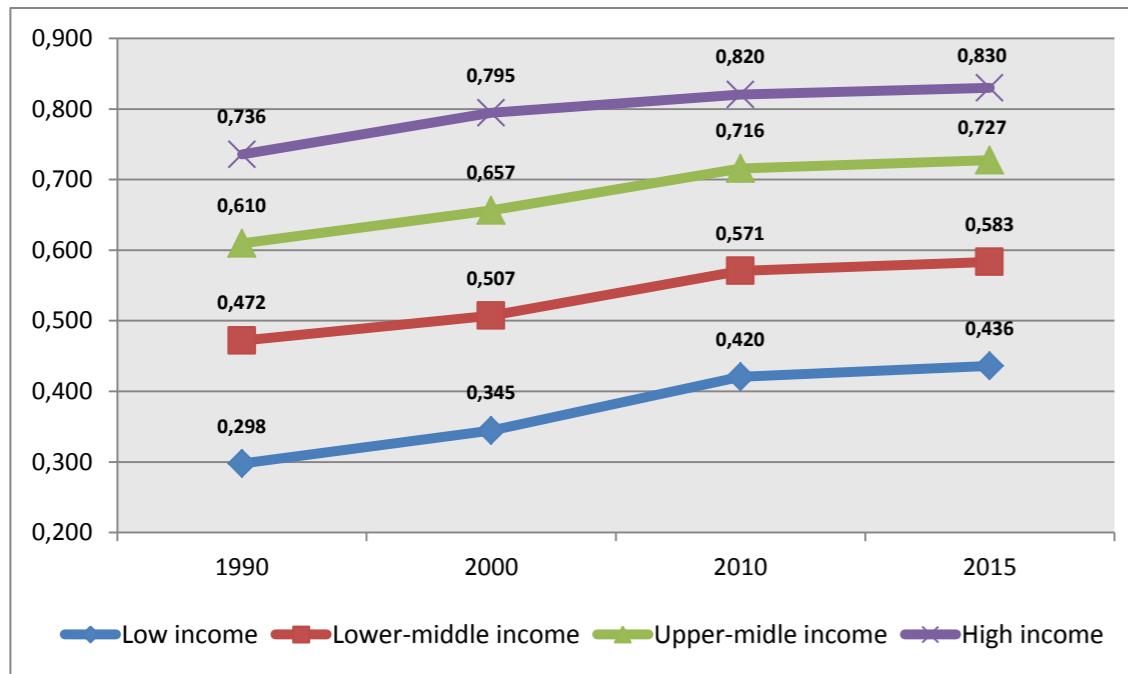
Human Development Index Score of the OIC Member States, 2015



Source: UNDP(2015)

Human Development in OIC: HDI by Income

Trends in Human Development Index, 1990-2015

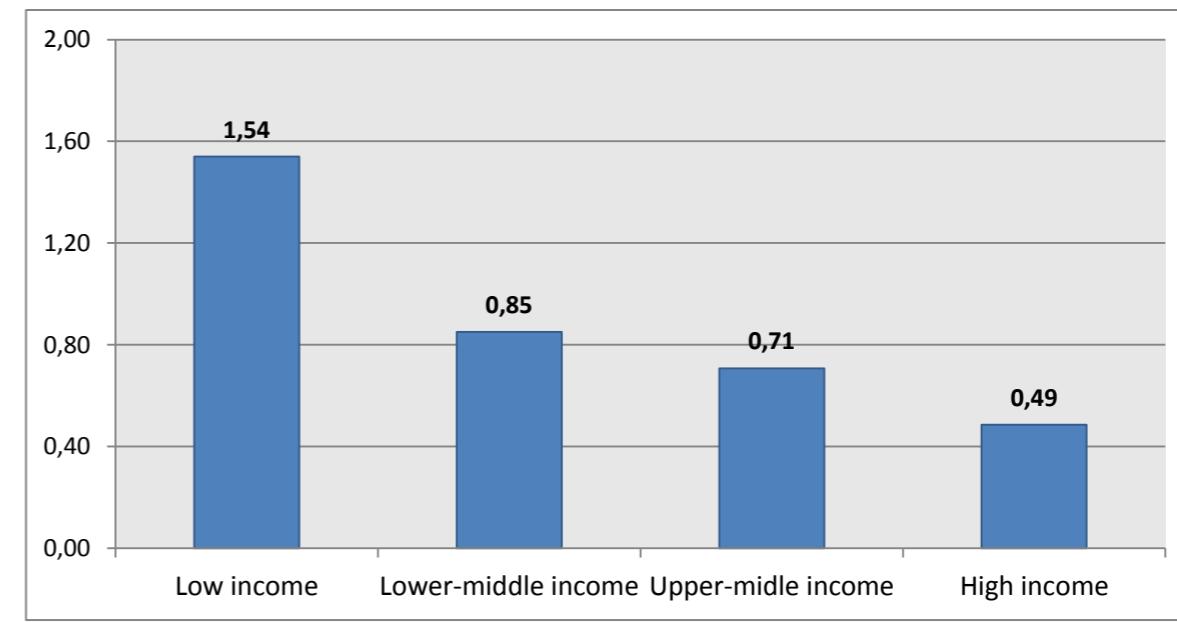


Source: Own calculations from UNDP(2015)

- 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



Source: Own calculations from UNDP(2015)

Human Development in OIC: Components of HDI

Components of HDI by income groups, 2015

	Life expectancy (years)	Expected schooling (years)	Mean schooling (years)	GNI (2011 PPP \$)	GNI-HDI rank difference
OIC	67,6	11,4	6,5	15.017	-8,4
Low income	58,5	9,0	3,0	1.545	-2,8
Lower-middle income	67,6	11,0	6,7	6.285	-1,3
Upper-middle income	72,3	12,9	8,5	14.866	-12,4
High income	76,6	14,4	8,7	66.686	-29,6

Source: Own calculations from UNDP (2015).

Note: The averages are unweighted. That is, each country in the groups has the same weight irrespective of its population.

- Strong association with income for all components
- Significant HDI-GNI rank difference for high income
- Low mean years of schooling for high income

Human Development in OIC: Evaluation of HD Categories

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

HDI Category	1990		2000		2008	
	# of Countries	%	# of Countries	%	# of Countries	%
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
Total	38	100	54	100	54	100

Source: Own calculations from corresponding years' HDR.

- 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 2015
 - 23 low
 - 13 medium
 - 14 high
 - 6 very high
- Methodology changed in 2010, not comparable over time

OIC Member States by human development level, 2009 and 2015

	2009		2015	
	# of Countries	%	# of Countries	%
Low Human Development	14	25	23	41
Medium Human Development	28	51	13	23
High Human Development	9	16	14	25
Very High Human Development	4	7	6	11
Total	55	100	56	100

Source: Own calculations from corresponding years' HDR.

Transition between development categories from 2009 to 2015

2009	2015			
	Low HD	Medium HD	High HD	Very High HD
Low HD	14	0	0	0
Medium HD	9	12	7	0
High HD	0	0	7	2
Very High HD	0	0	0	4

Source: Own calculations from corresponding years HDR.

EFFORTS ON POVERTY ALLEVIATION

Global Poverty Alleviation Efforts

The 8 Millennium Development Goals



Efforts on Poverty Alleviation at the OIC Level

**Vocational
Education
and Training
Programme
(OIC-VET)**

**OIC Cotton
Programme**

**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

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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 significant in the member countries
- Non-monetary poverty is devastating
 - Nearly a quarter of the population 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



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Thank You



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8th Meeting of the Poverty Alleviation Working Group
November 3rd, 2016
Ankara, Turkey



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