

IMPLEMENTING MULTIDIMENSIONAL POVERTY INDICATORS: CASE STUDY OF NIGERIA

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1.0 Background



Since 2010, Nigeria's poverty eradication agenda been implemented under three planks :

1. Nigeria's Vision 20:2020 (NV20:2020)

- an overarching, long term, development plan.
- aims to place Nigeria among the top 20 economies of the world
- the First National Implementation Plan (1st NIP) - a 4 year, (2010-2013) medium term, detailed plan for implementing the NV20:2020 includes:
 - priority policies, programmes and projects at both national and sub-national levels.
 - Key Performance (outcome) Indicators (KPIs)



1.1 Background (contd)

2. The Transformation Agenda (TA) –

- a set of policies, programmes and projects drawn from both the NV20:2020 and the 1st NIP.
- the focus of the current administration under President Goodluck Jonathan.

3. The UN Millennium Development Goals (MDGs)

- the globally agreed partnership to reduce extreme poverty

2.0 Overview of Poverty in Nigeria



- Human Development Indicators (HDIs), as quantitative assessment of the achievement of countries in all areas of human development.
- In Nigeria, HDIs are composites of social and economic indicators appropriate for assessing achievement of each State
- Multidimensional Poverty Index (MPI) introduced to Nigeria's HDI calculation in 2011
- Nigeria has made modest achievement in poverty reduction

2.1 Overview of Poverty in Nigeria (contd)



- Recent statistics released by the National Bureau of Statistics (NBS):

Economy

- GDP growth rate:
 - Nigeria among fastest growing in the world
 - Average 7% over last 8 years
- Inflation:
 - brought down to single digit
- Inclusive growth still a challenge:
 - unemployment still high at over 20%

2.2 Overview of Poverty in Nigeria (contd)



Education

	2008	2012
Net attendance levels for basic schooling have risen markedly	62.1%	71.0%
Gender parity targets at primary and secondary education levels have been achieved	Pry-0.91 Sec-0.89	Pry-1.0 Sec-1.02

- Evolving strategic initiatives e.g. Almajiri schools

Key challenges:

- Nigeria has highest number of out-of-school children in the world
- Incentives still needed to sustain school participation for females in the North of the country and boys in the South East.
- On-going security challenges in the North

2.3 Overview of Poverty in Nigeria (contd)



Health

	2008	2012
Under-five mortality rate	157/1000 live births	94/1000 live births
Maternal mortality ratio	545/100,000 live births	350/100,000 live births
Deliveries with skilled birth attendants	38.9%	53.6%
HIV Prevalence	5.8	4.1
Under-five children sleeping under Insecticide Treated Nets	5.5	34.6

2.4 Overview of Poverty in Nigeria (contd)



- **Health: Key Challenges**
- Nigeria is still 28.6% away from our 2015 target in maternal mortality ratio
- Slow progress in prevalence of underweight children highlights necessity to focus resources on food security, agriculture and extreme poverty eradication
- Unsatisfactory trend in the percentage of population using improved drinking water sources and those with improved sanitation

3.0 Credibility of Nigeria's Poverty Figures:



- Oxford Poverty and Human Development Initiative (OPHI) website provides a "2013 MPI for Nigeria" of 0.31
- This MPI, probably obtained from our National Population Commission's Demographic and Health Survey (DHS) 2008
- National Bureau of Statistics (NBS) Report for 2011 showed
 - MPI - 0.195 (rural 0.258 and urban 0.047).
 - Incidence of deprivation – 63.8%
 - Average proportion of deprivation – 30.6%
- The NBS data more recent and certifiable. The UNDP reviewed the report and had no issues with our results.

4.0 Draft NBS Human Development Index Report 2011



- 2009 NBS HDI Report measured 3 basic dimensions of human development:
 - Long and healthy life - measured by life expectancy index
 - Knowledge - measured by education index and
 - Decent standard of living - measured by health, income, assets and inequality indices
- 2011 NBS HDI Report computed 4 indices of human development
 - Human Development Index (HDI)
 - Inequality-adjusted Human Development Index (IHDI)
 - Multi-dimensional Poverty Index (MPI)
 - Gender Inequality Index (GII)
- 2011 - change in the method of aggregation from arithmetic average to geometric average

4.1 Differences between old and new Development Indicators (DI)



Old - Human Development Index (HDI) Indicators	New - Inequality-adjusted Human Development Index (IHDI)
GDP per Capita (PPP \$US)	GNI per Capita (PPP \$US)
Adult Literacy	Mean Years of Schooling for adults (MYS)
Gross enrolment	Expected Years of Schooling (EYS)
Life expectancy at birth	Life expectancy at birth

4.2 Differences between old and new Poverty Index (PI) Indicators



Old – Human Poverty Index (HPI) Indicators	New – Multi-dimensional Poverty Index (MPI) Indicators
Probability at birth of not surviving to age 40	Child mortality
Adult Literacy	Years of schooling and children enrolled
Percentage of population not using an improved water source	Cooking fuel, toilet, water, electricity, floor, assets
Percentage of children underweight for age	Nutrition – measured by adult BMI and children underweight for age

4.3 Differences between old and new Gender Indicators (GI)



Old – GDI-GEM Indicators	New – Gender Inequality Index (GII)
Female and male life expectancy at birth	Maternal mortality ratio
Female and male adult literacy rate	Adolescent fertility rate
Female and male gross school enrolment ratio	Female and male population with at least secondary education
Female and male estimated income	Female and male labour force participation rates
Female shares of parliamentary seats	Female and male shares of parliamentary seats
Female shares of positions as legislators	
Female and male shares of positions as senior officials and managers	
Female and male shares of professional and technical positions	

5.0 Multidimensional Poverty Index (MPI) (Nigeria)



- Based on 10 indicators, covered under 3 broad groups
 - Education
 - Health and
 - Living standards.
- Data mined from several surveys (GHS 2010, MISC IV (2011), Federal Ministry of Education (child enrolment 2010) and NLSS) to cover 10 indicators.

5.1 Multidimensional Poverty Index (MPI) (contd) **Nigeria: 2011 Findings (Education)**



1. Education Dimension has two indicators:

- Years of Schooling:- 27.0% completed 5-6 years of schooling where basic school age is an 8-9 year period from national starting age of 6years
- Child Enrolment: 84.5%

5.2 Multidimensional Poverty Index (MPI) (contd) Nigeria's Educational Index (2011)



Educational Index	MYS (Mean Year of Schooling)	MYSI	EYSI (Estimated Years of Schooling)
National (both sexes)	0.8686	0.7120	0.1566
Male	0.8919	0.8030	0.0889
Female	0.8028	0.6210	0.1818
Summary			
• Educational Index	0.8690		
• Life Expectancy	0.4628		
• GNI index	0.3215		
• HDI	0.5060		
• IHDI	0.4640		
• % loss in HDI	0.0830		

5.3 Multidimensional Poverty Index (MPI) (contd)

Nigeria: 2011 Findings (Health)



- 2. **Health Dimension** has two indicators:
 - Nutrition measured by :-
 - Adult Body Mass Index (19.1m/kg²)
 - Children underweight for age
 - Mortality (any age):-
 - Measuring the deaths that occurred in the family - 3.5% (child mortality rate)

5.4 Multidimensional Poverty Index (MPI) (contd)

Nigeria: 2011 Findings (Standard of Living)



- 3. Standard of living Dimension has six indicators:
 - ❑ Electricity: households with no access to electricity -51.3%
 - ❑ Drinking water: poor access to safe water – 32.4%
 - ❑ Sanitation: poor access to decent toilet facility and refuse disposal – 67.9%
 - ❑ Flooring: Type of flooring as measure of quality of dwelling
 - ❑ Cooking Fuel e.g. use of “dirty” fuel like firewood/charcoal/animal dung to cook – 45.6%
 - ❑ Assets: Non possession of a car/truck and/or non possession of more than one of the following items such as Radio, TV, Telephone, Bike, Motorcycle, Camel, Donkey or, Refrigerator represent poverty - 32.4%

5.5 Multidimensional Poverty Index (MPI) (contd)



Others: GII indicators and Indices

Index	Dimensions		
	Reproductive Health 0.510	Empowerment 0.450	Labour Market 0.785
GII	1. Maternal Mortality Ratio (MMR)(value) F-810, M-0 2. Adolescent Fertility Rate (AFR)(aged15-19) F-31.5, M-0	1.Parliamentary seats by each sex (%) F-6.7, M-93.3 2. Educational attainment by sex (secondary level and above) (%) F-42.8, M-57.2	1. Labour force Participation Rate (LFPR) by sex (% of total) F-76.5, M-80.5
Dimension Index	Reproductive Health Index	Empowerment Index	Labour Market Index
		 ↓ ↓ ↓ GII	

5.6 Multidimensional Poverty Index (MPI) (contd)



Summary:

- The results showed that there was relative high deprivation in Health (48.75 percent) and standard of Living (40.06 percent).
- The Mean Year of Schooling (MYS) for the Country is 8.433 while the Educational Index (EI) is 0.869. This showed an increase of 0.157 over the previous Computed (EI) of the country

6.0 Financing Development Agenda: The role of the Leading Group on Innovative Financing



- Finance - critical to achieving any development agenda
- The LG - a platform of 63 member countries with various levels of development, in conjunction with international organisations and NGOs
- Seeks to promote definition and implementation of innovative financing mechanisms around the world.
- Conceptualised predictable and stable mechanisms for raising funds for development to complement official development assistance (ODA).

6.1 Financing Development Agenda: The role of the Leading Group on Innovative Financing (contd)



- At 11th plenary of LG in Finland in February 2013, Nigeria assumed the Presidency of the Leading Group
- Nigeria therefore currently the focal nation for promoting innovative financing mechanisms
- For development support paradigm, required to meet the widening development funding gap.
- Issues of financing the post-2015 Agenda continue to dominate international discourse.

6.2 Financing Development Agenda: The role of the Leading Group on Innovative Financing (contd)



- Nigeria advocating innovative financing mechanisms at sub-regional, regional and international development platforms, like ECOWAS, AU, G-77 and UN, to which we belong
- Leading Group advocating broader strategic framework for financing for development, post 2015, that goes beyond ODA.
- Dwindling ODA means greater need to harness other sources with great potential for sustainability.
- The LG promoting a draft resolution dedicated to innovative financing to be presented at the 68th UNGA.

6.3 Financing Development Agenda: The role of the Leading Group on Innovative Financing (contd)



Evidence of Success of LG Effort:

- Leading Group produced useful expert reports in such critical sectors as education, health, food security, illicit flows and climate change.
- Popularizing these reports and mechanisms in an evidence-based manner.
- Guarantee Mechanisms, e.g. Advanced Market Commitments (AMC), International Financial Facility for Immunization (IFFIM).
- Market Mechanisms, e.g. those based on CO₂ emissions, levy on air tickets and Financial Transaction Tax (FTT).
- Over \$6 billion raised from these sources since 2006.

6.4 Financing Development Agenda: The role of the Leading Group on Innovative Financing (contd)



Priorities of Nigeria's LG Presidency:

- Food security and nutrition.
- Fight against illicit financial flows
- Development of a robust M&E system

7.0 Conclusion



- Launch of the Poverty Peer Network, a veritable platform for knowledge sharing and mutual support
- Will help to gain greater focus on and commitment to global fight against poverty
- Congratulate the initiators of the Network



Thank You

