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Measuring the Alkire-Foster's Multidimensional Poverty Index (MPI) in Khuzestan Province: Taking into Account the Dimensions of Employment and Dwelling

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EXTENDED ABSTRACT

INTRODUCTION

Poverty is one of the fundamental problems of human societies and a clear sign of economic, social and cultural underdevelopment that endangers political stability, social solidarity and mental health in different segments of society.

Therefore, the fight against poverty has received much attention today and many efforts have been made in this field. In the past, poverty was measured only through the income approach, but this approach does not include other manifestations of poverty (Ali Madadi, 2008). Lack of education, health, housing, empowerment, employment, personal security, etc. can lead to poverty. On the other hand, in addition to the trend and level of income, poverty is strongly related to other fundamental trends such as child mortality, primary school attendance, malnutrition. Poverty is a multifaceted phenomenon that requires careful understanding and analysis of all its aspects and dimensions. The Alcair and Foster method is one of the multidimensional poverty measurement methods that includes severe deprivation in the dimensions of education, health, and living standards, and its components are generally considered to represent the existence of well-being in the household (Alcair and Foster, 2013). Given the importance of examining the extent and severity of poverty, in this study, in addition to the Alcair and Foster components, two components of employment and housing have also been considered, and the Alcair and Foster model has been adjusted. Despite the fact that Khuzestan province ranks second in gross domestic

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product among the provinces of the country, unidimensional poverty studies indicate poverty above 36 percent and with high fluctuations in this province (Afgheh and Qanavatifar, 2009 and 2011). For this reason, it is necessary to calculate multidimensional poverty based on the dimensions in which Khuzestan households are severely deprived, so that it can be compared with the national average from this perspective. Therefore, in this study, relying on the Alcair-Foster approach and adjusting it according to the economic problems of the province's households, the multidimensional poverty index in Khuzestan province has been calculated and analyzed in two periods, 2011 and 2016.

Methodology

In this study, based on the United Nations Development Program approach in human development reports, which was carried out using the Alcair and Foster model (2011), this model has been examined in adjusted dimensions and multidimensional poverty.

With an initial study of the extent of deprivation of households in Khuzestan province in different dimensions, two dimensions of employment and housing were added to the three dimensions of education, health, and living standards. Because the households in the province were vulnerable in the employment and housing dimensions, the adjusted Alcair-Foster form was used for Khuzestan province.

The weight of the research dimensions and components has been distributed equally according to the Alcair-Foster approach.

Findings

According to the 5 dimensions, the headcount ratio index (poverty rate) for Khuzestan province in 2011 and 2016 is calculated and compared with the multidimensional poverty of the entire country in 2016.

In 2016, the vulnerability rate of Khuzestan families in the health dimension was 38 percent, while in the entire country, 35 percent were vulnerable in the health dimension. In 2011, the malnutrition component was 16 percent and the lack of access to health insurance was 24 percent, which increased in 2016, so that the malnutrition component increased from 16 percent to 18 percent and more people in Khuzestan province are

malnourished, and the lack of access to health insurance increased by 1 percent to 25 percent.

The educational poverty rate in 2016 in Khuzestan province is about 2.9 percent. Households in which all members have literacy below 5th grade have decreased slightly by 1.1% in 1390 and by 0.09% in 1395. Also, the presence of children under 18 years of age who have literacy below 9th grade was 2.3% in 1390 and increased to 2.4% in 1395.

In 1395, about 27% of the people of Khuzestan are in a favorable situation in terms of housing, this indicator is 22% for the whole country. Households without permanent housing in the province were 6.5 percent in 2011, which increased by 2.5 percent to 8.5 percent in 2016. Also, the number of families with housing with less than 16 square meters of per capita area was 22 percent in 2011, which increased by 0.5 percent to 22.5 percent in 2016.

51 percent of the people of Khuzestan are in an unfavorable employment situation. The rate of not having social security insurance was 43 percent in 2011, which increased by 2 percent in 2016 to 45 percent. Also, the unemployment rate of the head of household was 11 percent in 2011, which increased by 0.4 percent to 11.4 percent in 2016, which indicates a worsening employment situation in Khuzestan province. The employment rate in the country is 40 percent, the most important of which is due to the lack of social insurance coverage.

In terms of living standards, 15 percent of households in Khuzestan province are deprived in 2016. This situation is much worse than the national average (8 percent). The poverty level of the living standards of households in Khuzestan province has worsened by two percent compared to 2011. In 2011, the rate of not having access to a kitchen was 2 percent, not having access to water, electricity, and gas was 6.9 percent, not having a bathroom was 2.3 percent, and not having assets such as a car, bicycle, and ... was 4.7 percent. In 2016, we have witnessed an increase in this rate in all dimensions, such that not having access to a kitchen was 2.4 percent, not having access to water, electricity, and gas was 7.7 percent, not having a bathroom was 2.7 percent, and not having assets such as a car, bicycle, and ... was 3.5 percent.

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Conclusion

In this study, we examined multidimensional poverty indicators in Khuzestan Province using the Alcaire and Foster method in 2011 and 2016. The results of this study showed that the people of the province are more deprived in the two dimensions of employment and health than in other dimensions. The situation of the province is more unfavorable compared to the country, and multidimensional poverty in Khuzestan Province has increased in 2016 compared to 2011.

This increase has been in the dimensions of health, housing, and living standards. Overall, in the two dimensions of education and employment, the situation is the same as in 2011. The most important components of poverty in the health dimension are lack of access to health insurance; in the housing dimension, the per capita housing area is less than 16 square meters; in the employment dimension, lack of social insurance coverage for the employed; and in the living standards dimension, low quality access to purified water, gas, and electricity, and lack of assets such as bicycles and motor vehicles. At the same time, malnutrition in the health dimension also has high deprivation, or unemployment of the head of household in the employment dimension has also added to employment poverty. Khuzestan has a major problem in the employment dimension and in the component of lack of social insurance. In order for poverty in the employment dimension to be reduced, it is necessary that social insurance be allocated to the employed, which depends on reducing the informal sector and informal employment and converting it into formal employment, so that insurance is allocated to all employed. Khuzestan, like the rest of the country, suffers from a large informal sector. Identifying housing with unsustainable materials and renovating and retrofitting them with appropriate supports, facilities, and policies can help reduce housing poverty in Khuzestan, but the low per capita area is not a component that can be overcome in the short and medium term and requires an increase in the sustainable per capita income of Khuzestan residents so that they can have larger houses in the future. In the education dimension, the size of poverty is low, and one of the reasons is related to the definition of the components used and the development of education in Iran. Since in the education dimension, the component "all household members below the fifth grade are literate" is considered in the Alcaire Foster approach, deprivation in the education dimension is low. In Iran and in the current situation, perhaps the head of the household must have

at least a diploma to be considered poor from this perspective, and if this component is corrected, deprivation in the education dimension will also increase. In the living standards dimension and in the water and electricity component, the level of deprivation is high. However, more detailed data is needed to monitor multidimensional poverty in Khuzestan province and to directly identify and support or empower deprived households in multiple dimensions. The findings of this study on multidimensional poverty in Khuzestan province show that the ratio of the multidimensional poverty census is lower compared to the ratio of the income poverty census in the study of Aqegh and Qanavatifar (2011), and this points to one of the advantages of the multidimensional poverty approach over the single-dimensional income approach, which is that income alone cannot be the basis for deprivation, but if a person has the necessary capabilities, they cannot be included in the poor category. Income is a temporary and volatile component, and if a household loses its income for one year, it cannot be imagined that it has suddenly fallen into poverty. The findings of the present study are consistent with the findings of other studies nationwide (Futros and Ghodsi (2017), Khalaj and Yousefi (2014), Jalali (2019), and the Majles Research Center (2017)), and the results are consistent and in line with the same components.

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