

High-level Seminar on Harmonisation of Poverty Statistics in CIS Countries

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Session 5: Multidimensional poverty: what could be the options for CIS countries?

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Mongolian multidimensional poverty index

The Household Socio-Economic Survey (HSES) is the main source of Mongolian poverty estimation which is using Consumption-based method. Consumption will be a better proxy of permanent income as household smooth their consumption over the entire year. The current poverty series maintains an absolute poverty line derived from the HSES 2010. The NSO and the World Bank later agreed on a methodology to consistently measure poverty over time by keeping the 2010 poverty line constant in real terms. Mongolia's poverty rate declined from 38.8 percent in 2010 to 27.4 percent in 2012 to 21.6 percent in 2014.

The next estimation of poverty as poor living conditions such as deprivation. Today, the subjective well-being concept is widely utilized by researchers in developed countries. Further NSO activities in the framework work of the methodology of multi-dimensional poverty index in Mongolia. Nowadays, multi-dimensional poverty index is estimated unofficially by independent researchers for Mongolia National Human Development Report (HDR). The 2010 HDR introduced the MPI, which identifies multiple deprivations in the same households in education, health and living standards. And also 2013 MPI for Mongolia has been computed based on an adjusted assets indicator and the Social Indicator Sample Survey (SISS) 2013. The computed MPI for 2013 covers three dimensions and 11 indicators. The indicators include an additional Mongolia-specific indicator, heating, which is crucial in Mongolia because of the extreme climate conditions. The findings show that the MPI was 0.047 in 2010 and 0.021 in 2013, while the poverty headcount ratio was 11.1 percent in 2010 and 5.4 percent in 2013. About 5.4 percent of the population – 162,000 individuals – were multidimensionally poor in 2013, while an additional 15.4 percent – 462,000 individuals – were near multidimensional poverty.