Poverty statistics in Mongolia

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31 October – 2 November 2016
Contents

1. Current situation of poverty in Mongolia
   - Official methodology of poverty estimation
   - Poverty situation of Mongolia

2. Global tendency of poverty estimation
   - Multidimensional poverty
   - Future objective
OFFICIAL METHODOLOGY OF POVERTY ESTIMATION

NSO estimates poverty level of Mongolian population using “Consumption-based method”

**Source**

- Every 2 years
- Expanded survey
- Sample size - 16200 households

Household Socio-Economic survey
Consumption aggregate, its main components

1. Food
2. Non-food
3. Housing
4. Durable goods
5. Energy

Poverty line
- Base year – Poverty line, 2010
- Price adjustment
- Comparable result
1. Poverty main indicators, 2010-2014

- Poverty Headcount:
  - 2010: 38.8
  - 2011: 33.7
  - 2012: 27.4
  - 2014: 21.6

- Poverty Gap:
  - 2010: 11.5
  - 2011: 9.2
  - 2012: 7.1
  - 2014: 5.2

- Poverty Severity:
  - 2010: 4.6
  - 2011: 3.5
  - 2012: 2.7
  - 2014: 1.9
Global Approach to Poverty Estimation
In order to monitor the indicators of these goals of the SDG, “Multi-dimensional poverty index” needs to be estimated in every country.

- Mongolian Multi-dimensional poverty index is estimated by independent individual researchers for Mongolia and put in National Human Development Report (HDR).
# MULTIDIMENSIONAL POVERTY

## Indicators

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Multiple indicator cluster survey, 2010</th>
<th>Social indicator sample survey, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Education (1/3)</strong></td>
<td>Year of schooling (16.7%)</td>
<td>Year of schooling (16.7%)</td>
</tr>
<tr>
<td></td>
<td>School attendance (16.7%)</td>
<td>School attendance (16.7%)</td>
</tr>
<tr>
<td><strong>Health (1/3)</strong></td>
<td>Nutrition (16.7%)</td>
<td>Nutrition (16.7%)</td>
</tr>
<tr>
<td></td>
<td>Child mortality (16.7%)</td>
<td>Child mortality (16.7%)</td>
</tr>
<tr>
<td><strong>Standard of living (1/3)</strong></td>
<td>Electricity (5.56%)</td>
<td>Electricity (4.76%)</td>
</tr>
<tr>
<td></td>
<td>Clean drinking water (5.56%)</td>
<td>Clean drinking water (4.76%)</td>
</tr>
<tr>
<td></td>
<td>Sanitation (5.56%)</td>
<td>Sanitation (4.76%)</td>
</tr>
<tr>
<td></td>
<td>Cooking fuel (5.56%)</td>
<td>Cooking fuel (4.76%)</td>
</tr>
<tr>
<td></td>
<td>Floor (5.56%)</td>
<td>Floor (4.76%)</td>
</tr>
<tr>
<td></td>
<td>Asset (5.56%)</td>
<td>Asset ownership (4.76%)</td>
</tr>
</tbody>
</table>

**Global MPI 10 indicators**

- **Use of dirty heating (4.76%)**

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MULTIDIMENSIONAL POVERTY - indicators include: Education (1/3), Health (1/3), Standard of living (1/3). Each indicator is measured with a specific percentage in each survey.
MULTIDIMENSIONAL POVERTY

Result of Multi dimensional poverty index estimation

<table>
<thead>
<tr>
<th>Survey</th>
<th>Year</th>
<th>Multi dimensional poverty index (MPI)</th>
<th>Headcount ratio (H)</th>
<th>Average intensity, % (A)</th>
<th>Percentage of population vulnerable to poverty %</th>
<th>Percentage of population in severe poverty %</th>
</tr>
</thead>
<tbody>
<tr>
<td>MICS</td>
<td>2010</td>
<td>0.036</td>
<td>8.6</td>
<td>41.3</td>
<td>19.8</td>
<td>1.2</td>
</tr>
<tr>
<td>SISS</td>
<td>2013</td>
<td>0.021</td>
<td>5.4</td>
<td>39.7</td>
<td>15.4</td>
<td>0.4</td>
</tr>
</tbody>
</table>

In 2013, 5.4 percent of total population or 162.0 thousand individuals were poor in multi-dimension and 15.4 percent of total population or 462.0 thousand individuals were close to poor in several dimensions. The share of the population living in severe poverty was 0.4 percent.
MULTIDIMENSIONAL POVERTY

Result of Multi-dimensional poverty index estimation

Multi-dimensional poverty index by rural/urban areas and wealth quintile, 2010 and 2013

- Urban
- Rural
- Poorest
- Second
- Middle
- Fourth
- Richest

2010 2013
For Mongolia, MPI needs to be estimated in terms of following frameworks.

- Within the framework of "Sustainable development goal"

- To evaluate own country’s population living standards by multi dimensional poverty indicators

FURTHER ACTIVITIES

Framework of estimation MPI

1. Estimating the global MPI for the monitoring SDG indicators and comparability at international level

2. Estimation of the MPI by indicators that is suitable for living standards and deprivation conditions of the Mongolian population.
   - Here, it would be guided by procedure to select multi-dimensional indicators as same as possible in order to provide comparability to CIS countries that countries are nearly by climate and living condition.
FURTHER ACTIVITIES

Future activities on methodology of multi-dimensional poverty index to be implemented in Mongolia

Using Household Socio-Economic Survey for MPI methodology estimation has more efficiencies.

- Comparing and defining the overlapping of results of the poverty estimations and consumption estimations,
- Estimating the changes over time, preferable by 2 year.

Indicators has not included in the Household Socio-Economic Survey questionnaire

- For Global MPI
- Nutrition
- Child mortality
- Years of schooling
- Cooking fuel
FURTHER ACTIVITIES

Future activities on methodology of multi-dimensional poverty index to be implemented in Mongolia

To include the indicators of Global MPI, which are currently excluded, in the questionnaire of HSES

To select priority indicators of multi-dimensional poverty for Mongolia, which are currently absent in the questionnaire of HSES,

To compare the results of MPI estimations and consumption estimations.
THANK YOU FOR YOUR ATTENTION.