Poverty & Equity Brief

Sub-Saharan Africa

Rwanda

April 2019

Since 2005 Rwanda has made considerable progress in reducing poverty. Using the international poverty line of $1.90 2011 PPP, the incidence of poverty fell from 68.3 in 2005–06 to 55.5 in 2016–17. An even greater reduction in poverty is observed based on the national poverty line: from 56.7 in 2005–06 to 38.2 percent in 2016–17.The official poverty measure shows significant poverty reduction occurred between 2010–11 and 2016–17, especially in rural areas, reducing the gap between rural and urban poverty. Poverty fell from 48.7 percent to 43.1 percent in rural areas. However, considerable regional disparities exist in Rwanda, with the lowest poverty in Kigali City (13.9 percent) and the highest poverty in the Western and Northern provinces (47.1 percent and 42.3 percent).

Growth in Rwanda was pro-poor between 2010–11 and 2013–14. Consumption growth of the bottom 40 percent of the population exceeded average consumption growth by 2.04 percentage points. Decomposing poverty reduction by growth and redistribution shows that rising consumption contributed 4.1 percentage points and redistribution 2.8 percentage points to the overall poverty reduction of 6.9 percentage points. The pro-poor growth in Rwanda is further confirmed by the reduction in inequality experienced over the longer time. The official inequality measure, the Gini index declined from 52.0 in 2005-06 to 43.7 in 2016-17. Given the Gini is known to change slowly, this is a substantial reduction.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	4.6	38.2	2016
International Poverty Line 651.6 in Rwanda franc (2016) or US$1.90 (2011 PPP) per day per capita	6.6	55.5	2016
Lower Middle Income Class Poverty Line 1097.5 in Rwanda franc (2016) or US$3.20 (2011 PPP) per day per capita	9.5	79.7	2016
Upper Middle Income Class Poverty Line 1886.3 in Rwanda franc (2016) or US$5.50 (2011 PPP) per day per capita	10.9	91.6	2016
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		0.31	2013-2016
INEQUALITY			
Gini Index		43.7	2016
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		0.48	2013-2016
GROWTH			
Annualized GDP per capita growth		4.9	2013-2016
Annualized Consumption Growth per capita from Household Survey		-0.17	2013-2016

Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of March 2019, and Global Monitoring Database for the rest.

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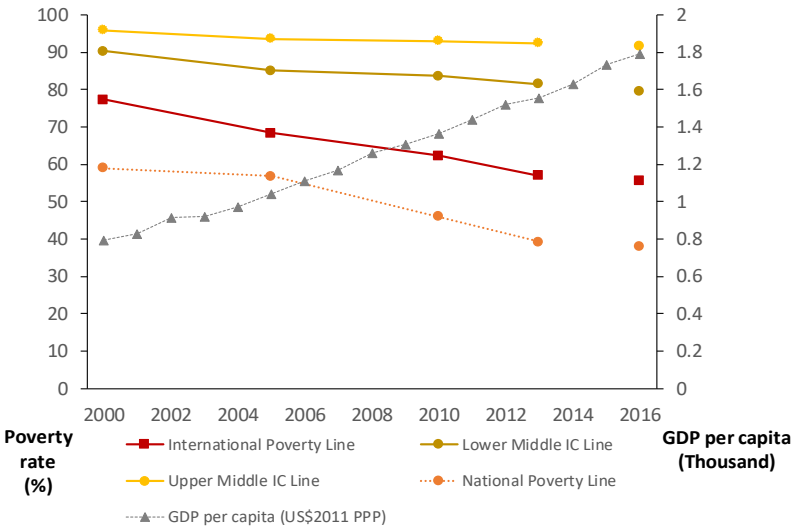
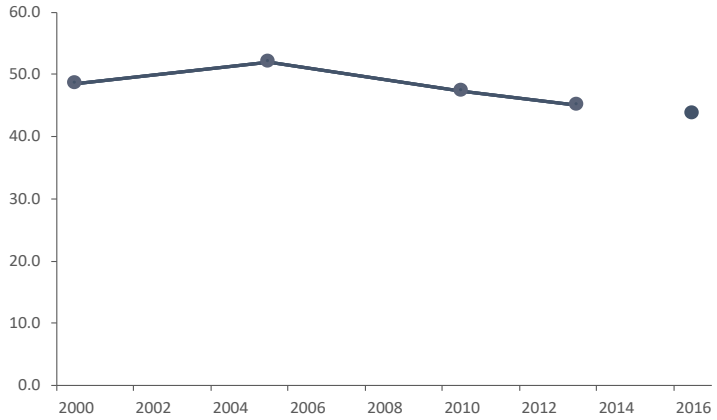
POVERTY HEADCOUNT RATE, 2000-2016



Source: World Bank using EICV-IV/SSAPOV/GMD

INEQUALITY TRENDS, 2000-2016

Gini Index



Source: World Bank using EICV-IV/SSAPOV/GMD

KEY INDICATORS (distribution among groups)

	International Poverty Line (%)		Relative Group (%)		Year
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	74	26	17	83	2016
Rural population	38	62	45	55	2016
Males	43	57	41	59	2016
Females	46	54	39	61	2016
0 to 14 years old	37	63	47	53	2016
15 to 64 years old	50	50	35	65	2016
65 and older	56	44	29	71	2016
Without education (age 16 and older)	37	63	46	54	2016
Primary education (age 16 and older)	45	55	39	61	2016
Secondary education (age 16 and older)	72	28	16	84	2016
Tertiary/post-secondary education (age 16 and older)	98	2	1	99	2016

Source: World Bank using Global Monitoring Database

POVERTY DATA AND METHODOLOGY

Rwanda has established a poverty monitoring system as a foundation to understanding progress toward poverty reduction and monitoring the impact of government programs and policies. The National Institute for Statistics in Rwanda has undertaken periodic surveys since 2000 (2000-01, 2005-06, 2010–11, 2013–14, 2016-17), with the objective to field a survey every three years. The year 2013-14 was the first time a panel component was included to better track changes in livelihoods, especially for beneficiaries of Rwanda's social protection programs. The final round of the 2016–17 survey was completed in October 2017. Results were published in December 2018. The consumption aggregate has been comparable across survey rounds. The national poverty measure uses household expenditures per adult equivalent after controlling for spatial price differences. For the international poverty measurement, the spatial price adjustments were applied for data after 2010/11. Given that international poverty measures prior to 2010/11 were not adjusted for the spatial price differences, they are not fully comparable to those after 2010/11.

HARMONIZATION

The numbers presented in this brief are based on the SSAPOV database. SSAPOV is a database of harmonized nationally representative household surveys managed by Sub-Saharan Team for Statistical Development. It contains more than 100 surveys covering 44 out of the 48 countries in the SSA region. The four countries not covered in the database are Eritrea, Equatorial Guinea, Somalia and Zimbabwe. Terms of use of the data adhere to agreements with the original data producers.