South Asia

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Poverty & Equity Brief

South Asia

Bangladesh

April 2021

The latest official poverty estimates from 2016/17 show remarkable gains in poverty reduction since 2000. Upper poverty rates have halved to 24.3 percent, while extreme poverty rates fell by two-thirds to 12.9 percent, based on strata specific upper and lower poverty lines. Measures of poverty using the international extreme poverty line of $1.90 a day show comparable trends. Yet, recent trends between 2010 and 2016 suggest a deceleration in the rate of poverty reduction during a period of faster economic growth. Inequality measured by the Gini index was 32.4 in 2016, with very little change since 2000.

The ongoing COVID-19 pandemic has created an unprecedented crisis in Bangladesh that risks erasing the substantial progress in household incomes and poverty reduction achieved in the past. To track the impacts on labor markets and household coping strategies, the World Bank's Poverty and Equity global practice implemented a rapid nationally representative phone survey as well as representative surveys in poor areas of Dhaka, Chittagong, and Cox Bazar. The results at the first half of 2020 showed job losses and temporary absences were widely reported, with widespread uncertainty about employment and business prospects. The sharp decline in demand for manufactured goods, particularly from the export-oriented ready-made garments sector affected employment - an important driver of poverty reduction in the past. In addition, large labor-income losses have been observed for households engaged in informal services and labor-intensive sectors, due to slower demand and social-distancing measures.

Towards the end of 2020 and start of 2021, however, there are marginal gains with households reporting on improvement in food security and coping strategies. Based on the representative phone survey, households in poor and slum areas of Dhaka and Chittagong self-reported that their food security has improved substantially, linked to the employment gains seen between the two survey rounds. To sustain these gains and reduce vulnerability of households to the impacts of the pandemic, consistent support is needed for strong mitigating measures that include formal safety nets.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	39.6	24.3	2016
International Poverty Line 61.1 in Bangladesh taka (2016) or US$1.90 (2011 PPP) per day per capita	22.6	14.3	2016
Lower Middle Income Class Poverty Line 102.8 in Bangladesh taka (2016) or US$3.20 (2011 PPP) per day per capita	82.6	52.3	2016
Upper Middle Income Class Poverty Line 176.8 in Bangladesh taka (2016) or US$5.50 (2011 PPP) per day per capita	133.0	84.2	2016
Multidimensional Poverty Measure		21.2	2016
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		1.35	2010-2016
INEQUALITY			
Gini Index		32.4	2016
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		-0.19	2010-2016
GROWTH			
Annualized GDP per capita growth		5.25	2010-2016
Annualized Consumption Growth per capita from Household Survey		1.54	2010-2016
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		1.65	2010-2016

Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of Feburary 2021, and Global Monitoring Database for the rest.

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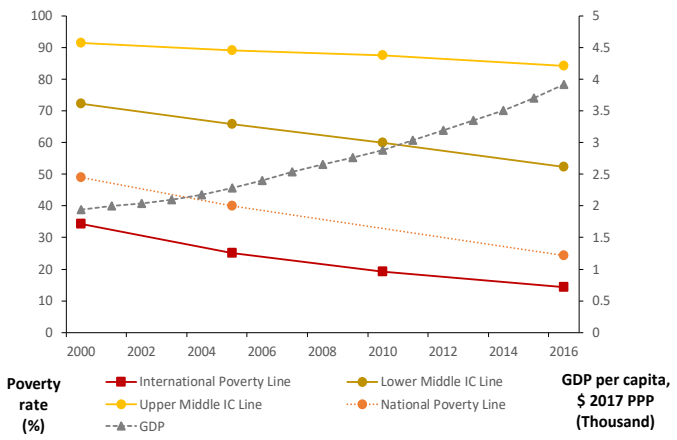
Poverty Economist: Maria Eugenia Genoni

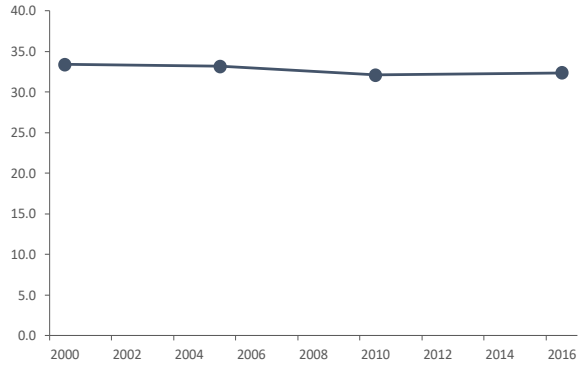
POVERTY HEADCOUNT RATE, 2000-2016



Source: World Bank using HIES/SARMD/GMD

INEQUALITY TRENDS, 2000-2016

Gini Index



Source: World Bank using HIES/SARMD/GMD

KEY INDICATORS

Distribution among groups: 2016	International Poverty Line(%) Non-Poor	Poor	Relative group (%) Bottom 40	Top 60
Urban population	94	6	22	78
Rural population	83	17	47	53
Males	86	14	40	60
Females	85	15	40	60
0 to 14 years old	82	18	46	54
15 to 64 years old	87	13	36	64
65 and older	86	14	40	60
Without education (16+)	81	19	48	52
Primary education (16+)	86	14	41	59
Secondary education (16+)	93	7	26	74
Tertiary/post-secondary education (16+)	97	3	11	89

Source: World Bank using HIES/SARMD/GMD

Notes: N/A missing value, N/A* value removed due to less than 30 observations

Multidimensional Poverty Measures: 2016	(% of population)
Monetary poverty (Consumption)	
Daily consumption less than US$1.90 per person	14.3
Education	
At least one school-aged child is not enrolled in school	8.4
No adult has completed primary education	22.0
Access to basic infrastructure	
No access to limited-standard drinking water	2.8
No access to limited-standard sanitation	54.5
No access to electricity	23.6

Source: World Bank using HIES/SARMD/GMD

POVERTY DATA AND METHODOLOGY

Household expenditure data is collected in the nationally representative quinquennial Household Income Expenditure Survey (HIES). The latest round of the HIES was collected in 2016–17. A household's poverty status is assessed using per capita consumption. Total household consumption is calculated as the sum of all food and non-food expenditures (except for taxes and fees, wedding, and interest and insurance expenses), and rent. Rent is included and imputed when missing.

A household is considered poor if its per capita consumption is lower than the poverty line for the survey strata in which it lives. Poverty lines vary across strata to account for spatial differences in the cost of purchasing basic needs. The national upper and lower poverty lines are set at the cost of consuming 2,122 Cal per person per day and an allowance for non-food expenditure (this allowance is smaller for the lower poverty line and larger for the upper poverty line). Poverty lines are updated between survey rounds using a food prices index that captures food inflation in each stratum and the non-food CPI.

The international poverty line uses the same consumption aggregate to determine whether a household is poor, but does not take spatial price differences into account. This line is the value of $1.90, 2011 PPP.

HARMONIZATION

The numbers in this report are based on SARMD. The South Asia Micro Database (SARMD) is a regional database of socio-economic indicators established in 2014 managed by SARTSD. It includes 40 surveys covering 8 countries. It follows the Global Monitoring Database (GMD) Harmonization guidelines, including the construction of the welfare aggregate which is used for the Global Poverty Monitoring. Terms of use of the data adhere to agreements with the original data producers.

Poverty & Equity Brief

South Asia

Bhutan

April 2021

The share of population living on less than $3.20 per day fell from 14.7 percent in 2012 to 12.2 percent in 2017. While this marks a continuation of progress over previous years, the pace of poverty reduction has slowed down recently. Inequality is relatively high in regional comparison, with the Gini index estimated at 37.4 in 2017. The Shared Prosperity Premium (SPP), which is used to monitor achievements under the Sustainable Development Goal (SDG) 10 on reducing inequality, was slightly negative between 2012 and 2017. This indicates that the growth rate of average per capita consumption outpaced the growth rate of the bottom 40 percent of the distribution. As of 2017, less than 4 percent of Bhutanese live in multidimensional poverty according to the World Bank's Multidimensional Poverty Measure. This compares favorably against countries with similar income levels.

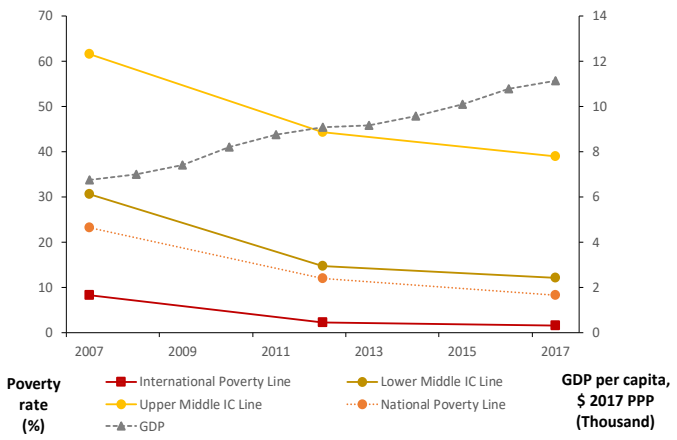
The COVID-19 crisis is expected to have led to a small increase in poverty in 2020, mainly due to high food price inflation and some disruptions in agricultural activities. Food inflation has remained elevated during the pandemic, which likely eroded the purchasing power among the poor who tend to be net buyers of food. Widespread concerns about food security were also borne out by the rapid phone survey, which showed that 45 percent of households worried about running out of food in the last 7 days, nearly 80 percent reported that they reduced the purchase of preferred food due to budget, and a worrying 15 percent ran out of food and lacked the money to buy more. Poverty is almost exclusively rural and with many relying on subsistence-level farming, they are expected to be largely shielded from the labor market shock of the crisis. However, disruptions in the production, transport, and sales of agricultural products could have impacted the income of some farmers that are relatively more commercially oriented. As a result, the $3.20 poverty rate is estimated to have slightly increased to 11.2 percent in 2020, up from 10.7 percent in 2019.

POVERTY	Number of Poor (thousand)	Rate (%)	Period
National Poverty Line	59.6	8.2	2017
International Poverty Line 47.9 in Bhutanese ngultrum (2017) or US$1.90 (2011 PPP) per day per capita	11.5	1.5	2017
Lower Middle Income Class Poverty Line 80.7 in Bhutanese ngultrum (2017) or US$3.20 (2011 PPP) per day per capita	90.6	12.2	2017
Upper Middle Income Class Poverty Line 138.7 in Bhutanese ngultrum (2017) or US$5.50 (2011 PPP) per day per capita	290.2	38.9	2017
Multidimensional Poverty Measure		3.9	2017
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		1.63	2012-2017
INEQUALITY			
Gini Index		37.4	2017
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		-0.05	2012-2017
GROWTH			
Annualized GDP per capita growth		4.17	2012-2017
Annualized Consumption Growth per capita from Household Survey		1.67	2012-2017
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		2.27	2012-2017

Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of Feburary 2021, and Global Monitoring Database for the rest.

Poverty Economist: Yeon Soo Kim

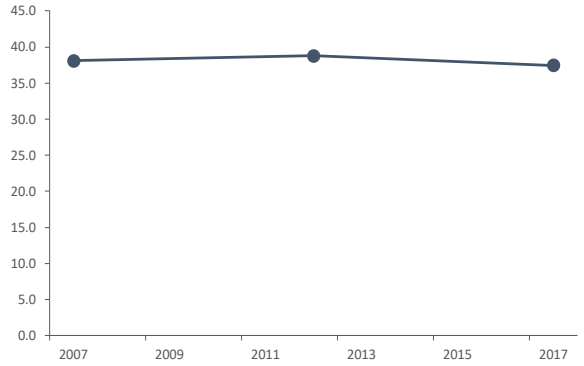
POVERTY HEADCOUNT RATE, 2007-2017



Source: World Bank using BLSS/SARMD/GMD

INEQUALITY TRENDS, 2007-2017

Gini Index



Source: World Bank using BLSS/SARMD/GMD

KEY INDICATORS

Distribution among groups: 2017	Lower Middle Income line(%)		Relative group (%)	
	Non-Poor	Poor	Bottom 40	Top 60
Urban population	98	2	13	87
Rural population	83	17	53	47
Males	88	12	40	60
Females	88	12	40	60
0 to 14 years old	87	13	43	57
15 to 64 years old	89	11	38	62
65 and older	84	16	49	51
Without education (16+)	85	15	48	52
Primary education (16+)	89	11	38	62
Secondary education (16+)	94	6	25	75
Tertiary/post-secondary education (16+)	98	2	10	90

Source: World Bank using BLSS/SARMD/GMD

Notes: N/A missing value, N/A* value removed due to less than 30 observations

Multidimensional Poverty Measures: 2017	(% of population)
Monetary poverty (Consumption)	
Daily consumption less than US$1.90 per person	1.5
Education	
At least one school-aged child is not enrolled in school	4.1
No adult has completed primary education	40.8
Access to basic infrastructure	
No access to limited-standard drinking water	0.4
No access to limited-standard sanitation	14.3
No access to electricity	1.9

Source: World Bank using BLSS/SARMD/GMD

POVERTY DATA AND METHODOLOGY

National poverty estimates in Bhutan are produced by the National Statistics Bureau (NSB), based on the Bhutan Living Standard Surveys (BLSS). Four rounds of BLSS have been conducted so far (2003, 2007, 2012 and 2017), but only the latest three should be used for comparable poverty estimates. Bhutan's national poverty line is an absolute poverty line based on the Cost of Basic Needs approach. This approach estimates the cost of a food bundle that provides a basic minimum level of food energy. The total poverty line is obtained by adding to the food component the cost of the basic non-food allowance. National poverty estimates are important inputs to Five-Year Plans by the Royal Government of Bhutan.

International poverty estimates for Bhutan are based on the international poverty lines of $1.90 and $3.20 per day in 2011 US dollars, converted to Bhutanese Ngultrum using the 2011 PPP. National poverty estimates are useful for comparisons over time within Bhutan or across different groups such as regions. International poverty estimates, on the other hand, should be used for comparisons across countries.

HARMONIZATION

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Poverty & Equity Brief

South Asia

India

April 2021

Before the lockdown of the economy due to the Covid-19 pandemic, extreme poverty in India was continuing its decades old downward trajectory. As a result of the lockdown, labor force dropped by more than 60 million workers in April 2020 as compared to both March 2020 and April 2019.

The impact of the lockdown on employment seems to have been paralleled by a strong impact on household consumption. Mean per capita consumption is estimated to have dropped by 36 percent during the lockdown months (April-July 2020) when compared to the same period in 2019.

The end of the lockdown in July-2020 has mitigated some but not all its impact on labor markets. In the post-lockdown months from July-2020 to February-2021, Indian unemployment rates have recovered to an average of 7.3 percent. This is in fact slightly lower than the 7.6 percent observed during the same months in the previous year (Vyas, 2021[1]). However, the improvement in the overall unemployment rate has occurred due to shrinking of the labor force. Compared to the same months in 2019/2020, the overall size of the labor force was reduced by 12.2 million people in the post-lockdown months of July-February 2021/2020.

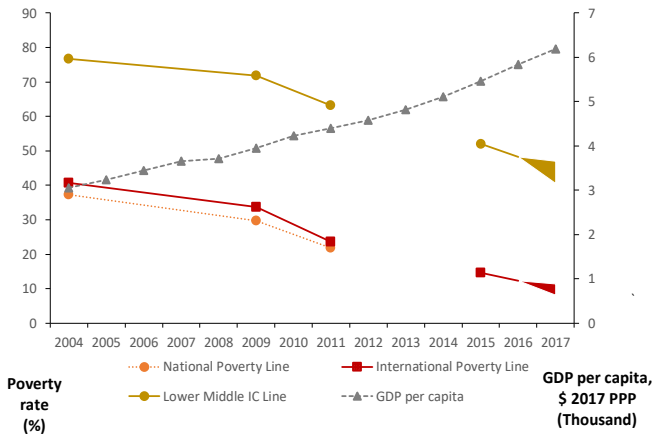
[1] Vyas, Mahesh. "Return to a declining gradient". Business Standard, March 2, 2021.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	275.5	21.9	2011
International Poverty Line US$1.90 (2011 PPP) per day per capita	109.0-151.8*	8.1-11.3*	2017
Lower Middle Income Class Poverty Line US$3.20 (2011 PPP) per day per capita	542.9-629.2*	40.6-47.0*	2017
Upper Middle Income Class Poverty Line US$5.50 (2011 PPP) per day per capita	N/A	N/A	N/A
Multidimensional Poverty Measure		N/A	N/A
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		3.18	2004-2011
INEQUALITY			
Gini Index		35.7	2011
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		-0.48	2004-2011
GROWTH			
Annualized GDP per capita growth		5.35	2004-2011
Annualized Consumption Growth per capita from Household Survey		3.66	2004-2011
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		3.47	2004-2011

Sources: WDI for GDP, National Statistical Offices for national poverty rates until 2011, POVCALNET as of February 2021, and Global Monitoring Database for the rest./ *PSPR2020 box1

Poverty Economist: Pedro Olinto

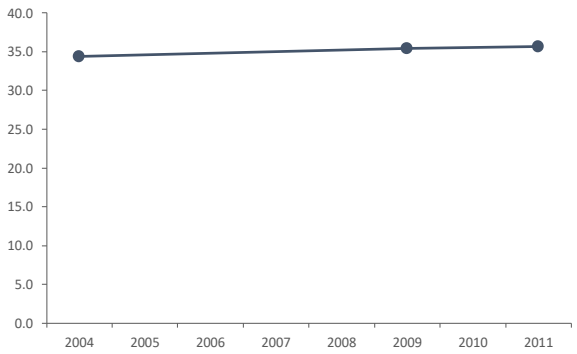
POVERTY HEADCOUNT RATE, 2004-2017



Note: Nowcast for 2015-2017
Source: GMD/SARMD/PSPR2020

INEQUALITY TRENDS, 2004-2011

Gini Index



Source: GMD/SARMD/PSPR2020

KEY INDICATORS

Distribution among groups: 2017	International Poverty Line(%)		Relative group (%)	
	Non-Poor	Poor	Bottom 40	Top 60
Urban population	93	7		N/A
Rural population	88	12		N/A
Males	90	10		N/A
Females	89	11		N/A
0 to 14 years old	85	15		N/A
15 to 64 years old	91	9		N/A
65 and older	91	9		N/A
Without education (16+)	85	15		N/A
Primary education (16+)	90	10		N/A
Secondary education (16+)	94	6		N/A
Tertiary/post-secondary education (16+)	99	1		N/A

Multidimensional Poverty Measures:	(% of population)
Monetary poverty	
Daily income/consumption less than US$1.90 per person	N/A
Education	
At least one school-aged child is not enrolled in school	N/A
No adult has completed primary education	N/A
Access to basic infrastructure	
No access to limited-standard drinking water	N/A
No access to limited-standard sanitation	N/A
No access to electricity	N/A

Source: World Bank

Notes: N/A missing value, N/A* value removed due to less than 30 observations

POVERTY DATA AND METHODOLOGY

The national poverty estimates for India are based on rounds of Household Consumption Expenditure Surveys conducted by the National Sample Survey Office (NSSO). The round conducted in 2011/12 is the most recent for which consumption data is available. In 2014/15 and 2017/18, the NSSO conducted two surveys that did not collect comparable consumption data but did include information on several correlates of household consumption. This information is used to compute household consumption for the two years by utilizing the relationship between household consumption and its characteristics in past years. Reported poverty rates at the international poverty lines use pass-through factors (from household final consumption expenditure to survey consumption) implicit in these imputations. Because the poverty estimates are based on imputations, shared prosperity related indicators are not reported in this Brief. State-wise poverty lines are estimated using the methodology prescribed by the Tendulkar Committee. The all India poverty ratio is obtained as a state-population weighted average poverty ratio. The international poverty estimates are based on the $1.90 per person per day in 2011 PPP terms. The national PPP is disaggregated into rural and urban PPP to reflect cost-of-living differences in these areas.

HARMONIZATION

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Poverty & Equity Brief

South Asia

Maldives

April 2021

Maldives is the first country in South Asia to attain and preserve upper middle-income status, despite a high exposure to external shocks. Year on year real GDP growth in 2018 and 2019 was 4.1 and 3.9 (estimated) percentage points, respectively. However, growth is forecasted to be at an unprecedented low of 29.3 percent in 2020 as the COVID-19 outbreak dampens international tourism, revenues and exports. In 2016 (last year for which figures are available), extreme poverty at 1.90 USD (in 2011 PPP) per person per day was negligible in the country. When benchmarked against the upper middle-income country poverty line at 5.50 USD (or 70 Maldivian Rufiyaa) per person per day, the national poverty rate was 3.58 percent in PPP terms. Inequality, as measured by the Gini Index, has been consistently falling and stands at 31.3 as of 2016. This compares favorably to other South Asian countries.

Recent projections forecast poverty (at $5.50) to have reduced to 2.11 percent in 2019 on the back of three consecutive years of economic growth. Preliminary analyses of HIES 2019 data implies that availability of jobs, driven by tourism and other sectors, may have lifted households out of poverty, especially in atolls. The shock to GDP is expected to increase the poverty rate to 7.24 percent in 2020 nationally. This projection may easily be an underestimation of the actual effect. A deeper inspection of the distribution of expenditures, as estimated by HIES 2016, reveals that a large population of Maldivians lived just above the poverty line, as evidenced by a 1.6% increase in poverty rate between the upper middle-income country line and the national poverty line, which differ by just 4 Maldivian Rufiyaa per person per day. A prolonged shock to key growth sectors will lead to significant sections of the population sliding back into poverty.

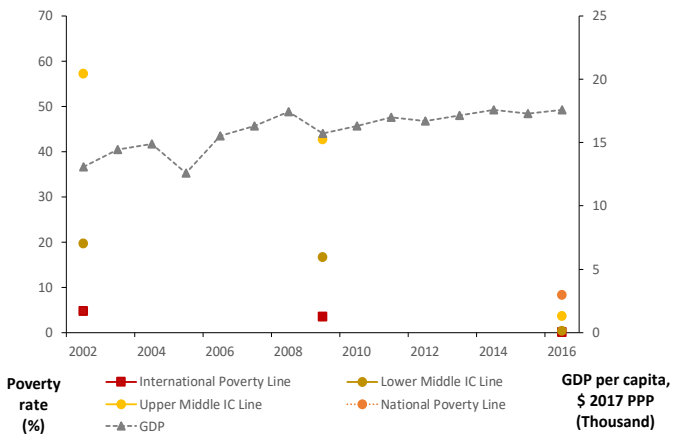
Maldives has witnessed rising COVID-19 case-load since July, even though the fatality rate remains low. The outbreak of COVID-19 took a heavy toll on tourism and although the resort sector has started to open up, the low cost guest-house sector still suffers from intermittent lockdowns. Construction, the other driver of growth, is handicapped by a lack of immigrant workers and uncertainties in government spending on major infrastructure projects. The government has been providing a monthly income support to laid off workers, but it is unclear if this compensation reaches informal workers who have also suffered job/wage losses. Finally, the fiscal space has narrowed considerably due to drastic reductions in revenue which have far outstripped the savings via austerity measures.

POVERTY	Number of Poor (thousand)	Rate (%)	Period
National Poverty Line	39.0	8.2	2016
International Poverty Line 20.2 in Maldivian rufiyaa (2016) or US$1.90 (2011 PPP) per day per capita	0.0	0.0	2016
Lower Middle Income Class Poverty Line 34 in Maldivian rufiyaa (2016) or US$3.20 (2011 PPP) per day per capita	1.1	0.2	2016
Upper Middle Income Class Poverty Line 58.5 in Maldivian rufiyaa (2016) or US$5.50 (2011 PPP) per day per capita	17.0	3.6	2016
Multidimensional Poverty Measure		0.0	2016
SHARED PROSPERITY			
Annualized Income or Consumption Growth per capita of the bottom 40 percent		N/A	N/A
INEQUALITY			
Gini Index		31.3	2016
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		N/A	N/A
GROWTH			
Annualized GDP per capita growth		0.66	2011-2016
Annualized Income or Consumption Growth per capita from Household Survey		N/A	N/A
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		N/A	N/A

Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of Feburary 2021, and Global Monitoring Database for the rest.

Poverty Economist: Upamanyu Datta

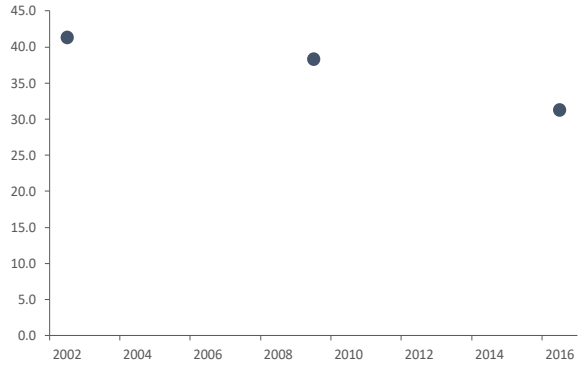
POVERTY HEADCOUNT RATE, 2002-2016



Source: World Bank using HIES/SARMD/GMD

INEQUALITY TRENDS, 2002-2016

Gini Index



Source: World Bank using HIES/SARMD/GMD

KEY INDICATORS

Distribution among groups: 2016	International Poverty Line(%)		Relative group (%)	
	Non-Poor	Poor	Bottom 40	Top 60
Urban population				N/A
Rural population				N/A
Males	100	0	40	60
Females	100	0	40	60
0 to 14 years old	100	0	47	53
15 to 64 years old	100	0	37	63
65 and older	100	0	40	60
Without education (16+)	100	0	50	50
Primary education (16+)	100	0	42	58
Secondary education (16+)	100	0	34	66
Tertiary/post-secondary education (16+)	100	0	37	63

Source: World Bank using HIES/SARMD/GMD

Notes: N/A missing value, N/A* value removed due to less than 30 observations

Multidimensional Poverty Measures: 2016	(% of population)
Monetary poverty (Consumption)	
Daily consumption less than US$1.90 per person	0.0
Education	
At least one school-aged child is not enrolled in school	1.5
No adult has completed primary education	2.2
Access to basic infrastructure	
No access to limited-standard drinking water	0.9
No access to limited-standard sanitation	0.4
No access to electricity	0.0

Source: World Bank using HIES/SARMD/GMD

POVERTY DATA AND METHODOLOGY

The national poverty estimates for Maldives are based on the Household Income & Expenditure Survey, 2016 conducted by the National Bureau of Statistics, Maldives. While there have been previous HIES exercises by NBS, substantial changes in the survey methodology in 2016 to align with international standards prevents a comparison with previous estimates. Key among these changes was a switch to recall method for consumption as opposed to diary methods up to 2009. Rent and durable goods were also added to the exercise in 2016, and spatial price index was used to account for price differentials between Malé and atolls. Poverty estimates are derived from comparing the national welfare aggregate to the international poverty lines of $1.90, $3.20 and $5.50 per person per day in 2011 US dollars (converted to Maldivian Rufiyaa using the 2011 Purchasing Power Parity conversion factor), as well as the national poverty line at 74 MVR per person per day.

HARMONIZATION

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Poverty & Equity Brief

South Asia

Nepal

April 2021

The poverty headcount, calculated at the national poverty line was 42 percent in 1995, gradually declined to 31 percent in 2003 and 12.5 percent in 2010. These improved living standards, evident in large increases in mean capita expenditure from the Nepal Living Standard Surveys led to the revision of the national poverty line. The revised poverty line increased the real value of the poverty threshold by 35 percent, which increased the estimated poverty rate in 2010 to 25 percent. At the international poverty line (PPP $1.9/day), the poverty rate was 15 percent in the same year. In 2018, the Multidimensional Poverty Index (MPI) also reported that about 29 percent of Nepal's population was multidimensionally poor. Updated figures on monetary poverty at the national level will be available once the analysis of the Annual Household Surveys (2013/14-2016/17) is finalized. The fourth Nepal Living Standards Survey that was designed to be representative of Nepal's new provinces and had to be recalled due to the COVID-19 pandemic (in 2020) is expected to be launched again, with an updated sample frame, following the completion of the census in July 2021.

A significant share of vulnerable households in Nepal face the risk of falling back into poverty due to the COVID-19 pandemic. Data from the SAR COVID-19 Phone Monitoring Survey, which covered 6389 individuals in Nepal (about half of which were a follow up to previous representative rural panel survey, the Household Risk and Vulnerability Survey implemented over 2016-18) can be used to assess these risks. These data suggest that labor market exposures to the COVID-19 crisis in Nepal were significant. After 6 months into the first economic lockdowns, 25 percent of workers reported a pemanent job loss; and an additional 19 percent reported a prolonged work absence of 4.4 months on average (with a gap of 4 months since they were last paid). In addition, 46 percent of currently employed workers also reported earnings losses. While men and women experienced a similar overall shock, more women reported permanently losing a job (30 percent versus a 23 percent for male workers). These aggregate job-related losses were also the largest in the South Asia region based on comparable estimates[1], and the employment effects were concentrated amongst women, younger age cohorts, and in the non-agricultural sectors.

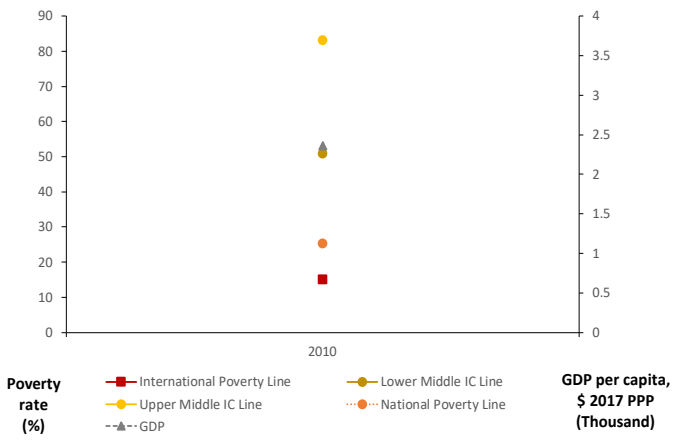
[1] Based on comparable estimates using the SAR COVID-19 monitoring surveys. Bangladesh and Sri Lanka faced large losses as well, with more than 50 percent of the economically active population being adversely affected.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	6.8	25.2	2010
International Poverty Line 45.5 in Nepalese rupee (2010) or US$1.90 (2011 PPP) per day per capita	4.0	15.0	2010
Lower Middle Income Class Poverty Line 76.6 in Nepalese rupee (2010) or US$3.20 (2011 PPP) per day per capita	13.7	50.8	2010
Upper Middle Income Class Poverty Line 131.7 in Nepalese rupee (2010) or US$5.50 (2011 PPP) per day per capita	22.4	83.0	2010
Multidimensional Poverty Measure		30.5	2010
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		7.35	2003-2010
INEQUALITY			
Gini Index		32.8	2010
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		3.58	2003-2010
GROWTH			
Annualized GDP per capita growth		3.24	2003-2010
Annualized Consumption Growth per capita from Household Survey		3.76	2003-2010
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		6.69	2003-2010

Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of Feburary 2021, and Global Monitoring Database for the rest.

Poverty Economist: Nethra Palaniswamy

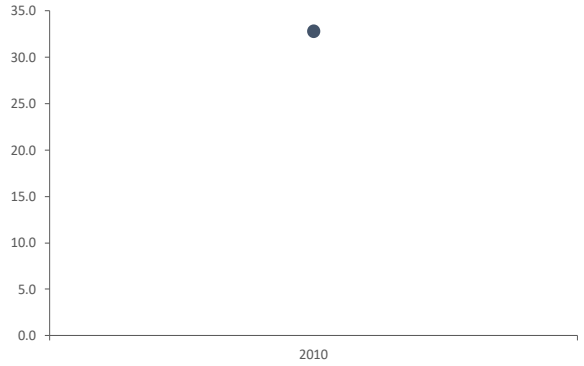
POVERTY HEADCOUNT RATE, 2010



Source: World Bank using LSS-III/SARMD/GMD

INEQUALITY TRENDS, 2010

Gini Index



Source: World Bank using LSS-III/SARMD/GMD

KEY INDICATORS

Distribution among groups: 2010	International Poverty Line(%)		Relative group (%)	
	Non-Poor	Poor	Bottom 40	Top 60
Urban population	91	9	26	74
Rural population	84	16	43	57
Males	85	15	39	61
Females	85	15	40	60
0 to 14 years old	80	20	49	51
15 to 64 years old	88	12	34	66
65 and older	89	11	34	66
Without education (16+)	83	17	44	56
Primary education (16+)	88	12	38	62
Secondary education (16+)	96	4	18	82
Tertiary/post-secondary education (16+)	100	N/A*	N/A*	97

Multidimensional Poverty Measures:	(% of population)
Monetary poverty	
Daily income/consumption less than US$1.90 per person	N/A
Education	
At least one school-aged child is not enrolled in school	N/A
No adult has completed primary education	N/A
Access to basic infrastructure	
No access to limited-standard drinking water	N/A
No access to limited-standard sanitation	N/A
No access to electricity	N/A

Source: World Bank using LSS-III/SARMD/GMD

Notes: N/A missing value, N/A* value removed due to less than 30 observations

POVERTY DATA AND METHODOLOGY

In Nepal, the Central Bureau of Statistics (CBS) produces the poverty estimates based on the Nepal Living Standard Survey (NLSS). The national poverty line for Nepal estimated at Rs 19,262 per person per year in 2010, is an absolute poverty line based on the cost of basic food and non-food needs. International poverty estimates are based on the international poverty line of $1.90 per person per day in US dollars, converted to Nepali rupees using the 2011 Purchasing Power Parity.

The last national poverty update in Nepal, in 2010, was based on the 2010 Nepal Living Standard Survey. While the data from the next round of the survey are unlikely to be available until the end of 2020, the CBS has conducted five rounds of the Annual Household Survey (AHS) from 2012-13 to 2016-17. Meanwhile, the World Bank plans to prepare the poverty update report using the recent AHS before the release of the next national poverty rate estimates from NLSS-IV. In 2017, the Government of Nepal announced the Multidimension Poverty Index (MPI) as an official national poverty measure aligned with the Sustainable Development Goals to complement consumption-based poverty.

HARMONIZATION

The numbers in this report are based on SARMD. The South Asia Micro Database (SARMD) is a regional database of socio-economic indicators established in 2014 managed by SARTSD. It includes 40 surveys covering 8 countries. It follows the Global Monitoring Database (GMD) Harmonization guidelines, including the construction of the welfare aggregate which is used for the Global Poverty Monitoring. Terms of use of the data adhere to agreements with the original data producers.

Poverty & Equity Brief

South Asia

Pakistan

April 2021

Between 2001 and 2015, the poverty headcount decreased from 31.0 to 4.0 percent (measured at the international poverty line of $1.90 PPP 2011 per day). This decline was driven primarily by the expansion of off-farm economic opportunities, and the increase in out-migration and associated remittances. However, by 2018 this poverty reduction trend had stalled. As the country experienced a macroeconomic crisis, the poverty rate had increased to 4.4 percent in 2018.

Despite the earlier progress on poverty reduction, large inequities remain. Poverty rates in rural areas are much higher than in urban areas, and vary significantly across provinces and districts. Also, economic growth has not been shared equally across income groups. The World Bank indicator on shared prosperity shows that between 2013 and 2018, annualized consumption growth per capita for the total population was higher than for the bottom 40 percent of the welfare distribution (1.46 percent and 1.14 percent, respectively).

The prevalence of poverty and income disparities are rooted in key conditions which undermine productivity, resilience and inclusion. The poor are more likely to live in larger households, have lower levels of education, are less attached to formal labor markets, and are more likely to reside in rural areas. Monetary poverty coincides with poor housing conditions and limited access to public services including water, sanitation and electricity. Poor and vulnerable households are also dependent on sources of income that are subject to natural hazards and economic volatility.

In this context, the COVID-19 outbreak and the associated containment measures threaten to worsen living conditions. Half of the working population has faced either job or income losses. The most vulnerable segments of the labor force were the worst affected, with informal and low skilled workers employed in elementary occupations facing the strongest contraction in employment. As a result, poverty is estimated to have increased to 5.4 percent in 2019, plunging more than 2 million people below the poverty line.

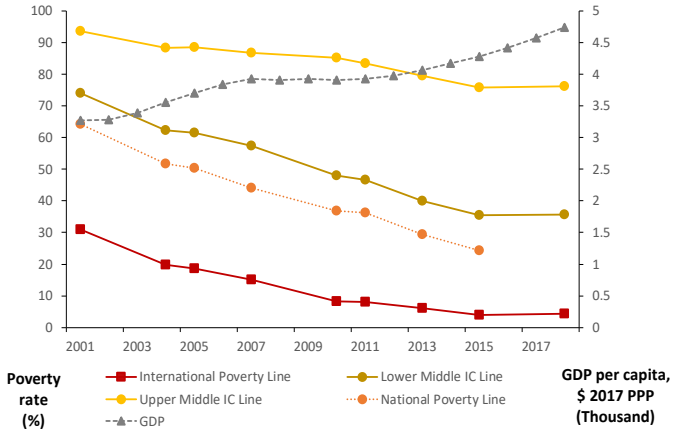
Beyond monetary poverty, Pakistan continues to face serious human capital challenges. Despite reductions in poverty, stunting rates remain high. Furthermore, 18.8 million children were out of school in 2018, most of them girls. The pandemic is expected to have exacerbated these challenges further.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	49.5	24.3	2015
International Poverty Line 75.1 in Pakistan rupee (2018) or US$1.90 (2011 PPP) per day per capita	9.4	4.4	2018
Lower Middle Income Class Poverty Line 126.6 in Pakistan rupee (2018) or US$3.20 (2011 PPP) per day per capita	75.8	35.7	2018
Upper Middle Income Class Poverty Line 217.5 in Pakistan rupee (2018) or US$5.50 (2011 PPP) per day per capita	161.8	76.2	2018
Multidimensional Poverty Measure		N/A	N/A
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		1.14	2013-2018
INEQUALITY			
Gini Index		31.6	2018
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		-0.32	2013-2018
GROWTH			
Annualized GDP per capita growth		3.10	2013-2018
Annualized Consumption Growth per capita from Household Survey		1.46	2013-2018
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		1.04	2013-2018

Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of Feburary 2021, and Global Monitoring Database for the rest.

Poverty Economist: Moritz Meyer

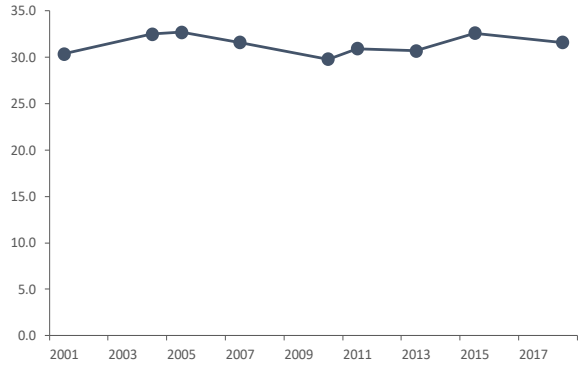
POVERTY HEADCOUNT RATE, 2001-2018



Note: Poverty estimates based on HIES 2018-19 include former FATA regions
Source: World Bank using PSLM/SARMD/GMD

INEQUALITY TRENDS, 2001-2018

Gini Index



Source: World Bank using PSLM/SARMD/GMD

KEY INDICATORS

Distribution among groups: 2018	International Poverty Line(%)		Relative group (%)	
	Non-Poor	Poor	Bottom 40	Top 60
Urban population	99	1	20	80
Rural population	94	6	51	49
Males	96	4	40	60
Females	95	5	40	60
0 to 14 years old	94	6	49	51
15 to 64 years old	97	3	34	66
65 and older	97	3	34	66
Without education (16+)	95	5	49	51
Primary education (16+)	98	2	32	68
Secondary education (16+)	99	1	17	83
Tertiary/post-secondary education (16+)	100	N/A*	7	93

Multidimensional Poverty Measures:	(% of population)
Monetary poverty	
Daily income/consumption less than US$1.90 per person	N/A
Education	
At least one school-aged child is not enrolled in school	N/A
No adult has completed primary education	N/A
Access to basic infrastructure	
No access to limited-standard drinking water	N/A
No access to limited-standard sanitation	N/A
No access to electricity	N/A

Source: World Bank using PSLM/SARMD/GMD

Notes: N/A missing value, N/A* value removed due to less than 30 observations

POVERTY DATA AND METHODOLOGY

The official national poverty rates are produced by the Planning Commission using the Household Income and Expenditure Survey (HIES), which has been produced by the Pakistan Bureau of Statistics (PBS) every alternate year, with some breaks, since 1963. The survey underwent major changes in the questionnaire and sample design during the '90s. There are nine waves of comparable HIES survey rounds currently available over the 2001–2018 period. In 2015, a comparable Household Integrated Income and Consumption Survey (HIICS) was conducted in lieu of the HIES. Survey microdata is publicly available for download on PBS's website.

The welfare metric used to estimate poverty is consumption per adult equivalent. The Food Poverty Line reflects the cost of consuming 2,350 calories per adult equivalent per day, and an upper poverty line is estimated to reflect the expenditure necessary to satisfy non-food needs. The CBN poverty line estimated using the HIES 2013–14 is Pak. Rs. 3,030 per adult equivalent (Rs. 3250 expressed in 2015-16 prices). This yielded a national headcount rate in 2015-16 of 24.3 and urban and rural rates of 12.5 and 30.7, respectively. Official national poverty rates based on the latest round of data (2018) are yet be published.

HARMONIZATION

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Poverty & Equity Brief

South Asia

Sri Lanka

April 2021

The proportion of the population living on less than $3.20 per day (in 2011 PPP) fell from 16.2 percent in 2012/13 to 11 percent in 2016. Projections indicate that poverty further decreased to 9.2 percent by 2019. Poverty reduction over this period was primarily led by strong improvements in nonfarm labor incomes, supported by the movement of labor out of agriculture toward industry and services sectors. The latter benefited from a booming tourism sector as the number of visitors quadrupled between 2009 and 2017. Despite progress, regional disparities remain high: poverty rates in most districts in the Northern and Eastern Province are significantly higher than in the Western Province. Shared prosperity, measured as the per capita consumption growth of the bottom 40 percent, recorded 4.12 between 2012 and 2016. This was slightly lower than the average per capita consumption growth rate, implying that growth was inclusive but less pro-poor.

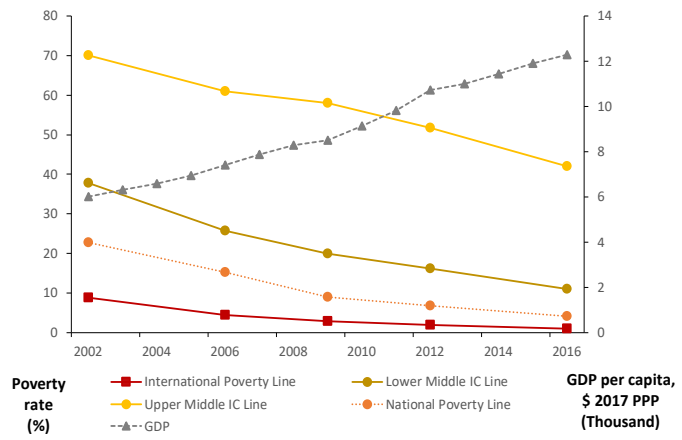
The COVID-19 crisis is estimated to have resulted in higher poverty and inequality amid widespread jobs and earnings losses. While poverty was relatively low in Sri Lanka prior to the pandemic, preexisting vulnerabilities were high owing to high levels of informality that lead to little job-related social protection and low earnings. Projections suggest that the crisis increased the $3.20 poverty rate to 11.7 percent in 2020; this change translates into over 500,000 new poor people. Inequality is also expected to increase in the short run because of the unequal distribution of the labor market shock—this is worrying considering that Sri Lanka had relatively high levels of inequality before the pandemic. Policy measures will need to strike a balance between those that support a resilient recovery and those that aim to include the most vulnerable in the recovery process. Shifting toward a more adaptive social protection system would allow much needed support to be scaled up quickly and effectively in times of crisis.

POVERTY	Number of Poor (thousand)	Rate (%)	Period
National Poverty Line	847.1	4.1	2016
International Poverty Line 104.5 in Sri Lanka rupee (2016) or US$1.90 (2011 PPP) per day per capita	200.4	0.9	2016
Lower Middle Income Class Poverty Line 176 in Sri Lanka rupee (2016) or US$3.20 (2011 PPP) per day per capita	2,332.3	11.0	2016
Upper Middle Income Class Poverty Line 302.6 in Sri Lanka rupee (2016) or US$5.50 (2011 PPP) per day per capita	8,897.9	42.0	2016
Multidimensional Poverty Measure		1.4	2016
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		3.65	2012-2016
INEQUALITY			
Gini Index		39.3	2016
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		-0.47	2012-2016
GROWTH			
Annualized GDP per capita growth		3.49	2012-2016
Annualized Consumption Growth per capita from Household Survey		4.12	2012-2016
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		4.08	2012-2016

Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of Feburary 2021, and Global Monitoring Database for the rest.

Poverty Economist: Yeon Soo Kim

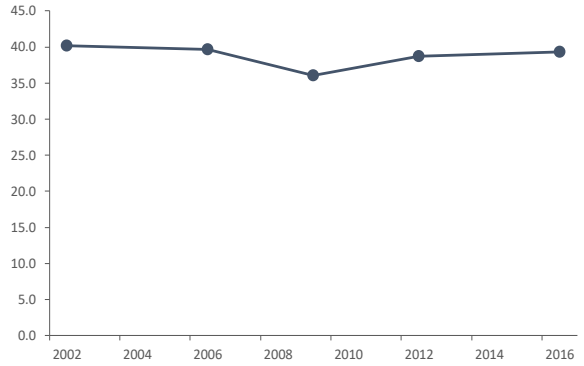
POVERTY HEADCOUNT RATE, 2002-2016



Source: World Bank using HIES/SARMD/GMD

INEQUALITY TRENDS, 2002-2016

Gini Index



Source: World Bank using HIES/SARMD/GMD

KEY INDICATORS

Distribution among groups: 2016	Upper Middle Income line(%)		Relative group (%)	
	Non-Poor	Poor	Bottom 40	Top 60
Urban population	72	28	26	74
Rural population	55	45	43	57
Males	58	42	40	60
Females	58	42	40	60
0 to 14 years old	52	48	46	54
15 to 64 years old	60	40	38	62
65 and older	60	40	38	62
Without education (16+)	34	66	64	36
Primary education (16+)	44	56	54	46
Secondary education (16+)	64	36	34	66
Tertiary/post-secondary education (16+)	93	7	6	94

Source: World Bank using HIES/SARMD/GMD

Notes: N/A missing value, N/A* value removed due to less than 30 observations

Multidimensional Poverty Measures: 2016	(% of population)
Monetary poverty (Consumption)	
Daily consumption less than US$1.90 per person	0.9
Education	
At least one school-aged child is not enrolled in school	4.0
No adult has completed primary education	3.8
Access to basic infrastructure	
No access to limited-standard drinking water	12.5
No access to limited-standard sanitation	0.8
No access to electricity	2.5

Source: World Bank using HIES/SARMD/GMD

POVERTY DATA AND METHODOLOGY

Poverty estimates are derived from comparing the international welfare aggregate to the international poverty lines of $1.90, $3.20 and $5.50 per day in 2011 US dollars, converted to Sri Lankan rupees using the 2011 Purchasing Power Parity conversion factor. The international poverty rate is appropriate for cross-country comparisons, while the national poverty line is appropriate for comparisons of different groups within Sri Lanka, or for tracking changes over time in the ability of households to afford a subsistence level of goods. The national poverty line is based on 2002 data and therefore reflects a basket of goods required to achieve a minimum number of calories based on the prevailing expenditure patterns at that time. Both the international and national poverty lines are inflated using the Colombo Consumer Price Index. The welfare aggregate used to calculate international poverty does not deflate the welfare aggregate to account for spatial variation in prices, whereas the welfare aggregate used to calculate national poverty is deflated with a district-level food price index constructed from unit values of the household survey. The 2012/13 and 2016 surveys are representative of the entire country, including the former conflict districts in the North and East.

HARMONIZATION

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