Poverty—measured as income below the Upper Middle Income Class Poverty Line of $5.50 per person per day 2011 **PPP—declined** from 25.8 percent in 2015 to 20.8 percent in 2017. The poverty headcount is estimated to have declined further to 18.9 percent in 2019. During **2015–19,** continued economic growth (mainly driven by services and, to a lesser extent, industry and agriculture) and labor market recovery led to improved employment rates and increased earnings, mainly driven by wage growth in the private sector. The employment rate of the population aged 15 and above increased from 42.5 percent in 2015 to 47.6 percent in 2018, while unemployment has been on a continuous decline. These factors largely contributed to the decline in poverty. While the poverty headcount decreased across geographical regions of Serbia, rural and thinly populated areas continue to house more than half of the country's poor.

Economic growth with broad-based job creation has benefited the less well-off. A positive shared prosperity premium for the 2013-2017 period reflects the fact that income of the bottom 40 percent of the population grew by 3.89 percent on average per year, higher than average for the population. The median income in the population increased by 2.8 percent on average per year during this period. The Gini index has declined slightly, though it remains relatively high in the European context.
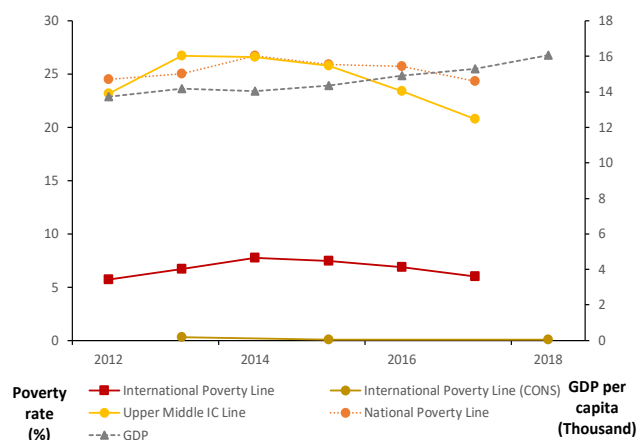
Aside from income or consumption, other factors such as education or access to basic infrastructure are also important dimensions of poverty. The World Bank's multidimensional poverty measure shows that 0.2 percent of the population in Serbia are multidimensionally poor, considering consumption of less than $1.90 per person per day 2011 PPP, lacking education, or no access to basic infrastructure services.

The COVID-19 pandemic and the related containment measures are having a heavy toll on the global economy and will affect the Serbian economy, which is expected to enter into recession in 2020. Aside from the direct impacts on health outcomes, the anticipated declines in services, lower investments, depressed demand for Serbian exports, and mobility restrictions will hurt jobs and labor income. Poor and vulnerable households may be disproportionately affected since they depend more on self employment and less secure jobs, while having less savings and fewer coping mechanisms. Aggregate macroeconomic policy responses will need to be complemented with short-term measures to mitigate impacts on the poor and vulnerable.

POVERTY	Number of Poor (thousand)	Rate (%)	Period
National Poverty Line	1,706.4	24.3	2017
International Poverty Line (Income) 107.6 in Serbian dinar (2017) or US$1.90 (2011 PPP) per day per capita	421.8	6.0	2017
International Poverty Line (Consumption) 109.7 in Serbian dinar (2018) or US$1.90 (2011 PPP) per day per capita	4.8	0.1	2018
Upper Middle Income Class Poverty Line (Income) 311.3 in Serbian dinar (2017) or US$5.50 (2011 PPP) per day per capita	1,459.1	20.8	2017
Multidimentional Poverty Measure		0.2	2018
SHARED PROSPERITY			
Annualized Income Growth per capita of the bottom 40 percent		3.89	2013-2017
INEQUALITY			
Gini Index		37.2	2017
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		2.41	2013-2017
GROWTH			
Annualized GDP per capita growth		1.89	2013-2017
Annualized Income Growth per capita from Household Survey		1.48	2013-2017
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		2.83	2013-2017

Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of Feburary 2020, and Global Monitoring Database for the rest.
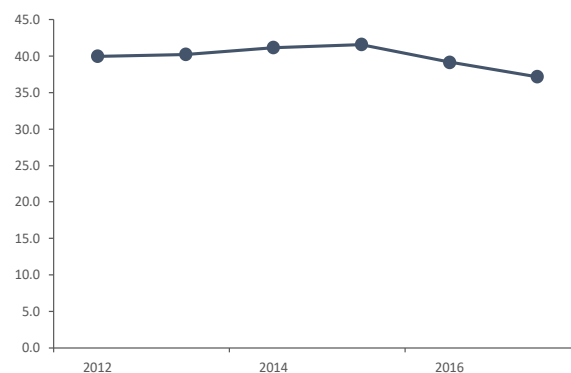
POVERTY HEADCOUNT RATE, 2012-2018

Poverty rate (%)	
■ International Poverty Line	● International Poverty Line (CONS)
● Upper Middle IC Line	● National Poverty Line
▲ GDP	

GDP per capita (Thousand)

Source: World Bank using EU-SILC/ECAPOV/GMD

INEQUALITY TRENDS, 2012-2017

Gini Index

Source: World Bank using EU-SILC/ECAPOV/GMD

KEY INDICATORS

Distribution among groups: 2017	Upper Middle Income line(%)		Relative group (%)	
	Non-Poor	Poor	Bottom 40	Top 60
Urban population				N/A
Rural population				N/A
Males	79	21	40	60
Females	81	19	39	61
0 to 14 years old	70	30	52	48
15 to 64 years old	79	21	41	59
65 and older	89	11	29	71
Without education (16+)	64	36	62	38
Primary education (16+)	79	21	42	58
Secondary education (16+)	93	N/A*	N/A*	80
Tertiary/post-secondary education (16+)	95	5	15	85

Source: World Bank using EU-SILC/ECAPOV/GMD

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

Multidimensional Poverty Measures (% of people):	2018
Monetary poverty (Consumption)	
Daily consumption less than US$1.90 per person	0.1
Education	
At least one school-aged child is not enrolled in school	0.7
No adult has completed primary education	3.2
Access to basic infrastructure	
No access to limited-standard drinking water	0.2
No access to limited-standard sanitation	2.1
No access to electricity	0.1

Source: World Bank using HBS/ECAPOV/GMD

POVERTY DATA AND METHODOLOGY

National poverty estimates in Serbia are produced by the Statistical Office of the Republic of Serbia based on the Survey on Income and Living Conditions (SILC), which collects income from the previous calendar year. Poverty measures based on the SILC have been published annually since 2013. The national at-risk-of poverty line is defined as 60 percent of the equivalized median disposable income after social transfers. The World Bank's international poverty rates, based on the "dollar a day" methodology, are headcounts of the poor in a given country based on international thresholds, translated into local currencies, and adjusted for temporal and spatial price differences. The poverty lines of $3.20 and $5.50 per person per day in 2011 PPP reflect the typical national poverty lines of lower and upper middle income countries, respectively. These poverty estimates can be useful for cross-country comparison. National and international poverty levels and trends for Serbia can be different due to different types of poverty lines (relative versus absolute) and different values of the lines. For the purpose of the World Bank Global Poverty Monitoring, regional and global aggregates are produced using consumption. Both income and consumption poverty trends can be found in Povcalnet. The multidimensional poverty index describes the share of people who are considered multidimensionally deprived, that is, if they fall short of the threshold in at least one dimension (monetary poverty, lacking education or basic infrastructure services) or in a combination of indicators whose weights add up to 1/3 or more.

HARMONIZATION

The numbers presented in this brief are based on the ECAPOV database. The ECAPOV micro database was established in 1998 to support a regional poverty report. The database is managed and harmonized by the Europe and Central Asia Team for Statistical Development (ECATSD). ECAPOV includes 29 countries, with an average of 8 surveys per country. Recently, EU-SILC data for EU countries, received from Eurostat, have been added to the collection. Each survey in ECAPOV is organized into 6 modules following the Global Monitoring Database (GMD) harmonization guidelines, including the construction of the welfare aggregate which is used for Global Poverty Monitoring. Terms of use of the data adhere to agreements with the original data producers.

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