

# Poverty & Equity Brief

Middle East & North Africa

## Jordan

October 2020

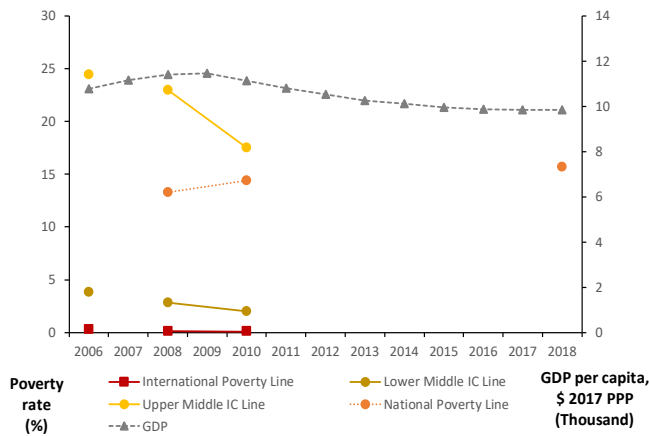
The poverty estimates for Jordan are based on the Household Income and Expenditure Survey (HIES). In 2010-11, the national poverty rate was 14.4 percent. In 2019, the Government of Jordan announced a new national poverty rate of 15.7 percent. This estimate is from the 2017-18 HIES and emerged after an in-depth redesign and systematic diagnostic of the survey supported by the World Bank. Because of the various improvements, the new estimate is not comparable to the 2010-11 figure and it has not yet been reflected in the World Bank central data or the international poverty measures in the table below. The household impacts of the COVID-19 shock raise serious concerns for household welfare. The declines in households' labor and remittances incomes due to the COVID-19 shock and subsequent economic slowdown are expected to increase poverty in the near-term by 11 percentage points, although the government emergency response through cash transfers and continued expansion of the social safety net can help mitigate about a third of that increase. Although there is uncertainty about the economic recovery path, as lockdown restrictions are lifted and employment recovers, poverty is expected to return to pre-crisis levels by the end of 2021. Household recovery will be uneven; informal workers and those in interaction-intensive services sectors like construction, transportation and hospitality will see depressed incomes for longer.

Updated estimates on inequality are not yet available (the Gini Index was 33.7 in 2010-11). A multidimensional poverty measure is available using the 2010-11 data. This measure is based on the degree of extreme monetary poverty at the international \$PPP 1.90 line (almost non-existent in Jordan), education deficits (3 percent of school-aged children are not enrolled and 1.8 percent of people live in a household where no adult completed primary education) and lack of access to basic infrastructure—drinking water, sanitation and electricity—(almost non-existent). With Jordan performing very well on these measures, multidimensional poverty on this World Bank international measure is only 0.3 percent.

POVERTY	Number of Poor (thousand)	Rate (%)	Period
National Poverty Line	1,563.1	15.7	2018
International Poverty Line 0.8 in Jordanian dinar (2010) or US\$1.90 (2011 PPP) per day per capita	7.6	0.1	2010
Lower Middle Income Class Poverty Line 1.4 in Jordanian dinar (2010) or US\$3.20 (2011 PPP) per day per capita	147.8	2.0	2010
Upper Middle Income Class Poverty Line 2.4 in Jordanian dinar (2010) or US\$5.50 (2011 PPP) per day per capita	1,270.2	17.5	2010
Multidimensional Poverty Measure		0.3	2010
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		4.57	2008-2010
INEQUALITY			
Gini Index		33.7	2010
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		-1.21	2008-2010
GROWTH			
Annualized GDP per capita growth		-1.29	2008-2010
Annualized Consumption Growth per capita from Household Survey		5.77	2008-2010
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		5.12	2008-2010

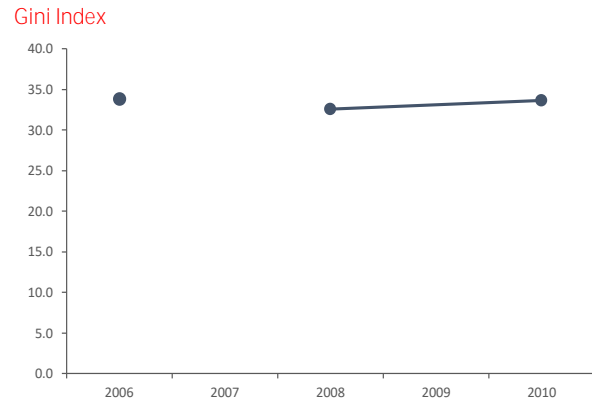
Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of September 2020, and Global Monitoring Database for the rest.

## POVERTY HEADCOUNT RATE, 2006-2018



Source: World Bank using HEIS/MNAPOV/GMD

## INEQUALITY TRENDS, 2006-2010



Source: World Bank using HEIS/MNAPOV/GMD

## KEY INDICATORS

Distribution among groups: 2010	Upper Middle Income line(%)		Relative group (%)		Multidimensional Poverty Measures: 2010 (% of population)
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	83	17	38	62	<b>Monetary poverty (Consumption)</b> Daily consumption less than US\$1.90 per person 0.1
Rural population	78	22	51	49	
Males	83	17	40	60	<b>Education</b> At least one school-aged child is not enrolled in school 3.0 No adult has completed primary education 1.8
Females	82	18	40	60	
0 to 14 years old	76	24	52	48	<b>Access to basic infrastructure</b> No access to limited-standard drinking water 0.2 No access to limited-standard sanitation 0.0 No access to electricity 0.0
15 to 64 years old	86	14	35	65	
65 and older	91	9	20	80	
Without education (16+)	79	21	40	60	
Primary education (16+)	80	20	41	59	
Secondary education (16+)	85	15	39	61	
Tertiary/post-secondary education (16+)	95	5	17	83	

Source: World Bank using HEIS/MNAPOV/GMD

Source: World Bank using HEIS/MNAPOV/GMD

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

## POVERTY DATA AND METHODOLOGY

The 2017/18 HIES reached around a total of 20,000 sample households, enabling quarterly estimates of national poverty, as well as governorate levels over a year. Poverty estimates for non-Jordanians (which include Syrian nationals) will be representative only at a national level. A 'cost of basic needs' (CBN) approach was used to estimate poverty. This line was based on a common national caloric requirement of 2,377 calories per capita per day, and a common food and non-food basket for all households. The changes to the survey mean the 2017-18 estimates are not comparable to the 2010-11 estimates.

The World Bank's Multidimensional Poverty Measure (MPM) captures a broader assessment of wellbeing, beyond monetary poverty. Currently, the reported measure includes indicators on monetary poverty, education and access to basic infrastructure. Data availability permitting, the future measure may include health and nutrition, and security as new dimensions. The MPM is expressed as a percentage of the population that is multidimensionally poor. For more on how the MPM is calculated please see the World Bank's 2018 Poverty and Shared Prosperity Report, p.90.

## HARMONIZATION

The numbers presented in this brief are based on the MNAPOV database. MNAPOV is a new data collection effort enacted in 2014, and managed by MNATSD. It covers 36 surveys from 11 countries. Two data points (surveys) are available for each country, except Algeria. The database is organized in 3 modules following the Global Monitoring Database (GMD) Harmonization guidelines, including the welfare aggregate which is used for Global Poverty Monitoring. Terms of use of the data adhere to agreements with the original data producers.