

South Asia



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Poverty & Equity Brief

South Asia

Bangladesh

October 2020

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. Measures of poverty using the international extreme poverty line 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.

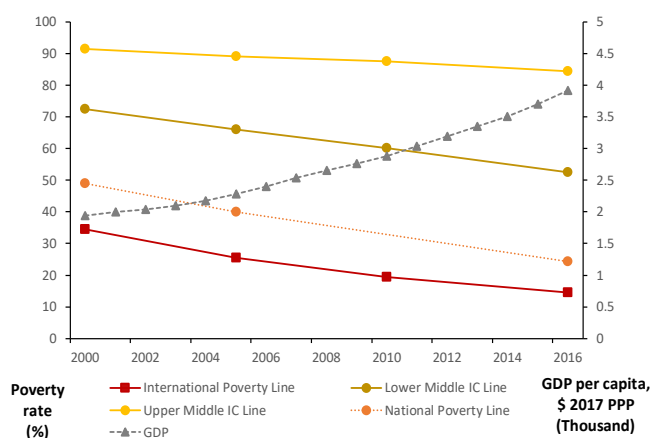
The ongoing COVID-19 pandemic has created an unprecedented crisis in Bangladesh that risks erasing the substantial progress in household incomes and poverty reduction achieved in the past. Job losses and temporary absences were widely reported in representative surveys in poor areas of Dhaka, Chittagong and Cox's Bazaar, 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 has affected employment, an important driver of poverty reduction in the past. In addition, large labor-income losses have been observed so far for households engaged in informal services and labor-intensive sectors, due to slower demand and social-distancing measures. Urban areas will continue to be disproportionately affected, with an estimated 68 percent of directly affected workers located in Dhaka and Chittagong.

Moreover, the domestic COVID-19 outbreak and the consequent healthcare burden, together with related disruptions, will likely exacerbate the negative impacts on access to services and poverty. In the absence of mitigating measures, the welfare impacts of the pandemic are likely to be widespread and long-lasting. As formal safety nets are limited, households may likely need to reduce consumption and deplete assets and savings, to cope with the income losses or to finance extraordinary health expenses.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	39.6	24.3	2016
International Poverty Line 61.6 in Bangladesh taka (2016) or US\$1.90 (2011 PPP) per day per capita	22.9	14.5	2016
Lower Middle Income Class Poverty Line 103.7 in Bangladesh taka (2016) or US\$3.20 (2011 PPP) per day per capita	83.0	52.5	2016
Upper Middle Income Class Poverty Line 178.2 in Bangladesh taka (2016) or US\$5.50 (2011 PPP) per day per capita	133.2	84.3	2016
Multidimensional Poverty Measure		21.4	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 September 2020, and Global Monitoring Database for the rest.

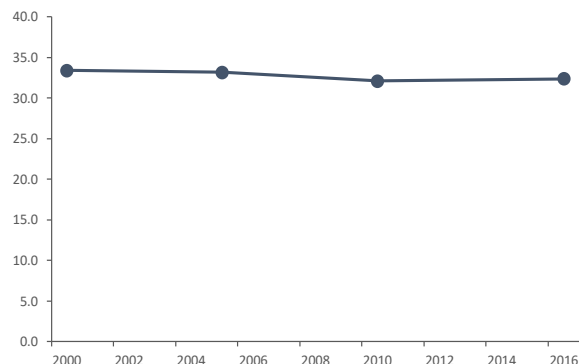
POVERTY HEADCOUNT RATE, 2000-2016



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(%)		Relative group (%)		Multidimensional Poverty Measures: 2016 (% of population)
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	94	6	22	78	Monetary poverty (Consumption) Daily consumption less than US\$1.90 per person 14.5
Rural population	82	18	47	53	
Males	86	14	40	60	Education At least one school-aged child is not enrolled in school 8.4 No adult has completed primary education 22.0
Females	85	15	40	60	
0 to 14 years old	82	18	46	54	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
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

Source: World Bank using HIES/SARMD/GMD

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

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 strata and the non-food CPI.

The international dollar 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

October 2020

Bhutan has made great strides in reducing poverty and raising living standards in recent years, though progress has slowed down. Measured against the benchmark of \$3.20 per day for lower middle-income countries, the poverty headcount ratio fell from 14.7 percent in 2012 to 12.2 percent in 2017. While still an improvement, this represents a slowdown in the pace of poverty reduction compared to 2007-2012 when poverty declined from 30.6 percent to 14.7 percent. The Gini index was 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.

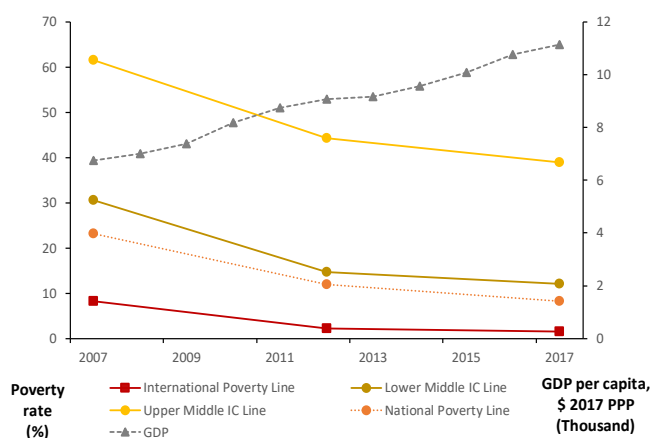
The COVID-19 pandemic is expected to significantly slow down the pace of poverty reduction. The poverty headcount rate at \$3.20 per day is projected to remain unchanged at 11 percent in 2020. The impact will likely be largest for services sector workers in urban areas, particularly those in tourism-allied sectors many of whom have experienced jobs and earnings losses since the outbreak. Temporary cash support through the Druk Gyalpo's Relief Kidu should help mitigate the impact of earnings losses. Since almost all of the poor live in rural areas, primarily engaged in subsistence agriculture, they have been relatively shielded from the economic fallout of the pandemic.

Less than 4 percent of Bhutanese live in multidimensional poverty as of 2017, which compares favorably among countries with similar income levels. This Multidimensional Poverty Measure (MPM) is the World Bank's own global measure and provides a more holistic view of poverty and deprivation, combining monetary poverty with measures of education and access to basic infrastructure services into a single index. The latter includes access to adequate drinking water, sanitation and electricity. The share of people without access to limited-standard sanitation was 13.7 percent which is relatively high compared to the overall MPM. 40.8 percent of adults have not completed primary education. This mainly reflects very low education levels among older cohorts.

POVERTY	Number of Poor (thousand)	Rate (%)	Period
National Poverty Line	59.6	8.2	2017
International Poverty Line 47.7 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 80.3 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 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 September 2020, and Global Monitoring Database for the rest.

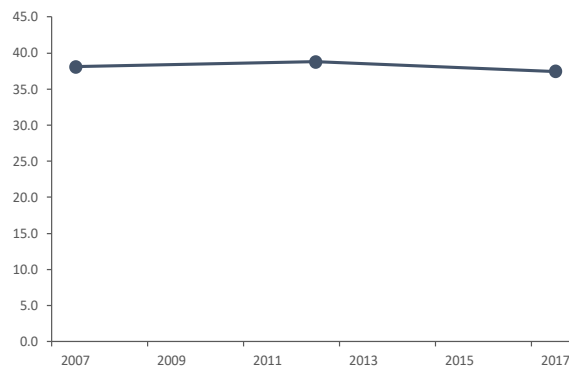
POVERTY HEADCOUNT RATE, 2007-2017



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 (%)		Multidimensional Poverty Measures: 2017 (% of population)
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	98	2	13	87	Monetary poverty (Consumption) Daily consumption less than US\$1.90 per person 1.5
Rural population	83	17	53	47	
Males	88	12	40	60	Education At least one school-aged child is not enrolled in school 4.1 No adult has completed primary education 40.8
Females	88	12	40	60	
0 to 14 years old	87	13	43	57	Access to basic infrastructure No access to limited-standard drinking water 0.4 No access to limited-standard sanitation 13.7 No access to electricity 1.9
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

Source: World Bank using BLSS/SARMD/GMD

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

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

October 2020

Between FY2011/12 and 2017, India's poverty rate is estimated to have declined from 22.5 percent to values ranging from 8.1 to 11.3 percent at the international poverty line (2011 PPP \$1.90 per person per day). However, as a result of the COVID-19 outbreak, poverty rates in 2020 are estimated to revert to levels observed in 2016.

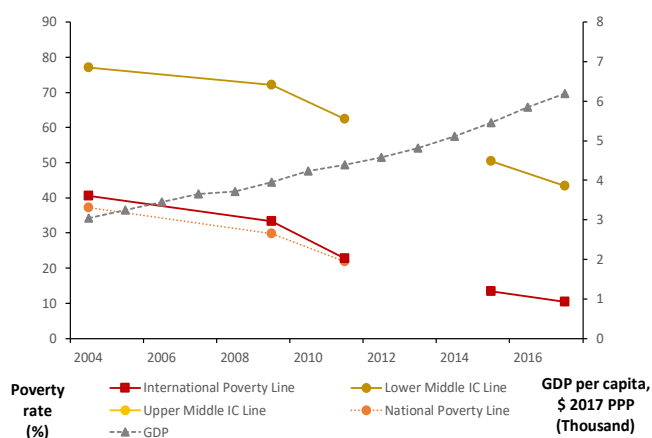
Recent household survey data suggest that as result of the outbreak, labor force participation rate in India was 3.2 percentage points lower in the last week of August than in the months leading-up to the lockdown. Between the last four months of 2019 and May-August 2020, the proportion of people working in urban and rural areas fell by 4.2 and 3.8 percentage points, respectively. Overall, the pandemic has likely raised urban poverty, creating a set of new poor that are likely to be engaged in non-farm sector and receive at least secondary or tertiary education, as compared to existing poorer households who are predominantly rural.

Even before the pandemic, broad-based poverty reduction with respect to traditionally excluded groups, such as women, and extending gains to a broader range of human development outcomes was a major challenge in India. The pandemic has further magnified these vulnerabilities. The government's emergency social protection programs have arrested the full magnitude of the COVID-19's impact. Yet, households employed in the urban informal sector continue to be exposed to COVID-19 induced vulnerabilities as they are excluded from the current social protection framework, highlighting the need for a coherent social protection system. Uncertainty about the return of approximately 30 million urban outmigrants who had returned to rural locations during the pandemic, means that creating new livelihood opportunities at scale will continue to be a challenge.

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	139.1*	10.4*	2017
Lower Middle Income Class Poverty Line US\$3.20 (2011 PPP) per day per capita	581.0*	43.4*	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		3.20	2004-2011
INEQUALITY			
Gini Index		35.7	2011
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		-0.49	2004-2011
GROWTH			
Annualized GDP per capita growth		5.35	2004-2011
Annualized Consumption Growth per capita from Household Survey		3.69	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, POVCALNET as of September 2020, and Global Monitoring Database for the rest. / * stands for nowcast

POVERTY HEADCOUNT RATE, 2004-2017

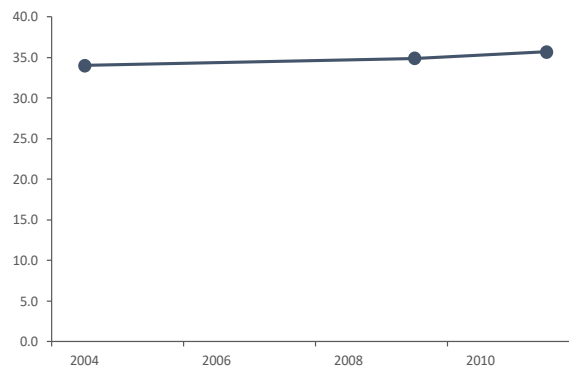


Note: Nowcast for 2015-2017

Source: World Bank using /SARMD/GMD

INEQUALITY TRENDS, 2004-2011

Gini Index



Source: World Bank using /SARMD/GMD

KEY INDICATORS

Distribution among groups: 2017	International Poverty Line(%)		Relative group (%)		Multidimensional Poverty Measures: (% of population)
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	93	7	N/A	N/A	Monetary poverty (Consumption)
Rural population	88	12	N/A	N/A	Daily consumption less than US\$1.90 per person
Males	90	10	N/A	N/A	
Females	89	11	N/A	N/A	Education
0 to 14 years old	85	15	N/A	N/A	At least one school-aged child is not enrolled in school
15 to 64 years old	91	9	N/A	N/A	No adult has completed primary education
65 and older	91	9	N/A	N/A	
Without education (16+)	85	15	N/A	N/A	Access to basic infrastructure
Primary education (16+)	90	10	N/A	N/A	No access to limited-standard drinking water
Secondary education (16+)	94	6	N/A	N/A	No access to limited-standard sanitation
Tertiary/post-secondary education (16+)	99	1	N/A	N/A	No access to electricity

Source: World Bank using /SARMD/GMD

Source: World Bank using NSS-SCH1/SARMD/GMD

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

October 2020

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 6.9 and 5.9 (estimated) percentage points respectively. However, growth is forecasted to be at an unprecedented low of – 19.5 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 3.43 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.

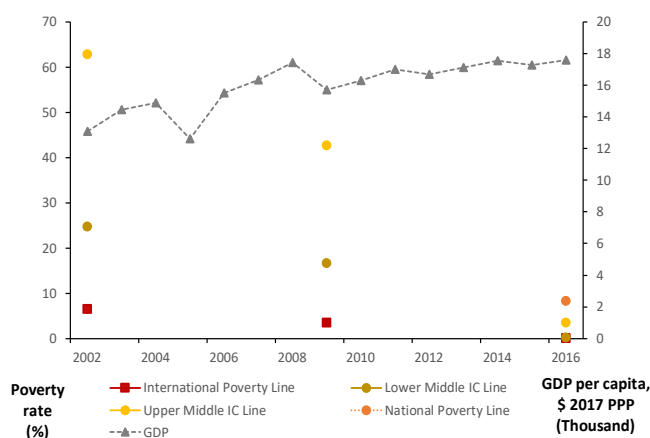
Recent projections forecast poverty to have reduced to 2.47 percent in 2019 on the back of 3 years economic growth of above 5 percent annually. The shock to GDP is expected to increase the poverty rate to 5.56 percent in 2020. This projection may easily be an underestimation of the actual effect. A deeper 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. We can expect that the 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 continues to take a heavy toll on tourism even though the resort sector has started to open up. International arrivals remain low, due to economic contraction and fears of a second wave in Europe. 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 24.2 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 40.7 in Maldivian rufiyaa (2016) or US\$3.20 (2011 PPP) per day per capita	0.8	0.2	2016
Upper Middle Income Class Poverty Line 70 in Maldivian rufiyaa (2016) or US\$5.50 (2011 PPP) per day per capita	16.3	3.4	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 September 2020, and Global Monitoring Database for the rest.

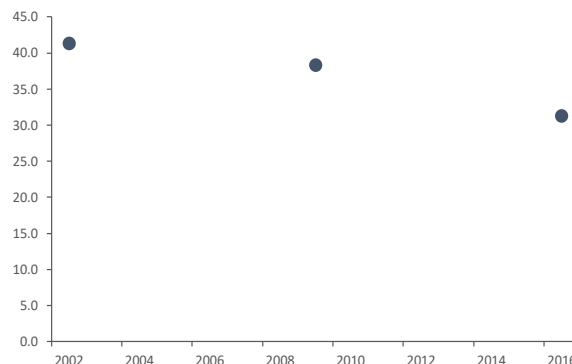
POVERTY HEADCOUNT RATE, 2002-2016



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 (%)		Multidimensional Poverty Measures: 2016 (% of population)
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	100	N/A*	15	85	Monetary poverty (Consumption)
Rural population	100	N/A*	58	42	Daily consumption less than US\$1.90 per person
Males	100	N/A*	40	60	
Females	100	N/A*	40	60	Education
0 to 14 years old	100	N/A*	47	53	At least one school-aged child is not enrolled in school
15 to 64 years old	100	N/A*	37	63	No adult has completed primary education
65 and older	100	N/A*	40	60	
Without education (16+)	100	N/A*	50	50	Access to basic infrastructure
Primary education (16+)	100	N/A*	42	58	No access to limited-standard drinking water
Secondary education (16+)	100	N/A*	34	66	No access to limited-standard sanitation
Tertiary/post-secondary education (16+)	100	N/A*	37	63	No access to electricity

Source: World Bank using HIES/SARMD/GMD

Source: World Bank using HIES/SARMD/GMD

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

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

October 2020

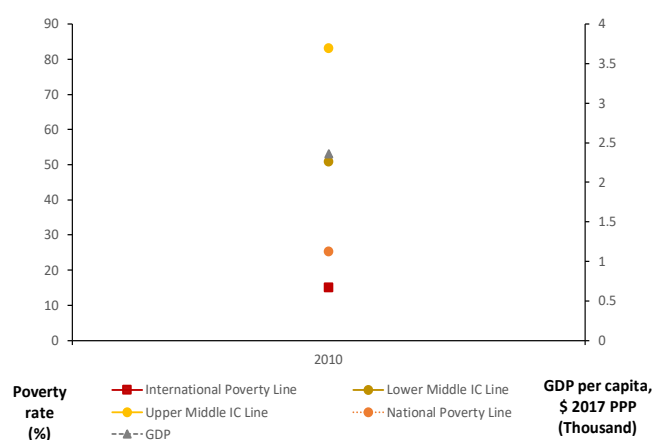
The poverty headcount, calculated at the national poverty line was 42 percent in 1995, which gradually declined to 31 percent in 2003 and 12.5 percent in 2010. The significant reduction in poverty accompanied by an increase in mean per capita expenditures reflected in the Nepal Living Standard Surveys resulted in the revision of the national poverty line to reflect these improved living standards in 2010. The revised poverty line increased the real value of the poverty threshold by 35 percent, and the poverty rate in 2010 was estimated to be 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 was launched in March 2020 but had to be recalled due to the COVID-19 pandemic.

A significant share of vulnerable households in Nepal face the risk of falling back into poverty due to COVID-19. Specifically, this pandemic is likely to have direct impacts on remittances, which have been a key driver of past poverty reduction; weaken labor markets in an economy dominated by agriculture and informal services; and impact non-monetary outcomes given the high share of private spending on health and education (Shrestha, 2017; World Bank, 2018). In this context, especially with the absence of recent poverty and microdata, there is also an urgent need to understand how socio-economic indicators that proxy welfare are evolving with this crisis. Data from the SAR COVID-19 monitoring phone surveys, which will soon become available, will help to track the evolving impacts of the pandemic on labor markets, access to assistance, as well as coping strategies.

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 76.7 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		28.2	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

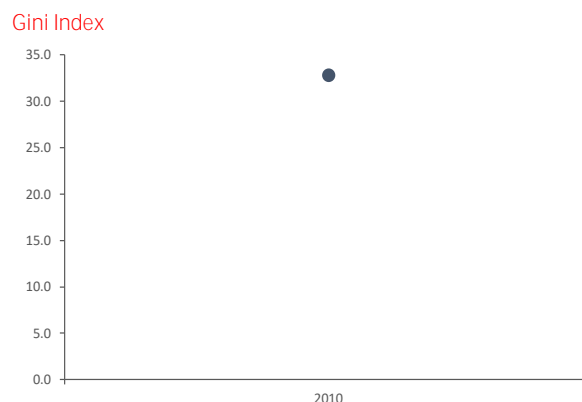
Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of September 2020, and Global Monitoring Database for the rest.

POVERTY HEADCOUNT RATE, 2010



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

INEQUALITY TRENDS, 2010



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

KEY INDICATORS

Distribution among groups: 2010	International Poverty Line(%)		Relative group (%)		Multidimensional Poverty Measures: 2010 (% of population)
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	91	9	26	74	Monetary poverty (Consumption) Daily consumption less than US\$1.90 per person 15.0
Rural population	84	16	43	57	
Males	85	15	39	61	Education At least one school-aged child is not enrolled in school 9.5 No adult has completed primary education 28.6
Females	85	15	40	60	
0 to 14 years old	80	20	49	51	Access to basic infrastructure No access to limited-standard drinking water 16.8 No access to limited-standard sanitation 47.3 No access to electricity 31.5
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	

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

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

October 2020

There was a consistent and significant decline in poverty in Pakistan over the 14 years from 2001 to 2015, when the poverty headcount measured using the national poverty line fell from 64.3 percent to 24.3 percent. Two self-reinforcing economic dynamics accounted for the observed progress in poverty reduction: (i) the expansion of economic opportunities outside the agriculture sector, particularly with growth in male off-farm employment; and (ii) the increase in out-migration and associated remittances. The latter not only boosted consumption of recipient households but also fueled internal **demand—particularly** of goods and services locally produced in the informal **sector—and** the increase in real wages. About two-thirds of the decline in poverty between 2001 and 2015 was driven by the increase in labor incomes in the off-farm sector, which in real terms increased by as much as 74 percent.

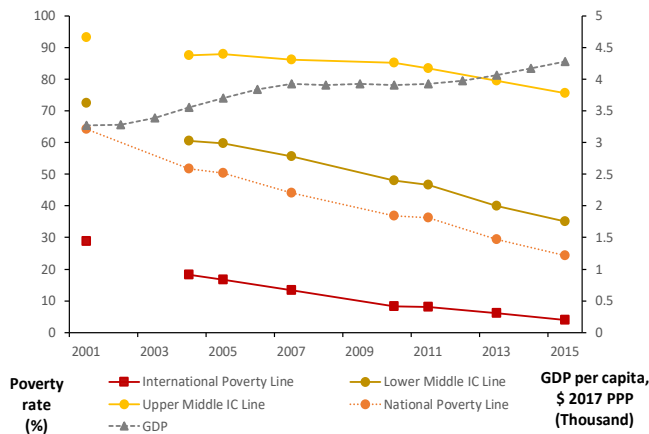
However, since 2015, the pace of poverty reduction is likely to have halted due to macroeconomic crisis and associated slow-down in growth. Furthermore, the outbreak of the recent COVID-19 pandemic, and the associated containment measures, have severely affected non-farm sectors that provide livelihoods to the most vulnerable segments of the population, particularly in urban areas. With government estimates of pandemic job losses at approximately 14 million, poverty is expected to increase for the first time in two decades.

The pandemic is also expected to exacerbate Pakistan's human capital challenges. The closure of education institutes has impacted more than 50 million students, while access to essential healthcare like prenatal/postnatal services and immunization has been disrupted. All these challenges disproportionately affect poor and vulnerable groups, including women and girls. In this perspective, the capacity of government interventions to consolidate investments in physical and human capital of the most vulnerable segments of the population will be particularly important to prevent the COVID-19 crisis from having long lasting consequences.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	46.0	24.3	2015
International Poverty Line 63.9 in Pakistan rupee (2015) or US\$1.90 (2011 PPP) per day per capita	7.9	4.0	2015
Lower Middle Income Class Poverty Line 107.6 in Pakistan rupee (2015) or US\$3.20 (2011 PPP) per day per capita	70.0	35.1	2015
Upper Middle Income Class Poverty Line 184.9 in Pakistan rupee (2015) or US\$5.50 (2011 PPP) per day per capita	150.7	75.6	2015
Multidimensional Poverty Measure		N/A	N/A
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		2.72	2010-2015
INEQUALITY			
Gini Index		33.5	2015
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		-1.53	2010-2015
GROWTH			
Annualized GDP per capita growth		1.83	2010-2015
Annualized Consumption Growth per capita from Household Survey		4.25	2010-2015
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		3.19	2010-2015

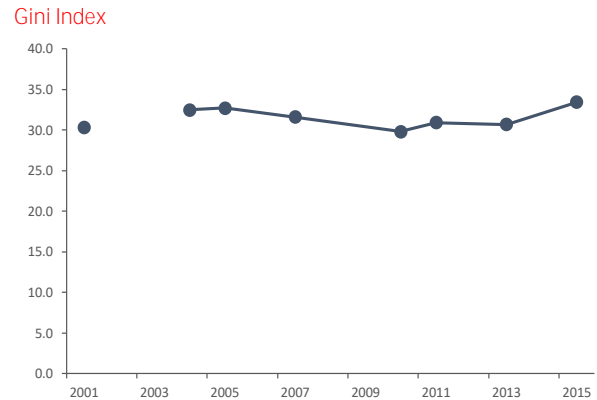
Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of September 2020, and Global Monitoring Database for the rest.

POVERTY HEADCOUNT RATE, 2001-2015



Source: World Bank using PSLM/SARMD/GMD

INEQUALITY TRENDS, 2001-2015



Source: World Bank using PSLM/SARMD/GMD

KEY INDICATORS

Distribution among groups: 2015	International Poverty Line (%)		Relative group (%)		Multidimensional Poverty Measures: 2015 (% of population)
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	99	1	22	78	Monetary poverty (Consumption) Daily consumption less than US\$1.90 per person 4.0
Rural population	94	6	50	50	
Males	96	4	40	60	Education At least one school-aged child is not enrolled in school 5.1 No adult has completed primary education 41.4
Females	96	4	40	60	
0 to 14 years old	94	6	49	51	
15 to 64 years old	97	3	34	66	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
65 and older	97	3	32	68	
Without education (16+)	95	5	49	51	
Primary education (16+)	98	2	31	69	
Secondary education (16+)	99	1	17	83	
Tertiary/post-secondary education (16+)	100	0	7	93	

Source: World Bank using PSLM/SARMD/GMD

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 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 seven waves of comparable HIES survey rounds currently available over the 2001–2015 period. In 2015, a Household Integrated Income and Consumption Survey (HIICS) was conducted in lieu of the HIES.

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 yields a national headcount rate in 2015–16 of 24.3 and urban and rural rates of 12.5 and 30.7, respectively. More recently, to estimate the impacts of COVID-19 on poverty, macro projections of GDP growth have been used, based on the MPO methodology.

HARMONIZATION

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Poverty & Equity Brief

South Asia

Sri Lanka

October 2020

Sri Lanka's international poverty rate measured at \$3.20 per person per day (in 2011 PPP terms) for lower middle-income countries declined from 16.9 percent in 2012/13 to 10.8 percent in 2016. Poverty reduction over this period was led by sustained GDP growth which contributed to higher employment and wages which were the main drivers of progress. Employment continued to shift away from agriculture and particularly towards services which were boosted in recent years by an emerging tourism sector. Extreme poverty at \$1.90 per day is rare, at under 1 percent in 2016. Shared prosperity, measured as the per capita consumption growth of the bottom 40 percent, recorded 4.24 between 2012 and 2016, which was slightly lower than the average per capita consumption growth rate.

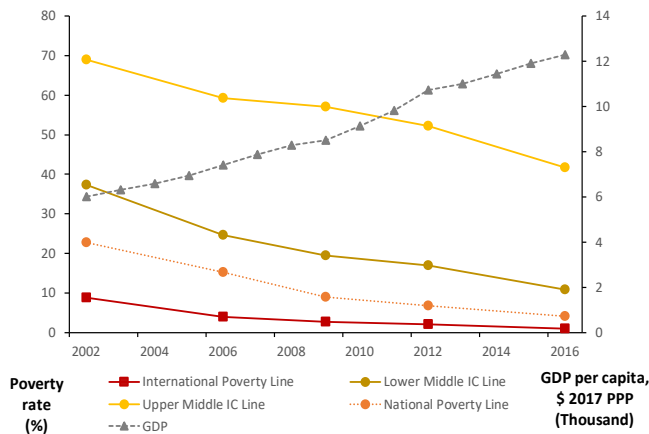
COVID-19 is expected to lead to a significant increase in poverty due to widespread jobs and earnings losses. The \$3.20 poverty headcount is projected to increase to 13 percent in 2020, after further falling to an estimated 8.9 percent in 2019. Informal workers, about 70 percent of the workforce, are particularly vulnerable as they lack employment protection. Government mitigation measures are expected to be largely inadequate. With many migrant workers returning home, remittances will likely fall which could adversely impact some poor households that rely on them as an important source of income.

There is wide variation in poverty across districts, but the national poverty line is outdated and too low to capture vulnerabilities in the population that are near-poor, especially in the Northern, Eastern and Uva provinces. In fact, Sri Lanka's poverty line is now the oldest poverty line in the South Asia region, having been established in 2002. Poverty lines serve as a benchmark for a basic standard of living and international best practice is to update this about once every decade to reflect rising living standards and changes in consumption patterns. The upcoming 2019 Household Income and Expenditure Survey could provide an opportunity to revise this benchmark upwards.

POVERTY	Number of Poor (thousand)	Rate (%)	Period
National Poverty Line	847.1	4.1	2016
International Poverty Line 102.7 in Sri Lanka rupee (2016) or US\$1.90 (2011 PPP) per day per capita	197.8	0.9	2016
Lower Middle Income Class Poverty Line 172.9 in Sri Lanka rupee (2016) or US\$3.20 (2011 PPP) per day per capita	2,288.3	10.8	2016
Upper Middle Income Class Poverty Line 297.2 in Sri Lanka rupee (2016) or US\$5.50 (2011 PPP) per day per capita	8,833.2	41.7	2016
Multidimensional Poverty Measure		1.3	2016
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		4.24	2012-2016
INEQUALITY			
Gini Index		39.8	2016
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		-0.48	2012-2016
GROWTH			
Annualized GDP per capita growth		3.49	2012-2016
Annualized Consumption Growth per capita from Household Survey		4.72	2012-2016
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		4.60	2012-2016

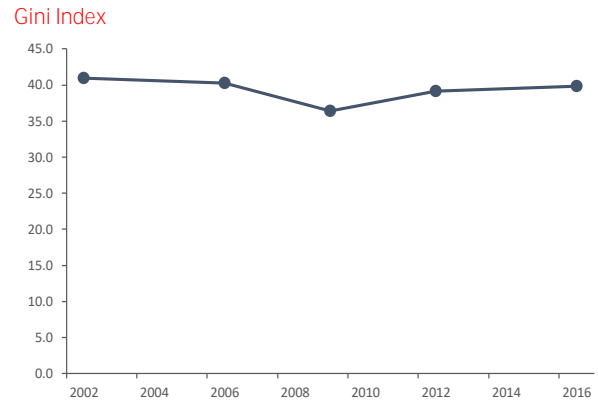
Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of September 2020, and Global Monitoring Database for the rest.

POVERTY HEADCOUNT RATE, 2002-2016



Source: World Bank using HIES/SARMD/GMD

INEQUALITY TRENDS, 2002-2016



Source: World Bank using HIES/SARMD/GMD

KEY INDICATORS

Distribution among groups: 2016	Upper Middle Income line(%)		Relative group (%)		Multidimensional Poverty Measures: 2016 (% of population)
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	74	26	25	75	Monetary poverty (Consumption) Daily consumption less than US\$1.90 per person 0.9
Rural population	55	45	43	57	
Males	58	42	40	60	Education At least one school-aged child is not enrolled in school 4.0 No adult has completed primary education 3.8
Females	58	42	40	60	
0 to 14 years old	52	48	46	54	Access to basic infrastructure No access to limited-standard drinking water 11.0 No access to limited-standard sanitation 1.2 No access to electricity 2.5
15 to 64 years old	60	40	38	62	
65 and older	60	40	38	62	
Without education (16+)	35	65	64	36	
Primary education (16+)	44	56	54	46	
Secondary education (16+)	64	36	34	66	
Tertiary/post-secondary education (16+)	93	7	7	93	

Source: World Bank using HIES/SARMD/GMD

Source: World Bank using HIES/SARMD/GMD

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

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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