

Poverty & Equity Brief

Africa Eastern & Southern

Botswana

April 2021

Living conditions have improved for the Botswana people in the last 20 years, and poverty has fallen significantly. The share of the population living below the poverty line for upper-middle income countries like Botswana (\$5.50 per person per day in 2011 PPP), declined from 65 to 56 percent between 2003 and 2010. However, between 2010 and 2016 (the latest year with available data) the progress with poverty reduction came to a halt and the poverty rate increased to 59 percent, moderately reversing some of the gains. Lack of employment generation was the main driver behind this reversal.

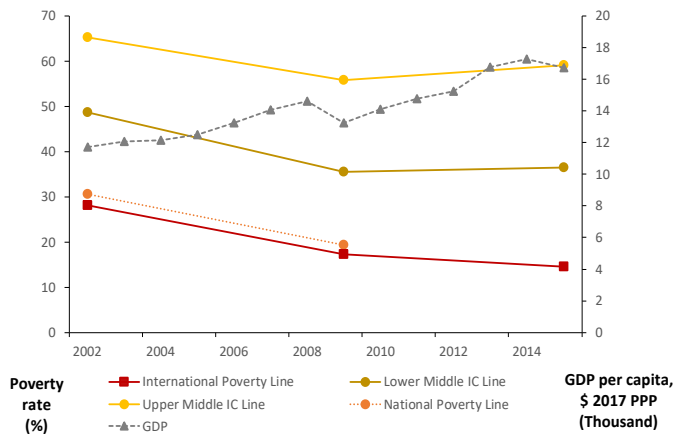
While Botswana has experienced improvements in shared prosperity, it still faces extremely high inequality. The growth rate of consumption per capita between 2009–10 and 2015-16 for the bottom 40 percentile of the population was 0.42 percent annually, higher than the growth rate of the top 60 percentile. Although Botswana's performance was only in the middle of the worldwide shared-prosperity distribution, inequality decreased with the Gini index falling from 60.5 percent to 53.3 percent. Nevertheless, Botswana remains one of the world's most unequal countries.

The COVID-19 pandemic is accelerating this negative trend with poverty being estimated to have reached 60 percent, with an increase of 103,000 people last year. Unemployment edged up slightly to 24.5 percent in the quarter ending December 2020, from 22.2 percent in the same quarter of 2019. Economic recovery measures will need to be mindful of both the new poor and the pre-COVID poor. Social interventions will have to scale up support to the most vulnerable members of society.

POVERTY	Number of Poor (thousand)	Rate (%)	Period
National Poverty Line	382.1	19.3	2009
International Poverty Line 10.2 in Botswana pula (2015) or US\$1.90 (2011 PPP) per day per capita	307.3	14.5	2015
Lower Middle Income Class Poverty Line 17.1 in Botswana pula (2015) or US\$3.20 (2011 PPP) per day per capita	773.5	36.5	2015
Upper Middle Income Class Poverty Line 29.4 in Botswana pula (2015) or US\$5.50 (2011 PPP) per day per capita	1,252.6	59.1	2015
Multidimensional Poverty Measure		20.0	2015
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		0.42	2009-2015
INEQUALITY			
Gini Index		53.3	2015
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		3.72	2009-2015
GROWTH			
Annualized GDP per capita growth		3.97	2009-2015
Annualized Consumption Growth per capita from Household Survey		-3.30	2009-2015
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		-0.95	2009-2015

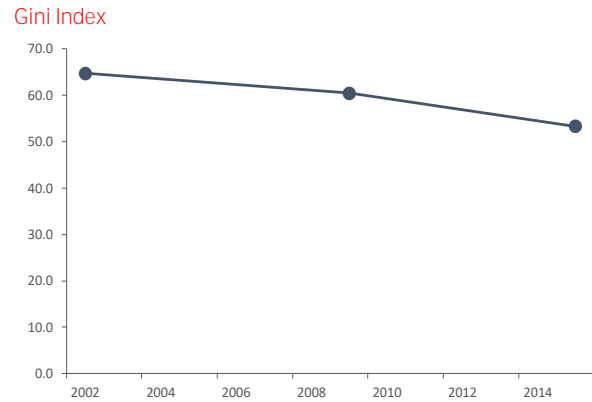
Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of February 2021, and Global Monitoring Database for the rest.

POVERTY HEADCOUNT RATE, 2002-2015



Source: World Bank using BMTHS/SSAPOV/GMD

INEQUALITY TRENDS, 2002-2015



Source: World Bank using BMTHS/SSAPOV/GMD

KEY INDICATORS

Distribution among groups: 2015	Upper Middle Income line(%)		Relative group (%)		Multidimensional Poverty Measures: 2015 (% of population)
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	50	50	31	69	Monetary poverty (Consumption)
Rural population	24	76	57	43	Daily consumption less than US\$1.90 per person
Males	43	57	38	62	
Females	39	61	42	58	Education
0 to 14 years old	29	71	52	48	At least one school-aged child is not enrolled in school
15 to 64 years old	49	51	33	67	No adult has completed primary education
65 and older	32	68	44	56	
Without education (16+)	23	77	55	45	Access to basic infrastructure
Primary education (16+)	36	64	41	59	No access to limited-standard drinking water
Secondary education (16+)	45	55	34	66	No access to limited-standard sanitation
Tertiary/post-secondary education (16+)	82	18	9	91	No access to electricity

Source: World Bank using BMTHS/SSAPOV/GMD

Source: World Bank using BMTHS/SSAPOV/GMD

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

POVERTY DATA AND METHODOLOGY

Botswana's poverty trend is based on two nationally representative household surveys: Household Income and Expenditure Survey in 2002-03 and Botswana Core Welfare Indicator in 2009-10 and in 2015-16. National poverty incidence is determined by computing the Poverty Datum Line (PDL), which is based on the cost of a basket of goods and services deemed to be necessary and adequate to meet basic needs for household members.

Potential sources of difference between national poverty incidence and international poverty incidence (USD 1.90 per day at 2011 PPP) include: (1) value of the poverty line in LCU (the national average PDL per household per month in 2009-10 is 882 pula, and the international poverty line per household per month is approximately 768 pula); and (2) adjustment for cost of living differences across space for the national poverty estimates but not in international poverty estimates.

Statistics Botswana is planning to conduct a Continuous Multi-Topic Household Survey (CMTHS) to provide, on a quarterly basis, more frequent information on household welfare for monitoring and decision-making.

HARMONIZATION

The numbers presented in this brief are based on the SSAPOV database. SSAPOV is a database of harmonized nationally representative household surveys managed by Sub-Saharan Team for Statistical Development. It contains more than 100 surveys covering 45 out of the 48 countries in the SSA region. The three countries not covered in the database are Eritrea, Equatorial Guinea, and Somalia. Terms of use of the data adhere to agreements with the original data producers.