

South Asia



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Poverty & Equity Brief

South Asia

Bangladesh

April 2022

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. As the country is rapidly urbanizing, its rural and urban areas did not experience the same level of poverty reduction. The rural areas reduced poverty impressively between 2010 and 2016, accounting for 90 percent of the poverty reduction. But, in urban areas, progress has been slower and extreme poverty has not decreased. Inequality measured by the Gini index was 32.4 in 2016, with very little change since 2000.

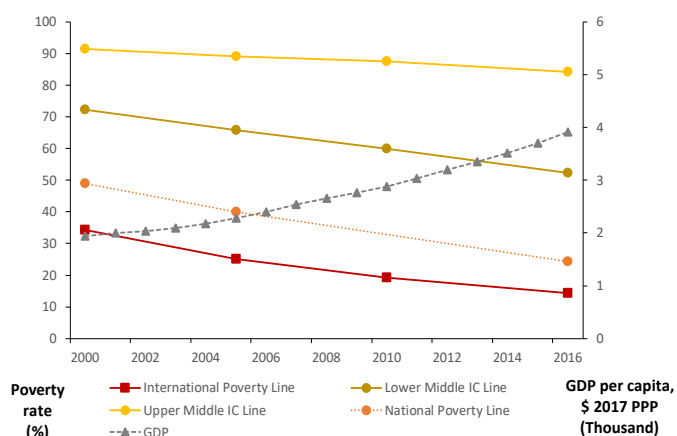
The ongoing COVID-19 pandemic has created an unprecedented crisis in Bangladesh that risks erasing the substantial progress in household incomes and poverty reduction achieved in the past. To track the impacts on labor markets and household coping strategies, the World Bank's Poverty and Equity global practice implemented a rapid nationally representative phone survey as well as representative surveys in poor areas of Dhaka, Chittagong, and a panel survey in Cox Bazar. The results for 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 in 2021, however, marginal gains are reported, with households indicating 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. Labor market information collected between June and July 2021 indicates an improvement in employment among those who reside in poor and slum areas of Dhaka and Chattogram CCs, compared to June 2020. To sustain these gains and reduce the vulnerability of households to the impacts of the pandemic, consistent support is needed for strong mitigating measures that include a formal safety net.

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 April 2022, and Global Monitoring Database for the rest.

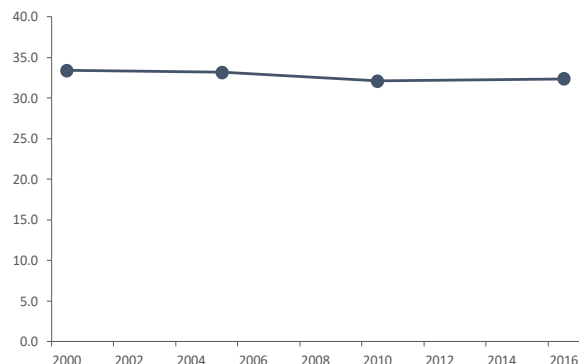
POVERTY HEADCOUNT RATE, 2000-2016



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 14.3
Rural population	83	17	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 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.

The 2022 HIES implementation is currently ongoing (January – December 2022) and the poverty data will be available in 2023.

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 2022

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 pandemic is estimated to have increased with the \$3.2 poverty rate going up from 11.0 percent in 2019 to 11.6 percent in 2020 and 12.6 percent in 2021. This has come as a result of the continued effect of the pandemic on economic opportunities as well as a sharp uptick in inflation that continues to be sustained. The economy is projected to have contracted by 3.7 percent in FY20/21 (July 2020 to July 2021), after a negative growth rate of 2.4 percent in FY19/20. The industry sector contracted by 5.5 percent, with construction, manufacturing, and mining sectors continuing to remain adversely affected by foreign labor shortages and supply chain disruptions. The service sector output fell by 2.2 percent, as the tourism industry remained largely inactive in FY20/21. While the moderation in food price inflation is likely to have given some relief to households, non-food inflation remains high, reflecting higher fuel and transportation prices. Projections suggest that full recovery to pre-pandemic levels of poverty may not happen until 2023.

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

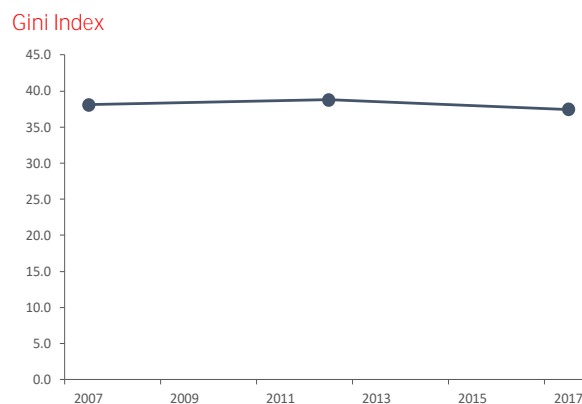
Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of April 2022, and Global Monitoring Database for the rest.

POVERTY HEADCOUNT RATE, 2007-2017



Source: World Bank using BLSS/SARMD/GMD

INEQUALITY TRENDS, 2007-2017



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)
Rural population	83	17	53	47	Daily consumption less than US\$1.90 per person
Males	88	12	40	60	
Females	88	12	40	60	Education
0 to 14 years old	87	13	43	57	At least one school-aged child is not enrolled in school
15 to 64 years old	89	11	38	62	No adult has completed primary education
65 and older	84	16	49	51	
Without education (16+)	85	15	48	52	Access to basic infrastructure
Primary education (16+)	89	11	38	62	No access to limited-standard drinking water
Secondary education (16+)	94	6	25	75	No access to limited-standard sanitation
Tertiary/post-secondary education (16+)	98	2	10	90	No access to electricity

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

April 2022

A deadly second wave and a milder third wave of the COVID-19 pandemic is likely to have impacted India's progress in poverty reduction for yet another year in FY2022. Average monthly per capita consumption between May-August 2021 is estimated to be still 8 percent below consumption during the same months in 2019, although higher than 2020 levels by 22 percent. High food inflation, due to global disruptions, is likely to threaten India's poverty outlook in the short run.

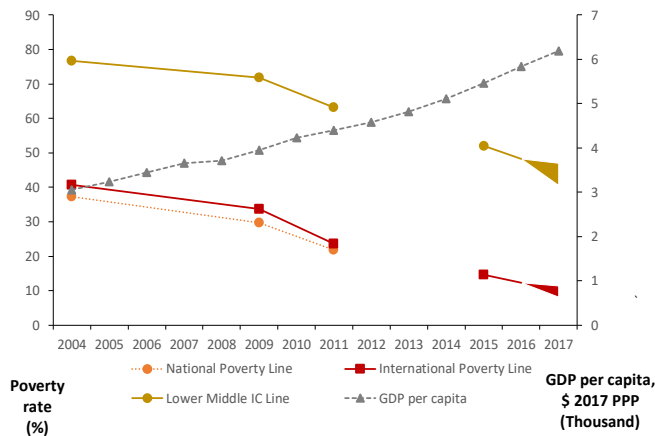
Labor market outcomes also witnessed a partial recovery. Unemployment rates have returned to 2019 levels at an average of 7.4 percent between July 2021-Feb 2022, falling from a 12 percent peak in May 2021. Earnings of both low and high-skilled workers between March-June 2021 have nearly closed the gap with pre-pandemic baseline levels. However, the decline in labor force participation persists through to the end of 2021 by 3 percentage point from a low average of 42.8 percent in 2019. Abstention and withdrawal from the labor force is witnessed even among youth, potentially suggesting long term scarring. This is likely to further damage their human capital, which is already been harmed by large learning losses due to school closures.

[1] Data on labor markets and consumption are from the Consumer Pyramids Household Survey.

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

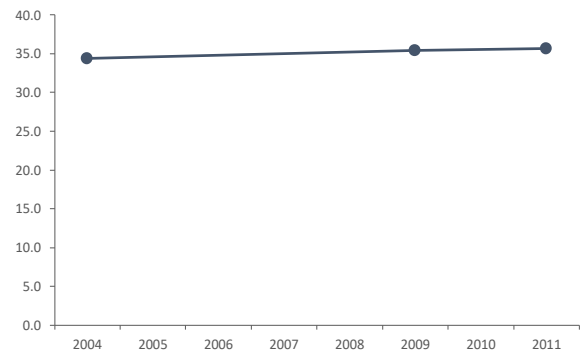
POVERTY HEADCOUNT RATE, 2004-2017



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 (%)		Multidimensional Poverty Measures: (% of population)
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	93	7	N/A	N/A	Monetary poverty
Rural population	88	12	N/A	N/A	Daily income/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

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 2022

Maldives, despite being a small island state, leads South Asia in economic and human development outcomes. The economy has been driven by high end tourism in the recent years and government redistribution programs have contributed to welfare gains in Male' and even atolls, which are otherwise removed from significant economic activity.

Lockdowns induced by the COVID-19 pandemic were a massive shock to the government revenues from tourism, and it is estimated that the economy contracted by 34.7 percent in 2020. In 2019 (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 in 2011 PPP per person per day), the poverty rate was 1.7 percent. Inequality, as measured by the Gini Index, has been consistently falling and stands at 29.3 as of 2019. This compares favorably to other South Asian countries.

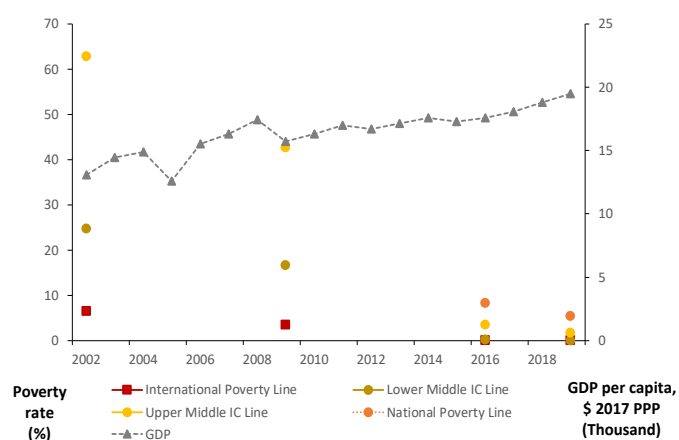
Preliminary analyses of HIES 2019 data implies that availability of jobs, driven by tourism, transportation, and trading, may have lifted households out of poverty, especially in atolls. The shock to the national economy is projected to drive the poverty rate (at the 5.50 USD in 2011 PPP per person per day up) to 10.9 percent in 2020, which is projected to decline to 1.3 percent by 2023, when GDP is expected to return to pre-pandemic levels. A deeper inspection of the distribution of expenditures, as estimated by HIES 2019, reveals that a shock equivalent to 2 months of total expenditures (or 16.67 percent of the annual budget) may double the poverty rate in Maldives. Self-employed individuals in primary and secondary occupations are more likely to face losses in earnings compared to wage employed individuals in tertiary occupations. Women are more likely than men to face deeper economic consequences, such as prolonged absence of complete work stoppage.

International tourism bound for Maldives continues to recover, although sanctions and their broader effects may reduce arrivals of tourists from Russia and Ukraine. Commodity price fluctuations, especially fuel and food, could be a major headwind for sustained economic recovery in the absence of fiscal space available to the government.

POVERTY	Number of Poor (thousand)	Rate (%)	Period
National Poverty Line	24.0	5.4	2019
International Poverty Line 20.6 in Maldivian rufiyaa (2019) or US\$1.90 (2011 PPP) per day per capita	0.0	0.0	2019
Lower Middle Income Class Poverty Line 34.7 in Maldivian rufiyaa (2019) or US\$3.20 (2011 PPP) per day per capita	0.0	0.0	2019
Upper Middle Income Class Poverty Line 59.6 in Maldivian rufiyaa (2019) or US\$5.50 (2011 PPP) per day per capita	8.8	1.7	2019
Multidimensional Poverty Measure		0.0	2019
SHARED PROSPERITY			
Annualized Income or Consumption Growth per capita of the bottom 40 percent		N/A	N/A
INEQUALITY			
Gini Index		29.3	2019
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		N/A	N/A
GROWTH			
Annualized GDP per capita growth		2.12	2014-2019
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

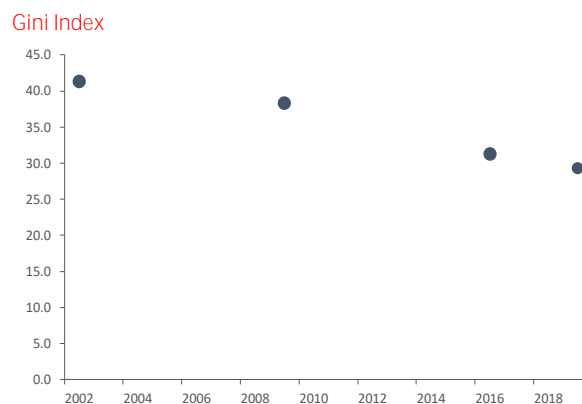
Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of April 2022, and Global Monitoring Database for the rest.

POVERTY HEADCOUNT RATE, 2002-2019



Source: World Bank using HIES/SARMD/GMD

INEQUALITY TRENDS, 2002-2019



Source: World Bank using HIES/SARMD/GMD

KEY INDICATORS

	International Poverty Line(%)		Relative group (%)		Multidimensional Poverty Measures: 2019	(% of population)
	Non-Poor	Poor	Bottom 40	Top 60		
Urban population				N/A	Monetary poverty (Consumption)	
Rural population				N/A	Daily consumption less than US\$1.90 per person	0.0
Males			40	60	Education	
Females			40	60	At least one school-aged child is not enrolled in school	1.9
0 to 14 years old			46	54	No adult has completed primary education	0.0
15 to 64 years old			37	63	Access to basic infrastructure	
65 and older			43	57	No access to limited-standard drinking water	0.0
Without education (16+)			0	N/A*	No access to limited-standard sanitation	4.8
Primary education (16+)			47	53	No access to electricity	1.9
Secondary education (16+)			42	58		
Tertiary/post-secondary education (16+)			19	81		

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, 2019 conducted by the Maldives Bureau of Statistics (MBS). While there have been previous HIES exercises by the MBS especially in 2016, substantial changes in methodology to align with international standards prevents a comparison with the estimates of HIES 2016 and 2019. Key among these changes was an abbreviated food consumption module in 2019, as well as framing the question for imputed rent from willingness to accept to willingness to pay. 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 71.4 MVR per person per day.

HARMONIZATION

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Poverty & Equity Brief

South Asia

Nepal

April 2022

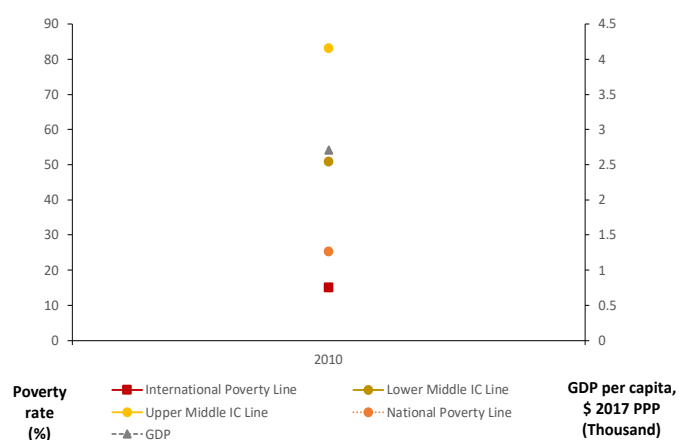
The poverty headcount, calculated at the national poverty line, was 42 percent in 1995, gradually declined to 31 percent in 2003 and 12.5 percent in 2010. These improved living standards, evident in large increases in mean capita expenditure from the Nepal Living Standard Surveys, led to the revision 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; and overall inequality was fairly low with a Gini index for consumption of 33 in the same year. The Multidimensional Poverty Index (MPI) reports that about 17.4 percent of the population was multidimensionally poor in 2019, before the COVID-19 pandemic. The fourth Nepal Living Standards Survey that was designed to be representative of Nepal's new provinces had to be recalled due to the COVID-19 pandemic (2 weeks after its launch, in 2020). The survey is expected to be re-launched in June 2022, with an updated sample frame from the 2021 Nepal Census.

Labor market exposures to the COVID-19 crisis were significant, as a result of which vulnerable households face the risk of falling back into poverty. New analysis based on the SAR COVID-19 phone monitoring survey also suggests that job recovery, for those who lost jobs during the pandemic, was low and accompanied by a decline in job quality and earnings: 45 percent of those who recovered from a job loss also reported switching sectors and taking jobs with lower earnings and skill requirements. Of those employed in January 2020, 52 percent experienced a job or earnings loss during the 1st COVID wave in 2020, the highest in the region. During this time, job losses in the service sector were highest with 29 percent of jobs lost. 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), and the employment effects were concentrated amongst women and younger age cohorts. Among the self-employed, 31 percent of household-based enterprises and own-account workers operating in January 2020 shut down, with new firm openings being concentrated in the non-services sectors. While the negative labor market effects define a risk to increasing poverty and inequality in the short to medium term, new data on jobs and recovery from early 2022 will help better understand the longer-term outlook for poverty. Inflation will increase the cost of basic needs, which will adversely impact the poor and vulnerable, although this may be partially mitigated by rising remittances.

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

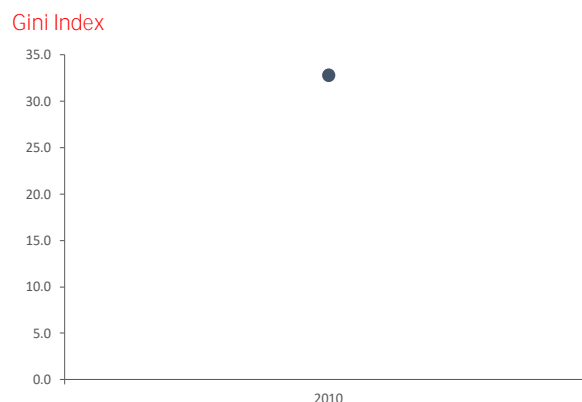
Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of April 2022, and Global Monitoring Database for the rest.

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 66.7 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 NLSS. The Annual Household surveys implemented from 2012-13 to 2016-17 by the Central Bureau of Statistics, which included data on consumption expenditures, were not used to update official estimates of monetary poverty in Nepal. The next poverty update is expected to come from the fourth round of the NLSS survey, which is now rescheduled for implementation in 2022, following the completion of the 2021 census. In 2017, the Government of Nepal also announced the Multidimension Poverty Index (MPI) as an official national poverty measure aligned with the Sustainable Development Goals to complement measures of 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 2022

Between 2001 and 2015, the poverty headcount decreased from 73.5 to 35.5 percent (measured at the lower middle class poverty line of \$3.20 PPP 2011 per capita, per day). This decline was driven primarily by the expansion of off-farm economic opportunities and the increase in migration and associated remittances. By 2018, poverty stood at 34.4 as the country underwent a macroeconomic crisis, and the pace of poverty reduction decreased.

The COVID-19 outbreak and social distancing policies had a profound impact on household incomes. During the second half of 2020, half of the working population 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. Under the Ehsaas Emergency Cash Program, 15 million families received temporary social transfers.

As the economy shows signs of a recovery, poverty is expected to decline, reaching pre-pandemic levels by 2022. However, rising food and energy inflation has diminished the real purchasing power of households, disproportionately affecting poor and vulnerable households that spend a larger share of their budget on these items. In response, the Government introduced a targeted food subsidies program (Ehsaas Roshan Riyat) in February 2022.

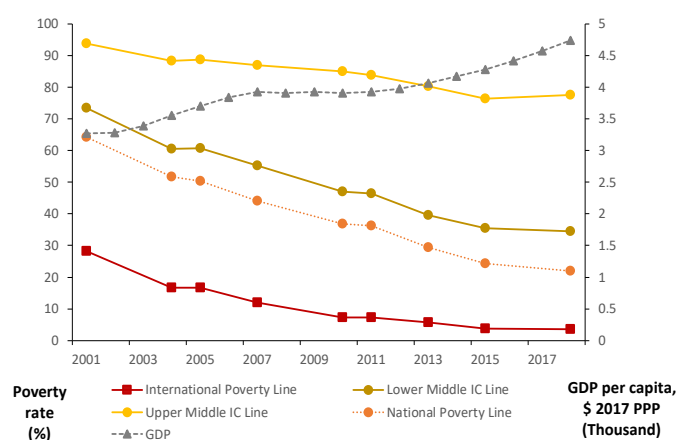
In more recent years, economic growth has been more equally shared, and the shared prosperity indicator suggests that between 2013 and 2018, annualized consumption growth per capita was slightly higher for the bottom 40 percent relative to the population as a whole (1.34 percent vs. 1.25 percent). Yet, large inequalities remain. Poverty rates in rural areas are higher than in urban areas, and vary significantly across provinces and districts and different types of households.

The prevalence of poverty and income disparities are rooted in circumstances 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. Poor and vulnerable households are also dependent on sources of income that are subject to natural hazards and economic volatility. Monetary poverty also coincides with low human development outcomes. Stunting rates remain high, and 18.8 million children were out of school in 2018, most of them girls. The pandemic has likely exacerbated these challenges further.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	46.5	21.9	2018
International Poverty Line 74.2 in Pakistan rupee (2018) or US\$1.90 (2011 PPP) per day per capita	7.6	3.6	2018
Lower Middle Income Class Poverty Line 124.9 in Pakistan rupee (2018) or US\$3.20 (2011 PPP) per day per capita	73.1	34.4	2018
Upper Middle Income Class Poverty Line 214.7 in Pakistan rupee (2018) or US\$5.50 (2011 PPP) per day per capita	164.7	77.6	2018
Multidimensional Poverty Measure		N/A	N/A
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		1.34	2013-2018
INEQUALITY			
Gini Index		29.6	2018
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		0.09	2013-2018
GROWTH			
Annualized GDP per capita growth		3.10	2013-2018
Annualized Consumption Growth per capita from Household Survey		1.25	2013-2018
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		1.00	2013-2018

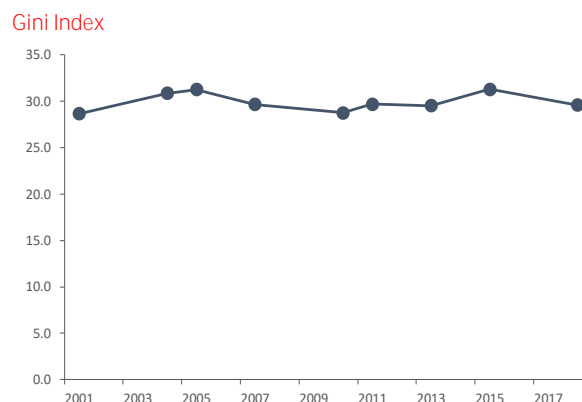
Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of April 2022, and Global Monitoring Database for the rest.

POVERTY HEADCOUNT RATE, 2001-2018



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

INEQUALITY TRENDS, 2001-2018



Source: World Bank using HIES/SARMD/GMD

KEY INDICATORS

Distribution among groups: 2018	International Poverty Line(%)		Relative group (%)		Multidimensional Poverty Measures: 2018 (% of population)	
	Non-Poor	Poor	Bottom 40	Top 60		
Urban population	99	1	23	77	Monetary poverty (Consumption)	
Rural population	95	5	50	50	Daily consumption less than US\$1.90 per person	3.6
Males	96	4	40	60	Education	
Females	96	4	40	60	At least one school-aged child is not enrolled in school	28.8
0 to 14 years old	95	5	49	51	No adult has completed primary education	21.1
15 to 64 years old	97	3	34	66	Access to basic infrastructure	
65 and older	97	3	33	67	No access to limited-standard drinking water	6.5
Without education (16+)	96	4	48	52	No access to limited-standard sanitation	24.8
Primary education (16+)	98	2	34	66	No access to electricity	9.3
Secondary education (16+)	99	1	23	77		
Tertiary/post-secondary education (16+)	100	0	9	91		

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 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 2015-16, 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 a total poverty line is estimated to reflect the expenditure necessary to satisfy non-food needs. The CBN poverty line estimated using the HIES 2013-14 was Rs. 3,030 per adult equivalent in current prices (Rs. 3,741 and Rs. 3,769 expressed in 2018-19 urban and rural prices, respectively). This yielded a national headcount rate in 2018-19 of 21.9 percent, and corresponding urban and rural rates of 10.9 percent and 28.2 percent, respectively.

HARMONIZATION

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Poverty & Equity Brief

South Asia

Sri Lanka

April 2022

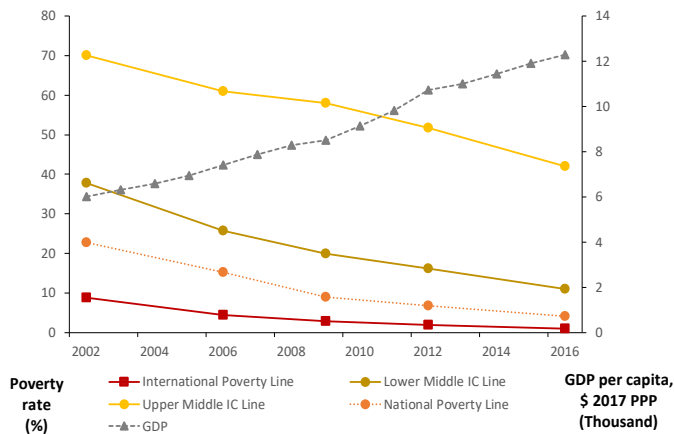
The proportion of Sri Lanka's population living on less than \$3.20 per day (in 2011 PPP) was 11 percent in 2016, and was expected to decline to 9.2 percent by 2019. The COVID-19 pandemic precipitated significant losses in livelihoods in 2020, with simulations suggesting that poverty increased to 11.7 percent in that **year—that** is, over half a million people fell into poverty. The economic recovery in 2021 is expected to have led to a small reduction in poverty (10.9 percent), driven by the recovery in the construction, manufacturing, and tourism sectors, which were heavily impacted during the COVID-19 crisis and employ a substantial share of the population. A decline in remittances, higher inflation (especially in the last quarter of the year), and the negative impacts on agricultural production from the ban on agrochemical fertilizers impeded a larger reduction in poverty.

No further poverty reductions are expected from 2022 onwards, on account of the multiple risks to households livelihoods. The expected sluggish economic growth in 2022, high inflation (which will disproportionately impact households at the bottom of the income distribution) and potential negative developments, including lower than expected tourism and the risk of a deterioration of the economy, preclude from expecting a reduction in poverty. The high uncertainty on the economic conditions for 2023 and 2024 also hinder projections of any poverty reductions in those years. On the contrary, a potential contraction of public expenditure to restore fiscal balances (without additional allocations to strengthen social safety nets), may lead to increases in poverty in the short term and may also lead to challenges for human capital accumulation, in the case that the provision of public services is negatively affected.

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

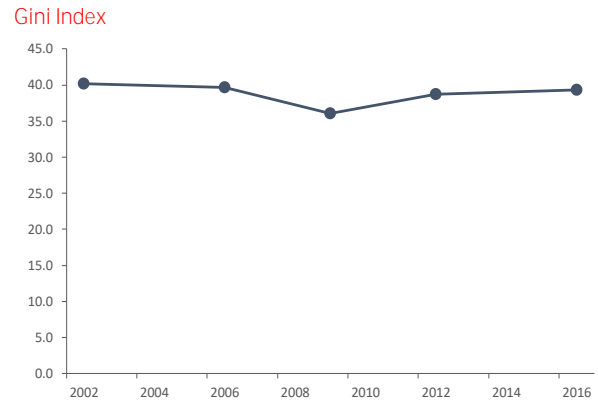
Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of April 2022, and Global Monitoring Database for the rest.

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	72	28	26	74	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	
15 to 64 years old	60	40	38	62	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
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

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. The value of the national poverty line is Rs. 137 per day in 2016 prices. Both the international and national poverty lines are inflated using the Colombo Consumer Price Index and the welfare aggregate 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. The monetary poverty estimates from a more recent round of the national household survey conducted in 2019 have not yet been publicly released by the Department of Census and Statistics.

HARMONIZATION

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