

# Poverty & Equity Brief

Africa Eastern & Southern

## Rwanda

April 2021

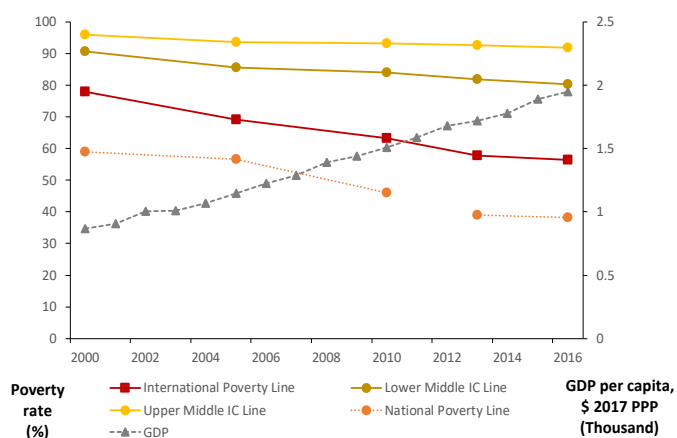
Since 2005 Rwanda has made considerable progress in reducing poverty. Using the international poverty line of \$1.90 2011 PPP, the incidence of poverty fell from 69.1 percent in 2005-06 to 56.5 percent in 2016-17, and was projected to fall even further to 55.4 percent in 2019 behind strong growth in GDP and private consumption from 2017-2019. An even greater reduction in poverty is observed based on the nation's official poverty line: from 56.7 in 2005-06 to 38.2 percent in 2016-17. Poverty reduction has been stronger in urban areas where the rate of in-migration has also accelerated in recent years. Between 2010-11 and 2016-17 poverty fell from 25.6 to 15.8 percent and from 49.2 to 43.1 percent in urban and rural areas, respectively. With the emergence of COVID-19, poverty using the international poverty line of \$1.90 2011 PPP is expected to increase from its projected level of 55.4 percent in 2019 to 57.2 percent for 2020.

Poverty reduction to date has been achieved through both broad-based economic growth, which averaged 7.5 percent over the decade to 2017, and significant reductions in inequality. The Gini index declined from 52.0 in 2005-06 to 43.7 in 2016-17, and consumption (per adult equivalent) grew between 2010-11 and 2016-17 by 12 percent for the bottom 40, while falling by 10 percent for the top quintile. Over this timeframe, median consumption levels rose in all regions (while means fell in all but the Southern Province), and inequality fell in all regions. Improvements have also been seen in the ownership of some household assets (in particular mobile phones), in access to electricity and irrigation, and in the population's education and health status. Currently only 4.3 percent of households have a school-age child not in school. At 25 percent, the percentage of people with no access to an improved drinking water source is essentially equal to the average for Sub-Saharan Africa (25.8).

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	4.6	38.2	2016
International Poverty Line 663.2 in Rwanda franc (2016) or US\$1.90 (2011 PPP) per day per capita	6.6	56.5	2016
Lower Middle Income Class Poverty Line 1116.9 in Rwanda franc (2016) or US\$3.20 (2011 PPP) per day per capita	9.4	80.2	2016
Upper Middle Income Class Poverty Line 1919.7 in Rwanda franc (2016) or US\$5.50 (2011 PPP) per day per capita	10.7	91.9	2016
Multidimensional Poverty Measure		61.0	2016
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		0.32	2013-2016
INEQUALITY			
Gini Index		43.7	2016
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		0.47	2013-2016
GROWTH			
Annualized GDP per capita growth		4.30	2013-2016
Annualized Consumption Growth per capita from Household Survey		-0.14	2013-2016
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		0.57	2013-2016

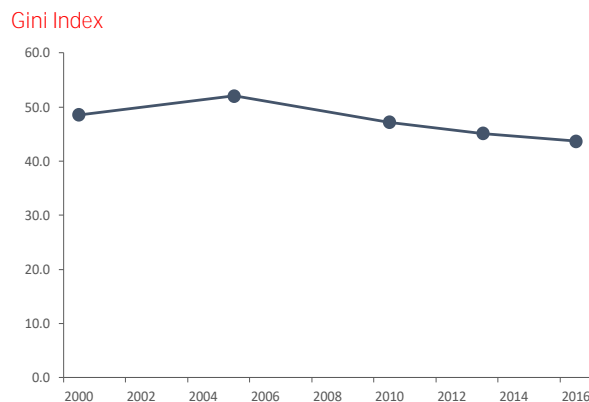
Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of February 2021, and Global Monitoring Database for the rest.

## POVERTY HEADCOUNT RATE, 2000-2016



Source: World Bank using EICV-V/SSAPOV/GMD

## INEQUALITY TRENDS, 2000-2016



Source: World Bank using EICV-V/SSAPOV/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	73	27	17	83	<b>Monetary poverty (Consumption)</b> Daily consumption less than US\$1.90 per person 56.5
Rural population	37	63	45	55	
Males	45	55	39	61	<b>Education</b> At least one school-aged child is not enrolled in school 4.3 No adult has completed primary education 36.9
Females	42	58	41	59	
0 to 14 years old	36	64	47	53	
15 to 64 years old	49	51	35	65	<b>Access to basic infrastructure</b> No access to limited-standard drinking water 24.5 No access to limited-standard sanitation 28.1 No access to electricity 64.0
65 and older	55	45	29	71	
Without education (16+)	36	64	46	54	
Primary education (16+)	43	57	39	61	
Secondary education (16+)	71	29	16	84	
Tertiary/post-secondary education (16+)	98	2	N/A*	99	

Source: World Bank using EICV-V/SSAPOV/GMD

Source: World Bank using EICV-V/SSAPOV/GMD

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

## POVERTY DATA AND METHODOLOGY

Rwanda has established a poverty monitoring system as a foundation to understanding progress toward poverty reduction and monitoring the impact of government programs and policies. The National Institute for Statistics in Rwanda has undertaken periodic surveys since 2000 (2000-01, 2005-06, 2010-11, 2013-14, 2016-17), with the objective to field a survey every three years. The year 2010-11 was the first time a panel component was included to better track changes in livelihoods, especially for beneficiaries of Rwanda's social protection programs. The final round of the 2016-17 survey was completed in October 2017 and results were published in December 2018. The consumption aggregate has been broadly comparable across survey rounds, although comparability in the poverty line cannot be guaranteed. The national poverty measure uses household expenditures per adult equivalent after controlling for spatial price differences. The poverty line is set at RWF 159,375 per adult equivalent per year in the prices of January 2014, and is estimated following a cost-of-basic-needs approach to afford the provision of 2,500 Kcals per adult equivalent per year and about 2/3 of the household income being spent on food. For the international poverty measurement, spatial price adjustments have been applied as of 2010-11. Given that international poverty measures prior to 2010-11 were not adjusted for the spatial price differences, they are not fully comparable to those beginning in 2010-11.

## 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.