

Poverty & Equity Brief

East Asia & Pacific

Kiribati

April 2020

The latest Household Income and Expenditure Survey (HIES) used to estimate poverty in Kiribati was conducted in 2006. A new HIES was launched in April 2019, with data collection scheduled to conclude by March 2020 and new poverty estimates expected by the end of 2020. By World Bank definitions of data deprivation, Kiribati is classified as extremely deprived, as it has not completed a HIES in the last 10 years.

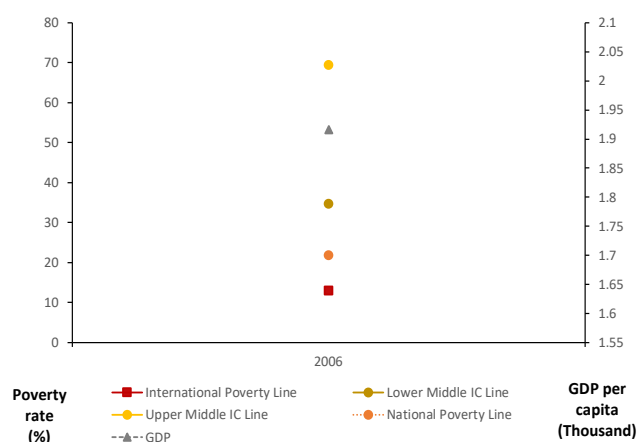
Using the national measures (see "Poverty Data and Methodology" section for details), 21.8 percent of the population lived below the basic needs poverty line in 2006. Poverty rates were considerably higher in South Tarawa (24.2 percent) and the Rest of the Gilbert Islands (22.0 percent) than in the Line and Phoenix Islands (8.9 percent). Characteristics associated with poverty include having a household head with lower levels of formal education.

Using the international poverty line of \$1.90 (2011 PPP USD per person per day), the headcount poverty rate was estimated at 12.9 percent. Measured against the \$3.20 poverty line, which reflects living standards across all lower middle income countries, the incidence of poverty was at 34.6 percent, which was lower than the lower-middle income countries global average of 60.8 percent in 2008. Inequality, as measured by the Gini index, was estimated at 37.0. The COVID-19 pandemic may increase poverty in Kiribati, due to the resulting economic shocks to various economic sectors, a projected drop in remittance incomes to many households, as well as disruptions in the supply of food and basic necessities through imports.

POVERTY	Number of Poor (thousand)	Rate (%)	Period
National Poverty Line	20.5	21.8	2006
International Poverty Line 1.6 in Australian dollar (2006) or US\$1.90 (2011 PPP) per day per capita	12.1	12.9	2006
Lower Middle Income Class Poverty Line 2.7 in Australian dollar (2006) or US\$3.20 (2011 PPP) per day per capita	32.6	34.6	2006
Upper Middle Income Class Poverty Line 4.6 in Australian dollar (2006) or US\$5.50 (2011 PPP) per day per capita	65.5	69.4	2006
Multidimensional Poverty Measure		38.7	2006
SHARED PROSPERITY			
Annualized Income or Consumption Growth per capita of the bottom 40 percent		N/A	N/A
INEQUALITY			
Gini Index		37.0	2006
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		N/A	N/A
GROWTH			
Annualized GDP per capita growth		-0.12	2001-2006
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

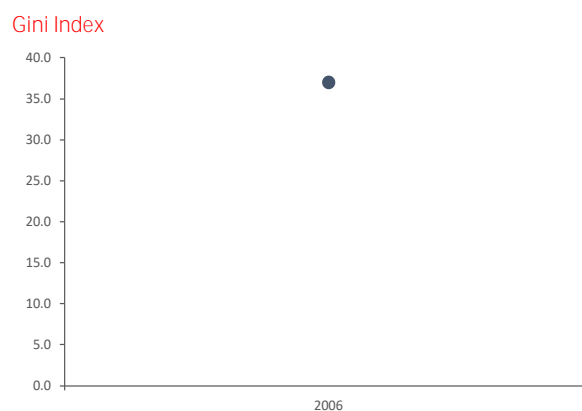
Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of February 2020, and Global Monitoring Database for the rest.

POVERTY HEADCOUNT RATE, 2006



Source: World Bank using HIES/EAPPOV/GMD

INEQUALITY TRENDS, 2006



Source: World Bank using HIES/EAPPOV/GMD

KEY INDICATORS

Distribution among groups: 2006	International Poverty Line(%)		Relative group (%)		Multidimensional Poverty Measures (% of people):	2006
	Non-Poor	Poor	Bottom 40	Top 60		
Urban population	87	13	46	54	Monetary poverty (Consumption)	
Rural population	87	13	35	65	Daily consumption less than US\$1.90 per person	12.9
Males	87	13	40	60	Education	
Females	87	13	40	60	At least one school-aged child is not enrolled in school	10.9
0 to 14 years old	86	14	43	57	No adult has completed primary education	2.5
15 to 64 years old	88	12	38	62	Access to basic infrastructure	
65 and older	85	15	41	59	No access to limited-standard drinking water	N/A
Without education (16+)	86	14	41	59	No access to limited-standard sanitation	N/A
Primary education (16+)	85	15	39	61	No access to electricity	31.2
Secondary education (16+)	90	10	38	62		
Tertiary/post-secondary education (16+)	89	N/A*	N/A*	73		

Source: World Bank using HIES/EAPPOV/GMD

Source: World Bank using HIES/EAPPOV/GMD

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

POVERTY DATA AND METHODOLOGY

The national poverty statistics of Kiribati for 2006 used a "cost of basic needs" approach to establish a welfare benchmark for the poverty line. A Food Poverty Line (FPL) estimated the required expenditure to achieve 2100 calories of consumption per adult-equivalent (with children aged 0-14 counting as half of an adult), using a basket of goods based on the actual consumption of the bottom three deciles in the distribution. Separate FPLs were estimated for each of three sub-regions: South Tarawa, Line & Phoenix, and Rest of Gilberts. The Non-Food Poverty Line (NFPL) was estimated using the average non-food consumption of the bottom three deciles in the distribution.

To facilitate meaningful comparisons across countries, the World Bank publishes estimates using three different poverty lines (2011 PPP): the International Poverty Line (US\$1.90), the Lower Middle Income Class Poverty Line (US\$3.20) and the Upper Middle Income Class Poverty Line (US\$5.50). In Kiribati, the consumption aggregates were deflated using the three regional poverty lines to account for spatial differences in the cost of living. These estimates also differ from the national poverty measures because they assess welfare needs on a per capita rather than an adult-equivalent basis.

HARMONIZATION

The numbers presented in this brief are based on the EAPPOV database. EAPPOV is a database of socio-economic statistics constructed using microdata from household surveys in the East Asia and the Pacific (EAP) region and is managed by the East Asia & Pacific Team for Statistical Development (EAPSTD). As of January 2019, the collection includes 19 countries and 93 surveys. Harmonized surveys in the EAPPOV database are compiled into 4 modules following Global Monitoring Database (GMD) Harmonization guidelines. A subset of the harmonized variables form the basis of the GMD collection, including the welfare aggregate which is used for Global Poverty Monitoring. Terms of use of the data adhere to agreements with the original data producers.