

# Poverty & Equity Brief

East Asia & Pacific

## Vanuatu

October 2019

The latest Household Income and Expenditure Survey used to estimate poverty in Vanuatu was conducted in 2010. Using the national measures (see "Poverty Data and Methodology" section below for details), 13.1 percent of the population lived below the basic needs poverty line. This is nearly unchanged from the levels of poverty measured in 2006, with a decrease in Port Vila (20.1 to 18.4 percent) offset by a substantial increase in Luganville (12.2 to 23.6 percent). However, comparability between the two years is limited because the 2010 poverty line was recalculated using a new basket of goods from the 2010 HIES rather than adjusting the 2006 poverty line for inflation.

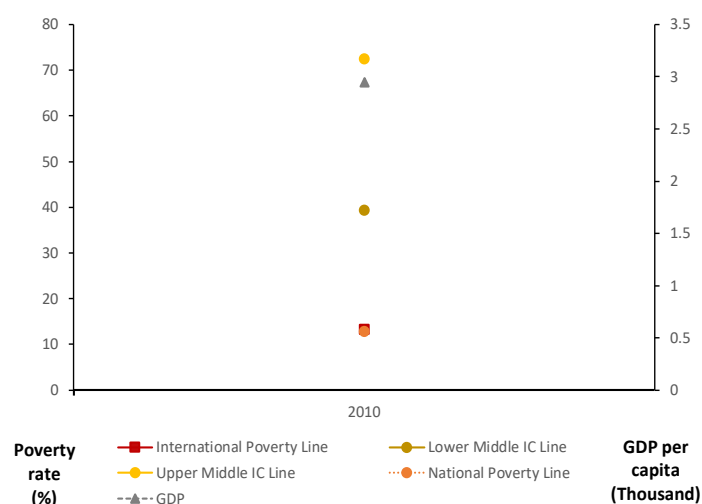
Using the international poverty line of \$1.90 (2011 PPP USD per person per day), the headcount poverty rate in 2010 was estimated at 13.1 percent. As a lower middle income country, it is also important to measure poverty in Vanuatu using the \$3.20 Lower Middle Income Class Poverty Line, which estimates poverty at 39.2 percent. Inequality, as measured by the Gini index, was estimated at 37.6. While annualized growth per capita in GDP was 2.5 percent for the period of 2005-2010, data on consumption growth for the bottom 40 percent or growth in median incomes is not available.

Using the World Bank's definitions for data deprivation, Vanuatu is classified as moderately deprived. In the past 10 years, Vanuatu has only conducted one HIES in 2010, with the previous one being in 2006. However, Vanuatu is currently in the field collecting a 2018-2019 HIES.

POVERTY	Number of Poor (thousand)	Rate (%)	Period
National Poverty Line	30.0	12.7	2010
International Poverty Line 217.7 in Vanuatu vatu (2010) or US\$1.90 (2011 PPP) per day per capita	31.0	13.1	2010
Lower Middle Income Class Poverty Line 366.6 in Vanuatu vatu (2010) or US\$3.20 (2011 PPP) per day per capita	92.7	39.2	2010
Upper Middle Income Class Poverty Line 630.1 in Vanuatu vatu (2010) or US\$5.50 (2011 PPP) per day per capita	170.9	72.3	2010
Multidimensional Poverty Measure		33.1	2010
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		N/A	N/A
INEQUALITY			
Gini Index		37.6	2010
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		N/A	N/A
GROWTH			
Annualized GDP per capita growth		2.5	2005-2010
Annualized Consumption Growth per capita from Household Survey		N/A	N/A
MEDIAN INCOME			
Growth of the annual median income		N/A	N/A

Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of September 2019, and Global Monitoring Database for the rest.

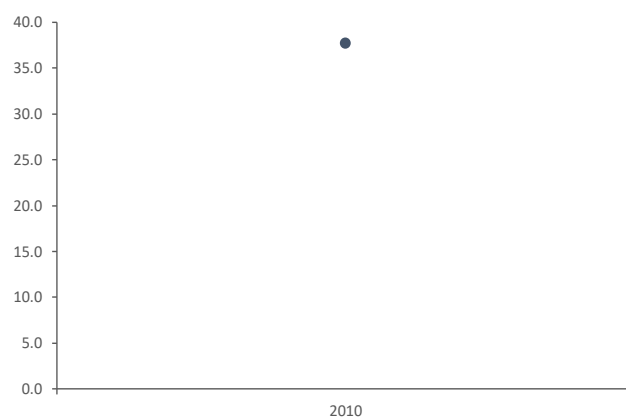
## POVERTY HEADCOUNT RATE, 2010



Source: World Bank using HIES/EAPPOV/GMD

## INEQUALITY TRENDS, 2010

### Gini Index



Source: World Bank using HIES/EAPPOV/GMD

## KEY INDICATORS

Distribution among groups: 2010	International Poverty Line (%)		Relative group (%)		Multidimensional Poverty Measures (% of people): 2010
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	81	19	53	47	<b>Monetary poverty (Consumption)</b>
Rural population	89	11	36	64	Daily consumption less than US\$1.90 per person
Males	87	13	39	61	<b>Education</b>
Females	87	13	41	59	At least one school-aged child is not enrolled in school
0 to 14 years old	84	16	47	53	No adult has completed primary education
15 to 64 years old	89	11	36	64	<b>Access to basic infrastructure</b>
65 and older	90	10	31	69	No access to limited-standard drinking water
Without education (16+)	86	14	39	61	No access to limited-standard sanitation
Primary education (16+)	89	11	35	65	No access to electricity
Secondary education (16+)	89	11	36	64	
Tertiary/post-secondary education (16+)	92	N/A*	24	76	

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 Vanuatu for 2010 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 comprising the top 30 goods consumed by the bottom three deciles in the distribution. An adjustment factor of 0.8 is applied to the market price when consuming from household production. Separate FPLs were estimated for each of three sub-regions: Port Villa, Luganville, and Rural. 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). For Vanuatu, the consumption aggregates were deflated using the three regional poverty lines to account for spatial differences in the cost of living. These estimates 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.