

# Poverty & Equity Brief

East Asia & Pacific

## Kiribati

October 2021

The latest Household Income and Expenditure Survey (HIES) used to estimate poverty in Kiribati was conducted from April 2019 to March 2020, with the national poverty figures presented below. International poverty estimates are expected by 2022. By World Bank definitions of data deprivation, Kiribati is classified as moderately deprived, as it has only completed one HIES in the last 10 years, with the previous round conducted in 2006.

Using the national measures (see "Poverty Data and Methodology" section for details), 21.9 percent of the population lived below the basic needs poverty line in 2019-20. Poverty rates were lowest in the Central division (9.6 percent), followed by the main island of South Tarawa (19.5 percent), the Line Islands (24.6 percent), and Northern division (25.8 percent), with poverty highest in the Southern division (31.5 percent). However, South Tarawa accounts for nearly half of the poor in Kiribati. Households whose heads had higher levels of education were less likely to be poor, though this relationship was much stronger in South Tarawa than elsewhere.

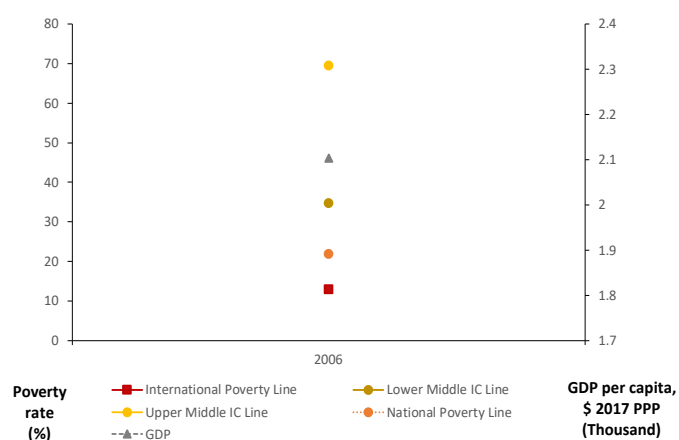
In 2006, using the international poverty line of \$1.90 (2011 PPP USD per person per day), the headcount poverty rate was estimated at 12.9 percent. Measured against the \$3.20 poverty line, which reflects living standards across all lower middle income countries, the incidence of poverty was at 34.6 percent, which was lower than the lower-middle income countries global average of 60.8 percent in 2006. Inequality, as measured by the Gini index, was estimated at 37.0.

The COVID-19 pandemic is likely to have increased poverty in Kiribati, though not to the same extent as other Pacific Island Countries that are more reliant on tourism. Nonetheless, disruptions to the fisheries and construction sectors and cargo imports led to increased unemployment and income losses. The COVID-19 impact on poverty is likely to be mitigated by a new unemployment benefit that was rolled out in 2021 with a broad coverage of eligible adults.

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

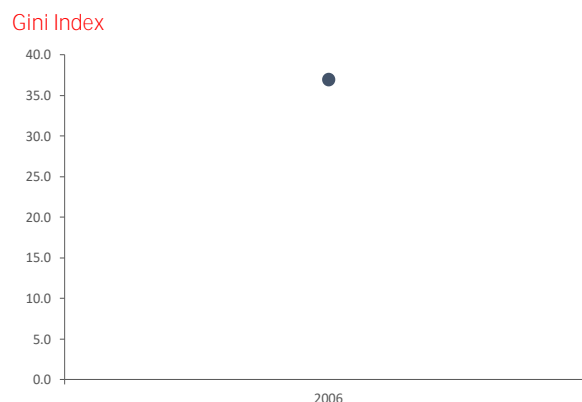
Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of September 2021, and Global Monitoring Database for the rest.

## 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: 2006 (% of population)
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	87	13	46	54	<b>Monetary poverty (Consumption)</b> Daily consumption less than US\$1.90 per person 12.9
Rural population	87	13	35	65	
Males	87	13	40	60	<b>Education</b> At least one school-aged child is not enrolled in school 10.9 No adult has completed primary education 2.5
Females	87	13	40	60	
0 to 14 years old	86	14	43	57	<b>Access to basic infrastructure</b> No access to limited-standard drinking water N/A No access to limited-standard sanitation N/A No access to electricity 31.2
15 to 64 years old	88	12	38	62	
65 and older	85	15	41	59	
Without education (16+)	86	14	41	59	
Primary education (16+)	85	15	39	61	
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 Kiribati National Statistics Office used a "cost of basic needs" approach to establish a welfare benchmark for the poverty line in 2019-20. The methods followed the guidance of the Pacific Statistics Methods Board on poverty measurement. A Food Poverty Line (FPL) estimated the required expenditure to achieve 2500 calories of consumption per adult-equivalent (with children aged 0-14 counting as half of an adult), using a reference population of percentiles 11-35, as determined through an iterative calculation. The Non-Food Poverty Line (NFPL) was estimated using the Ravallion Lower method. A single national poverty line was calculated, with consumption aggregates deflated to account for price differences by season and geography.

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 (EAPTS). As of January 2021, the collection includes 20 countries and 106 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.