

# Poverty & Equity Brief

Africa Eastern & Southern

## Mauritius

October 2021

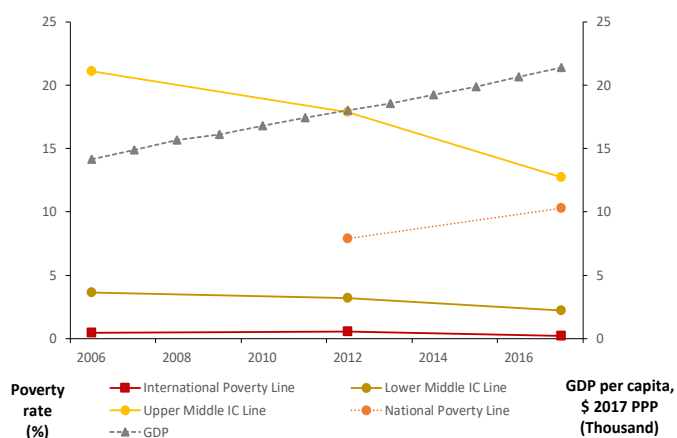
Mauritius has eradicated extreme poverty and, at 2.2 percent in 2017, the incidence of poverty measured at the \$3.20 a day line (2011 PPP) is also low. That year, only about one in eight Mauritians were below the upper middle-income class poverty line of \$5.5 a day 2011 PPP. About one in two poor in Mauritius are inactive and live off public transfers while a substantial share of the working poor is employed in the informal sector in tourism, manufacturing, and household services. The latter is a concern as they are likely to lose their jobs or work shorter hours due to COVID-19. In July 2020, informal employment was about 21 percent below the level estimated in the first quarter of the year, whereas formal employment had rebounded virtually to the pre-crisis level, pointing to the asymmetric distribution of job losses during the pandemic. The country lockdowns are estimated to have dramatically contracted GDP by 14.9 percent in 2020, with the sharpest declines in the industry and the services sector. Poverty is projected to have increased from 10.5 percent to 15.8 percent in 2020, subsequently falling to 11 percent by 2023 when measured against the \$5.5 per day 2011 PPP line. Results from six rounds of phone surveys conducted between May and December 2020 confirm that the short-term impact of COVID-19 was significant. One in three Mauritian households reported a reduction in their income compared to the time before the pandemic, with half of them seeing it decrease by up to 50 percent. Again, households in which a larger share of members were employed in the informal sector or were displaced reported to having lost income compared to before the pandemic. In line with these results, up to 40 percent of households reduced food consumption and 13 percent relied on savings by the end of the first lockdown in July.

Over the decade of the 2000s, the increase in household income inequality was driven by the dynamics of individual earnings, with earnings rising much faster at the top than at the bottom of the distribution. This dynamic was ascribable to the skills shortage associated with structural changes of the economy, from traditional and low-skills sectors toward relatively high skilled services, which increased the demand for skilled workers while their supply rose more slowly. The rise in total income inequality was mitigated by an extensive system of public transfers, which led to a moderate reduction in the Gini coefficient over the 2012-2017 period from 38.5 to 36.8 percent.

POVERTY	Number of Poor (thousand)	Rate (%)	Period
National Poverty Line	130.3	10.3	2017
International Poverty Line 41.5 in Mauritian rupee (2017) or US\$1.90 (2011 PPP) per day per capita	2.7	0.2	2017
Lower Middle Income Class Poverty Line 69.9 in Mauritian rupee (2017) or US\$3.20 (2011 PPP) per day per capita	27.9	2.2	2017
Upper Middle Income Class Poverty Line 120.1 in Mauritian rupee (2017) or US\$5.50 (2011 PPP) per day per capita	161.1	12.7	2017
Multidimensional Poverty Measure		0.4	2017
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		2.71	2012-2017
INEQUALITY			
Gini Index		36.8	2017
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		0.70	2012-2017
GROWTH			
Annualized GDP per capita growth		3.52	2012-2017
Annualized Consumption Growth per capita from Household Survey		2.02	2012-2017
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		2.56	2012-2017

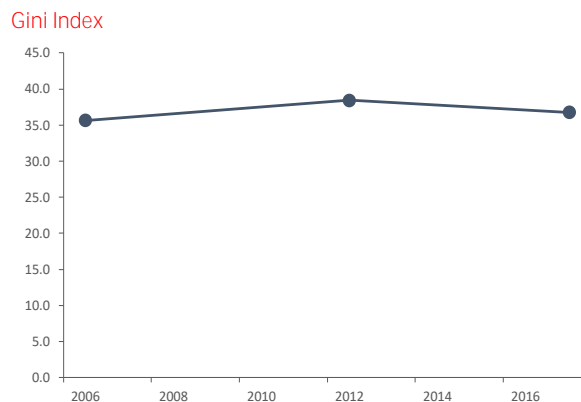
Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of September 2021, and Global Monitoring Database for the rest.

## POVERTY HEADCOUNT RATE, 2006-2017



Source: World Bank using HBS/SSAPOV/GMD

## INEQUALITY TRENDS, 2006-2017



Note: The Gini index has been revised based on the final expenditure microdata shared by Statistics Mauritius.

Source: World Bank using HBS/SSAPOV/GMD

## KEY INDICATORS

	Upper Middle Income line(%)		Relative group (%)		Multidimensional Poverty Measures:	(% of population)
	Non-Poor	Poor	Bottom 40	Top 60		
Urban population					<b>Monetary poverty</b>	
Rural population					Daily income/consumption less than US\$1.90 per person	N/A
Males					<b>Education</b>	
Females					At least one school-aged child is not enrolled in school	N/A
0 to 14 years old					No adult has completed primary education	N/A
15 to 64 years old					<b>Access to basic infrastructure</b>	
65 and older					No access to limited-standard drinking water	N/A
Without education (16+)					No access to limited-standard sanitation	N/A
Primary education (16+)					No access to electricity	N/A
Secondary education (16+)						
Tertiary/post-secondary education (16+)						

Source: World Bank using HBS/SSAPOV/GMD

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

## POVERTY DATA AND METHODOLOGY

Statistics Mauritius produces high-quality and comparable household budget surveys (HBS) at regular five-year intervals. Increasing the frequency of the HBS from five to three years would be desirable in order to produce more frequent poverty and inequality updates. In addition to the HBS, Statistics Mauritius has carried out a continuous labor force survey (Continuous Multipurpose Household Survey—CMPHS) since 2001. CMPHS is the official source of high-quality labor market statistics, including individual earnings, and has been used to provide reliable measures of inequality for time periods in between HBS rounds.

Statistics Mauritius adopts an income-based measure of poverty and a relative poverty line. Disposable income includes employment income for both employees and the self-employed, property income (interests, dividends, and rent of buildings, land, etc.), transfer income (pensions, allowances, and other social benefits), other income derived from self-produced goods, and imputed rent for non-renting households. The relative poverty line adopted by Statistics Mauritius is 50 percent of the median monthly household income per adult equivalent and is estimated at 7,497 rupees in 2017. However, for international comparison, poverty measures are based on consumption.

## 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.