

Poverty & Equity Brief

Africa Eastern & Southern

Rwanda

October 2020

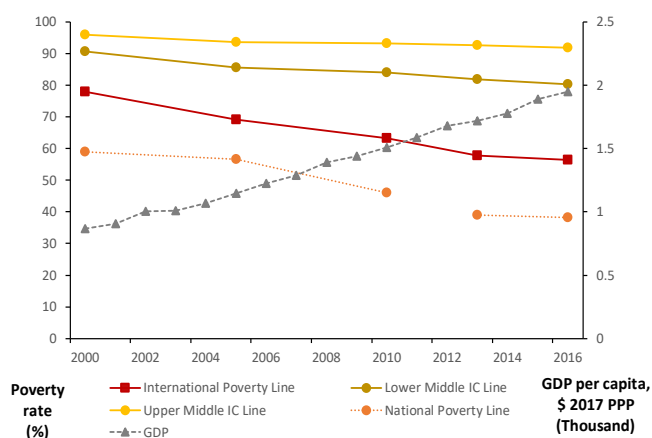
Since 2005 Rwanda has made considerable progress in reducing poverty. Using the international poverty line of \$1.90 2011 PPP, the incidence of poverty fell from 68.3 percent in 2005-06 to 56.5 percent in 2016-17. An even greater reduction in poverty is observed based on the nation's official poverty line: from 56.7 in 2005-06 to 38.2 percent in 2016-17. Poverty reduction has been significant in both rural and urban areas, but especially 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 the coronavirus pandemic, poverty reduction is projected to decelerate, with poverty declining only slightly from its projected level of 43 percent in 2019 to 41.9 percent for 2020-2021.

Rwanda's 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, and in access to electricity and irrigation, as well as in the population's education and health status. Currently only 4.3 percent of households have a school-age child not in school. The percentage of people with no access to an improved drinking water source is essentially equal at 25 percent to that of Sub-Saharan Africa as a whole (25.8).

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	4.6	38.2	2016
International Poverty Line 651.6 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 1097.5 in Rwanda franc (2016) or US\$3.20 (2011 PPP) per day per capita	9.4	80.3	2016
Upper Middle Income Class Poverty Line 1886.3 in Rwanda franc (2016) or US\$5.50 (2011 PPP) per day per capita	10.7	91.9	2016
Multidimensional Poverty Measure		61.1	2016
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		0.31	2013-2016
INEQUALITY			
Gini Index		43.7	2016
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		0.48	2013-2016
GROWTH			
Annualized GDP per capita growth		4.31	2013-2016
Annualized Consumption Growth per capita from Household Survey		-0.17	2013-2016
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		0.56	2013-2016

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

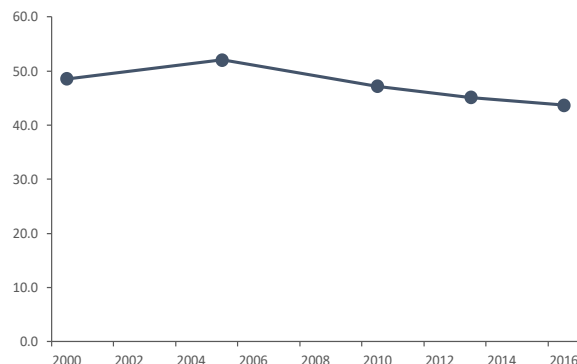
POVERTY HEADCOUNT RATE, 2000-2016



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

INEQUALITY TRENDS, 2000-2016

Gini Index



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

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. 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 four 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.