

# Poverty & Equity Brief

Europe & Central Asia

## Tajikistan

October 2020

Tajikistan has achieved remarkable poverty reduction in recent years, though it remains among the poorest countries in Europe and Central Asia. The poverty rate fell from 66.8 percent in 2003 to 17.8 percent in 2015, measured at the lower middle-income country poverty line (US\$ 3.2 in 2011 PPP terms).

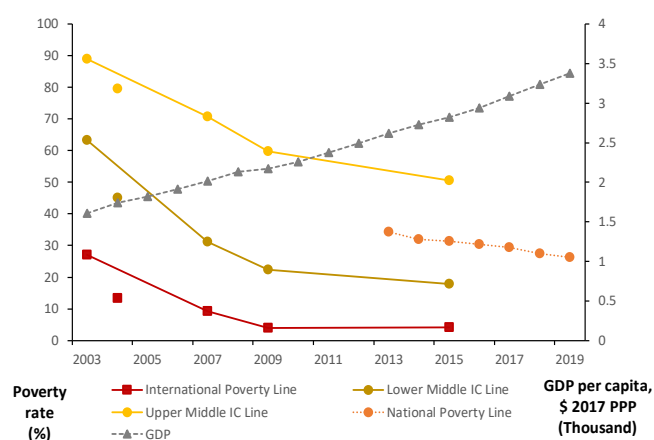
Income from labor and remittances have been the most important factors driving poverty reduction in the last decade for Tajikistan. According to HBS data, the national poverty rate fell from 34.3 percent in 2013 to 26.3 percent in 2019. Extreme poverty, focusing only on the food component of the national poverty line, has also consistently fallen in recent years, from 20 percent in 2013 to about 11 percent in 2019. Both urban and rural poverty have been falling over the past years. Consumption growth for non-poor households has been faster than for poor households, and as a result, the Gini index rose from 30.8 in 2009 to 34.0 in 2015. Roughly one-in-five (20.9 percent) children under five still suffered from stunting in 2016, despite significant improvement over the past decade.

However, as a result of the global outbreak of the COVID-19 disease, economic growth prospects have been undermined and poverty alleviation is expected to slow down in the coming years. These implications include a drop in remittances in the level of 15-20 percent compared to the previous year, and reduced overall economic activity, including stemming from the closure of borders with neighboring countries, resulting in a projected growth of 1.6 percent for 2020. At the peak of the COVID-19 pandemic, two out of five households reported reducing their consumption of food, which is far above the 2019 level. Moreover, 20 percent of families were not able to obtain medical care, and only 5 percent received any official aid through August 2020, according to the Listening-to-Tajikistan Survey.

POVERTY	Number of Poor (thousand)	Rate (%)	Period
National Poverty Line	2,451.4	26.3	2019
International Poverty Line 4.5 in Tajik somoni (2015) or US\$1.90 (2011 PPP) per day per capita	348.4	4.1	2015
Lower Middle Income Class Poverty Line 7.5 in Tajik somoni (2015) or US\$3.20 (2011 PPP) per day per capita	1,504.0	17.8	2015
Upper Middle Income Class Poverty Line 12.9 in Tajik somoni (2015) or US\$5.50 (2011 PPP) per day per capita	4,270.2	50.5	2015
Multidimensional Poverty Measure		5.0	2015
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		2.30	2009-2015
INEQUALITY			
Gini Index		34.0	2015
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		-1.28	2009-2015
GROWTH			
Annualized GDP per capita growth		4.49	2009-2015
Annualized Consumption Growth per capita from Household Survey		3.58	2009-2015
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		2.99	2009-2015

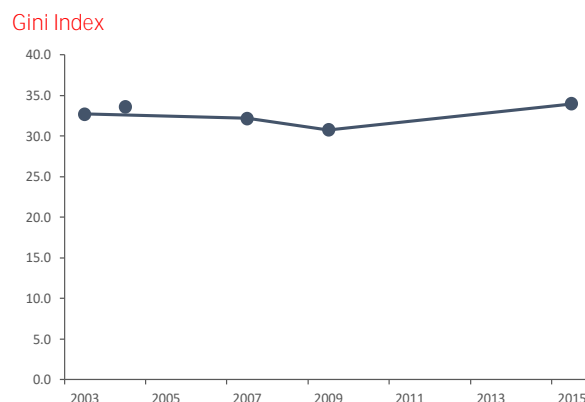
Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of September 2020, and Global Monitoring Database for the rest.

## POVERTY HEADCOUNT RATE, 2003-2019



Source: World Bank using HSITAFIEN/ECAPOV/GMD

## INEQUALITY TRENDS, 2003-2015



Source: World Bank using HSITAFIEN/ECAPOV/GMD

## KEY INDICATORS

Distribution among groups: 2015	International Poverty Line(%)		Relative group (%)		Multidimensional Poverty Measures: 2015 (% of population)
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	98	2	30	70	<b>Monetary poverty (Consumption)</b> Daily consumption less than US\$1.90 per person 4.1
Rural population	95	5	43	57	
Males	96	4	40	60	<b>Education</b> At least one school-aged child is not enrolled in school 26.8 No adult has completed primary education 0.3
Females	96	4	40	60	
0 to 14 years old	95	5	43	57	<b>Access to basic infrastructure</b> No access to limited-standard drinking water 26.3 No access to limited-standard sanitation 3.5 No access to electricity 2.0
15 to 64 years old	96	4	38	62	
65 and older	96	4	36	64	
Without education (16+)	93	7	48	52	
Primary education (16+)	94	6	48	52	
Secondary education (16+)	96	4	38	62	
Tertiary/post-secondary education (16+)	98	2	24	76	

Source: World Bank using HSITAFIEN/ECAPOV/GMD

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

## POVERTY DATA AND METHODOLOGY

There are two series of poverty estimates available for Tajikistan: estimates based on the international poverty line for lower-middle income countries expressed in terms of 2011 PPP, and the national official poverty estimates. The former is more easily adapted to cross-country comparisons, while the latter is calibrated by national authorities to the local context. The national method for measuring poverty in Tajikistan is based on the cost-of-basic-needs approach and a minimum food basket, supplemented by a fixed percentage of expenditures for basic non-food items and services. A second "extreme" poverty line is based on a minimum required level of food calories per capita per day. The value of the official poverty line was TJS 146.77 per month when it was set in 2013 and stood at TJS 213 per month in 2019 after accounting for inflation. The World Bank's international poverty rates are based on an absolute threshold that reflects how the world's poorest countries define a minimum threshold of living standards, adjusted for purchasing power differences and for national inflation. The purchasing power parities (PPPs) are calculated based on the price of a common basket of goods and services in each participating economy and are a measure of what an economy's local currency can buy in another economy. The last PPP index was published in 2011. In 2020, the 2011 PPP was revised to take into account the effects of (i) national accounts rebasing, (ii) changes to the underlying price data, and (iii) the national accounts expenditure shares and relative prices between all of the countries in each comparison region, among which Tajikistan belongs to the Commonwealth of Independent States region, coordinated by the Interstate Statistical Committee of the Commonwealth of Independent States (CIS-STAT). As a result, the revised international poverty rate for Tajikistan, defined as the percentage of people living on less than \$3.2 a day at the revised 2011 PPP, is lower than the rate based on the original PPP.

## HARMONIZATION

The numbers presented in this brief are based on the ECAPOV database. The ECAPOV micro database was established in 1998 to support a regional poverty report. The database is managed and harmonized by the Europe and Central Asia Team for Statistical Development (ECATSD). ECAPOV includes 29 countries, with an average of 8 surveys per country. Recently, EU-SILC data for EU countries, received from Eurostat, have been added to the collection. Each survey in ECAPOV is organized into 6 modules following the Global Monitoring Database (GMD) harmonization guidelines, including the construction of the welfare aggregate which is used for Global Poverty Monitoring. Terms of use of the data adhere to agreements with the original data producers.