Household Income and Expenditure Survey 2016
Poverty in Maldives
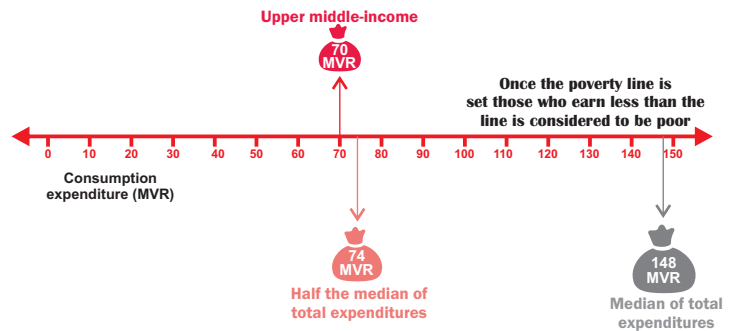
Poverty lines used in 2016 analysis

Poverty line represents the benchmark for assessing whether an individual can attain the minimum level of well-being required to satisfy basic needs in terms of food and non-food consumption.

The measure of welfare adopted to assess population living standards is based on household expenditures.

Poverty in Maldives is estimated using a relative concept, which means that it is set relative to the median expenditure of all Maldivians.

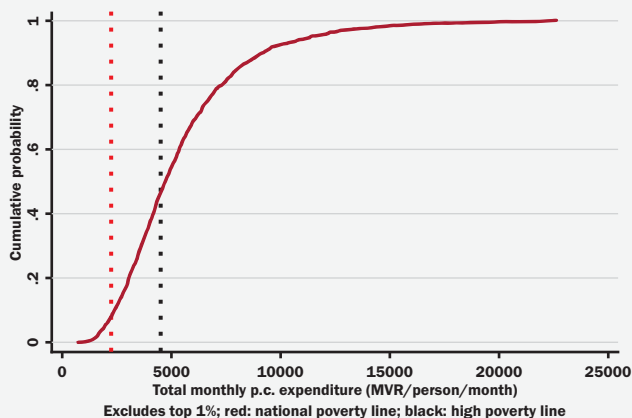| Poverty Line	Cut-off (MVR / Per person / Per day)	MVR
National Poverty Line	Half the median of total expenditure	MVR 74
High Poverty Line	Median of total expenditure	MVR 148
International Poverty Line	Upper middle income poverty line	MVR 70

Poverty rate (Head count ratio)

Upper middle-income — 70 MVR

Once the poverty line is set those who earn less than the line is considered to be poor

Consumption expenditure (MVR)

74 MVR — Half the median of total expenditures

148 MVR — Median of total expenditures

The headcount ratio shows the share of population that lives below the poverty line. According to the national poverty line, 8.2 percent of the population lives below poverty line. Someone who earns less than 50 percent of the median income is considered to live in poverty because he/she is not able to consume goods and services that the rest of society can consume.
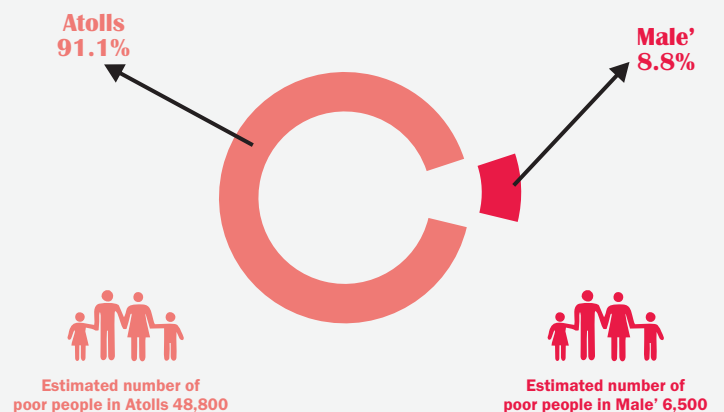
	National poverty line (Half the median of total expenditures) - per person per day	High poverty line (median of total expenditure) - per person per day	Upper middle-income poverty line - per person per day
Republic	8.2%	46.5%	6.6%
Male'	1.7%	21.3%	1.5%
Atolls	12.8%	64.7%	10.4%

Cumulative Frequency distribution

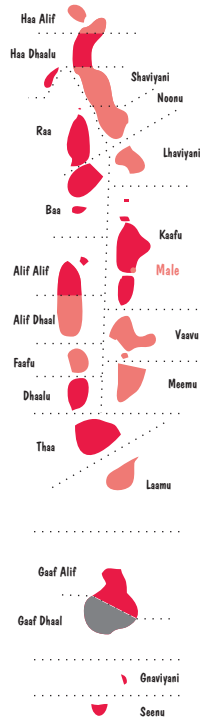Excludes top 1%; red: national poverty line; black: high poverty line

The steep rise in the curve indicates that a large part of the population lives within a relatively small range of total expenditures and bunched between the low and the high poverty line and are thus vulnerable to fall into poverty if their household situation changes.

Share of poor (National poverty line)
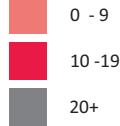

Atolls 91.1%

Male' 8.8%

Estimated number of poor people in Atolls 48,800

Estimated number of poor people in Male' 6,500

91.1 percent of poor population lives in the Atolls while only 8.8 percent of the poor population is found in Male'.
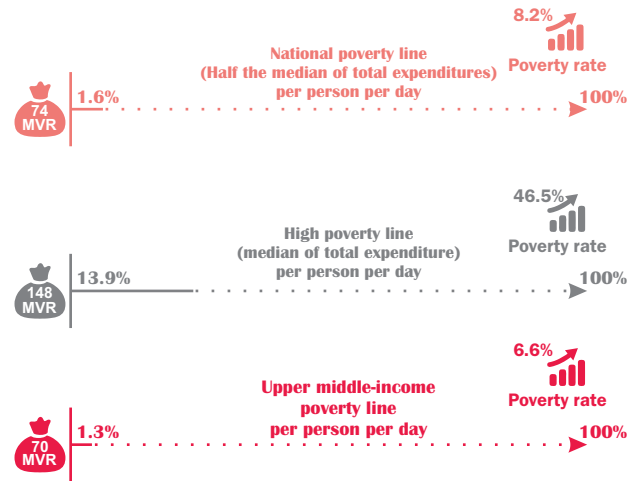
Poverty across the country

Haa Alif
Haa Dhaalu
Shaviyani
Noonu
Raa
Lhaviyani
Baa
Kaafu
Alif Alif
Male
Alif Dhaal
Vaavu
Faafu
Meemu
Dhaalu
Thaa
Laamu
Gaaf Alif
Gaaf Dhaal
Gnaviyani
Seenu

According to National poverty line, the poverty is hightest in Gdh. atoll and the lowest is in V. atoll
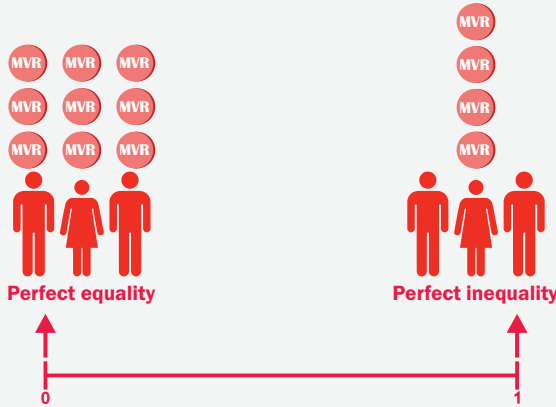
Poverty rate (in %)
- 0 - 9
- 10 -19
- 20+

Poverty gap

Poverty incidence, by poverty line

74 MVR — 1.6%
National poverty line (Half the median of total expenditures) per person per day
8.2% Poverty rate → 100%

148 MVR — 13.9%
High poverty line (median of total expenditure) per person per day
46.5% Poverty rate → 100%

70 MVR — 1.3%
Upper middle-income poverty line per person per day
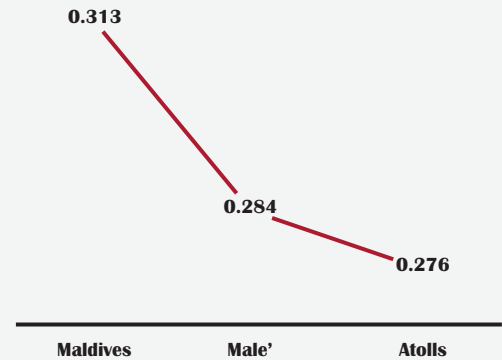6.6% Poverty rate → 100%

The poverty gap index measures the depth of poverty by determining the gap between the actual state of an individual and the poverty line.

Gini-coefficient

MVR MVR MVR
MVR MVR MVR
MVR MVR MVR

MVR
MVR
MVR
MVR

Perfect equality   **Perfect inequality**
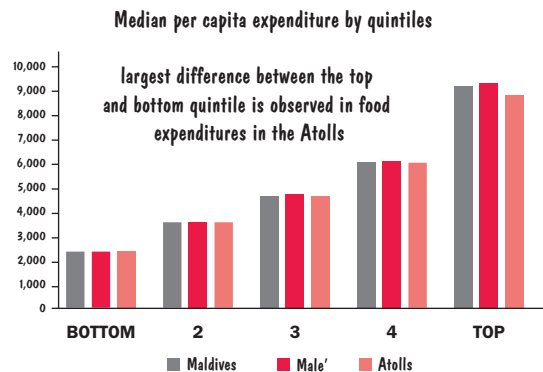
0 ——————————————— 1

The gini coefficient measures between 0 and 1, how much the distribution of income or consumption across an economy deviates from total equality. A value of 0 represents absolute equality with everybody consuming the same amount. A value of 1 absolute inequality where all consumption is concentrated in one person.

The Gini-coefficient for Maldives

0.313
0.284
0.276

Maldives   Male'   Atolls

The Gini-coefficient for Maldives is 0.313. The Gini-coefficient for Male' is slightly higher than in the Atolls showing inequality is high in Male' compared to Atolls.

Inequality

Median per capita expenditure by quintiles

largest difference between the top and bottom quintile is observed in food expenditures in the Atolls

10,000
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000

BOTTOM   2   3   4   TOP

■ Maldives   ■ Male'   ■ Atolls

Welfare is unevenly distributed in Maldives. The per capita expenditure in the top quintile is four times higher than in the bottom.

Can poverty estimates of 2016 be compared with 2009/10?

The poverty results of 2016 cannot be compared with the results of 2009/10 due to:

- Substantial improvements in questionnaire and survey design, to apply international standards
- Inclusion of rent and durable goods (assets)
- Inclusion of spatial price index (measures differences in prices across atolls)
- Change from diary to recall of food items and the data represents for consumed food in HIES 2016.
- Relative poverty line was set using half the median of total expenditures as poverty threshold. (The median and half the median of atoll expenditure in 2009/10)

Direct comparisons to the past are not possible due to survey improvements. However, we can say that poverty is measured much better than in the past.