

Household Income and Expenditure Survey 2016

Poverty in Maldives

Poverty lines used in 2016 analysis

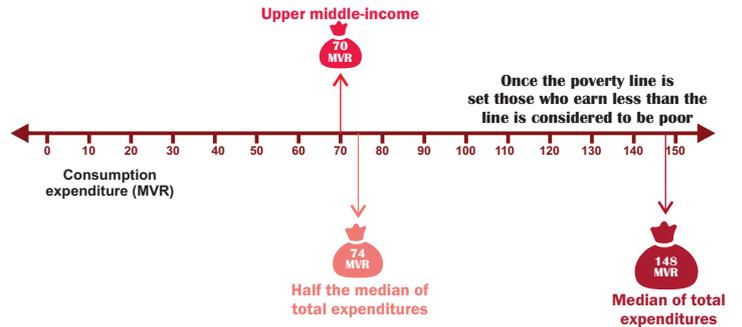
Poverty line represents the benchmark for assessing whether an individual can attain the minimum level of well-being required to satisfy basic needs in terms of food and non-food consumption.

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

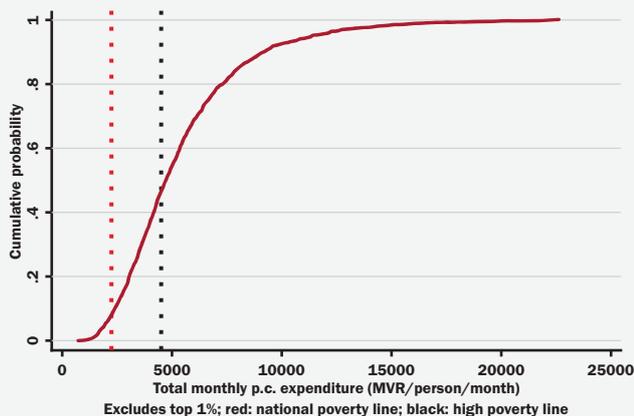
Poverty rate (Head count ratio)



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.

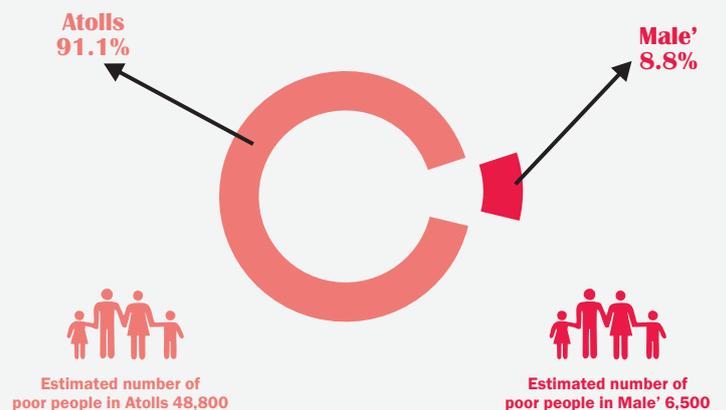
	National poverty line (Half the median of total expenditures) - per person per day	High poverty line (median of total expenditure) - per person per day	Upper middle-income poverty line - per person per day
Republic	8.2%	46.5%	6.6%
Male'	1.7%	21.3%	1.5%
Atolls	12.8%	64.7%	10.4%

Cumulative Frequency distribution



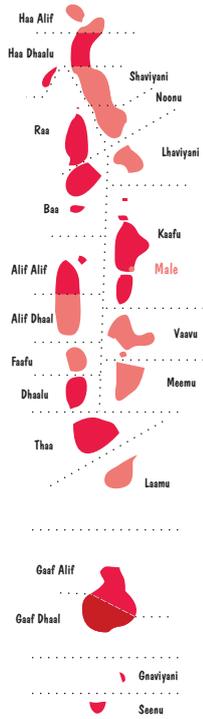
The steep rise in the curve indicates that a large part of the population lives within a relatively small range of total expenditures and bunched between the low and the high poverty line and are thus vulnerable to fall into poverty if their household situation changes.

Share of poor (National poverty line)



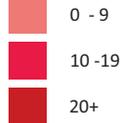
91.1 percent of poor population lives in the Atolls while only 8.8 percent of the poor population is found in Male'.

Poverty across the country



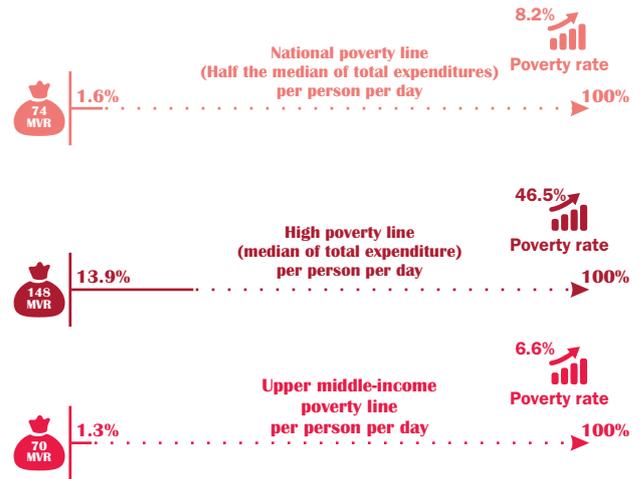
According to National poverty line, the poverty is highest in Gdh. atoll and the lowest is in V. atoll

Poverty rate (in %)



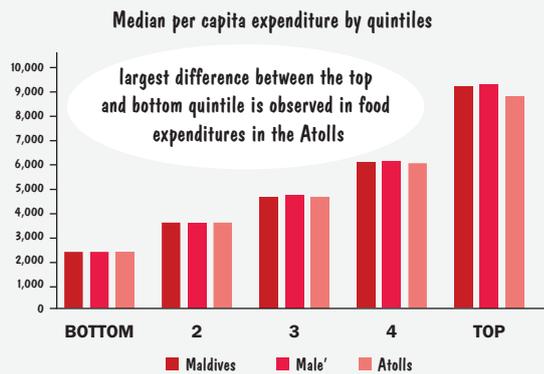
Poverty gap

Poverty incidence, by poverty line



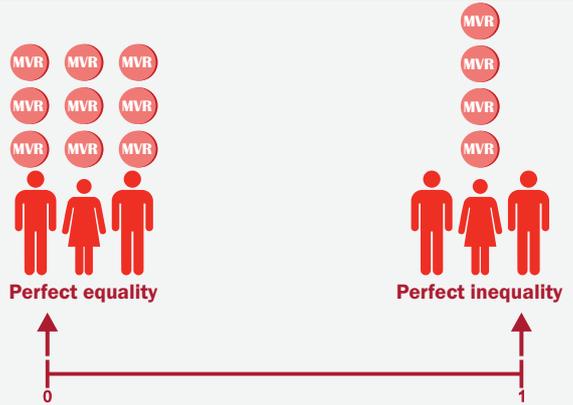
The poverty gap index measures the depth of poverty by determining the gap between the actual state of an individual and the poverty line.

Inequality



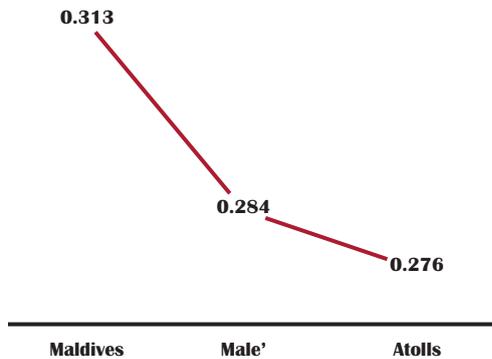
Welfare is unevenly distributed in Maldives. The per capita expenditure in the top quintile is four times higher than in the bottom.

Gini-coefficient



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



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.

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.