

Poverty & Equity Brief

East Asia & Pacific

Vanuatu

April 2018

At the time of the 2010 Household Income and Expenditure Survey (HIES), the incidence of poverty in Vanuatu was measured at 39.5 percent and 13.2 percent, using the lower middle income class poverty line and the international poverty line, respectively. Inequality was measured by the Gini index at 38, which is comparable to regional neighbors.

According to the national basic needs poverty line, poverty in 2010 was 13 percent, nearly unchanged from the previous measure captured at the time of the 2006 survey. There were small decreases in the headcount rate in Port Vila (20.1 to 18.4 percent) and rural areas (11.5 to 10.0 percent), which were offset by a large increase in Luganville (12.2 to 23.6 percent). Despite lower levels of consumption poverty, access to basic services (such as improved electricity, water and sanitation, and housing) tends to be more limited in rural areas, so the rural poor are particularly vulnerable to multidimensional poverty. While there are insufficient data available to estimate poverty trends more recently, another HIES is being planned for 2018.

POVERTY

National Poverty Line

Number of Poor
(thousand)

Rate
(%)

Period

30.0

12.7

2010

International Poverty Line

31.1

13.2

2010

218.2 in Vanuatu vatu (2010) or US\$1.9 (2011 PPP) per day per capita

Lower Middle Income Class (IC) Poverty Line

93.3

39.5

2010

367.5 in Vanuatu vatu (2010) or US\$3.2 (2011 PPP) per day per capita

Upper Middle Income Class (IC) Poverty Line

171.0

72.4

2010

631.6 in Vanuatu vatu (2010) or US\$5.5 (2011 PPP) per day per capita

SHARED PROSPERITY

Annualized Consumption Growth per capita of the bottom 40 percent

N/A

N/A

INEQUALITY

Gini Index

37.6

2010

Shared Prosperity Premium = Growth of the bottom 40 - Average Growth

N/A

N/A

GROWTH

Annualized GDP per capita growth

2.5

2005-2010

Annualized Consumption Growth per capita from Household Survey

N/A

N/A

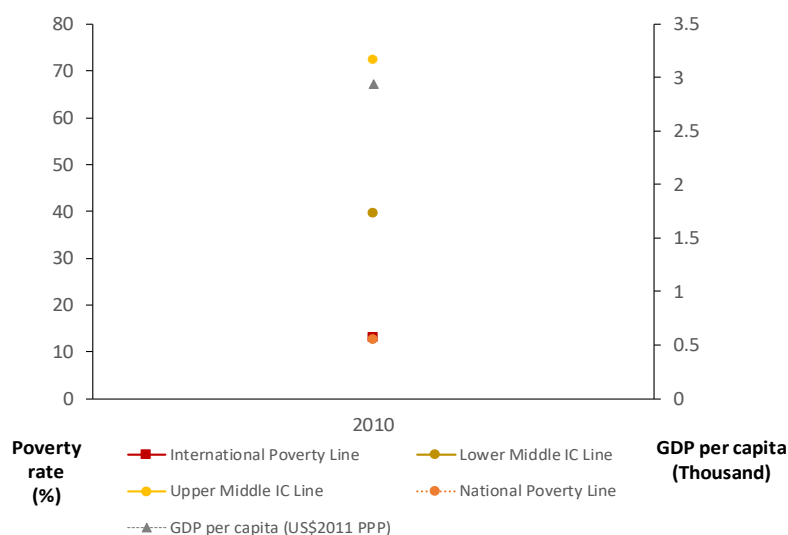
Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of April 20th 2018, and Global Monitoring Database for the rest.



WORLD BANK GROUP
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www.worldbank.org/poverty
www.povertydata.worldbank.org

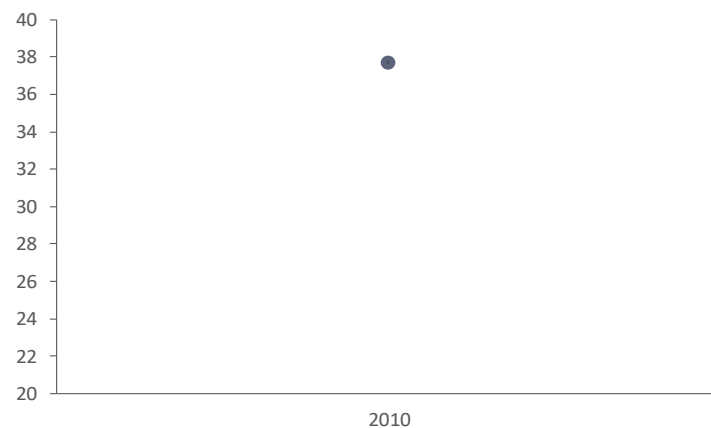
POVERTY HEADCOUNT RATE, 2010



Source: World Bank using HIES/EAPPOV/GMD

INEQUALITY TRENDS, 2010

Gini Index



Source: World Bank using HIES/EAPPOV/GMD

KEY INDICATORS (distribution among groups)

	International Poverty Line (%)		Relative Group (%)		Year
	Poor	Non-Poor	Bottom 40	Top 60	
Urban population	19	81	52	48	2010
Rural population	11	89	35	65	2010
Males	13	87	41	59	2010
Females	13	87	39	61	2010
0 to 14 years old	16	84	46	54	2010
15 to 64 years old	11	89	36	64	2010
65 and older	10	90	31	69	2010
Without education (age 16 and older)	14	86	38	62	2010
Primary education (age 16 and older)	11	89	35	65	2010
Secondary education (age 16 and older)	11	89	36	64	2010
Tertiary/post-secondary education (age 16 and older)	8	92	24	76	2010

Source: World Bank using Global Monitoring Database

POVERTY DATA AND METHODOLOGY

International measures of poverty aim to facilitate the meaningful comparison of poverty rates across countries. They are ideally derived using consistent methodology (e.g., in the definition of the consumption aggregate and the absolute level of the poverty line) to the extent that this is possible with the available data. To this end, the World Bank publishes estimates of poverty according to three different international poverty lines: 2011 PPP USD per person per day \$1.90, \$3.20, and \$5.50.

Vanuatu's national poverty statistics from 2010 used a cost of basic needs approach to establish a welfare benchmark for the poverty line. Separate poverty lines were estimated for Port Vila (2,866 vatu), Luganville (2,065 vatu), and rural areas (1,564 vatu), with the cost of non-food basic needs based on observed consumption of the (relative) group comprising the lowest three deciles in the distribution. For the international poverty statistics, the three resulting regional poverty lines are used to adjust nominal values of the expenditure aggregate to account for spatial differences in the cost of living. The international poverty statistics also assess welfare needs on a per capita basis, whereas the national statistics apply an adult equivalence scale (assuming children under age 15 require half the level of consumption as others).

HARMONIZATION

The numbers presented in this brief are based on the EAPPOV database. EAPPOV is a database of socio-economic statistics constructed using microdata from household surveys in the East Asia and the Pacific (EAP) region and is managed by the East Asia & Pacific Team for Statistical Development (EAPTS). As of April 2017, the collection includes 19 countries and 78 surveys. Harmonized surveys in the EAPPOV database are compiled into 4 modules following Global Monitoring Database (GMD) Harmonization guidelines. A subset of the harmonized variables form the basis of the GMD collection, including the welfare aggregate which is used for Global Poverty Monitoring. Terms of use of the data adhere to agreements with the original data producers.