

Poverty & Equity Brief

East Asia & Pacific

Tuvalu

April 2018

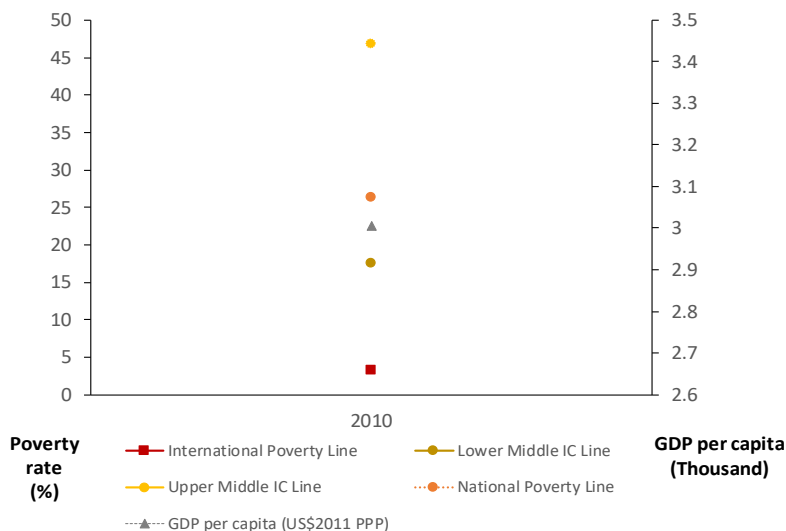
The latest available Household Income and Expenditure Survey (HIES) data for Tuvalu are from 2010. Using the upper middle income class poverty line, the lower middle income class poverty line, and the international poverty line, the consumption-based poverty rates were 46.7 percent, 17.6 percent, and 3.3 percent, respectively. Inequality, as measured by the Gini index, was 39, which is comparable to most of Tuvalu's Pacific regional neighbors. Another HIES was conducted in 2016, so information on more recent poverty trends will become available in the near future.

An assessment of poverty at the national level suggests that 26.3 percent of the Tuvaluan population was unable to afford the cost of basic needs in 2010. The incidence of basic needs poverty was higher in the capital Funafuti (27.5 percent) than on the Outer Islands (24.8 percent), although separate poverty lines were estimated for each of these areas. Households headed by an elderly person were more likely to be poor. Meanwhile, households headed by women were less likely to be poor, although this finding could reflect the presence of households receiving remittances from seafarers working away from home.

POVERTY	Number of Poor (thousand)	Rate (%)	Period
National Poverty Line	2.8	26.3	2010
International Poverty Line 2.2 in Australian dollar (2010) or US\$1.9 (2011 PPP) per day per capita	0.3	3.3	2010
Lower Middle Income Class (IC) Poverty Line 3.7 in Australian dollar (2010) or US\$3.2 (2011 PPP) per day per capita	1.9	17.6	2010
Upper Middle Income Class (IC) Poverty Line 6.4 in Australian dollar (2010) or US\$5.5 (2011 PPP) per day per capita	4.9	46.7	2010
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		N/A	N/A
INEQUALITY			
Gini Index		39.1	2010
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		N/A	N/A
GROWTH			
Annualized GDP per capita growth		0.8	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.

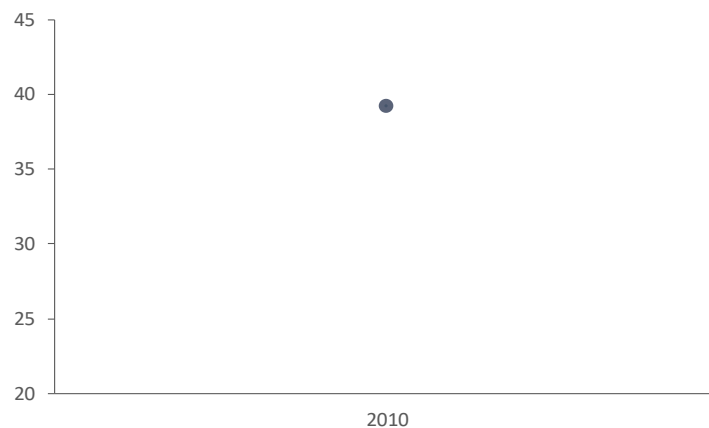
POVERTY HEADCOUNT RATE, 2010



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	3	97	42	58	2010
Rural population	3	97	38	62	2010
Males	3	97	41	59	2010
Females	3	97	38	62	2010
0 to 14 years old	4	96	43	57	2010
15 to 64 years old	3	97	37	63	2010
65 and older	4	96	41	59	2010
Without education (age 16 and older)	7	93	54	46	2010
Primary education (age 16 and older)	4	96	40	60	2010
Secondary education (age 16 and older)	3	97	37	63	2010
Tertiary/post-secondary education (age 16 and older)	0	100	14	86	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.

Tuvalu's national poverty statistics from 2010 (as reported by the Tuvalu Trust Fund Advisory Committee) used a cost of basic needs approach to establish a welfare benchmark for the poverty line. Separate poverty lines were estimated for Funafuti and the Outer Islands, with the cost of non-food basic needs based on observed consumption of the relative group of the lowest three deciles in the distribution according to adult-equivalent expenditure. For the international poverty statistics, the two 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 (EAPSTD). 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.