

Poverty & Equity Brief

Africa Eastern & Southern

Eswatini

October 2020

The Kingdom of Eswatini has high levels of poverty for its middle-income status. In 2016, the national poverty rate was 58.9 percent down from 63.0 percent in 2009, and 69.0 percent in 2001. That year, about 52.1 percent of Swazi people were estimated to be poor at the US\$3.2 lower middle-income poverty line, in 2011 purchasing-power-parity (PPP) terms. Rural residents, female-headed households, single-headed households, children, large families, the less educated, and the unemployed are the most prone to being poor.

High unemployment and the high concentration of employment in low value-added activities such as subsistence agriculture are a major factor behind the relatively high incidence of poverty. Poverty is largely rural, in part because progress towards poverty reduction continues to be tied to the performance of the agricultural sector which is highly vulnerable to adverse weather conditions. Other challenges to poverty reduction include slowing economic growth combined with high inequality and the highest prevalence of HIV/AIDS in the world (27.2 percent in 2017).

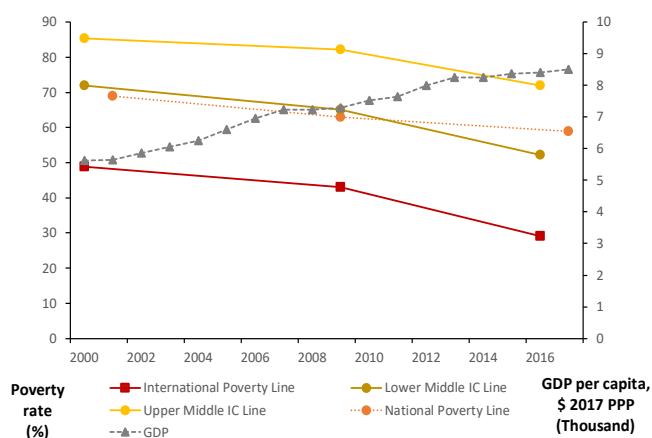
Inequality is high with a consumption expenditure per capita Gini index of 54.6 in 2016, down from 51.5 in 2009. One way in which inequality manifests itself is in disparities in access to basic public services across income groups and geographic locations which persist despite progress in expanding access.

The COVID-19 pandemic is unfolding in a context where poverty is multidimensional, with overlapping deprivation in education, health, and access to basic public services. This increases vulnerability to the economic shocks due to the pandemic. Further, the pandemic has caused company closures, increased unemployment and restricted activity especially in the informal sector where most of the poor are employed. As a result, poverty levels are projected to increase. The \$3.20/person/day lower middle-income poverty rate is projected to increase from 51.8 percent in 2019 to 52.7 percent in 2020. Households in urban areas, men, and middle-class households are likely to be more affected. This may contribute to a slight increase in inequality.

POVERTY	Number of Poor (thousand)	Rate (%)	Period
National Poverty Line	805.3	58.9	2017
International Poverty Line 10.7 in Swaziland Lilangeni (2016) or US\$1.90 (2011 PPP) per day per capita	324.9	29.2	2016
Lower Middle Income Class Poverty Line 18 in Swaziland Lilangeni (2016) or US\$3.20 (2011 PPP) per day per capita	580.7	52.1	2016
Upper Middle Income Class Poverty Line 31 in Swaziland Lilangeni (2016) or US\$5.50 (2011 PPP) per day per capita	801.9	72.0	2016
Multidimensional Poverty Measure		35.1	2016
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		4.67	2009-2016
INEQUALITY			
Gini Index		54.6	2016
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		-1.47	2009-2016
GROWTH			
Annualized GDP per capita growth		2.05	2009-2016
Annualized Consumption Growth per capita from Household Survey		6.14	2009-2016
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		4.46	2009-2016

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

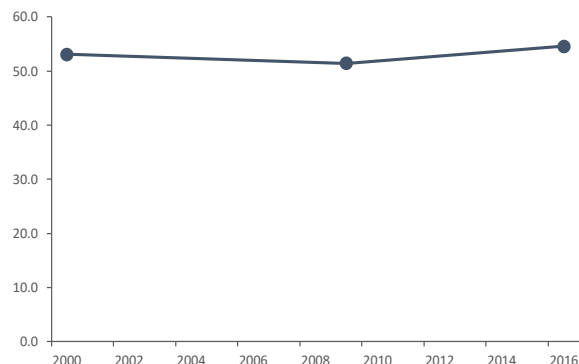
POVERTY HEADCOUNT RATE, 2000-2017



Source: World Bank using HIES/SSAPOV/GMD

INEQUALITY TRENDS, 2000-2016

Gini Index



Source: World Bank using HIES/SSAPOV/GMD

KEY INDICATORS

Distribution among groups: 2016	International Poverty Line(%)		Relative group (%)		Multidimensional Poverty Measures: 2016 (% of population)	
	Non-Poor	Poor	Bottom 40	Top 60		
Urban population	95	5	9	91	Monetary poverty (Consumption)	
Rural population	64	36	49	51	Daily consumption less than US\$1.90 per person	29.1
Males	72	28	39	61	Education	
Females	70	30	41	59	At least one school-aged child is not enrolled in school	0.3
0 to 14 years old	63	37	49	51	No adult has completed primary education	10.7
15 to 64 years old	77	23	33	67	Access to basic infrastructure	
65 and older	66	34	46	54	No access to limited-standard drinking water	27.9
Without education (16+)	57	43	54	46	No access to limited-standard sanitation	46.5
Primary education (16+)	64	36	47	53	No access to electricity	35.7
Secondary education (16+)	82	18	28	72		
Tertiary/post-secondary education (16+)	99	N/A*	N/A*	98		

Source: World Bank using HIES/SSAPOV/GMD

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

POVERTY DATA AND METHODOLOGY

The Eswatini Household Income and Expenditure Survey (EHIES) is the main and official source for data that enable assessment of monetary and non-monetary wellbeing of Swazis, including computation of inequality indicators. Three rounds of EHIES have been conducted: in 2001, 2009–10 and the latest EHIES survey was developed with the support of the World Bank and was conducted from March 2016 through April 2017. However, data have not yet been made publicly available. The EHIES surveys are comparable. However, they are conducted infrequently, which hampers monitoring poverty and inequality levels in the country. Further, the data are not shared publicly.

Eswatini uses the cost-of-basic-needs (CBN) approach to determine a consumption-based poverty line. This involves first estimating the cost of acquiring enough food for adequate nutrition, which in the context of Eswatini is the minimum caloric requirement of 2,100 calories per person per day, and then adding the cost of non-food essentials such as housing and clothing. The welfare measure used is consumption per adult equivalent, which captures differences in need by age, and economies of scale in consumption.

HARMONIZATION

The numbers presented in this brief are based on the SSAPOV database. SSAPOV is a database of harmonized nationally representative household surveys managed by Sub-Saharan Team for Statistical Development. It contains more than 100 surveys covering 45 out of the 48 countries in the SSA region. The four countries not covered in the database are Eritrea, Equatorial Guinea, and Somalia. Terms of use of the data adhere to agreements with the original data producers.