

Poverty & Equity Brief

Africa Eastern & Southern

Eswatini

October 2023

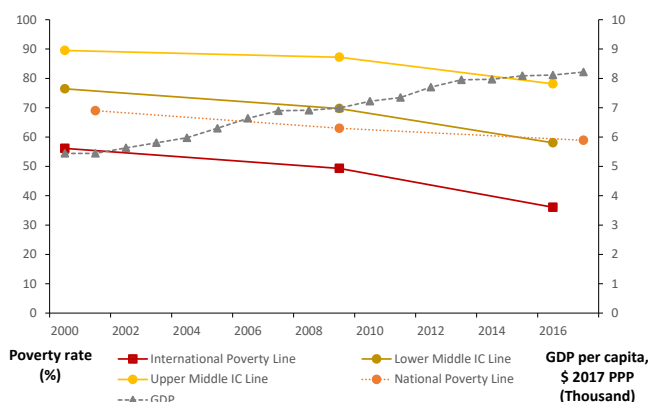
The proportion of the population living below the national poverty line fell moderately from 63.0 percent in 2009/10 to 58.9 percent in 2016/17, driven by improvements in educational attainment, social protection coverage, and labor incomes. Most of the poverty decline was a result of faster poverty reduction in urban areas, where the poverty rate fell from 31.1 to 19.6 percent. In comparison, the rural poverty rate fell by only 3.0 percentage points to 70.1 percent in 2016/17. As a result, the rural and urban poverty gap widened. The level of poverty remains considerably high, particularly for a lower middle-income country. More recently, the slowdown in economic activity in 2022, owing to inflationary pressures and supply chain disruptions from Russia's invasion of Ukraine, is estimated to have negatively impacted households. Recent socio-political unrests have also undermined the business environment. About 31 percent of the population was estimated to live below the US\$2.15/day (2017 PPP) international poverty line in 2022, while 54 percent of the population was under the lower-middle-income country poverty line (\$3.65/day, 2017 PPP).

Inequality in consumption per capita remains a challenge to growth and poverty reduction with a Gini index of 54.6 in 2016, up from 51.5 in 2009. Disparities in access to basic public services across income groups and geographic locations also persist despite progress in expanding access. Limited formal job creation and the high concentration of employment in low value-added activities such as subsistence agriculture also constrain poverty reduction. The most recent labor force survey puts unemployment at 33.3 percent in 2021, the highest rate on record in over a decade. Another challenge is the high HIV prevalence rate among adults aged 15 to 49, the world's highest. Some recovery is expected in 2023 supported by higher than anticipated SACU revenues and new major capital projects, particularly the Mkhondvo-Ngwavuma, which is expected to boost agricultural production. However, high food and energy prices are expected to persist and will constrain budgets and livelihoods, particularly for lower income households. Poverty based on the lower-middle-income country poverty line (\$3.65/day, 2017 PPP) is projected to decline only slightly from 54 percent in 2022 to 52.1 percent in 2025.

| POVERTY | Number of Poor (thousand) | Rate (%) | Period |
|--|------------------------------|-------------|-----------|
| National Poverty Line | 805.3 | 58.9 | 2017 |
| International Poverty Line 12.5 in Swaziland lilangeni (2016) or US\$2.15 (2017 PPP) per day per capita | 412.2 | 36.1 | 2016 |
| Lower Middle Income Class Poverty Line 21.2 in Swaziland lilangeni (2016) or US\$3.65 (2017 PPP) per day per capita | 663.2 | 58.0 | 2016 |
| Upper Middle Income Class Poverty Line 39.9 in Swaziland lilangeni (2016) or US\$6.85 (2017 PPP) per day per capita | 892.7 | 78.1 | 2016 |
| Multidimensional Poverty Measure | | 40.8 | 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 | | 2.15 | 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, PIP as of October 2023, and Global Monitoring Database for the rest.

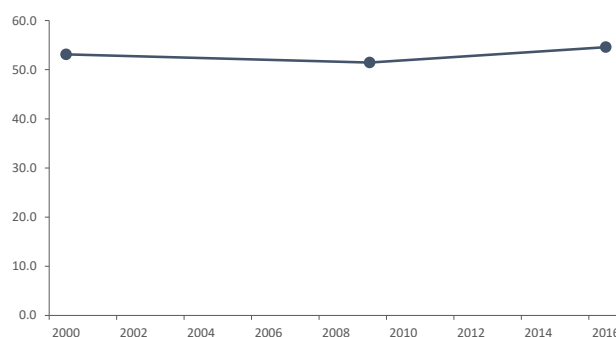
POVERTY HEADCOUNT RATE, 2000-2017



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 | 91 | 9 | 9 | 91 | Monetary poverty (Consumption) Daily consumption less than US\$2.15 per person 36.1 |
| Rural population | 56 | 44 | 49 | 51 | |
| Males | 65 | 35 | 39 | 61 | Education At least one school-aged child is not enrolled in school 0.3 No adult has completed primary education 10.7 |
| Females | 63 | 37 | 41 | 59 | |
| 0 to 14 years old | 55 | 45 | 49 | 51 | Access to basic infrastructure No access to limited-standard drinking water 27.9 No access to limited-standard sanitation 46.5 No access to electricity 35.7 |
| 15 to 64 years old | 70 | 30 | 33 | 67 | |
| 65 and older | 59 | 41 | 46 | 54 | |
| Without education (16+) | 50 | 50 | 54 | 46 | |
| Primary education (16+) | 56 | 44 | 47 | 53 | |
| Secondary education (16+) | 76 | 24 | 28 | 72 | |
| Tertiary/post-secondary education (16+) | 98 | N/A* | N/A* | 98 | |

Source: World Bank using HIES/SSAPOV/GMD

Source: World Bank using HIES/SSAPOV/GMD

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 2016–17. The latest EHIES survey was developed with the support of the World Bank and was conducted from March 2016 through April 2017. All 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.

Note on new global poverty lines: Poverty data are now expressed in 2017 Purchasing Power Parity (PPP) prices, versus 2011 PPP in previous editions. As price levels across the world evolve, global poverty lines have to be periodically updated to reflect the increase of the value of the lines in nominal terms. The new global poverty lines of \$2.15, \$3.65, and \$6.85 reflect the typical national poverty lines of low-income, lower-middle-income, and upper-middle-income countries in 2017 prices. In addition to reflecting updates in nominal terms, upper-middle-income countries raised the standards by which they determine people to be poor from 2011 to 2017. Hence, the increase in the upper line is larger, and the population that does not meet the new standard is higher in most countries than it was with 2011 PPPs. See pip.worldbank.org.

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 three 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.