



POVERTY MEASUREMENT IN TAJIKISTAN

Prepared by the Agency on Statistics under the President of Tajikistan with technical support from the Ministry of Economic Development and Trade and the World Bank



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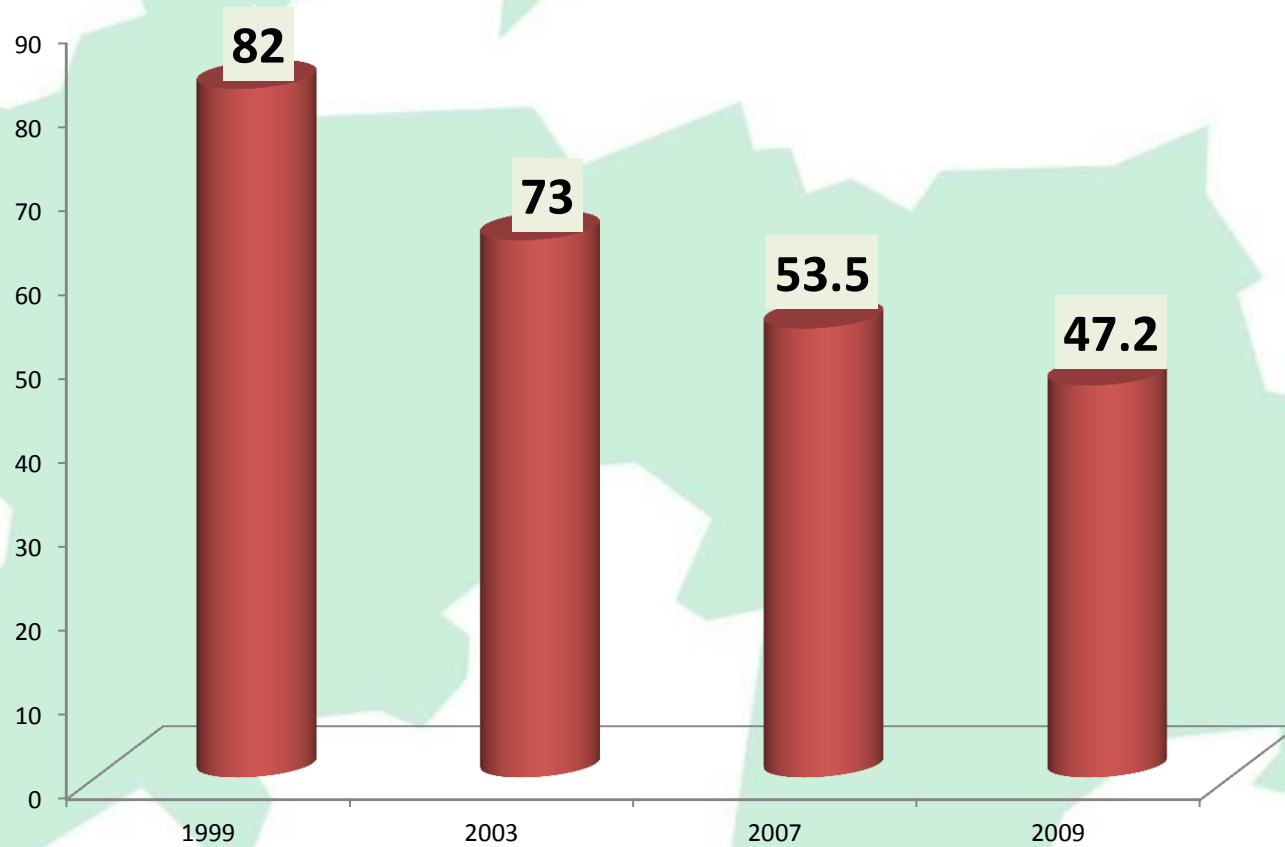


Introduction – the national methodology

- ▶ National methodology for poverty measurement identified as a key priority in the 2005 NDS
 - ▶ From 1999-2009, Tajikistan relied on the Living Standard Measurement Surveys
 - ▶ Since 2009, the country has relied on poverty-growth elasticity to project poverty
 - ▶ The limitations to this approach mean that the estimates become increasingly unreliable over time
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Change in poverty according to TLSS 1999, 2003, 2007 and 2009



Introduction – the new method

- ▶ The new approach uses the Household Budget Survey to measure poverty
- ▶ Administered by the Agency on Statistics (TajStat) in collaboration with the Ministry of Economic Development and Trade
- ▶ Internationally recognized methodology



Background – objectives and activities (short and long term)

- ▶ **Sort term solution (2011-2016)**
 - ▶ The new approach is an immediate solution
- ▶ **Long term solution (beyond 2016)**
 - ▶ The “Household Budget Survey Improvement Project” is supporting the development of an integrated Living Standard and Labor Force Survey.
 - ▶ Amendments to questionnaires
 - ▶ Updates to sampling methodology
 - ▶ Changes to fieldwork organization
- ▶ **2015-2016 will be transition years from the short to the long term solution, where change will be gradually introduced**



Background – previous vs. new

▶ Advantages

- ▶ Survey is country-owned
- ▶ 3000-household size provides much greater ability to estimate changes in poverty (TLSS was 1500 households)
- ▶ The HBS is a continuous survey, resulting in fewer biases and the ability to take seasons into account



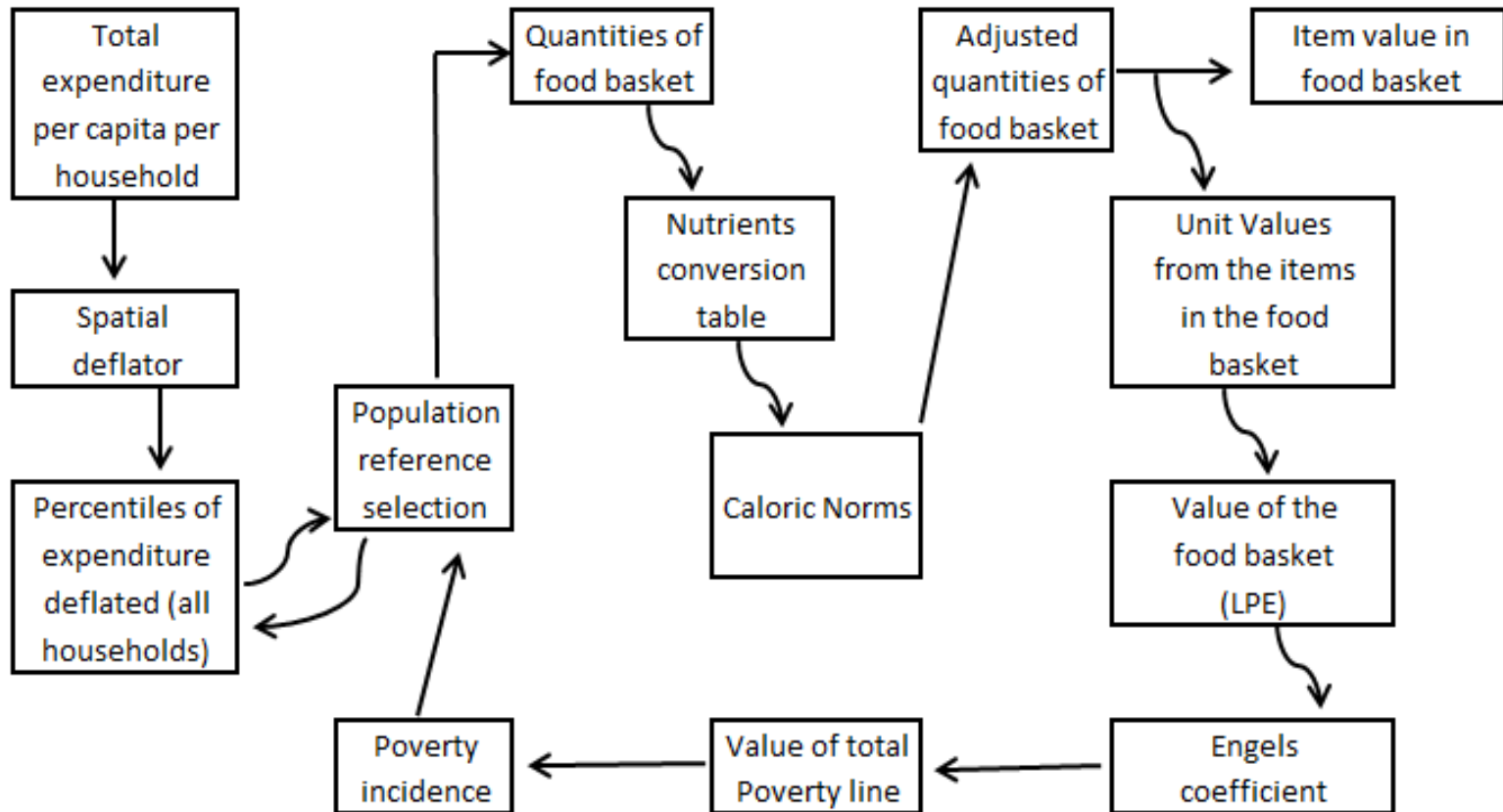
Background – previous vs. new

▶ Limitations

- ▶ Not strictly comparable with the TLSS based methodology
- ▶ HBS data entry system is outdated
- ▶ HBS sample frame drawn from 2000 population census
- ▶ Questionnaire does not reflect all of the latest policy needs
- ▶ Field work protocols and supervision can be improved
- ▶ Data access and dissemination practices can be improved



Construction of the Welfare Aggregate



The Welfare Aggregate – anatomy

- ▶ A monetary welfare indicator can be defined as follows:

$$\text{Welfare indicator} = \frac{\text{Nominal household consumption}}{\text{household size} * \text{temporal CPI} * \text{Spatial CPI}}$$

- ▶ Adjust for:
 - ▶ Differences in needs caused by different household size
 - ▶ Inflation
 - ▶ Cost-of-living differences across geographical areas



The Welfare Aggregate – anatomy

- ▶ The welfare aggregate can be expressed as the sum of two consumption sub-aggregates,

$$\text{THC} = \text{FHC} + \text{NFHC}$$

- ▶ Where:
 - ▶ THC = total household consumption,
 - ▶ FHC = food household consumption, and
 - ▶ NFHC = non-food household consumption.



The Poverty Line – the kilocalorie req.

- ▶ The average per-capita kilocalorie requirement (AKR) for Tajikistan is set to 2,250 Kcal/day
- ▶ In Tajikistan, households in percentiles 3-36 of the consumption distribution were selected
- ▶ The median value of a single calorie for households in the reference group is estimated to be TJS 0.0581/Kcal
- ▶ Food line = **TJS 130.65/month**



The Poverty Line – non-food

- ▶ The non-food component is calculated in three steps:
 - ▶ Step 1, identify the households for which total expenditures are close to the food poverty line
 - ▶ Step 2, calculate the share of food over total consumption (Engels coefficient)
 - ▶ Step 3, the food poverty line is divided by the Engels coefficient
- ▶ The median Engels coefficient for selected households was 77.86%.
- ▶ The summation of the food and non-components leads to a poverty line of TJS **167.80 per month**



The Welfare Aggregate – results

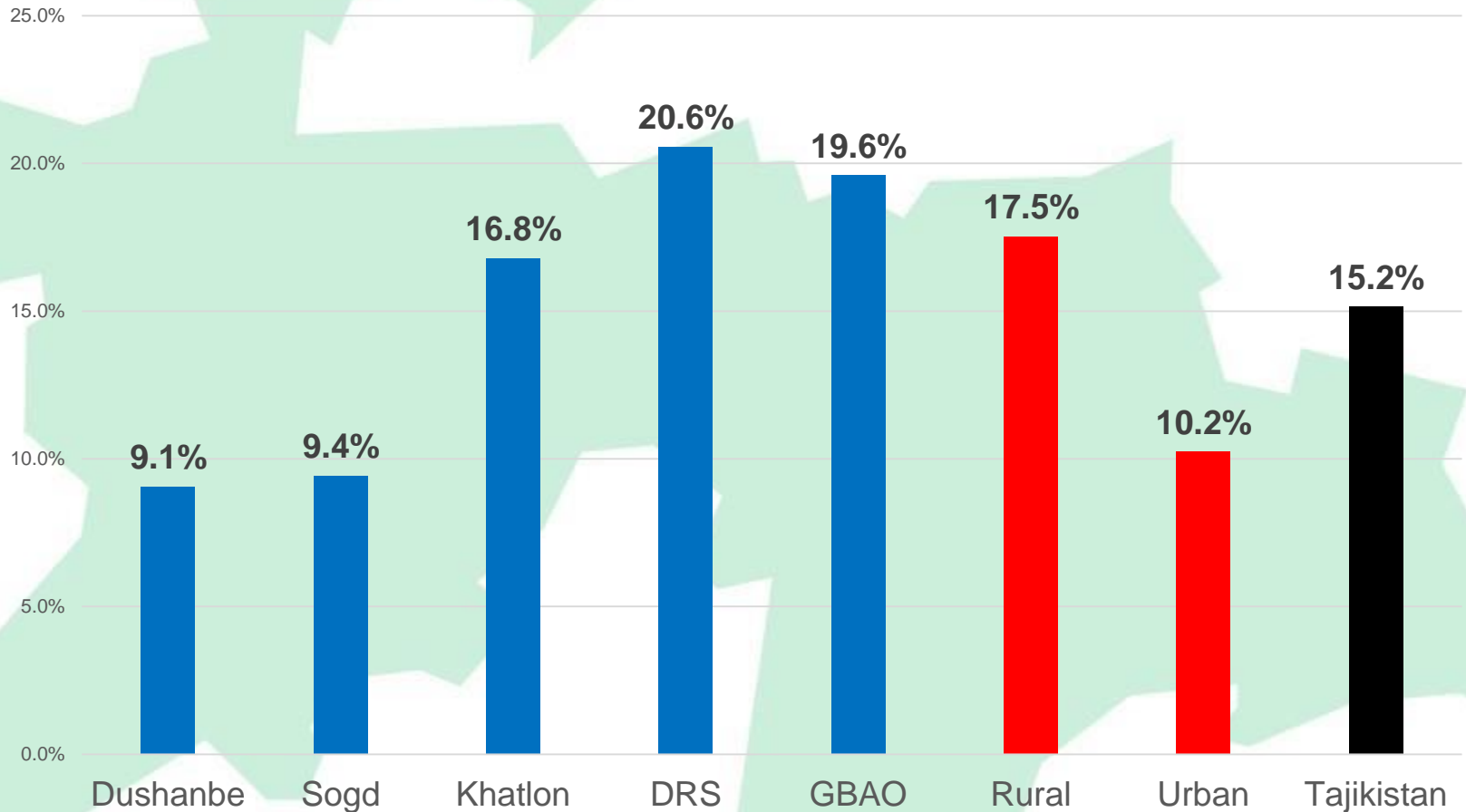
Total Monthly Per-capita Consumption Spatially Deflated, Tajikistan 2015

Groups		Somoni/month	%food	%non-food
Region	Dushanbe	275.45	59%	41%
	Sogd	273.81	62%	38%
	Khatlon	229.91	71%	29%
	RRS	221.61	70%	30%
	GBAO	201.28	75%	25%
Area	Urban	266.95	62%	38%
	Rural	229.85	70%	30%
Quintiles	Q1 (poorest)	113.80	77%	23%
	Q2	164.04	74%	26%
	Q3	210.74	71%	29%
	Q4	273.98	68%	32%
	Q5 (richest)	447.20	59%	41%
Total		241.95	67%	33%

Source: TajStat staff estimates based on HBS, 2015

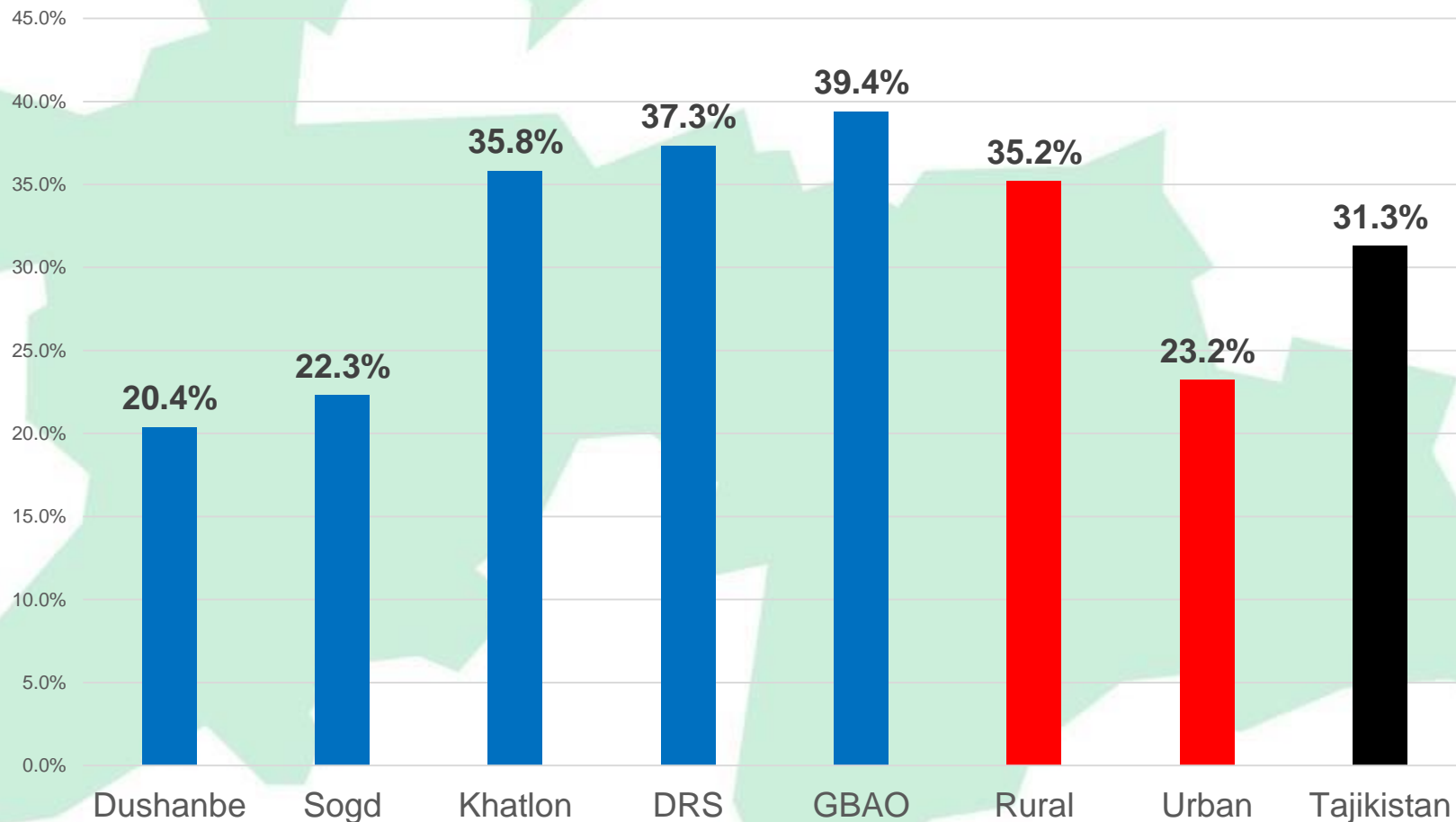
Basic Poverty Results – extreme poverty

Extreme Poverty, 2015



Basic Poverty Results – overall poverty

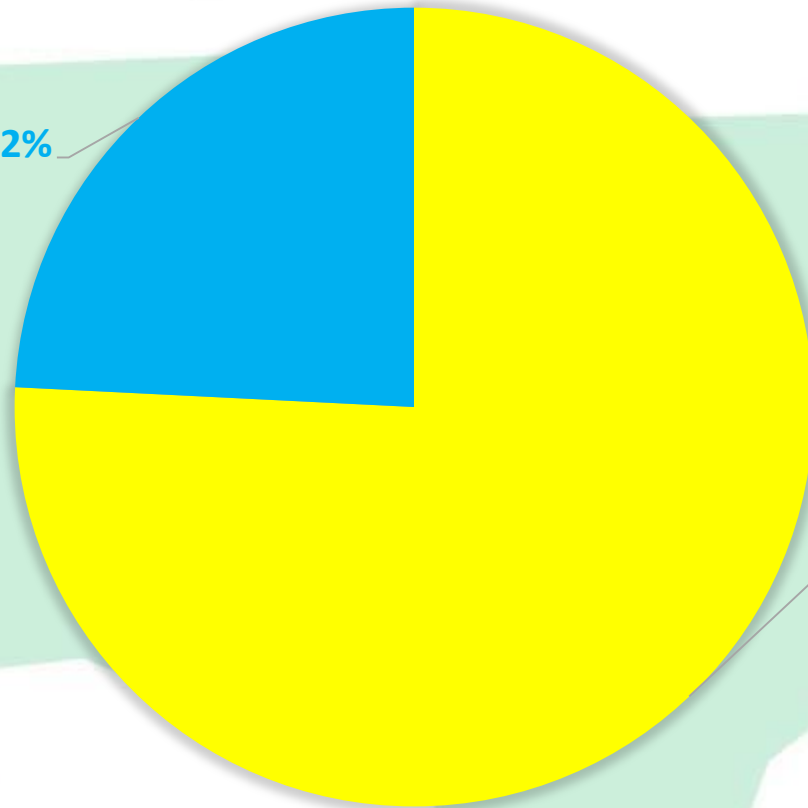
Overall Poverty, 2015



Basic Poverty Results – urban/rural

SHARE OF POOR, 2015

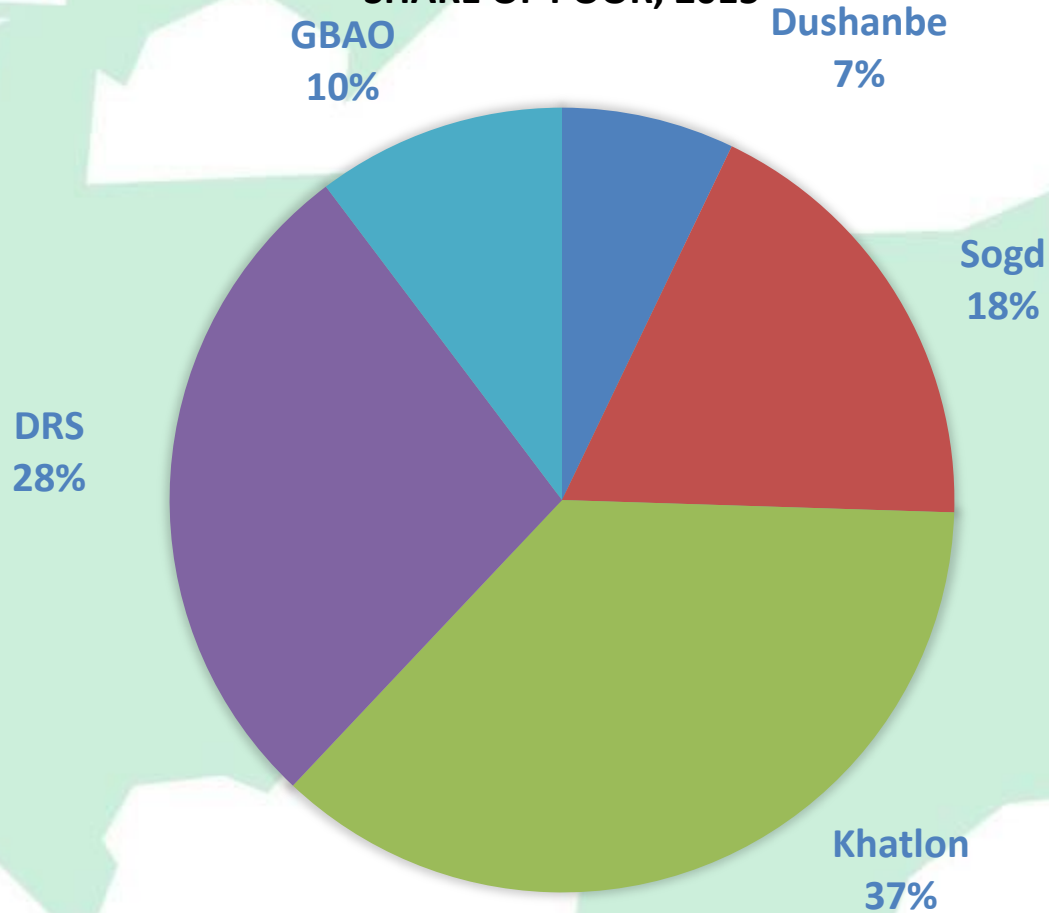
Urban, 24.2%



Rural, 75.8%

Basic Poverty Results – regions

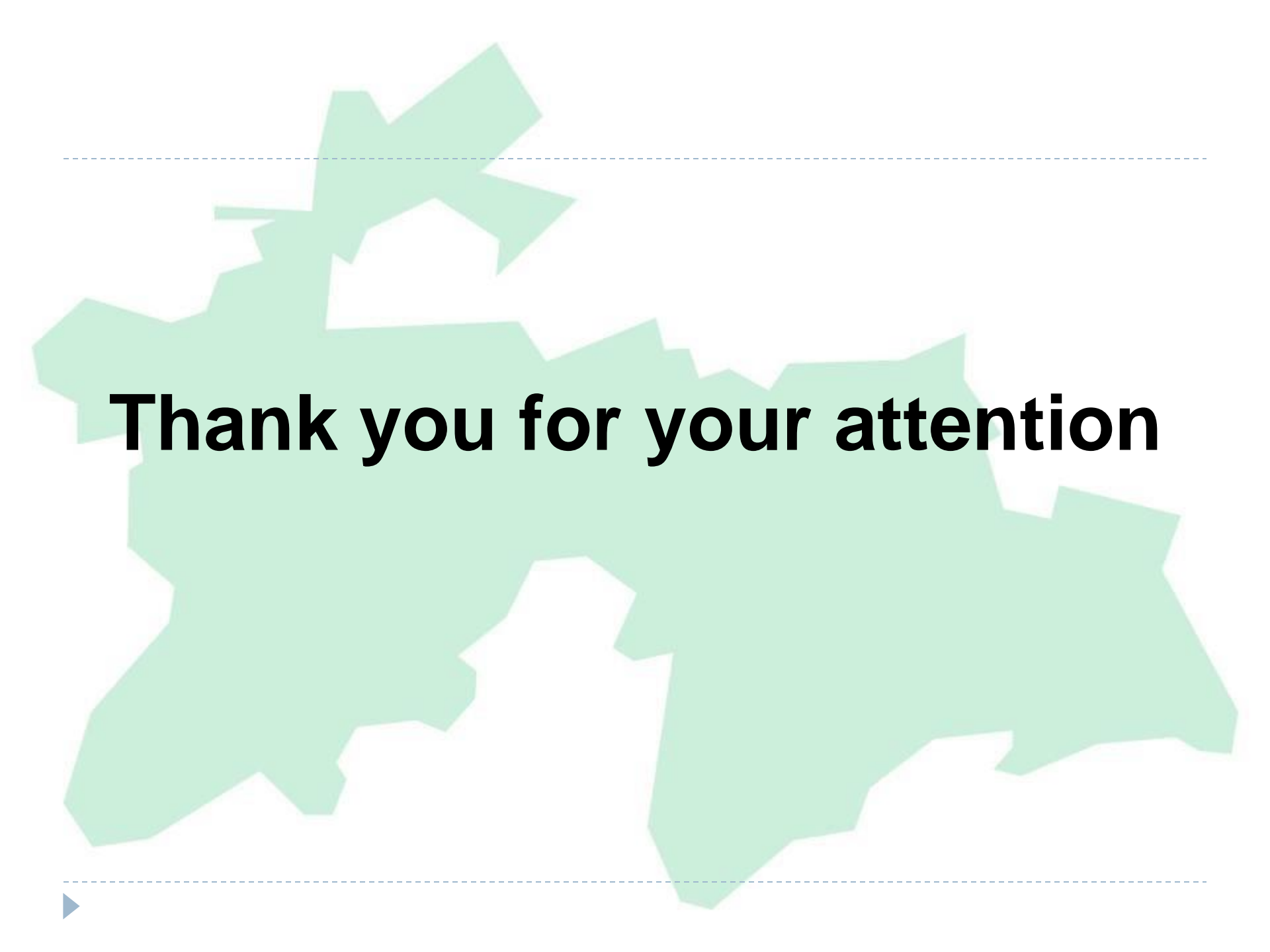
SHARE OF POOR, 2015



Road Map

- ▶ Data-entry
- ▶ Sampling
- ▶ Questionnaires
- ▶ Poverty fluctuations over time
- ▶ Updates to the poverty methodology





Thank you for your attention