

MINISTRY OF FINANCE AND ECONOMIC EMPOWERMENT

CENTRAL STATISTICS OFFICE

**POVERTY ANALYSIS**

**2006/07**

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**POVERTY ANALYSIS**

**2006/07**

**REPUBLIC OF MAURITIUS**

## **FOREWORD**

This is the second analytical report on poverty published by this office. The first report entitled 'Poverty Analysis 2001/02' was published in October 2006.

Mauritius does not have a national poverty line. However, on the basis of available data, an overview of the poverty situation in the country is presented.

Moreover, the report also includes an analysis of the distribution of government expenditure on some selected social welfare programmes.

It is hoped that the report will be of use to the public and in particular to policy makers and planners in the implementation and monitoring of policies and programmes to alleviate poverty.

I would like here to thank all staff who contributed in one way or another to the preparation and publication of this report.

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## **KEY FINDINGS**

The key findings of the analysis based on 2001/02 and 2006/07 Household Budget Surveys are summarised below.

### Extreme poverty

Extreme poverty as measured by 'proportion of population living below \$1.25 (PPP) a day' was below 1 % in both 2001/02 and 2006/07.

### Relative poverty

Relative poverty as measured by 'proportion of households below the half median monthly household income per adult equivalent' increased slightly from 7.7% in 2001/02 to 7.9% in 2006/07; the proportion of poor persons in relative poverty increased from 7.8% to 8.5% during same period.

### Poverty incidence

Poverty was more prevalent among :-

- Households headed by divorced/ separated persons: 17.3%
- Households with one parent and unmarried children only : 13.5%
- Households headed by persons with educational attainment below CPE: 13.2%
- Female headed households: 11.9%
- Single member households :10.3%
- Households with at least one child : 10.1%

### Poor households

Poor households were more likely to:-

- live in overcrowded rooms : average number of persons per room 1.2
- use cheaper types of fuels : wood (41.4%), kerosene (10.8%)
- live in large households ; average household size 4.0

### Income

Average monthly household income for the poor is estimated at Rs 7,055 against Rs 22,242 for all households. From 2001/02 to 2006/07, in real terms, household income for the poor grew by 3.5% whilst that of all households dropped by 0.5%.

### Source of income

Paid employment income and transfer income remained the two main sources of income for the poor. In 2006/07, the share of income from paid employment over total income stood at 41% (Rs 2,906) whilst that for transfer income was 24.0% (Rs 1,698).

### Consumption expenditure

Average monthly household consumption expenditure for the poor is estimated at Rs 6,500 compared to Rs 14,300 for all households.

The share of expenditure on basic items such as food, clothing and shelter over total consumption expenditure was 65% for poor households against 48% for all households.

### Loan repayment

Average monthly loan repayment was Rs 1,400 for poor indebted households against Rs 4,353 for all indebted households. The highest loan repayment for poor households was on housing.

### Government expenditure

In 2006/07, 55% of the total government expenditure went to 'Community and Social Services'.

Monthly public transfers (social security benefits paid by government) derived by the poorest decile group of households was estimated at Rs 1,367 per household in 2006/07.

Public transfers for poorest decile represented 22% of their total household disposable income against 2.4% for the richest decile.

Public transfers were found to be significant on bringing down poverty; it is estimated that if public transfers are discontinued, the overall household poverty rate would be 15.9% instead of 7.9%.

Government expenditure on primary and secondary education represented 26.8% of the household income for poorest decile and 1.8% for richest decile.



## CHAPTER 1 – INTRODUCTORY NOTES

### 1.1 Introduction

Poverty is multi-dimensional and can be measured in either monetary or non-monetary terms.

Mauritius does not have a national poverty line. However, on the basis of household survey data, poverty related indicators can be derived. The analysis in this report focuses mainly on poverty measurement in monetary terms based on data collected from Household Budget Surveys.

### 1.2 Data source

Household budget surveys or household income and expenditure surveys are the most important data sources for poverty analysis. The analysis presented in this report is mainly based on data collected at the 2001/02 and 2006/07 Household Budget Surveys.

In Mauritius, the Household Budget Survey (HBS), which is conducted every five years by the Central Statistics Office, constitutes the most reliable data source for household income and expenditure data. The main objective of the survey is to obtain up to date information on the consumption pattern of Mauritian households to update the basket of goods and services used for the computation of the monthly Consumer Price Index (CPI).

For both 2001/02 & 2006/07 survey rounds, a two-stage stratified sampling design was adopted and total of 6,720 households were surveyed (6,240 households in the island of Mauritius and 480 in the island of Rodrigues). In addition to information on household income and expenditure, the HBS data comprised demographic and socio-economic details.

Administrative data were also tapped in order to carry out the analysis of social welfare programmes.

### 1.3 Absolute / Relative Poverty lines

The poverty line can be an absolute poverty line which is the cost of the basic needs of a household in terms of food, housing, clothing and other essentials for living; such a line is usually referred to as the *minimum vital*. On the international level a poverty line of \$1 a day per person has been developed by the World Bank to assess and monitor global poverty; the \$1 a day was originally measured at 1985 prices, and re-evaluated at \$1.08 in 1993; \$1.08 has been widely accepted as an international standard for measuring poverty and incorporated in the first Millennium Development Goal; the goal calls for eradicating extreme poverty; in 2005, the \$1.08 has been re-calibrated to \$1.25 based on the new data on purchasing power parity compiled by the International Comparison Program. Details about the Mauritian situation with respect to this poverty line are given in Chapter 10.

Alternatively, a relative poverty line can also be used. The relative poverty line is defined in terms of the poverty of a lower income group relative to a higher income group.

#### **1.4 Definition of the poor**

A household is considered poor if its income resources fall below a certain minimum threshold called the poverty line.

A relative poverty line, defined as half the median of household income adjusted for household size and age composition as well as for economies of scale, is used in this analysis. Upon using this line, a 1-person household was found to be poor if its income resources fell below Rs 2,804 in 2001/02 and Rs 3,821 in 2006/07. More details are given at Annex.

## CHAPTER 2 – SELECTED SUMMARY INDICATORS

### 2.1 Introduction

This chapter gives a broad picture of the poverty situation in the Republic of Mauritius. On the basis of the data collected during the past two Household Budget Surveys (HBS), the poverty situation has been assessed using the most commonly used poverty indicators, namely the poverty headcount ratio, the income gap ratio and the poverty gap ratio (Table 2.1).

**Table 2.1 – Selected summary indicators on poverty, HBS 2001/02 & 2006/07**

	2001/02	2006/07
Estimated number of households	307,000	335,000
Poverty lines – Half median monthly household income per adult equivalent (Rs.)	2,804	3,821
Estimated number of poor households	23,700	26,400
Proportion of poor households (%)	7.7	7.9
Estimated number of poor persons	93,200	104,200
Proportion of poor persons (%)	7.8	8.5
Income gap ratio (%)	22.6	21.9
Poverty gap ratio (%)	1.8	1.9

### 2.2 Poverty incidence (Headcount ratio)

Poverty incidence or the proportion of households/persons below the poverty line as measured by the headcount ratio increased during the period 2001/02 to 2006/07. The proportion of the poor households increased from 7.7% to 7.9%. In terms of number, poor households are estimated to have gone up from 23,700 to 26,400.

During the same period, a higher increase is noted in the proportion of poor persons from 7.8% to 8.5% which is explained by the larger size of poor households in 2006/07.

### **2.3 Depth of poverty**

The income gap ratio (IGR) indicates the depth of poverty among the poor; it measures the difference between the poverty line and the mean income of the poor, expressed as a ratio of the poverty line. The ratio decreased slightly from 22.6% in 2001/02 to 21.9% in 2006/07, indicating that the economic situation of the poor has improved marginally.

By contrast, the poverty gap ratio (PGR) measures both the depth and the extent of poverty. This ratio takes into consideration both the income shortfall of the poor (as measured by the IGR) and the poverty incidence (as measured by the headcount ratio).

The improvement in the IGR coupled with the increase in the poverty incidence resulted in a slight increase of the PGR from 1.8% in 2001/02 to 1.9% in 2006/07.

## CHAPTER 3 – POVERTY INCIDENCE

### 3.1 Introduction

This chapter presents poverty incidence by region and household characteristics, together with a comparison over time.

### 3.2 Poverty incidence by island

Data disaggregated by region shows that poverty incidence is higher in the island of Rodrigues than in Mauritius. In 2006/07, upon using the relative poverty line estimated at Rs 3,821, poverty incidence was 7.1% for the island of Mauritius and 30.7% for Rodrigues.

Given that the standard of living in Mauritius differs from that of Rodrigues, it is more appropriate to use separate poverty lines for the islands. As a result, as shown in Table 3.1, the poverty incidence in the island of Mauritius worked out to 7.4% against 17.9% for Rodrigues.

From 2001/02 to 2006/07, poverty incidence increased from 15.6% to 17.9% in the island of Rodrigues; in the island of Mauritius, poverty incidence increased marginally from 7.3% to 7.4%.

**Table 3.1 – Percentage of households in poverty by island, HBS 2001/02 & 2006/07**

	2001/02		2006/07	
	Island of Mauritius	Island of Rodrigues	Island of Mauritius	Island of Rodrigues
Relative poverty line*	2,828	2,012	3,847	2,716
Proportion of poor households	7.3	15.6	7.4	17.9

\* Relative poverty line defined as half the median of monthly household income per adult equivalent.

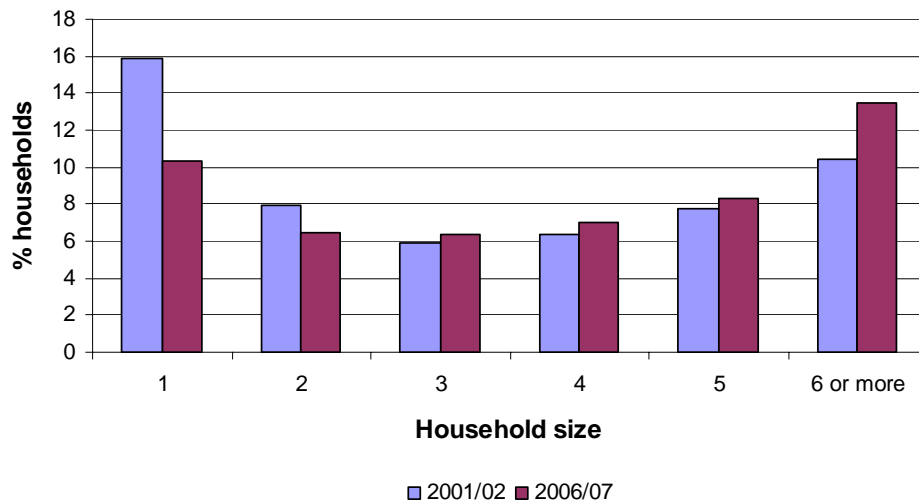
### 3.3 Poverty incidence by household characteristics

#### 3.3.1 Household size

**Table 3.2 – Percentage of households in poverty by household size, HBS 2001/02 & 2006/07**

Household size	2001/02	2006/07
1	15.9	10.3
2	7.9	6.5
3	5.9	6.4
4	6.4	7.0
5	7.8	8.3
6 or more	10.4	13.5
<b>All households</b>	<b>7.7</b>	<b>7.9</b>

**Figure 3.1 - Percentage of households in poverty by household size, HBS 2001/02 & 2006/07**



In 2006/07, poverty incidence was highest among 1-person households (10.3%) and very large households with 6 or more persons (13.5%).

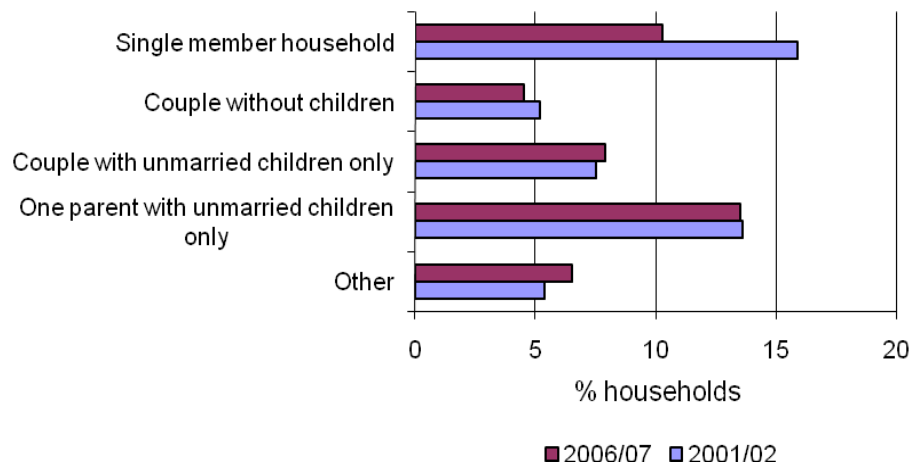
Between 2001/02 and 2006/07, poverty incidence went down among 1-person and 2-person households. By contrast among larger households of size 3 and above, poverty incidence went up.

### 3.3.2 Household type

**Table 3.3 –Percentage of households in poverty by household type, HBS 2001/02 & 2006/07**

Household type	2001/02	2006/07
Single member household	15.9	10.3
Couple without children	5.2	4.5
Couple with unmarried children only	7.5	7.9
One parent with unmarried children only	13.6	13.5
Other	5.4	6.5
<b>All households</b>	<b>7.7</b>	<b>7.9</b>

**Figure 3.2 - Percentage of households in poverty by household type, HBS 2001/02 & 2006/07**



In 2006/07, poverty was more prevalent in single member households (10.3%) and households comprising a single parent with unmarried children only (13.5%) than in other types of households.

A similar situation prevailed in 2001/02. However, between 2001/02 and 2006/07, poverty incidence witnessed a significant drop (from 15.9% to 10.3%) among single member

households, while it remained at the same level among households comprising one parent with unmarried children only.

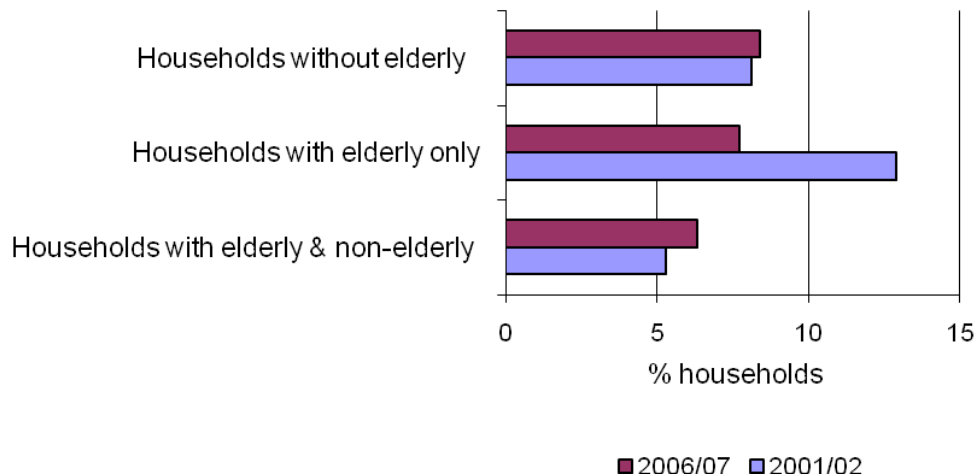
A decrease in poverty incidence is also noted in households comprising couple without children. The poverty incidence dropped from 5.2% in 2001/02 to 4.5% in 2006/07.

### 3.3.3 Households with elderly

**Table 3.4 – Percentage of households in poverty by selected household composition, HBS 2001/02 & 2006/07**

Household composition	2001/02	2006/07
Households without elderly	8.1	8.4
Households with elderly	6.7	6.6
<i>of which</i>		
<i>Households with elderly only</i>	<i>12.9</i>	<i>7.7</i>
<i>Households with both elderly and non-elderly</i>	<i>5.3</i>	<i>6.3</i>
<b>All households</b>	<b>7.7</b>	<b>7.9</b>

**Figure 3.3 - Percentage of households in poverty by selected household composition, HBS 2001/02 & 2006/07**



Households without elderly persons were more likely to be in poverty than those with elderly persons. In 2006/07, poverty incidence was 8.4% among households without elderly persons against 6.6% among those with elderly.



Households with elderly only were more likely to be in poverty than households with both elderly and non elderly. In 2006/07, poverty incidence among households with elderly only was 7.7% compared to 6.3% for households with both elderly and non-elderly.

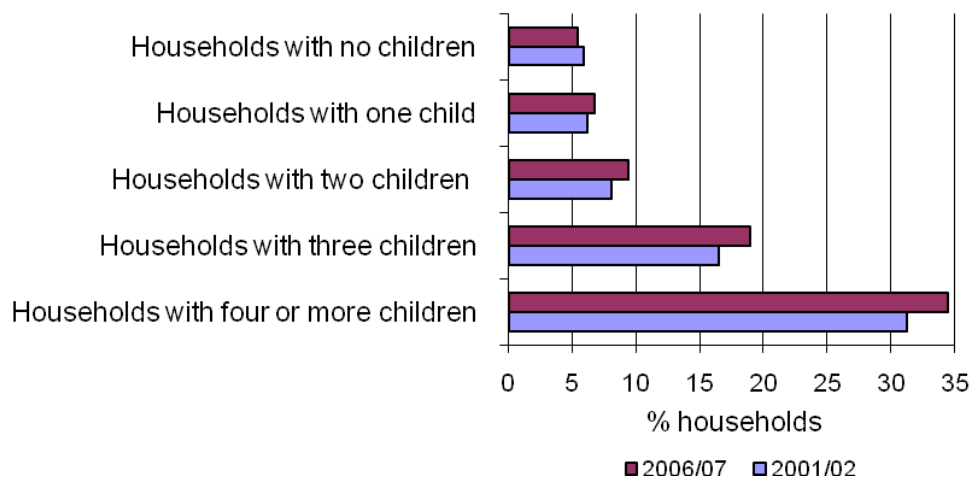
Poverty incidence among households with elderly only went down from 12.9% in 2001/02 to 7.7% in 2006/07. In contrast, among households with both elderly and non-elderly, poverty incidence went up from 5.3% to 6.3%.

### 3.3.4 Households with children

**Table 3.5 – Percentage of households in poverty by number of children in household, HBS 2001/02 & 2006/07**

	2001/02	2006/07
Households with no children	5.9	5.4
Households with at least one child	9.1	10.1
<i>One child</i>	6.2	6.7
<i>Two children</i>	8.1	9.4
<i>Three children</i>	16.5	18.9
<i>Four or more children</i>	31.2	34.4
<b>All households</b>	<b>7.7</b>	<b>7.9</b>

**Figure 3.4 - Percentage of households in poverty by number of children in household, HBS 2001/02 & 2006/07**



Poverty is highly prevalent in households with large number of children (aged below 16 years). In 2006/07, poverty incidence among households with at least one child was 10.1% compared to 5.4% for households without children.

Moreover, the larger the number of children the higher is the poverty rate. In 2006/07, poverty rate of households with four or more children was 34.4% against 6.7% for households with one child.

Analysis over time shows that the poverty situation of households with children has deteriorated; the poverty rate increased from 9.1% in 2001/02 to 10.1% in 2006/07.

### 3.3.5 Household income earners

**Table 3.6 – Percentage of households in poverty by number of income earners in household, HBS 2001/02 & 2006/07**

<b>Number of income earners in household</b>	<b>2001/02</b>	<b>2006/07</b>
One income earner	13.7	12.5
More than one income earner	3.8	4.7
<b>All households</b>	<b>7.7</b>	<b>7.9</b>

As expected, poverty incidence is higher among households with fewer income earners. In 2006/07, poverty incidence among households with one income earner was 12.5%, much higher than households with more than one income earner (4.7%).

Between 2001/02 and 2006/07 poverty incidence among households with one income earner dropped from 13.7% to 12.5%, but increased from 3.8% to 4.7% among households with more than one income earner.

### 3.3.6 Tenure of household

**Table 3.7 – Percentage of households in poverty by tenure, HBS 2001/02 & 2006/07**

<b>Tenure</b>	<b>2001/02</b>	<b>2006/07</b>
Owner occupied, and supplied free by parents/relatives and employer	6.9	7.2
Rented	16.2	15.7
<b>All households</b>	<b>7.7</b>	<b>7.9</b>

Poverty was more prevalent among renting households in both 2001/02 and 2006/07. In 2006/07, poverty incidence among renting households was 15.7% against 6.5% among households that either owned their dwellings or lived in dwellings supplied free by parents, relatives or employers.

From 2001/02 to 2006/07, poverty incidence increased among households which either owned their dwellings or lived in dwellings supplied by parents, relatives or employers; however, the poverty incidence dropped marginally for renting households.

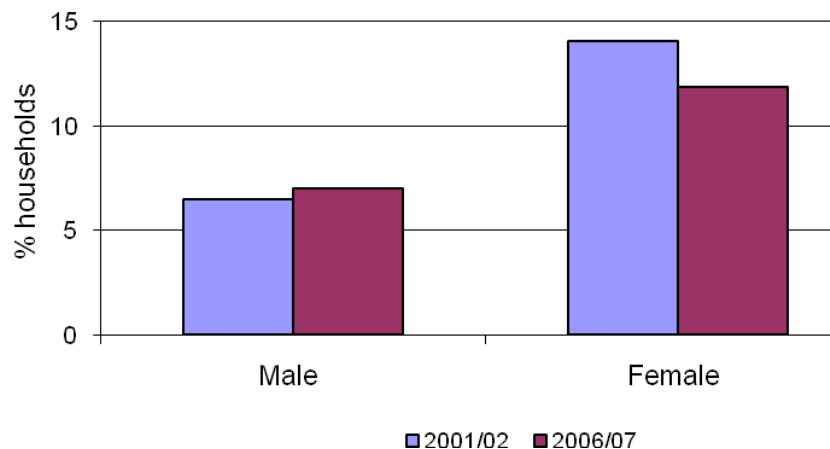
### 3.4 Heads of households

#### 3.4.1 Sex

**Table 3.8 – Percentage of households in poverty by sex of head, HBS 2001/02 & 2006/07**

Sex of head	2001/02	2006/07
Male	6.5	7.0
Female	14.1	11.9
<b>Both sexes</b>	<b>7.7</b>	<b>7.9</b>

**Figure 3.5 - Percentage of households in poverty by sex of head, HBS 2001/02 & 2006/07**



Female headed households were more likely to be poor than male headed households. In 2006/07, poverty incidence among female headed households worked out to 11.9% compared to 7.0% among male headed households. Over 50% of the female headed poor households were single parent households with unmarried children only.

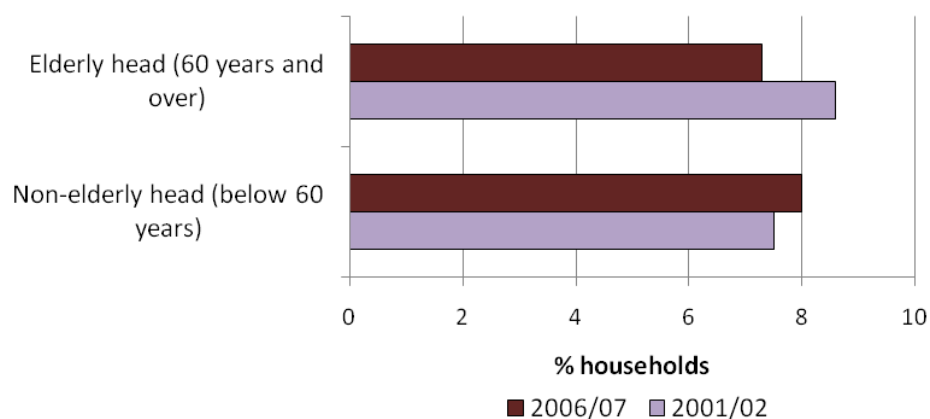
From 2001/02 to 2006/07 poverty incidence among female headed households dropped (from 14.1% to 11.9%), but rose among male headed households (from 6.5% to 7.0%).

### 3.4.2 Age

**Table 3.9 – Percentage of households in poverty by age of head, HBS 2001/02 & 2006/07**

Age of head	2001/02	2006/07
Elderly head (60 years and over)	8.6	7.3
Non-elderly head (below 60 years)	7.5	8.0
<b>All heads</b>	<b>7.7</b>	<b>7.9</b>

**Figure 3.6 - Percentage of households in poverty by age of head, HBS 2001/02 & 2006/07**



Households with non-elderly heads were more likely to be in poverty than households with elderly heads. In 2006/07 poverty incidence among non-elderly headed households stood at 8.0% against 7.3% for elderly headed households.

However, in 2001/02, poverty incidence was higher among elderly headed household (8.6 %) than among non-elderly headed households (7.5%).

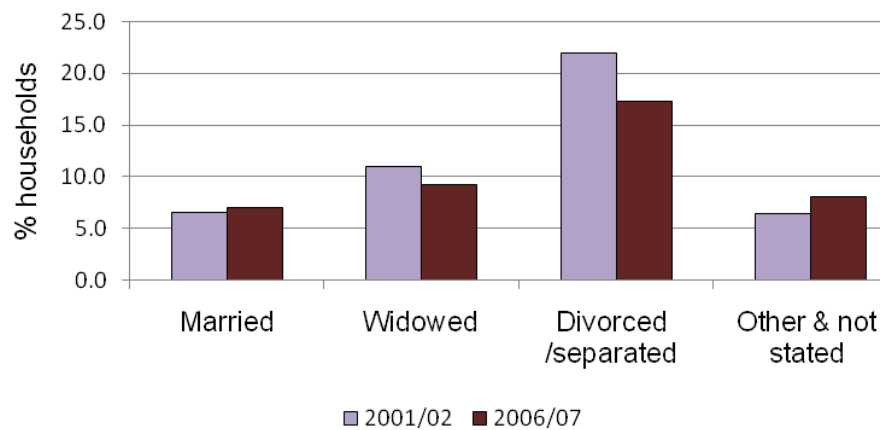
Further analysing the 2006/07 data shows that the non-elderly heads aged below 40 years (10.4%) and elderly heads aged 70 years and over (8.0%) were more likely to be in poverty.

### 3.4.3 Marital status

**Table 3.10 – Percentage of households in poverty by marital status of head, HBS 2001/02 & 2006/07**

Marital status of head	2001/02	2006/07
Married	6.6	7.0
Widowed	11.0	9.3
Divorced / separated	22.0	17.3
Other & not stated	6.5	8.1
<b>All households</b>	<b>7.7</b>	<b>7.9</b>

**Figure 3.7 - Percentage of households in poverty by marital status of head, HBS 2001/02 & 2006/07**



In 2006/07, poverty incidence was highest among households with divorced/separated heads (17.3%) and households with widowed heads (9.3%), the majority (over 88%) of which were female headed.

Between 2001/02 and 2006/07, poverty incidence went down among both households headed by divorced/separated persons (from 22.0 % to 17.3%) and households headed by widowed persons (from 11.0% to 9.3%).

### 3.4.4 Educational characteristics

**Table 3.11 - Percentage of households in poverty by school attendance of head, HBS 2001/02 & 2006/07**

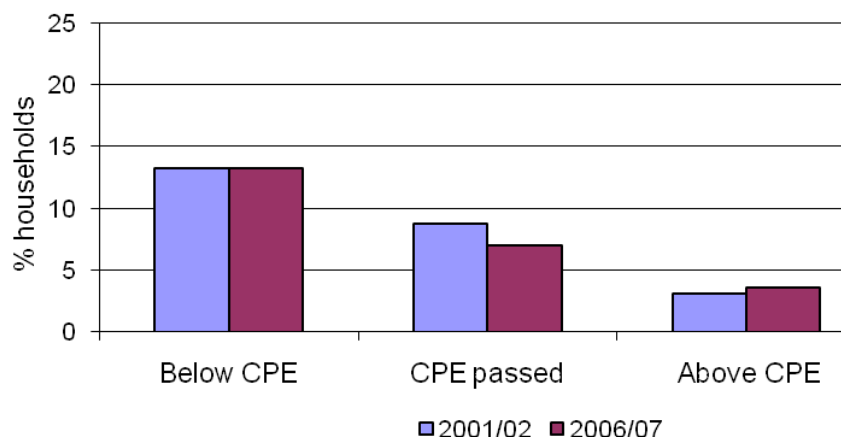
School attendance of head	2001/02	2006/07
Past	7.1	7.4
Never	13.5	13.8
<b>All households</b>	<b>7.7</b>	<b>7.9</b>

Households headed by persons who never attended school were more likely to be poor than households with heads having attended school in the past. In 2006/07, the poverty incidence among households whose heads never attended school (13.8%) was nearly twice that among households with heads who attended school in the past (7.4%).

**Table 3.12 - Percentage of households in poverty by educational attainment of head, HBS 2001/02 & 2006/07**

Educational attainment of head	2001/02	2006/07
Below CPE	13.2	13.2
CPE passed	8.8	7.0
Above CPE	3.1	3.6
<b>All households</b>	<b>7.7</b>	<b>7.9</b>

**Figure 3.8 - Percentage of households in poverty by educational attainment of head, HBS 2001/02 & 2006/07**



Poverty was more prevalent among households whose heads had a low level of education. Highest poverty incidence (13.2%) was noted among households whose heads never attended schools or did not hold the Certificate of Primary Education (CPE). By contrast poverty incidence among households whose heads had at an educational level higher than the CPE stood at 3.6%.

### 3.4.5 Economic activity

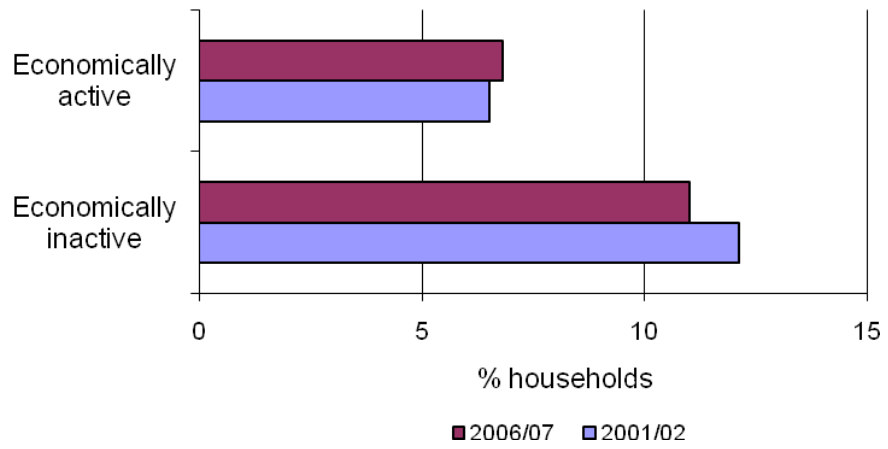
**Table 3.13 – Percentage of households in poverty by activity status of head, HBS 2001/02 & 2006/07**

<b>Activity status of head</b>	<b>2001/02</b>	<b>2006/07</b>
Economically active	6.5	6.8
Economically inactive	12.1	11.0
<b>All households</b>	<b>7.7</b>	<b>7.9</b>

Households headed by economically inactive (retired, home makers, disabled, etc) persons were more likely to be in poverty than those headed by economically active (employed and unemployed) heads. In 2006/07, poverty incidence among heads who were economically inactive (11.0%) was nearly twice that of economically active heads (6.8%).

Between 2001/02 and 2006/07, poverty incidence among households with economically inactive heads improved slightly from 12.1% to 11.0%, but increased from 6.5% to 6.8% among households headed by economically active persons.

**Figure 3.9 - Percentage of households in poverty by activity status of head, HBS 2001/02 & 2006/07**





## CHAPTER 4 – CHARACTERISTICS OF POOR HOUSEHOLDS

### 4.1 Introduction

This chapter gives the profile of poor households in the Republic of Mauritius and a comparative analysis between poor households and all households.

### 4.2 Household size

**Table 4.1 – Distribution (%) of households by household size, HBS 2001/02 & 2006/07**

Household size	2001/02		2006/07	
	Poor households	All households	Poor households	All households
1	10.6	5.2	9.0	6.9
2	14.0	13.8	13.8	16.7
3	15.9	21.0	17.5	21.5
4	25.1	30.4	26.6	29.8
5	17.1	16.8	15.9	15.2
6 or more	17.2	12.8	17.2	9.9
<b>All households</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Average household size</b>	<b>3.9</b>	<b>3.9</b>	<b>4.0</b>	<b>3.7</b>

A comparison of the distribution of poor households and all households in 2006/07 indicates that poor households had a higher proportion of 1-person households and households with 5 or more. This implies that these households were more likely to be in poverty than households with 3 or 4 persons.

The average household size for poor households was 4.0 in 2006/07 against 3.7 for all households. In 2001/02, both poor and all households had an average household size of 3.9.

### 4.3 Composition of an average household

Table 4.2 confirms that poor households were more likely to be single-parent households; with an average of 0.7 spouse in poor households against an average of 0.8 in all households in both 2001/02 and 2006/07.

Poor households also contained a larger number of unmarried children than all households. In 2006/07, an average of 1.8 unmarried children was present in poor households compared to 1.4 in all households.

**Table 4.2 – Composition of an average household, HBS 2001/02 & 2006/07**

Relationship to head	2001/02		2006/07	
	Poor households	All households	Poor households	All households
Head	1.0	1.0	1.0	1.0
Spouse	0.7	0.8	0.7	0.8
Child	1.9	1.7	1.9	1.5
<i>Unmarried</i>	<i>1.8</i>	<i>1.6</i>	<i>1.8</i>	<i>1.4</i>
<i>Ever-married</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>
Other	0.3	0.4	0.4	0.4
<b>Average household size</b>	<b>3.9</b>	<b>3.9</b>	<b>4.0</b>	<b>3.7</b>

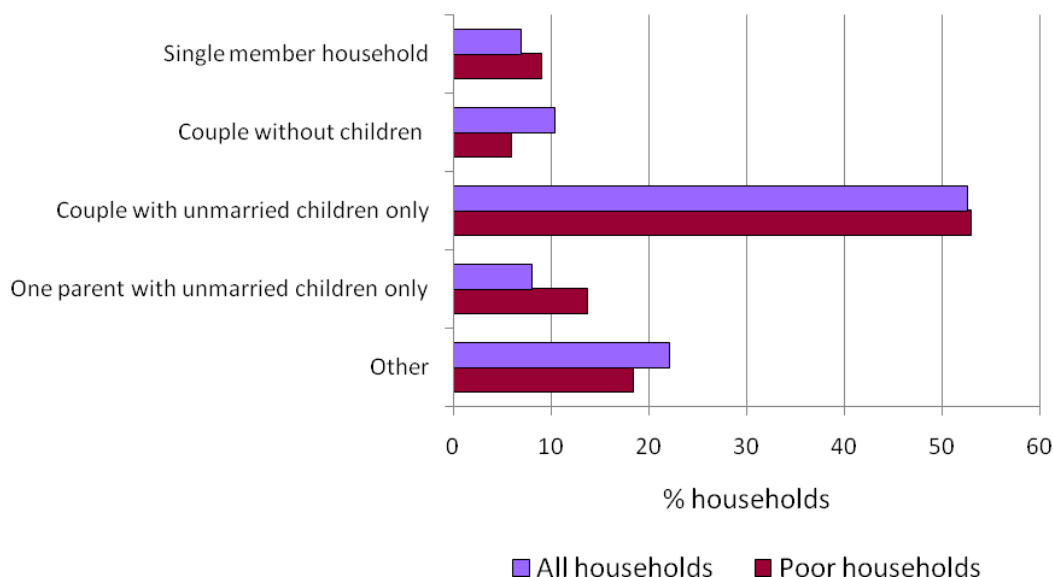
#### 4.4 Household type

**Table 4.3 – Distribution (%) of households by household type, HBS 2001/02 & 2006/07**

Household type	2001/02		2006/07	
	Poor households	All households	Poor households	All households
Single member household	10.6	5.2	9.0	6.9
Couple without children	5.8	8.7	5.9	10.4
Couple with unmarried children only	53.8	55.1	53.0	52.6
One parent with unmarried children only	13.6	7.8	13.7	8.0
Other	16.2	23.2	18.4	22.1
<b>All households</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

In 2006/07, around half of the poor households comprised ‘couple with unmarried children only’ (53%) was the most common household type for both poor households and all households. Nearly 14% of poor households against 8.0% of all households were ‘one parent household with unmarried children’; also a larger proportion of poor households, 9.0% against 6.9% for all households, represented ‘single member households’.

**Figure 4.1 - Distribution (%) of households by household type, HBS 2006/07**



#### 4.5 Type of tenure

**Table 4.4 – Distribution (%) of households by type of tenure, HBS 2001/02 & 2006/07**

Type of tenure	2001/02		2006/07	
	Poor households	All households	Poor households	All households
Owner occupied, and supplied free by parents/relatives and employer	81.6	91.2	83.3	91.6
Renting households	18.4	8.8	16.7	8.4
<b>All households</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

In 2006/07, around 83% of the poor households either owned their dwellings or lived in dwellings supplied free by parents, relatives or employers; the remaining 17% rented their dwellings. In contrast, 92% of all households either owned their dwellings or lived in dwellings supplied free from parents, families or employers; the remaining 8% rented their dwelling.

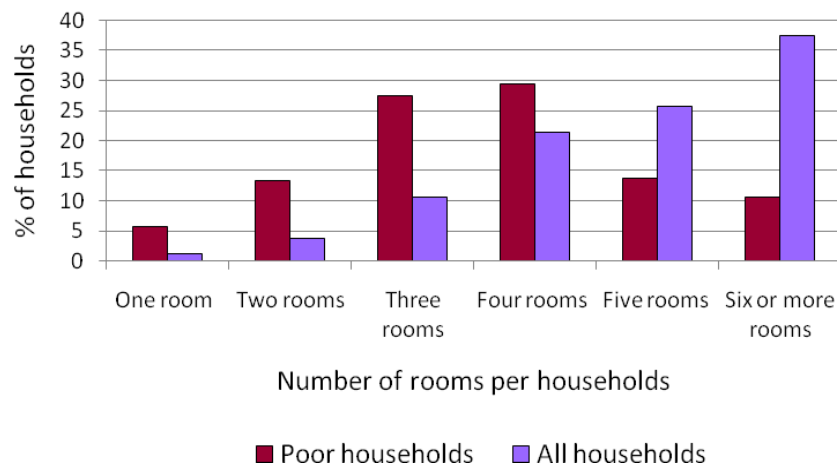
A comparison over time shows that the proportion of poor households, which either owned their dwellings or lived in dwellings supplied free by parents, relatives or employers, increased from 82% in 2001/02 to 83% in 2006/07. The corresponding percentage for all households rose from 91% to 92%.

#### 4.6 Number of rooms per household

**Table 4.5 - Distribution (%) of households by number of rooms per household, HBS 2001/02 & 2006/07**

Number of rooms per household	2001/02		2006/07	
	Poor households	All households	Poor households	All households
One room	5.6	1.3	5.6	1.1
Two rooms	23.3	5.7	13.3	3.8
Three rooms	28.1	12.8	27.4	10.6
Four rooms	23.6	21.3	29.4	21.4
Five rooms	11.8	23.9	13.8	25.6
Six or more rooms	7.5	35.0	10.6	37.5
<b>All households</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Average number of rooms per household</b>	<b>3.4</b>	<b>4.7</b>	<b>3.7</b>	<b>5.2</b>

**Figure 4.2 - Distribution (%) of households by number of rooms, HBS 2006/07**



As expected, poor households were more likely to be found in houses with fewer rooms. In 2006/07, the average number of rooms for poor households worked out to 3.7 compared to 5.2 for all households. The proportion of households with more than three rooms was 53.8% for poor households and 84.5% for all households.

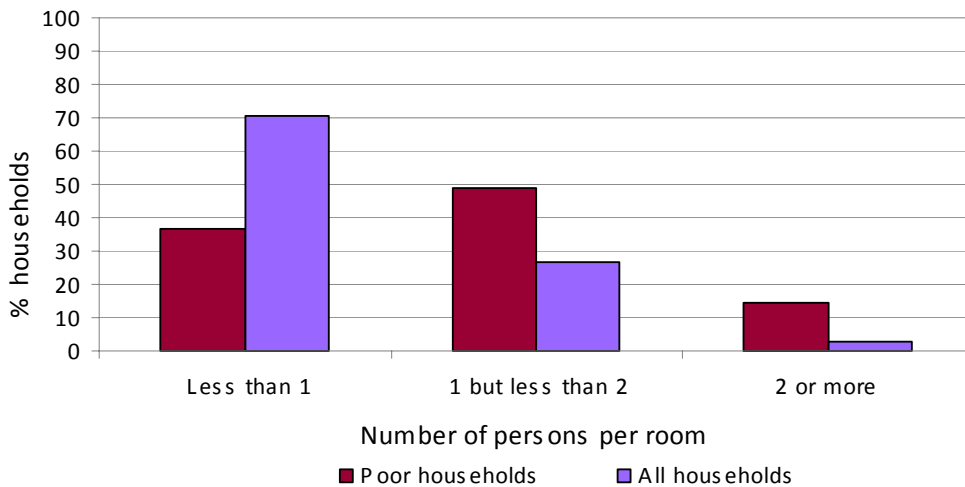
A comparison over time shows that during the period 2001/02 to 2006/07, the average number of rooms among poor households increased by 0.3 against 0.5 among all households.

**4.7 Number of persons per room**

**Table 4.6 – Distribution (%) of households by number of persons per room, HBS 2001/02 & 2006/07**

Number of persons per room	2001/02		2006/07	
	Poor households	All households	Poor households	All households
Less than 1	29.4	62.2	36.7	70.6
1 but less than 2	51.2	33.5	48.8	26.7
2 or more	19.4	4.3	14.4	2.7
<b>All households</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Average number of persons per room</b>	<b>1.3</b>	<b>0.9</b>	<b>1.2</b>	<b>0.8</b>

**Figure 4.3 - Distribution (%) of households by number of persons per room, HBS 2006/07**



Poor households had higher room density than all households. In 2006/07, the average number of persons per room worked out to 1.2 for poor households against 0.8 for all households.

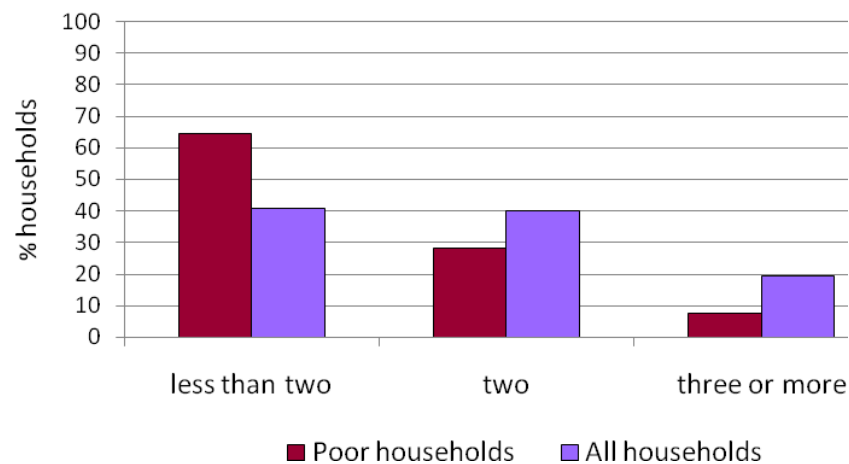
Between 2001/02 and 2006/07, the room density has improved for both poor and all households. The average number of persons per room for poor and all households dropped from 1.3 to 1.2 and from 0.9 to 0.8 respectively.

#### 4.8 Number of income earners in households

**Table 4.7 – Distribution (%) of households by number of income earners in household, HBS 2001/02 & 2006/07**

Number of income earners in household	2001/02		2006/07	
	Poor households	All households	Poor households	All households
Less than 2 income earners	70.7	40.0	64.3	40.6
2 income earners	24.5	38.2	28.3	39.9
3 or more income earners	4.8	21.8	7.4	19.5
<b>All households</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Average household income earner</b>	<b>1.3</b>	<b>1.9</b>	<b>1.4</b>	<b>1.9</b>
<b>Average household size</b>	<b>3.9</b>	<b>3.9</b>	<b>4.0</b>	<b>3.7</b>

**Figure 4.4 - Distribution (%) of households by the number of income earners in households, HBS 2006/07**



Poor households comprised fewer income earners than all households. In 2006/07, the average number of income earners per poor household was around 1.4 compared to 1.9 for all households.

Further, among poor households, one income earner had to support nearly three persons on average whereas among all households, one income earner had to support two persons.

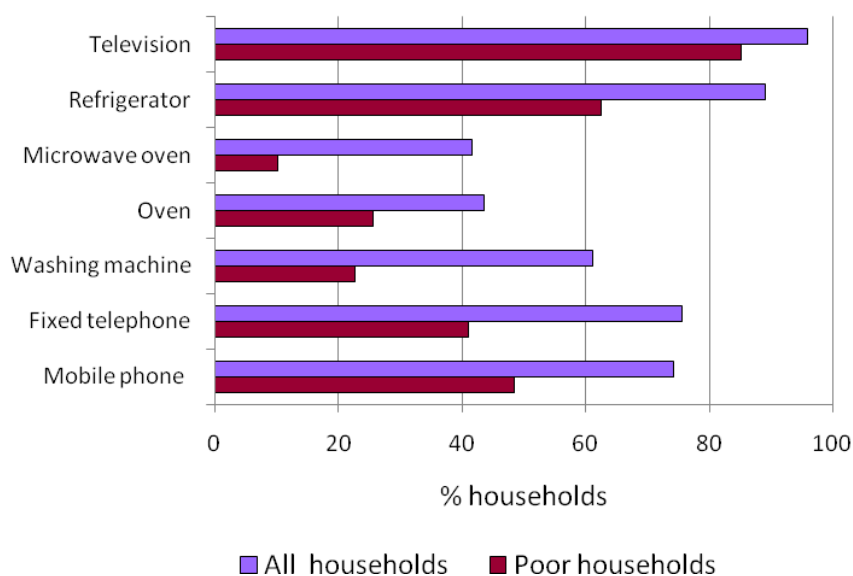
#### 4.9 Ownership of household durable goods

**Table 4.8 – Percentage of households by ownership of selected household durable goods, HBS 2001/02 & 2006/07**

Selected household durable goods	2001/02		2006/07	
	Poor households	All households	Poor households	All households
Television	70.2	85.0	85.2	95.9
Refrigerator	44.2	74.9	62.6	89.2
Washing machine	9.8	39.8	22.7	61.1
Oven	18.6	38.9	25.7	43.6
Microwave oven	0.0	16.1	10.2	41.6
Fixed telephone	32.9	69.2	41.1	75.7
Mobile phone	...	25.5	48.5	74.2

... - negligible

**Figure 4.5 - Percentage of households by ownership of selected household durable goods, HBS 2006/07**



Poor households were less likely than all households to possess household durables such as television, refrigerator, washing machine, oven, fixed telephone, mobile phone, etc.



However, comparison of 2001/02 and 2006/07 data shows that the situation of poor households in terms of availability of household appliances improved considerably. The proportion of poor households with television rose from 70% to 85%, with refrigerator from 44% to 63% and washing machine from 10% to 23%.

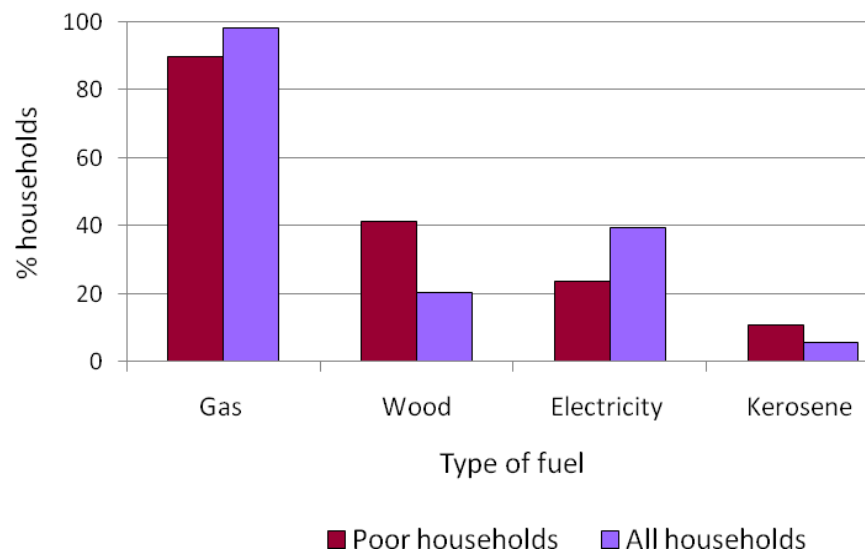
#### 4.10 Fuel used for cooking

**Table 4.9 – Percentage of households by type of fuel used for cooking, HBS 2001/02 & 2006/07**

Type of fuel	2001/02		2006/07	
	Poor households	All households	Poor households	All households
Gas	79.8	89.4	89.9	98.3
Wood	33.6	18.3	41.4	20.3
Electricity	12.8	32.4	23.6	39.3
Kerosene	18.7	12.4	10.8	5.7

Note: A household may use more than 1 type of fuel for cooking; hence the column total exceeds 100%

**Figure 4.6 - Percentage of households by type of fuel used for cooking, HBS 2006/07**



Gas was the most common fuel used for cooking by poor and all households. In 2006/07, around 90% of poor households used gas compared to 98% among all households.

There were still a significant proportion of poor households using cheaper fuels like wood (41.4%) and kerosene (10.8%).

Between 2001/02 and 2006/07, a significant proportion of poor households as well as all households switched from kerosene to other types of fuel (Table 4.9).

## CHAPTER 5 – CHARACTERISTICS OF HEADS OF POOR HOUSEHOLDS

### 5.1 Introduction

The well being of a household depends largely on the socio-economic characteristics of its head. This chapter presents the characteristics of heads of poor and all households.

### 5.2 Sex

**Table 5.1 – Distribution (%) of heads of poor households and all households by sex, HBS 2001/02 & 2006/07**

Sex of head	2001/02		2006/07	
	Poor households	All households	Poor households	All households
Male	70.5	83.9	73.1	82.0
Female	29.5	16.1	26.9	18.0
<b>Both sexes</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Poor households were more likely to be headed by women than all households. In 2006/07, the proportion of female heads of households was 26.9% in poor households against 18.0% in all households.

Between 2001/02 and 2006/07 the proportion of female heads of poor households decreased from 29.5% to 26.9%, whereas for male heads, the proportion increased from 70.5% to 73.1%.

### 5.3 Age

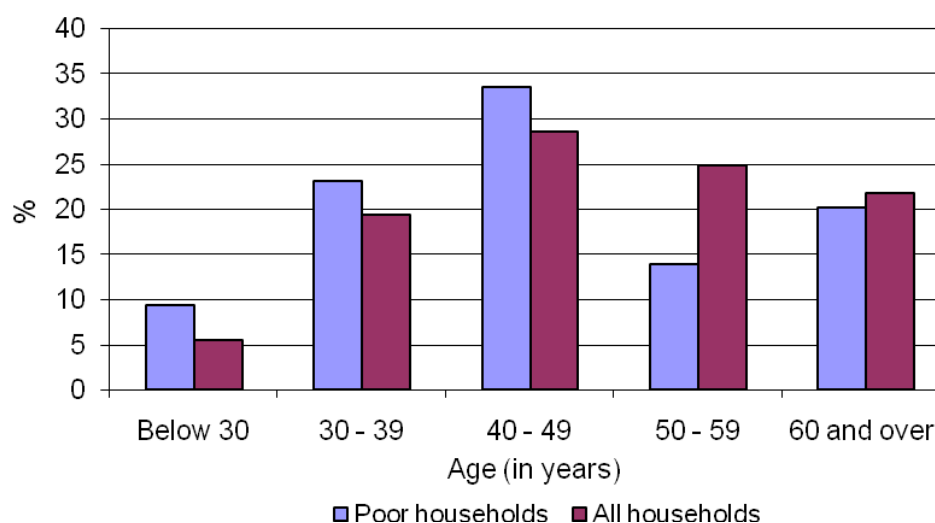
The distribution of heads by age group shows that heads in poor households are younger than those in all households. In 2006/07, around 66% of heads of poor household were below 50 years against 53% for all households. The mean age of the head worked out to 47 years for poor households and 49 years for all households.

Between 2001/02 and 2006/07, the proportion of heads aged below 50 years in poor households increased from 63.1% to 66.0% while in all households the proportion decreased from 59.8% to 53.5%.

**Table 5.2 – Distribution (%) of heads in poor households and all households by age group, HBS 2001/02 & 2006/07**

Age group (in years)	2001/02		2006/07	
	Poor households	All households	Poor households	All households
Below 30	8.8	6.8	9.4	5.5
30 - 39	27.7	24.2	23.1	19.4
40 – 49	26.6	28.8	33.5	28.6
50 - 59	15.5	20.9	13.9	24.8
60 and over	21.5	19.3	20.1	21.7
<b>All households</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Figure 5.1 - Distribution (%) of head in poor households and all households by age group, HBS 2006/07**

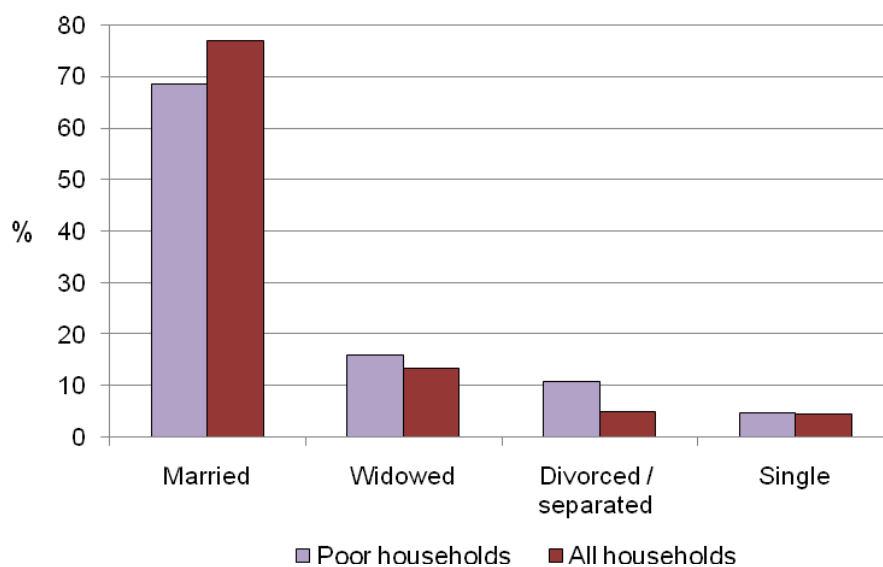


#### 5.4 Marital status

In 2006/07, widowed and divorced/separated heads were more predominant in poor households (26.8%) than in all households (18.4%). Conversely, married heads were more represented in all households (77.0%) than in poor households (68.5%). A similar situation is observed for 2001/02.

**Table 5.3 - Distribution (%) of heads in poor households and all households by marital status, HBS 2001/02 & 2006/07**

Marital status	2001/02		2006/07	
	Poor households	All households	Poor households	All households
Married	67.5	79.6	68.5	77.0
Widowed	17.5	12.3	15.9	13.4
Divorced / separated	11.6	4.1	10.9	5.0
Single	3.4	4.0	4.7	4.6
<b>All households</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>1000</b>

**Figure 5.2 - Distribution (%) of head of households in poor households and all households by marital status, HBS 2006/07**

## 5.5 Educational characteristics

### 5.5.1 School attendance

In 2006/07, 13.6% of heads of poor households never attended school against 7.8% of heads in all households. Between 2001/02 & 2006/07, the proportion of heads of poor households who never attended school decreased from 16.5% to 13.6%.

**Table 5.4 - Distribution (%) of heads of poor households and all households by school attendance, HBS 2001/02 & 2006/07**

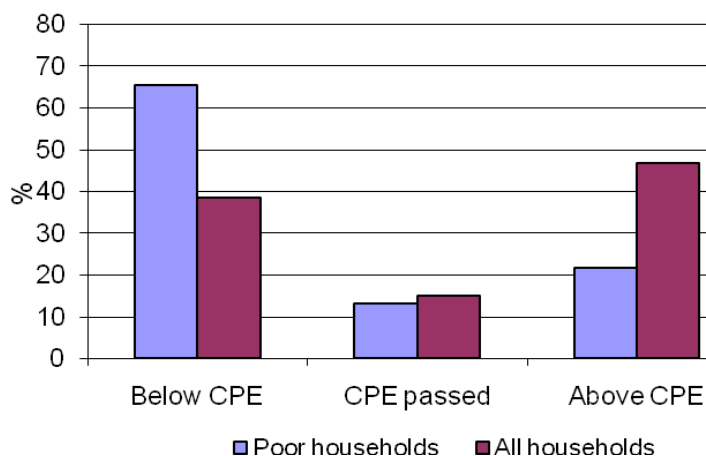
School attendance	2001/02		2006/07	
	Poor households	All households	Poor households	All households
Past	83.5	90.6	86.4	92.2
Never	16.5	9.4	13.6	7.8
<b>All households</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

### 5.5.2 Educational attainment

**Table 5.5 – Distribution (%) of heads in poor households and all households by educational attainment, HBS 2006/07**

Educational attainment	2006/07	
	Poor households	All households
Below CPE	65.3	38.5
CPE passed	13.1	14.9
Above CPE	21.6	46.6
<b>All households</b>	<b>100.0</b>	<b>100.0</b>

**Figure 5.3 - Distribution (%) of heads in poor households and all households by educational attainment, HBS 2006/07**



As expected, heads of poor households had lower educational attainment. In 2006/07, around 65.3% of the heads in poor households did not possess a Certificate of Primary Education (CPE); the corresponding percentage worked out to 38.5% in all households.

Moreover, the proportion of heads having attended a secondary school level, or acquired secondary level qualification, was 21.6% for poor households against 46.6% in all households.

## 5.6 Economic characteristics

**Table 5.6 – Distribution (%) of heads in poor households and all households by broad category of activity status, HBS 2001/02 & 2006/07**

Activity status	2001/02		2006/07	
	Poor households	All households	Poor households	All households
Economically active	65.0	77.7	65.4	75.3
Economically inactive	35.0	22.3	34.6	24.7
<b>All households</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

\* *Economically active : employed and unemployed.*

*Economically inactive : neither employed nor unemployed, (e.g, retired, homemakers, disabled, students, etc).*

In 2006/07, the proportion of heads being economical active (employed and unemployed) was lower in poor households (65.4%) than in all households (75.3%). The proportion of heads being economically inactive was 34.6% in poor households against 24.7% in all households.

## CHAPTER 6 - CHARACTERISTICS OF MEMBERS OF POOR HOUSEHOLDS

### 6.1 Introduction

This chapter gives a detailed picture of members in poor households by analysing their socio-demographic, educational and economic characteristics. It also presents a comparative analysis between poor and all households

### 6.2 Sex

**Table 6.1 – Distribution (%) of persons in poor households and all households by sex, HBS 2001/02 & 2006/07**

Sex	2001/02		2006/07	
	Poor households	All households	Poor households	All households
Male	47.9	49.7	47.1	49.4
Female	52.1	50.3	52.9	50.6
<b>Both sexes</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Sex ratio</b>	<b>91.9</b>	<b>98.7</b>	<b>89.0</b>	<b>97.6</b>

Females were more predominant in poor households (52.9%) than in all households (50.6%). The sex ratio (number of males per 100 females) was estimated at 89.0 among poor households against 97.6 among all households.

Between 2001/02 and 2006/07, the sex ratio declined from 91.9 to 89.0 for poor households and from 98.7 to 97.6 among all households.

### 6.3 Age

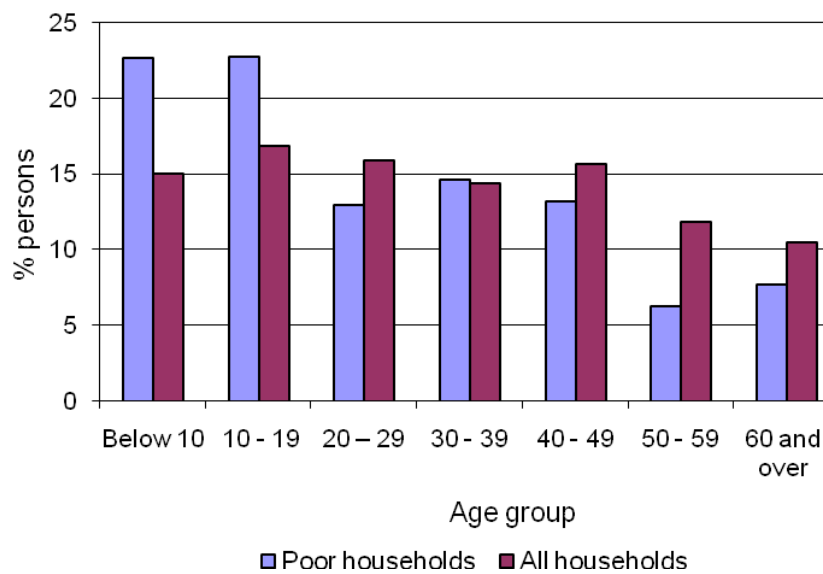
The distribution of household members by age group shows that, compared to all households, poor households have a younger population. About 45% of poor persons were below 20 years against 32% among the whole population.

Furthermore, some 14% of members of poor households were over 50 years as compared to 22% for all households. The mean age of members worked out to 27 years for poor households and 32.6 years for all households.



**Table 6.2 – Distribution (%) of persons in poor households and all households by age group, HBS 2001/02 & 2006/07**

Age group (in years)	2001/02		2006/07	
	Poor households	All households	Poor households	All households
Below 10	23.0	16.3	22.6	15.0
10 - 19	23.2	16.8	22.7	16.8
20 – 29	12.9	17.8	12.9	15.9
30 - 39	15.9	16.2	14.6	14.4
40 - 49	11.2	14.4	13.2	15.6
50 - 59	6.8	9.3	6.3	11.8
60 and over	7.0	9.2	7.7	10.5
<b>All households</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Median age</b>	<b>22</b>	<b>29</b>	<b>23</b>	<b>31</b>
<b>Mean age</b>	<b>26.4</b>	<b>30.9</b>	<b>27.0</b>	<b>32.6</b>

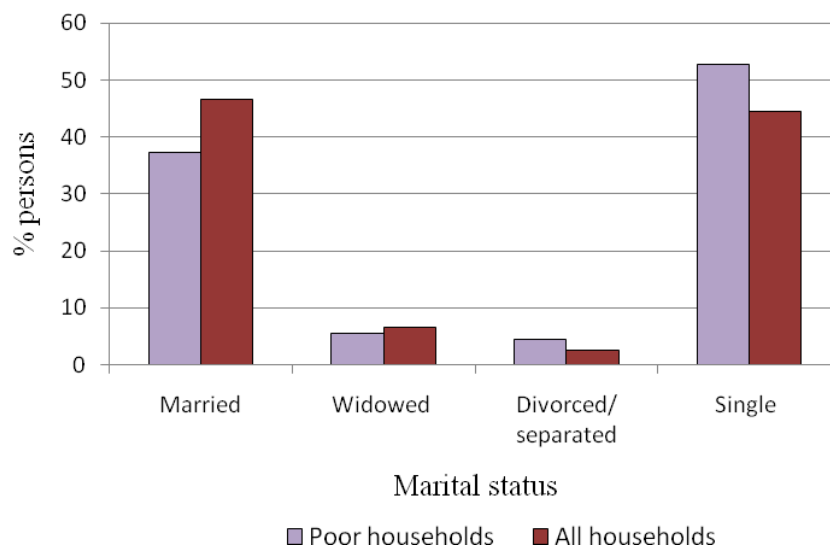
**Figure 6.1 - Distribution (%) of persons in poor households and all households by age group, HBS 2006/07**

## 6.4 Marital status

**Table 6.3 – Distribution (%) of persons in poor households and all households by marital status, HBS 2001/02 & 2006/07**

Marital status	2001/02		2006/07	
	Poor households	All households	Poor households	All households
Married	36.5	45.7	37.4	46.6
Widowed	5.6	5.6	5.5	6.1
Divorced / separated	4.3	2.3	4.4	2.6
Single	53.6	46.4	52.7	44.7
<b>All households</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Figure 6.2 - Distribution (%) of persons in poor households and all households by marital status, HBS 2006/07**



In 2006/07, as expected, poor households had a larger proportion of divorced/separated members (4.4%) than all households (2.6%). It should be pointed out that around 87% of the divorced/ separated members in poor households were females.

Moreover, poor households had a larger proportion of single (never married) members (52.7%) than in all households (44.7%).

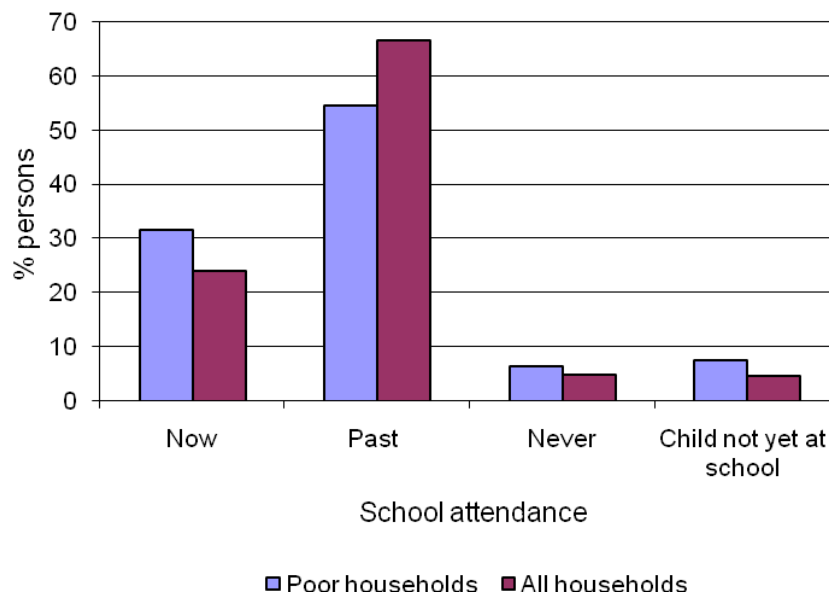
The 2001/02 distribution by marital status shows an almost similar comparison between poor households and all households.

## 6.5 Educational characteristics

**Table 6.4 – Distribution (%) of persons in poor households and all households by school attendance, HBS 2001/02 & 2006/07**

School attendance	2001/02		2006/07	
	Poor households	All households	Poor households	All households
Now	29.4	23.7	31.6	24.1
Past	54.4	65.0	54.5	66.4
Never	8.6	6.2	6.4	4.9
Child not yet at school	7.6	5.1	7.5	4.6
<b>All households</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Figure 6.3 - Distribution (%) of persons in poor households and all households by school attendance, HBS 2006/07**



Data show that poor households had 6.4% of their members who never attended school against 4.9% for all households.

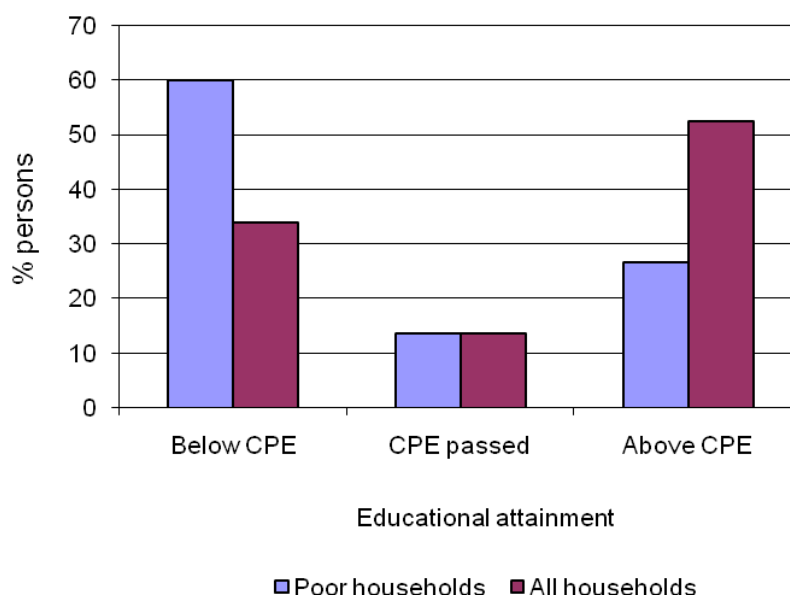
An analysis of the school going age population (4-19 years) by school attendance shows that the proportion of children attending school in 2006/07 was 80% for poor households and 86% for all households; also the higher proportion of members attending school and ‘child not yet at school’ in poor households indicate that they had a younger population compared to all households.

Comparison over time shows that the proportion of members in poor households who never attended school dropped from 8.6% in 2001/02 to 6.4% in 2006/07, thus indicating higher school participation rate. This feature is also observed in all households.

**Table 6.5 – Distribution (%) of persons aged 20 years and over in poor households and all households by educational attainment, HBS 2006/07**

Educational attainment	2006/07	
	Poor households	All households
Below CPE	59.8	34.0
CPE passed	13.6	13.7
Above CPE	26.6	52.3
<b>All households</b>	<b>100.0</b>	<b>100.0</b>

**Figure 6.4 - Distribution (%) of persons aged 20 years and over in poor households and all households by educational attainment, HBS 2006/07**



Members of poor households had lower educational attainment than those in all households. In 2006/07, nearly 60% of the members aged 20 years and over of poor households did not have the Certificate of Primary Education (CPE); the corresponding percentage for all households was about 34%. Only some 27% of members of poor households attained a standard above CPE against 52% for all households.

## 6.6 Economic activity

### 6.6.1 Activity status

**Table 6.6 - Distribution (%) of persons aged 16 years and over in poor households and all households by activity status, HBS 2001/02 & 2006/07**

Activity status	2001/02		2006/07	
	Poor households	All households	Poor households	All households
Economically active	47.8	57.1	46.4	55.9
<i>Employed</i>	36.3	52.2	36.3	51.2
<i>Unemployed</i>	11.5	4.9	10.1	4.7
Economically inactive	52.2	42.9	53.6	44.1
<i>Home maker</i>	30.9	25.4	31.9	25.0
<i>Student</i>	4.9	7.0	6.6	7.5
<i>Retired</i>	8.1	7.6	7.8	7.9
<i>Other &amp; Disabled</i>	8.3	2.9	7.3	3.7
<b>All households</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

In 2006/07, members of poor households were less economically active than those of all households. Around 36% of members of poor households had a job against 51% for members of all households. Nearly 10% of members of poor households were unemployed as compared to less than 5% for members of all households.

Poor households also had a larger proportion of inactive population (53.6% against 44.1% for all households).

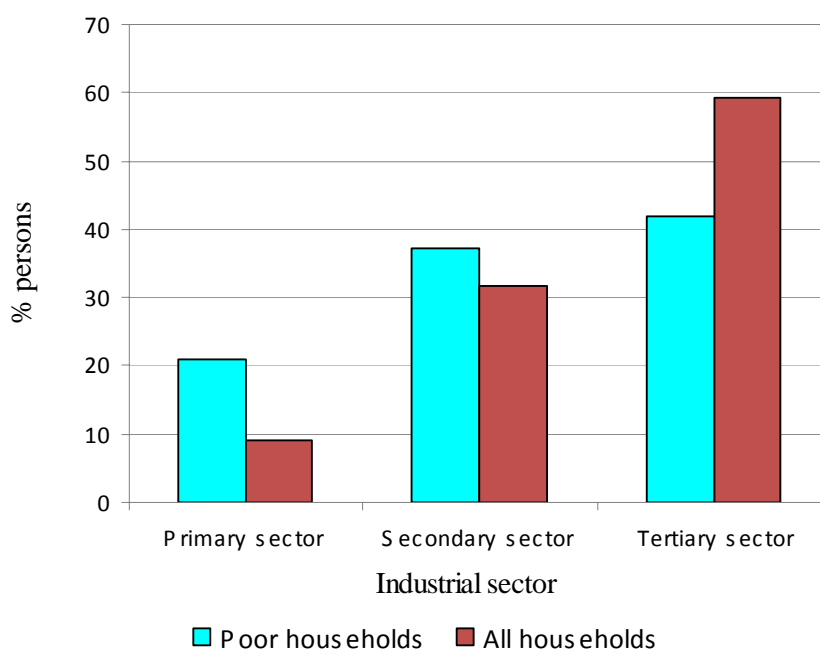
Between 2001/02 and 2006/07 the proportion of economically inactive persons increased among poor households as well as all households, mainly explained by higher proportion of students.

## 6.6.2 Industrial sector

**Table 6.7 - Distribution (%) of employed persons aged 16 years and over in poor households and all households by industrial sector, HBS 2001/02 & 2006/07**

Industrial sector	2001/02		2006/07	
	Poor households	All households	Poor households	All households
Primary sector	21.3	11.3	21.0	9.0
Secondary sector	37.3	36.4	37.2	31.8
Tertiary sector	41.4	52.3	41.8	59.2
<b>All households</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Figure 6.5 - Distribution (%) of employed persons aged 16 years and over in poor households and all households by industrial sector, HBS 2006/07**



Around one fifth of the working members of poor households were engaged in primary sector comprising mainly agriculture and mining & quarrying. The corresponding proportion for all households was less than one tenth. By contrast, nearly 60% of the members in all households were engaged in the tertiary sector, which covers trade, hotels & restaurants, transport and all the other service industries, compared to 42% for poor households.

### 6.6.3 Occupation

**Table 6.8 - Distribution (%) of employed persons aged 16 years and over in poor households and all households by major occupational group, HBS 2001/02 & 2006/07**

Major occupational group	2001/02		2006/07	
	Poor households	All households	Poor households	All households
Legislators, senior officials and managers; professionals; technicians and associate professionals	...	14.5	...	18.9
Clerks; service workers and shop sales workers	11.2	23.6	10.1	23.2
Skilled agricultural and fishery workers; craft and related trades workers; plant and machinery operators and assemblers	44.8	38.4	47.6	35.7
Elementary occupation	44.0	23.5	42.3	22.2
<b>All households</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

In 2006/07, some 48% of member of poor households were ‘Skilled agricultural and fishery workers, craft and related trade workers, plant and machinery operators and assemblers’. A further 42% were engaged in elementary occupations comprising mainly cleaners, street vendors, labourers etc... The corresponding percentages for member of all households were 36% and 22% respectively.

Nearly one fifth of members of all households were ‘Legislators, Senior officials and Managers’, ‘Professionals’, and ‘Technicians and Associate Professionals’, but, no members of poor households were found in these occupational groups.

## CHAPTER 7 – HOUSEHOLD INCOME & EXPENDITURE

### 7.1 Introduction

This chapter covers an analysis of the income distribution and consumption pattern of poor households. A comparison with all households is also given.

The income used in this part of the analysis refers to the total household resources which comprises mainly income from employment, transfers, property and imputed rent that is, an equivalent rental value of non-renting households. It should also be pointed out that the income refers to income at current prices at both 2001/02 and 2006/07 HBS. In order to allow comparison over time, in some cases, the income has been adjusted for price increase from 2001/02 to 2006/07.

### 7.2 Monthly household income

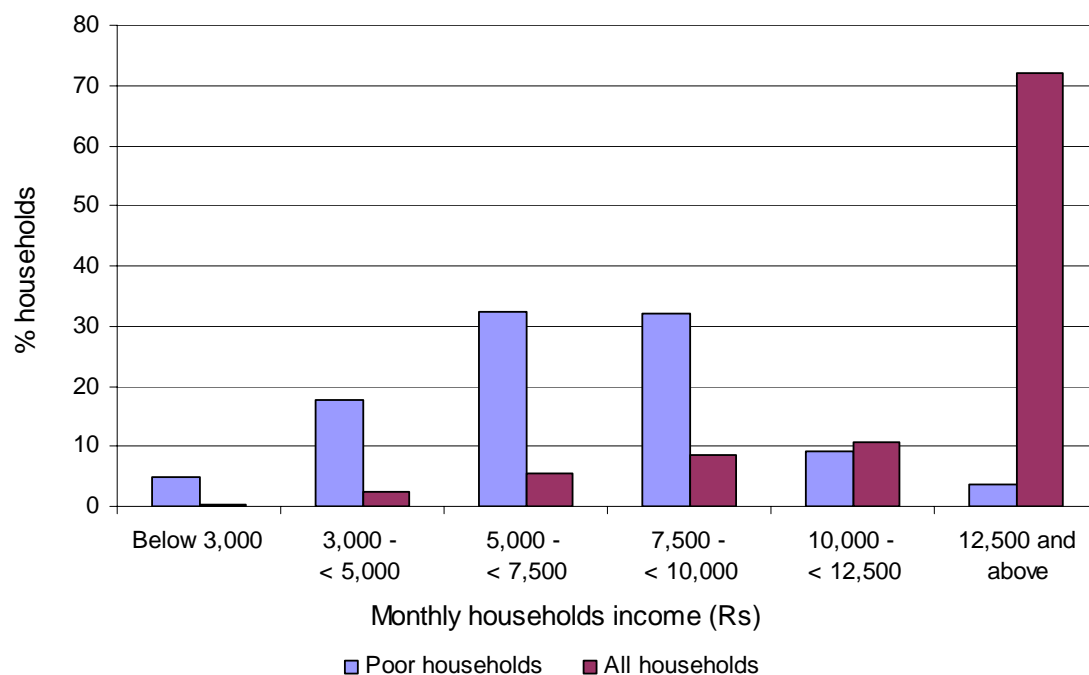
**Table 7.1 – Distribution (%) of poor households and all households by income class, HBS 2001/02 & 2006/07**

Income class (Rs)	2001/02		2006/07	
	Poor households	All households	Poor households	All households
Below 3,000	19.1	1.6	5.0	0.4
3,000 to < 5,000	31.4	4.3	17.6	2.4
5,000 to < 7,500	38.0	9.4	32.4	5.4
7,500 to < 10,000	} 11.5	14.9	32.1	8.7
10,000 to < 12,500		15.4	9.2	10.7
12,500 to < 15,000		12.1	} 3.7	11.7
15,000 and above		42.3		60.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

In 2006/07, the majority (around 87%) of poor households derived a monthly income less than Rs 10,000 compared to 17% for all households.



**Figure 7.1 - Distribution (%) of poor households and all households by income class, HBS 2006/07**



Comparison over time shows that the percentage of poor households deriving an income higher than Rs 7,500 increased from 11% in 2001/02 to 45% in 2006/07.

**Table 7.2 – Average monthly household income (Rs) of poor households and all households, HBS 2001/02 & 2006/07**

	Average monthly household income		Percentage increase 2001/02 – 2006/07	
	2001/02	2006/07	Nominal	Real
<b>Poor households</b>	5,078	7,055	38.9%	3.5%
<b>All households</b>	16,642	22,242	33.6%	-0.5%

In 2006/07, the average monthly household income of poor households stood at Rs 7,055, compared to Rs 22,242 for all households, thus showing that the income for all households was more than three times higher than that for poor households. A similar situation is observed in 2001/02.

However, comparison of data from 2001/02 to 2006/07 shows that the average monthly household income of poor households grew by 38.9% against 33.6% for all households.

Removing the effect of change in prices over the five-year period, the income of poor households grew by 3.5% whilst that of all households dropped by 0.5%.

### 7.3 Source of income

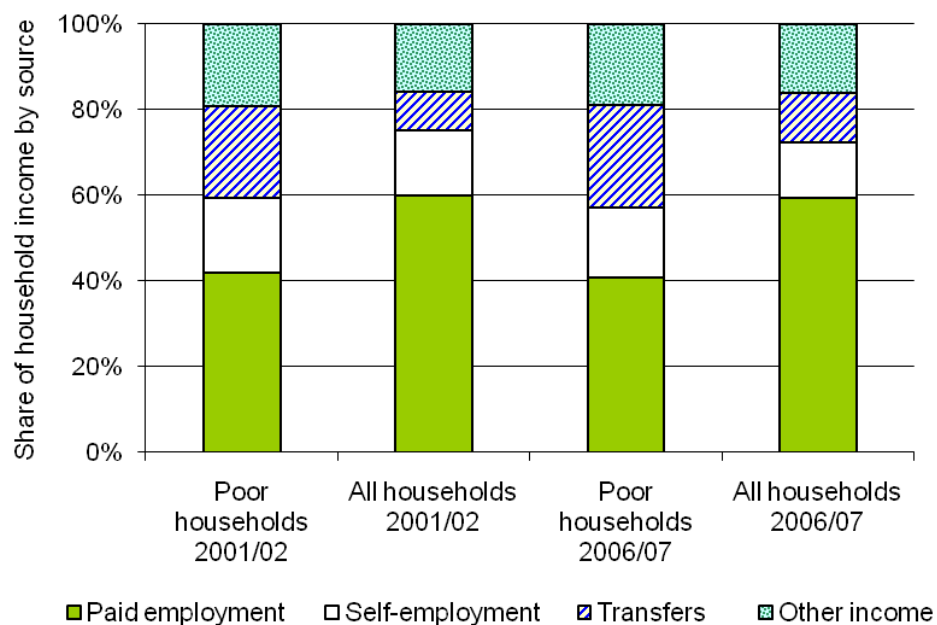
**Table 7.3 – Average monthly household income (Rs) of poor households and all households by source of income, HBS 2001/02 & 2006/07**

Source of income	2001/02		2006/07	
	Poor households	All households	Poor households	All households
Paid employment	2,152	10,258	2,906	13,463
Self-employment	886	2,592	1,140	2,928
Transfers	1,100	1,562	1,698	2,630
Other income*	977	2,693	1,342	3,603
<b>Average monthly gross household income</b>	<b>5,115</b>	<b>17,105</b>	<b>7,086</b>	<b>22,624</b>
Deductions	37	463	31	382
<b>Average monthly household income</b>	<b>5,078</b>	<b>16,642</b>	<b>7,055</b>	<b>22,242</b>

\* Income includes property income, imputed rent for non-renting households and income from own produced goods and services.

Income from paid employment represented the main source of income for both poor and all households. The share of income from paid employment over total gross income stood at 41.0% for poor households and 59.5% for all households. After removing the effect of price changes during the five-year period, income from paid employment grew by 0.6% for poor households but dropped by 2.2% for all households.

**Figure 7.2 - Composition (%) of household income for poor households and all households by source of income, HBS 2001/02 & 2006/07**



Transfers (income from social security benefits, pension from employer, alimony, allowances from parents & relatives, etc) constituted the second main source of income for the poor. The share of transfer income over total income represented 24.0% for poor households against 11.6% for all households. Removing the effect of price changes over the five year period, transfer income grew by 15% for poor households against 25% for all households.

#### 7.4 Average monthly household income by sex of head

**Table 7.4 – Average monthly household income (Rs) of male-headed and female-headed poor households, HBS 2001/02 & 2006/07**

Poor households	2001/02	2006/07
Male-headed	5,479	7,525
Female-headed	4,119	5,778
<b>All households</b>	<b>5,078</b>	<b>7,055</b>

On average, female-headed poor household earned less income than male-headed household in both 2001/02 and 2006/07. Between 2001/02 and 2006/07, income of male-headed and female-headed household increased by around 37% and 40 % respectively

## 7.5 Household consumption expenditure

**Table 7.5 – Distribution (%) of poor households and all households by consumption expenditure class, HBS 2001/02 & 2006/07**

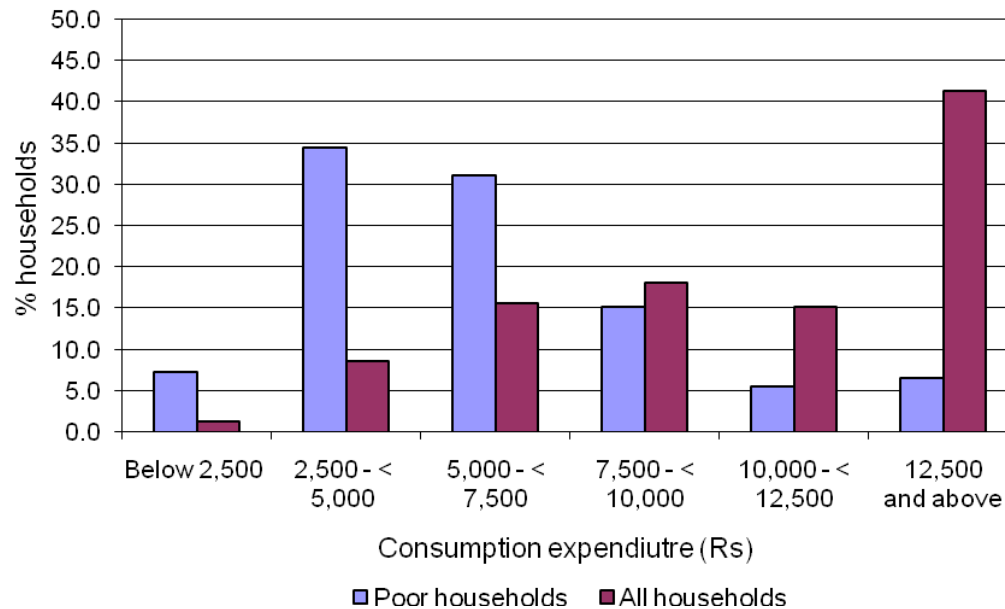
Consumption expenditure class (Rs)	2001/02		2006/07	
	Poor households	All households	Poor households	All households
Below 2,500	22.8	3.8	7.3	1.3
2,500 to < 5,000	45.4	16.9	34.4	8.5
5,000 to < 7,500	20.5	23.7	31.1	15.6
7,500 to < 10,000	7.5	19.2	15.2	18.1
10,000 to < 12,500	} 3.8	12.8	5.5	15.2
12,500 to < 15,000		7.9	} 6.5	10.3
15,000 and above		15.7		31.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Average monthly* household consumption expenditure</b>	<b>4,384</b>	<b>10,220</b>	<b>6,500</b>	<b>14,300</b>

*\*The expenditure figures for 2001/02 have not been adjusted for infrequently purchased items such as air-tickets, household appliances, etc while for 2006/07 an adjustment has been made.*

In 2006/07, 41.7% of the poor households spent less than Rs 5,000 per month compared to 9.8% for all households. On the other hand, only 12.0% of the poor households spent Rs 10,000 or more per month compared to 56.5% for all households.

Comparison over time shows that the percentage of poor households spending at least Rs 5,000 increased from 31.8% in 2001/02 to 58.3% in 2006/07. The corresponding percentage for all households increased from 79.3% to 90.2%. It should be also pointed out that the proportion of poor households spending Rs 10,000 or more increased from 3.8% to 12.0% whilst for all households, the corresponding percentage increased from 36.4% to 56.5%.

**Figure 7.3 - Distribution (%) of poor households and all households by consumption expenditure class, HBS 2006/07**



### 7.6 Monthly household consumption expenditure by COICOP division

Compared to all households, poor households had larger shares of their expenditure on ‘food and non-alcoholic beverages’ (46% against 32%) and ‘housing, water, electricity, gas and other fuels’ (15% against 11%) in 2006/07.

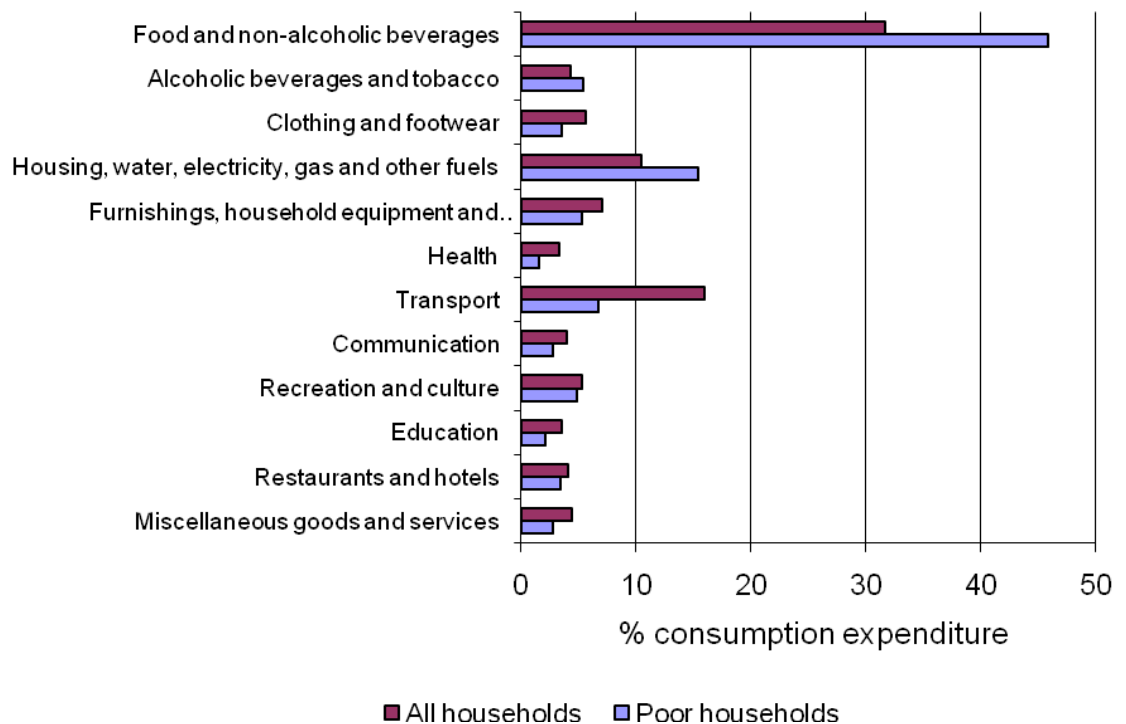
On average, all households spent 50% more on food than poor households (Rs 4,500 against Rs 3,000). Also, the expenditure of all households on clothing and footwear, health, education and transport was around 3-5 times that of poor households.

*COICOP refers to UN classification of Consumption Expenditure according to Purpose, which consists of 12 major divisions*

**Table 7.6 – Distribution (%) of household consumption expenditure for poor households and all households by COICOP division, HBS 2006/07**

COICOP division	Average monthly household consumption expenditure (Rs)		Distribution (%) of monthly household consumption expenditure	
	Poor	All	Poor	All
01. Food and non-alcoholic beverages	2,986	4,534	45.9	31.7
02. Alcoholic beverages and tobacco	353	614	5.4	4.3
03. Clothing and footwear	232	807	3.6	5.6
04. Housing, water, electricity, gas and other fuels	1,000	1,498	15.4	10.5
05. Furnishings, household equipment and routine household maintenance	347	1,022	5.3	7.1
06. Health	105	467	1.6	3.3
07. Transport	438	2,295	6.7	16.0
08. Communication	184	569	2.8	4.0
09. Recreation and culture	319	760	4.9	5.3
10. Education	136	510	2.1	3.6
11. Restaurants and hotels	219	592	3.4	4.1
12. Miscellaneous goods and services	182	632	2.8	4.4
<b>Total</b>	<b>6,500</b>	<b>14,300</b>	<b>100.0</b>	<b>100.0</b>

**Figure 7.4 - Distribution (%) of household consumption expenditure by COICOP division , HBS 2006/07**



### 7.7 Household debt

In 2006/07, the percentage of indebted households, that is households having made at least one loan repayment, is estimated at 46% (155,500) for all households against 20% (5,300) for poor households. On the average, poor indebted households disbursed Rs 1,401 per month on loan repayment against Rs 4,353 for all households. The highest loan repayment for the poor households was on housing (Rs 2,491) whereas for all households the highest loan repayment was on motor vehicle (Rs 4,036).

**Table 7.7 – Average monthly loan repayment for poor indebted households and all indebted households by selected item of debt, HBS 2006/07**

<b>Item of debt</b>	<b>Poor households</b>		<b>All households</b>	
	<b>Percentage of indebted poor households</b>	<b>Average household debt (Rs)</b>	<b>Percentage of indebted households</b>	<b>Average household debt (Rs)</b>
Housing	26.1	2,491	54.7	3,891
Furniture	25.9	670	14.8	1,214
Audio and household appliances	40.9	633	27.9	1,133
Motor/vehicles	0.0	0	11.6	4,036
Other loan	29.8	923	40.0	2,757



## CHAPTER 8 – DECILE GROUP OF HOUSEHOLDS

### 8.1 Introduction

This chapter presents an analysis by decile group of households according to household income per adult equivalent. It depicts the socio-demographic and economic profiles of the population by decile. It also presents the extent to which the richest deciles are better off than the poorest deciles.

### 8.2 Main household and demographic characteristics

#### 8.2.1 Average household size

**Table 8.1 – Average household size by decile group of households, HBS 2006/07**

	Decile 1	Decile 2	Decile 3	Decile 4	Decile 5	Decile 6	Decile 7	Decile 8	Decile 9	Decile 10	All households
Average household size	3.9	3.8	3.9	3.7	3.7	3.7	3.7	3.5	3.4	3.3	3.7

As expected, household size of lower income decile groups is more likely to be larger than that of higher income deciles. In 2006/07, the average household size of the poorest decile was 3.9 compared to 3.3 for the richest decile. A progressive decline is observed in household size from the poorest decile to the richest decile (Table 8.1).

#### 8.2.2 Dependency ratio

The dependency ratio is defined as the number of economically dependents (child population under 15 years and the population aged 65 years and over) per 100 population of the intermediate age (15 – 64 years).

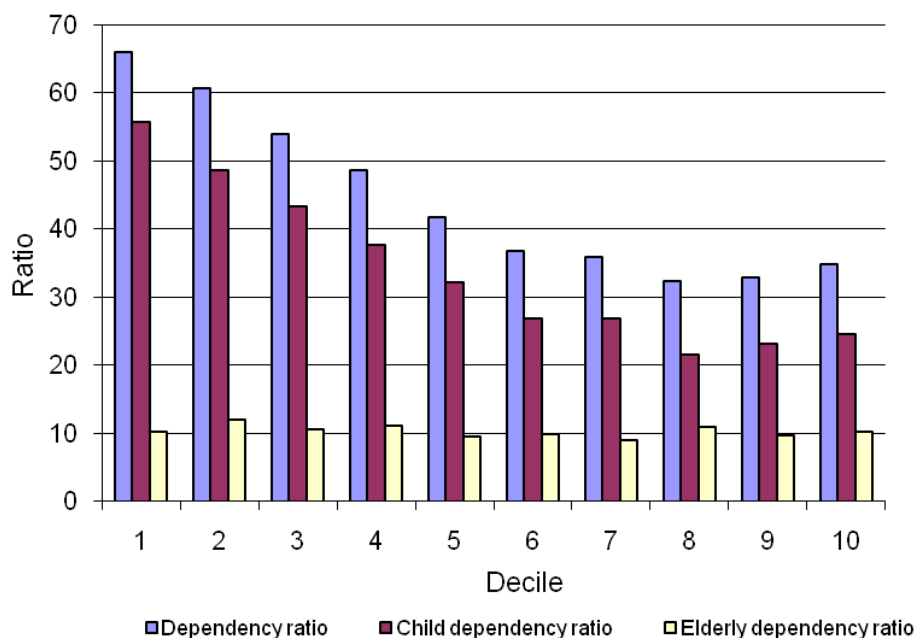
There is a strong relationship between dependency ratio and level of household income; the lower the household income is the higher the dependency ratio. In 2006/07, the dependency ratio for the poorest decile was 66.1 against 34.9 for the richest decile.

The elderly dependency ratio (population aged 65 years and over per 100 population aged 15-64 years) ranges between 9 and 12 across the ten deciles of households, being lowest in the middle deciles of households. In contrast, the child dependency ratio (population under 15 years per 100 population aged 15-64 years) decreased with household income level from 55.8 in the first decile to 33.8 in the tenth decile. This again indicates the larger number of children in the low income deciles.

**Table 8.2 – Dependency ratio by decile group of households, HBS 2006/07**

	Decile 1	Decile 2	Decile 3	Decile 4	Decile 5	Decile 6	Decile 7	Decile 8	Decile 9	Decile 10	All households
<b>Dependency ratio</b>	66.1	60.8	54.1	48.8	41.9	36.9	36.0	32.5	33.0	34.9	44.1
<b>Child dependency ratio</b>	55.8	48.8	43.4	37.8	32.3	27.0	26.9	21.6	23.3	24.7	33.8
<b>Elderly dependency ratio</b>	10.3	12.0	10.7	11.1	9.6	9.9	9.1	11.0	9.8	10.2	10.3

**Figure 8.1 - Dependency ratio by decile group of households, HBS 2006/07**



### 8.3 Educational characteristics

#### 8.3.1 School enrolment

**Table 8.3 – Net enrolment ratio (NER) by level of education and decile group of households, HBS 2006/07**

	Decile 1	Decile 2	Decile 3	Decile 4	Decile 5	Decile 6	Decile 7	Decile 8	Decile 9	Decile 10	All households
Net enrolment ratio in primary education	99.4	100.0	100.0	99.6	100.0	100.0	100.0	100.0	100.0	100.0	99.9
Net enrolment ratio in secondary education	65.0	71.3	72.0	75.9	76.4	77.0	78.9	81.0	82.4	90.5	75.6

**Figure 8.2 - Net enrolment ratio by level of education and decile group of households, HBS 2006/07**

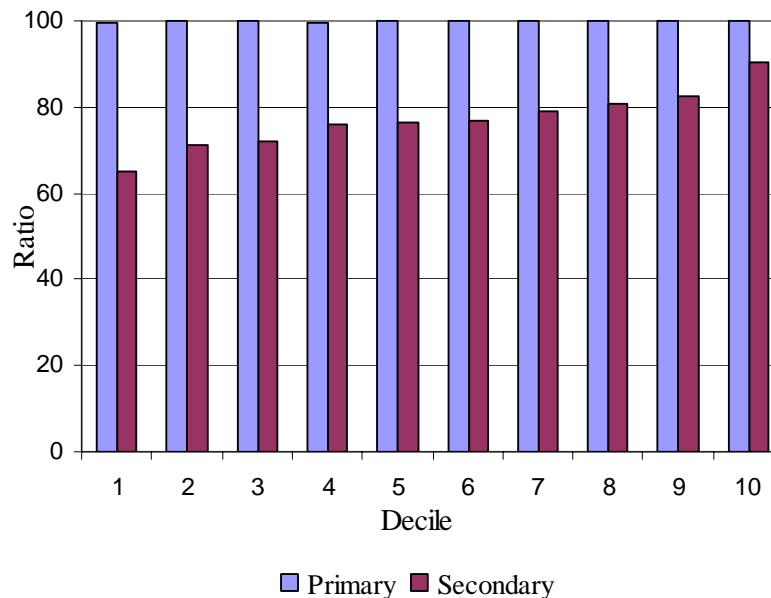


Table 8.3 presents the net enrolment ratio (NER) by primary and secondary level. The NER in primary education refers to the number of students aged 6-11 years enrolled in primary schools per 100 population aged 6-11 years; the ratio is more or less equal across the ten deciles groups.

The NER in secondary education refers to the number of students aged 12-19 years enrolled in secondary schools per 100 population aged 12-19 years.

The NER for secondary education worked out to 65.0 in the poorest decile compared to 90.5 in the richest decile, indicating that children in the richest decile are much more likely to attend secondary school than their counterparts in the poorest decile households. A progressive increase is noted in the ratio from the lowest to the highest decile.

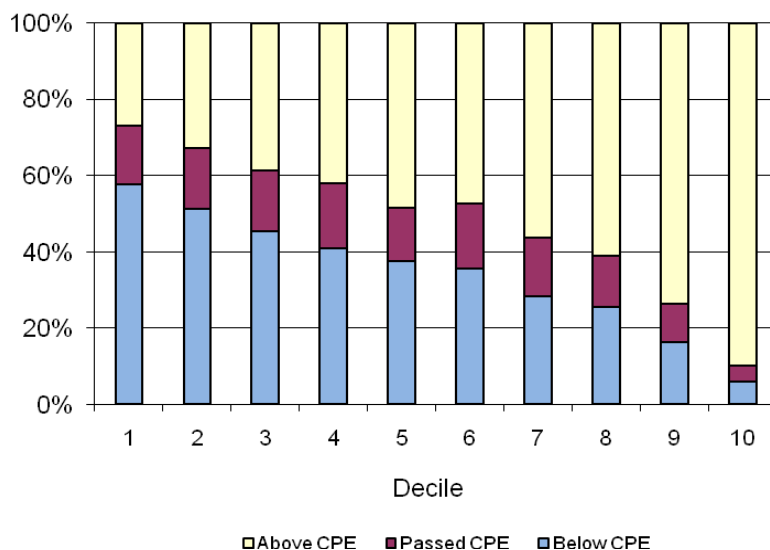
### 8.3.2 Educational attainment for members aged 20 years and over

**Table 8.4 - Educational attainment for members aged 20 years and over by decile group of households, HBS 2006/07**

	Decile 1	Decile 2	Decile 3	Decile 4	Decile 5	Decile 6	Decile 7	Decile 8	Decile 9	Decile 10	All households
<b>Below CPE</b>	57.9	51.5	45.4	41.0	37.8	35.6	28.4	25.6	16.5	6.2	34.0
<b>Passed CPE</b>	15.4	15.7	15.9	17.0	13.8	17.1	15.3	13.5	10.0	4.1	13.7
<b>Above CPE</b>	26.7	32.8	38.7	42.0	48.4	47.3	56.3	60.9	73.5	89.7	52.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Educational attainment is highly associated with the level of income. In 2006/07, the poorest decile had around 58% of household members aged 20 years and over without a Certificate of Primary Education (CPE), and 42% with at least a CPE. By contrast, in the richest decile, the percentage of household members with at least a CPE qualification was nearly 94%.

**Figure 8.3 - Distribution of members aged 20 years and above by level of educational attainment and decile group of households, HBS 2006/07**



## 8.4 Economic characteristics

**Table 8.5 – Employment and unemployment rates by decile group of households, HBS 2006/07**

	Decile 1	Decile 2	Decile 3	Decile 4	Decile 5	Decile 6	Decile 7	Decile 8	Decile 9	Decile 10	All households
<b>Employment rate (%)</b>	78.0	85.0	88.4	90.4	91.8	92.2	93.6	95.2	96.4	97.8	91.6
<b>Unemployment rate (%)</b>	22.0	15.0	11.6	9.6	8.2	7.8	6.4	4.8	3.6	2.2	8.4

*\*Figures in shaded cells should be treated with caution; they are subject to low reliability since they are based on few observations (<30) in the sample.*

Based on 2006/07 HBS data, the employment and unemployment rates for the population aged 16 years and over were estimated at around 92% and 8% respectively. Analysis by decile groups shows that these rates vary substantially from the poorest decile to the richest decile. In 2006/07, the employment rate of the poorest decile was 78% against 98% for the richest decile; the unemployment rate was as high as 22% in the lowest decile, ten times more than that of the highest decile.

## 8.5 Income earner

**Table 8.6 – Income earners by decile group of households, HBS 2006/07**

	Decile 1	Decile 2	Decile 3	Decile 4	Decile 5	Decile 6	Decile 7	Decile 8	Decile 9	Decile 10	All households
<b>Average household size</b>	3.9	3.8	3.9	3.7	3.7	3.7	3.7	3.5	3.4	3.3	3.7
<b>Average number of income earners per household</b>	1.5	1.6	1.7	1.8	1.9	1.9	2.0	2.1	2.0	2.1	1.9

As expected, richer household have more income earners than poorer ones. In 2006/07 the poorest decile group of household comprised 1.5 income earners per household while the richest decile comprises 2.1 income earners per household.

## 8.6 Income

### 8.6.1 Average household income

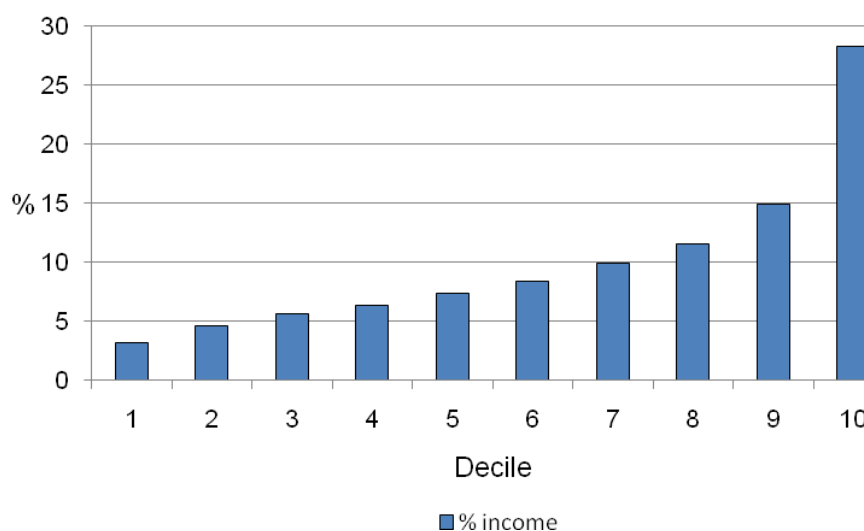
In 2006/07, the average household disposable income for the richest decile was estimated at Rs 54,000 almost 9 times that of the poorest decile (Rs 6,100).

In addition, the income distribution shows that the poorest decile earned only 3% of the total income while the richest decile earned 28% of the total household income.

**Table 8.7 – Average monthly household disposable income by decile group of households, HBS 2006/07**

	Decile 1	Decile 2	Decile 3	Decile 4	Decile 5	Decile 6	Decile 7	Decile 8	Decile 9	Decile 10	All households
Average monthly household disposable income (Rs)	6,105	8,824	10,693	12,034	13,982	15,967	18,814	21,989	28,493	53,990	19,083
Distribution (%) of monthly household disposable income	3.2	4.6	5.6	6.3	7.3	8.4	9.9	11.5	14.9	28.3	100.0
Distribution of households	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	100.0

**Figure 8.4 - Distribution of monthly household disposable income by decile group of households, HBS 2006/07**

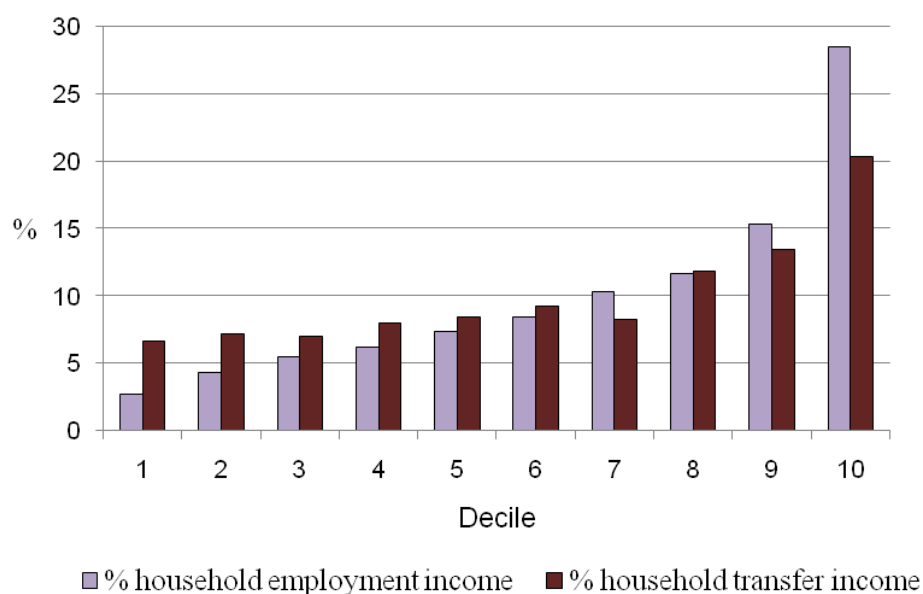


## 8.6.2 Source of income

**Table 8.8 – Average monthly household disposable income by source of income and decile group of households, HBS 2006/07**

	Decile 1	Decile 2	Decile 3	Decile 4	Decile 5	Decile 6	Decile 7	Decile 8	Decile 9	Decile 10	All households
Average monthly household disposable income (Rs)	6,105	8,824	10,693	12,034	13,982	15,967	18,814	21,989	28,493	53,990	19,083
<i>of which</i>											
Employment Income	4,329	6,906	8,796	9,878	11,685	13,392	16,468	18,537	24,479	45,664	16,009
Transfers income	1,746	1,884	1,852	2,094	2,203	2,425	2,154	3,099	3,519	5,332	2,630
Distribution (%) of household employment income	2.7	4.3	5.5	6.2	7.3	8.4	10.3	11.6	15.3	28.5	100.0
Distribution (%) of household transfer income	6.6	7.2	7.0	8.0	8.4	9.2	8.2	11.8	13.4	20.3	100.0
Distribution of households	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	100.0

**Figure 8.5 - Distribution (%) of employment income and transfer income by decile group of households, HBS 2006/07**



Employment and transfer income are the two main sources of income for the population, representing 98% of the total household disposable income.

Analysis of employment income by decile shows substantial income disparities among the deciles. In 2006/07, the average monthly household employment income for the richest decile (Rs 45,664) was more than ten times that for the lowest decile (Rs 4,329). It is also noted that the poorest decile earned less than 3% of total employment income while the proportion going to the richest decile was nearly 30%.

Inequality was also observed in the distribution of transfer income but to a much lesser extent. The average monthly transfer income of the richest decile was Rs 5,332, around three times that for the poorest decile (Rs 1,746). The poorest decile received 6.6% of the total transfer income and 20.3% for the richest decile.

**Table 8.9 – Share (%) of employment and transfer income over household disposable income by decile group of households, HBS 2006/07**

	Decile 1	Decile 2	Decile 3	Decile 4	Decile 5	Decile 6	Decile 7	Decile 8	Decile 9	Decile 10	All households
Share (%) of income from employment over household disposable income	70.9	78.3	82.3	82.1	83.6	83.9	87.5	84.3	85.9	84.6	83.9
Share (%) of income from transfers over household disposable income	28.6	21.4	17.3	17.4	15.8	15.2	11.4	14.1	12.4	9.9	13.8

Poorer households were found to be more dependent on transfer income than richer household. In fact, transfer income made up 28.6% of total household disposable income among household in the poorest decile against only around 10% among household in the richest decile.

Conversely, the share of the employment income over total household disposable income was higher among richer households (84.6% for richest decile) than poor households (70.9% for poorest decile).

**Figure 8.6 - Share (%) of employment income and transfer income over household disposable income by decile group of households, HBS 2006/07**





## **8.7 Household consumption expenditure**

In 2006/07, the average household consumption expenditure was estimated at Rs 14,300. From Table 8.10, it is observed that the average household consumption expenditure varies substantially from the poorest decile (Rs 6,621) to the richest decile (Rs 33,400). Household expenditure for the poorest decile represented only 4.6% of the total household consumption expenditure of all households against 23.4% for the richest decile.

Analysing the distribution pattern of consumption expenditure by decile group of household income, it is observed that households in the poorest decile spend more than the richest decile on essentials for living, namely 'food and non-alcoholic beverage' (45.4% against 19.2%), followed by 'housing, water, electricity, gas and other fuels' (15.6% against 7.8%) and 'transport' (6.8% against 27.9%).

**Table 8.10 – Average household consumption expenditure (Rs) by COICOP division and decile group of households, HBS 2006/07**

<b>Category of Expenditure</b>	<b>Decile 1</b>	<b>Decile 2</b>	<b>Decile 3</b>	<b>Decile 4</b>	<b>Decile 5</b>	<b>Decile 6</b>	<b>Decile 7</b>	<b>Decile 8</b>	<b>Decile 9</b>	<b>Decile 10</b>	<b>All households</b>
01. Food and non-alcoholic beverages	3,003	3,683	3,883	4,199	4,321	4,502	4,834	5,080	5,439	6,405	<b>4,535</b>
02. Alcoholic beverages and tobacco	352	453	542	535	559	626	712	731	780	852	<b>614</b>
03. Clothing and footwear	241	401	478	637	621	749	933	1,116	1,232	1,660	<b>807</b>
04. Housing, water, electricity, gas and other fuels	1,032	1,134	1,199	1,268	1,321	1,361	1,572	1,650	1,840	2,601	<b>1,498</b>
05. Furnishings, household equipment and routine household maintenance	364	465	565	628	772	827	1,038	1,209	1,482	2,869	<b>1,022</b>
06. Health	97	186	210	270	277	353	409	538	779	1,549	<b>467</b>
07. Transport	453	551	717	937	982	1,554	1,769	2,590	4,093	9,314	<b>2,295</b>
08. Communication	201	289	364	404	486	568	607	689	843	1,244	<b>569</b>
09. Recreation and culture	327	414	481	606	563	647	781	893	1,052	1,843	<b>760</b>
10. Education	140	170	230	260	423	346	464	556	840	1,672	<b>510</b>
11. Restaurants and hotels	217	279	331	405	451	501	618	720	915	1,486	<b>592</b>
12. Miscellaneous goods and services	194	284	303	387	376	450	614	806	1,005	1,905	<b>632</b>
<b>Total</b>	<b>6,621</b>	<b>8,309</b>	<b>9,303</b>	<b>10,536</b>	<b>11,152</b>	<b>12,484</b>	<b>14,351</b>	<b>16,578</b>	<b>20,300</b>	<b>33,400</b>	<b>14,300</b>

## 8.8 Indebted households

**Table 8.11 – Average monthly household debt repayment by decile group of households, HBS 2006/07**

	Decile 1	Decile 2	Decile 3	Decile 4	Decile 5	Decile 6	Decile 7	Decile 8	Decile 9	Decile 10	All households
Average household monthly debt repayment (Rs)	1,482	1,671	1,786	2,117	2,825	2,998	3,615	4,096	5,701	10,657	4,353
Average household monthly disposable income for indebted households (Rs)	7,318	10,081	11,771	13,303	15,265	17,584	20,250	22,925	30,258	54,459	23,692
Debt burden ratio	20.3	16.6	15.2	15.9	18.5	17.0	17.9	17.9	18.8	19.6	18.4

The average household debt repayment for the deciles increased with level of income; the average household debt repayment for the poorest decile was Rs 1,500 against Rs 10,700 for the richest households.

However, the Debt Burden Ratio (DBR) which is the ratio of the amount of debt repayment over total disposable income worked out to 20.3 for the poorest decile against 19.6 for the richest decile.

## CHAPTER 9 – Government expenditure by decile group of households

### 9.1 Introduction

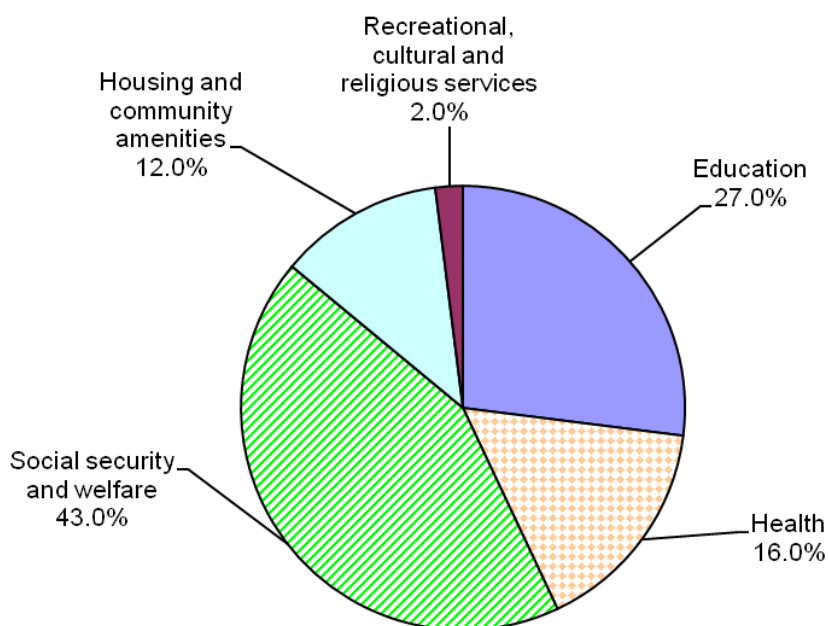
The social welfare programmes implemented by the government aim at promoting socio-economic well-being of the population. Such programmes are free education, free health services, low interest housing loan, free bus transport for students and elderly persons, social security benefits such as basic pensions, social aid, etc. This chapter analyses the distribution of government expenditure on social security benefits and education by decile group of households.

### 9.2 Government expenditure

More than half of total government expenditure goes to ‘Community and Social Services’ which includes expenditures on education, health, social security and welfare, housing and community amenities, and recreational cultural and religious services.

Total government expenditure was Rs 50.6 billion in 2006/07, out of which a major share (Rs 28 billion or 55%) was spent on ‘Community and Social Services’. As shown in Figure 9.1, ‘Social Security and Welfare’, ‘Education’ and ‘Health’ accounted for 43%, 27% and 16% respectively of government expenditure on ‘Community and Social Services’.

**Fig 9.1 - Government expenditure on 'Community and Social Services' 2006/07**



### 9.3 Government social security benefits

Government social security benefits comprise mainly basic pensions such as Basic Retirement Pension (BRP), Basic Widow's Pension (BWP), Basic Invalid Pension (BIP), Basic Orphan Pension (BOP), and other social security benefits such as Social Aid, Unemployment Hardship Reliefs, etc. A brief definition of the social security benefits are given below:-

*Basic Retirement Pensions (BRP), also known as old age pension, is payable to every Mauritian citizens aged 60 years and above subject to certain residency conditions.*

*Basic Widow's Pension (BWP) is payable to widow's aged 15 to 59 years who were either civilly and /or religiously married and under certain conditions.*

*Basic Invalid's Pension (BIP) is payable to any person aged 15 to 59 years if certified by a medical board that the person is either permanently or substantially incapacitated to work to a degree of 60% or more for at least twelve months.*

*Social Aid is an income-tested scheme. It is payable to the head of a family who is incapable of earning his living adequately and who has insufficient means to support himself and his dependents. Social Aid is payable to the poorer section of the population where the persons concerned are unable to earn a living, to the dependents of prisoners, to abandoned spouses especially with dependent children. It is also paid for a limited period in case of sudden loss of employment.*

In the sections which follow, selected public transfers such as BRP, BWP, BIP and Social Aid are analysed by decile group of household income.

#### 9.3.1 Distribution of selected public transfers by decile group of households

The distribution of selected public transfers by decile group of households based on the 2006/07 HBS data is given in the Table 9.1.

**Table 9.1 – Distribution (%) of public transfers by decile group of households, HBS 2006/07**

	Decile 1	Decile 2	Decile 3	Decile 4	Decile 5	Decile 6	Decile 7	Decile 8	Decile 9	Decile 10	All households
Distribution% of households	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	100.0
Distribution of public transfers	9.5	10.0	9.5	10.0	10.2	10.6	9.6	11.7	9.9	9.1	100.0
<i>of which</i>											
BRP	7.5	9.3	9.1	9.7	9.3	10.6	9.9	12.3	11.4	11.0	100.0
BWP	8.8	9.2	9.2	12.2	12.7	10.2	10.7	12.4	8.3	6.3	100.0
BIP	16.7	13.2	11.9	9.6	12.9	12.1	7.2	9.0	4.7	2.8	100.0
Social Aid	35.6	22.7	10.9	9.3	9.1	7.4	3.3	1.6	0.0	0.0	100.0

*\*Figures in shaded cells should be treated with caution; they are subject to low reliability since they are based on few observations (<30) in the sample.*

It is observed that BIP and Social Aid are more beneficial to low income households. The proportion of BIP payments going to the first and second deciles was around 30% compared to 7.5% for the richest two deciles. As for Social Aid, which is means-tested and more geared towards supporting the poor, around 58% of payment went to the poorest two deciles.

However, BRP and BWP which are universal pensions granted to all eligible Mauritian citizens are found to be more or less equally distributed among households except for the poorest decile. In 2006/07, the proportion of total BRP payments allocated to the poorest decile was 7.5% due to fewer elderly among the poor whilst for the other deciles, the proportion ranged from 9% to 12%.

### 9.3.2 Share of transfer income over total household disposable income

Table 9.2 shows that households from low income deciles are more dependent on public transfers than high income deciles. In 2006/07, public transfers to the poorest decile represented 22% of their total household disposable income against 2.4% for the richest decile.

Among households in poorest decile, BRP represented 12.9% of their total household income compared to 2.1% for richest decile, thus showing heavy reliance of poorest decile on BRP.

**Table 9.2 – Monthly disposable income and public transfers by decile group of households, HBS 2006/07**

	Decile 1	Decile 2	Decile 3	Decile 4	Decile 5	Decile 6	Decile 7	Decile 8	Decile 9	Decile 10	All households
Average monthly disposable income (Rs)	6,105	8,824	10,693	12,034	13,982	15,967	18,814	21,989	28,493	53,990	<b>19,083</b>
Average monthly public transfers (Rs)	1,367	1,451	1,368	1,445	1,470	1,537	1,382	1,692	1,430	1,319	<b>1,446</b>
Public transfers as % of household disposable income	22.4	16.4	12.8	12.0	10.5	9.6	7.3	7.7	5.0	2.4	<b>7.6</b>
BRP as a % of household disposable income	12.9	10.9	8.8	8.4	6.9	6.9	5.5	5.8	4.2	2.1	<b>5.5</b>

### 9.3.3 Effect of removal of public transfers

This part of the analysis shows the vulnerability of households if payment of selected public transfers were discontinued.

#### Public transfers (BRP, BWP, BIP & Social Aid)

In 2006/07, public main transfers namely Basic Retirement Pension (BRP), Basic Widow's Pension (BWP), Basic Invalid Pension (BIP) and Social Aid represented more than 50% of the total household transfer income. As for the poor households, public transfers represented more than 75% of their total transfer income.

It is worth pointing out that if public transfers were not granted, the proportion of poor households would be 15.9% instead of 7.9%; households which would be highly affected are mainly households with elderly (poverty rate would be 28.2% instead of 6.6%) and female one parent households with unmarried children only (poverty rate would be 32.6% instead of 14.0%).

#### Basic Retirement Pension

BRP is the main public transfer granted by the Government, which contributes the most to lift households out of poverty. It represents more than 70% of the total public transfers. As for poor households, BRP represented around 55% of their total public transfers.

If BRP is discontinued, the poverty rate would increase from 7.9% to 13.4%.

#### Basic Widows Pension

If BWP, which is the second most important public transfer, is discontinued, the poverty rate would increase from 7.9% to 8.8%.

### 9.4 Government expenditure on education

This analysis of government expenditure by decile group of household income is based on data collected at 2006/07 HBS as well as administrative data on government expenditure and enrolment data from the Education Statistics.

The analysis refers only to students going to non-fee paying primary and secondary schools (excluding private or government non-aided schools); the secondary schools comprise both academic and pre-vocational students. The government expenditures for primary and secondary education refer to recurrent expenditures.

For the analysis, it is assumed that the distribution of students attending primary and secondary school by decile group of household income is identical to that reported at the 2006/07 HBS.

The administrative inputs used were:-

Primary enrolment in 2007 – 112,292

Primary recurrent government expenditure 2006/07 – Rs 1,611.6 Mn

Secondary enrolment (both academic and pre-vocational) in 2007 – 120,503  
 Secondary recurrent government expenditure 2006/07 – Rs 3,436.7 Mn

#### 9.4.1 Government expenditure on primary and secondary education

Given an estimated total of 335,000 households in 2006/07, it is estimated that government disbursed average around Rs 1,260 per month on every household on both primary and secondary education. This amount represents 6.6% of total average monthly household disposable income. For the poorest decile, the amount disbursed by the government on primary and secondary education represented 26.8% of their household income against 1.8% for the richest decile.

The distribution of government expenditure on education by deciles shows that the policy of free education is more beneficial to low income deciles, since the poorest households have more children of school age than the richest household. Around 25% of the total government expenditure went to the two poorest deciles compared to 15% for the two richest deciles.

**Table 9.3 - Government expenditure on primary and secondary education by decile group of households, 2006/07**

	Decile 1	Decile 2	Decile 3	Decile 4	Decile 5	Decile 6	Decile 7	Decile 8	Decile 9	Decile 10	All households
Estimated number of students enrolled in primary and secondary schools in 2006/07	32,239	29,052	27,951	26,096	24,070	21,540	20,811	17,296	16,522	17,220	232,795
Government <b>total</b> expenditure (Rs Mn) on primary and secondary education in <b>2006/07</b>	657.4	611.1	591.7	565.8	542.9	478.4	464.0	395.4	355.7	385.9	5048.3
Distribution (%) of government expenditure on <b>primary and secondary</b> education	13.0	12.1	11.7	11.2	10.8	9.5	9.2	7.8	7.0	7.6	100.0
Government <b>expenditure per household per month</b> on primary and secondary education (Rs)	1,635	1,520	1,472	1,408	1,350	1,190	1,154	984	885	960	1,256
<b>Average monthly household disposable income (Rs) in 2006/07</b>	<b>6,105</b>	<b>8,824</b>	<b>10,693</b>	<b>12,034</b>	<b>13,982</b>	<b>15,967</b>	<b>18,814</b>	<b>21,989</b>	<b>28,493</b>	<b>53,990</b>	<b>19,083</b>
<b>Share of government expenditure on education on household disposable income</b>	<b>26.8</b>	<b>17.2</b>	<b>13.8</b>	<b>11.7</b>	<b>9.7</b>	<b>7.5</b>	<b>6.1</b>	<b>4.5</b>	<b>3.1</b>	<b>1.8</b>	<b>6.6</b>



### 9.4.2 Primary education

Analysing government expenditure on primary education, it is observed that around 30% goes to the poorest two deciles against 14% for the richest two deciles. In terms of importance of this benefit to households, government expenditure on primary education going to poorest decile represented 10.8% of their total income compared to 0.5% for the richest decile.

**Table 9.4 – Distribution (%) of government expenditure on primary education by decile group of households, 2006/07**

	Decile 1	Decile 2	Decile 3	Decile 4	Decile 5	Decile 6	Decile 7	Decile 8	Decile 9	Decile 10	All households
Distribution (%) of households	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	<b>100.0</b>
Average number of secondary school children per household	0.61	0.56	0.50	0.44	0.37	0.35	0.32	0.25	0.30	0.29	<b>0.40</b>
Distribution (%) of government expenditure on primary education	16.5	13.7	12.9	11.2	9.0	8.5	8.1	6.1	7.3	6.6	<b>100.0</b>
Share (%) of government expenditure over household income	10.8	6.2	4.8	3.7	2.6	2.1	1.7	1.1	1.0	0.5	<b>2.1</b>

### 9.4.3 Secondary education

Around 23% of the government spending on secondary education went to the poorest two deciles compared to 15% to the richest two deciles. It is also noted that the government expense going to the poorest decile represented 16.0% of their total household income against 1.3% for the richest decile.

**Table 9.5 – Distribution (%) of government expenditure on secondary education by decile group of households, 2006/07**

	<b>Decile 1</b>	<b>Decile 2</b>	<b>Decile 3</b>	<b>Decile 4</b>	<b>Decile 5</b>	<b>Decile 6</b>	<b>Decile 7</b>	<b>Decile 8</b>	<b>Decile 9</b>	<b>Decile 10</b>	<b>All households</b>
Distribution (%) of households	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	<b>100.0</b>
Average number of secondary school children per household	0.45	0.41	0.42	0.42	0.43	0.37	0.37	0.31	0.26	0.31	<b>0.38</b>
Distribution (%) of government expenditure on secondary education	11.4	11.4	11.2	11.2	11.6	9.9	9.7	8.6	6.9	8.1	<b>100.0</b>
Share (%) of government expenditure over household income	16.0	11.0	8.9	8.0	7.1	5.3	4.4	3.4	2.1	1.3	<b>4.5</b>

## CHAPTER 10 - INTERNATIONAL COMPARISON

### 10.1 Introduction

Poverty eradication is an international concern. International organisations like the United Nations, World Bank, Food and Agricultural Organisation, in collaboration with national agencies are making concerted efforts to decrease poverty and to promote development at all levels.

Several poverty related indicators have been developed by international agencies to measure poverty at the global level. This chapter analyses the poverty situation of Mauritius on the basis of the UN Human Development Index and the World Bank \$1 and \$2 a day poverty lines.

### 10.2 UN Human Development Index (HDI)

The HDI is a comparative measure of human development for countries worldwide. It is computed by the UN and measures the achievement of a country in three basic dimensions of human development namely:

- A long and healthy life, as measured by life expectancy at birth
- Knowledge, as measured by the adult (aged 15 years and over) literacy rate and the combined primary, secondary and tertiary enrolment ratio
- A decent standard of living, as measured by GDP per capita

The HDI ranges between 0 (low level of human development) and 1 (high level of human development). The United Nations Development Programme (UNDP) categorises countries as low, medium and high human development on the basis of the HDI. The three categories are:-

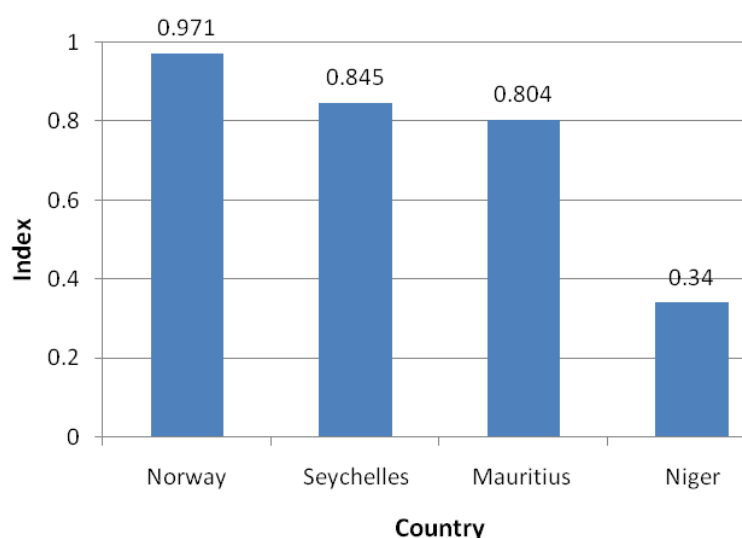
- *Low development* – an HDI less or equal to 0.5;
- *Medium development* – an HDI ranging between 0.5 and 0.8; and
- *High development* - an HDI of 0.8 or more.

According to 2009 UNDP report which presents statistics up to the year 2007, Mauritius was categorised as a country of high human development with an HDI value of 0.804 in 2007; the country was ranked 81 out of 182 countries.

During the same year, the country with the high level of human development was Norway (HDI value of 0.971) and the one with the low level was Niger (HDI value of 0.340). Mauritius and Seychelles are the only two Sub-Saharan African countries to be among the high human development countries. Table 10.1 gives a summary result on the indicators used for the computation of the 2007 HDI.

**Table 10.1 - Summary indicators used for the construction of 2007 HDI**

Country	HDI value / Rank	Life expectancy at birth (years)	Adult literacy rate (%)	Combined primary, secondary and tertiary gross enrolment ratio (%)	GDP per capita (PPP US \$)
Norway	0.971 (1)	80.5	99.0	98.6	53,433
Seychelles	0.845 (57)	72.8	91.8	82.2	16,394
Mauritius	0.804 (81)	72.1	87.4	76.9	11,296
Niger	0.340 (182)	50.8	28.7	27.2	627

**Figure 10.1 - Human Development Index, 2007**

### 10.3 World Bank \$1 and \$2 a day poverty lines

For the purpose of measuring poverty globally, the World Bank has come up with international poverty lines set at \$1 a day and \$2 a day. The \$1 purchasing power parity (PPP)\* a day poverty line, originally measured in 1985 prices, was re-evaluated to \$1.08 (PPP). The \$1.08, often described as \$1 a day, has been widely accepted as the international standard for extreme poverty and was incorporated in the first Millennium Development Goal. That goal calls for eradicating extreme poverty and sets target of halving, between 1990 and 2015, the population of people whose income is less than \$1 a day.

The \$1.08 (PPP) per day per person has now been recalibrated at \$1.25 using new data on PPP, compiled by the International Comparison Program. Using the poverty line \$1.25 (PPP) per person per day, and data from the 2001/02 and 2006/07 Household Budget Surveys, the proportion of poor people in Mauritius is estimated to be below 1% in both 2001/02 & 2006/07.

It is to be noted, however that the \$1 a day poverty line is more relevant to least developed countries where there is extreme poverty. For developing countries like Mauritius, the \$2 a

day poverty line is more relevant. Using this line, the proportion of poor people is estimated to be less than 1.5% in 2001/02 and 2006/07. The poverty lines, expressed in Mauritian rupees, and the poverty incidence are presented in Table 10.2.

**Table 10.2 – Poverty incidence based on World Bank \$1.25 and \$2 (PPP) a day poverty lines, 2001/02 & 2006/07**

	2001/02	2006/07
<b>Poverty line : \$1.25 (PPP) per person per day</b>		
Daily equivalent (Rs)	15.60	20.86
Monthly equivalent (Rs)	475	635
Proportion of population living below poverty line (%)	< 1	< 1
<b>Poverty lines : \$2 (PPP) per person per day (Rs)</b>		
Daily equivalent (Rs)	24.96	33.38
Monthly equivalent (Rs)	759	1015
Proportion of population living below poverty line (%)	< 1.5	< 1.5

Latest poverty indicators on US\$1.25 a day poverty line from UN websites indicate that:

- There are still more than 1 billion people living at the margins of survival on less than US\$1 a day. From 1990 to 2005, the number of people living on less than \$1.25 a day decreased from 1.8 billion to 1.4 billion. In 2009, an estimated 55 million to 90 million more people will be living in extreme poverty than anticipated before the crisis. *Source: UN Millennium Development Goals Report 2009*
- In Sub-Saharan Africa of which Mauritius forms part, the proportion of persons living in extreme poverty, that is, living on less than \$1 a day dropped from 57% in 1990 to 51% in 2005. The corresponding figures referring to the period of 2000-2007 for selected countries in Sub-Saharan Africa are as follows: Botswana – 31.2%, South Africa – 26.2%, Madagascar – 67.8%, Malawi – 73.9%, Mozambique – 74.7%, Burundi – 81.3%, Tanzania – 88.5%. *Source: UN HDR 2009*
- Extreme poverty was also prevalent though being low among high human development countries. The proportion of population living below \$1 a day for some countries in the high development regions for the period of 2000-2007 are:- Argentina – 4.5%, Brazil – 5.2%, Colombia – 16.0%, Turkey – 2.9%. *Source: UN HDR 2009*

*\*Note: It is to be noted that the PPP is different from the exchange rate. The PPP is the amount of money in a country's currency needed to buy goods and services equivalent to what can be bought with \$1 in the United States.*

## ANNEX – METHODOLOGY USED FOR POVERTY ANALYSIS

### 1. Use of income or expenditure data for poverty measurement

Poverty can be measured using either household income or expenditure data. The relative advantage of expenditure is that it is less subject to under-reporting than income in household surveys. However, expenditure data can also present problems since it results in distorted consumption measures in cases of stock piling and infrequent purchases of durables. In the light of this and due to the fact that income data is more appropriate for assessing the degree to which pensions affect poverty in the country, the relative poverty line used in this report is based on income.

### 2. Definition of income for poverty measurement

The income resources used for this poverty analysis are based on disposable income since it represents what the household can actually spend to acquire the goods and services that it needs. In the case of owner-occupiers and households not paying rent, the income resources additionally include the “imputed rent” i.e. the equivalent rental value of their house.

The components of the “income measure” used for the poverty analysis are:-

- (1) employment income both for employees and the self-employed
- (2) property income (interests, dividends and rent of buildings, land, etc.)
- (3) transfer income (pensions, allowances and other social benefits)
- (4) other income derived from own-produced goods
- (5) imputed rent for non-renting households

### 3. Level of median household income

The poverty line used in the poverty analysis is based on half median household income. In fact, the poverty line can be set at different level of median income. The most commonly used levels are at 40%, 50% and 60% median income. The poverty incidence based on these levels of median income is presented in the table below:-

		Level of median household income per adult equivalent		
	Survey year	40 %	50 %	60 %
Poverty lines (Rs.)	2001/02	2,243	2,804	3,821
Proportion of households below poverty lines (%)	2001/02	3.5	7.7	14.1
Poverty lines (Rs.)	2006/07	3,057	3,821	4,585
Proportion of households below poverty lines (%)	2006/07	3.6	7.9	15.0

#### 4. Definition of the poverty line used

The relative poverty line used in this report is **the half median monthly household income per adult equivalent**. Based on the 2001/02 and 2006/07 HBS data, the relative poverty line is estimated at Rs 2,804 per adult equivalent per month in 2001/02 and Rs 3,821 in 2006/07. These can be interpreted to be the corresponding poverty lines for a one-person household.

#### 5. Why equivalised household income ?

The requirements of a household depend largely on its size as well as its composition in terms of age of members. For example, in larger households requirements are expected to be higher than those in smaller households. Also, a child's requirements differ from that of an adult. Thus, in order to take into consideration these intra-household differentials, adjustment for household size and household composition is important to obtain the number of adult equivalents in each household.

**The table presents poverty indicators for the Republic of Mauritius based on income from the past two Household Budget Surveys using different poverty lines.**

	1996/97	2001/02	2006/07
Half median monthly household income (Rs)	3,935	5,575	7,320
% households below the half median income	14.2	13.1	14.3
Half median monthly household income per capita (Rs)	1,265	1,834	2,554
% households below the half median income per capita	9.3	9.5	10.1
Half median monthly household income per adult equivalent (Rs)	2,004	2,804	3,821
% households below the half median income per adult equivalent	8.7	7.7	7.9

#### 6. Equivalence Scale used

The Bank and Johnson's non-linear equivalence scale is used in this report as recommended by the World Bank. This scale caters for intra-household differentials as mentioned above and also for economies of scale.

It is of the form

$$E = (A + 0.7 * C)^{0.7}$$

where E = Number of adult equivalents

A = Number of adults (aged 16 years and over)

C = Number of children (aged below 16 years)

The table below gives the number of adult equivalents by household type:-

Household type	Household size (unadjusted)	Number of adult equivalents
One adult	1	1.0
One adult, one child	2	1.4
One adult, two children	3	1.8
Two adults, one child	3	2.0
Two adults, two children	4	2.4
Three adults, one child	4	2.5
Three adults, two children	5	2.8

The household income per adult equivalent or equivalised household income is, thus, obtained by dividing the household income by the number of adult equivalent. This adjustment allows comparison of income levels between households of differing size and composition.

## 7. Determining poor households

For each household covered in the survey, information is available on its size, composition, age of its members and on its different income components.

For the purpose of the analysis, a household is determined poor as follows:-

- (i) The monthly resources of the households ( R ) is calculated as the sum of total household disposable income and imputed rent
- (ii) The number of adult equivalents in the household ( A ) is calculated using the Bank & Johnson's non-linear equivalence scale
- (iii) The monthly household resources per adult equivalent =  $R_a = R/A$
- (iv)  $R_a$  is then compared with the poverty line. If  $R_a$  is less than the poverty line, the household is considered to be poor.

Using 2001/02 and 2006/07 Household Budget Survey data, the poverty lines were estimated at Rs 2,804 in in 2001/02 and Rs 3,821 in 2006/07. Thus, a household was considered poor if  $R_a$  was less than Rs 2,804 in 2001/02 and less than Rs 3,821 in 2006/07.



## 8. Poverty line for selected household compositions

The poverty lines based on the 'equivalence scale' for some selected household compositions are given below.

Household composition	Poverty line (Rs)	
	2001/02	2006/07
One adult	2,804	3,821
One adult, one child	3,926	5,540
One adult, two children	5,047	7,052
Two adults, one child	5,608	7,658
Two adults, two children	6,730	8,999
Three adults, one child	7,010	9,548
Three adults, two children	7,851	10,779

## 9. Decile group of household income per adult equivalent

The decile group of household income attempts at analysing the income inequality that exists in the population. The decile household income is obtained by dividing the number of households into ten equal groups from the households having the lowest income to highest income. Each decile contains the same number of households. The table below presents the income range for 1-person household by decile group of household income.

Decile	Distribution (%) of households	Household income (Rs) for a 1-person household
1	10	Below 4,100
2	10	4,100 to < 5,000
3	10	5,000 to < 5,900
4	10	5,900 to < 6,800
5	10	6,800 to < 7,600
6	10	7,600 to < 8,800
7	10	8,800 to < 10,300
8	10	10,300 to < 12,700
9	10	12,700 to < 17,500
10	10	17,500 and above

## 10. Poverty indicator

### 10.1 Headcount ratio

The **headcount ratio** is the most common indicator used for poverty measurement. It is defined as the proportion of households or population whose income is below the poverty line. The formula can be expressed as follows:-

$$H = \frac{q}{n}$$

Where, H = Headcount ratio

q = Number of poor households / persons

n = Total number of households / total population

The headcount ratio is easy to interpret; it is an indicator of the *incidence of poverty* and indicates how many poor there are.

### 10.2 Income gap ratio

The income gap ratio is a measure of the depth of poverty. It measures the difference between the poverty line and the mean income of the poor, expressed as a ratio of the poverty line. The formula is as follows:-

$$I = \frac{z - y_q}{z}$$

$$y_q = \frac{1}{q} \sum_{i=1}^q y_i \quad (y_i < z)$$

where I = Income gap ratio

z = Poverty line

y<sub>q</sub> = Average income of the poor

y<sub>i</sub> = Actual income

q = Number of poor

### 10.3 Poverty gap ratio

The poverty gap ratio is the mean distance separating the population from the poverty line (with the non-poor being given a distance of zero), expressed as a percentage of the poverty line. This indicator considers both **the number of poor people and how poor they are**.

The formula is expressed as follows:-

$$PG = \frac{1}{n} \sum_{i=1}^q \left[ \frac{z - y_i}{z} \right]$$

where PG = Poverty gap  
 q = Number of poor  
 n = Total population  
 $y_i$  = Actual income ( $y_i < z$ )  
 z = Poverty line

The poverty gap can also be expressed as the product of the average income gap ratio of poor people and the headcount ratio.

### 11. Classifications

The classifications used for the analysis are as follows :-

(i) National Classification of Occupation (NCO); it is in line with the UN International Standard Classification of Occupation

(ii) UN Classification of Consumption Expenditure according to Purpose (COICOP) for the classification of commodities

### 12. Statistical Package

The data analysis was done using the statistical package, STATA 8.0, Statistics Data Analysis, together with Microsoft Excel.

## **GLOSSARY**

### **Household**

A household is defined as either a person living on his/her own or a group of two or more persons, who may or may not be related, but who live together and make common provision for food and other essentials for living.

### **Head of household**

The head of household refers to any adult member, whether male or female, who was acknowledged as such by the other members of the household.

### **Household income**

Household income comprises of disposable income and imputed rent.

### **Disposable income**

The disposable income comprises income from employment, transfers, property and income obtained from own produced goods and services; it excludes compulsory deductions such as income tax (P.A.Y.E.) and contributions to pensions and social security schemes.

### **Imputed rent**

Imputed rent refers to an equivalent rental value of the house. This applies only for owner-occupiers and households not paying any rent for their house.

### **Employment income**

Employment income refers to income from both paid and self employment.

### **Paid employment income**

Paid employment income refers to all regular income including travelling allowance, rent allowance, bonuses and gratuities as well as any income received in kind. It is to be noted that income derived by employees from subsidiary or parallel business was also included as employee income. However, employer's contributions to social security, pensions and insurance schemes on behalf of employees were excluded.

### **Income from self-employment**

Income from self-employment is defined as the net income derived from self-employment in household enterprises, business, trade, crop cultivation and independent professional activities.

### **Property income**

Property income relates to net receipts derived from ownership of assets and includes interests, dividends as well as rent of buildings, land, machinery and equipment.

### **Transfer income**

Transfer income consists of pensions and allowances from government and private organisations as well as inter household transfers such as alimony, child support, parental support and, goods and services from charities.

### **Public transfers**

Public transfers are government social security benefits which comprise basic pensions, social aid and other benefits.

### **Basic Retirement Pension (BRP)**

Basic Retirement Pension, also known as old-age pension, is payable to every Mauritian citizen aged 60 years and above subject to certain residency conditions.

### **Basic Widow's Pension (BWP)**

Basic Widow's Pension is payable to widows aged 15 to 59 years who were either civilly and/or religiously married and under certain conditions.

### **Basic Invalid's Pension (BIP)**

The Basic Invalid's Pension is payable to any person aged from 15 to 59 years if certified by a Medical Board that the person is either permanently or substantially incapacitated to work to a degree of 60% or more for at least 12 months.

### **Social Aid**

Social Aid is an income-tested scheme. It is payable to the head of a family who is incapable of earning his living adequately and who has insufficient means to support himself and his dependents. Social Aid is payable to the poorer section of the population where the persons concerned are unable to earn a living, to the dependents of prisoners, to abandoned spouses especially with dependent children. It is also paid for limited period in case of sudden loss of employment.

### **Average household income**

Average household income is the total household income of a group of units divided by the number of units in the group.

### **Equivalised household income**

Household income can also be adjusted by the application of an equivalence scale to facilitate comparison of income levels between households of differing size and composition, reflecting the requirement of a larger household to have a higher level of income to achieve the same standard of living as a smaller household

### **Equivalence scales**

Equivalence scales have been devised to make adjustments to the actual incomes of households in a way that enables analysis of the relative wellbeing of households of different size composition.

The equivalence scale used in the poverty report refers to the Bank & John's non-linear scale.

### **Household consumption expenditure**

Household consumption expenditure includes (i) money expenditure on goods and services intended for consumption by the households (ii) consumption of goods and services which are either own produced, received free or at reduced price by the households.

### **Employment**

Employed population consists of Mauritians aged 16 years and over who have worked for pay, profit or family gain for at least one hour during the reference week of a month.

### **Unemployment**

Unemployed population comprises all Mauritians aged 16 years and over who are not working but who are looking for work and are available for work during the reference period.

### **Economically active population**

Economically active population or labour force is made up of employed and unemployed population.

### **Employment rate**

Employment rate is the ratio (%) of employment to that of labour force.

### **Unemployment rate**

Unemployment rate is the ratio (%) of unemployment to that of labour force.

### **Economically inactive population**

Inactive population includes all Mauritians aged 12 years and over, not forming part of the labour force for reasons such as attendance at educational institutions, engagement in household duties, retirement, old age and infirmity/disablement.

### **Primary sector**

Primary sector refers to the industry sections 'Agriculture, hunting, forestry, fishing' & 'Mining & Quarrying'.

### **Secondary sector**

Secondary sector refers to the industry sections 'Manufacturing, electricity, gas and water supply & construction'.

### **Tertiary sector**

Tertiary sector refers to the industry sections 'Wholesale & retail trade repair of motor vehicles & personal & households goods', 'Hotels & restaurants', 'Transport, storage & communications', 'Financial intermediation', 'Real estate, renting & business activities', 'Public administration & defence; compulsory social security', 'Education', 'Health & social work', and 'other services'.

### **Educational attainment**

Educational attainment refers to the highest level of education completed for persons not attending school or the level being attended for person still attending school.

*Below CPE* : comprises those who have attended preprimary and primary school, but have not acquired the Certificate of Primary Education (CPE). It also includes those who have never attended school.

*CPE passed* : comprises those who have acquired only a CPE.

*CPE and above* : comprises those who have acquired a qualification higher than CPE and attended a level higher than Standard VI.

### **Net Enrolment Ratio (NER)**

*Net enrolment ratio in primary education* refers to the number of students aged 6-11 years per 100 population aged 6-11 years.

*Net enrolment ratio in secondary education* refers to the number of students aged 12-19 years per 100 population aged 12-19 years

### **Dependency ratio**

The combined child population (under 15 years) and population aged 65 years and over per 1,000 population intermediate age (15-64 years) in a particular year.

**Elderly dependency ratio**

Population aged 65 years and over per 100 population aged 15 to 64 years in a particular year

**Child dependency ratio**

Population under 15 years per 100 population aged 15 to 64 years in a particular year.

**Room**

A room was defined as a space in a housing unit enclosed by walls reaching from the floor to the ceiling or roof covering, or to a height of at least of two metres, and of a size large enough to hold a bed for an adult, that is, at least four square metres. A room partitioned by curtains or pieces of furniture was counted as single room.

**Purchasing Power Parity (PPP)**

The Purchasing Power Parity is the amount of money in a country's currency needed to buy goods and services equivalent to what can be bought with \$1 in the United States. (*An international dollar buys roughly the same amount of goods and services in each country*). The PPP estimate is different from the exchange rate.



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