

REPUBLIC OF MAURITIUS

Ministry of Finance

STATISTICS MAURITIUS



POVERTY ANALYSIS 2023

February, 2025

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1. INTRODUCTION

Poverty is multidimensional. It has no single definition and standard way of measurement. It is usually measured in either monetary or non-monetary terms.

This report assesses the poverty situation in the Republic of Mauritius by using the monetary approach. The analysis is based mainly on Household Budget Survey data. Additional data from administrative sources have also been tapped to assess the impact of government transfers and free services on households and persons in poverty.

1.1 POVERTY LINE USED IN THE REPORT

A poverty line is a prerequisite in monetary approach. *What is a poverty line?* A poverty line is an income threshold below which a person/ household is classified as poor. There are two types of poverty line – relative and absolute poverty lines.

Relative Poverty Line (RPL) is defined in relation to the distribution of income / expenditure of a country at a given point in time. It is usually set at a certain percentage of the median income. It changes with the median from year to year. Such a line helps to measure dynamic improvements of the poor over time. But, it cannot be used to monitor poverty level over time.

Absolute Poverty Line is fixed at a point in time and adjusted with price changes to monitor poverty level over time. It can be applied to any income/ expenditure distribution.

Statistics Mauritius (SM) uses the Relative Poverty Line set at half of the median monthly household income per adult equivalent. In 2023, the relative poverty line was Rs 12,378 for a one-adult member household and Rs 29,200 for a household comprising 2 adults and 2 children (aged below 16 years).



One-adult member household
Rs 12,378 per month



2 Adults and 2 Children
Rs 29,200 per month

The analysis in this report is based mainly on the RPL. It is used to show how the poor people are faring over time as well as how they compare to non-poor. Given its limitation in tracking poverty level over time, a ‘fixed’ threshold is used as an absolute poverty line. The ‘fixed’ threshold is an RPL of any given HBS year which is held fixed and adjusted with price changes over time to obtain equivalent poverty lines to estimate the poverty level at any HBS year, thus allowing for trend analysis¹.

1.2 POVERTY HEADCOUNT RATIO

The number of poor households/persons is measured by the Headcount ratio (HCR) also known as poverty rate. It is the most commonly used poverty indicator. At international level, it is used to assess progress towards Sustainable Development Goal 1 (No poverty).

The HCR is expressed in terms of percentage that is, the proportion of households (persons) in relative poverty over the total households (persons).

¹ Sections 7 and 9 give more detailed information on poverty level and methodology used to derive the threshold.

2. HIGHLIGHTS

Relative poverty in 2023

Based on data collected at the 2023 Household Budget Survey (HBS), the Relative Poverty Line (RPL), set at half of the median monthly household income per adult equivalent, was estimated at Rs.12,378 per month.

The number of households in relative poverty, that is falling below the RPL, worked out to 29,800 (7.3%), comprising 101,900 persons (8.4%).

A comparison with the 2017 HBS round, the proportion of households in relative poverty decreased from 9.6% in 2017 to 7.3% in 2023. Similarly, the proportion of persons decreased from 10.4% in 2017 to 8.4% in 2023.

In 2023, poverty was more prevalent among children aged below 16 years (15.7%) than among elderly aged 60 and above (3.1%). The number of children in relative poverty was estimated at around 33,000 compared to 8,000 among the elderly.

Additionally, poverty was more prevalent among certain types of household and their poverty rates are as follows:

- Households with 3 or more children (28.9%)
- Households headed by divorced / separated persons (14.8%)
- Households with one parent and unmarried children only (12.6%)
- Households with 5 or more members (11.2%)
- Households headed by persons who had qualification below SC² (9.9%)
- Female-headed households (9.9%)

Household income and consumption expenditure in 2023

The average monthly income³ of households in relative poverty was Rs 22,200, seven times less than the richest 10% of households (Rs 157,500).

The average monthly consumption expenditure of households in relative poverty was Rs 17,700, less than a quarter of the richest 10% of households (Rs 76,200).

Household debt repayment in 2023

In 2023, it was estimated that 32.0% of households in relative poverty were in debt⁴. These households disbursed 14.3% of their monthly disposable income on debt repayment (Rs 3,000).

² SC refers to Cambridge School Certificate

³ Income comprising disposable income and imputed rent.

⁴ Household debt refers to specific debt such as loans on housing, education, health, motor vehicles, hire purchases goods (e.g., household appliances, television, etc.) obtained from financial institutions like banks, leasing companies, credit unions, etc.

On the other hand, the richest 10% households spent 19.0% of their monthly income on debt repayment (Rs 27,600).

Effect of Government transfers and free services on poverty in 2023

Government transfers (basic pensions and other social security benefits like Social Aid), free health services, education and public bus transport play a key role in bringing down poverty. Without these transfers, the poverty rate would have been 36.4% instead of 7.3%, the actual poverty rate. The latter would have been higher in the following scenarios:

- 26.3% without any Government transfers;
- 16.1% without free services on education, health and public bus transport
 - 12.8% without free education (primary and secondary) only;
 - 10.1% without free health services only; and
 - 7.7% without free public bus transport only.

Trends in poverty

An analysis of the trend in poverty level shows that the poverty situation in the country has improved from 1996/97 to 2023. Using the Relative Poverty Line of 1996/97 as a 'fixed threshold' and adjusted for price changes, a decreasing trend in poverty is observed - the proportion of households living below this line decreased from 8.7% in 1996/97 to 0.9% in 2023.

In addition, from 1996/97 to 2023, poor households had a higher income growth (72%) compared to non-poor households (40%).

It is worth noting that this decreasing trend in poverty is maintained regardless of whether the RPL is 'fixed' at any HBS year.

3. TRENDS IN RELATIVE POVERTY

3.1 HOUSEHOLDS AND PERSONS IN RELATIVE POVERTY

From 2017 to 2023, relative poverty went down

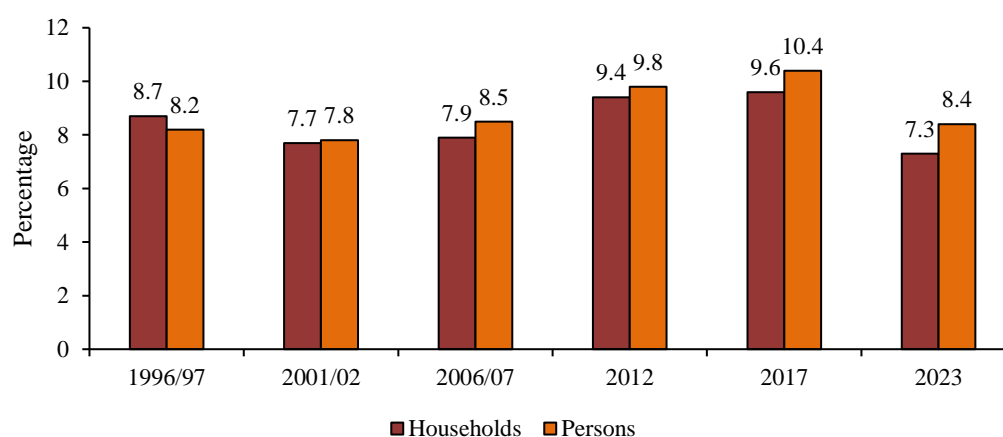
Based on data collected at the 2023 Household Budget Survey (HBS), the proportion of households in relative poverty (also referred as poverty headcount ratio and poverty rate) went down from 9.6% in 2017 to 7.3% in 2023 (Table 1). In terms of persons, the proportion worked out to 8.4% in 2023, against 10.4% in 2017.

Table 1 – Summary indicators of relative poverty, 1996/97 – 2023

	1996/97	2001/02	2006/07	2012	2017	2023
Relative poverty line ⁵ (Rs)	2,004	2,804	3,821	5,652	7,509	12,378
Households in relative poverty						
Number ⁶	23,800	23,700	26,100	33,600	36,400	29,800
Proportion (%)	8.7	7.7	7.9	9.4	9.6	7.3
Persons in relative poverty						
Number ⁶	92,700	92,600	103,400	119,900	127,800	101,900
Proportion (%)	8.2	7.8	8.5	9.8	10.4	8.4

Over the past 26 years, the proportion of households in relative poverty decreased from 8.7% in 1996/97 to 7.7% in 2001/02 and, thereafter it increased steadily to reach 9.6% in 2017 and then dropped to 7.3% in 2023. A similar trend is observed for the proportion of persons in relative poverty during the same period (Chart 1).

Chart 1 – Proportion of households and persons in relative poverty, 1996/97- 2023



⁵ Defined as half of the median monthly household income per adult equivalent; household income comprises disposable income and imputed rent. Section 9 gives more detailed information on the methodology used.

⁶ Figures for 2001/02 to 2017 have been reviewed with the estimated number of private households, and persons (base year Census 2011)

In 2023, the number of households in relative poverty was estimated at around 29,800 compared to 36,400 in 2017. As regards to persons in relative poverty, the numbers worked out to around 101,900 in 2023 compared to 127,800 in 2017(Chart 2 & 3).

Chart 2 - Households in relative poverty, 1996/97- 2023

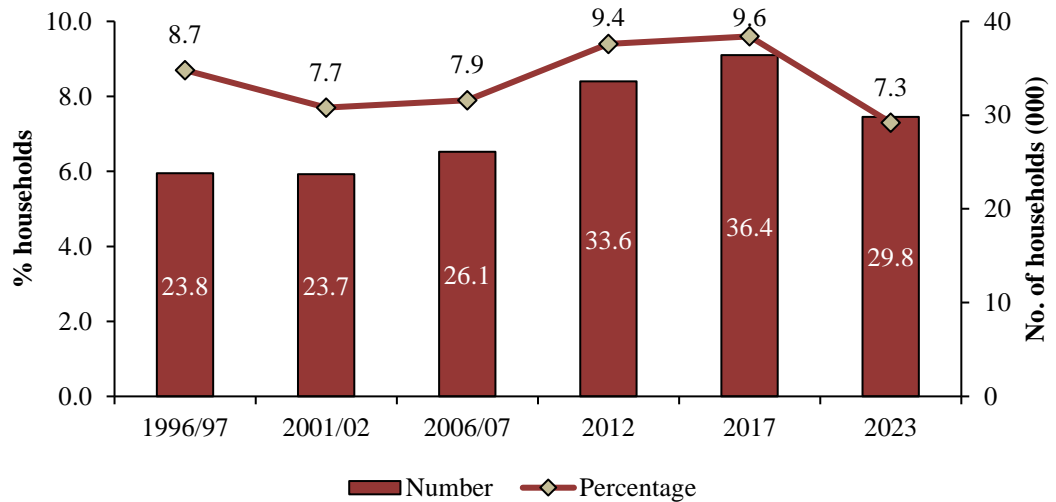
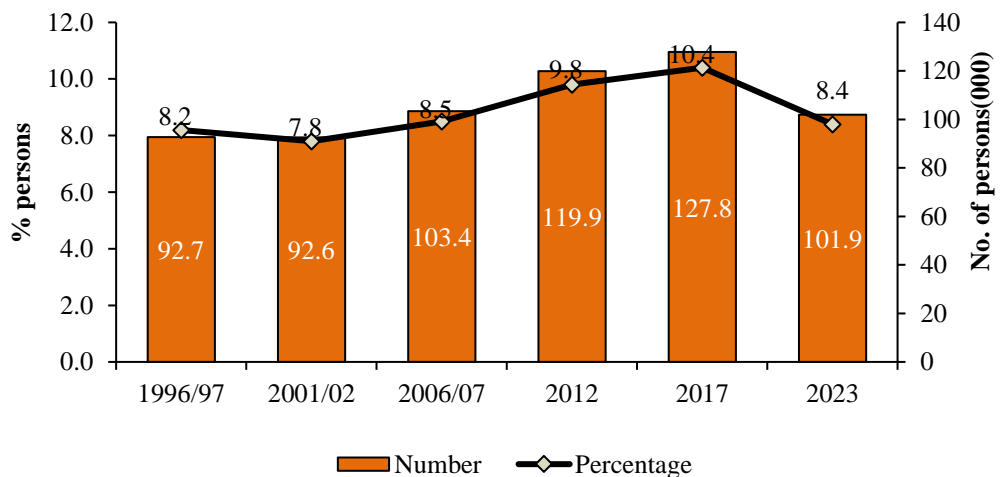


Chart 3 - Persons in relative poverty, 1996/97- 2023



.... and the poverty gap also improved.

Depth of poverty

Income and poverty gap indicators are useful and commonly used indicators to show the depth and intensity of poverty in the population.

The income gap ratio is the percentage by which the mean income of poor households falls below the poverty line.

The poverty gap ratio (PGR) is a more comprehensive measure used to reflect the intensity of poverty. It encompasses both the extent and depth of poverty and is calculated as the mean shortfall of all households from the poverty line. The PGR also indicates the total amount of resources that are needed to bring all poor out of poverty. It is an important indicator for programmes and policies for poverty alleviation.

The poverty depth, as measured by the income gap ratio, decreased from 23.8% in 2017 to 21.5% in 2023. The poverty gap ratio also decreased from 2.5% in 2017 to 1.8% in 2023. More details on these ratios are found at Table 2.

In 2023, the PGR is estimated at 1.8%, and the amount of money that is required to move people out of poverty is estimated at Rs 2.1bn.

Table 2 – Income and poverty gap ratios (expressed as %) based on relative poverty lines, 1996/97 - 2023

	1996/97	2001/02	2006/07	2012	2017	2023
Relative poverty line – Half median monthly household income per adult equivalent (Rs.)	2,004	2,804	3,821	5,652	7,509	12,378
Income gap ratio (%)	21.0	22.6	21.9	24.0	23.8	21.5
Poverty gap ratio (%)	1.7	1.8	1.9	2.3	2.5	1.8

3.2 SITUATION OF PEOPLE IN RELATIVE POVERTY OVER TIME

The income situation of households in relative poverty has improved over time,

As from 1996/97 to 2023, annual real growth of average household income for the poor has increased. It is observed that from 1996/97 to 2012, the growths were around 1.3%, and then increased at an annual rate of 1.8% in 2017 and 2023 respectively (Table 3a).

From 2017 to 2023, the average household income of the poor households, after adjusting for inflation, increased at an annual rate of 1.8% (against 1.5% for non-poor households). Disaggregating the household income by source, it is observed that the increase is mainly explained by employment and transfer income, which represented more than 80% of their total household income. The real growth of household employment and transfer income grew by 28% and 35% respectively.

..... their consumption expenditure also grew, and

The average household consumption expenditure, after adjusting for inflation, increased from an annual rate of 1.6% in 2017 to 1.8% in 2023 (Table 3a).

Table 3a – Average monthly household income and consumption expenditure for poor households, 1996/97 - 2023

HBS years	Average monthly household income⁷ (Rs)	% Real annual change over previous HBS	Average monthly household consumption expenditure⁸ (Rs)	% Real annual change over previous HBS
1996/97	3,700		3,800 ⁹	
2001/02	5,100	1.3	4,400	-1.7
2006/07	7,100	1.3	6,500	1.6
2012	9,800	1.3	8,300	-1.3
2017	13,100	1.8	10,200	1.6
2023	22,200	1.8	17,700	1.8

The household income and expenditure for the non-poor households that is, households not in relative poverty, also grew but at lower rates compared to poor households (Tables 3a & 3b).

⁷ Household income comprises disposable income and imputed rent.

⁸ Household consumption expenditure has been adjusted for infrequently purchased items such as air tickets, household appliances, etc., except for 1996/97 and 2001/02.

⁹ Household expenditure is higher than income, since poor households tend to buy goods on credit.

Table 3b - Average monthly household income and consumption expenditure for non-poor households, 1996/97 - 2023

HBS years	Average monthly household income ⁵ (Rs)	% Real annual change over previous HBS	Average monthly household consumption expenditure ⁶ (Rs)	% Real annual change over previous HBS
1996/97	13,500		8,400	
2001/02	17,600	-1.2	10,700	-1.3
2006/07	23,500	-0.8	15,000	1.3
2012	36,300	1.7	22,600	1.7
2017	45,100	1.6	26,900	1.4
2023	66,600	1.5	36,700	1.3

... they took a lesser amount of debt.

In 2023, the average monthly debt repayment for households in relative poverty was around Rs 1,000 compared to Rs 5,700 for non-poor households. Their debt burden ratio¹⁰, defined as the share of debt repayment over disposable income, was around 5.3% (Table 5).

Table 4 – Average monthly household income, consumption expenditure and debt, 1996/97 - 2023

HBS years	Average monthly household income ⁵ (Rs)		Average monthly household consumption expenditure ⁶ (Rs)		Average monthly household debt repayment ¹¹ (Rs)	
	Poor	Non-Poor	Poor	Non-Poor	Poor	Non-Poor
1996/97	3,700	13,500	3,800 ⁷	8,400	100	600
2001/02	5,100	17,600	4,400	10,700	200	1,600
2006/07	7,100	23,500	6,500	15,000	300	2,200
2012	9,800	36,300	8,300	22,600	600	3,300
2017	13,100	45,100	10,200	26,900	400	4,000
2023	22,200	66,600	17,700	36,700	1,000	5,700

¹⁰ Debt burden ratio, expressed in terms of percentages, is based on all poor households irrespective whether they are indebted or not.

¹¹ In this section, in order to give an overview of the financial situation of the poor over time, household debt has been analysed among all poor households, irrespective of whether they are indebted or not.

Table 5 – Debt burden of households in relative poverty, 1996/97 - 2023

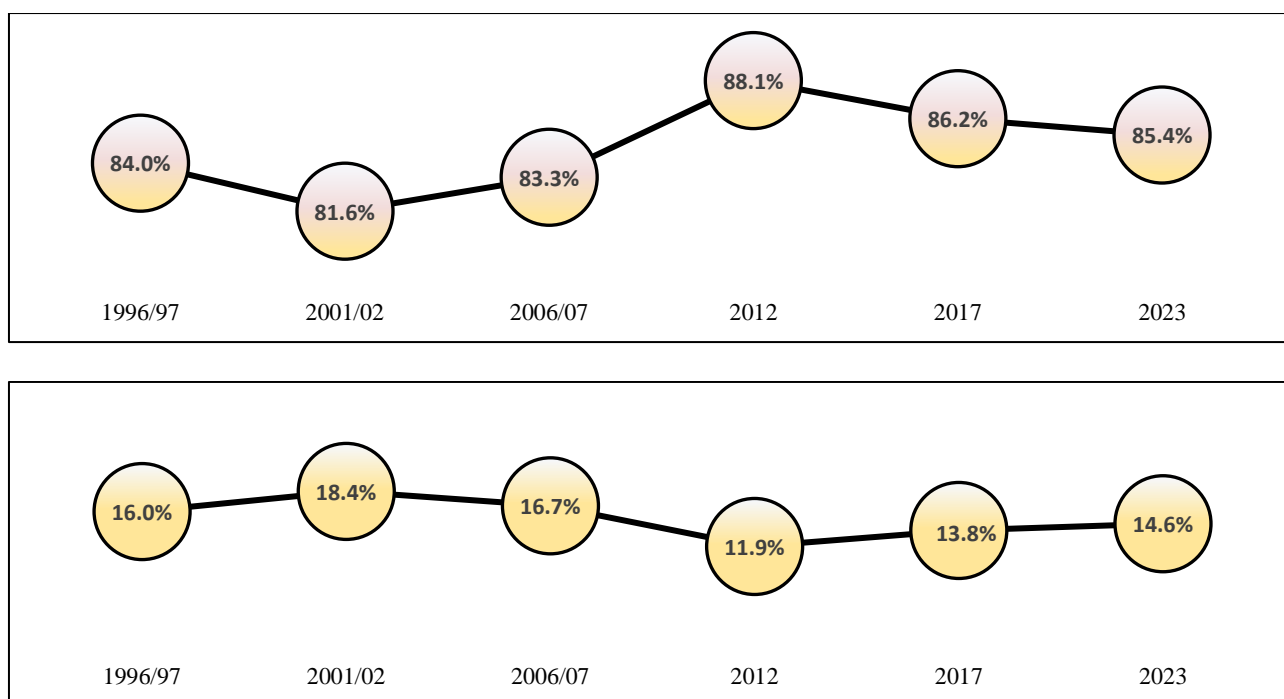
	1996/97	2001/02	2006/07	2012	2017	2023
Average monthly debt repayment (Rs)	100	200	300	600	400	1,000
Average monthly disposable income (Rs)	3,000	4,100	5,700	7,900	10,800	18,500
<i>Debt burden ratio</i> ⁸ (%)	3.1	4.8	4.9	8.0	3.7	5.3

A high proportion (85.4%) of households in relative poverty were more likely to be owners of their houses or received free accommodation,

In 2023, some 85.4% of households in relative poverty were either owners of their houses or received free accommodation from parents and relatives or employers. On the other hand, few households rented their houses. The percentage of households in relative poverty who rented their houses was 14.6%, up from 13.8% in 2017. (Chart 4)

It is worth pointing out that for non-poor households, over 90% households were either owners of their houses or lived in free accommodation.

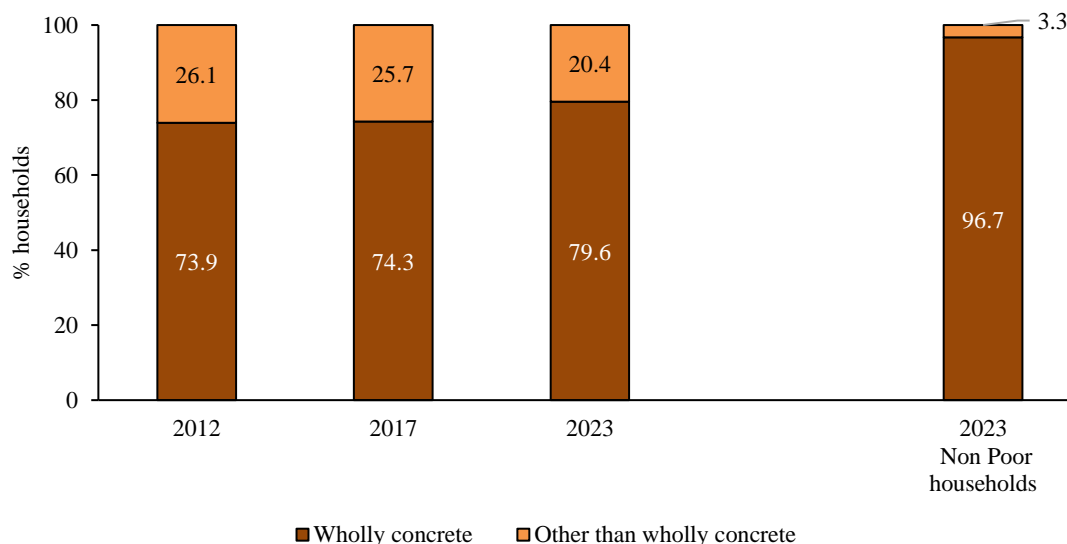
Chart 4 – Percentage of households in relative poverty by type of tenure, 1996/97 – 2023



..... they were more likely to live in wholly concrete houses

In 2023, some 79.6% of households in relative poverty lived in wholly concrete houses compared to 74.3% in 2017. (Chart 5)

Chart 5 – Percentage of households in relative poverty by material of construction of dwellings, 2012 – 2023



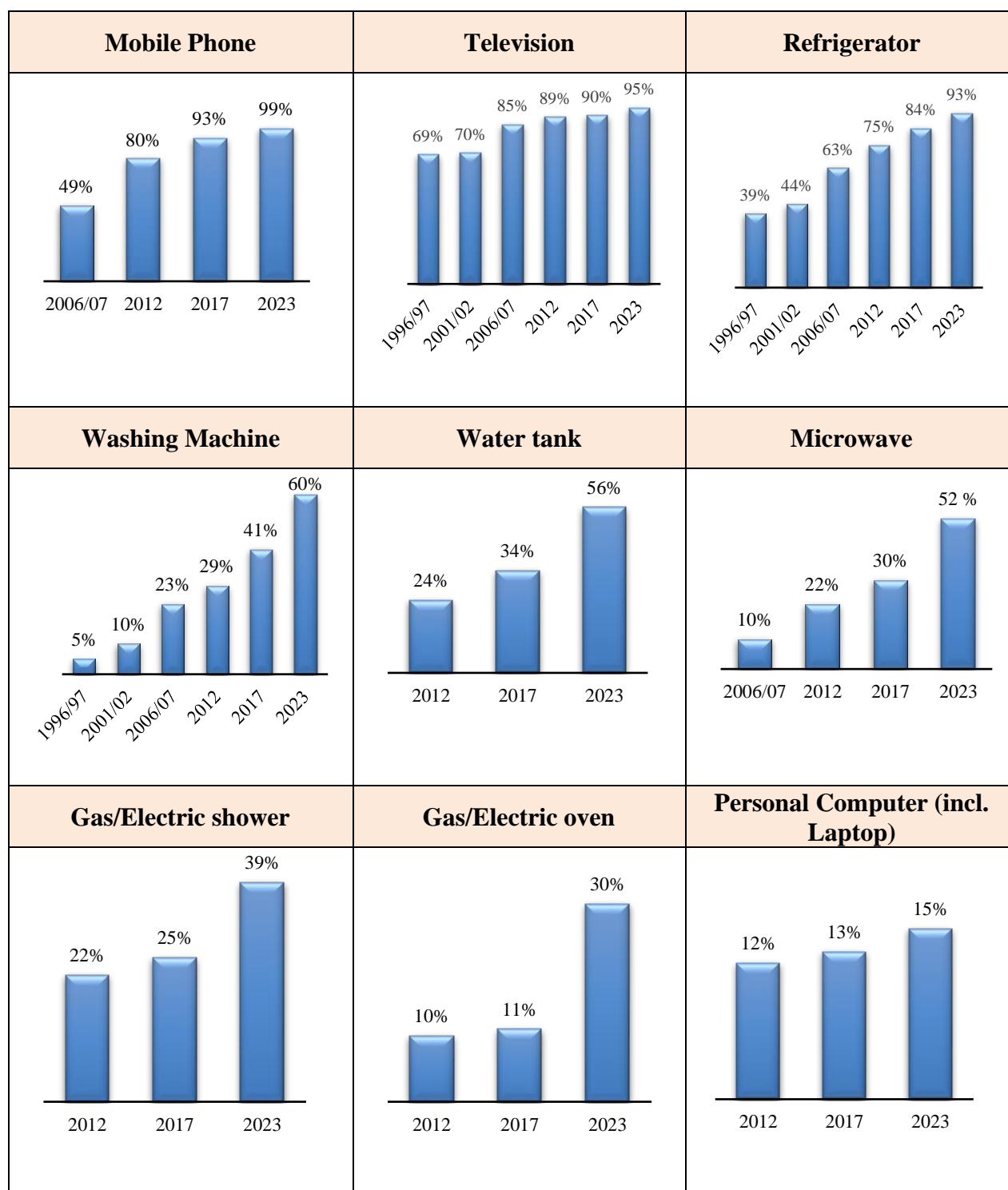
... and they had more durable goods

From 1996/97 to 2023, there has been an increasing trend in the availability of durable goods in households in relative poverty (Chart 6).

In 2023, a high proportion of households in relative poverty (above 90%) had durable goods like television, refrigerator and mobile phone. Over the past 26 years, these durable goods remained the most commonly owned goods for such households.

Moreover, durable goods like washing machine, water tank, and microwave became more common in households in relative poverty. In 2023, over 50% of these households had these durable goods. A few households also had personal computers (15%), air conditioners (10%) and vacuum cleaners (6%).

Chart 6 - Evolution of ownership of household durables for households in relative poverty, 1996/97 - 2023



4. RELATIVE POVERTY IN 2023

4.1 HOW MANY HOUSEHOLDS / PERSONS ARE IN RELATIVE POVERTY?

In 2023, the number of households and persons in relative poverty was estimated at around 29,800 (7.3%) and 101,900 (8.4%) respectively, in the Republic of Mauritius (Table 6).

Table 6 – Selected summary indicators on relative poverty, 2023

Summary poverty indicators	2023
Estimated total number of private households	408,100 ¹²
Estimated total number of persons in private households	1,219,900 ¹⁰
Relative poverty line – Half median monthly household income per adult equivalent	Rs 12,378
Households in relative poverty	
<i>Number</i>	29,800
<i>Proportion</i>	7.3%
Persons in relative poverty	
<i>Number</i>	101,900
<i>Proportion</i>	8.4%

4.2 WHO ARE MORE LIKELY TO BE IN RELATIVE POVERTY?

The prevalence of poverty is most likely to be present among specific population groups such as children, females, one-parent households, persons with low level of education or certain occupational groups, etc.

4.2.1 Relative poverty among persons

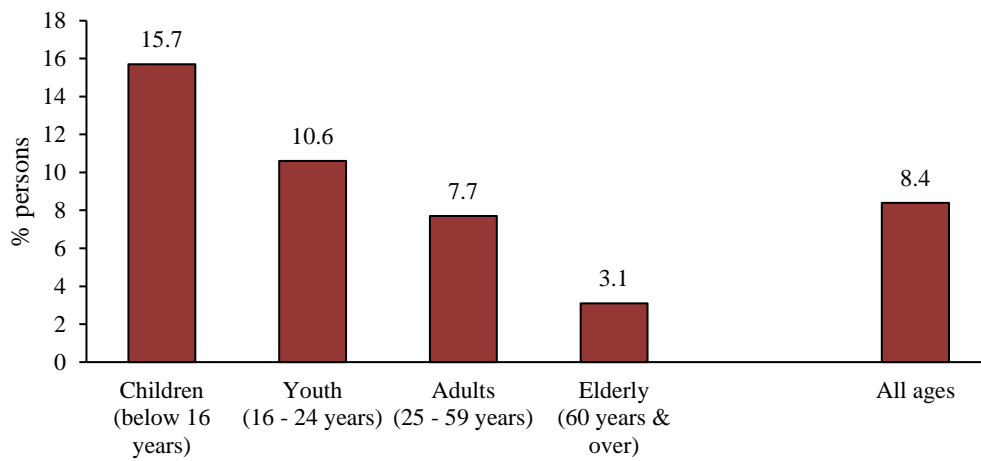
Poverty is mostly prevalent among children aged less than 16 years,

As shown in Chart 7, poverty rate varies considerably across age groups. In 2023, the poverty rate was highest among children aged less than 16 years (15.7%), followed by youth aged 16 to 24 years (10.6%).

On the other hand, the poverty incidence was lowest among the elderly aged 60 years and over; the rate worked out to 3.1%, which is well below the overall poverty rate of 8.4%.

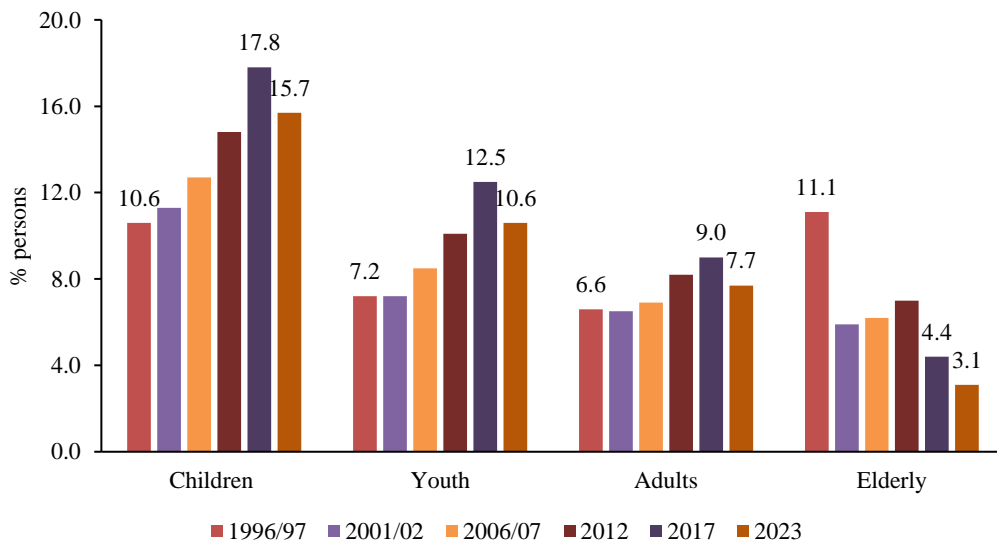
¹² Figures refer to estimated number of private households, and persons using Census 2011 as base year.

Chart 7 – Poverty rate by selected age group, 2023



From 1996/97 to 2023, it is observed that poverty rate remained highest among children, followed by the youth (Chart 8). On the contrary, for the elderly, the poverty levels were lowest among all age group for all HBS years, except for 1996/97.

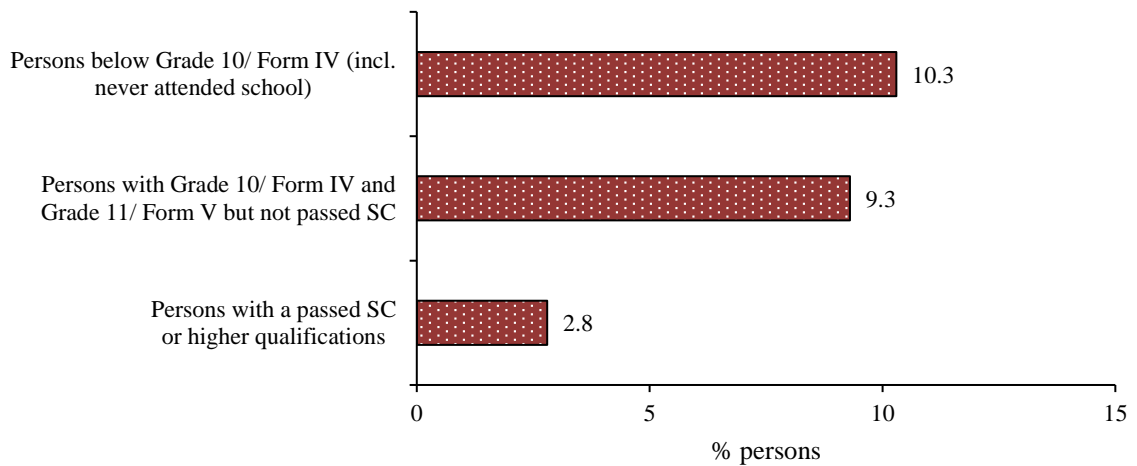
Chart 8 – Poverty rate by selected age-group, 1996/97 - 2023



.... among persons with low education,

In 2023, the poverty rate was high (10.0%) among persons aged 16 years and over who could not acquire at least a Cambridge School Certificate (SC); persons who did not reach up to Grade 10 (Form IV) were even more disadvantaged (10.3%) (Chart 9).

Chart 9 – Poverty rate by educational attainment, 2023



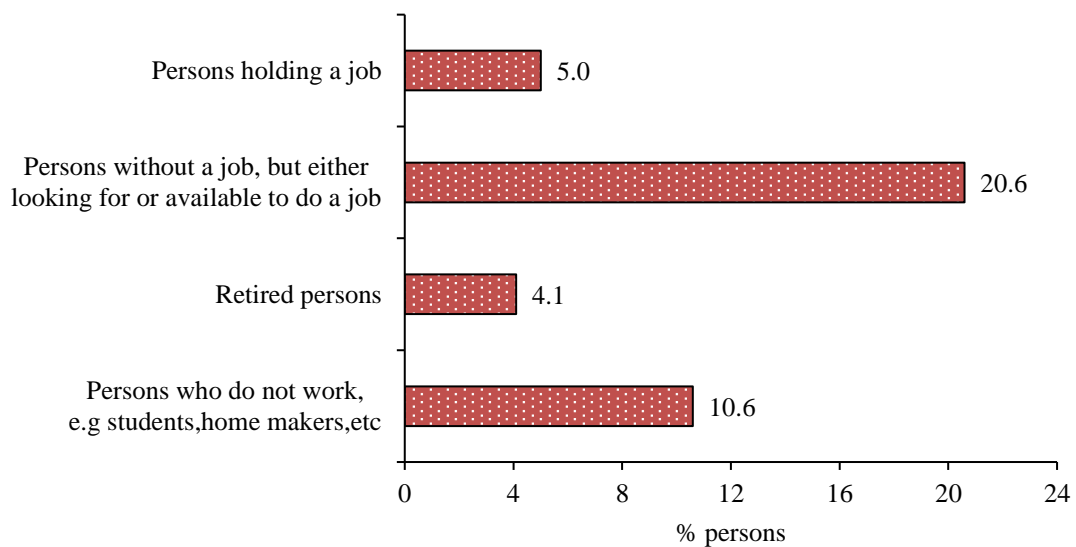
... among those who are unemployed,

Poverty incidence was highest among persons aged 16 years and over (20.6%) who were unemployed (who did not work but were either looking for or available for a job), followed by those who were economically inactive such as home makers and students (10.6%) (Chart 10).

It is worth noting that among the unemployed persons in poverty,

- 76% did not acquire an SC qualification;
- 56% were males; and
- 60% were youth aged 16 - 24 years.

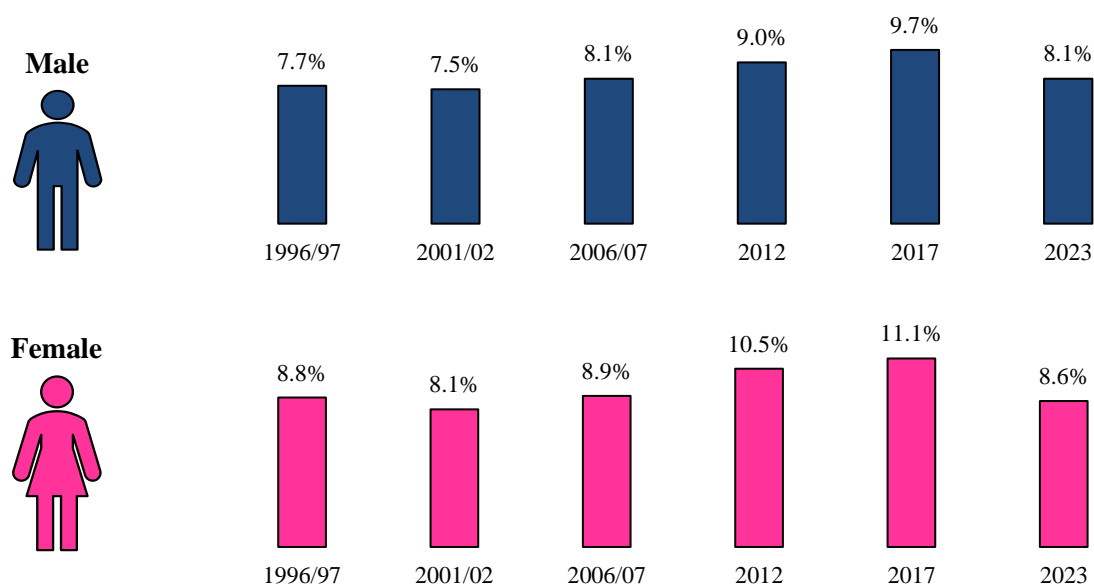
Chart 10 – Poverty rate by activity status, 2023



.... as well as among females, but

In 2023, 8.6% of females were in relative poverty against 8.1% of males. Over the years, the poverty prevalence remained higher among females (Chart 11).

Chart 11 – Poverty rate by sex, 1996/97 - 2023



.... retired persons and those working were least likely to be in poverty.

As shown in Chart 10, the poverty incidence was lowest among persons who were retired (4.1%). It is to be noted that some retired persons did not only receive their monthly Basic Retirement Pension, but also obtained pension from former employer and Contributory Retirement Pension.

The poverty rate, (also known as **Working Poverty Rate**¹³) among persons, aged 16 year and over, who were working was 5.0%. Among these ‘working poor’ persons,

- 85% did not pass SC;
- more than 80% were ever-married (married/ in union, widowed, and divorced or separated);
- 68% formed part of larger households with 4 or more persons;
- 68% were males; and
- more than 60% were engaged in low grade occupations like skilled agricultural, forestry and fishery workers; craft and related trade workers; plant and machine operators and assemblers; and elementary occupations (the lowest 3 major occupational groups 7,8 & 9 of International Standard Classification of Occupations (ISCO 08)).

¹³ Working Poverty Rate is an indicator of SDG 1 - <https://sdgs.un.org/sites/default/files/2024-07/2024%20FACTSHEET%20SDG1.pdf>

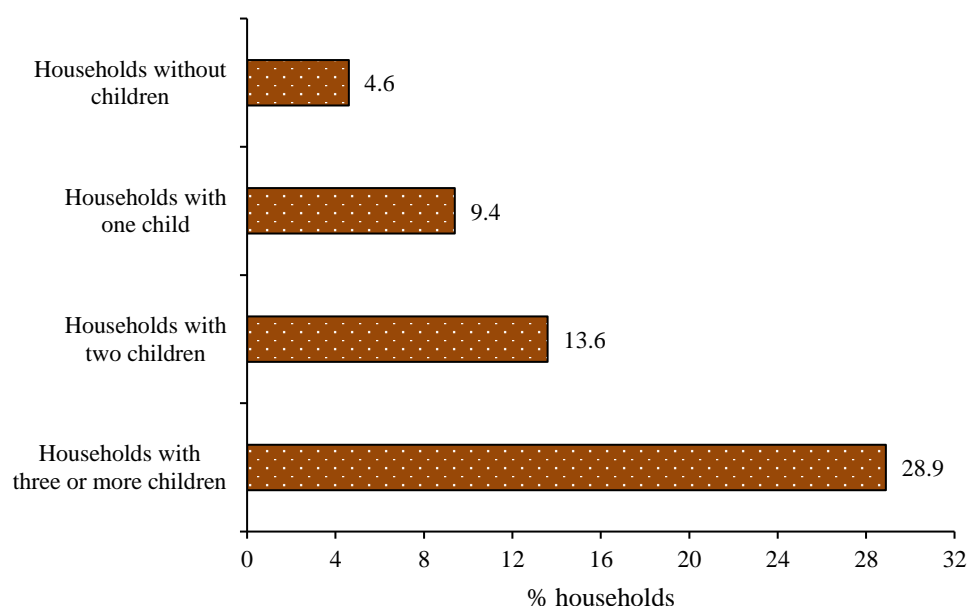
4.2.2 Relative poverty among households

Poverty prevalence was more pronounced among households with children

Poverty incidence is higher among households with children compared to those without children. The poverty rate for households comprising at least one child was 12.8% against those with no child (4.6%).

In addition, the incidence rate increases with the number of children in households. The poverty rate was highest among households with three or more children (28.9%) and lowest for households with one child only (9.4%) (Chart 12).

Chart 12 – Poverty rate by number of children in households, 2023



It is to be noted that households with children in poverty,

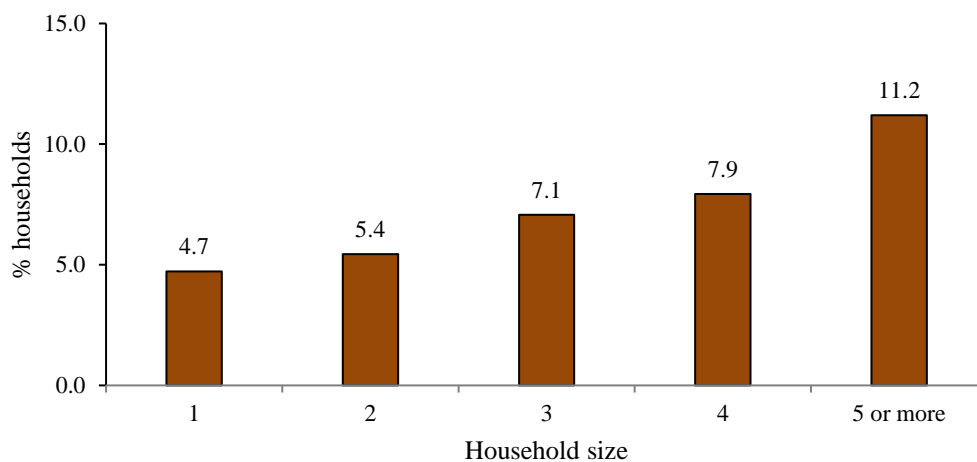
- were large households with an average household size of 4.5 persons against 3.6 for all poor households;
- mostly (over 60%) headed by employed persons engaged as in low grade occupations like skilled agricultural, forestry and fishery workers; craft and related trade workers; plant and machine operators and assemblers; and elementary occupations (the lowest 3 major occupational groups 7,8 & 9 of ISCO 08); and
- had a lower income than those without children; the average monthly household income of poor households with children was Rs 9,500 per adult equivalent against Rs 10,300 for poor households without children

.... among larger households

Poverty incidence is mostly prevalent among large households, and the incidence rate increases with household size (Chart 13).

In 2023, the poverty rate was highest among large households with 5 or more persons (11.2%) and lowest for those with one member only (4.7%).

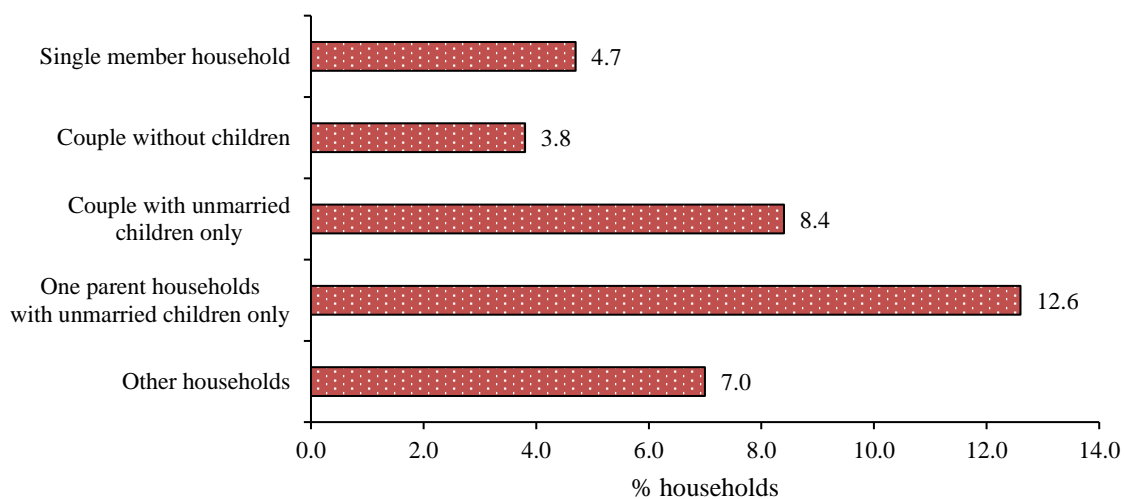
Chart 13 – Poverty rate by household size, 2023



.... among one-parent households with unmarried children, but

One-parent households with unmarried children had the highest poverty rate (12.6%), followed by households comprising couple with unmarried children only (8.4%). Households with couple only has the lowest poverty rate (3.8%). It is be noted that one-parent households with unmarried children were mainly headed by females (89.2%) (Chart 14).

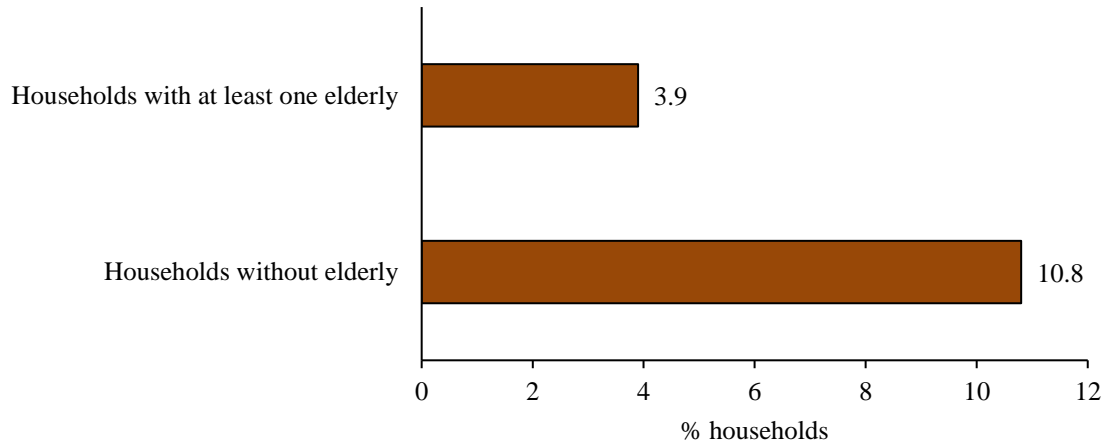
Chart 14 – Poverty rate by type of household, 2023



.... less likely among households with at least one elderly

In 2023, the poverty rate for households with at least one elderly worked out to 3.9% compared to 10.8% for households without elderly (Chart 15).

Chart 15 - Poverty rate among households with and without elderly, 2023



4.2.3 Relative poverty among head of households

Poverty is more prevalent among households headed by females, ...

In 2023, 9.9% of female-headed households were in relative poverty, against 6.4% of male-headed households.

... by widowed, divorced or separated persons, ...

Heads who were either divorced or separated (14.8%) were more likely to be in poverty compared to heads who were married (6.9%) and widowed (5.7%)

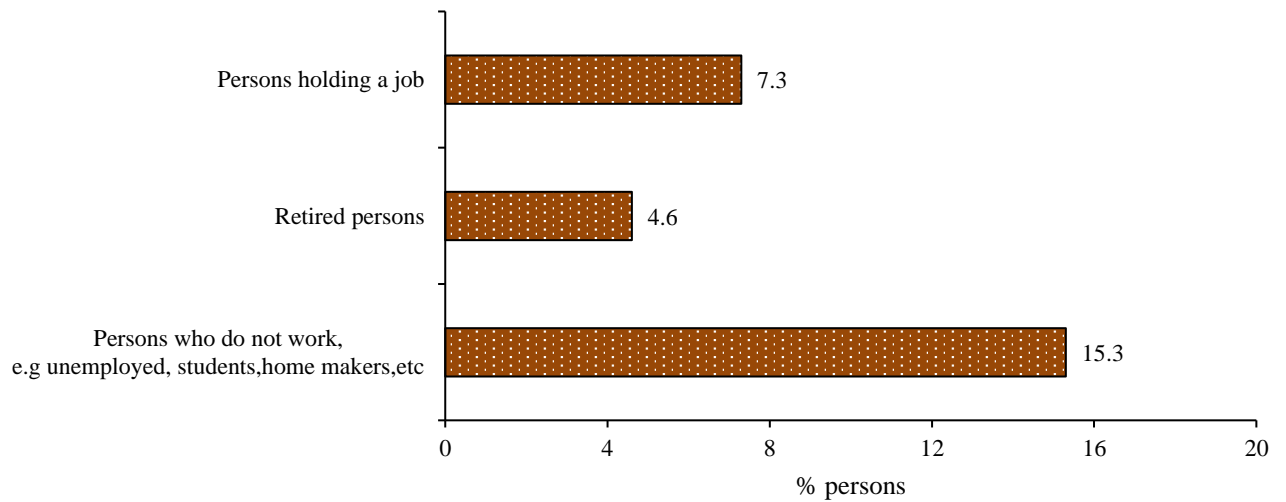
... by persons with low level of education, ...

Heads in poverty were more likely to be less educated. The poverty rate among heads who had qualification below SC was 9.9%. Nearly 89% of heads in relative poverty did not possess an SC qualification.

... by persons who were unemployed and mainly home makers or students

The poverty incidence rate among households headed by persons who did not work, that is, they were either unemployed, homemakers or students stood at 15.3% (Chart 16). This figure was significantly higher when compared to heads who had a job (7.3%), and to heads who were retired (4.6%).

Chart 16 – Poverty rate by activity status of head of households, 2023

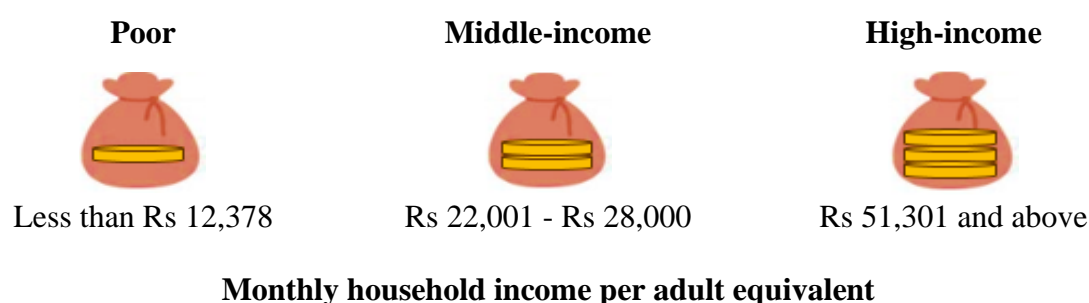


5. SITUATION OF PEOPLE IN RELATIVE POVERTY COMPARED TO OTHERS

This part of the analysis presents a comparison between households in relative poverty and other non-poor households in terms of their socio-economic characteristics, living and housing conditions, and financial resources.

For ease of analysis, households have been grouped in three distinct categories of household income as follows:

- (i) **Poor** – households living below the relative poverty line set at half the median of monthly household income¹⁴ per adult equivalent
- (ii) **Middle-income** - households falling in the fifth and sixth decile¹⁵ groups of monthly household income per adult equivalent
- (iii) **High-income** - households falling in the tenth decile group of monthly household income per adult equivalent.



5.1 SOCIO-ECONOMIC PROFILE

Poor households tend to be larger households that is, with more children and youths but fewer elderly persons ...

In 2023, average household size for the poor (Table 7) was 3.6 persons against 3.2 for middle-income and 3.0 for high-income households.

Poor households had more children and youths, but fewer elderly persons who could bring additional resources from Government pension that is, Basic Retirement Pension (universal old-age pension). The average number of elderly (aged 60 years and over) for a poor household was 0.3 against 0.8 and 0.7 for middle- and high-income households respectively.

¹⁴ Household income comprises disposable income and imputed rent. More information at Section 9

¹⁵ Decile is a specific type of quantile which divides the sorted household data in ten equal parts i.e., Decile 1 (lowest household income) to Decile 10 (highest household income). More information at Section 9.

Table 7 – Average number of persons by selected age group and category of household income, 2023

	Poor households	Middle-income households	High-income households
Average household size	3.6	3.2	3.0
Average number of:			
<i>Children (< 16 years)</i>	1.1	0.4	0.4
<i>Youth (16 - 24 years)</i>	0.6	0.4	0.2
<i>Adults (25 – 59 years)</i>	1.6	1.5	1.7
<i>Elderly (60 years and over)</i>	0.3	0.8	0.7

... and they had fewer employed persons and income earners.

Poor households had relatively fewer income earners (1.4) compared to middle-income (2.2) and high-income (2.4) households; and they had fewer persons holding a job and elderly. Additionally, they were less qualified persons. The average number of persons having at least an SC qualification was 1.0 for poor compared to 1.4 for middle- and 2.4 for high- income households (Table 8).

Table 8 – Socio-economic profile of members by category of household income, 2023

	Poor households	Middle-income households	High-income households
Average household size	3.6	3.2	3.0
Average number of income earners	1.4	2.2	2.4
Average number of elderly	0.3	0.8	0.7
Average number of persons with at least an SC qualification	1.0	1.4	2.4
Average number of persons with a job	1.0	1.4	1.8
Average number of persons engaged in the highest 3 major occupational groups (ISCO 123) ¹⁶	0.0 ¹⁷	0.2	1.5

¹⁶ Based on ISCO 08, major occupational groups 1 : Managers; 2 : Professionals & 3 : Technicians and associate professionals

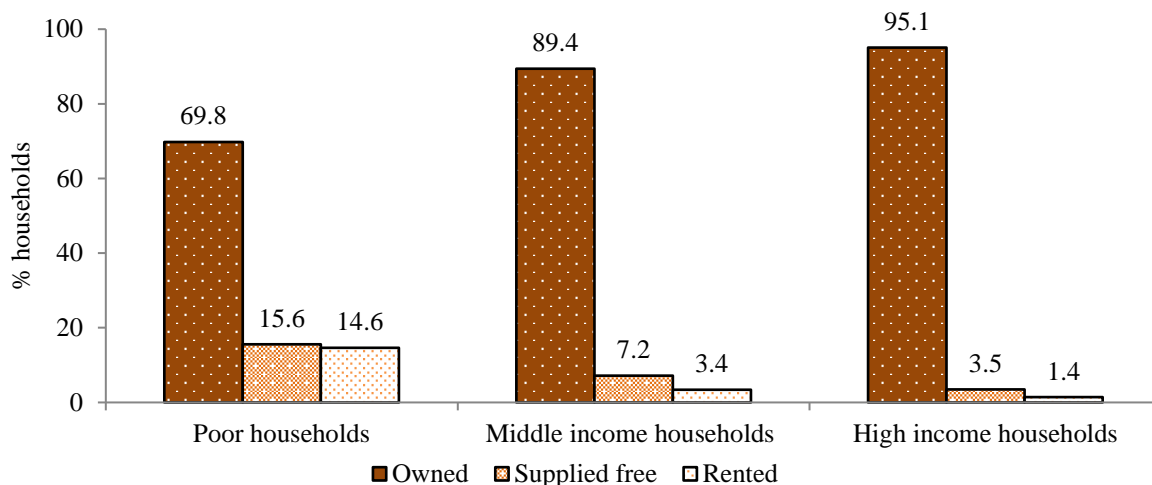
¹⁷ Estimate on occupation for poor households should be treated with caution; it is subject to low reliability since it is based on fewer than 30 observations in the sample.

5.2 HOUSING AND LIVING CONDITIONS

Poor households are less likely to be home owners ...

In 2023, the proportion of owner-occupied households among poor was 69.8% compared to 89.4% for middle-income and 95.1% for high-income households (Chart 17).

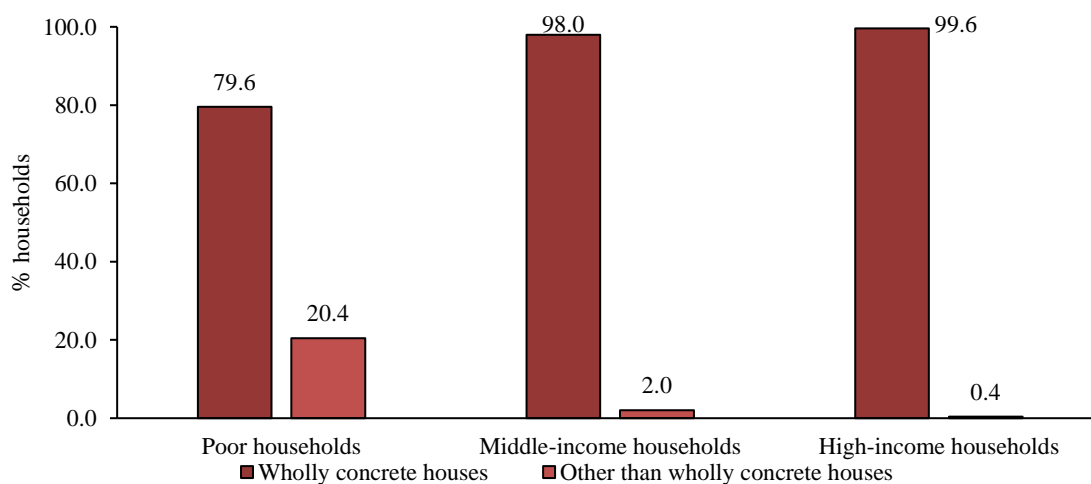
Chart 17 – Distribution (%) of households by category of household income and type of tenure, 2023



..., one fifth of the poor households did not live in wholly concrete houses

Some 79.6% of poor households lived in wholly concrete houses compared to 98.0% for middle- and 99.6% for high-income households (Chart 18).

Chart 18 – Distribution of households by category of household income and material of construction of dwellings, 2023



... and they owned fewer durable goods.

The poor are less likely to own durable goods than middle- and high-income households (Table 9).

Poor households were less likely to possess goods such as washing machine (60.5%), water tank (55.8%), and microwave (52.4%). Only a few had personal computer (15.3%) and air conditioner (9.7%).

In addition, a smaller proportion of poor households did not have basic durables like television (5.2%) and refrigerator (7.5%).

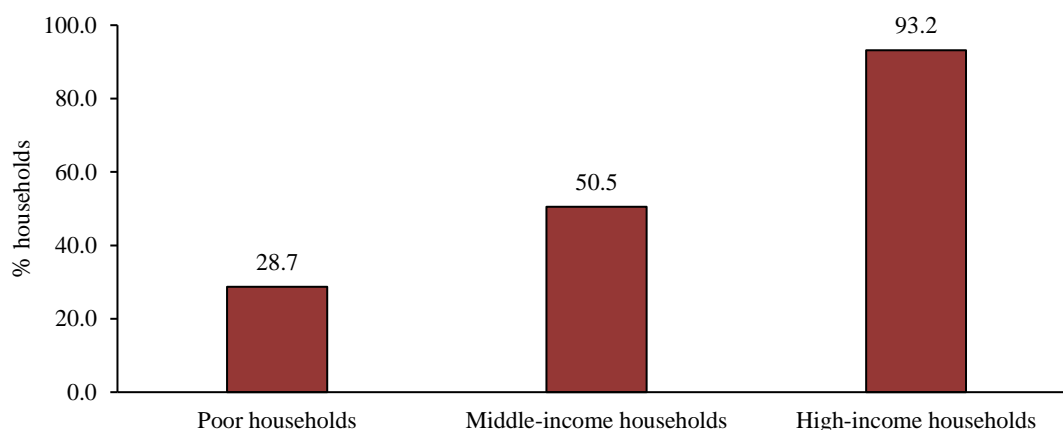
Table 9 - Proportion of households owning selected durable goods by category of household income, 2023

Durable goods	Category of household income		
	Poor	Middle-income	High-income
Television	94.8	98.9	99.8
Refrigerator	92.5	99.1	99.8
Fixed telephone	33.3	70.5	86.9
Mobile	98.8	97.3	99.9
Washing machine	60.5	89.3	97.8
Water tank	55.8	79.2	93.8
Microwave	52.4	83.5	94.0
Gas / electric shower	39.2	61.0	60.9
Gas/ electric oven	30.2	40.1	74.0
Personal computer (incl. laptop)	15.3	37.5	85.6
Water pump	26.6	47.0	74.4
Solar water heater	15.3	36.0	59.0
Air conditioner	9.7	27.2	67.1
Vacuum cleaner	5.6	22.1	66.0

Poor households are less likely to own a vehicle....

In 2023, the proportion of poor households which owned or received a vehicle¹⁸ free from parent, relative, employer, friends, etc was 28.7% compared to 50.5% and 83.2% for middle- and high-income households respectively. For poor households, motorcycle (62.5%) was the most common type of vehicles whilst for the high-income, it was the car (96.7%) (Chart 19).

Chart 19 – Distribution of households by category of household income and ownership of vehicle, 2023



5.3 HOUSEHOLD INCOME

On average, the household income of a poor household is seven times lower than that of a high income.

In 2023, a poor household drew an average monthly household income¹⁹ of Rs 22,200, less than two times than that of a middle-income (Rs 52,800) and seven times than that of a high-income household (Rs 157,500) (Table 10).

Table 10 – Average household income and other selected indicators by category of household income, 2023

	Poor households	Middle-income households	High-income households
Average monthly household income ¹¹ (Rs)	22,200	52,800	157,500
Average household size	3.6	3.2	3.0
Average number of income earners	1.4	2.2	2.4
Average number of persons engaged in the highest 3 major occupational groups (ISCO 123) ²⁰	0.0 ²¹	0.2	1.5

¹⁸ Examples of vehicles owned or received free are motor-cycles, cars, vans, etc...

¹⁹ Household income comprises disposable income and imputed rent. More information at Section 9

²⁰ Based on ISCO 08, major occupational groups 1 : Managers; 2 : Professionals & 3 : Technicians and associate professionals

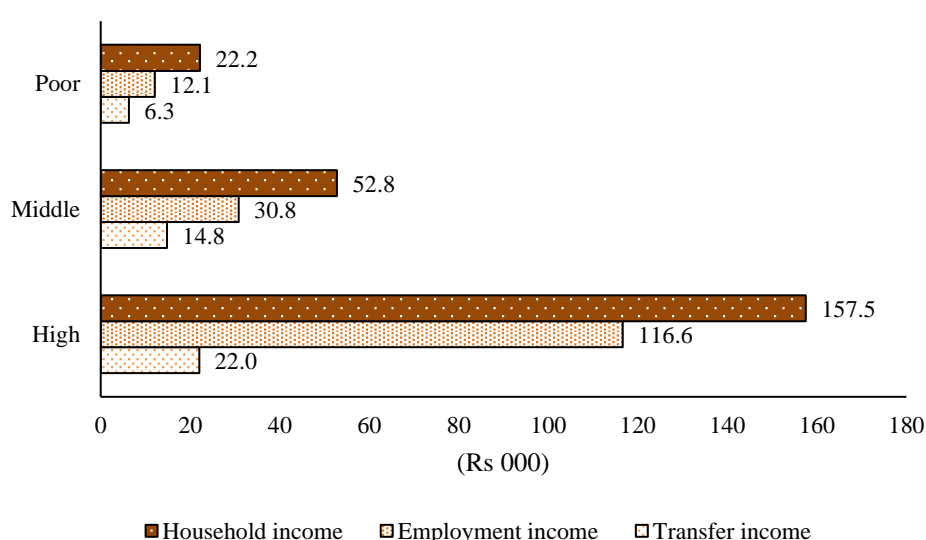
²¹ Estimate on occupation for poor households should be treated with caution; it is subject to low reliability since it is based on fewer than 30 observations in the sample.

A poor household earned nearly ten times less income from employment than that of a high-income household.

Income from employment and transfers remain the two main sources of income for all households. An analysis of household income by source (Chart 20) reveals that:

- The average household employment income²² of a poor (Rs 12,100) was nearly ten times less than that of a high-income household (Rs 116,600) and more than two times less than that of a middle income (Rs 30,800).
- The average household transfer income of a poor household (Rs 6,300) was lower by three times compared to the corresponding figure of Rs 22,000 for a high-income one.

Chart 20 – Average monthly household income (Rs) by category of household income and main sources of income, 2023



Poor households tend to rely more on transfers, ...

Poor households are more likely to depend on transfer income than high-income households. On average, a poor household derives 28.6% of its income from transfers against 14.0% for a high-income household (Table 11).

A middle-income household derived a higher share of income from employment (58.3% against 54.4% for the poor), but a lower share from transfers (27.9% against 28.6% for poor).

As regards to high-income households, nearly three quarter (74.0%) of their total income was from employment. Some 14.0% was from transfers.

²² Employment income refers to net employment income excluding compulsory deductions like income tax and contributions pensions schemes. More information at Section 9.

Table 11 – Share of household income¹¹ by category of household income and main source of income, 2023

Source of income	Poor households	Middle-income households	High-income households
Share (%) of income from:			
Employment	54.4	58.3	74.0
Transfers	28.6	27.9	14.0
Other sources ²³	17.0	13.8	12.0
All sources	100.0	100.0	100.0

... of which a bigger share came from Government pensions and social security benefits

Some 86.3% of the transfer income of a poor household comes from Government pensions and social security benefits – in the form basic pensions for the elderly (60 years and over), widows and disabled persons as well as other social security cash benefits like Social Aid. For a high-income household, such transfers made up 41.6% of its total transfer income (Table 12).

Poor households are less likely to derive contributory pensions – these are received by people who worked before and have contributed to any pension scheme(s). Their share of contributory pensions on total transfers is lower (3.0%) compared to high-income households (50.8%).

Similar to poor households, middle income households are also reliant on Government pensions and social security benefits (78.6%).

Table 12 –Transfer income (Rs) by category of household income and selected source of transfer income, 2023

	Poor households	Middle-income households	High-income households
Average monthly household transfer income (Rs)	6,300	14,800	22,000
<i>of which</i>			
Government transfers (Rs)	5,500	11,600	9,200
Contributory pensions (Rs)	200	2,000	11,200
<i>Share of Govt. transfers on total transfer income (%)</i>	<i>86.3</i>	<i>78.6</i>	<i>41.6</i>
<i>Share of Contributory pensions on total transfer income (%)</i>	<i>3.0</i>	<i>13.4</i>	<i>50.8</i>

²³ Includes property income, income from own produced goods and services, and imputed rent i.e. a rental value for non-renting households

5.4 HOUSEHOLD CONSUMPTION EXPENDITURE

A poor household's consumption expenditure is slightly less than a quarter of the total consumption expenditure of a high income

In 2023, on average, a poor household spent Rs 17,700 per month – representing 57.6% of household expenditure for a middle-income household (Rs 30,700) and 23.2% that of a high-income one (Rs 76,200)(Table 13).

Caution note: Household consumption expenditure in this report has been worked out based on unadjusted data as reported by households at the survey that is, no adjustment has been done for underreporting of certain items like alcoholic beverages and tobacco.

Table 13 – Average household consumption expenditure and other selected indicators by category of household income, 2023

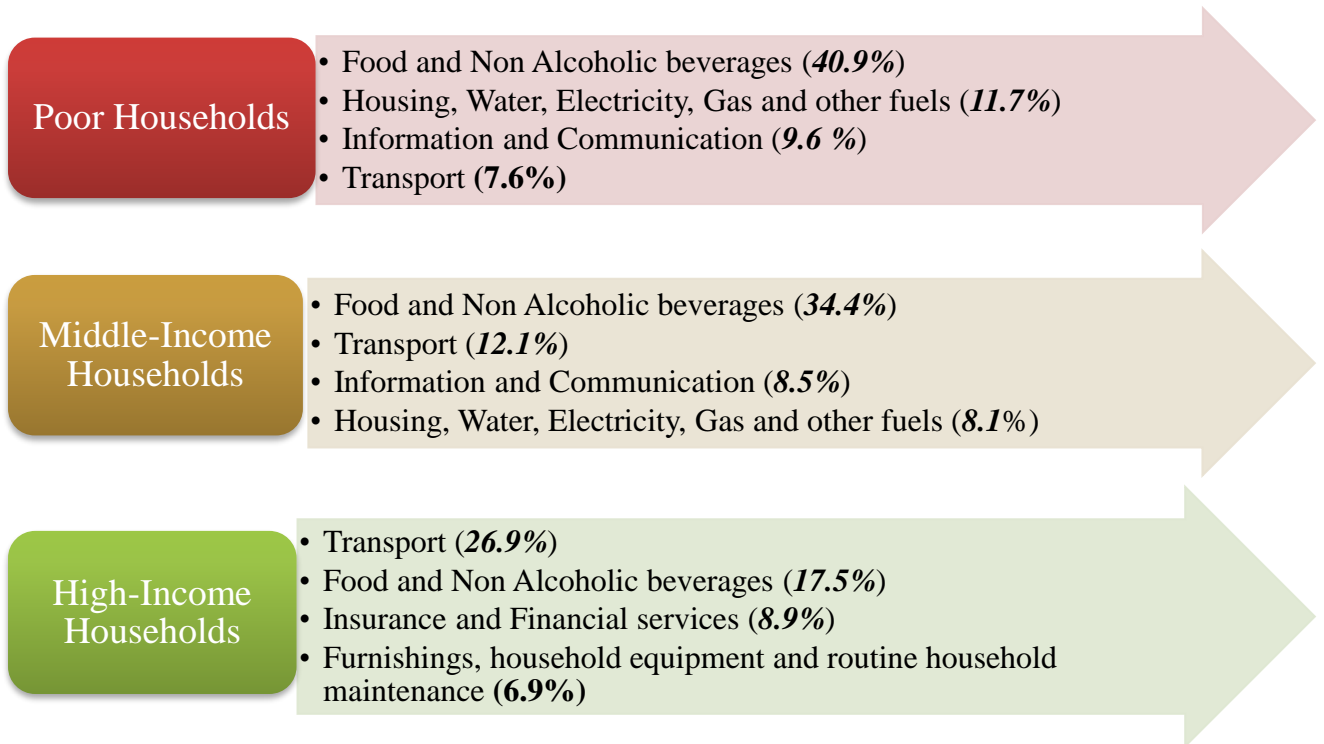
Selected indicator	Poor households	Middle-income households	High-income households
Average monthly household consumption expenditure (Rs)	17,700	30,700	76,200
Average monthly household income ¹¹ (Rs)	22,200	52,800	157,500
Average household size (persons)	3.6	3.2	3.0

On average, a poor household devoted a higher share (62.2%) of its household consumption expenditure on basic items

Disaggregating the data on consumption expenditure reveals that poor households are more likely to spend on basic items like 'Food and non-alcoholic beverages', 'Housing, water, electricity, gas and other fuels', 'Information and communication', and 'Transport' (Chart 22). Middle-income households also have more or less a similar pattern of consumption.

However, the spending pattern of high-income households is different. They spend mostly on 'Transport', 'Food and non-alcoholic beverages', 'Insurance and Financial Services' and 'Furnishings, household equipment and routine household maintenance'.

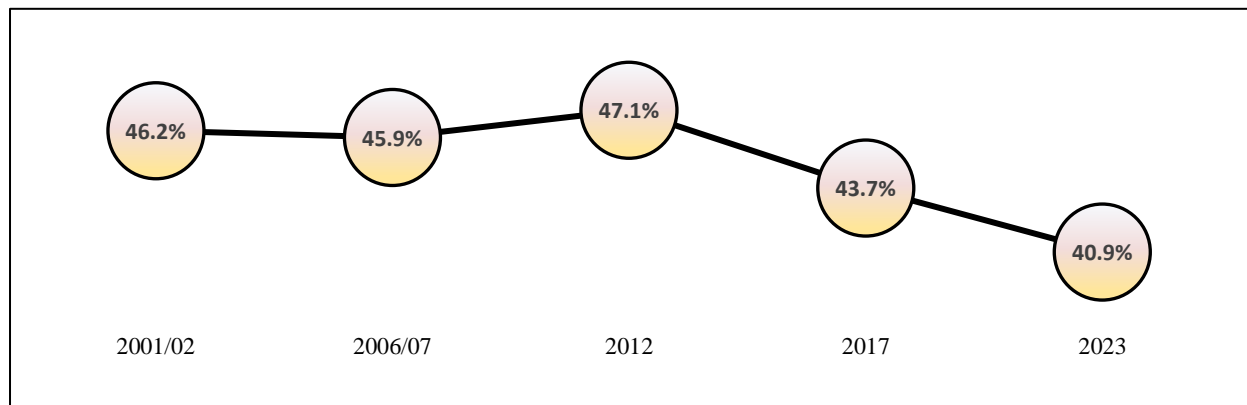
Top 4 items with the highest share of consumption expenditure by category of households, 2023



In 2023, ‘Food and non-alcoholic beverages’ was the most important item of consumption expenditure for the poor, accounting for 40.9% of their total consumption, followed by ‘Housing, water, electricity, gas and other fuels’ (11.7%).

It is worth pointing out that results for the past HBS rounds reveal that poor households spent consistently the largest share of their consumption expenditure on ‘Food and non-alcoholic beverages’. The share remained over 45% from 2001/02 to 2021 and started declining to reach 43.7% in 2017 and 40.9% in 2023 (Chart 21).

Chart 21 - Share of ‘Food and non-alcoholic beverages’ expenditure over total consumption expenditure, 2001/02 - 2023



The expenses on 'Housing, water, electricity, gas and other fuels' for the poor refer mainly to basic essential items like utility bills for electricity, water and waste water, cooking gas, and housing rent for tenants. In 2023, these expenses represented 68.0% of their total monthly consumption expenditure on 'Housing, water, electricity, gas and other fuels' – since they were more likely to be tenants and most of them (97%) reported using LPG as principal fuel for cooking.

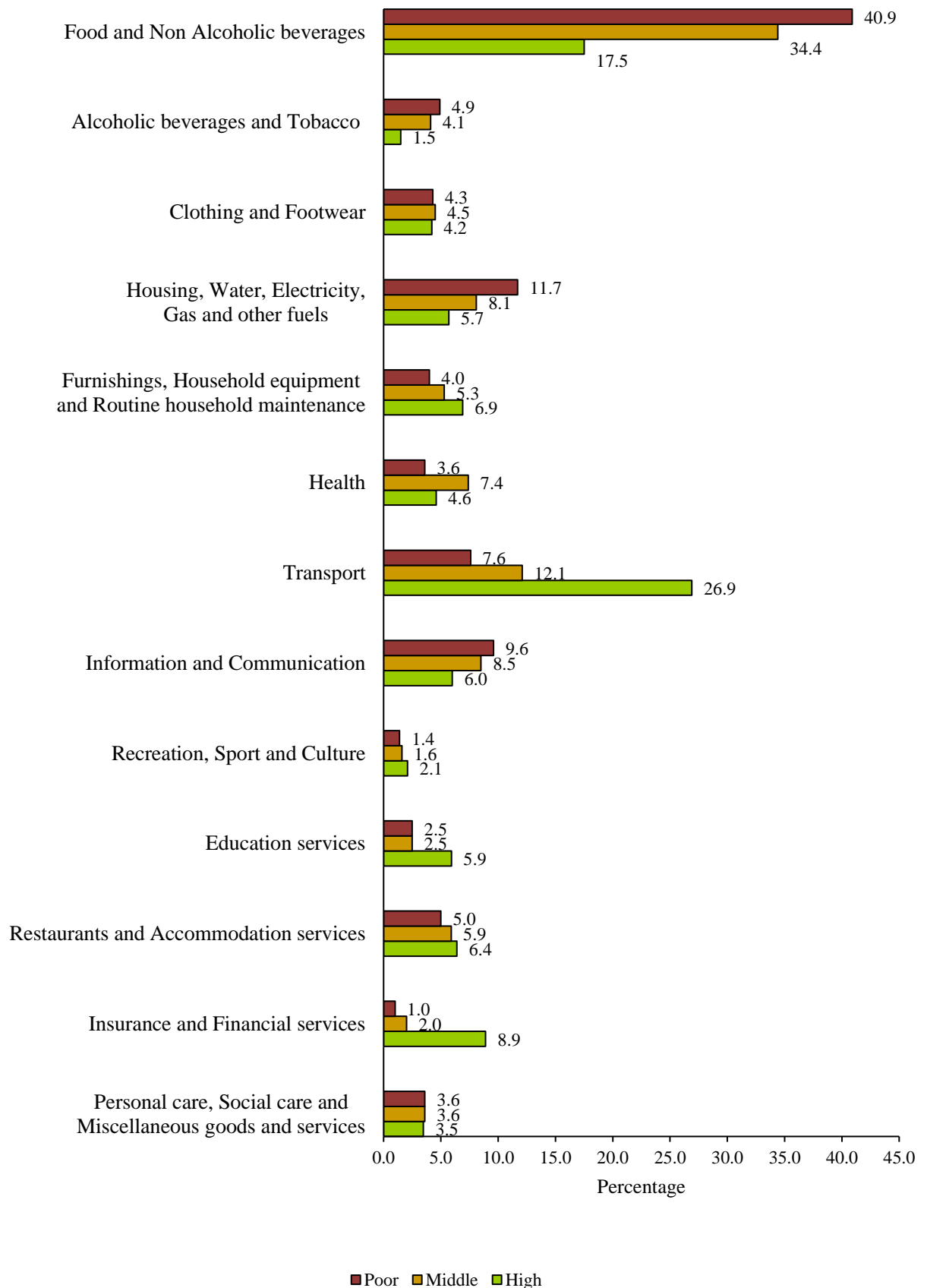
For middle-income households, they also devoted the highest share of their consumption expenditure on 'Food and non-alcoholic beverages' (34.4%), followed by Transport (12.1%) and 'Information and Communication' (8.5%).

High-income households had the highest share on 'Transport' (26.9%), followed by 'Food and non-alcoholic beverages' (17.5%), and 'Insurance and financial services' (8.9%). It is to be noted that their share on food was 17.5%, lower than that of poor (40.9%) and middle-income households (34.4%).

On education and health, high-income households spent 10.5% of their consumption expenditure compared to 6.1% for poor and 9.9% for middle-income households.

Moreover, high-income households spent a higher share (8.9%) on 'Insurance and financial services' compared to poor (1.0%) and middle-income households (2.0%)

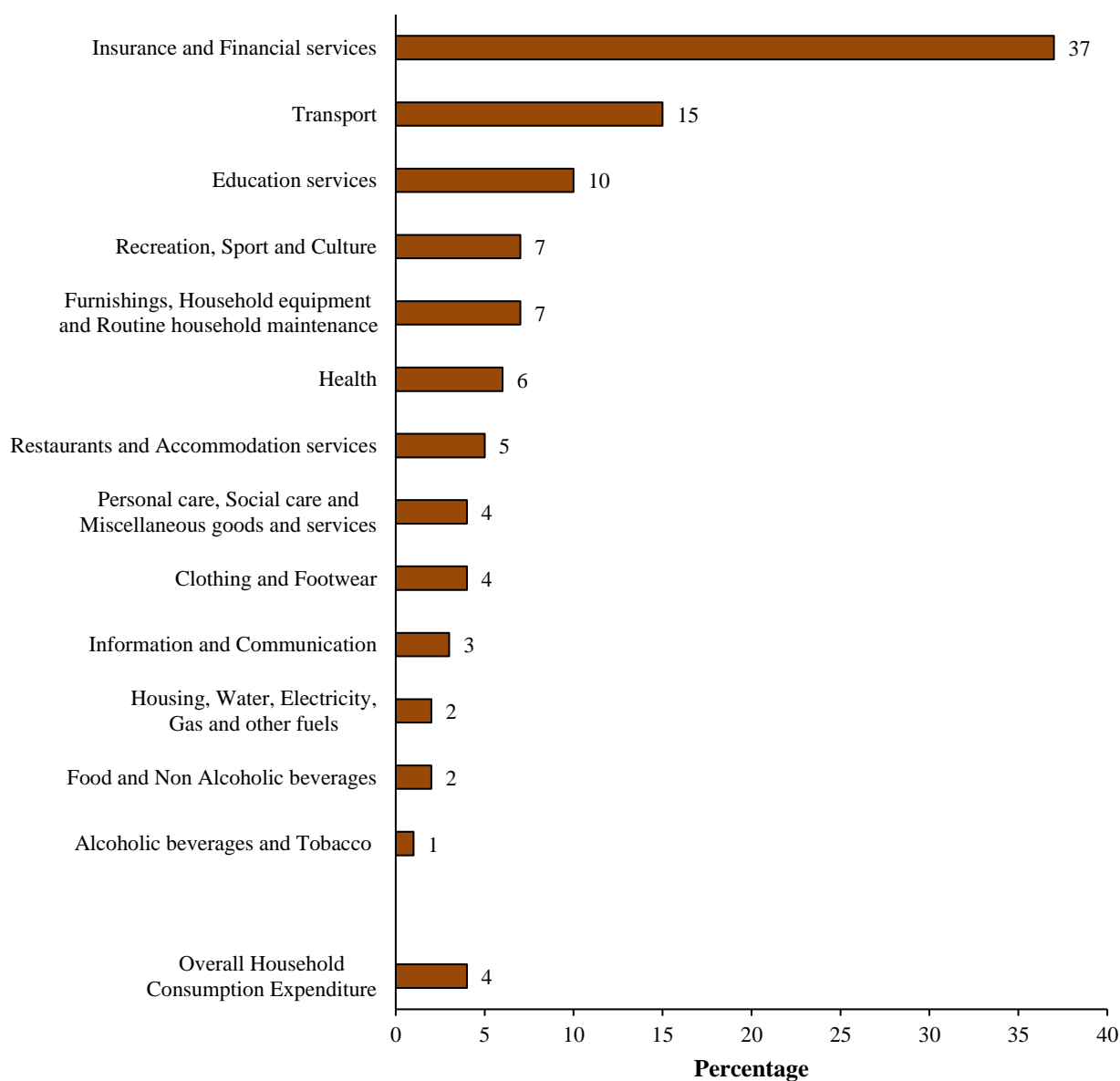
Chart 22 - Distribution (%) of household consumption expenditure by category of household income and Consumption Expenditure division, 2023



High consumption expenditure disparities between poor and high-income households

An analysis of household consumption expenditure by level of spending shows high consumption expenditure disparity between poor and high income for example on items like ‘Insurance and Financial Services’, ‘Transport’ and ‘Education services’. However, for ‘Food and Non-Alcoholic beverages’, ‘Housing, water, electricity, gas and other fuel’ and ‘Information and communication’, the disparity was of a lesser extent (Chart 23).

Chart 23 - Ratio of consumption expenditure of high-income to poor households by Consumption Expenditure division, 2023



5.5 HOUSEHOLD INDEBTEDNESS

Poor households are less likely to be indebted than middle- and high-income households, ...

At Household Budget Surveys, households are asked to report on their monthly household debt repayment obtained from financial institutions like bank, leasing companies, etc.²⁴.

In 2023, some 32.0% of the poor reported to be indebted compared to 47.6% for middle-income and 61.5% for high-income households.

An analysis of the share of debt repayment by item (Table 14) shows that the poor are more likely to contract debts on items such as furniture, audio visual equipment and household appliances (62.3%) than on housing, vehicle and education (40.7%).

Table 14 – Indebted households by category of household income, 2023

	Poor households	Middle-income households	High-income households
Percentage of indebted households	32.0	47.6	61.5
Percentage of indebted households indebted on:			
- Housing	21.3	32.9	57.4
- Vehicles	4.1	11.3	39.5
- Education	15.3	12.4	17.3
- Durable goods (e.g., Furniture, household appliances, audio visual equipments)	62.3	51.6	23.9
- Personal ²⁵	13.2	30.5	31.8

... and reported a lower level of debt repayment,

With respect to level of debt repayment, poor households are less likely to contract high level of debt repayment. In 2023, on average, a poor indebted household disbursed around Rs 3,000 monthly on debt repayment, seven times less than a high-income household (Rs 27,600)(Table15).

... but had a fairly higher debt burden.

However, as regards to debt burden, *the share of debt repayment on total household disposable income*, poor households face a fairly high debt burden compared to non-poor households. The 2023 HBS data reveal that on average, a poor household spent 14.3% of its household disposable income on debt repayment; the corresponding figures for middle- and high-income household worked out to 14.2% and 19.0% respectively.

²⁴ Household debt refers to specific debt such as loans on housing, education, health, motor vehicles, hire purchases goods (e.g., household appliances, television, etc.) obtained from financial institutions like banks, leasing companies, credit unions, etc.

²⁵ refers to loan incurred by households to have sufficient cash in hand to meet financial responsibilities.

Table 15 – Debt burden ratio²⁶ of indebted households by category of household income, 2023

	Poor households	Middle-income households	High- income households
Average monthly household debt repayment (Rs)	3,000	7,400	27,600
Average monthly household disposable income ¹⁸ (Rs)	21,200	51,700	145,000
Debt burden ratio (%)	14.3	14.2	19.0

²⁶ Debt burden ratio expressed in terms of percentages is based on indebted households; the household disposable income and debt repayment also refer to indebted households.

6. IMPACT OF GOVERNMENT INTERVENTIONS ON POVERTY

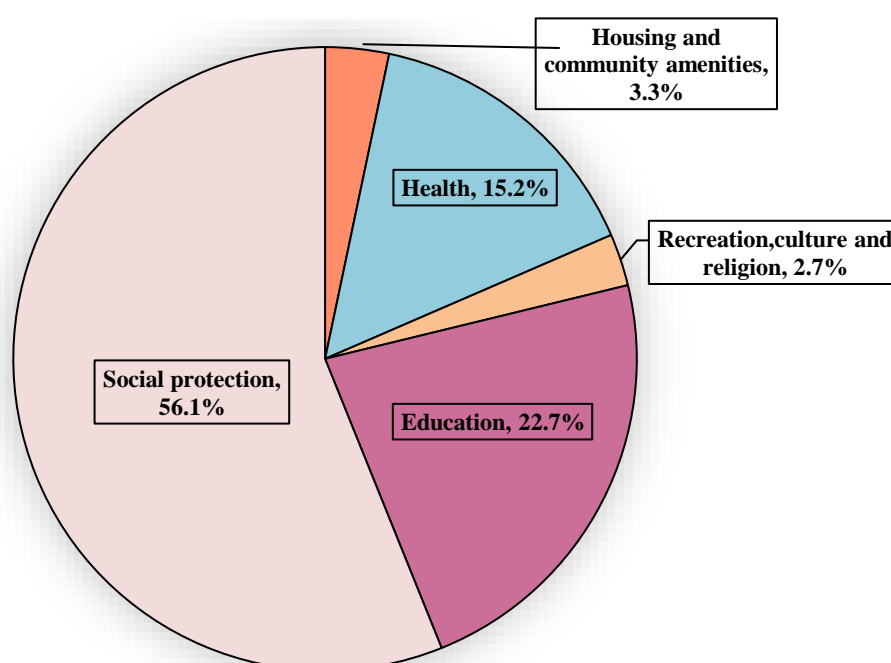
This section sheds light on the impact of Government interventions in tackling poverty. The analysis below makes use of the Household Budget Survey (HBS) data as well as administrative data on Government Expenditures on social protection, primary and secondary education, health services and free public bus transport.

Government Expenditures at national level

At national level, Government implements various social welfare programmes in many sectors such as education, health, and housing for the wellbeing of the population. This national initiative is aligned with Target 1a of the UN Sustainable Development Goals which aims at mobilising funds in order to end poverty in all its dimensions - Indicator 1.a.2 '*Proportion of total government spending on essential services*'.

Every year, more than half of the spending of the Government Budget is allocated to community welfare and social security programmes²⁷. In the financial year (FY) 2022/23, out of Rs 194,344.0 Mn as total Government expenditure²⁸, an amount of Rs 109,335.1 Mn (56.3%) was spent on community welfare and social security programmes. A breakdown of the latter by function is given at Chart 24.

Chart 24 – Distribution (%) of Government expenditure on community welfare and social security programmes, FY 2023



²⁷ Community welfare and social security programmes include social protection, health, education, housing and community amenities and recreation, culture and religion

²⁸ Government expenditure refers to Consolidated General Government comprising expenditure for Central Government (e.g. all ministries and departments, Extra Budgetary Units and social security schemes), administration for Rodrigues island, Municipalities and District Councils, etc.

Social protection, education and health services are the three main social welfare programmes. It is worth noting that the highest spending is devoted to social protection (Rs 63851.9 Mn in 2023)²⁹ referred to hereunder as Government transfers. These comprise mainly universal basic pensions such as Basic Retirement Pensions (payable to all persons aged 60 years and above), Basic Widows Pensions, Basic Invalid Pensions, and Social Aid which is payable to the needy.

At national level, there exist a wide range of Government initiatives put in place to alleviate poverty. The analysis focuses on the major initiatives namely, social protection, free education and health services and free transport, using both HBS and administrative data.

Government spending on social welfare programmes has continuously contributed in reducing poverty

In 2023, **without Government transfers³⁰ and free health services, education and public bus transport**, poverty would have increased to more than fivefold (Table 16) i.e., 36.4% instead of the actual rate of 7.3%. Consequently, the estimated number of poor households would have increased from 29,800 to 148,500.

Table 16 – Impact of Government transfers and free services on poverty, 2001/02 – 2023

	2001/02	2006/07	2012	2017	2023
Poverty rate (%)	7.7	7.9	9.4	9.6	7.3
Poverty rate (%) without Government transfers and free services	24.4	27.2	30.4	34.1	36.4
Without Government transfers only	14.0	16.0	18.8	23.0	26.3
Without Government free services only	17.8	19.1	20.9	20.8	16.1
<i>Education³¹ only</i>	<i>13.8</i>	<i>14.0</i>	<i>15.0</i>	<i>16.1</i>	<i>12.8</i>
<i>Health only</i>	<i>11.2</i>	<i>12.1</i>	<i>13.4</i>	<i>13.6</i>	<i>10.1</i>
<i>Free public bus transport only</i>	<i>NA³²</i>	<i>8.6</i>	<i>10.1</i>	<i>9.9</i>	<i>7.7</i>

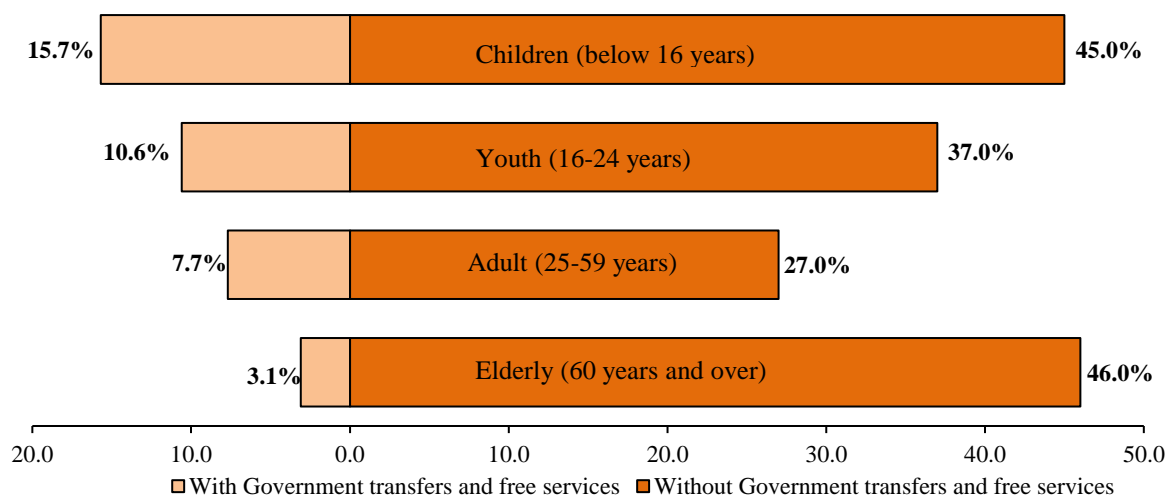
²⁹ Government expenditure of the Budgetary Central Government on Education: Rs 19,178.8 Mn; and Health: Rs 15137.70 Mn)

³⁰ Government transfers refer to basic pensions and other social security benefits like Social Aid.

³¹ Free Government services on education refers to primary and secondary levels only.

³² Not Applicable – free public bus transport was granted to elderly (aged 60 years and over), disabled people and students as from 2005

Chart 25 – Poverty rate with and without Government transfers and free services by age-group, 2023



As shown in Chart 25, the impact of Government transfers is most significant among the elderly – the poverty rate among this age group which stands at 3.1% (lowest poverty among all age groups) would have been 15 times more without Government transfers and free services. For the younger age groups, the poverty rate would have been 3 times more.

Government transfers and free services (when converted in money terms) represented around 90% of the total income resources of poor households – if these services were not granted, the situation of poor households would have worsened more.

Social protection plays an important role in reducing poverty

Social protection is one of the main social welfare programmes designed by the Government to supplement the income of needy households, in line with SDG Target 1.3³³. In 2023, it accounted for 35.3% of the total Budgetary Central Government expenses. It comprises mainly universal basic pensions such as Basic Retirement Pensions, Basic Widows Pensions, Basic Invalid Pensions, and Social Aid which is payable to the needy households. For the purpose of this analysis, social protection is referred as Government transfers.

Based on 2023 HBS results (Table 17), a poor household received on average Rs 5,500 monthly from Government transfers. This represents 29.7% of its disposable income – as compared to a share of 18.1% for a non-poor household.

³³ SDG Target 1.3 - Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable

Table 17 – Monthly Government transfers for poor and non-poor households, 2023

	Poor households	Non-poor households
Average monthly household disposable income	18,500	58,500
Average monthly transfer income (Rs)	6,300	15,000
<i>of which:</i>		
<i>Government transfers</i>	5,500	10,600
Share of Government transfers on household disposable income (%)	29.7	18.1

Data from the past five rounds of HBS reveal that Government transfers have been instrumental in bringing down poverty (Table 18). **Without Government transfers**, the poverty rates would have worsened by twofold in 2017 (23.0% instead of 9.6%), and by fourfold in 2023 (26.3% instead 7.3%).

Table 18 – Impact of Government transfers on poverty, 2001/02 – 2023

	2001/02	2006/07	2012	2017	2023
Poverty rate (%)					
With Government transfers	7.7	7.9	9.4	9.6	7.3
Without Government transfers	14.0	16.0	18.8	23.0	26.3
<i>of which</i>					
<i>Basic Retirement Pension</i>	11.9	13.4	16.1	20.4	22.3

Basic Retirement Pensions (BRP), also called old-age pension, represents a large share (70%) in the total Government spending on social protection³⁴. **Without the BRP only**, poverty rate in 2023 would have been 22.3% instead of 7.3%. The impact among households with elderly persons would have been even more – their poverty rate would have been 33.4% instead of 3.9%.

³⁴ Based on Budgetary Central Government data of 2023

Government free services also contribute significantly in reducing poverty

In 2023, the cost of free primary education represented 32.5% of the income of poor households with primary school students, compared to 10.1% for high-income households (Table 19).

Table 19 – Cost of free primary education for poor and non-poor households, 2023

	Households with primary school students	
	Poor households	Non-poor households
Average monthly household disposable income (Rs)	21,200	63,100
Average monthly cost of free primary education borne by Government (Rs)	6,900	6,400
<i>Cost of free primary education over household disposable income (%)</i>	32.5	10.1

As regards to secondary education, it is estimated that the cost of free secondary education represented 59.0% of the income of poor households with students in secondary schools compared to 17.7% for high-income households (Table 20).

Table 20 – Cost of free secondary education for poor and non-poor households, 2023

	Households with secondary school students	
	Poor households	Non-poor households
Average monthly household disposable income (Rs)	21,600	66,500
Average monthly cost of free secondary education (Rs)	12,700	11,800
<i>Cost of free secondary education over household disposable income (%)</i>	59.0	17.7

Without free primary and secondary education, the 2023 poverty rate would have been 12.8% instead of 7.3%

If households had to pay for primary and secondary education provided by Government, many would have fallen into poverty. For instance, in 2023, the poverty rate would have been 12.8% instead of 7.3% that is, more households with children would have been in poverty (Table 21).

Table 21 – Impact of free primary and secondary education on poverty, 2001/02 - 2023

	2001/02	2006/07	2012	2017	2023
Poverty rate (%):					
With free primary and secondary education	7.7	7.9	9.4	9.6	7.3
Without free primary and secondary education	13.8	14.0	15.0	16.1	12.8

Without free health services, the 2023 poverty rate would have been 10.1% instead of 7.3%

Based on the 2023 HBS results, around 65% of households reported that they had recourse to free public health services. For these households, the cost of free health services represented 6.2% of their income; and among poor households, it represented 20.7%. If health services were not free, the 2023 poverty rate would have been 10.1% instead of 7.3% (Table 22).

Without free public bus transport, the 2023 poverty rate would have been 7.7% instead of 7.3%

As from 2005 onwards, free public bus transport is granted to elderly (aged 60 years and over), disabled people and students.

In 2023, the cost of free public bus transport represented 2.2% of the income of poor households, compared to 0.7% for non-poor households. If public bus transport was not free, the poverty rate in 2023 would have been 7.7% instead of 7.3%.

Table 22 – Impact of free public bus transport on poverty, 2006/07 – 2023

	2006/07	2012	2017	2023
Poverty rate (%):				
With free public bus transport	7.9	9.4	9.6	7.3
Without free public bus transport	8.6	10.1	9.9	7.7

7. TREND IN POVERTY LEVELS

This part of the analysis elaborates on the evolution of poverty level by making use of Absolute Poverty Lines.

What is an Absolute Poverty Line? An Absolute poverty line is a line which is fixed at a point in time and adjusted for price changes to obtain equivalent poverty lines at different points in time.

It can be applied to any income/ expenditure distribution. It is, therefore, not affected by the distribution and hence, allows one to track the evolution of poverty over time³⁵. Examples of absolute poverty lines are namely, ‘World Bank \$2.15 (PPP) a day line’ (also called International Poverty Line) and ‘At risk poverty threshold’ (set at 60% of the national median equivalised disposable income) fixed at a moment in time (*EUROSTAT*).

Mauritius does not have an absolute poverty line. In its absence, a ‘fixed’ threshold is derived from the Relative Poverty Line (RPL) of any HBS year and adjusted with price changes over time.

The analysis that follows presents the evolution of poverty over the past 26 years based on the International Poverty Lines and the ‘fixed’ thresholds as mentioned above.

The World Bank US \$2.15 and US \$6.85 a day lines³⁶

The International Poverty Lines are poverty lines developed by the World Bank (WB) primarily to track global extreme poverty and to measure progress on global goals set by the World Bank, the United Nations, and other development partners. A country’s national poverty line is far more appropriate for underpinning policy dialogue or targeting programs to reach the poorest.³⁷

Based on the latest data of the 2017 International Comparison Program (ICP), the World Bank has updated the poverty lines to a new set of thresholds which are listed as follows:

- (i) US \$2.15: The international poverty line
- (ii) US \$3.65: The poverty line for lower-middle-income countries
- (iii) US \$6.85: The poverty line for upper-middle-income countries

The International poverty line of US \$2.15 (PPP) a day, formerly estimated at \$1.90 (PPP) based on 2011 ICP, is also called the Extreme Poverty Line. It is the most commonly used poverty line to assess extreme poverty in the world and is being used in measuring progress towards the first Sustainable Development Goal (SDG1), namely ‘End poverty in all its forms everywhere’.

Based on HBS data, the proportion of population living in extreme poverty is estimated to be less than 1% for all six HBS years (Table 23). According to WB estimates, about 648 million people globally were living in extreme poverty in 2019.

³⁵ relative poverty changes according to the income distribution of the population, it is not appropriate to monitor the evolution of poverty levels over time

³⁶ <http://povertydata.worldbank.org/poverty/home/>

³⁷ More information about World Bank Poverty lines can be accessed by using the URL below:
<http://www.worldbank.org/en/topic/poverty/brief/global-poverty-line-faq>

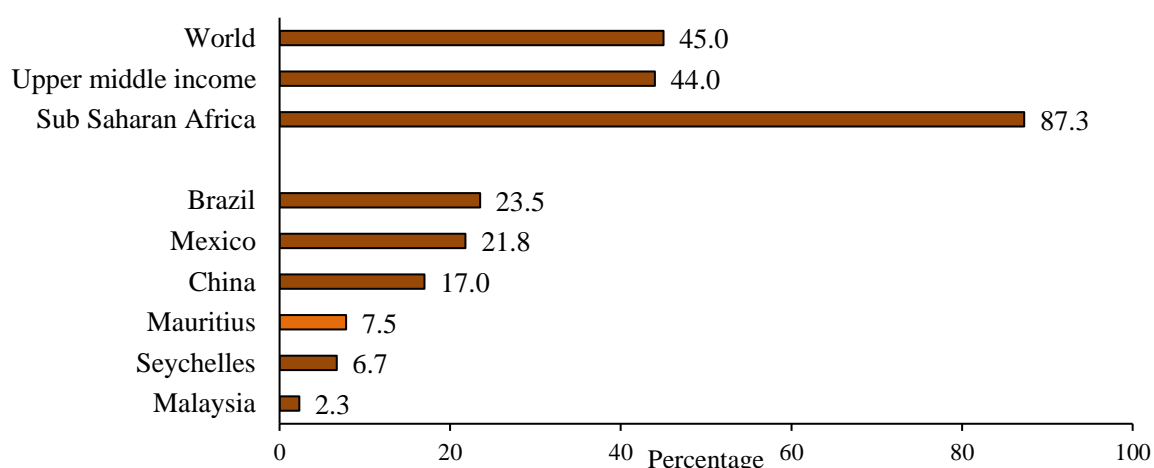
Table 23 – Poverty incidence based on World Bank \$2.15 and \$6.85 (PPP³⁸) a day poverty lines, 1996/97 - 2023

	1996/97	2001/02	2006/07	2012	2017	2023
Poverty line of \$2.15 per person per day						
- per person per month (Rs)	424	570	742	1,037	1,178	1,544
Proportion of poor persons (%) ³⁹	< 1	< 1	< 1	< 1	< 1	< 1
Poverty line of \$6.85 per person per day						
- per person per month (Rs)	1,352	1,816	2,364	3,305	3,752	4,918
Proportion of poor persons (%)	27.0	23.4	19.9	19.1	13.6	7.5

The US \$6.85 (PPP) a day poverty line is used to assess poverty in upper middle-income countries such as Mauritius. Based on 2011 ICP results, the threshold was set at \$5.50 (PPP). The past five HBS data reveal that the proportion of persons living below \$6.85 (PPP) a day line decreased consistently from 27.0% in 1996/97 to 7.5% in 2023 (Table 23).

A comparison across countries based on World Bank estimates⁴⁰ shows that Mauritius has relatively a lower poverty rate (7.5%) compared to world poverty rate (45.0%), Sub Saharan Africa (87.3%) and Upper Middle-Income countries (44.0%). The rates for some selected countries are given at Chart 26.

Chart 26 - Proportion of population living below the US \$6.85 (PPP) a day line for selected countries⁴¹, 2018-2023



³⁸ At 2017, US \$1 PPP = Rs 18,009, based on individual household consumption expenditure data of the last 2017 International Comparison Program

³⁹ Estimate for 2023 should be treated with caution; it is subject to low reliability since it is based on fewer than 30 observations in the sample.

⁴⁰ Source: Data based on latest available figures World Bank website <https://data.worldbank.org/indicator/SI.POV.UMIC>

⁴¹ Mauritius figure refers to 2017; however, figures for other countries refer to period 2015-2018 as available on WB website.

It is also worth noting that among persons living below the US \$ 6.85 (PPP) a day,

- there were more females (52.2%) than males (47.8%);
- they were relatively younger population with a mean age of 28 years against 40 years for the total population;
- they less qualified since more than 80% did not acquire an SC qualification;
- nearly 50% were employed, of whom more than 50% were engaged in low grade occupations like skilled agricultural, forestry and fishery workers; craft and related trade workers; plant and machine operators and assemblers; and elementary occupations (the lowest 3 major occupational groups 7,8 & 9 of ISCO 08)

Fixed poverty threshold

In the absence of a National Absolute Poverty Line, the relative poverty line of 1996/97 is being used as a fixed threshold and adjusted for price changes to obtain equivalent lines for 2001/02, 2006/07, 2012, 2017 and 2023⁴².

Over the past 26 years, the poverty rates decreased

Based on the ‘fixed thresholds’ of 1996/97 RPL, the poverty rates show a decreasing trend from 1996/97 to 2023 (Table 24 & Charts 27). The proportion of poor households decreased steadily from 8.7% in 1996/97 to attain 0.9% in 2023, and the corresponding number of poor households went down from 23,800 to 3,800. Similarly, the proportion of persons declined from 8.2% to 1.2%, and their number went down from 92,700 to 14,500.

It is worth noting that this decreasing trend in poverty level is maintained regardless of any HBS year, the RPL is held ‘fixed’ (Table 7A at Section 10).

Table 24 - Poverty indicators based on ‘Fixed threshold’ of 1996/97 RPL, 1996/97 - 2023

	1996/97	2001/02	2006/07	2012	2017	2023
Poverty line using 1996/97 Relative poverty line as a 'Fixed threshold' in Rs per adult equivalent per month	2,004	2,665	3,572	4,750	5,382	7,061
Estimated number of poor households	23,800	19,600	20,700	18,000	11,400	3,800
<i>Proportion of poor households (%)</i>	<i>8.7</i>	<i>6.4</i>	<i>6.2</i>	<i>5.0</i>	<i>3.0</i>	<i>0.9</i>
Estimated number of poor persons	92,700	75,500	81,700	65,500	43,700	14,500
<i>Proportion of poor persons (%)</i>	<i>8.2</i>	<i>6.4</i>	<i>6.7</i>	<i>5.3</i>	<i>3.5</i>	<i>1.2</i>

⁴² Section 9 gives detailed information on the methodology used.

Chart 27 (a) – Trend in poverty level (households) based on fixed threshold, 1996/97-2023

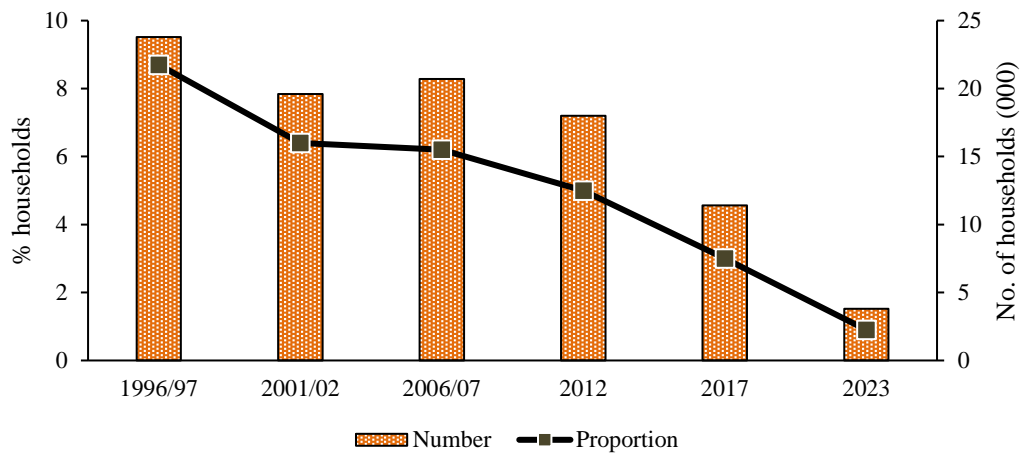
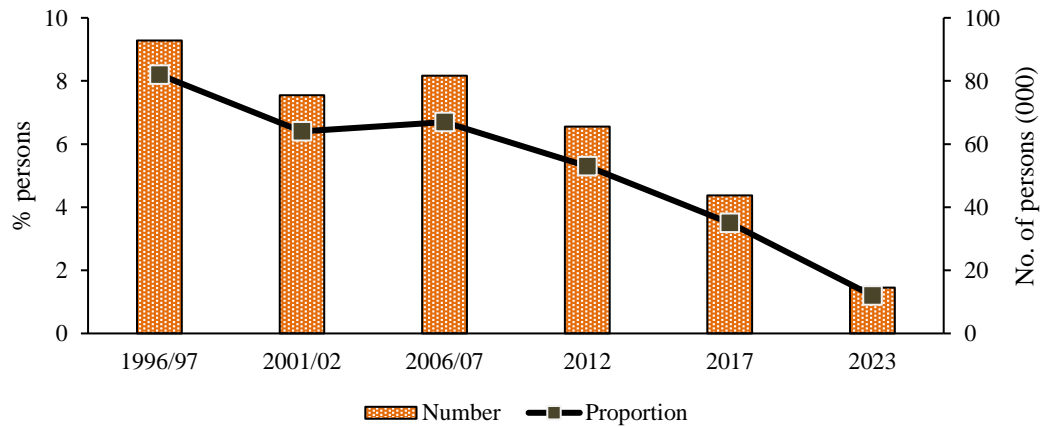


Chart 27(b) – Trend in poverty level (persons) based on fixed threshold, 1996/97-2023



Poverty levels went down for both males and females, but female poverty rates were consistently higher than males.

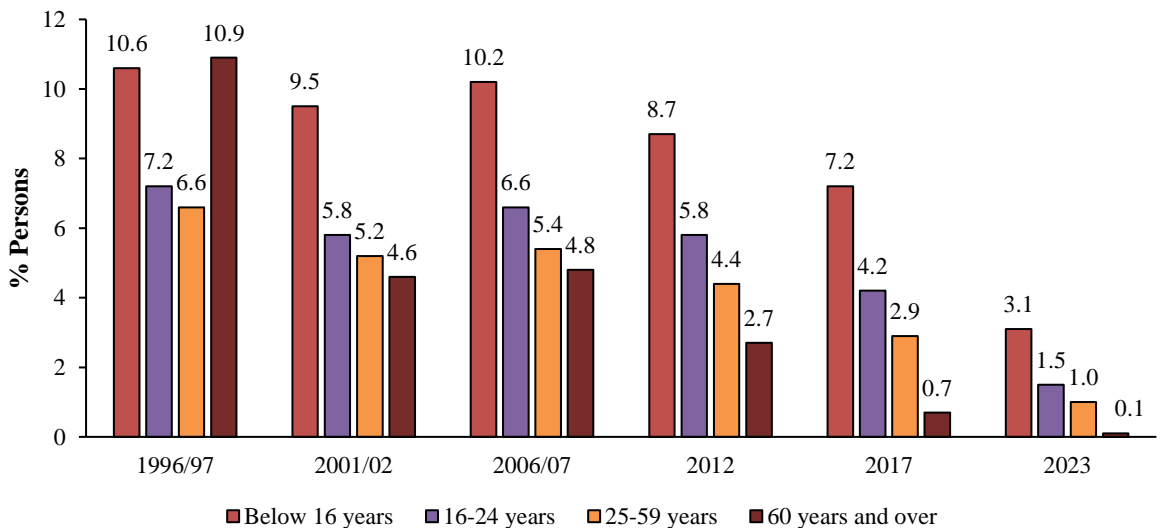
Using the same thresholds and disaggregating the data by sex reveals that poverty level for both males and females decreased. But, females were consistently more likely to be in poverty than males (Chart 28).

Chart 28 – Trend in poverty level based on fixed threshold by sex, 1996/97 - 2023



Poverty levels decreased across all age groups. However, the poverty rates among children remained at the highest level for all HBS years.

Chart 29 – Trend in poverty level based on fixed threshold by selected age group, 1996/97- 2023



Poverty declined across all age groups (Chart 29). The rates among people aged 60 years and over decreased constantly from 10.9% in 1996/97 to 0.1%⁴³ in 2023.

Poverty rates for children aged below 16 years also decreased from 10.6% in 1996/97 to 3.1% in 2023. However, the rates remained highest for all HBS years.

⁴³ Poverty rate among elderly for 2023 should be treated with caution; it is subject to low reliability since it is based on fewer than 30 observations in the sample.

8. RELATIVE POVERTY IN RODRIGUES

This section gives an overview of the poverty situation in the island of Rodrigues based on the Relative Poverty Line.

In 2023, the proportion of households in relative poverty in the island of Rodrigues, based on the Relative Poverty Line (RPL) of Rs 12,378 for the Republic of Mauritius, is estimated at 26.8% compared to 7.3% for the Republic.

In order to assess poverty situation in the island of Rodrigues, it is more appropriate to use an RPL specific to it, given that the standards of living in the Islands of Mauritius and Rodrigues differ. In 2023, the RPL specific to the Island of Rodrigues is estimated at Rs 9,719. Thus, the proportion of households in relative poverty is estimated at 17.4% (Table 25).

Table 25 - Poverty indicators based on Relative Poverty Line specific to the island of Rodrigues, 1996/97 - 2023

	1996/97	2001/02	2006/07	2012	2017	2023
RPL specific to the Island of Rodrigues per month per adult equivalent (Rs)	1,303	2,012	2,716	3,474	5,063	9,719
<i>Proportion of households in relative poverty (%)</i>	<i>12.7</i>	<i>15.6</i>	<i>17.9</i>	<i>17.1</i>	<i>17.1</i>	<i>17.4</i>
<i>Proportion of persons in relative poverty (%)</i>	<i>13.5</i>	<i>16.1</i>	<i>18.9</i>	<i>19.7</i>	<i>20.5</i>	<i>19.3</i>

Over the past 26 years, the proportion of households in relative poverty (based on RPL specific to the island of Rodrigues) increased from 12.7% in 1996/97 to 15.6% in 2001/02 and 17.9% in 2006/07; then, it decreased to 17.1% in 2012 and remained unchanged in 2017; and thereafter, it increased to 17.4% in 2023.

In terms of persons, the proportion in relative poverty increased steadily from 13.5% in 1996/97 to 20.5% in 2017, and then, fell to 19.3% in 2023.

More details on the socio-economic characteristics of households based on Relative Poverty line specific to island of Rodrigues (Rs 9,719) are given at Table 26.

Table 26 – Selected statistics based on Relative Poverty Line specific to the island of Rodrigues for poor and non-poor households, 2023

	Poor households	Non-poor households
Household characteristics		
Average household size	3.7	3.3
Average number of children (<i>aged below 16 years</i>)	1.6	0.8
Percentage of female (%)	52.0	49.5
Proportion of houses fully concrete (%)	45.7	85.8
Household income and consumption expenditure		
Average monthly household income ⁴⁴ (Rs)	14,900	51,300
<i>Share of employment income (%)</i>	47.6	58.9
<i>Share of transfer income (%)</i>	31.0	26.9
Average monthly household consumption expenditure (Rs)	11,400	29,100
Household debt		
Average monthly household debt repayment (Rs)	1,700	11,800
Availability of selected household durables		
Television	87%	97%
Refrigerator	80%	94%
Mobile telephones	99 %	98%
Washing machine	...	50%
Water tank	86%	92%
Personal computer (incl. Laptop)	...	27%

⁴⁴ Household income comprises disposable income and imputed rent

9. METHODOLOGY

9.1 CONCEPTS AND DEFINITIONS

Household	<p>A household is either:</p> <p>(i) a one-person household, i.e., a person who makes provision for his own food or other essentials for living without combining with any other person to form part of a multi-person household; or</p> <p>(ii) a multi person household, i.e, a group of two or more persons living together to make common provision for food or other essentials for living. The person in the group may pool their incomes and have a common budget to a greater or lesser extent: they may be related or unrelated persons or a combination of both</p> <p>Statistics produced in terms of household refers to private households; and population refers to persons living in private households.</p>
Disposable income	<p>It comprises income from employment, transfers, property, and income obtained from own produced goods; it excludes compulsory deductions such as income tax (PAYE) and contributions to pension and social security schemes.</p>
Employment income	<p>It comprises both paid and self employment income. Paid employment income refers to all regular income from paid employment 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.</p> <p>Self employment income is defined as the net income derived from self-employment in household enterprises, business, trade, crop cultivation and independent professional activities.</p>
Property income	<p>It relates to receipts derived from ownership of assets and includes interests, dividends as well as rent of buildings, land, machinery and equipment. As regards, receipts from rental, the net values are recorded.</p>
Transfer income	<p>It consists of pensions and allowances from government and private organisations as well as inter household transfers such as alimony, regular allowances from relatives and, regular allowances from organisations like as religious organisations.</p>
Government transfer income	<p>It comprises Government basic pensions such as Basic Retirement Pensions, Basic Widow's Pension and child allowance, Basic Invalid Pension and other social security benefits like Social Aid, Unemployment Hardship Relief, Allowance under Social Register of Mauritius, Allowance from Mauritius Revenue Authority.</p>

Contributory Retirement Pension	Contributory benefits are payable only to, or on behalf of, those persons who have contributed to the National Pensions Fund (NPF). The contributory pensions include old-age, invalidity, widows and orphans pensions in addition to industrial injury allowances
Other income	It refers to income obtained from own-use production work consisting of the estimated value of household production of any goods produced by household members for own consumption, and consumed by them.
Household income	For poverty analysis, it is defined as the sum of disposable income and imputed rent i.e., the rental value of houses of non-renting households.
Household consumption expenditure	<p>Household consumption expenditure includes:</p> <ul style="list-style-type: none"> (i) money expenditure on goods and services intended for consumption by the household; and (ii) consumption of goods and services which are either own produced, received free or at reduced price by the households. <p>Household consumption expenditure is classified in 13 groups called Division as per the 2018 UN Classification of Individual Consumption According to Purpose (COICOP), which are as follows:</p> <p>Division 1 - Food and non-alcoholic beverages; Division 2 - Alcoholic beverages and tobacco; Division 3 - Clothing and footwear; Division 4 – Housing, water, electricity, gas and other fuels; Division 5 – Furnishing, household equipment and routine household maintenance; Division 6 – Health; Division 7 – Transport; Division 8 – Information and communication; Division 9 – Recreation, sport and culture; Division 10 – Education services; Division 11 – Restaurants and accommodation services; Division 12 – Insurance and financial services; and Division 13 - Personal care, social protection and miscellaneous goods and services.</p>
Relative Poverty Line (RPL)	<p>It is defined in terms of the poverty of a lower income group relative to a higher income group; it is set at 50% of the median monthly household income per adult equivalent.</p> <p>Households with monthly income per adult equivalent below this poverty line are considered to be in relative poverty.</p>
Adult equivalent	<p>The number of adult equivalents (E) in a household is determined according to the Bank and Johnson's equivalence scale as follows:</p> $E = (A + 0.7C)^{0.7},$ <p>where</p> <p>A = No. of adults</p> <p>C = No. of children (< 16 years)</p> <p>e.g. A household of 2 adults and 2 children = 2.3552 adult equivalents (4 d.p.)</p>

Household income per adult equivalent or equalised household income	It is the total household income divided by the number of adult equivalent (number of household members converted into equivalised adults). This adjustment allows comparison of income levels between households of differing size and composition.
Absolute poverty line	<p>An absolute poverty line is fixed at a point in time and is usually updated with price changes. It allows to track the evolution of poverty over time. It is commonly estimated as the cost of basic needs of a household in terms of food, housing, clothing and other essentials for living.</p> <p>There exist many Absolute Poverty Lines. In this analysis report, the International Poverty lines, namely US\$2.15 & \$6.85 (PPP) a day, are used to show the country status at global level. At national level, a ‘Fixed threshold’ is used.⁴⁵. The lines are explained as follows:</p> <p>(i) <u>US\$2.15 & \$6.85 (PPP) a day International Poverty Lines</u></p> <p>These are poverty lines developed by World Bank to quantify global poverty rate and to monitor its level across countries and over time. It is more relevant for international comparisons, and to measure progress on global goals set by the Bank, United Nations</p> <p>The US\$2.15 (PPP) a day line is meant to track extreme poverty in the world. A person whose consumption expenditure⁴⁶ is below US\$2.15 (PPP) a day is considered to be in extreme poverty. The US\$6.85 (PPP) a day line is relevant for Upper Middle Income countries like Mauritius.</p> <p>The International Poverty Lines are expressed in PPP (<i>Purchasing Power Parity</i>) terms. PPP is the amount of money in a country's currency needed to buy goods and services equivalent to what can be bought with US\$1 in the US.</p> <p><u>The US\$ 1 PPP is equivalent to Rs 18.009 based on private consumption data of the last 2017 International Comparison Program⁴⁰.</u></p> <p>(ii) <u>Fixed threshold</u></p> <p>Mauritius does not have a National Absolute Poverty Line. In its absence, a ‘fixed’ threshold is used. It is derived from the Relative Poverty Line (RPL) of any year of the Household Budget Survey and adjusted with price changes over time. It is expressed in terms monthly household income per adult equivalent.</p>

⁴⁵ The computation method is given at Section 9.3.12

⁴⁶ It also includes imputed rent – a rental value for non-renting households

Household debt	Household debt refers to specific debt such as loans on housing, education, health, motor vehicles, hire purchases goods (e.g., household appliances, television, etc.) obtained from financial institutions like banks, leasing companies, credit unions, etc.
Employed/ unemployed	A person aged 16 years and over who reported working during the survey month. Unemployed refers to a person aged 16 years and above who is not working, but who is actively looking for work and is available for work during the survey month
Major Occupational Group	It refers to the nine major occupation groups of 2008 International Standard Classification of Occupations. Major Occupational Group 1 -Chief executives, senior officials and legislators; Group 2 - Professionals; Group 3 - Technicians and associate professionals; Group 4 - Clerical and support workers; Group 5 - Service and sales workers; Group 6 - Skilled agricultural, forestry and fishery workers; Group 7 - Craft and related trade workers; Group 8 - Plant and machine operators and Group 9 - Elementary occupations.
Household possession	Household possessions refer to durable goods (e.g., television, refrigerator, washing machine, mobile phone, etc.) owned by households

9.2 METHODOLOGY USED

9.2.1 Data Source

Household Budget Survey (HBS) data are the most important data sources for poverty analysis.

In Mauritius, the HBS is conducted every five years by Statistics Mauritius. It 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).

The HBS is conducted in the islands of Mauritius and Rodrigues. The number of households surveyed at the past five HBS are as follows:

HBS years	Island of Mauritius	Island of Rodrigues	Republic of Mauritius
1996/97	5,755	480	6,235
2001/02	6,240	480	6,720
2006/07	6,240	480	6,720
2012	6,240	480	6,720
2017	6,520	480	7,000
2023	6,520	480	7,000

In addition to information on household income and expenditure, the HBS data comprised demographic and socio-economic details that allow more in-depth analysis of poverty⁴⁷.

9.2.2 Absolute / Relative Poverty Lines

The poverty line is set in two main ways —relative or absolute.

- Relative poverty line is defined in relation to the distribution of income / expenditure of a country at a given point in time. It is usually set at a certain percentage of the median income. It changes with the median from year to year. Such a line helps to measure dynamic improvements of the poor over time. But, it cannot be used to monitor poverty level over time.
- Absolute Poverty line is fixed at a point in time and adjusted with price changes to monitor poverty level over time. It can be applied to any income/ expenditure distribution
-

9.2.3 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 is based on income.

9.2.4 Definition of income for poverty measurement

The income resources used for 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: -

- a. employment income both for employees and the self-employed
- b. property income (interests, dividends and rent of buildings, land, etc.)
- c. transfer income (pensions, allowances and other social benefits)
- d. other income derived from own-produced goods
- e. imputed rent for non-renting households

9.2.5 Level of median household income

The relative poverty line used for 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.

⁴⁷ More information on the conduct of HBS can be obtained at <http://statsmauritius.govmu.org/English/CensusandSurveys/Pages/Household-Budget-Survey.aspx>

The poverty incidence based on these levels of 40%, 50% and 60% median income is presented in the table below.

	Survey year	Level of median household income per adult equivalent		
		40%	50%	60%
Poverty line (Rs.)	1996/97	1,603	2,004	2,405
% of households below poverty lines		4.0	8.7	15.1
Poverty line (Rs.)	2001/02	2,243	2,804	3,365
% of households below poverty lines		3.5	7.7	14.1
Poverty line (Rs.)	2006/07	3,057	3,821	4,585
% of households below poverty lines		3.6	7.9	15.0
Poverty line (Rs.)	2012	4,522	5,652	6,782
% of households below poverty lines		4.4	9.4	16.1
Poverty line (Rs.)	2017	6,007	7,509	9,010
% of households below poverty lines		4.4	9.4	16.3
Poverty line (Rs.)	2023	9,903	12,378	14,854
% of households below poverty lines		2.9	7.3	13.2

9.2.6 Definition of the relative poverty line used

The relative poverty line used for poverty analysis is **the half median monthly household income per adult equivalent**. For the past four HBS, the relative poverty lines are estimated as follows:

- Rs 2,004 in 1996/97
- Rs 2,804 in 2001/02
- Rs 3,821 in 2006/07
- Rs 5,652 in 2012
- Rs 7,509 in 2017
- Rs 12,378 in 2023

9.2.7 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 household 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 below presents poverty indicators for the Republic of Mauritius based on income from the past five HBS using different relative poverty lines.

	1996/97	2001/02	2006/07	2012	2017	2023
Half median monthly household income (Rs)	4,935	6,650	8,698	12,776	16,500	26,033
% of households below the half median income	12.3	11.5	12.3	15.3	15.5	14.5
Half median monthly household income per capita (Rs)	1,265	1,834	2,554	3,879	5,292	9,078
% of households below the half median income per capita	9.3	9.5	10.1	11.0	12.0	10.2
Half median monthly household income per adult equivalent (Rs)	2,004	2,804	3,821	5,652	7,509	12,378
% of households below the half median income per adult equivalent	8.7	7.7	7.9	9.4	9.6	7.3

9.2.8 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.

The Equivalence Scale 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 ⁴⁸
One adult	1	1.0000
One adult, one child	2	1.4498
One adult, two children	3	1.8456
Two adults, one child	3	2.0004
Two adults, two children	4	2.3552
Three adults, one child	4	2.4989
Three adults, two children	5	2.8211

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.

9.2.9 Determining relative '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 relative poverty line. If R_a is less than the poverty line, the household is considered to be relative 'poor'.

For example, in 2023, the relative poverty line was estimated at Rs 12,378; a household was considered as relative 'poor' if R_a was less than Rs 12,378 in 2023.

⁴⁸ Figures given at 4 decimal places

9.2.10 Poverty line for selected household compositions

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

Household type	Relative poverty line (Rs)					
	1996/97	2001/02	2006/07	2012	2017	2023
One adult	2,004	2,804	3,821	5,652	7,509	12,378
One adult, one child	2,900	4,100	5,500	8,200	10,900	17,900
One adult, two children	3,700	5,200	7,100	10,500	13,900	22,800
Two adults, one child	4,000	5,600	7,600	11,300	15,000	24,800
Two adults, two children	4,700	6,600	9,000	13,300	17,700	29,200
Three adults, one child	5,000	7,000	9,500	14,100	18,800	30,900
Three adults, two children	5,600	7,900	10,800	15,900	21,200	34,900

9.2.11 Fixed poverty threshold

In the absence of an official absolute poverty line for the country, a 'Fixed threshold' is used to monitor poverty over time. It is determined by 'fixing' the relative poverty line in a given year, i.e., by adjusting it with price inflation to obtain the equivalent poverty lines for other years.

For example, the 1996/97 Relative poverty line, i.e., Rs 2,004 is held 'fixed' and adjusted for price changes to obtain equivalent poverty lines for 2001/02, 2006/07, 2012, 2017 and 2023 HBS. These poverty lines are used to monitor the poverty level over time (Re:annexed Table (7A)).

The fixed poverty threshold is, therefore, based on household income expressed in terms of 'per adult equivalent per month'

9.2.12 US \$2.15 and \$6.85 (PPP) a day lines

US \$2.15 and \$6.85 (PPP) a day lines have been developed by the World Bank to quantify poverty at global, and to monitor poverty level over time and across countries.

\$2.15 (PPP) a day line is relevant to assess extreme poverty, whereby a person whose consumption expenditure (incl. imputed rent – a rental value for non-renting households) is below the amount is considered to be in extreme poverty.

This extreme poverty line is measured in terms of PPP; it was originally set at \$1 in 1980, then updated to \$1.08 in 1993, \$1.25 in 2005, \$1.90 in 2011 and \$2.15 in 2017.

The poverty levels based on \$2.15 PPP a day line is calculated as follows:

- Step 1 - The poverty line \$2.15 (PPP) a day is converted into Mauritian Rupees using the 2017 PPP estimates for Mauritius (\$1 PPP = Rs 18.009 in 2017);
- Step 2 -The poverty line in Rs is then adjusted for local price inflation to obtain equivalent poverty line for the required year; and
- Step 3 – The household survey data is used to obtain the number of persons below the poverty line.

The \$6.85 (PPP) a day line is more appropriate to Upper Middle-Income countries and the same methodology (as described above for \$2.15 PPP) is used to estimate the number of persons living below the line.

9.2.13 Poverty indicators

9.2.13.1 Poverty rate / headcount ratio / poverty incidence rate

The **Poverty rate** 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. It is computed as follows:

$$\text{Poverty rate (\%)} = \frac{\text{Number of poor persons / households}}{\text{Total number of persons / households}} \times 100$$

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

9.2.13.2 Income gap ratio

Income Gap Ratio (IGR) is a measure of the depth of poverty; it is the difference between the poverty line and the mean income of the poor expressed as a ratio of the poverty line as follows:

$$\text{IGR} = \frac{\text{Poverty line} - \text{Average income of poor}}{\text{Poverty line}}$$

9.2.13.3

Poverty gap ratio

Poverty Gap Ratio (PGR) is a measurement of both the extent and depth of poverty; it considers both the number of poor people and how poor they are.

$$\text{Poverty gap ratio} = \text{Poverty rate} \times \text{Income gap ratio}$$

It also indicates the total amount of money needed to bring all the poor out of poverty.

$$\text{Amount in Rs} = \text{PGR} \times \text{Poverty line (Rs)} \times \text{Number of adult equivalents in the population}$$

9.2.14 Decile group of household income per adult equivalent

The category of households used in the analysis of Section 5 is based on decile group of monthly household income per adult equivalent. The 10 deciles are ten equal groups of households ranked from the lowest to highest income – decile 1 (poorest 10% households) to decile 10 (richest 10% households).

Table below presents the threshold of each decile for 2023 HBS.

Decile group of monthly household income per adult equivalent (Rs)	Distribution (%) of households	Threshold of monthly household income per adult equivalent (Rs)⁴⁹
Decile 1	10%	13,700 or less
Decile 2	10%	13,701 to 17,000
Decile 3	10%	17,001 to 19,600
Decile 4	10%	19,601 to 22,000
Decile 5	10%	22,001 to 24,800
Decile 6	10%	24,801 to 28,000
Decile 7	10%	28,001 to 32,300
Decile 8	10%	32,301 to 38,400
Decile 9	10%	38,401 to 51,300
Decile 10	10%	51,301 and above

⁴⁹ Figures rounded to the nearest hundredth

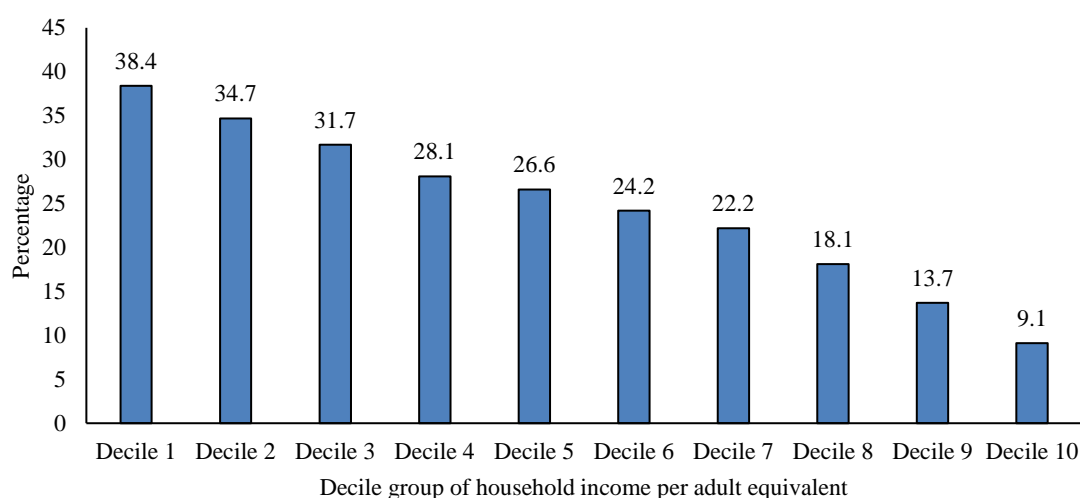
All households	100%	
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9.2.15 Relative poverty and growth in income

The Relative Poverty is a measure of income inequality that varies with the median of the income distribution in the population. Therefore, the poverty rate increases if the real growth of income of the ‘poor’ household increases at a lower rate than that of the median of household income per adult equivalent i.e., households falling in the 5th and 6th decile groups.

In 2023, the monthly household income per adult equivalent for households in relative poverty was estimated at Rs 9,800 against Rs 5,800 in 2012, representing a real growth rate of 28.9%, higher than that of the median (25.7%) and the decile groups 5 (26.6%) and 6 (24.2%). Thus, resulting to a decrease in the poverty level from 2017 to 2023 (Chart 30).

Chart 30 – Real growth rate⁵⁰ of household income per adult equivalent by decile group, 2023



9.2.16 Measuring the impact of Government transfers and free services on poverty

At national level, there exist a wide range of Government social welfare programmes put in place to alleviate poverty. This report focuses on the major programmes namely, social protection, free education and health services, and free transport. To this, together with the HBS data, available statistics based on administrative sources have also been used to measure the impact of these grants on poverty level. Details on data sources are given in the table below.

⁵⁰ Real growth rate of income of 2023 over 2017 estimates

	Data source	Remarks
Government Expenditure on social protection, free education and health services, and free transport	Public Finance statistics (<i>based on Treasury data</i>)	Government expenditure data refers to recurrent expenses of the Budgetary Central Government
Enrolment at primary and secondary level	Education statistics (<i>based on data from Census of Schools</i>)	Enrolment figures of Government and Government -aided schools.
Beneficiaries of Basic Retirement Pensions and Basic Invalid pensions	Social Security Statistics (<i>based on data from the Social Security Division of Ministry of Social Integration, Social Security and National Solidarity</i>)	

9.2.17 Statistical Package

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

10. ANNEXED TABLES – REPUBLIC OF MAURITIUS

Table 1A – Distribution (%) of persons in relative poverty by sex, 2023

Sex	Poor households	Non-poor households	All households
Male	47.8	49.2	49.1
Female	52.2	50.8	50.9
Both sexes	100.0	100.0	100.0

Table 2A – Distribution (%) of persons in relative poverty by selected age group, 2023

Age group (in years)	Poor households	Non-poor households	All households
Below 16	30.5	14.9	16.2
16 - 24	16.0	12.3	12.6
25 - 59	45.2	49.3	49.0
60 and above	8.3	23.5	22.2
All ages	100.0	100.0	100.0

Table 3A – Distribution (%) of households in relative poverty by household type, 2023

Household type	Poor households	Non-poor households	All households
Single member household	8.3	13.0	12.7
Couple without children	7.7	15.5	14.9
Couple with unmarried children only	45.9	39.5	40.0
One parent household with unmarried children only	16.0	8.8	9.3
Other households	22.1	23.2	23.1
All household types	100.0	100.0	100.0

Table 4A - Average monthly household income⁵¹ for poor⁵² and non-poor households by source of income, 2012 - 2023

Source of Income	Poor households			Non- Poor households		
	2012	2017	2023	2012	2017	2023
Household income	9,800	13,100	22,200	36,300	45,100	66,600
Household disposable income	7,900	10,800	18,500	31,700	39,600	58,500
<i>Net employment income</i>	<i>5,000</i>	<i>7,200</i>	<i>12,100</i>	<i>26,800</i>	<i>31,300</i>	<i>43,100</i>
<i>Transfer income</i>	<i>2,800</i>	<i>3,600</i>	<i>6,300</i>	<i>4,400</i>	<i>7,800</i>	<i>15,000</i>
Other income ⁵³	100	0	100	500	500	400
Imputed rent	1,800	2,300	3,700	4,600	5,500	8,100

⁵¹ Figures in the table may not add up to totals due to rounding.

⁵² Poor households refer to those in relative poverty.

⁵³ Other income refers to property income and income from own produced goods; estimates for poor households in year 2017 are negligible.

Table 5A – Average monthly household consumption expenditure⁵⁴ for poor⁵⁵ and non-poor households by COICOP division⁵⁶, 2012-2023

	COICOP Division	Poor households			Non-poor households		
		2012	2017	2023	2012	2017	2023
1	Food and Non-Alcoholic beverages	3,900	4,500	7,200	6,800	7,400	10,700
2	Alcoholic beverages and Tobacco	400	500	900	800	900	1,200
3	Clothing and Footwear	200	400	800	1100	1400	1,600
4	Housing, Water, Electricity, Gas and other fuels	1,300	1,600	2,100	2,100	2,400	2,800
5	Furnishings, Household equipment and Routine household maintenance	400	500	700	1,600	1,800	2,100
6	Health	200	100	600	1,000	1,200	2,000
7	Transport	500	600	1,300	3,900	4,500	6,100
8	Information and Communication	400	700	1,700	1,500	2,000	2,900
9	Recreation, Sport and Culture	200	200	200	600	600	700
10	Education services	300	200	500	1,200	1,600	1,400
11	Restaurants and Accommodation services	300	500	900	1,000	1,500	2,300
12	Insurance and Financial services	200	400	700	1,600
13	Personal care, Social care and Miscellaneous goods and services	200	400	600	600	900	1,300
	All divisions	8,300	10,200	17,700	22,600	26,900	36,700

⁵⁴ Figures in the table may not add up to totals due to rounding.

⁵⁵ Poor households refer to those in relative poverty.

⁵⁶ COICOP refers to UN classification of Consumption Expenditure according to Purpose, which consists of 13 major divisions. Table does not include figures for 1996/97, since the classification of items was different at that period; there were 9 groups.

Table 6A - Distribution of average monthly household consumption expenditure by household category⁵⁷ and COICOP division, 2023

COICOP Division		Poor households		Middle-income households		High-income households	
		Rs	%	Rs	%	Rs	%
1	Food and Non-Alcoholic beverages	7,200	40.9	10,600	34.4	13,400	17.5
2	Alcoholic beverages and Tobacco	900	4.9	1,300	4.1	1,200	1.5
3	Clothing and Footwear	800	4.3	1,400	4.5	3,200	4.2
4	Housing, Water, Electricity, Gas and other fuels	2,100	11.7	2,500	8.1	4,300	5.7
5	Furnishings, Household equipment and Routine household maintenance	700	4.0	1,600	5.3	5,200	6.9
6	Health	600	3.6	2,300	7.4	3,500	4.6
7	Transport	1,300	7.6	3,700	12.1	20,500	26.9
8	Information and Communication	1,700	9.6	2,600	8.5	4,500	6.0
9	Recreation, Sport and Culture	200	1.4	500	1.6	1,600	2.1
10	Education services	500	2.5	700	2.5	4,500	5.9
11	Restaurants and Accommodation services	900	5.0	1,800	5.9	4,900	6.4
12	Insurance and Financial services	200	1.0	600	2.0	6,700	8.9
13	Personal care, Social care and Miscellaneous goods and services	600	3.6	1,100	3.6	2,700	3.5
All divisions		17,700	100	30,700	100	76,200	100

⁵⁷ Category of households – Poor refers to households below Relative Poverty Line; Middle- and high income households are defined in terms of decile group household income per adult equivalent – Refer to Sections 5 & 10 for more information.

Table 7A – Poverty indicators based on ‘Fixed thresholds’, 1996/97 – 2023⁵⁸

	1996/97	2001/02	2006/07	2012	2017	2023
Poverty line - using 1996/97 RPL as 'fixed threshold'						
- Per adult equivalent per month (Rs)	2,004	2,665	3,572	4,750	5,382	7,061
Estimated number of households below poverty line	23,800	19,600	20,700	18,000	11,400	3,800
<i>Proportion of households below poverty line (%)</i>	8.7	6.4	6.2	5.0	3.0	0.9
Estimated number of persons below poverty line	92,700	75,500	81,700	65,500	43,700	14,500
<i>Proportion of persons below poverty line (%)</i>	8.2	6.4	6.7	5.3	3.5	1.2
Poverty line - using 2001/02 RPL as 'fixed threshold'						
- Per adult equivalent per month (Rs)	2,108	2,804	3,757	4,997	5,662	7,428
Estimated number of households below poverty line	28,600	23,700	25,000	21,700	14,100	4,800
<i>Proportion of households below poverty line (%)</i>	10.4	7.7	7.5	6.1	3.7	1.2
Estimated number of persons below poverty line	110,100	92,600	99,400	80,000	52,500	18,300
<i>Proportion of persons below poverty line (%)</i>	9.8	7.8	8.2	6.5	4.3	1.5
Poverty line - using 2006/07 RPL as 'fixed threshold'						
- Per adult equivalent per month (Rs)	2,144	2,851	3,821	5,082	5,758	7,554
Estimated number of households below poverty line	30,300	24,600	26,100	23,200	14,800	5,200
<i>Proportion of households below poverty line (%)</i>	11.0	8.0	7.9	6.5	3.9	1.3
Estimated number of persons below poverty line	116,900	96,100	103,400	85,400	55,100	20,100
<i>Proportion of persons below poverty line (%)</i>	10.4	8.1	8.5	7.0	4.5	1.7
Poverty line - using 2012 RPL as 'fixed threshold'						
- Per adult equivalent per month (Rs)	2,384	3,171	4,250	5,652	6,404	8,402
Estimated number of households below poverty line	40,800	35,700	38,800	33,600	20,900	6,700
<i>Proportion of households below poverty line (%)</i>	14.9	11.7	11.7	9.4	5.5	1.6
Estimated number of persons below poverty line	160,300	139,900	150,000	119,900	77,300	25,400
<i>Proportion of persons below poverty line (%)</i>	14.2	11.8	12.3	9.8	6.3	2.1
Poverty line - using 2017 RPL as 'fixed threshold'						
- Per adult equivalent per month (Rs)	2,796	3,719	4,983	6,628	7,509	9,852
Estimated number of households below poverty line	63,000	59,400	64,200	54,600	36,400	11,500
<i>Proportion of households below poverty line (%)</i>	22.9	19.4	19.3	15.3	9.6	2.8
Estimated number of persons below poverty line	256,200	236,900	247,900	189,200	127,800	41,200
<i>Proportion of persons below poverty line (%)</i>	22.7	20.0	20.4	15.4	10.4	3.4
Poverty line - using 2023 RPL as 'fixed threshold'						
- Per adult equivalent per month (Rs)	3,513	4,672	6,261	8,327	9,434	12,378
Estimated number of households below poverty line	107,400	107,700	113,900	100,200	70,600	29,800
<i>Proportion of households below poverty line (%)</i>	39.2	35.1	34.3	28.0	18.5	7.3
Estimated number of persons below poverty line	448,000	430,600	439,300	351,700	238,700	101,900
<i>Proportion of persons below poverty line (%)</i>	39.8	36.3	36.1	28.6	19.4	8.4

⁵⁸ Figures for 2001/02 to 2017 have been reviewed with the estimated number of private households, and persons (base year Census 2011)

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