

Table EI.3 Distribution of Income and Poverty

Sources: Luxembourg Income Study and World Bank

	Income Distribution							Population in Poverty									
	Survey Year	Gini Coefficient (a)	Percentage of Income in Each Quintile of Population					International Poverty Line (<1 Int\$/day) (b)		National Poverty (percent)							
			Lowest	20-40	40-60	60-80	Highest	Year(s)	(percent)	Year(s)	National	Rural	Urban				
			0-20				80-100										
SUB-SAHARAN AFRICA	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Angola	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Benin	X	X	X	X	X	X	X	X	X	1995	33.0	X	X	X	X	X	
Botswana	X	X	X	X	X	X	X	X	X	1985-86	33.0	X	X	X	X	X	
Burkina Faso	1994	c	48	5.5	8.7	12.0	18.7	55.0	X	X	X	X	X	X	X	X	
Burundi	X	X	X	X	X	X	X	X	X	X	X	1990	36.2	X	X	X	
Cameroon	X	X	X	X	X	X	X	X	X	X	X	1984	40.0	32.4	44.4	X	
Central African Rep	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Chad	X	X	X	X	X	X	X	X	X	X	X	1995-96	64.0	67.0	63.0	X	
Congo	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Congo, Dem Rep	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Côte d'Ivoire	1988	c	37	6.8	11.2	15.8	22.2	44.1	1988	17.7	X	X	X	X	X	X	
Equatorial Guinea	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Eritrea	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Ethiopia	1995	c	40	7.1	10.9	14.5	19.8	47.7	1981-82	46.0	X	X	X	X	X	X	
Gabon	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Gambia	1992	c	48	4.4	9.0	13.5	20.4	52.8	X	X	1992	64.0	X	X	X	X	
Ghana	1997	c	33	8.4	12.2	15.8	21.9	41.7	X	X	1992	31.4	34.3	26.7	X	X	
Guinea	1994	c	40	6.4	10.4	14.8	21.2	47.2	1991	26.3	X	X	X	X	X		
Guinea-Bissau	1991	c	56	2.1	6.5	12.0	20.6	58.9	1991	88.2	1991	48.8	60.9	24.1	X	X	
Kenya	1994	c	45	5.0	9.7	14.2	20.9	50.2	1992	50.2	1992	46.4	46.4	29.3	X	X	
Lesotho	1986-87	c	56	2.8	6.5	11.2	19.4	60.1	1986-87	48.8	1993	49.2	53.9	27.8	X	X	
Liberia	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Madagascar	1993	c	46	5.1	9.4	13.3	20.1	52.1	1993	72.3	X	X	X	X	X		
Malawi	X	X	X	X	X	X	X	X	X	X	X	1990-91	54.0	X	X	X	
Mali	1994	c	51	4.6	8.0	11.9	19.3	56.2	X	X	X	X	X	X	X		
Mauritania	1995	c	39	6.2	10.8	15.4	22.0	45.6	1988	31.4	1990	57.0	X	X	X		
Mozambique	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Namibia	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Niger	1995	c	51	2.6	7.1	13.9	23.1	53.3	1992	61.5	1989-93	63.0	66.0	52.0	X	X	
Nigeria	1992-93	c	45	4.0	8.9	14.4	23.4	49.4	1992-93	31.1	1992-93	34.1	36.4	30.4	X	X	
Rwanda	1983-85	c	29	9.7	13.2	16.5	21.6	39.1	1983-85	45.7	1993	51.2	X	X	X		
Senegal	1991	c	54	3.1	7.4	12.1	19.5	57.9	1991-92	54.0	1991	33.4	40.4	16.4	X	X	
Sierra Leone	1989	c	63	1.1	2.0	9.8	23.7	63.4	X	X	1989	68.0	76.0	53.0	X	X	
Somalia	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
South Africa	1993-94	c	59	2.9	5.5	9.2	17.7	64.8	1993	23.7	X	X	X	X	X		
Sudan	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Tanzania, United Rep	1993	c	38	6.8	11.0	15.1	21.6	45.5	X	X	1991	51.1	X	X	X		
Togo	X	X	X	X	X	X	X	X	X	X	X	1987-89	32.3	X	X		
Uganda	1992-93	c	39	6.6	10.9	15.2	21.3	46.1	1989-90	69.3	1993	55.0	X	X	X		
Zambia	1996	c	50	4.2	8.2	12.8	20.1	54.8	1993	84.6	1993	86.0	X	X	X		
Zimbabwe	1990	c	57	4.0	6.3	10.0	17.4	62.3	1990-91	41.0	1990-91	25.5	X	X	X		
NORTH AMERICA	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Canada	1994	d	32	7.5	12.9	17.2	23.0	39.3	1991	0.3	f	1991	7.0	X	X	e	
United States	1994	d	40	4.8	10.5	16.0	23.5	45.2	1994	1.4	f	1994	13.2	X	X	e	
C. AMERICA & CARIBBEAN	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Belize	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Costa Rica	1996	d	47	4.0	8.8	13.7	21.7	51.8	1989	18.9	X	X	X	X	X		
Cuba	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Dominican Rep	1989	d	51	4.2	7.9	12.5	19.7	55.7	1989	19.9	1992	20.6	29.8	10.9	X	X	
El Salvador	1995	d	50	3.7	8.3	13.1	20.5	54.4	X	X	1992	48.3	55.7	43.1	X	X	
Guatemala	1989	d	60	2.1	5.8	10.5	18.6	63.0	1989	53.3	X	X	X	X	X		
Haiti	X	X	X	X	X	X	X	X	X	X	1987	65.0	X	X	X		
Honduras	1996	d	54	3.4	7.1	11.7	19.7	58.0	1992	46.9	1992	50.0	46.0	56.0	X	X	
Jamaica	1991	c	41	5.8	10.2	14.9	21.6	47.5	1993	4.3	1992	34.2	X	X	X		
Mexico	1995	d	54	3.6	7.2	11.8	19.2	58.2	1992	14.9	1988	10.1	X	X	X		
Nicaragua	1993	c	50	4.2	8.0	12.6	20.0	55.2	1993	43.8	1993	50.3	76.1	31.9	X	X	
Panama	1995	d	57	2.3	6.2	11.3	19.8	60.4	1989	25.6	X	X	X	X	X		
Trinidad and Tobago	X	X	X	X	X	X	X	X	X	X	1992	21.0	X	X	X		
SOUTH AMERICA	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Argentina	X	X	X	X	X	X	X	X	X	X	1991	25.5	X	X	X		
Bolivia	1990	d	42	5.6	9.7	14.5	22.0	48.2	X	X	X	X	X	X	X		
Brazil	1995	d	60	2.5	5.7	9.9	17.7	64.2	1995	23.6	1990	17.4	32.6	13.1	X	X	
Chile	1994	d	57	3.5	6.6	10.9	18.1	61.0	1992	15.0	1994	20.5	X	X	X		
Colombia	1995	d	57	3.1	6.8	10.9	17.6	61.5	1991	7.4	1992	17.7	31.2	8.0	X	X	
Ecuador	1994	c	47	5.4	8.9	13.2	19.9	52.6	1994	30.4	1994	35.0	47.0	25.0	X	X	
Guyana	1993	c	40	6.3	10.7	15.0	21.2	46.9	X	X	X	X	X	X	X		
Paraguay	1995	d	59	2.3	5.9	10.7	18.7	62.4	X	X	1991	21.8	28.5	19.7	X	X	
Peru	1996	d	46	4.4	9.1	14.1	21.3	51.2	X	X	1997	49.0	64.7	40.4	X	X	
Suriname	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Uruguay	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Venezuela	1995	d	47	4.3	8.8	13.8	21.3	51.8	1991	11.8	1989	31.3	X	X	X		
OCEANIA	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Australia	1989	d	34	7.0	12.2	16.6	23.3	40.9	1989	0.8	f	1989	7.0	X	X	e	
Fiji	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
New Zealand	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Papua New Guinea	1996	c	51	4.5	7.9	11.9	19.2	56.5	X	X	X	X	X	X	X		
Solomon Islands	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		

Notes: a. Gini coefficients measure the inequality in income distribution within the population (0 = perfectly equal, 100 = perfectly unequal). b. Estimated using GDP based on purchasing power parity. c. Refers to expenditure shares by percentiles of population. Rankings are based on per capita expenditure. d. Refers to income shares by percentiles of population. Rankings are based on per capita income. e. As reported by the World Bank. f. Luxembourg Income Study estimates (national poverty is defined here as 40 percent of the national median income).

Table EI.3 Distribution of Income and Poverty

Sources: Gini coefficient, income distribution, and poverty: World Bank, World Development Indicators 1999, on CD-ROM (World Bank, Washington, D.C., 1999). Poverty estimates for selected developed countries: Timothy M. Smeeding, Financial Poverty in Developed Countries: The Evidence from the Luxembourg Income Study (Final Report to the United Nations Development Programme), Luxembourg Income Study, Working Paper No. 155 (Syracuse, New York and Walferdange, Luxembourg, 1997).

The World Bank uses a variety of data sources, including reports of governments, international organizations, and household surveys, when necessary, to compile estimates of the distribution of income within countries.

Survey year indicates the year data were collected for income distribution.

The Gini coefficient measures the extent to which the actual distribution of income differs from a perfectly equal distribution. A coefficient of zero would reflect perfect equality; a coefficient of 100 would represent perfect inequality. Graphically, the index is the area between a Lorenz curve (the cumulative percentage of total income against the cumulative percentage of recipients—starting with the poorest individual or household) and a hypothetical line of absolute equality (expressed as a percentage of the area under the line).

Percentage of income in each quintile of population is the share of total income that accrues to each of the different quintiles of the population ranked according to income (starting with the lowest 20 percent and moving up the income ladder to the highest 20 percent).

Personal or household income or consumption data come from national household surveys. Rankings are based on per capita income or consumption. Comparisons among figures for each quintile are difficult because of differences in household size and in extent of income sharing among household members. If original data from the household survey were available, income (or consumption) shares were calculated. If these data were unavailable, then shares were estimated from the best available grouped data.

Year indicates the year data were collected for the international poverty line.

The percentage of people falling below the international poverty line was calculated by the World Bank for most of the countries from primary household survey data obtained from government statistical agencies and World Bank country departments. Data for poverty in selected developed countries are the product of the Luxembourg Income Study (LIS).

The international poverty line is the percentage of people living on less than \$1 a day (at 1985 international prices) adjusted for purchasing power parity. Purchasing power parity is defined as the number of units of a country's currency required to buy the same amounts of goods and services in the domestic market as \$1 would buy in the United States. The computation involves deriving implicit quantities from national accounts expenditure data and specially collected price data and then revaluing the implicit quantities in each country at a single set of average prices. Because the same international price averages are used for every country, cross-country comparisons reflect differences in quantities of goods and services free of price-level differences. This procedure is designed to bring cross-country comparisons in line with cross-time real-value comparisons that are based on constant price series.

Table EI.3 Distribution of Income and Poverty

Year indicates the year data were collected for the national poverty line.

The national poverty rate is calculated using World Bank poverty assessments based on household surveys and reflects the population living below the national urban poverty line. Data for poverty in selected developed countries are the product of the LIS. The rural poverty rate refers to the rural population living below the national rural poverty line.

The urban poverty rate is the percentage of the population living under the national urban poverty line. Definitions of poverty vary among countries and consistent comparisons can be difficult. For further information, please refer to the original sources.

The definition of a national poverty line chosen here (40 percent of the median income) is just one of several alternative definitions offered by the LIS. Forty percent of the median income provides a close approximation to the percentage of poor reported by the United States (14.5 percent in 1994—using a more complex algorithm, U.S. Department of Commerce, Statistical Abstract of the United States 1996 [U.S. Department of Commerce, Washington, D.C., 1996], p. 472). With the exception of the United States and the United Kingdom, these developed countries do not commonly report poverty estimates.