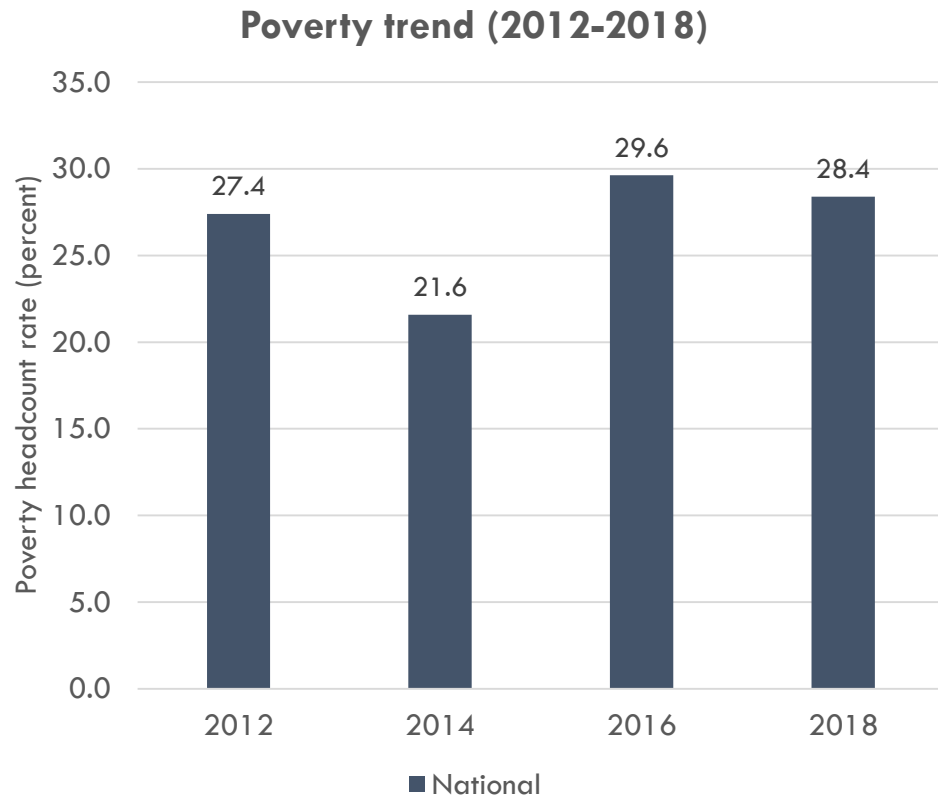


# OVERVIEW OF POVERTY INDICATORS IN 2018

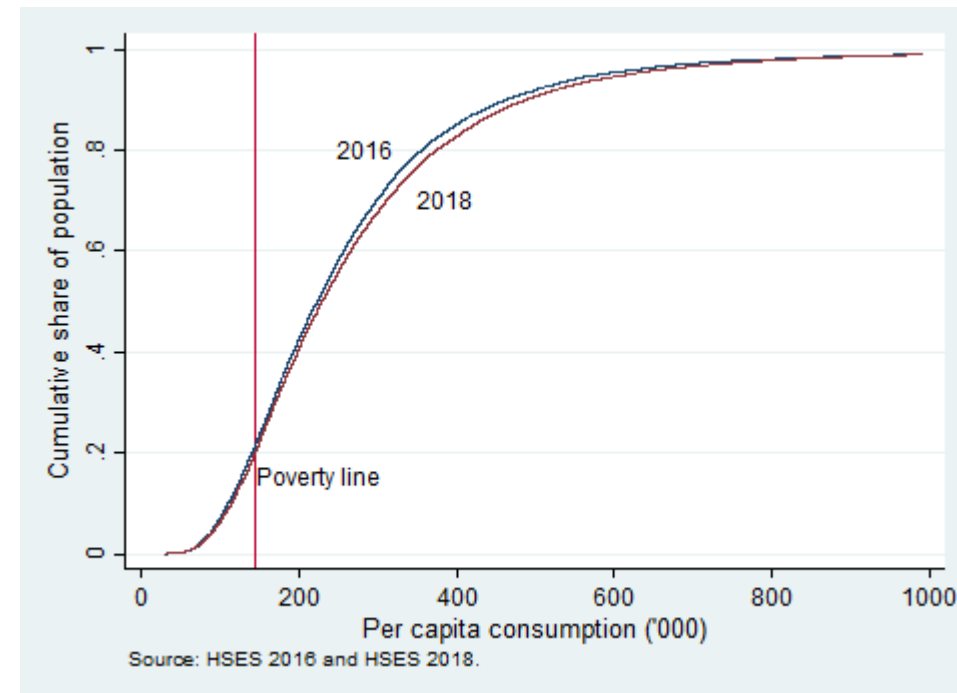
**Ikuko Uchi (Economist)**  
**Poverty and Equity Global Practice**  
**The World Bank**

# NATIONAL POVERTY SLIGHTLY DECLINED DURING 2016-2018

- The distribution of per capita consumption has slightly shifted upward from 2016 to 2018



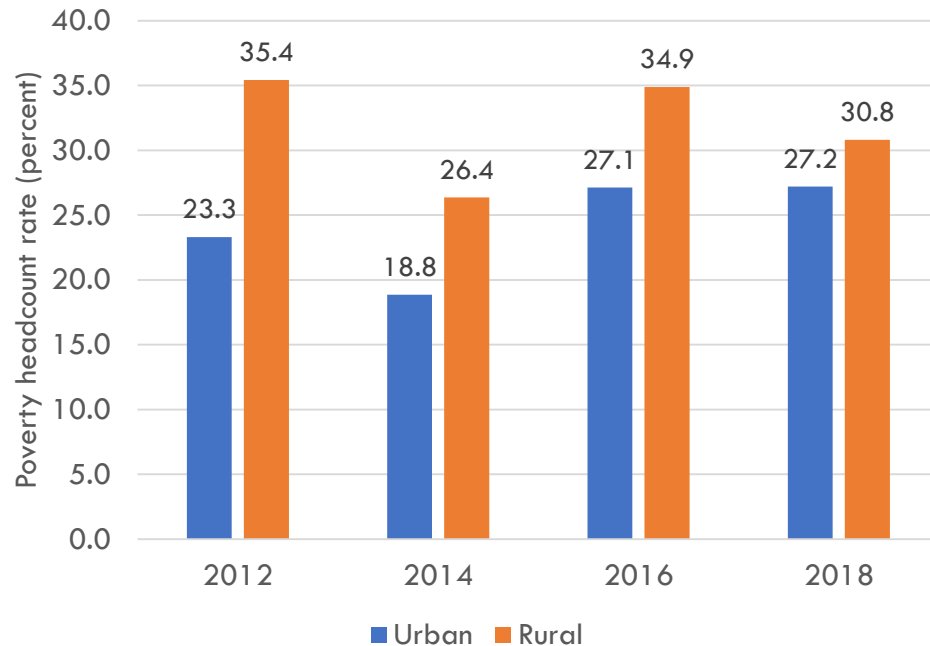
**Cumulative Distributions of per capita consumption, 2016 and 2018 (in 2018 price)**



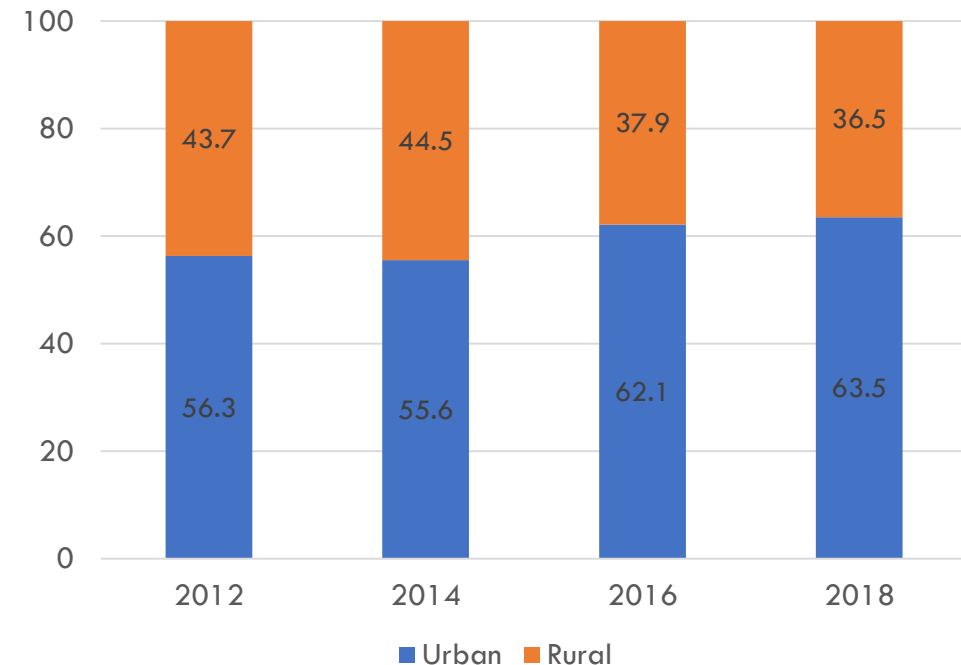
# POVERTY CONCENTRATION IS GROWING IN URBAN AREAS

- The incidence of poverty is still higher in rural areas than in urban areas (30.8 percent vs 27.2 percent)
- However, the difference between urban and rural poverty rates has narrowed over time (from 12.1 in 2012 to 3.6 percentage points in 2018)
- With the larger share of urban population (66% of the total population), more than six out of ten poor persons (62.5 percent of all the poor) now live in urban areas, particularly in Ulaanbaatar (42 percent)

Poverty trend in Urban and Rural  
(2012-2018)

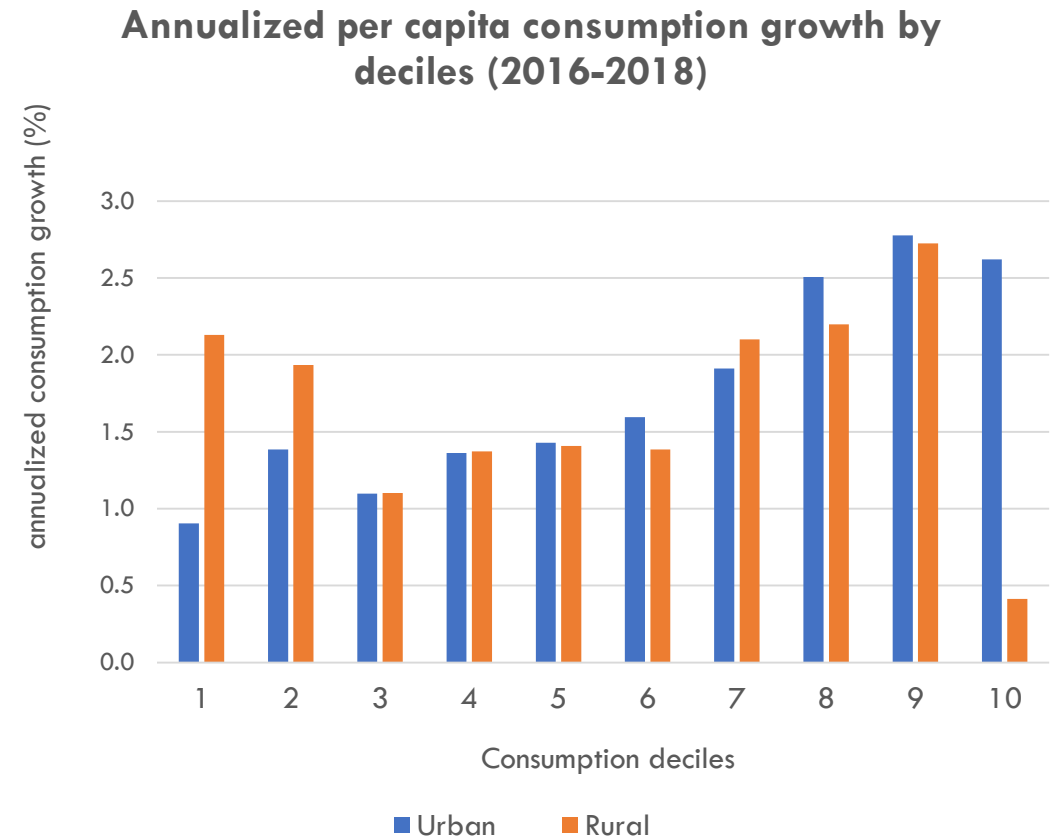


Location of the poor (urban vs rural)



# ANNUALIZED CONSUMPTION GROWTH (2016-18) AMONG POORER HOUSEHOLDS IS HIGHER IN RURAL AREAS THAN IN URBAN AREAS

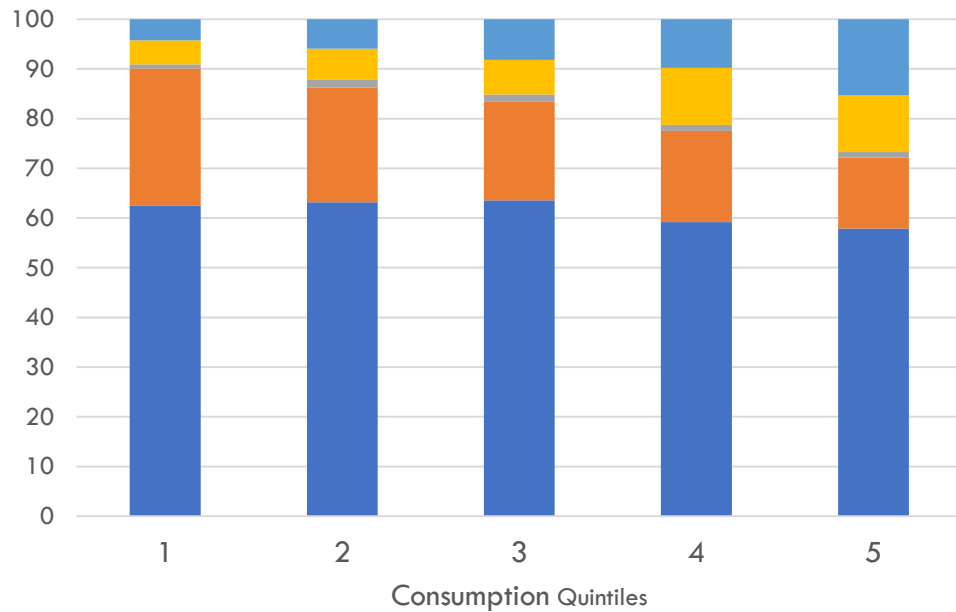
- For 2016-2018, poverty reduction in urban areas got stuck due to lower consumption growth (0.9 – 1.4 percent) among the bottom 30 percent of the urban households compared to the national average annual consumption growth of 1.9 percent for the same period
- On the other hand, in rural areas, the bottom 20 percent of the households have achieved higher annual consumption growth (1.9 – 2.1 percent), which contributed to modest poverty reduction in rural areas



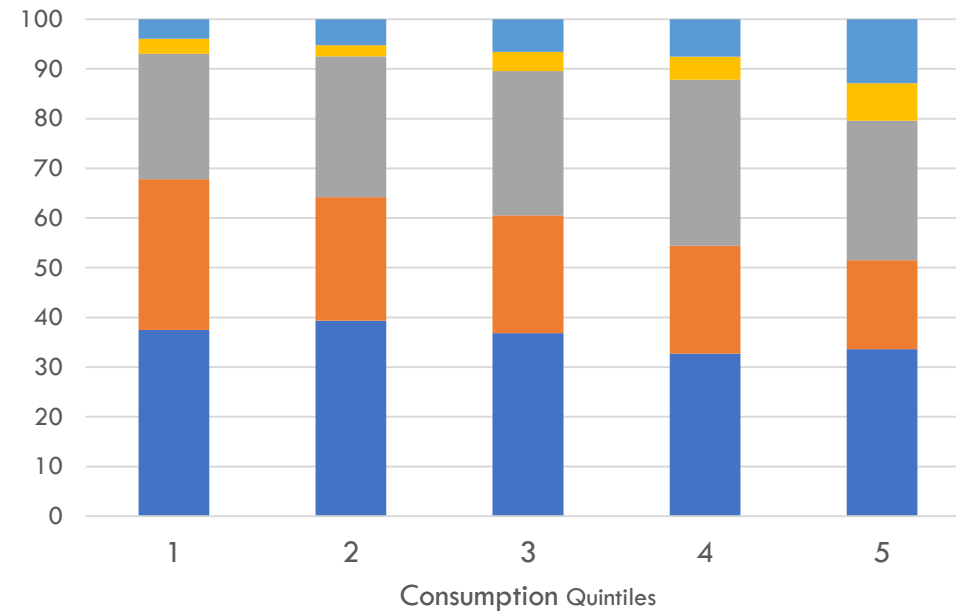
**PRELIMINARY INCOME AGGREGATE ANALYSIS:**

**WAGES AND (SELF-EMPLOYED) BUSINESS INCOMES ACCOUNT FOR MORE THAN TWO-THIRDS OF THE TOTAL INCOMES IN URBAN HOUSEHOLDS WHILE LIVESTOCK IS THE MAIN INCOME SOURCE IN RURAL AREAS**

**Urban: % Income shares by source, by Quintiles (2018)**



**Rural : % Income shares by source, by Quintiles (2018)**



■ wage ■ social transfer ■ livestock ■ business ■ others

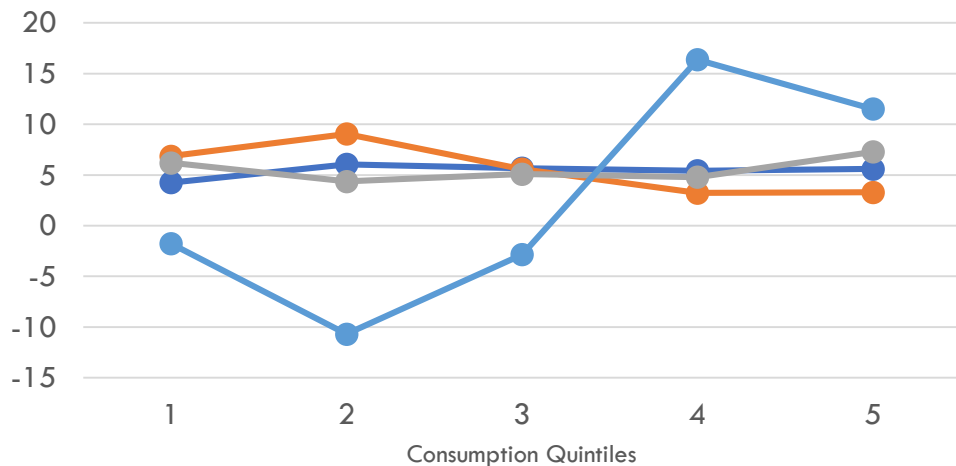
■ wage ■ social transfer ■ livestock ■ business ■ others

*Note: Livestock income includes both livestock and agricultural incomes*

**PRELIMINARY INCOME AGGREGATE ANALYSIS:**

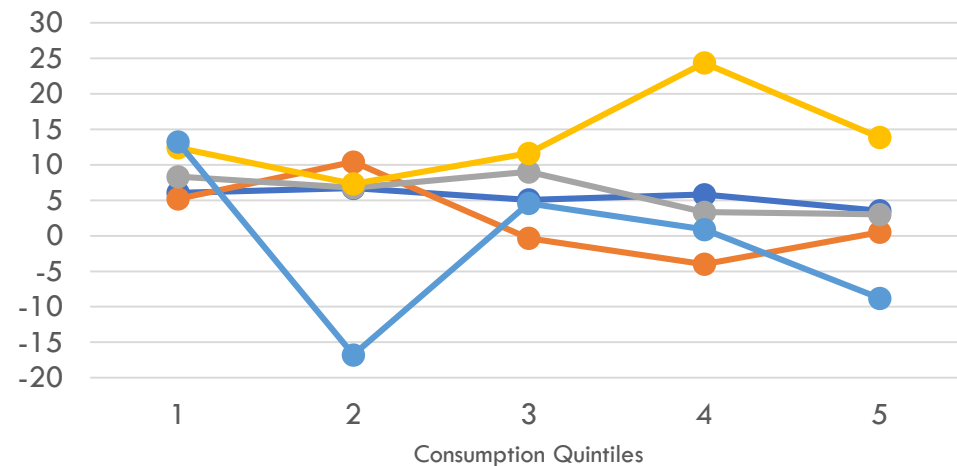
**HIGH GROWTH IN LIVESTOCK INCOME HAS CONTRIBUTED TO TOTAL INCOME INCREASE IN RURAL AREAS WHILE NEGATIVE (SELF-EMPLOYED) BUSINESS INCOME GROWTH HAS AFFECTED THE URBAN POOR HOUSEHOLDS**

**Urban: Annualized real income growth rate (2016-2018)**



—●— total —●— wage —●— social transfer —●— business

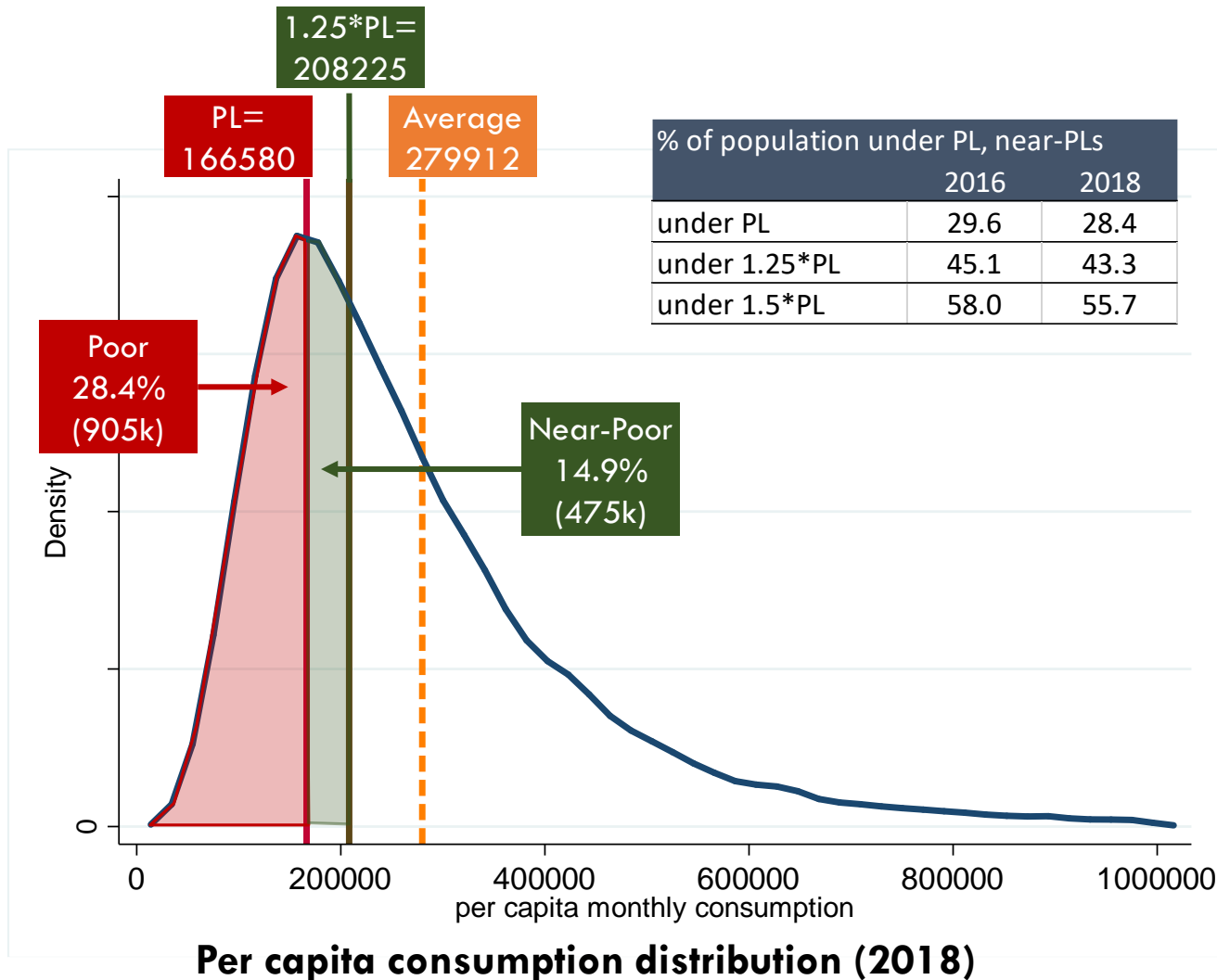
**Rural: Annualized real income growth rate (2016-2018)**



—●— total —●— wage —●— social transfer —●— livestock —●— business

*Note: Livestock income includes both livestock and agricultural incomes. The sample size of households who are engaged in livestock activities are too small in urban areas*

# VULNERABILITY TO POVERTY: 15 PERCENT OF THE POPULATION IS AT RISK OF FALLING BACK IN TO POVERTY



- Despite improvements in poverty incidence, there are still many people left just above the poverty line.
- In 2018, in addition to the poor people (28.4 percent, 905 thousand persons), a further 475 thousand persons (14.9 percent of the total population) are placed between the poverty line and 1.25 times the poverty line.
- These “near-poor” people remains vulnerable to slipping back into poverty, in the face of any type of negative shocks (macro, price, climate, health etc.)





## NEXT STEPS

- **Today: Presentation of the 2018 Poverty Indicators**
- **Forthcoming (in late 2019) : Poverty report with decomposition of poverty changes and in-depth socio-economic analysis**