

# Impoverishment analysis

Coordinator: Sarah Bales



# Agenda items

- 1) Current project status
- 2) Preliminary results
- 3) Analysis issues to be resolved
- 4) Next steps for publication
- 5) Overall workplan/time line to finish

# Current project status- low income countries

Already revised	Not yet revised	Not yet submitted
Cambodia	China	Bangladesh
India	Fiji	Kyrgyz Republic
Laos	Indonesia	Philippines
Malaysia	Maldives	Solomon Islands
Mongolia	Nepal	Thailand
Pakistan		
Sri Lanka		
Timor Leste		
Vietnam		

# High income countries- alternative approach

For Hong Kong, Japan, Korea and Taiwan, and possibly Malaysia, the international poverty lines are too low.

No or extremely few households fall below poverty so results using the low poverty lines are meaningless.

An alternative methodology is being proposed called FCSU (food, clothing, shelter, utilities) to be used for these 4 (or 5) countries.

A special working session will be held with these country teams to look into potential use of this method.

# Pen's Parade

- **Cambodia, India, Laos-** need to submit detailed data so the figure can be redrawn consistently across countries.
- Countries still missing results for impoverishment are also missing results for Pen's parade.

# Checking for inconsistencies

1. Checked the Equitap poverty estimates compared to WDI. Should be close. Need to recheck **Mongolia** results.
2. Higher poverty line should give higher proportion poor. OK
3. Mean positive gaps = positive gap/ headcount. OK

# Some problems encountered

1. Annualization of consumption from many different consumption items.
2. Sample weights not used correctly.
3. Poverty line not converted to the same reference period as the consumption measure.
4. Consumption not converted to per capita terms.
5. Complex national poverty lines with regional, urban/rural or other variations.

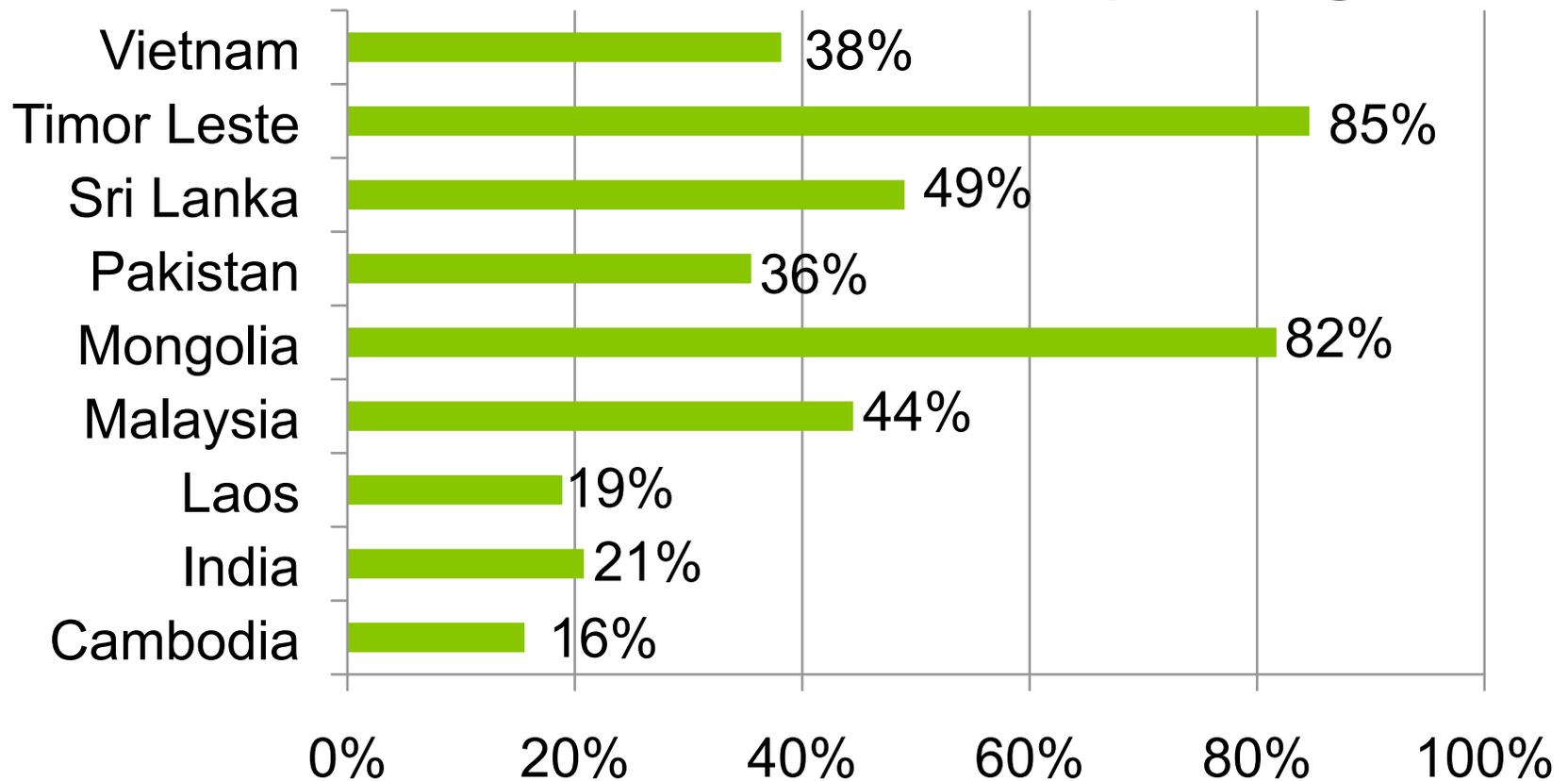
# PRELIMINARY RESULTS

# Health systems information

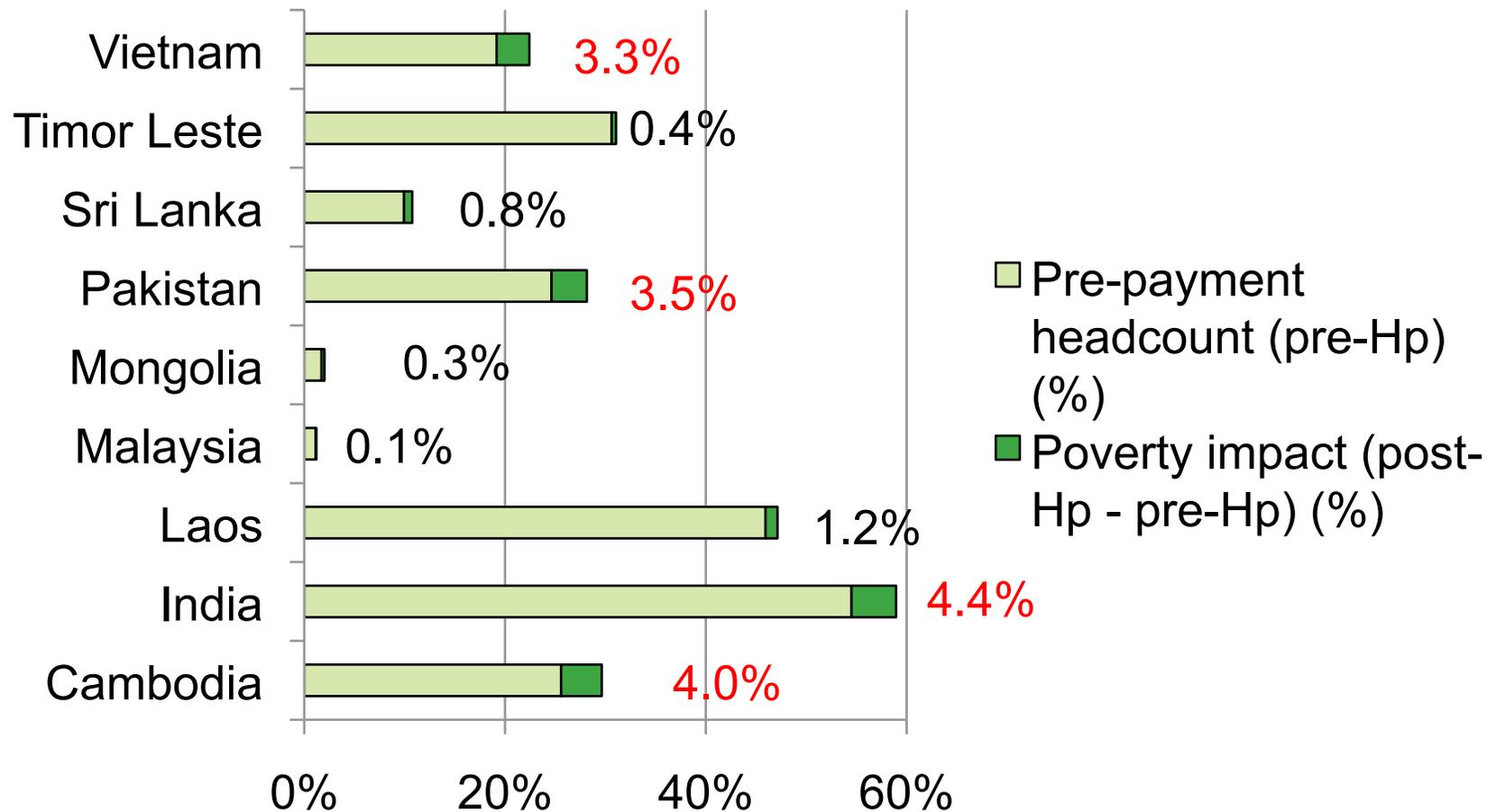
- **Malaysia, Mongolia and Vietnam** reported universal coverage or >60% of population covered by social health insurance.
- From the templates it appears that none of the other 6 countries have social health insurance.

# Public share of health spending

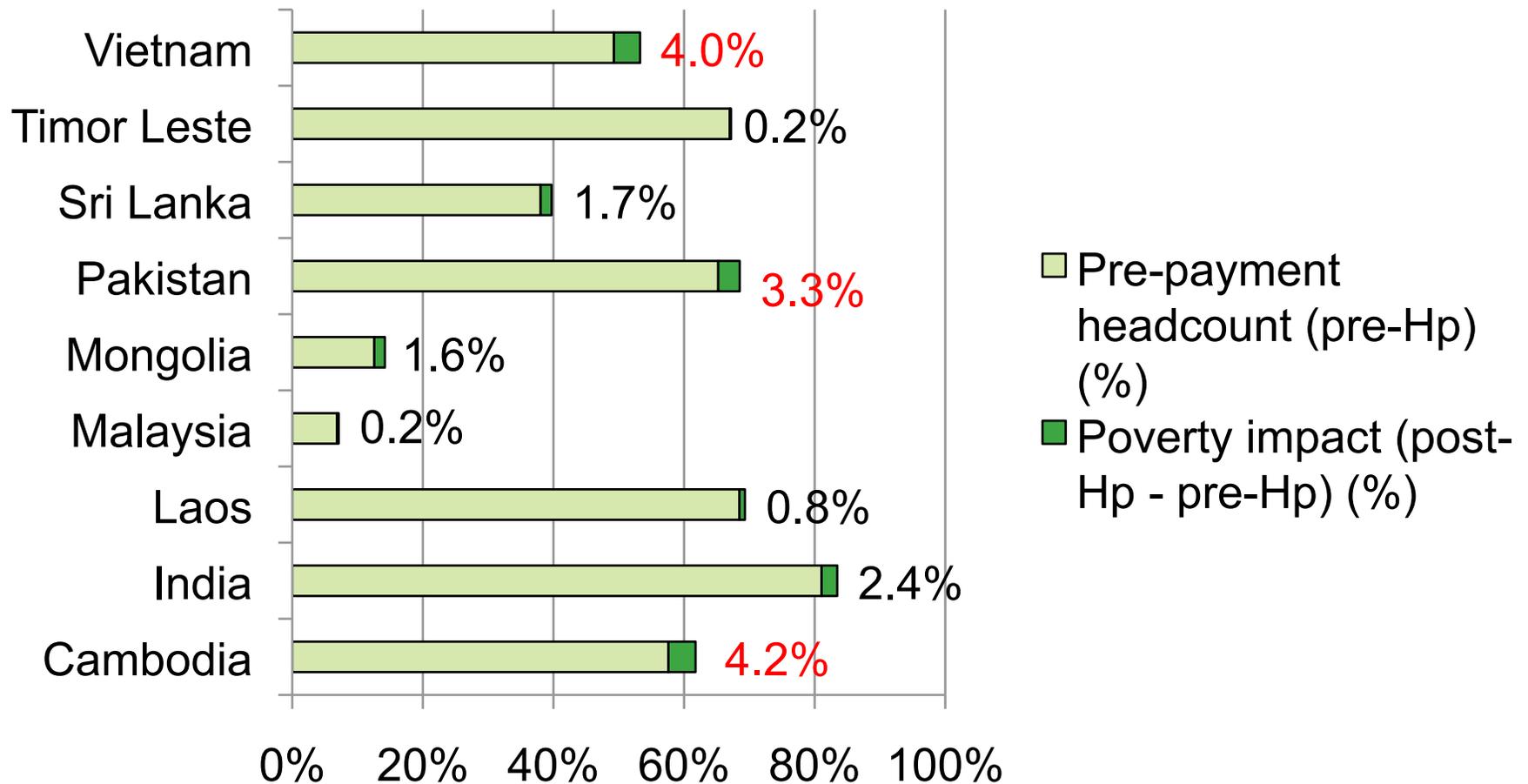
## Public share of total health spending



# Percentage point increase in poverty due to OOP health spending (\$1.25 a day poverty line)



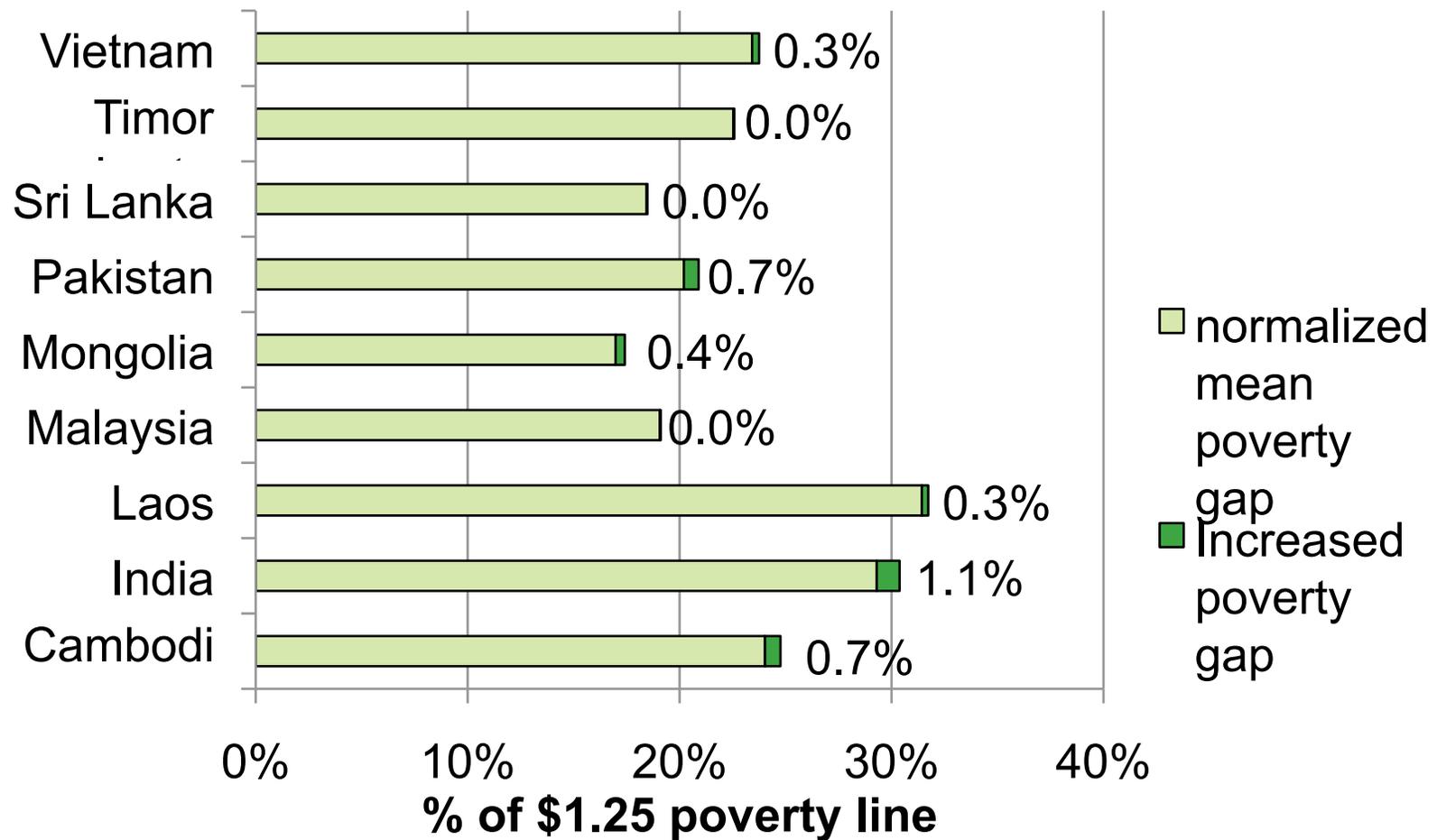
# Percentage point increase in poverty due to OOP health spending ( $\$2.00$ a day poverty line)



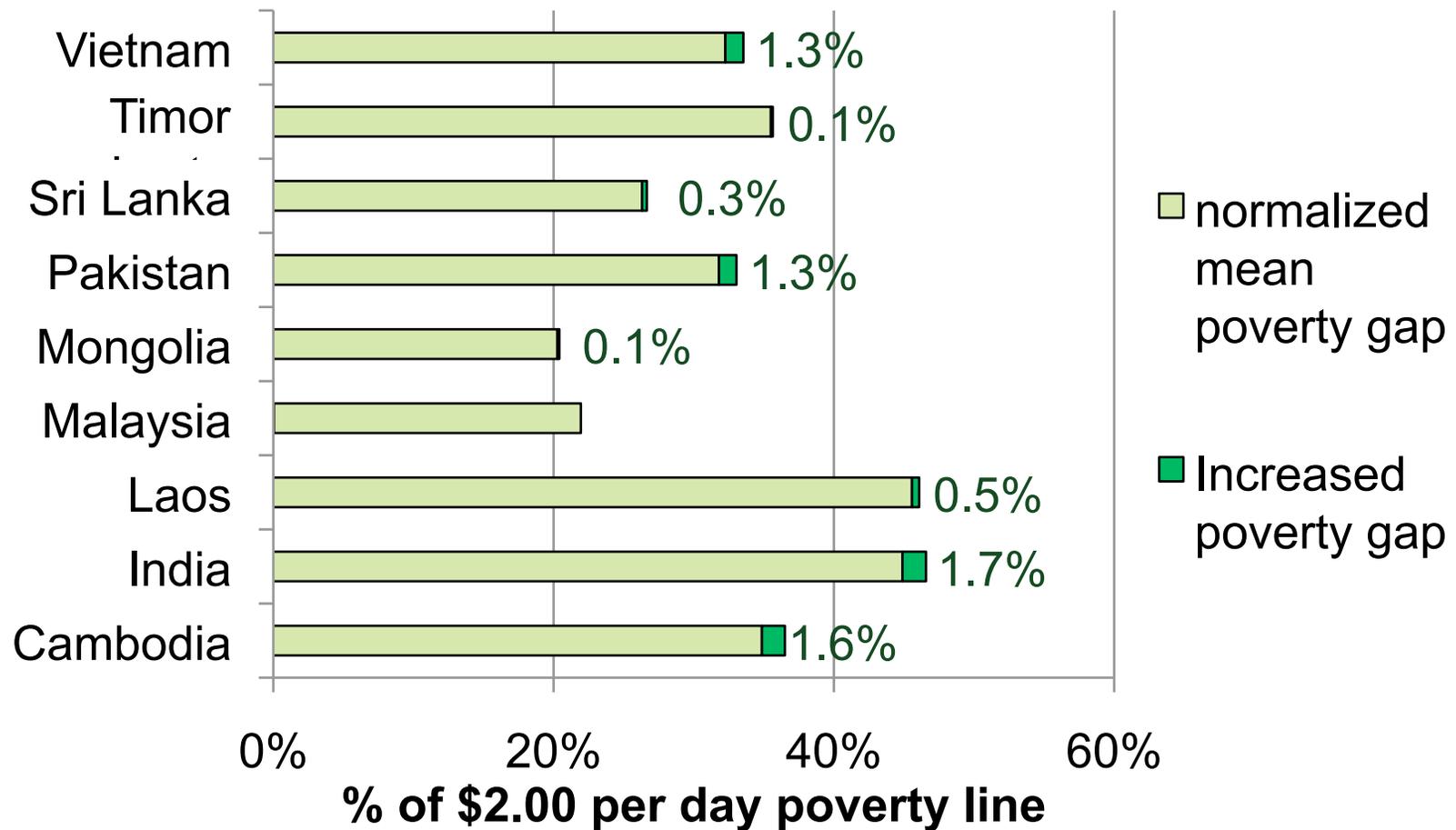
# Implications

- By eliminating health spending from household consumption when assessing poverty, poverty estimates of the 9 countries increases by:
  - 8.7% if using the \$1.25 poverty line
  - 3.4% if using the \$2.00 poverty line

# Increased depth of poverty among the impoverished



# Increased depth of poverty among the impoverished



# Population impoverished

- Total population in these 9 countries was 1.45 billion in 2007, 42% of the total population of developing South and East Asia and the Pacific.
- Using the \$2 per day poverty line, this indicates an annual increase in poverty of **37.1 million** people in these 9 countries.
- Using the \$1.25 per day poverty line, this indicates an annual increase in poverty of **59.8 million** people in these 9 countries.

# Remarks

- Results are consistent with Equitap I results, with substantial increases in poverty estimates when taking out-of-pocket health spending into consideration.
- From results so far, no clear association observed between impoverishment and social health insurance system with high coverage (Vietnam still has high impoverishment despite 60% coverage).
- Some indication of an association between higher public spending share and lower impoverishment due to OOP health spending (Mongolia, Timor Leste)

# Further work

- Obtain results from more of the countries.
- Possibly explore other institutional and health system factors to understand how some countries provide better financial protection than others.
- Possibly decompose the effect of increased poverty rate and increased depth of poverty for the new poor versus those who were already poor

# Roadmap towards publication

1. July 31, 2011- Must receive results from all countries.
2. August 31, 2011- First draft working paper written
3. September and October, 2011- Comments and feedback, possible revisions in estimates.
4. November, 2011 submit for publication.

# Workplan for completion

## Seoul workshop

1. Work with each team that has not yet submitted or revised to resolve any technical problems.
2. Work with 4 high-income countries to discuss an acceptable approach to take for measuring impoverishment that allows international comparison.

# Workplan for completion (cont.)

July 2011

1. Coordinator present preliminary results at IHEA to obtain feedback
2. 10 countries submit revised or first results.
3. Coordinator examine results and provide feedback to country teams.
4. 4 high income countries begin analysis

# Workplan for completion (cont.)

August 2011

1. Coordinator write 1<sup>st</sup> draft working paper using completed results for each country.
2. Coordinator may request checking/ additional institutional information to complete the draft.
3. 4 high-income countries submit preliminary results for discussion.

# Workplan for completion (cont.)

September-October 2011

Working paper sent out to country teams for comments.

Working paper sent out to experts for comments.

Coordinator write 1<sup>st</sup> draft working paper on the results for high income countries.

# Workplan for completion (cont.)

September-October 2011

Working paper sent out to country teams for comments.

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Coordinator write 1<sup>st</sup> draft working paper on the results for high income countries.

# Workplan for completion (cont.)

November 2011

Submit paper on low and middle income countries for publication.

Working paper for high-income countries sent to country teams for comments.

Working paper for high-income countries sent out for comments.

# Workplan for completion (cont.)

December 2011

Further revisions of both papers.

Submit high-income country paper for publication.

**Thank you for all your hard  
work.**