

POVERTY AND SHARED PROSPERITY 2022

Chapter 4 Annex

4A Microsimulations of the Impact of COVID-19 and the Fiscal Policy Response on Poverty

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1818 H Street NW, Washington, DC 20433
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Annex 4A

Microsimulations of the Impact of COVID-19 and the Fiscal Policy Response on Poverty

TABLE 4A.1

Microsimulations of the impact of COVID-19 and the fiscal policy response on poverty

Economy, by income group	Poverty line	Poverty rate (%)		
		At baseline	Without mitigation	With mitigation
High income				
Chile-1	US\$5.50 per day	3.3–3.4	6.1–8.4	3.3–3.4
Chile-2	National poverty line	8.1	18.8	12.2
Uruguay	US\$5.50 per day	3.2	4.0–5.1	3.5–3.9
Upper-middle income				
Argentina-1	US\$5.50 per day	14.4	18.5–22.9	16–20.2
Argentina (urban)-2	National poverty line	35.5	43	40.7
Armenia	US\$5.50 per day	33.6	46.4	45.39
Brazil-1	PBF poverty line	7.8	10.1–11.5	5.5–6.0
Brazil-2	National poverty line	28.2	31	24.9
Colombia-1	National poverty line	35.72	44.55	41.84
Colombia-2	National poverty line	31.8	36.4	34.1
Costa Rica	US\$5.50 per day	10.6	14.7–17.3	12.9–13.0
Dominican Republic	General poverty line	20.9	29.6	23.3
Ecuador	US\$5.50 per day	25.4	29.5–31.9	29.4–31.9
Georgia	National poverty line	17	27.1	23.9
Guatemala	US\$5.50 per day	43.3	47.2–53.9	43.9–49.3
Mexico	US\$5.50 per day	20.7	24.9	24.8
Moldova	US\$5.50 per day	12.9	15.5	13.1–14.4
Panama	US\$5.50 per day	12.1	20.1–21.1	13.4–14.5
Paraguay	National poverty line	23.5	28.2	26.9
Peru	US\$5.50 per day	20.6	30.4–31.8	26.6–28.1
Russian Federation	US\$5.50 per day	12.3	14.2	11.6
South Africa	Lower bound poverty line	32.6	45.2	30.7
Türkiye	US\$5.50 per day	11.1	17.4	13.2

(continued)

TABLE 4A.1
Microsimulations of the impact of COVID-19 and the fiscal policy response on poverty (continued)

Economy, by income group	Poverty line	Poverty rate (%)		
		At baseline	Without mitigation	With mitigation
Lower-middle income				
Bolivia	US\$5.50 per day	19.9	27	25.5
Egypt, Arab Rep.	US\$3.20 per day	29.6	32.3	31.1
El Salvador	US\$5.50 per day	22.3	25.8–29.7	23.3–26.8
Ghana	US\$1.90 per day	50.6	51.8	52.0
Haiti	US\$5.50 per day	77.6–83	79–87.5	79–87.5
Honduras	US\$5.50 per day	49	55.9	55.5
Indonesia	National poverty line	9.4	10.7–11.6	8.2–9
Kenya	National poverty line	34	41	38–40
Nicaragua	US\$5.50 per day	35.5	38.8	38.8
Philippines	National poverty line	16.4	24	22
Sri Lanka	US\$3.20 per day	9.2	11.7	10.3
Tanzania	US\$1.90 per day	59.3	59.6	n.a.
Tunisia	National poverty line	13.7	20.9	20.2
Vietnam	US\$3.20 per day	5.8	6.1	5.6
West Bank and Gaza	National poverty line	33.4	36.2	35.6
Zambia-1	National poverty line	55.8	58	55.8
Zambia-2	US\$1.90 per day	71.53	74.0	73.7
Low income				
Malawi	National poverty line	80.7	80.3–81.3	80.1
Mozambique	US\$1.90 per day	82.0	83.6	83.6
Uganda	US\$1.90 per day	71.4	72.8	n.a.

Sources: High income: World Bank 2021b (Chile-1, Uruguay); Ricci et al. 2021 (Chile-2). Upper-middle income: World Bank 2021b (Argentina-1, Costa Rica, Ecuador, Guatemala, Mexico, Panama, Peru); Lustig et al. 2021 (Argentina-2, Brazil-2, Colombia-2); World Bank 2020 (Russian Federation); Cereda, Rubiao, and Sousa 2020 (Brazil-1); World Bank 2021c (Moldova); Canavire and Granados Ibarra 2021 (Paraguay); Nebiler, Celik, and Baez 2021 (Türkiye), CTP 2021 (Dominican Republic); Davalos, Julieth, and Manuel 2021 (Colombia-1); Fuchs et al. 2020 (Georgia); Barnes et al. 2021 (South Africa); Fuchs et al. 2020 (Armenia). Lower-middle income: World Bank 2021b (Bolivia, El Salvador, Haiti, Honduras, Nicaragua); Ali and Tiwari 2020 (Indonesia); Gansey, Genoni, and Helmy 2022 (Arab Republic of Egypt); Hoogeveen and Lopez-Acevedo 2021 (Tunisia, West Bank and Gaza); Pape and Delius 2021 (Kenya); Belghith, Fernandez, and David, forthcoming (Philippines); Lastunen et al. 2021 (Ghana, Tanzania, Zambia-2); World Bank 2021a (Vietnam); Kim and de Silva 2021 (Sri Lanka); Boban Varghese et al. 2021 (Zambia-1). Low income: Magalasi 2021 (Malawi); Lastunen et al. 2021 (Mozambique, Uganda).

Note: Baseline poverty rates reported are based on various years: 2019: Argentina-2, Brazil-2, Colombia-2, Malawi, Moldova, Paraguay, Türkiye. 2020: Armenia, Arab Republic of Egypt, Dominican Republic, Georgia, Ghana, Mozambique, Tanzania, South Africa, Uganda, Vietnam, Zambia-2. Various counterfactual scenarios: Argentina-2, Brazil-2, Colombia-2, Malawi, Moldova, and Türkiye, are unclear (see various reports for details). The estimate for Ghana suggests that poverty increased after fiscal support is taken into account, because the cessation of school feeding was taken into account in this microsimulation. It is not clear whether this type of effect was taken into account in other country microsimulations. PBF = Program Bolsa Familia (conditional cash transfer program in Brazil); n.a. = not applicable.

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