Lesotho Poverty Trends and Profile Report

2002/2003 to 2017/2018

The Government of Lesotho

ΣBOS
Bureau of Statistics

Mission Statement of the Bureau of Statistics

To coordinate the National Statistical System and produce accurate, timely, reliable, culturally relevant, and internationally comparable statistical data for evidence-based planning, decision-making, research, policy, programme formulation, and monitoring and evaluation to satisfy the needs of users and producers.

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Foreword

Quality statistics are essential for efficient planning and effective monitoring and evaluation of programmes at the national and district levels, the National Strategic Development Plan (NSDP) II, the Sustainable Development Goals (SDGs), and other international targets. The Household Budget Survey is the primary official statistics source, enabling estimation of monetary and non-monetary indicators of well-being of Basotho, as well as of inequality indicators. Recognising that policy changes are needed to reduce poverty, this report marks a significant milestone, as it coincides with the development of NSDP II, which highlights, "In order to make progress on poverty reduction, the country will need to adopt policies that both promote economic growth and lower inequality…." This report provides key findings on the poverty trends and profile for Lesotho, aiming to inform future interventions to help alleviate poverty and inequality.

In the past, the Government of Lesotho set a target of reducing by half the incidence, severity, and depth of poverty in the country. However, the target was missed, illustrating the complex challenge ahead if Lesotho is to end poverty as stipulated in the SDG 1. The survey analyses reveal that slight improvements in the welfare of Basotho have been observed over the past 15 years, but with stagnation in rural areas in comparison to the urban areas. The analysis estimated that in 2017, around 997,000 Basotho were living below the national poverty line of Lesotho Loti (LSL) 648.88 per adult equivalent per month, whilst an estimated 484,000 were living in extreme poverty.

Further interventions focused on poverty reduction are essential. This report aims to provide people involved in planning and implementing development projects with a firm foundation on poverty reduction and, ultimately, improve the living standards of vulnerable populations and of Basotho as a whole — alleviating poverty and boosting the economy.

The Government of Lesotho sincerely appreciates financial and technical support provided by the World Bank. In addition, special appreciation is also extended to Victor Sulla, Sasun Tsirunyan, and Precious Zikhali for ongoing support during the report preparation and analysis phases. Many thanks also to the Bureau of Statistics technical team for their contribution and dedication in developing this report.

Malehloa C. Molato

DIRECTOR OF STATISTICS
BUREAU OF STATISTICS

Preface

The Lesotho Bureau of Statistics (BOS) would like to extend its gratitude to all institutional and individual stakeholders who contributed to the production of this report. We would particularly like to acknowledge technical assistance from Sasun Tsirunyan, an international poverty analysis consultant who worked with the BOS team in the methodology of poverty measurement in Lesotho. This report builds on a technical report he produced as part of the collaboration between BOS and the World Bank on data production and poverty analysis.

BOS commends the poverty analysis core team under the leadership of Malehloa C. Molato, Director of BOS, whose commitment and support to the survey was invaluable. Under the Director's leadership, Lerato Makana, Chief Statistician and Head of National Accounts and Enterprise Statistics Division, led the technical team consisting of Zwelithini Chetane, Motseoa Molahlehi, Rethabile Nkotsi, Khetsi Mokone, Potsane Matsoso, Neo Mokakatlela, and Ntolo Mothibeli, Makhanthane Foulo from the Information and Communications Technology Division; and Malefane Makalo from the Survey Methodology and Cartography Division. The BOS also commends Realeboha Ramphielo as a valuable member of the technical team and as a volunteer instrumental in the successful finalisation of this report.

BOS would like to express its sincere gratitude to the World Bank for its financial and technical support, which has been critical to the implementation of the 2017/2018 Lesotho Continuous Multipurpose Household Survey (CMS) and Household Budget Survey (HBS), as well as poverty measurement in Lesotho. Through Victor Sulla and Precious Zikhali, the World Bank provided technical assistance to the poverty analysis core team, as well as peer review of an earlier draft of the report.

Special thanks to other development partners for their continued support in statistics development in Lesotho (especially the CMS/HBS), including the World Bank, amongst other partners.

We extend our sincere appreciation to the Government of Lesotho for its support for statistics development in the country, the Ministry of Development Planning, and other Government Ministries, Departments and Agencies (MDAs) for the facilitation that BOS received in the implementation of the CMS/HBS, the production of this report, and in related efforts.

Ke ea leboha!

Acronym List

BOS	—	Bureau of Statistics
CAPI	—	Computer Assisted Personal Interviews
CBN	—	Cost-of-Basic-Needs
CMS	—	Continuous Multipurpose Household Survey
COICOP	—	Classification of Individual Consumption According to Purpose
CPI	—	Consumer Price Index
EA	—	Enumeration Area
FAO	—	Food and Agriculture Organization
FPL	—	Food Poverty Line (also referred to as Extreme Poverty Line)
HBS	—	Household Budget Survey
kcal	—	Kilocalories
LBPL	—	Lower Bound Poverty Line
LSL	—	Lesotho Loti
MDAs	—	Ministries, Departments, and Agencies
NSDP	—	National Strategic Development Plan
PCEs	—	Personal Consumption Expenditures
PSU	—	Primary Sampling Unit
SDG	—	Sustainable Development Goal
UBPL	—	Upper Bound Poverty Line (also referred to as National Poverty Line)

Executive Summary

This report presents the methodology used to estimate official poverty and inequality levels in Lesotho and investigates trends and profiles of the poor between 2002/2003 and 2017/2018 using CMS and HBS data. It adopts the money-metric approach, using consumption per adult equivalent as a welfare measure. It builds on earlier surveys undertaken and reports prepared by BOS.

To measure poverty, a welfare indicator is measured against a pre-determined threshold (the poverty line) below which a household or individual is deemed to be poor. Lesotho uses a consumption-based welfare measure to measure poverty, referred to in this report as the consumption aggregate. The cost-of-basic-needs (CBN) method is used to determine three consumption-based poverty lines for the country: the food or extreme poverty line (FPL), the lower bound poverty line (LBPL), and the upper bound poverty line (UBPL), also referred to as the national poverty line. The CBN methodology defines poor households as those that cannot afford a bundle of goods that is deemed enough to satisfy basic needs.

The FPL indicates the minimum amount of money required to ensure adequate nutrition and is determined in two stages. First, a food reference basket is con¬structed. Then, the basket is costed to determine the FPL level. Adding an allowance for accessing basic non-food items gives the LBPL and the national poverty line. For the FPL, households whose total consumption per adult equivalent was close to the FPL were selected as the reference group (i.e., households with consumption per adult equivalent within the interval: food line -10 percent of food line, food line +10 percent of food line). For the national poverty line, households whose food per adult equivalent was close to the FPL were selected as the reference group (i.e., households with food consumption per adult equivalent within the interval: food line -10 percent of food line, food line +10 percent of food line). Although both the LBPL and national poverty line were estimated in 2017/2018, the national poverty line is adopted in this report as the national poverty line and is used in describing the trends in poverty levels between 2002/2003 and 2017/2018 as well as the poverty profile for Lesotho.

Table 1 summarises key findings from the analysis. In 2017/2018, the poverty lines were estimated at LSL 352.39 for FPL, LSL 572.41 for LBPL, and LSL 648.88 for the national poverty line. The poverty lines are presented in current year survey period median prices. Lesotho's consumption growth between 2002/2003 and 2017/2018 had only a modest contribution to poverty reduction at the national level. During the 15 years between the two surveys, the real monthly consumption per adult equivalent only increased from LSL 875 in 2002/2003 to LSL 915 in 2017/2018, whilst the median consumption has demonstrated more rapid increase from LSL 546 to LSL 656 in 2017/2018 prices.

The findings suggest that poverty fell between 2002/2003 and 2017/2018. Between 2002/2003 and 2017/2018, Lesotho's overall national poverty (measured at the UBPL) and extreme poverty (measured at the FPL) headcount ratios declined from 56.6 percent to 49.7 percent and from 34.1 percent to 24.1 percent, respectively. In absolute terms, around 484,000 people are estimated to have been living in extreme poverty in 2017/2018, whilst around 997,000 lived under the national poverty line.

A significant change in the level of inequality was recorded between 2002/2003 and 2017/2018. Using the Gini index[1] as a measure of inequality, the findings indicate that the consumption per adult equivalent Gini index was 51.9 in 2002/2003 and fell by 6.3 Gini index points to 44.6 in 2017/2018. In urban areas, the Gini index fell from 51.7 in 2002/2003 to 41.5 in 2017/2018. The corresponding change in rural areas was from 50.5 to 41.7. The drop in the Gini index may be explained by changes in the survey instrument that collected data on actual consumption in 2017/2018 compared to consumption expenditure in 2002/2003.

Table 1: Selected Poverty and Inequality Estimates, 2002/2003 – 2017/2018

	2002/2003	2017/2018
Background statistics		
Population estimates (million)	1.843	2.007
Urban population (%)	23.5	34.2
Average household size	4.8	3.9
Average household adult equivalent size	3.8	3.2
Mean monthly per adult equivalent expenditure (LSL in current year prices)	202.4	915.0
Median monthly per adult equivalent expenditure (LSL in current year prices)	126.2	656.2
Extreme poverty line		
Poverty line (LSL per adult equivalent per month)	84.41	352.39
Poverty rate (%)	34.1 (31.4-36.7)	24.1 (21.7-26.5)
Poverty gap (%)	15.5 (13.8-17.2)	8.1 (7.1-9.1)
Squared gap (%)	9.4 (8.1-10.7)	3.8 (3.2-4.4)
Lower bound poverty line		
Poverty line (LSL per adult equivalent per month)	Not estimated	572.41
Poverty rate (%)	Not estimated	44.7 (42.9-46.6)
Poverty gap (%)	Not estimated	18.5 (17.6-19.5)
Squared gap (%)	Not estimated	10.0 (9.3-10.6)
Upper bound poverty line		
Poverty line (LSL per adult equivalent per month)	149.91	648.88
Poverty rate (%)	56.6 (53.9-59.4)	49.7 (47.0-52.4)
Poverty gap (%)	29.0 (27.0-31.0)	21.9 (20.3-23.6)
Squared gap (%)	18.7 (17.1-20.5)	12.3 (11.1-13.4)
Inequality		
Gini index, consumption per adult equivalent	51.9	44.6
Gini index, consumption per capita	51.8	44.9

Source: Calculations based on the 2002/2003 Lesotho HBS and 2017/2018 Lesotho CMS/HBS.
Note: 95 percent confidence intervals in parenthesis.

National poverty and inequality rates disguise large sub-national variations in poverty, particularly between urban and rural areas. Whilst there was a significant decline in poverty levels in urban areas, rural areas experienced a slower reduction in poverty. Between 2002/2003 and 2017/2018, the number of Basotho living in poverty (measured at the national poverty line) declined marginally from 61.3 percent to 60.7 percent of the rural population, and from 41.5 percent to 28.5 percent of the urban population (Table 2). However, the extreme poverty headcount ratio declined by 6.9 percentage points in rural areas (from 37.7 percent to 30.8 percent) during the same period, compared to 10.9 percentage points in urban areas (from 22.2 percent to 11.2 percent). There were also significant differences in poverty levels and poverty trends between administrative regions: Rural Mountains and Rural Senqu River Valley were the poorest in 2017/2018 whilst Maseru Urban was the least poor. Moreover, these two poorest regions experienced an increase in the poverty rate, whilst there was a reduction in Maseru Urban, Other Urban, Rural Lowlands, and Rural Foothills.

Table 2: Urban-Rural and Regional Poverty and Inequality Dynamics, 2002/2003 – 2017/2018

	Extreme Poverty (%)		Lower Bound Poverty (%)	Upper Bound Poverty (%)		Gini Index	
	2002/2003	2017/2018	2017/2018	2002/2003	2017/2018	2002/2003	2017/2018
National	34.1	24.1	44.7	56.6	49.7	51.9	44.6
Urban	22.2	11.2	24.0	41.5	28.5	51.7	41.5
Rural	37.7	30.8	55.5	61.3	60.7	50.5	41.7
Maseru Urban	17.6	9.7	21.8	33.7	24.7	52.3	40.9
Other Urban	25	12.4	25.7	46.3	31.4	49.9	41.8
Rural Lowland	38.2	25.8	49.2	62.4	54.4	48.8	41.8
Rural Foothill	43.8	33.1	59.5	66.8	63.6	52.6	39.5
Rural Mountain	33.7	37.2	62.5	56.9	67.8	50.6	41.0
Rural Senqu River Valley	34.2	35.2	61.6	55.5	67.9	53.1	40.5

Source: Calculations based on the 2002/2003 Lesotho HBS and 2017/2018 Lesotho CMS/HBS.
Note: Lower bound poverty measures were not estimated for 2002/2003.

A profile of the poor indicates that the subpopulation groups exhibiting the highest poverty levels are: female-headed households, households in which the head is a widow or widower, large families, and households with relatively large dependency ratios. In addition, the profile shows that poverty is highest amongst households with limited access to basic services taken in this report to include education and health facilities, electricity, and water and sanitation facilities.

1 The Gini index varies between zero (complete equality) and 100 (complete inequality where one person has all the consumption and the rest have none).

1 Introduction

1.1 Background

BOS has been undertaking household income and expenditure surveys — also referred to as HBS — since the 1970s.

The objective of the survey is to provide consumption and expenditure data for the Consumer Price Index (CPI) basket of goods and services for weighting, as well as providing data on household expenditure required for compilation of the National Accounts. The HBS is the primary official data source that enables estimation of monetary and non-monetary indicators of Basotho well-being, as well as estimation and mapping of poverty and inequality measures. It collects information on different dimensions of the population's well-being including amongst others: consumption, income, education, health, access to basic services, ownership of assets, and employment.

The surveys provide critical information for monitoring and evaluation of the Lesotho's development plans, providing key evidence to monitor and evaluate progress towards poverty and inequality targets set in NSDP II. Further, the surveys have been tailored to monitor progress towards the attainment of international goals (i.e., Millennium Development Goals up to 2015 and SDG 1 (No Poverty).

Prior to 2009, HBSs were conducted separately using a team of BOS permanent enumerators residing in Primary Sampling Units (PSUs). Data was collected in all 10 districts over a 12-month period. In 2009, due to the rapidly changing economy, BOS launched the CMS to respond to need for more frequent data. The CMS provides a platform for the collection of data that is relevant to compute socio-economic indicators. Each round of the survey collects core data on household member characteristics (e.g., age, sex, and marital status). In the second year of the CMS (July 2010 to June 2011), the 2010/2011 HBS was included as an add-on module and collected data by visiting each of the 6,060 households four times per year using paper questionnaires.

The 2017/2018 CMS/HBS included visiting a household once per quarter and splitting the interview into three to five visits over a 10-day period in each Enumeration Area (EA). The sample size was reduced by 40 percent compared to that of the 2010/2011 HBS/CMS, mainly due to the significant clustering of many of the indicators of interest to the survey (i.e., consumption, income, and employment). During this period, 10 survey teams were engaged and each was responsible for three EAs per month. A Computer Assisted Personal Interview (CAPI) application was used for data collection.

1.2 History

Six rounds of HBS have been conducted through 2018 (1972/1973, 1986/1987, 1994/1995, 2002/2003, 2010/2011, and 2017/2018). For comparability purposes, this report uses the 2002/2003 HBS and 2017/2018 CMS/HBS to measure poverty and inequality levels in Lesotho (Table 3). The 2002/2003 HBS collected information from 5,992 households consisting a total of 26,678 individuals. The 2017/2018 CMS/HBS was administered between January 2017 and February 2018 and covered 4,295 households translating to 17,293 individuals.

Table 3: Comparison of the 2002/2003 HBS and 2017/2018 CMS/HBS

	2002/2003	2017/2018
I – Survey Design		
Nationally representative sample?	Yes	Yes
Primary Sampling Units	249 EAs	360 EAs
Actual sample size (households)	5995	4300
Sampling ratio (%) (households)	0.015	0.01
Average household size	4.8	3.9
Reference period (survey)	12 months	12 months
II – Questionnaire		
Food expenditures (no. of items)		
▪ Diary vs. recall	Diary and recall	Diary and recall
▪ Reference period (food consumption)	1 month	7 days
▪ Food quantities available	no	Yes
Reference period (non-food expenditure)	Last month and last 12 months	Last 7, 30 days and 12 months
Method of data collection	Paper-based	Computer Assisted Personal Interviewing (CAPI)
III – Consumption Aggregate		
Food expenditures		
▪ Is self-production accounted for?	Yes	Yes
▪ Are meals outside the household accounted for?	Yes	Yes
Are consumer durables accounted for?	No	No
Housing		
▪ Actual rent included?	No	No
▪ Imputed rent included?	No	No
Health expenditures included?	Yes	Yes
IV – Other Adjustments		
Outlier detection and treatment	Yes	Yes
Temporal PI	Yes	Yes
Spatial PI	Yes	Yes
Price deflators for price adjustment	CPI	Survey based
Adjustment for household size and composition	Yes	Yes

Source: 2002/2003 Lesotho HBS and 2017/2018 Lesotho CMS/HBS.

Direct comparisons between the 2002/2003 HBS and 2017/2018 CMS/HBS is challenging due to changes in the sample design and survey instruments used. Firstly, the 2017/2018 CMS/HBS has more PSUs and less households selected in each PSU, which likely reduced the design effect of the sample and standard errors of estimation with a smaller sample size. Second, the 2017/2018 CMS/HBS captured more comprehensive consumption data in comparison to the 2002/2003 HBS, as it included improved survey instruments. The 2017/2018 survey included fewer diary days (i.e., 7 days vs. 30 days), which likely reduced "survey fatigue" (i.e., respondents are less likely to complete a survey with many questions over an extended time period). In addition, the 2017/2018 CMS/HBS included other improvements that improved data quality (e.g., a more detailed close-ended module for non-food expenditures, a food consumption module, and a module to capture individual consumption and expenditures away from home.

Whilst the 2002/2003 HBS used a monthly food expenditure diary to define household welfare, the 2017/2018 CMS/HBS consumption aggregate was based on actual food consumption derived from a 7-day food consumption recall module.

Table 3 is a comparison of the two surveys regarding: survey design, questionnaire, construction of the nominal consumption aggregate, and other adjustments (e.g., use of temporal and spatial deflators and per capita versus per adult equivalent adjustments to the consumption aggregate).

2.

2 The Welfare Measure

Methodology for Measuring Poverty in Lesotho

This section defines and discusses the welfare measure used in measuring poverty and inequality in Lesotho. It begins by defining the welfare measure used to estimate poverty, including a discussion of the main components that comprise the welfare measure. It then discusses how the aggregate welfare measure is adjusted to consider the demographic composition of a household. A comparison of changes between the 2002/2003 HBS and 2017/2018 CMS/HBS survey periods is also discussed, along with methodology limitations used to construct the welfare aggregate.

2.1 Definition and Measurement of the Welfare Measure

2.1.1 Measure of Welfare

Lesotho uses a consumption-based welfare indicator to measure poverty, referred to as the consumption aggregate. Consumption is considered a better measure of welfare compared to income for several reasons. Firstly, if information on consumption obtained from a household survey is well-designed and detailed, actual consumption is more closely related to a person's current welfare, whilst income is a means to consumption of goods. Secondly, consumption reflects long-term welfare allowing for consumption smoothing. This is particularly important in a context such as Lesotho where subsistent farming is prevalent and the informal sector in urban areas is large. These sectors tend to be characterised by erratic income flows which make measurement unreliable. Finally, consumption is less prone to underreporting compared to income, which respondents may be reluctant to disclose.

The 2017/2018 CMS/HBS includes detailed information on household spending and consumption. The categories of household goods consist of food (i.e., food purchased, self-produced, and received/gathered), personal care and hygiene, clothing, education, health, services, transportation, housing, and purchases of durable goods.

2.1.2 Food Consumption

Data on food consumption were collected from a 7-day recall food consumption module. Additionally, non-food expenditures were collected in a non-food recall module over a period of seven days to three or 12 months, depending on the category. The items with higher frequency of purchase (e.g., soap, toothpaste, bus fare, airtime for mobile phone charges, diesel, petrol, firewood) were asked for a 7-day recall period. Clothing and services were recorded in a recall form with a 3-month recall period, whilst household appliances, durable goods, and other more major items were asked over a 12-month recall period.

The 2017/2018 consumption aggregate includes all food expenditures and self-produced food items valued at local market prices. It was constructed from the 2017/2018 CMS/HBS data following international best practices.[2] Unit prices were gathered from survey data in the food consumption recall module.

2 Deaton, A. and Zaidi, S. (2002). Guidelines for Constructing Consumption Aggregates for Welfare Analysis. LSMS Working Paper; No. 135. World Bank.

2.1.3 Expenditures: Non-Food Items and Services

Consumption of non-food items includes expenditures on personal care and hygiene items, clothing, utilities, transportation, and other non-food items. Ideally, a measurement of consumption should also include the amount of durable goods that is consumed during the year, which can be measured by the change in the value of an asset during the year plus the opportunity cost. The value of lump-sum purchases of durable goods, however, would distort the analysis since the CMS/HBS does not estimate an asset's annual flow of value. The consumption aggregate excludes expenditures on durable goods to avoid introducing noise into poverty estimates. The exclusion of expenditures on durable goods, particularly monthly user values, is consistent with the way the consumption or welfare aggregate was constructed in previous poverty analyses.

Imputed housing rents for homeowners were also excluded from the consumption aggregate to create comparable statistics. Lesotho does not have a highly active housing rental market, especially in rural areas. The consumption aggregate for 2002/2003 and 2017/2018 excludes imputed rents for homeowners and actual rents for renters.

Non-food items excluded from the consumption aggregate include: actual and imputed housing rents, expenditures on durable goods, expenditures on ceremonies such as weddings and funerals, and hospitalisation costs.

2.1.4 Converting Consumption to Monthly Levels

The consumption aggregate was expressed in monthly terms, although the diary was collected for only seven days. The monetary value of monthly food consumption was estimated using food consumption for seven days multiplied by the scaling factor 4.345, the average number of weeks in the month (4.345 = 365/12/7). Similarly, the non-food expenditures collected over a 7-day recall period were converted to monthly levels. The 3-month and 12-month non-food expenditures and services were divided by 3 and 12, respectively to downscale it to monthly levels.

2.1.5 Adjusting for Household Composition

A fundamental limitation of household income and expenditure surveys is that individual consumption is not observed. Comparing consumption between households can be misleading since households differ in size and composition. Although household consumption can be divided by household size to reflect per capita consumption, this does not consider variations in consumption based on the composition (e.g., children, women, and the elderly).

Adult equivalent scales are used to measure the consumption needs of household members. Firstly, individual consumption needs, which depend on the age and gender of household members, are converted into adult equivalents. Following the recommendations of the Food and Agriculture Organization (FAO) for Southern African countries, each person was assigned an adult equivalent measure based on projected needs (Table 4). For comparability, the same scale used in 2002/2003 was used in the 2017/2018 analysis. The consumption needs of the entire household were then calculated by combining the adult equivalents of all household members.

Table 4: Adult Equivalence Scales

Age in Years	Sex	Adult Equivalent
0-5 month	No distinction between male and female	0.26
6-12 month	No distinction between male and female	0.35
2-3	No distinction between male and female	0.48
4-6	No distinction between male and female	0.63
7-10	No distinction between male and female	0.89
11-14	Male	1.00
	Female	0.81
15-18	Male	1.04
	Female	0.78
19-22	Male	1.07
	Female	0.78
23-50	Male	1.00
	Female	0.74
51-75	Male	0.89
	Female	0.67
75 and more	Male	0.76
	Female	0.59

Source: 2002/2003 and 1994/1995 HBS Analytical Report, Volume 1.

2.2 Comparability of Consumption Aggregate Across Survey Periods and Geography

Cost of living differences need to be considered when using consumption-based measures of welfare to compare standards of living across time and space. Individuals living in different locations and surveyed during different time periods may not pay the same prices for similar goods. An analysis of nominal consumption that does not consider spatial and temporal price variations may underestimate poverty in areas where the prices are (or were) higher, as well as overestimate poverty in areas where prices are (or were) lower. The consumption aggregate must, therefore, be adjusted for price variations across geographic regions and survey period.

Lesotho's consumption aggregate was adjusted to consider spatial and temporal differences by using the Paasche price index based on survey median food prices. In the 2017/2018 CMS/HBS, deflators were used to convert the nominal consumption of households during different survey quarters and in different locations (i.e., urban and rural). In cases where the actual quantities of food consumption were available, using average national prices made the household food consumption comparable. A sensitivity analysis was implemented to check the implications of using regional level and monthly price deflators, as well as using the official CPI for temporal deflation. Analysis was also conducted to identify implications of rebasing 2002/2003 poverty lines vis-a-vis re-estimation of new 2017/2018 poverty lines.

3

3 Poverty Lines and Poverty Measures

Methodology for Measuring Poverty in Lesotho

This section explains how the poverty lines were computed. Lesotho uses the CBN method to determine a consumption-based poverty line for the country (Box 1). The CBN methodology defines poor households as those who cannot afford a bundle of goods that is deemed sufficient to satisfy basic needs. Basic needs were defined as access to both adequate nutrition and basic non-food items. Lesotho's poverty line was defined as the monetary value of a complete minimum consumer basket. This basket represents the amount of goods and services that are needed to maintain a minimum standard of living. Lesotho's poverty line consists of two components: 1. the FPL, which is estimated based on the monetary value of a minimum basket of food; and 2. the estimated cost of non-food goods and services.

Box 1: Steps to Determine CBN Poverty Line

- **Step 1:** Establish the minimum caloric nutritional requirement depending on equivalence scale (per capita or per adult equivalent).
- **Step 2**: Define the reference population for defining the composition of the food basket.
- **Step 3**: Calculate the total cost of achieving the pre-set caloric nutritional requirement according to consumption patterns of a reference population.
- **Step 4**: Estimate the food share in total poverty line and add the cost of basic non-food needs to arrive at the total poverty line.

3.1 Determine the Food Poverty Line

The first step in estimating the CBN poverty line is estimation of the FPL, also referred as the extreme poverty line. The final FPL was determined using the 2017/2018 CMS/HBS data and following process described here.

3.1.1 Establish Minimum Nutritional Requirement

The minimum energy requirement in determining the food basket used to construct the FPL was 2,700 kilocalories (kcal) per adult equivalent per day. This is considered adequate for an adult to meet the energy needs for maintaining a healthy lifestyle and conducting light physical activity. This calorie intake is recommended by the FAO and is consistent with international best practices. The adult equivalence scale is presented in Table 4.

3.1.2 Define Reference Population

The cost of a 2,700 kcal food basket varies by the reference population's choices. Table 5 depicts the cost, ranging from LSL 9.23 in the first decile to LSL 20.91 in the top decile.

Table 5: Cost of 2,770 kcal Food Basket for Reference Populations

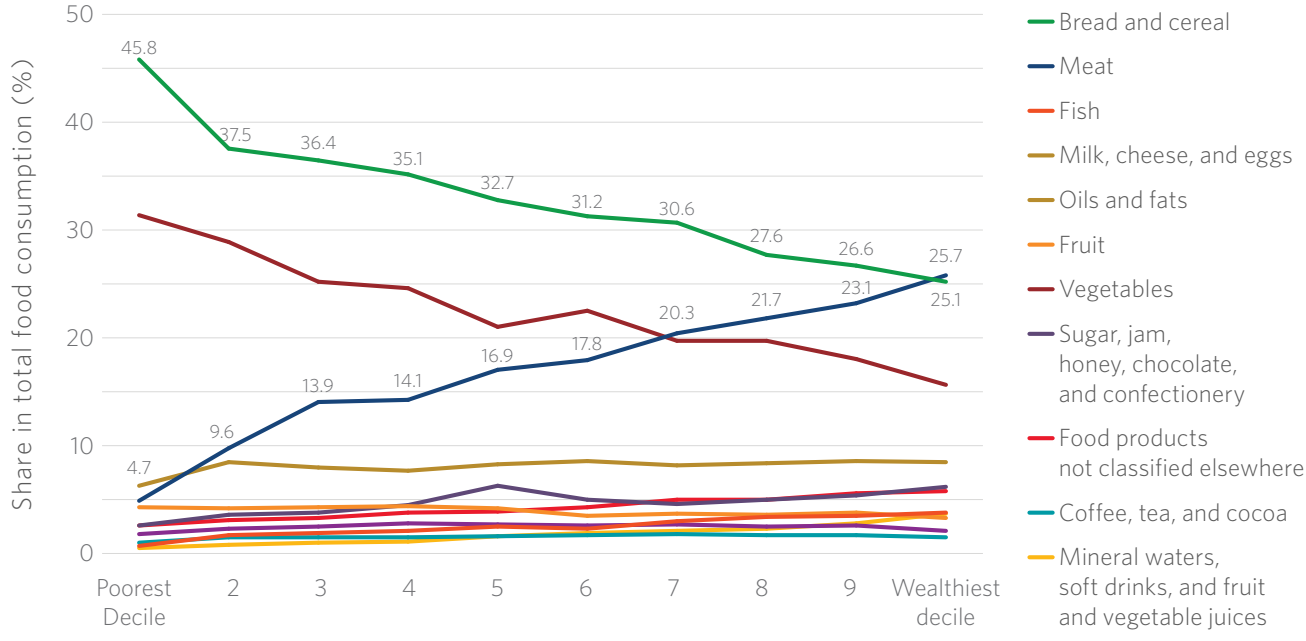
Reference population: Decile of consumption per adult equivalent	Total number of food items consumed by reference population	Cost of 2,700 Kcal	Number of items constituting 97 percent of total food consumption	Cost of 2,700 Kcal using only items constituting 97 percent of total food consumption
1	81	9.23	39	8.99
2	88	10.82	44	10.61
3	99	11.35	50	11.09
4	107	11.76	57	11.53
5	104	12.91	62	12.70
6	110	13.74	64	13.49
7	116	13.95	68	13.72
8	118	15.28	70	15.09
9	120	16.98	73	16.62
10	126	20.91	81	20.62
All deciles	129	14.50	74	14.25
Deciles 2-5	117	11.80	57	11.59

Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

The cost of the food basket increases from lower to higher deciles because of the composition of food consumption by deciles, which is presented below in Figure 1. The higher the decile, the higher the share of the expensive calories (e.g., meat). The lower the decile, the higher the share of inexpensive calories (e.g., maize and other cereals).

Deciles 2-5 of consumption per adult equivalent were used as a reference population. This is consistent with the approach used in 2002/2003. The cost of meeting the food energy requirement was estimated by calculating the price per calorie that reflected the purchasing patterns of households near the poverty line, that is, Lesotho's relatively low-income population (i.e., 2-5 deciles of consumption per adult equivalent). The aim is to estimate the FPL based on cost per calorie in a reference population. The estimated per adult equivalent FPL in Lesotho is then the cost of 2,700 kcal food basket according to consumption patterns of the reference population.

Figure 1: Composition of Food Consumption (Share in Total Spending on Food) by Decile, 2017/2018



Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

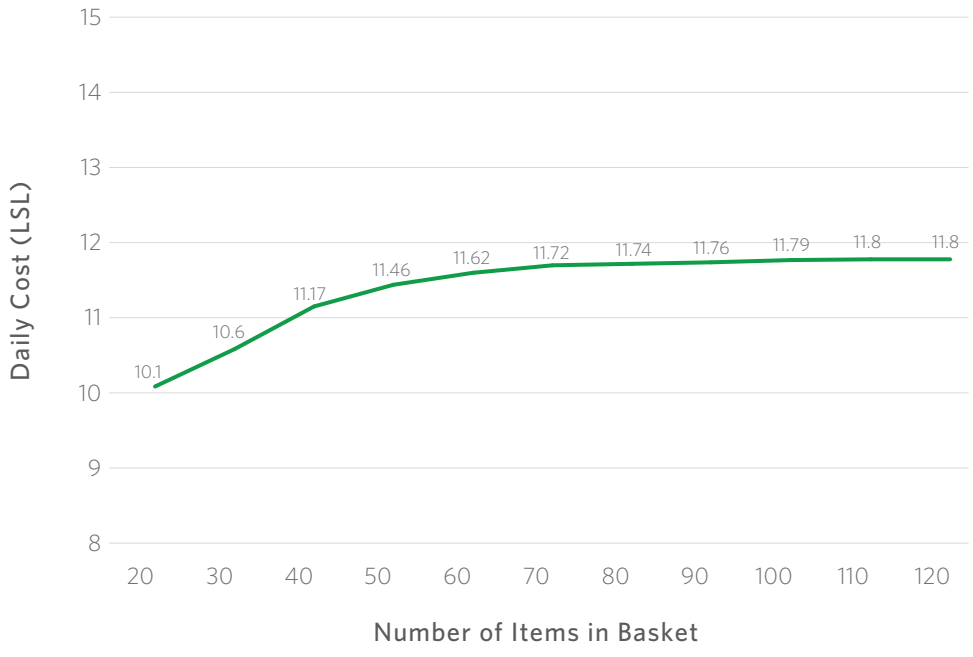
3.1.3 Food Basket Composition

The poverty line comprises the cost of the main food items consumed by the reference population, including non-alcoholic beverages, to achieve 2,700 kcal per day per adult equivalent. According to the survey, the total number of food items and non-alcoholic beverages consumed by the reference population (deciles 2-5) is 117. These items have different consumption shares, leading to the dilemma of which items should be excluded. Approaches considered were: 1. include all the items with their respective shares, 2. choose a number N and include the N items with the highest shares, and 3. choose a percent X and include the minimum number of items with the highest shares such that the cumulative consumption share was at least X percent (where X typically falls between 95 and 100 percent). If the cumulative share of the included items was large enough, dropping items with very small consumption shares did not significantly affect the overall basket cost with a fixed caloric value. It is important to take care when constructing a food basket based on a small number of food items. Figure 2 presents the relationship between the number of food items included in the minimum food basket and the cost of the 2,700 kcal food basket.

Figure 2 indicates that up to approximately 60 items, the cost of the food basket was significantly dependent on the number of items included. The dependency decreased with inclusion of more items. Including items with a cumulative share of 97 percent, (i.e., the top 57 food items) appears to be a good potential approach for determining the composition of the food basket. Thus, the FPL is the monetary value of the 2,700 kcal food basket of 57 food items constituting a cumulative 97 percent of the total food consumption in the reference population (deciles 2-5). That value is estimated to be at LSL 11.59 per adult equivalent per day. Figure 3 and Figure 4 present the composition of the food basket as a share of consumption in total food consumption of each United Nation's classification of individual consumption by purpose (COICOP) food group in terms of cost and caloric value, respectively.

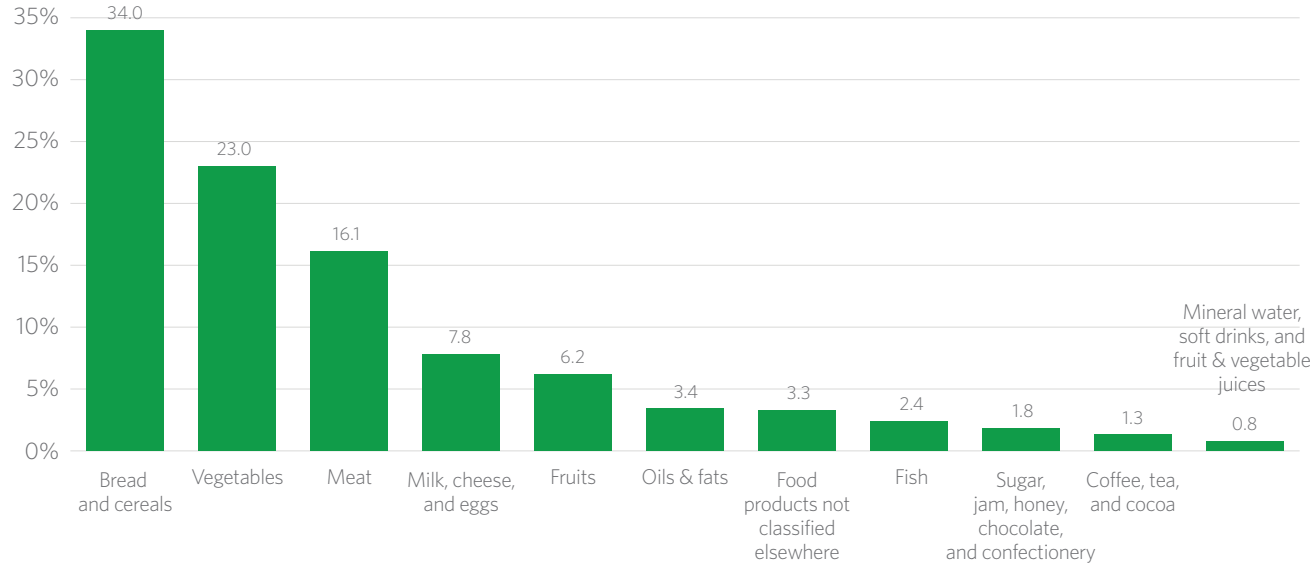
The itemised composition of the 2,700 kcal reference population food basket is presented in Table A.1 in the Annex.

Figure 2: Daily Cost of 2,700 kcal Food Basket of Reference Population (Deciles 2-5) by Number of Food Items, 2017/2018



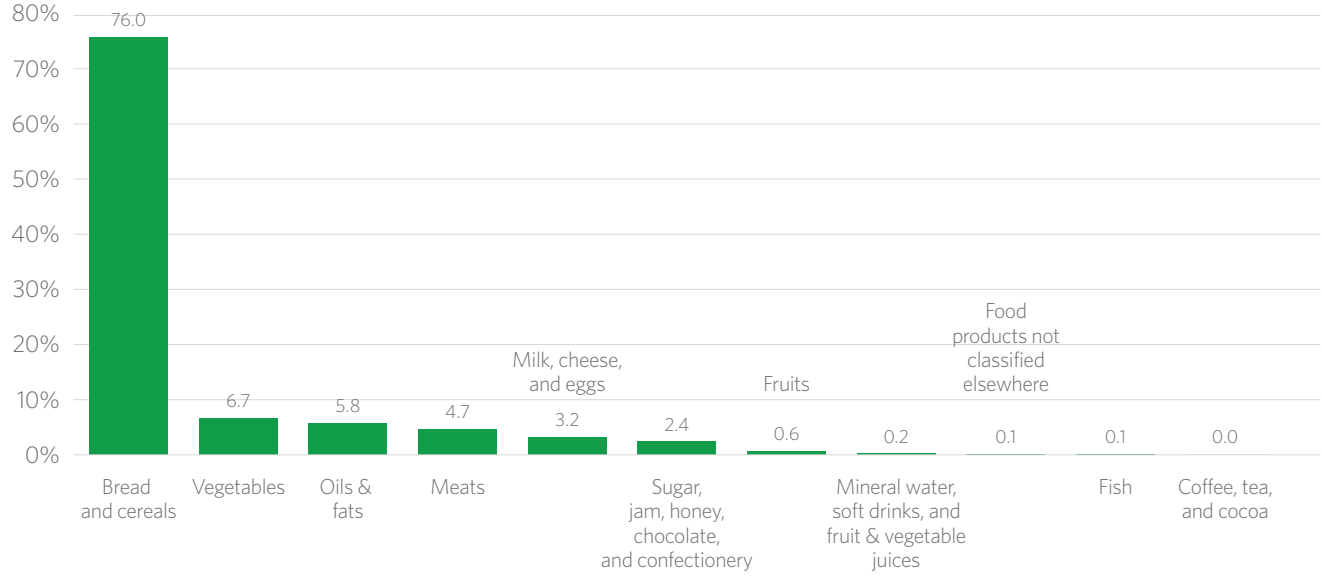
Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

Figure 3: Composition of Food Poverty Line (Percentage of Total Cost of Calories), 2017/2018



Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

Figure 4: Composition of Food Poverty Line (Percentage of Total Calories), 2017/2018



Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

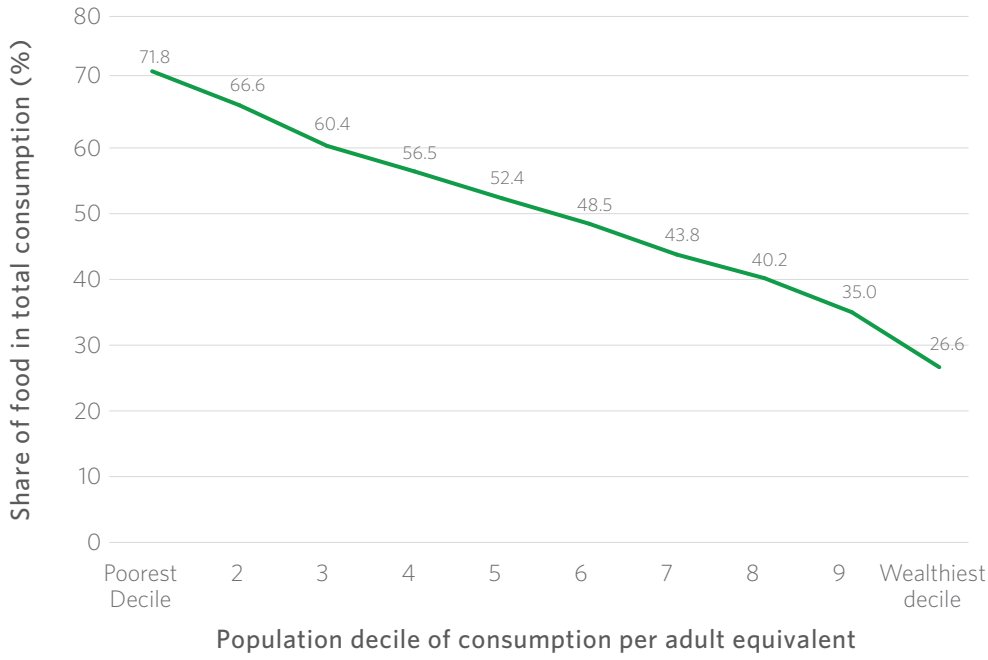
3.2 Setting Absolute Cost-of-Basic-Needs Poverty Lines

3.2.1 Calculating Non-Food Allowance

The allowance for non-food goods was estimated based on observed consumption habits. This simple and transparent method estimates the share of food in the total poverty line. Based on the CMS/HBS 2017/2018 data, poor households spent a higher share of their consumption on food (e.g., households in the first consumption decile spent about 71 percent of their consumption on food) than more well-off households (e.g., the wealthiest 10 percent of households spent less than 30 percent of their consumption on food), as depicted in Figure 5. The food shares are estimated

Poverty lines were estimated using the upper and lower bound methods.[3] For the lower bound method, households whose total consumption per adult equivalent was close to the FPL were selected as the reference group (i.e., households with consumption per adult equivalent within the interval: food line -10 percent of food line, food line +10 percent of food line). For the upper bound method, households whose food per adult equivalent was close to the FPL were selected as the reference group (i.e., households with food consumption per adult equivalent within the interval: food line -10 percent of food line, food line +10 percent of food line).

Figure 5: Average Food Shares by Consumption Deciles, 2017/2018



Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

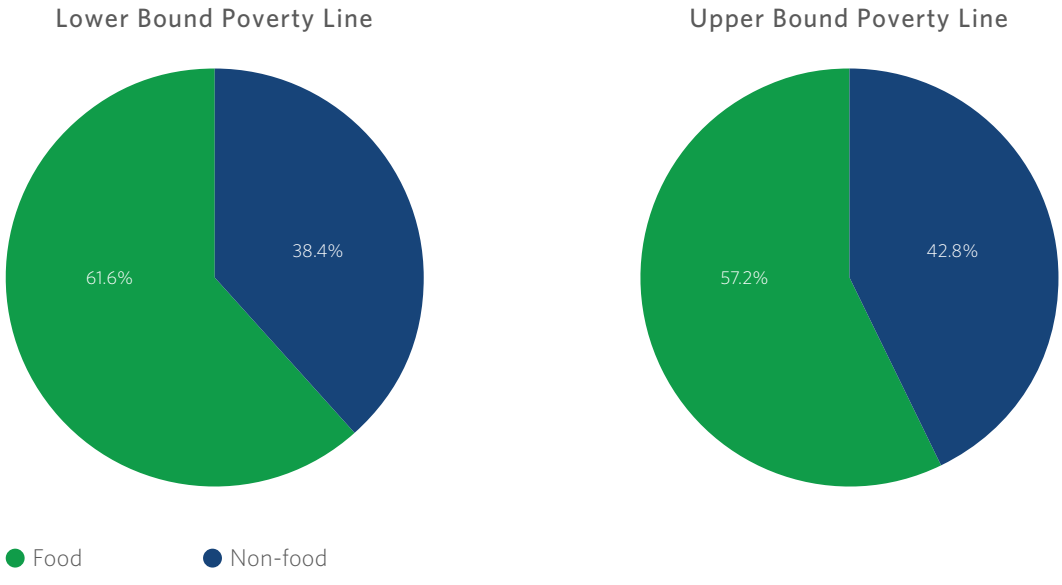
3 Ravallion, M. and Chen S. (2003). Measuring Pro-Poor Growth, Economic Letters, 78(1). pp. 93-99.

3.2.2 Lower- and Upper-Bound Poverty Lines

The share of food in total consumption for the reference group was 61.6 percent when using the lower bound method and 57.2 percent when using the upper bound method (Figure 6). These shares are used to estimate the allowance for non-food consumption. In turn, the non-food consumption level can be added to the value of the FPL to calculate the respective LBPL or national poverty line as follows:

$$\text{Poverty Line} = \frac{\text{Food Poverty Line}}{1 - \text{Share of non food}} = \frac{\text{Food Poverty Line}}{\text{Share of food}}$$

Figure 6: Composition of Cost-of-Basic-Needs Poverty Lines, 2017/2018



Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

The new re-estimated CBN monthly poverty lines for 2017/2018 are presented in Table 6, along with the poverty lines that were used in 2002/2003.

Table 6: Poverty Lines per Adult Equivalent per Month in Survey Period Prices (LSL)

Poverty Line	2002/2003	2017/2018
Food/extreme poverty line	84.41	352.39
Lower-bound poverty line	Not estimated	572.41
Upper-bound poverty line	149.91	648.88

Source: Calculations based on the 2002/2003 Lesotho HBS and 2017/2018 Lesotho CMS/HBS.

3.3 Poverty and Inequality Measures

3.3.1 Poverty Measures

This report uses three of the most commonly used measures to estimate and describe poverty in Lesotho. These are based on the premise that measuring poverty entails measuring a welfare indicator — the consumption aggregate — against a pre-determined threshold (the poverty line). The first measure of poverty is the incidence of poverty (poverty headcount rate) which captures the proportion of the population whose consumption per adult equivalent is below the poverty line. In Lesotho, three poverty lines are estimated — FPL, LBPL, and the national poverty line — facilitating estimates on the incidence of both poverty and extreme poverty.

The second measure of poverty used in this report is the depth of poverty, also referred to as the poverty gap because it provides information regarding how far off a household or individual is from the poverty line. Summing these gaps for the poor (the non-poor have a shortfall of zero) and dividing the total by the population gives the mean aggregate consumption (or income) shortfall relative to the poverty line across the whole population. The measure gives the total resources needed to bring all the poor to the level of the poverty line (divided by the number of individuals in the population).

$$P(\alpha) = \frac{1}{n}\sum_{i=1}^{n}\left[\max\left(\frac{z-c_i}{z}, 0\right)\right]^{\alpha}$$

The third poverty measure used in this report is the severity of poverty, also referred to as the squared poverty gap which squares the poverty gap to consider not only the distance separating the poor from the poverty line (the poverty gap), but also the inequality amongst the poor. The severity of poverty gives a higher weight to those households who are further away from the poverty line.

The depth and severity measures are important complements to the poverty headcount rate. For instance, many poor households or individuals could be clustered just below the poverty line in which case the poverty incidence could be high but the poverty gap low. Conversely, the poverty incidence might be low but the few that are below the poverty line have extremely low levels of consumption. All three measures can be calculated on a household or population (in terms of individuals) basis. The measures reported in this report are estimated on a population basis to consider the number of individuals within each household.

3.3.2 Inequality Measures

Compared to poverty, inequality is a broader concept that is defined over the entire population and does not only focus on the poor. Inequality is a measure of disparities in a given metric, in this case consumption per adult equivalent.

The main measure of inequality used in this report is the Gini coefficient or Gini index, a widely used measure of inequality based on the Lorenz curve.[4] The Lorenz curve sorts the population from poorest to richest and depicts the cumulative proportion of the population on the horizontal axis and the cumulative proportion of consumption per adult equivalent on the vertical axis. It is defined as a ratio which ranges from 0 to 1: the numerator is the area between the Lorenz curve of the distribution and the uniform distribution line; the denominator is the area under the uniform distribution line. A value of 0 corresponds to perfect income equality (this occurs when everyone has the same consumption or income) and 1 corresponds to perfect income inequality (a case in which one person has all the consumption or income, whilst everyone else has zero income).

This report complements the use of the Gini index by other simpler measures of dispersion. This includes sorting the population from poorest to richest and shows the percentage of expenditure (or income) attributable to each fifth (quintile) or tenth (decile) of the population. In addition, the decile dispersion ratios are used. These present the ratio of consumption per adult equivalent of the richest decile divided by that of the poorest decile. The decile ratio is readily interpretable but disregards information about consumption per adult equivalent in the middle of the income distribution and does not use information about the distribution of consumption per adult equivalent within the top and bottom deciles.

$$Di = \frac{i \; x \; (n + 1)}{10th \; Data}$$

4 The Lorenz curve plots the cumulative percentage of total consumption against the cumulative percentage of the corresponding population ranked in increasing size of proportion. Total equality is said to exist along the 45-degree line whilst any deviation from this line indicates inequality: the further away the curve is from the 45-degree line, the higher the degree of inequality of distribution.

4

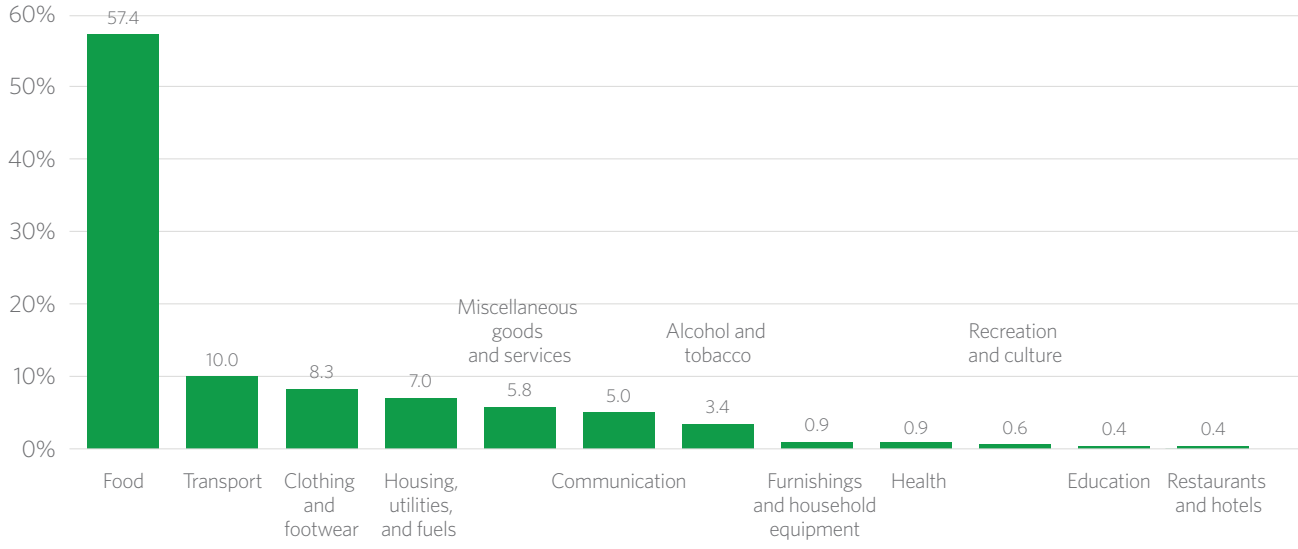
4 Overview of Consumption Patterns in 2017/2018

4.1 Household Consumption at the National Level

In addition to the levels of household consumption expenditure, examining the composition of expenditures is a useful measure of deprivation. Disproportionately high spending on food is often associated with a household's vulnerability to food insecurity. In absolute terms, wealthier households may spend more on food than poor households, for example, but their expenditure on food is likely to represent a smaller share of their overall budget. The share of expenditure on food was used as a measure of household well-being for this reason.

The total household consumption was calculated as the sum of estimated monetary value of food consumption, non-food expenditures, and expenditures on services. Figure 7 presents the average percentage shares of each consumption group in the value of total consumption by households, with the consumption groups based on COICOP.

Figure 7: Percentage Share of National Consumption in Total Consumption, 2017/2018



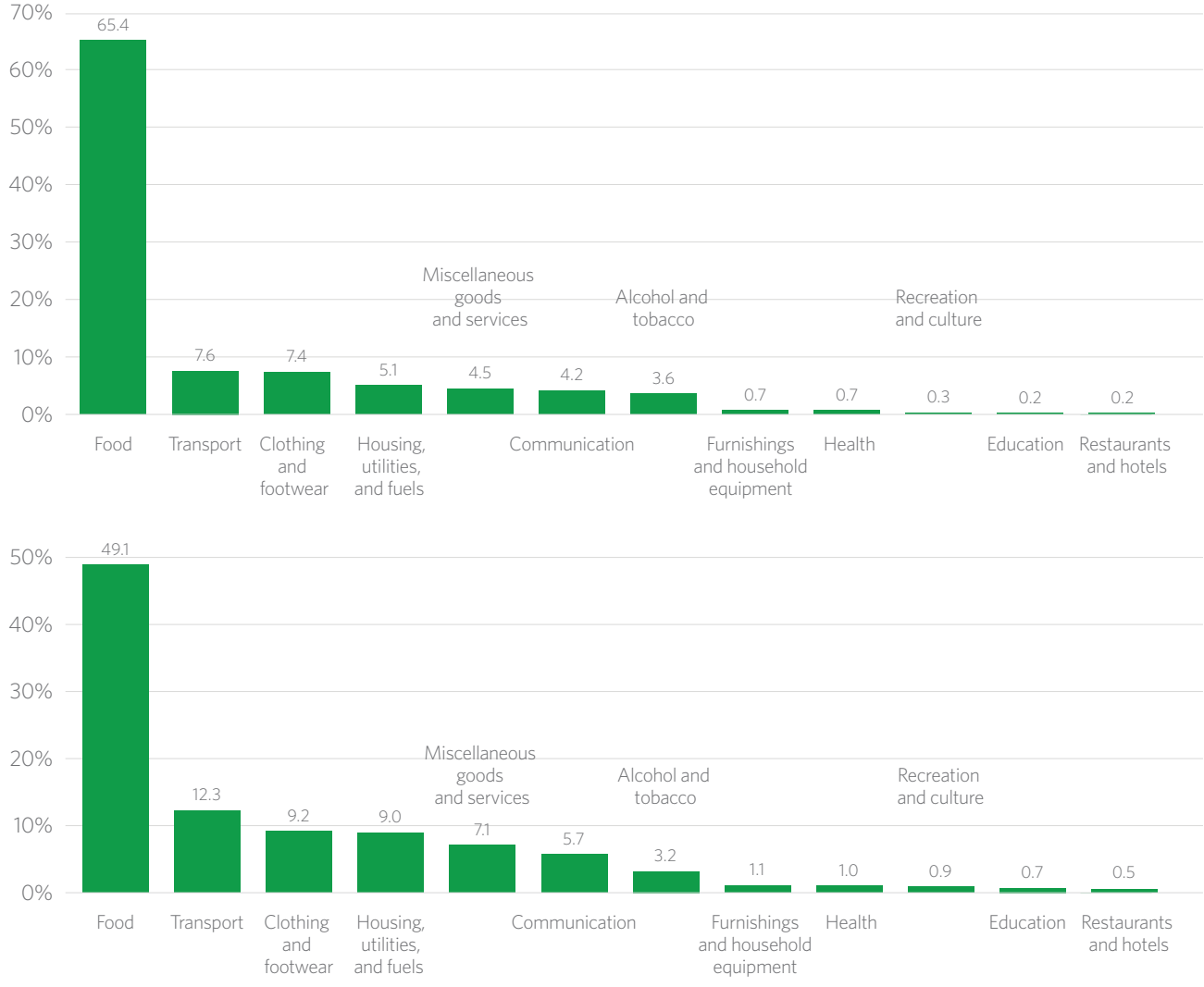
Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

Food accounted for the highest share of total consumption in 2017/2018. The shares are calculated as a share of total monthly consumption expenditure. In 2017/2018, an average household spent around LSL 1,645.78 per month on food, per adult equivalent. An average household spent around 57.4 percent of its total consumption expenditure per month on food, followed by spending on transport, which accounted for an average of around 10 percent of total consumption expenditure. The category referred to as "miscellaneous" is made up of various items such as personal care, social protection, financial services, and other services not classified elsewhere.

4.2 Household Consumption in Rural and Urban Areas

Food accounted for a higher share of total consumption in rural areas compared to urban areas (Figure 8). In 2017/2018, the average household in an urban area spent 49.1 percent of total consumption expenditure per month on food, followed by transport, which accounted for an average of 12.3 percent. In comparison, an average household in a rural area spent 65.4 percent of its total per adult equivalent consumption expenditure per month on food, followed by transport, which accounted for an average of 7.6 percent.

Figure 8: Percentage Share of Urban and Rural Area Consumption in Total Consumption, 2017/2018

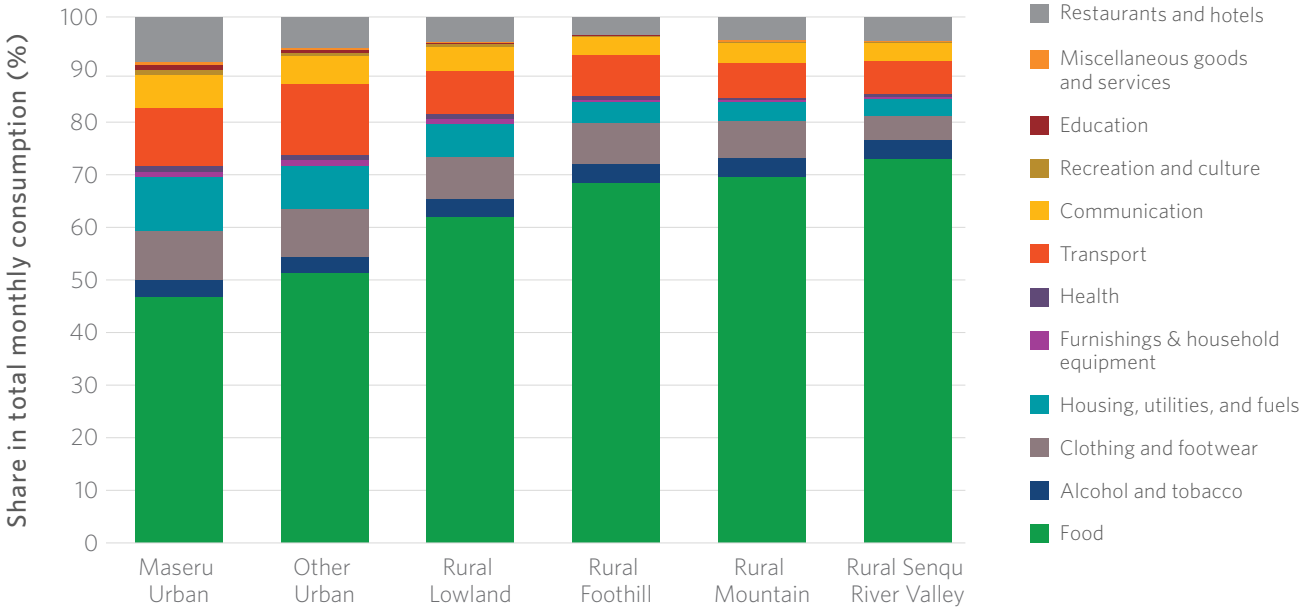


Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

4.3 Household Consumption by Region

Rural Senqu River Valley had the highest share of spending on food, with an average household spending 72.9 percent of its total consumption expenditure on food (Figure 9). At 69.4 percent, Rural Mountains has the second highest food share in total consumption expenditure. The least food share was recorded in Maseru Urban (46.7 percent).

Figure 9: Percentage Share of Regional Consumption in Total Consumption, 2017/2018

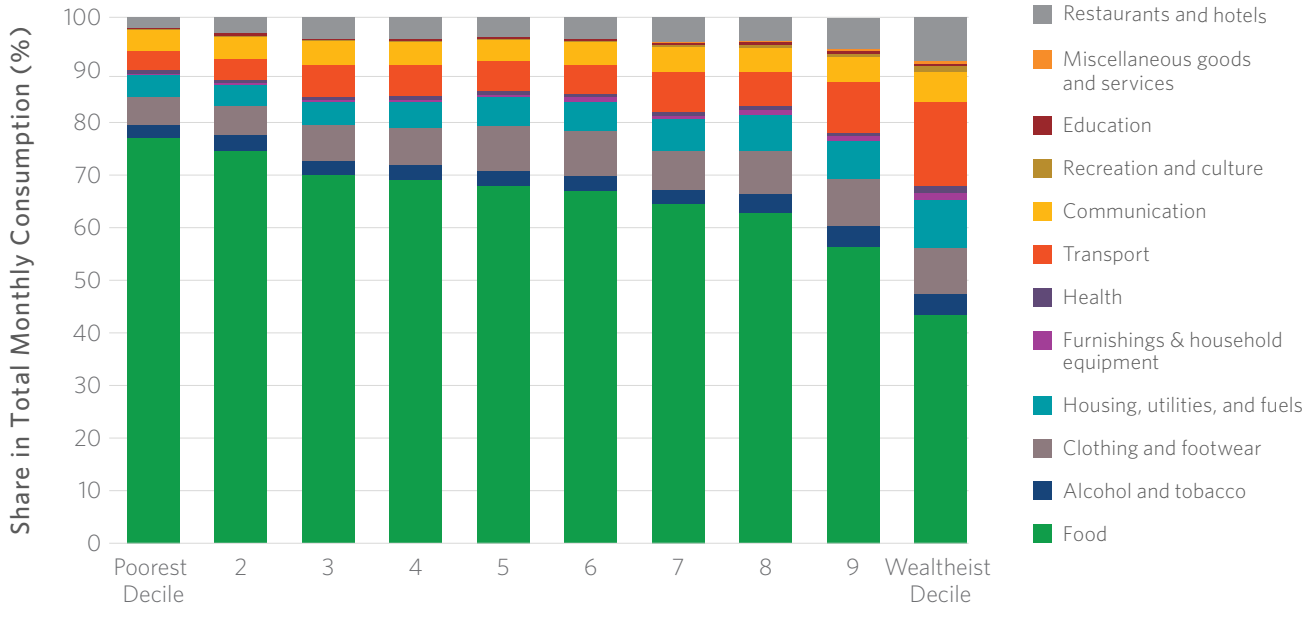


Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

4.4 Household Consumption by Group by Consumption per Adult Equivalent Decile

Figure 10 indicates that, although Basotho tend to spend most of their consumption expenditure on food, this is more elevated amongst low-income households. For instance, the share of food in total consumption of the poorest 10 percent of households was 33.7 percentage points higher than that of the richest 10 percent.

Figure 10: Budget Shares – Consumption per Adult Equivalent Decile, 2017/2018



Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

"Overcoming poverty is not a gesture of charity. It is the protection of a fundamental human right, the right to dignity and a decent life."

Nelson Mandela

5

5 Overall Poverty Statistics

Poverty remains a challenge in Lesotho, with 24.1 percent of the population living under the FPL in 2017/2018. A summary of the incidence and distribution of poverty at national, urban, rural, and regional levels in 2017/2018 is presented in Table 7. The corresponding poverty rates at the LBPL and the national poverty line were 44.7 and 49.7 percent, respectively. Regardless of the poverty line used, poverty is higher in rural areas compared to urban areas. The distribution of the poor indicates that they are concentrated in rural areas compared to urban areas. The Rural Lowlands accounts for the highest share of the poor from a regional perspective.

Table 7: Summary of National, Urban, Rural, and Regional Poverty Levels, 2017/2018

	Extreme Poverty (%)		Lower Bound Poverty (%)		Upper Bound Poverty (%)	
	Poverty Headcount Rate	Distribution of the Poor	Poverty Headcount Rate	Distribution of the Poor	Poverty Headcount Rate	Distribution of the Poor
National	**24.1**		**44.7**		**49.7**	
Urban	**11.2**	**15.9**	**24.0**	**18.4**	**28.5**	**19.6**
Rural	**30.8**	**84.1**	**55.5**	**81.6**	**60.7**	**80.4**
Maseru Urban	9.7	5.9	21.8	7.1	24.7	7.3
Other Urban	12.4	10.1	25.7	11.2	31.4	12.3
Rural Lowland	25.8	34.4	49.2	35.4	54.4	35.3
Rural Foothill	33.1	13.4	59.5	13.0	63.6	12.5
Rural Mountain	37.2	25.6	62.5	23.3	67.8	22.7
Rural Senqu River Valley	35.2	10.6	61.6	10.0	67.9	10.0

Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

This section presents and discusses changes in poverty levels between 2002/2003 and 2017/2018. The FPL and the national poverty line are used to discuss poverty trends because the LBPL was not used in 2002/2003 therefore, it is not possible to conduct a trend analysis based on LBPL.

5.1 Overall Poverty Trends Between 2002/2003 and 2017/2018

Figure 11 presents changes in the poverty headcount ratio at the national level, as well as in urban and rural areas.[5] The national poverty line reveals a declining trend in poverty in Lesotho between 2002/2003 and 2017/2018. The proportion of the country's population living in poverty decreased by 7 percentage points between 2002/2003 (56.6 percent) and 2017/2018 (49.7 percent), which translates to an average of 0.5 percentage-point reduction in overall poverty per year.

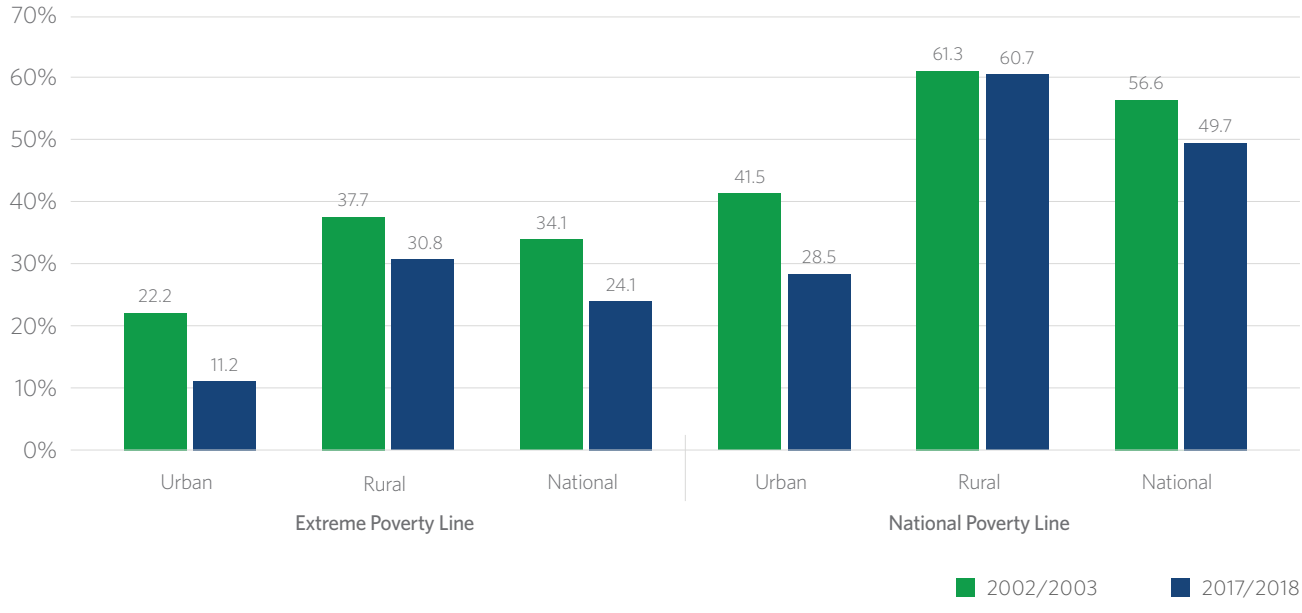
5 Table A.2 in the Annex presents poverty estimates with standard errors and 95 percent confidence intervals.

Poverty declined faster in urban areas compared to rural areas. The upper bound poverty rate in urban areas fell from 41.5 percent in 2002/2003 to 28.5 percent in 2017/2018, whilst near stagnation in poverty was observed in rural areas, with the poverty rate falling slightly from 61.3 percent to 60.7 percent during the same period.

The substantial drop in the country's extreme poverty rate was driven by consumption growth in urban and rural areas. Between 2002/2003 and 2017/2018, the extreme poverty rate fell from 37.7 percent to 30.8 percent in rural areas, whilst it fell from 22.2 percent to 11.2 percent in urban areas during the same period. As a result, the number of Basotho living in extreme poverty fell from 34.1 percent of the population in 2002/2003 to 24.1 percent in 2017/2018, resulting in an average 0.6 percentage-point reduction in extreme poverty per year.

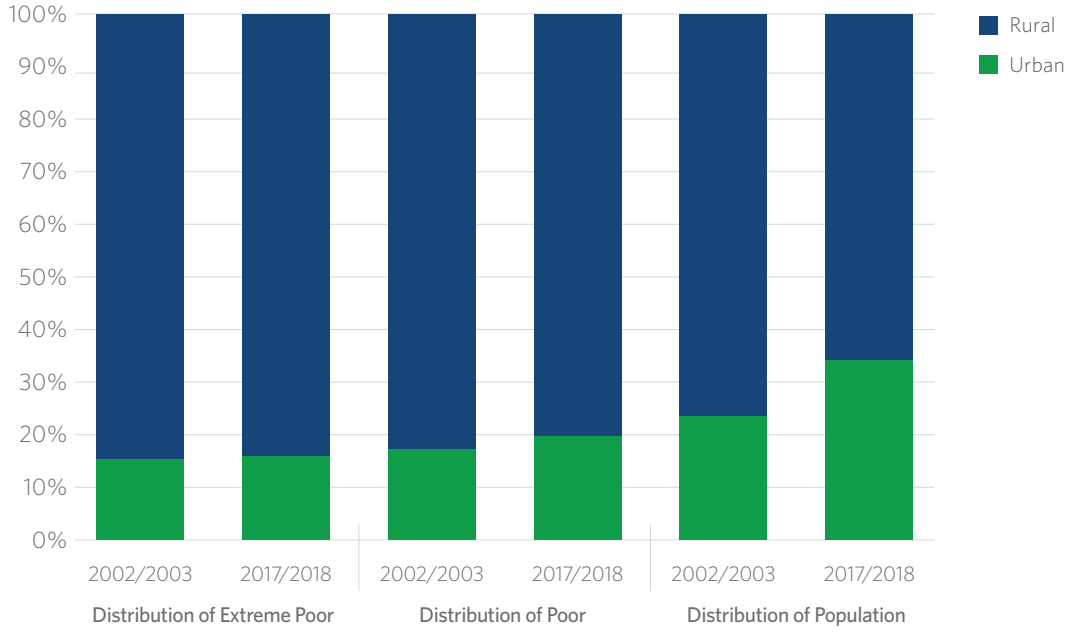
The population living in rural areas decreased from 76.5 percent to 65.8 from 2002/2003 to 2017/2018. At the same time, the share of the rural poor population in Lesotho's overall poor population demonstrated a modest decrease from 82.8 percent in 2002/2003 to 80.4 percent in 2017/2018 (Figure 12). The rural population represented 84.1 percent of all Basotho living in extreme poverty in 2017/2018 remaining almost unchanged from 84.7 percent in 2002/2003.

Figure 11: Overall Changes in Poverty Headcount Rates, 2002/2003 – 2017/2018



Source: Calculations based on the 2002/2003 Lesotho HBS and 2017/2018 Lesotho CMS/HBS.
Note: The national poverty line refers to the upper bound poverty line.

Figure 12: Distribution of Poor Between Urban and Rural Areas, 2002/2003 – 2017/2018



Source: Calculations based on the 2002/2003 Lesotho HBS and 2017/2018 Lesotho CMS/HBS.
Note: The distribution of the poor is based on the upper bound poverty line, also referred in this report as the national poverty line.

"Any strategy to reduce intergenerational poverty has to be centred on work, not welfare — not only because work provides independence and income, but also because work provides order, structure, dignity, and opportunities for growth in people's lives."

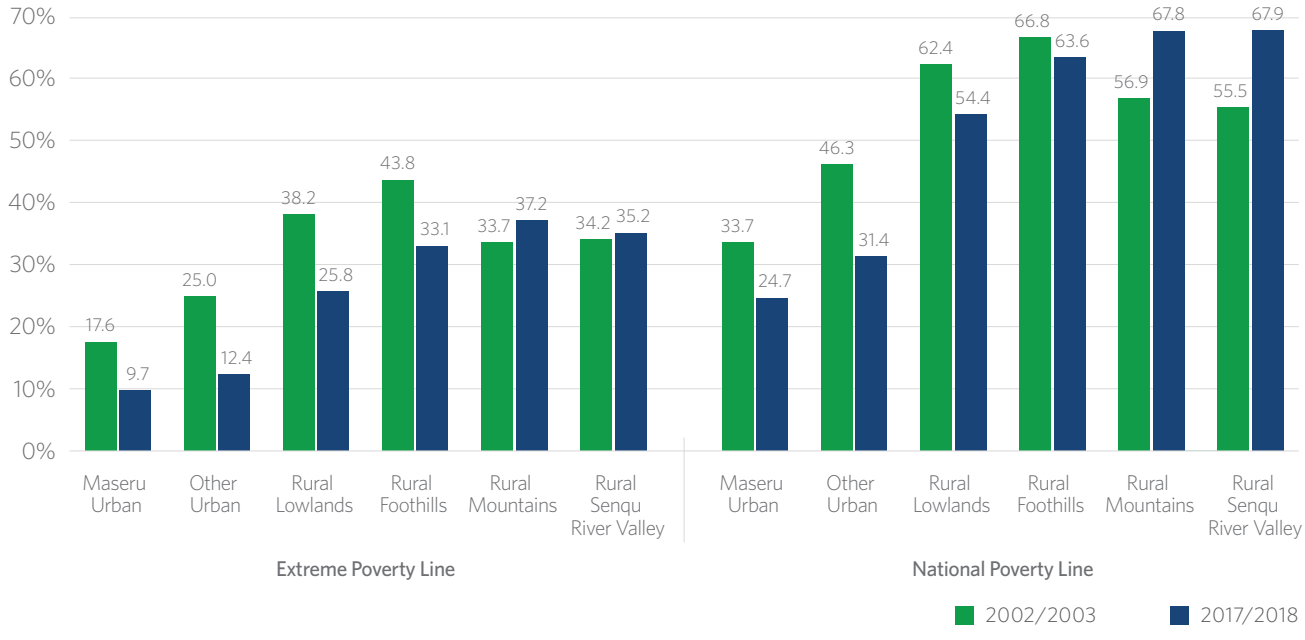
Barack Obama

5.2 Poverty Trends by Region

Figure 13 indicates that focusing on national poverty levels masks large regional variations in poverty reduction and trends. Urban regions experienced the fastest decline in poverty between 2002/2003 and 2017/2018. The overall poverty rate fell by 9 percentage points and 14.9 percentage points in Maseru Urban and Other Urban, respectively (Figure 13). The corresponding decline was 8 percentage points and 3.2 percentage points for Rural Lowlands and Rural Foothills, whilst Rural Mountains and Rural Senqu River Valley recorded an increase in poverty. Similar trends are observed regarding extreme poverty.

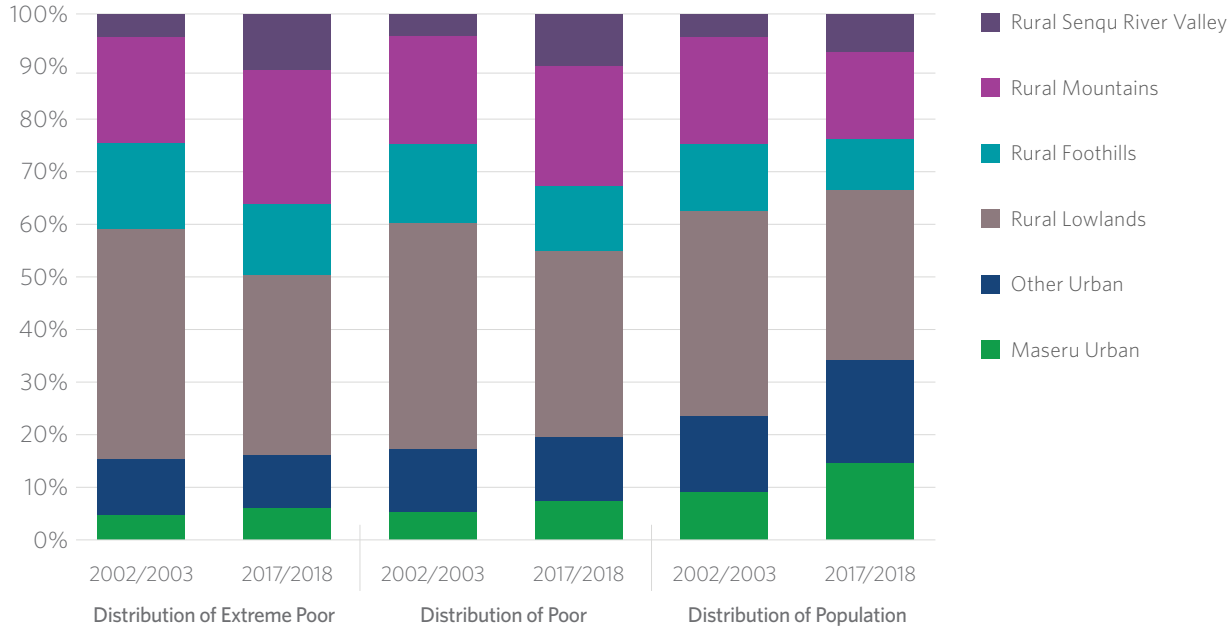
The distribution of the poor and extreme poor, by region, is presented in Figure 14. All regions, except Rural Lowlands and Rural Foothills, experienced an increase in the number of poor individuals expressed as a share of all poor people in the country. The highest increase was recorded in Rural Senqu River Valley, with the region accounting for 4.3 percent of the poor in 2002/2003 and this increased to 10 percent in 2017/2018. These patterns reflect inter-regional migration patterns; in 2002/2003 Maseru Urban accounted for 9 percent of Lesotho's total population and this rose by 5.7 percentage points to 14.6 percent in 2017/2018. The corresponding increase in Other Urban was 5 percentage points. A decline was recorded for Rural Lowlands (6.7 percentage points), Rural Foothills (3.1 percentage points), and Rural Mountains (3.7 percentage points).

Figure 13: Poverty Trends by Administrative Region, 2002/2003 – 2017/2018



Source: Calculations based on the 2002/2003 Lesotho HBS and 2017/2018 Lesotho CMS/HBS.
Note: The national poverty line refers to the upper bound poverty line.

Figure 14: Distribution of Poor Across Regions, 2002/2003 – 2017/2018



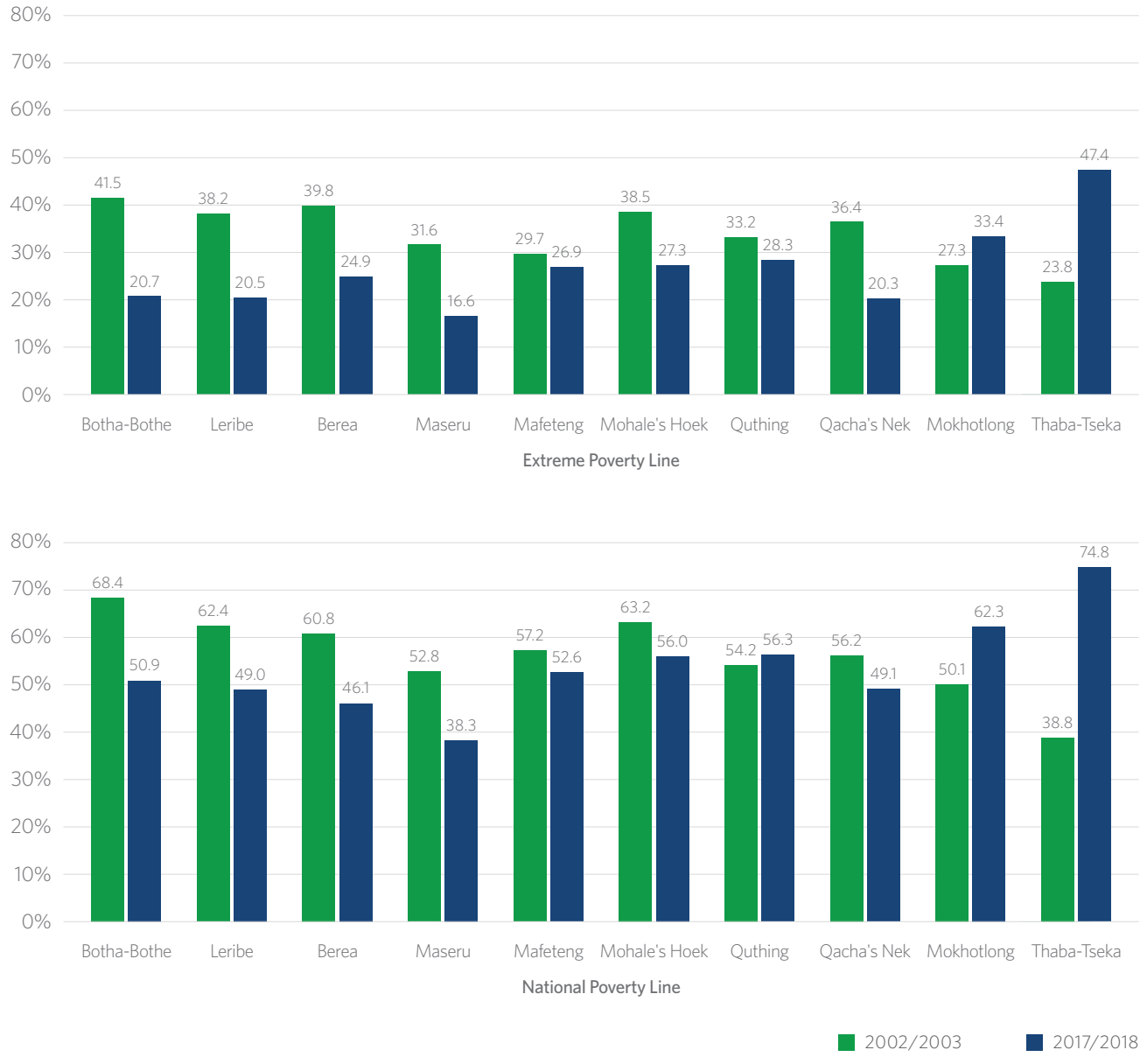
Source: Calculations based on the 2002/2003 Lesotho HBS and 2017/2018 Lesotho CMS/HBS.
Note: The distribution of the poor is based on the upper bound poverty line, also referred in this report as the national poverty line.

5.3 Poverty Trends by District

Figure 15 presents poverty rates by district. It indicates that, with a poverty rate of 74.8 percent in 2017/2018, Thaba-Tseka had the highest poverty rate amongst the country's ten districts, followed by Mokhotlong and Quthing at 62.3 and 56.3 percent respectively .These three districts are the only districts to have recorded an increase in poverty rates between 2002/2003 and 2017/2018. The poverty rate for Thaba-Tseka increased by 35.9 percentage points during this period whilst an increase of 12.2 percentage points was recorded in Mokhotlong. Maseru had the lowest poverty rate of 38.3 percent in 2017/2018 following a decrease from 52.8 percent in 2002/2003. Similar trends are observed regarding extreme poverty.

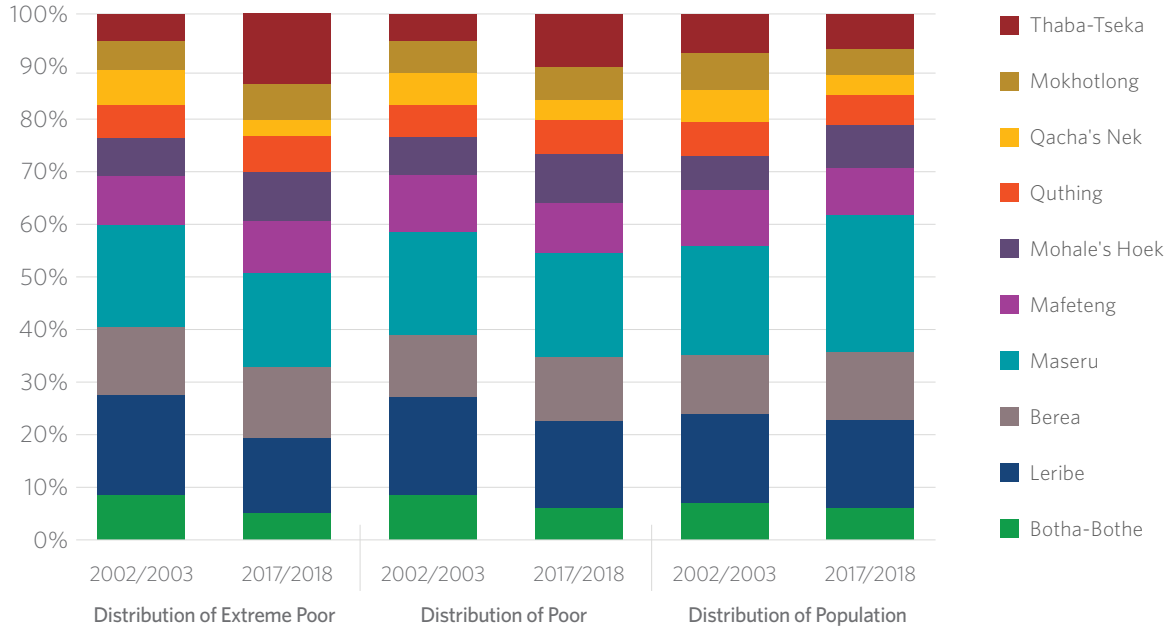
The distribution of the poor and extreme poor by district is presented in Figure 16. Maseru accounted for highest share of the poor in both 2002/2003 and 2017/2018 with 19.9 percent of Lesotho's poor in 2017/2018, a near stagnation from 19.4 percent in 2002/2003. The district accounts for the largest share of the population, at 25.9 and 20.8 percent in 2002/2003 and 2017/2018, respectively.

Figure 15: Poverty Trends by District, 2002/2003 – 2017/2018



Source: Calculations based on the 2002/2003 Lesotho HBS and 2017/2018 Lesotho CMS/HBS.
Note: The national poverty line refers to the upper bound poverty line.

Figure 16: Poverty Trends by District, 2002/2003 – 2017/2018



Source: Calculations based on the 2002/2003 Lesotho HBS and 2017/2018 Lesotho CMS/HBS.
Note: The national poverty line refers to the upper bound poverty line.

"The belief that the world is getting worse, that we can't solve extreme poverty and disease, isn't just mistaken. It is harmful."

Bill Gates

5.4 Overall Trends: Depth and Severity of Poverty, 2002/2003 and 2017/2018

The poverty gap, or the depth of poverty, estimates the average number of people that fall below the poverty line and is expressed as a percentage of the poverty line. The rural poverty gap, measured at the national poverty line, narrowed by 4.3 percentage points between 2002/2003 and 2017/2018, whilst it fell by 8.3 percentage points in urban areas (Table 8). Both urban and rural areas registered a decline in the severity of poverty (squared poverty gap). Like the poverty headcount ratio, urban areas experienced faster decline in both the depth and severity of poverty at the national poverty line. If the FPL is used, however, a faster decline is observed in rural areas. Consumption growth in rural areas was able to move a substantial number of poor households closer to the absolute poverty line, resulting in more people exiting extreme poverty in rural areas than in urban areas.

Table 8: Trends in the depth and severity of poverty, 2002/2003 – 2017/2018

	Poverty Gap			Squared Poverty Gap		
	2002/2003	2017/2018	Change	2002/2003	2017/2018	Change
ExtremePoverty Line						
Urban	9.1	3.2	-5.8	5.0	1.4	-3.6
Rural	17.5	10.6	-7.0	10.7	5.0	-5.7
National	15.5	8.1	-7.5	9.4	3.8	-5.6
National Poverty Line						
Urban	19.2	10.8	-8.3	11.6	5.6	-6.1
Rural	32.0	27.7	-4.3	20.9	15.7	-5.2
National	29.0	21.9	-7.1	18.7	12.2	-6.5

Source: Calculations based on the 2002/2003 Lesotho HBS and 2017/2018 Lesotho CMS/HBS.
Note: The national poverty line refers to the upper bound poverty line.

Table 9 shows that the poverty gap, measured at the national poverty line, narrowed by 7.1 percentage points between 2002/2003 and 2017/2018. The average poverty gap was 21.9 in 2017/2018 compared to 29 in 2002/2003. A fall in the severity of poverty (squared poverty gap) was also registered during this period, falling from 18.7 to 12.2 suggesting a reduction in the inequality of the poor.

5.5 Depth and Severity of Poverty by Region

The depth and severity of poverty measures by region is depicted in Table 9. The national poverty line shows Other Urban as having the greatest decline in depth of poverty followed by Rural Lowlands. Rural Mountains and Rural Senqu River Valley showed an increase in the poverty gap indicating a worsening of the situation of the poor and an increase in the amount of resources needed to lift the poor out of poverty in these regions.

Table 9: Poverty Gap Measure by Administrative Region, 2002/2003 – 2017/2018

	Extreme Poverty Line			National Poverty Line		
	2002/2003	2017/2018	Change	2002/2003	2017/2018	Change
Maseru Urban	6.8	2.5	-4.3	15	9.5	-5.5
Other Urban	10.4	3.8	-6.6	21.7	11.9	-9.8
Rural Lowlands	17.7	8.4	-9.3	32.5	23.7	-8.8
Rural Foothills	20	10.8	-9.2	36	29.1	-6.9
Rural Mountains	15.8	13.3	-2.5	29.1	32.4	3.3
Rural Senqu River Valley	16.8	13.5	-3.3	29.3	32.3	3
National	**15.5**	**8.1**	**-7.4**	**29**	**21.9**	**-7.1**

Source: Calculations based on the 2002/2003 Lesotho HBS and 2017/2018 Lesotho CMS/HBS.

The severity of poverty measure is calculated as the squares of the poverty gap measure thereby putting more weight on the number of people who fall below the poverty line. It is an indicator of inequality amongst the poor. Table 10 shows a decline in the severity of poverty across all regions, with the fastest decline at the national poverty line recorded in Rural Lowlands, followed by Rural Foothills.

Table 10: Squared Poverty Gap Measure by Administrative Region, 2017/2018

	Extreme Poverty Line			National Poverty Line		
	2002/2003	2017/2018	Change	2002/2003	2017/2018	Change
Maseru Urban	3.7	1.0	-2.7	8.9	4.7	-4.2
Other Urban	5.8	1.8	-4.0	13.3	6.2	-7.1
Rural Lowlands	10.7	3.9	-6.8	21.2	13.1	-8.1
Rural Foothills	12.2	5.3	-6.9	23.8	16.5	-7.3
Rural Mountains	9.8	6.3	-3.5	19.0	18.9	-0.1
Rural Senqu River Valley	10.2	6.8	-3.4	19.5	19.0	-0.5
National	**9.4**	**3.8**	**-5.6**	**18.7**	**12.2**	**-6.5**

Source: Calculations based on the 2002/2003 and 2017/2018 Lesotho CMS/HBS.

5.6 Depth and Severity of Poverty by District

Table 11 reports the depth and severity of poverty measures by district. Regardless of the poverty line used, the depth of poverty increased in both Mokhotlong and Thaba-Tseka indicating a worsening of the situation of the poor and an increase in the amount of resources needed to lift the poor out of poverty in these districts. The increase was higher in Thaba-Tseka. The national poverty line indicates that Botha-Bothe had the greatest decline in depth of poverty, followed by Leribe.

There was a decline in the severity of poverty across all districts except in Mokhotlong and Thaba-Tseka (Table 12). similar to the poverty headcount rate and the poverty gap, a higher increase was recorded in Thaba-Tseka. Overall, these results show that the welfare of the poor worsened in Mokhotlong and Thaba-Tseka, regardless of the poverty measure used.

Table 11: Poverty Gap Measure by District, 2002/2003 – 2017/2018

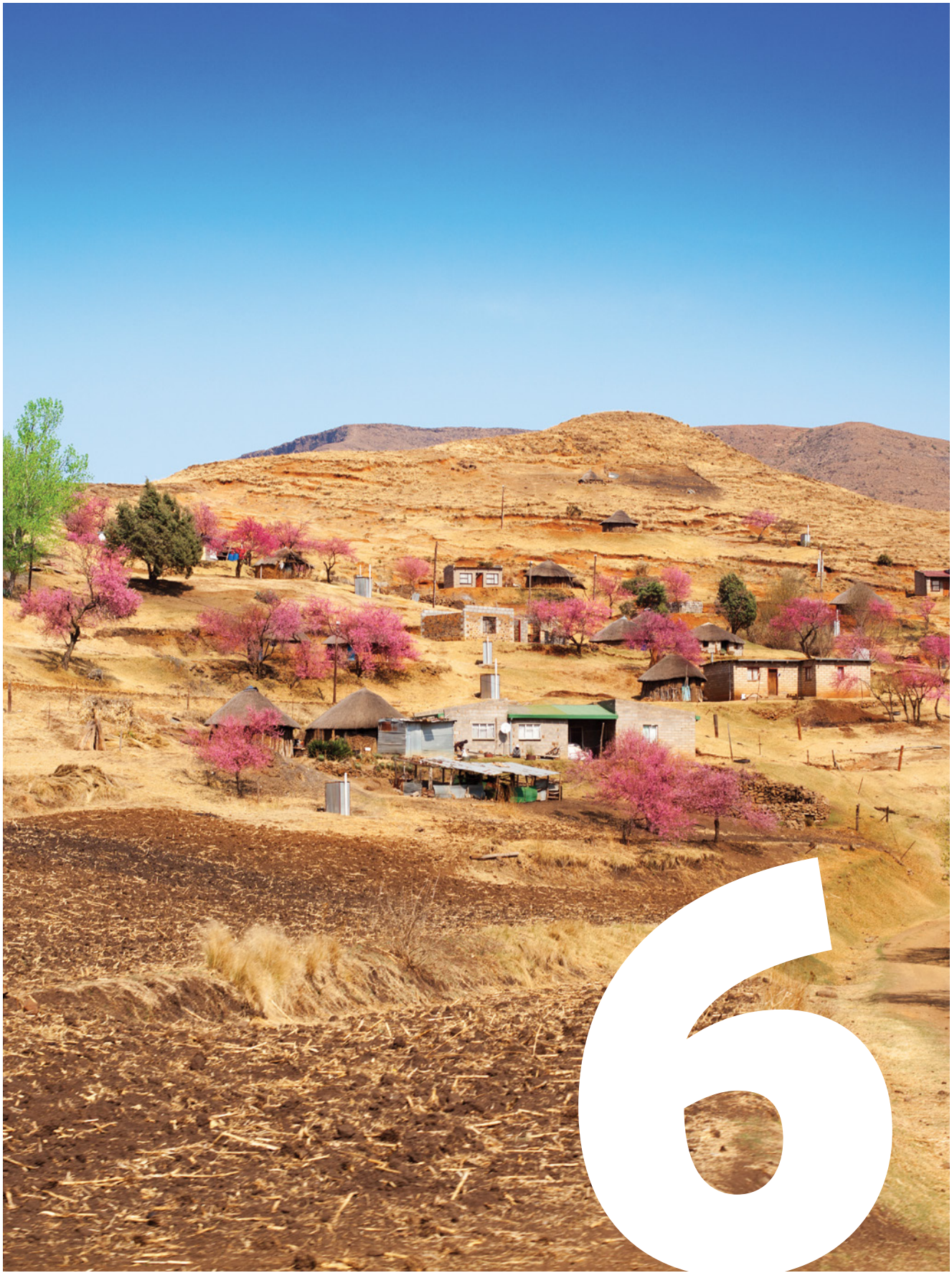
	Extreme Poverty Line			National Poverty Line		
	2002/2003	2017/2018	Change	2002/2003	2017/2018	Change
Botha-Bothe	17.5	8.2	-9.3	35.3	21.5	-13.9
Leribe	17.2	6.8	-10.4	32.0	20.0	-12.0
Berea	17.0	7.2	-9.8	32.0	21.1	-10.9
Maseru	14.4	5.2	-9.2	26.9	15.9	-11.1
Mafeteng	13.8	8.3	-5.5	27.5	23.8	-3.7
Mohale's Hoek	20.5	10.7	-9.8	33.7	25.2	-8.5
Quthing	15.6	8.8	-6.7	27.8	25.0	-2.8
Qacha's Nek	18.1	7.8	-10.3	31.4	21.8	-9.6
Mokhotlong	11.1	12.5	1.4	23.0	29.8	6.8
Thaba-Tseka	11.1	16.2	5.1	20.0	37.1	17.0
National	**15.5**	**8.1**	**-7.5**	**29.0**	**21.9**	**-7.1**

Source: Calculations based on the 2002/2003 Lesotho HBS and 2017/2018 Lesotho CMS/HBS.

Table 12: Squared Poverty Gap Measure by Districts, 2002/2003 – 2017/2018

	Extreme Poverty Line			National Poverty Line		
	2002/2003	2017/2018	Change	2002/2003	2017/2018	Change
Botha-Bothe	10.0	4.2	-5.8	22.1	12.1	-10.0
Leribe	10.3	3.1	-7.1	20.7	10.7	-10.0
Berea	9.9	3.2	-6.7	20.7	11.7	-9.0
Maseru	8.7	2.4	-6.3	17.4	8.5	-8.9
Mafeteng	8.9	3.6	-5.2	17.3	13.2	-4.1
Mohale's Hoek	13.0	5.3	-7.7	23.0	14.7	-8.3
Quthing	9.5	4.3	-5.2	18.3	14.0	-4.3
Qacha's Nek	11.3	3.9	-7.4	21.3	12.0	-9.3
Mokhotlong	6.0	6.4	0.4	14.0	17.6	3.7
Thaba-Tseka	6.9	7.5	0.5	13.2	22.2	8.9
National	**9.4**	**3.8**	**-5.6**	**18.7**	**12.2**	**-6.5**

Source: Calculations based on the 2002/2003 and 2017/2018 Lesotho CMS/HBS.


6

6 Overall Inequality Statistics

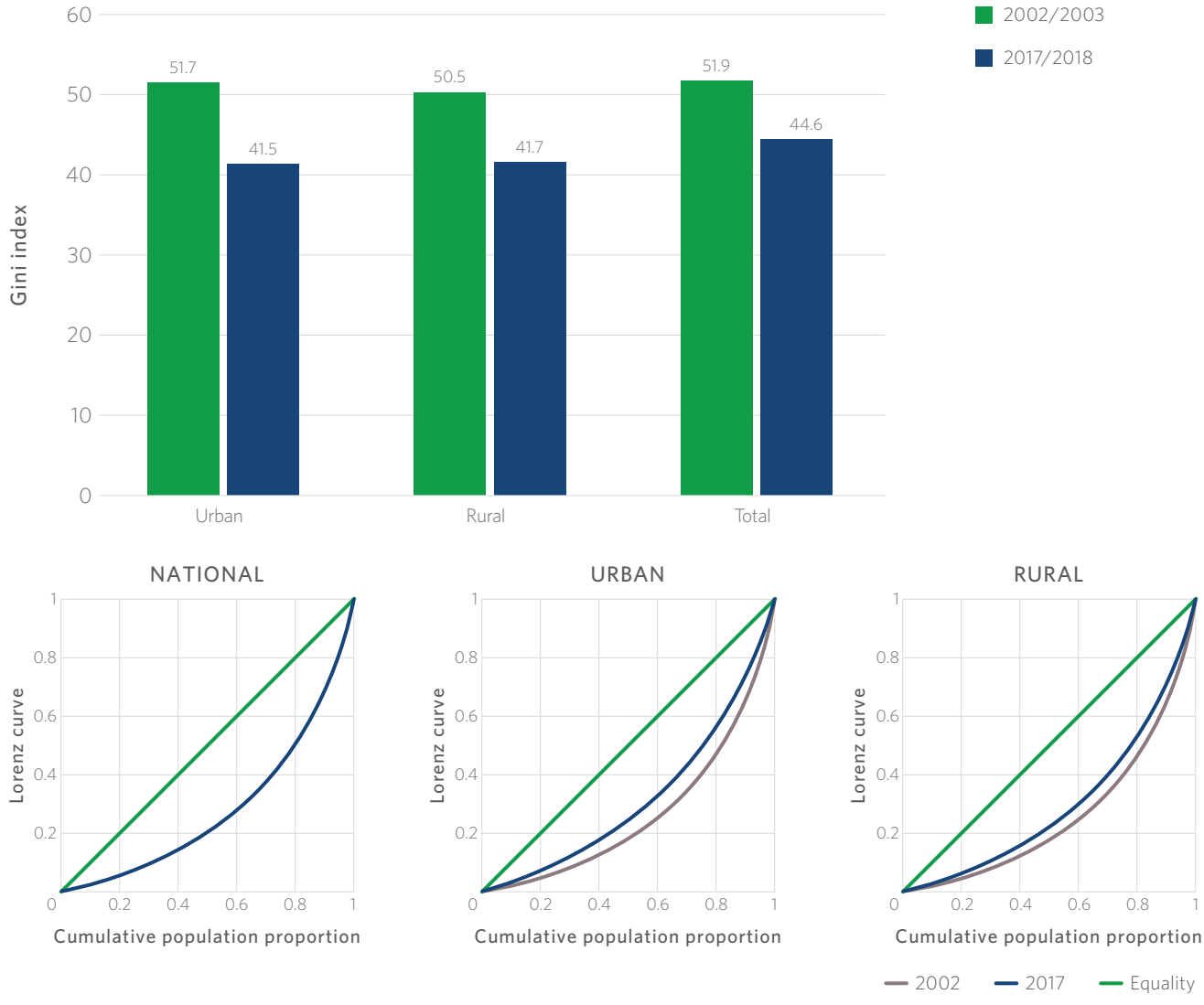
6.1 Gini Index

Changes in Lesotho's consumption inequality between 2002/2003 and 2017/2018 can be observed through the Gini index (a measure of inequality) and Lorenz curves (Figure 17). The Gini index consumption per adult equivalent declined nationally, as well in urban and rural areas between 2002/2003 and 2017/2018. The Gini index declined from 51.9 to 44.6. The Gini index fell from 51.7 to 41.5 in urban areas, and from 50.5 to 41.7 in rural areas.

Unlike poverty statistics (i.e., the poverty rate, gap, and severity), the Gini index is not an additive measure, which means that the country-level Gini index cannot be estimated as a weighted average of urban and rural Gini indices. For example, the inequality can fall within a country's regions, but rise nationally because of a rise in inequality between regions.

The changes in the Gini index across regions is presented in Figure 18. All regions registered a decline in the Gini index, with the greatest decline recorded in Rural Foothills where the Gini index decreased from 52.6 to 39.5 followed by Rural Senqu River Valley with a 12.6 Gini index point decline from 53.1 to 40.5.

Figure 17: Changes in Inequality – Gini Index and Lorenz Curves, 2002/2003 – 2017/2018



Source: Calculations based on the 2002/2003 Lesotho HBS and 2017/2018 Lesotho CMS/HBS.

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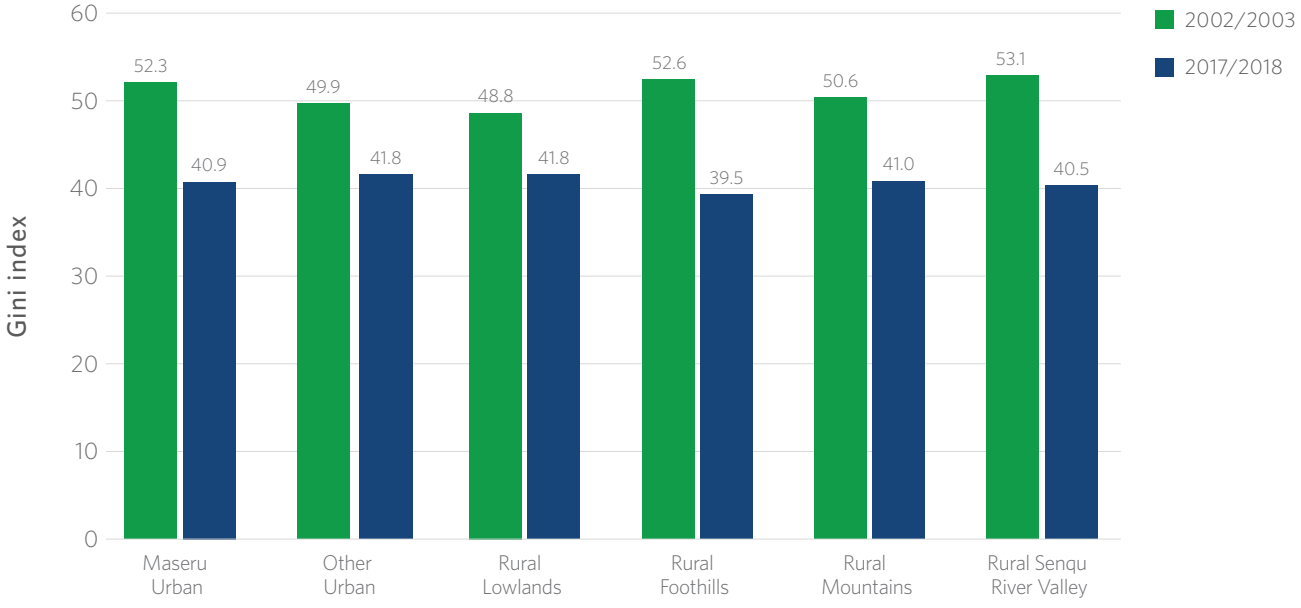
Figure 18: Changes in the Gini Index by Region, 2002/2003 – 2017/2018



Source: Calculations based on the 2002/2003 Lesotho HBS and 2017/2018 Lesotho CMS/HBS.

6.2 Other Measures of Inequality

Table 13 highlights consumption of the poor in Lesotho compared to consumption of the rest of the population from 2002/2003 to 2017/2018. Quantile ratios of consumption per adult equivalent are presented. The quantile ratios show the inequality in various parts of the consumption distribution. The ratios indicate wide gaps between the poor and the wealthy. For instance, in 2017/2018, at the national level, the 90-10 quantile ratio shows that the gap between consumption at the 90th percentile and that at the 10th percentile was 87.7 percent of the quantile consumption per adult equivalent at the 90th percentile. This followed a 5.2 percentage point decrease from 92.9 percent in 2002/2003.

Table 13: Quantile Personal Consumption Expenditures and Quantile Ratios of per Equivalent Adult Consumption Expenditure, 2002/2003 – 2017/2018

	Quantile					Quantile Ratio			
	10th	20th	50th/ Median	80th	90th	Ninety-Ten	Eighty-Twenty	Ninety-Fifty	Fifty-Ten
2002/2003									
Urban	48.7	76.2	178.7	392.0	626.6	92.2	80.6	71.5	72.8
Rural	28.2	47.8	115.0	252.8	375.2	92.5	81.1	69.4	75.5
National	30.7	52.4	126.2	285.1	430.4	92.9	81.6	70.7	75.7
2017/2018									
Urban	330.0	500.3	1,009.1	1,860.3	2,582.8	87.2	73.1	60.9	67.3
Rural	195.8	272.8	507.9	1,016.8	1,405.8	86.1	73.2	63.9	61.4
National	227.1	312.6	656.2	1,318.2	1,849.8	87.7	76.3	64.5	65.4

Source: Calculations based on the 2002/2003 Lesotho HBS and 2017/2018 Lesotho CMS/HBS.

"Extreme poverty anywhere is a threat to human security everywhere."

Kofi Annan

7

7 Basic Socio-Economic Poverty Profile

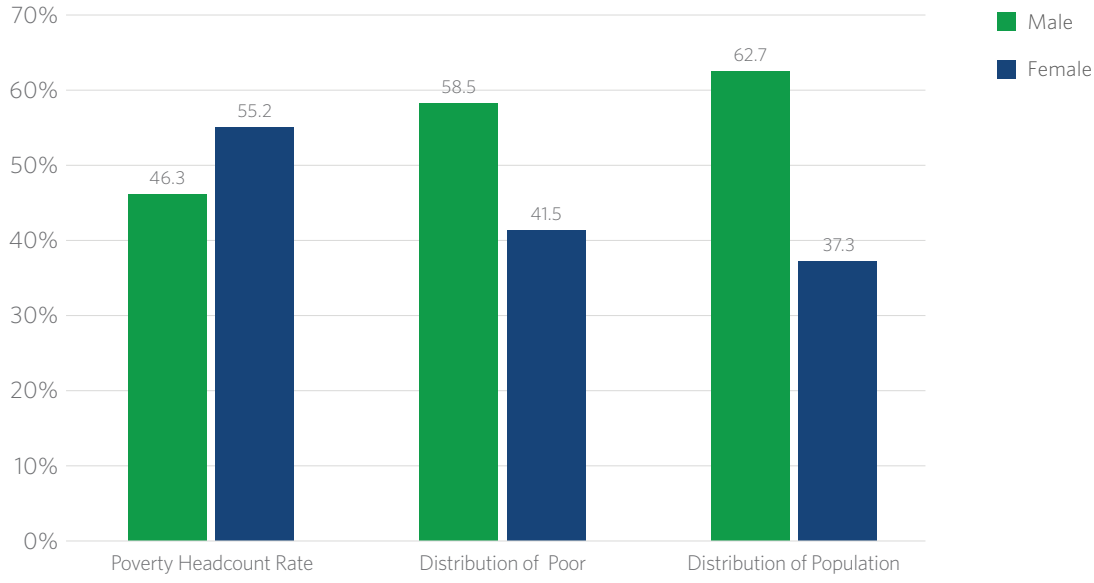
A poverty profile indicates how a poverty measure varies across subpopulation groups, along with a comparison of key characteristics of the poor versus the non-poor. From a policy perspective, a poverty profile is important because it allows for identification of poverty patterns, monitoring of poverty changes, as well as formulation of poverty reduction strategies and initiatives to enables better targeting of the poor.

This section provides a poverty profile for Lesotho using selected economic and demographic characteristics of the head of household and household members. Demographic and economic characteristics of households, such as education, family size, family structure, age, and employment status are important determinants of a household's poverty status. Whilst three poverty lines were produced and analysed using the 2017/2018 CMS/HBS, the FPL, LBPL, and the national poverty line, the narrative in this section adopts and uses the UBPL as the national poverty line. Poverty profiles using the FPL and LBPL are provided in Table A.3 to Table A.9 in the Annex.

7.1 Poverty: Sex of Household Head

Poverty is more pronounced in female-headed households. In 2017/2018, 55.2 percent of people living in female-headed households were poor compared to 46.3 percent in male-headed households. However, most of the poor (58.5 percent) are living in male-headed households in 2017 (Figure 19). The majority, 62.7 percent, of the Basotho population resided in household headed by males.

Figure 19: Poverty and Sex of Household Head, 2017/2018



Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

7.2 Poverty: Marital Status of Household Head

Widows and widowers are shown in Table 14 to have a higher a risk of poverty. In 2017/2018, 59.8 percent of people living in a household where the head was a widow or widower were poor, almost double the poverty rate (35.8 percent) amongst people living in households where the head had never been married. The majority (57.9 percent) of the poor live in households where the head was married at the time of the survey.

Table 14: Poverty and Marital Status of Household Head, 2017/2018

Marital Status	Poverty Headcount Rate (%)	Distribution of the Poor (%)	Distribution of Population (%)
Married/Living together	46.0	53.6	57.9
Separated/Divorced	46.1	5.0	5.4
Widow/Widower	59.8	37.2	30.9
Never married	35.8	4.2	5.8

Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

7.3 Poverty: Demographic Composition

Poverty incidence increases as the household size increases (Figure 20). Poverty headcount ratios increase as members are added to the household. People living in households with seven or more household members had a poverty incidence of 67.1 percent in 2017/201850 percentage points higher than people living in households with one member with a poverty incidence of 17.1 percent. The highest share of the poor (36 percent) was in households with a household size of at least seven. This group also comprises the highest share of the Basotho population, at 26.6 percent.

Households with children (defined as a household member under the age of 15) are more likely to be poor than those without children (Figure 21). 71.6 percent of people living in households with at least three children fell below the national poverty line in 2017/2018; this was 30.2 percentage points higher than people living in households with no children. The highest share (36.6 percent) of the poor lived in households with no children, followed closely at 35.1 percent by people living in one-child households. This is in line with the finding that most (43.8 percent) of the population lives in households with no children.

Figure 20: Poverty and Household Size, 2017/2018

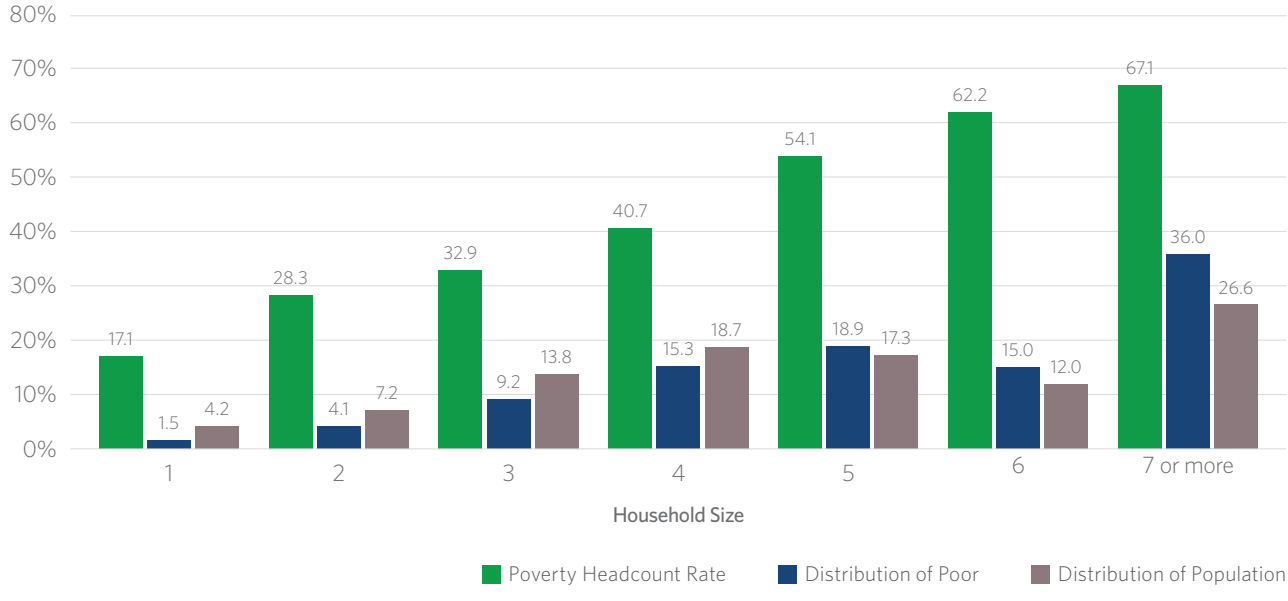
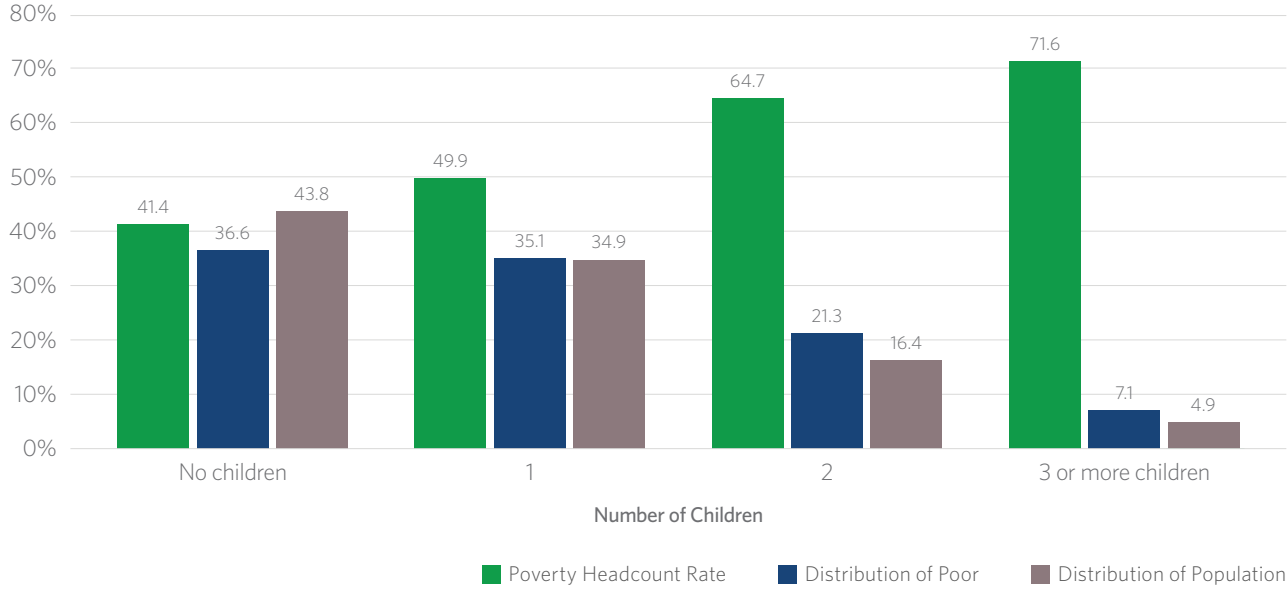


Figure 21: Poverty and Number of Children in Household, 2017/2018

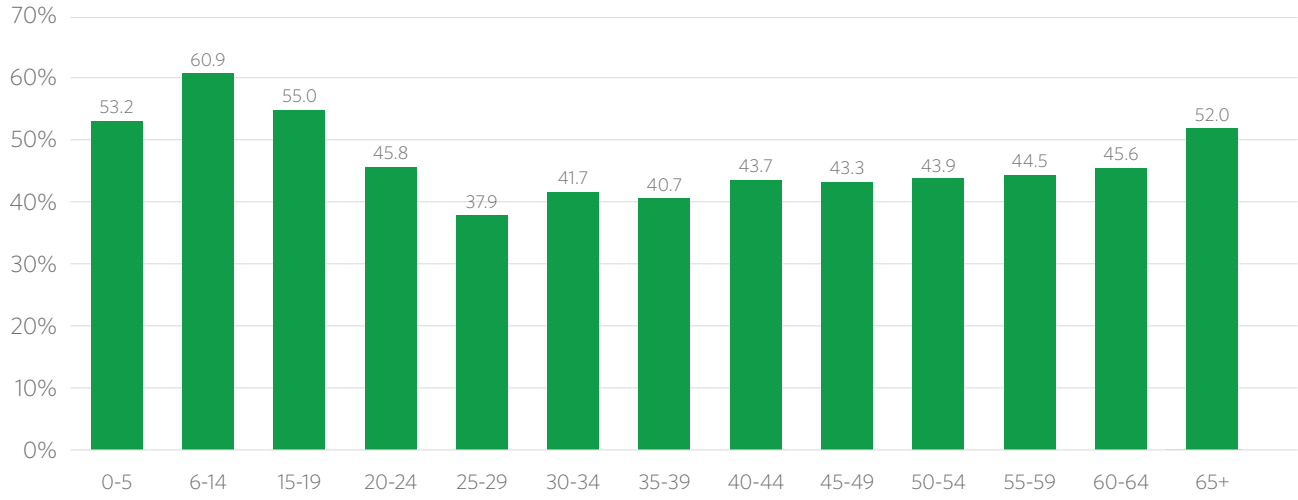


Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

7.4 Poverty: Age Distribution

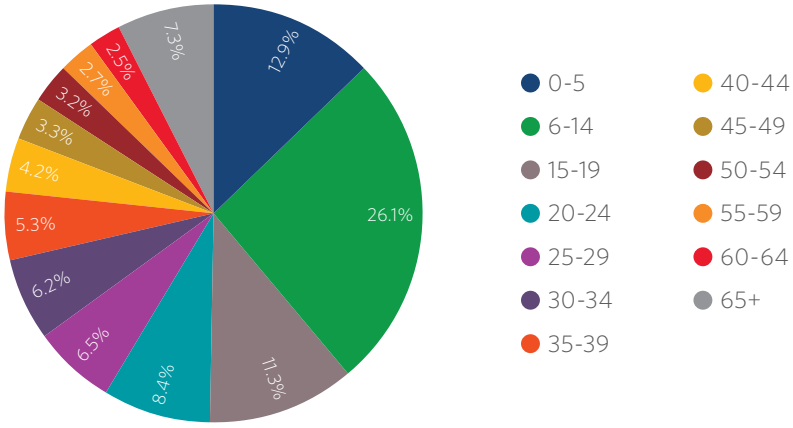
Basotho children and the elderly are particularly prone to poverty. Children aged 6-14 years had the highest poverty rate of 60.9 percent whilst children aged 0-5 years had a poverty rate of 53.2 percent in 2017/2018 (Figure 22). Children aged 0-14 years constituted 33.3 percent of the entire population in 2017/2018. Children aged 6-14 years accounted for 26.1 percent of the poor (Figure 23). In 2017/2018, 52 percent of people aged above 65 years lived below the national poverty line. The lowest poverty rate is recorded amongst people living in households whose head was aged between 25-29 years (32.2 percent).

Figure 22: Poverty and Age, 2017/2018



Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

Figure 23: Distribution of Poor by Age, 2017/2018



Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

7.5 Poverty: Household Dependency Ratios

As the dependency ratio increases, poverty incidence also increases (Table 15). The dependency ratio is defined as the proportion of people aged below 15 years and above 64 years. Economically active people are defined as those aged 15-64 years. The poverty headcount rate is lowest when the dependency ratio is between zero and 0.25. Dependency ratios are particularly high amongst the poor. Table 15 indicates that 53.3 percent of the poor lived in households with a dependency ratio greater than one. This is of concern given that dependency ratios are key influences on a household's socio-economic status. Households with high dependency ratios are more likely to spend large shares of their resources taking care of dependents, whilst households with lower ratios can devote more resources to education and health, which can help end the circle of poverty.

Table 15: Poverty Headcount and Dependency Ratios, 2017/2018

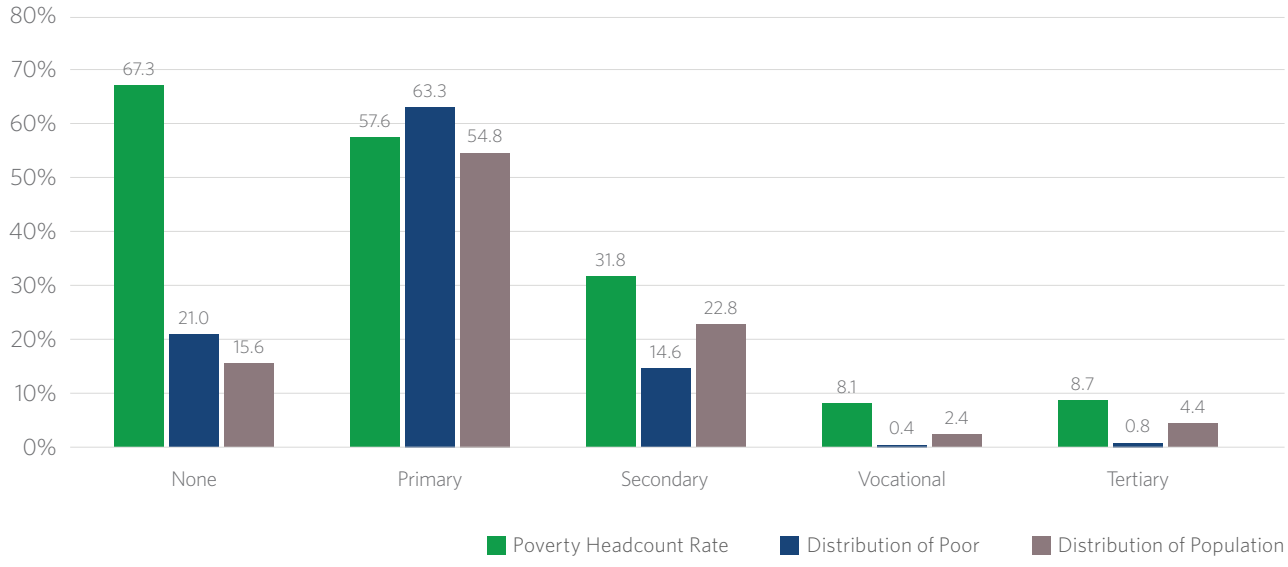
	Poverty Headcount Rate (%)	Distribution of the Poor (%)	Distribution of Population (%)
0.00 to 0.25	26.4	9.0	17.0
0.25 to 0.50	44.8	12.0	13.3
0.50 to 0.75	42.5	18.9	22.1
0.75 to 1.00	65.2	6.8	5.2
1 and more	62.6	53.3	42.3

Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

7.6 Poverty: Education of Household Head

Poverty declines with rising levels of education (Figure 24). In 2017/2018, 67.3 percent of people were living in households headed by people without a formal education versus 4.4 percent of those living in households headed by people with a tertiary education. These findings are consistent with the existing empirical evidence — from developing and developed countries — that indicates education is the primary channel through which people escape poverty. Further, people living in households whose head did not have formal education constituted 21 percent of the poor, and 15.6 percent of the population.

Figure 24: Poverty Headcount Rate by Household Head's Education Level, 2017/2018

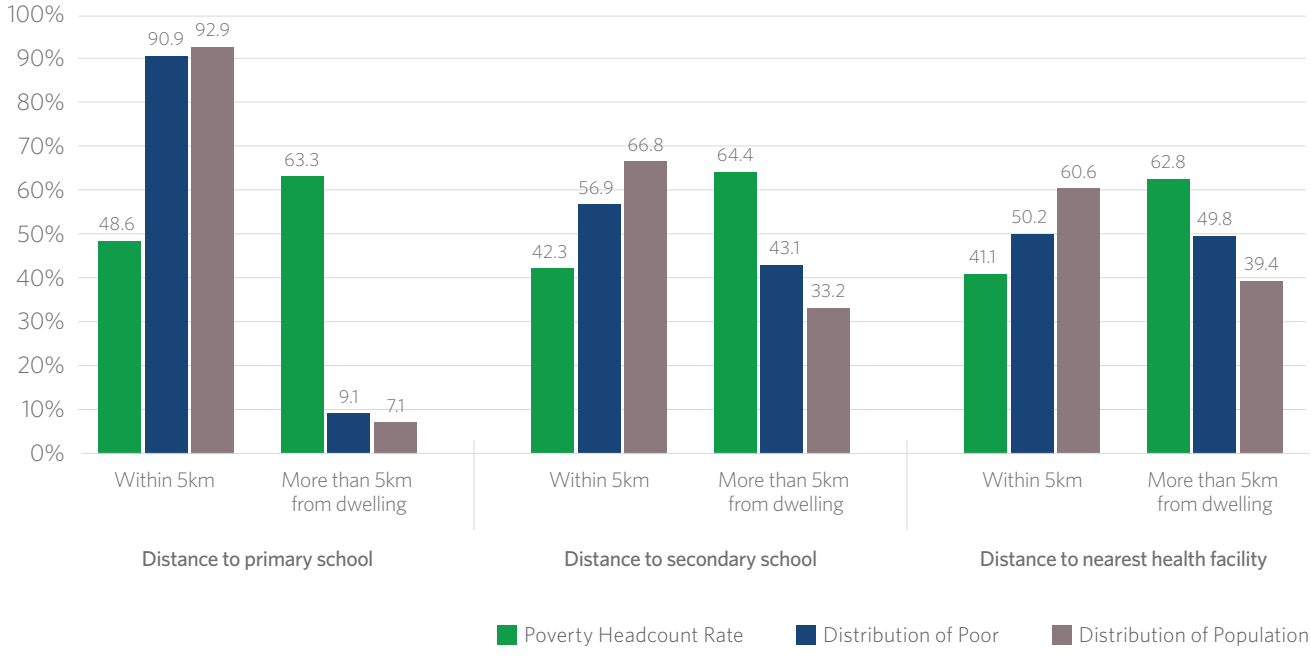


Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.
Note: If a household head indicated attainment of any grade in primary education, then the household head was assigned to the "primary" category even if primary school was not completed. The same principle was applied for secondary, vocational, and tertiary education.

7.7 Poverty: Access to Education and Health Services

Access to education and health services has an important implication on human capital accumulation — and escaping poverty in both the short-term and long-term. The analysis indicated that poverty rates declined with improved access to education and health services. Distance to the nearest primary school, the nearest secondary school, as well as the nearest health facility were used as the indicators. The poverty rate for individuals living within 5 km of a primary school was 48.6 percent compared to 63.3 percent amongst the group living more than 5 km away from the nearest primary school. At 64.4 percent, the poverty rate was higher amongst people living further than 5 km away from the nearest secondary school. For people living further than 5 km away from the nearest health facility, 62.8 percent were living below the national poverty line in 2017/2018.

Figure 25: Poverty Headcount Rate by Household Head's Education Level, 2017/2018



Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

Table 16 indicates that the poverty rate is lowest amongst people closest to a health facility in 2017/2018 (43 percent), with 67.2 percent of the population living within 5 km of a health facility.

Table 16: Poverty and Distance to Nearest Health Facility, 2017/2018

	Poverty Headcount Rate	Distribution of the Poor	Distribution of Population
Within 5km	43.0	58.2	67.2
6 to 10 km	60.8	20.9	17.0
11 to 15 km	65.1	11.1	8.4
16 to 20 km	65.4	4.7	3.6
More than 20km away	68.3	5.2	3.8

Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

Table 17 indicates that poverty levels are high amongst people with no health insurance (50.1 percent) compared to those with health insurance (15.4 percent). However, health insurance is almost non-existent for the poor: 0.4 percent of poor individuals have health insurance. Health insurance coverage in Lesotho is low. Table 17 indicates that only 1.3 percent of the population had health insurance in 2017/2018.

Table 17: Poverty and Health Insurance, 2017/2018

	Poverty Headcount Rate	Distribution of the Poor	Distribution of Population
Has access to health insurance	15.4	0.4	1.3
No access to health insurance	50.1	99.6	98.7

Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

7.8 Poverty: Access to Basic Services

Access to basic services such as electricity, clean water, and sanitation facilities is an important indicator of well-being. The analysis shows that Lesotho's poor often have limited access to these basic services.

All access indicators suggest negative correlation between poverty rates and access to basic public services. Table 18 indicates that the poverty rate is higher amongst people with no access to electricity, compared to those with access (63.7 percent and 29.1 percent, respectively). Households with no electricity comprise a majority of the poor (76.3 percent). Many poor households use wood for cooking and heating, and paraffin for lighting.

Table 18: Poverty and Energy Sources, 2017/2018

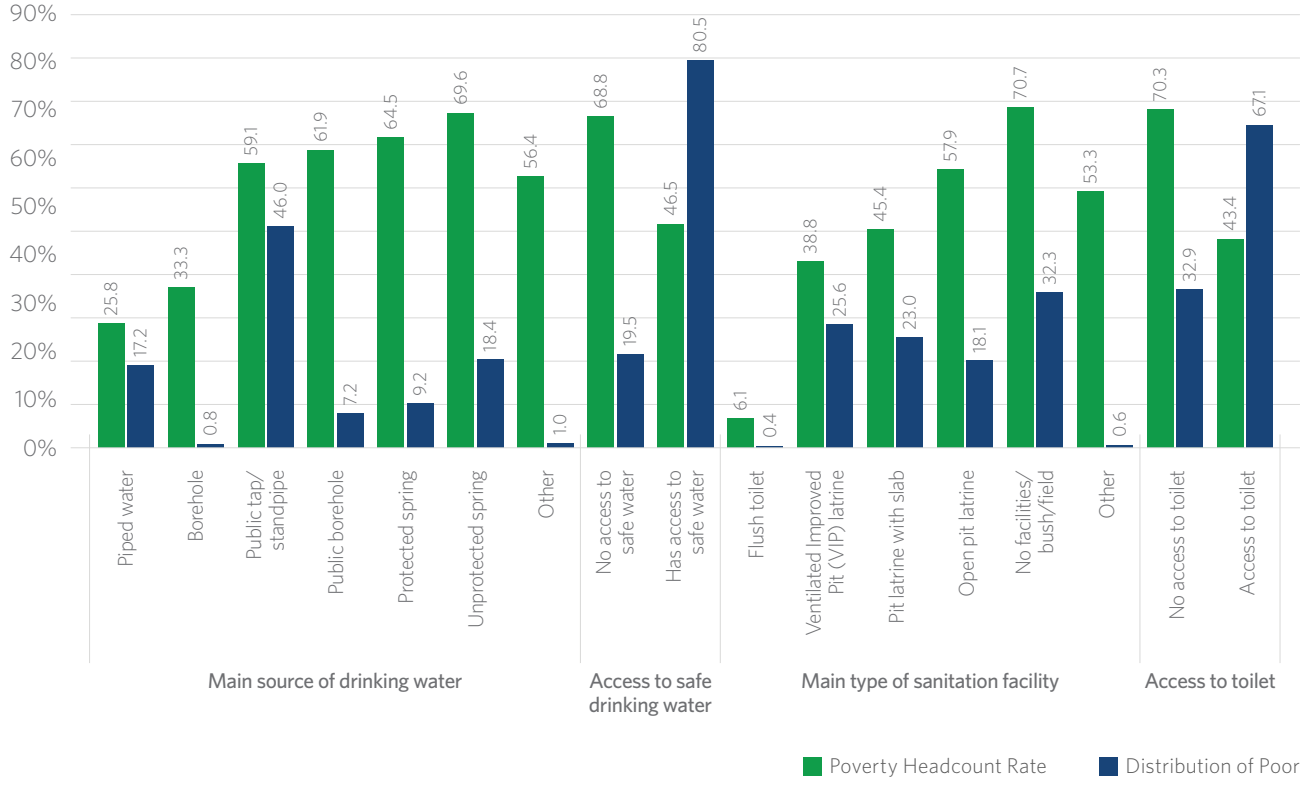
	Poverty Headcount Rate (%)	Distribution of the Poor (%)	Distribution of Population (%)
Access to electricity			
No access to electricity	63.7	76.3	59.4
Has access to electricity	29.1	23.7	40.6
Energy used for cooking			
Electricity	16.0	3.2	10.0
Liquid petroleum gas (LPG)/Biogas	25.4	15.1	29.5
Paraffin	55.2	6.4	5.7
Wood	68.9	69.4	50.1
Animal dung	60.9	5.0	4.1
Other	73.8	0.9	0.6
Energy used for heating			
Electricity	12.3	0.9	3.7
Liquid petroleum gas (LPG)/Biogas	36.3	0.5	0.6
Paraffin	26.1	19.1	36.3
Wood	68.0	68.8	50.3
Animal dung	67.2	7.0	5.2
Other	47.5	3.7	3.9
Energy used for lighting			
Electricity	8.8	14.6	40.2
Paraffin	32.5	61.8	45.9
Candles	41.4	23.1	13.4
Other	31.5	0.6	0.4

Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

Access to clean drinking water is critical for the health of a population. For this analysis, safe water was classified as piped water, private wells, catchment tanks, community water, and protected springs. The analysis indicated that poverty rates are lowest amongst people with access to piped water (25.8 percent), whilst it is highest amongst those using unprotected springs (Figure 26). Poverty is high, at 68.8 percent, for those with no access to safe drinking water.

In addition to clean drinking water, access to sanitation facilities is also an essential element in ensuring the health of a population. Poverty was highest amongst individuals with no sanitation facilities (70.7 percent). This group comprised 32.3 percent of the poor.

Figure 26: Poverty and Access to Basic Services, 2017/2018

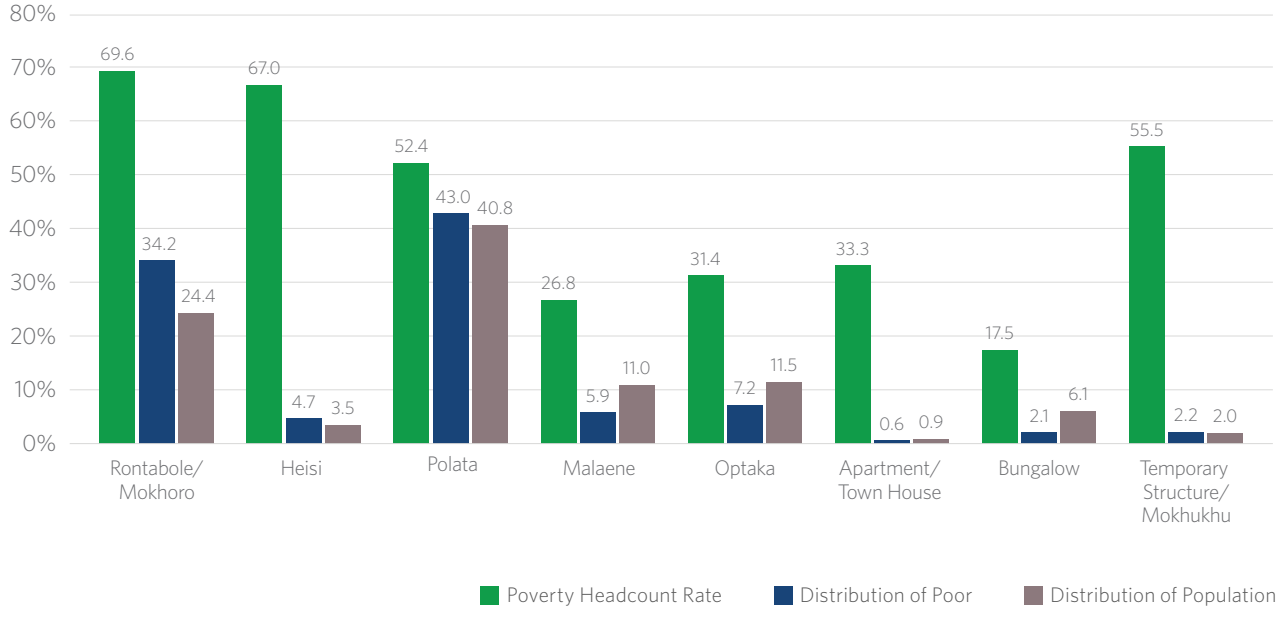


Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

7.9 Poverty: Housing Characteristics

Housing conditions are key determinants of people's living conditions, and influence productivity which, in turn, affects poverty status. Figure 27 indicates that, consistent with poverty being more prevalent in rural areas compared to urban areas, poverty is highest amongst people living in mokhoro, the predominant housing structure in rural areas. Levels of poverty are also shown to be high amongst people living in informal settlements (55.5 percent).

Figure 27: Poverty and Dwelling Type, 2017/2018



Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

7.10 Poverty: Livestock Holdings

Livestock plays an important role in the socio-economic status of households. It can serve as an insurance mechanism, a sign of wealth, and a source of income. Livestock presents a potential pathway out of poverty for the rural poor. Table 19 depicts the average holdings by rural households for selected livestock in 2017/2018. Although the poor tend to have fewer livestock than the non-poor, the differences in average livestock holding between the poor and non-poor is relatively small.

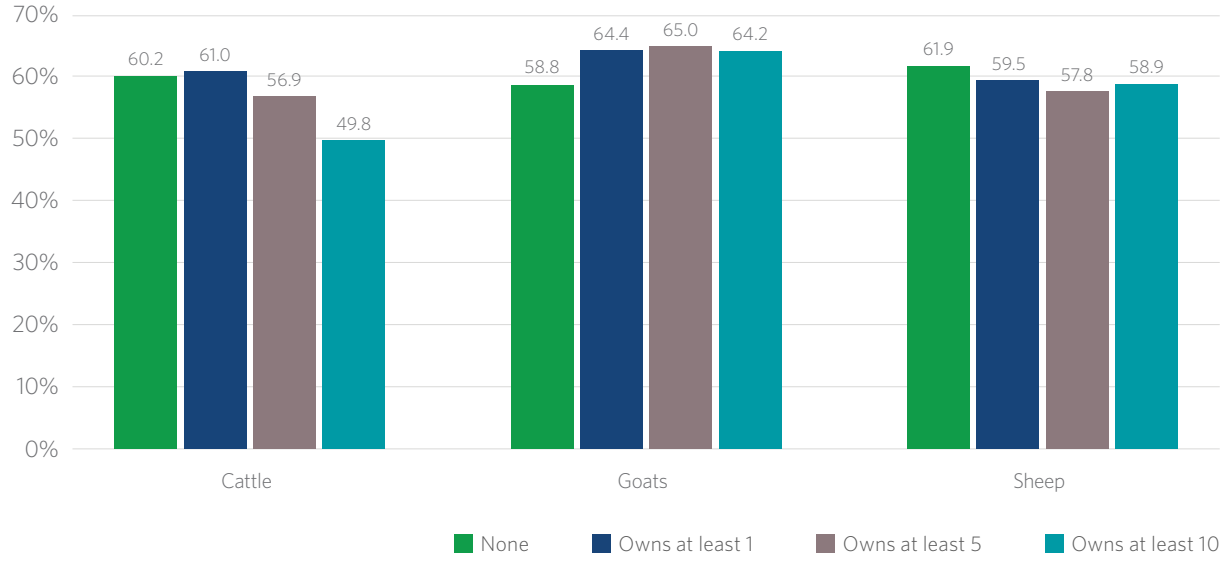
Figure 28 suggests that the more cattle a rural household owns, the less likely they are to be poor. In 2017/2018, 49.8 percent of rural residents living in households with at least 10 cattle were poor, 10.4 percentage points lower than the poverty rate amongst rural residents who lived in a household with no cattle.

Table 19: Average Livestock Holdings in Rural Areas (Number Owned), 2017/2018

	Non-poor	Poor	Rural
Cattle	6.4	5.7	6.0
Goats	16.4	14.4	15.1
Sheep	22.8	18.7	20.3
Pigs	2.9	2.4	2.6
Chickens	9.1	7.6	8.2
Donkeys	3.1	3.0	3.0
Horses	2.9	2.7	2.8

Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

Figure 28: Rural Poverty and Livestock Holdings, 2017/2018



Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

8

8 Way Forward

This report provides an overview of poverty and inequality levels in Lesotho between 2002/2003 and 2017/2018 using data from the 2002/2003 HBS and 2017/2018 CMS/HBS. It provides detailed analysis of the poor based on the socio-economic poverty profile, including characteristics and location. This report aims to provide people involved in planning and implementing development projects with a firm foundation on poverty reduction and, ultimately, improve the living standards of vulnerable populations and of Basotho as a whole — alleviating poverty and boosting the economy. Further interventions focused on poverty reduction are essential. This section outlines conclusions and recommendations to help put Basotho on a pathway out of poverty.

8.1 Conclusions

Poverty fell in Lesotho between 2002/2003 and 2017/2018. The headcount national poverty rate fell by 7 percentage points from 56.6 percent to 49.7 percent. The FPL, on the other hand, fell by 10 percentage points from 34.1 to 24.1 percent. The poverty gap and poverty severity measures of poverty also fell, suggesting that the poor were able to reduce their consumption shortfall relative to their poverty line and inequality.

Poverty fell faster in urban areas compared to rural areas, and poverty remained higher and more concentrated in rural areas. The urban poverty rate fell by 13 percentage points from 41.5 to 28.5 percent during this period. In comparison, near stagnation was observed in rural areas, with the poverty rate falling by less than one percentage point (0.5 percentage point) during this period.

The same trend was noted at the regional level — poverty levels were lower in urban areas compared to rural regions. Maseru Urban was consistently the least poor region in both 2002/2003 and 2017/2018 — 24.7 percent of Maseru Urban residents were poor in 2017/2018 following a 9 percentage point reduction from 33.7 percent in 2002/2003. Rural Mountain and Rural Senqu River Valley were the poorest regions in 2017/2018 with poverty rates of 67.8 percent and 67.9 percent, respectively. Both regions experienced an increase in poverty rates during this period. Rural residents, female-headed households, single-headed households, children, large families, the less educated, and the unemployed are the most prone to being poor.

The consumption per adult equivalent Gini index fell nationally, as well in urban areas and rural areas. The Gini index declined from 51.9 in 2002/2003 to 44.6 in 2017/2018. Inequality fell faster in urban areas compared to rural areas. Between 2002/2003 and 2017/2018, inequality in consumption per adult equivalent, measured by the Gini index, fell from 51.7 to 41.5 in urban areas and from 50.5 to 41.7 in rural areas.

8.2 Recommendations

The methodology used for analysing this data ensured maximum comparability between the 2002/2003 and 2017/2018 methodologies, and going forward, additional enhancements should be implemented to further refine results.

The key recommendation is to improve household consumption estimations. This can be accomplished through:

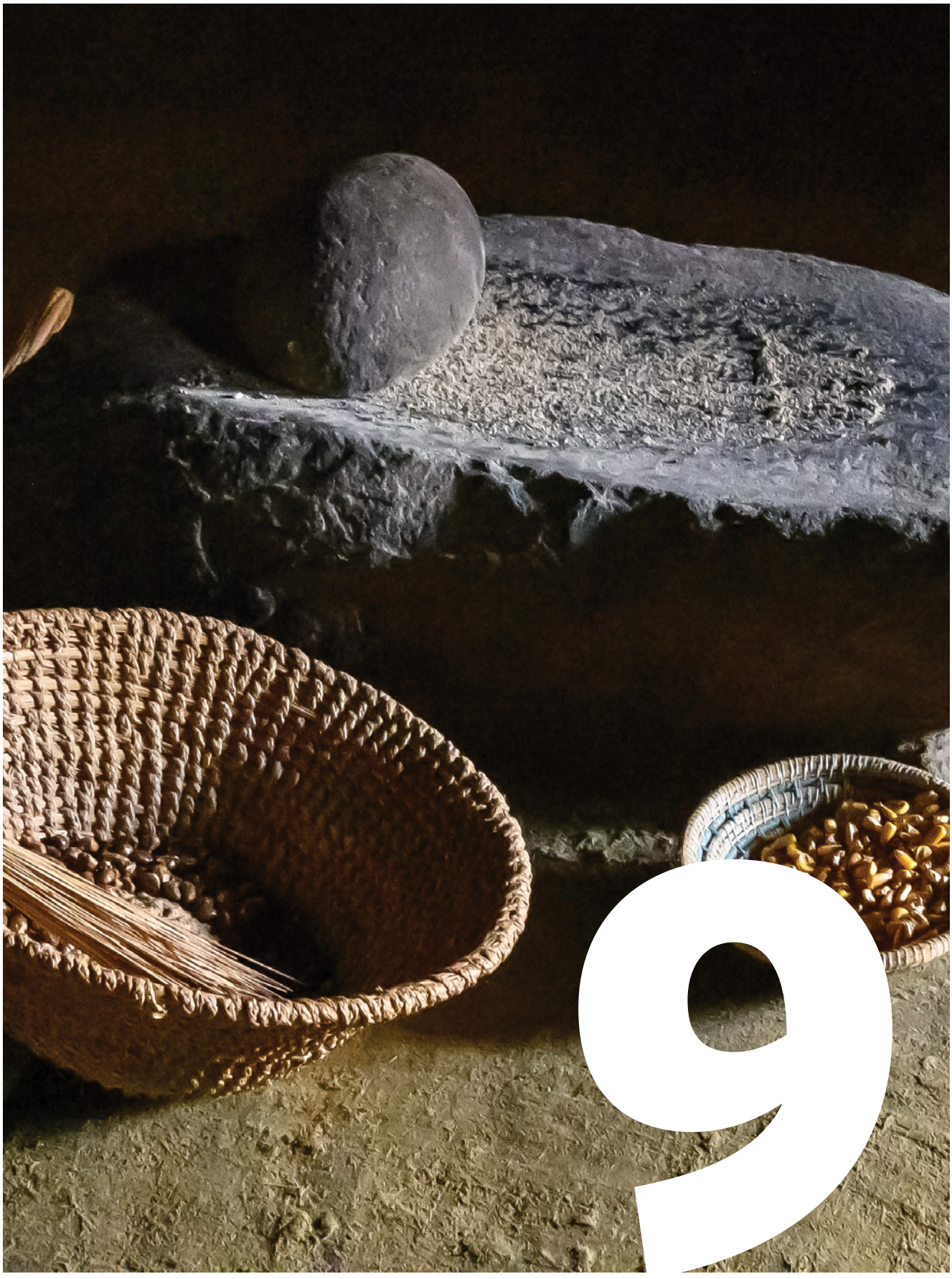
1. Inclusion of the monetary value of the flow of consumption from owned durable goods.
2. Inclusion of the actual and imputed housing rents, taking into account whether the household lives in rented accommodation or in owner-occupied housing.
3. Introducing two separate poverty lines for rural areas and urban areas to improve the accuracy of poverty estimates.

It is important to note that any modification in the consumption aggregate definition as a measure of household welfare should trigger a re-estimation of the poverty line. This will help to ensure that the poverty line is appropriate for the modified consumption aggregate, as a poverty line cannot remain unchanged when different consumption aggregates are used to calculate poverty statistics.

As Lesotho forges ahead working steadfastly to promote economic growth, erase inequality, and eliminate poverty, it is important to understand the underlying causes of these injustices. A clear understanding of poverty and inequality will allow leaders, decision-makers, and implementers to design and implement interventions that will lead to realisation of these important development goals leading to a healthier, happier, and more productive Basotho — and ultimately, a more prosperous and productive Lesotho.

"Saving our planet, lifting people out of poverty, advancing economic growth … these are one and the same fight."

Ban Ki-moon



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Annex Tables

Table A.1: Composition of Minimum Food Basket

	Food Item	Unit	Median Price per Unit	Calories per 100 Grams	Quantity in Daily Basket	Calories from Item	Cost LSL/ per Day
1	Maize meal	KG	6.00	361.0	0.393	1,418.72	2.36
2	Poultry (fresh, frozen)	KG	27.50	186.0	0.028	51.17	0.76
3	Bread flour	KG	6.96	341.0	0.090	307.23	0.63
4	Dried beans	KG	18.00	333.0	0.030	101.43	0.55
5	Peaches	KG	20.00	49.0	0.027	13.33	0.54
6	Cabbage	KG	7.00	24.0	0.066	15.92	0.46
7	Edible oil	L	22.50	884.0	0.018	155.47	0.40
8	Whole milk	L	12.00	61.0	0.032	19.72	0.39
9	Mutton (fresh, frozen)	KG	35.00	122.0	0.010	12.32	0.35
10	Sorghum meal	KG	11.50	367.0	0.028	103.66	0.32
11	Sugar	KG	16.00	387.0	0.017	65.17	0.27
12	Eggs	piece	1.33	155.0	0.188	18.97	0.25
13	Other leaf and stem vegetables (fresh, frozen)	KG	32.00	16.0	0.008	1.24	0.25
14	Beef (fresh, frozen)	KG	40.00	251.0	0.006	15.10	0.24
15	Spinach (fresh, frozen)	KG	10.00	22.0	0.024	5.28	0.24
16	Rice	KG	12.60	364.0	0.018	63.72	0.22
17	Sausage	KG	23.00	256.0	0.009	23.61	0.21
18	Tomatoes	KG	13.89	18.0	0.014	2.50	0.19
19	Potatoes	KG	15.00	79.0	0.013	10.01	0.19
20	Tinned fish	KG	51.22	82.0	0.004	2.97	0.19
21	Pumpkins	KG	5.00	26.0	0.035	9.22	0.18
22	Preserved milk	KG	14.00	362.0	0.012	44.40	0.17
23	Wheat meal	KG	7.16	361.0	0.021	76.17	0.15
24	Pork (fresh, frozen)	KG	45.00	376.0	0.003	12.27	0.15
25	Radish	KG	10.00	43.0	0.013	5.80	0.13
26	Tea	KG	270.00	1.0	0.000	0.00	0.12
27	Spices, culinary herbs	KG	250.00	250.0	0.000	1.15	0.11
28	Maize grain	KG	7.00	368.0	0.016	58.28	0.11
29	Bread (readymade)	KG	15.38	261.0	0.007	17.42	0.10
30	Other vegetables	KG	52.50	50.0	0.002	0.92	0.10
31	**Sour milk (mafi)**	KG	13.00	55.0	0.007	3.67	0.09

Table A.1: Composition of Minimum Food Basket (continued)

	Food Item	Unit	Median Price per Unit	Calories per 100 Grams	Quantity in Daily Basket	Calories from Item	Cost LSL/ per Day
32	Salt	KG	12.00	0.0	0.007	0.00	0.08
33	Other tubers (montsokoane, moetse oa pere, etc.)	KG	12.00	149.0	0.007	10.17	0.08
34	Onions	KG	25.00	34.0	0.003	1.05	0.08
35	Baker's yeast	KG	300.00	150.0	0.000	0.37	0.07
36	Minced meat	KG	25.00	251.0	0.003	7.10	0.07
37	Dried split peas	KG	19.00	343.0	0.004	12.26	0.07
38	Soft drinks	L	9.00	52.0	0.007	3.76	0.07
39	Apples	KG	20.00	49.0	0.003	1.39	0.06
40	Beef and other stock	KG	100.00	77.0	0.001	0.42	0.06
41	Offal (fresh, frozen)	KG	18.00	123.0	0.003	3.67	0.05
42	Motoho – Soft Porridge (ready-made)	KG	11.00	150.0	0.005	6.84	0.05
43	Oranges	KG	13.33	47.0	0.003	1.40	0.04
44	Other meat (fresh, frozen)	KG	28.57	225.0	0.001	3.02	0.04
45	Fruit juices	L	15.00	52.0	0.003	1.30	0.04
46	Tomato sauce	KG	29.33	105.0	0.001	1.25	0.04
47	Green peas (fresh, frozen)	KG	20.00	81.0	0.002	1.41	0.03
48	Other preserved or processed meat and meat preparations	KG	30.00	225.0	0.001	2.52	0.03
49	Watermelon	KG	45.00	30.0	0.001	0.18	0.03
50	Green beans (fresh, frozen)	KG	20.00	31.0	0.001	0.40	0.03
51	Grapes	KG	20.00	60.0	0.001	0.75	0.03
52	Fish (fresh, frozen)	KG	50.58	84.0	0.000	0.40	0.02
53	Beetroot	KG	12.00	43.0	0.002	0.84	0.02
54	Coffee	KG	124.00	241.0	0.000	0.42	0.02
55	Carrots	KG	10.00	41.0	0.002	0.86	0.02
56	Crisps	KG	50.00	274.0	0.000	1.10	0.02
57	Other fruits	KG	26.67	49.0	0.001	0.29	0.02
	Total					**2,700**	**11.59**

Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

Table A.2: Poverty Estimates with Standard Errors and 95% Confidence Intervals, 2017/2018

				95% Confidence Interval	
		Estimate	Standard Error	Lower	Upper
National					
	Food poverty incidence	.2412	.01208	.2174	.2649
	Lower poverty incidence	.4474	.01383	.4202	.4746
	Upper poverty incidence	.4967	.01378	.4696	.5238
	Extreme poverty gap	.0805	.00509	.0705	.0905
	Lower poverty gap	.1853	.00773	.1701	.2005
	Upper poverty gap	.2192	.00827	.2029	.2355
	Severity of extreme poverty	.0380	.00289	.0323	.0437
	Lower severity of poverty	.0996	.00512	.0895	.1096
	Upper severity of poverty	.1225	.00572	.1112	.1337
Regional					
Urban Maseru	Food poverty incidence				
	Lower poverty incidence	.2179	.03978	.1397	.2961
	Upper poverty incidence	.2468	.03939	.1694	.3243
	Extreme poverty gap	.0246	.00665	.0115	.0377
	Lower poverty gap	.0765	.01507	.0469	.1061
	Upper poverty gap	.0950	.01774	.0602	.1299
	Severity of extreme poverty	.0100	.00374	.0026	.0173
	Lower severity of poverty	.0358	.00783	.0204	.0512
	Upper severity of poverty	.0470	.00963	.0280	.0659
Other Urban	Food poverty incidence	.1241	.02214	.0806	.1677
	Lower poverty incidence	.2570	.02630	.2053	.3088
	Upper poverty incidence	.3135	.02695	.2605	.3665
	Extreme poverty gap	.0380	.00897	.0204	.0557
	Lower poverty gap	.0958	.01409	.0681	.1235
	Upper poverty gap	.1185	.01521	.0886	.1484
	Severity of extreme poverty	.0176	.00527	.0072	.0279
	Lower severity of poverty	.0493	.00926	.0310	.0675
	Upper severity of poverty	.0621	.01040	.0417	.0826

Table A.2: Poverty Estimates with Standard Errors and 95% Confidence Intervals, 2017/2018 (continued)

				95% Confidence Interval	
		Estimate	Standard Error	Lower	Upper
Rural Lowlands	Food poverty incidence	.2579	.02215	.2144	.3015
	Lower poverty incidence	.4923	.02348	.4462	.5385
	Upper poverty incidence	.5442	.02446	.4961	.5923
	Extreme poverty gap	.0841	.00941	.0655	.1026
	Lower poverty gap	.1998	.01398	.1723	.2273
	Upper poverty gap	.2373	.01480	.2082	.2664
	Severity of extreme poverty	.0387	.00520	.0284	.0489
	Lower severity of poverty	.1055	.00939	.0870	.1240
	Upper severity of poverty	.1307	.01043	.1102	.1512
Rural Foothills	Food poverty incidence	.3314	.05319	.2268	.4360
	Lower poverty incidence	.5952	.04715	.5025	.6880
	Upper poverty incidence	.6360	.04345	.5506	.7215
	Extreme poverty gap	.1076	.02246	.0634	.1518
	Lower poverty gap	.2482	.03238	.1845	.3118
	Upper poverty gap	.2912	.03351	.2253	.3571
	Severity of extreme poverty	.0528	.01338	.0265	.0791
	Lower severity of poverty	.1345	.02256	.0901	.1788
	Upper severity of poverty	.1647	.02474	.1160	.2133
Rural Mountains	Food poverty incidence	.3719	.02800	.3168	.4269
	Lower poverty incidence	.6255	.02917	.5681	.6828
	Upper poverty incidence	.6780	.02737	.6242	.7319
	Extreme poverty gap	.1330	.01271	.1080	.1580
	Lower poverty gap	.2801	.01719	.2463	.3140
	Upper poverty gap	.3238	.01818	.2880	.3595
	Severity of extreme poverty	.0634	.00723	.0491	.0776
	Lower severity of poverty	.1569	.01203	.1332	.1806
	Upper severity of poverty	.1893	.01318	.1634	.2152

Table A.2: Poverty Estimates with Standard Errors and 95% Confidence Intervals, 2017/2018 (continued)

				95% Confidence Interval	
		Estimate	Standard Error	Lower	Upper
Rural Senqu River Valley	Food poverty incidence	.3520	.04258	.2683	.4358
	Lower poverty incidence	.6155	.04367	.5296	.7014
	Upper poverty incidence	.6792	.03796	.6046	.7539
	Extreme poverty gap	.1351	.02076	.0943	.1759
	Lower poverty gap	.2796	.02838	.2238	.3354
	Upper poverty gap	.3234	.02935	.2656	.3811
	Severity of extreme poverty	.0684	.01218	.0444	.0923
	Lower severity of poverty	.1586	.02006	.1191	.1981
	Upper severity of poverty	.1905	.02194	.1473	.2336

Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

Table A.3: Poverty and Demographic Characteristics – National Poverty Line, 2017/2018

	Poverty Headcount Rate	Distribution of the Poor	Distribution of Population
Gender of the household head			
Male	46.3	58.5	62.7
Female	55.2	41.5	37.3
Marital status of household head			
Married/Living together	46.0	53.6	57.9
Separated/Divorced	46.1	5.0	5.4
Widow/Widower	59.8	37.2	30.9
Never married	35.8	4.2	5.8
Household size			
1	17.1	1.5	4.2
2	28.3	4.1	7.2
3	32.9	9.2	13.8
4	40.7	15.3	18.7
5	54.1	18.9	17.3
6	62.2	15.0	12.0
7 or more	67.1	36.0	26.6

Table A.3: Poverty and Demographic Characteristics – National Poverty Line, 2017/2018 (continued)

	Poverty Headcount Rate	Distribution of the Poor	Distribution of Population
Number of children 0-6 years old			
no children	41.4	36.6	43.8
1	49.9	35.1	34.9
2	64.7	21.3	16.4
3 or more children	71.6	7.1	4.9
Age			
0-5	53.2	12.9	12.1
6-14	60.9	26.1	21.3
15-19	55.0	11.3	10.2
20-24	45.8	8.4	9.1
25-29	37.9	6.5	8.5
30-34	41.7	6.2	7.4
35-39	40.7	5.3	6.5
40-44	43.7	4.2	4.8
45-49	43.3	3.3	3.8
50-54	43.9	3.2	3.6
55-59	44.5	2.7	3.0
60-64	45.6	2.5	2.7
65+	52.0	7.3	6.9
Dependency ratio			
0.00 to 0.25	26.4	9.0	17.0
0.25 to 0.50	44.8	12.0	13.3
0.50 to 0.75	42.5	18.9	22.1
0.75 to 1.00	65.2	6.8	5.2
1 and more	62.6	53.3	42.3
Education of the household head			
None	67.3	21.0	15.6
Primary	57.6	63.3	54.8
Secondary	31.8	14.6	22.8
Vocational	8.1	0.4	2.4
Tertiary	8.7	0.8	4.4

Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

Table A.4: Poverty and Demographic Characteristics – Lower Bound Poverty Line, 2017/2018

	Poverty Headcount Rate	Distribution of the Poor	Distribution of Population
Gender of the household head			
Male	41.0	57.4	62.7
Female	51.0	42.6	37.3
Marital status of household head			
Married/Living together	40.8	52.9	57.9
Separated/Divorced	41.6	5.0	5.4
Widow/Widower	55.0	38.0	30.9
Never married	32.0	4.2	5.8
Household size			
1	13.6	1.3	4.2
2	23.9	3.9	7.2
3	27.7	8.6	13.8
4	35.3	14.8	18.7
5	48.5	18.8	17.3
6	57.6	15.5	12.0
7 or more	62.6	37.3	26.6
Number of children 0-6 years old			
no children	36.6	35.8	43.8
1	44.7	34.9	34.9
2	60.0	22.0	16.4
3 or more children	66.6	7.3	4.9

Table A.4: Poverty and Demographic Characteristics – Lower Bound Poverty Line, 2017/2018 (continued)

	Poverty Headcount Rate	Distribution of the Poor	Distribution of Population
Age			
0-5	48.2	13.0	12.1
6-14	55.6	26.4	21.3
15-19	49.3	11.3	10.2
20-24	41.1	8.4	9.1
25-29	34.1	6.5	8.5
30-34	37.6	6.2	7.4
35-39	35.6	5.2	6.5
40-44	38.4	4.1	4.8
45-49	38.5	3.3	3.8
50-54	37.2	3.0	3.6
55-59	41.6	2.8	3.0
60-64	41.2	2.5	2.7
65+	47.1	7.3	6.9
Dependency ratio			
0.00 to 0.25	22.1	8.4	17.0
0.25 to 0.50	40.0	11.9	13.3
0.50 to 0.75	37.7	18.6	22.1
0.75 to 1.00	62.6	7.3	5.2
1 and more	57.0	53.8	42.3
Education of the household head			
None	62.2	21.5	15.6
Primary	52.2	63.6	54.8
Secondary	27.3	13.9	22.8
Vocational	6.0	0.3	2.4
Tertiary	6.7	0.7	4.4

Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

Table A.5: Poverty and Demographic Characteristics – Food/Extreme Poverty Line, 2017/2018

	Poverty Headcount Rate	Distribution of the Poor	Distribution of Population
Gender of the household head			
Male	21.5	55.8	62.7
Female	28.6	44.2	37.3
Marital status of household head			
Married/Living together	21.4	51.4	57.9
Separated/Divorced	21.7	4.9	5.4
Widow/Widower	31.0	39.7	30.9
Never married	16.8	4.0	5.8
Household size			
1	5.3	0.9	4.2
2	10.3	3.1	7.2
3	12.5	7.2	13.8
4	16.5	12.8	18.7
5	24.3	17.5	17.3
6	29.1	14.5	12.0
7 or more	39.9	44.0	26.6
Number of children 0-6 years old			
no children	17.4	31.6	43.8
1	25.7	37.2	34.9
2	33.9	23.0	16.4
3 or more children	40.3	8.2	4.9

Table A.5: Poverty and Demographic Characteristics – Food/Extreme Poverty Line, 2017/2018 (continued)

	Poverty Headcount Rate	Distribution of the Poor	Distribution of Population
Age			
0-5	26.2	13.1	12.1
6-14	31.7	27.9	21.3
15-19	27.7	11.8	10.2
20-24	21.4	8.1	9.1
25-29	18.6	6.5	8.5
30-34	18.5	5.7	7.4
35-39	19.0	5.1	6.5
40-44	19.7	3.9	4.8
45-49	19.1	3.0	3.8
50-54	18.9	2.8	3.6
55-59	20.2	2.5	3.0
60-64	23.5	2.7	2.7
65+	23.5	6.8	6.9
Dependency ratio			
0.00 to 0.25	10.3	7.3	17.0
0.25 to 0.50	20.7	11.4	13.3
0.50 to 0.75	19.7	18.0	22.1
0.75 to 1.00	37.7	8.1	5.2
1 and more	31.5	55.2	42.3
Education of the household head			
None	38.6	24.8	15.6
Primary	27.6	62.5	54.8
Secondary	13.4	12.7	22.8
Vocational	0.0	0.0	2.4
Tertiary	0.6	0.1	4.4

Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

Table A.6: Poverty and Access to Basic Services – National Poverty Line, 2017/2018

	Poverty Headcount Rate	Distribution of the Poor	Distribution of Population
Distance to the nearest primary school			
Within 5km	48.6	90.9	92.9
More than 5km from the dwelling	63.3	9.1	7.1
Distance to the nearest secondary school			
Within 5km	42.3	56.9	66.8
More than 5km from the dwelling	64.4	43.1	33.2
Distance to the nearest health facility			
Within 5km	41.1	50.2	60.6
More than 5km from the dwelling	62.8	49.8	39.4
Distance to the nearest health facility			
Within 5km	43.0	58.2	67.2
6 to 10 km	60.8	20.9	17.0
11 to 15 km	65.1	11.1	8.4
16 to 20 km	65.4	4.7	3.6
More than 20km away	68.3	5.2	3.8
Health insurance			
Has access to health insurance	15.4	0.4	1.3
No access to health insurance	50.1	99.6	98.7
Access to electricity			
No access to electricity	53.4	96.8	90.0
Has access to electricity	16.0	3.2	10.0
Main source of drinking water			
Piped water	25.8	17.2	33.1
Borehole	33.3	0.8	1.2
Public tap/standpipe	59.1	46.0	38.7
Public borehole	61.9	7.2	5.8
Protected spring	64.5	9.2	7.1
Unprotected spring	69.6	18.4	13.1
Other	56.4	1.0	0.9
Access to safe water			
No access to safe water	68.8	19.5	14.1
Has access to safe water	46.5	80.5	85.9

Table A.6: Poverty and Access to Basic Services – National Poverty Line, 2017/2018 (continued)

	Poverty Headcount Rate	Distribution of the Poor	Distribution of Population
Main type of sanitation facility			
Flush toilet	6.1	0.4	3.3
Ventilated Improved Pit latrine (VIP)	38.8	25.6	32.7
Pit latrine with slab	45.4	23.0	25.2
Open pit latrine	57.9	18.1	15.5
No facilities/ bush/ field	70.7	32.3	22.7
Other	53.3	0.6	0.5
Access to a toilet			
No access to a toilet	70.3	32.9	23.2
Has access to a toilet	43.4	67.1	76.8

Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

Table A.7: Poverty and Access to Basic Services – Lower Bound Poverty Line, 2017/2018

	Poverty Headcount Rate	Distribution of the Poor	Distribution of Population
Distance to the nearest primary school			
Within 5km	43.6	90.5	92.9
More than 5km from the dwelling	59.9	9.5	7.1
Distance to the nearest secondary school			
Within 5km	37.3	55.7	66.8
More than 5km from the dwelling	59.8	44.3	33.2
Distance to the nearest health facility			
Within 5km	36.2	49.0	60.6
More than 5km from the dwelling	57.9	51.0	39.4
Distance to the nearest health facility			
Within 5km	38.3	57.6	67.2
6 to 10 km	54.6	20.8	17.0
11 to 15 km	60.9	11.5	8.4
16 to 20 km	62.6	5.0	3.6
More than 20km away	61.4	5.2	3.8
Health insurance			
Has access to health insurance	11.8	0.4	1.3
No access to health insurance	45.2	99.6	98.7

Table A.7: Poverty and Access to Basic Services – Lower Bound Poverty Line, 2017/2018 (continued)

	Poverty Headcount Rate	Distribution of the Poor	Distribution of Population
Access to electricity			
No access to electricity	48.2	97.0	90.0
Has access to electricity	13.6	3.0	10.0
Main source of drinking water			
Piped water	22.3	16.5	33.1
Borehole	27.2	0.8	1.2
Public tap/standpipe	53.3	46.1	38.7
Public borehole	56.4	7.3	5.8
Protected spring	59.3	9.4	7.1
Unprotected spring	64.2	18.9	13.1
Other	52.2	1.1	0.9
Access to safe water			
No access to safe water	63.4	19.9	14.1
Has access to safe water	41.7	80.1	85.9
Main type of sanitation facility			
Flush toilet	4.3	0.3	3.3
Ventilated Improved Pit latrine (VIP)	34.4	25.2	32.7
Pit latrine with slab	39.9	22.4	25.2
Open pit latrine	51.7	18.0	15.5
No facilities/ bush/ field	66.0	33.5	22.7
Other	47.9	0.6	0.5
Access to a toilet			
No access to a toilet	65.6	34.1	23.2
Has access to a toilet	38.4	65.9	76.8

Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

Table A.8: Poverty and Access to Basic Service – Food/Extreme Poverty Line, 2017/2018

	Poverty Headcount Rate	Distribution of the Poor	Distribution of Population
Distance to the nearest primary school			
Within 5km	22.7	87.4	92.9
More than 5km from the dwelling	42.8	12.6	7.1
Distance to the nearest secondary school			
Within 5km	18.5	51.3	66.8
More than 5km from the dwelling	35.4	48.7	33.2
Distance to the nearest health facility			
Within 5km	17.8	44.7	60.6
More than 5km from the dwelling	33.8	55.3	39.4
Distance to the nearest health facility			
Within 5km	19.2	53.6	67.2
6 to 10 km	29.7	20.9	17.0
11 to 15 km	34.6	12.1	8.4
16 to 20 km	44.6	6.6	3.6
More than 20km away	43.6	6.8	3.8
Health insurance			
Has access to health insurance	7.5	0.4	1.3
No access to health insurance	24.3	99.6	98.7
Access to electricity			
No access to electricity	26.4	98.4	90.0
Has access to electricity	3.8	1.6	10.0
Main source of drinking water			
Piped water	8.1	11.1	33.1
Borehole	14.5	0.7	1.2
Public tap/standpipe	30.7	49.2	38.7
Public borehole	26.4	6.3	5.8
Protected spring	36.2	10.7	7.1
Unprotected spring	38.2	20.8	13.1
Other	30.2	1.1	0.9
Access to safe water			
No access to safe water	37.7	21.9	14.1
Has access to safe water	21.9	78.1	85.9

Table A.8: Poverty and Access to Basic Service – Food/Extreme Poverty Line, 2017/2018 (continued)

	Poverty Headcount Rate	Distribution of the Poor	Distribution of Population
Main type of sanitation facility			
Flush toilet	0.0	0.0	3.3
Ventilated Improved Pit latrine (VIP)	15.9	21.5	32.7
Pit latrine with slab	20.1	21.0	25.2
Open pit latrine	26.9	17.3	15.5
No facilities/ bush/ field	42.2	39.7	22.7
Other	17.0	0.4	0.5
Access to a toilet			
No access to a toilet	41.6	40.1	23.2
Has access to a toilet	18.8	59.9	76.8

Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

Table A.9: Poverty and Type of Main Dwelling Unit, 2017/2018

	Poverty Headcount Rate	Distribution of the Poor	Distribution of Population
National poverty line			
Rontabole/Mokhoro	69.6	34.2	24.4
Heisi	67.0	4.7	3.5
Polata	52.4	43.0	40.8
Malaene	26.8	5.9	11.0
Optaka	31.4	7.2	11.5
Apartment/Town House	33.3	0.6	0.9
Bungalow	17.5	2.1	6.1
Temporary Structure/Mokhukhu	55.5	2.2	2.0
Lower bound poverty line			
Rontabole/Mokhoro	64.0	34.9	24.4
Heisi	61.7	4.8	3.5
Polata	47.5	43.3	40.8
Malaene	22.0	5.4	11.0
Optaka	25.6	6.6	11.5
Apartment/Town House	28.8	0.6	0.9
Bungalow	16.4	2.2	6.1
Temporary Structure/Mokhukhu	51.2	2.3	2.0

Table A.9: Poverty and Type of Main Dwelling Unit, 2017/2018 (continued)

	Poverty headcount rate	Distribution of the poor	Distribution of population
Extreme poverty line			
Rontabole/Mokhoro	38.2	38.7	24.4
Heisi	36.7	5.3	3.5
Polata	24.3	41.0	40.8
Malaene	9.7	4.4	11.0
Optaka	11.8	5.6	11.5
Apartment/Town House	9.2	0.3	0.9
Bungalow	8.8	2.2	6.1
Temporary Structure/Mokhukhu	30.1	2.5	2.0

Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

Table A.10: Distribution of Population Across Quintiles

	Q1	Q2	Q3	Q4	Q5
2002/2003					
Urban	11.7	15.3	18.2	23.9	30.9
Rural	22.6	21.4	20.5	18.8	16.7
2017/2018					
Urban	8.4	12.1	17.9	26.0	35.6
Rural	26.0	24.1	21.1	16.9	11.9
Change					
Urban	-3.3	-3.2	-0.3	2.0	4.7
Rural	3.4	2.7	0.5	-1.9	-4.8

Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

Table A.11: Quantile Personal Consumption Expenditures and Quantile Ratios of Consumption per Adult Equivalent

	Quantile					Quantile Ratio			
	10th	20th	50th/ Median	80th	90th	Ninety-Ten	Eighty-Twenty	Ninety-Fifty	Fifty-Ten
2002/2003									
Maseru Urban	62.8	94.7	209.8	516.0	764.3	91.8	81.6	72.6	70.0
Other Urban	45.0	70.4	160.7	341.8	525.9	91.4	79.4	69.5	72.0
Rural Lowlands	28.9	47.6	112.5	241.7	334.7	91.4	80.3	66.4	74.4
Rural Foothills	24.5	42.9	98.7	233.9	391.4	93.7	81.7	74.8	75.2
Rural Mountains	29.1	51.8	128.0	277.7	409.6	92.9	81.4	68.7	77.3
Rural Senqu River Valley	33.8	48.1	126.0	310.9	455.6	92.6	84.5	72.3	73.2
National	30.7	52.4	126.2	285.1	430.4	92.9	81.6	70.7	75.7
2017/2018									
Maseru Urban	365.8	528.3	1073.3	2045.2	2783.0	86.9	74.2	61.4	65.9
Other Urban	318.6	480.4	951.9	1783.9	2413.6	86.8	73.1	60.6	66.5
Rural Lowlands	223.4	301.3	587.6	1170.0	1581.6	85.9	74.2	62.8	62.0
Rural Foothills	195.8	281.7	484.8	1007.6	1298.5	84.9	72.0	62.7	59.6
Rural Mountains	178.3	238.4	449.5	855.8	1226.8	85.5	72.1	63.4	60.3
Rural Senqu River Valley	163.9	238.8	451.8	927.1	1245.3	86.8	74.2	63.7	63.7
National	227.1	312.6	656.2	1318.2	1849.8	87.7	76.3	64.5	65.4

Source: Calculations based on the 2017/2018 Lesotho CMS/HBS.

Notes

"While poverty persists, there is no true freedom."

Nelson Mandela

The Government of Lesotho

ΣBOS
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+266 22 32 3852

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