



### **On the occasion of the International Day for the Eradication of Poverty in 2019**

#### **1.3 billion people suffer from multidimensional poverty in the world**

Central Agency for Public Mobilization and Statistics (CAPMAS) today 17 / 10 / 2019 issued a press release on the occasion of the International Day for the Eradication of Poverty, which is celebrated on 17 October annually. The UN General Assembly has celebrated the Day since 1993 with the aim of promoting awareness to reduce poverty and extreme poverty in all countries, especially in developing countries. The National Strategy for Sustainable Development aims to reduce rate of people living in extreme poverty to 2.5% by 2030.

This year's celebration comes under the slogan of acting together to empower children, their families and communities to end poverty' (this year marks the 30th anniversary of the Universal Declaration of Child Rights).

#### **The following is an explanation of the most important indicators of poverty in the world and Egypt:**

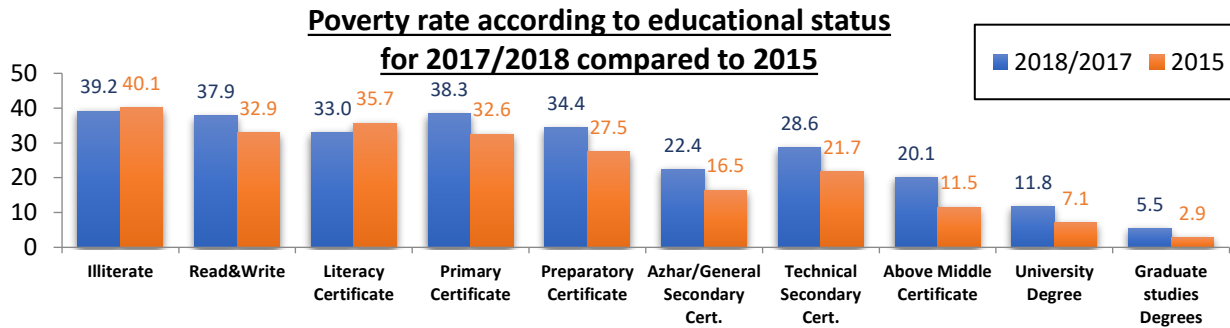
##### **First: the most important indicators of poverty in the world:**

The UNDP Multidimensional Poverty Index 2019 report covering 101 countries including 31 countries with low national income and 68 with high national income. The concept of poverty as a multidimensional concept deals not only with per capita income but also with access to minimum basic needs:

- 1.3 billion people are suffering from multidimensional poverty in 101 countries and of Africa regions, sub-Saharan Africa and South Asia have the largest percentage in the world, with about 84.5%, There is inequality in poverty between these two regions. In South Africa, the poverty rate is 6.3%, while in South Sudan it reaches 91.9%. Maldives in South Asian region records 0.8% compared to 55.9% in Afghanistan. There are differences within countries, for example, Uganda, the index of multi-dimensional poverty ranges from 6% in its capital Kampala to 96.3% in Karamoja in northeastern Uganda.
- There are 663 million children under the age of 18. The vast majority of these children are 84.5% of world's poverty rate. They live in South Asia, Africa, Sub-Saharan Africa (Burkina Faso, Chad, Ethiopia, Niger and South Sudan).

**Second: the most important indicators of poverty from the data of income, expenditure and consumption survey 2017/2018:**

Poverty indicators are derived from Household Income, Expenditure and Consumption survey (HIECS) results. The survey provides a large volume of data that are used to measure standard of living of family and individuals. As well as providing the necessary data to measure poverty and use it in determining the target groups of different social programs to set social justice rules.



**1. Poverty Rates**

**A) trend of percentage of poor during the period 2017/2018:**

- There is an increase in the poverty rate to 4.7 percentage points between 2015 - 2017/2018, due to the economic reform measures undertaken by the state.

**B. Change in poverty rate in the geographical regions for 2017/2018 compared to 2015**

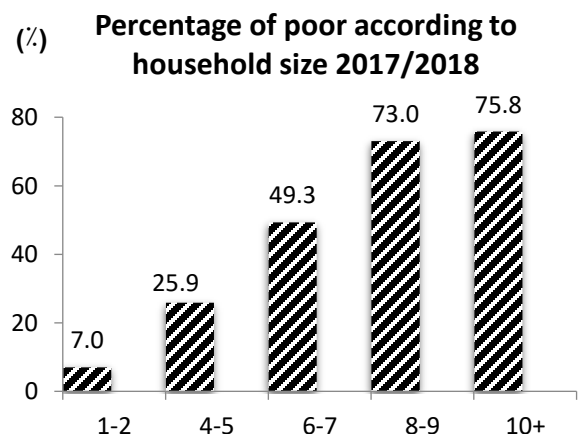
- We note the reduction of poverty rate in Upper Egypt to %51.9 in 2017/2018 compared to %56.7 in 2015 due to increased interest in Upper Egypt.

**proportion of poor increases with the size of the family.**

- Increasing family size is both a cause and a consequence of poverty. It is a result of poverty because poor families do not have adequate social protection. As a result, these families resort to increasing the number of children as a form of social protection when they get older or get sick. The family also has a great responsibility in increasing poverty rates due to increase in number of its members, despite increase in support of all kinds (food, education, energy, etc.), but it eroded with increase of family size.
- Only 7% of people living in households with fewer than 4 people are poor in 2017/2018, while this percentage increases to 49.3% for individuals living in families with 6-7 members.
- 75.8% of individuals living in households with 10 or more members are poor.

**D- Poverty rates decrease as the level of education increases**

Low education is the most relevant factor in the risk of poverty in Egypt, where poverty indicators decrease as the level of education increases. High levels of education help reduce poverty rates and that poverty rates are rising between illiterates and lower levels of education and thus attention must be paid to educational process and fight dropout.



- The lowest poverty rate is among university graduates and above.
- Poverty rate is higher among those with a preparatory school and below where 39.2% of illiterate are poor in 2017/2018, compared to 40.1% in 2015.

**2. subsidies on living standards:**

- Family gets Food subsidies worth 197 pounds, 239 pounds for Gas, and Electricity subsidies record 204 pounds with total in-kind subsidies of 640 pounds monthly.
- Subsidy for gas has contributed in reducing poverty by 5.2% of population. Electricity subsidies reduced 4.7% of the total poor, while food subsidies reduced poverty by 5.3%.

**Total impact of different types of support on the standard of living of families**

Annual Subsidy	Monthly Subsidy	Type of subsidy
2364	197	Food
2868	239	Gas
2448	204	Electricity
7680	640	Total

**3-The following are of the State's efforts to achieve social protection for poor and how to get out of poverty through:**

**A- Improving the geographical targeting of poor:**

A poverty map was prepared in which the poor families and their locations are located at the level of the governorates of the republic and in various villages and centers, prepared by the Central Agency for Public Mobilization and Statistics from income and expenditure research data to obtain a model that can be used to estimate standard of living of the family. Last census data.

Utilization of the poverty map has been maximized: by the ministers, governors, city councils and districts in the governorates to know the geographical distribution of administrative units as well as knowledge of population characteristics and strengths and weaknesses both at the level of provision of services and facilities (water - sewage - gas) as well as poverty and illiteracy rates. Etc. and follow up the achievement at the level of each service.

**B- Subsidy to Supply Commodities**

- Expansion of the program to subsidize supply of goods by increasing the value of subsidy for individual registered on ration card to 50 pounds per month per person for four individuals registered on the card and more than that would be 25 pounds per person per month in June 2017 instead of 15 pounds in June 2015.
- Implementation of subsidized bread system in 27 governorates, and allocating 150 loaves per month for each citizen and supporting basic food commodities in what is known as subsidy for food commodities.

**C- Conditional cash subsidy program "Takaful and Karama"**

- The aim of the program is to provide cash support to poor families, disbursed monthly to ensure that children grow healthy and nourished well, keeping them in schools for education, reducing negative phenomena such as dropout from education, child labor and street children. In addition to providing ration cards and bread subsidy, as well as the possibility to improve the infrastructure of poor-conditions dwellings that are deprived of drinking water and sanitation.
- The program is an attempt to protect the needy groups such as the elderly, people with disabilities, orphans, divorced women, widows and other groups that deserve to live in dignity.

- The implementation of Takaful and Karama program began in March 2015 and the number of program beneficiaries reached 2 million and 250 thousand families from all Egypt governorates. The cost of the program since its launch to date is 31 billion pounds in 2019.

**D- Supplementary programs to extend social protection programs**

- **Decent Housing Program**

- The program aims to achieve sustainable improvement of health and environmental conditions of poor families, through the extension of drinking water and sewage pipelines, building roofs and raising efficiency of dwellings.

- **'Tow are Enough' Program:**

- The program aims to reduce population growth and raise awareness of importance of family planning and availability of reproductive health services through NGOs among families benefiting from cash support (Takaful and Karama).

- **'Opportunity' Program:**

- To support the most-in-need and those unable to work to achieve sustainable development and provide them with decent jobs, by providing opportunity for training and employment, both through direct employment with private sector, investors' and business associations by providing and facilitating micro-projects.

- **'No illiteracy' program with Takaful and Karama:**

- It aims to reduce benefits of solidarity and dignity of illiteracy by spreading awareness programs and contributing to their protection with the aim of providing more care and attention to the most in need groups in society by providing decent life and improving their living standards.

- **Decent Life Initiative:**

- To improve quality of life of the most in-need social communities across Egypt. Earlier this year, Egypt President launched this initiative to help poor and needy families where the poorest villages, in coordination with CAPMAS, were divided into three phases as follows:
  - **Phase I:** targeting villages with poverty rate of more than 75%. It includes 277 villages in 15 governorates, mostly from Upper Egypt, and governorate Sohag is ranked first in terms of poverty rate.
  - **Phase II:** targets villages where poverty rate reaches 60% to 75%. Poor villages need intervention but less difficult than the first group.
  - **Phase III:** poverty rate from 50% to 60% where the most-in need poor villages were selected alleviate poverty and provide services to improve standard of living.

**Targeted classes of initiative:**

- Most needy families in targeted villages, volunteer groups, youth capable of working, orphans, women as heads of household, children and persons with disabilities.

**The areas of intervention in decent life initiative are divided into:**

- **Direct interventions and services:** Providing decent housing through building roofs and raising efficiency of houses, supporting infrastructure of sewage, water connections, etc., child development and establishment of nurseries, as well as training and operation through projects implementation.
- **Indirect service interventions:** consist of food and environmental interventions, as well as interventions in health services sector including medical convoys, surgeries, provision of medicines and prosthetic devices including headphones, glasses, wheelchairs and crutches. Such initiative also includes preparation of orphan girls in preparation for marriage, including preparation of marital homes and collective/group weddings.

**Training and employment:** The initiative includes establishment of micro-projects activating the role of productive cooperatives in villages, and establishment of home nurseries to rationalize mothers time in productive role.

- **State efforts at the level of education:**
  - Increasing spending directed to education to reach LE 104 billion in 2019/2020 compared to LE 66.1 billion in 2013/2014 with a growth rate of 57%.
- **State efforts at the level of health:**
  - The presidential initiative to eliminate hepatitis C and detect noncommunicable diseases under the slogan of, (100 million healthy) with the aim of conducting free medical tests and comprehensive survey of virus C and detecting diseases of pressure, diabetes and obesity for 75 million people.
  - Increase spending on health services as well as country's 100 million health campaign; and the 'Life Light' Initiative aims to combat and treat early vision impairment through early diagnosis and treatment besides new health insurance law, reduction of waiting lists, and attention to treatment at state expenses. The health-oriented investments reached 73 billion pounds for the current fiscal year 2019/2020 compared to 26.1 billion pounds in 2013/2014 a growth rate of 180%.
- **The State's Efforts Regarding Geographical Distribution**
  - Government investments distributed during the current fiscal year 2019/2020 to governorates reached 211 billion pounds where 15% of which, that's about LE 30 billion, was directed to Upper Egypt governorates a growth rate of 247% compared to 2013/2014, reflecting government's keenness to address development gaps.

**Data Sources:**

- CAPMAS Household Income, Expenditure and Consumption Survey (HIECS) 2017/2018
- Website of the Ministry of Planning.
- Website of the Ministry of Finance.
- Website of the United Nations.
- Website of the Ministry of Solidarity and the booklets of the Ministry of Solidarity

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P.O. Box 2086 Salah Salem, Nasr City, Cairo, Egypt

Telephone: Public Relations: (02) 24020231.. National Center for Information: (02) 24020574

Fax of CAPMAS chairmanship: 24024099 E-mail: pres\_capmas@capmas.gov.eg Website: