

# Poverty & Equity Brief

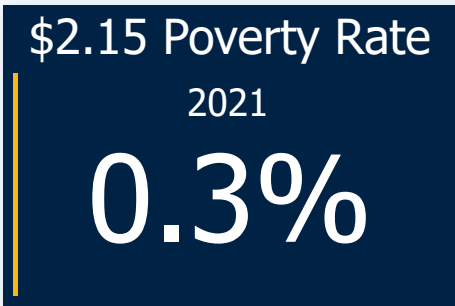
October 2024

## JAMAICA

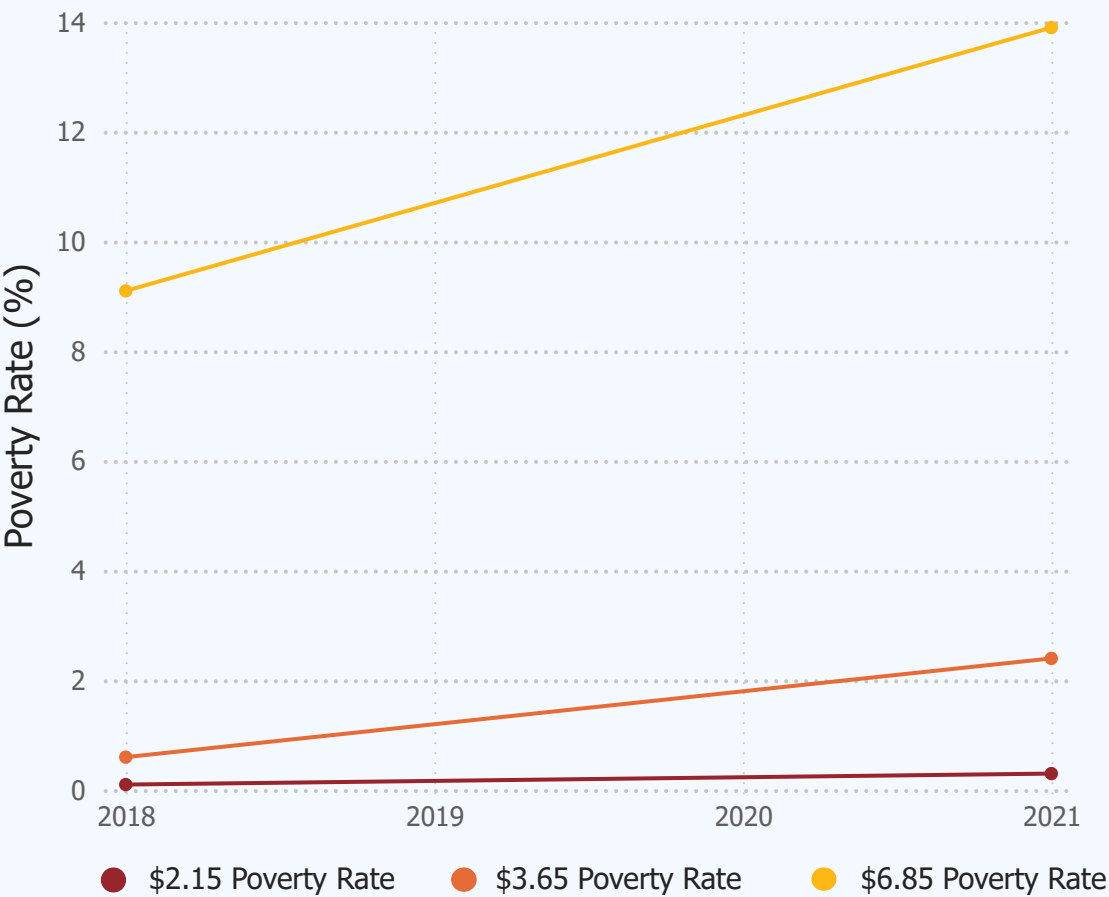
After several years of poverty reduction, Jamaica's national poverty rate (using the country's official poverty line) increased from 11 percent in 2019 to 16.7 percent in 2021, following the onset of the COVID-19 crisis. The poverty rate at the \$6.85 per day (2017 PPP) international poverty line, appropriate for upper middle-income countries, stood at 13.9 percent in 2021. Inequality was relatively high with a Gini index of 40.2 in 2021. A strengthened social protection system helped mitigate the economic impacts of the pandemic by providing temporary assistance to vulnerable households and businesses, offsetting income losses, protecting jobs, and stimulating demand. Additional assistance was provided to vulnerable households to mitigate the impact of rising prices.

With a strong economic recovery in Jamaica, poverty is expected to decline towards pre-pandemic levels in the coming years. Real GDP per capita recovered to pre-pandemic levels in 2023, growing by 5.2 percent in 2022 and 2.7 percent in 2023, higher than the average annual rate of 1 percent pre-pandemic (2015-2019). Nowcasts suggest that the share of Jamaicans living on less than \$6.85 per day (2017 PPP) is set to decline to 11.8 percent in 2024. Yet the poverty rate has not yet fallen to pre-pandemic levels. Moreover, real GDP growth in agriculture, which employs a large share of the poor, declined in 2023 due to an extended drought. Hurricane Beryl, which hit Jamaica in July 2024, likely worsened the situation for the agricultural sector: it is estimated to have affected 45,000 farmers, causing damage valued at around \$15.9 million. Also, while inflationary pressure on purchasing power has eased, food insecurity remains an issue for some segments of the population: according to data collected online through the Caribbean Food Security and Livelihoods Survey, around one-third of Jamaicans reported going an entire day, in the last 30 days, without eating, in April 2024.

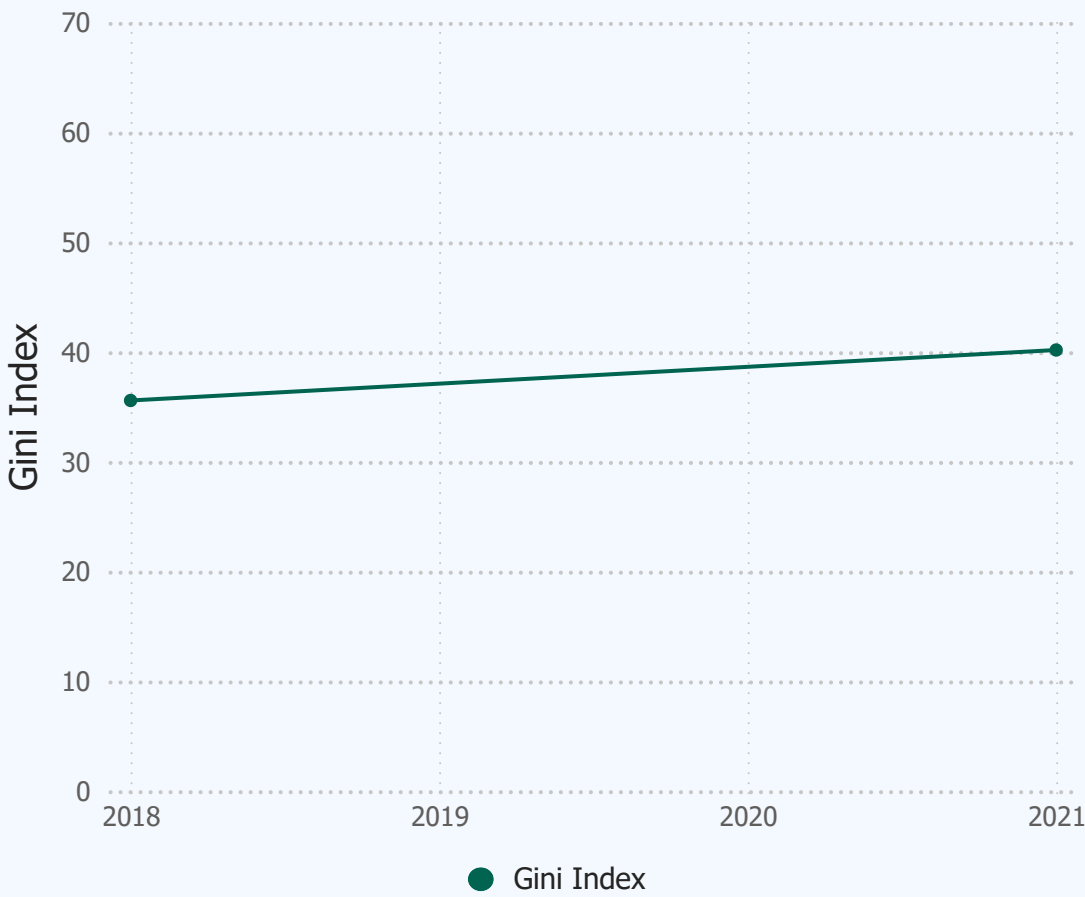
In terms of how the proceeds of growth are shared, the poorest 40 percent of Jamaicans tend to benefit most during positive economic growth spells, but they are the hardest hit during economic downturns. In part, this reflects the precarious situation of Jamaican workers. Jamaica introduced an updated labor force survey methodology in January 2024, according to which unemployment was relatively low, at 5.4 percent (the Latin America and Caribbean average was 6.2 percent in 2023). Yet the quality of employment remains a concern given high informality; around 47.5 percent of non-agricultural jobs were informal in 2021. Lack of job security has left many workers vulnerable to the impacts of shocks. New reforms seek to strengthen financial stability and attract private sector investment, which could help create formal, more secure jobs. More fundamentally, Jamaica is seeking to boost resilience to climate-related shocks, by gradually integrating climate-change adaptation across its policy framework.



Poverty Rate



Inequality



# Poverty at Different Lines

Poverty Line	Number of Poor (Thousands)	Rate (%)	Year
National Poverty Line	472.2	16.7	2021
International Poverty Line (\$2.15/day)	8.8	0.3	2021
Lower Middle Income Class Poverty Line (\$3.65/day)	67.7	2.4	2021
Upper Middle Income Class Poverty Line (\$6.85/day)	393.4	13.9	2021
Multidimensional Poverty Measure		0.7	2021

## Group and Multidimensional Poverty

Poverty by Group	Poverty Rate (%)	Multidimensional Poverty Components	(% of Pop.)
Urban population	8.4	Daily income less than US\$2.15 per person	N/A
Rural population	20.8	At least one school-aged child is not enrolled in school	N/A
Males	13.4	No adult has completed primary education	N/A
Females	14.4	No access to limited-standard drinking water	N/A
0 to 14 years old	20.0	No access to limited-standard sanitation	N/A
15 to 64 years old	12.7	No access to electricity	N/A
65 and older	8.8		
Without education (16+)	N/A*		
Primary education (16+)	15.7		
Secondary education (16+)	13.7		
Tertiary/post-secondary education (16+)	5.1		

**Note:**  
Data for the "Poverty by Group" table is derived from a 2021 survey and data for the "Multidimensional Poverty Components" table is derived from a 2021 survey. The rates in the "Poverty by Group" table above are shown at the \$6.85 upper-middle income line. "N/A" denotes a missing/removed value, while "N/A\*" refers to a value which was removed due to having fewer than 30 observations.

### Poverty Data & Methodology

Poverty is measured using the Jamaican Survey of Living Conditions (JSLC), a household survey conducted annually since August 1988 (except for 2011 and 2020). The resulting series is generally comparable over time.

The welfare aggregate used for official poverty measures is household consumption expenditure per adult equivalent. This expenditure aggregate includes food, nonfood, actual rental values, health, and education expenditures, while the use value of durables and imputed rents are excluded.

The official poverty lines are defined by area: Greater Kingston Metropolitan Area (GKMA), other urban centers (OUC), and rural areas. These poverty lines are intended to reflect spatial price differences, but they are fixed over time. The total poverty line includes a food and nonfood component. The food component is defined by the price of a normative food basket. The nonfood component is derived using the average food budget share and estimated separately for the three areas. The results put the OUC at 95.3 percent of the GKMA poverty line and rural areas at 88.7 percent. The adult equivalent poverty lines in 2018 were JMD565/day or \$7.75/day (2017 PPP) for GKMA; JMD539/day or \$7.38/day for OUC, and JMD502/day or \$6.87/day for rural areas.

### Harmonization

The numbers presented in the brief are based on a regional data harmonization effort for Caribbean countries. This consumption harmonization project resulted in the CONLAC database. It constructed harmonized consumption-based welfare aggregates for Caribbean countries with available data to measure poverty (at international lines) and inequality. It currently includes five surveys covering four countries in the Caribbean. The harmonization followed the latest World Bank guidelines for consumption-based welfare measurement (Mancini and Vecchi, 2022).