About page­

This dashboard provides a set of interactive visualizations focused on the Prosperity Gap and associated indicators. The Prosperity Gap is the average factor by which incomes need to be multiplied to bring everyone in the society to the prosperity standard of $25 daily income expressed in 2017 PPPs. $25 a day is close to the poverty line of a typical high-income country. A Prosperity Gap of 5 implies that incomes in that society need to be increased on average 500% for everyone to reach the $25/day threshold. Put differently, the typical person would have to work for 5 days to earn the same amount as a person at the poverty line in rich countries would earn in a day.

Other indicators include the mean of the distribution, the mean of the bottom 40% of the distribution, an inequality measure corresponding to the Prosperity Gap—(PG­­­) Inequality—measure, and headcount poverty at $2.15, $3.65, and $6.85 a day. (PG) Inequality is the average factor by which incomes need to be multiplied to bring everyone in the society to the mean income of that society. The dashboard can be used to compare the measures of a country, region, or the world across time or between each other.

For more details on the Prosperity Gap, see [this blog on its technical properties](https://blogs.worldbank.org/impactevaluations/can-we-have-welfare-index-easy-understand-also-distribution-sensitive), see [this blog on how it measures shared prosperity](https://blogs.worldbank.org/developmenttalk/prosperity-gap-proposed-new-indicator-monitor-shared-prosperity), and the [technical paper](https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099934305302318791/idu0325015fc0a4d6046420afe405cb6b6a87b0b).

The underlying data is based on the same household surveys used in the [Poverty and Inequality Platform](https://pip.worldbank.org/home) (PIP) to report global poverty by the World Bank. The estimates in this dashboard are calculated using 1000-point binned distribution derived from the country-level household survey unit record data or grouped data. It is important to note that these estimates are preliminary, as they are estimated on a grouped version of the income distributions instead of the micro data directly. Furthermore, since the Prosperity Gap is sensitive to low values of consumption, additional analytical work is being done to refine an appropriate censoring threshold (currently set at $0.50 per day). Finally, when survey data is missing, the poverty estimates reported in PIP are based on interpolations and extrapolations of the available surveys which requires [additional assumptions](https://datanalytics.worldbank.org/PIP-Methodology/). The regional and global estimates of the Prosperity Gap reported in this dashboard utilize the interpolated country data following the same [methodology](https://datanalytics.worldbank.org/PIP-Methodology/) as PIP. A version of the 1000-point lineup-binned dataset is described in [Mahler ⓡ al (2022)](https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099250510052241154/idu01d94e70603dc804f990b6130751d75dccb52).

When plotting country trends from survey data, any breaks in the trends implies that the surveys are incomparable, for example due to changes in questionnaire design. The visualization of changes over time only includes countries that have a [comparable survey spell](https://datanalytics.worldbank.org/PIP-Methodology/welfareaggregate.html" \l "comparability) over the selected period.

The term country, used interchangeably with economy, does not imply political independence but refers to any territory for which authorities report separate social or economic statistics.

Please cite the data as: “Kraay ⓡ al (2023) updated using Poverty and Inequality Platform (version 20230919\_2017).”

Definitions

Prosperity Gap, Inequality (PG Inequality) - the average factor by which incomes need to be multiplied to bring everyone in the society to the mean income of that society.

Scatterplot, Explanation

This scatterplot shows the relationship between two selected indicators. By default, it shows all data, regardless of economy, region, or whether welfare is measured by consumption or income. Making selections on the side panel will limit the display to the selected data (e.g. selecting Sub-Saharan Africa as the “Select economies” and consumption as the “Survey type” plots data for countries in Sub-Saharan Africa where welfare in survey is measured by consumption). The selected data can be compared against other economies or regions. Dots are colored by region by default, and users have the choice to color by income group or use a uniform color for all data points.

The plot provides a feature for incorporating a line to depict the underlying relationship between variables. This line represents the conditional mean, estimated via locally estimated scatterplot smoothing (LOESS), and is accompanied by 95% confidence intervals.

Change over time, Explanation

This plot shows the change in the selected indicator over time for economies where there is comparable survey data in the chosen period. The **dot** gives the initial indicator value for that economy. The **horizontal line segment** connects the initial and final year indicator values. The **color** indicates whether an economy’s outcomes improve over the chosen interval. When the overall welfare mean or the mean of the bottom 40 are selected, green indicates that these measures have increased over time. For the remaining indicators, the prosperity gap and the inequality measure, an increase (which is a decline in welfare and increase in inequality respectively) is shown in red. The economies on the y-axis are ordered by using the initial year value of the chosen indicator.

Explanation for Decomposition

Level decomposition

This chart shows the level of global Prosperity Gap decomposed annually by regional contributions. Regional contribution is the regional Prosperity Gap adjusted for by the region’s share of global population.

Growth decomposition

This chart shows the annual growth in the Prosperity Gap decomposed into the growth in the mean and the changes in inequality. Note that a negative growth in the Prosperity Gap indicates improving welfare as does a decline in inequality. Since the mean in the decomposition of the Prosperity Gap is in the denominator, the negative growth in the mean in this chart also shows an improvement.