

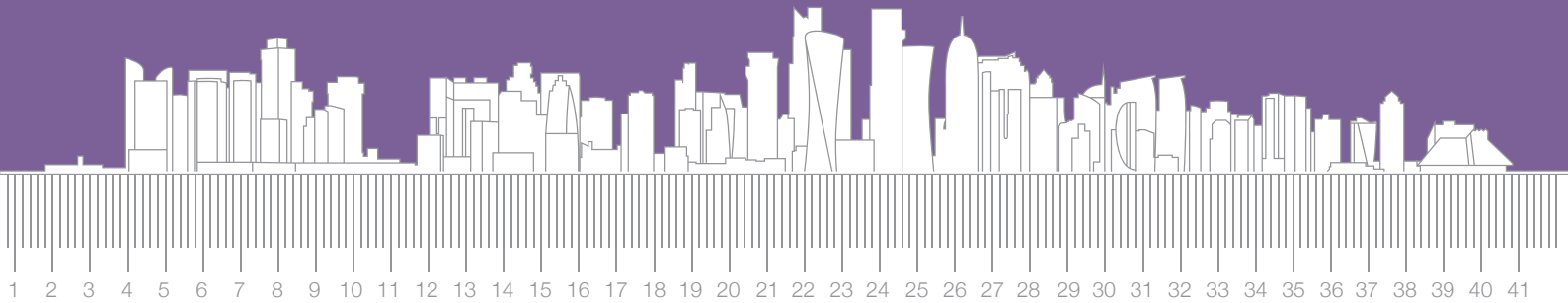


وزارة التخطيط التنوي والإحصاء

Ministry of Development Planning and Statistics

# MEASURING THE STANDARD OF LIVING IN QATAR

HOUSEHOLD EXPENDITURE AND INCOME SURVEY 2012/2013



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# Measuring the Standard of Living in Qatar

## Household Expenditure and Income Survey 2012/2013

December 2015



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## **Abbreviations**

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<b>CU</b>	Consumption Unit
<b>GoQ</b>	Government of Qatar
<b>HDI</b>	Human Development Index
<b>HEIS</b>	Household Expenditure and Income Survey
<b>HH</b>	Households
<b>LFPR</b>	Labor Force Participation Rate
<b>MDPS</b>	Ministry of Development Planning and Statistics
<b>MoLSA</b>	Ministry of Labor and Social Affairs
<b>NDS</b>	National Development Strategy
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>PL</b>	Poverty Line
<b>PPP</b>	Purchasing Power Parity
<b>QAR</b>	Qatari Riyal
<b>RPL</b>	Relative Poverty Line
<b>SoL</b>	Standard of Living
<b>SPPs</b>	Social Protection Programs
<b>SPS</b>	Social Protection Strategy
<b>UN</b>	United Nations
<b>WB</b>	World Bank

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## *Preface*

Qatar National Vision 2030 aims to create a society based on justice, well-being, and equality. It depends on four pillars of human, social, economic and environmental development. The economic development pillar calls for the development of a competitive and diversified economy capable of meeting the needs of, and securing a high standard of living for, all Qataris for the present and for the future. The social development pillar calls for the development of a just and caring society based on high moral standards, and capable of playing a significant role in the global partnership for development where women assume a significant role in all spheres of life, especially through participating in economic and political decision-making.

Qatar has experienced an unprecedented boom with exceptional economic growth rates, leading to a steady rise in standards of living coupled with significant social and political developments and an effective social protection program that takes care of the interests of all Qataris, ensures their civil rights, and provides them with adequate incomes and a sound, healthy and dignified life.

The per capita income in Qatar is on the rise and Qatar provides more high-quality health and education services, as well as empowers women and enables them to participate fully in economic and political fields and relevant decision-making. Thanks to this policy, Qatar has ranked 31<sup>st</sup> in the 2014 Human Development Report (HDR) and 19<sup>th</sup> in the Overall Life Satisfaction Index.

This report analyzes the standard of living in Qatar using HEIS 2012/2013 data, and assesses SPPs and social assistance programs that aim to raise Qataris' SoL; identify the most eligible low-income groups and their percentage and place of residence; and assess the level of inequality in terms of income, consumption, education, etc. among Qatari households.

This report and other studies that address certain issues are part of Qatar's National Development Strategy (NDS) 2011-2016 issued by the Ministry of Development Planning and Statistics. The MDPS hopes that this report will serve as a reference for decision-makers and development policy-makers, and will help to identify the actions required for implementing the social and economic policy so as to improve the population's standard of living.

In conclusion, I would like to thank the Statistics Department at MDPS for developing this important report which will help achieve our vision for a sustainable future for all people in Qatar.

**H.E. Dr. Saleh bin Mohamed Al-Nabit**

Minister of Development Planning and Statistics

## ***Introduction***

Qatar has taken proactive steps in numerous areas called for by the World Summit for Social Development in terms of creating an enabling environment for social development; poverty eradication; full and productive employment; secure, stable and equitable societies; equal rights for women; and universal access to education. The eight main goals (MDGs) highlighted by the UN Millennium Declaration have been incorporated in Qatar's economic and social plans. Successive development plans aim at increasing people's well-being, improving their income, and using the most optimal ways to promote education for both males and females, with a special focus on health, environment and women's empowerment, etc.

Qatar ranked first among Arab countries and 31st at the international level in the 2014 HDR. It also ranked first in terms of per capita income. The ratio of female to male in the Human Development Index (HDI) was 0.979, which indicates gender equality. Qatar moved up seven ranks from 2010 (where it ranked 38th according to 2010 HDR). This progress has positively reflected on individuals' satisfaction where, according to 2014 HDR, 84% of Qataris were satisfied with their SoL, 88% with their work, 92% felt safe, and 90% were satisfied with health services. Thus, satisfaction scale reached 6.7 points out of ten.

It is worth mentioning that although Qatar ranked 31st in the HDR, it ranked 19th in terms of Overall Life Satisfaction Index, which indicates that Qatar succeeded in translating its human development progress into satisfaction by Qataris. Besides, a 2012 study on the determinants of happiness and satisfaction revealed that the majority of Qataris felt life improvement in general compared to previous year, and 96% expected an improved future life.

## Goals and Motivations

Development enhancement policies are supported by tailored plans to improve the status of low-income and vulnerable groups in many developing countries. Accordingly, the first step in designing social and economic policies that aim at raising the SoL and promoting equity is to get updated and reliable information on the SoL in Qatar and inequality in living conditions. Therefore, this report aims to:

1. Provide an overview of the SoL in Qatar;
2. Identify the most vulnerable groups, their place of residence and economic and social characteristics;
3. Assess inequality in terms of income/consumption, education and other social services; and
4. Evaluate social assistance programs and identify the most eligible social groups.

There are two motives for assessing the SoL and inequality in Qatar:

1. **Establishing a database that includes standard indicators for well-being levels:** This requires comprehensive development and progress monitoring. Equality is a prerequisite for comprehensive growth and development. Inequality levels, the changes affecting them and their determinants remain core issues on development agendas in theoretical discussions or policy debates.
2. **Justice and equality are two essential goals per se**, and two dimensions of social well-being. Societies vary in terms of tolerance of inequality, and may consider “equity” a socially independent goal per se. Inequality may also be related to income disparity, in addition to other aspects, such as access to public services, like education and health.

The report consists of five chapters: Chapter I contains a comprehensive overview about standards of living. Given the large disparity in well-being distribution among and within municipalities, analysis has been made on three levels: by consumption quintiles, by municipality and by nationality (Qataris and non-Qataris). Chapter II identifies the most vulnerable groups, their place of residence and their social and economic characteristics. The findings of this chapter can be used for monitoring the impact of recent progress compared with 2013 as a reference year. Chapter III provides an overview of the standards of living and their relationship to HH demographic, economic and social characteristics. Chapter IV provides a comprehensive analysis of Social Protection Programs (SPPs) in Qatar and beneficiaries therefrom, as well as their efficiency and adequacy. Chapter V contains the conclusion and recommendations.

## Used Terms and Concepts

This report adopts the monetary and non-monetary concepts to measure the standard of living (SoL) since they complement each other, and neither one acts as an alternative. The cash income approach is one of the most popular approaches broadly used to define and measure the decent SoL. It focuses on strategies that contribute to income increase. Furthermore, development strategies in Qatar also aims to build human capital through upgrading social services like health, education and housing, in addition to creating decent work opportunities and providing social protection for the population.

This section tackles some conceptual issues on which SoL measures depend. It also provides definitions and terms used in the report, such as the size of those with low standard of living, their habitats and demographic, economic and social characteristics.

### 1. Conceptual Issues on How to Measure the Standard of Living (SOL)

An SoL is a multi-dimensional phenomenon, and no single measure can reflect it in an adequate or sufficient manner that mirrors the size and properties of all these dimensions. What an individual possesses in terms of economic, human, social, political and protection assets measures that individual's SoL.

**Economic Assets:** They include land, cattle, business and other physical elements that serve as a base for income and production generation at present or in the future.

**Human Assets:** They include good health, adequate education, proper nutrition, pure water and decent housing.

**Social Assets:** People's ability to rely on relationships with other individuals, based especially on confidence and reciprocity is another type of assets called the social capital. In times of hardships, people's primary refuge is their family members or other community members.

**Protection Assets:** People's resilience against economic and external shocks, such as social security and health insurance.

### What is the Well-Being or Standard of Living Indicator Used in This Report

Cash income is a major factor affecting the well-being of any country. The method used in this report is measuring the well-being level in terms of financial index which is defined as the amount of money required in light of a set of prices to obtain a certain degree of benefit. However, the importance of this indicator also lies in its pattern of distribution over households (HH) and individuals within the country. The most important aspect of income distribution is to highlight cases of low SoL.

Several theoretical and practical considerations to favor the use of spending/ consumption versus income as a basis for the well-being indicator. One of those considerations is the fact that the income might not be spent entirely. Besides, certain consumer items might not be bought. So, income is not the only source to obtain goods. Hence, consumption remains the most appropriate indicator when examining well-being level.

### How to adjust household income/consumption, taking into consideration disparity in the number, gender and age structure of household members when measuring SoL?

This report aims to analyze the distribution patterns of income, spending and well-being level of households. As the needs of a household differ according to its size and demographic structure, its income and overall spending are likely to give a misleading picture about the well-being of its members. In order to consider such disparity, it is necessary to adjust HH income/consumption using equivalent scale and economies of scale. The equivalent scale is a measure that takes into account the demographics and size of a household when assessing its needs, while economies of scale mean that the larger the number of HH members the smaller is the cost per unit. This can be explained as follows:

HH budget surveys are the most important source of information needed for SoL assessment. They record HH income and overall consumption for different commodities and services. Consequently, they are a good source of information on social well-being distribution in Qatar. HH well-being however should be adjusted to consider the differences in the number of HH members. Usually the total HH income, spending and consumption are recorded for various goods in

household surveys. SoL measures tend to use, as a measurement unit, the household as a whole rather than the individual. Consequently, the use of overall HH income/consumption as an SoL indicator is likely to lead to exaggeration in defining the well-being level of large HH because goods and services are then divided by a larger number of individuals. As a result, the overall HH consumption does not necessarily mean a better well-being. For example, the well-being of a five-member HH with a monthly income of QAR 5,000 is less than that of a two-member HH with a monthly income of QAR 4,000.

One of the most common adjustments is the use of per capita consumption. However, this measure does not take the gender and age structure into consideration. Children's needs of food and other commodities are less than those of adults. Besides, HH members may share the consumption of many commodities. Thus, a two-member HH can enjoy the same SoL on less than twice the income needed by an individual living alone due to resource sharing. For example, a two-member HH spends on house rent the same amount spent by a one-member HH. This also applies to many spending items due to resource sharing. In order to rectify this situation and build a measure that genuinely reflects HH well-being, the number of standard individuals (adults) in each HH is calculated in accordance with the equivalent scale which gives children aged 0-4 a weight of 0.4, children aged 5-14 a weight of 0.5, and individuals aged 15+ a weight of 1.1

Accordingly, the overall income/consumption of each HH is divided by the equivalent number of its members to get the equivalent income/ consumption. This is what we have adopted in this study to analyze income inequality among Qatari households.

*Equivalent per capita consumption (consumption per consumption unit (CU))  
has been used as a well-being/SoL indicator*

## 2. Location Measures

- Average income/consumption is the total income/consumption of households divided by their number.
- Median income/consumption is the income/consumption of the household that lies in the middle of a list that ranks households based on their income/consumption, i.e. the income/consumption of the household which is located at point 50% of the number of households.

## 3. Inequality Measures (Dispersion or Inequality)

**Skewness:** It measures deviated distribution. Income/consumption is usually distributed with a long upward tail when there is a number of very rich households. When plotting income/consumption distributions, the presence of such households will increase the length of the top of the distribution tail. In such a case, the distribution is referred to as positively curved, and the average income/consumption in such distributions is larger than the median income/consumption. If the distribution is free of curves, then the average and median incomes/consumptions will be even.

**Standard Deviation:** It measures dispersion. If all households have the same income/consumption, then the standard deviation of their income/consumption is zero. The wider the dispersion of income/ consumption distribution among households, the higher is the standard deviation value. The standard deviation is calculated based on the sum of squared difference between each HH income and the average income of all HHs.

**Variance Coefficient:** It measures dispersion of income/consumption. It is the ratio of standard deviation to the average income/consumption. The standard deviation and the average are measured in the same way. Therefore, their ratio is "free of measurement restrictions".

**Lorenz curve:** It is a graphical representation of inequalities in the distribution of income, spending, or other variables. The curve is usually plotted within a square the side length of which represents 100%. For income, the curve is plotted with its horizontal axis representing ascending cumulative percentages of the number of individuals, and its vertical axis representing ascending cumulative percentages of income. The line of equality is usually plotted along the same curve. This line connects the lower left angle with the higher right angle of the square.

**Gini Coefficient:** It is used to measure income distribution inequality among the entire population. The value of Gini Coefficient, represented in percentage, is between 0% and 100%. The higher the Gini Coefficient, the more unequal is the income distribution. The coefficient equals zero in case of complete equality, and equals 100% in extreme cases of inequality.

(1) There are several equivalence scales, but the report uses the scale applied in the HEIS 2012/2013 (see HEIS 2012/2013). Deaton, the analysis of Household Survey: A Microeconomic Approach to Development Policy 1997, p. 259.

## 4. Low Standard of Living (Poverty)

### Definition

Low standard of living is defined in absolute or relative terms. The absolute definition (absolute poverty) explains the inability to meet essential needs so as to enjoy a decent standard of living, while the relative definition (relative poverty) explains the low standard of living in terms of its relationship to the standards of living prevailing in the society in a given period.

### Measurement of Low Standard of Living

The first step in studying the size and characteristics of low SoL households or individuals is estimating the threshold value between those with low SoL and others. The second step is to classify population into low SoL people and others. Then comes the third step, which is to identify their percentage and characteristics.

### The Threshold of Low Standard of Living (Poverty Line “PL”)

It is defined as the value of income/consumption the individual needs to reach in order to enjoy a decent SoL. It is somewhat a relative concept since what is considered decent in a given society and time might not be so in another. The threshold of decent SoL is used to classify households and their members into low SoL households and non-low SoL households.

### Absolute Threshold (Absolute Poverty Line “APL”)

The absolute threshold of low SoL is determined by the minimum standard of living, which classifies all individuals or households falling below this threshold as poor people. The absolute poverty is usually defined based on the standards of food, basic needs and the cost of goods and services basket which represent basic food and non-food needs. It is the absolute threshold value of low SoL. The absolute poverty measure does not fit the state of Qatar given its social and economic status and standards of living, where the entire population satisfy their food and non-food needs.

### Relative Threshold of Low Standard of Living (Relative Poverty Line “RPL”)

When measuring relative poverty line (RPL), the general standard of living of the population needs to be taken into consideration. RPL is used to measure the variation in the standards of living in wealthy countries, such as the EU states. The method of relative lines of SoLs in developed countries is often adopted. It determines the threshold of a decent standard of living (RPL) based on a certain percentage of the national median. For example, the Organization for Economic Cooperation and Development (OECD) considers half of the national median of equivalent income/consumption as the RPL. The economic conditions in these countries allow defining society segments living below socially acceptable SoLs. This relative concept signifies that decent SoL has numerous meanings.

This report adopts the relative concept of low SoL in Qatar, being the most appropriate method that suits countries with high SoL.

### The Threshold Used in International Comparisons (Poverty Line in International Comparisons)

The World Bank (WB) has updated the poverty lines used in international comparisons to reach US\$1.25 and US\$2 per capita per day at 2005 purchasing power parity (PPP). This line was estimated using the latest data of the 2005 round of International Comparisons Program. The PL of US\$1.25 per day in 2005 represents the average national poverty lines for 10-20 of the most impoverished countries at 2005 PPP.

### Measures of People with Low-Income/Standard of Living (Poverty Measures)

After classifying population into those who enjoy decent SoL and those who lack decent SoL, one should choose a measure that reflects low SoL in society or in a segment thereof through identifying the proportion of those with low SoL as well as the depth of such low level. The most commonly used measures are Foster-Greer-Thorbecke.

In 1984, Foster-Greer-Thorbecke recommended a comprehensive measure; namely:

$$P_{\alpha} = 1/n \sum_{i=1}^q [(z - y_i)/z]^{\alpha}$$

Where  $y_i$  is the income/consumption of household or individual No.  $i$ .

$z$  is the threshold value.

$q$  is the number of individuals whose income/consumption is below the threshold of decent SoL per year.

$n$  is the number of individuals in society. For further details, see Ravallion, 1992.

Proportion of low consumption (PO) or low-income people (when  $\alpha$  takes on a value of zero): it is the proportion of households whose income/consumption is below the threshold value (poverty line). It is sometimes called the "head count" proportion, a measure of the prevalence of low-income people.

Gap Index between the consumption (P1) of low-income people: the threshold (when  $\alpha$  takes on a value of one). It is a measure of the depth of low standard of living. It measures the relative distance of the consumption of low-income people from the threshold of a decent SoL. The income gap is defined as the sum of "relative lack of income/consumption" for all poor households divided by the total number of households, both rich and poor. The relative lack of income is the lack of income divided by the threshold value.

Measure of extremely low (P2) standard of living: a squared gap index (when  $\alpha$  takes on a value of 2). It measures the level of inequality in distribution below the threshold, and gives more weight to the households that are at the bottom of income/spending distribution.

## 5. Direct and Indirect Benefits from Government Transfers and Subsidies Through Social Protection Programs (SPPs)

The Qatari beneficiaries from government transfers and subsidies through SPPs are considered as direct beneficiaries (e.g. pensioners), while the Qatari households with a member benefiting from SPPs are considered as indirect beneficiaries (i.e. a household member is registered in one of the SPPs, thus, all household members benefit from such program). The analysis in this report has been conducted using both direct and indirect benefits.





## **Chapter I**

# **Measuring and Evolution of the Standard of Living in Qatar**

Chapter I provide a comprehensive overview about the standards of living and reviews metadata about the distribution and development of social well-being in Qatar, measured by the value of monthly consumption per Consumption Unit (CU). The first section examines population quintiles' proportion of overall consumption. The second section provides information about consumption of food and non-food items. Considering the large disparity in well-being distribution by and within municipality, the analysis has been made on three levels: by consumption quintiles, by municipality and by nationality (Qataris and non-Qataris). However, the analysis pays more attention to Qataris being the focus of development in Qatar.

### 1.1. Average Monthly Income/Consumption

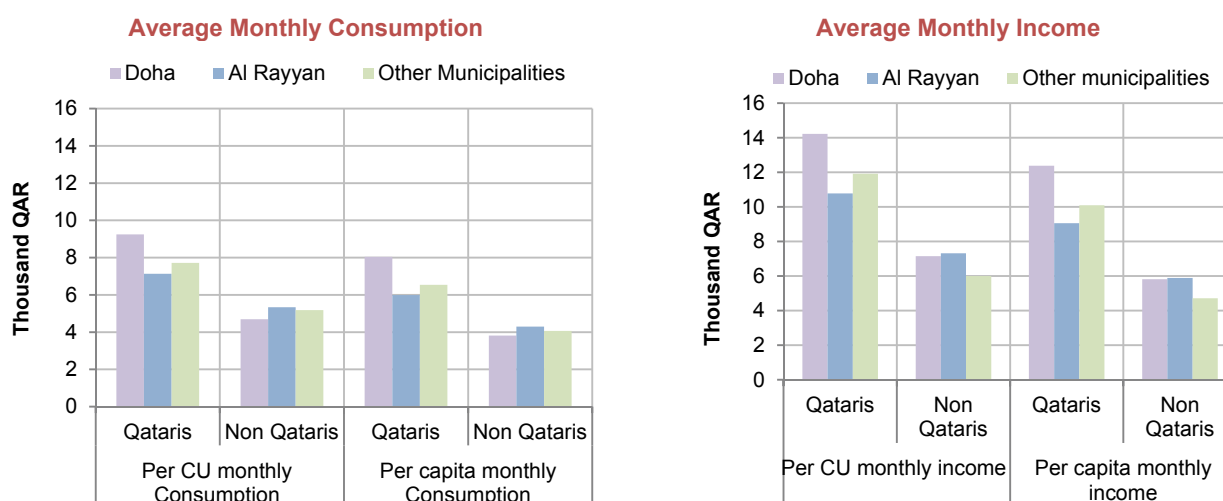
Average per CU monthly consumption for Qataris in 2012/2013 was QAR 7,856 (US\$ 2,934 at PPP), and QAR 4,978 for non-Qataris. The Qataris in Doha Municipality have the greater share per CU or per capita consumption. This reflects high SoL in Doha Municipality<sup>2</sup> compared to other municipalities. Per capita consumption in Doha Municipality is 1.2 times larger than the national rate, and 1.3 times larger than that in Al Rayyan Municipality. As for non-Qataris, the largest per capita consumption was in Al Rayyan Municipality.

**Table 1-1: Average monthly consumption, income, and expenditure (QAR)**

	Consumption Unit <sup>(3)</sup>		Per capita		Per Households	
	Qataris	Non-Qataris	Qataris	Non-Qataris	Qataris	Non-Qataris
Consumption	7,856	4,978	6,674	4,010	57,724	17,323
Income	12,006	7,016	10,200	5,651	88,217	24,415
Expenditure	6,759	5,197	5,742	4,186	49,663	18,084

Per capita monthly income in 2012/2013 was QAR 10,200 (US\$3,808 at PPP) for Qataris and QAR 5,651 for non-Qataris. As in consumption, the Qataris in Doha Municipality had the largest average income, which is greater than that of Al Rayyan Municipality and other municipalities combined. Consumption only accounts for 60% of Qatari HH incomes, meaning that 40% of income is being saved.

**Figure 1-1: Average monthly consumption/income by municipality (QAR)**

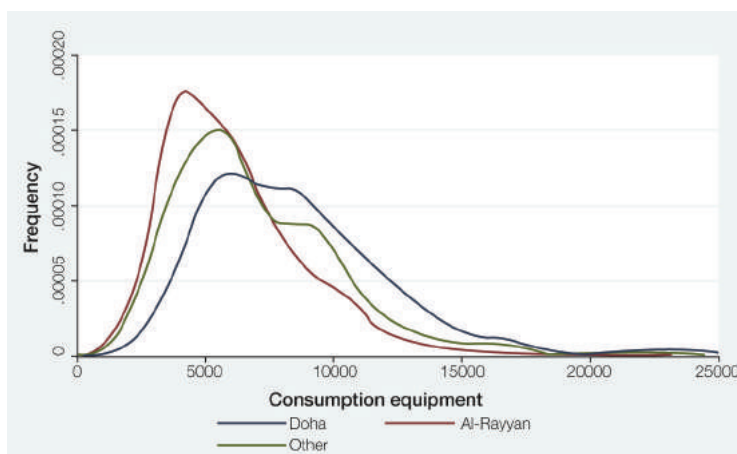


(2) Nearly 33% of Qataris live in Doha Municipality, 43% in Al Rayyan Municipality and 24% in other municipalities. We have decided to make the analysis based on the place of residence in Doha and Al Rayyan Municipalities while the rest of the municipalities are combined. But tables demonstrate the status of each municipality separately.

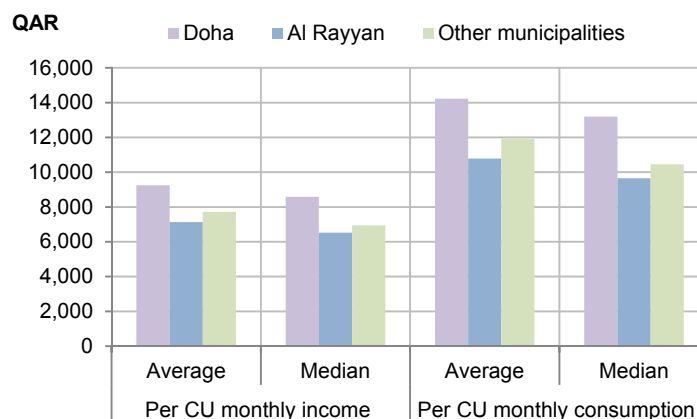
(3) See CU definition, page 14.

There is a number of very rich households in Qatar. Consequently, the average income is larger than the median income because the consumption/income of the rich households increases the average income. Figure 1-2 shows the distribution of consumption equivalent of Qatari HH and plots consumption equivalent on the horizontal axis and the corresponding redundancy on the vertical axis. Figure 1-3 shows the value of income average and median and per CU consumption. It is clear that distribution is skewed because the average is higher than the median. The median and average consumption equivalents are QAR 7,034 and 7,856 respectively. This is also true for the corresponding median and average income equivalents, which are QAR 12,006 and 10,841 respectively. In Figure 1-3, the average is greater than the median in terms of consumption/income.

**Figure 1-2: Consumption Equivalent of Qatari HHs by Municipality**



**Figure 1-3: Average and median income/consumption equivalent by municipality**



## 1.2. Evolution of the Standards of Living in Qatar

The household consumption rose by 3% from 2006-2007 to 2012/2013. However, the pace of consumption change was not the same for all commodity groups. Over the past decade, Qatar has experienced a large economic, social and urban development, leading to a higher SoL and a change in household spending patterns. Based on the HEIS 2006-2007 and the HEIS 2012/2013, Qatari HH consumption has noticeably increased from QAR 39,821 in 2007 to QAR 57,724 in 2013 at an annual increase of 6%. This increase reflects not only improved SoL (evaluated by consumption), but also risen prices. In order to monitor SoL changes, it was necessary to evaluate consumption using fixed prices (i.e. 2006-2007 prices)<sup>(4)</sup> Using fixed prices, HH consumption rose by 3% per annum. Consequently, real SoL increased by 3%. It has been observed that when price impacts and the evaluation of real consumption changes are eliminated, the real consumption rises at a rate less than the rate observed when current prices are used.

(4) Source: Consumer Price Indices, MDPS.

**Table 1-2: Monthly household consumption at fixed prices (2006=100) and annual change during 2006/2007-2012/2013**

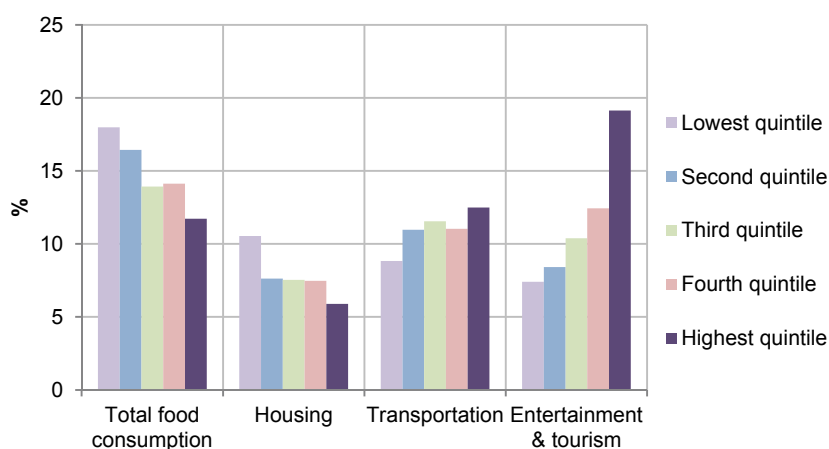
Goods and services	HH monthly consumption at fixed prices (2006 = 100)		Per capita monthly consumption at fixed prices (2006 = 100)		Annual change of HH consumption (%)
	2006/07	2012/13	2006/07	2012/13	
Food, beverages and tobacco	4,584	5,437	487.5	628.6	2.8
Clothing and footwear	2,525	2,278	268.6	263.4	-1.7
Housing expenses	11,937	14,232	1269.8	1645.5	2.9
Furniture, utensils and household appliances	4,053	3,899	431.0	450.8	-0.6
Healthcare	882	1,219	93.8	141.0	5.4
Transport and communications	5,608	7,648	596.6	884.3	5.2
Recreation and entertainment	1,882	1,576	200.2	182.2	-3.0
Education	1,509	1,258	160.5	145.4	-3.0
Overseas travel	1,408	4,572	149.8	528.7	19.6
Other non-food expenditure	5,433	3,010	577.9	348.0	-9.8
<b>Total consumption</b>	<b>39,821</b>	<b>46,215</b>	<b>4235.7</b>	<b>5343.4</b>	<b>2.5</b>

It is worth mentioning that consumption change pace was not the same for all commodity groups. The largest increase was in spending on overseas travel (20%) as a result of high SoL, followed by spending on transport and communications at an annual growth rate of (5%) and transport and communications (5%), which is not surprising given the communication revolution over 2007-2013. Spending also increased on health care at roughly the same rate, and spending on housing and food increased by nearly 3% per annum. However, spending on education and recreation decreased.

### 1.3. Consumption Patterns and Income Sources

Consumption is one of the components of national income in any country. It reflects spending on commodities and services used for meeting needs at a given time. It is also one of the key indicators for well-being. Present day studies focus on recognizing the determinants of social and economic consumption, and identifying their role in boosting or reducing consumption, and whether or not they can be used to serve consumption and development.

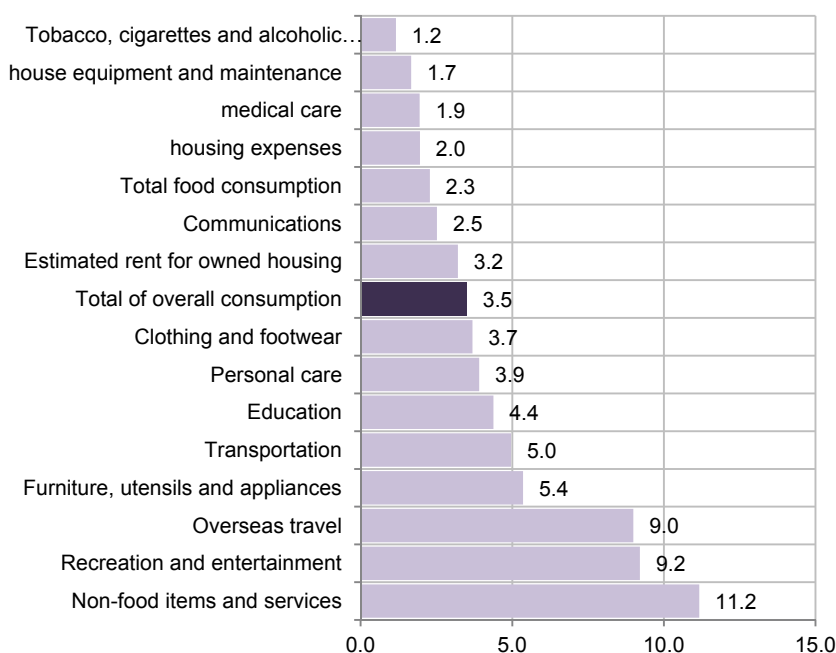
**Figure 1-4: Relative importance of some monthly consumption items by quintiles**



### 1.3.1. Consumption Patterns

Patterns of monthly consumption vary according to well-being level. Monthly consumption of food represents 14% of the total monthly consumption of the total population. The consumption patterns in the different quintiles<sup>(5)</sup> of Qatari population have been monitored. The difference in the proportion spent on food between segments of lower and higher SoLs is 6 percentage points, where the proportion of food goes down when we move from the lowest quintile: 18% to 12% only for the highest quintile. Thus, an increase in food prices at higher rates will negatively affect the least consuming groups because they will have to allocate larger shares of their budgets for food. Nevertheless, spending on transport, entertainment and overseas travel to the total consumption increases with the increase of the standard of living. For example, the percentage of spending on transport to the total consumption is 9% for the lowest quintile, compared to 13% for the highest quintile. Moreover, the difference in the percentage of spending on overseas travel between the lowest and highest quintiles is 8 percentage points, while the spending share on recreation and entertainment only differs by 3 percentage points between the highest and lowest quintiles. It is to be noted that the share of estimated rent of owned housing to the total consumption is the highest among middle classes. While each group (quintile) includes 20% of Qataris, lower SoL groups have an uneven share of spending both at the total consumption level and the consumption level of each commodity. The households in the lowest quintile, which includes 20% of Qataris, have only 10% of total consumption, compared to 35% for the highest quintile, i.e. the highest quintile spends three and a half times the amount spent by the lowest quintile. The smallest gap between the highest and lowest quintiles in terms of consumption proportions was in tobacco, house equipment and maintenance and housing where the highest quintile spends twice the amount spent by the lowest quintile. The largest gap between the highest and lowest quintiles was in spending on overseas travel and on recreation and entertainment.

**Figure 1-5: Proportion of the richest quintile to the poorest quintile in terms of spending on some consumption items**



### 1.3.2. Food Consumption Pattern

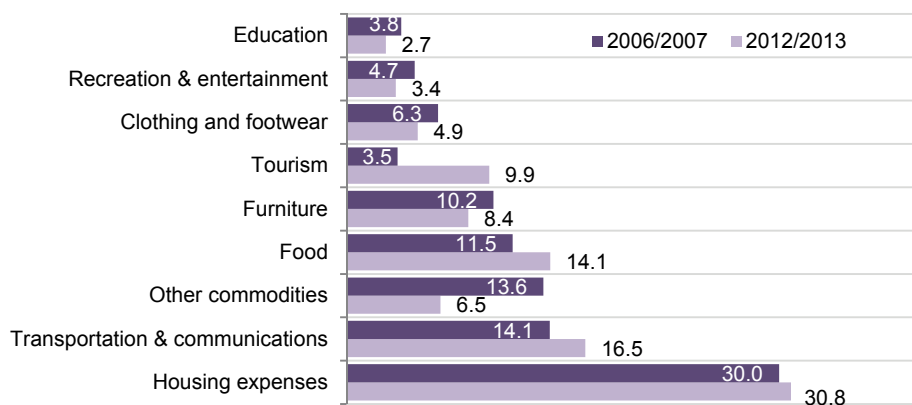
Food consumption is the most direct measure of food security. Household food consumption is determined through purchases, private production and food aid. The last source is particularly important because it identifies the households that receive aids in view of their inability to buy the food they need (i.e. their access to food, and more specifically their access to food from an economic perspective). Data show that fast food accounts for 24% of Qataris' food consumption. This applies to all quintiles, with higher percentages for the highest quintiles (27% for the highest quintile against 21% for the lowest quintile). As a result, the highest quintile allocates less consumption proportions on other food commodity groups.

(5) Quintiles: It means to divide the population into five segments that are equal in number after arranging the households in an ascending order according to their consumption equivalent.

### 1.3.3. Evolution of Consumption Pattern During the Period 2007-2013

When comparing between the consumption patterns in 2007 and 2013, HEISs reveal that the proportion of total food consumption noticeably and forcedly rose due to increased food prices. Housing expenditure share also increased due to the rising standard of living and the growth rates in Qatar. On the other hand, spending on non-food services, especially clothing, furniture and education, declined.

Figure 1-6: Consumption Percentage Pattern in 2007 and 2013



### 1.4. Income Sources by Quintiles

Labor is the main source of income for Qatari households. Therefore, the SoL of households depends primarily on the members' opportunities to earn their income. Table 1-3 indicates that the lowest quintile gets only 14% of the overall income sources for Qataris, compared to 28% for the highest quintile (the richest 20% of individuals), which reflects income inequality among different quintiles. The average Qatari per capita income of the lowest quintile amounts to QAR 6,960 per month, and it increases for the second quintile. It steadily increases until it reaches QAR 14,341 for the highest quintile.

Considering the varying sources of income for Qataris, it is clear that wages and salaries represent the major income source for all quintiles (81% without adding the imputed rental income for homeowners, and 67% when adding the imputed income)<sup>(6)</sup> However, 77% of total Qatari household incomes of the lowest quintile comes from wages and salaries, compared to 64% in the highest quintile. Pensions represent the second important source of income for all quintiles, though more important for middle classes. Project-generated income is relatively more important for the highest quintiles (6% of highest quintile income compared to 2% for the lowest quintile), meaning that projects represent a sizeable activity for the households that belong to upper classes. The same applies to property-generated income.

Table 1-3: Percentage distribution of Qataris' sources of income by quintiles

Sources of Income	Distribution of income in each quintile by source of income						Share of each quintile in sources of income					
	Quintile						Quintile					
	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	Qataris	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	Qataris
Wages & salaries	76.6	67.7	67.3	63.7	64.0	66.9	15.6	17.4	20.3	19.8	26.9	100
Private Projects and Self-Employment	2.2	4.4	3.9	4.7	5.5	4.4	6.8	17.2	18.0	22.4	35.6	100
Property income	0.3	1.5	1.6	2.1	4.2	2.2	1.7	11.4	14.9	19.2	52.8	100
Pension	7.1	9.2	8.7	9.1	7.2	8.2	11.8	19.2	21.3	23.1	24.6	100
Transfers & other sources	0.9	0.8	0.6	0.8	0.5	0.7	17.8	19.8	18.1	22.5	21.9	100
Imputed rental income	12.9	16.6	17.9	19.7	18.6	17.6	10.0	16.2	20.5	23.3	29.9	100
Total income	100.0	100	100	100	100	100	13.6	17.2	20.2	20.8	28.2	100

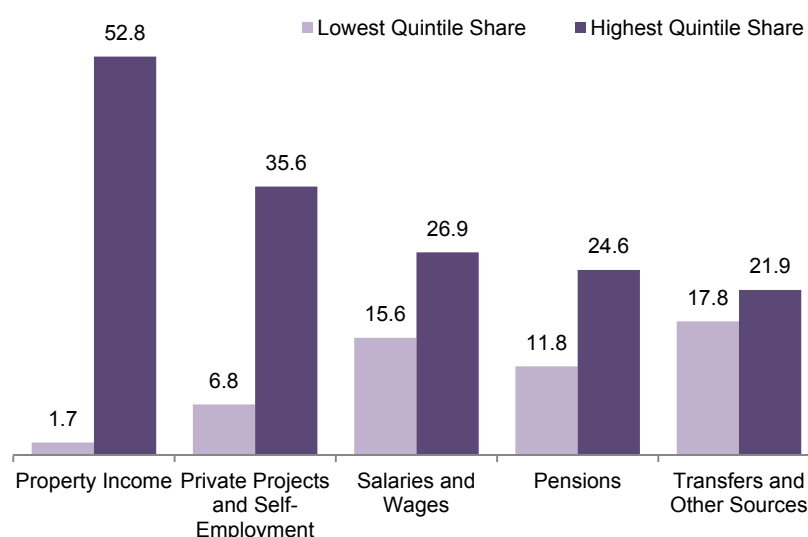
(6) The imputed income includes the imputed rental as well as water and electricity charges borne by the State.

Sources of Income	Distribution of income in each quintile by source of income						Share of each quintile in sources of income					
	Quintile						Quintile					
	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	Qataris	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	Qataris
Average monthly HH income	84,561	85,947	87,837	83,615	95,982	88,217						
Average monthly Per Capita income	6,960	8,769	10,295	10,628	14,341	10,200						

On the other hand, members of the Qatari households that belong to the lowest quintile represent 20% of the total Qataris. Nevertheless, they get only 16% of total wages and salaries, 2% of total property-generated incomes and 7% of total project and real estate generated incomes, while the households in the highest quintile get 27% of total wages, 53% of total property-generated incomes and 36% of total project and real estate generated incomes. It is worth mentioning that the current government transfers are almost evenly distributed among Qatari quintiles.

This analysis shows that special attention should be paid to those who receive current government transfers, particularly low-income groups, since this is the major source of income for low SoL households (lowest quintile).

**Figure 1-7: Shares of the lowest and highest Qatari quintiles from various sources of income**



### 1.5. Overconsumption

The excess of expenditure over income is a real problem for some Qatari households. Table 1-4 shows that 18% of Qatari households spend above their income, 29% of Qataris in the highest quintile spend above their income, but only 6% of Qatari households in the lowest quintile spend above their income, which is logical because Qatari households have been ranked according to consumption levels.

Qatari households have been classified into four groups based on their income and consumption levels together: Group One includes limited income and consumption people, i.e. those with income/expenditure less than half the median; Group Two includes people with limited-income and adequate expenditure; Group Three includes people with adequate income and limited consumption; and Group Four includes people with adequate income and consumption.



**Table 1-4: Percentage distribution of Qatari households whose consumption exceeds their income by Standard of Living quintiles and municipality**

	Consumption > income	Consumption <= income	% of Qataris
<b>All Qataris</b>	<b>17.5</b>	<b>82.5</b>	<b>100</b>
<b>Income and Consumption</b>			
Low income and consumption	7.2	92.8	100
Low income and high consumption	70.8	29.2	100
High income and low consumption	-	100	100
High income and consumption	15.1	84.9	100
<b>Standard of Living Quintiles</b>			
1 <sup>st</sup>	5.7	94.3	100
2 <sup>nd</sup>	11.2	88.8	100
3 <sup>rd</sup>	11.3	88.7	100
4 <sup>th</sup>	22.7	77.3	100
5 <sup>th</sup>	28.8	71.2	100
<b>Municipality</b>			
Doha	13.5	86.5	100
Al Rayyan	18.2	81.8	100
Other Municipalities	20.9	79.1	100

Figure 1-8 shows that 71% of Qatari HHs have low-income with consumption exceeding half the median. The figure also reveals that only 15% of HHs have high income and consumption.

It seems that consumer and social needs of low-income groups exceed their income, contrary to low-SoL households whose consumption and social ambitions are low, and consequently their expenditure does not exceed their income. Besides, low-SoL people are keen not to spend more than what they earn, unlike other groups. Being more educated and employed, people in this group are capable of assessing and meeting their consumer and social needs.

**Figure 1-8: Percentage of Qatari households whose consumption exceeds their income**

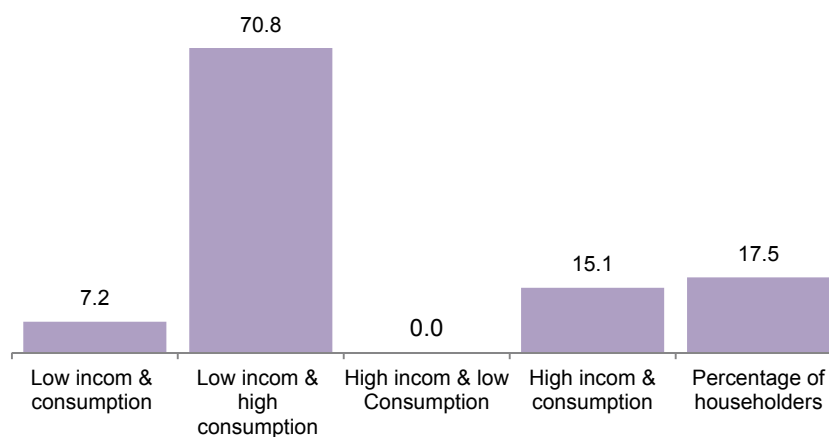
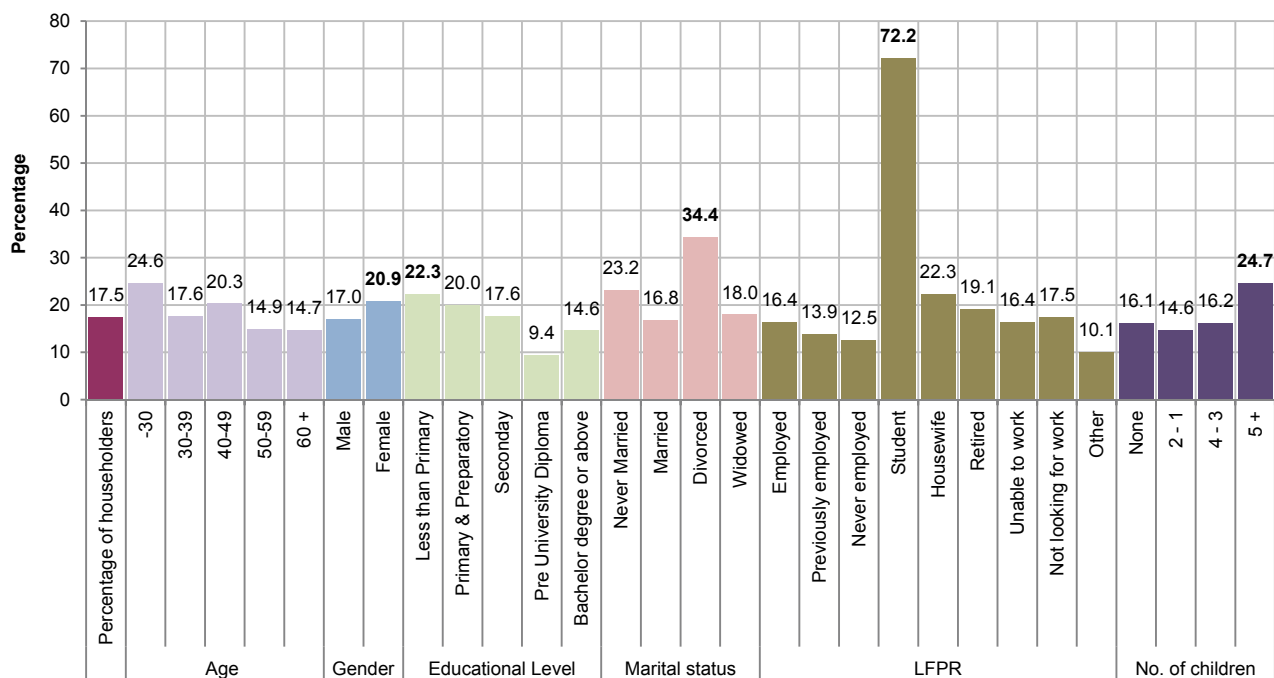


Figure 1-9 refers to the link between overconsumption and certain characteristics of household head. Households are likely to have overconsumption if their heads are less than 30-year-old, female, uneducated, divorced or still a student. This also applies to households having over five children.

**Figure 1-9: Percentage of Qatari households whose consumption exceeds their income by head of household's characteristics**





## **Chapter II**

# **Decent Standard of living and Well-being Inequality for Qataris**

A major objective of economic development is to improve standards of living. Economic growth in general is a prerequisite for well-being improvement. Experts recognize that development alone is not sufficient to introduce large improvements to standards of living for all social segments. Consequently, development policies are supported by tailored plans aimed to advance low-income and vulnerable groups. This is what we are going to assess in this chapter and the following chapters. The primary steps for designing social and economic policies to raise the SoL and promote equality are identifying the most vulnerable groups, their place of residence and economic and social characteristics, as well as building a reference database that includes indicators about the prevalence of low-income individuals. This is what we will discuss in this chapter. The findings of this chapter will also be used to monitor the recent progress, in comparison with 2013 as a reference year.

This chapter provides an overview about the standards of livings using metadata about social well-being distribution in Qatar, which is measured by the value of per CU monthly consumption. It will also provide an overview about SoLs inequality and prevalence and intensity of low SoL phenomenon (RPL) in Qatar.

## 2.1. Inequality Measures

Measuring overall inequality in a country, region and group is very important to identify its well-being. Inequality indicators are based on a concept that covers the entire population, not just low-income people. Inequality is measured regardless of the community's average or median. It depends on distribution (a relative concept). Inequality can be measured according to different dimensions, such as monthly spending, monthly consumption, or monthly income.

### 2.1.1. Inequality in Standard of Living by Quintile

Qatari households<sup>(7)</sup> have been arranged in an ascending order according to the well-being measure which is per CU monthly consumption (consumption equivalent). The total Qatari population has been divided into quintiles according to their well-being levels where each quintile includes 20% of population. The first quintile includes the lowest 20% of consumption; and the second quintile includes those with 20% to 40% consumption, and so on. Finally, the fifth quintile includes the richest 20% of population in terms of per CU consumption. The average per CU and per capita consumption is also provided – i.e. when giving equal weights for all individuals regardless of their ages – in each quintile.

The average consumption equivalent in the first quintile amounts to QAR 3,923 per month, which accounts for half of the national average. Table 2.1 indicates that the average consumption equivalent in the highest quintile is over three times than that in the lowest quintile. Well-being inequality among quintiles is evident in the share of each quintile of the total consumption. In a perfect world, the share of each quintile of total consumption should be 20%. Reality, however, is a different story. We find that while the lowest quintile represents 20% of population, it gets only 10% of overall consumption. The shares of the third and fourth quintiles are almost equal to their shares of population. On the other hand, the highest quintile takes over the lion's share (34% of total consumption). When comparing the consumption percentage of the richest 20% of Qatari population to the percentage of the poorest 20% in the entire State of Qatar by municipalities, we notice that the richest 20% of population in Qatar consume three times more than the poorest 20%. Doha Municipality has the least consumption inequality compared to Al Rayyan Municipality and other municipalities. The consumption of the richest 20% of Qataris in Doha is 2.7 times higher than that of the poorest 20% of population. This rate is 2.89 in Al Rayyan Municipality and 3.01 in other municipalities.

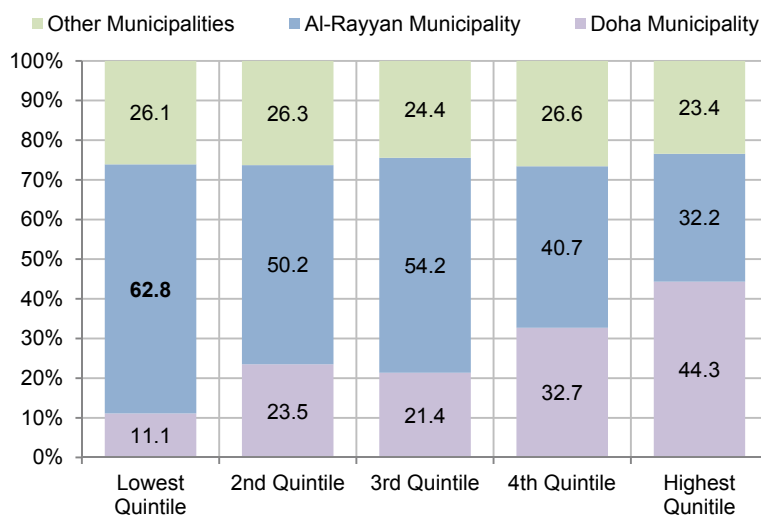
**Table 2-1: Average Monthly Consumption of Qataris by Quintiles**

Quintile	Per CU monthly consumption	Per capita monthly consumption	Share of each quintile in overall consumption
Lowest	3,923	3,295	10.0
2 <sup>nd</sup>	5,611	4,772	14.4
3 <sup>rd</sup>	7,118	6,152	18.1
4 <sup>th</sup>	9,078	7,624	23.1
Highest	13,504	11,515	34.4
Total	7,855	6,672	100

(7) Weighted according to the number of household members.

Figure 2-1 shows the distribution of Qataris among quintiles in each municipality, and reveals that rich Qataris are concentrated in Doha Municipality where over 44% of individuals in the highest quintile live in Doha Municipality, which is a much larger percentage of Qatari individuals representation in the sample. The Qatari population in Doha Municipality represent 27%. Furthermore, the Qataris in the highest quintile of Doha Municipality account for 33% of Qatari population, which reflects the tendency of consumption distribution there towards wealthy classes. On the other hand, more than 48% of Qataris live in Al Rayyan Municipality, but 63% of individuals in first quintile live there. More than a quarter of Qataris in Al-Rayyan Municipality belong to the first quintile (26%), and 21% of them belong to the second quintile. This indicates that the consumption distribution in Al-Rayyan Municipality is skewed towards low SoL. If we look at the rest of the municipalities combined, we can find that the individuals there are evenly distributed among different quintiles.

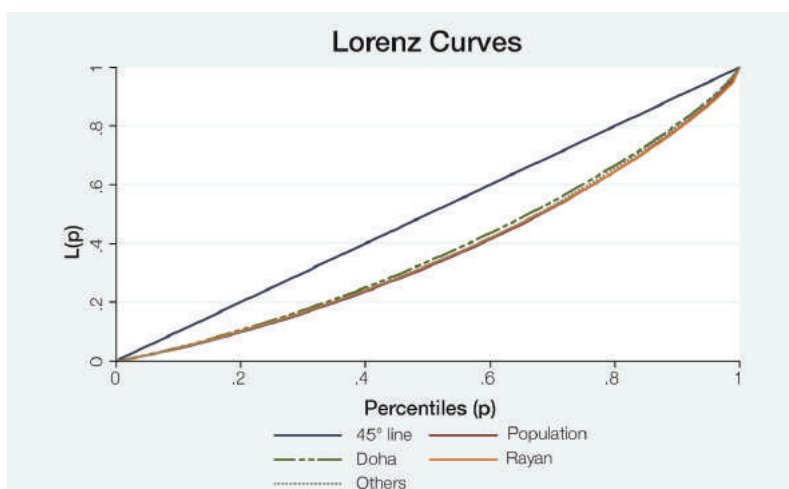
**Figure 2-1: Qataris' share in quintiles by municipality**



### 2.1.2. Lorenz Curve and Gini Coefficient

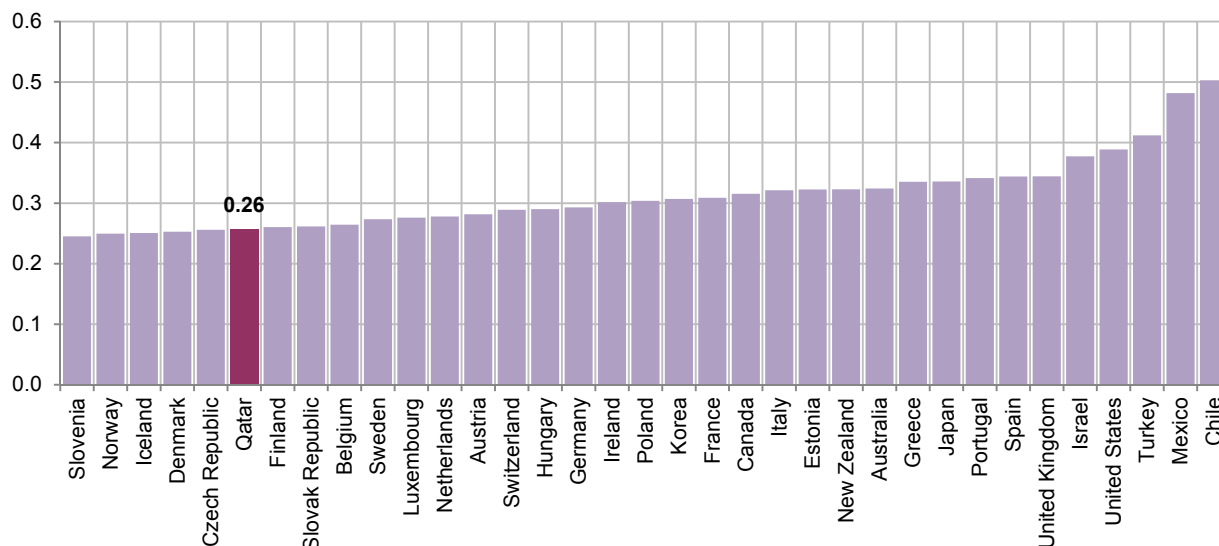
The other way to measure inequality is by using the Gini Coefficient assessment, which is the most commonly and widely used measure of well-being distribution. The value of Gini Coefficient falls between zero and one, where zero refers to absolute equality, and 1 indicates that one population member controls all available resources, i.e. the higher the value towards 1 the less equality is, and the closer the value towards zero the less disparity is among the population.

**Figure 2-2: Lorenz Curve for Qataris by Municipality**



The Gini Coefficient value is low for Qataris. In 2013, it was 0.2455 of the equivalent monthly consumption and 0.2574 of the equivalent monthly income. Equitable income distribution in Qatar is the best compared to other Arab countries where information on inequality is available. The Gini Coefficient ranges between 0.4 in Tunisia and 0.3 in Egypt. Besides, income distribution in Qatar is more equitable than that in 29 out of 35 OECD countries<sup>(8)</sup>

Figure 2-3: Organization for Economic Cooperation and Development 2010 Gini Coefficient<sup>(9)</sup>



Doha Municipality shows a lesser degree of inequality (0.227) compared to Al Rayyan Municipality (0.2441) and other municipalities. The Gini Coefficient in terms of equivalent income is 1.2 percentage points higher than in terms of consumption. The order of municipalities in terms of disparity, however, remains the same.

The Gini Coefficient decreased from 0.293<sup>(10)</sup> in 2006-2007 to 0.2574 in 2012/2013. This indicates that the high SoL achieved in that period was in favor of low-income groups, meaning that the income increase rate of low-income groups was greater than that of other groups.

## 2.2. Measuring Low Standards of Living (Relative Poverty) for Qataris

Qatar has achieved a high SoL that covers the basic needs of society. Within the social context and standards of living in Qatar, it would be more appropriate and feasible to use the RPL that reflects these standards and automatically changes with the improvement of the overall standards of living.

When measuring relative poverty, the population's general SoL is taken into consideration, this being the method used to measure SoL inequality by richer communities as in EU countries. Developed countries often use the relative lines approach to measure the standards of living, and they define the threshold of decent SoL (RPL) as a percentage of the national median. For example, OCED countries define the threshold of decent SoL as half of the national median of equivalent income/consumption since their economic conditions allow for identifying the population segments living below the socially acceptable standards.

Accordingly, this report adopts the relative concept of low SoL.

(8) Source: <http://www.oecd.org/social/inequality-and-poverty.htm>

(9) Qatar is a non-OECD member, but the comparison was made in view of the unified indicators and standards used.

(10) Report, *Building Effective Social Protection System: Characteristics of Low Income and Distribution of Income in Qatar in 2007*, MDPS, 2011.

### 2.2.1. Estimating the Relative Threshold of Decent Standard of Living for Qataris (Relative Poverty Line)

The report adopts<sup>(11)</sup> the same approach used by OCED countries, which uses CU (for adults) as an SoL indicator and defines the relative threshold as the consumption median. Based on the HEIS 2012/2013, the RPL has been calculated by dividing HH consumption by the number of CUs followed by calculating the consumption median per CU. The threshold of decent SoL (RPL) is determined at 50% of the median value, which is QAR 3,514 per month for Qataris. Consequently, an individual who lives in a Qatari household whose consumption equivalent is less than QAR 3,514 per month is considered as a low-SoL individual. The threshold of low income, using the equivalent income, is estimated at QAR 5,375 for Qataris.

### 2.2.2. Poverty Line Used in International Comparisons

For purposes of international comparisons, the World Bank (WB) publishes estimates of poverty in developing countries, considering the extreme poverty line as spending only US\$ 1 and US\$2 per individual per day at PPP. Accordingly, society is divided into those whose expenditure is below poverty line (poor) and others with expenditure above poverty line (non-poor). The WB Global Comparisons Program publishes and updates national currency evaluation data for most countries in US\$ at PPP using food and non-food basket gathered and evaluated during 1993-1996, then compares them with 1993 prices.

The value of QAR was obtained in US\$ at PPP (1 US\$ = 2.678 QAR) based on the WB database<sup>(12)</sup> (Qatar\_Country\_Metadata). This means that the international extreme poverty line amounts to QAR 100 per capita per month, a very low value by all measures.

### 2.2.3. Cases of Low Standard of Living and Low Income

The percentage of low-income Qataris whose equivalent income is less than half the median equivalent income of Qataris is nearly 8%. They can be regarded as relatively poor (i.e. low SoL individuals compared to other Qataris). The proportion of Qataris whose consumption equivalent is less than half the median consumption equivalent (QAR 3,514) is 5%. Those are relatively poor compared to society as a whole. The corresponding percentages of non-Qataris are 15% and 14% respectively. No Qatari earns an income less than US\$ 1.25 (at PPP) per day, which is the definition given by the WB and the UN for extreme poverty. Also, no Qatari consumes less than US\$ 2 a day.

The low-income phenomenon is not intense, meaning that the gap between the consumption equivalent of low SoL people (relatively poor) and the threshold (RPL) is not deep. In other words, the majority of low-income people fall just below the threshold of decent SoL. Therefore, the value of distribution-sensitive measures (measure of gap and intensity) is low. The measure of the gap between the consumption of low SoL people and the threshold of decent SoL (P1) is 1% for Qataris. This indicates that most of low-income groups cluster just below the threshold. This also applies if we use the equivalent income as SoL measure where the gap measure reaches 2% for Qataris. The poverty gap value is used to calculate the value of transfers necessary to fully bridge the gap between the actual income of low-income households and the threshold of decent SoL, and this value is QAR 1,180 million per annum.

### 2.2.4. Percentage of Low-Income/Standard of Living People by Municipality

Low-income people in Qatar are concentrated in Al-Rayyan Municipality, hence it has the highest percentage of low SoL people (12%), four times more than the percentage in Doha Municipality which is the lowest with a percentage of 3% low-income people (poor). More than twice the percentage of low-income people (6%) live in other municipalities. We have decided to combine Al-Wakra, Um Slal, Al Khor, Al Dhaayen and Al Shamal municipalities because their sample is so small. Figure 2-3 and Table 2-2 illustrate the percentage of low-income people by municipality. In addition, 48% of Qataris live in Al Rayyan Municipality which also houses 72% of low-income people, indicating that low-income people are concentrated in this municipality. Consequently, this municipality can be targeted with programs to improve the standard of living as we can reach the largest segment of low-income people there.

(11) See [http://www.fao.org/docs/up/easypol/326/equv\\_scales\\_subjectmtd\\_033EN.pdf](http://www.fao.org/docs/up/easypol/326/equv_scales_subjectmtd_033EN.pdf) and [www.oecd.org/social/inequality.htm](http://www.oecd.org/social/inequality.htm)

(12) <http://data.worldbank.org/country/Qatar>, Accessed on 13 Nov 2014



Figure 2-4: Percentage of low-income/SoL Qatari individuals by municipality

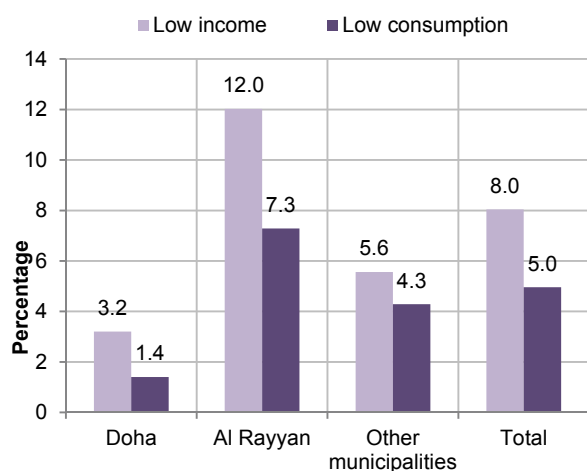


Figure 2-5: Percentage distribution of low-income/SoL Qatari individuals and distribution of Qatari population by municipality

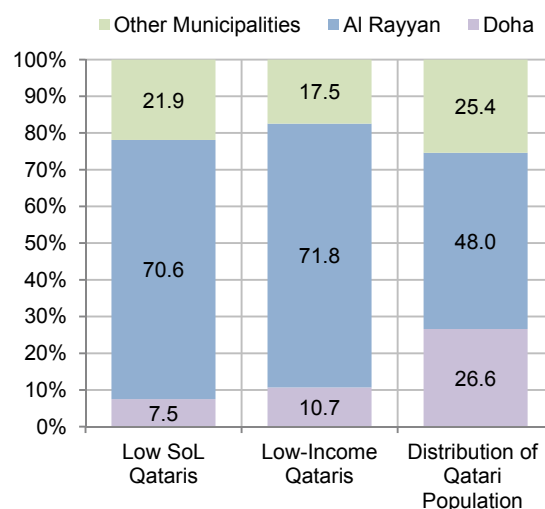


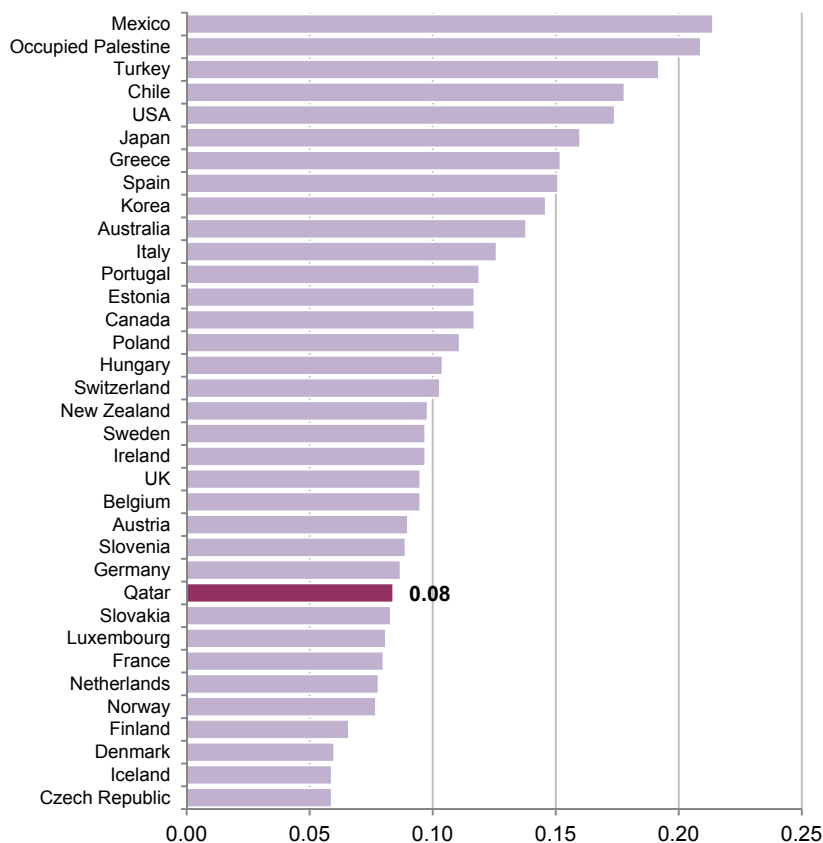
Table 2-2: Measures of low-income/ Standard of Living Qatari individuals and households by municipality

Municipality	Low-income			Low Standard of Living		
	Ratio (P0)	Gap (P1)	Depth (P2)	Ratio (P0)	Gap (P1)	Depth (P2)
<b>Individuals</b>						
Doha	3.21	0.58	0.17	1.41	0.22	0.05
Al Rayyan	12.02	2.49	0.86	7.29	1.18	0.35
Other Municipalities	5.56	1.27	0.40	4.29	0.72	0.15
Al Wakra	2.08	0.56	0.16	9.17	1.63	0.37
Umm Slal	9.11	2.19	0.75	6.23	0.96	0.19
Al Khor	5.04	1.22	0.31	0.00	0.00	0.00
Al Dhaayen + Al Shamal	5.26	0.95	0.29	0.00	0.00	0.00
Qataris	8.04	1.68	0.56	4.96	0.81	0.22
<b>Households</b>						
Doha	3.00	0.50	0.13	1.25	0.19	0.04
Al Rayyan	9.46	1.97	0.67	4.28	0.66	0.19
Other Municipalities	5.23	1.19	0.37	3.01	0.50	0.11
Al Wakra	2.11	0.54	0.14	6.44	1.09	0.24
Umm Slal	8.51	1.88	0.62	4.73	0.76	0.16
Al Khor	5.29	1.37	0.37	0.00	0.00	0.00
Al Dhaayen + Al Shamal	4.58	0.94	0.30	0.00	0.00	0.00
Qatari HH	6.35	1.31	0.43	3.02	0.47	0.12

It is worth mentioning that the percentage of relative poverty in only seven OECD countries are less than the prevailing percentage for Qataris<sup>(13)</sup> (Fig. 2-6). The progress Qatar has achieved in terms of improving the standard of living of its citizens can be better recognized from the fact that the percentage of relative poverty in Qatar is less than that in Germany in spite of the fact that Germany ranked sixth in the HDI, while Qatar ranked 31st. We can also notice that the percentage of relative poverty is equal in Qatar and France, although France ranked 20th in the HDI.

(13) Source: <http://www.oecd.org/social/inequality-and-poverty.htm>

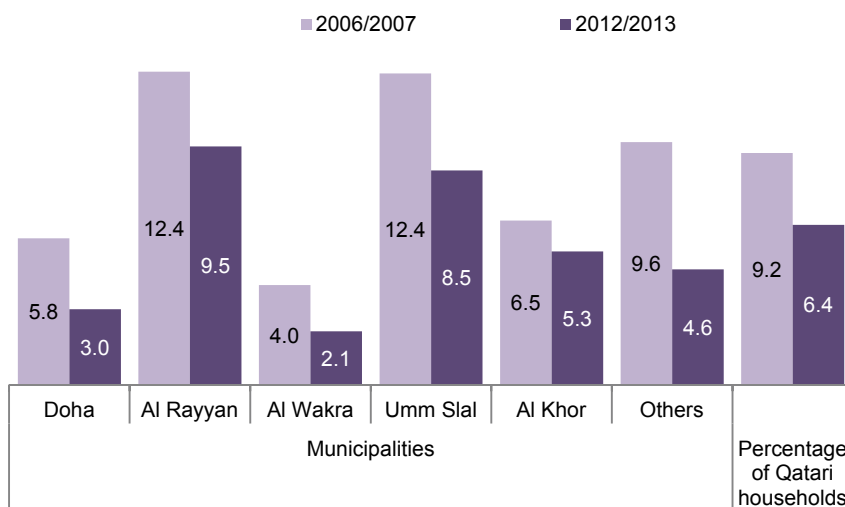
**Figure 2-6: Percentage of relative poverty in Organization for Economic Cooperation and Development countries, 2010<sup>(14)</sup>**



**2.2.5. Evolution of the Percentage of low-income/SoL people by municipality between 2006/2007 and 2012/2013**

The major progress in economic and social development fields has been reflected on Qataris' SoL. The number of low-income people decreased by 50% but the order of municipalities did not change. Figure 2-7 shows a significant decrease of low-income people from 9% in 2006/2007 to 6% in 2012/2013, i.e. by one third. This applies to all municipalities but at different rates. However, the ranking of municipalities in terms of low-income households remained the same with Al Rayyan Municipality having the highest percentage in 2007 and 2013 and Al Wakra and Doha Municipalities having the lowest percentage.

**Figure 2-7: Percentage of low-income Qatari households by municipality**



(14) Qatar is a non-OECD member but the comparison was made in view of the similar indicators and standards used

### 2.2.6. Percentage of Low-Income/SoL People by Some Demographic, Economic and Social Characteristics of Qatari Head of Household

The percentage of low-income/SoL people goes higher when the head of household is illiterate, with less than primary education, aged 60+, female or unemployed. The percentage is also high in households with large number of members or children and a fewer number of workers.

Figure 2-8 shows that the percentage of Low SoL Qatari households is highest (6%) among widowed heads of households, whereas it drops to 3% among married heads of households. As expected, male-headed Qatari households enjoy higher SoL (3%) than female-headed Qatari households (4%). The majority of low-income households are headed by elderly people (mainly 50-59 years old). The percentage of low-income people is higher in larger Qatari households and is highest in households having 13+ members (12%) or having large number of children. The figure shows an obvious link between the SoL and the educational level of Qatari heads of households where 8% of households whose heads are with less than primary education earn low income. This segment accounts for 35% of low-income households. The SoL is also linked to work status, with the exception of the unemployed who represent a small percentage of heads of households.

**Figure 2-8: Percentage of Qatari households with low standard of living by head of household's characteristics**

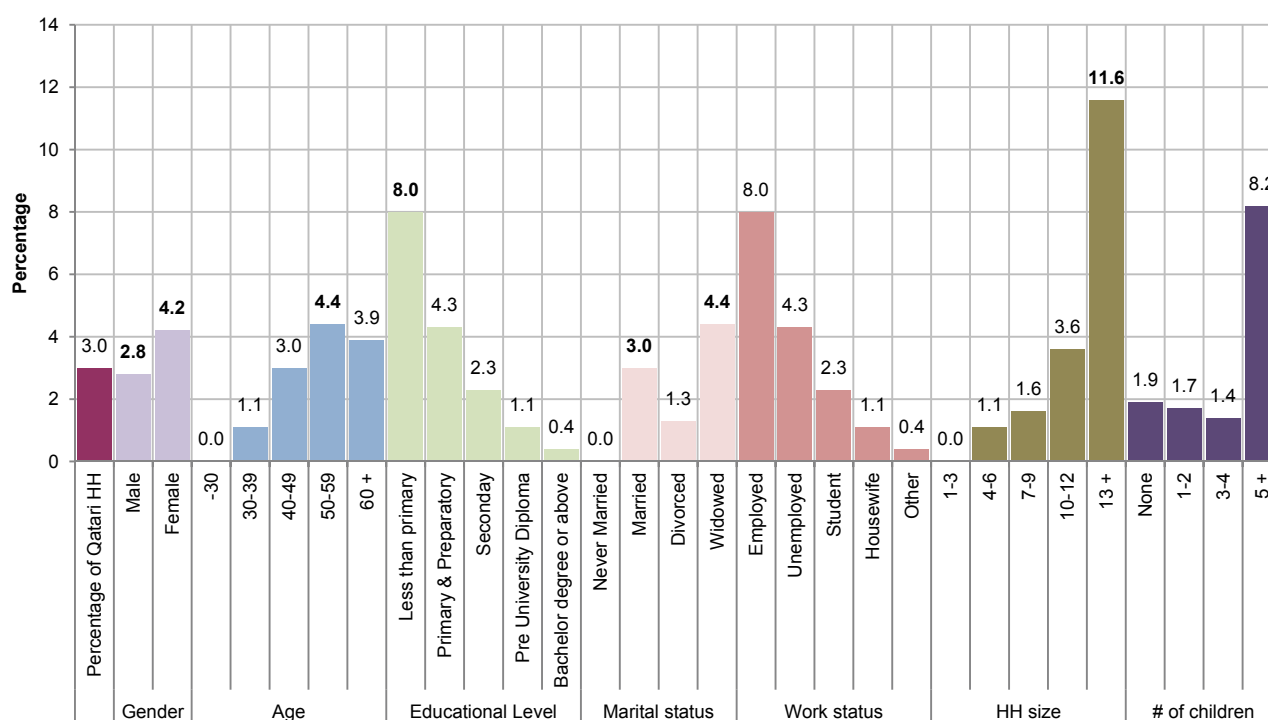
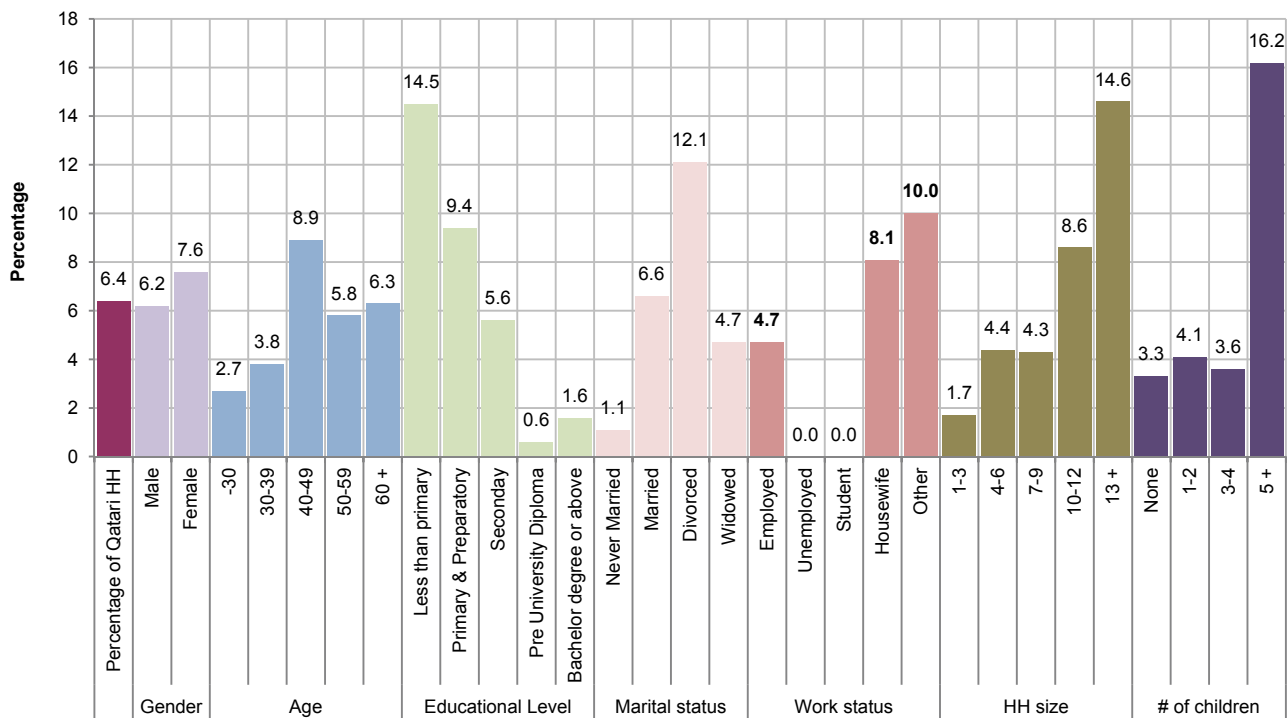


Figure 2-9 shows that Qatari households with employed heads enjoy a better SoL, and the percentage of those with low income in such a group is 5%, compared to 8% for households headed by housewives and 10% for other groups.

**Figure 2-9: Percentage of low-income Qatari households by head of household's characteristics**





## **Chapter III**

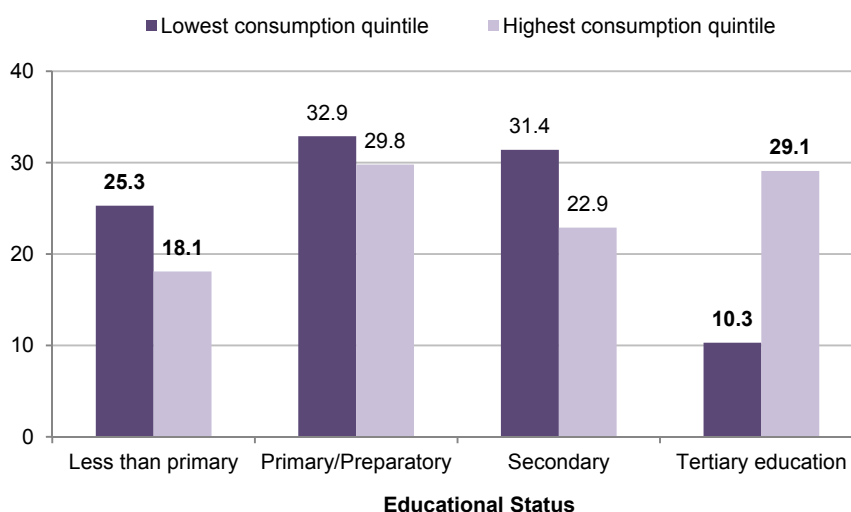
# **Profile of Living Conditions of Qatari Population**

Identifying the characteristics of low-income people in Qatar is the first step towards developing an advancement strategy. Having a low income is not the only feature of low-income people. Low SoL is often associated with low educational level, poor living conditions and limited access to basic services, such as water and sanitation. Social service distribution in Qatar should therefore focus on the characteristics of these people. This kind of analysis is exceptionally important for policymakers who are responsible for designing and targeting strategies to raise the SoL in Qatar. This chapter presents a comprehensive image of individuals based on their various standards of living in terms of educational level, work and demographic characteristics, housing conditions and the breadwinners' living conditions.

### 3.1. The Standard of Living<sup>(15)</sup> and the Educational level

The educational level of Qatari individuals is affected by their SoL. The findings of the HEIS 2012/2013 indicate that the individuals in the highest consumption quintile (richest quintile) are more likely to have tertiary education than those in the lowest consumption quintile. Figure 3-1 shows that 25% of individuals aged 15+ in the lowest consumption quintile are illiterate or with less than primary education, compared to 18% among individuals in the highest quintile. On the other hand, only 10% of Qataris in the lowest consumption quintile have a tertiary certificate compared to 29% in the highest consumption quintile.

**Figure 3-1: Distribution of Qatari individuals aged 15+ on different levels of education by well-being level**

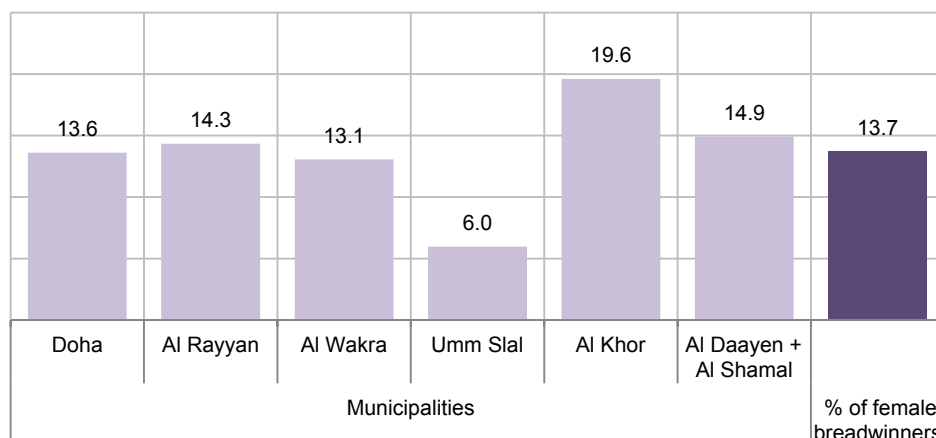


### 3.2. The Living Conditions of Heads of Households

Figure 3-2 shows that females, mostly widows, head nearly 14% of Qatari households, 13% out of which are divorcees, with some differences among municipalities. The highest percentage of Qatari female heads was in Al Khor Municipality (20%), while the lowest was in Umm Slal Municipality (6%).

(15) The SoL is expressed by the highest and lowest consumption levels identified through the RPL, in addition to the well-being levels expressed through the individual consumption quintiles, which also indicate individuals' SoL.

Figure 3-2: Percentage of Qatari female-headed households by municipality



Low SoL is better represented in Qatari households headed by widow females. Table 3-1 shows the percentage of low SoL households in each group by the head's marital status. It also indicates that the percentage of low SoL is highest among widow-headed households (4%) and decreases to 1% among households with divorced heads. On the other hand, the distribution of Qatari households with higher standards of living is quite similar to that of all Qatari households.

As expected, the SoL of Qatari male-headed households is better than that of female-headed households. The table also shows that nearly 5% of Qatari individuals who live in male-headed households have low SoL, compared to 8% in female-headed households.

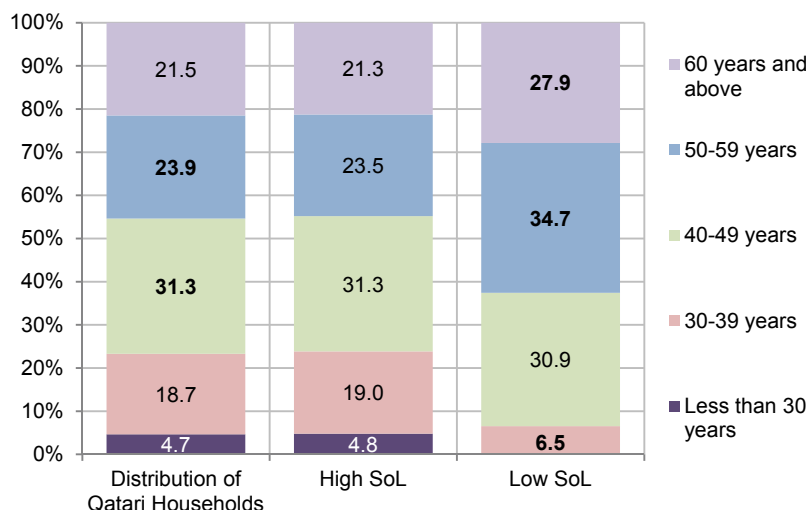
Table 3-1: Percentage distribution of Qatari households by their heads' gender, marital status and standard of living

Marital Status of Head of Household	Distribution of Heads of Households	Distribution of High SoL Households	Distribution of Low SoL Households	% of Low SoL Households	% of Low SoL Individuals
<b>Qatari Males</b>					
Never married	2.2	2.3	-	-	-
Married	94.9	94.9	96.7	2.9	4.6
Divorced	0.8	0.8	-	-	-
Widower	2.1	2.1	3.3	4.5	8.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>2.8</b>	<b>4.6</b>
<b>Qatari Females</b>					
Never married	3.6	3.7	-	-	-
Married	13.6	13.2	21.8	6.7	11.8
Divorced	12.5	12.9	5.4	1.8	5.2
Widow	70.3	70.2	72.8	4.3	7.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>4.2</b>	<b>7.6</b>
<b>Total Qatari Households</b>					
Never married	2.4	2.5	-	-	-
Married	83.8	83.8	82.4	3.0	4.8
Divorced	2.4	2.4	1.0	1.3	3.5
Widowed	11.4	11.3	16.6	4.4	7.7
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>3.0</b>	<b>5.0</b>



Qatari low SoL households are concentrated in households with older heads. Figure 3-3 shows distribution of Qatari households by their heads' age and SoL. In general, it shows that almost one third (31%) of Qatari HH heads are 40-49 years old, and about one quarter of them are 50-59 years old. The figure also shows that 35% of low SoL heads of household belong to the 50-59 age group, 28% are aged 60+ and 7% are aged -40.

**Figure 3-3: Percentage distribution of Qatari households by their heads' age and standard of living**



**One third of heads of households have university degrees or above. The higher the education level of head of household, the higher is the SoL of household.** The results show that almost one third (32%) of Qatari heads of households have university degrees or above and about 16% are illiterate or with less than primary education. The well-being level is linked to the educational level, and this relationship becomes more obvious when it comes to the education level of Qatari heads of households.

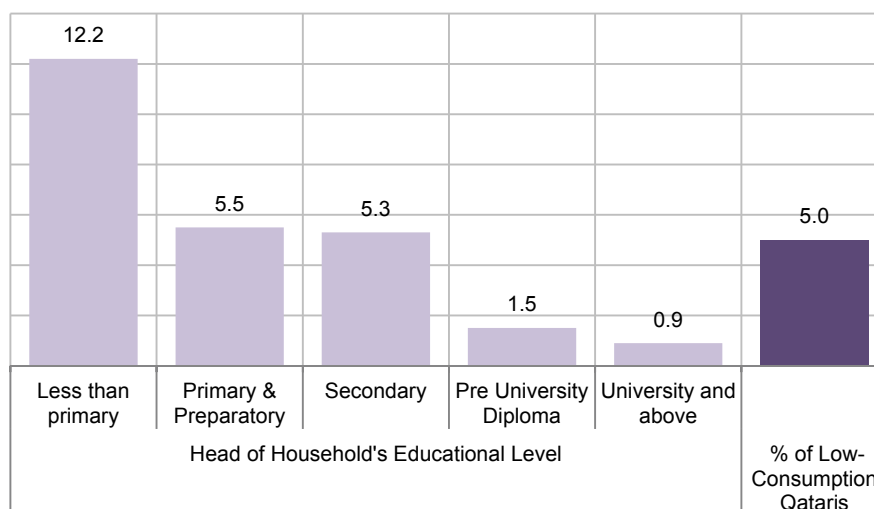
The survey findings indicate a clear correlation between the SoL and the educational level of Qatari heads of households. Table 3-2 shows that 41% of low SoL heads of household are with less than primary education, whereas this percentage declines to only 15% among heads of households who enjoy a higher consumption level. The results also show that almost one third (33%) of the high SoL heads of households have university degrees or above, whereas the percentage declines to only 5% among low SoL households.

**Table 3-2: Percentage distribution of Qatari households by their heads' educational level and standard of living**

HH Head's educational level	Percentage Distribution of Standards of Living			% of Low SoL Households (P0)	% of Low SoL Individuals (P0)
	Highest consumption level	Lowest consumption level	Total		
Less than primary	14.7	41.3	15.5	8.0	12.2
Primary Preparatory	23.7	34.2	24.1	4.3	5.5
Secondary	23.3	17.8	23.1	2.3	5.3
Pre-University Diploma	5.8	2.1	5.6	1.1	1.5
University and above	32.5	4.6	31.7	0.4	0.9
Total	100	100	100	3.0	5.0

As for low SoL individuals by educational levels of their heads of households, the results show that 12% of Qatari individuals whose heads of households are illiterate or with less than primary education live in a low SoL, whereas this percentage declines to less than 1% among Qatari individuals whose heads of households have university degrees or above (Figure 3-4).

**Figure 3-4: Percentage of low Standard of Living Qatari individuals by head of household's educational level**



### 3.3. The Standard of Living and Relation to Labour Force

The percentage of labour force is remarkably affected by the consumption quintiles. Thus, the labour force participation rate (LFPR) increases in higher well-being levels. It has increased from the lowest quintile (61%) to the highest quintile (72%) for Qatari individuals.

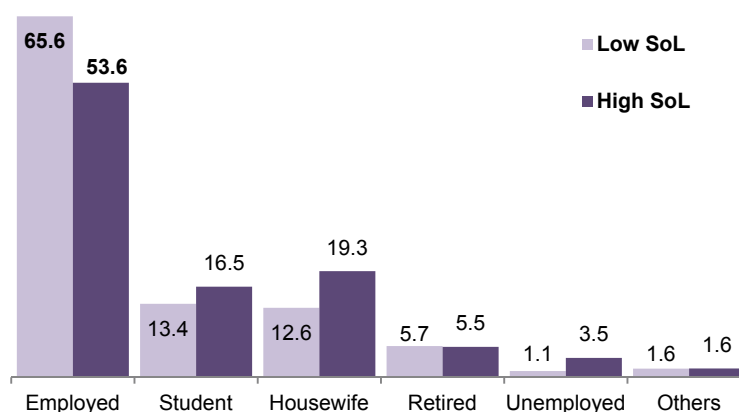
**Table 3-3: Qatari individuals aged 15+ by relation to work status and consumption quintiles**

Relation to Work Status		Consumption Quintiles					Total	% of Low SoL Individuals
		Lowest	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	Highest		
Economically active	Employed	58.8	63.8	64.4	67.0	71.3	65.1	3.9
	Unemployed	2.6	1.5	0.8	0.7	0.8	1.3	13.4
Economically inactive	Student	15.3	12.7	15.0	13.5	11.1	13.5	5.8
	Housewife	16.2	13.9	12.4	11.4	10.9	12.9	7.1
	Retired	5.2	6.0	6.1	6.0	5.1	5.7	4.6
	Others	1.9	2.1	1.5	1.5	0.9	1.6	4.8
Total		100	100	100	100	100	100	4.7

As expected, the LFPR of males aged 15+ is higher than that of females in the same age group. As for differences between males and females according to the SoL, data indicate a high positive correlation between labor force participation and the SoL. The higher the SoL, the greater is the LFPR regardless of sex.

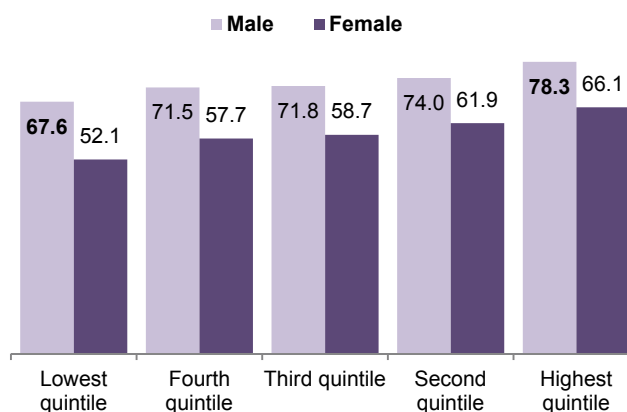
**The percentage of high SoL employed Qataris is higher (66%) than that of low SoL employed Qataris (54%).** Also, the higher the percentage of housewives and unemployed, the lower is the SoL (Figure 3-5).

Figure 3-5: Percentage distribution of Qataris aged 15+ by work status and standard of living



With regard to the SoL by gender, males and females in the fifth quintile are more likely to work than their counterparts in the first quintile. Also, those who belong to the higher SoL are more likely to work than those who belong to the lower SoL. As for the differences between the consumption indicator quintiles, Figure 3-6 shows that 68% of males in the first quintile are employed, whereas this percentage increases to 78% in the highest quintile. As for females, the percentage of employed Qatari females increases in higher well-being levels.

Figure 3-6: Percentage of male and female employed Qataris by consumption quintiles



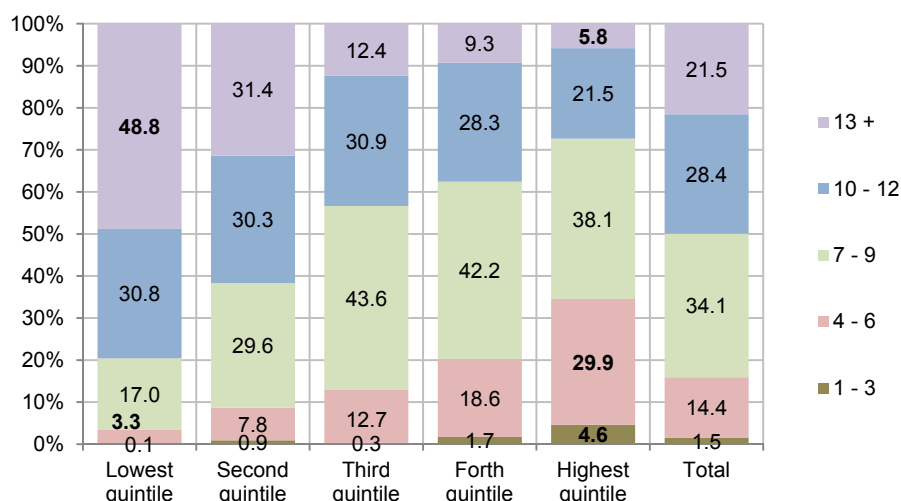
### 3.4. The Standard of Living and Household Size and Number of Children

The HH composition is a very important factor as it correlates with the social and economic differences between households. For example, HH size and number of children affect the allocation of financial and other resources among household members, which, in turn, affects their general SoL. The household size is associated with overcrowded housing, which may lead to adverse health conditions.

**Findings show that the size of households in the first consumption quintile is larger than those in the fifth consumption quintile, and that the lower the consumption level, the higher is the number of children aged -14 in the household.** In general, the average Qatari household size is 10.4 members. There is a clear disparity between the different consumption levels as shown in Figure 3-7, where the higher the well-being level of Qatari HH the smaller is the HH size. Data indicate that nearly half of the population (49%) in the lowest consumption quintile live in large-size households (13+ members)<sup>(16)</sup>, whereas this percentage drops dramatically to only 6% of population in the highest consumption quintile. On the other hand, 35% of population in the highest consumption quintile live in households of six members or less, while this percentage drops to 3% of population in the lowest consumption quintile.

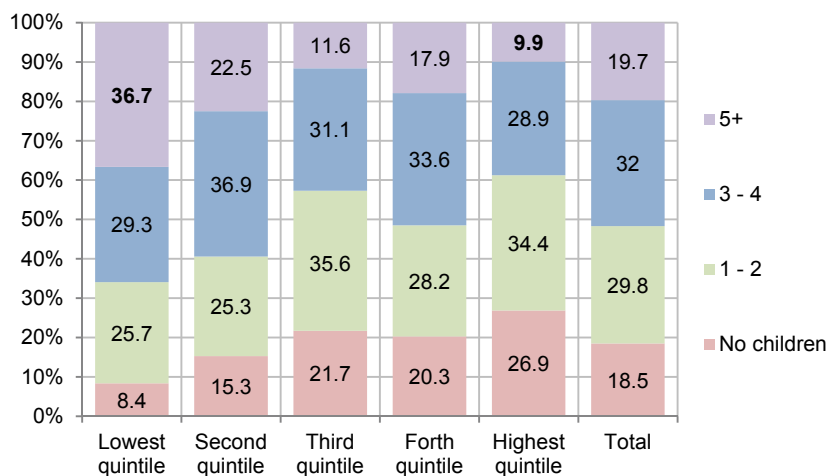
(16) Including house maids and domestic workers.

Figure 3-7: Percentage distribution of Qataris by household size and standards of living



Data indicate that the average number of children aged -14 is 2.8. Figure 3-8 shows that the higher the consumption level, the lower is the number of children aged -14. Data also indicate that 37% of the population in the lowest consumption level live in households that have five or more children, while this percentage declines to 10% among population in the highest consumption level.

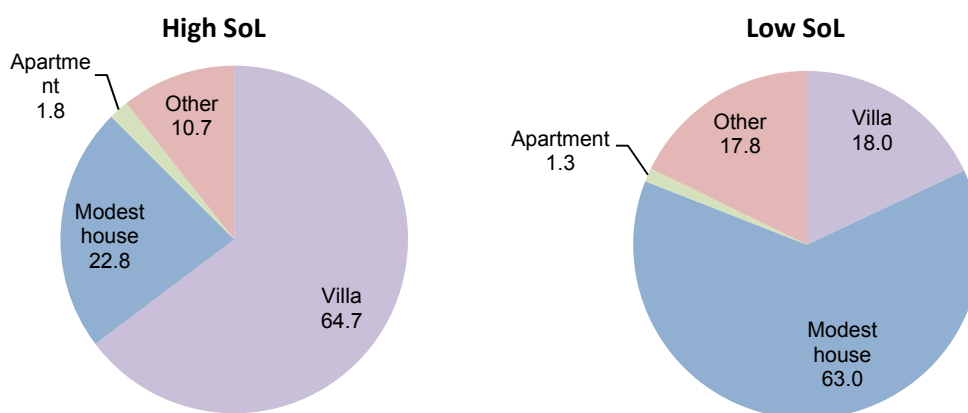
Figure 3-8: Percentage distribution of Qataris by number of children aged -14 in a household and by consumption levels



### 3.5. The Standard of Living and Housing Conditions

Most of the Qatari population who belong to the highest SoL live in villas (independent housing), while the individuals who belong to the lowest SoL live in modest houses. The HEIS provides data on housing conditions, and shows that most of the Qatari population live in villas (62%) and a quarter (25%) live in modest houses. One can notice a big gap between the different levels of well-being. The majority of the Qatari population who belong to the highest SoL (65%) live in villas, while this percentage declines to only 18% for the population living in the lowest SoL (Figure 3-9).

Figure 3-9: Distribution of Qatari population by housing type and standard of living



As for house ownership, data show that the majority of population (84%) live in their own houses with a clear SoL difference as 85% of high SoL people live in their own houses, whereas the percentage declines to 63% among the population who belong to the lowest SoL.

### 3.6. The Standard of Living and Exposure to Pollutants

The Qatari population who belong to the lowest SoL and the population of Al Rayyan are vulnerable to pollutants than other populations. Data were collected in the survey on the exposure of Qatari household members to some pollutants, which directly affects the health of individuals and children in particular. Generally, the data indicate that nearly half of the Qatari population (48%) are exposed to one of the environmental pollutants. This percentage amounts to almost 70% among the lowest SoL individuals, compared to 47% among the highest SoL individuals. With regard to some pollutants, findings indicate that nearly one fifth of Qataris are exposed to general dust(21%), to stench from sanitation (20%) and to malodor from animals (around 10%) with clear SoL differences where the population who belong to the lowest SoL are more exposed to all kinds of pollutants than those who belong to the highest SoL.

Table 3-4: Percentage of Qatari individuals exposed to pollutants by standard of living

Pollutants	Highest Standard of Living Qataris	Lowest Standard of Living Qataris	Total
Smoke and odors from car exhaust	6.7	19.8	7.4
Smoke and odors from industry exhaust	3.9	7.3	4.0
Odors from animals	10.1	18.0	10.5
Odors from sanitary water	19.8	30.6	20.3
Odors from waste	8.1	22.5	8.8
Dust of general type	20.7	25.5	21.0
Dust or odors from other sources	9.9	26.2	10.7
Noise	13.5	19.5	13.8
Others	4.2	11.0	4.5
<b>Total</b>	<b>47.1</b>	<b>69.7</b>	<b>48.2</b>

## **Chapter IV**

# **Benefiting from Social Protection Programs in the State of Qatar**

The previous chapter indicates that low SoL/income Qataris are the least educated or belong to heads of households with low educational levels compared to other Qatari households. Over 40% of the lowest SoL heads of households are with less than primary education. In addition, low SoL heads of households are more likely to be widowed regardless of gender. The previous chapter also indicates a clear correlation between LFPR, work status and SoL. The lower the well-being level, the lower is the LFPR. The percentage of employed Qataris is the least among those with low SoL, which negatively affects their SoL. There is also an obvious correlation between low SoL and the large number of household members and children, which increases household burdens and aggravates their low SoL.

Qatar's NDS 2011-2016 has developed a program that provides the best levels of education, advanced healthcare, social security and job opportunities to enhance the well-being of all Qataris and build a prosperous, stable and secure society.

#### 4.1. Social Protection Programs (SPPs) in Qatar

The Government of Qatar (GoQ) is firmly committed through its NDS to developing an SPP that protects civil rights of all citizens and provides them with adequate income to lead a decent and healthy life. The GoQ provides citizens with generous support using different means. However, this support should be enhanced to create success opportunities for all Qatari household members including the needy and vulnerable. This can be achieved by creating more job opportunities.

His Highness Sheikh Tamim Bin Hamad Al Thani, Prince of Qatar, issued orders to raise social security benefits and endorsed the Cabinet of Ministers' Resolution No. 46 of 2014 on the determination of the value of pension payable to the categories stipulated in Law No. 38 of 1995 concerning the rules of granting social security. He pointed out that the rate of increase in the value of pension were doubled many folds its previous value for all 10 eligible categories, namely; divorcees, needy families, elderly's families, families of missing people, deserted wives, widows, prisoners' families, disabled people, those unable to work and orphans. This massive support for the categories covered by the social security law enhances the Ministry's plans and strategies emanating from the Social Protection Sector Strategy, which in turn emanates from Qatar National Vision 2030.

In addition to this generous Emiri grant which reflects the State's concern to integrate people with special needs into various life domains, His Highness granted 750 stock shares to every member of social security beneficiaries and people with special needs

Although there is no standard and general definition for social protection concept, all definitions agree that social protection is a mechanism to prevent or alleviate the impact of poor conditions that result in economic and social risks. This can be achieved through policies and programs aiming to promote people's resilience, reduce poverty, enhance labor market efficiency, protect vulnerable and fragile groups from these risks and prevent them from sliding into poverty. Social security schemes are the first line of defense of social protection to overcome personal or external shocks that cause the deterioration or stoppage of income.

One of the goals of Qatar's Social Development Pillar is to develop an effective SPP. Social protection was traditionally understood to be measures addressing the situation of the poorest, the most exposed and those socially excluded (marginalized). However, this concept has recently expanded to include cash and in-kind benefits which protect and promote basic human rights. In general, social protection addresses:<sup>(17)</sup>

- Lack or insufficient income due to illnesses, disability, maternity leave, work injuries, unemployment, old age, or the death of a productive family member;
- Lack of access to housing, education or healthcare;
- Lack of family support, especially to children and unemployed adults; and
- Social exclusion.

An SPP may include mechanisms designed to protect people from poverty or exposure to difficult situations, alleviate shocks' impacts and meet the basic living needs of people with chronic diseases. In addition, SPP protects workers, accumulates assets and stops or reduces the movement of poverty or low well-being levels inter-and-intra-generations.

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(17) MDPS Report "Building Effective Social Protection System: Characteristics of Low Income and Distribution of Income in Qatar", 2011.

Through its Social Protection Sector Strategy, GoQ provides many SPPs. Thus, the main components of an integrated SPP in Qatar includes:

1. Social security through cash transfers provided by the Ministry of Labour & Social Affairs (MoLSA) to widows, orphans and families with no breadwinner;
2. Social insurance that includes pensions for civil servants and government company employees; pensions from private companies; unemployment benefits, pensions for survivors, injuries and disability compensations; and treatment benefits provided by the General Retirement and Social Insurance Authority;
3. Social services, including healthcare; cash aid for treatment and education; and economic empowerment commodities, services and programs for targeted groups;
4. Providing support to families, religious institutions and others; and
5. SPPs for vulnerable groups. These SPPs are run by civil society organizations and charities.

The MoLSA, in cooperation with the competent authorities, takes the necessary steps to rehabilitate beneficiaries from the social security scheme in accordance with the provisions of this law to enable them to be self-dependent in earning their living. These measures include: enrolling individuals in vocational training centers, providing them with training courses, encouraging them to pursue their education and helping them to start small productive projects. Within the above context, this chapter will answer the following questions:

1. Who benefits from SPPs in Qatar? How efficient and adequate are these SPPs? How far have they been able to alleviate poverty or improve well-being levels?
2. Are there any ineligible groups which do benefit from SPPs?
3. What are the characteristics of SPP beneficiaries?

It is worth noting that this report monitors the situation in 2012/2013. However, in 2014, the Cabinet of Ministers, based on the instructions of His Highness, issued a resolution to double the salaries of beneficiaries several times to ensure a dignified life for the categories covered by the law. The salaries increased by 266% for widows, divorcees, the elderly, those unable to work, deserted wives and foundlings aged 17+, 333% for the disabled, 800% for orphans, 300% for foundlings aged -17, 185% for children and 222% for wives. The servant allowance for the disabled, the elderly and those unable to work was increased by 187%. Accordingly, the following analysis can be used to track and evaluate the impact of these raises on SoL promotion.

## 4.2. Beneficiaries from the Social Protection Programs (SPPs) in Qatar

HEIS 2012/2013 results show that only 5% of Qataris benefit from SPPs (direct benefit from government transfers and subsidies), while 41% of Qataris live in households with a member benefiting from SPPs (direct and indirect benefit). Therefore, it is impossible that these households go without income when they face shocks, such as when a household member loses job, retires or becomes disable.

HEIS results also indicate that the SPP Qataris benefit the most from is the pensions which are paid to individuals when they, or a member of their family, join the pension scheme to receive a fixed income when they retire or face shocks. Pensions are the first line of defense of social protection and empowerment to overcome shocks resulting from personal factors, such as old age, disability or death; or from external factors that lead to the collapse or deterioration of income. Therefore, the SoL of pension subscribers or beneficiaries is less likely to deteriorate when facing possible risks. Table 4-1 shows that 4% of Qataris benefit from pensions, while only 1% of Qataris benefit from other SPPs. Findings also indicate that the average monthly pension is the largest average monthly cash from SPPs. The average monthly consumption of SPP direct beneficiaries has increased by over 60% after benefitting from government subsidies and insurance. This increase highlights the importance of SPPs in improving Qatari beneficiaries' SoL. As for the impact of SPPs on all Qataris, the average per capita monthly consumption has increased by about 14% after receiving SPPs benefits.



**Table 4-1: Average monthly government transfers and subsidies for Qatari individuals and beneficiaries' average monthly consumption before and after receiving SPPs benefits (QAR)**

Government transfers and subsidies	Social security	Health allowance	Education allowance	Pension	Pension for survivors	Disability benefits	Total monthly government transfers and subsidies
Average government transfers and subsidies	297.8	54.6	8.7	14655.2	1375.7	3.6	16395.7
% of direct beneficiaries	0.30	0.02	0.03	<b>4.20</b>	0.70	0.01	5.20

Consumption	Household		Individual	
	Before benefit	After benefit	Before benefit	After benefit
Average monthly consumption (QAR) of SPPs beneficiaries	4680.0	7830.8	6883.5	7832.9

\* Direct beneficiaries are those who receive pensions. Their percentage is calculated out of total Qatari individuals.

\*\* Direct and indirect beneficiaries are those with a household member receiving pension (i.e. the total number of household members where a member is receiving pension). Their percentage is calculated out of total Qatari individuals.

\* After benefit: households or individuals after receiving government transfers and subsidies.

\* Before benefit: households or individuals if not receiving government transfers and subsidies.

#### 4.1.1. Pensions

In view of the high benefit from pensions, they represent the biggest part of SPPs in Qatar. Table 4-2 shows percentage of direct/indirect beneficiaries from these pensions by heads of households' gender and marital status. In general, 4% of Qatari individuals are direct beneficiaries from these pensions, whereas 34% of Qatari individuals are direct and indirect beneficiaries (i.e. one of the household members receives pension).

With regards to the head of HH's gender, the table shows that Qatari individuals who belong to male-headed HHs benefit from pensions more than female-headed HHs, as 91% of individuals who directly and indirectly benefit from these pensions belong to male-headed HHs (representing 88% of Qatari population), compared to 9% of pension beneficiaries who belong to female-headed HHs (representing 12% of Qatari population).

As for the head of HH's marital status, the table also shows that 4% of direct and indirect beneficiaries live in a widow/widower-headed HH. They are more represented here than in society (their percentage to society is only 2%). On the other hand, 6% of the beneficiaries live in a widow-headed household. They are less represented here than in society (8%).

Furthermore, the table shows the percentage of direct and indirect beneficiaries by head of HH's marital status and gender. It indicates that 70% of Qatari individuals who live in widower-headed HHs benefit from these pensions, compared to 23% of Qatari individuals who live in widow-headed HHs.

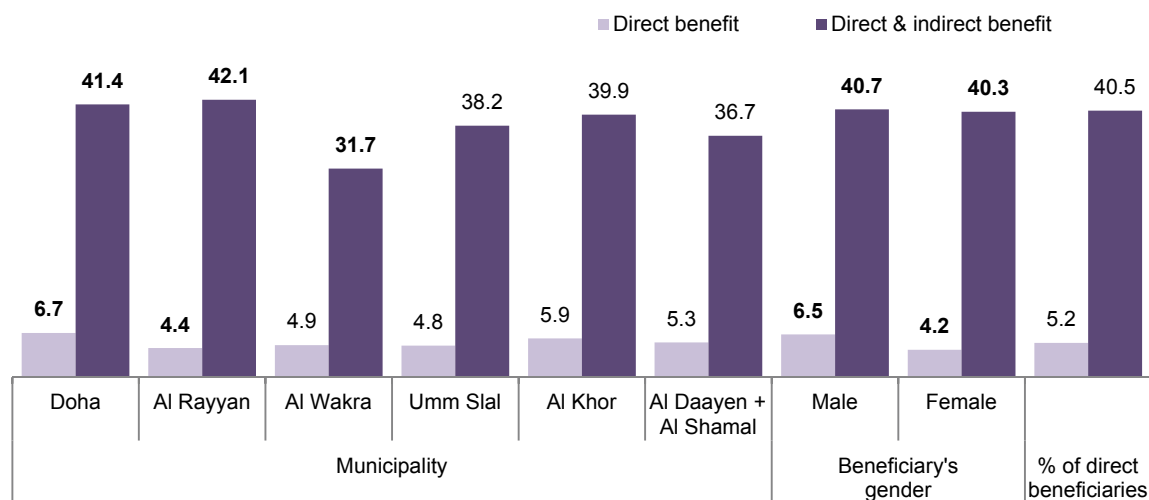
**Table 4-2: Percentage distribution of direct and indirect beneficiaries from pensions by head of HH's gender and marital status**

HH head's gender	HH head's marital status	% of direct beneficiaries	% of direct and indirect beneficiaries	Distribution of direct beneficiaries	Distribution of direct and indirect beneficiaries	Qatari population by HH head's marital status
Male	Never married	3.9	20.8	1.5	1.0	1.6
	Married	4.1	35.0	81.4	85.9	84.4
	Divorced	7.5	54.5	0.9	0.8	0.5
	Widower	8.8	69.9	3.8	3.7	1.8
	<b>Total</b>	<b>4.2</b>	<b>35.5</b>	<b>87.6</b>	<b>91.4</b>	<b>88.4</b>
Female	Never married	9.9	54.1	1.0	0.7	0.4
	Married	3.0	20.3	1.2	1.0	1.7
	Divorced	6.1	36.0	1.6	1.2	1.1
	Widow	4.3	23.3	8.5	5.7	8.4
	<b>Total</b>	<b>4.5</b>	<b>25.3</b>	<b>12.4</b>	<b>8.6</b>	<b>11.6</b>
Total	Never married	5.2	27.9	2.5	1.7	2.1
	Married	4.1	34.7	82.6	86.9	86.1
	Divorced	6.6	42.0	2.5	2.0	1.6
	Widowed	5.1	31.7	12.3	9.4	10.2
	<b>Total</b>	<b>4.2</b>	<b>34.4</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

#### 4.1.2. All Social Protection Programs (SPPs)

With regards to the percentage of Qatari population benefiting from all SPPs, the results indicate variations among municipalities in terms of the percentage of Qatari beneficiaries from SPPs. Figure 4-1 shows that the highest percentage of direct beneficiaries (7%) is in Doha Municipality, compared to 4% in Al Rayyan Municipality. The situation becomes quite the opposite when direct and indirect beneficiaries are taken into account, as the highest percentage of beneficiaries is in Al Rayyan Municipality (42%), while the lowest percentage of indirect beneficiaries is in Al Wakra Municipality (32%). The same figure shows that the number of male direct beneficiaries is greater than their female counterparts (7% vs. 4%). However, there is no significant difference when it comes to direct and indirect beneficiaries (41% for males vs. 40% for females).

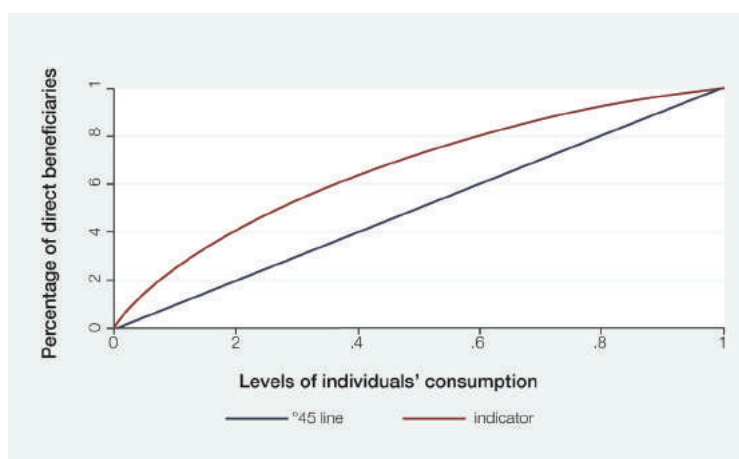
**Figure 4-1: Percentage of Qatari beneficiaries from SPPs by type of benefit, beneficiary's gender and municipality**



### 4.3. How Far the Social Protection Programs Target Individuals with Low Standard of Living in Qatar

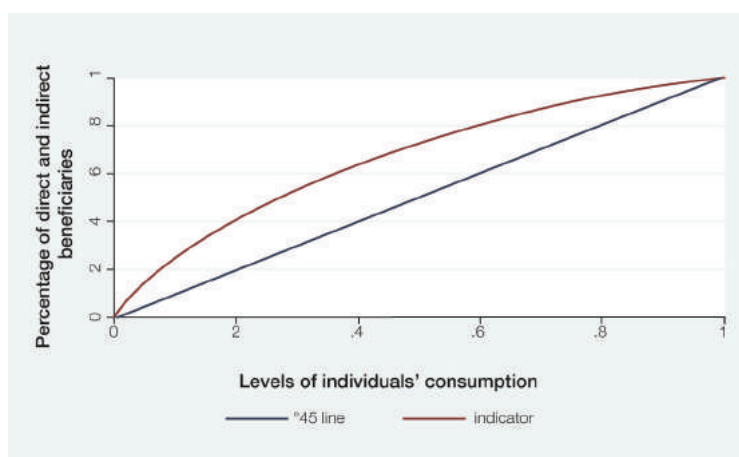
Figure 4-2 shows the Lorenz Curve for SPPs direct Qatari beneficiaries. The benefit curve –also known as the Receiver Operating Characteristics curve (ROC curve)– is a quality standard that targets low SoL/well-being individuals using social support/protection programs. It is calculated through identifying the percentage of beneficiaries from SPPs by different consumption levels. When the benefit curve is above the line of equality, then low SoL households are the maximum beneficiaries from SPPs. The larger the area under the benefit curve, the higher is the targeting quality, since the percentage of benefit from SPPs for low SoL individuals is much higher than that for high SoL individuals. Figure 4-2 shows that SPPs in Qatar are effective in alleviating low SoL and improving well-being levels of Qatari population, as these SPPs target low well-being levels more than others.

**Figure 4-2: Lorenz Curve of direct beneficiaries from social protection programs**



As for SPPs direct and indirect beneficiaries (participation of one HH member in one of SPP programs), Figure 4-3 shows that SPPs beneficiary individuals have low well-being levels, which confirms that SPPs are effective and they target the most vulnerable households.

**Figure 4-3: Lorenz Curve of direct and indirect beneficiaries from social protection programs**



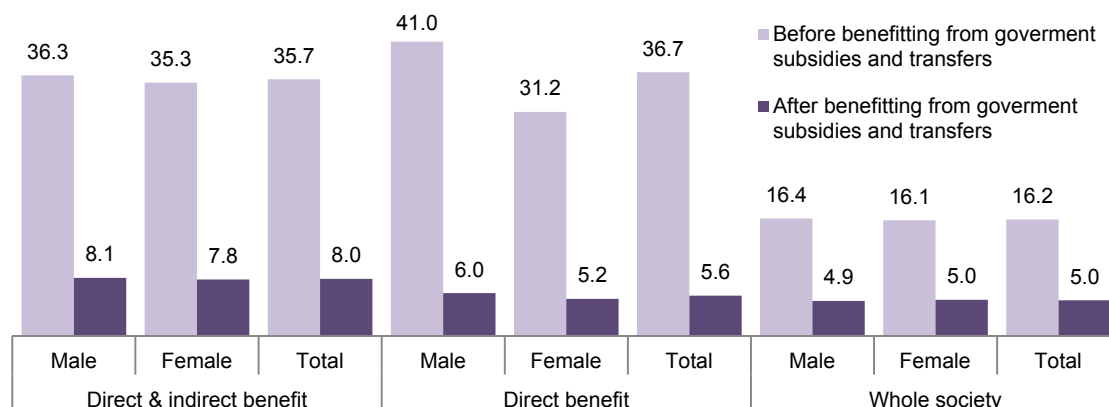
### 4.4. How Far Can Social Protection Programs Improve the Standard of Living

To find out the impact of government transfers, especially pensions, on the percentage of low SoL Qatari individuals, the value of these transfers is subtracted from the total consumption of a Qatari household. The change in consumption levels clearly shows the importance of these government transfers. Had not Qatari households been provided with these transfers, the percentage of low SoL Qatari individuals would have been tripled, slightly exceeding 16% of those at the 50% threshold of the median overall consumption per capita (compared to 5% before subtracting government transfers value).

Figure 4-4 shows the importance of SPPs provided by the government of Qatar in reducing the percentage of low SoL individuals. The percentage of low SoL direct beneficiaries dropped from 37% to 6% only after receiving government transfers and subsidies. One can notice the evident differences between male and female beneficiaries. The percentage of low SoL male beneficiaries dropped from 41% to 6% after receiving SPP benefits, whereas the corresponding percentage of female beneficiaries dropped from 31% to 5%.

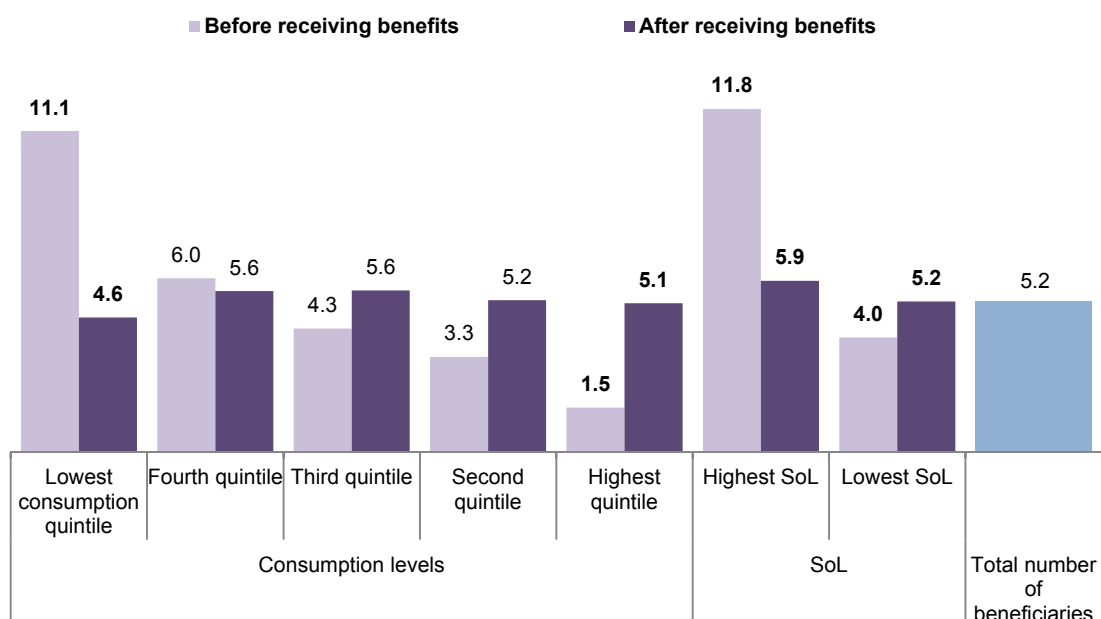
With regards to SPPs direct and indirect beneficiaries (where one HH member is an SPP beneficiary), Figure 4-4 shows that the percentage of direct and indirect low SoL beneficiaries dropped from 36% to 8% after benefiting from government transfers and subsidies.

**Figure 4-4: Percentage of low SoL Qatari individuals before and after receiving SPP benefits by beneficiary's gender and type of benefit**



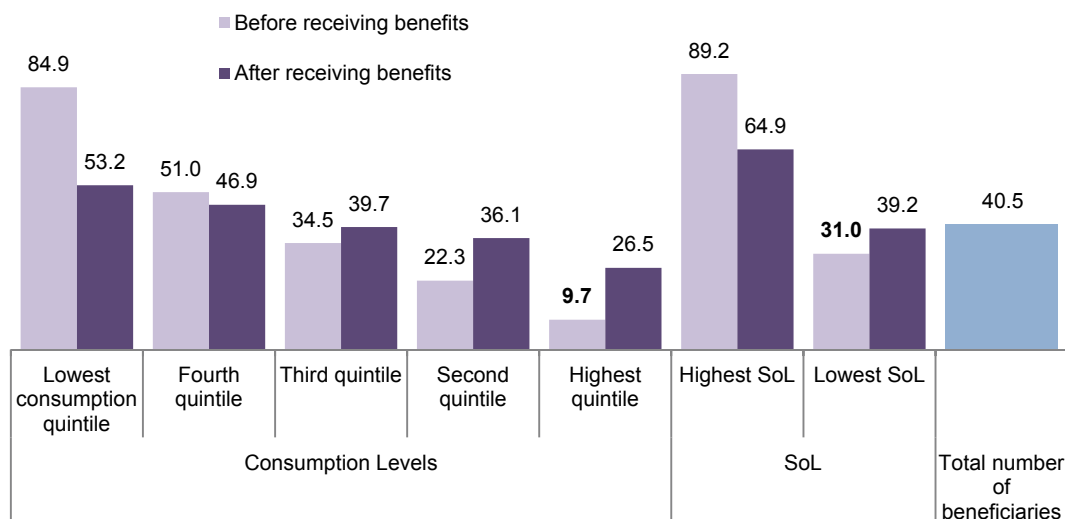
As for the percentage of SPP Qatari beneficiaries by standards of living, Figure 4-5 shows the percentage of direct Qatari beneficiaries from government transfers and subsidies by consumption quintiles before and after receiving SPP benefits. Data indicate that SPP beneficiaries reached 11% in the lowest consumption quintile before receiving SPP benefits. This percentage decreases in higher well-being levels to reach about 2% in the highest well-being level. The figure shows how the well-being level of all beneficiaries improved. The percentage of SPP beneficiaries in the lowest consumption quintile after receiving subsidies which improved their consumption level, decreased from 11% to 5%.

**Figure 4-5: Percentage of direct Qatari beneficiaries from Social Protection Programs by consumption level and standard of living before and after receiving benefits**



In terms of the standard of living, we reach a similar conclusion. Figure 4-5 shows that 12% of low SoL individuals and 4% of high SoL individuals are direct beneficiaries from SPPs. After receiving SPP benefits, many low SoL beneficiaries have moved up to high SoL, and their percentage decreased from 12% to 6%, which confirms that government transfers and subsidies were effective in reducing the number of low SoL individuals and improving the population’s well-being. The same results apply for direct and indirect SPPs beneficiaries (Figure 4-6).

**Figure 4-6: Percentage of direct and indirect Qatari beneficiaries from SPPs by consumption level and standard of living before and after receiving benefits**



#### 4.5. How Far are Ineligibles Benefiting from Social Protection Programs in Qatar

As mentioned earlier, SPPs aim to alleviate the impact of poor conditions that result in economic and social risks, enhance individuals’ resilience, reduce poverty, and protect low SoL and vulnerable groups from the impact of these risks and from sliding into a very low SoL. Thus, SPPs should only target individuals with low well-being levels. Figure 4-5 shows that the highest percentage of Qatari beneficiaries from government transfers and subsidies is among those in the lowest well-being level (11%). Although the higher the well-being level, the lower is the percentage of Qatari SPPs beneficiaries, still a percentage of Qatari individuals in the highest well-being quintile also benefits from SPPs. The same result applies to the different standards of living, as data show that 4% of high SoL Qatari individuals (before receiving SPP benefits) have directly benefited from government transfers and subsidies, despite being ineligible.

We reach a similar conclusion with regard to direct and indirect Qatari beneficiaries (i.e. at least one household member benefit from SPPs). Figure 4-6 above shows that 85% of Qatari individuals in the lowest well-being level benefit from SPPs. This benefit decreases with the improvement of SoL. Still, 10% of Qataris in the highest well-being level (before benefiting from SPPs) benefit from SPPs. In addition, 31% of the high SoL Qatari individuals (before benefiting from SPPs) are SPP beneficiaries, which confirms that government subsidies and transfers reach ineligible.

Table 4-3 shows direct beneficiaries from SPPs by consumption quintiles and SoL before and after receiving SPP benefits. Results show that more than one third of Qatari individuals (37%) who directly benefit from government transfers and subsidies belong to low SoL (before receiving SPP benefits) and more than three fifths (63%) of direct Qatari beneficiaries belong to high SoL, i.e. nearly two thirds of beneficiaries are ineligible to receive such transfers and subsidies. As for well-being levels, findings show that nearly 18% of beneficiaries were in the two highest well-being quintiles before directly benefiting from SPPs, which indicates that a significant percentage of government transfers and subsidies go to ineligible Qatari individuals. The results are quite similar in terms of direct and indirect beneficiaries.

**Table 4-3: Percentage distribution of Qatari beneficiaries from SPPs by standard of living before and after receiving government transfers and subsidies**

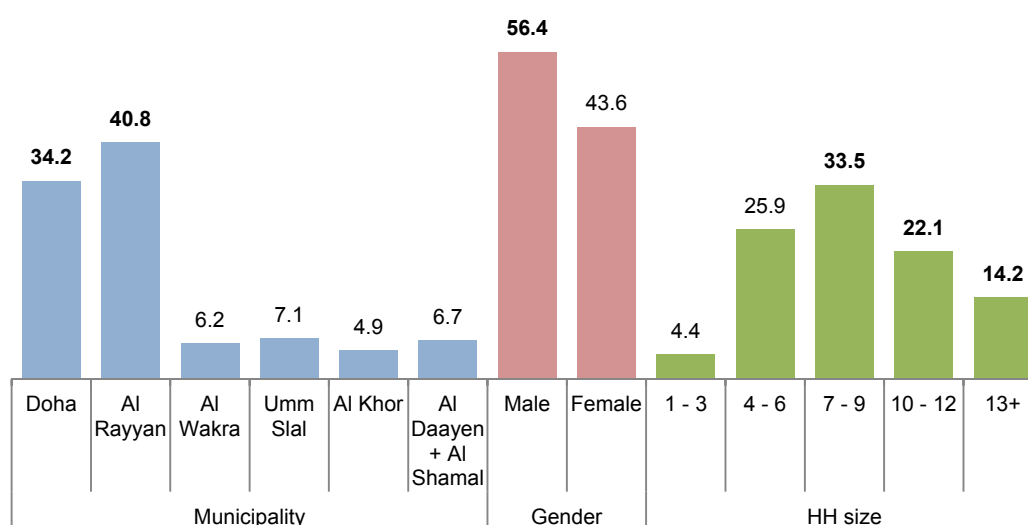
	Direct benefit		Direct and indirect benefit	
	Before receiving benefits	After receiving benefits	Before receiving benefits	After receiving benefits
<b>Consumption quintiles</b>				
<b>Lowest quintile</b>	42.3	17.7	41.9	26.3
<b>Fourth quintile</b>	22.9	21.3	25.2	23.2
<b>Third quintile</b>	16.3	21.3	17.0	19.6
<b>Second quintile</b>	12.6	20.0	11.1	17.8
<b>Highest quintile</b>	5.8	19.7	4.8	13.1
<b>Standard of Living</b>				
<b>Lowest SoL</b>	36.7	5.6	35.7	8.0
<b>Highest SoL</b>	63.3	94.4	64.3	92.0
<b>Total</b>	100.0	100.0	100.0	100.0

Data indicate important results; namely, redistribution of the well-being levels of SPP beneficiaries, as 42% of Qatari beneficiaries were in the lowest well-being level before receiving SPP benefits (directly or indirectly). However, after receiving such benefits, those individuals received government subsidies that led to increased consumption, and the percentage of direct SPP beneficiaries was as low as 18% in the lowest well-being level, while the rest of beneficiaries moved up to higher well-being levels. This result is more obvious in terms of the standards of living, where 37% of low SoL individuals were direct beneficiaries. However, after receiving SPP benefits, which caused their income, and consequently their consumption, to increase, part of those beneficiaries moved up from the lowest to the highest SoL (as their consumption value grew higher than RPL value moving them up to the highest SoL).

#### 4.6. Characteristics of Beneficiaries from Social Protection Programs<sup>(18)</sup>

Results indicate that the highest percentage of SPP direct beneficiaries is in Al Rayyan Municipality (41%), followed by Doha Municipality (34%). Results also indicate that more than half (56%) of beneficiaries are male. With regards to beneficiary household size, Figure 4-7 shows that one third (34%) of beneficiaries live in large households (7-9 members) and 36% live in households with 10 members or more.

**Figure 4-7: Percentage distribution of direct Qatari beneficiaries from SPPs by municipality, gender and household size**



\* Including servants and domestic workers in Qatari households

(18) Including servants and domestic workers.

Figure 4-8 shows that 42% of SPP beneficiaries are elderly people aged 60+. As previously mentioned, pensions are the most common SPP. As for the educational level of beneficiaries, results show that 30% of beneficiaries are either illiterate or with less than primary education. The higher the educational level, the less is the percentage of beneficiaries. However, the percentage increases with beneficiaries having university degrees. The figure shows that 22% of beneficiaries have university degrees or above.

**Figure 4-8: percentage distribution of direct Qatari beneficiaries from SPPs by age and educational level**

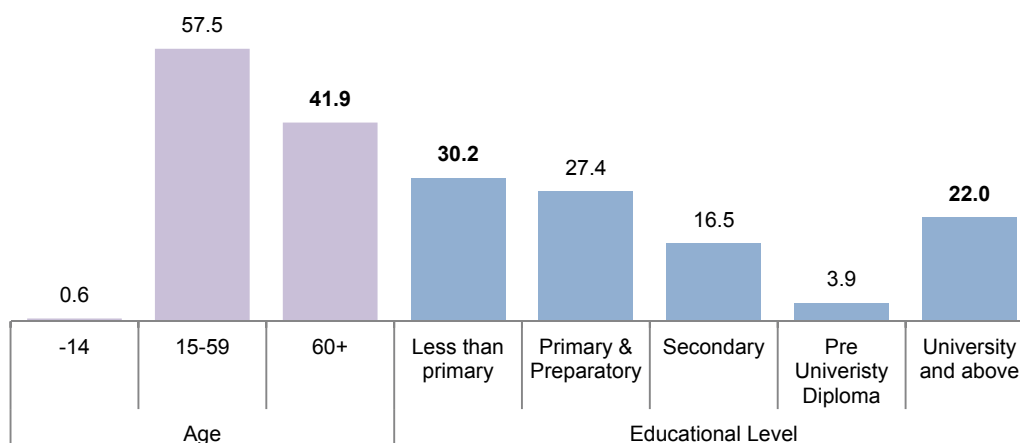
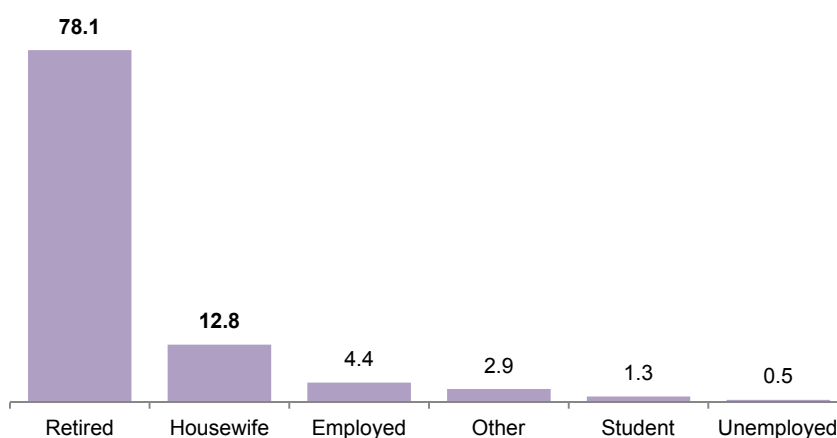


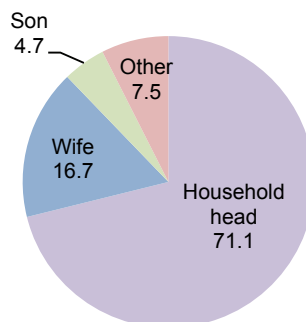
Figure 4-9 shows that the majority of SPP Qatari beneficiaries (78%) are pensioners, confirming the previous results that pensions are the most common SPP. Results also show that 13% of government transfer and subsidies beneficiaries are housewives.

**Figure 4-9: Percentage distribution of direct beneficiaries by relation to labour force**



As for the characteristics of heads of households of direct SPP beneficiaries, results indicate that 71% of direct beneficiaries are heads of households themselves, while 17% are spouses of heads of households and 5% are children. Therefore, three quarters of beneficiaries (77%) from government transfers and subsidies and social insurance are male heads of households (since most of beneficiaries are themselves heads of households. See Table 4-4).

**Figure 4-10: percentage distribution of direct beneficiaries from SPPs by relation to head of household**



The educational level of the head of household has a clear impact on the direct benefit from SPPs. Figure 4-11 shows that 29% of SPP beneficiaries are members of households whose heads are either illiterate or with less than primary education, and that another 29% are headed by individuals who have completed basic (primary and preparatory) education. There are less beneficiaries in households whose heads have completed their secondary school or university education. In addition, three quarters of beneficiaries (75%) are members of households whose heads are aged 50+.

**Figure 4-11: Percentage distribution of direct Qatari beneficiaries from SPPs by head of household's characteristics**

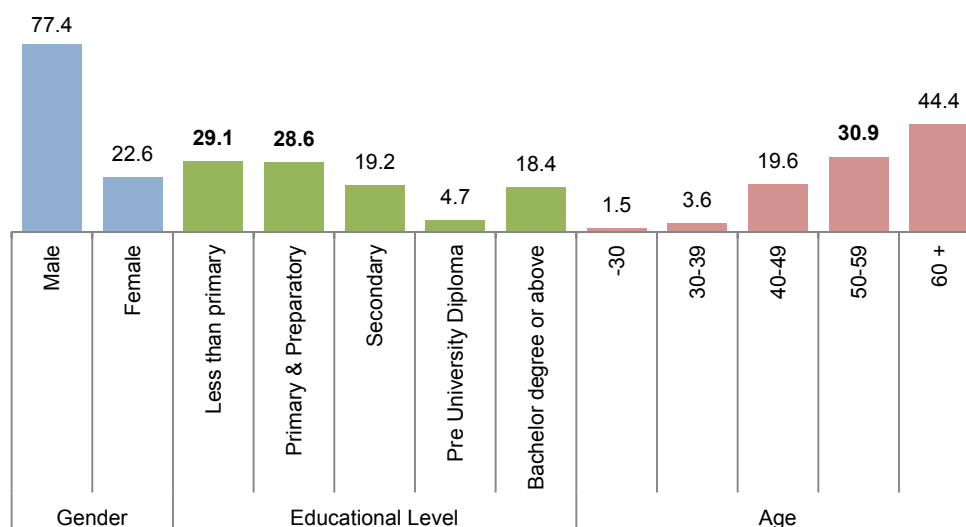


Table 4-4 also illustrates that 17% of SPP beneficiaries (whether directly or a household member is a beneficiary) live in households headed by widows/widowers. They are more represented here than in society (their percentage in society is only 10%). If we take the gender of the head of household into account, then the table indicates that 14% of direct and indirect beneficiaries from SPPs are headed by widows, while these individuals represent only 8% of society. These percentages could reach up to 3% or 2% for widower heads of households. Thus, this result shows that widows/widowers in Qatar benefit directly and indirectly from SPPs' government transfers and subsidies more than other groups. With regards to the percentage of direct and indirect beneficiaries by gender and marital status of head of household, results show that 70% of individuals living in households headed by widowers and 66% of individuals in households headed by widows benefit from SPPs.



**Table 4-4: Percentage distribution of Qatari beneficiaries from SPPs by gender and marital status of head of household**

HH head's marital status	Distribution of direct beneficiaries	Distribution of direct and indirect beneficiaries	Percentage of Qatari beneficiaries by HH head's gender	% of direct beneficiaries	% of direct and indirect beneficiaries
<b>Male Households heads</b>					
Never married	2.7	2.7	1.6	8.8	66.6
Married	70.7	76.9	84.4	4.4	36.9
Divorced	0.9	0.8	0.5	9.2	63.1
Widower	3.1	3.2	1.8	8.8	69.9
Total	77.4	83.6	88.4	4.6	38.3
<b>Female Households heads</b>					
Never married	1.1	0.7	0.4	12.9	60.9
Married	1.1	1.0	1.7	3.5	22.9
Divorced	1.8	1.2	1.1	8.3	42.5
Widow	18.6	13.6	8.4	11.6	65.9
Total	22.6	16.4	11.6	10.1	57.2
<b>Total</b>					
Never married	3.8	3.3	2.1	9.7	65.3
Married	71.8	77.8	86.1	4.4	36.6
Divorced	2.7	2.0	1.6	8.6	49.2
Widowed	21.7	16.8	10.2	11.1	66.6
Total	100.0	100.0	100.0	5.2	40.5

We conclude from the previous analysis that social subsidies are more focused on low-income households headed by widowed people. However, a significant proportion of the rest of population who belong to higher SoL also benefit from these subsidies. Therefore, the analysis of the characteristics of low-income households should be used to determine the truly eligible groups.

## **Chapter V**

# **Conclusion and Recommendations**

This report analyzes the HEIS 2012/2013, and aims to present an overview of the SoL in Qatar; identify the most vulnerable population groups, their places of residence and their economic and social characteristics; evaluate inequality not only in income/consumption but also in education and other social services; and finally evaluate SPPs and identify the most eligible groups.

## 5.1. Conclusions

### Chapter I

- Per CU monthly consumption – adopted as the well-being measure in 2012/2013 – was QAR 7,856 (US\$ 2,934 at PPP) for Qataris and QAR 4,978 for non-Qataris. The highest Qatari per capita consumption was in Doha. Consumption/income is distributed with an upward long tail as there are a number of very rich households and thus the average is higher than the median.
- Household average consumption per annum increased by 3% between 2006-2007 and 2012/2013, which means that the actual SoL rose by 3% per annum. However, the change pace in consumption was not the same for all commodity groups. Given the improved SoL, spending on traveling abroad increased and spending on transportation means and communication accounted for the highest increase (6% per annum). This is predictable in view of the communication revolution during 2007-2013.
- Consumption patterns vary according to well-being levels. food consumption represents 14% of the population's total consumption. The difference in spending on food between the lowest and highest SoLs is 6 percentage points.
- Work is the main source of income for Qatari households. Therefore, the SoL of households basically depends on the opportunities their members are provided with to earn their income. Wages and salaries are the main source of income for all quintiles. They account for 81% of the total income. The Qatari per capita monthly income in the lowest income quintile is QAR 6,960, compared to QAR 14,341 in the highest quintile, which means that the lowest quintile only earns 14% of Qataris' total income.
- Overspending is a real problem for 18% of Qatari households. However, there is no link between low SoLs and debts; the opposite is true. Low-income households with consumption greater than half of the median consumption suffer from insufficient income (71% of individuals in this group), compared to 15% of members of better-off households. It seems that the consumer and social needs of non-affluent households exceed their income, while low SoL households have lower consumer and social aspirations.

### Chapter II

- While the lowest quintile accounts for 20% of the population, it only represents 10% of total consumption. The consumption of the third and fourth quintiles is almost equal to their share of population. On the other hand, the highest quintile has the lion share of consumption with 34%.
- The Gini Coefficient is the most widely used measure of well-being distribution. The value of Gini Coefficient falls between zero and one, where zero refers to absolute equality, and 1 indicates that one population member controls all available resources. The Gini Coefficient value is low for the State of Qatar as it amounts to 0.2455 of the equivalent consumption and 0.2574 of the equivalent income. Equitable income distribution in Qatar is the best compared to other Arab countries where information on inequality is available. The Gini Coefficient ranges between 0.4 in Tunisia and 0.3 in Egypt. The Gini Coefficient for Qatar dropped from 0.293 in 2006-2007 to 0.2574 in 2012/2013, indicating that the rising SoL between 2006-2007 and 2012/2013 was for the benefit of low-income groups, i.e. the income increase rate for low-income people was higher than that for other groups.
- In 2012/2013, the percentage of low-income Qataris was 8% and the percentage of Qataris whose consumption equivalent was less than half of the median consumption equivalent was 5%. Those can be considered as relatively belonging to low SoL compared to Qatari society as a whole. Low-income Qataris mainly live in Al Rayyan Municipality that has the highest rate of low SoL people, while Doha Municipality has the lowest rate. Although Al Rayyan Municipality houses 48% of Qataris, it accounts for 72% of low-income people, which indicates that low-income people are more concentrated there. Thus, certain programs to raise the SoL there can target its population since we can reach 72% of low-income people.

- The major progress in economic and social development fields was reflected on Qataris' SoL, as the percentage of low-income people dropped by 50%. However, the order of municipalities remained the same. HEIS data indicate a significant drop in the percentage of low-income people from 9% in 2006-2007 to 6% in 2012/2013, i.e. by one third.
- The percentage of low-income/SoL people is high among Qatari households whose heads are illiterate, aged 60+, female, with less than primary education, or outside labour force. The rate is also high in households with a large number of members, a large number of children or a less number of workers. The percentage of low SoL Qatari households is highest for widowed heads of households (4%) and drops to 3% for married heads of households. As expected, Qatari male-headed households enjoy a better SoL than female-headed households (4% for females and 3% for males). Qatari low-income households are concentrated in the one headed by older people, especially 50-59 years old. The percentage of low-income people is higher in larger households and is the highest in households having 11+ members (12%). It is also high in households with a large number of children. This indicates an obvious link between the SoL and the education level of the head of household, where 8% of households whose heads are with less than primary education have low income, and those account for 35% of low-income households. The SoL is also linked to work status, with the exception of the unemployed who represent a low percentage of breadwinners. The status of worker-headed households is better than that of others, as only 5% of such households have low income, compared to 8% of households headed by housewives and 10% of households headed by pensioners.

### Chapter III

- The Government of Qatar, through its social protection sector strategy, provides many SPPs. Thus, the main components of an inclusive SPP in Qatar includes: social security, social insurance, and social services of healthcare; health and education cash subsidies; commodities, services and programs of economic empowerment for targeted groups; family support; and finally SPPs for vulnerable groups, which are managed by civil society organizations and charities.

### Chapter IV

- The results of the HEIS 2012/2013 indicate that 5% of Qatari population are SPPs beneficiaries in Qatar (direct benefit), and 41% of Qatari population live in households with a member benefiting from SPPs (direct or indirect benefit).
- SPPs in Qatar are effective in alleviating poverty and improving Qataris' well-being levels. Data illustrate that SPPs target people in the lowest well-being levels more than other groups. Had not Qatari households been provided with these transfers, the percentage of low SoL individuals would have been tripled, slightly exceeding 16% of those at the 50% threshold of the median per capita overall consumption (compared to the prevailing percentage of 5%).
- Although the percentage of Qatari individuals benefiting from SPPs is highest among those in the lowest well-being level, where only 11% of Qatari individuals in the first quintile benefit from SPPs. This percentage decreases when the well-being level gets higher. However, there is a percentage of ineligible Qatari individuals in the richest quintile who also benefit from SPPs.
- We conclude from the previous analysis that social benefits focus more on low-income households with widowed heads. However, a significant proportion the rest of population in the highest SoL also receives such benefits. Therefore, the analysis of low-income households' characteristics should be used to determine those who are truly eligible.

## 5.2. Recommendations

The findings of this report call on reducing vulnerability through adopting a comprehensive perspective for risk management to evaluate implemented interventions which should concentrate on community capacity building to effectively manage risks, such as soaring prices of foodstuff. Risk management components should be integrated into saving and credit activities so that insurance mechanisms are activated in case of society shocks and when people become unable to settle their debts (when people lose their jobs for example). Adopting risk management strategies include:

1. Enhancing economic capacities through strengthening the capabilities of generating income and consumption and acquiring assets. These are keys for food security, financial well-being and social status, which usually represent common people's priorities, in addition to safe access to lands, cattles, credit and decent employment. Moreover, access to health, education, food, clean water and housing should be enhanced. Illness and illiteracy are obstacles to productive work as well as violations to human rights. Literacy facilitates communication and is critical to political and social participation. Education, especially for girls, is a key for raising standards of living of society as a whole.
2. Enhancing prevention capacities that strength people's resilience against economic and external shocks. Reducing insecurity and vulnerability which are strongly linked to all SoL dimensions. Enhancing security helps reduce exposure to economic shocks, natural disasters, ill health, disability and personal violence. Enhancing security is an integral part of promoting well-being and encouraging investment in human capital and high-risk and high-return activities. This requires an effective national action to manage the risks of major economic shocks, in addition to effective mechanisms to reduce the risks faced by the poor, including health and related risks.
3. Territorial balance: Ensuring that territorial disparities in income, available opportunities and services are reduced. In general, Al Rayyan Municipality needs an ongoing push of effective investments.

## References

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