

Appendix A
Income data

Methodology

The analysis of the size of the BOP is based on data derived from national income and consumption surveys conducted by national statistics offices in 110 countries (see table A.1a). The analysis of the total income of the BOP is based on an income inequality methodology developed by Branko Milanovic, lead economist with the World Bank’s Research Department, and described in *Worlds Apart: Measuring International and Global Inequality* (Milanovic 2005). Dr. Milanovic “lines up” all the world’s people, assigning each an annual income based on the relevant national household survey, to measure global inequality among individuals.

The analysis undertaken for this report uses the same methodology in determining relative income levels. People with incomes of \$3,000 and below (in 2002 international dollars, adjusted for purchasing power parity, or PPP) are defined as the BOP. Those with incomes up to \$20,000 but more than \$3,000 are defined as the mid-market segment. And those with incomes greater than \$20,000 are defined as the high-income segment. Purchasing power parity conversions are made using data from the World Bank’s World Development Indicators database.

The income cutoffs are given in 2002 international dollars for convenience and ease of reference. Unless otherwise indicated, however, actual income or expenditure figures in this report are given in 2005 international dollars, inflated from the 2002 figures using the U.S. consumer price index. (Where such data are also reported in U.S. dollars, they are given in 2005 U.S. dollars.) In 2005 international dollars the income cutoff for the BOP is \$3,260, and that for the mid-market segment \$21,731.

Surveys

A selected list of surveys included in the income analysis is shown in table A.1b. For a complete list of surveys used please contact Dr. Milanovic.

Size of market

Data on the size of the BOP population and on the total income of the BOP—assumed in this report to be equivalent to expenditure and thus used to define market size—are shown by selected regions and for selected countries within these regions in table A.2. The regional totals comprise selected countries listed in table A.1a. These data are provided by Dr. Milanovic and have not been previously published.

Table A.1a
Income Countries

| Asia | Africa | Eastern Europe | Latin America and the Caribbean | Additional Countries |
|-------------|-----------------------|-----------------------|--|-----------------------------|
| Bangladesh | Benin | Albania | Argentina (urban) | Australia |
| China | Burkina Faso | Armenia | Bolivia | Austria |
| East Timor | Cameroon | Azerbaijan | Brazil | Belgium |
| India | Cape Verde | Belarus | Chile | Canada |
| Indonesia | Comoros | Bosnia | Colombia | Finland |
| Iran | Egypt | Bulgaria | Costa Rica | France |
| Jordan | Ethiopia | Croatia | Dominican Republic | Germany |
| Laos | Guinea | Czech Republic | Ecuador | Greece |
| Malaysia | Ivory Coast | Estonia | El Salvador | Ireland |
| Nepal | Madagascar | Georgia | Guatemala | Israel |
| Pakistan | Malawi | Hungary | Haiti | Italy |
| Philippines | Mali | Kazakhstan | Honduras | Japan |
| Sri Lanka | Mauritania | Kyrgyz Rep | Jamaica | Korea, South |
| Syria | Mozambique | Latvia | Mexico | Luxembourg |
| Thailand | Nigeria | Lithuania | Nicaragua | Netherlands |
| Vietnam | Sao Tomé and Príncipe | FYR Macedonia | Panama | Norway |
| | Senegal | Moldova | Paraguay | Singapore |
| | Sierra Leone | Montenegro | Peru | Spain |
| | South Africa | Poland | Suriname | Sweden |
| | Tanzania | Romania | Uruguay (urban) | Switzerland |
| | Uganda | Russia | Venezuela | Taiwan |
| | Zambia | Serbia | | United Kingdom |
| | | Slovakia | | USA |
| | | Slovenia | | |
| | | Tajikistan | | |
| | | Turkey | | |
| | | Ukraine | | |
| | | Uzbekistan | | |

Table A.1b

Selected surveys used in the income analysis

| Year | Country | Survey |
|-------------|------------------------|---|
| 2002 | Albania | Living Standards Measurement Study Survey |
| 2004 | Armenia | Armenian Household Survey (Integrated Living Conditions Survey) |
| 2002/3 | Australia | Survey of Income and Housing |
| 2000 | Austria | European Community Household Panel (LIS Database) |
| 2000 | Belgium | Panel Study of Belgian Households (LIS Database) |
| 2001 | Bosnia and Herzegovina | Living Standards Measurement Study Survey |
| 2003 | Bulgaria | Household Income Survey |
| 2000 | Canada | Survey of Labour and Income Dynamics (LIS Database) |
| 2001/2 | Cape Verde | Inquerito as Despesas e Receitas Familiares |
| 2004 | Croatia | Household Budget Survey |
| 2002 | Czech Republic | Mikrocensus |
| 2003 | Ecuador | Encuesta de Condiciones de Vida |
| 2004 | Egypt | Income and Expenditure Survey |
| 2000 | Estonia | Household Income and Expenditure Survey (LIS Database) |
| 2000 | Finland | Income Distribution Survey (LIS Database) |
| 2002 | France | Revenus Fiscaux des Ménages |
| 2000 | Germany | German Social Economic Panel Study (LIS Database) |
| 2000 | Greece | Household Income and Living Conditions Survey (LIS Database) |
| 2001 | Haiti | Encuesta sur les Conditions de Vie en Haiti |
| 2002 | Hong Kong, China | General Household Survey |
| 1999/2000 | India (rural) | National Sample Survey |
| 1999/2000 | India (urban) | National Sample Survey |
| 2002 | Indonesia (rural) | National Socioeconomic Survey (SUSENAS) |
| 2002 | Indonesia (urban) | National Socioeconomic Survey (SUSENAS) |
| 2000 | Ireland | European Community Household Panel (LIS Database) |
| 2001 | Israel | Family Expenditure Survey (LIS Database) |
| 2000 | Italy | Bank of Italy Survey (LIS Database) |
| 2003 | Jamaica | Jamaica Survey of Living Conditions |
| 2002 | Japan | Family Income and Expenditure Survey |
| 2003 | Jordan | Household Expenditure Survey |
| 2003 | Korea | Household Income and Expenditure Survey |
| 2002 | Lao PDR | Lao Expenditure and Consumption Survey III |
| 2002 | Latvia | Household Survey |
| 2004 | Malawi | Second Integrated Household Survey |
| 2000 | Malaysia | Malaysian Household Income Survey |
| 2002 | Moldova | Household Budget Survey |
| 2000 | Montenegro | Household Income and Expenditure Survey (LSMS data) |
| 2003/4 | Nepal | Nepal Income and Expenditure Survey |
| 2000 | Norway | Income and Property Distribution Survey (LIS Database) |
| 2000 | Philippines | Family Income and Expenditure Survey |
| 2002 | Poland | Household Budget Survey |
| 2002 | Russia | Household Budget Survey |
| 2000 | São Tomé and Príncipe | Inquérito Condições de Vida das Famílias |
| 2003 | Serbia | Living Standards Measurement Study Survey |
| 2003 | Sierra Leone | Sierra Leone Living Standards Survey |
| 2003 | Singapore | Household Expenditure Survey |
| 2003 | Slovakia | Mikrocensus |
| 1999 | Slovenia | Household Budget Survey (LIS Database) |
| 2000 | South Africa | Income and Expenditure Survey |
| 2000 | Spain | European Community Household Panel (LIS Database) |
| 2002 | Sri Lanka | Household Income and Expenditure Survey |
| 2000 | Sweden | Income Distribution Survey (LIS Database) |
| 2002 | Switzerland | Income and Expenditure Survey (LIS Database) |
| 2003/4 | Syria | Family Income and Expenditure Survey |
| 2003 | Tajikistan | Living Standards Measurement Study Survey |
| 2003 | Turkey | Household Budget Survey |
| 1999 | United Kingdom | Family Resources Survey (LIS Database) |
| 2000 | United States | March Current Population Survey (LIS Database) |
| 2002/3 | Uzbekistan | Uzbekistan Household Survey |
| 2002/3 | Zambia | Zambia Living Conditions Monitoring Survey |

Note: LIS is Luxembourg Income Study. LSMS is Living Standards Measurement Study. For complete survey list see Branko Milanovic.

Table A.2

BOP population and income

| | BOP population (millions) | BOP share of total population (%) | BOP income (millions) | | BOP share of total income (%) |
|--------------------------------------|------------------------------|--------------------------------------|-----------------------|----------------|----------------------------------|
| | | | PPP | US\$ | |
| Africa | 486 | 95.1 | 429,000 | 120,000 | 70.5 |
| Cameroon | 14.7 | 95.0 | 15,354.1 | 4,710.1 | 75.6 |
| Côte d'Ivoire | 15.6 | 95.0 | 14,242.9 | 6,536.1 | 75.9 |
| Ethiopia | 65.6 | 95.0 | 83,544.1 | 10,151.1 | 85.8 |
| Mali | 12.6 | 100.0 | 9,202.7 | 2,769.2 | 100.0 |
| Mozambique | 17.6 | 95.0 | 12,917.6 | 2,408.3 | 71.1 |
| Nigeria | 121.0 | 100.0 | 74,419.2 | 27,572.1 | 100.0 |
| Senegal | 9.3 | 95.0 | 9,303.8 | 2,942.6 | 72.6 |
| South Africa | 33.6 | 75.0 | 43,511.1 | 10,072.7 | 30.9 |
| Tanzania | 36.2 | 100.0 | 11,318.0 | 5,408.2 | 100.0 |
| Uganda | 23.8 | 95.0 | 22,303.5 | 3,696.5 | 76.8 |
| Zambia | 18.5 | 100.0 | 9,315.3 | 4,008.3 | 100.0 |
| Asia | 2858 | 83.4 | 3,470,000 | 742,000 | 41.7 |
| Bangladesh | 144.0 | 100.0 | 142,293.9 | 29,187.9 | 100.0 |
| China | 1,046.2 | 80.8 | 161,127.6 | 32,986.1 | 55.2 |
| India | 1,033.9 | 98.6 | 93,710.1 | 16,962.1 | 92.7 |
| Indonesia | 213 | 97.8 | 24,035.8 | 6,177.1 | 92.2 |
| Malaysia | 19.2 | 80.0 | 38,072.3 | 16,274.6 | 43.0 |
| Nepal | 23.4 | 95.0 | 22,981.7 | 3,736.0 | 74.2 |
| Philippines | 23.6 | 30.0 | 56,023.7 | 13,096.4 | 10.8 |
| Sri Lanka | 17.1 | 90.0 | 21,788.9 | 5,325.2 | 67.3 |
| Thailand | 46.6 | 75.0 | 79,632.7 | 23,383.6 | 46.7 |
| Vietnam | 76.2 | 95.0 | 84,582.8 | 16,003.3 | 82.9 |
| Eastern Europe | 254 | 63.8 | 458,000 | 135,000 | 36.0 |
| Georgia | 4.9 | 95.0 | 5,546.6 | 1,613.4 | 82.6 |
| Kazakhstan | 13.1 | 85.0 | 23,933.6 | 6,720.7 | 69.1 |
| Poland | 17.4 | 45.0 | 37,423.4 | 17,489.1 | 22.6 |
| Romania | 20.2 | 90.0 | 34,471.8 | 10,741.8 | 78.3 |
| Russia | 86.4 | 60.0 | 16,423.0 | 4,741.6 | 33.4 |
| Ukraine | 29.4 | 60.0 | 65,818.4 | 11,673.0 | 41.5 |
| Uzbekistan | 23.9 | 95.0 | 22,936.9 | 5,273.9 | 82.9 |
| Latin America & Caribbean | 360 | 69.9 | 509,000 | 229,000 | 28.2 |
| Argentina (urban) | 17.1 | 45.0 | 28,990.7 | 7,318.4 | 13.4 |
| Bolivia | 7.7 | 90.0 | 7,473.0 | 2,700.9 | 56.0 |
| Brazil | 114.5 | 65.0 | 171,585.3 | 58,272.0 | 22.6 |
| Chile | 8.6 | 55.0 | 15,927.1 | 7,019.0 | 20.1 |
| Colombia | 30.5 | 70.0 | 41,979.7 | 12,061.2 | 28.2 |
| Costa Rica | 2.4 | 60.0 | 4,086.7 | 2,394.3 | 27.1 |
| Dominican Republic | 5.6 | 65.0 | 9,746.0 | 3,666.2 | 28.6 |
| Ecuador | 11.5 | 90.0 | 12,558.6 | 6,740.4 | 61.0 |
| El Salvador | 4.5 | 70.0 | 5,928.2 | 2,679.0 | 25.8 |
| Guatemala | 10.2 | 85.0 | 13,472.0 | 6,395.4 | 54.9 |
| Haiti | 7.8 | 95.0 | 4,260.6 | 958.2 | 62.9 |
| Honduras | 5.8 | 85.0 | 7,435.4 | 2,768.8 | 50.3 |
| Jamaica | 2.2 | 85.0 | 2,304.6 | 1,879.0 | 46.9 |
| Mexico | 76.5 | 75.0 | 105,075.0 | 75,052.0 | 39.8 |
| Nicaragua | 4.3 | 80.0 | 5,647.9 | 1,319.6 | 36.7 |
| Panama | 2.2 | 70.0 | 2,988.2 | 1,972.5 | 28.3 |
| Paraguay | 3.8 | 65.0 | 5,552.6 | 1,223.8 | 25.4 |
| Peru | 21.4 | 80.0 | 33,797.2 | 14,243.7 | 54.1 |
| Suriname | 0.3 | 85.0 | 360.6 | 108.2 | 50.4 |
| Uruguay (urban) | 1.4 | 45.0 | 2,705.6 | 1,271.9 | 16.4 |
| Venezuela | 21.4 | 85.0 | 26,741.4 | 18,784.6 | 57.9 |

Note: Regional totals include selected countries detailed in table A.1a.