

Poverty & Equity Brief

Africa Western & Central

Liberia

October 2020

Poverty in Liberia remains widespread, with more than half of the population — 50.9 percent — in poverty in 2016, according to the latest Household Income and Expenditure Survey. This translates into roughly 2.3 million Liberians who were unable to meet their basic needs. Around 68 percent of the country's poor live in rural areas where poverty incidence is 71.6 percent, more than twice as high as in cities (31.5 percent). In addition, 44 percent of the population lived under the international poverty line of \$1.90 per day. Poverty in Liberia is projected to increase over the next few years, driven by increasing food prices, lower commodity prices for minerals, and the ongoing COVID-19 pandemic.

The proportion of poor households living below the international poverty line of US\$1.9/day (2011 PPP) is projected to increase to 52 percent in 2020. While it is difficult to gauge precisely the welfare impact of the COVID-19 pandemic, households are expected to be affected negatively due to potential impact on employment, particularly the non-farm self-employed in urban areas, high prices of imported goods, restrictions on trade, and losses either in terms of the sale of productive assets or consumption of working capital as they try to cope.

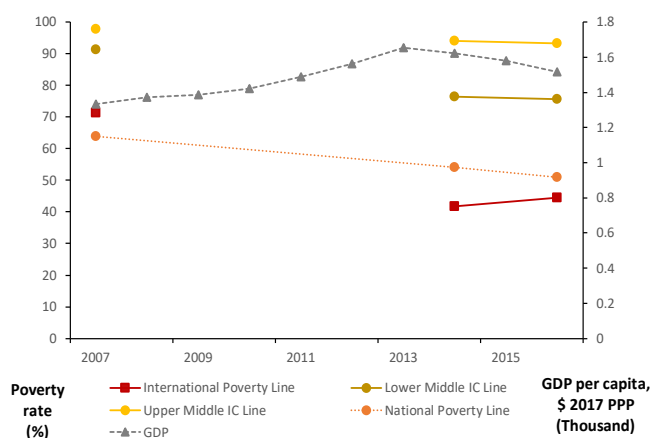
The Liberia COVID-19 High-Frequency Phone Monitoring Survey for Households and Firms (HFPMS-H&F) conducted by the Liberia Institute of Statistics and Geo-Information Services shows a glimpse of the significant economic and social impacts of the pandemic in Liberia. For example, according to the first round of the household track of the survey conducted in June 2020, about 67 percent of the respondents reported a loss of income after the outbreak, and 66 percent reported an increase in the prices of major food items. The business/firm track of the survey also showed significant revenue losses for businesses, and jobs to the employees.

Inequality remains relatively low, with a National Gini Index of 33 in 2016, one of the lowest in Sub-Saharan Africa. Keeping inequality at such low levels will depend not only on growth patterns, but on how well the existing safety net programs target the poorest segment of the population.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	2.3	50.9	2016
International Poverty Line 115.4 in U.S. dollar (2016) or US\$1.90 (2011 PPP) per day per capita	2.0	44.4	2016
Lower Middle Income Class Poverty Line 194.3 in U.S. dollar (2016) or US\$3.20 (2011 PPP) per day per capita	3.5	75.6	2016
Upper Middle Income Class Poverty Line 333.9 in U.S. dollar (2016) or US\$5.50 (2011 PPP) per day per capita	4.3	93.2	2016
Multidimensional Poverty Measure		64.0	2016
SHARED PROSPERITY			
Annualized Income or Consumption Growth per capita of the bottom 40 percent		N/A	N/A
INEQUALITY			
Gini Index		35.3	2016
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		N/A	N/A
GROWTH			
Annualized GDP per capita growth		0.37	2011-2016
Annualized Income or Consumption Growth per capita from Household Survey		N/A	N/A
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		N/A	N/A

Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of September 2020, and Global Monitoring Database for the rest.

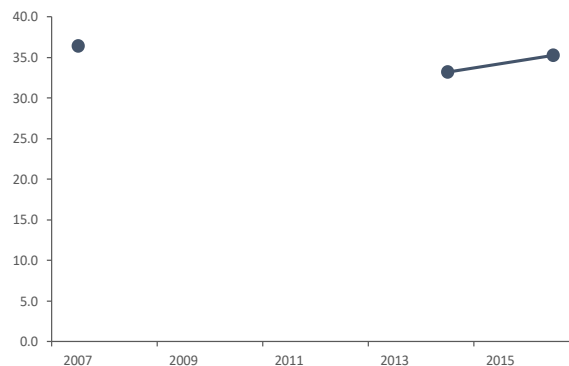
POVERTY HEADCOUNT RATE, 2007-2016



Source: World Bank using HIES/SSAPOV/GMD

INEQUALITY TRENDS, 2007-2016

Gini Index



Source: World Bank using HIES/SSAPOV/GMD

KEY INDICATORS

Distribution among groups: 2016	International Poverty Line(%)		Relative group (%)		Multidimensional Poverty Measures: 2016 (% of population)	
	Non-Poor	Poor	Bottom 40	Top 60		
Urban population	76	24	20	80	Monetary poverty (Consumption)	
Rural population	32	68	63	37	Daily consumption less than US\$1.90 per person	44.4
Males	55	45	41	59	Education	
Females	56	44	39	61	At least one school-aged child is not enrolled in school	54.1
0 to 14 years old	49	51	46	54	No adult has completed primary education	30.5
15 to 64 years old	61	39	35	65	Access to basic infrastructure	
65 and older	47	53	47	53	No access to limited-standard drinking water	25.7
Without education (16+)	44	56	51	49	No access to limited-standard sanitation	61.8
Primary education (16+)	52	48	43	57	No access to electricity	79.7
Secondary education (16+)	75	25	21	79		
Tertiary/post-secondary education (16+)	95	5	3	97		

Source: World Bank using HIES/SSAPOV/GMD

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Notes: N/A missing value, N/A* value removed due to less than 30 observations

POVERTY DATA AND METHODOLOGY

The quality and availability of statistics required for evidence-based policymaking and poverty monitoring in Liberia are very limited due to weak institutional capacity and the absence of historical data. In January 2014, the first integrated household survey since 1964 was launched with a planned field time of 12 months. However, the survey was halted after six months of fieldwork in August 2014 due to the Ebola outbreak. The half-year data was analyzed, including the calculation of poverty statistics. Due to the urgent need to update statistics, a new poverty report was issued in April 2016 based on the 2014 survey, and the estimated poverty numbers were officially released. Methodological changes in the questionnaire and seasonality concerns over the 2014 partial data meant that the Core Welfare Indicator Questionnaire (CWIQ) survey conducted in 2007 and the 2014 HIES survey are not comparable.

A rerun of the HIES was initiated, which began in January 2016 and was completed in January 2017. The HIES 2016 is the first survey to collect seasonally adjusted consumption data since 1964. The main survey report reflected full-year poverty estimates at both national and county levels. The dissemination of survey data, poverty numbers, and survey report were subsequently undertaken in 2018. The poverty numbers are however not comparable with either CWIQ2007, and the HIES2014. Therefore, a new comparable survey is planned for 2022.

The Liberia Institute of Statistics and Geo-Information Services (LISGIS) is conducting the Liberia COVID-19 High Frequency Phone Monitoring Survey (HFPMS) series for households (HFPMS-H) and firms (HFPMS-F) to monitor the impact of the Coronavirus Pandemic on Liberian citizens and firms with support from the World Bank.

HARMONIZATION

The numbers presented in this brief are based on the SSAPOV database. SSAPOV is a database of harmonized nationally representative household surveys managed by Sub-Saharan Team for Statistical Development. It contains more than 100 surveys covering 45 out of the 48 countries in the SSA region. The four countries not covered in the database are Eritrea, Equatorial Guinea, and Somalia. Terms of use of the data adhere to agreements with the original data producers.