

# Poverty & Equity Brief

## Middle East & North Africa

# Republic of Yemen

April 2020

The national poverty rate was last reported for Yemen in 2014 and was estimated to be 48.6 percent of the population, which represents an increase of 13.4 percentage points over the poverty rate reported in 2005. Underemployment, political instability, and an expanding conflict all contributed to the increase in poverty. Additionally, a large share of the population in 2014 faced deprivations in multiple dimensions- particularly in access to education, household sanitation, and electricity.

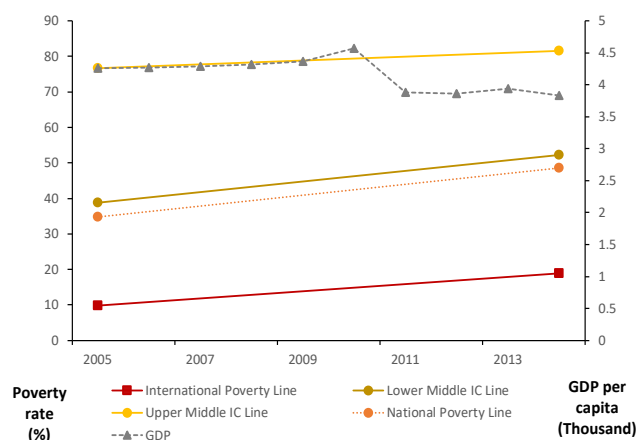
However, welfare has sharply deteriorated from this already low base following the escalation of conflict in March of 2015. Yemen's GDP contracted 40 percent cumulatively since 2015, resulting in a dramatic worsening of poverty. In addition to worsening monetary poverty, all evidence suggests that households are experiencing many overlapping non-monetary deprivations, including lack of access to many basic services, lack of access to food, widespread displacement, and lack of safety.

The population faces repeated conflict-related shocks that further stress households. Examples of recent events include a complete air and sea blockade of the country, a liquidity crisis and a rapid devaluation of the currency, and rapid escalations of fighting in portions of the country. Additionally, the COVID-19 outbreak is particularly concerning for the already overwhelmed health system in the country. Access to health care was already poor prior to the outbreak, and much of the population is undernourished and facing other major health issues that could put them at greater risk. Furthermore, restrictions in movement will potentially exacerbate the pervasive underemployment in the country.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	12.8	48.6	2014
International Poverty Line 278.8 in Yemeni rial (2014) or US\$1.90 (2011 PPP) per day per capita	4.9	18.8	2014
Lower Middle Income Class Poverty Line 469.5 in Yemeni rial (2014) or US\$3.20 (2011 PPP) per day per capita	13.5	52.2	2014
Upper Middle Income Class Poverty Line 807 in Yemeni rial (2014) or US\$5.50 (2011 PPP) per day per capita	21.1	81.6	2014
Multidimensional Poverty Measure		34.9	2014
SHARED PROSPERITY			
Annualized Income or Consumption Growth per capita of the bottom 40 percent		N/A	N/A
INEQUALITY			
Gini Index		36.7	2014
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		N/A	N/A
GROWTH			
Annualized GDP per capita growth		-2.57	2009-2014
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 February 2020, and Global Monitoring Database for the rest.

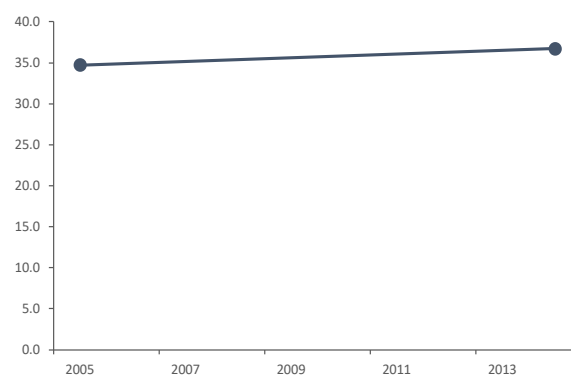
## POVERTY HEADCOUNT RATE, 2005-2014



Source: World Bank using HBS/MNAPOV/GMD

## INEQUALITY TRENDS, 2005-2014

### Gini Index



Source: World Bank using HBS/MNAPOV/GMD

## KEY INDICATORS

Distribution among groups: 2014	International Poverty Line (%)		Relative group (%)		Multidimensional Poverty Measures (% of people):	2014
	Non-Poor	Poor	Bottom 40	Top 60		
Urban population	93	7	18	82	<b>Monetary poverty (Consumption)</b>	
Rural population	76	24	49	51	Daily consumption less than US\$1.90 per person	18.8
Males	81	19	40	60	<b>Education</b>	
Females	81	19	40	60	At least one school-aged child is not enrolled in school	44.5
0 to 14 years old	78	22	45	55	No adult has completed primary education	15.9
15 to 64 years old	84	16	36	64	<b>Access to basic infrastructure</b>	
65 and older	82	18	37	63	No access to limited-standard drinking water	14.0
Without education (16+)	78	22	45	55	No access to limited-standard sanitation	41.2
Primary education (16+)	82	18	40	60	No access to electricity	33.9
Secondary education (16+)	88	12	30	70		
Tertiary/post-secondary education (16+)	96	4	14	86		

Source: World Bank using HBS/MNAPOV/GMD

Source: World Bank using HBS/MNAPOV/GMD

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

## POVERTY DATA AND METHODOLOGY

The consumption aggregate used to determine the national poverty rate includes both food and non-food expenditure, where the latter includes spending on education, housing, durable goods, health, and expenditure on other non-food goods and services. The consumption aggregate is deflated spatially to account for regional price disparities. This deflated consumption aggregate is then compared to the national poverty line, which is the sum of the cost of satisfying the minimum daily energy requirement of 2115 daily per capita calories for a reference population, and an allowance for non-food goods (calculated through the share of expenditure devoted to non-food goods).

The Central Statistics Office of Yemen has adopted the 2014 poverty rate and methodology, but used a different methodology and estimate of poverty in 2005. Specifically, the official poverty rate adopted by the CSO in 2005 is 34.8 percent of the population, as opposed to the 35.2 percent calculated using the 2014 poverty line and adjusting the poverty line for inflation using the CPI.

Although the 2014 data that underlies each of the poverty lines (i.e., National, International, etc.) is relatively recent, the escalation of conflict in 2015 has dramatically affected the country and the data likely do not reflect the consumption and characteristics of the population today.

## HARMONIZATION

The numbers presented in this brief are based on the MNAPOV database. MNAPOV is a new data collection effort enacted in 2014, and managed by MNATSD. It covers 36 surveys from 11 countries. Two data points (surveys) are available for each country, except Algeria. The database is organized in 3 modules following the Global Monitoring Database (GMD) Harmonization guidelines, including the welfare aggregate which is used for Global Poverty Monitoring. Terms of use of the data adhere to agreements with the original data producers.