

Poverty & Equity Brief

Middle East & North Africa

Djibouti

April 2020

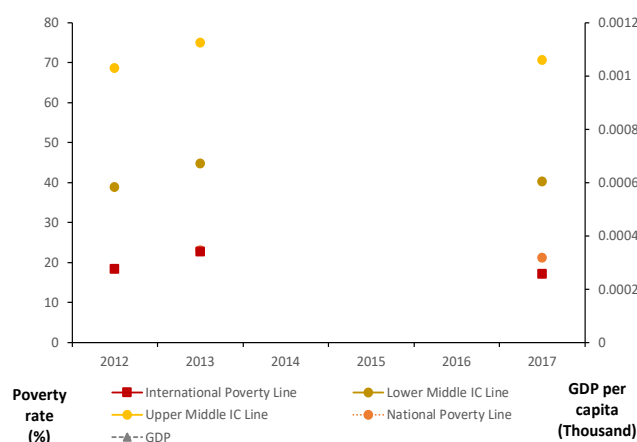
The most recent official national extreme poverty rate was 21.1 percent in 2017, with the regions showing rates more than twice as high (45.0 percent) and Djibouti city a lower rate (13.6 percent). The extreme poverty rate in the rural areas of Djibouti is very high at 62.6 percent. Using the international poverty line of \$1.90 a day, the percentage of the population living below the line is 17.1 percent in 2017. Using the lower middle-income poverty line, it is found that about two-fifths of the population lives below \$3.20 a day. As the pace of economic growth declines due to the spread of COVID-19, the pace of poverty reduction is under threat. In addition to monetary poverty, if we include other two dimensions of well-being (education and access to basic services), we find that 28.6 percent of the Djiboutian population lives in a multidimensionally deprived household. The low human capital accumulation among adults and high open defecation rates in Djibouti highlight the need to establish a multipronged strategy to improve well-being in the country.

Inequality in Djibouti is high, and among the highest in the region. According to official estimates, the Consumption Gini index in 2017 was 41.6. These indicators of poverty and inequality in 2017 have been published in a report on the website of the Djibouti's Statistics office and have been calculated using data from a nationally representative multi-topic household consumption survey completed in December 2017 (EDAM-IS 2017). Data from this survey was published in the public domain in 2019. In addition, the welfare and poverty monitoring system are expected to be strengthened significantly under the National Strategy for Development of Statistics 2018-2022 and a new statistical strengthening project that is currently under preparation.

POVERTY	Number of Poor (thousand)	Rate (%)	Period
National Poverty Line	201.9	21.1	2017
International Poverty Line 213.4 in Djibouti franc (2017) or US\$1.90 (2011 PPP) per day per capita	161.7	17.1	2017
Lower Middle Income Class Poverty Line 359.4 in Djibouti franc (2017) or US\$3.20 (2011 PPP) per day per capita	379.3	40.2	2017
Upper Middle Income Class Poverty Line 617.7 in Djibouti franc (2017) or US\$5.50 (2011 PPP) per day per capita	666.5	70.6	2017
Multidimensional Poverty Measure		28.6	2017
SHARED PROSPERITY			
Annualized Income or Consumption Growth per capita of the bottom 40 percent		N/A	N/A
INEQUALITY			
Gini Index		41.6	2017
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		N/A	N/A
GROWTH			
Annualized GDP per capita growth		N/A	N/A
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.

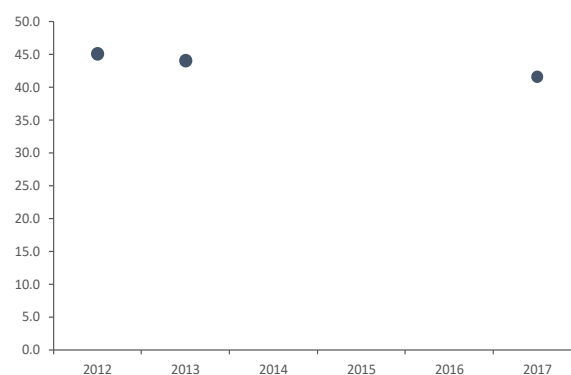
POVERTY HEADCOUNT RATE, 2012-2017



Source: World Bank using EDAM/MNAPOV/GMD

INEQUALITY TRENDS, 2012-2017

Gini Index



Source: World Bank using EDAM/MNAPOV/GMD

KEY INDICATORS

Distribution among groups: 2017	International Poverty Line(%)		Relative group (%)		Multidimensional Poverty Measures (% of people):	2017
	Non-Poor	Poor	Bottom 40	Top 60		
Urban population	90	10	32	68	Monetary poverty (Consumption)	
Rural population	42	58	83	17	Daily consumption less than US\$1.90 per person	17.2
Males	83	17	40	60	Education	
Females	83	17	40	60	At least one school-aged child is not enrolled in school	18.0
0 to 14 years old	79	21	46	54	No adult has completed primary education	30.1
15 to 64 years old	85	15	37	63	Access to basic infrastructure	
65 and older	N/A*	N/A*	N/A*	N/A*	No access to limited-standard drinking water	7.1
Without education (16+)	77	23	48	52	No access to limited-standard sanitation	45.4
Primary education (16+)	88	12	34	66	No access to electricity	39.8
Secondary education (16+)	93	7	28	72		
Tertiary/post-secondary education (16+)	99	N/A*	12	88		

Source: World Bank using EDAM/MNAPOV/GMD

Source: World Bank using EDAM/MNAPOV/GMD

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

POVERTY DATA AND METHODOLOGY

The national poverty measurement methodology is defined by the National Institute of Statistics (INSD) and is based on a consumption expenditure measure. The minimum caloric needs are set at 2,115 per adult, while the poverty line is defined using a per adult equivalent scale. The reference basket for the definition of the poverty line was obtained from the EDAM-IS 2017. The welfare aggregate includes expenditures on food, food away from home, education, health, water and electricity, and purchases of other non-food items. To better capture well-being derived from durable goods, the flow of services provided by the good during the reference period was calculated. Finally, a hedonic model was defined at the regional level to estimate the rental value of the dwellings. Significant changes to the survey instrument and the methodology to measure poverty in 2017 limit the comparability of welfare with previous rounds of 2002, 2012 and 2013.

The International methodology refers to the recent definition of three poverty lines. The international poverty line or IPL is used to monitor extreme poverty globally and is defined as consumption (or income) less than US\$1.90 a day in 2011 purchasing power parity (PPP) and two higher lines more suitable for lower middle-income and upper middle-income countries are defined as consumption (or income) less than US\$3.20 and US\$5.50 a day in 2011 purchasing power parity (PPP) respectively.

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.