Poverty & Equity Brief

Latin America & the Caribbean

Haiti

October 2021

Poverty reduction challenges posed by the COVID-19 pandemic and ongoing political turmoil since late 2018 were further compounded by recent events. The assassination of the President Jovenel Moïse on July 7 increased political uncertainty, and a magnitude 7.2 earthquake on August 14 devastated the southern peninsula. The official poverty rate for Haiti was estimated at 58.5 percent in 2012 (year of last available poverty survey), meaning approximately 6 million people were living in poverty in 2012. Nowcast estimates based on GDP per capita growth point to a poverty rate of nearly 60 percent in 2020 (at national poverty line), up from 57 percent in 2019.

Inequality is also high, with a Gini index of 41 in 2012 estimated using a consumption aggregate (or a Gini index of 61 based on income). Gender inequalities are large and have been rising during the pandemic, with women disadvantaged in economic opportunities, often excluded from institutions of decision-making, and exposed to high levels of gender-based violence. Spatial inequalities are being exacerbated by the recent earthquake, with the southern peninsula hit again after Hurricane Matthew in 2016.
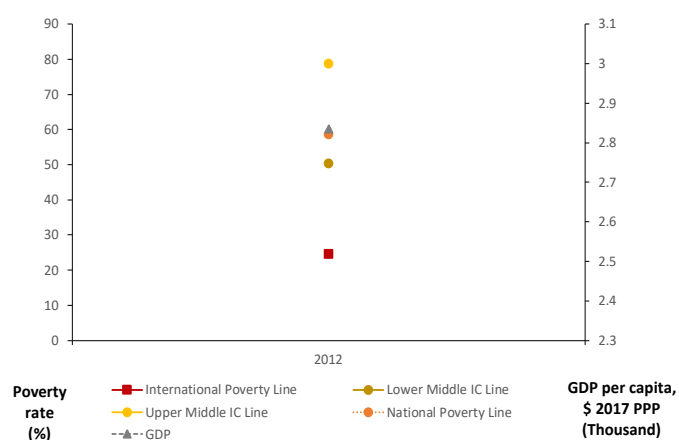
The combined effect of multiple shocks, political uncertainties, and insecurity are depressing economic growth and impacting livelihoods. With a majority of workers being in the informal sector and likely uninsured, slower economic activity is expected to result in income losses that are not likely to be mitigated by limited safety nets. According to the High Frequency Survey (HFS) in July 2021, roughly two thirds of households reported a decrease in total income relative to February 2020. Although total remittances are up, poorer households are less likely to receive them.

Basic health and education services have been disrupted, affecting human capital formation, and contributing to low productivity. The Human Capital Index for Haiti in 2020 is 0.45, which means that the productivity as a future worker of a child born in Haiti in 2020 is only 45 percent of what it could be. Children born today in Haiti will grow up with more than half their human capital potential unfulfilled. In the July 2021 HFS, about 30 percent of school age children reported not participating in educational activities, either in-person or at home.

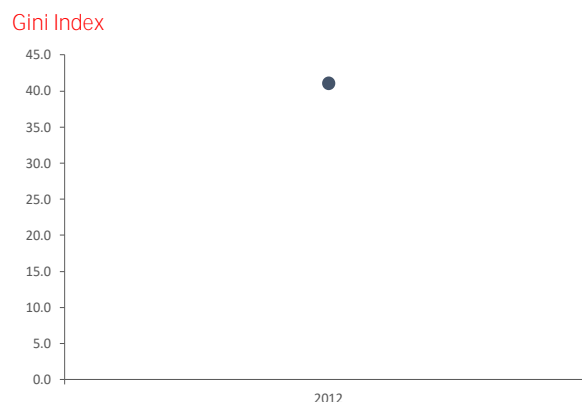| POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	6.0	58.5	2012
International Poverty Line 42.4 in Haitian gourde (2012) or US$1.90 (2011 PPP) per day per capita	2.5	24.5	2012
Lower Middle Income Class Poverty Line 71.5 in Haitian gourde (2012) or US$3.20 (2011 PPP) per day per capita	5.2	50.3	2012
Upper Middle Income Class Poverty Line 122.8 in Haitian gourde (2012) or US$5.50 (2011 PPP) per day per capita	8.1	78.6	2012
Multidimensional Poverty Measure		44.4	2012
SHARED PROSPERITY			
Annualized Income or Consumption Growth per capita of the bottom 40 percent		N/A	N/A
INEQUALITY			
Gini Index		41.1	2012
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		N/A	N/A
GROWTH			
Annualized GDP per capita growth		0.71	2007-2012
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 2021, and Global Monitoring Database for the rest.

POVERTY HEADCOUNT RATE, 2012

Poverty rate (%)

- ■ International Poverty Line
- ● Upper Middle IC Line
- ▲ GDP
- ● Lower Middle IC Line
- ● National Poverty Line

GDP per capita, $ 2017 PPP (Thousand)

Source: World Bank using ECVMAS/SEDLAC/GMD

INEQUALITY TRENDS, 2012

Gini Index

Source: World Bank using ECVMAS/SEDLAC/GMD

KEY INDICATORS

Distribution among groups: 2012	International Poverty Line(%)		Relative group (%)	
	Non-Poor	Poor	Bottom 40	Top 60
Urban population	91	9	20	80
Rural population	62	38	58	42
Males	75	25	41	59
Females	76	24	39	61
0 to 14 years old	70	30	48	52
15 to 64 years old	79	21	35	65
65 and older	77	23	39	61
Without education (16+)	65	35	53	47
Primary education (16+)	75	25	41	59
Secondary education (16+)	87	13	26	74
Tertiary/post-secondary education (16+)	98	N/A*	N/A*	94

Source: World Bank using ECVMAS/SEDLAC/GMD

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

Multidimensional Poverty Measures: 2012	(% of population)
Monetary poverty (Consumption)	
Daily consumption less than US$1.90 per person	24.5
Education	
At least one school-aged child is not enrolled in school	9.0
No adult has completed primary education	23.2
Access to basic infrastructure	
No access to limited-standard drinking water	33.5
No access to limited-standard sanitation	68.8
No access to electricity	64.3

Source: World Bank using ECVMAS/SEDLAC/GMD

POVERTY DATA AND METHODOLOGY

The last national household living conditions survey, Enquête sur les Conditions de Vie des Ménages Apres le Séisme, to measure poverty was conducted in 2012. More recent data are not available to directly monitor trends in consumption poverty, inequality, and shared prosperity indicators in the Haiti.

Poverty in Haiti is measured using the cost-of-basic needs methodology. Per capita household expenditure is used as the welfare aggregate and includes both food and non-food expenditures. The poverty line reflects a minimum threshold of 2,400 calories per person per day and is based on a food basket of 26 food items. The official poverty line is 12 percent higher than the $3.20 international poverty line (2011 PPP) while the national extreme poverty line is 3 percent lower than the $1.90 international poverty line (2011 PPP).

HARMONIZATION

The numbers presented in the brief are based on the regional data harmonization effort known as the Socio-economic Database for Latin America and the Caribbean (SEDLAC) - a joint effort of the World Bank and CEDLAS from the National University of La Plata (Argentina). SEDLAC includes 18 countries and more than 300 household surveys since the 80s. Several Caribbean countries have not been included in the SEDLAC project due to lack of data. Since an income-based welfare aggregate is widely used in the region for official poverty estimates, income-based microdata is used for the Global Monitoring Database (GMD) and Global Poverty Monitoring. SEDLAC covers demographics, income, employment, and education. Terms of use of the data adhere to agreements with the original data producers.

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