## Poverty & Equity Brief

Africa Western & Central

# Sierra Leone

October 2020

The poverty rate (as measured by \$1.9 poverty line, 2011 PPP) was estimated at 43.0 percent of the population in 2018 based on the Sierra Leone Integrated Household Survey (SLIHS). This represented a significant decline from 54.7 percent in 2011. Despite a rapidly growing population, the number of poor also fell from 3.6 million to 3.3 million during 2011-2018.

Sierra Leone's trajectory of poverty reduction has been disrupted by the COVID-19 pandemic and subsequent lockdown. According to the data from the high frequency survey, COVID-19 Impact Monitoring Survey, about six in ten households report a decline in income, with income from self-employment being the hardest hit. Moreover, declines in income from other sources, such as non-farm self-employment left farmers without cash to purchase adequate seeds, thus rice production (a staple) will likely be negatively affected. Consequently, poverty is projected to increase to 44.2 percent in 2020 from 40.6 percent in 2019.

Poverty in Sierra Leone has a strong spatial component. While 60 percent of the rural population lives in poverty, 20 percent of the urban population is poor. Poverty is highest in the North region and lowest in the West. Greater Freetown has a significantly lower poverty rate than elsewhere, including other urban areas.

Despite, the improvement in poverty rates, inequality is rising. The Gini coefficient rose from 0.33 to 0.36 between 2011 and 2018. Areas that are less poor to begin with (urban areas) have experienced higher consumption growth and greater poverty reduction.

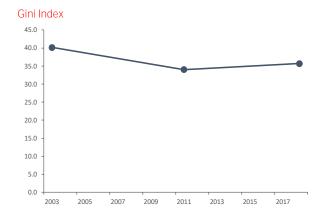
| POVERTY  | Number of Poor (million) | Rate<br>(%) | Period    |
|--|--------------------------|-------------|-----------|
| National Poverty Line  | 4.3                      | 56.8        | 2018      |
| International Poverty Line<br>6413.1 in Sierra Leonean leone (2018) or US\$1.90 (2011 PPP) per day per capita              | 3.3                      | 43.0        | 2018      |
| Lower Middle Income Class Poverty Line<br>10801.1 in Sierra Leonean leone (2018) or US\$3.20 (2011 PPP) per day per capita | 5.8                      | 76.0        | 2018      |
| Upper Middle Income Class Poverty Line<br>18564.3 in Sierra Leonean leone (2018) or US\$5.50 (2011 PPP) per day per capita | 7.1                      | 92.7        | 2018      |
| Multidimentional Poverty Measure   |                          | 61.7        | 2018      |
| SHARED PROSPERITY  |                          |             |           |
| Annualized Consumption Growth per capita of the bottom 40 percent  |                          | 2.67        | 2011-2018 |
| INEQUALITY   |                          |             |           |
| Gini Index   |                          | 35.7        | 2018      |
| Shared Prosperity Premium = Growth of the bottom 40 - Average Growth   |                          | -0.20       | 2011-2018 |
| GROWTH   |                          |             |           |
| Annualized GDP per capita growth   |                          | 1.79        | 2011-2018 |
| Annualized Consumption Growth per capita from Household Survey   |                          | 2.86        | 2011-2018 |
| MEDIAN INCOME  |                          |             |           |
| Growth of the annual median income/consumption per capita  |                          | 2.38        | 2011-2018 |

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, 2003-2018

#### 100 2.5 90 80 70 60 1.5 50 40 30 20 0.5 10 GDP per capita, ■ International Poverty Line ---- Lower Middle IC Line Poverty \$ 2017 PPP rate --- Upper Middle IC Line ···• ··· National Poverty Line (Thousand) (%)

#### INEQUALITY TRENDS, 2003-2018



Source: World Bank using SLIHS/SSAPOV/GMD

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#### **KEY INDICATORS**

| Distribution among groups: 2018        | International Poverty Line(%)  |    | Relative group (%) |                    | Multidimensional Poverty Measures: 2018                  | (% of population) |
|--|--------------------------------|----|--------------------|--------------------|--|-------------------|
|  | Non-Poor Poor Bottom 40 Top 60 |    |                    | (/o or population/ |  |                   |
| Urban population                       | 79                             | 21 | 19                 | 81                 | Monetary poverty (Consumption)                           |                   |
| Rural population                       | 40                             | 60 | 56                 | 44                 | Daily consumption less than US\$1.90 per person          | 43.0              |
| Males                                  | 58                             | 42 | 39                 | 61                 |  |                   |
| Females                                | 56                             | 44 | 41                 | 59                 | Education  |                   |
| 0 to 14 years old                      | 51                             | 49 | 46                 | 54                 | At least one school-aged child is not enrolled in school | 18.7              |
| 15 to 64 years old                     | 62                             | 38 | 35                 | 65                 | No adult has completed primary education                 | 28.7              |
| 65 and older                           | 52                             | 48 | 46                 | 54                 |  |                   |
| Without education (16+)                | 97                             | 3  | 3                  | 97                 | Access to basic infrastructure                           |                   |
| Primary education (16+)                | 55                             | 45 | 42                 | 58                 | No access to limited-standard drinking water             | 33.8              |
| Secondary education (16+)              | 72                             | 28 | 25                 | 75                 | No access to limited-standard sanitation                 | 87.2              |
| Tertiary/post-secondary education (16+ | ·) 88                          | 12 | 10                 | 90                 | No access to electricity                                 | 68.7              |

Source: World Bank using SLIHS/SSAPOV/GMD

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

Source: World Bank using SLIHS/SSAPOV/GMD

#### POVERTY DATA AND METHODOLOGY

The 2018 Sierra Leone Integrated Household Survey is the most recent household survey available to estimate poverty in the country. It has informed the evolution of poverty since 2011. The World Bank assisted with the implementation of the 2018 household survey with a grant of \$1.33 ml from the Trust Fund for Statistical Capacity Building. The Government has embarked on developing its statistics system as outlined in its National Strategy for the Development of Statistics (NSDS). The World Bank is providing support through a statistical support project (2020–2024) with emphasis on the production and dissemination of a core package of social and economic statistics. In addition, the World Bank with other donors is supporting the high-frequency survey, COVID-19 Impact Monitoring Survey, to monitor the impact of the global pandemic on the population.

### **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.

