

Poverty & Equity Brief

Latin America & the Caribbean

Haiti

April 2023

The ongoing political and institutional crisis continues to stoke insecurity and to hinder economic performance and poverty reduction in the country. The official poverty rate for Haiti was 58.5 percent in 2012 (the year of the last available poverty survey), meaning that approximately 6 million people were living below the national poverty line in 2012. Similarly, international poverty measures show that 58.0 percent of the population lived on less than \$3.65 per day (at 2017 PPP) in 2012, and 29.2 percent on less than \$2.15 per day (2017 PPP). While more recent poverty data are unavailable, the latest high-frequency phone survey (HFPS), fielded in December 2022, indicates that nearly 70 percent of households experienced a reduction in their incomes compared to the pre-pandemic period. In line with these results, nowcast estimates indicate that poverty likely increased in 2022 to 62 percent (at \$3.65 per day) and 32 percent (at \$2.15 per day).

The fall in household income can be partly explained by a drop in remittances from abroad and a deterioration in labor market conditions. In December 2022, only 33 percent of the HFPS respondents reported working during the past seven days, down from 46 percent at the end of 2021. The gender gap is wide, with the share of women employed (26 percent) much lower than that for men (40 percent). Moreover, low job quality continues to be a problem in Haiti. The country has among the lowest formality rates in the LAC region, with only 13 percent of workers engaged in the formal sector. Limited access to quality healthcare and extended school closures compound the difficulty of building human capital. Learning losses can have long term negative impacts for the current generation of students, including a reduction in lifetime earnings potential.

High food inflation tends to disproportionately hurt poorer Haitian households due to higher average food budget shares. Inflationary pressures in Haiti are expected to rise, with the increase in the consumer price index forecast to exceed 45 percent in 2023. Consequently, poverty is likely to stay elevated at 63 percent (\$3.65 per day). Rising food prices may further exacerbate food insecurity, which according to the HFPS, has affected around 81 percent of households at the end of 2022. Vulnerability to natural hazards and climate change is likely to pose a risk to economic growth and the livelihoods of the poor and the vulnerable. The negative welfare impacts of external shocks, both infrequent shocks such as the COVID-19 pandemic and increasingly more frequent shocks such as hurricanes and earthquakes, make it difficult to break the cycle of poverty. World Bank support of Haiti's efforts to establish an adaptive safety net system will help households to respond to shocks, build resilience, and escape poverty.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	6.0	58.5	2012
International Poverty Line 47.8 in Haitian gourde (2012) or US\$2.15 (2017 PPP) per day per capita	3.0	29.2	2012
Lower Middle Income Class Poverty Line 81.2 in Haitian gourde (2012) or US\$3.65 (2017 PPP) per day per capita	5.9	58.0	2012
Upper Middle Income Class Poverty Line 152.4 in Haitian gourde (2012) or US\$6.85 (2017 PPP) per day per capita	8.7	85.8	2012
Multidimensional Poverty Measure		46.8	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		0.19	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, PIP as of April 2023, and Global Monitoring Database for the rest.

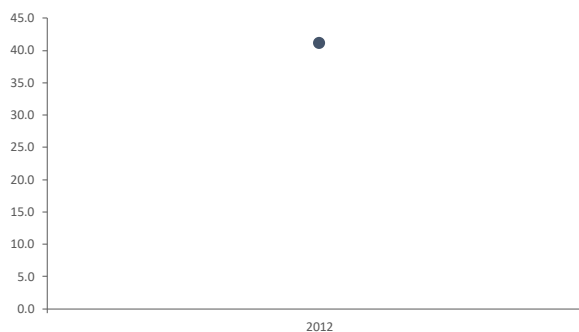
POVERTY HEADCOUNT RATE, 2012



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 (%)		Multidimensional Poverty Measures: 2012 (% of population)
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	88	12	20	80	Monetary poverty (Consumption) Daily consumption less than US\$2.15 per person 29.2
Rural population	55	45	58	42	
Males	70	30	41	59	Education At least one school-aged child is not enrolled in school 9.0 No adult has completed primary education 23.2
Females	72	28	39	61	
0 to 14 years old	64	36	48	52	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
15 to 64 years old	74	26	35	65	
65 and older	73	27	39	61	
Without education (16+)	59	41	53	47	
Primary education (16+)	70	30	41	59	
Secondary education (16+)	83	17	26	74	
Tertiary/post-secondary education (16+)	98	N/A*	N/A*	94	

Source: World Bank using ECVMAS/SEDLAC/GMD

Source: World Bank using ECVMAS/SEDLAC/GMD

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

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 2,300 calories per person per day and is based on a food basket of 26 food items. The official poverty line is 1 percent higher than the \$3.65 international poverty line (2017 PPP) while the national extreme poverty line is 12 percent lower than the \$2.15 international poverty line (2017 PPP).

Note on new global poverty lines: Poverty data are now expressed in 2017 Purchasing Power Parity (PPP) prices, versus 2011 PPP in previous editions. As price levels across the world evolve, global poverty lines have to be periodically updated to reflect the increase of the value of the lines in nominal terms. The new global poverty lines of \$2.15, \$3.65, and \$6.85 reflect the typical national poverty lines of low-income, lower-middle-income, and upper-middle-income countries in 2017 prices. In addition to reflecting updates in nominal terms, upper-middle-income countries raised the standards by which they determine people to be poor from 2011 to 2017. Hence, the increase in the upper line is larger, and the population that does not meet the new standard is higher in most countries than it was with 2011 PPPs. See pip.worldbank.org.

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.