

Poverty & Equity Brief

Africa Western & Central

Liberia

April 2023

Despite a 3.2 percentage point decline between 2014 and 2016, poverty in Liberia remains widespread. According to the Household Income and Expenditure Survey, 50.9 percent of the population live below the national poverty line in 2016, with about 2.3 million people were unable to meet their basic food and nonfood needs. Poverty is prevalent in rural areas and is home to 71.7 percent of the poor, while accounting for 68 percent of the total population. The Gini index, which measures inequality, is among the lowest in Sub-Saharan Africa and remained unchanged from 2014 to 2016.

Poverty was declining in Liberia before the COVID-19 pandemic, but higher food prices and lower prices for mineral commodities increased poverty during the pandemic. The share of population living below the international extreme poverty line (US\$2.15 per person per day in 2017 PPP) was estimated to be 27.6 percent in 2016 due to negative growth in private consumption.

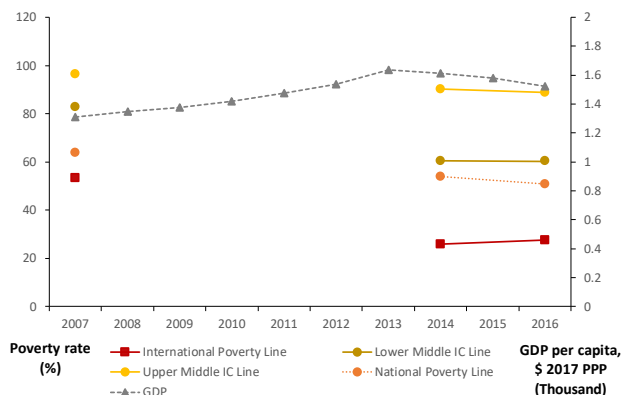
While inflation is expected to increase slightly in 2023-driven by food and energy inflation-it is expected to remain low and stable in the single digits, so that poverty is expected to further decline in 2023. But the poverty estimates are expected to remain higher than the rates observed in 2016, especially as food inflation pressures continue.

Liberians are highly vulnerable to rising food prices with 67 percent of average household spending devoted to food purchases (for the bottom 40, this jumps to 74 percent). Food poverty is prevalent in rural areas and has worsened between 2014 and 2016-52.8% to 63.3% The food poverty gap increased from 6.3 percent in rural areas in 2014 to 20.7 percent in 2016, suggesting a considerable worsening of food vulnerability. Rising prices will not only push many Liberians into poverty, but also pose further risks to the human capital accumulation of their young population, which could hinder future poverty reduction efforts. The Global Hunger Index (GHI) classifies Liberia's level of hunger as "serious" with a score of 32.4 in 2022 indicating a further worsening from 2021. This exacerbates poverty for many households at risk of food insecurity.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	2.3	50.9	2016
International Poverty Line 91.8 in Liberian dollar (2016) or US\$2.15 (2017 PPP) per day per capita	1.3	27.6	2016
Lower Middle Income Class Poverty Line 155.8 in Liberian dollar (2016) or US\$3.65 (2017 PPP) per day per capita	2.9	60.6	2016
Upper Middle Income Class Poverty Line 292.5 in Liberian dollar (2016) or US\$6.85 (2017 PPP) per day per capita	4.2	88.9	2016
Multidimensional Poverty Measure		56.6	2016
SHARED PROSPERITY			
Annualized Income or Consumption Growth per capita of the bottom 40 percent		N/A	N/A
INEQUALITY			
Gini Index		35.3	2016
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		N/A	N/A
GROWTH			
Annualized GDP per capita growth		0.66	2011-2016
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.

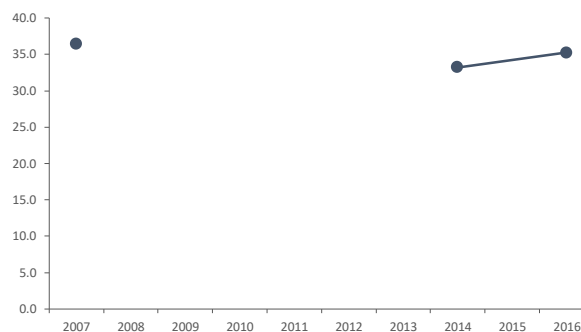
POVERTY HEADCOUNT RATE, 2007-2016



Source: World Bank using HIES/SSAPOV/GMD

INEQUALITY TRENDS, 2007-2016

Gini Index



Source: World Bank using HIES/SSAPOV/GMD

KEY INDICATORS

Distribution among groups: 2016	International Poverty Line (%)		Relative group (%)		Multidimensional Poverty Measures: 2016 (% 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 27.6
Rural population	55	45	63	37	
Males	72	28	41	59	Education At least one school-aged child is not enrolled in school 54.1 No adult has completed primary education 30.5
Females	73	27	39	61	
0 to 14 years old	68	32	46	54	Access to basic infrastructure No access to limited-standard drinking water 25.7 No access to limited-standard sanitation 61.8 No access to electricity 79.7
15 to 64 years old	77	23	35	65	
65 and older	66	34	47	53	
Without education (16+)	64	36	51	49	
Primary education (16+)	72	28	43	57	
Secondary education (16+)	87	13	21	79	
Tertiary/post-secondary education (16+)	98	2	3	97	

Source: World Bank using HIES/SSAPOV/GMD

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

POVERTY DATA AND METHODOLOGY

The quality and availability of statistics required for evidence-based policymaking and poverty monitoring in Liberia are very limited due to weak institutional capacity and the absence of historical data. Prior to the HIES survey series, the first survey conducted was in 2007 since 1964. The first integrated household survey was launched with a planned field time of 12 months but was stopped after six months of fieldwork in August 2014 due to the Ebola outbreak. The half-year data was analyzed, and a new poverty report was issued in April 2016 based on the 2014 survey. Methodological changes in the questionnaire and seasonality concerns over the 2014 partial data meant that the Core Welfare Indicator Questionnaire (CWIQ) survey conducted in 2007 and the 2014 HIES survey are not comparable.

A rerun of the HIES was undertaken in January 2016 and this was the first survey conducted over 12 months to collect seasonally adjusted consumption data. The main survey provided poverty estimates at both national and county levels. The dissemination of survey data analyses and report were subsequently undertaken in 2018. The poverty numbers pre-2014 are not comparable with the HIES survey series. Therefore, a new comparable survey is planned for 2024.

The Liberia Institute of Statistics and Geo-Information Services (LISGIS) is conducting the Liberia COVID-19 High Frequency Phone Monitoring Survey (HFPMS) series for households (HFPMS-H) and firms (HFPMS-F) to monitor the impact of the COVID-19 Pandemic on Liberian citizens and firms with support from the World Bank-about 10 rounds have been undertaken but not all data are presently available.

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 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 three 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.