

Poverty & Equity Brief

Africa Western & Central

Senegal

April 2023

Senegal recorded a substantial reduction in poverty thanks to solid economic performance during the 2010 decade. The average GDP growth rate was around 5 percent during that period, and the incidence of poverty (using the national poverty line) fell from 43.0 percent in 2011 to 37.8 percent in 2018.

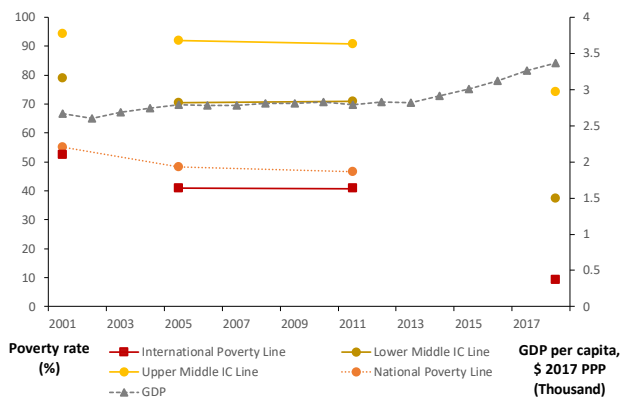
After the sharp economic contraction driven by the COVID-19 crisis, Senegal's economy has experienced a gradual recovery since the last quarter of 2020 and growth accelerated to 6.1 percent (3.3 percent in per capita terms) in 2021 driven by government consumption and investment. But in 2022, Senegal's economy weathered the impact of several adverse shocks including the ongoing invasion of Ukraine by Russia which led to higher energy and food prices. Growth is estimated to have decelerated to 4.2 percent in 2022 (1.7 percent in per capita terms). Recent growth trends are more visible in services sectors (6.2 percent) in urban centers, while growth in agriculture, the sector employing most of the poor people is just at 0.3 percent. In addition to a growth slowdown, Senegalese households faced a high inflation rate, which reached 9.7 percent in 2022, with food inflation reaching 15 percent. At the same time, there was a recovery in remittances in 2022 after a slowdown in 2021, a phenomenon that positively affects household well-being. Overall, poverty (using the low middle income poverty line) is expected to remain stable around 36.3 percent in 2022 against 36.1 percent in 2021.

Poverty reduction in Senegal still faces many challenges. First, while the Government of Senegal has been efficient in providing cash transfers to vulnerable households through a social safety net project, payments have not been regular in 2022. Second, with the multiple crises affecting Senegal, the vulnerability to falling into poverty is a key issue that requires more attention for policy action. Data from the 2018 household survey shows that the vulnerability rate, defined as the probability of falling into poverty in case of a shock, was 54 percent in 2018-19, meaning that materialization of risks such as additional waves of COVID-19, disruptions to supply chains, and weather shocks, can lead to a substantial increase in poverty incidence. Vulnerability was close to 80 percent in rural areas, more than 2.5 times higher than in urban areas. The GoS has taken concrete actions such as extending the RNU to broaden the coverage of the cash transfer system. Moreover, the government has decided to progressively phase out energy subsidies which are regressive, and signals commitment to implement strong measures to underpin fiscal consolidation efforts over the medium term. If payments from safety nets programs become regular this could further reduce poverty, while resources gained from the elimination of energy subsidies could open more fiscal space for future poverty reduction programs.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line (Households)	N/A	N/A	N/A
International Poverty Line 519.8 in CFA franc (2018) or US\$2.15 (2017 PPP) per day per capita	1.5	9.3	2018
Lower Middle Income Class Poverty Line 882.5 in CFA franc (2018) or US\$3.65 (2017 PPP) per day per capita	5.8	37.4	2018
Upper Middle Income Class Poverty Line 1656.2 in CFA franc (2018) or US\$6.85 (2017 PPP) per day per capita	11.6	74.4	2018
Multidimensional Poverty Measure		32.3	2018
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		-0.28	2005-2011
INEQUALITY			
Gini Index		38.1	2018
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		-0.54	2005-2011
GROWTH			
Annualized GDP per capita growth		0.02	2005-2011
Annualized Consumption Growth per capita from Household Survey		0.27	2005-2011
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		-0.03	2005-2011

Sources: WDI for GDP, National Statistical Offices for national poverty rates, PIP as of April 2023, and Global Monitoring Database for the rest.

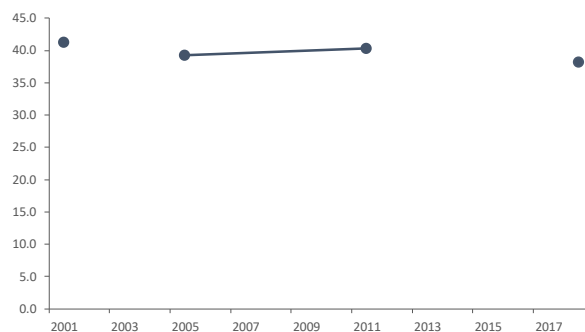
POVERTY HEADCOUNT RATE, 2001-2018



Source: World Bank using EHCVM/SSAPOV/GMD

INEQUALITY TRENDS, 2001-2018

Gini Index



Source: World Bank using EHCVM/SSAPOV/GMD

KEY INDICATORS

Distribution among groups: 2018	International Poverty Line (%)		Relative group (%)		Multidimensional Poverty Measures: 2018 (% of population)
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	97	3	17	83	Monetary poverty (Consumption) Daily consumption less than US\$2.15 per person 9.3
Rural population	85	15	60	40	
Males	91	9	40	60	
Females	91	9	40	60	Education At least one school-aged child is not enrolled in school 31.9 No adult has completed primary education 42.0
0 to 14 years old	89	11	45	55	
15 to 64 years old	93	7	33	67	
65 and older	93	7	33	67	Access to basic infrastructure No access to limited-standard drinking water 15.2 No access to limited-standard sanitation 37.4 No access to electricity 26.6
Without education (16+)	89	11	47	53	
Primary education (16+)	97	3	22	78	
Secondary education (16+)	97	3	19	81	
Tertiary/post-secondary education (16+)	100	N/A*	4	96	

Source: World Bank using EHCVM/SSAPOV/GMD

Source: World Bank using EHCVM/SSAPOV/GMD

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

POVERTY DATA AND METHODOLOGY

Senegal completed a household survey in 2019, the Enquête Harmonisée sur les Conditions de Vie des Ménages (EHCVM) 2018/19, which is a harmonized household survey across WAEMU countries. Poverty estimates based on a national poverty line were produced. The official poverty measurement methodology followed the Cost of Basic Needs approach. The welfare measure is annual consumption per capita. The consumption aggregate was deflated by spatial deflators computed for each agroecological zone and area of residence to account for cost-of-living differences. Changes with respect to the ESPS 2011 survey are considerable, as they involve a new methodology to measure poverty, both in terms of the definition of the welfare aggregate and of the poverty line. Technical work has been done to revise the 2011 consumption aggregate and poverty line which correspond to those reported above. A comprehensive diagnostic of poverty trends and drivers between 2011 and 2018/19 was carried on a recent poverty and equity assessment by the World Bank which was completed in October 2021. Poverty and vulnerability maps have also been produced, and they have been used to extend the national unique registry (the targeting tool).

The implementation process of a second and comparable survey to the EHCVM 2018/19 was launched in November 2020 with the support through the World Bank project "WAEMU Household Survey Harmonization Programme". Data collection, organized in two waves as for the 2018/19 round, started in November 2021 and was completed in July 2022. Data processing is ongoing and new poverty numbers are planned to be released by April/May 2023.

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.