

# Poverty & Equity Brief

October 2024

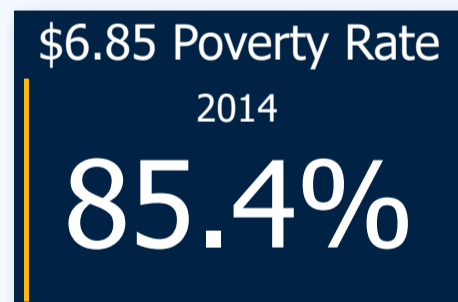
## REPUBLIC OF YEMEN

The national poverty rate was last reported for Yemen in 2014 and was estimated to be 48.6 percent of the population, which represents an increase of 13.4 percentage points over the poverty rate reported in 2005. Underemployment, political instability, and an expanding conflict all contributed to the increase in poverty. In 2014, poverty was higher in rural areas (59.2 percent) compared to urban areas (23.9 percent). Poverty was higher among larger households, those with less educated household heads, and those working in agriculture and the private sector more generally (compared to public or semi-public institutions). Additionally, a large share of the population in 2014 faced deprivations in multiple dimensions- particularly in access to education, household sanitation, and electricity.

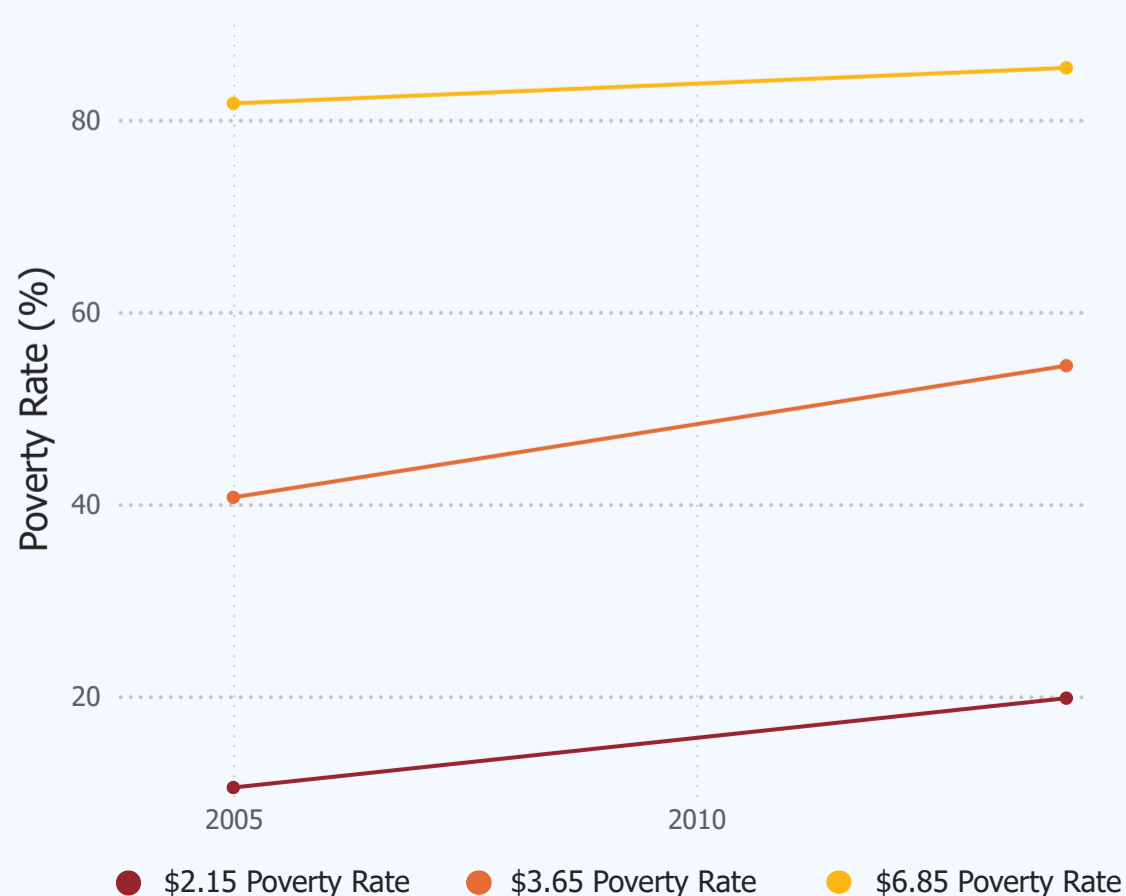
Yemen's economy is estimated to have halved in size as a direct result of its ongoing armed conflict. Oil production, a critical source of government revenues and hard currency, has collapsed to one-third of pre-war levels. At the same time, the cost of living has shot up as the Yemeni Riyal, the national currency, has lost more than 75 per cent of its value. Depreciation has worsened in recent months, particularly in areas under the control of the Internationally Recognized Government. In Houthi-controlled areas, a reduction in aid has also worsened living conditions. As a result, in July 2024, according to WFP phone surveys, 62 percent households in Yemen reported inadequate food consumption, the highest on record.

Estimating exactly how poor Yemen is is extremely difficult without recent household consumption data that reflect the current conditions. Statistical modelling extrapolates a headcount poverty rate as high as 74 percent in 2022, which could reach between 62 and 74 percent by 2030, depending on the trajectory of the conflict and various scenarios of either continued conflict or recovery. If correct, this would imply an increase of poverty by 27 to 51 percent over a 15-year period. However, this estimate cannot be considered definitive due to data limitations and a multitude of assumptions applied in the modelling.

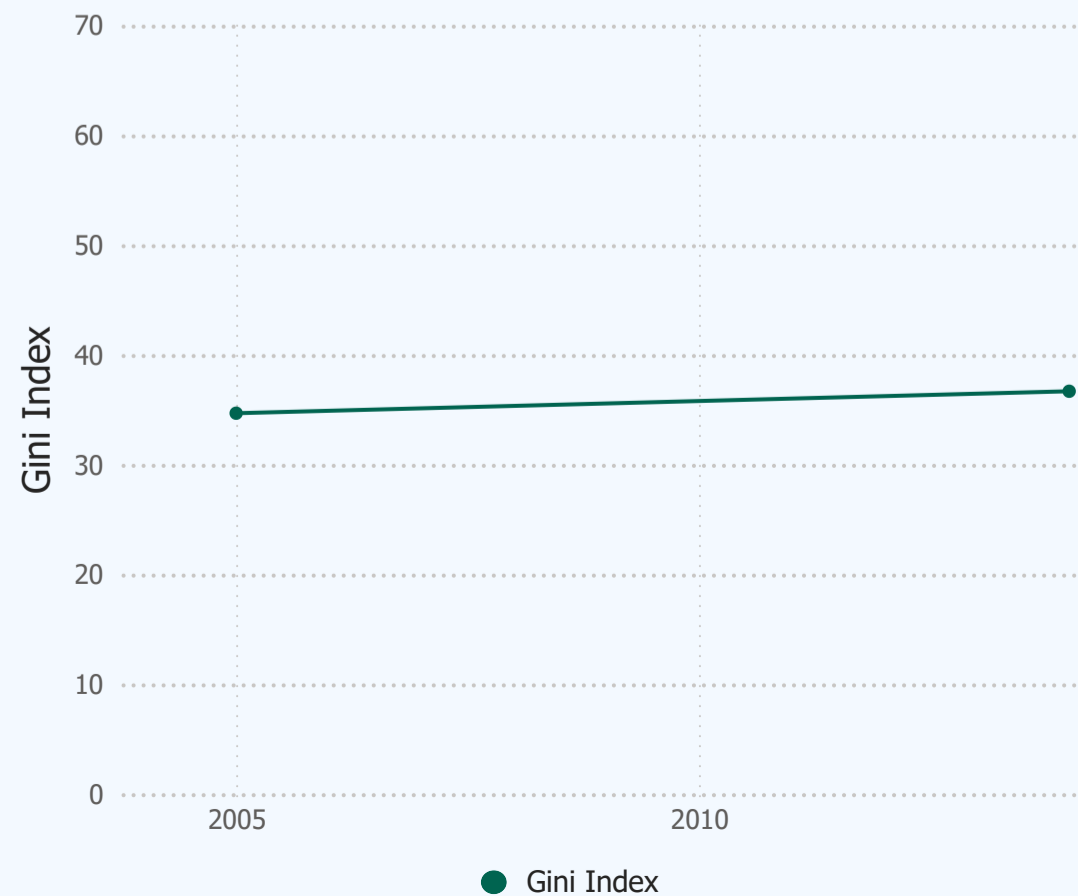
Many Yemeni households have run out of coping strategies after almost ten years of insecurity. In times of stress, World Bank phone surveys show that some households, particularly more food-secure ones, are able to sell assets or use savings to ease their financial situation. However, more than a third of Yemenis now lack livestock, productive assets, and land. In response, 45 percent of those surveyed were adopting last resort coping strategies including withdrawing children from school, sending children to work, taking on high-risk employment including working in the military and other armed groups, and marrying off young children. Unsurprisingly, these strategies are more prevalent among the displaced and food insecure.



### Poverty Rate



### Inequality



# Poverty at Different Lines

Poverty Line	Number of Poor (Thousands)	Rate (%)	Year
National Poverty Line	12,755.7	48.6	2014
International Poverty Line (\$2.15/day)	5,495.9	19.8	2014
Lower Middle Income Class Poverty Line (\$3.65/day)	15,084.6	54.4	2014
Upper Middle Income Class Poverty Line (\$6.85/day)	23,695.5	85.4	2014
Multidimensional Poverty Measure		35.4	2014

## Group and Multidimensional Poverty

Poverty by Group	Poverty Rate (%)	Multidimensional Poverty Components	(% of Pop.)
Urban population	7.2	Daily income less than US\$2.15 per person	19.8
Rural population	25.3	At least one school-aged child is not enrolled in school	44.5
Males	19.5	No adult has completed primary education	16.0
Females	20.1	No access to limited-standard drinking water	14.0
0 to 14 years old	23.3	No access to limited-standard sanitation	41.2
15 to 64 years old	17.1	No access to electricity	33.9
65 and older	19.1		
Without education (16+)	23.7		
Primary education (16+)	18.4		
Secondary education (16+)	12.2		
Tertiary/post-secondary education (16+)	4.3		

### Note:

Data for the "Poverty by Group" table is derived from a 2014 survey and data for the "Multidimensional Poverty Components" table is derived from a 2014 survey. The rates in the "Poverty by Group" table above are shown at the \$2.15 international line.

"N/A" denotes a missing/removed value, while "N/A\*" refers to a value which was removed due to having fewer than 30 observations.

## Poverty Data & Methodology

The 2014 consumption aggregate used to determine the national poverty rate includes both food and non-food expenditure, where the latter includes spending on education, housing, durable goods, health, and expenditure on other non-food goods and services. The consumption aggregate is deflated spatially to account for regional price disparities. This deflated consumption aggregate is then compared to the national poverty line, which is the cost of satisfying the minimum daily energy requirement of 2115 daily per capita calories for a reference population, and an allowance for non-food goods.

The 2014 methodology adopted by the Central Statistics Office differs from that of 2005 because of a different consumption module in the survey instrument. The 2005 official poverty rate is 34.8 percent, as opposed to the 35.2 percent calculated using the 2014 poverty line and adjusting the poverty line for inflation using the CPI. However, even using the same poverty line does not make the poverty headcount comparable because the consumption aggregate is not constructed in the same way. It should be noted that the escalation of conflict in 2015 has dramatically affected the country and the data likely do not reflect the consumption and characteristics of the population today.

## Harmonization

The numbers presented in this brief are derived from the MNAPOV database. The standardization and harmonization process are overseen by the Middle East and North Africa Team for Statistical Development. MNAPOV was established in 2014, and encompasses a range of data, including demographics, education, asset ownership, access to services, employment, and household expenditure, all of which are utilized for Global Poverty Monitoring. MNAPOV includes data from 11 countries. Work is ongoing to improve the coverage of countries in the region, expand the list of harmonized variables, and enhance the dissemination of poverty, inequality, and prosperity estimates for the MENA region. The terms of use for the data comply with agreements made with the original data producers.