Reviewing DRC's poverty estimates, 2005-2012: Unprecedented GDP growth without trickle down

Briefing
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International Volunteer Day in Goma, eastern RDC © UN Photo/ Sylvain Liechti

Research question

The first decade of the Democratic Republic of the Congo's (DRC) post-conflict reconstruction period (2004-2013) was marked by an unprecedented economic growth in per capita gross domestic product (GDP) of 3-4% per year, but was this 'peace dividend' translated into widespread poverty reduction within the Congolese population? This briefing note summaries the findings from a working paper of the same name, published in March 2019.

Approach

We answer this question by focusing on the percentage of people in poverty (or poverty headcounts) using micro-level data. We use two national household surveys: the first was conducted in 2004-2005, right before the 2006 elections that inaugurated the first post-conflict government; and the second was carried out in 2012-2013, about seven years after the first round.

Both the Institut National de la Statistique (INS) (RDC, 2014) and the World Bank (2016) estimate very high poverty rates; and both point to a significant decrease in poverty between the two survey periods. Using the same datasets, both institutions find that the poverty headcount decreased by five to eight percentage points.

The problem with both estimates, however, is that they cannot be replicated. The World Bank reports its poverty estimates without elaborating on the methodology,

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Table 1: Reported and replicated percentage of people in poverty, DRC (2005-2012)

	Reported estimates						Data replication based on INS-2005 methodology			Data replication based on improved methodology		
	INS			World Bank								
	2005	2012	diff.	2005	2012	diff.	2005	2012	diff.	2005	2012	diff.
Urban	61.8	60.4	-1.4	66.6	62.5	-4.1	64.4	75.5	11.1	61.9	58.6	-3.3
Kinshasa	41.9	36.8	-5.1	56.3	52.8	-3.5	46.6	56.1	9.5	73.7	55.7	-18.0
Rural	75.8	65.2	-10.6	70.5	64.9	-5.6	75.2	84.7	9.6	66.8	69.5	2.6
DRC	71.3	63.4	-7.9	69.3	64.0	-5.3	72.1	81.4	9.3	65.1	65.6	0.5

Source: on the basis of Tables 4 and 7.

nor explaining why they differ from the INS results. Although INS provides more detail on the methodology they followed, this information only enabled us to replicate its 2005 poverty estimates (RDC, 2006), not its 2012 estimates.

When we applied the INS's methodology from 2005 to the 2012 survey, we found that the percentage of people in poverty substantially increased from 72% to 81%. This is in sharp contrast to the INS's own reported results, and also runs counter to what we know about the evolution of the DRC's economy.

To produce more accurate poverty estimates and trends, we reviewed the INS methodology and made the following modifications:

- We corrected for erratic sampling weights.
- We imputed rents to all households.
- We improved the method for calculating poverty lines to be used as consumption deflators.
- We corrected for households with suspiciously high or low calorie consumption.

Both the original datasets and the dataset containing the variables with new population weights and deflators can be downloaded (Great Lakes of Africa Centre, 2018) at this website.

Main findings:

- Based on the revised methodology, and in line with both INS and World Bank estimates, our findings suggest that two-thirds of the DRC population are poor. This is a staggering figure, especially given that the measure of poverty adopted essentially pegs poverty to insufficient food intake. In other words, more-or-less two-thirds of the people in the DRC are undernourished.
- The percentage of people in poverty overall did not significantly change between 2005 and 2012. In other words, the decade of unprecedented economic growth in GDP did not visibly translate into increased consumption for the bottom two-thirds of the population. This finding also contradicts both INS and World Bank estimates of a significant reduction in poverty in that period.
- Relying on the proposed methodology, there are important regional differences: poverty decreased spectacularly (by 18 percentage points) in Kinshasa but it increased in other cities and towns as well as in the countryside. The increase was highest in the most remote areas. This result is consistent with casewise evidence on 'kinocentrisme' (De Herdt and Kasongo, 2013) and with analyses that point to a disproportionate weight of Congo's mining sector within the political economy of reconstruction (Englebert, 2014; Marysse and Megersa, 2018).

Implications:

- Our findings highlight the importance of making international and national statistical services more transparent and responsive to the wider public. The possibility of public scrutiny drives the quality and credibility of official poverty estimates. The requirement of transparency may be an important factor to counteract the grip of state representatives and their international counterparts on statistics and resulting knowledge.
- Our findings also lay the ground for further analysis to identify the 'losers' and 'winners' of growth and the underlying mechanisms at play. This is crucial for designing and implementing growth inclusive strategies.

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