
ANKER LIVING WAGE REFERENCE VALUE

RURAL CÔTE D'IVOIRE 2020



Anker 
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Network

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COALITION

The Anker Reference Values are endorsed by the Global Living Wage Coalition (Fairtrade International, Rainforest Alliance, Social Accountability International and ISEAL Alliance). Development of the methodology was initiated and supported by Fairtrade International and German Federal Ministry for Economic Cooperation and Development (BMZ). Further support was received from Rainforest Alliance, Social Accountability International and Clif Bar & Company.



Anker Living Wage Reference Value¹

Rural Côte d'Ivoire 2020

1. Anker Living Wage Reference Value for Rural Côte d'Ivoire in 2020

The Anker Living Wage Reference Value for 2020 for rural Côte d'Ivoire (Ivory Coast) is CFA 100,590 (USD 170)² per month with a 95% confidence around it from CFA 96,014 to CFA 113,393. This is the wage required for rural workers to be able to afford a basic but decent living standard in a typical rural area of Côte d'Ivoire. The Reference Value is comprised of a net living wage (i.e. take-home pay) of CFA 90,516 (USD 153) per month and plus an estimated CFA 10,074 (USD 17) which would need to be paid by law in social security and general income tax (IGR) on the living wage.³

“A living wage is the remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events.” (Global Living Wage Coalition).

2. Anker Reference Value Methodology

Anker Living Wage Reference Values are based on a new methodology developed by Richard Anker and Martha Anker. This methodology is based on a rigorous statistical analysis of 40 internationally comparable, quality-assured Anker methodology studies spread across low-income and middle-income countries carried out primarily under the auspices of the Global Living Wage Coalition. Anker Reference Values are internationally comparable, consistent with results from existing Anker living wage and living income benchmark studies and easy to update every year, and so are especially valuable for countries where it has not yet been possible to organize and fund a full quality-assured Anker methodology living wage or living income study.

Anker Living Wage Reference Values represent a living wage for typical families in rural (urban) areas of low- and middle-income countries. Since they are based on a statistical analysis, they have a margin of error for typical rural (urban) areas of a country which is generally around +/- 10% using a 95% confidence interval. Since Reference Values are not location-specific within countries and represent the situation in typical rural (urban) locations, the margin of error is likely to be larger for unusual locations with atypical living costs within a country such as large cities with high living costs, or poorer (richer) areas with relatively low (high) living costs and norms.

¹ Prepared by: Sally Smith, Ian Prates, Martha Anker, and Richard Anker.

² Exchange rate used to convert to US dollars is 591.6. This is the average exchange rate for the three-month period from November 2019 through January 2020 according to the IMF.

³ In Côte d'Ivoire employees earning a wage need to pay mandatory contributions to social security at a rate of 6.3% of gross salary, and a progressive income tax (IGR).

3. Country context: Côte d'Ivoire

Geography and demographics

Côte d'Ivoire is on the west coast of Africa, bordering Burkina Faso, Ghana, Guinea, Liberia, and Mali. It has a population of around 25 million, with almost 60% of the populace currently under age 25. The population is expected to continue growing rapidly due to women having an average of 4.7 children (6.0 children per woman in rural areas). Most people live in the south of the country, with the highest concentration residing in and around the coastal cities, while the forested interior of the south and most of the semi-arid northern savanna remain sparsely populated. Just over half of people in Côte d'Ivoire live in an urban area.

Economy

Côte d'Ivoire is a lower-middle-income country with a gross national income per capita in 2018 of \$4,020 in international dollars (PPP) and \$1,600 in USD in 2018. After suffering an economic crisis in the 1980s and civil conflict in the 2000s, the economy has stabilized and since 2011 has achieved some of the highest rates of GDP growth in the world. However, real per capita income has grown at a slower rate and has still not recovered to levels achieved in the 1970s. Inflation is low in Côte d'Ivoire. It has been around 1% in the last few years and is projected by the IMF to be around 2% in 2020 and for the next several years.

Côte d'Ivoire is heavily dependent on agriculture, particularly exports of cocoa. (it is the largest exporter of cocoa in the world), coffee, and palm oil. Consequently, the economy is highly sensitive to fluctuations in commodity prices and to climatic conditions.

Poverty

Poverty levels remain high, at 46% of the population at the national poverty line and 57% at the World Bank international poverty line for lower-middle-income countries (2015 figures). Poverty is particularly acute in rural areas – 57% of the rural population was below the national poverty line compared to 36% of the urban population in 2015. There are also substantial regional variations in poverty rates, with the south and southwest of the country having lower rates of poverty with around a 50% rural poverty rate while the northeast, northwest, and some central regions have rural poverty rates exceeding 60%.

Standard of living

Food and nutrition insecurity have declined since 2011, but 11% of the population remains food insecure and women-headed and agricultural households are particularly at risk of food insecurity.

Health and education outcomes are improving but still poor, with average life expectancy at birth of 57 years and an illiteracy rate of 42% among ages 15 to 24 (2017 and 2018 figures, respectively). Schooling and healthcare involve significant out-of-pocket expenses. Côte d'Ivoire also has one of the highest rates of gender inequality in the world. For example, 78% of boys

completed primary school compared to 65% of girls in 2017 and almost 1 in 10 girls are married by the age of 15 (2012 estimate).

Living conditions in rural areas are poor. Around half of rural houses are constructed from natural or basic materials (mud, bamboo, wood, etc.) and only 22% of rural households use toilets that meet acceptable sanitary standards.

Labor market

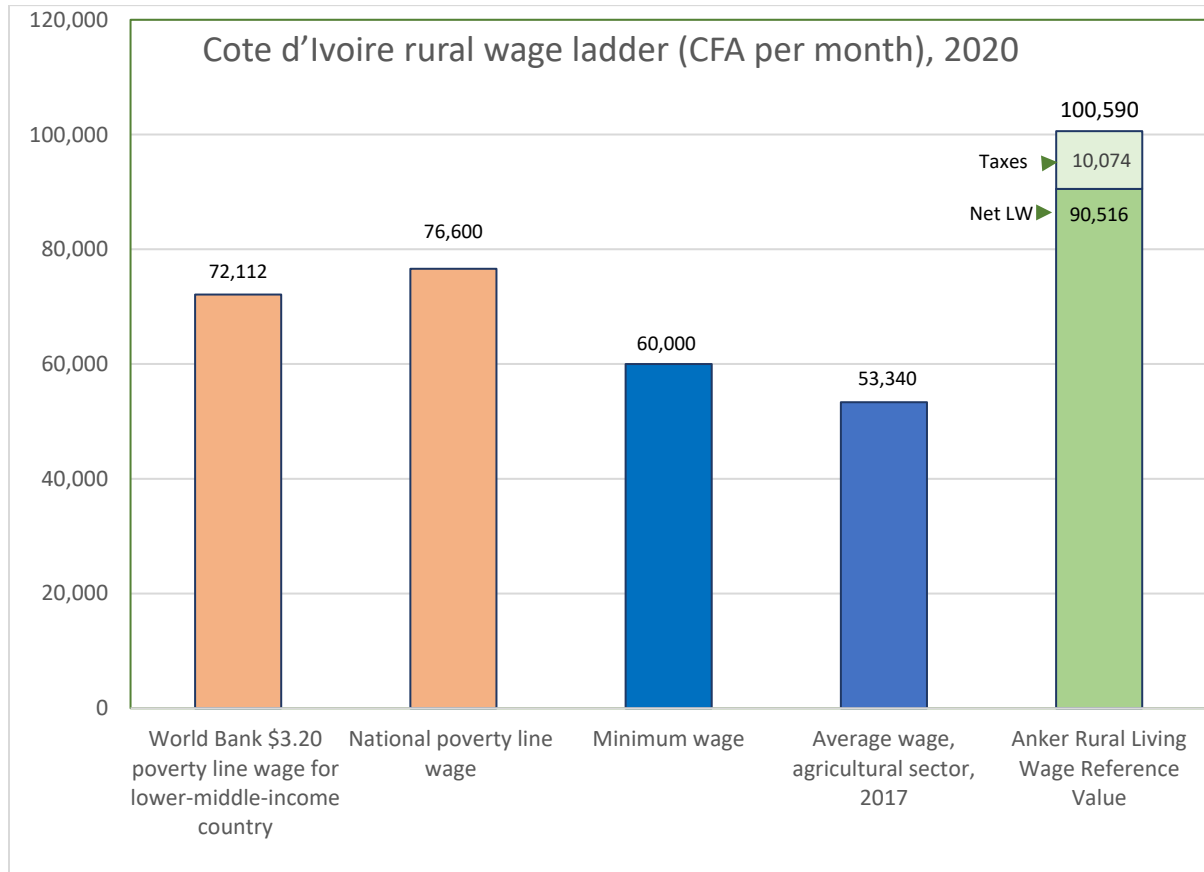
According to ILOSTAT modeled estimates for ages 25+, 83% of rural males and 58% of rural females are either in work or are looking for work, and the unemployment rate is very low at 0.6% among rural males and 0.9% among rural females. In addition, 19.1% of males ages 25+ and 34.7% of females ages 25+ are time-related underemployed.

The agriculture sector accounts for 68% of employment in rural areas and 39% of all employment nationally.

4. Wage ladder and gaps to a living wage, rural Côte d'Ivoire

Figure 1 below provides a wage ladder for rural Côte d'Ivoire and so context on gaps to a living wage. It compares the Anker Living Wage Reference Value for rural Côte d'Ivoire with four other wage indicators. The Anker Living Wage Reference Value is 39% higher than the World Bank poverty line wage for lower-middle-income countries and 31% higher than the national poverty line wage. It is 68% higher than the minimum wage and almost twice the average wage for the agriculture sector. Given that poverty rates differ only somewhat across rural Côte d'Ivoire (with poverty rates in the south and southwest somewhat lower, see above), rural living wages and so gaps to living wage may not vary greatly across rural Côte d'Ivoire. To better understand and measure location-specific living wage gaps within Côte d'Ivoire, however, further analysis and quality-assured Anker living wage methodology studies are required.

Figure 1



Notes: ^a Cote d'Ivoire's national poverty line, which is per person, was set in 2015. Inflation has been around 4% since 2015 according to IMF data. ^b The World Bank poverty line wage for Ivory Coast for 2020 was estimated using the World Bank poverty line for lower-middle income countries (3.20 PPP) using a formula suggested by the World Bank which uses the latest available PPP from the World Bank (2018) and inflation rates since 2018 according to the IMF for Ivory Coast and the United States. ^c Family size of 5.5 (2 adults and 3.5 children) was used for expositional purposes to estimate the national poverty line wage and the World Bank poverty line wage. This family size is in between: (i) rural average household size of 5.1 when single-person households (that do not have children) and very large households (that are likely to be extended families with more than 2 adult workers) are excluded - especially considering that this average is biased downward by a relatively high percentage of female-headed households that are generally smaller in size (18% of households are female-headed according to DHS 2011); and (ii) family size of around 7 implied by the rural total fertility rate adjusted for rural child mortality for 2018 of around 5. ^d Number of full-time equivalent workers per family of 1.61 was used for expositional purposes to estimate poverty line wages. This was based on ILOSTAT data on labor force participation rates, unemployment rates, and part-time employment rates for rural males and females ages 25+. 1.61 value is on the low side for Sub-Saharan Africa, because Cote d'Ivoire has relatively low female labor force participation rates for Sub-Saharan Africa. ^e Taxes due on a living wage include a 6.3% social security tax on wages, a 1.5% tax on 80% of the living wage, and a 5% income tax on income between CFA 600,000 and CFA 1,560,000 per month. ^f The Anker Living Wage Reference Value is estimated directly based on statistical analysis and therefore does not have an explicit number of full-time workers per family or reference family size (although note that rural

reference family size falls from 6 to 4 with development in Anker living wage studies).⁹ Minimum wage was last set in 2013. There has been around 7% inflation since then.^h Average agricultural wage is for 2017. There has been around 3% inflation since the then.