
ANKER LIVING WAGE REFERENCE VALUE

**RURAL
REPUBLIC
OF CONGO
2022**

LIVING WAGE

**CFA 108,338
PER MONTH
(USD\$172)**



Anker 
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GLOBAL 
LIVING WAGE
COALITION

The Anker Research Institute engages in and disseminates high quality research, analysis, and training related to living wage and living income (based on the Anker methodology) to inform and influence companies, empower working people, and shape public policy, thereby helping to enhance quality of life and sustainable livelihoods for working people and their families everywhere. Social Accountability International (SAI) is the institutional host.



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Rural Republic of Congo Reference Value 2022

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Abstract:

This report provides estimates of living wages for typical rural areas of the Republic of Congo based on statistical analysis of quality-assured Anker methodology living wage and living income benchmark studies. The Anker Living Wage Reference Value is presented alongside socio-economic-demographic data to contextualize this estimate.

Keywords: Living wage, Anker Methodology, Republic of Congo, rural living costs, Labor market

JEL classifications: J30, J50, J80, I30, I32, R20, R23

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Anker Living Wage Reference Value

Rural Republic of Congo 2022

1. Anker Living Wage Reference Value for Rural Republic of Congo

The Anker Living Wage Reference Value for 2022 for rural Republic of Congo is CFA 108,338 (USD 172) per month with a 95% confidence around it from CFA 98,451 (USD 157)⁵ to CFA 119,219 (USD 190). This is the wage required for workers to be able to afford a basic but decent living standard in a typical rural area of the Republic of Congo. The Anker Reference Value is comprised of a net living wage (i.e., take-home pay) of CFA 103,181 (164 USD) plus an estimated CFA 5,157 (8 USD) which would need to be paid by law as contribution to social security (CFA 4,334; 6.9 USD) and income tax (CFA 823; 1.3 USD).⁶

The Living Wage may be defined as:

“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 methodology developed by Richard Anker, Martha Anker and Ian Prates. This methodology is based on a rigorous statistical analysis of 40 internationally comparable, quality-assured Anker Methodology studies that cover low-income and middle-income countries. 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. Thus, they are of special value to countries where a full quality-assured Anker Methodology living wage or living income study is yet to be conducted.

Anker Living Wage Reference Values represent a living wage for typical size families in rural or urban areas of low-income 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 Anker Reference Values are not location-specific within countries and represent the situation in typical rural (or urban) regions, the margin of error is likely to be larger for locations with atypical living costs within a country such as large

⁵ Exchange rate used is 629.01 CFA to USD which is the average exchange rate for the May to July 2022 period. This exchange rate and USD values are indicative only, since exchange rates are volatile.

⁶ In Republic of Congo, employees earning a wage need to pay mandatory contributions to social security at a rate of 4% of gross salary as well as income tax if their taxable income is higher than the tax-free amount. For income tax purposes, employees are allowed to deduct 20% of their earnings and also their contribution to pension fund. A rate of 1% is applicable to taxable earnings until CFA 464,000.

cities with high living costs, or poorer (or richer) areas with relatively low (or high) living costs and norms.

3. Country context

Geography and demographics

Republic of Congo, called also Congo Brazzaville or simply Congo, has an area of 342,000 km². It is ranked 65th in the world by size⁷ and is located in Central Africa. It is bordered to the west by Gabon, to the north by Cameroon and Central African Republic, to the southeast by the Democratic Republic of Congo (DRC), to the south by the Angolan exclave of Cabinda and to the southwest by the Atlantic Ocean. Straddling the equator, Congo has a typical hot and humid tropical climate with its landscape dominated by coastal plains, mountainous interior, plateaus and fertile valleys. The country is largely covered by forests representing around 65% of the total land area⁸ with abundant rainfall which constitutes a great potential for agriculture.

According to the World Bank⁹, Republic of Congo has a population of around 5.7 million, growing at a fast rate of 2.5% annually due to a high total fertility rate with women having on average 4.3 births. It is worth noting that total fertility rates are much higher in rural areas with around 5.5 births compared to urban areas with around 3.8 births. The Republic of Congo has a youthful population (41% of the population is under 15 years of age and 60% is under 25). 68% of its population lives in urban areas with Brazzaville, the capital city and Pointe Noire the second largest city.¹⁰ According to the World Bank, the age dependency ratio is very high at 77.8% in 2021, and life expectancy at birth was 65 years in 2020. Average household size, according to the last Republic of Congo Multiple Indicator Cluster Survey (2014-2015), was 4.2,¹¹ down from 5.2 in 1984.

Economy

The Republic of Congo is a lower-middle-income country according to the World Bank with a gross national income per capita of \$2,850 in international dollars (PPP) and \$1,630 in USD in 2021. Due to socio-political instability with successive state coups, civil wars, and other security tensions coupled with inefficient economic policies, the Republic of Congo has not been able to propel a robust economic development despite its significant hydrocarbon resource endowments. Indeed, the country has the 4th largest proven oil reserves and the 5th largest proven natural gas

⁷ World Population Review. 2022. "Largest Countries in the World 2022". <https://worldpopulationreview.com/country-rankings/largest-countries-in-the-world>. Accessed on 7th November 2022.

⁸ Timber Trade Portal. 2022. "Forest resources and context of the Republic of Congo". <https://www.timbertradeportal.com/en/republic-of-the-congo/152/country-context>. Accessed on 7th November 2022.

⁹ World Bank. 2022. "World Development Indicators. Congo. Rep. Data (worldbank.org)". Accessed on 7th November 2022.

¹⁰ World Bank. 2022. "The World Bank in the Republic of Congo". <https://www.worldbank.org/en/country/congo>. Accessed on 7th November 2022.

¹¹ Institut National de la Statistique et UNICEF. 2015. "Enquête par grappes à indicateurs multiples (MICS5 2014-2015), Rapport final. Brazzaville, Congo". <https://www.unicef.org/congo/media/726/file/MICS.pdf>

reserves in Sub-Saharan Africa in addition to significant mining ore reserves, such as iron, potash, and magnesium.¹²

Sustained by the discovery of large oil fields in the early 1970s¹³, real gross domestic product (GDP) growth grew at an average rate of close to 7% while real GDP per capita growth averaged 4% between 1960 and 1984 according to World Bank data. However, with the oil price shock, economic growth considerably slowed down with real GDP increasing at an average rate of only 0.3% annually and real GDP per capita growth being negative at -2.4% from 1985 to 1999. With more political stability and higher oil prices between 2000 and 2014, the economy grew at an average rate of 5.5% per year. Afterward, the Congolese economy entered into a period of recession led by the 2014-16 collapse in oil prices that led to a massive cut in public spending and investment¹⁴ with real gross GDP growth rate declining at an average rate of -4.7% between 2015 and 2019.

The COVID-19 pandemic has exacerbated an already fragile Congolese economy with shrinking global oil demand and weak oil prices. Real GDP contracted by 6.2% in 2020 compared to a pre-pandemic forecast of a positive growth rate of 4.6 percent¹⁵ and Congo was classified as being in debt distress as its debt-to-GDP ratio increased from 47.4% in 2014 to 103% in 2020. In 2021, the economy was still in the red zone with real GDP growth at -3.5% but it is expected to rebound back at 2.3% in 2022 and 3.1% in 2023 according to IMF forecast. Inflation has been under control in Republic of Congo, with an average annual rate of 2.4% from 2000 to 2011 and is expected to remain in the range of 3% for next three years according to IMF forecast data.¹⁶

Republic of Congo pays a price for its economy not being diversified and subject to the volatility of crude oil prices. Indeed, the economy is overwhelmingly reliant on the extractive sector which accounted in 2020 for 40% of total GDP, 53% of total government revenues, 73% of total exports, but less than 1% of total employment.¹⁷ The agriculture sector despite its great potential represents only 7.6% of value-added GDP in 2019 when the service sector accounted for 40.3% of value-added GDP.

¹² World Bank. 2018. "Systematic country

diagnostic". <https://openknowledge.worldbank.org/bitstream/handle/10986/30223/REPOFCONGO-SCD-07242018.pdf>
¹³ Celestin Tassa. 1987. "Le pétrole au Congo : quel impact réel sur le potentiel productif national?". https://www.persee.fr/doc/tiers_0040-7356_1987_num_28_110_4554.

¹⁴World Bank.2022. [CONGO, REPUBLIC MPO \(worldbank.org\)](https://openknowledge.worldbank.org/bitstream/handle/10986/36570/Republic-of-Congo-Economic-Update-8th-Edition-Living-in-Times-of-COVID-19.pdf?sequence=1&isAllowed=y)

¹⁵ World Bank. 2021. "Republic of Congo economic update, living in time of Covid-19". <https://openknowledge.worldbank.org/bitstream/handle/10986/36570/Republic-of-Congo-Economic-Update-8th-Edition-Living-in-Times-of-COVID-19.pdf?sequence=1&isAllowed=y>

¹⁶ IMF data portal. 2022. <https://www.imf.org/external/datamapper/PCPIPCH@WEO/COG>. Accessed on 8th November 2022.

¹⁷ Initiative pour la Transparence dans les Industries Extractives (EITI).2022. "EITI Congo-Rapport 2020". <https://eiti.org/sites/default/files/2022-07/Republic%20of%20the%20Congo%202020%20EITI%20Report.pdf>

*Social Conditions: Inequality and Poverty*Poverty and Inequality

Based on the latest detailed poverty assessment document available for the Republic of Congo (2011¹⁸), the proportion of the population living below the national poverty line was 40.9% in 2011, down from 50.7% in 2005. Based on the World Bank \$1.90 (PPP) poverty line for low-income countries, 37% of people in Congo were considered as poor in 2011, down from 50.2% in 2005. If poverty decreased nationwide, the poverty rate in contrary increased in rural areas, from 64.8% in 2005 to 69.4% in 2011, suggesting that growth was not sufficiently inclusive. Moreover, there are large disparities in the distribution of poverty between the two major Departments of Brazzaville and Pointe Noire with poverty rates of 21.6% and 20.3% respectively and the remaining ten departments of the country where more than half of the population live in poverty. The departments of Cuvette Ouest and Lékoumou have the highest poverty rates at 79.1% and 76.1% respectively. The department of Kouilou with a 56.9% poverty rate ranked third after Brazzaville with the poverty rates in the other departments of the country quite high, ranging between 62% and 69%.

The economic slowdown in recent years embodied in the negative per capita GDP growth, exacerbated by the Covid-19 crises, has reversed previous progress in poverty reduction so that the World Bank estimated that the poverty rate increased to 52.5% in 2021.¹⁹ Inequality remains high in Republic of Congo as growth has not been equally shared. According to the World Inequality Database²⁰, the top 1% of the population holds 42.5% of the country's wealth. The share of the top 10% was 75.4% while the share of the bottom 50% was below 1% of total wealth in 2021.

Standard of living

Living conditions are challenging although they have improved in the Republic of Congo. However, partly because its economy is characterized by ups and downs due to its dependence on the oil sector, its economy hasn't grown at a prolonged and sustained pace. This has had important implications for the well-being of its population. The country is underperforming regarding living standards, considering its huge potentials. The Human Development Index (HDI) increased from 0.52 in 1990 to 0.57 in 2021 after reaching an all high at 0.59 in 2014. Congo ranked 153 out of 190 countries on UNDP's HDI for 2021.²¹

¹⁸ World Bank. 2017. "Republic of Congo Poverty Assessment Report". <https://openknowledge.worldbank.org/bitstream/handle/10986/28302/114706-v2-Republic-of-Congo-ENG-7-17-17-M2.pdf?sequence=1&isAllowed=y>. This is the last publication with data on poverty for the Republic of Congo. Data are from the 2011 *Enquête Congolaise auprès des Ménages (ECOM)*.

¹⁹ World Bank. 2022. "Republic of Congo MPO" <https://thedocs.worldbank.org/en/doc/bae48ff2f6c5a869546775b3f010735-0500062021/related/mpo-cog.pdf>

²⁰World Inequality Database. <https://wid.world/country/congo/>. Accessed on 12th November 2022.

²¹ UNDP. 2022. Human Development Index (HDI). <https://hdr.undp.org/data-center/country-insights/#/ranks>. Accessed on 12th November 2022.

Regarding health indicators, life expectancy at birth increased from 52 years in 2000 to 65 years in 2020. Under-five mortality rate decreased from 115 deaths per 1,000 live births to 45 deaths per 1,000 live births and infant mortality rate decreased from 72 deaths per 1,000 live births to 33 deaths per 1,000 live births between 2000 and 2020. The number of births attended by skilled health staff increased from 31% in 2005 to 91% in 2015 and immunization for measles increased from 34% in children aged 12-23 months in 2000 to 68% in 2021. Despite these improvements, the Republic of Congo is underperforming, as its health indicators are somewhat below those of the lower-middle income economy group to which it belongs. For example, life expectancy at birth was 69 years in 2020 for lower-middle income countries compared to 65 years for the Republic of Congo. Prevalence of severe food insecurity in the country is striking with an estimated 55.5% of the population in 2020²². This is an important source of concern as the Republic of Congo imports much of its food, especially in the post Covid-19 environment and food supply chain disruptions because of the war in Ukraine.

Primary education lasts 6 years and is free and compulsory in Congo. The expected number of years of schooling increased from 5.4 years in 2000 to 6.2 years in 2021.²³ Primary education completion rate last recorded was at 71% in 2012, with a rate of 76% for females and 67% for males. There are important disparities in living conditions in term of access to public services between rural and urban areas in the country. While 50% of the population has access to electricity in the country, the rate is 66% for urban areas and 15% for rural areas. In rural areas, approximately 7% of the population has basic sanitation services compared to 27% in urban areas. While close to 46% of population has access to safe drinking water in urban areas, only 19% of the population has such access in rural areas in 2020.²⁴

Labour Market

According to World Bank economic indicators, the working age population in Congo (15-64 years) was around 2.2 million in 2021. The agriculture sector represented 33.6% of total employment while the service and industry sectors accounted for 45.0% and 21.5% respectively of total employment in 2019. Unemployment rates for ages 25+ according to ILO are much higher in urban areas (around 26%) than in rural areas (around 4%) in 2019.

4. Living wage ladder and gaps to living wage

Figure 1 shows a wage ladder for rural Republic of Congo to provide context on gaps to a living wage. It compares the Anker Living Wage Reference Value for rural Republic of Congo with five other wage indicators. The Anker Living Wage Reference Value is 2 times the World Bank

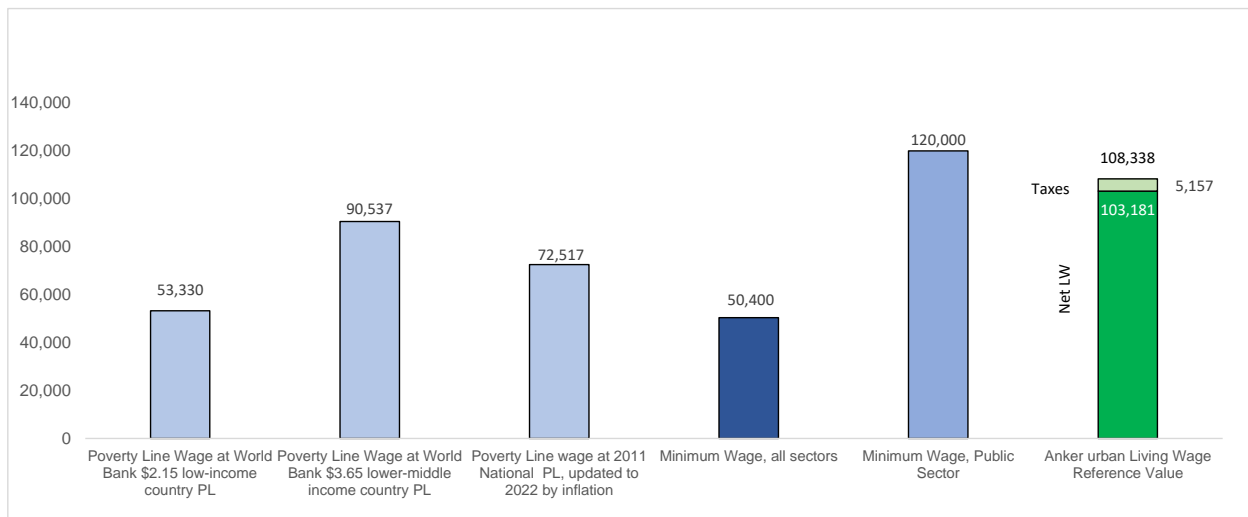
²² World Bank indicator data.

²³ UNDP. 2022. "Human Development Reports-Congo". <https://hdr.undp.org/data-center/specific-country-data#/countries/COG>. Accessed on 14th November 2022.

²⁴ World Bank. 2022. <https://data.worldbank.org/country/congo-rep?view=chart>. Accessed on 14th November 2022.

international poverty line wage for low-income countries (\$2.15 internationally comparable USD)²⁵ and 1.2 times the poverty line wage for lower-middle income countries (\$3.65 internationally comparable USD). Since Republic of Congo is close to the demarcation border between the World Bank classification of low-income and lower-middle income countries, our living wage is around 1.6 times the World Bank poverty line wage. The Anker Living Wage Reference Value is around 1.5 times higher than the Republic of Congo national poverty line wage. It is around 2.2 times higher than the minimum wage for all sectors, but it is around 10% lower than the minimum wage for public sector workers most of whom live in urban areas where the Anker Living Wage Reference Value would be considerably higher. It is important to keep in mind that the majority of workers in Republic of Congo do not have formal employment relations and so many workers in Republic of Congo do not receive even the minimum wage.

Figure 1: Republic of Congo rural wage ladder (CFA per month), 2022



Notes: ^a Republic of Congo national poverty line is calculated from the Poverty Assessment Report, the World Bank. The last year available is 2011. We updated this by inflation to mid-2022. ^b The World Bank international poverty line for Republic of Congo was estimated using the World Bank poverty lines for both low-income and lower-middle income countries (\$2.15 PPP and \$3.65 PPP per capita per day, respectively), since Republic of Congo is near the dividing line between those two development level groups in the World Bank classification. ^c Family size of 5.5 (2 adults and 3.5 children) was used for expositional purposes to estimate the rural poverty line wage and the World Bank poverty line wages. This is in keeping with a rural child mortality adjusted total fertility rate slightly above 5 at around 5.2 (and so implied family size of around 7) and an average household size below 5 (4.80 excluding single person households which do not have children). ^d Number of full-time equivalent workers per family of 1.77 is used for expositional purposes to estimate poverty line wages. This was estimated using ILO Modelled Estimates for 2019 for rural labor force participation rates (M=87.4; F=85.6) which we assumed are slightly underestimated to take into consideration unreported unpaid subsistence agricultural work, rural unemployment rates (M=3.3; F=4.3), and part-time employment

²⁵ In October 2022, the World Bank updated its international poverty lines to 2.15 PPP for low-income countries, 3.65 PPP for lower-middle income countries, and 6.85 PPP for upper-middle-income countries. These values were previously 1.90 PPP, 3.20 PPP, and 5.50 PPP respectively. See <https://www.worldbank.org/en/news/factsheet/2022/05/02/fact-sheet-an-adjustment-to-global-poverty-lines#1>

rates (M=13.9; F=17.2). Part-time employment was defined as working less than 30 hours per week. ^e 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 rural reference family size falls from 6 to 4 with development in Anker living wage benchmark studies). ^f There is a minimum wage for the Public Sector, last updated in 2015, and a minimum wage for the remaining sectors, last updated in 2008. ^f The latest data on wages available are for 2009 and were not included in the wage ladder because they are unlikely to be realistic, even if updated by inflation.