

Poverty & Equity Brief

Africa Eastern & Southern

Mozambique

April 2021

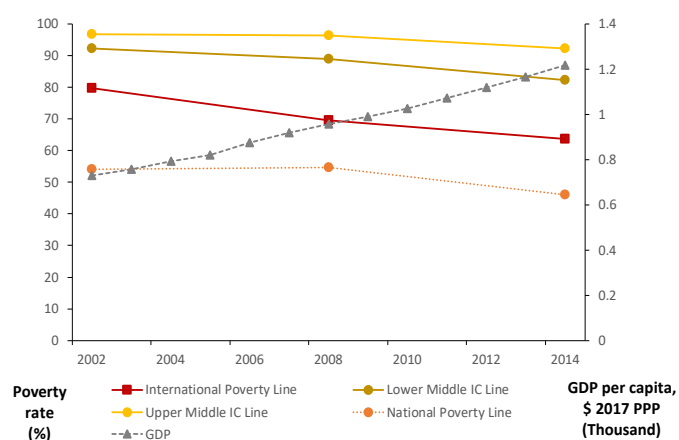
Poverty measured at the international poverty line (US\$1.9 a day 2011 PPP) fell from 69.6 percent in 2008 to 63.7 percent in 2014 and from 51.7 to 46.1 percent following national poverty figures (Please see methodology below). Poverty fell faster in urban areas exacerbating the regional imbalances and further increasing inequality. During the same period, GDP per capita grew at a rate of 4.1 percent per annum. The macroeconomic framework supported faster private consumption growth through fiscal and monetary expansion and strong external inflows. Additionally, the growing service sector offered a path to more productive jobs outside agriculture, raising incomes and reducing poverty. However, the average consumption of the bottom 40 percent of the population grew slower than the average of the whole population leading to a negative shared prosperity premium of -3.85. As a result, the already high inequality increased further with the Gini index raising from 45 percent in 2008 to 54 percent in 2014.

Since 2016, Mozambique experienced a period of elevated macroeconomic volatility, after revelations of hidden debt triggered a significant economic downturn that limited poverty reduction. More recently two tropical cyclones put a dent on agriculture output, an important source of livelihoods for most Mozambicans living in rural areas. This led to a stagnation of the poverty rate trend at 62 percent between 2016 and 2019. In 2020, real GDP is estimated to have contracted by 1.3 percent owing to COVID-19 containment measures, weak global demand and low commodity prices. With a second period of confinement measures introduced in February 2021, poverty measured at the international poverty line is expected to remain elevated in 2021 after a significant projected increase in 2020 from 61.9 to 63.3 percent.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	12.5	46.1	2014
International Poverty Line 33.5 in Mozambican metical (2014) or US\$1.90 (2011 PPP) per day per capita	16.7	63.7	2014
Lower Middle Income Class Poverty Line 56.4 in Mozambican metical (2014) or US\$3.20 (2011 PPP) per day per capita	21.7	82.4	2014
Upper Middle Income Class Poverty Line 97 in Mozambican metical (2014) or US\$5.50 (2011 PPP) per day per capita	24.2	92.2	2014
Multidimensional Poverty Measure		73.2	2014
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		1.87	2008-2014
INEQUALITY			
Gini Index		54.0	2014
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		-3.85	2008-2014
GROWTH			
Annualized GDP per capita growth		4.07	2008-2014
Annualized Consumption Growth per capita from Household Survey		5.72	2008-2014
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		2.11	2008-2014

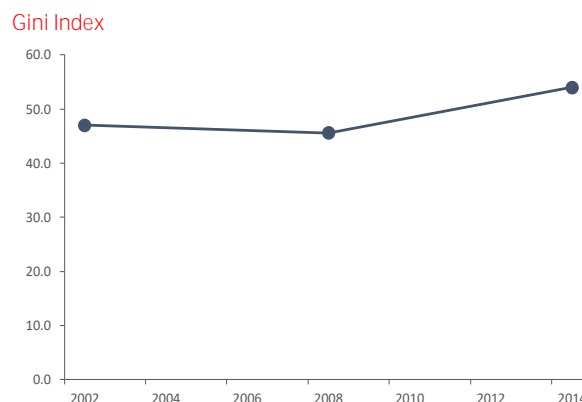
Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of February 2021, and Global Monitoring Database for the rest.

POVERTY HEADCOUNT RATE, 2002-2014



Source: World Bank using IOF/SSAPOV/GMD

INEQUALITY TRENDS, 2002-2014



Source: World Bank using IOF/SSAPOV/GMD

KEY INDICATORS

Distribution among groups: 2014	International Poverty Line(%)		Relative group (%)		Multidimensional Poverty Measures: 2014 (% of population)
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	58	42	26	74	Monetary poverty (Consumption) Daily consumption less than US\$1.90 per person 63.7
Rural population	26	74	47	53	
Males	36	64	40	60	Education At least one school-aged child is not enrolled in school 33.3 No adult has completed primary education 54.9
Females	37	63	40	60	
0 to 14 years old	30	70	46	54	Access to basic infrastructure No access to limited-standard drinking water 41.1 No access to limited-standard sanitation 71.3 No access to electricity 14.6
15 to 64 years old	42	58	35	65	
65 and older	43	57	34	66	
Without education (16+)	29	71	45	55	
Primary education (16+)	39	61	36	64	
Secondary education (16+)	65	35	17	83	
Tertiary/post-secondary education (16+)	90	10	4	96	

Source: World Bank using IOF/SSAPOV/GMD

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

POVERTY DATA AND METHODOLOGY

Official poverty estimates in Mozambique are produced by the Direcção Nacional de Políticas Económicas e Desenvolvimento (DNPED) at the Ministry of Economy and Finance (MEF). The data used to compile the poverty numbers is sourced from Inquérito sobre o Orçamento Familiar (IOF) and are collected by the Instituto Nacional de Estatística (INE). Official poverty lines are derived following the Cost of Basic Needs approach. The government estimates 13 official poverty lines representing 13 agroecological regions in which the country is divided for purposes of the poverty analysis. In 2014–15 these 13 lines varied between \$1.13 per person per day and \$2.41 per person per day in 2011 PPP terms. The Bank is funding and providing technical assistance for the implementation of a new poverty survey through a StatCap. The main data collection has started in December 2019 and ended in December 2020. Access to the microdata is expected by March 2021 and new poverty numbers are expected by the third quarter of 2021.

In 2018, the World Bank produced a poverty assessment using a comparable consumption aggregate as the Government, but only used one poverty line reflecting the nation's cost of basic needs. To make comparisons with previous waves, the poverty line was deflated. While poverty levels differed in relation to the official figures, poverty trends over time were similar. To make international comparisons, the World Bank also calculated poverty rates using an international poverty line, \$1.90 PPP per person per day.

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.