

Poverty & Equity Brief

Africa Eastern & Southern

Angola

April 2023

As of 2018, the most recent information available, 16.5 million Angolans, or 52.9 percent of the population, lived on less than \$3.65 per day (in 2017 PPP terms), the international poverty line for lower-middle income countries. This includes 9.7 million (31.1 percent) living below the international poverty line of \$2.15 per day (2017 PPP terms). This situation is projected to have worsened significantly during the pandemic, which began in the fourth year of a recession: 33.6 percent of the population, nearly 11.1 million people, were projected to be living on less than \$2.15 per day in 2020.

With the recovery from the recession beginning in 2021, annual growth in private consumption reached 5 percent in 2022 and labor market conditions have improved, including a year-on-year reduction in urban unemployment (broadly defined) of 4.5 percentage points in the fourth quarter of 2022, falling to 38.5 percent. Nationally, unemployment fell by 3.3 percentage points to reach 29.6 percent. With these improving conditions, poverty at the \$2.15 per day line is projected to have fallen to 32.7 percent -remaining, however, above pre-pandemic levels. Due to rapid population growth, the number of people living in poverty has continued to grow annually and is expected to exceed 11.7 million in 2023.

Angola remains a highly unequal country with starkly worse conditions in rural areas, where 53 percent of the population lives on less than \$2.15 per day with significant reliance on subsistence farming and, particularly in the south, living through a severe multi-year drought. Urban poverty and vulnerability are also significant concerns as urban Angolans account for a third of the population living on less than \$2.15 per day and are particularly vulnerable to food price shocks.

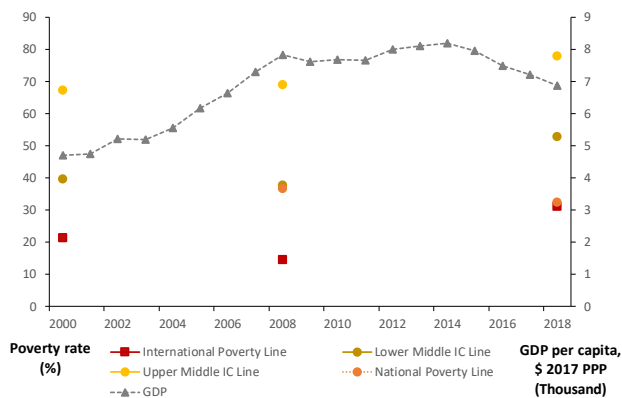
Underinvestment in the social sectors has resulted in low levels of schooling and poor health outcomes, such that Angola is among the countries with the lowest Human Capital Index (0.36 in 2020). Among the groups most affected by poverty are children 0-14 years old, a third of whom live on less than \$2.15 per day. More than a quarter of households have school-aged children not enrolled in school, suggesting a high risk of intergenerational poverty traps.

Most families rely on highly informal work with volatile earnings. Informal work accounted for 65 percent and 95 percent of all urban and rural employment, respectively, in 2022, with 80 percent of informal workers in self-employment, unpaid workers in family enterprises (typically agriculture), or subsistence agriculture. Angola has a small but growing social safety net, including the roll-out of a social protection registry and the Kwenda cash transfer program in 2020, with close to a million rural households registered as of early 2023. The urban poor, however, are yet to benefit from this type of assistance.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	10.1	32.3	2018
International Poverty Line 283.9 in Angolan kwanza (2018) or US\$2.15 (2017 PPP) per day per capita	9.7	31.1	2018
Lower Middle Income Class Poverty Line 482 in Angolan kwanza (2018) or US\$3.65 (2017 PPP) per day per capita	16.5	52.9	2018
Upper Middle Income Class Poverty Line 904.6 in Angolan kwanza (2018) or US\$6.85 (2017 PPP) per day per capita	24.4	78.0	2018
Multidimensional Poverty Measure		47.2	2018
SHARED PROSPERITY			
Annualized Income or Consumption Growth per capita of the bottom 40 percent		N/A	N/A
INEQUALITY			
Gini Index		51.3	2018
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		N/A	N/A
GROWTH			
Annualized GDP per capita growth		-3.22	2013-2018
Annualized Income or Consumption Growth per capita from Household Survey		N/A	N/A
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		N/A	N/A

Sources: WDI for GDP, National Statistical Offices for national poverty rates, PIP as of April 2023, and Global Monitoring Database for the rest.

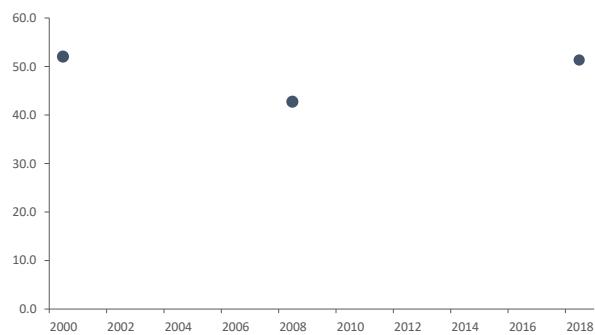
POVERTY HEADCOUNT RATE, 2000-2018



Source: World Bank using IDREA/SSAPOV/GMD

INEQUALITY TRENDS, 2000-2018

Gini Index



Source: World Bank using IDREA/SSAPOV/GMD

KEY INDICATORS

Distribution among groups: 2018	International Poverty Line (%)		Relative group (%)		Multidimensional Poverty Measures: 2018 (% of population)
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	83	17	24	76	Monetary poverty (Consumption) Daily consumption less than US\$2.15 per person 31.1
Rural population	47	53	65	35	
Males	69	31	39	61	Education At least one school-aged child is not enrolled in school 27.4 No adult has completed primary education 29.8
Females	69	31	40	60	
0 to 14 years old	64	36	46	54	Access to basic infrastructure No access to limited-standard drinking water 32.1 No access to limited-standard sanitation 53.6 No access to electricity 52.6
15 to 64 years old	74	26	34	66	
65 and older	73	27	35	65	
Without education (16+)	52	48	58	42	
Primary education (16+)	63	37	48	52	
Secondary education (16+)	88	12	19	81	
Tertiary/post-secondary education (16+)	98	N/A*	3	97	

Source: World Bank using IDREA/SSAPOV/GMD

Source: World Bank using IDREA/SSAPOV/GMD

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

POVERTY DATA AND METHODOLOGY

The Instituto Nacional de Estatística (INE) in Angola oversees the collection of household budget surveys and national poverty analysis. The socioeconomic indicators reported in this brief are based on data from the Inquérito de Despesas, Receitas e Emprego em Angola (IDREA 2018-2019), a household budget survey collected between March 2018 and February 2019. Due to differences in methodology and coverage, there is a lack of comparability between this survey and earlier poverty and inequality data. This brief also cites quarterly labor force indicators published by INE based on the Inquérito ao Emprego em Angola (IEA, Angola's quarterly labor force survey). INE calculates unemployment as the share of the adult population who did not work during the reference period but was available to work. This is a broad definition of unemployment that does not require active job search.

INE has adopted consumption as the measure of welfare for poverty estimation. The national poverty line is derived following the cost of basic needs approach and uses an adult-equivalence scale. Access to microdata, including the 2018-19 household budget survey, is available online through INE's micro-library database.

Note on new global poverty lines: Poverty data are now expressed in 2017 Purchasing Power Parity (PPP) prices, versus 2011 PPP in previous editions. As price levels across the world evolve, global poverty lines have to be periodically updated to reflect the increase of the value of the lines in nominal terms. The new global poverty lines of \$2.15, \$3.65, and \$6.85 reflect the typical national poverty lines of low-income, lower-middle-income, and upper-middle-income countries in 2017 prices. In addition to reflecting updates in nominal terms, upper-middle-income countries raised the standards by which they determine people to be poor from 2011 to 2017. Hence, the increase in the upper line is larger, and the population that does not meet the new standard is higher in most countries than it was with 2011 PPPs. See pip.worldbank.org.

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.