# Mozambique

Mozambique grew at a relatively fast pace during the period 2001-2015, with the economy expanding at an average rate of 4.7 percent per annum. The effect of growth on poverty reduction was moderate, with poverty falling from 79.8 percent in 2002 to 64.6 percent in 2014. The fall in poverty was driven by the increasing role of the services sector in the labor market and a favorable macroeconomic framework that supported consumption growth. The impact of growth on income distribution was dismal. Inequality worsened between 2008 and 2014, indicating that growth was not inclusive.
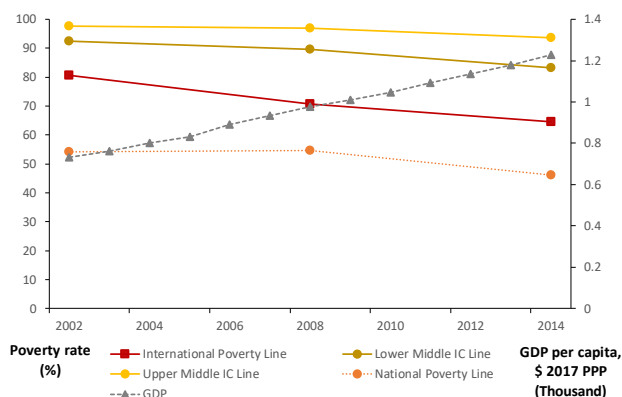
Since 2016, the pace of growth decelerated. The average annual per capita growth rate was negative between 2016 and 2020. Preliminary results from the analysis of the Household Budget Survey 2019-2020 show that poverty spiked during COVID-19 and that inequality decreased as urban consumption suffered the most under lockdowns. The new poor in 2019-2020 were more likely to be young, females, less educated, and in larger rural households. In addition to COVID-19 lockdowns, a combination of events may help explain the increase in poverty. The hidden debt crisis caused several partners to interrupt budget support, which contributed to macroeconomic volatility. Tropical cyclones resulted in stagnation of agricultural production in the Centre and North of the country, an important source of livelihoods for over 70 percent of Mozambicans.

Between 2002 and 2014, Mozambique experienced marked progress in reducing multidimensional poverty. Yet, data from Household Budget Survey 2019-2020 shows that progress was reversed in the last few years. The share of households that experienced at least three multidimensional deprivations, for instance, increased from 71 percent to 78 percent between 2014 and 2020. In rural areas, the level of deprivation increased to the levels last seen in 2002, with over 95 percent of households deemed multidimensionally poor. The share of households multidimensionally poor in urban areas also increased, jumping from 32 percent to 46 percent over the same period.

| POVERTY | Number of Poor (million) | Rate (%) | Period |
|---|---|---|---|
| National Poverty Line | 12.5 | 46.1 | 2014 |
| International Poverty Line<br>34.3 in Mozambican metical (2014) or US$2.15 (2017 PPP) per day per capita | 16.8 | 64.6 | 2014 |
| Lower Middle Income Class Poverty Line<br>58.2 in Mozambican metical (2014) or US$3.65 (2017 PPP) per day per capita | 21.6 | 83.1 | 2014 |
| Upper Middle Income Class Poverty Line<br>109.3 in Mozambican metical (2014) or US$6.85 (2017 PPP) per day per capita | 24.4 | 93.6 | 2014 |
| Multidimensional Poverty Measure | | 73.7 | 2014 |
| SHARED PROSPERITY | | | |
| Annualized Consumption Growth per capita of the bottom 40 percent | | 1.52 | 2008-2014 |
| INEQUALITY | | | |
| Gini Index | | 54.0 | 2014 |
| Shared Prosperity Premium = Growth of the bottom 40 - Average Growth | | -3.83 | 2008-2014 |
| GROWTH | | | |
| Annualized GDP per capita growth | | 3.89 | 2008-2014 |
| Annualized Consumption Growth per capita from Household Survey | | 5.36 | 2008-2014 |
| MEDIAN INCOME | | | |
| Growth of the annual median income/consumption per capita | | 1.76 | 2008-2014 |

Sources: WDI for GDP, National Statistical Offices for national poverty rates, PIP as of April 2023, and Global Monitoring Database for the rest.
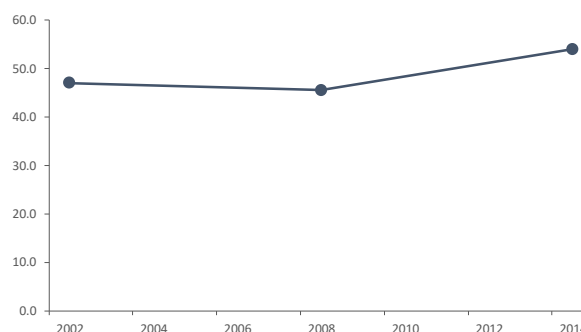
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## POVERTY HEADCOUNT RATE, 2002-2014



| Poverty rate (%) | | GDP per capita, $ 2017 PPP (Thousand) |
|---|---|---|
| ■ International Poverty Line | ● Lower Middle IC Line | |
| ● Upper Middle IC Line | ○ National Poverty Line | |
| ▲ GDP | | |

Source: World Bank using IOF/SSAPOV/GMD

## INEQUALITY TRENDS, 2002-2014
### Gini Index



Source: World Bank using IOF/SSAPOV/GMD

## KEY INDICATORS

| Distribution among groups: 2014 | International Poverty Line(%) | | Relative group (%) | |
|---|---|---|---|---|
| | Non-Poor | Poor | Bottom 40 | Top 60 |
| Urban population | 57 | 43 | 26 | 74 |
| Rural population | 25 | 75 | 47 | 53 |
| Males | 35 | 65 | 40 | 60 |
| Females | 36 | 64 | 40 | 60 |
| 0 to 14 years old | 29 | 71 | 46 | 54 |
| 15 to 64 years old | 41 | 59 | 35 | 65 |
| 65 and older | 42 | 58 | 34 | 66 |
| Without education (16+) | 28 | 72 | 45 | 55 |
| Primary education (16+) | 38 | 62 | 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

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

| Multidimensional Poverty Measures: 2014 | (% of population) |
|---|---|
| **Monetary poverty (Consumption)** | |
| Daily consumption less than US$2.15 per person | 64.6 |
| | |
| **Education** | |
| At least one school-aged child is not enrolled in school | 33.3 |
| No adult has completed primary education | 54.9 |
| | |
| **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 |

Source: World Bank using IOF/SSAPOV/GMD

## POVERTY DATA AND METHODOLOGY

Official poverty estimates in Mozambique are produced by the National Directory of Economic Policies and Development [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 the Household Budget Survey [Inquérito sobre o Orçamento Familiar (IOF)] and is collected by the National Statistics Institute [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. The latest household budget survey, IOF 2019-2020, was fully financed by the World Bank. The data collection started in December 2019 and ended in December 2020. More recently (January 2023), INE completed the collection of a new household survey, also financed by the World Bank. The data is expected to be available by June 2023.

The World Bank is preparing a Poverty Assessment based on the new poverty data (IOF 2019-2020) and using a consumption aggregate comparable to that of the government. In line with the report produced in 2018, which was based on IOF 2014-2015 data, the Bank is using a poverty line to reflect the cost of the basic needs of the population. To analyze monetary poverty trends, the poverty line from the previous report is inflated to correct for changes in the price level over the two periods. While poverty levels differ from official figures, poverty trends over time are similar. To make international comparisons, the Bank also calculated poverty rates using an international poverty line, $2.15 2017 PPP per person per day. To analyze trends in multidimensional poverty, this analysis makes use of the same set of 8 indicators employed in the 2018 Poverty Assessment report. The indicators are the following: Education, Access to services, Housing conditions, Asset ownership and the Prevalence of monetary poverty. All indicators are broken down by area (urban and rural) and given identical weights. A household is considered multidimensionally poor if it is deprived in at least 3 out of the 8 indicators

**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.

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