

MOZAMBIQUE News reports & clippings

344 Poverty survey supplement - 31 October 2016

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Special report on 4 poverty surveys since 1996:

- **49% of people poor, down from 69% in 1997, but each survey shows 11-12 million poor**
- **Niassa, Nampula, Zambézia poorest**
- **Inequality rising**

An analysis of changes in poverty based on the 2014/15 family expenditure survey (IOF, Inquérito ao Orçamento das Famílias) was presented by the Ministry of Economy and Finance (MEF) in Maputo 26 October 2016. Details of the analysis are not yet available but a PowerPoint presentation containing the key data was released. Surveys are conducted every six years and this is the fourth survey. There were surveys in 1996/97 and 2002/03, known as Inquérito aos Agregados Familiares - IAF, and an IOF in 2008/09. IOF 2014/15 contains data on demographic characteristics, employment, daily expenses and domestic consumption, possession of durable goods, housing conditions, other income, natural disasters, children's nutrition, and tourism. The sample consisted of 11,000 households. IOF 2014/15 was published on 30 December 2015, but the poverty analysis is new. This report compares the four poverty surveys.

The PowerPoints for the 4th and 3rd poverty surveys, the four full family expenditure surveys, and background documents are on <http://bit.ly/2dYAuWS>, under Family Expenditure Surveys.

Poverty levels

For each survey 13 different regional poverty lines are set on a basic needs basis, using the acquisition cost of a basic food basket of 2150 kilocalories per person per day, plus the cost of acquisition of non-food basic goods (such as school fees, purchase of medicines, clothing, and footwear.) For 2014/15 this ranged from MT 19.6 (\$.50 - 50 US cents - per person per day) in rural Sofala and Zambézia to MT 41.7 (\$1.06) in urban Maputo province, primarily Matola. (In mid 2015 the rate of exchange was MT 39 = \$1) The survey is then used to estimate the percentage of people below the poverty line in each of the 13 areas, which is then totalled.

Although the percentage of people living in poverty has fallen in the past 18 years from 69.4% to below 50%, population has been growing faster, so the actual number living in poverty has risen from 11 million to 12 million.

For 2014/15 two different poverty lines are given, as was controversially done for the 2002/03 survey. For 2014/15 the normal poverty line, calculated in the same way as past surveys, gives 49.2% of the population, or 12.6 million people, below the poverty line. But if the poverty line is "adjusted" to reduce the value of the essential basket, then only 46.1% are below the poverty line - 11.8 mn people. For 2014/15 it is argued that the basic basket in Maputo province and city was of

higher quality than elsewhere, so the value was lowered. This change takes 800,000 people out of poverty.

In 2002/03 it was argued that people with less money would switch to cheaper food, so the poverty line was set lower, taking 1.6 million people out of poverty.

Lowering the poverty line is the easiest way to take people out of poverty. The “adjustment” of 2002/03 data caused joy when it was announced, because the fall in poverty was so great, but it caused a scandal when 2008/09 data was announced because there had been no fall in the poverty rate in the previous six years and a huge increase in the number of people in poverty.

Table 1: Population below the poverty line, 4 surveys

IAF, IOF	%age below the poverty line		Population (million) (INE)	Million people below poverty line	
	fixed basket	adjusted basket		fixed basket	adjusted basket
96/97	69.4	69.4	16.1	11.2	11.2
02/03	63.2	54.1	18.5	11.7	10.0
08/09	54.7	54.7	21.8	11.9	11.9
14/15	49.2	46.1	25.7	12.6	11.8

Figure 1: Percentage of population below the poverty line, 4 surveys

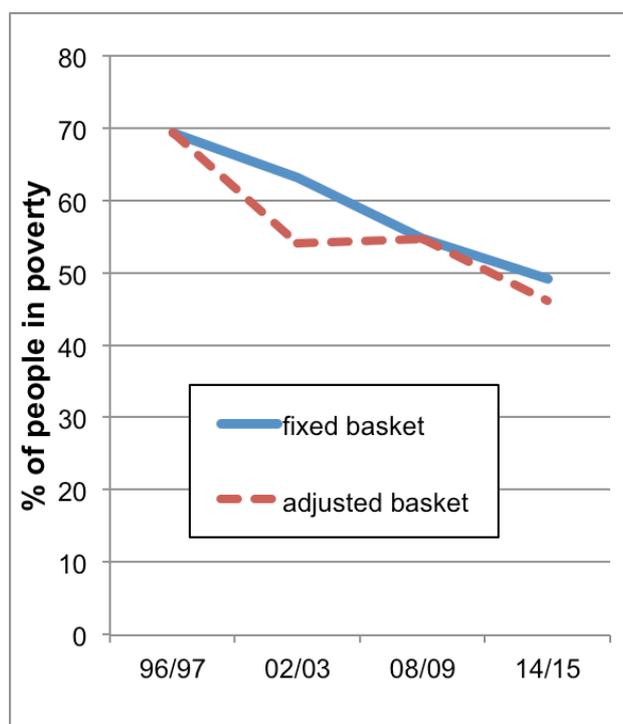


Figure 2: Millions of people below the poverty line, 4 surveys

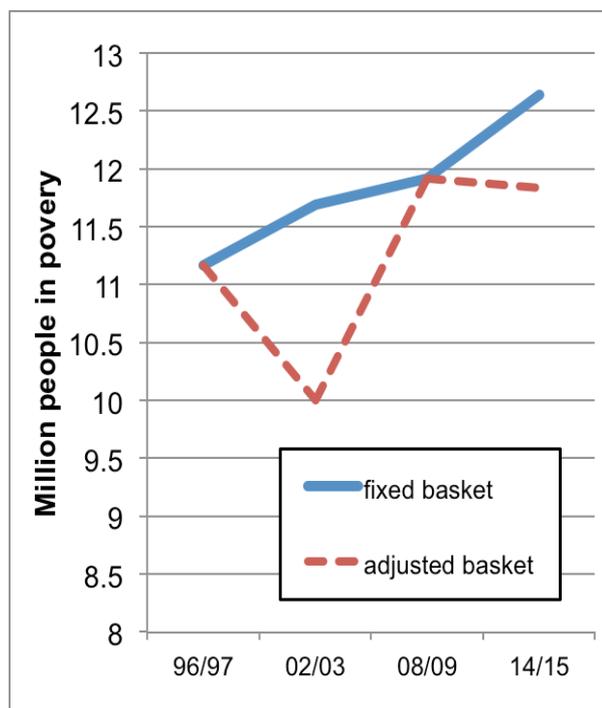


Table 1 sets out the results of the four surveys. The “fixed baskets”, using the same method in all four surveys and the “adjusted baskets” for 2002/03 and 2014/15 are from the respective published data. Population is from Instituto Nacional de Estatística (INE) from the later year of the survey. Millions below the poverty line is then calculated. (Note these do not agree with Fig 1.4 of the MEF ppt, which appear to use different population figures from those given by the INE.)

The blue lines show that with a consistent basic basket of food and clothing, the fall in percentage in poverty has been steady and a straight line (Figure 1) while the number in poverty has risen steadily. The red dashed line which takes into account the two years with “adjusted” figures seems much more erratic and less trustworthy.

Table 2 shows poverty levels by province. The biggest decreases are in Maputo city and province, caused by the “adjustment” of the data. Other significant decreases are in Tete, Sofala and Inhambane. Poverty is over 55% in Niassa, Nampula and Zambézia and 51% in Gaza.

Table 2. Poverty levels by province: % of population below the poverty line, ranked by 2014/15 value. (“Adjusted” values)

Province	1996/97	2014/15
Niassa	71.9	60.6
Nampula	69.4	57.1
Zambézia	67.6	56.5
Gaza	64.8	51.2
Inhambane	83	48.6
Cabo Delgado	59.1	44.8
Sofala	87.8	44.2
Manica	62.4	41.0
Tete	81.9	31.8
Maputo Province	65.6	18.9
Maputo City	47.1	11.6
National	69.7	46.1
Urban	61.8	37.4
Rural	71.8	50.1

The new evaluation also gives a set of tables in which the urban adjustment is made retrospectively. Table 3 gives all three versions for national, urban, and rural, showing significant differences.

Table 3: Percentage of population below the poverty line, 4 surveys, with and without adjustments

Fixed basket				
	96/97	02/03	08/09	14/15
National	69.4	63.2	54.7	49.2
Urban	62.0	61.3	49.6	40.7
Rural	71.3	64.1	56.9	53.1
One adjustment				
	96/97	02/03	08/09	14/15
National	69.4	54.1	54.7	46.1
Urban	62.0	51.5	49.6	37.4
Rural	71.3	55.3	56.9	50.1
Two adjustments				
	96/97	02/03	08/09	14/15
National	69.7	52.8	51.7	46.1
Urban	61.8	48.2	46.8	37.4
Rural	71.8	55.0	53.8	50.1

"Fixed basket" is the same basket system for each survey;

"one adjustment" makes the 2002/03 adjustments for that year and the 2014/15 adjustment only for that survey; and

"two adjustments" applies the 2014/15 urban adjustment to previous years, including to the already adjusted 2002/03 figures.

Inequality levels

Inequality, which had not changed very much in previous surveys, suddenly jumped in urban areas. Figure 3 and table 4 give the Gini indices, a measure of inequality in which a higher number is more unequal. For comparison, South Africa is most unequal with a Gini of 0.62; China (0.47) and the United States (0.45) are similar to Mozambique (0.47); and Portugal (0.34), Britain (0.32) and Sweden (0.25) are more equal.

Figure 3. Gini indexes

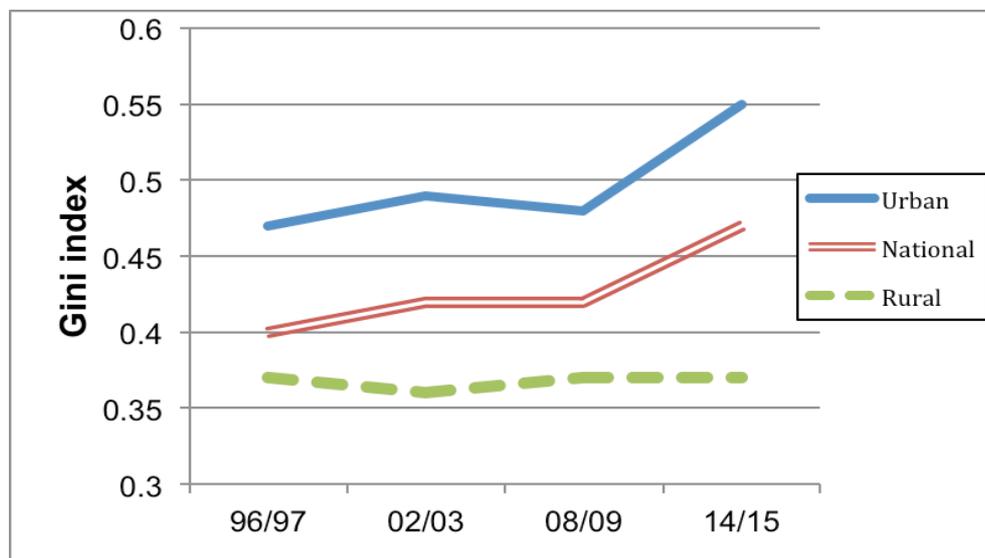


Table 4. Gini indexes

Gini index	96/97	02/03	08/09	14/15
Urban	0.47	0.49	0.48	0.55
National	0.40	0.42	0.42	0.47
Rural	0.37	0.36	0.37	0.37

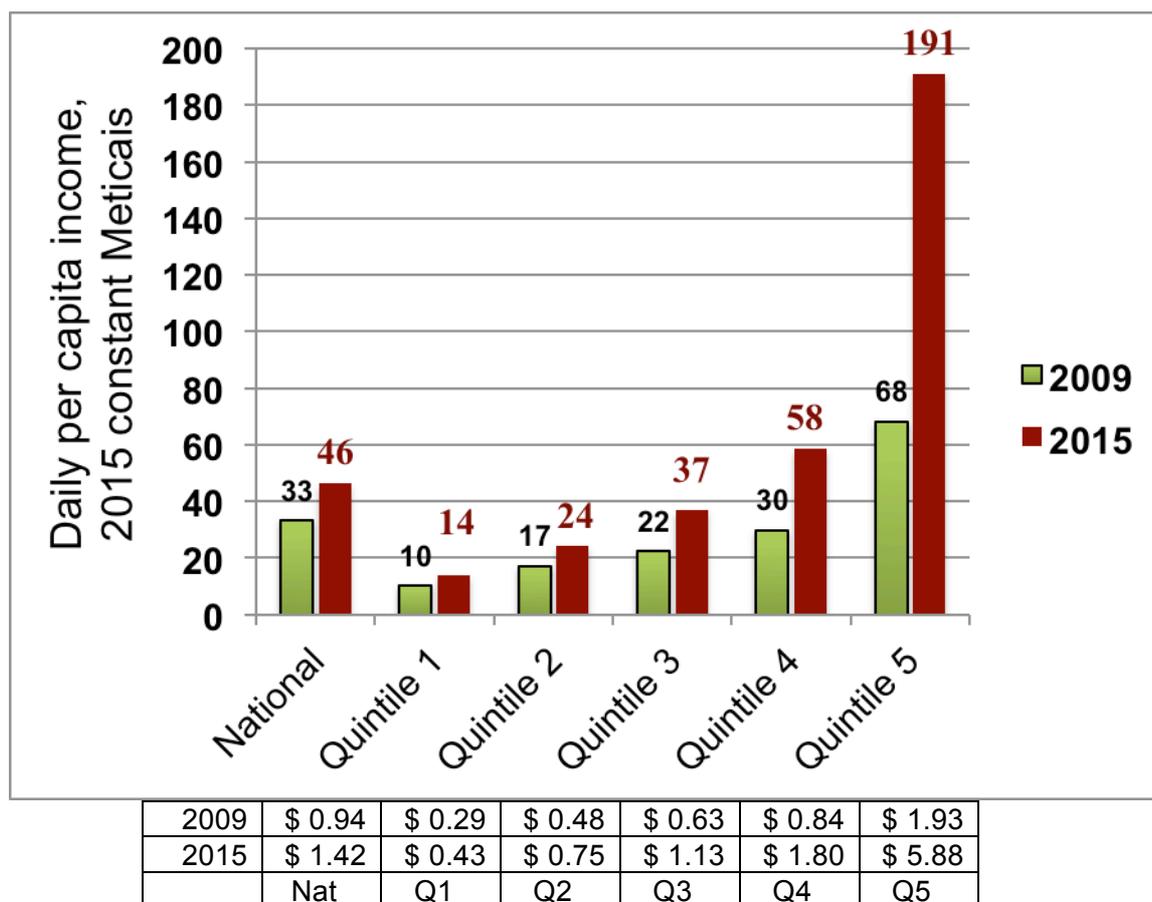
The IMF in a report issued 14 January 2016 warned that "in Mozambique, income inequality has increased despite high rates of economic growth," and "few countries offer such a stark contrast as Mozambique". (See *News Reports and Clippings* 308)

When the IOF 2014/15 was published on 30 December 2016, we were able to do a partial analysis of inequality, which we republish here:

The best off fifth of Mozambicans spend 14 times as much as the poorest fifth - double the ratio of 7 to 1 just six years before. The survey shows that average per capita expenditure rose 40% in real terms in the past six years, but the big grainers were the better off. In just six years, the top fifth of the population has seen their spending triple, rising from \$1.93 per person per day to \$5.88. (See Figure 4.) By contrast, the poorest fifth saw their spending rise from \$0.29/person/day to \$0.43/person/day. If the population is divided into fifths by expenditure, their daily expenditures in dollars per person are \$0.43 (43 US cents), \$0.75, \$1.13, \$1.80, and \$5.88. Thus suggests about half of Mozambicans live on less than \$1/day.

The rural-urban gap has widened, with urban per capita spending increasing from 2.1 times rural to 2.5 times rural. For rural people this is not necessarily cash spending, as it includes the market "value" of food they grow and eat and the value of self-built houses.

Figure 4. Daily per capita income, by quintile, 2008/09 and 2014/15



Based on IOF 1014/15 Gráfico 4.3, page 31, changed from monthly to daily, and 2009 corrected to 2015 Meticaïls using ratios of Quadro 4.10 (2009 constant prices) compared to Quadro 4.3.

US\$ exchange rates are January of each year.

Non-income poverty levels

The survey also calculate a non-income poverty score, recording the percentage of people who do not satisfy at least three of six basic conditions:

- Someone in the family has completed primary school
- There is a secure water supply
- There is an acceptable toilet
- The house has a conventional roof
- The house has electricity
- The family has a certain minimum of durable goods.

On this measure the difference between urban (18% in poverty) and rural (72%) is dramatic, and the north-south divisions are large, again with Niassa, Nampula and Zambézia the worst, over 70% with non-income poverty. Table 5 gives the results by province.

In the durable goods category, 56% of families have mobile telephones while only 52% have a bed. The percentage of families with a bicycle has declined since 2009, from 38% to 33% due to a move up to motorcycles (4% up to 8%) and cars (2% up to 4%). Also 10% of families have solar panels and 6% have computers.

Illiteracy has fallen from 50% to 45% between 2008/09 and 2014/15. But for the group 15 to 19

years old, it remains 29%, which is surprising as only 13% say they have not been to school. By sex, 30% of men and 58% of women are illiterate.

Table 5. Percentages of families with non-income poverty

	1996/97	2014/15
National	86	55
Urban	50	18
Rural	95	72
Zambézia	96	75
Niassa	95	73
Nampula	95	68
Tete	95	67
Cabo Delgado	97	64
Manica	89	50
Sofala	86	46
Inhambane	83	43
Gaza	79	23
Maputo Province	73	7
Maputo City	18	1

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Comment: something will turn up: <http://bit.ly/28SN7QP>

Following the donor-designed path to the \$2.2 billion secret debt <http://bit.ly/3WQ-Hanlon>

Oxfam blog on Bill Gates & chickens:

<http://oxfamblogs.org/fp2p/will-bill-gates-chickens-end-african-poverty/>

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Books by Joseph Hanlon

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by Manoj Roy, Joseph Hanlon and David Hulme

Published by Anthem Press

<http://www.anthempress.com/bangladesh-confronts-climate-change-pb>

Chickens and beer: A recipe for agricultural growth in Mozambique by Teresa Smart and Joseph Hanlon

In pdf format, 6 Mb file, free on <http://bit.ly/chickens-beer>

E-book for Kindle and iPad, <http://www.amazon.com/dp/B00NRZXXKE>

Galinhas e cerveja: uma receita para o crescimento

by Teresa Smart & Joseph Hanlon. Copies are in Maputo bookshops or from

KAPICUA, Rua Fernão Veloso 12, Maputo; Tel.: +258 21 413 201 or +258 21 415 451

Telm.: +258 823 219 950 E-mail: kapicua@tdm.co.mz / kapicuacom@tdm.co.mz

Outside Mozambique, we have a few copies we can send from London. Please e-mail j.hanlon@open.ac.uk.

Zimbabwe takes back its land

by Joseph Hanlon, Jeanette Manjengwa & Teresa Smart is now available from the publishers https://www.rienner.com/title/Zimbabwe_Takes_Back_Its_Land also as an e-book and <http://www.jacana.co.za/book-categories/current-affairs-a-history/zimbabwe-takes-back-it-s-land-detail>

Do bicycles equal development in Mozambique? by Joseph Hanlon & Teresa Smart is available from the publisher <http://www.boydellandbrewer.com/store/viewItem.asp?idProduct=13503>

Just Give Money to the Poor: The Development Revolution from the Global South

by Joseph Hanlon, Armando Barrientos, and David Hulme
Most of this book can now be **read on the web** tinyurl.com/justgivemoney

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Mozambique media websites, Portuguese:

Notícias: www.jornalnoticias.co.mz
O País: www.opais.co.mz
@Verdade: <http://www.verdade.co.mz>
Diario de Moçambique (Beira): <http://www.diariodemocambique.co.mz>
Carlos Serra Diário de um sociologo: <http://oficinadesociologia.blogspot.com>

Mozambique media websites, English:

Club of Mozambique: <http://clubofmozambique.com/>
Rhula weekly newsletter: <http://www.rhula.net/news-announcements.html>
Zitamar: <http://zitamar.com/>
Macauhub English: <http://www.macauhub.com.mo/en/>
AIM Reports: www.poptel.org.uk/mozambique-news

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