

# Poverty & Equity Brief

Sub-Saharan Africa

## Angola

April 2020

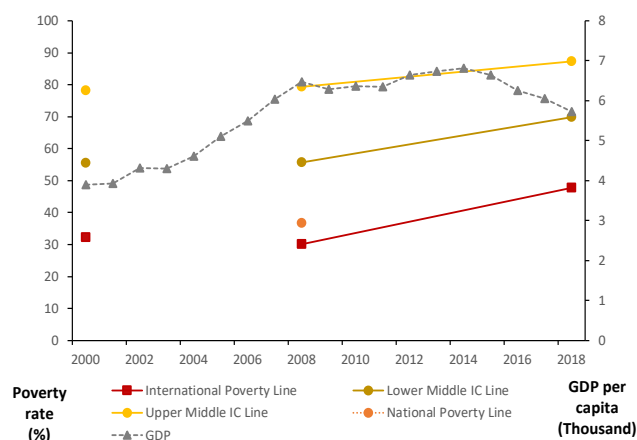
Between 2008-2009 and 2018-2019, the percent of people below the national poverty line changed from 37 percent to 41 percent (data source: IDR 2018-2019). During the same period, Angola experienced an increase in GDP per capita followed by a recession after 2014 when the price of oil declined. Based on the new benchmark survey (IDREA 2018-2019) and the new national poverty line, the incidence of poverty in Angola is at 32 percent nationally, 18 percent in urban areas and a staggering 54 percent in the less densely populated rural areas. In Luanda, less than 10 percent of the population is below the poverty line, whereas the provinces of Cunene (54 percent), Moxico (52 percent) and Kwanza Sul (50 percent) have much higher prevalence of poverty.

Despite significant progress toward macroeconomic stability and adopting much needed structural reforms, estimates suggest that the economy remained in recession in 2019 for the fourth consecutive year. Negative growth was driven by the continuous negative performance of the oil sector whose production declined by 5.2 percent. This has not been favorable to poverty reduction. Poverty is estimated to have increased to 48.4 percent in 2019 compared to 47.6 percent in 2018 when using the US\$ 1.9 per person per day (2011 PPP). COVID-19 will negatively affect labor and non-labor income. Slowdown in economic activity due to social distancing measures will lead to loss of earnings in the formal and informal sector, in particular among informal workers that cannot work remotely or whose activities were limited by Government. Poverty is expected to remain high during the next three years as economic performance worsens. Gini inequality is relatively high and on the rise at 51.3 in 2018-2019.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	8.0	36.6	2008
International Poverty Line 429.3 in Angolan kwanza (2018) or US\$1.90 (2011 PPP) per day per capita	14.7	47.6	2018
Lower Middle Income Class Poverty Line 723.1 in Angolan kwanza (2018) or US\$3.20 (2011 PPP) per day per capita	21.5	69.8	2018
Upper Middle Income Class Poverty Line 1242.9 in Angolan kwanza (2018) or US\$5.50 (2011 PPP) per day per capita	26.9	87.2	2018
Multidimensional Poverty Measure		56.3	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		-3.18	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, POVCALNET as of February 2020, and Global Monitoring Database for the rest.

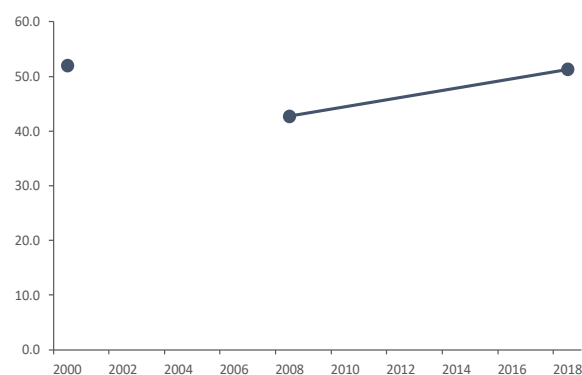
## POVERTY HEADCOUNT RATE, 2000-2018



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 (% of people):	2018
	Non-Poor	Poor	Bottom 40	Top 60		
Urban population	68	32	24	76	<b>Monetary poverty (Consumption)</b>	
Rural population	27	73	65	35	Daily consumption less than US\$1.90 per person	47.6
Males	53	47	39	61	<b>Education</b>	
Females	52	48	40	60	At least one school-aged child is not enrolled in school	27.4
0 to 14 years old	46	54	46	54	No adult has completed primary education	29.8
15 to 64 years old	59	41	34	66	<b>Access to basic infrastructure</b>	
65 and older	56	44	35	65	No access to limited-standard drinking water	32.1
Without education (16+)	33	67	58	42	No access to limited-standard sanitation	53.6
Primary education (16+)	43	57	48	52	No access to electricity	52.6
Secondary education (16+)	74	26	19	81		
Tertiary/post-secondary education (16+)	96	4	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

Instituto Nacional de Estatística (INE) in Angola oversees the collection of household budget surveys (HBS) and performs the poverty analysis. The first two rounds of poverty surveys (2000 and 2008-2009) are non-comparable as the methods of data collection and population coverage changed. INE recently finalized the collection of the third HBS. Poverty estimates using the more recent data were released on December 5, 2019. During the period March 2018 - February 2019, the INE conducted two household budget surveys in parallel, (i) Inquérito sobre Despesas e Receitas (IDR 2018-2019), funded by the Government of Angola and (ii) Inquérito de Despesas, Receitas e Emprego em Angola (IDREA 2018-2019), with technical and full financial assistance from the World Bank. The first survey employed the same instruments and methods employed in Inquérito Integrado sobre o Bem-Estar da População (IBEP 2008-2009) as to enable monitoring of poverty over time. The second survey is an improvement to the earlier waves and will serve as the benchmark survey for monitoring poverty in Angola. Therefore, poverty numbers based on IBEP 2008-2009 are not comparable to those based on IDREA 2018-2019.

INE adopts a consumption-based measure of poverty. The poverty line is derived following the cost of basic needs approach. Nominal consumption aggregates are adjusted temporally based on the CPI for Luanda and spatially based on the Fisher index. The final consumption aggregate is based on an adult-equivalence scale. The 2008 HBS data set is available on the INE micro-library database and once all analysis is complete the latest survey will also be updated into INE's micro-library database.

## 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 four 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.