

Poverty & Equity Brief

Sub-Saharan Africa

Angola

April 2019

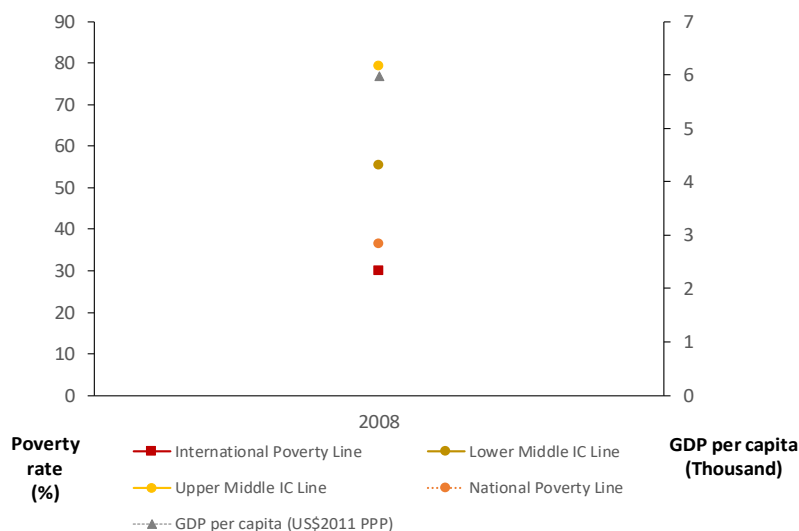
The economy is suffering the effects of lower oil prices and production levels and is expected to have contracted by 1.7 percent in 2018. During the third quarter of 2018, the Industrial Production Index declined by 10 percent with respect to same period of previous year, suggesting a substantial decline in employment. But when poverty is measured with reference to the international poverty line of \$1.90 per person per day 2011 PPP poverty reached 30 percent in 2008 and is expected to remain at that level throughout 2019, despite the expected contraction in the economy.

Growth is expected to remain subdued in 2019 due to a faster-than-expected decay in mature oil wells and a lower-than-expected production from marginal oil fields. Growth in the non-oil sector is projected to gradually increase over 2019-2021, driven by greater foreign exchange availability, a more flexible exchange rate, and measures to boost private investment. Subdued growth has resulted in reduced employment opportunities and incomes. These and an elevated inflation that is cutting into the purchasing power of the poor explain the stagnation in poverty reduction.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	8.0	36.6	2008
International Poverty Line 101.5 in Angolan kwanza (2008) or US\$1.90 (2011 PPP) per day per capita	6.5	30.1	2008
Lower Middle Income Class Poverty Line 170.9 in Angolan kwanza (2008) or US\$3.20 (2011 PPP) per day per capita	12.1	55.7	2008
Upper Middle Income Class Poverty Line 293.7 in Angolan kwanza (2008) or US\$5.50 (2011 PPP) per day per capita	17.3	79.4	2008
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		N/A	N/A
INEQUALITY			
Gini Index		42.7	2008
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		N/A	N/A
GROWTH			
Annualized GDP per capita growth		13.2	2003-2008
Annualized Consumption Growth per capita from Household Survey		N/A	N/A

Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of March 2019, and Global Monitoring Database for the rest.

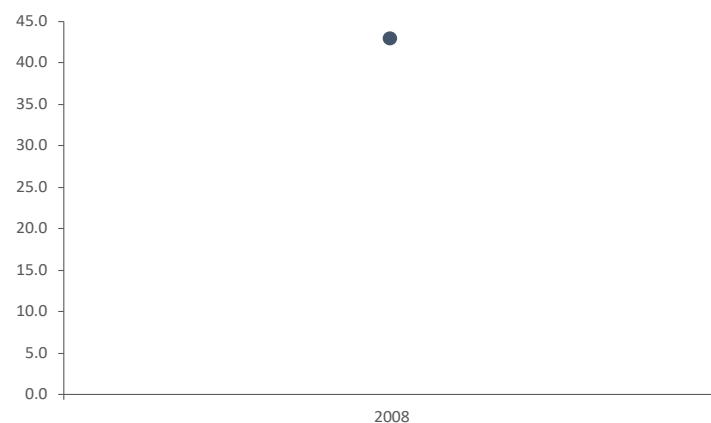
POVERTY HEADCOUNT RATE, 2008



Source: World Bank using IBEP-MICS/SSAPOV/GMD

INEQUALITY TRENDS, 2008

Gini Index



Source: World Bank using IBEP-MICS/SSAPOV/GMD

KEY INDICATORS (distribution among groups)

	International Poverty Line (%)		Relative Group (%)		Year
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	86	14	21	79	2008
Rural population	50	50	63	37	2008
Males	71	29	39	61	2008
Females	69	31	41	59	2008
0 to 14 years old	65	35	45	55	2008
15 to 64 years old	74	26	35	65	2008
65 and older	75	25	35	65	2008
Without education (age 16 and older)	64	36	43	57	2008
Primary education (age 16 and older)	73	27	38	62	2008
Secondary education (age 16 and older)	91	9	14	86	2008
Tertiary/post-secondary education (age 16 and older)	98	2	4	96	2008

Source: World Bank using Global Monitoring Database

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) are non-comparable. INE recently (February 2019) finalized the collection of the third HBS with the World Bank's support. The data collection for this 12-month survey started in March 2018. A bridge survey was implemented in parallel to allow comparability with earlier survey data. Poverty estimates numbers are expected by May 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 44 out of the 48 countries in the SSA region. The four countries not covered in the database are Eritrea, Equatorial Guinea, Somalia and Zimbabwe. Terms of use of the data adhere to agreements with the original data producers.