

Poverty & Equity Brief

Africa Eastern & Southern

Angola

October 2020

Angola has been in recession since 2016, with real GDP per capita in 2019 nearly 20 percent lower than its level in 2014. Worsening conditions in the oil sector, which represented 30 percent of GDP and 90 percent of exports in 2019, have been a significant driver. The COVID-19 pandemic has exacerbated the recession, with GDP expected to fall by 4 percent in 2020.

As of 2018, the most recent poverty information available, nearly three out of four Angolans (73.2 percent of the population) lived on less than \$3.20 per day (in 2011 PPP terms), the international poverty line used for lower-middle income countries like Angola. This group includes the 51.8 percent of the population, representing 15.9 million Angolans, living on less than \$1.90 per day (2011 PPP terms), the international poverty line.

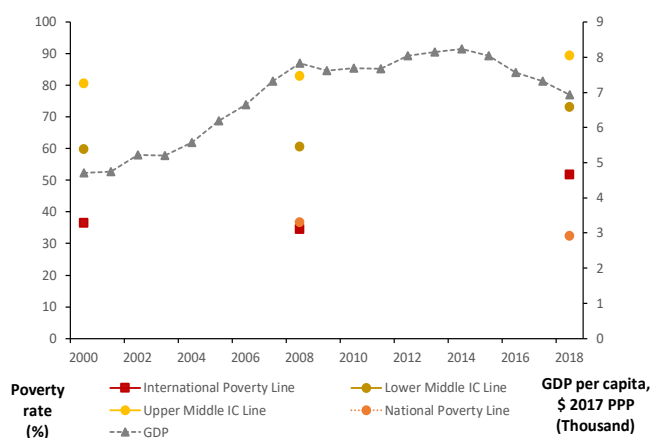
Reflecting a stark duality between a modern oil-economy in urban centers and the traditional rural sectors, inequality in Angola is high with a Gini Index of 51.3. Poverty rates are especially high in rural areas, where 76 percent of the population lives on less than \$1.90 per day, relying primarily on subsistence farming. Among the groups most affected by poverty are children 0-14 years old, 58 percent of whom live on less than \$1.90 per day. Particularly concerning is that more than a quarter of school-aged children are not enrolled in school, suggesting a high risk of intergenerational poverty for these children. In addition, much of the population suffers from deprivation in access to basic infrastructure, especially improved sanitation and electricity. Fewer than half of Angolans have access to these essential services.

Economic conditions have continued to deteriorate since the poverty data were collected. Recent indicators suggest a decrease of 8 percentage points in employment in urban areas. This is particularly significant since more than 70 percent of workers in highly impacted sectors like commerce and hotels are informal. At the same time, inflation has accelerated, with prices for food, much of it imported, rising faster (by 29.9 percent). Without subsistence production and with food accounting for 44 percent of expenditures, urban households are particularly vulnerable to worsening food insecurity.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	10.0	32.3	2018
International Poverty Line 429.3 in Angolan kwanza (2018) or US\$1.90 (2011 PPP) per day per capita	15.9	51.8	2018
Lower Middle Income Class Poverty Line 723.1 in Angolan kwanza (2018) or US\$3.20 (2011 PPP) per day per capita	22.5	73.2	2018
Upper Middle Income Class Poverty Line 1242.9 in Angolan kwanza (2018) or US\$5.50 (2011 PPP) per day per capita	27.5	89.3	2018
Multidimensional Poverty Measure		59.2	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		-3.16	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 September 2020, and Global Monitoring Database for the rest.

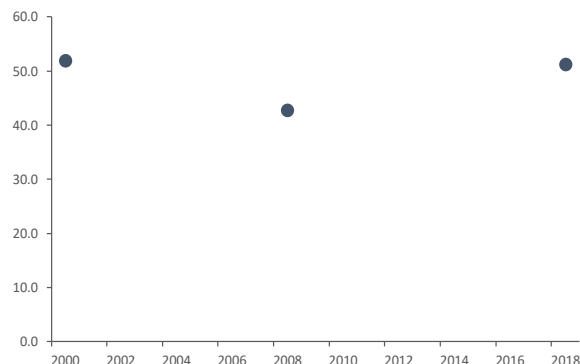
POVERTY HEADCOUNT RATE, 2000-2018



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: 2018 (% of population)
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	64	36	24	76	Monetary poverty (Consumption) Daily consumption less than US\$1.90 per person 51.8
Rural population	24	76	65	35	
Males	49	51	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	48	52	40	60	
0 to 14 years old	42	58	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	55	45	34	66	
65 and older	51	49	35	65	
Without education (16+)	29	71	58	42	
Primary education (16+)	38	62	48	52	
Secondary education (16+)	70	30	19	81	
Tertiary/post-secondary education (16+)	95	5	3	97	

Source: World Bank using IDREA/SSAPOV/GMD

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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 the three poverty data points reported in this brief and poverty estimates available for earlier years for Angola or for 2018 based on other surveys.

INE adopts 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 both 2018-19 household budget surveys, is available online through 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.