

# INCLUSIVE GROWTH IN MOZAMBIQUE

- scaling up research and capacity

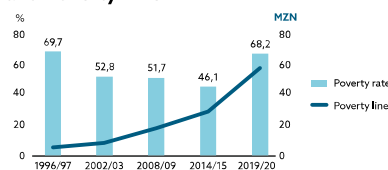
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## The Evolution of Poverty in Mozambique

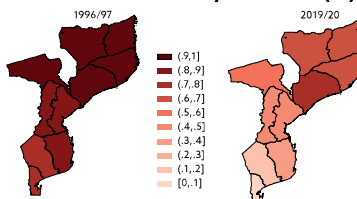
### HIGHLIGHTS

- Consumption Poverty (CP) decreased until 14/15, but then increased sharply until 19/20.
- Multidimensional Poverty (MP) steadily improved, reducing to about half of its 96/97 level in 19/20.
- The South is multidimensionally less poor than the Center and North, both in terms of multidimensional levels and multidimensional evolution.

**FIGURE 1:**  
Consumption Poverty Incidence  
and Poverty Line



**FIGURE 2:**  
Multidimensional Poverty Incidence (%)



### POLICY OPTIONS

- Inclusive economic, social, regional and infrastructural policies are needed.
- Guarantee well-designed social protection systems.
- Prioritize agriculture, agribusiness and smallholders.
- Access to market, credit and extension is needed.
- Consider the local context and traditional knowledge.

### INTRODUCTION

- This poster summarizes IGM program studies on multidimensional and consumption poverty using Household Budget Survey (IAF/IOF) data from 1996/97 to 2019/20.
- The studies use the cost of basic needs and the Alkire-Foster approach.
- CP is determined by setting a poverty line based on the cost of acquiring a basic basket of (non-)food items. Families with consumption levels below this line are classified as poor.
- MP considers more than consumption: health, education, housing quality, ownership of durable goods.
- MP is calculated by assessing if families are deprived in each indicator, weighting the indicators based on their relative importance, and establishing a cutoff to distinguish between poor and non-poor households.

### RESULTS

#### CONSUMPTION POVERTY

Consumption poverty notably decreased from 70% in 1996/97 to 53% in 2002/03, remained stable until 2008/09, then dropped to 46% in 2014/15. Next, there was a significant rise to 68% in 2019/20 (see Figure 1).

Simultaneously, the poverty line increased from 5.5 in 1996/97 to 58.4 MZN/person/day in 2019/20.

Rapid economic growth is associated with the reduction in consumption poverty until 2014/15. Factors such as the "hidden debt" scandal, climate shocks, the Covid-19 pandemic, and decreased commodity exports are linked to the increase in consumption poverty after 2014/15.

#### MULTIDIMENSIONAL POVERTY

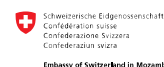
Multidimensional poverty has consistently decreased, showing a significant 33PP reduction from 1996/97 to 2019/20. MP is less vulnerable to shocks, attributable to its association with structural changes such as infrastructural improvements and increases.

Figure 2 illustrates the decline of multidimensional poverty over time while also highlighting provincial disparities. The South exhibits lower levels of MP compared to the Center and North, both in terms of levels and the progression of multidimensional poverty.

### REFERENCES



IMPLEMENTING INSTITUTIONS



Embassy of Switzerland in Mozambique