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## **Economic Conditions, Living Conditions and Poverty in Mozambique**

### **Introduction**

Since the 1990s, Mozambique has been realizing the benefits the economic policy shifts of the late 1980s, including structural adjustment, privatization and liberalization, and conservative fiscal and monetary policies. By the late 1990s, Mozambique had “recorded some of the highest levels of annual economic growth in Africa, averaging 6 to 10 percent per annum”.<sup>1</sup> And with exception of the rapid price rises in the flood years of 2000 and 2001, inflation has been brought down to single digits. These benefits widened in the first decade of the 21st century, and have generally been considered as critical to poverty reduction by some practitioners and even scholars. But beyond official growth and inflation rates, how have ordinary Mozambicans experienced economic trends? To answer this, we use the findings of Afrobarometer public opinion surveys from 2002, 2005 and 2008 to analyze whether the changes in the country’s economic conditions are consistent with reports on individual living conditions. Are Mozambicans enjoying the benefits of national economic growth? How do they evaluate trends in the national economic situation and in their own living conditions? And how much poverty do they experience in their daily lives?

### **The Survey**

Afrobarometer surveys are now conducted in 20 countries in Africa, using a common survey instrument and methodology. The recent survey in Mozambique was the third in a series conducted in the country. The first two rounds were conducted in 2002 and 2005 respectively. The Round 4 survey was carried out from 6 to 24 December 2008. The Centre for Policy Analysis conducted face-to-face interviews with a nationally representative probability sample of 1200 adult Mozambicans, selected from across all 10 provinces plus Maputo City. Each province was sampled in proportion to its share of the national population. A sample of this size gives an overall margin of sampling error of +/-3 percent at a 95 percent confidence level.<sup>2</sup> Interviews were conducted in the language of the respondents’ choice, and were done in Portuguese, Macua, Sena, Ndaou or Changana.

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<sup>1</sup> Pereira et al.. 2003. “Eight Years of Multiparty Democracy in Mozambique: The Public’s View.” Afrobarometer Working Paper No 30.

<sup>2</sup> Thus, for an estimate of, say, 50 percent, there is a 95 percent chance that the actual percentage lies between 47 and 53 percent.

### National and Individual Economic Conditions

How do Mozambicans view their country's present economic condition; and how does this compare to their own present living condition? To gauge this, the Afrobarometer asked people: "In general, how would you describe: The present economic condition of this country?" Results in Table 1 from all three (2002, 2005 and 2008) surveys implemented so far in Mozambique show that one half of all Mozambicans had a favorable view of the national economy in 2002 and 2005. However, in 2008, people are somewhat less positive. While the proportion rating the economy as bad has remained constant, the numbers rating the economy as "fairly" or "very good" has dropped to 37 percent, and the proportion saying it is "neither good nor bad" has grown to fully one in three (33 percent).

**Table 1: Country's Present Economic Conditions**

	2002	2005	2008
Very Bad	5%	7%	5%
Fairly bad	16%	15%	18%
Neither good nor bad	22%	22%	33%
Fairly good	40%	43%	35%
Very good	10%	7%	2%
Don't know	7%	7%	6%

*Question: In general, how would you describe the present economic condition of this country?*

We see the same trend in people's evaluations of their own living conditions: while one-in-three (36 percent and 35 percent) Mozambicans viewed their own present living condition as "fairly good" or "very good" in 2002 and 2005, this proportion dropped to one-in-four (27 percent) in 2008 (see Table 2), and for the first time a plurality in the most recent survey said their personal situation was "fairly" or "very bad". We also find that people are consistently more likely to have positive views of national economic conditions than their own personal living conditions.

**Table 2: Own Present Living Conditions**

	2002	2005	2008
Very Bad	8%	9%	8%
Fairly bad	24%	24%	24%
Neither good nor bad	30%	31%	40%
Fairly good	30%	32%	26%
Very good	6%	3%	1%
Don't know	1%	1%	2%

*Question: In general, how would you describe your own present living conditions?*

### Steady Progress?

While people are now less likely to evaluate the present national economy positively, their evaluations of retrospective changes have shown no change at all over the three surveys. In all three surveys, between 45 and 48 percent say that the national economy is "better" or "much better" than one year ago. This may suggest that people's expectations of the economy are increasing. Thus, even though they continue to see steady improvement, they are somewhat less satisfied now than in the past. Alternatively, it could reflect that there was an economic slump between the 2005 and 2008 surveys, but that the economy was already recovering by 2007-2008.

**Table 3: National Economic Conditions Compared to 12 Months Ago**

	2002	2005	2008
Much worse	4%	3%	3%
Worse	19%	18%	23%
Same	24%	26%	23%
Better	39%	43%	42%
Much better	6%	5%	6%
Don't know	7%	5%	3%

*Question: Looking back, how do you rate the following compared to twelve months ago: economic conditions in this country?*

Slightly different trends are evident with regard to retrospective ratings of personal living conditions. The proportion reporting improvement was relatively stable from 2002 (38 percent) to 2005 (35 percent), but then increased somewhat in 2008 (41 percent) (see Table 4). But we again see that Mozambicans give consistently higher ratings to recent national economic trends compared to their own personal economic trends.

**Table 4: Personal Living Conditions Compared to 12 Months Ago**

	2002	2005	2008
Much worse	4%	5%	3%
Worse	22%	25%	23%
Same	33%	32%	30%
Better	11%	33%	38%
Much better	27%	2%	3%
Don't know	3%	3%	2%

*Question: Looking back, how do you rate the following compared to twelve months ago: your living conditions?*

### **Looking Forward: Economic Optimism**

Compared to how they see recent trends and present conditions, Mozambicans are more confident in their personal and national economic futures. Not only are prospective evaluations more positive than present or retrospective evaluations, but the optimism is growing as well. Optimism about both national economic conditions has increased from 54 percent expecting things to get “better” or “much better” in 2002, to 57 percent in 2005 and 2008. The increase has been more marked on with respect to personal living conditions, with optimistic expectations increasing from 47 percent in 2002 and 2005 to a solid majority of 57 percent in 2008 (see Tables 5 and 6).

**Table 5: National Economic Conditions in 12 Months Time**

	2002	2005	2008
Much worse	1%	2%	1%
Worse	8%	8%	5%
Same	16%	14%	13%
Better	39%	46%	44%
Much better	15%	11%	13%
Don't know	21%	20%	24%

*Question: Looking ahead, do you expect the following to be better or worse: economic conditions in this country in twelve months time?*

**Table 6: Own Living Conditions in 12 Months Time**

	2002	2005	2008
Much worse	2%	2%	2%
Worse	9%	10%	5%
Same	22%	20%	13%
Better	38%	41%	49%
Much better	9%	6%	8%
Don't know	20%	22%	24%

*Looking ahead, do you expect the following to be better or worse: your living conditions in twelve months time?*

### **Lived poverty**

But beyond the question of how people rate their personal conditions, what do they experience in their daily lives? To answer this question, we turn to a set of questions that are designed to measure “Lived Poverty”. The root of the Afrobarometer question reads “Over the past year, how often, if ever, have you or anyone in your family gone without...” Interviewers repeated this question five times, asking about “water,” “medical care,” “food,” “cooking fuel,” and “a cash income”.

In general, we find that Mozambicans experience very high levels of “lived poverty.” For instance, at least one-in-four people in 2008 said they had regularly (adding together the proportions who say “several times,” “many times,” or “always”) gone without food (28 percent), medical care (28 percent) or water (24 percent) in the previous year (Table 7). One in five (20 percent) had suffered from shortages of cooking fuel, and fully 63 percent had regularly lacked a cash income.

Yet as high as they seem, the 2008 levels of lived poverty mark a sharp drop from 2002 and 2005 levels. For example, regular food shortages were experienced by 44 percent in 2002 and 47 percent in 2005, so the 2008 figures represent a very substantial improvement. Similar patterns are observed for shortages of other items. Water shortages were not as severe in 2002, but they reached 47 percent in 2005 before dropping back to 24 percent in 2008. The proportion regularly going without necessary medical care fell from 46 percent in 2002 and a majority of 53 percent to just 28 percent more recently.

**Table 7: Lived Poverty, 2008**

	Never	Just once or twice	Several time	Many times	Always	Don't know
Gone without food	54%	17%	15%	11%	2%	1%
Gone without water	65%	11%	14%	7%	3%	0%
Gone without medical care	56%	14%	18%	8%	2%	1%
Gone without cooking fuel	68%	12%	12%	6%	2%	1%
Gone without cash income	24%	13%	24%	22%	17%	1%

*Question: Over the past year, how often, if ever, have you or annoying in your family gone without...?*

**Table 8: Lived Poverty, 2005**

	Never	Just once or twice	Several time	Many times	Always	Don't know
Gone without food	43%	10%	27%	15%	5%	1%
Gone without water	45%	7%	16%	15%	16%	1%
Gone without medical care	36%	11%	25%	17%	11%	11%
Gone without cooking fuel	55%	8%	17%	10%	7%	3%
Gone without cash income	11%	9%	25%	31%	23%	2%

*Question: Over the past year, how often, if ever, have you or annoying in your family gone without...?*

**Table 9: Lived Poverty, 2002**

	Never	Just once or twice	Several time	Many times	Always	Don't know
Gone without food	46%	10%	19%	20%	5%	0%
Gone without water	64%	9%	12%	8%	7%	0%
Gone without medical care	43%	10%	20%	16%	10%	1%
Gone without cooking fuel	65%	6%	12%	7%	5%	2%
Gone without cash income	36%	7%	15%	17%	18%	6%

*Question: Over the past year, how often, if ever, have you or annoying in your family gone without...?*

These drops perhaps may reflect massive increases in land usage for agriculture as a result of the government's "green revolution" policy, introduced in 2007, that makes it easier for people to convert land into agricultural production. In addition, they may also reflect successes in government and donor efforts to fight poverty through different mechanisms like the introduction of free treatment for malaria, a policy that was widely publicized by a very active Minister of Health, and pursuit of the Poverty Reduction Strategy, along with closer monitoring and evaluation in conjunction with civil society organizations.

### **Conclusions**

This briefing paper analyzed how often Mozambicans experience poverty, on one hand, and how they evaluate national and personal economic conditions on the other, employing public opinion survey data gathered by the Afrobarometer in 2002, 2005 and 2008. We find that Mozambicans were far less likely to experience shortages in basic necessities in 2008 than they were in either 2005 or 2002.

Indeed, 41 percent of Mozambicans said in 2008 that their personal living conditions had improved in the previous twelve months. These changes appear to be fuelling increased optimism for the future: majorities of 57 percent say they expect both their personal living conditions, as well as the national economy, to improve in the next 12 months.

The government, together with donor community, might be realizing some success in their efforts to cut poverty through new health, agricultural and other economic policies, and the effects of closer monitoring and evaluation together with civil society may have helped as well. Whatever the sources, there has clearly been enough progress to support considerable optimism on the part of ordinary Mozambicans.

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