Multidimensional Child Poverty in Mozambique







End poverty in all its forms everywhere





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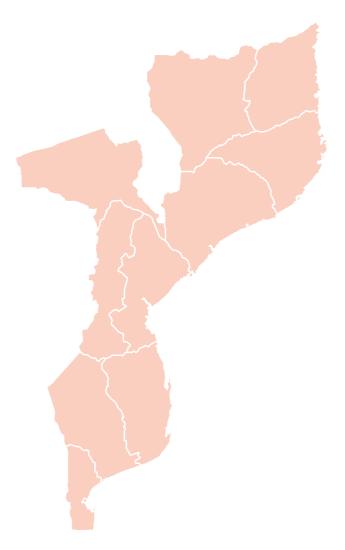
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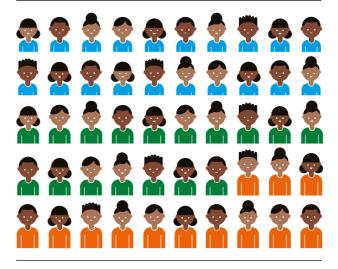
Abbreviatio	ns and acronyms
DHS	Demographic and Health Survey
ECAW	Evidence for Child and Adolescent Well-being
FA	UN Food and Agriculture Organization
GDP	Gross Domestic Product
ILO	UN International Labour Organization
IMF	International Monetary Fund
INE	Mozambican National Institute of Statistics
IOF	Inquérito sobre Orçamento Familiar
MCO	Mozambique Country Office
MEF	Ministry of Economy and Finance in Mozambique
MODA	Multiple Overlapping Deprivation Analysis
MPI	Multidimensional Poverty Index
MT	Metical (national currency of Mozambique)
ODI	Overseas Development Institute
ОРНІ	Oxford Poverty and Human Development Initiative
PQG	Programa Quinquenal do Governo
SDGs	Sustainable Development Goals
WASH	Water, sanitation and hygiene
WFP	UN World Food Programme
WHO	UN World Health Organization



# Key figures and findings in the report

In Mozambique there are

# 14,261,208 children



**5,626,986** aged 0-5 **4,935,145** aged 6-11 3,699,077 aged 12-17

Based on Census 2017

Out of 14 million children, nearly 10 million across the country experience poverty in one form or another.\*

46%

Almost one in two Mozambican children aged 0-17 can be considered multidimensionally poor based on the definition agreed with national stakeholders. This implies that some of the basic rights of around seven million children are not met.

49%

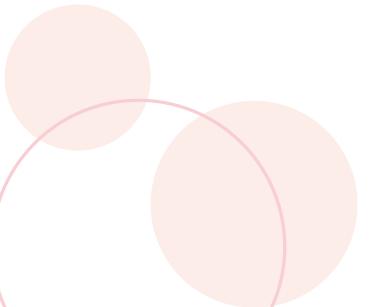
Half of the child population aged 0-17 are monetary poor, meaning that they live in a family whose consumption is below the national poverty line.

28%

Almost a third of children experience both monetary and multidimensional poverty: they are consumption poor and deprived in multiple dimensions at the same time.

49% vs 46%

The rate of monetary child poverty is higher than that of the general population, showing that monetary poverty affects the young population more.



# **Foreword**

Last year, 2019, marked the thirtieth anniversary of the UN Convention on the Rights of the Child (CRC) by which countries recognize children as individuals entitled to non-negotiable rights. It is also 25 years since the Government of Mozambique demonstrated its own commitment to fulfil the rights of the country's over 14 million children – 57 per cent of Mozambique's population. Multidimensional child poverty analysis – presented in this report – provides an opportunity and the means to take stock of the nation's progress in fulfilling commitment to the CRC and meeting the challenges of achieving the sustainable development goals for children. This analysis will help to identify areas for the Government's immediate and decisive action.

According to this report, one out of two Mozambican children and adolescents live in monetary poverty or experience multiple deprivation; one out of three face both forms of poverty simultaneously. This violates the most fundamental rights of children, but also sabotages the future of the country by weakening its ability to develop into an economically prosperous and sustainable nation.

Using the most recent nationally representative data and analytical tools, the report provides a multidimensional snapshot of the situation of children in Mozambique, taking into account geographical contexts and different age groups. It shows that the great majority of children still do not have access to clean water, electricity or improved sanitation. Almost two-thirds of children aged between 12 and 17 did not complete primary education and four in ten children are stunted. The progress was slow, but visible in children's access to mosquito nets – an important way to prevent malaria – and to information.

It is fair to state that the context of this analysis has probably worsened since the indicators were first estimated. Mozambique's economy is experiencing complex turmoil that threatens social investment and adds further political tensions. Moreover, in March of 2019 the region was hit by the tropical cyclone Idai, which devastated ample zones of Zimbabwe, Malawi and, worst of all, Mozambique. Thousands were reported missing or dead and the livelihoods of hundreds of thousands more were wiped out along the northern coasts of the country.

These are not reasons to despair, however, but rather to make further efforts to improve the situation of Mozambique's children, as both an ethical and intelligent investment for the country's future. UNICEF is fully committed to this task and eager to continue working alongside its national and international partners. We believe that accurate and updated information is the first step for any successful strategy, and thus the vital purpose of this report.

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# **Executive Summary**

Mozambique experienced significant growth between 2000 and 2016, when GDP per capita¹ more than doubled. However, children did not fully share the benefits; they are, in fact, likely to be among the most deprived children in the world as they live in a country with some of the highest levels of extreme poverty (64 per cent).² This reality is the result of a long-term process of unequal growth and limited policy reforms in key sectors benefiting children. Moreover, the recent disaster caused by cyclones Idai and Kenneth highlighted the extreme vulnerability of the country to natural disasters and their devastating impact on the lives of the most vulnerable, especially children.

There is much uncertainty about the levels of Mozambique's social priority spending by 2024, which will depend on internal growth rates, the external context, and the outcome of the Government's negotiations with donors. There is no doubt, however, about the urgency with which the country needs to address poverty and deprivation of children and their families, while reducing alarming equity gaps. A coherent policy effort that the Government of Mozambique delivers now and in the near future will determine the opportunities available to over 14 million children and adolescents a decade from today in 2030, the target year for accountability on the country's progress in achieving the Sustainable Development Goals (SDGs).

This report presents the level of poverty and deprivation of children (ages 0–17) in Mozambique, based on a multidimensional poverty analysis, a child-centred approach that identifies the scale and severity of deprivations in key areas of child well-being using the national Household Budget Survey (IOF) 2014/2015. The headline figures are estimated using the Multidimensional Poverty Index (MPI) methodology with complementary multiple overlapping deprivation analysis (MODA) focusing on eight dimensions and their cumulative effects. Each deprivation can be seen as a violation of child rights as defined by the UN Convention on the Rights of the Child (CRC). In Mozambique, these areas include family, nutrition, education, labour, health, water, sanitation and hygiene (WASH), participation, and housing. The analysis applies a life-cycle perspective which highlights the needs and problems related to each particular stage of childhood.

The report was prepared jointly by the Ministry of Economy and Finance (MEF) and the UNICEF Mozambique Country Office and draws on both commissioned background papers and those produced in partnership with the UNICEF Office of Research-Innocenti and UNU-WIDER. The main objectives of this report are (a) to provide comprehensive evidence regarding child poverty and deprivation in Mozambique for the purpose of informing policy developments in the context of the next National Five-year Plan (*Programa Quinquenal do Governo*, PQG); and (b) to stimulate discussions amongst the Government and its partners regarding the fiscal space and programmatic scope to reduce child poverty in accordance with the national commitment made in respect of the Sustainable Development Goals (SDGs).

Development Indicators

# The following are the key findings and messages presented in this report:

# Almost one in two (46 per cent) Mozambican children aged 0–17 can be considered multidimensionally poor.

This is based on the definition agreed with national stakeholders. This represents a violation of the basic rights of nearly seven million children and adolescents.

# Half of the child population aged 0–17 (49 per cent) are monetary poor and almost a third (28 per cent) experience both monetary and multidimensional poverty.

These children are consumption poor and deprived in multiple dimensions at the same time. The highest proportion of this most vulnerable child population is concentrated in rural areas (33 per cent) and the northern provinces (38 per cent). A child in Mozambique has a higher chance of being monetary poor than an adult regardless of the age group, 3 showing that monetary poverty affects the young population more.

# Geographical and structural inequality constitute a fundamental characteristic of child poverty and deprivation in Mozambique.

There is a de facto lottery of birth that punishes those born in the rural areas or in 'non-southern' provinces. Being born in the rural areas or in a northern province increases the likelihood of living in poverty three-fold relative to urban areas and southern regions driven by the situation of Maputo and Maputo province. Children of the 4 poorest provinces – Niassa, Cabo Delgado, Nampula and Zambézia – are 45 times more likely to be poor than those in the richest – Maputo city.

# Urban child poverty is driven by low consumption.

41 per cent of children in urban areas are monetary poor but only 19 per cent are deprived in multiple dimensions. This implies that urban child poverty can be tackled through cash transfers and income-generating, child-sensitive social protection schemes.

# An overwhelming majority of children lack access to basic infrastructure and decent housing – structural domains of multidimensional poverty.

Almost three-quarters of Mozambican children (74 per cent) lack proper access to sanitation and electricity, and four out of ten (43 per cent) lack clean and accessible sources of water. An estimated 16 per cent of children share a room with four or more people and more than half (57 per cent) live in a house with floors and roofs made out of primitive natural materials prone to severe damage when natural disasters occur. The most basic needs of these children are not met, leaving them unjustifiably far behind.

# Stunting is an area requiring urgent policy action for children under five.

42 per cent of Mozambican children under five are stunted and 16 per cent are underweight. There has been limited progress in reducing stunting: together with child marriage, this problem has not improved tangibly between 1996/97 and 2014/15 (less than one percentage point estimated annual reduction).

<sup>&</sup>lt;sup>1</sup> GDP is measured in terms of Purchasing Power Parity (PPP) 2011, adjusted. <sup>2</sup> According to the World Bank definition of USD 1.90 a day (2011 PPP), World

<sup>&</sup>lt;sup>3</sup> Age group ranges used in this report are: 0-4 years, 5-12 years, 13-17 years.

# Completion of primary education is the top policy priority for children aged 12 and over.

A staggering two-thirds (68 per cent) of children aged between 12 and 17 had not completed primary school based on the key source of data of this report (IOF 2014/15), while a quarter (26 per cent) of children aged between 5 and 12 are not even attending.

# Meanwhile, the most recent household data shows notable progress in children's access to mosquito bednets, improved sanitation and reduction in wasting.

The deprivation rate in access to mosquito nets – the main protection from malaria risks – decreased from 54 per cent to 39 per cent between 2008/09 and 2014/15. The wasting rate was halved between 2002/03 and 2014/15 (from 7 to 4 per cent).

# Deprivations experienced by children in Mozambique are deep and cumulative.

Almost a third of children (30 per cent) experience three or more simultaneous deprivations at a time. Another third of the country's children (32 per cent) are affected by four or more forms of deprivation. Policy focus has to be directed towards an integrated approach, particularly in health, Water, Sanitation and Hygiene (WASH), and nutrition as one in four (25%) children are simultaneously deprived in all three areas.

# Rural location, low education of parents and the type of jobs they hold are the major determinants of multidimensional child poverty.

Children living in rural areas, in female-headed households, with poorly educated household heads, or those working in low-paid jobs in the agricultural sector are most at risk. The extreme weather events also play an important role in heightening the risk of multidimensional poverty.

# The fiscal environment to tackle child poverty and deprivation is currently constrained.

At present, Mozambique has limited fiscal space to respond to the challenges of multidimensional poverty. A demanding political and economic context, with few electoral incentives to exert fiscal prudence and introduce budgetary commitments, makes the reduction of child poverty a challenging task.

# The triple burden of child-sensitive priority spending is yet to be resolved.

The analysis of the four priority sectors for children (education, health, WASH and social action) shows that the current spending framework is suffering from a triple burden: (i) scarcity and volatility of available resources; (ii) inequitable distribution of funds; and (iii) lack of efficiency, which prevents better outcomes for the existing spending.

# Increasing spending on child-sensitive social sectors and improving its efficiency will ensure a continuous investment in child well-being.

Efficiency can be improved by reducing inequity and aligning resources with needs corresponding to the SDG motto of 'leaving no one behind'. For example, education concentrates half of the total public spending, and health an added third. Though both sectors have suffered from a drain in external support of the budget and common funds, they have considerable room for efficiency gains by improving budget execution and geographical allocation.

# A child grant is a viable and most direct social protection measure to reduce monetary as well as multidimensional child poverty.

This is a policy option that can combine fiscal prudency and notable poverty reduction. The analysis presented in this report shows that a cash transfer of 600 meticals (roughly two-thirds of the poverty line) delivered to families with children aged between 0 and 2 years, and implemented in the poorest districts nationwide, can be fiscally sustainable. But there are no shortcuts to achieve a significant (10 per cent) reduction in child monetary poverty. This target requires the Government to commit to nation-wide coverage of the universal child grant.

The global and regional experience of the last two decades proves that child-sensitive policies can improve children's welfare in critical areas such as nutrition, health and education, ensuring longer-term human development. The political will to address child poverty in all its forms within the next Five-year National Development Plan (PQG) and the renewed commitment of public institutions and international donors would offer Mozambique's children a real opportunity for progress and protection.

The analysis presented in this report leads to six key recommendations to protect children's rights in public polices:

### One

Explicitly include the indicators of multidimensional and monetary child poverty disaggregated by regions, geographical areas and other socioeconomic characteristics into the National Five-year Development Plan (PQG 2020–2024) and in the localized SDG framework with a clear child well-being target for 2030.

# Four

Institutionalize cross-sectoral integration on child-sensitive policies and interventions through planning and implementation processes to tackle multiple issues immediately. This is key to achieve tangible reductions in multidimensional child poverty.

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### Two

Increase spending on child-sensitive social sectors and improve spending efficiency.

### **Five**

Reform the education system to enable every child regardless of gender, place of birth or religion to complete at least basic (primary) levels of education and learn how to read and write.

### Three

Prioritize policies and plans to tackle inequalities and reach the most vulnerable children especially those in rural areas.

### Six

Expand child-sensitive social protection (e.g. a child grant) in and beyond the poorest districts of the country to tackle both monetary and multiple deprivation poverty. A holistic approach of integrating cash transfers with in-kind support and assistance has a strong potential to reduce the risk of multidimensional poverty among the most vulnerable groups of children.

In the context of today's political and socioeconomic situation, there is an urgent need to improve evidence-based policymaking and increase transparency as well as accountability in child-related policies at national as well as subnational levels. Timely and regular monitoring of multidimensional child poverty in Mozambique under SDG target 1.2 is a pre-condition for reaching political consensus and addressing critical issues of child well-being in a consistent, fair and efficient manner before the SDG accountability target year of 2030. The 14 million children of Mozambique deserve better policies and a real chance for a better future.

# 1. Introduction

Agenda 2030 provides Mozambique with a remarkable opportunity to put children's well-being at the forefront of the national development strategy through the next Five-year Plan (PQG).

National GDP per capita more than doubled between 2000 and 2016, but its benefits were not equally shared. 14 million children constitute over half of country's population and they did not benefit from the economic growth equally.

In 2015 the country started to experience a slowdown in its economy that could worsen due to a combination of political, financial, macroeconomic and financial challenges.







In September 2015, the United Nations committed to a set of 17 universal goals and targets to be used by its member states to frame their political policies and agendas – the Sustainable Development Goals (SDGs) to be fulfilled worldwide by 2030 (the 'Agenda 2030'). For the first time ever, the international community has bound itself to an agenda that makes equity and sustainability the targets of the world progress model. The achievement of the 17 SDGs could shape the future and opportunities of a whole generation of children, enabling them to live in dignity within the limits of a living planet.

The Sustainable Development Goals provide a contemporary interpretation of the Convention on the Rights of the Child, starting with the right to survival and development. SDG 1 states the commitment to reduce child poverty by half by the end of 2030, guaranteeing "substantial coverage for the poor and the vulnerable." The SDGs are a call to action for UN member states, international donors and non-governmental actors across the world. Children represent a third of the global population, and yet they make up more than half of those living in severe poverty, which can have long-term consequences, affecting children's chances in life.4

Mozambique is at the forefront of this battle on our shared future. Since the end of the civil war, more than 25 years ago, the country has seen vigorous economic growth and progress. GDP per capita (2011 PPP) more than doubled between 2000 and 2016, prompting economic opportunities and boosting the income of many families. 6 Official poverty rates declined rapidly from almost 70 per cent in 1996/97 to 54 per cent in 2002/03, but the pace of reduction has slowed down in more recent years, with average rates of 46 per cent in 2014/15. Poverty reduction was driven by diversified sectoral growth, spending on social priorities, stable food and fuel prices, and an enabling macroeconomic environment. The discovery of important natural reserves (mining and gas, mostly) attracted significant foreign direct investment that was channeled mainly through long-term mega-projects, but also through other smaller and more diversified investments which boosted the country's economy even further.

Unfortunately, the benefit from the country's economic windfall has not been homogenous. Mozambique's unequal growth patterns consolidated deep differences between regions, population groups and economic sectors, while hindering poverty reduction efforts. The country's poverty fell in relative terms between 2002/03 and 2014/15, but rose in absolute terms. In the words of the World Bank: "Had growth been more equally shared, Mozambique would have achieved twice as much poverty reduction since 2000."

No social group reflects the effects of these inequities more sharply than children. In Mozambique, girls and boys have watched their country's economic miracle from the sidelines.

# Despite the progress made over the last two decades, a child born in Mozambique today is more likely to live a life of poverty and deprivation than almost any other child in the world.

Even for sub-Saharan African standards, <sup>10</sup> the rights of Mozambican children to survival, development, protection and participation are neglected through a complex combination of factors, the solution of which goes far beyond the means and willingness of one single government. In a country where almost half of the population is under the age of 15, multiple deprivations of children and adolescents constitute a paramount cause for concern

The story is disappointing, but hardly surprising. Children's welfare is one of the main reasons why governments must pursue equal societies combined with strong social protection systems. Mozambique's high growth and overall poverty reduction rates have run in parallel with high fertility, high child and maternal mortality, and high youth unemployment, making it more difficult for families with children to escape poverty. In other words, the poverty that Mozambican children suffer constitutes both cause and effect of their country's deprivation traps.

This situation, however, is not irreversible. The experience of many other countries, as well as the ground covered by Mozambique itself, proves that determined, strategic and sustained efforts can turn around even the direct of realities. The better the information these efforts are based on, the more effective they will be. The challenges ahead suggest that this might be more necessary than ever.

### The challenging future

For the last few years a perfect storm has been mounting over the citizens of Mozambique. In 2015 the country started to experience a slowdown in its economy due to a decline of commodity prices, the climatic effects of El Niño (severe droughts in the south of the country) and currency depreciation. Next came the financial turmoil caused by an

unexpected state company debt of USD 2.2 billion and the temporary suspension of support from the IMF and a number of foreign donors. The situation was complicated further by the renewed military instability in the central and northern regions of the country, which had started in 2012–2013. The two cyclones in 2019 (Idai and Kenneth) caused the loss of 645 lives and injuries to 1,694 people. Over two million people are estimated to be in need. 12 This is an additional huge challenge to the already troubled economy of Mozambique.

As a result, Mozambique faces a number of additional challenges, all of which could determine the welfare of children in the coming years:

- Political: While political tensions have been tempered lately, parties will need to achieve wide electoral platforms, while at the same time negotiating with creditors and donors.
- Macroeconomic: there is an unstable macroeconomic scenario, defined by the threat of increasing inflation and currency depreciation over real income, as well as the prospects of positive yet modest GDP growth.
- Financial: the relationship with the donor community is fragile. Many are freezing their direct support until the conclusion of negotiations between the government and the IMF, and channeling aid through NGOs instead. But, in the current context, external budget support could prove critical to reach the required levels of social spending.
- Climatic: the increasing recurrence of extreme weather events will determine the availability of food for self-sufficient families, as well as the livelihoods of those in the rural areas. According to the World Bank, 13 three out of four Mozambican farmers lost part of their crops, animals or implements due to climatic shocks in 2015. The numbers are particularly worrying in the context of stagnated child stunting rates in the rural areas.

For children, budget cuts or limitations can easily turn into reduced social spending and investment (see Box 1). Growth deceleration could affect livelihoods and restrict the employment and income of household heads – one of the key determinants in child welfare. The retreat of the donor community from budget support and common funds will add further pressure for vulnerable populations.

In the convoluted context of contemporary Mozambique, at least one thing is clear: children bear no responsibility in creating the problem, and therefore should not be punished for it. All parties involved, starting with national public institutions and international donors, must renew their commitment towards children's rights and must advocate for the much-needed political support and financial investment for the benefit of children.

### Box 1. Debt has a child's face

Mozambique's debt crisis brings unsettling memories of other times. Back in the 1980s and 1990s, sub-Saharan Africa was trapped in a vicious circle of increased debt and drained social spending that took a dramatic toll on children's lives and welfare, and impeded economic growth. <sup>14</sup> In the words of Sridath Ramphal for UNICEF's Progress of Nations 1999, "Debt has a child's face. Debt's burden falls most heavily on the minds and bodies of children, killing some, and stunting others so that they will never fully develop." <sup>15</sup>

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That vicious circle was only broken by the coordinated commitment of African governments, international institutions and donors, and the implementation of ambitious debt-relief efforts such as the Highly Indebted Poor Countries initiative.

More recently, during the Great Recession, millions of children in developed and developing economies were once again hit by debt-related austerity programmes. <sup>16</sup> But the case of Mozambique is exceptional in the way debt was originated and in the disproportionate consequences it could have on the most vulnerable families. Economic slowdown and rising interest rates have propelled an external debt burden that in 2017 surpassed USD 9 billion – twice as much as five years before. The domestic debt burden has also worsened dramatically as a result of these shocks, doubling in the course of one single year (2016–17)<sup>17</sup> and placing further pressure on social public spending. The consequences for children could be daunting.

Civil society organizations, religious groups and international think tanks have questioned the legitimacy of these obligations and called for urgent restructuring of the debt and the need to shield social spending from the incoming reforms.

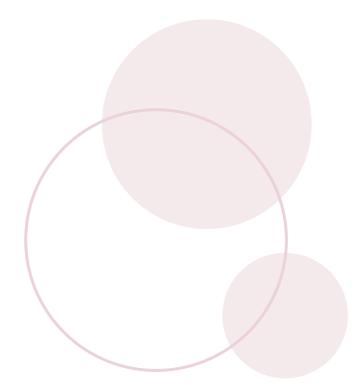
Source: Nordic Africa Institute (2018), UNICEF (2019) and Ramphal (1999).

Using the most recent data available, this report presents the findings on the level of child poverty and deprivation of children in Mozambique (aged 0–17) based on multidimensional poverty analysis, which provides a more comprehensive picture of what children in Mozambique lack to reach their full potential. By doing so, it aims not only to examine child welfare indicators according to gender, age and location, but also to understand the contribution of each dimension to children's poverty, and any overlap between them. This should provide the government of Mozambique with critical evidence regarding the most vulnerable groups of children and their geographical distribution, as well as identifying areas that need urgent policy attention. The report will also make suggestions regarding the multi-sector approaches required to tackle child poverty and deprivation.

By highlighting the needs of children and simulating policy scenarios, this report will enable public debate and help to design more effective child-focused poverty-reduction strategies.

Some key questions need to be answered to assess the real extent and composition of child poverty in Mozambique:

- What is the actual breadth and depth of multidimensional child poverty in Mozambique?
- What is the relationship between monetary and multidimensional poverty?
- Who and where are those children living in poverty?
- Are children deprived in more than one area simultaneously?
- What are the key determinants behind these multiple deprivations and what should constitute a priority for action?
- What options does the government have to address child poverty in Mozambique today?



- <sup>4</sup> Hjelm et al. (2016).
- <sup>5</sup> Ministry of Economics and Finance of Mozambique (2016).
- <sup>6</sup> Ibid (2016).
- 7 World Bank (2018)
- <sup>8</sup> Ministry of Economics and Finance of Mozambique (2016).
- <sup>9</sup> World Bank (2018a).
- <sup>10</sup> UNICEF (2014).
- <sup>11</sup> World Bank (2018a).
- <sup>12</sup> OCHA (of 22 May 2019).
- <sup>13</sup> World Bank (2018a)
- <sup>14</sup> Ramphal (1999).
- 15 ibid
- <sup>16</sup> See, for instance, UNICEF (2014a) analysis on developed countries (and UNICEF (2010) on the South African case.
- <sup>17</sup> UNICEF (2019).



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# 2

# Methodology and Data

The analysis uses data from the latest round of the national Household Budget Survey (IOF) 2014/2015.

The headline figures on multidimensional child poverty incidence and intensity are based on the Alkire and Foster methodology or child Multidimensional Poverty Index (child MPI). This is complemented with Multidimensional Overlapping Deprivation Analysis (MODA) by individual dimensions and their overlap.

Eight child deprivation dimensions and 17 indicators are based on conceptualization of multidimensional child poverty by key national stakeholders.







Following the 2010 report on Child Poverty and Deprivation in Mozambique (UNICEF 2010), this report uses a multidimensional concept of child poverty linked to the fulfillment of child rights (or lack thereof). It is widely established that children experience poverty differently to the rest of society. They have no control over resources and have limited decision-making power within the household, which makes them particularly vulnerable. Also, the types of deprivations children face will be different depending on their relevant stage in life.

### Measuring all dimensions of child poverty

There are a number of established approaches to measure multidimensional child poverty. For instance, the Child Poverty in Mozambique 2010 Report applied a child deprivation calculation method known as the 'Bristol approach' – the first rights-based measurement of multidimensional child poverty.

A different approach uses the Alkire and Foster methodology (2011) or 'child MPI' to estimate multidimensional poverty headcount and intensity, and aggregate the various dimensions of poverty into one index. The index combines information on the number of poor/deprived individuals within the population with the depth of poverty/deprivation of each individual, to give an indication of not only the incidence, but also the intensity of poverty/deprivation in a country or region.

A global Alkire and Foster method (MPI index), developed by the Oxford Poverty Human Development Initiative (OPHI), allows for global and regional comparison under the SDG framework and enables the analysis of deprivation indicators, although not by domains (sectors).

The Ministry of Economy and Finance of Mozambique has recently used the multidimensional poverty measures (MPI) for the adult population of Mozambique. In order to maintain consistency in methodological approaches, this report uses the Alkire and Foster methodology for the headline estimates of multidimensional child poverty.

Complementing this core analysis, the report draws on the Multidimensional Overlapping Deprivation Analysis (MODA)<sup>19</sup> to present the scale and distribution of child poverty by dimensions – something that is not possible using only child MPI methodology. It also offers overlapping deprivation analyses that go beyond clustered, sector-based approaches, all of which is critical in order to target policy interventions more accurately. Both methods use the same approach

for calculating deprivations, referred to as the 'cumulative incidence' of deprivations. <sup>20</sup> They also use the same indicators that were chosen at the Inception Workshop with key national stakeholders. At the indicator level, therefore, both methodologies produce identical results.

In addition, the report uses the standard measures of monetary child poverty based on the national poverty line of consumption per capita adjusted for children's population in Mozambique. In order to ensure perfect comparability, only data for the first trimester of the reference year has been used.

# What does it mean for a child to be poor in Mozambique?

The dimensions and indicators of multidimensional child poverty should be chosen based on the available national data and the particular socioeconomic context of each country, in order to reflect the conceptualization and understanding of the nature of child deprivation in the relevant population.

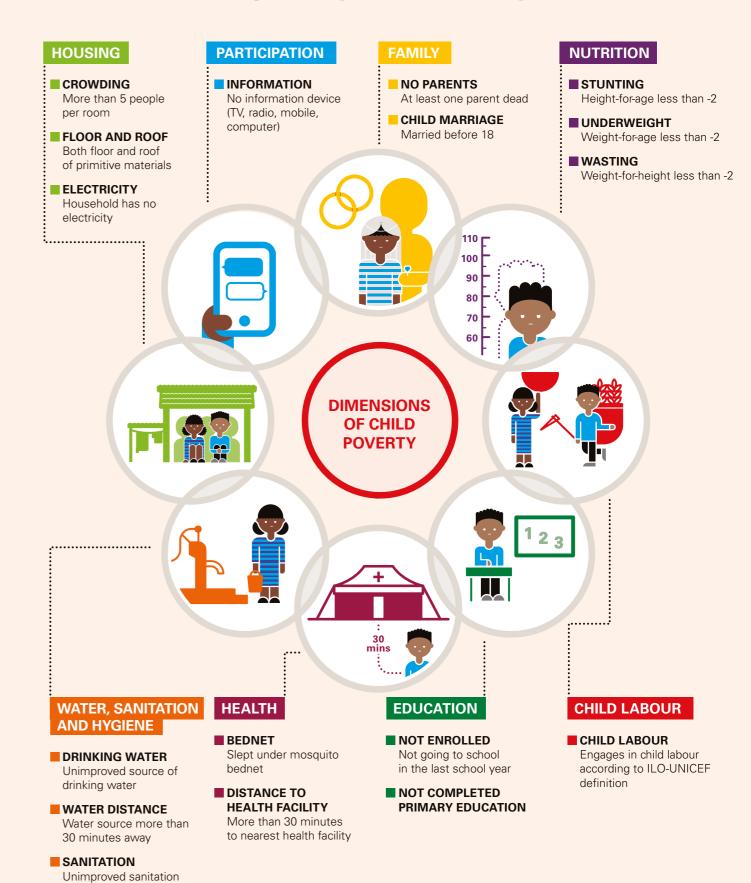
The selection process for this report was conducted by the Ministry of Economics and Finance, UNICEF and UNU-Wider in close consultation with key stakeholders during the Inception Workshop.<sup>21</sup> As a result, eight child deprivation dimensions and 17 indicators were recognised as determinants of deprivation in Mozambique (see Table 1). Indicators were selected to represent different age groups (0–4, 5–12 and 13–17) and the life-course relevance and availability of data (for instance: with regards to poverty, the absence of one parent is very relevant at ages below 12, but less so after 13).

According to the methodology of this report, the line between poor and non-poor children is established through a defined cut-off point: one third of the weighted deprivation indicators (see Annex 1 for further methodological details).

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# Table 1. **Dimensions and indicators**of child poverty in Mozambique

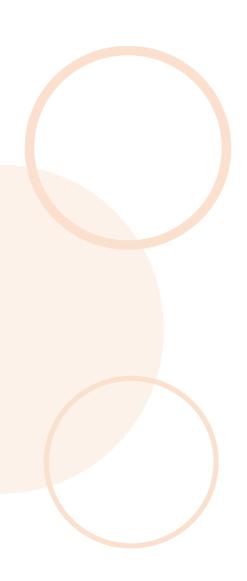


### Sources and data

The methodology employed in this report consists primarily of a desk review of published reports and other publications. The core analysis presented draws on the background research based on the 2014/2015 Household Budget Survey (IOF) conducted by the Mozambique National Statistics Institute (INE). The Institute collects information on daily, monthly, and yearly consumption expenditures, housing characteristics, employment, health status, education, anthropometric characteristics of children and other relevant data. The data is disaggregated at the national, urban/rural, regional, and provincial levels.

IOF 2014/2015 is the most recent data set suitable for multidimensional child poverty analysis. Its limitation, however, is that it does not capture the impact of the 2016 economic crisis. This should be taken into consideration while interpreting the findings of this report.

The following sections provide an explanation of the magnitudes, composition and determinants of child poverty in Mozambique. The analysis includes a referential comparison with children in other countries of the region, as well as with adults within Mozambique.





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<sup>&</sup>lt;sup>18</sup> Ferrone, Rossi and Bruckauf (2018).

<sup>&</sup>lt;sup>19</sup> Further details on this methodology can be found at https://www.unicefirc.org/MODA/

<sup>&</sup>lt;sup>20</sup> Multidimensional Child Poverty in sub-Saharan Africa. An interview with Sudhanshu Handa (by Dale Rutstein). Available at https://blogs.unicef.org/ blog/multidimensional-child-poverty-in-sub-saharan-africa/

<sup>&</sup>lt;sup>21</sup> Welfare outcomes considered in this study evolved from a 2016 workshop, hosted by UNICEF in Maputo, where participants were engaged in determining what constitutes a deprivation for a Mozambican child.

3.

# Child Poverty in Mozambique: Magnitude and Characteristics

Nearly seven million - or 46 per cent - of Mozambican children can be considered multidimensionally poor based on 2014/2015 IOF data. There is significant disparity between rural and urban areas, southern and northern provinces.

Almost a third of the country's children (28 per cent) are simultaneously monetary and multidimensionally poor, being deprived in multiple dimensions. The degree of overlap between monetary and multidimensional deprivation is considerably higher in rural areas than in urban ones.

Multidimensional child poverty grows in incidence and somewhat in intensity in the northern and central provinces, as compared to the south.

At all national and regional levels, the rate of child monetary poverty is higher than that of the general population (at the national level 49 vs. 46 per cent respectively).



The UN has defined child poverty as a state of deprivation, lacking, that is, the fundamental goods and services needed by a child to develop and reach his/her full potential.<sup>22</sup> Considered separately, each dimension of child deprivation reflects the lack of fulfilment of the relevant child right and, therefore, establishes the priorities that need to be addressed by government policies to improve the lives of children.

This section provides an overview of child poverty in Mozambique that considers both non-monetary and monetary aspects, as well as the subnational distribution of poverty impacts.

# The scale and intensity of multidimensional child poverty (ages 0–17)

Table 2 offers a picture of multidimensional poverty by area, age group, and gender, assessing three different aspects of child deprivation:

- (a) *incidence*, or proportion of those considered multidimensionally poor because they are deprived in at least one third of weighted indicators;<sup>23</sup>
- (b) intensity of multidimensional poverty, which is the number of deprivations experienced by the poor, where 100 per cent is the maximum possible deprivation intensity. In this report, the maximum possible deprivation intensity refers to eight selected domains (family, nutrition, education, child labour, health, WASH, participation and housing); and
- (c) poverty index is simply a factor of multidimensional poverty incidence and its intensity.<sup>24</sup>

According to the research, 46.3 per cent of Mozambican children can be considered multidimensionally poor (Table 2). Overall, the data shows dramatic structural and geographical disparities. The incidence of multidimensionally poor children in rural areas is three times higher than in urban areas, and the share of multidimensionally poor children in the northern and central regions is four times higher than in the in the southern region, largely driven by the situation of Maputo. The incidence of multiple deprivations is higher among adolescents (52 per cent), compared to the average of 45 per cent among other age groups. Gender differences are relatively small, with a slightly higher proportion of boys (47.3 per cent) being multidimensionally poor than girls (45.4 per cent).

The national multidimensional poverty index of 0.212 reflects high incidence and intensity of poverty among Mozambican children. Not only are almost half of them (46.3 per cent) poor in at least one third of the indicators, but they are deprived in an average of 45.7 per cent of these indicators. The intensity of poverty is remarkably similar among the different disaggregated groups (rural/urban, province, age and gender), which means that the observed differences in the poverty index are driven by incidence.

# Monetary (consumption) child poverty and its relationship with multidimensional poverty

One half (49 per cent) of all children in Mozambique are monetary poor. Similarly to multidimensional poverty, the rate is somewhat higher for rural areas but there are no significant differences between the areas (Table 2). The provinces of Nampula, Niassa, and Zambézia have the highest incidence rates: 58.7 per cent, 64 per cent, and 60 per cent respectively.

The incidence of multidimensionally poor children in rural areas is three times higher than in urban areas, and the share of multidimensionally poor children in the northern and central regions is four times higher than in the in the southern region



MULTIDIMENSIONAL CHILD POVERTY IN MOZAMBIQUE

	dimensional and mor			
	MULTIDIMENSIONAL POVERTY	CONSUMPTION POVERTY(*)		
	Incidence (per cent)	Intensity (per cent)	Poverty Index (Incidence x Intensity)	Children
National	46.3	45.7	0.212	49.0
Rural	57.6	45.9	0.265	52.5
Urban	18.6 44.4		0.082	40.5
North	59.2	46.9	0.277	58.0
Centre	51.2	45.4	0.232	48.5
South	14.6	41.1	0.060	35.4
Niassa	58.5	46.3	0.271	64.0
Cabo Delgado	60.6	47.6	0.288	50.4
Nampula	58.9	46.8	0.276	58.7
Zambézia	59.1	45.8	0.271	60.0
Tete	54.9	46.3	0.254	39.3
Manica	39.1	44.0	0.172	38.8
Sofala	40.8	43.5	0.178	42.4
Inhambane	30.5	41.6	0.127	48.8
Gaza	16.2	40.6	0.066	47.7
Maputo Prov	6.1	40.5	0.025	20.8
Maputo City	1.3	38.5	0.005	17.8
Age 0-4	44.9	45.8	0.206	50.5
Age 5-12	44.8	45.1	0.202	50.2
Age 13–17	51.8	46.9	0.243	44.1
Mala	47.0	45.0	0.210	40.7
Male	47.3	45.6	0.216	49.7
Female	45.4	45.8	0.208	48.4

Source: Mahrt et al (2018) on IOF 2014/2015 data.

\*We take consumption poverty levels for the first quarter as a reference in order to make the data fully compatible with deprivation data. Most household welfare data that are used in the current analysis of multidimensional well-being were only released for the first quarter.

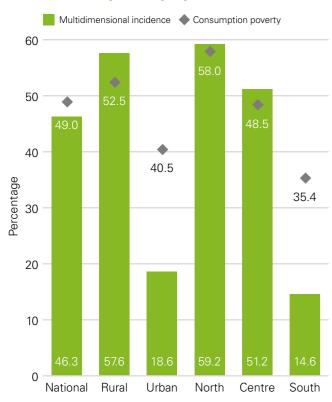
Do deprived children in Mozambique live in consumptionpoor households? Would an income transfer be more effective in reducing child poverty than the improvement in basic services? What strategies would be more effective for different sectors and locations?

The answers to these questions lie partly in the relationship between each dimension and the consumption aggregate. Deprivations can be directly related to the lack of financial means (for instance, the impossibility to buy quality food or pay for better housing), but they can also relate to structural inequalities, lack of infrastructure or deficiencies in the provision of services.<sup>26</sup>

Table 2 above and Figure 1 overleaf show that multidimensional and consumption poverty rates are similar where both are highest: rural areas, and central and northern regions. In contrast, multidimensional poverty in urban areas and the south is considerably lower than consumption poverty. A large share of rural households depends upon subsistence farming rather than income-generating activities. Therefore, living in rural areas or in the central and northern regions dramatically increases the possibility of suffering both consumption poverty and multidimensional deprivation, while urban and southern children have more chance of only being poor by consumption or, most likely, not being poor at all.

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Figure 1. **Multidimensional and consumption** child poverty by area



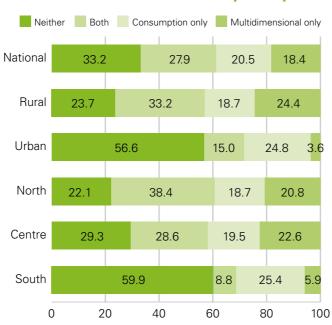
**Source**: Mahrt et al (2018) based on IOF 2014/2015 data and MEF (2016)

The relationship between monetary and non-monetary poverty needs to be understood, not least because of its policy implications. For instance, reducing consumption poverty in urban areas through cash transfers could be an effective way to tackle both forms of poverty. The fact that some deprivations could be more or less related to monetary poverty could help determine the most appropriate strategies to fight them.

Figure 2 considers the overlap between multidimensional and monetary poverty, showing the proportion of children who are classified in none, one, or both of these categories.<sup>27</sup>

- Two out of seven (28%) of the country's children are simultaneously monetary poor and deprived in multiple dimensions. The proportion of those who are only monetary poor is around 20 per cent of the total
- The degree of overlap between monetary and multidimensional deprivation is considerably higher in rural areas (33 per cent) and northern provinces (38
- More than half of urban children (57 per cent) are neither poor nor deprived compared to only 24 per cent of children in rural areas.

Figure 2. The overlap between monetary and multidimensional child poverty



Source: Mahrt et al (2018), based on IOF 2014/2015 data and MEF (2016)

The analysis showed that the relationship between consumption/monetary poverty and deprivation shows a different pattern for rural and urban areas. In rural areas, increase in consumption has a modest effect on the reduction in the number of deprivations children experience. Meanwhile, for children living in urban households, improved consumption (availability of financial means) achieved through cash transfer (or other consumption enhancement programme) can have major effects in reducing their deprivation levels.28

Some deprivation dimensions are more influenced by monetary poverty than others. Education is an example, since the unequal distribution of income amongst households has an impact on children's access to quality education. Lack of education, in turn, can trap individuals in poverty for life, since its effect on living standards works primarily through the labour market - higher educated people have higher chances of finding better-earning jobs thus increasing their productivity and escaping poverty.

# Box 2. How inequality is threatening children's right to education in Mozambique

Inequality means that a very small segment of the population enjoys living standards far above the rest. That is exactly what happens with education in Mozambique, where only a small part of the population progress to higher levels of schooling. Recent analysis showed that with the rise in a person's education level the chance of finding more attractive jobs (including those in the public sector) increases exponentially while the likelihood of gaining a job in the low-paid agricultural sector decreases.<sup>29</sup>

In 2003/04 Mozambique launched a universal primary school programme, eliminating school fees. However, despite direct support for schools and strong investments, the expansion of education was undermined by a worrying deterioration in quality. Teacher absenteeism, poor school management and/or the effect of children not prepared to enter school academically (lack of Portuguese skills) were some of the causes leading to low learning levels. In addition, for decades, Mozambique has suffered high dropout rates, which increase as children get older or households get poorer.<sup>30</sup> This has been attributed to financial reasons (not being able to afford supplies) or cultural reasons (e.g. lack of support from caregivers, particularly in the case of girls).31 The low numbers of children pursuing further education cannot be attributed only to a lack of demand, but rather to a lack of opportunities to study. For instance, for every 27 schools offering grade 1, there is only one offering grade 12.

On average, Mozambique scores well below its regional peers in key indicators such as primary and secondary completion rates, and learning outcomes.<sup>32</sup>

Sources: Adapted from Van den Berg et al. (2017), with additional data from Ferrone, Rossi and Bruckauf (2018) and referenced notes.

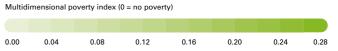
# The geographical distribution of monetary and non-monetary child poverty

Figure 3 shows the geographical distribution of the multidimensional child poverty index in Mozambique. The incidence and intensity of multidimensional poverty grows from the south to the north with an index reaching values of 0.24 and 0.28 in the provinces of Cabo Delgado, Nampula, Niassa and Zambézia. The numbers reflect the existing inequalities between provinces, some of which - Zambézia, Cabo Delgado, Nampula, Niassa - have the highest concentration of children who are deprived in multiple dimensions.

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Figure 3. Child Multidimensional Poverty Index by province



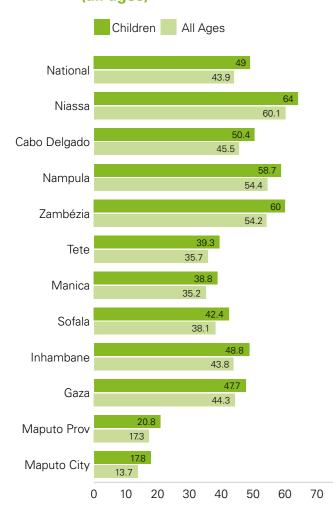


Source: Mahrt et al (2018) based on IOF 2014/2015 data and MEF (2016)



Figure 4 shows the geographical profile of monetary poverty in the general population as compared to children. It shows a similar disparity between Maputo and Maputo province and the northern provinces as regards monetary child poverty (although the numbers are also high in the southern provinces of Gaza and Inhambane). Regardless of the geographical distribution, the level of monetary child poverty is consistently higher than that of the general population.

Figure 4. Monetary poverty in provinces: children vs the national average (all ages)

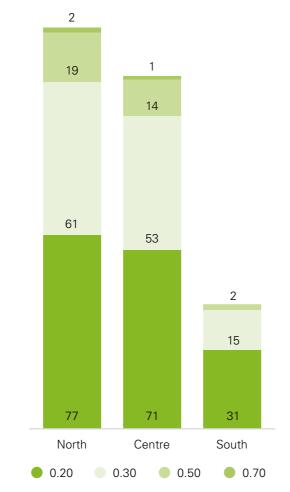


Source: Mahrt et al. (2018) based on IOF 2014/2015 data and MEF (2016)

The Multidimensional Child Poverty Index is sensitive to the cut-off point used to define poverty (Figure 5). If, instead of taking one third of the weighted indicators as the line between non-poor and poor, a lower or higher cut-off had been used, the resulting numbers would change: multidimensional poverty incidence is quite different, because the greater the proportion of deprivation needed to consider a household as poor, the lower the poverty incidence.33

It must be noted, however, that the distribution of poverty incidence by region or location would not be tangibly affected by the change of the cut-off point: even with a different threshold, key disparities would be observed between regions and the rural/urban areas.

Figure 5. Poverty levels per region at different cut-off rates



Source: Mahrt et al (2018) based on IOF 2014/2015 data and MEF (2016)

# Comparing monetary poverty levels between the child and adult populations of Mozambique

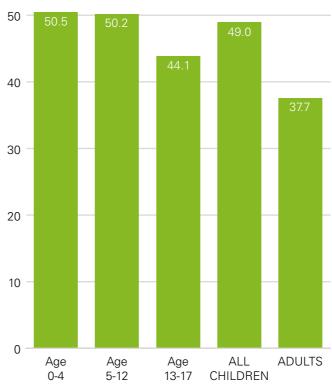
Are children in Mozambique at higher risk of monetary poverty than the general population? The difficulties that Mozambican children face are not exceptional when compared with adults within the country. There are differences, however, that deserve to be noted, as awareness of these can help refine and improve policy responses.

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A child in Mozambique has a higher chance of being monetary poor than an adult. Any of the three age ranges of child poverty (ages 0-4, 5-12 and 13-17) consistently show higher levels of consumption poverty compared to the average of the adult population, and children constitute the majority of the poor in Mozambique.<sup>34</sup> (Figure 6)

The gap is particularly large in the case of urban areas and the southern region, where child monetary poverty is 6 percentage points higher than the average in the population. In the case of the youngest children (0-12 years old), the difference is as high as 12 points. The same applies for every province of the country, as well as Maputo City.35

Figure 6. Monetary poverty rates for children and adults



Source: Mahrt et al (2018) based on IOF 2014/2015 data and MEF (2016)



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<sup>&</sup>lt;sup>22</sup> Cited in Ferrone, Rossi and Bruckauf (2018)

<sup>&</sup>lt;sup>23</sup> In the case of Mozambique, weighted deprivation count has been established at anything greater than one-third of the weighted indicators. Increasing this poverty cut-off shows the expected reduction in the proportion of children affected, but it does not fundamentally alter the urban/rural and provincial differences identified in the existing one (Source: Mahrt (2018).

<sup>&</sup>lt;sup>24</sup> See Annex 1 for further details on the methodology

<sup>&</sup>lt;sup>25</sup> Monetary poverty in Mozambique is estimated based on consumption

<sup>&</sup>lt;sup>26</sup> UNICEF (2014).

<sup>27</sup> Mahrt et al (2018).

<sup>28</sup> Ferrone, Rossi and Bruckauf (2018).

<sup>&</sup>lt;sup>29</sup> Servaas van der Berg, Carlos da Maia, and Cobus Burger (2017), Educational Inequality in Mozambique

<sup>30</sup> World Bank (2018a).

<sup>31</sup> Survey Sofala, Roby, Lambert and Lambert (2009), cited in Van der Berg (2017).

<sup>32</sup> UNICEF (2019). 33 Mahrt et al (2018)

<sup>34</sup> Mahrt et al (2018).

<sup>35</sup> Mahrt et al (2018), table 5.

4.

# Child Poverty in Mozambique: Breaking Down Dimensions and Age Groups

Four in ten children (42 per cent) remain stunted in Mozambique. The reduction in stunting has been extremely slow, undermining not only children's futures, but that of the whole country.

The levels of child deprivation in education, water and sanitation, as well as quality housing, are staggeringly high. Two thirds (68 per cent) of children are not completing primary education and 74 per cent do not have access to quality sanitation facilities.

Most children in Mozambique suffer more than one form of deprivation at a time. Almost a third suffer from three simultaneous deprivations (30%), and a third of the country's children (32%) are affected by four or even more forms of deprivation.

Child rights deprivations are especially severe in rural areas – as high as 75% of rural children are deprived in three or more dimensions simultaneously.

Income level, gender, education, location and age are considered key drivers of multidimensional child poverty in Mozambique.

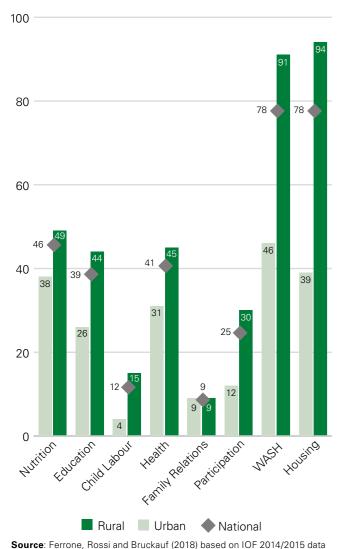




# The analysis of child poverty by dimensions

The analysis of child poverty by individual domains identifies the dimensions that determine the overall welfare of children. Figure 7 shows deprivation rates by dimension. Each of the eight sectors deserve targeted and continuous action, but some are more alarming than others: on average across indicators, nutrition and health show deprivation levels of almost 40 per cent or higher, while WASH and housing have average national deprivation levels close to a staggering 80 per cent. Only child labour, family relations (death of parents and/or child marriage) and participation show moderate levels (12, 6 and 25 per cent, respectively) in comparison with the rest.<sup>36</sup>

Figure 7. Rate of deprivation by dimension and location



Children in rural areas are generally worse off than children living in urban settings, especially in dimensions that tend to be more dependent on infrastructure, such as WASH and housing. The gaps are also considerable in other dimensions, such as participation and education.

Table 3 presents further details per dimension, with the levels of each indicator disaggregated by age ranges and location. A close look at the numbers offers some important conclusions regarding the scale of deprivations in each area of child well-being in Mozambique.

- Two-thirds of children (68 per cent) aged 13–17 have not completed primary school and almost three-quarters of children (74 per cent) lack proper access to sanitation and electricity. Child stunting figures, in particular, are alarming, standing at 42 per cent (Box 3).
- Deprivation is acute in the rural areas, where numbers are substantially worse than in urban areas in all but one indicator ('at least one parent dead'). The chances of a rural girl aged between 13 and 17 years old getting married are almost nine times higher than in the case of an urban boy; stunting rates are 31 per cent higher in the rural areas than in the urban ones; and enrolment deprivation rates are twice as high in the rural areas, for both boys and girls.
- Rural and urban differences are most apparent in 'housing', where rural deprivations in terms of crowding, construction conditions, or access to electricity, are triple urban ones.

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Table 3. Deprivation rate by indicator and area									
Dimension	Indicators	Age range	National	Rural	Urban	North	Centre	South	
Family	One or both parents are dead	0-12	9.6	9.1	10.9	8.1	10.1	11.2	
	Married before 18	13-17	6.3	7.6	4.1	7.3	6.8	4.4	
	Child is stunted		42.4	45.2	34.4	49.8	43.4	25.6	
Nutrition	Child is underweight	0-4	15.7	17.4	10.8	19.6	16.0	6.9	
	Child is wasted		4.4	4.8	3.5	6.6	3.8	1.8	
Education	Child not enrolled	5-12	25.9	29.9	15.4	37.9	24.5	7.6	
Luddation	Not completed primary school	13-17	68.1	80.3	45.6	82.2	73.7	42.5	
Labour	Child engages in economic activities	5-17	11.5	14.6	4.5	13.0	11.6	9.1	
Health	Did not sleep under mosquito net	0-4	38.6	42.8	26.9	33.0	41.3	42.4	
neattii	Health centre more than 30 minutes.	0-17	32.8	35.8	25.6	41.3	32.8	19.2	
	Unimproved source of water <sup>37</sup>		42.5	54.4	13.3	50.7	48.5	15.9	
WASH	Water source more than 30 minutes.	0-17	9.0	11.8	2.1	12.8	7.6	5.7	
	Unimproved sanitation <sup>38</sup>		73.5	85.6	44.0	79.0	81.0	48.4	
Participation	No information/ communication device	0-17	24.9	30.2	12.0	35.2	26.5	4.7	
	More than 4 people per room	0-17	16.2	20.1	6.9	11.6	20.9	13.9	
Housing	Floor and roof of natural material		57.2	71.2	23.0	73.3	66.2	11.7	
	No electricity		73.6	91.3	30.1	78.4	82.6	46.3	

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Source: Mahrt et al (2018). Calculations based on 2014/15 Mozambique household budget survey data (IOF 2014/15).

# Box 3. The national emergency of child stunting

If we had to classify the problems of Mozambique's children according to severity and evolution, malnutrition would most probably appear in the first place. Stunting, in particular, marks the whole life of a child and defines not only his/her future, but that of the whole country. An estimated 42 per cent of children has been found to be stunted (based on IOF data), a figure that goes beyond 50 per cent in the northern region of the country. The situation amounts to a continued national emergency that could jeopardize the future of the nation. As the multi-actor, concerted initiative Scaling Up Nutrition has put it, "... stunting has been shown to be the best predictor of human capital, impacting economic productivity and development potential at the national level". 39

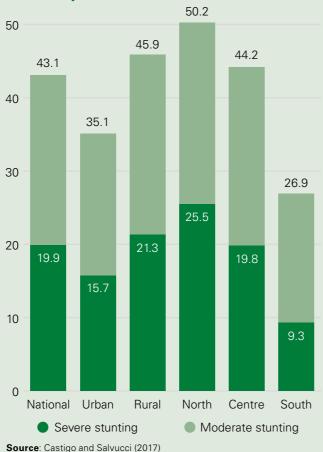
Child stunting is defined as height, for a child's age, more than two standard deviations below the mean WHO reference. Technical language hardly describes the profound unfairness behind this concept. Stunting is the result of continued lack of nutritious food during the critical stages of development in early life, as well as other related factors such as access to quality water and sanitation. It starts pre-conception and continues through childhood, adolescence and maturity. Stunted children are not only shorter in height, but see their learning and developmental abilities irreversibly limited. To put these effects in context, the World Health Organization has calculated that nutrition-related reduced school attendance results in diminished earning capacity and an average of 22 per cent loss of yearly income in adulthood.<sup>40</sup>

Looking at the numbers resulting from the most recent household data, Mozambique has good reasons to make the reduction of stunting one of its national priorities:

- Two in four (42.4 per cent) Mozambican children are stunted. The number is higher in rural areas (45.2 per cent) than in urban ones (34.4 per cent). Almost half of these children are the victims of severe forms of stunting (see Figure 8), which is height-for-age less than -3 standard deviations.
- Together with child marriage, stunting is the one deprivation indicator that has decreased the least in the last couple of decades: from 49 per cent in 1996/97 to 42 per cent in 2014/15.
- The geographical distribution of child stunting responds to the same provincial inequalities of other deprivations. Exceptionally, however, the rates for Maputo city are over 30 per cent and have grown by more than five points since 2008/09. For instance, Mozambique's capital has higher stunting levels than Inhambane and Gaza provinces, which both suffer considerably higher multidimensional and monetary poverty rates.

- Severe stunting is higher in the rural areas and non-southern provinces (Figure 8). In Maputo city, almost 2 out of 3 stunted children suffer this aggravated form of malnutrition.
- As for the determinants of stunting in Mozambique, UNICEF's exploratory analysis shows having a female head of household and living in either a rural environment, or one of the northern provinces, increases the likelihood of suffering this deprivation. Meanwhile, higher education and higher income in households, being a girl, living in a southern province and having access to quality water and sanitation are associated with a lower likelihood of being stunted.

Figure 8. Moderate and severe stunting per location

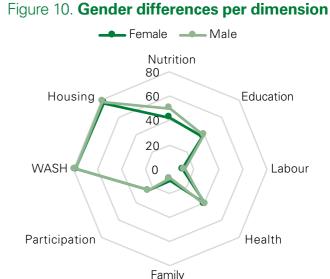


MULTIDIMENSIONAL CHILD POVERTY IN MOZAMBIQUE

The available data in respect of 'child labour' in the 2014/15 Household Budget Survey might not fully capture the gender disparity associated with this indicator. Standing at 11.5 per cent, the figure does not explicitly consider household chores (such as fetching firewood or water, cooking, etc.) that are prevalent for girls in rural households (see Figures 9 and 10).

Girls have lower rates than boys in all but two indicators: child marriage (see Box 4) and, to a much lesser extent, wasting (weight for height). The gender gap is remarkable in the stunting indicator, where boys' deprivation is nine and seven percentage points higher that girls' in the rural and urban sectors, respectively. This is consistent with the reality of stunting in other countries in the sub-Saharan region. In Mozambique, the gender disparity in stunting is greater, again, in rural and northern areas.

Figure 9. **Deprivation in selected indicators** according to gender and location



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**Source**: Mahrt et al. (2018) based on IOF 2014/2015 data and MEF (2016)

according to gender and location

80.3 80.3 80 60 50.1 47.8 43.2 40 31.1 20 Urban Urban Jiban Completed Stunting Labour Bednet Early marriage primary ■ Boys ■ Girls

Source: Mahrt et al. (2018) based on IOF 2014/2015 data and MEF (2016)

# Box 4. The challenge of counting married children

The marriage or union of children under the age of 18 is an extended and profoundly harmful practice that has life-long consequences for individuals, particularly girls, in the rural areas. In too many developing countries – in Africa and elsewhere – child brides are more likely to drop out of school, become infected with HIV and be victims of domestic violence. This hampers their possibility to acquire the skills needed for employment. As UNICEF has recently put it, "When children get married, their prospects for a healthy, successful life decline drastically, often setting off an intergenerational cycle of poverty." <sup>41</sup>

According to the latest regional data from UNICEF,<sup>42</sup> 125 million African women living in Africa today were married before their eighteenth birthday. The prevalence of child marriage among young women is less in Northern Africa (13 per cent), but it could be three times as high in Western and Central Africa. Eight of the ten countries in which child marriage is most common, are located in Africa.

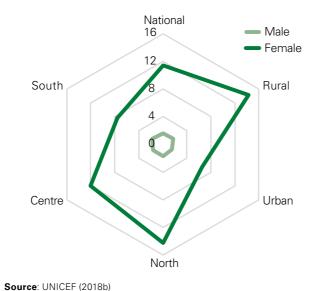
Mozambique is part of the pattern. Previous calculations, on the basis of the 2011 Demographic and Health Surveys (DHS), suggested that over 48 per cent of the nation's children were married before 18. This figure, however, was based on the response of women aged between 20 and 24 who were asked about their past experience. Asking the question in such a manner enabled a cross-country comparison and allowed for honest answers given the reduced risk of criminal prosecution (as the women were all over 18 at the time of the survey).

The Household Budget Survey of 2014/15 asked a different question delivered through a household roster which included children aged between 13 and 17: 'Are you married now?' While there was a risk of underreporting the current marital status at this age due to the fear of prosecution, the results provide an insight to the characteristics of this phenomenon in Mozambique:

• A total 6.4 per cent of Mozambican children reported being married before 18. The practice was higher in the rural areas (7.7 per cent) and in northern and centre provinces (7.6 and 6.7 per cent, respectively).  Driven by social norms, child marriage appears to be more resistant to progress than any other dimension (with the exception of stunting), and is the one deprivation where the situation for girls is systematically worse than for boys. Across areas and regions, the possibility of a girl being married before 18 is dramatically higher than a boy (see Figure 11).

The drivers of child marriage are multifaceted: marriage can be a way for a girl to obtain personal protection from a third party and marriage can also be a strategy for a girl and her family to escape poverty, thus showing a strong link to overall family welfare.

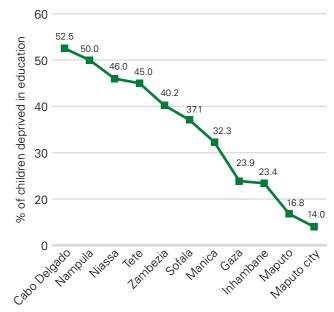
Figure 11. The gender abyss of child marriage: percentage of all children married before 18



MULTIDIMENSIONAL CHILD POVERTY IN MOZAMBIQUE

Finally, education further illustrates how Mozambique's structural shortcomings are not evenly distributed across the country. The gap between urban and rural areas is still very large (almost 2 to 1 in both the enrolment and primary completion indicators, according to the 2014/15 data). Northern and central regions keep lagging further behind in education than southern regions, especially when compared to cities like Maputo, further exacerbating inequalities across different regions (Figure 12). This is directly linked with the endemic wealth gap, which is rising in upper levels of education, entailing lower progression or greater dropout for poorer children. This hinders any possibility for the poorer segments of the population to escalate the educational and career ladder and, thus, to escape poverty, keeping the very poor and the very rich in restricted circles.

Figure 12. The education disparity: deprivation rate by province



Source: Ferrone, Rossi and Bruckauf (2018) based on IOF 2014/2015 data

Finally, education is not fairly distributed across gender either, even though the gap has nearly closed since 1997. The reasons behind leaving school are significantly different for girls than for boys, with pregnancy or child marriage among the main causes for girls. The gender dimension of education inequality has dangerous and long-lasting effects, excluding women from high-paid jobs, undermining their status in society and condemning girls to a life of dependence.

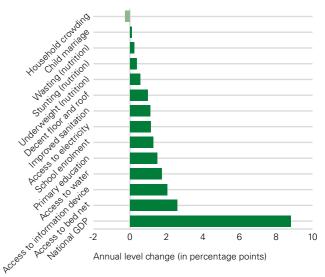
# Is life improving for the children of Mozambique?

Taking past household surveys as a reference, Figure 13 presents the trends in some key dimensions of children's welfare and related indicators. Although there is a promising downward tendency in all but one of the thirteen indicators, in some critical areas, twenty years of economic progress show modest results for children.<sup>43</sup> This is particularly apparent in the limited progress made in respect of stunting, education, and access to quality housing and/or rural infrastructure.

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- Child stunting rates have changed annually by -0.38 percentage points since 1996/97. During the period between 2008 and 2011, however, they remained amongst the highest in the world (42 per cent, with slower reduction rates than neighbours like Uganda, which has a rate of 33 per cent).<sup>44</sup>
- In critical deprivation dimensions such as education, water and sanitation, the annual level of reduction since 1996/97 has been below 2 per cent.
- Similar studies using different methodologies come to the same conclusions, with one suggesting that children's welfare in respect of water, sanitation, shelter, education and information stagnated between 2003 and 2008.<sup>45</sup>
- Child marriage rate based on IOF data stagnated between 2008/2009 and 2014/2015.

Figure 13. **GDP vs child well-being: two** decades of uneven progress



Source: World Development Indicators and Mahrt, K. et al. (2018)

# Cumulative nature of deprivations (overlap by dimensions)

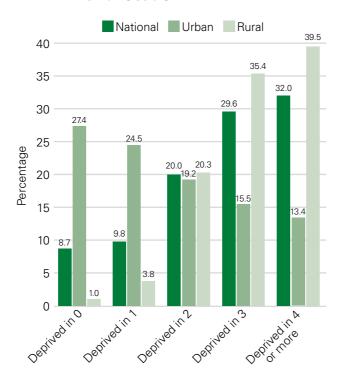
Most children in Mozambique (82 per cent) suffer more than one form of deprivation at a time. Almost a third (30 per cent) suffer from three simultaneous deprivations, but another alarming third of the country's children (32 per cent) are affected by four or even more forms of deprivation (see Figure 14). Less than one in ten children (9 per cent) are not deprived at all, and very few are deprived in six or more aspects.

Children in rural areas are systematically and considerably more deprived than those living in urban areas. Practically all rural children (95.2 per cent) experience two or more deprivations, and they do so at a higher intensity than urban children (i.e. the level of possible deprivation within each dimension is higher). At the level of four or more simultaneous deprivations, almost half of all rural children (40.5 per cent) are deprived at high intensity levels (65.4 per cent, over a maximum possible deprivation of 100 per cent).

Fewer children experience a greater number of deprivations simultaneously, but the intensity increases for both rural and urban areas. The adjusted headcount helps us to compare groups that might have a similar number of children living in poverty, but experiencing different levels of deprivation. The adjusted headcount of rural children is twice that of urban at the 2+ deprivations threshold, but it is three times higher at 4+ and 5+ deprivations, which points to an extreme level of deprivation in that sector.



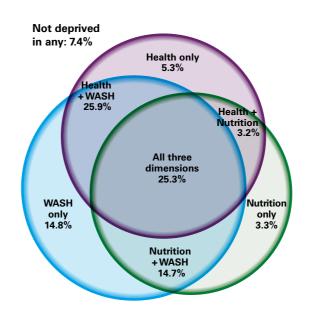
Figure 14. **Proportion of deprived children**per number of deprivations
and location



Source: Ferrone, Rossi and Bruckauf (2018) based on IOF 2014/2015 data Some deprivations have high correlation with others; being deprived in structurally driven deprivations such as WASH, health or housing will most likely imply other simultaneous forms of deprivation. The 'deprivation overlap' allows us to better understand the nature of multidimensional child poverty by analysing the combination of deprivations that children experience simultaneously. Knowing whether they take place individually, or in combination with others, can help to determine if policy responses should focus on one sector only or should consider converging strategies, facilitating the path towards effective cross-sectoral responses.<sup>46</sup>

In the case of Mozambique, most children deprived in one dimension are also deprived in three to five additional dimensions. <sup>47</sup> Figure 15 shows how the one fifth of children that is deprived in nutrition, WASH or health is deprived in all three of them, and another quarter (25%) in at least two. When we consider health, housing and WASH, the figures are still higher: one third of those deprived in one of these dimensions is also deprived in another two. Housing and WASH overlap in almost four out of ten cases. Only 6 per cent and 14 per cent of the children are not deprived in any of the dimensions of those groups, respectively.

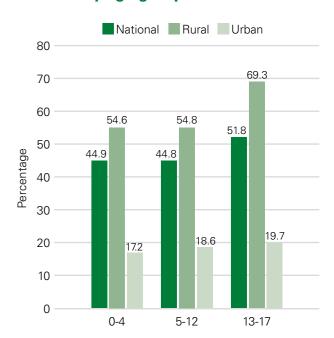
Figure 15. Overlap of health, nutrition, WASH and housing deprivations (all children)



Source: Ferrone, Rossi and Bruckauf (2018) based on IOF 2014/2015 data

# Figure 16. **Multidimensional child poverty by age group and area**

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Source: Ferrone, Rossi and Bruckauf (2018) based on IOF 2014/2015 data

### Analysis by age groups

A life course perspective recognizes that children have different experiences and needs from ages 0 to 17. Therefore, it is important to disaggregate multiple deprivations by age group (Figure 16). The majority of children under five are deprived in three and even four or more dimensions. Adolescents experience milder forms of deprivation (a fifth of them no deprivation at all), but they are also over-represented when suffering four, five or six deprivations simultaneously.

For children below age 12, multidimensional poverty is driven by deprivations in health, WASH, participation and housing. Rural poverty is particularly acute for this age group. In the case of adolescents, it is the failure to complete primary school that prevails over any other dimension, for both the rural and the urban sectors.<sup>48</sup>

# The determinants of child deprivation in Mozambique

Multidimensional poverty is driven by complex and interlinked issues. Therefore, to tackle the causes of poverty it is crucial to understand those factors and their interactions, not to imply causality, but to establish statistical associations that inform better responses.

Recent research emphasizes the composition and characteristics of the household (i.e. number of children and dependents and any disability or serious illness within the household) and the characteristics of the household head<sup>49</sup> (age, gender, level of education, type of employment, migration pattern) as important drivers of consumption poverty in Mozambique, particularly in the rural and northern areas.

The above factors, however, might not be equally relevant when it comes to children.

According to UNICEF analysis, the drivers of multidimensional child poverty in Mozambique are:50

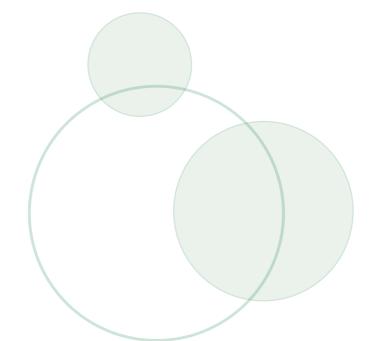
- Consumption level: living in a household with a higher consumption capacity significantly decreases the likelihood of a child being deprived in critical dimensions such as health, housing and WASH. Children in the wealthiest quintile are less likely to be multidimensionally poor by more than 22 percentage points, but even the fourth and middle quintiles show significant protection effects.
- Gender, education and employment of head of household: household head's completion of primary and particularly secondary education, reduces the risks of multidimensional poverty (deprived in three or more dimensions). Living in a female-headed household, working in the low paid agricultural sector, and lacking secondary school studies, are the three most important drivers of multiple deprivations for the children of such households.
- Location (urban/rural, province): living in a rural area, a province, or simply out of Maputo city, significantly increases the probability of being deprived (up to 31 percentage points in the case of Nampula).
- Age and gender of children do not seem to play a significant role in any of the analyzed dimensions when other factors are constant. In some indicators, however (such as stunting and marriage, as described earlier), gender differences have been identified.

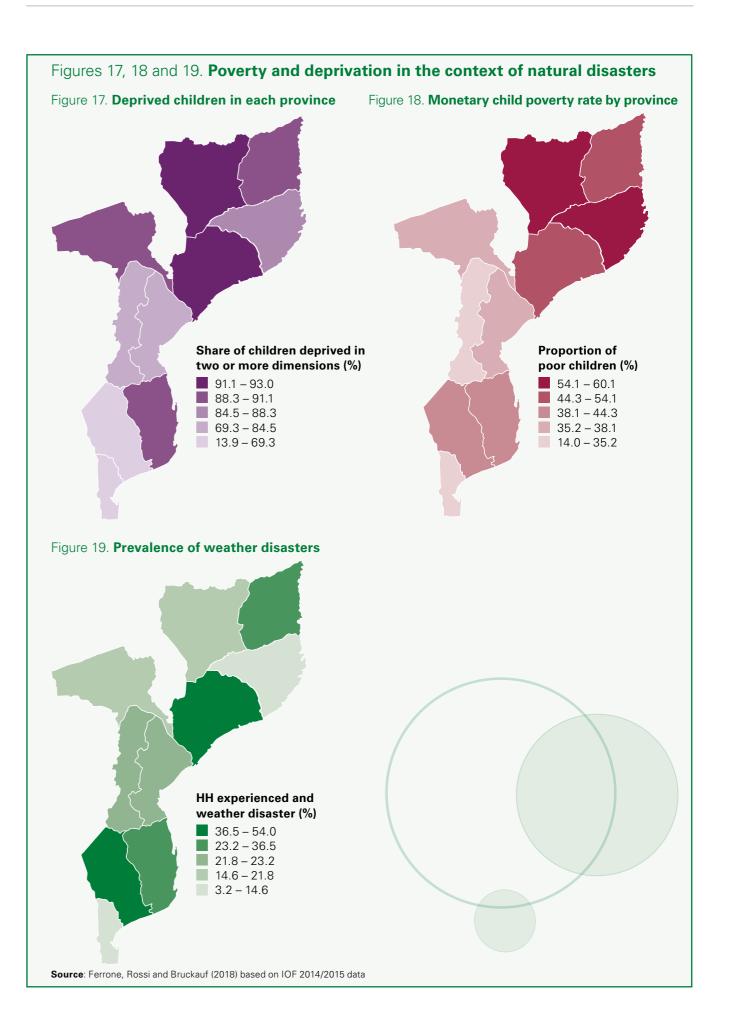
There is a growing concern regarding other determinants whose potential relevance as drivers of child poverty have grown in the last years and are likely to continue doing so in the future. This is the case of extreme weather events (Box 5).

# Box 5. Weather shocks as a driver of child poverty

The rising frequency of extreme weather events due to climate change has become a general cause of concern, especially for developing countries. Floods, droughts, hurricanes and other events threaten the livelihoods of those who depend on agricultural activities and make prices and incomes more volatile, putting the capacity for survival of many communities under pressure. Mozambique is very vulnerable to weather shocks. Children who live in disaster-prone areas are highly exposed to deprivation and poverty, as proved recently during the extreme floods that hit the north of the country.

What does UNICEF research based on IOF 2014/15 data say about the relationship between deprivation/poverty, and weather shocks? Figures 17, 18 and 19 show the average number of deprivations experienced by children, the monetary poverty rate and the prevalence of households that have experienced at least one natural disaster, for each province of Mozambique. The pattern is not entirely clear: while a higher proportion of households have experienced one or more weather shocks in the southern part of the country, the share of poor and deprived children is lower in comparison to the north.





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<sup>36</sup> Ferrone, Rossi and Bruckauf (2018).

<sup>&</sup>lt;sup>27</sup> Further information on the criteria to consider sources of water 'improved' or 'unimproved' can be found at https://blog.dhsprogram.com/dhs7-wash/.
<sup>38</sup> Ibid.

<sup>&</sup>lt;sup>39</sup> Childhood stunting – Joint article by UNICEF, WFP, WHO and FAO. Available at: http://scalingupnutrition.org/news/childhood-stunting-joint-article-from-unicef-wfp-who-and-fao/

<sup>40</sup> UNICEF (2013b)

<sup>&</sup>lt;sup>41</sup> Press release: At current rates of reduction, it will take over 100 years to end child marriage in West and Central Africa. October 23, 2017. Available at: https://www.unicef.org/media/media\_101149.html.

<sup>&</sup>lt;sup>42</sup> UNICEF (2017e).

<sup>43</sup> Mahrt et al. (2018).

<sup>44</sup> UNICEF (2014b).

<sup>&</sup>lt;sup>45</sup> Arndt et al. (2012), quoted in Mahrt et al. (2018).

<sup>&</sup>lt;sup>46</sup> UNICEF (2014).

 $<sup>^{\</sup>rm 47}$  Ferroni, Rossi and Bruckauf (2018).

<sup>&</sup>lt;sup>48</sup> Ferrone, Rossi and Bruckauf (2018).

<sup>&</sup>lt;sup>49</sup> Ibraimo and Salvucci (2017) and World Bank (2018a).

<sup>50</sup> Ferrone, Rossi and Bruckauf (2018).

# Figure 20. Deprivation in each dimension by weather event No weather event Nutrition Housing 89 46 46 38 39 Child Labour Participation Family Relations Source: Ferrone, Rossi and Bruckauf (2018) based on IOF 2014/2015 data

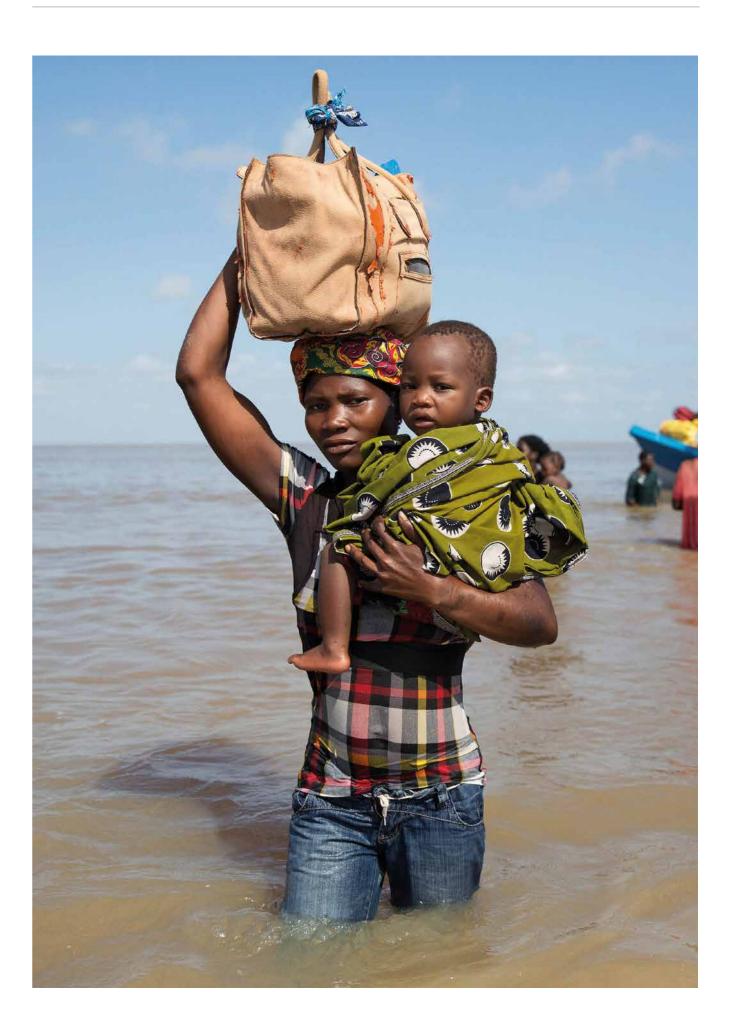
Figure 20 shows eight dimensions of deprivation for children (education, nutrition, WASH (water and sanitation), family relations, health, child labour, housing and participation), introducing the weather event variable. Education, family relations and participation have not been proved to have a statistically significant relationship. However, a higher proportion of children were found to be deprived in health (44 vs 40 per cent), child labour (13.3 vs 11 per cent), WASH (86 vs 75 per cent) or housing (89 vs 73 per cent) when they live in a household that has experienced one weather event or more in the previous year.

Child Labour The analysis of the overlap between deprivation and monetary poverty also points to the impact of weather events as a driver of poverty. Indeed, children who were not exposed to weather events are half as likely to live in poverty and deprivation as those who were.

Although the analysis does not imply causal links, it is clear that children living in risk-prone environments are more vulnerable to deprivations affected by structural factors such as housing and WASH. The exposure caused by these shocks adds to past vulnerability. For example, household response to past shocks may trigger a higher engagement of children in child labour.

Weather events in Mozambique can have a tangible influence on the lives of many children, especially in the poorer areas of the north.





# 5.

# The Options Ahead

To reduce multidimensional poverty, steps could be taken in two complementary directions: increasing efficiency in public spending and expansion of the government's fiscal space.

Social protection, education, health, and WASH constitute spending priorities for children.

A child grant would tangibly reduce the prevalence and depth of monetary child poverty and with it improve the well-being of children.







Previous chapters of this report allowed readers to identify what – in terms of magnitude and composition of child poverty in Mozambique – and who – in terms of which children are suffering it most. The following section questions how this challenge could be tackled considering the current context of the country and the realistic margin of action for policymakers.

# Creating an enabling environment for investment in children

The country faces three fundamental challenges in addressing child poverty: the decreasing and volatile volume of available resources; the alarming levels of inequality; and the questionable efficiency of past and existing spending.

First, the volatility of limited available resources could prove to be a major obstacle in child poverty-reduction strategies.<sup>51</sup> Expenditure in priority sectors (education, health, WASH and social protection) increased in recent years, both in nominal and real terms. Since 2009, the accumulated spending on key sectors for children was kept around 30 per cent of the total government spending. But the overall budget peaked in 2014 and has decreased ever since. Among the four priority sectors, education has received more than half of the available budget, and health around a third (see Box 6). However, due to the high fertility rate and increased number of population, expenditure in priority social sectors has not increased in per capita terms. To improve both access and quality of services and to reduce multidimensional deprivation, social expenditures need to be further accelerated.

As regards the origin of the funds, internal resources have played an increasingly important role in priority expenditure. Donor grants and credits remain relevant in terms of social investments, but in 2016 they accounted for only one out of four meticals invested. In sectors such as health and WASH, donor support through common funds has proved to be volatile (more so since 2016, which marked a transition to project funding).

It is unlikely that this context will improve in the short term. For the reasons explained at the beginning of this report, the combined effect of slower growth, increased debt obligations and fragile external support could jeopardize the government's fiscal space and the sustained expenditure on child priorities.

Second, inequality is a real threat to child well-being in the country. UNICEF research shows how extreme disparities impede the progress of children in large parts of Mozambique. Resources are not allocated to the areas that need them most, such as the rural areas or those beyond Maputo city and province. Investment spending in social infrastructure is critical to meet the existing and future demand for basic services.

Education provides a stark example of these gaps. While the nominal spending per student more than tripled between 2008 and 2016, some provinces have been left behind. Spending levels per student in Zambézia – with deprivation levels close to 60 per cent of all children – are still half of those in Maputo city.

Third, there is considerable space for efficiency gains in Mozambique's priority expenditure. According to a recent public spending review by the World Bank,<sup>54</sup> the country's education sector falls among the least efficient of the sub-Saharan region in terms of output per investment to primary and, mainly, to secondary and tertiary education.<sup>55</sup> Something similar could be said about the health sector, where Mozambique performs poorly in critical indicators such as maternal and child mortality, even compared to countries with similar levels of spending, such as Kenya and Tanzania.<sup>56</sup> In part, this is related to an inefficient allocation of spending per province, with some (such as Zambézia, Nampula and Tete) receiving a share of funds disproportionately lower than their share of the total population.<sup>57</sup>

# Increasing efficiency in public spending and expanding the government's fiscal space

The challenge of increased efficiency – both for the national government and international donors<sup>58</sup> – is ever more important in the current political and fiscal context.

What would this involve?

- The analysis of sectoral expenditure in order to identify efficiency gains and spending gaps. This report points to a key group of deprivations (such as stunting, safe water and sanitation, or adolescents' school dropout rates) that mark clear budgetary priorities, both in terms of investment and recurrent spending. They would be key to reduce multidimensional child poverty rates. There is also an urgent need for an efficient geographical allocation that matches funds with needs. In some cases, such as in urban areas, there is a need to consider the benefits of focusing on consumption poverty as a priority.
- Investment to reinforce the country's institutional capacities, as well as setting out evaluation tools for its efficient monitoring.<sup>59</sup> This includes public financial management (institutional reinforcement, fiscal transparency and avoiding an accumulation of financial risks that could trigger further adjustment pressures or high levels of inflation); integrated strategic planning (in the long-term, such as the Vision 2025 plan, but also 5-year budgetary planning and decentralized district plans); spending control (through reinforced monitoring capacities and checks and balances); and improved external aid effectiveness (by increasing transparency and coordination, as well as tackling aid fragmentation).

# Box 6. Establishing priorities in sectoral child spending

National budgets reflect the government's commitment towards the needs and aspirations of children. Since 2008, UNICEF has regularly published budget briefs analyzing four critical areas of child-related public spending (education, health, WASH, and social action) and the priorities within them. The following are some highlights from the most recent edition for Mozambique:

- Education: The education budget has increased in nominal terms for almost a decade, but peaked in real terms in 2016. Public spending is still highly dependent on external donors, despite the recent decline in aid.
   Pressure to increase education spending is bound to grow in light of the higher number of students and the list of much-needed investments, which still take a minimum share of overall spending. This will place further pressure on national authorities and donors.
- Health: Mozambique spends over 10 per cent of its disposable public budget on the health sector. According to the World Bank, the country is estimated to have a financing gap of USD 53 per capita to attain an essential service delivery in health. 52 Meanwhile, domestic resources are filling the gap left by international donors, whose health budget support was reduced to three per cent of the total in 2017. Most of the internal spending, though, is being devoted to recurrent functions rather than investment. Given the envisaged fiscal constraints, attention should be focused on increasing the efficiency of existing funds, improving budget execution and reducing prevailing inequality in access to healthcare.
- Water, sanitation and hygiene (WASH): Over the last few years, national spending on WASH has been more volatile than in other areas. Funding was at its lowest in 2013, both in nominal and real terms, but has since increased gradually, up to five per cent of the disposable state budget in 2017. External funding plays a major role in WASH national budget, with rates between 80 and 93 per cent in recent years. The contributions to the common funds, however, have declined sharply, in line with the trends in other sectors. Geographical inequalities determine WASH spending and outcomes, while substantial gaps remain in the investments on water supply vs sanitation.
- Social protection: 'Social action' or social protection spending is part of a broader budget category that includes a diversity of institutions and programmes, part of which directly affect children's welfare. Overall, this line represented 2.8 per cent of the total budget spending in 2017, marking a growth of 41 per cent from 2016 that was largely related to the re-introduction of food and fuel price subsidies. Social protection programmes now cover over half a million poor households, which is estimated to be only a fifth of those in need. The programmes that have benefited most from budget allocations - such as fuel, wheat, flour and transport subsidies – are precisely those that benefit the population as a whole, thus have a risk of being regressive. The impact of the economic crisis on public spending capacity could pose serious risks for the financial sustainability of these programmes, which are critical to underpin the resilience of the poorest households, reduce poverty and vulnerability, and promote human capital.

Source: Extracted from the UNICEF 2017 Budget Briefs<sup>53</sup>

The second question is equally important: is it possible to expand the country's fiscal space (i.e. spending capacity) in the current political and economic context? This report draws on the recently completed UNICEF 'Analysis of Fiscal Space in Mozambique', which considers options for policymakers to increase public revenue and/or ameliorate expenditure. These options include, among other things, increasing taxes and external financing, reducing expenditure on priority and non-priority sectors, and/or altering debt service as a result of renegotiations.

Even taking fiscal prudency and a debt crisis as the starting point, whatever room the government has to manoeuver will be determined by at least four variables, namely whether or not: (i) an agreement is reached with the IMF; (ii) donors increase their aid; (iii) gas projects are accelerated (and non-mega project investment is attracted); and (iv) there is an increased effectiveness in tax collection.

On that basis, according to the fiscal space analysis mentioned above, there are eight possible scenarios for Mozambique in the next seven years (up to 2024)<sup>60</sup> – three optimistic, three pessimistic, one that combines higher economic growth with lower donor support, and a final one looking at the effects of improved tax collection. Some of the highlights of these scenarios are:

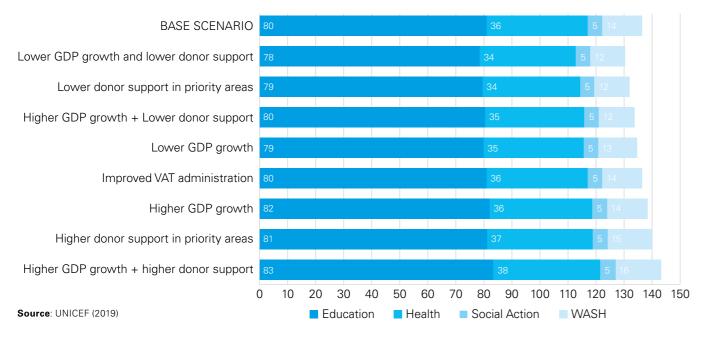
- Best case scenario rates of GDP growth and support from international donors revert to pre-crisis levels allowing for a boost of 4.8 per cent in per-child priority spending and a decrease in debt burden;
- Worst case scenario modest growth rates and growing disaffection from external donors reduce the current level of spending by a similar proportion of 4.6 per cent.

Most likely options, though, are those in the middle. Should the government reach an agreement with the IMF, the prevailing conditions might still be burdensome for public priority spending. Donors, in turn, might take some time before they are ready to show confidence in the government through a steep rise in budget support or common funds. They could even decide to concentrate further on off-budget priority spending. What would be the result?

 Any middle-ground scenario falls within the range of between -3.3 per cent and +2.5 per cent change in the priority expenditure for children by 2024;  Improved tax collection (mainly through more transparent, simple and efficient collection of indirect taxes as suggested by a recent IMF mission) would cushion the potential negative effects of other factors, leaving expected priority spending at baseline levels.

The sectoral implications of these different scenarios are shown in Figure 21.





While the adequacy of the allocations has modestly increased in the past years, major inequalities remain at provincial, rural/urban and low-income levels.

# A universal child grant proves that much can be done, even with modest resources

Previous sections of this report have highlighted the differences and relationship between monetary poverty and multiple deprivations. This suggests that effective cross-sectoral strategies in improving service delivery should be supported by efforts to improve consumption in the most vulnerable households.

A universal child grant is one of the key social protection tools that could aid the poorest households. As part of the New National Strategy for Basic Social Security (2016-2024), the government intends to introduce a child grant for children aged 0 to 2. The programme will underpin the fight against chronic malnutrition and its long-lasting effects on well-being. The Ministry of Economy and Finance, jointly with UNU-Wider and UNICEF, looked into the potential effect of this programme on reducing poverty and inequality while estimating the amount and coverage of public spending that would be required. <sup>61</sup>

The impact of this policy on poverty is measured by the overall headcount of poor in the country and poor children (proportion below the poverty line), poverty gap (how deep their poverty is, measured as the distance from the poverty line), and severity index (how poor the individual is in relation to other poor individuals). Finally, the exercise also considers the impact on inequality in relation with the Gini coefficient.

The simulation (see Table 4) considers three possible scenarios:

- No budgetary limitations each child aged 0–2 in Mozambique would receive the same per-capita cash transfer grant. This scenario assumes that focusing a cash transfer on children would bring tangible results in poverty reduction (both for children and the general population);
- Budgetary limitations and a universal child grant the universal child grant is limited to the current existing budget for the elderly grant, which is taken as a comparable social protection reference (under the ceiling budget allocation of one per cent GDP or ten million meticals);

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 Budgetary limitations and geographical targeting – again, a grant is capped at one per cent of GDP (the current existing budget for the elderly) but is allocated to the poorest districts in the country (geographical targeting). This scenario assumes that the reduction in poverty through a universal child grant would not be sustainable for the public budget.

The results of these simulations are as follows (summarized in Table 4 below):

• Scenario 1: A universal child grant of an across-the-board transfer of 600 meticals (roughly two-thirds of the poverty line) for each of the six million children aged 0–2 would reduce the child poverty levels by almost 10 percentage points. Equally important, the depth and severity of that poverty would also be reduced by more than three and two percentage points, respectively. This exceeds the impact of the grant targeted at the elderly population (twice as much). However, it would come at the monthly cost of 18.5 million meticals (around USD 320,000 at current rates), which amount would be unsustainable for the current public budget.

 Scenario 2: A monetary restricted version of that same universal child grant (around one per cent of national GDP) would reduce the child-per-capita allocation to approximately 327 meticals, and thus the poverty impact of this measure would be much lower: the number of children out of poverty is estimated at 653,000 (a reduction of 5.4 points in child poverty, or roughly half of that in Scenario 1).

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• Scenario 3: Given budget sustainability concerns, the alternative would be to match the budget outlays allocated to the elderly grant but concentrating the resources on the districts with the highest rate of poverty (a total 1.4 million children aged two or under). In that case, the ten million meticals (equivalent of what is currently allocated to the elderly) would allow for a slightly higher reduction in headcount poverty compared to the status quo.

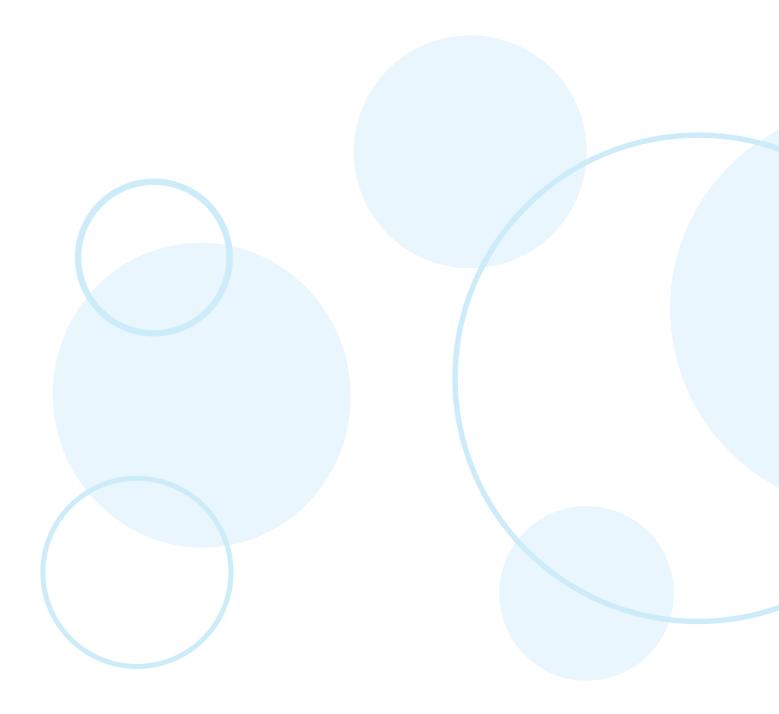
Table 4. <b>Effects of</b>	introducing a uni	versal grant per o	child in Mozambi	que	
	Baseline	Scenario 1	Scenario 2	Scenario 3	
	No child grant	Universal transfer	Universal transfer	Poorest districts	
Transfer value (per child per month, in meticals)	-	600 mt	327 mt	600 mt	
Number of beneficiaries	-	2.6 million	2.6 million	1.4 million	
Poverty rate (total population)	46.1%	41.43%	43.6%	43.4%	
Number of people out of poverty	-	1.2 million	653,000	691,000	
Child poverty rate (age 0–18)	51.7%	41.7%	46.3%	45.7%	
Amount of total transfers (year), billion meticals	-	18,6	10 (~1% GDP)	10 (~1% GDP)	
Amount of total transfers (year), million USD	-	309	170	170	

Source: Cordoso et al (forthcoming).

Despite its methodological limitations (static simulation does not account for economic or demographic growth, or administrative costs to run the programme) and the fact that a universal child grant would be more expensive than the existing Universal Elderly Grant, the analysis shows that it would be more effective in reducing poverty and inequality. Moreover, it shows a broad effect on poverty reduction for the whole population (a range between 4.8 and 2.5 percentage points, depending on the reach of the grant).

The introduction of a universal cash grant has already proved its effectiveness in reducing vulnerability to poverty, improving food security, improving educational and other child outcomes in many countries in sub-Saharan Africa. There is no shortcut, however, in terms of the costs involved if the aim is to make a substantial leap in reducing child poverty in the most equitable way possible.





<sup>&</sup>lt;sup>51</sup> All from UNICEF (2019), unless indicated.

<sup>&</sup>lt;sup>52</sup> UNICEF (2019).

<sup>&</sup>lt;sup>53</sup> UNICEF (2017a to d)..

<sup>&</sup>lt;sup>54</sup> UNICEF (2019), page 32 <sup>55</sup> UNICEF, 2017.

<sup>56</sup> Ibid.

<sup>&</sup>lt;sup>57</sup> UNICEF (2019); UNICEF (2017)..

<sup>58</sup> ADE, ITAD, COWI (2014), referenced in UNICEF (2019).

<sup>&</sup>lt;sup>59</sup> UNICEF (2019).

<sup>60</sup> Ibid.

<sup>&</sup>lt;sup>61</sup> Cardoso et al. (forthcoming), and Ferrone, Rossi and Bruckauf (2018).

6.

# Conclusions and Recommendations

There is a twofold logic at the heart of the agenda for children within the SDGs: first, the moral imperative of helping boys and girls survive and achieve their full potential; second, improving the lives of children is the practical, effective and intelligent way to underpin a fairer society and a more prosperous economy.

For Mozambique, a country which still struggles to recover from the consequences of the financial crises as well as recent natural disasters of the cyclones Idai and Kenneth, investing in children will have the greatest long-term impact to break the cycle of poverty for all its people.







The previous chapters of this report have provided a detailed and somewhat daunting picture of Mozambique's current socioeconomic reality and the challenges ahead. The children of Mozambique face diverse and intertwined forms of poverty, which will only be improved by a consolidated and persistent government commitment to do so. Most importantly, they are the victims of an overwhelming equity challenge that impedes the progress of society as a whole. The SDGs set a timeline to reduce child poverty, in all its dimensions, over the course of a decade. These ten years give Mozambique a window of opportunity to act and be accountable for the progress made in improving the lives of its children.

The global and regional experience of the last two decades proves that child-sensitive, sustained and financially consistent policies can improve children's welfare in critical areas such as nutrition, health and education. The political will to address child poverty in all its forms within the next Five-year National Development Plan and the renewed commitment of public institutions and international donors would offer Mozambique's children a real opportunity for progress and protection.

The following are the key recommendations from the analysis offered in this report.

# Protecting children's rights in public policies:

- Explicitly include the indicators of child poverty and deprivations disaggregated by regions, geographical areas and other socioeconomic characteristics into the National Five-year Development Plan (PQG 2020–2024) to ensure a focus on improving child well-being.
- Increase spending on child-sensitive social sectors and improve its efficiency: despite the challenging economic context, it is important to guarantee that children are given a pre-eminent role in the budgetary targets of the next few years. Government expenditures in child-focused policies and sectors should be protected even during economic slowdowns like that currently experienced by the country.
- Prioritize policies and plans to address inequalities
  to reach the most vulnerable children. Address
  regional and rural/urban inequalities through a more
  equitable formula of budget allocations, improvement of
  basic services and infrastructure in those communities
  most in need, especially in rural areas. Fiscal
  decentralization and equity considerations in budget
  allocations can provide much-needed support to the most
  vulnerable isolated sectors in the poorest provinces.
- Institutionalize cross-sectoral integration on childsensitive policies and interventions through planning and implementation processes to tackle multiple issues immediately. This is key to achieve tangible reductions in multidimensional child poverty. Priority integration plans include health and nutrition with WASH for children aged under five, as well as support communities in improving housing conditions and access to quality water and sanitation.

- Reform the education system to enable every child regardless of gender, place of birth or religion to complete at least basic (primary) levels of education and learn how to read and write. Investing in preprimary education will help to ensure school progression and pave the way for long-term outcomes.
- Expand child-sensitive social protection (e.g. child grant) in and beyond the poorest districts of the country to tackle both monetary and multiple deprivation poverty. A holistic approach of integrating cash transfers with in-kind support and assistance (e.g. psychosocial support, improved access to services and information) already successfully tested in many countries of this region has a strong potential to reduce the risk of multidimensional poverty among the most vulnerable groups of children.

# Improving evidence -based policy making and accountability at national and subnational levels:

- Institutionalize timely monitoring of multidimensional child poverty as a part of policy action so that progress is properly monitored. Increasing the availability and quality of administrative and other data disaggregated by subnational levels, types of communities (rural/urban), gender and other characteristics will ensure that the government makes informed decisions and carries out decentralized actions for the improvement of basic social services and child protection.
- The use of high-quality evidence on the effectiveness and impact of child-relevant social programmes and service delivery should become a top priority in policy planning and the budgeting cycle for a more accountable relationship between the Government of Mozambique and its international partners.

The global and regional experience of the last two decades proves that child-sensitive, sustained and financially consistent policies can improve children's welfare in critical areas such as nutrition, health and education. The political will to address child poverty in all its forms within the next Five-year National Development Plan and the renewed commitment of public institutions and international donors would offer Mozambique's children a real opportunity for progress and protection. Mozambique's 14 million children deserve better policies and a real chance for a fair future.

### Glossary of key terms

Adjusted poverty headcount (in Multidimensional Overlapping Deprivation Analysis): combination of the headcount of children multidimensionally poor and the intensity of that poverty; this can be interpreted as the percentage of the total possible deprivations that a child could experience.

**Budget support**: direct transfer of funds to a partner country's budget where they can be managed using national systems.

**Child marriage**: the marriage of a girl or boy – although girls are disproportionately the most affected – before the age of 18 (both formal marriages and informal unions).

**Completion rates**: percentage of a cohort of children or young people aged 3 to 5 years above the intended age for the last grade of each level of education who have completed that grade. The intended age for the last grade of each level of education is the age at which pupils would enter the grade if they had started school at the official primary entrance age, had studied full-time, and had progressed without repeating or skipping a grade.

**Demographic and Health Surveys (DHS)**: nationally representative household surveys that provide data for a wide range of monitoring and impact evaluation indicators in the areas of population, health, and nutrition.

**Deprivation overlap**: combination of deprivations that children experience simultaneously.

**Depth or intensity of poverty (also poverty gap)**: how poor the poor are, measuring the distance of the population from the poverty line. In the context of multidimensional poverty analysis, this can be measured as the number of deprivations experienced by the poor.

**Education enrolment**: individuals officially registered in a given educational programme, or stage or module thereof, regardless of age.

**Fiscal space**: the budgetary room that allows a government to provide resources for public purposes without undermining fiscal sustainability.

**GDP**: Gross Domestic Product – the sum of value added by all resident producers plus any product taxes (less subsidies) not included in the valuation of output.

**GDP per capita**: Gross Domestic Product divided by midyear population. Unless otherwise indicated, growth is calculated from constant price GDP data in local currency.

**Gini coefficient**: measures the distribution of income or wealth in a given country, where 0 would be the perfect equality and 100 (or 1) the perfect inequality.

**Incidence of poverty**: percentage of people who are poor, according to previously defined criteria.

**Information poverty:** situation in which individuals and communities, within a given context, do not have the requisite skills, abilities or material means to obtain efficient access to information, interpret it and apply it appropriately.

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Inquérito aos Agregados Familiares sobre Orçamento Familiar (IOF): Family Household Survey on Family Budget conducted by the National Statistics Institute of Mozambique.

**Monetary poverty**: measures how much income is available for individuals to consume by using the national poverty line of consumption per capita.

**Multidimensional Poverty Index (MPI)**: uses different factors to determine poverty beyond income-based lists, treating poverty as multidimensional. It was developed in 2010 by the OPHI and the United Nations Development Programme, replacing the previous Human Poverty Index.

**Multiple Overlapping Deprivation Analysis (MODA)**: analytical tool developed by UNICEF that can be used to identify and quantify child deprivation, and identify those suffering multiple and overlapping deprivations.

**Purchasing Power Parity (PPP):** – the rate of currency conversion which eliminates the differences in price levels among countries. Thus, comparisons between countries reflect only differences in the volume of goods and services purchased.

**Severity index**: how poor the individual is in relation with other poor individuals.

**Standard deviation**: statistic that measures the dispersion of a dataset relative to its mean and is calculated as the square root of the variance.

**Stunting**: the impaired growth and development that children experience from poor nutrition, repeated infection, and inadequate psychosocial stimulation. Children are defined as stunted if their height-for-age is more than two standard deviations below the WHO Child Growth Standards median.

**Undernutrition**: the outcome of insufficient food intake and repeated infectious diseases. It includes being underweight for one's age, too short for one's age (stunted), dangerously thin for one's height (wasted) and deficient in vitamins and minerals (micronutrient malnutrition).

**Universal child grant**: cash transfer for children and their families, under a legal coverage, used as a policy instrument to achieve universal social protection and progress.

WASH: water, sanitation and hygiene sector.

**Wasting**: low weight for height – a strong predictor of mortality among children under five and usually the result of acute significant food shortage and/or disease.

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# ANNEX 1. How Do We Measure Poverty in Children?

Deprivation indicator choices and the associated thresholds differentiating between deprived and not deprived are rooted in critical aspects of child well-being in Mozambique as well as the availability of information in the 2014/15 IOF. Indicator weights were assigned by age group so that each dimension is given equal weight and, within dimensions, each indicator is given equal weight. The resulting indicators and weights are presented in the table below.

Dimension	Indicator	Threshold	w	eight by age grou	ıb
			0 – 4	5 – 12	13 – 18
	Parents	At least one parent dead	(1/6)	(1/7)	
Family	Marriage	Child ever married or in a marital union			(1/7)
	Stunting	Height for age less than -2 standard deviation from WHO reference	(1/18)		
Nutrition	Underweight	Weight for age less than -2 standard deviation from WHO reference	(1/18)		
	Wasting	Weight for height less than -2 standard deviation from WHO reference	(1/18)		
Education	Enrolment	Not going to school in the last school year		(1/7)	
Education	Primary	Did not complete primary 2 (seven years)			(1/7)
Child labour	Child labour	Engages in child labour according to ILO-UNICEF definition		(1/7)	(1/7)
Haalah	Bednet	Did not sleep under a bednet	(1/12)		
Health	Distance to health facility	More than 30' to nearest health facility	(1/12)	(1/7)	(1/7)
Water		Unimproved source of drinking water	(1/18)	(1/21)	(1/21)
WASH	Distance to water	More than than 30' to water source	(1/18)	(1/21)	(1/21)
Sanitation		Unimproved sanitation type	(1/18)	(1/21)	(1/21)
Participation	Information	No information device (TV, radio, any phone, or computer)	(1/6)	(1/7)	(1/7)
	Crowding	More than 4 people per room	(1/18)	(1/21)	(1/21)
Housing	Floor and roof	Both floor and roof of primitive materials	(1/18)	(1/21)	(1/21)
	Electricity	No electricity in the household	(1/18)	(1/21)	(1/21)

**Source**: Mahrt et al. (2018) based on IOF 2014/2015 data and MEF (2016).

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# ANNEX 2. Deprivation Rates by Dimension and Province

	Cabo Delgado	Gaza	Inhambane	Manica	Maputo City	Maputo Prov.	Nampula	Niassa	Sofala	Tete	Zambézia
Deprived in Nutrition	55.1	30.4	28.1	47.0	33.8	23.8	56.1	51.1	42.9	47.0	49.5
Deprived in Education	52.5	23.9	23.4	32.3	14.0	16.8	50.0	46.0	37.1	45.0	40.2
Deprived in Child Labour	16.6	13.1	11.5	11.6	1.7	7.3	13.7	7.1	10.0	17.4	9.1
Deprived in Health	67.0	28.4	41.9	43.6	12.7	22.1	41.4	44.1	37.2	38.7	43.7
Deprived in Family Relations	8.5	11.6	9.0	11.5	7.8	9.2	8.1	7.6	9.7	7.7	9.7
Deprived in Participation	23.2	4.6	8.4	14.0	1.1	2.2	39.2	34.7	11.3	31.9	35.0
Deprived in WASH	86.3	66.0	80.3	80.3	12.0	28.4	84.7	86.0	75.8	84.7	90.5
Deprived in Housing	86.6	64.3	83.2	78.5	10.2	27.5	80.9	90.7	76.2	90.5	90.2
	Cabo Delgado	Gaza	Inhambane	Manica	Maputo City	Maputo Prov.	Nampula	Niassa	Sofala	Tete	Zambézia
Child engages in economic activities	15.8	12.9	10.4	11.1	1.5	6.9	13.4	6.6	9.8	16.7	8.5
Not completed primary school	85.5	54.1	46.8	65.1	29.0	37.9	81.4	80.7	63.4	80.1	79.6
Child not attending school ages 5–12	40.5	8.8	10.7	15.9	4.6	4.8	38.9	33.1	23.6	30.1	25.0
Married before age 18	5.5	4.8	4.9	7.9	1.7	2.8	6.6	5.1	5.2	4.0	5.5
One or both parents dead ages 0–12	10.6	15.4	12.0	15.6	14.6	14.1	9.4	10.3	13.8	10.0	13.1
Did not sleep under mosquito net	25.1	55.3	38.7	49.5	34.4	36.2	34.0	34.7	17.2	59.4	37.9
Child is underweight	19.0	7.5	7.8	14.8	6.2	5.3	20.6	17.8	16.6	17.6	16.0
Child is stunted	51.8	28.7	26.1	41.8	31.5	22.2	50.1	47.5	40.7	43.2	46.4
Child is wasted	3.5	1.6	1.9	5.4	3.0	1.4	8.4	3.9	2.2	4.1	3.6
No info/ communi- cation	25.3	4.9	9.4	14.4	0.9	3.0	39.8	37.0	11.1	31.4	35.7
Health centre more than 30'	65.8	53.9	53.3	47.2	27.8	42.1	55.2	49.3	57.9	44.2	53.3

	Cabo Delgado	Gaza	Inhambane	Manica	Maputo City	Maputo Prov.	Nampula	Niassa	Sofala	Tete	Zambezia
Floor and roof of natural material	70.71	12.83	27.67	51.96	0.04	2.04	70.45	85.95	52.66	68.18	76.43
No electricity	82.40	61.54	80.95	75.67	5.49	22.44	74.76	85.73	73.59	88.11	86.17
More than 4 people per room	4.62	10.91	25.76	8.44	6.93	9.63	8.88	26.18	33.39	31.89	14.88
Unimproved sanitation	82.35	63.46	77.50	78.74	11.66	27.59	78.20	80.88	74.13	77.88	86.39
Unimproved source of water	48.16	18.26	32.61	42.34	0.28	6.52	53.12	50.95	26.00	43.67	63.25
Water source more than 30 minutes	9.81	5.47	12.99	5.83	0.00	1.96	14.09	10.89	15.85	3.65	6.96
Health centre more than 30 minutes	65.82	53.93	53.35	47.24	27.82	42.12	55.21	49.31	57.91	44.23	53.31

Source: Ferrone, Rossi and Bruckauf (2018) based on IOF 2014/2015 data.

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