

Leaving No One Behind: Can Rising Africa Beat the Odds Against Poverty?

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Abstract: The number of poor people continues to rise in Africa, despite a slow decline in the poverty rate. Africa with a population of 422 million poor people, representing about 70 per cent of the world's poorest people shows that the global burden of poverty has shifted from the rest of the world to Africa. This paper discussed the causes of poverty on the continent and various responses by stakeholders toward accelerating its poverty reduction. It was found that with the available statistics and projections, Africa will still fall short of eradicating poverty by 2030, but it can bring it to a low level. The study, therefore, recommends that African policymakers should aim for growth that is inclusive and sustainable. International support from the world bank, ODA, G7, and others will play a vital role, especially through technology and resource transfers, also African continent need to improve its resource mobilization.

Keywords: Poverty, Africa, Sustainable Development, Economic Growth

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1. Introduction

Eliminating poverty is an aspiration that was implied in the 1945 United Nations charter that includes in its preamble the determination "to promote social progress and better standards of life in larger freedom" and this became the United Nations' first goal in the sustainable development goals (SDGs) agenda; End poverty in all its forms everywhere (sdgs.un.org). In 1973 in Nairobi, Robert McNamara gave his now popular address to the board of governors of the world bank where he coined the word "Absolute poverty" a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, health, shelter, education, and information. It depends not only on income but also on access to services according to United Nations. Robert explains that despite the period of unprecedented increase in the Gross National income of developing countries, the poorest segments of their population have received little or no benefit. About one-third to one-half of the two billion human beings in these countries suffer from hunger or malnutrition. According to him "Nearly 800 million individuals, 40% of the people of developing countries population are illiterates, with a life expectancy of 20 years less than in the affluent world and survive on below a dollar per day, they are suffering poverty in an absolute sense "[1]. At that time most parts of the developing world were battling the same problem, including East and South Asia, North and Latin America, and Africa. They are faced with the issue of low GDP growth, illiteracy, low life expectancy, malnutrition, and squalor to deny their victims basic human necessities. The issue of poverty was indeed a global phenomenon.

By the year 2000 almost more than two decades after Robert McNamara's speech, the world makes tremendous success in its fight against poverty. The proportion of people mostly from developing and transition economies living in absolute poverty less than \$1 a day falls from 40% to 24% while the number stands at 1.2 billion because of population

growth, life expectancy increased from 61.7years to 67.55 years, literacy rate increase from 68% to 80.68, and maternal mortality came down to 342 death per 100,000 birth from its previous 422 in 1980 [2]. Much of this success was attributed to the success recorded in East Asia especially China which sees about 200 million people being moved out of poverty. According to Wolfenshon [3] "China's success has been truly remarkable, less than a generation ago eight in ten Chinese eked out an existence by tilling the soil for less than a dollar per day. One adult in three could neither read nor write. Since then, 200 million people have been lifted out of absolute poverty and literacy has fallen to less than one in ten". Although the number of people living in poverty has reduced especially in East Asia much success was not recorded in south Asia and sub-Saharan Africa. For example, in South Asia, the number of people living in extreme poverty rose over the decades from 474 million to 522 million, even though the proportion fall from 45 % to 40%. In sub-Sahara Africa, the number increased from an already high 217 to 291 million over the period [2] leaving almost half of the population of the African continent poor. The variations in regional accomplishment are steering to a shift in the geographical distribution of poverty. In 1998 South Asia and sub-Sahara Africa accounted for about 70% of the population of people living in less than \$1 a day.

Distribution of the population living on less than \$1 a day

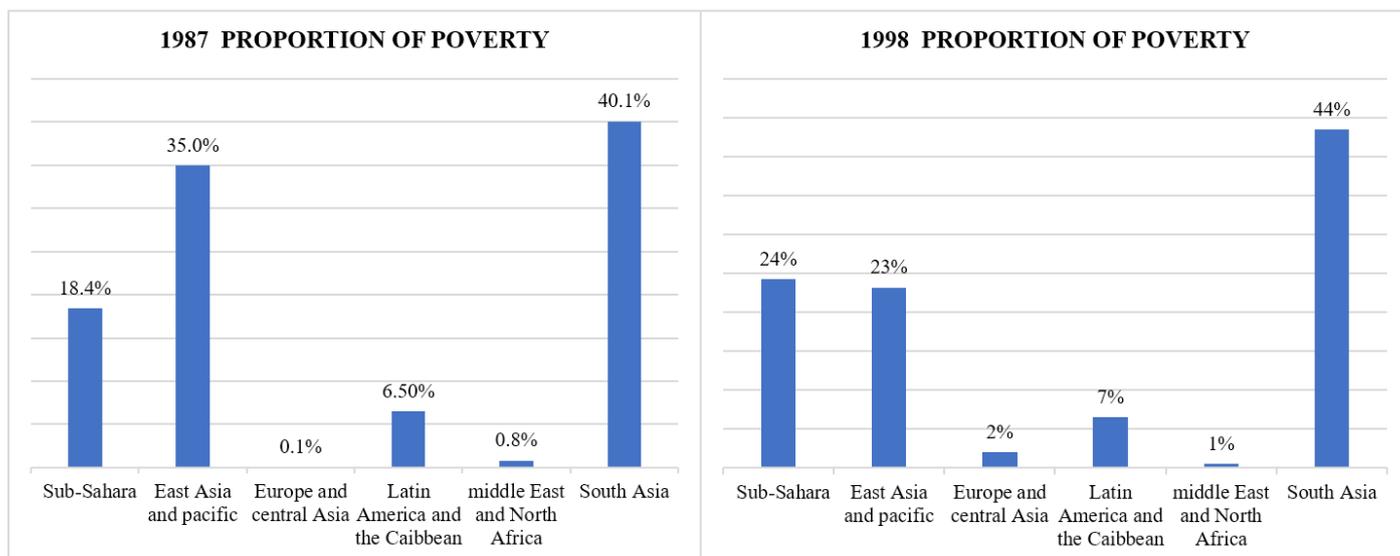


Figure 1. Poverty in the developing world is shifting toward South Asia and Sub-Saharan Africa; Source: Chen and Ravallion 2000

Poverty in the developing world is shifting toward South Asia and Sub-Saharan Africa with south Asia and Sub-saharan Africa accounting for around 70 per cent of the population living on less than \$1 a day in 1998, up to 10% points from 1987

Today the world has made huge strides in overcoming poverty, though the decline is below the rate needed to meet SDG1 of end poverty in all its forms everywhere by 2030. The proportion of people living in extreme poverty on less than \$1.90 a day has come down to 9.26%, life expectancy improves to 72.6 years, the literacy rate to 86.48, and the infant mortality rate is now 37 per 1000 live birth [4]. While progress in eradicating poverty has been incremental and widespread, the persistence of poverty, including extreme poverty remains a major concern in Africa. About 27 of the world's poorest countries out of 28 countries are in sub-Sahara Africa and 422 million people on the continent live below the poverty line representing more than 70% of the world 's poorest people [5]

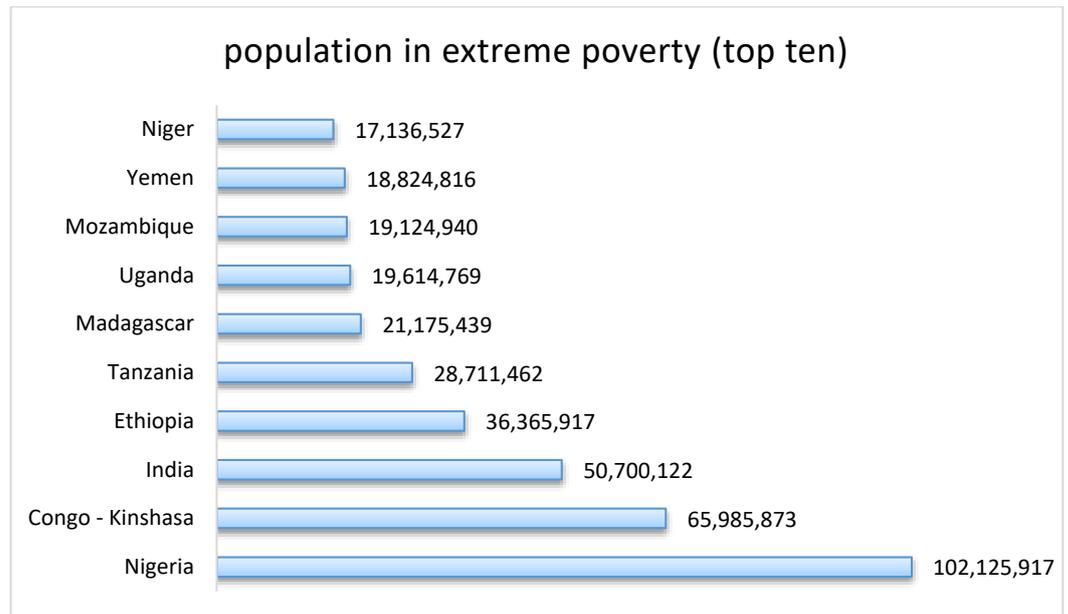
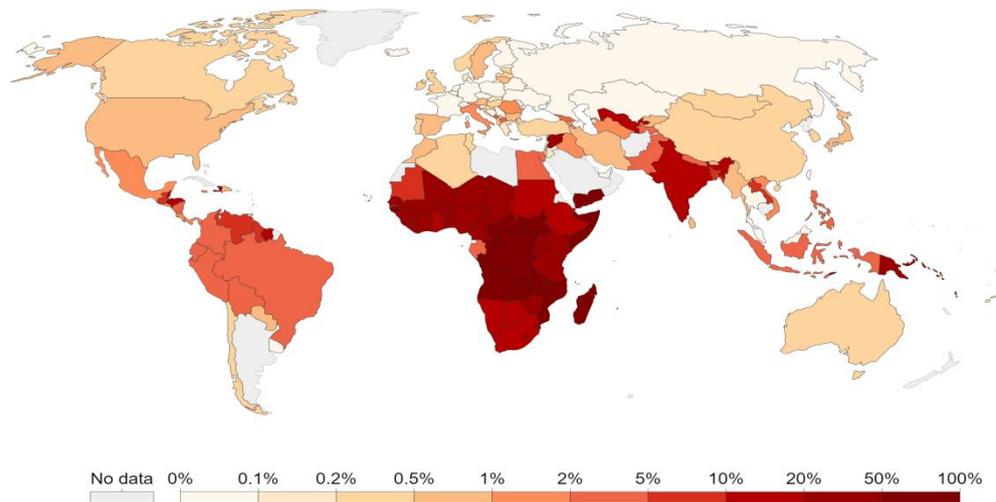


Figure 2. population in extreme poverty in million 2020 (top ten); Source: world data lab

The above graph shows the population of people living in extreme poverty by country, it can be seen that 9 African countries make up the list of the top ten countries living in extreme poverty in 2020.

Share of population in extreme poverty, 2019

The share of individuals living below the International Poverty Line of 1.90 international-\$ per day.



Source: World Bank PovcalNet OurWorldInData.org/extreme-poverty • CC BY
 Note: Figures relate to household income or consumption per person, measured in international-\$ (in 2011 PPP prices) to account for price differences across countries and inflation over time.

Figure 3. map of the share of the population in extreme poverty (source: Our world in data)

From the graph in [Figure 2](#) and the map([Figure 3](#)) above, with available statistics, it can deduce that globally there is a shifting concentration of poverty from the rest of the world to Africa. Projections show that with the slow pace of reducing poverty in Africa by 2030 about 90% of the poor people will be found in Africa. This means that the continent will fall short of achieving the sustainable development goal of eradicating extreme poverty by 2030. Now the question is what happened in Africa over the decades?

Although the share of the African population living in extreme poverty did come down substantially from 51% in 1990 to 41% in 2021, literacy increased to 70%, life expectancy is now at 63.82%, and infant mortality is now at 45 death per 1000 live births. Despite this accomplishment, more Africans are living in poverty than in the 1980s, in part because of population growth and the rates recorded are still far below what the continent needed to achieve the SDGs and still below what we see in the rest of the world. The poverty and shared prosperity challenges remain daunting; the Poverty rate in Africa continues to double in digits with slow economic growth across the continent. What causes poverty in Africa and how Africa can accelerate its poverty reduction is now a global preoccupation and focus of this paper.

2. Causes of Poverty in Africa

Persistently High fertility and slow economic growth: Although Africa's gross domestic product (GDP) growth has shown significant growth over the past decades (except in recent years), economic output has grown more slowly than in other low and middle-income countries. With a fertility rate of 4.12 birth per woman, the population growth is still high estimating about 2.44 in 2021. Thus, the per capita GDP is still low to move people out of poverty. This has left much of the continent population with a much lower income per person.

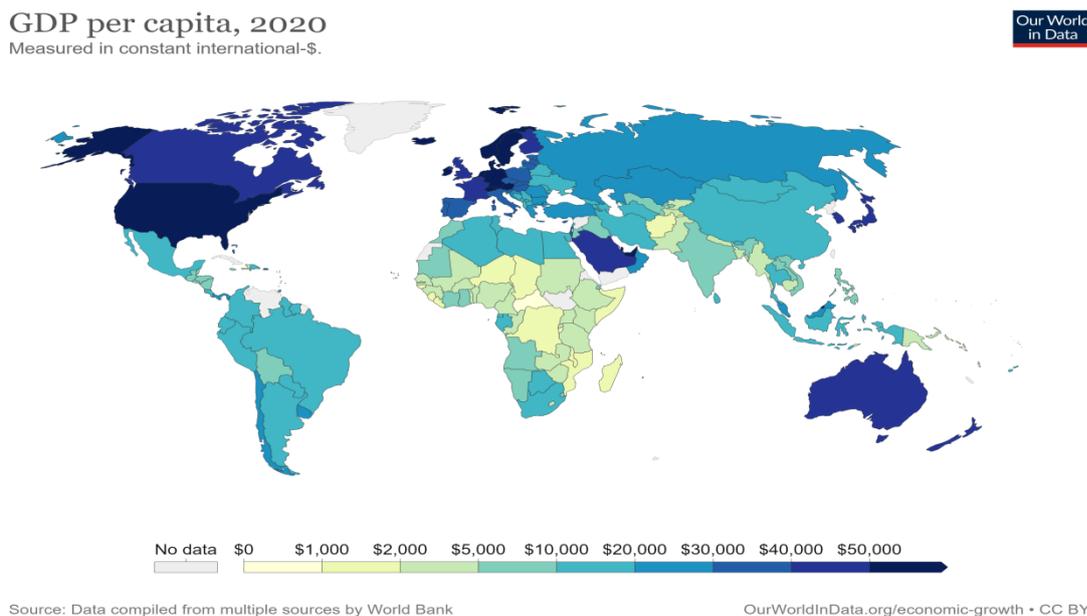


Figure 4. The map of GDP per capita, 2020 (Source: our world in data)

The map above shows that all region expects Sub-Saharan Africa, to have surpassed the US\$ 2,000 benchmark. Latin America and East and pacific Asia have grown beyond US\$ 8,000

Conflict and terrorism: The threat of conflict is spreading in Africa with various groups exploiting the fragility of the continent. According to the UN Secretary-General report (documents S/ 2020/ 585). The security situation in Africa has deteriorated and is extremely volatile. In Mali nearly 240,000 people are internally displaced - 54% of them were women, in Burkina Faso as of June 2020, 921,000 have been forced to flee representing a 92% increase from the 2019 figure while in Nigeria about 7.7 million people will need emergency assistance and basic needs. Terrorism, conflict, and fragility reverse hard-won development gains. The adversity of acute poverty grows over time due to the prevalence of insecurity and conflict. In addition to immeasurable human suffering, conflict imposes

large economic costs. It imposes significant strains on countries' public finance, raises military spending, and shifts resources away from development and social spending.

Climate Change effect: The intergovernmental panel on climate change warned that temperatures were rising faster than expected and that 1.5°C above pre-industrial level could occur as early as 2030. Beyond causing food shortages, poverty and disadvantages are expected to rise as global warming increases. Africa has contributed little to the greenhouse gas emissions, but Africa and other developing economies dependent on rainfall agriculture and coastal livelihood are disproportionately vulnerable to the impact. More than half of the world's population of extremely poor that bear the brunt of the impact of climate are in Africa especially the East and Sahel regions that have faced extraordinary floods and droughts over the years.

Corruption and lack of transparency: Corruption perpetuates poverty. It skews decisions and diverts resources, denying poor people access to basic social services and resources to improve their livelihood. It continues to harm the effort to bring people out of poverty. The global corruption barometer (GCB) report that the citizens across the continent have to pay bribes to access the most basic service including health and education and the institutions meant to fight corruption in the continent are mostly weak and inefficient.

Lack of basic infrastructure: The infrastructure that most of the world takes for granted is missing or severely limited on the continent. About 589 million Sub-Saharan Africans live without electricity and they can't be expected to develop in the dark. Roads, irrigation systems, and agricultural machinery in major sub-Saharan Africa are either lacking or inadequate.

Other causes of poverty include gender inequality especially lack of access by women to means of production, low agricultural productivity, and pandemics as we see the COVID-19 pandemic that pushed about 30 million Africans into extreme poverty in 2020 [6]

The combination of the new and old causes of poverty is leading to displacement, and migration to cities and outside the continent largely to Europe as young people are increasingly willing to risk their lives in the Sahara Desert or the Mediterranean Sea to seek a better future [7]

3. African Response to Poverty

There have been various responses and progress by African people aimed at eradicating poverty on the continent over the years. Some of this progress includes:

First, sectoral reform and development; with a growing population the continent can harness and build on the expanded workforce to spur economic growth. To achieve this the policymakers are now combining macro-economic reforms with micro and sectoral level reforms. As it has been observed that it is not enough to grow but growth has to be inclusive and creative. Growth is aimed at providing jobs to the millions of young people on the continent entering the labour force, improving their health, nutrition, and welfare. To attract the private sector both foreign and domestic, the policymakers have embarked on business-related reform to give investors more confidence to invest in the continent. In 2019, African economics dominated the "Trade 20 index" the rankings of the top 20 markets with the most promising potential [8] with Kenya, Ghana, and Cote d'Ivoire gaining ground. Several others including Botswana, Rwanda, and Zambia are also making progress in the Forbes ranking.

Even though the main pillar of African economics remains Agriculture. However, there are other promising sectors such as the service sector, the financial sector, tourism, and manufacturing which have recorded improved success over the years. Some economists are already talking about the success story of Africa, according to El-Baz [9] "in 50 years, the label made in Africa will be as unique as our today made in China".

Second, the information and communication technology; in common with the rest of the world, Africa has experienced a huge increase in technology and the internet of a thing. In 2000 we had 11 million mobile lines today we have about 750 million mobile lines. The use of technology on the continent has transcended poverty and economic conditions to become a driving force in the lives of millions of Africans. As technology improves, the socioeconomic effects will improve the lives of impoverished people in Africa. The Internet age is transcending the challenges of this great continent. New technologies bypass unreliable energy, poor roads, and political instability [10]. This advancement has been implored in many areas of work across the continent as it has helped farmers yield more production through the use of aerial images from drones, weather forecasts, and soil sensors to manage crop growth in real-time [11]. It has also provided powerful tools used in education and enhanced research. Data analytics, artificial intelligence, and automation are driving a revolution in the continent to an unknown destination. Digitization is improving government and curbing corruption, drones are delivering life-saving medical supplies such as we see in Rwanda with the help of Zipline and Gavi, and Nigeria boosted of being the first country to deploy drones in fighting insurgency. In financial services, we have seen the progress of Kenya's mobile money (M.pesa) which has put Africa ahead of other regions to become a hub of mobile, peer-to-peer finance, Tala in Nigeria with its advancement, and many more. The use of biometrics and facial recognition gives people identities making it easier to identify and target poor people and see what works for the poor people and the policy needed. The success of mobile technology has generated about 1.7 million jobs and contributed about \$144 billion to the African economy [12]. Proper management of technology can unlock Africa's potential enabling job creation vital to the youth who make up a large number of the continent population.

Third, The African trade revolution; Africa has a big domestic market that possesses significant opportunities. The intra-continental trade has increased recently up to 17% according to UNCTAD. Africa has taken crucial steps to integrate the continent through the creation of the continental-wide free trade area AFCFTA. The Africa continental free trade Area (AFCFTA) is a free trade framework agreement signed in 2018 with trade to commence in 2021 but was delayed due to the 2019 Covid pandemic. The free trade area will be the largest in the world in terms of the number of participating countries since the formation of the world trade organization. Among the main objectives of the AFCFTA includes, to create of a single market for goods and services facilitated by the movement of persons, to dip in economic integration with the Pan African vision of " An integrated, prosperous and peaceful Africa" enshrined in agenda 2063, create a liberalized market for goods and services, increase competitiveness among the economics of the continent, and eliminate trade tariffs and - barriers to trade among members. Through this agreement, the continent hopes to strengthen the competitiveness of the local industries, realize the economics of scales for domestic producers, better resource allocation, attract foreign direct investment, and create jobs for our youths. If the AFCFTA agreement is successfully implemented, it will create a single African market of over a billion consumers with a total GDP of over \$3 trillion and boost the value of intra-Africa trade by 52.3% depending on the liberalization effort. This will help to transform the continent's economy inclusively, however, African policymakers need to develop an effective policy for expert, diversification, industrialization and value chain development.

Fourth, the African risk capacity; is a specialized agency of the African Union launched in November 2012, to help member states to improve their ability to plan, prepare and react to intense weather occurrences and crises and to assist food insecure populations. Currently, the platform is developing new products for example tropical cyclones, pandemics, and insurance products for the government. About more than 30 African countries have joined this initiative, which gives them access to risk management and insurance. By the end of 2020, ARC paid out 65 million US dollars to Mauritania, Senegal, Malawi, Niger, Zimbabwe, Madagascar, and Cote d'Ivoire [13]. This enable them

to take care of more than 3.2 million people affected by drought, they were able to restore livelihood, feed children in school and keep the population home instead of migrating out of the affected areas.

4. African Union and Poverty Reduction

In September 2004, the Head of States and Governments of the African Union in a summit at Ouagadougou, Burkina Faso adopted a declaration and a plan of Action on employment and poverty alleviation, with their follow-up mechanism. To achieve its success during implementation and at the subsequent summit, the following areas were deduced for special focus;

- a) Political leadership, accountability, and good governance.
- b) Youth and women's employment
- c) Social protection and productivity for enduring inclusive growth
- d) Well-Function and inclusive labour market institutions
- e) Labour migration and Regional Economic integration
- f) Partnership and Resources mobilization

The implementation of the act was limited by weak institutional ability, financial constraints, and lack of capacity building among others. Since the declaration of Action on employment and poverty allocation in 2004, subsequent instruments were also adopted to see that the continent ends poverty and unemployment, such instruments include the social policy framework for Africa (2008), the African women decade 2010 - 2020, the African youth decade plan of action 2009 - 2018, the African Charter on the Rights and welfare of the child, the social protection plan for the informal economy and Rural workers (2011).

On the implementation and progress of the 2004 Ouagadougou Agenda and other policy instruments, it was realized that the presence of high political will in some countries yielded substantial progress while in some other countries, there is a need to scale up the political leadership and commitments. Despite the effort recorded, unemployment and poverty rate, mostly among the youth and women, remains at an unacceptable level and this has led to low economic growth, inequality, political instability, and lack of social cohesion and inclusive development, especially in rural areas on the continent.

5. China's success in the fight against poverty; lessons for Africa

On December 2020, the Chinese government announced that it has eradicated poverty, that is, it has pushed about 800 million people out of poverty by the world bank estimate. According to Manuela V. Ferro, World Bank vice president for East Asia and Pacific, "*China's poverty reduction story is a story of persistent growth through economic transformation*", China grew its private sector, created a modern bank, reformed agriculture, and improved its foreign trade. The China's economic growth, first saw rapid growth and income gain in agriculture as the country removed some of the biggest distortions of the Mao era, through her land reform. In the second stage, the industry took the leading role as reforms deepened, this launched china's takeoff. This growth altered the structure of investments, employment, and output, creating industrial jobs for the rural poor to earn higher incomes and reduce poverty. The third phase witnessed improved foreign trade and investment which saw a proportion of China's territory integrated into the global value chain. This was followed by China's social policies such as resource transfer and social basic net, especially in rural areas of the country.

Africa, according to many researchers and economists may be undergoing a different kind of economic transformation different from the traditional development model. Major research by the Brookings Institution's Africa Growth Initiative and the United Nations

University World Institute for Development Economics Research (UNU-WIDER) describes what it terms industries without smokestack and suggests that Africa might be undergoing a different kind of structural transformation than what we think. The structural change deals with new development in tradeable services, agro-industries, information and communication technology-based services (ICT), and tourism. Preview by Booking institutions on industries without smokestacks, service export from Africa grew 6 times faster than merchandise export between 1998 to 2015. The structure change has proven to be different from those of China and East Asia manufacturing led economic growth. Nevertheless, if African leaders and policymakers can support these smoke stack less industries, it could play the same rule the manufacturing sector plays in China and enable Africa to transform through sustainable growth, creating jobs, and eradicating poverty.

While acknowledging that Africa may be undergoing different kind of economic transformation, two lesson stand out from China success. First is the role played by China's government at all levels of governance. Second, market oriented reforms that will aid to expand opportunities which will require good public support.

6. Conclusion and Recommendation

The success of Africa will determine if SDG 1 which is the eradication of extreme poverty will be achieved by the year 2030. The discussion on whether Africa will grow out of poverty or not involves a conversation about the opportunities available to the Continent and the challenge it faces in poverty reduction. The 2000-2015 economic boom which saw Africa grow at about 5% for one and half decade raises hope, and expectations, and review the potential of the African Economy. Also, more Africans are now escaping extreme poverty than falling below \$1.90 per day as we can see for the past two decades. The narrative of the hopeless image of the continent has changed in recent times to Africa of opportunities where the people want a chance to change their story. The success recorded on the continent is a result of Africa's Managing their economies better, liberalization of its market, change in its politics, and Africa's consistent growth in ICT. This transformation in Africa has been captured by both local and international authors and magazines as the continent's story has changed from "the lost continent" to "Rising Africa".

However, with the growth recorded so far and available statistics, the continent will still fall short of achieving the sustainable development goal 1 of ending extreme poverty by the year 2030, but it can bring it low if the necessary steps were taken by the continent and its people. With the aforementioned issues and conditions of poverty in Africa, the continent needs policies that are critical to the reduction of poverty. To overcome these problems, the following recommendations are proffered.

- (i.) Africa needs its gross domestic product to grow about 6-9 per cent per annum, the type of growth it needs to push people out of poverty.
- (ii.) International support that includes technology transfers, and development assistance like that of ODA, World bank, G7 and UNICEF. This will help to ensure that no one will be left behind.
- (iii.) There is a need to improve African resource mobilization, such as direct taxes on income and land which will likely hit the rich
- (iv.) Africa needs to increase agricultural productivity and reduce gender inequality by making it easier for women to access the finance needed to better their lives and that of their households

In conclusion, poverty is man-made not natural, we have a unique moment and chance to eradicate poverty. Today, the continent has an outstanding agreement on the policies that need to be put in place for sustainable and poverty reduction growth. All we need is the resolution to focus on tomorrow and the determination to do it now.

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