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إفريقيا وتحديات القرن الواحد والعشرين

Combating Poverty in Africa: 2015 and Beyond

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There have been marked variations in poverty reduction across regions, with East Asia experiencing the sharpest fall and Sub-Saharan Africa the least. Even though some African countries are on track to reduce poverty by half by 2015, most are likely to fall well short. This paper draws on the UNRISD flagship report *Combating Poverty and Inequality* to explain Africa's slow progress in reducing poverty as well as the policies, institutions and practices that are needed to achieve better results.

It will focus on four broad sets of issues: growth strategies in industrial and agricultural sectors and complementary macroeconomic policies that will help create jobs that improve the earnings of low-income groups; domestic resource mobilization that can drive structural change; social policies that both protect the poor and improve productive capacities; and types of politics that are conducive to substantial reductions in poverty.

Employment represents a crucial channel through which income derived from growth can be widely shared. If people have adequately remunerated jobs, they can lift themselves out of poverty and improve their well-being. Africa's development is largely marked by low-productivity activities in agriculture and services or by mineral rents in which structural change is stuck in the primary sector. These patterns of development have produced highly segmented and unequal labour markets. Poverty takes the form of persistent unemployment, part-time work with low remuneration and protection, longer working hours at low pay or widespread underemployment and low incomes. Therefore, combating poverty requires agricultural and industrial policies that combine growth and employment generation, avoid deflationary macroeconomic policies, as well as improve infrastructure and the terms and conditions of work for all categories of individuals.

Domestic resource mobilization is also important. The capacity to mobilize resources improves policy space and redistribution that impact favourably on the poor. However, resource mobilization is highly political. It generates conflicts over types of resources to be mobilized, who pays, how much should be paid, and how the resources collected should be allocated across sectors, groups and communities. Most African countries have a poor record in fiscal redistribution because of their low tax base, which is due to low incomes and a large untaxed informal sector. Still, tax revenues can be substantially improved if tax administration is strengthened to prevent widespread tax evasion and avoidance, and if efforts are made to reverse the trend of generous tax concessions, especially for mining companies, and lower rates of income and corporate taxes associated with liberalization.

Social transfers and investments that include the poor can also drastically reduce inequalities, with the most significant reductions occurring in countries with comprehensive social policies that aim at universal coverage. After the severe cuts in social expenditures of the 1980s, there has been increased social spending in most African countries in recent years. However, Africa still spends only about 3.5% of its gross domestic product on social protection, which covers a very small part of the population. A strong case can be made for raising the level of social spending and pursuing universal approaches to social protection in the fight against poverty.

Achieving substantial reductions in poverty is a political choice. Countries that have reduced poverty relatively quickly had political systems that deliberately promoted growth and enhanced welfare. For the most part they also built and maintained competent bureaucracies, institutionalized rights and had competitive democratic regimes. Egalitarian outcomes are achieved in democratic settings when groups with strong ties to the poor organize independently and establish links with, as well as hold to account, actors involved in policy making. Countries where governing parties are sensitive to redistribution have produced relatively egalitarian outcomes. The poor suffer when interest groups and social movements are weak and when the electoral system is not sufficiently competitive.