



# POVERTY TRANSITION IN SWEDD COUNTRIES

## Significant vulnerabilities



**SWEDD**  
(Sahel Women Empowerment & Demographic Dividend)



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## Significant vulnerabilities

The fight against poverty is one of the major concerns in the world, especially in developing countries. In sub-Saharan Africa, where the Human Development Index is among the lowest, poverty is a cruel reality that affects nearly or more than half of the national populations.

Growth has always been a factor in reducing poverty and inequality in society. Thus, in order to fight against poverty, developing countries should adopt economic policies that allow them to achieve a certain level of growth. Despite the economic and social policy frameworks initiated in different countries, the population below the poverty line remains important. It is therefore necessary to make a retrospective study of the evolution of poverty, to better understand the phenomenon and develop targeted policies.

The SWEDD area is made up of six sub-Saharan African countries, including five from the Sahelian zone and Côte d'Ivoire. These countries, with the exception of Ivory Coast, are located in a semi-arid zone, characterized by a much longer dry season and a rainy season. Its population is characterized by the importance of the young population, common model of countries in a demographic transition phase.

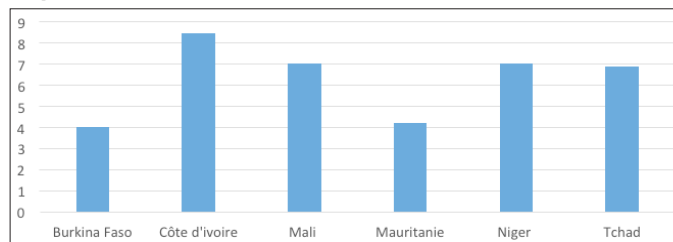
### Economic growth profile of the SWEDD Zone

Growth is defined by Perroux as «the sustained increase during one or more long periods of a dimension indicator: for a nation, the gross or net total product, in real terms». It therefore reflects the increase in the quantity of goods and services produced in a country during a given period. During the 2004-2014 decade, the growth rate of the SWEDD zone fluctuates around 5% (6.96% in 2004 to 5.24% in 2014).

This growth is the result of a mixed evolution of economic growth in the various countries concerned. Indeed, the wealth creation in the countries of the zone has undergone significant variations, resulting from various factors. Thus, it dropped sharply for almost all countries over the

period, with the exception of Ivory Coast, which has had a significant economic performance. Today, the economy of the area is strongly driven by the latter, the world's largest exporter of cocoa.

Graph 1: Growth rate of SWEDD countries in 2014



Source: World Bank

### Human capital in SWEDD countries

Health and education are important factors for the economic and social development of a nation. Human capital, an essential factor of productivity, is put into the theories of endogenous growth. It refers to all the productive capacities that an individual acquires by accumulating general or specific knowledge, know-how, and etc. «The accumulation of knowledge and know-how guarantees the productivity of the labor force necessary to start the economic emergence. This can only be achieved through a certain level of well-being, a certain state of health. Aware of the importance of human capital in economic growth and development in general, developing countries, especially SWEDD countries, make social policies their priority, for a better fight against poverty.

Education has undergone interesting developments, in particular with the framework of initiative of Education for All, taking into account the promotion of the education of the children but especially, the equal opportunities in the access to the education. Quality education guarantees the quality of the workforce involved in economic growth. Policies for education are a prerogative in SWEDD countries, where a notable growth in gross education rates has been rising between 2004 and 2014.

Table 1: Gross enrollment rate of SWEDD countries

| Countries     | 2004  | 2006  | 2007  | 2009  | 2011  | 2013  | 2014  |
|---------------|-------|-------|-------|-------|-------|-------|-------|
| Burkina Faso  | 53,88 | 62,07 | 67,67 | 77,56 | 81,28 | 85,26 | 86,89 |
| Tchad         | 75,35 | 71,28 | 70,16 | 82,54 | 89,58 | 101,4 | -     |
| Côte d'Ivoire | -     | 69,16 | 69,65 | 72,95 | 81,56 | 86,54 | 89,61 |
| Mali          | 70,1  | 76,06 | 78,59 | 82,17 | 83,96 | 76,13 | 77,19 |
| Mauritania    | 91,03 | 93,2  | 94,29 | 95,16 | 95,01 | 96,27 | 97,97 |
| Niger         | 47,22 | 49,54 | 52,03 | 59,69 | 67,27 | 70,23 | 70,6  |



The 2001 Macroeconomics and Health Commission of the WHO summarizes the contributions of health policies, stressing that «improving the health status of the population is a decisive input for poverty reduction, economic growth and long-term development» (WHO, 2001). Health also has intrinsic value in the sense that being healthy provides well-being; it is also a resource because health influences the opportunities and freedom to lead one's life and to accomplish things that are of value to individuals (Sen, 1992). Thus, health is an essential component of individual and collective well-being. The share of health expenditure in the GDP of the various SWEDD countries is increasing in the SWEDD countries between 2000 and 2014.

Thus, health spending per capita in SWEDD countries has been increasing between 2000 and 2014. However, they are far below the average for sub-Saharan Africa and emerging countries. The role of health in human capital is admitted, as is the role of human capital in growth (increasing the profitability of productive capital, the intergenerational effects of a population's present state of health) and in the increase in labor productivity. Human capital is thus an indispensable lever on which policies must be based in order to initiate sufficient economic growth to reduce poverty.



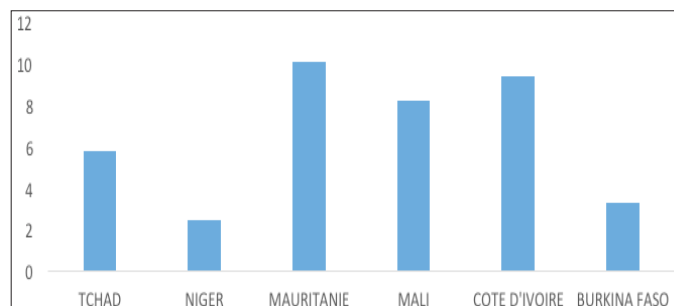
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## Employment and unemployment

The structure of African economies in general, and SWEDD countries in particular, highlights the labor intensity of the primary sector, which occupies a large part of the labor force. In Chad, for example, agriculture is the main economic activity occupying 74.3% of the population and in Burkina Faso, hunting and forestry occupy 80.9% of the population in 2010 (INSD, 2015). In addition, the informal sector occupies a large part of the working-age population of these countries. Defined by the ILO, «as a set of production units, with a low level of organization and producing goods and services with the main aim of creating jobs and incomes for the people concerned».

The definition of unemployment and labor available to work varies by country. According to the International Labor Organization (ILO), unemployment is the situation of the labor force available to work who is looking for a job but can't find one. This definition allows a comparison at the international level and between SWEDD countries (see Graph 3).

Graph 2: Unemployment rate of SWEDD countries in 2014



## Poverty and spatial Dynamics

Poverty is the fact that a household is unable to meet basic needs. Hard reality in Africa, especially in the SWEDD countries it concerns almost half of the populations. Poverty surveys carried out in different SWEDD countries were conducted at different times and generally show a downward trend in the proportion of poor people in the countries.

Table 2: Poverty indicators in SWEDD countries

| Countries     | Years     | Poverty rate (%) | Depth of poverty | Severity of poverty | Source                  |
|---------------|-----------|------------------|------------------|---------------------|-------------------------|
| Burkina Faso  | 2003      | 46,0             | 15,6             | 7,1                 | ECOWAS/DAES             |
|               | 2009      | 43,9             |                  |                     | EICVM <sup>1</sup> 2009 |
| Côte d'Ivoire | 2002      | 38,0             | 12,9             | 6,0                 | ECOWAS/DAES             |
|               | 2008      | 48,6             |                  |                     | ENEV 2015               |
|               | 2015      | 46,3             | 16,3             | 8,0                 | ENEV 2015               |
| Mali          | 2001/2002 | 68,0             | 31,4             | 17,6                | ..                      |
|               | 2014      | 40,1             | 9,7              | 3,3                 |                         |
| Niger         | 2008      | 59,5             |                  |                     | ECVMA 2013              |
|               | 2011      | 48,2             | 13,1             |                     | ECVMA <sup>2</sup> 2013 |
| Mauritania    | 2008      | 42,0             |                  |                     |                         |
|               | 2014      | 31,0             | 9,4              | 4,1                 | EPCV 2014               |
| Chad          | 2003      | 55,0             | 21,6             | 10,8                | ECOSIT <sup>3</sup> 2   |
|               | 2011      | 46,7             | 26,3             | 15,9                | ECOSIT 3                |

Globally, the poor population of SWEDD countries is in continuous decline, and remains a more rural than urban phenomenon. Despite the overall decline of the poor population in the SWEDD area, it is clear that the population still below the poverty line remains significant. This resilience of poverty in the face of the various initiatives

<sup>1</sup> EICVM: Integral Survey of household living conditions

<sup>2</sup> National Survey on the Living Conditions of Households and Agriculture in Niger (ECVMA)

<sup>3</sup> Survey of Household Consumption and the Informal Sector in Chad (ECOSIT)

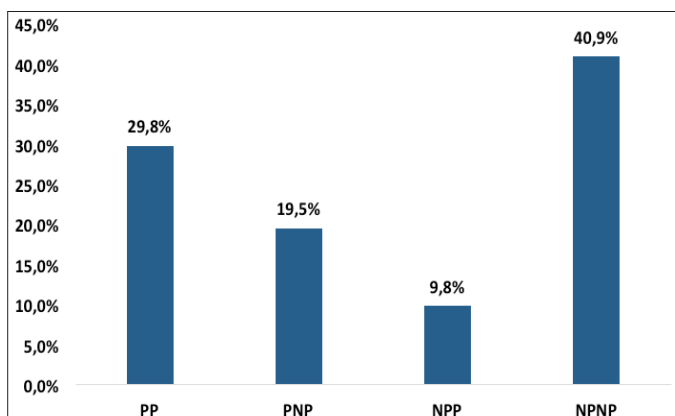
to fight it, can partly be explained by the vulnerability of the Sahelian zone to conflicts (ethnic and religious), recurring in the area. It can then be explained by the low diversity of economic activities (agricultural and silvopastoral activities) and precariousness (high dependence on climatic hazards) of employment in rural areas.

And finally, the low pace of poverty reduction may be justified by the low impact of poverty reduction policies. The study of poverty dynamics in the SWEDD area captures and analyzes upward and downward movements in relation to the poverty line. The relevance of the present study finds its essence in the fact that the households, in most cases do not remain stable, as regards their level of wellbeing. And a good understanding of these wavering around the poverty line must lead to better targeting of the poor and vulnerable populations, and thus, allow greater effectiveness of public action in this area.

## Poverty Transition in SWEDD countries

At aggregate level, it appears that in the SWEDD area, the proportion of pure non-poor is by far the largest. In fact, 40.9% of households were able to stay above the poverty line between 2008 and 2014. However, chronic poverty is also very important. As a matter of fact, 30% of SWEDD households were poor in 2008 and remained poor in 2014. This situation, which is alarming for several reasons, can be partly explained by: (i) the continuous increase of the population, the burden of youth constituting considerable burdens for both families and the State; (ii) recurring droughts and difficult natural conditions that directly affect the no less significant weight of rural households living almost exclusively in agriculture; (iii) the implementation of inappropriate policies; (iv) continued decline in productive capacity due to lack of capital and income; (v) the lack of opportunities for thousands of individuals as a result of weak educational and training systems.

Graph 3: Dynamics of poverty in the SWEDD zone



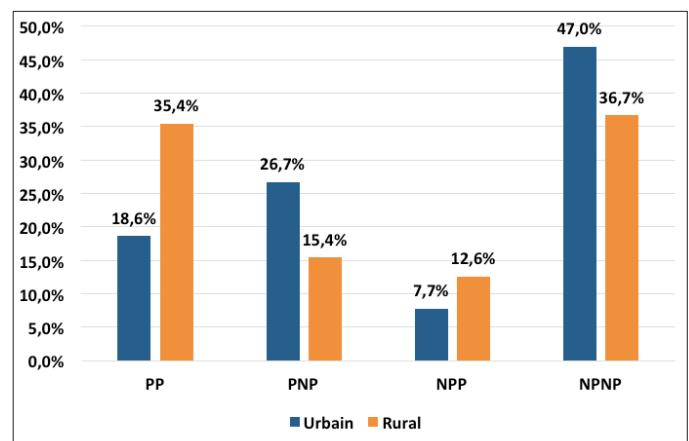
Source: CREFAT/CREG, 2017

## Poverty Transition by living area

In all SWEDD countries, poverty is more rural than urban. Even though, over the years, the large migratory flows from rural areas to large urban centers have resulted in a transmission of poverty (from rural to urban areas), spatial disparities remain and are also manifested in the dynamics of poverty. Indeed, it appears from the results that chronic poverty is far more important in rural areas. 35.4% of households were poor in 2008 and remained poor in 2014 in rural areas, compared with only 19% in urban areas.

In the same way, pure non-poverty is more effective in urban areas (47% versus 37%). It should be noted, however, the large margin of stable households above the poverty line in rural areas. Such a situation inevitably arises from numerous initiatives to raise the standard of living and diversify activities in rural areas.

Graph 4: Poverty Transition by living area



Source: CREFAT/CREG, 2017

With regard to transitional poverty, it is less important than chronic poverty and is also more prevalent in rural areas. 26.7% of poor urban households in 2008 emerged from poverty in 2014, compared with 15.4% for rural households. On the other hand, only 7.75% of urban households that were non-poor in 2008 moved into poverty in 2014, compared with more than 12% in rural areas. This indicates a much higher probability of remaining poor or of falling into poverty in rural areas than in urban areas.



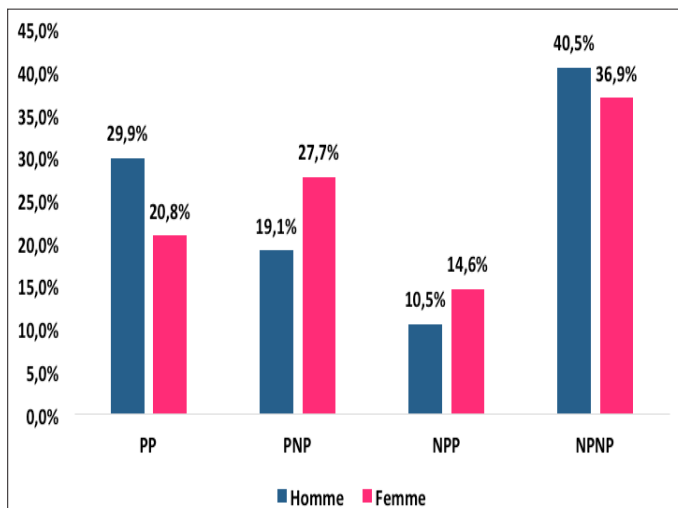
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## Poverty Transition by Gender

With regard to the typical sensitivities of the dynamics of poverty, it appears that in the SWEDD zone, between 2008 and 2014, chronic poverty affected male-headed households more (30% versus 21%). In contrast, female-headed households are less in a state of pure non-poverty, although the difference in percentage points is much smaller. This first situation is explained by the fact that female heads of households, which are very much in the minority in the SWEDD zone (less than 20% on average) are in most cases women of emigrants or widows. And in both cases, the socialization of sub-Saharan Africa means that they benefit from many transfers.

Graph 5: Dynamics of poverty by household head gender in SWEDD zone



Source: CREFAT/CREG, 2017

With regard to transient poverty that accounts for vulnerable situations, it affects more male-headed households. In fact, it appears that 19.1% of households headed by men who were poor in 2008 became non-poor and, 10.5% of those who were not poor fell into poverty. While for female-headed households, 27.7% of those who were poor came out of poverty and 14.6% switched to poverty. It thus appears that in a context of feminization of poverty in Africa, the fate of female-headed households is much better in the face of wellbeing.

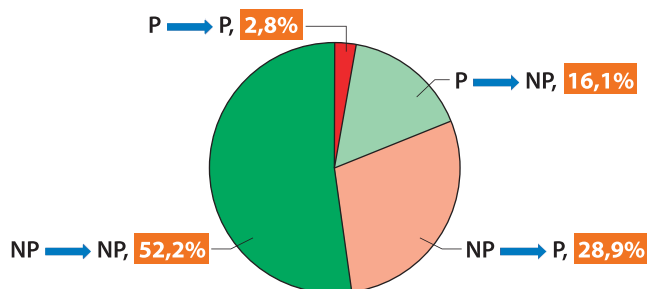
## Dynamics of poverty by age of household head

In view of the correlation now shown by empirical studies, between age and the labor force, it is clear that the age of the head of the household has a definite effect on the level of well-being of his family as well as on its fluctuations in time.

## Head of Household Under 35

Youth-led households are very poorly affected by chronic poverty and have a high rate of non-poverty. This one is estimated at 52.2% between 2008 and 2014 compared to only 2.8% for chronic poverty. However, 28.9% of households headed by young people have turned into poverty, which is a bit of a reflection of the vulnerability of these households over the period.

Graph 6: Dynamics of poverty for people under 35

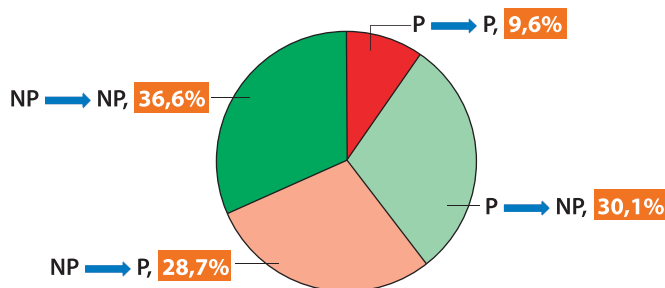


Source: CREFAT/CREG, 2017

## Adults 35 – 44 years

Head of Household between 35 and 44 Years, the pure non-poverty rate is still relatively high (31.6%), compared to chronic poverty (9.6%). On the other hand, it is a category of households that appears very vulnerable, failing to stabilize above the poverty line. However, it is this age group that should benefit more from stable jobs, and therefore a level of well-being that is acceptable in the long term, because having, in the normal course of events, accumulated enough experience and know-how, and having gone beyond the stage of first applicants. This contrast is a reflection of a struggling labor market in the SWEDD zone.

Chart 7: Dynamics of poverty for people aged 35-44

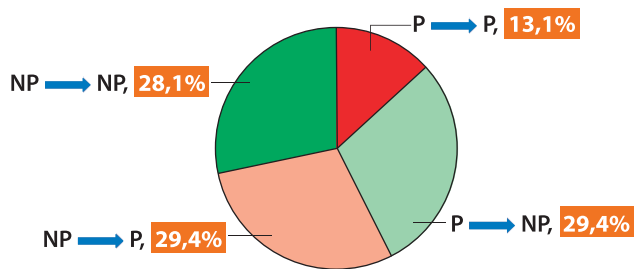


Source: CREFAT/CREG, 2017

## Head of Household between 45 and 54 Years

28% of households headed by individuals between 45 and 54 years were non-poor in 2008 and remained the same in 2014. A rate certainly below the national one, but characteristic of a certain level of stability in the welfare of this category of households. The poverty trap is relatively small (13%). However, these types of households are affected by a high vulnerability. Indeed, 29% of those who were non-poor have moved into poverty and the same proportion has emerged, reflecting a perfect change in the SWEDD area.

Graph 8: Dynamics of poverty for people aged 45-54

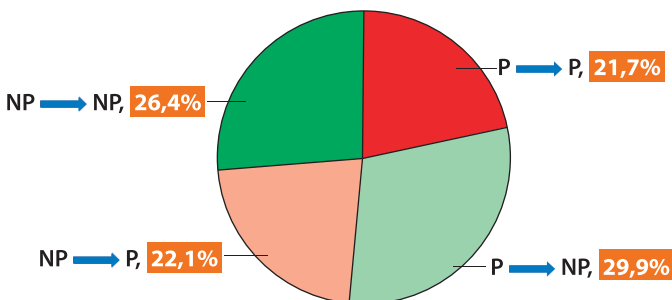


Source: CREFAT/CREG, 2017

### Head of Household 55 Years and over

Moreover, the majority of SWEDD households, against expectations, remain non-poor or out of poverty (26% and 30% respectively for pure non-poverty and the exit from poverty). Unlike many countries in sub-Saharan Africa where older people, who have not accumulated enough assets, are condemned to a precarious life over the rest of their life cycle, the SWEDD area is home to thousands of senior-headed households.

Graph 9: Dynamics of poverty for 55 and over

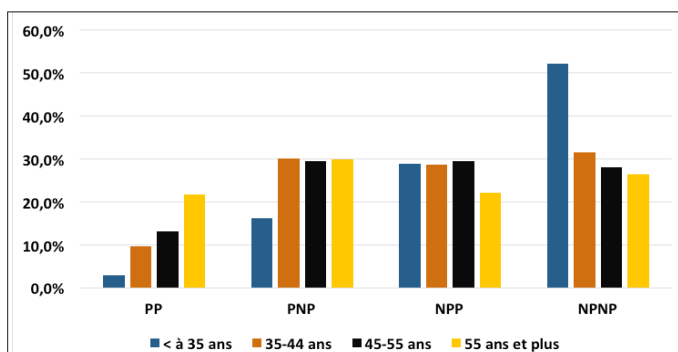


Source: CREFAT/CREG, 2017

### Global Synthesis per age

Overall, for the age-specific poverty dynamics of the household head, the SWEDD zone results confirmed the strongly negative «correlation» between age and well-being. What appears as a potential to exploit, given the demographic weight of the youngest. In the same sense, we should give individuals the ability to increase or at least maintain their level of well-being throughout their life cycle.

Graph 10: Dynamics of poverty by age of household head



Source: CREFAT/CREG, 2017

## Recommendations

The present study has led to identify in the SWEDD area, categories of households that are not able to accumulate enough assets or to generate enough income to raise their consumption expenditure above a minimum level, over a long period (2008-2014), and those who are in an opposite or intermediate case. It was found that there is a large portion of the population in the SWEDD area that has had an acceptable and stable level over the study period (40%). However, chronic poverty and vulnerable situations are also very important and affect more male-headed households and those headed by older ones.

This situation leads to thousands of households experiencing levels of endemic malaise. The direct effects of this long-term poverty are often dramatic and lead to the social exclusion of a majority. The explanatory factors, which are mostly structural, are closely linked to the general lack of key assets, conflicts and other insecurity situations. Unfortunately the phenomenon of chronic poverty is still insufficiently explored in studies of poverty in different SWEDD countries. The most shared conclusions about this phenomenon concern the mechanisms of blocking the process of intergenerational transmission of this poverty.

And one of the most appropriate solutions is based on investment in human capital, more specifically on education and training. Many initiatives, axes of the poverty reduction strategic frameworks, were nevertheless carried out during the last two decades in the SWEDD zone. Most of them were based on the creation of a stable macroeconomic framework, on the development of infrastructures, especially agricultural ones, on improving access to basic social services for the poor and promoting good governance. In general, the focus has been on wealth creation without providing real insights into how to bring the benefits of this eventual development to the poorest. This has greatly contributed to the failure to achieve the Millennium Development Goal of reducing extreme poverty by half. Current policies, based on better targeting the neediest generate better results.

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