Poverty in Africa since Independence

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1. Introduction

After being anticipated for decades, independence finally came to Africa, raising hope for prosperity and ending poverty. Most African countries gained independence in the early 1960s. At that time, their average income levels were higher than in many Asian countries and on par with some Latin American countries. Since then, however, Sub-Saharan Africa has become associated with economic stagnation and persistent poverty. Especially during the so-called 'lost decades' of the 1970s to 1990s, poverty rates in Africa rose while other developing regions took large strides in poverty eradication. Today, many of the poorest countries in the world are found on the African continent, although there is a significant spread in income levels between and within countries. Average regional poverty, expressed as the share of the population living in poverty, has declined since the early 2000s but at a slower pace than observed in other parts of the Global South. Moreover, due to rapid population growth, the *total number* of Africans living in poverty has grown and may well continue to rise for decades to come.

Rising poverty levels contrast sharply with many African countries' large natural resource wealth and overwhelming young labour force. The rising global and local demand for agricultural commodities and mining and forestry resources has not created a solid basis for sustained poverty reduction. Despite improving pre-conditions for sustained economic growth and a durable improvement in living standards, Africa's natural wealth revenues are too often unequally distributed and/or invested in activities that create few extra jobs for growing numbers of unemployed and underemployed people. In some countries, such as Botswana, the governance of national wealth works relatively well, and such examples provide optimism and hope for the future. However, in other countries, corruption, elite capture and violent conflicts hamper the alleviation of mass poverty.

This chapter re-evaluates economic forms of poverty, defined as *material* living standards. We will discuss two different dimensions of poverty at the national and the individual level. We will explain how both dimensions are measured and compared internationally. We will present estimates of absolute poverty and poverty rates and explore the trends in Africa in a global comparative perspective. While this may sound straightforward, it is important to note that human well-being entails much more than material conditions. For example, aggregated measures of economic poverty exclude access to health care and education, environmental sustainability and resilience to climate change, empowerment and agency, political freedom and acceptance of independence of sexual orientation, gender, and ethnicity. These aspects remain beyond the scope of this chapter. Further, this chapter re-focuses on poverty in Africa since independence. We begin in the 1960s, a decade that marks African independence and the beginning of annual poverty data provided by the World Bank. We explore the data up to 2019, the most recent year for which the World Bank offers data on poverty levels, showing that between 2008-2009 and 2018-2019, the percentage of people living below the national poverty line changed from 37 percent to 41 percent.

The chapter is structured as follows. It begins with a discussion of how poverty can be defined and measured. We then proceed to present global and African poverty trends, which also entails a discussion of rural versus urban poverty. A discussion of both African and international poverty-mitigating strategies follows this. Finally, we envision and dare to look ahead to future opportunities and challenges affecting African poverty.

2. Defining and measuring national and individual poverty

Before studying levels and trends in national and individual poverty, we need to understand how poverty is commonly defined and measured. The definitions we adopt in this chapter refer to economic poverty, usually measured in terms of *material* living standards. The most common measures are GDP per capita and the number or share of people living under the poverty line. Both measures are used by international organisations such as the United Nations and the World Bank. The advantage of using a widely accepted definition and measurement standard for all countries is that it facilitates international and inter-temporal comparisons. The disadvantage is that these measures are rather rough and miss much of the regional, national and local context that matters for living standards at communal or personal levels. Moreover, these measures contain no information on how the poor perceive their living conditions.

What does it mean when we say that a country is "poor"? *National poverty* is the same as the lack of economic growth for all intents and purposes. A country's wealth is measured in terms of GDP (Gross Domestic Product), the total value added to all goods and services produced in a national economy per year. Because the size of any country's economy is related to the number of inhabitants, GDP is commonly divided by the total population to obtain *GDP per capita*. This measure allows us to compare income levels across countries and to compute income growth over time using available data. The World Bank classifies economies into four income groups: lower income (up to $1,005), lower-middle-income ($1,006 - $3,955), upper-middle income ($3,956 - $12,235), and higher income ($12,236 and above) (*these are official standards for Gross National Income or GNI in 2018*). However, as indicated in OECD data, real household income increased in most countries in the first quarter of 2024. This implies that countries may have moved up or up-graded between income clusters.[1]

GDP growth is measured as the increase in total value added from one year to the next. *GDP per capita growth* is measured as GDP growth divided by population growth. So, for nations to become richer, GDP growth must outpace population growth. Yet, growth in GDP per capita does not necessarily mean a reduction of poverty, defined as the share of people living at or below the poverty line, because this crucially depends on how national income and GDP growth are distributed across the population. Hence, it is possible to have *inclusive* or *pro-poor* growth that benefits society, including the poor. But there are also examples of *exclusive* growth, which only makes the rich richer.

In general, countries with high GDP per capita levels find it difficult to grow fast. Their income levels commonly rise because of steady growth in GDP per capita over time, without too many years of negative growth. On the contrary, poor nations often record higher GDP growth rates, called *catch-up* growth, but are also more likely to suffer from prolonged or substantial negative growth. Whether they close the gap with richer nations crucially depends on the stability and long-term sustainability of their growth path, which, to a higher degree, depends on agriculture and extractive industry. Especially in sub-Saharan Africa, many countries have recorded high rates of GDP growth in the past 20 years but also years with considerable setbacks. For instance, Botswana in the 1970s and Rwanda in the 2000s had spectacular annual growth rates of 11 and 8 percent respectively. However, to consolidate these gains and reduce poverty at a structural level, such growth episodes have to be continued for many decades.

To compare GDP per capita across countries, we need to express income levels in a single common currency, usually US dollars (henceforth $). There are two ways to do this. The first is to use exchange rates between the local currency and US dollars. This has the disadvantage that sharp fluctuations in exchange rates affect the international comparison of income beyond 'real' changes in comparative economic performance. Therefore, the second approach is considered more accurate since it focuses on changes in domestic price levels rather than the value of the national currency. To convert GDP into US-Dollars economists use so-called Purchasing Power Parities (PPPs). A PPP is constructed by composing a basket of goods and services and comparing the price levels of this basket across countries. The PPPs thus obtained can be almost equal to the official exchange rate. Still, there are also many cases where the PPPs (relative domestic price level) are considerably lower than the official exchange rate. In this case, using the exchange rate would make the country appear poorer and make its population's purchasing power appear lower than it is. Another way of understanding the difference is that PPPs allow for an estimation of what the exchange rate

[1] World Bank Income Classifications FY24, https://blogs.worldbank.org/en/opendata/new-world-bank-group-country-classifications-income-level-fy24, accessed on 19 August 2024.

between two currencies would have to be to reflect relative price levels in different countries perfectly.

Individual poverty levels are clearly affected by GDP per capita levels but depend on how income is distributed among national populations. In 2008, the World Bank set a new standard by defining the *extreme* poor as people who live on average less than $1.25 per day. Again, PPPs are used to make this poverty line comparable across countries. This line changes over time as prices increase, which they tend to do in the long run. Hence, in 2017, the World Bank updated its calculation of the cost of a subsistence consumption basket and increased the global poverty line to $2.15. This poverty line is commonly used to estimate the number of people living in *extreme poverty*. Of course, this doesn't mean that people who can spend a little bit more than $2.15 per day have escaped from poverty. In fact, billions of people today are living just above that poverty line, as the number living in extreme poverty is declining. This trend is also visible in Africa.

But even for those who live on $2.15, the context of poverty matters a lot. Poverty is not a static condition. Just as individuals can move out of poverty, they can fall back into poverty again. Many people today who are no longer considered to be living in poverty have only managed to improve their incomes on the margin, and they are highly vulnerable to any change in their incomes. Incomes do vary markedly in some African countries. To address these shortcomings, the United Nations introduced a Multidimensional Poverty Index (MPI), which measures not only income but also health, education and other components of living standards since 2010. Another important dimension of poverty is how people perceive poverty in the communities and societies in which they live. *Relative* poverty refers to people's living standards as measured against the average living standards of a particular society. Living in poverty in a rich country makes a big difference compared to a poor country. To be poor in a rich country may ingrain the poor with a pervasive sense of injustice and may be mentally more difficult to cope with. On the other hand, being poor in a poor country may have the upside that opportunities to escape from poverty are larger because social mobility is higher.

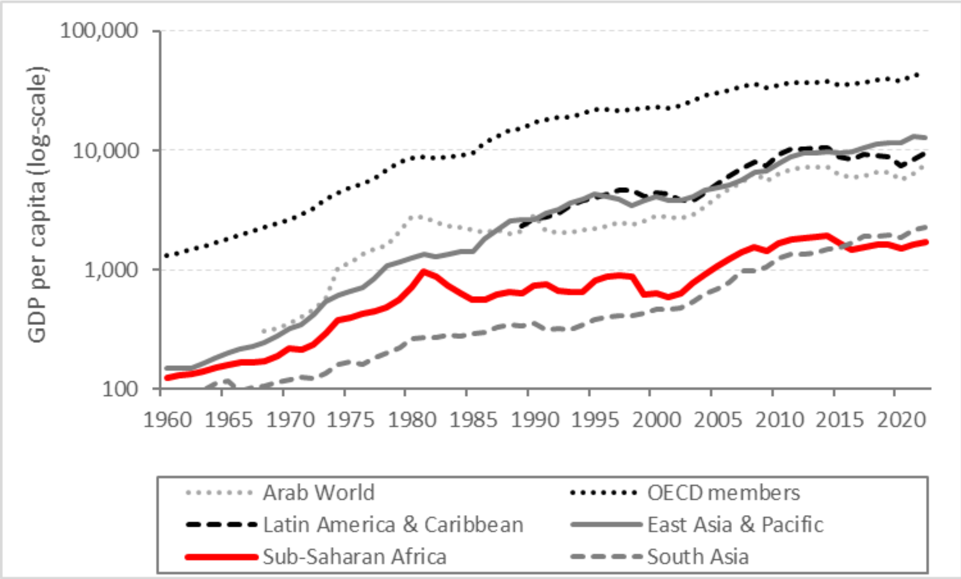
3. Poverty trends in Africa

In this section, we map and compare African poverty trends using (1) GDP per capita, (2) levels and shares of populations living in poverty, and (3) rural versus urban poverty. It offers a comparison between sub-Saharan Africa and other world regions and presents several cases from countries showing the diversity within the region.

National incomes in a global perspective

Figure 1 presents GDP per capita trends by world region. The OECD countries (Organisation for Economic Co-operation and Development), the wealthiest countries situated in Europe and North America (black dotted line). The graph shows that during the past half-century, there has been a sharp divergence in GDP per capita between sub-Saharan Africa and South Asia and other regions such as Latin America, East Asia and the OECD countries. Until 1980, GDP per capita in all regions, except the OECD countries, was below $2,000. However, since the 1980s, all world regions, except sub-Saharan Africa and South Asia, have surpassed the $2,000 benchmark. Latin America and East Asia and Pacific have grown beyond $10,000 in the 2010s.

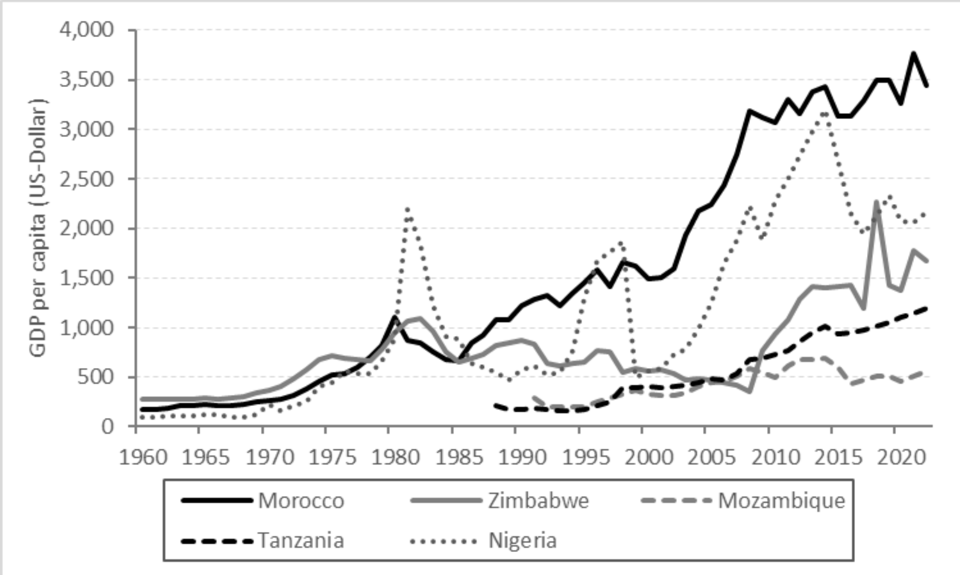
Figure 1: GDP per capita in US-Dollars (log scale) regional trends, 1960-2022



Source: World Bank (2024), *World Development Indicators* (WDI).

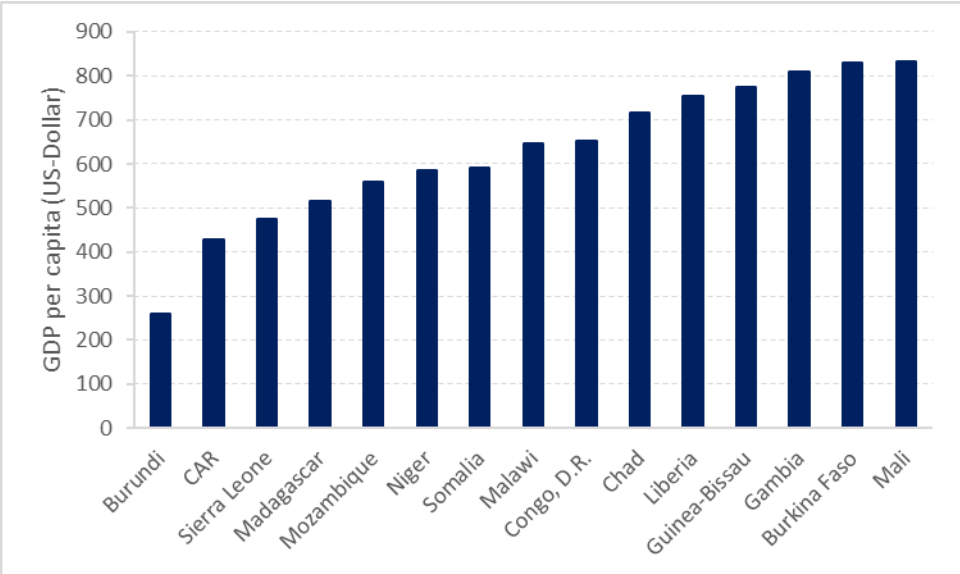
The comparison *between* regions shows how sub-Saharan Africa has developed from a global perspective. In Figure 2, we explore the variation within sub-Saharan Africa. We selected five countries – Morocco, Mozambique, Nigeria, Tanzania and Zimbabwe – which offer a good impression of the diversity in growth trajectories. Morocco's economy took off in the mid-1980s and has since developed comparatively well. Nigeria follows – after the significant commodity boom with increasing crude oil prices in the early 2000s, the oil-dependent economy has experienced considerable growth. However, there is a large risk this growth spurt will turn into a bust if world market prices for oil continue to fall or stabilize at the low levels they have attained between 2015-2022. The economy of Zimbabwe grew in the 1970s and 1980s but has experienced decline and stagnation due to the political and economic turmoil in the 1990s and 2000s. Zimbabwe recovered after 2008 when the GNU (Government of National Unity) was incepted, but it is unclear to what extent the regime manipulated the growth rates. It is well known that there are reliability issues with many African income statistics. Mozambique has been entrenched in a long civil war up to the 1990s and has recovered slightly in the years of peace since 2000, but the growth of GDP has been partly erased by rapid population growth. In Tanzania, population growth remained high as well. Still, GDP growth has been more impressive than Mozambique, so there was a notable divergence in per capita growth in these neighbouring countries in the past two decades.

Figure 2: GDP per capita (in US-Dollars) trends in 5 African countries, 1960-2022



Source: World Bank (2024), *World Development Indicators* (WDI).

Figure 3: The 15 poorest African countries in GDP per capita, 2022



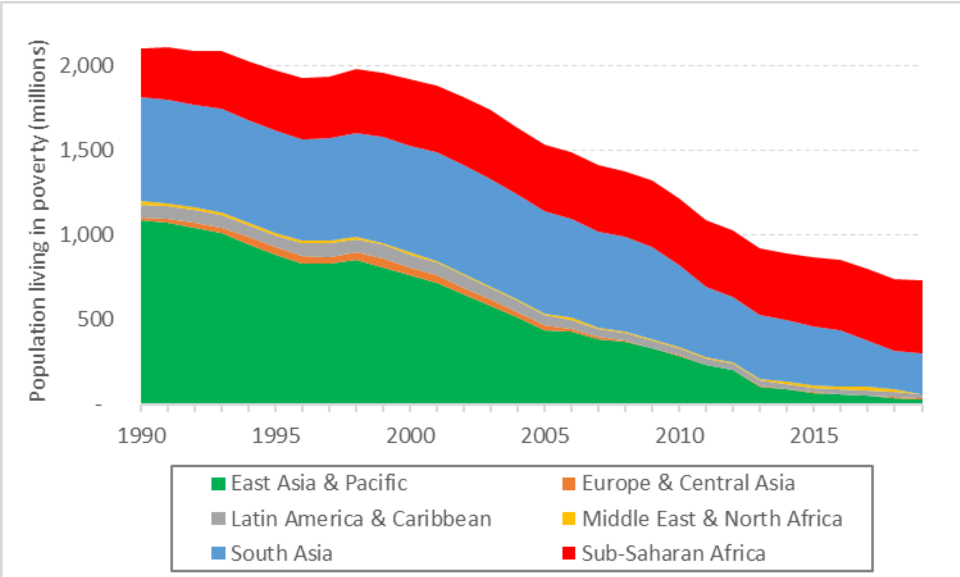
Source: World Bank (2024), *World Development Indicators* (WDI).

While the commodity boom since the mid-1990s has led to considerable economic growth in many African countries, it has not yet been enough to reduce the number of poor countries significantly. Figure 3 shows the poorest 15 African economies in the year 2022. At the bottom, we find Burundi, the Central African Republic, Sierra Leone, Madagascar, Mozambique, Niger and Somalia with a GDP per capita lower than $600.

Individual poverty in a global perspective

Figure 4 presents the total number of people living in *extreme poverty* by world region ($2.15 per day). It reveals that global poverty levels have fallen at impressive rates since the early 1990s. Between 1990 and 2019, the number of extreme poor more than halved from 2.1 billion to 735 million people. By 2019, the most recent years for which reliable data exist, 9 percent of the world's population lived in poverty compared to 38 percent in 1990. During the past quarter of a century, poverty has fallen, particularly in Asia and Latin America. East Asia and Pacific (green) and South Asia (blue) have largely contributed to this dramatic decline. China alone is responsible for two-thirds of the overall drop in poverty between 1990 and 2019. India, Indonesia and Vietnam are also seeing poverty gradually disappear. Yet, the absolute number of sub-Saharan Africans living in poverty (red) has increased from 293 million in 1990 to 436 million in 2019 and is expected to continue to rise given the demographic trends and plausible growth scenarios. About three in five of the world's population living in poverty are now thought to be African. Figure 4 thus highlights that global extreme poverty has become increasingly concentrated in Africa.

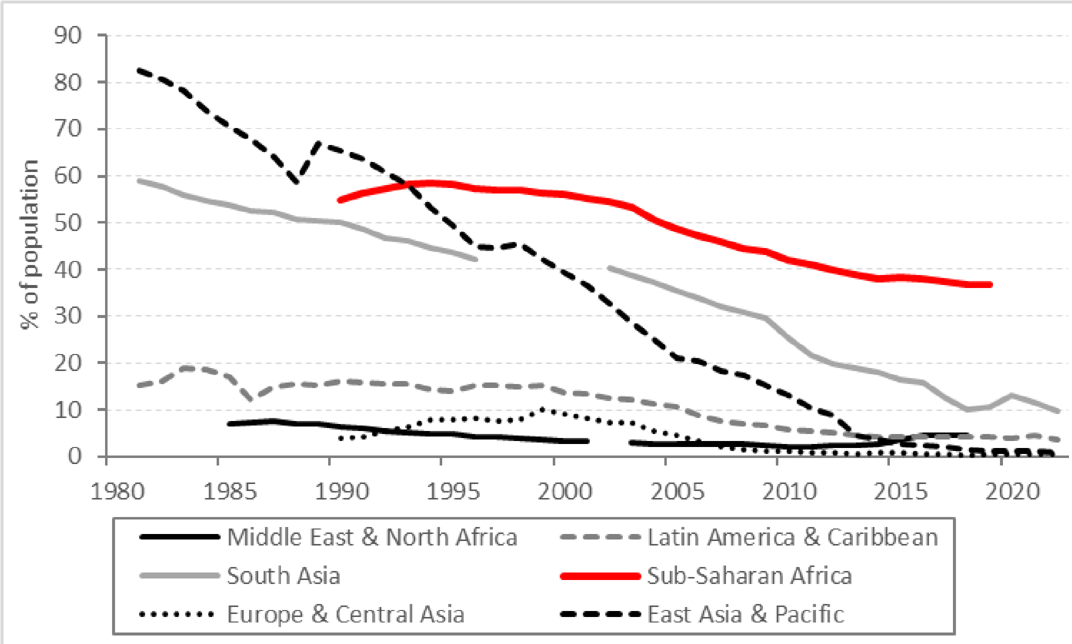
Figure 4: Population living in poverty ($2.15 USD a day) by world region, 1990-2019



Source: World Bank (2024), Poverty and Inequality Platform.

While Figure 4 displayed absolute poverty *levels* by world region, Figure 5 compares the *percentage share* of the African population living on or less than $2.15 (thick red line), i.e. the poverty rate, with other world regions. It shows that globally, the share of impoverished populations has declined since the 1980s. Most impressive has been the decline in East Asia and Pacific and South Asia, but also Latin America has more than halved its poverty rate. Figure 5 also shows that Africa's poverty rate has fallen from 51 percent in 1981 to 37 percent in 2019. Thus, while *absolute* poverty in Sub-Saharan Africa remains on the rise, *relative* poverty levels have declined. This paradoxical situation can be explained by relative poverty rates not declining fast enough to outweigh Africa's rapid population growth (by about 2.5 percent a year, compared with 1 percent for Asia). Hence, the number of Africans living in poverty today is higher than it was in the 1990s. No doubt, while the reduction in relative poverty can be seen as a positive trend in line with the renewed growth experience of many African economies after 1995, poverty remains a major development challenge for the region for decades to come.

Figure 5: Regional poverty rate at $2.15 a day (2017 PPP) (% of population), 1980-2022

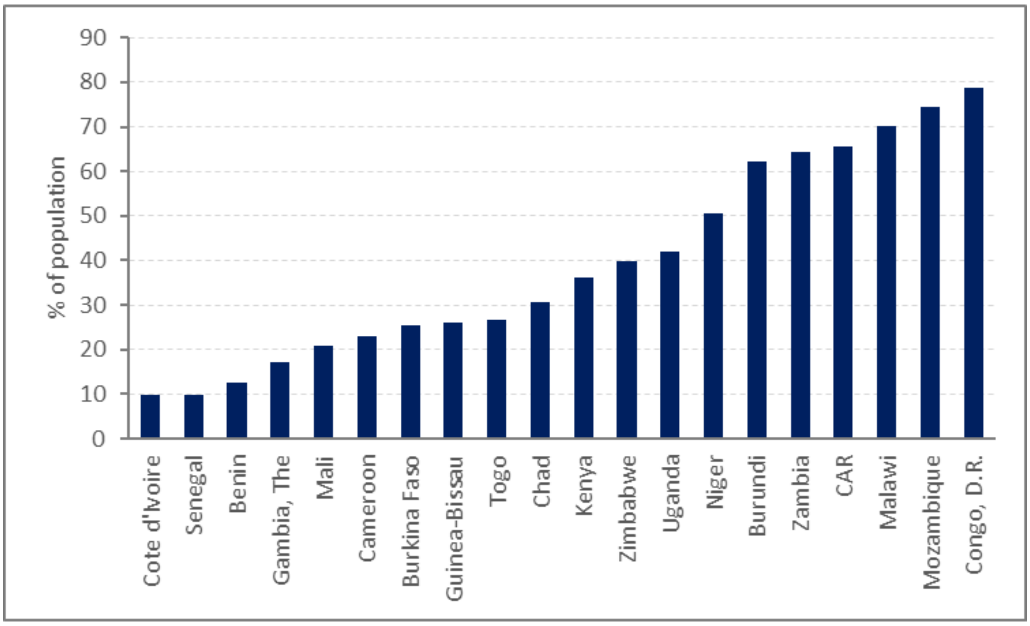


Source: World Bank, *World Development Indicators* (WDI).

Figure 6 presents poverty rates in several African countries in 2021. We can see that there are singular cases, i.e. Mauritius, where poverty has more or less been eradicated. In this island state, one of the African growth miracles, only 0.1 percent of the population lives under the poverty line. In the other growth miracle, Botswana, the share of people living in poverty is still 18 percent. The highest poverty rates are recorded in the Democratic Republic of Congo (79 percent), Mozambique (75 percent), Malawi (70 percent), Central African Republic (66 percent), Zambia (64 percent) and Burundi (62 percent).

Why are so many Africans still stuck in poverty today? The reasons for the continued high rates of Africans living in poverty and the continent seemingly not growing out of poverty are various and complex and also range from deeply historical (ultimate) causes to more proximate causes. But let us highlight three critical factors. First, poverty is related to the region's high population growth of 2.6 percent annually. While African economies are generating more income, that income has to be shared among an ever-growing number of people. The second factor relates to the depth of Africa's poverty compared to elsewhere. Even if the continent's income grows, it is often insufficient to push people over the $2.15 threshold. Thirdly, it is related to unusually high levels of income inequality or uneven income distribution among a population, causing a wealth gap between people living in abundance and those living in poverty. In countries where initial inequality is high, economic growth commonly delivers less poverty reduction as the proceeds primarily go to the already well-off.

Figure 6: Poverty headcount ratio at \$2.15 a day (2017 PPP), % of the population, c. 2021



Source: World Bank, *World Development Indicators* (WDI).

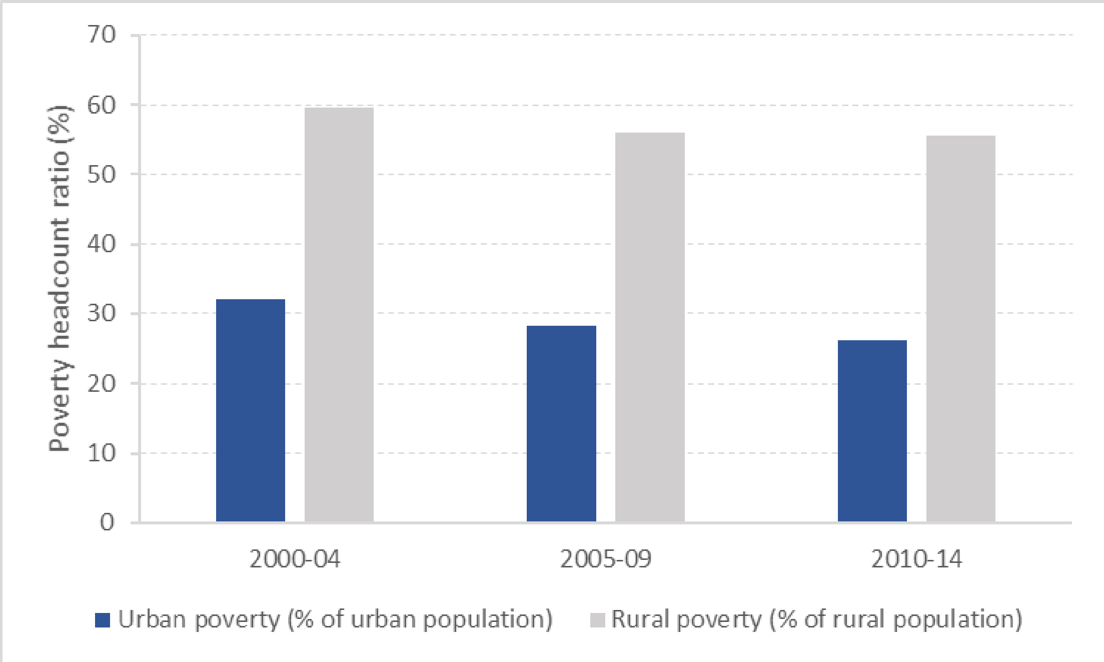
Poverty in rural and urban Africa

So far, we have discussed national averages, but *within* countries, there are different groups of people living in poverty, and their challenges for getting out of poverty vary. The most important divide is between the urban and rural poor. These two groups depend on and relate to each other in many ways, but urban poverty (whose traps in sub-Saharan Africa do not seem to leave anyone behind) manifests in quite different forms than rural poverty.

Figure 7 presents the average percentage share of rural and urban populations that live in extreme poverty. It shows that although African rural and urban poverty has declined during the 21st century, rural poverty remains twice as high as urban poverty.

However, poverty is no longer predominantly a rural phenomenon. Research shows that, soon, urban areas could increasingly become the new home of most impoverished people. Urbanization (associated with the urbanization of poverty in selected urbanizing countries) is one of the most significant trends in 21st-century sub-Saharan Africa, with rural populations, particularly young men and women, migrating at unprecedented rates to urban areas in search of employment and better incomes. Africa is the world's fastest urbanizing continent. In 2016 about 38 percent of Africans resided in towns and cities, compared to 15 percent in 1960. Rural-urban migration is not only a coping mechanism to escape poverty; it represents a perceived opportunity, particularly for young people, to improve their status, learn new skills, and send money back (remittances) to their rural families. However, the reality for rural migrants in cities is often different. Urban areas are becoming extremely overcrowded and overburdened, putting pressure on insufficient infrastructures, schools, health facilities, sanitation and water systems, and power supply (electricity). This escalating urbanization has created a new context of poverty in which urban centres are unprepared to absorb increasing youth unemployment. According to a 2007 study, Africa appears to be the only region in the Global South where urbanization is not correlated with poverty reduction.

Figure 7: Rural and urban poverty headcount ratio (percent), Sub-Saharan Africa



Notes: Data is not available for each country in Sub-Sahara Africa. The table includes the closest year within the year ranges.
Source: World Bank, *World Bank Data Bank* at https://databank.worldbank.org/Sub-Saharan-Africa-Countries-/id/3cf46253

The consequences of fast-growing urban centres without sufficient economic growth include, among others, the mushrooming of slums (also referred to as townships or squatter settlements), expansion of informal activities, pressure on infrastructure and the social problems that accompany unemployment in an urban setting, (for example, poor education, poor public health, urban decay, and crime). The large slums of Africa's mega-cities are perhaps the best indicator that urbanization has not improved the living standards of all urban dwellers. In 2010, the United Nations recorded that 62 percent of Africa's urban population live in slums, which is the highest rate in the world. Rapid growth of slums has some serious repercussions for the security of those areas, as poverty, crime, violence, drug abuse, prostitution, and HIV infection rates appear to be more prevalent in urban slums. Failing to prepare for these or address them adequately could lead Africa to fall into the trap of replacing rural with urban destitution.

4. Responses to poverty in Africa

There have been various responses and strategies by African peoples and the international community aimed at eradicating African poverty.

African responses to poverty

Most people living in poverty seek to help themselves and each other. The African poor are not just victims of poverty; they also show a great capacity to anticipate and find solutions to their everyday problems (agency or portfolios of people experiencing poverty). Money management is a fundamental and a well-understood part of everyday life for the poor. It is a critical factor in determining the level of success that poor households enjoy in improving their lives. Most poor households do not live hand to mouth but employ various informal financial tools. For example, people organize themselves in informal self-help associations such as rotating saving schemes (popularly known in some parts of Africa like South Africa and Zimbabwe as 'Round' or 'Stokvel' and money clubs) as well as informal savings clubs, savings with a money guard and burial insurance societies. Poor entrepreneurs also overcome their lack of access to formal banking by becoming customers of microfinance institutions. In addition, Africa is at the forefront of mobile money and technological innovations that have made it possible to extend financial services to millions of poor people at relatively low cost. For example, Safaricom's M-Pesa ("pesa" means "money" in Swahili) pioneered mobile phone banking in Kenya in 2007 and has made a dramatic impact since then. Seven in 10 adults in Kenya use M-Pesa, making 9 million transactions daily in 2016, which provides the livelihoods of 130,000 agents. Across Africa, similar schemes offer various services, including transfers, savings, loans, and health provisions that boost financial inclusion and create better financial stability for African families. Also, African farmers increasingly seek membership in agricultural cooperatives to gain access to capital to invest and commodity markets to sell their produce at reasonable prices. They also exhibit awareness and cope with risks of climate change with increasingly unpredictable rainfall and rising droughts by growing short-season crop varieties (e.g. smaller grains) from improved seed varieties that are drought-resistant to minimize and mitigate the risk of famine.

These examples demonstrate that poor African households lead rich and complex financial lives. They often employ a variety of strategies to find innovative solutions to their everyday financial problems (e.g., paying school fees, affording health care, contributing to social ceremonies).

Global responses to African poverty

The reduction of extreme poverty and hunger was the first so-called Millennium Development Goal (MDG) set by 189 United Nations Member States in 2000. Expressly, it set a target of reducing the poverty rate by half by 2015, a goal that was met in 201. Now, under the Sustainable Development Goals (SDGs) of 2015, the United Nations has set a new ambitious target to end extreme poverty by 2030. The SDGs included an evaluation of service provision, the synergies and trade-offs, for example, related to clean water and sanitation access, availability and sustainable management of water and sanitation for all (SDG 6) and inclusive, safe, resilient and sustainable urban communities and/or cities and human settlements (SDG 11). Development experts agree that persistent poverty and inequality undermine prosperity, peace and security in Africa unless governments embark on innovative, people-centred, or people-oriented development models. If this is not done, it is increasingly unlikely that African states will achieve many of the targets in the Sustainable Development Goals by the 2030 deadline. Because global shocks have wiped out more than two decades (1990s to the early 2000s) of progress the African continent had made on poverty reduction, Africa, therefore, needs sustainable interventions and solutions to eradicate poverty. Currently, many international and African NGOs and development charities contribute to efforts for global poverty reduction, but the lion's share comes from official development assistance (ODA).

Table 1: Sub-Saharan African ODA recipients from official donors (billion USD), 2022

Top 10 recipients	**billion ($)**	**Top 10 donors**	**billion ($)**
Ethiopia	4.9	World Bank	14.8
Nigeria	4.4	USA	12.4
Congo, D. R.	3.3	European Union	4.0
Tanzania.	2.6	Global Fund	3.8
Mozambique	2.6	Germany	3.5
Uganda	2.2	France	3.4
South Sudan	2.1	United Nations	2.6
Niger	2.0	Japan	1.4
Somalia	1.9	Canada	1.3
Zambia	1.8	United Kingdom	1.2
Other African recipients	29.9	Other donors	9.4
Total	**57.8**	**Total**	**57.8**

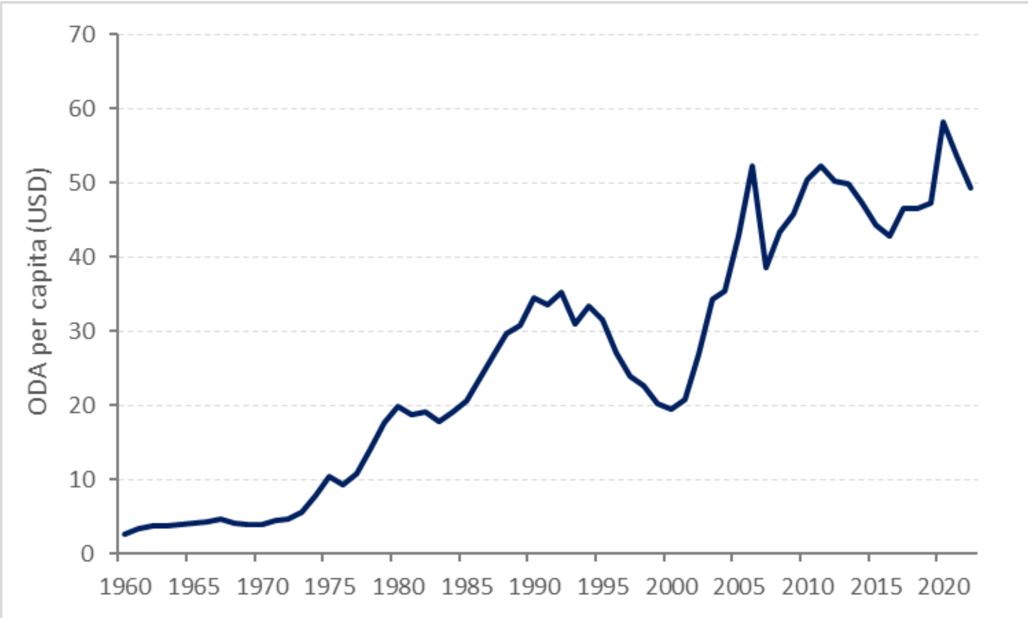
Source: OECD (2024), *Data Explorer.*

ODA is financial aid governments and other agencies give to support developing countries' economic, environmental, social, and political development. It is distinguished from humanitarian aid by focusing on alleviating poverty in the long term rather than short-term relief after natural disasters, wars, and famines. Such aid may be bilateral: given from one country directly to another, or it may be multilateral, provided by the donor country to an international organization such as the World Bank or the United Nations Agencies (e.g. UNDP, UNICEF, UNAIDS). The proportion is currently about 50 percent bilateral 50 percent multilateral. African countries received 22.5 percent of total ODA, the largest regional share. Table 1 lists the top African recipient countries and their international donors in 2022. Together, the top-10 are responsible for 52 percent of ODA in sub-Saharan Africa. Over the past two decades, China has also become an important donor. However, most

Chinese spending is not classified as ODA as it is primarily intended for commercial and infrastructure projects. The Bill & Melinda Gates Foundation, a non-profit organization fighting poverty, disease, and inequity worldwide, is also among the top donors but not included in the official ODA. As a private donor, it gives 1.3 billion, equivalent to Canadian ODA, to sub-Saharan Africa.

Figure 8 divides the total sub-Saharan African ODA received by its population during 1960-2022. A clear, steady upward trend since the 1960s is visible over the six decades, indicating that despite African population growth, the growth of ODA exceeded it. Only during the past two decades per capita did ODA stagnate at about $50 per sub-Saharan African. In 2022, South Sudan ($196), Somalia ($140), Liberia ($115), the Central African Republic ($120), and Eswatini, then Swaziland ($105), received the most ODA per capita – at least double the average sub-Saharan African recipient. A large share of South Sudan and Somalia ODA was humanitarian aid that aims to save lives and alleviate suffering during and after emergencies like droughts, flooding, and public health pandemics.

Figure 8: Net ODA received (current USD) per capita, 1960-2022



Source: World Bank (2024). *World Development Indicators.*

5. Outlook: Can Africa grow out of poverty?

The debate on whether Africa will grow out of poverty or not involves a discussion of the opportunities available to the continent for poverty reduction, on the one hand, and its challenges to achieve this, on the other hand. Sub-Saharan Africa's economic boom in the early 2000s has raised hopes and expectations to lift the region out of poverty by 2030. Also, African poverty reduction over the past two decades nourishes hopes that further declines can be achieved in the near future. Substantial African economic growth over the past two decades has revealed the region's economic potential. Consequently, perceptions of a perennially poor Africa are changing as parts of the continent have witnessed positive changes in political democratic systems, less armed conflicts, increased macroeconomic stability and consistent growth in agriculture and industry. This has also been acknowledged by one of the leading international newspapers, *The Economist*, which wrote off Africa as "the hopeless continent" in 2000, only to correct itself recently in 2011 and 2013, describing African growth potential as "rising" and "aspiring" respectively (Figure 9).

Figure 9: *The Economist* newspaper cover in 2000, 2011 and 2013

2000	2011	2013

Source: The Economist, various issues.

The growing global demand for various agro-commodities, mining, and forestry products is stimulating traditional and non-traditional markets for Africa's exports, resulting in a rise in economic growth rates in some cases. In the majority of African states, peaceful transitions of power and enhanced levels of stability and good governance seem to be the hallmarks of economic success and poverty reduction in the future.

However, while numerous positive indices and trends support the case for Africa as a continent of opportunity, the prevailing image still is of a continent trapped in a cycle of national and individual poverty, widespread corruption and weak checks and balances on abuse of power by African governments. This picture is aggravated by several developments that may jeopardize poverty reduction in the coming decades. Let us mention three of these concerns. First, it remains very insecure or uncertain what the effects of climate change will be on agricultural production in large parts of the region. Some regions may become wetter, others dryer and hotter. In any case, it means that many farmers who live under the poverty line will have to adapt to changing weather conditions, while they may lack the (financial) means to do so.

Second is the intimate link between natural resource abundance, economic growth, and (rising) income and asset inequality. To what extent will the benefits of ongoing resource exploitation be distributed more evenly in the future? Will the mining, plantation, and forestry sectors generate sufficient employment to generate a decent income for expanding new generations of job-seekers? It remains unclear to what extent African economies can diversify into a broader range of internationally competitive manufacturing and service industries (beyond the extractive sectors) to reduce their dependence on primary commodities and natural resource revenues.

Third, and this turns back to many poverty-related issues, what will the long-term effect of demographic growth and urbanization be? Will population growth's exceptional pace and scale accelerate ecological degradation, raise youth unemployment, intensify resource conflicts, and provoke mass emigration and the brain drain of Africa's highly skilled and most valuable people? Or will growing concentrations of urban consumers and better-connected rural hinterlands open up new opportunities for market development, infrastructural investment, new development institutions, and new divisions of labour? In the latter scenario, Africa's population boom may enhance the development of internationally competitive manufacturing and service industries as an alternative to the region's long dependence on primary commodity exports. As we have seen above, demographic growth currently pushes up the number of African poor. But perhaps it is generating conditions for a sustained poverty reduction simultaneously?

Study questions

1. Define poverty and explain the main methods of measuring it.
2. How does Africa fare in an international comparison of poverty at the national level, i.e. GDP per capita?
3. What trends can we see when comparing changes in African countries' GDP per capita levels?
4. What has happened to reduce the total number and share of people living in poverty in Africa over the last couple of decades?
5. What strategies have Africans, organisations and governments employed to reduce poverty levels?
6. Will Africa witness the total end of poverty in the near or distant future?

Suggested readings

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