

# SECTION II:

## Tracking Progress

### GOAL 1: ERADICATE EXTREME POVERTY AND HUNGER

#### **Target 1.A: Halve, between 1990 and 2015, the proportion of people whose income is less than US\$ 1.25<sup>4</sup> a day**

In recent years, extreme poverty has been falling rapidly, even in low-income countries, despite their growing populations. Across developing countries globally, the proportion of people living on less than US\$ 1.25 a day fell from 42 percent of the population in 1990 to 25 percent in 2005. This is attributable to the rapid economic growth in most developing countries and the significant progress in poverty reduction on the part of highly populated countries such as China, India, and Indonesia. If this trend continues, developing countries are likely to reach the target of 21 percent of the population living on less than US\$ 1.25 a day by 2015.

Over the past decade, Africa has contributed significantly to global economic growth, however, economic performance has not translated into a significant reduction in poverty among its populations. In particular, the proportion of Africans (excluding those in North Africa) living on less than US\$ 1.25 a day marginally decreased from 58 percent in 1990 to 51 percent in 2005.<sup>5</sup> However,

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4 The poverty rate is the proportion of the population living on less than US\$ 1.25 a day, measured at 2005 international prices, adjusted for purchasing power parity (PPP).

5 It is important to acknowledge the controversy surrounding the extent of poverty reduction in Africa prior to the global

this falls far short of the target of 29 percent by 2015 (*Figure 1*). Furthermore, due to the cumulative impacts of the food, fuel, and financial crises between 2006 and 2008, there has been a reversal in the hard-won gains made in the past decade toward reducing absolute poverty<sup>6</sup>. Notwithstanding this setback, from 1998 to 2008, some African countries such as Cameroon, Ethiopia, The Gambia, Ghana, Senegal, and Morocco did manage to buck the trend and make strides in poverty alleviation<sup>7</sup> (*Figure 2*).

An important challenge to monitoring progress on poverty reduction in Africa is the lack of data originating from comprehensive, quality surveys

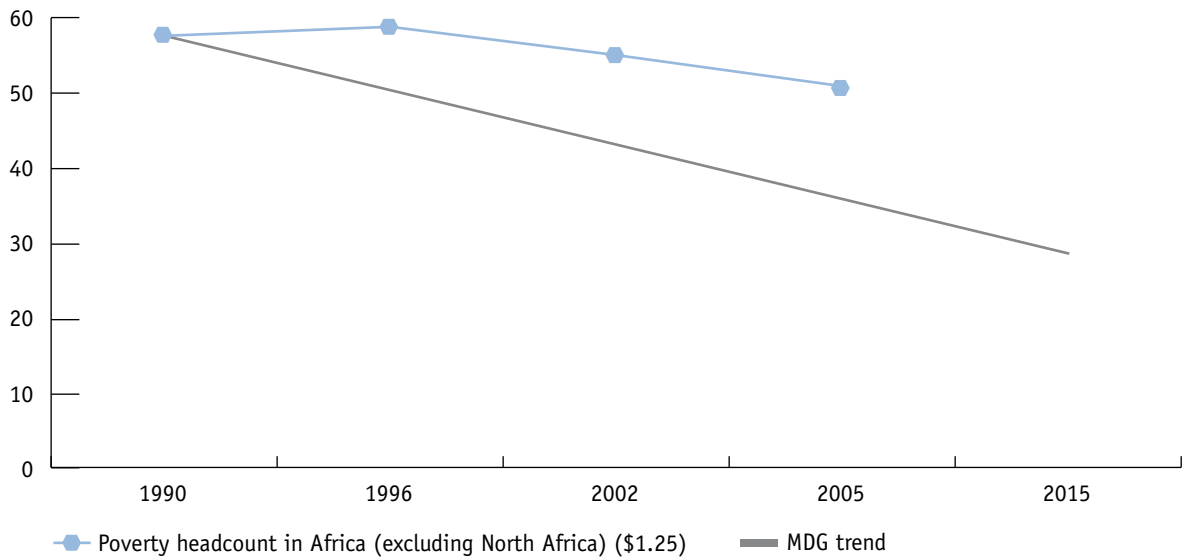
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financial crisis. For instance, Pinkovskiy and Sala-i-Martin (2010) argued that poverty is reducing faster than expected through the distributive impact of rapid economic growth in the region, which could fast-track the achievement of the target before 2015. However, Chen and Ravallion (2008) concluded that Africa's poverty is not declining fast enough to offset the region's high population growth rate. Wodon (2007), while appreciating the role of economic growth in poverty reduction, noted that changes in inequality are limiting the gains from growth for the poor in several African countries. The World Bank and IMF (2010) also explained that the initial conditions in Africa made it difficult for growth to lead to a rapid reduction in poverty; that the pace of progress is inversely related to initial conditions.

6 The projection from IFAD (2010) puts the proportion of the population living below the poverty line in Africa (excluding North Africa) at 52.5 percent in 2008.

7 Many countries' reports also indicated they have made appreciable progress on poverty reduction (in contrast with international statistics). For instance, official statistics from Algeria reported a substantial fall in poverty from 14.1 percent in 1995 to 5 percent in 2008.

**Figure 1: The declining poverty trend in Africa (excluding North Africa) compared to trended target for 2015 (%)**



Source: Compiled from <http://iresearch.worldbank.org/PovcalNet/povDuplic.html>.

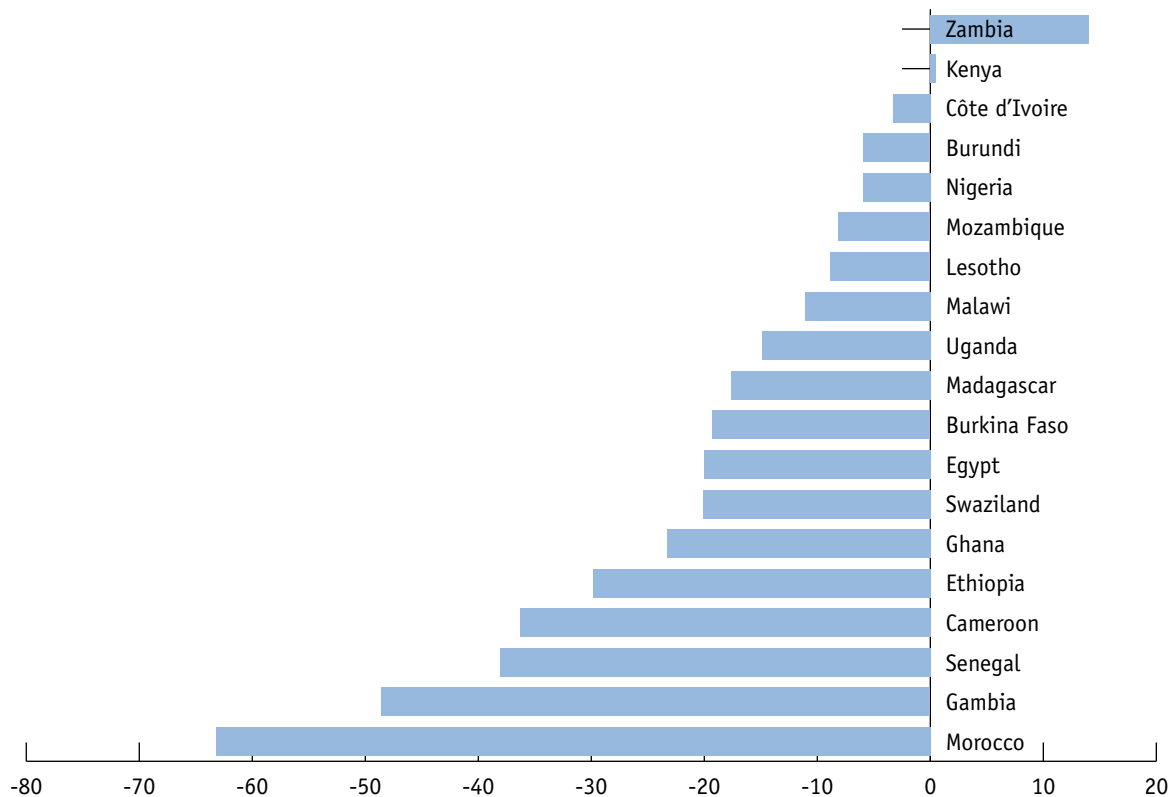
carried out at regular intervals. Even where good-quality surveys are available, delays in reporting the results continue to hamper the monitoring of poverty in the continent. Gaps are particularly acute in Africa (excluding North Africa), where close to half the countries lack sufficient data to make comparisons over time. To ensure evidence-based decision-making on the continent, governments, the private sector, and development partners should pay greater attention to the conduct of household surveys through better resource allocation and capacity development. The need to bridge the discrepancies between national and international statistics should also be given serious consideration.

#### *Poverty gap remains high in Africa*

The poverty gap measures the shortfall in the incomes of people living below the poverty line.

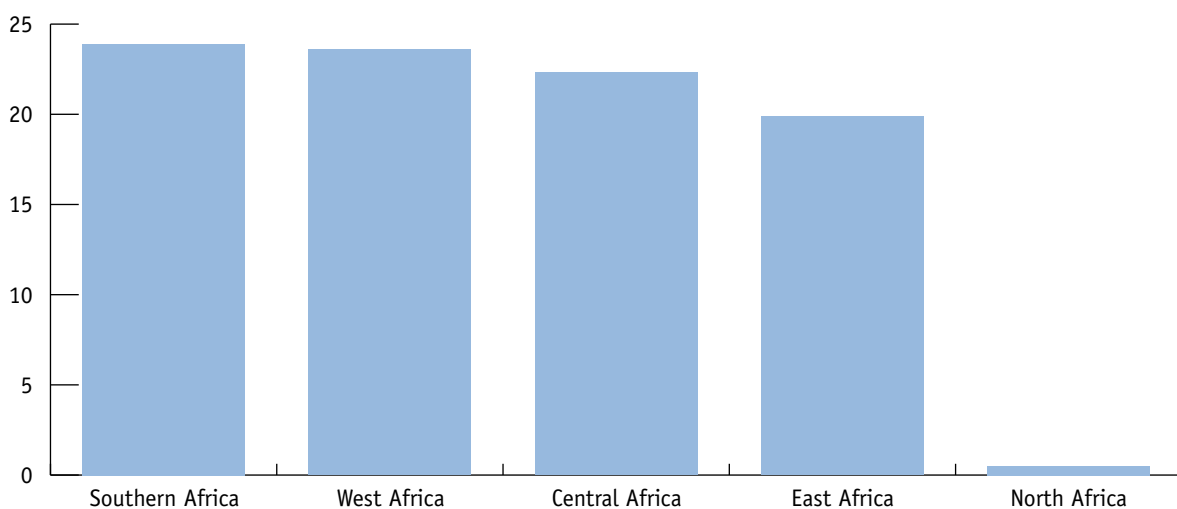
While the international poverty line of US\$ 1.25 a day is set at a level typical of very poor countries, many people subsist on even less than that amount. Economic growth and improvements in the distribution of income or consumption can reduce the depth of poverty. In North Africa, the poverty gap ratio remained static at 1 percent between 1990 and 2005, whilst in the rest of Africa the ratio posted an improvement from 26 to 21 percent during the same period. The subregional variations in the poverty gap are high (*Figure 3*). These data indicate the percentage of people living far below the threshold of US\$ 1.25 a day, and hence the magnitude of vulnerable groups that require policy interventions. Efforts to spur growth and productivity in sectors where the poor are most active (e.g. agriculture and informal businesses) will help to improve this ratio.

**Figure 2: Percentage change in population living below the poverty threshold (US\$ 1.25 a day) between 1998 and 2008**



Source: Compiled from IFAD (2010, pp. 245–252).

**Figure 3: Poverty gap ratio by African subregion, 2008 (%)**



Source: Compiled from IFAD (2010).

### *Proportion of the “working poor” remains a challenge*

The “working poor” are defined as those who are employed but live in households where individual members subsist on less than US\$ 1.25 a day. Most of these workers lack the social protection and safety-nets that guard against times of low economic demand. Often they are unable to generate sufficient savings to offset hard times. Since vulnerable employment tends to be characterized by low-productivity work, and the global financial crisis has decreased labor productivity,<sup>8</sup> working poverty is likely to have increased over recent years and this trend is projected to continue (UN, 2010). Data show that the proportion of the African working population (excluding those in North Africa) earning less than US\$ 1.25 a day in 1998 was 67 percent, which improved to 58 percent in 2008, but this is projected to slip back to 64 percent in 2009. This stands in contrast to far more substantial improvement in most other global regions over the same timeframe (e.g., from about 67 percent to 11 percent in East Asia and from about 22 percent to 14 percent in North Africa) (ILO, 2010b).

### *The rural–urban divide in poverty incidence persists*

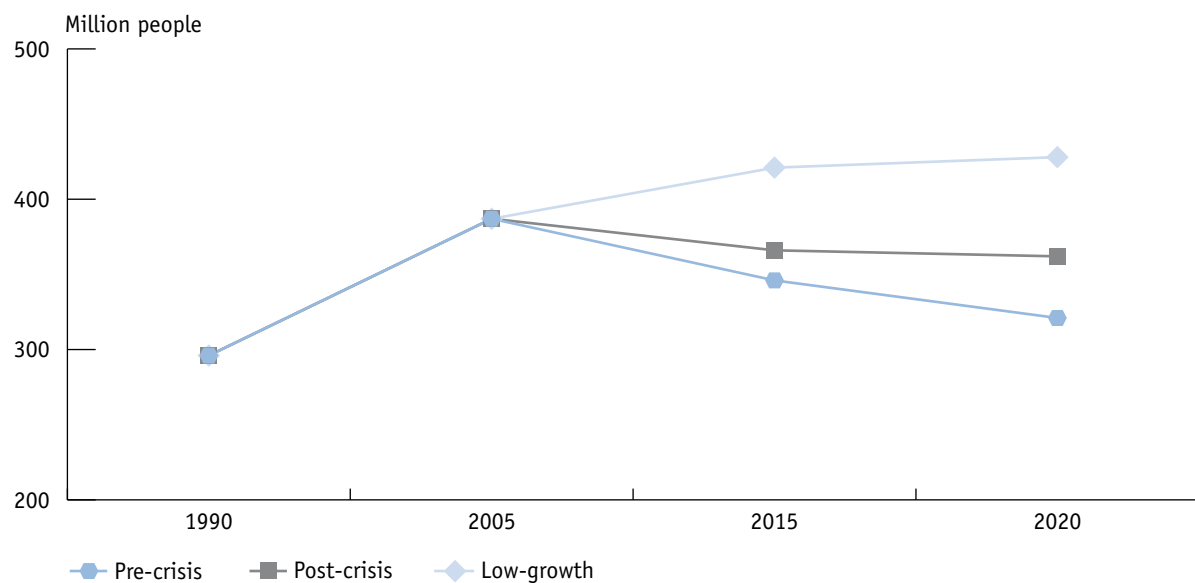
Evidence from the *Rural Poverty Report 2011* (IFAD, 2010) shows that rural poverty is still very high in Africa (excluding North Africa). While it

marginally declined from 64.9 percent in 1998 to 61.6 percent in 2008, this is almost double the average of 34.2 percent for all developing countries (IFAD, 2010). Although Africa (excluding North Africa) reduced rural poverty by 5.1 percent between 1998 and 2008, developing countries in other global regions fared much better. Latin America and the Caribbean decreased their levels of rural poverty by 68.8 percent, South East Asia by 51.4 percent, and the Middle East and North Africa by 45.5 percent.

These regions were able to deal with the root causes of rural poverty such as lack of assets, limited economic opportunities (including weak access to markets and poor harvests), and poor education, as well as disadvantages rooted in social and political inequalities. Rural development, green growth, and good health systems in other developing regions contributed to rapid exits out of rural poverty. Addressing this issue in Africa is central to reducing spatial inequality. It will require governments to facilitate individual and collective access to physical assets such as land, houses, credit and occupational inputs, while at the same time strengthening the rural population’s capabilities (e.g., through better education, access to information, and greater participation in dialogue and decision-making). This should be complemented by the creation of local economic opportunities (especially non-farm); increasing rural people’s capacity to better manage the risks they face; and investments in rural infrastructure such as energy, water and sanitation, and transportation. It also calls for better governance at both national and local levels.

<sup>8</sup> Labor productivity declined in almost all the regions of the world during the recent financial crisis. The exceptions were in East Asia, South Asia, and North Africa, which weathered the crisis rather well in comparison with other regions. Labor productivity was particularly hard-hit in Latin America and the Caribbean, Central and South-Eastern Europe (non-EU) and the CIS region, the Middle East, and Africa (excluding North Africa) where it went into negative territory between 2007 and 2009 (ILO, 2011).

**Figure 4: Projected impact of the economic crisis on poverty reduction in Africa (excluding North Africa), 2005–2020**



Source: Compiled from World Bank and IMF (2010).

### *The global financial crisis and its impact on poverty reduction*

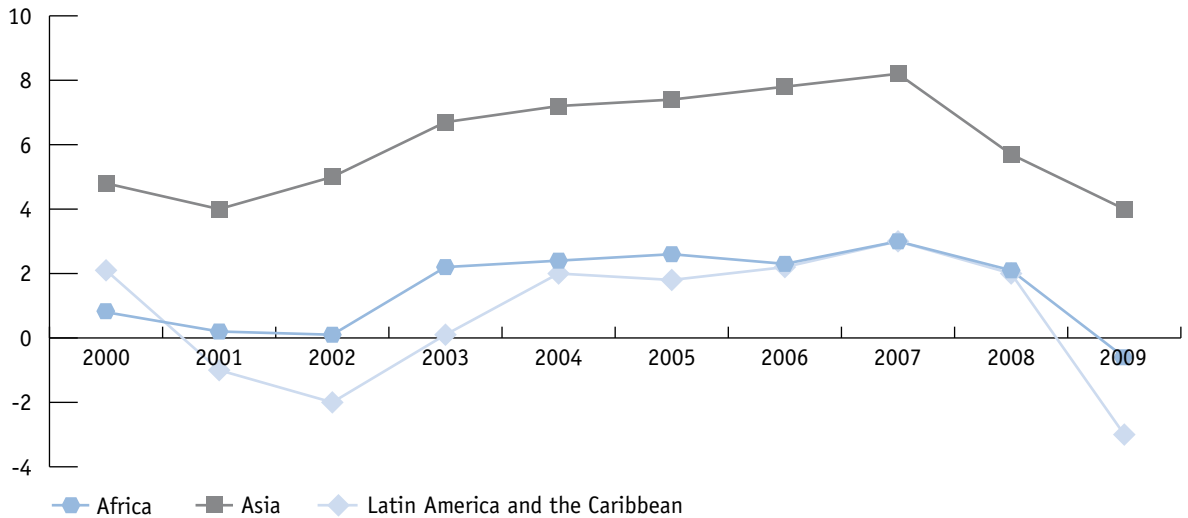
In spite of the promising economic growth projection for the continent, the aftermath of the global financial crisis is likely to have a significant impact on progress toward MDG 1, both up to 2015 and beyond. Although much of the rest of the world is largely on track to meet the target of halving its income poverty rate, this presents a major challenge for Africa (excluding North Africa). Before the crisis, the region was projected to reach a poverty rate of 35.9 percent by 2015, but this has now been revised to 38 percent. The implication is that an additional 20 million people will be left in poverty by 2015. However, if the low-growth scenario comes to

pass,<sup>9</sup> this number would more than double to 55 million over the same period<sup>10</sup> (Figure 4). Indeed, revised estimates from the World Bank suggest that the crisis left an additional 50 million people in extreme poverty in 2009 and a further 14 million in 2010. Those hardest hit were principally living in Africa (excluding North Africa) and in Eastern and South-Eastern Asia.

<sup>9</sup> The low-growth scenario assumes little or no growth for about five years, when it begins to slowly recover (World Bank and IMF, 2010).

<sup>10</sup> Ibid.

**Figure 5: Growth of labor productivity in Africa and other developing regions, 2000–2009**



Source: Compiled from ILO (2010c).

**Target 1.B: Achieve full and productive employment and decent work for all, including women and young people**

**Indicator 1.4: Growth rate of GDP per person employed**

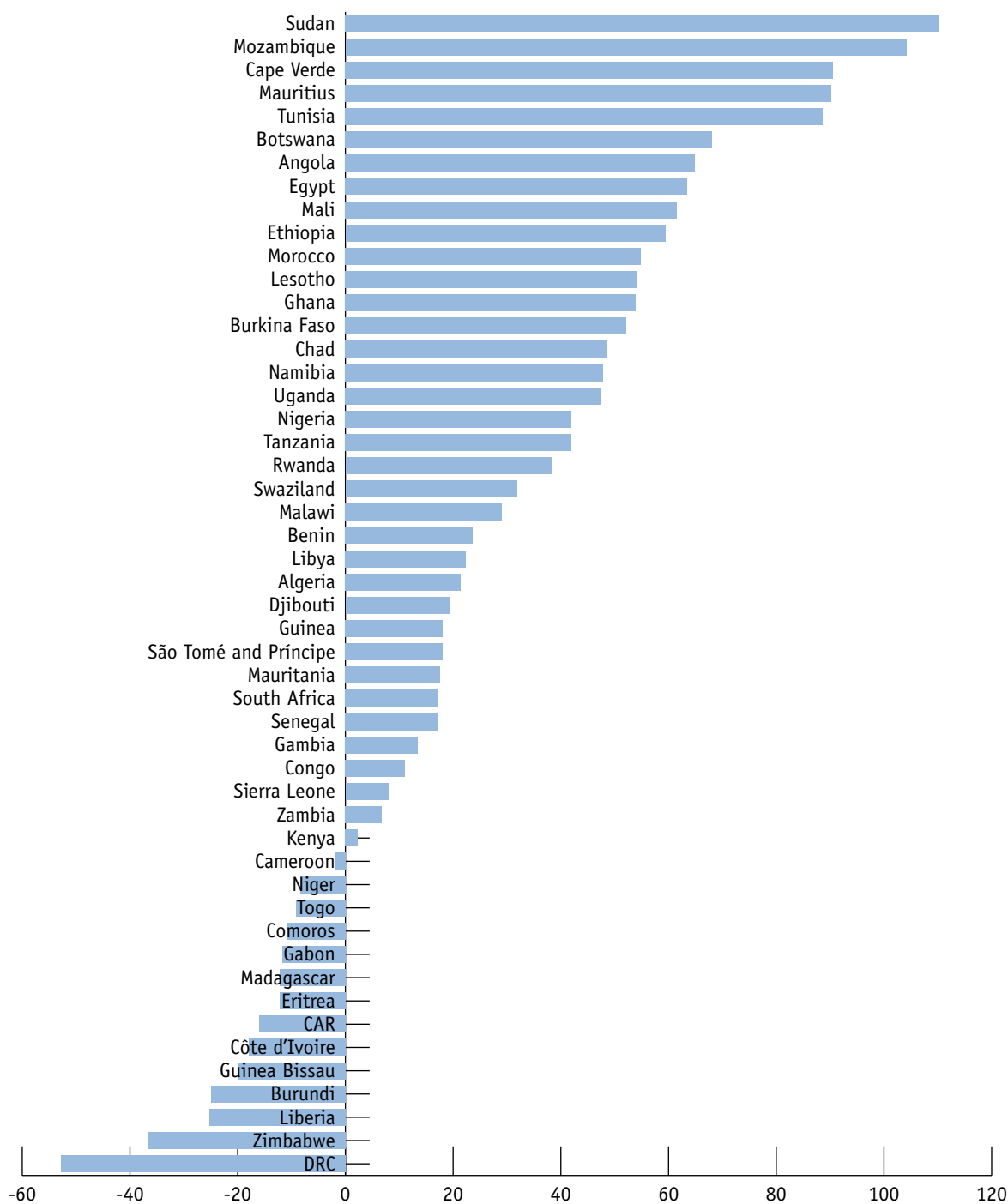
An important indicator for measuring changes in the quality of employment is labor productivity.<sup>11</sup> Growth in labor productivity is essential for improving living standards and sustaining poverty reduction. Like many other developing regions, output per worker in Africa, which has been rising since 2002, witnessed a substantial decline in 2009 due to the global economic crisis (Figure 5). While the growth of labor productivity remained positive in North Africa, it was curtailed – dropping from 2.9 percent in 2007 to 1.6 percent in 2009. There was a much sharper

decline in other subregions of Africa, from 3.5 percent to -1.2 percent during the same period. The slowdown in the rate of capital accumulation and weak growth in total factor productivity<sup>12</sup> could have accounted for the sharp fall in labor productivity. Generally, output per worker is very low in Africa (excluding North Africa), relative to other global regions. For instance, in 2009 it was estimated to be US\$ 5,141 for Africa (excluding North Africa), compared to US\$ 16,236 (North Africa), US\$ 12,383 (East Asia), US\$ 22,352 (Latin America and the Caribbean), and US\$ 70,946 (developed economies and European Union) (ILO, 2011).

<sup>11</sup> Labor productivity is defined as output per unit of labor.

<sup>12</sup> Productivity gains come from a more efficient use of capital and labor, as well as from technological progress.

Figure 6: Percentage change in GDP per capita, 1990–2009



Source: Compiled from <http://hdrstats.undp.org/fr/indicateurs/62006.html>

Note: There were no data for Seychelles and Somalia, while Equatorial Guinea data were excluded because of its impact on the graph. Data from Eritrea and Libya started from 2000, while São Tomé and Príncipe data started from 2005.

Subregional averages mask wide variations across African countries on productivity, as measured by GDP per capita. For countries where comparable data are available between 1990 and 2009, the average GDP growth per capita was 55.8 percent in Africa. Thirty-seven countries recorded positive growth while it was negative in 14 countries during the same ten-year period. Two oil-producing countries (Equatorial Guinea and The Sudan) were the highest-performing countries, followed by Mozambique, Cape Verde, Mauritius, and Tunisia.

The use of revenues from offshore oil extraction for the transformation of infrastructure in Equatorial Guinea accounts for the massive rise in productivity in that country, while the efficient use of capital, labor, and technological advances explains better performance in other countries. The least-performing countries in terms of GDP growth per capita over 1990–2009 were DRC, Zimbabwe, Liberia, Burundi, and Côte d'Ivoire (Figure 6). Most countries lagging behind on productivity are postconflict countries. Conflicts often lead to the total destruction of infrastructure, which undermines the efficient use of factors of production (including labor and capital). Resources that could be used for capital accumulation are instead devoted to humanitarian support and social cohesion efforts. The resurgence of conflicts in some countries and the spread of political instability in North Africa could further affect overall productivity on the continent.

### **Indicator 1.5: Employment-to-population ratio**

#### *Employment generation*

The employment-to-population ratio,<sup>13</sup> which provides a snapshot of the quantity of employment

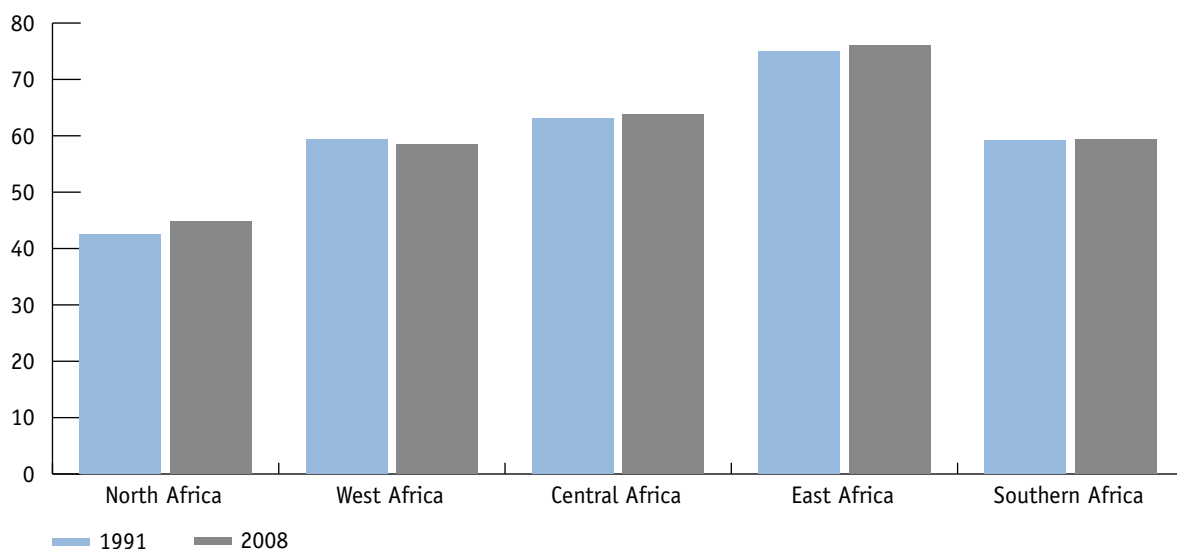
13 Employment-to-population ratio is defined as the proportion of a country's working-age population, aged 15 years and older, who are in employment.

being generated in an economy, grew by about 0.5 percent between 1991 and 2008 for the continent as a whole. During this period, North Africa recorded the largest improvement, while West Africa regressed slightly. Relative to all the subregions, East Africa has the highest ratio of population in employment, while North Africa has the lowest (Figure 7). This could be attributed to the low participation of women and youth in the workforce in North Africa and to a high unemployment rate there.<sup>14</sup> This potent mix of destabilizing factors was no doubt a contributory factor behind the social and political instability recently witnessed in the subregion.

Turning to West Africa, the large share of capital-intensive extractive industries in national output and the prevalence of conflicts in many member countries have contributed to the decline in the employment-to-population ratio in the subregion. By contrast, East Africa's relative social stability and appreciable economic diversification played a positive part in its sustained good performance.

Unemployment rates are generally higher in North Africa than in the other subregions, although it achieved a higher rate of progress over the time span 1991–2008. In North Africa, unemployment declined from about 14 percent in 2000 to 9.5 percent in 2008 before rising marginally to 9.8 percent in 2009, due to the global economic crisis. The decline was subdued in the rest of the continent, falling from about 9.0 percent in 1990 to 8.0 percent in 2007, before rising by just 0.2 percent in 2009 (ILO, 2011).

14 See ILO (2010a) for more on the employment situation in North Africa.

**Figure 7: Employment-to-population ratio by African subregion, 1991 and 2008 (%)**

Source: Compiled from UNSD data (updated in June 2010).

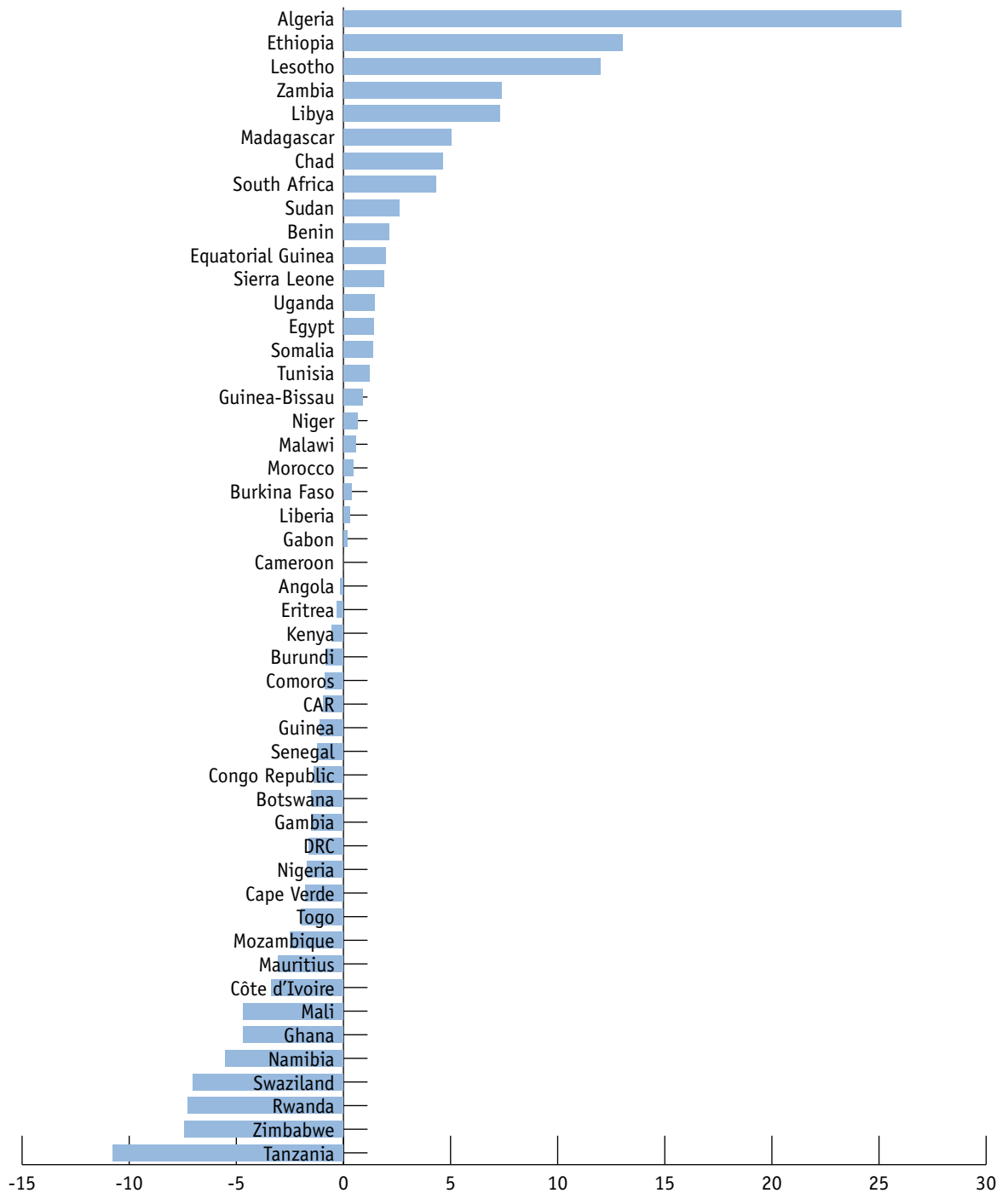
Note: No data for Djibouti, Mauritania, São Tomé and Príncipe, and Seychelles.

Employment-to-population ratios at the country level exhibit substantial variations. Of the 49 countries for which comparable data are available, 25 countries made progress, with Algeria, Ethiopia, Lesotho, and Zambia recording more than a 5 percent improvement. Only Cameroon was stagnant during the period, while 23 countries regressed. Namibia, Rwanda, Swaziland, Tanzania, and Zimbabwe registered a decline of more than 5 percent between 1991 and 2008 (*Figure 8*). To remedy the situation, efforts should be made to diversify the economy away from traditional commodities into the service sector. Countries must also build the capacity to absorb both skilled and unskilled labor and to better align educational curricula to labor market realities in order to enhance the employment opportunities of young graduates.

### *Tackling youth employment*

Young people are the foundation for building solid economies and vibrant societies for today and tomorrow; however, young people have often been excluded from social and productive activities. For instance, employment among youths (15–25 years old) globally is on the decline and the fall was steeper during the economic crisis and its aftermath, between 2007 and 2009. Youth unemployment rose from 11.9 percent in 2007 to 13.0 percent in 2009 and was estimated at 13.1 percent in 2010 (ILO, 2010a). Youth unemployment is a major issue in Africa, as it has the largest share of youths to total population worldwide, in addition to a very high poverty incidence and low economic diversification.

**Figure 8: Percentage change in employment-to-population ratio for selected African countries, 1991–2008**



Source: Compiled from UNSD data (updated in June 2010).

### Box 1: Employment policy in Algeria

Unemployment has been a serious long-term development challenge in Algeria. Indeed, total and youth unemployment rates were as high as 30 percent in 2000 and 48 percent in 2001 respectively. To reduce unemployment and tackle poverty in the country, the government decided to implement a rigorous employment policy. Subsidies were granted to firms as incentives to hire the unemployed, and a public works program was established for unskilled people. Firms were given the opportunity to hire the unemployed at no cost for one year, with the government paying the salaries for skilled youth. Subsidies and financing were provided to micro enterprise projects to take on skilled youth with relevant qualifications. Tax incentive measures were also provided to employers who were able to create and safeguard jobs.

These efforts improved performance in terms of matching labor supply (job seekers) with labor demand (vacancies). As a result, the annual number of job matching through the National Employment Agency (ANEM) over the period 2005–2009 increased by 167 percent. Moreover, female employment during this period rose from 1.2 million to almost 1.5 million; an increase of about 20 percent. Altogether, between 2004 and 2009, Algeria's government was able to create 1.3 million new jobs. This development led to a reduction in the total unemployment rate from 30 percent in 2000 to 15.3 percent in 2005, falling further to 10.2 percent in 2009. In particular, youth unemployment fell from 48 percent in 2001 to 31 percent in 2005.

The government's employment policy has surely contributed to the significant reduction of the poverty rate in the country, which decreased from 14.1 percent in 1995 to 5 percent in 2008, as measured by the national poverty line.

Sources: Kpodar (2007) and *Algeria MDG Report (2010)*.

Youth unemployment in Africa has become a development concern in recent times and is more precarious in North Africa.<sup>15</sup> More than 20 percent of the youth labor force in North Africa in 2008 was unable to find jobs. Indeed, only 40.7 percent of male youths and 15.9 percent of female youths in North Africa were in employment in 2008. This explains why youth unemployment worsened by 3.2 percentage points between 1998 and 2008 in North Africa, compared to 1.7 percentage points for the rest of the continent (ILO, 2010a). The difference in the rate could reflect the lack of social protection, which forces the youths into low-productivity employment, especially in the

<sup>15</sup> Youth unemployment has become a recurring issue in North Africa and the Middle East, which have the worst rates of youth unemployment in the world (ILO, 2010c).

informal sector.<sup>16</sup> These developments are seen to have contributed to the increasing wave of protests in North Africa and the Middle East in recent times.

Investing in the youth is an important strategy to transform the demographic challenge into economic opportunities, social inclusion, and poverty reduction. The need for countries to develop a national action plan for youth employment is more relevant than ever. This action plan should examine

<sup>16</sup> Although the informal sector in Africa provides a good opportunity to absorb the unemployed youths, yet substantial challenges still inhibit access to this sector. These include lack of resources to enter the upper-tier informal sector; barriers in terms of acquiring technical or entrepreneurial skills, non-conducive operating environments, such as a lack of infrastructure (e.g., electricity); and wage rigidity in the informal wage employment (Chaudhuri and Mukhopadhyay, 2010).

and address the key barriers to youth employment at local and national levels and be ready to scale up interventions that are proving to be innovative in the promotion of youth participation and private sector involvement. Some of the issues requiring urgent attention in many African countries include addressing technical and nontechnical (numeracy and literacy) skill mismatches, tackling slow growth job barriers, dealing with discrimination in the labor market, and improving access to start-up capital, among others.

**Indicator 1.6: Proportion of employed people living on less than US\$ 1.25 (PPP) per day**

This is an indicator for measuring extreme poverty among the working population. Globally, the number of working poor (living on less than US\$ 1.25 a day) declined from 875.1 million in 1999

to 631.9 million in 2009. In contrast to the global trend, this indicator rose in Africa from 158 million to 185 million during the same period (*Table 1*). The rigidity of nominal wages accompanied by a rising cost of living relative to many other regions of the world contributed to this trend.

Although the number of the working poor in Africa is on the increase, the ratio of the working poor to the total workforce has been on a declining trend. A marginal reversal was however recorded in 2009 due to the global economic crisis, which led to the loss of many formal jobs and an expansion of vulnerable employment. Relative to the global average of 20.7 percent in 2009, the share of the working poor in Africa (excluding North Africa) was 58.9 percent. A similar trend was observed for the poverty threshold of US\$ 2.0 per day (*Table 1*).

**Table 1: Indicators of the working poor in Africa, 1999–2009**

Year	North Africa		Africa, excluding North Africa	
	Working poor (million)	% of total employment	Working poor (million)	% of total employment
<b>Working people living on less than US\$ 1.25 per day</b>				
1999	10.5	21.4	147.5	66.9
2003	11.1	20.2	156.2	63.0
2008	10.5	16.2	170.2	58.5
2009	10.7	16.1	174.6	58.5
<b>Working people living on less than US\$ 2.0 per day</b>				
1999	20.7	42.2	189.6	86.1
2003	21.5	39.1	209.3	84.4
2008	20.6	31.7	236.7	81.4
2009	20.7	31.2	243.2	81.5

Source: Compiled from ILO (2011)

Reducing the proportion of the working poor in Africa will require a comprehensive strategy to confront the casualization of labor, by promoting wage indexation and encouraging the integration of the informal sector into the mainstream economy across African countries.

***Indicator 1.7: Proportion of own-account and contributing family workers in total employment***

Limited progress has been achieved in reducing the proportion of vulnerable employment<sup>17</sup> in Africa. Globally, the number of vulnerable workers rose from 1.38 billion in 1999 to 1.53 billion in 2009 –an increase of about 11.0 percent, as opposed to around 30 percent in Africa. The preponderance of the informal sector in Africa (excluding North Africa) accounts for this regional trend.

Although the actual number of such workers is on the increase, the ratio of vulnerable employment to total employment in Africa is on the decline. Between 1998 and 2008 it fell from 43.7 percent to 40.2 percent in North Africa, and from 80.5 percent to 75.3 percent in the other subregions. The trend was however reversed in 2009 (*Table 2*) due to the global financial crisis. In hard times, people use the informal sector as a coping strategy in response to formal sector job displacements. The number of people engaged in vulnerable employment rose by 7.4 million

<sup>17</sup> “Vulnerable employment” is the sum of own-account workers and unpaid family workers. It provides an insight into the widespread use of informal work arrangements, where workers lack adequate social protection and social dialogue mechanisms. Such arrangements are often associated with low pay and difficult working conditions (ILO, 2011). Work vulnerability is an important indicator for measuring the overall employment quality.

in 2009, compared to 8.5 million in South Asia (ILO, 2011). Vulnerable employment in Africa (excluding North Africa) in 2009 peaked at 75.8 percent of the labor force, which is considerably higher than the global average of 50.1 percent in the same year.

Precarious jobs are common where the informal economy is prevalent. Targeted measures should be taken by governments to enhance the productivity and conditions of the service sector. Such measures could include improving access to product markets (e.g. promoting subcontracting between formal and informal operators), encouraging venture capital, and improving the regulatory framework.<sup>18</sup>

Another characteristic of vulnerable employment in Africa is the emerging trend of feminization. About six out of ten female workers in North Africa is engaged in vulnerable employment, but this ratio rises to eight out of ten female workers in the rest of Africa. The gender gap between the vulnerable employment of women compared to men in 2009 amounted to 21.8 and 14.5 percentage points for North Africa and the rest of Africa respectively (*Table 2*). It is clear that more efforts are required to tackle discrimination against women in formal employment, both in the private and public sectors.

<sup>18</sup> See Obadan et al. (1999) for detailed strategies to address the challenges of precarious employment and informal sector.

**Table 2: Share of vulnerable employment to total employment in Africa, 1998–2009**

	North Africa			Africa, excluding North Africa		
	Total	Male	Female	Total	Male	Female
1998	43.7	40.1	55.4	80.5	75.5	87.3
1999	42.1	38.1	52.9	79.9	74.5	87.1
2000	42.4	38.2	56.0	79.5	74.0	86.9
2005	42.6	37.0	59.7	77.1	70.1	86.2
2006	41.1	35.4	58.3	76.6	69.6	85.6
2007	41.2	35.1	69.3	76.0	69.2	84.9
2008	40.2	34.1	58.2	75.3	68.5	84.0
2009	40.4	34.9	56.7	75.8	69.5	84.0

Source: Compiled from ILO (2011).

**Target 1C: Halve, between 1990 and 2015, the proportion of people who suffer from hunger**

Progress on this indicator in Africa has been quite sluggish since the 1990s. The proportion of people in Africa (excluding North Africa) suffering from hunger declined slightly from 25.3 percent in the Global Hunger Index (GHI) of 1990 to 21.7 percent in 2010. This falls far short of the progress achieved in Southeast Asia (25 percent) and in the Middle East and North Africa (33 percent) over the same timeframe.<sup>19</sup> One major factor was the price of staple foods, which remained high in 2009, after the food crisis of 2008.

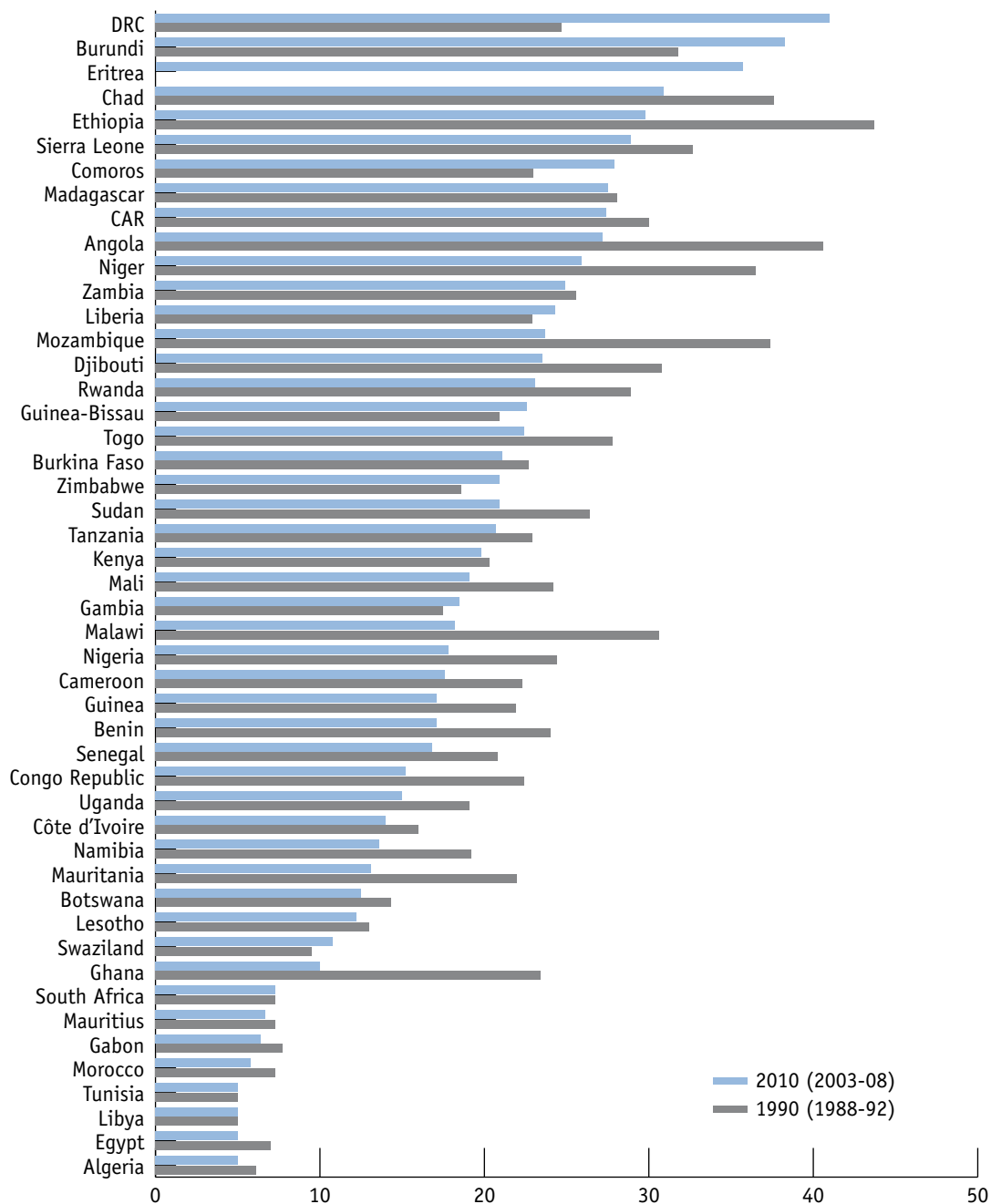
The trend of rising global food prices has had a major impact on Africa. Evidence from FAO's 2010

<sup>19</sup> See IFPRI (2010), *Global Hunger Index (GHI)*. The GHI is a multidimensional statistical tool used to measure progress and failures in the global fight against hunger. It combines three equally weighted indicators: 1) the proportion of the undernourished as a percentage of the population; 2) the prevalence of underweight children under the age of five; and 3) the mortality rate of children under the age of five.

October Food Price Index shows that food prices in Africa rose by 34 points, 16 points below the peak June 2008 level (FAO, 2010). This makes the food security situation in low-income food-deficit countries (LIFDCs) in Africa more vulnerable. The recent high price of bread in countries like Kenya, Zimbabwe, and Mozambique also gives cause for concern. Although maize prices are stable in Burkina Faso, Ethiopia, Kenya, Mali, Niger, and Tanzania due to good harvests, they are rising in Somalia due to drought and in Uganda, owing to high import demand.

Coupled with the rising food prices, the incomes of poor households fell due to high unemployment following the economic downturn. All these factors contributed to a considerable reduction in the effective purchasing power of poor consumers, who spend a substantial share of their income on basic foodstuffs.

Figure 9: Hunger index for Africa, 1990 and 2010



Note: Data not available for São Tomé and Príncipe, Seychelles, Somalia, and Namibia.

Source: Compiled from IFPRI (2010).

Although the continent is too far off-track to achieve the hunger reduction target, there are wide variations in the performance of various countries. Some have made giant strides (*Figure 9*); Ghana and Tunisia are the only countries to have already achieved this target. Ghana, for instance, was able to reduce hunger by 57 percent between 1990 and 2008 owing to favorable rainfall patterns, stable good governance, sound macroeconomic policies, and substantial investments in agriculture. Both Malawi and Mauritania reduced hunger by about 40 percent during the same period. In North Africa, Morocco had a Global Hunger Index score of 5.8 in 2010, while others (Tunisia, Libya, Egypt, and Algeria) scored less than 5. The alarming level of hunger in other countries results from many factors, including armed conflict (e.g. DRC and Burundi), natural disasters (e.g. Chad, Eritrea, Ethiopia, and Kenya), weak governance, weak social protection systems (e.g. The Gambia) and the breakdown of local institutions (e.g. Zimbabwe).

Improving the quantity and quality of domestic investment in agriculture and agricultural productivity is central to addressing the challenge of hunger and food security in Africa, yet the sector has not been receiving the attention it deserves over the past two decades. The proportion of total ODA allocated to agriculture has been falling since the late 1980s – it declined from about 15 percent in 1990 to about 5 percent in 2008.<sup>20</sup> Between 2005 and 2008, for instance, the share of ODA allocated to agriculture in countries facing food crises was disproportionately low. It was less than 2 percent in Chad, Congo Republic, DRC, Liberia,

Somalia, and The Sudan; and between 2 and 5 percent in Angola, Burundi, CAR, Eritrea, Guinea, Sierra Leone, Uganda, and Zimbabwe. This falls short of the average of about 6 percent for all Least Developed Countries (LDCs). On the other hand, countries like Côte d'Ivoire, Ethiopia, and Kenya received between 5 and 8 percent during the period (FAO and WFP, 2010).

Another factor compounding the problem is the mismatch between humanitarian support and aid to agriculture being delivered to Africa. A large proportion of funding for food security is still delivered through food aid, in both emergency and non-emergency situations. In 2008, for instance, the G-8 provided US\$ 3.0 billion in food aid, far above the US\$ 1.8 billion provided for agriculture.<sup>21</sup> The situation in countries with protracted crises is more serious still. Between 2000 and 2008, more than 60 percent of total ODA was spent on humanitarian support in Somalia and The Sudan and more than 20 percent in Angola, Burundi, Chad, Congo, DRC, Eritrea, Ethiopia, and Zimbabwe (FAO and WFP, 2010, p.13).

20 See ONE (2010, p.125).

21 Ibid., p. 126.

Although international assistance to Africa for meeting the hunger target has been positive in recent times,<sup>22</sup> the region still needs substantial technical and financial support to ensure food security. Food aid is necessary to meet urgent food and nutritional needs (especially in prolonged crisis countries), but it should not be provided at the expense of long-term agricultural investment that will enable communities to become self-sufficient and food secure. Food aid is a short-term solution and will not assist countries to achieve Target 1.C in the long run. This issue is best addressed through targeted national programs aimed at providing basic nutrition to pregnant women from poor households and school meals tied to local productive capacity (e.g. using locally produced food).<sup>23</sup>

Based on the need to promote long-term agricultural investment in the region, the African

22 For instance, the G-8 communiqués from 2005 to 2007 recognized the importance of supporting increased agricultural productivity in Africa. Between 2008 and 2009 there was a collective commitment to reverse the declining trend of ODA to agriculture. While the 2008 Hokkaido Toyako Summit committed US\$ 10.0 billion to address the global food crisis and support the agricultural sector, the 2009 L'Aquila Summit committed to provide US\$ 20.0 billion over three years (since revised to US\$ 22.0 billion) through the Aquila Food Security Initiative. This initiative committed to support countries' vetted agricultural plans through predictable, long-term and well-coordinated funding as well as country-led processes, including the Comprehensive African Agriculture Development Program (CAADP). The Global Agricultural and Food Security Program (GAFSP), a multilateral food security trust fund managed by the World Bank, was established during the 2009 Pittsburgh G-20 meeting to complement the Aquila initiative (see UNDP, 2011).

23 The Home-Grown School Feeding Program, funded by the World Food Program and DFID-UK to the tune of US\$ 25 million, is such a scheme. It comes under Pillar 3 of CAADP and is designed to link school feeding to agricultural development through the purchase and use of locally and domestically produced food.

Union is spearheading the Comprehensive Africa Agriculture Development Program (CAADP). This program pays special attention to enhanced fertilizer coverage, the use of improved seedlings, and expanded irrigation programs to substantially reduce malnutrition in Africa. Furthermore, the joint program on regional value chains for agricultural products will contribute to food security and improvements in malnutrition (ECA, 2007). These initiatives must be supported and expanded by African governments and development partners in order to achieve rapid agricultural productivity in Africa.

***Indicator 1.8: Prevalence of underweight children under five years of age***

Progress on reducing the proportion of children under five who are underweight has also been sluggish and it is unlikely that this target will be met by 2015. Of the 36 countries for which complete data were available, 28 countries had reduced the prevalence of underweight children, albeit at a slow rate, whilst eight countries showed a regression. Only Algeria had reached the target as of 2009, while countries like Djibouti, Morocco, and Zimbabwe are now worse off than they were in 1990 (*Table 3*). Zimbabwe, which was once regarded as the breadbasket of Africa, has been particularly hard-hit on this indicator, owing to the economic collapse the country is grappling with.

**Table 3: Prevalence of underweight children under five years old for selected African countries (1990–1999 and 2000–2009) (%)**

Ten best-performing countries		Ten worst-performing countries	
Countries	% Change in underweight children	Countries	% Change in underweight children
Algeria	-67.26	Nigeria	-2.20
Egypt	-37.04	Guinea	-1.89
Malawi	-36.48	Chad	-1.17
Senegal	-33.79	Madagascar	3.66
The Gambia	-31.90	Burkina Faso	10.98
Ghana	-29.56	Comoros	12.11
Botswana	-29.14	Lesotho	18.57
Mali	-26.96	Zimbabwe	21.74
Rwanda	-25.93	Morocco	22.22
Angola	-25.68	Djibouti	85.00

Source: Compiled from WHO (2010b).

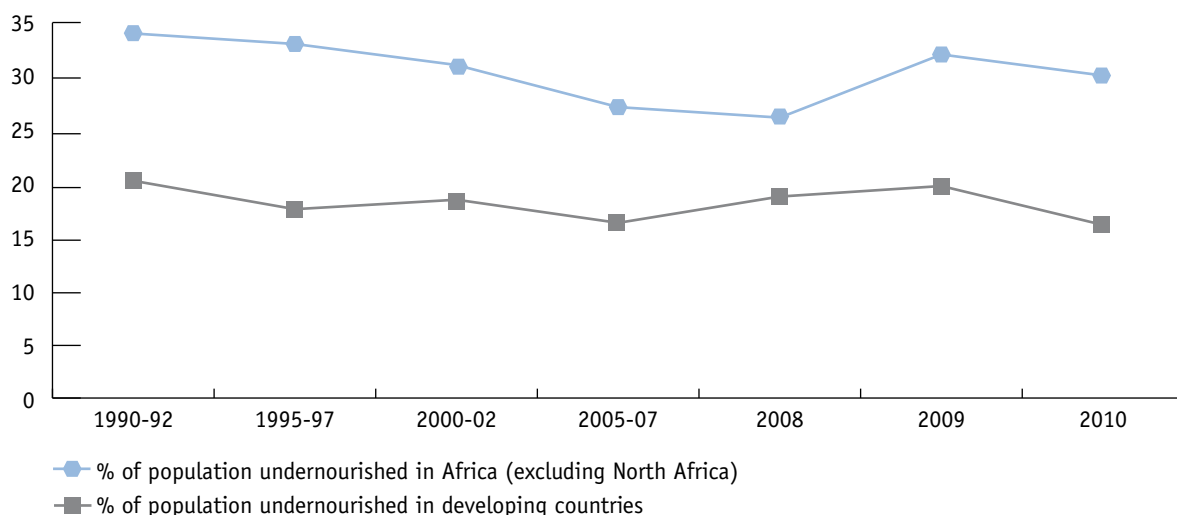
Child malnutrition tends to perpetuate a cycle of regression in other MDGs, especially Goals 4 and 5. For instance, child malnutrition contributes to more than one-third of the disease burden of under-fives, while during pregnancy it results in more than 20 percent of maternal mortalities.<sup>24</sup> Evidence from the 2010 GHI reveals that when poorly nourished girls grow up, they tend to give birth to underweight babies. Indeed, this is one of the causes for slow progress in the reduction of child mortality.

A comprehensive approach is needed to address early childhood malnutrition. Such interventions should focus on improved maternal nutrition

during pregnancy, promotion of lactation and exclusive breast-feeding, as well as the provision of essential micronutrients and comprehensive immunization packages targeted at infants aged 0–24 months. Governments and other stakeholders should also proactively address the fundamental causes of malnutrition, including food insecurity, inequitable access to basic health services, unhygienic feeding practices, and inadequate nutrition and education programs. To make good progress, what is needed is a comprehensive development program where food security, nutrition, and equitable access to basic health services are fully integrated.

<sup>24</sup> See Go et al. (2010).

**Figure 10: Proportion of undernourished population in Africa (excluding North Africa) compared to other developing countries, 1990–2010**



Source: Compiled from FAO and WFP (2010).

Note: Figures for 2009 and 2010 are projections from FAO Statistics 2010.

**Indicator 1.9: The proportion of population below the minimum level of dietary energy consumption**

The continuous reduction in the number of undernourished people that had been achieved in Africa since 1990 was reversed by the increase in food prices during 2006–2008. As a result, in 2009 Africa (excluding North Africa) found itself reverting to its pre-2002 level for this indicator.<sup>25</sup> The impacts of the food, fuel and financial crises on the continent seemed more pronounced than on other developing regions. After 1990, the gap between the proportion of malnourished people in Africa (excluding North Africa), and in other developing countries narrowed, but since 2008 it has

widened (Figure 10). Based on FAO’s projection for 2010, Africa (excluding North Africa) accounted for 25.8 percent of the total number of undernourished people in the developing world after Asia and the Pacific, which accounted for 62.5 percent.<sup>26</sup>

Until the impact of the 2006–2008 food crisis became manifest, the number of malnourished people had been declining in all subregions of the continent except Central Africa, where the reduction was only witnessed from 2000–2002. Of the countries where data are available, 31 made progress, 11 regressed, while one (Guinea-Bissau) stalled in its progress between 1990 and 2007. As indicated in Table 4, by 2007 Ghana, Congo, Nigeria, Mali, and Djibouti had achieved the target while countries such as Niger, Mauritania, The Sudan, and Namibia, among others, had moved closer to the target. In the DRC

<sup>25</sup> Although the proportion of malnourished people consistently declined between 1990 and 2008, the actual number of people of malnourished people rose from about 175 million in 1990 to about 250 million in 2009. See FAO and WFP (2010, p. 11).

<sup>26</sup> See FAO and WFP (2010).

however, due to the protracted conflict, economic collapse, a massive displacement of people, and a chronic state of food insecurity, the proportion of malnourished people rose from 26 percent in 1990 to 69 percent in 2007. Other countries with worsening trends on this indicator include Swaziland, Burundi, The Gambia, and Botswana.

The slow progress being made toward halving poverty levels, creating meaningful employment, and decreasing malnutrition contributes to the sluggish performance recorded for the other goals. A dual-track approach of addressing food insecurity in both the short and long term is vital. Supporting extremely poor consumers through social protection interventions combined with efforts to boost

agricultural production (especially for smallholder farmers) and managing food markets will lead to a more inclusive economic growth path (Ortiz et al., 2011). Such an approach should be underpinned by a participating, educated, and healthy workforce.

Strong economic performance correlates with good nutrition. For this reason, efforts to improve pro-poor economic growth need to be strengthened, with a particular focus on agricultural performance and gender equity. Implementation of the CAADP – with special attention on enhanced fertilizer coverage, use of improved seedlings, and expanded irrigation program – can help to substantially reduce malnutrition and promote food security in Africa.

**Table 4: Eleven leading and lagging African countries for reducing malnutrition, 1990–2007**

Leading countries		Lagging countries	
Countries	% level of improvement	Countries	% level of retrogression
Ghana	-81.5	DRC	165.4
Congo	-64.3	Swaziland	50.0
Nigeria	-62.5	Burundi	40.9
Mali	-55.6	The Gambia	35.7
Djibouti	-53.3	Botswana	31.6
Niger	-46.0	Zambia	22.9
The Sudan	-43.6	Tanzania	21.4
Mauritania	-41.7	Comoros	21.1
Namibia	-40.6	Madagascar	19.1
Ethiopia	-40.6	Uganda	10.5
Benin	-40.0	Liberia	10.0

Source: Compiled from UNSD data (updated in June 2010).

Note: Incomplete data for eight countries: Algeria, Egypt, Gabon, Libya, Morocco, São Tomé and Príncipe, South Africa, and Tunisia.

### *Social protection and poverty reduction*

Despite the positive economic growth path projected for Africa, the possibility of further global shocks coupled with persistent risks for households make proactive social policies – especially heavy investment in social protection – of critical importance. Successful social protection strategies abound in Africa, such as the old age pension in South Africa and Lesotho, a national health insurance scheme in Ghana, a home-grown school feeding program in Kenya, a productive safety-net program in Ethiopia, and a public works and unconditional cash transfer scheme in Rwanda.

Social protection should not be seen as a “hand-out,” but rather as a long-term investment, with regular budgetary allocations. Indeed, it accounts for about 11 percent of the state budget in Algeria. Those mechanisms that suffer from fewer disincentive effects tend to have a significant impact on poverty reduction and human development. A comprehensive approach based on a combination of one or more of the following elements has proven to be successful in many countries: productivity-based, labor-based, trade-based, and transfer-based interventions. South–South cooperation can also play an important role through experience sharing, transferability of lessons, and relevant technical assistance in promoting human development-oriented social protection policies and programs.

Social protection engenders social cohesion and empowers women, especially when it is targeted at female children and at enhancing the household levels of consumption. Income transfer enhances women’s participation in decision-making at home, allowing the benefits to be channeled to sending children to school and accessing medical

services. In this way, gender-sensitive interventions produce positive multiplier effects, especially for girls’ education, child and maternal health, and the economic empowerment of women. Specific interventions for child nutrition and youth employment also have positive effects on the other MDGs.

Strong political will, institutional and administrative capacity, financial sustainability, and affordability are critical to the success of social protection schemes in Africa. (See also Section III of this report, which focuses on social protection and its role in accelerating progress toward the MDGs in Africa.)

### **GOAL 2: ACHIEVE UNIVERSAL PRIMARY EDUCATION**

Enrollment in primary education has continued to rise, reaching 89 percent in the developing world. However, the pace of progress is insufficient to ensure that, by 2015, all girls and boys in developing countries will complete a full course of primary schooling. Nonetheless, Africa has made tremendous strides toward achieving universal primary education, increasing its net enrollment rate from 65 percent in 1999 to 83 percent in 2008. Indeed, this is the MDG where African countries have made the most progress (*Figure 11*). While a majority of African countries are set to achieve universal primary enrollment by the target date, far fewer countries are expected to meet the goals for primary completion rates and young adult literacy rates. Education beyond primary school is though also critical to ensure sustained progress toward other goals such as full employment, poverty reduction, and health-related MDGs.