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General discussion on the theme of the third session, “Accelerating Africa’s progress in eradicating extreme poverty and reducing inequality”: Presentation of the issues paper

Accelerating Africa’s progress in eradicating extreme poverty and reducing inequality

Issues paper

I. Introduction

1. The present paper reviews key issues pertaining to the twin challenges of eradicating poverty and reducing inequality in Africa by 2030 to inform the deliberations and outcomes of the third session of the Committee on Social Policy, Poverty and Gender. Supporting member States to eradicate extreme poverty and reduce inequality is an overarching theme of the work of the Gender, Poverty and Social Policy Division. Discussion of the central theme of the Committee will align with the Division’s areas of focus on social policy, urbanization, and gender equality and women’s empowerment.

II. Background

A. Poverty and inequality trends in Africa

1. Poverty

2. Globally, there has been extraordinary progress in reducing extreme poverty¹ since the 1990s. Nearly 1.2 billion people were lifted out of extreme poverty as poverty declined from 35.9 per cent in 1990 to 10 per cent in 2015. Much of the progress came from East and South-East Asia, with China’s economic rise responsible for most of the decline in poverty. More recently, South Asia has made impressive inroads against extreme poverty, helping to reduce the global rate further.

3. In contrast, poverty in Africa² first *increased* from 54 to 55 per cent in the period 1990–2002, before declining to 41 per cent by 2015. In the period 2002–2015,

* E/ECA/CSPPG/3/1.

¹ Using the globally accepted definition by the World Bank, extreme poverty is defined as the percentage of the population living on less than \$1.90 a day at 2011 international prices.

² Most of the discussion in the present paper relates to sub-Saharan Africa in line with the approach taken by the World Bank, which monitors global trends on poverty. The World Bank places the North Africa subregion in the “Middle East and North Africa” category. In addition, poverty levels in the countries in North Africa are very low – from 0.3 per cent in Tunisia to 1.3 per cent in Egypt in 2015. For the other

poverty in Africa declined at the rate of 1.1 percentage points per year, broadly in line with the global average rate of decline in poverty. (The global average of poverty reduction was 1.2 percentage points per year in the period 2002–2015). Yet, while the share of the African population in extreme food and income poverty has decreased since 2002, the absolute number of people in poverty has increased, from an estimated 278 million in 1990 to 389 million in 2013 and 413 million in 2015.

4. From less than 15 per cent in 1990, Africa constituted 55 per cent of the world's poor people in 2015. On current trends, by 2030, global poverty will be concentrated in Africa, which will have nearly 90 per cent of the world's poor people and the top 10 poorest countries in the world, both in terms of absolute numbers and share of extreme poor as a percentage of the total population.

5. However, Africa is enormously varied, and many countries are making progress towards ending extreme poverty. The following six countries already have poverty rates of below 3 per cent and so have already achieved the Sustainable Development Goal of eradicating extreme poverty (Sustainable Development Goal 1): Egypt, Equatorial Guinea, Gabon, Mauritius, Seychelles and Tunisia. In respect of the view that eradicating poverty is commonly taken to refer to getting the extreme poverty rate to less than 3 per cent, a further two countries, namely, the Gambia and Mauritania, are projected to reach the target by 2030, which is compatible with the timeline for the Sustainable Development Goals. The following six countries are expected to eradicate extreme poverty soon after, in 2032–2034: Ethiopia and Kenya by 2032; Angola, Côte d'Ivoire and Ghana in 2033; and Djibouti a year later, in 2034.³

6. Based on the internally available comparable data, the 14 countries that have achieved or are broadly on track of achieving Sustainable Development Goal 1 constitute only about 30 per cent of Africa's population, with seven countries with populations of less than 5 million. Countries with larger populations (such as Nigeria and the Democratic Republic of the Congo) have a less promising rate of poverty reduction.

7. Despite faster economic growth in many countries since the early 2000s, extreme poverty in Africa is declining much too slowly. At the current rate, extreme poverty is expected to decline to around 24 per cent by 2030, which is a level that is far in excess of that needed for Africa to meet Sustainable Development Goal 1.

2. Inequality

8. Despite relatively high growth in recent years, overall, consumption inequality in Africa appears to have remained broadly unchanged. Rapid growth in the region has boosted per capita incomes, and poverty rates have fallen, though slowly. According to research conducted by ECA in 2017, wide income and consumption disparity throughout the population remains, and has even increased in some countries, leaving Africa with an unweighted average Gini coefficient⁴ of 0.43, the second most unequal region in the world after Latin America and the Caribbean, which has a Gini coefficient of 0.50. According to the African Development Bank in research it conducted in 2016, seven of the ten most unequal countries in the world are in Africa, although the average within-country inequality masks wide-ranging variation in the Gini coefficient, from 0.31 to 0.63, among countries.

9. There are also large disparities within countries in the number of people with access to food, health care, education, land, clean water, and other assets and resources that are essential for living a full and dignified life. Africa is estimated to

countries in North Africa, poverty data are not available. Therefore, there is little distortion in limiting the discussion of eradicating poverty in Africa to sub-Saharan Africa.

The global average of poverty reduction was 1.2 percentage points per year in the period 2002–2015.

³ All projections of poverty are from the World Data Lab. Available at <https://worlddata.io/> (accessed 17 October 2019).

⁴ The Gini coefficient, a common measure of inequality, is an index that takes values from zero to one (or 100); the closer it is to zero, the less unequal the distribution number.

lose 33 per cent of its Human Development Index score when adjustments are made for inequality.

10. Though the Gini coefficient is a common indicator for inequality, the Sustainable Development Goal on reducing inequalities (Goal 10) focuses on income growth of the bottom 40 per cent of the population, which should be at a rate higher than the national average to reduce inequality. While there is some progress on a country-by-country basis on this indicator, within-country inequality is still rising in some countries. In the period 2008–2015, according to statistics cited at the 2019 Africa Regional Forum on Sustainable Development, on the basis of World Bank data from 2018, in 7 of the 13 countries in Africa with comparable data, the share of the bottom 40 per cent of the population increased much more slowly than that of the total population. Globally, the income of the poorest 40 per cent of the population grew more rapidly than the national average in 64 per cent of the countries with comparable data. In Africa, this figure is only 46 per cent, though this analysis is stymied by the limited availability of data.

11. While there is a strong, and widely accepted ethical basis for being concerned at the high levels of inequality in society, inequality matters in its own right. It is often a significant factor behind crime, social unrest or violent conflict, and a high level of inequality undermines the poverty-reducing effect of growth. As a result, the two concepts are closely inter-related and need to be analysed together.

B. Multidimensional nature of poverty and inequality

12. Over the years, the conceptualization of poverty has expanded to include broader, more inclusive definitions of ill-being. It is now generally accepted that poverty is multidimensional and embraces a diverse range of deprivation factors – such as poor health, lack of education, inadequate living standards, poor quality of work, vulnerability, social isolation, exclusion and powerlessness (or disempowerment), and threat of violence – that serve to prolong poverty and can become causes of its perpetuation.

13. Based on research published by the United Nations Development Programme, while the monetary approach estimates about 413 million extremely poor people in Africa, the latest estimates from the 2019 Global Multidimensional Poverty Index⁵ suggest that 570 million people in Africa, or about 47 per cent of the population, are multidimensionally poor, as they face multiple deprivations in education, health and living standards. Additionally, about 171 million people, or about 14 per cent of the population, are vulnerable to falling into poverty. So eradicating extreme poverty requires tackling multiple dimensions of poverty.

14. There is also an urban–rural divide in the extent of multidimensional poverty. In 34 of the 47 countries that had multidimensional poverty index data available in 2018, the share of the poor among the rural population was above 70 per cent. In Burundi, Malawi and Madagascar, poverty was predominantly rural, with 95 per cent of the poor residing in rural areas. Rural people were disproportionately affected by poverty, with the poverty rate being three times higher than in urban areas, and rural people accounted for 79 per cent of the total global poor. Even though rural poverty is pervasive, with more than 80 per cent of Africa’s poor currently in rural areas,⁶ with the rapid urban transition, and with a majority of population living in urban areas by 2035, poverty and inequality are likely to be increasingly concentrated in the region’s cities.

15. A general understanding of inequality has also expanded to include inequality both in terms of opportunities and outcomes. Some inequality in outcomes is part of the normal functioning of a market economy, but a substantial component of inequality in people’s circumstances may reflect inequality of opportunities – a recent

⁵ <http://hdr.undp.org/en/2019-MPI>.

⁶ World Bank, *Accelerating poverty reduction in Africa* (Washington, D.C., 2019).

study has shown that 30 per cent of wealth inequality in two East African countries is due to inequality of opportunities.⁷

16. It is essential to understand the processes behind the persistent or intergenerational inequality and the relative importance of these different sources of inequality in devising appropriate policy responses. A key development challenge in Africa today is to devise suitable policies to accelerate progress on eradicating extreme poverty and reducing inequality, and enhance the prospects of more countries to achieve the Sustainable Development Goals by 2030 and improve the well-being of its people. For this, it is important to understand more fully the drivers for the slow decline in poverty and the underlying relationship between poverty and inequality.

III. Drivers of the slow decline in poverty in Africa

17. Research undertaken by the Economic Commission for Africa (ECA) reveals that at least six factors may be driving the slow decline of poverty in Africa.

A. Pattern of economic growth

18. It is not only growth that matters, but also where the sources of growth are located. African economies are neither adequately diversified, nor complex, and continue to depend on the export of primary commodities with little value addition. Most African countries are highly dependent upon exports of a few primary commodities. According to research published in 2019 by the United Nations Conference on Trade and Development, more than 90 per cent of the countries are commodity-dependent in 2019, defined as countries where commodities constitute more than 60 per cent of the total merchandise exports, which involves trade-induced volatility and little accumulation of physical capital.

19. Africa's growth has been fuelled by commodity prices, which has intensified commodity dependence that constrains poverty reduction by reducing aggregate income, and increasing inequality by favouring commodity owners. Growth in labour-intensive sectors, such as agriculture or manufacturing, are typically more poverty-reducing than growth in capital-intensive sectors, such as mining. Evidence shows that countries with large natural resource dependence tend to exhibit high poverty and inequality levels. Often, this is an outcome of weak institutions, poor governance and lack of economic diversification and structural transformation, as was shown in research jointly undertaken in 2015 by ECA, UNDP, AfDB and the African Union.

20. Consumption, instead of investment, dominates gross domestic product (GDP) growth in Africa. The average investment rate in Africa (measured by gross capital formation as a percentage of GDP) was 24 per cent of GDP over the last three decades, far less than the investment rates of 40 per cent in China, 28 per cent in South Asia, and 32 per cent in East Asia and Pacific countries, based on World Bank findings published in 2019. Low investment rates in Africa suppress the growth of the private sector and limit the expansion of companies in plant, equipment, employment and other factors of production, such as research and development, thereby further constraining the creation of jobs.

21. Some of this may be a result of the nature of Africa's rapid urbanization in a context of weak or stagnant growth in the manufacturing sector, which is unable to absorb growing urban populations. Many cities are labelled "consumption cities" to highlight a disproportionate amount of natural resource endowments and resource

⁷ A. Shimeles and T. Nabassaga, "Why is inequality high in Africa?" *Journal of African Economies*, vol. 27, No. 1 (2018).

rents spent on urban goods and services, rather than the expansion of productive and job-rich sectors of the economy.

22. All the same, cities are driving African economies and already generating more than half (55 per cent) of the region's GDP, with contributions between 57 and 70 per cent in various countries. These point to the central role of cities in national economic growth, and the opportunities not only to increase growth but also to ensure that it results in measurable impacts on poverty and inequality.

B. Slow demographic transition

23. Africa's population grew at an average rate of 2.6 per cent per annum during the period 1990–2015, more than twice the world average, because of the incomplete demographic transition whereby a sharp decline of child mortality rates has been accompanied by only a gradual decline in fertility rates. While most of the world has experienced a dramatic decline in both mortality and fertility rates – and therefore in population growth rates – Africa's mortality, fertility and population growth rates remain high. Of the 21 countries in the world with total fertility rates in excess of five children per woman, 19 are in Africa. These countries account for around two thirds of the region's population.

24. Continued high fertility rates pose several serious challenges to Africa's long-term economic growth and poverty reduction efforts, requiring economic growth rates to consistently exceed the population growth rates to increase per capita incomes and reduce poverty. Consequently, GDP per capita provides a more realistic picture of Africa's economic performance than an aggregate figure. On average, Africa has grown at an average per capita rate of about 2.5 per cent per annum since 2002, a rate of growth insufficient to eradicate poverty.

C. Lack of productive employment, especially for young people and women

25. According to research undertaken in 2018 by the United Nations Department of Economic and Social Affairs, Africa is the least urbanized region of the world, but is undergoing a rapid urban transition, with urban growth at nearly 3.6 per annum (2015–2020), which is the highest in the world. By 2035, more than half of the continent's population is expected to live in urban areas, and 35 of the 54 countries will have more than half of their populations as urban dwellers.

26. As cities increasingly become the engines of growth, urban job creation will be a key instrument to tackle poverty and inequality, though there is a mismatch between the growth sectors and employment creation, which limits poverty reduction. The agricultural sector in Africa still employs the majority of workers on the continent, despite only accounting on average for about 13 per cent of GDP in 2010.

27. Africa's impressive rates of growth since the early 2000s have not led to a structural transformation reallocation of labour from low- to high-productivity sectors. Where industry has grown in Africa, it is dominated by the mining and extractives, with low employment elasticities.

28. Unlike in South-East Asia – where surplus labour moved from agriculture to industrial and service sector jobs, spurred by an export-led economic diversification strategy – Africa's transition out of the primary sector into the tertiary sector has not resulted in the desired structural transformation. Labour has moved from low-productive agriculture to an equally low-productive urban, informal sector that over the short term has had little impact on reducing poverty, though it may have positively impacted inequality.⁸

⁸ Economic Commission for Africa, *Informality and inequality in Africa* (Addis Ababa, 2018).

29. A key challenge for meaningful job creation in Africa is low labour productivity. In 2012–2013, labour productivity grew at a mere 1.4 per cent in Africa, slower than in any other region. Productivity gains are still held back by too little investment in factors of production (as mentioned previously), including human resources.

30. Africa's youth employment challenge is inextricably linked to demographic factors, mainly the past high fertility rates and declining child mortality rates.

31. From the demand side, the type of growth determines the employment opportunities created. As shown above, heavy commodity dependence, low investment rates, lack of economic diversification and low employment elasticities limit the demand for jobs.

32. From the supply side, Africa has the fastest-growing working age population. Based on information issued by the United Nations in 2015, from 1960 to 2010, Africa's working age population (15–64 years) more than quadrupled, and will continue to increase over the next 40 years. Currently, young people make up almost 35 per cent of the working age population. It is projected that, from 2030 onwards, Africa will be a key supplier of the world's labour force and most of this labour will be comprised of young people.

33. Reflecting the demand–supply mismatch in the African labour market, not enough jobs are being created to absorb the new entrants. In 2005–2015, over 37 million wage-paying jobs were created, against the approximately 110 million young people who joined the workforce in this period, resulting in growing unemployment and an expanding informal sector. If these trends continue, Africa will create 54 million new, stable wage-paying jobs over the next decade, which is not enough to absorb the 122 million new entrants into the labour force expected over the same period.

34. The absence of stable, formal jobs results in high levels of informal employment, which contributes on average 55 per cent of the GDP and employs 80 per cent of the labour force in Africa, other than North Africa. For the African region as a whole, informal employment is estimated to be about 66 per cent of total non-agricultural employment. About a third of informal employment is wage employment, and two thirds is self-employment (own-account work).

35. With jobs often scarce, youth unemployment is high, as young people are particularly worse off in access to employment opportunities. In most countries, the youth unemployment rate is more than twice that for adults. In North Africa, it was almost four times higher than adult unemployment. Although the young constitute about two fifths (37 per cent) of Africa's working age population, they make up three fifths of the total unemployed.

36. Those seeking work have to enter into informal employment and/or family labour. It is estimated that over 70 per cent of young workers in many countries are either self-employed or contributing to family work. Most of Africa's working poor are employed in the informal sector, where productivity and wages are low and workers have no access to social protection. This can make it difficult for people to find a route out of poverty, and helps explain the slow rate of poverty reduction in Africa.

D. Human capital deficits

37. Educated, healthy and employed citizens improve labour productivity, enhance economic activity, generate higher incomes, and promote national stability and development. The low skills arising from poor quality education, and lack of access to education, particularly for girls in rural areas, constrain the supply of skilled workers.

38. Education inequality affects the average quality of human capital and reduces growth. Poor quality of education, often a result of inadequate financing of the education sector, and mismatched skills are principal obstacles to young people accessing jobs. With expanding enrolment in secondary and tertiary education, Africa now has an educated labour force. Unfortunately, in spite of improvements in educational outputs in recent years, most children in Africa leave school with low learning achievements, which are inadequate to meet the requirements of the labour market.

39. This is borne out by ECA research published in 2018, which analysed data for the entire school cycle available for only 17 countries. In 14 of the 17 countries with comparable data over the entire school cycle, less than 2 per cent of students enrolling at the primary stage complete the entire 12-year schooling cycle. The remainder are thus compelled to join the labour market with limited skills and so can only join in the informal sector, where both productivity and wages are low.

40. With limited human capital, young people are likely to remain in the informal sector with low productivity and low wages. Thus, youth unemployment coexists with a shortage of technical workers. In manufacturing, many of the positions go unfilled. Job creation in Africa, as elsewhere, is closely linked to improved skills of the workforce.

E. Constraints of gender equality and women's economic empowerment

41. Promoting gender equality remains a key development challenge in Africa. Improving women's access to education and health care and removing barriers to their productive employment are essential first steps towards reducing inequalities, improving the poverty-reducing impact of growth, and unlocking women's potential for meaningful contribution to Africa's structural transformation.

42. Differential access to opportunities is a major source of gender inequality. Despite considerable progress towards achieving gender parity in terms of having access to education, significant gender gaps remain. Female education contributes to improvements in the health of children, reductions in fertility rates, increases in labour force participation rates and better quality of human capital of future generations. Restrictions on women's rights to inheritance and property, as well as cultural impediments to carrying out economic activities, are strongly associated with larger gender gaps in labour force participation.

43. Empowering women and girls has a multiplier effect, and helps drive a country's economic growth and overall development. Gender inequalities in the labour market have been estimated to result in annual economic losses of \$60 billion for Africa, other than North Africa. Women's work, both paid and unpaid, is often the single most important poverty-reducing factor in many countries.

44. Gender inequality decreases the variety of goods countries produce and export, in particular in low-income and developing countries, as gender gaps in opportunity, such as lower educational enrolment rates for girls than for boys, harm diversification by constraining the potential pool of human capital available in an economy. Gender gaps in the labour market can also impede the development of new ideas by decreasing the efficiency of the labour force.

45. Gender equality is at the heart of reducing economic, social and political inequalities. There is considerable evidence that closing gender gaps in education, income, employment, resource control and access is associated with increased economic growth and well-being. For instance, raising female employment to the male employment level is estimated to raise the GDP over time by 2–34 per cent in different countries.

F. High levels of initial inequality

46. Inequality undermines the poverty-reducing effect of growth. Higher levels of inequality typically imply a weaker economic growth impact on poverty reduction. This is because, as the distribution of income becomes more unequal, the share of additional income that reaches the poor declines, which in turn results in a lower poverty-reducing effect of growth. A highly unequal income distribution often reflects a polarized economy in which economic growth has a narrow base, with weak connections to the rest of the economy.

47. Further, inequality of opportunities (unequal access to education, health care and jobs) often leads to inequality of outcomes (such as income, wealth, consumption, health and jobs, among others), as evidenced in income/consumption inequality. For instance, limited access to secondary education (completion rates at this level are much lower than primary education) leads to poor quality educational outcome. As a result, poorly skilled young people enter the labour force with few skills to enter the formal sector.

48. Unequal opportunities are linked to a lack of access to basic social services and assistance, leading to vulnerable employment, whereby poorly educated informal workers, mostly young people and women, are involuntarily in the informal sector, as informality is the only alternative to unemployment.

49. Inequalities often stem from divisions along group lines that are socially constructed and sustained, because they establish a basis for unequal access to valued outcomes and scarce resources. Discriminatory and incomprehensive or inadequate laws and practices perpetuate these inequalities and limit the potential for minorities and other excluded groups to realize their full potential.

50. Inequalities can also be spatial in nature. Some groups – including, among others, those in rural areas, such as family farmers, women, young people, and people with disabilities – are clustered at the bottom of distributions. The most pronounced inequalities occur when rurality intersects with other forms of marginalization, resulting from variables such as gender, ethnicity and age, and disproportionate exposure to food insecurity, violence and climate pressures. These groups are among those most likely to be left behind. In 2015, only 43 per cent of the rural population in Africa south of the Sahara had access to safe drinking water services, compared with 82 per cent of the urban population. Similarly, only 37 per cent of the rural population had access to electricity, compared with 88 per cent in North Africa.

G. Poorly functioning cities and human settlements

51. History and experience have shown a strong association between urban and economic growth, and the positive impact of well-planned and managed urbanization for eradicating extreme poverty and reducing inequality. In Africa, however, rapid urban growth is taking place under conditions of low income, and is largely informal. African cities are poorly functioning, owing to a number of constraints related to major infrastructure and service deficits, inefficient urban form and layout, and institutional constraints. Challenges of congestion and prematurely rising costs of land, housing and mobility, which are affecting the competitiveness of firms, are adding costs to residents, and indicate the dire need for good urban planning, land management and investment in infrastructure, especially public transport and energy. Under these conditions, and without significant improvements in the quality of urbanization, African cities are not able to realize their potential to enable the eradication of extreme poverty and inequality, and may actually perpetuate those challenges.

52. As Africa undergoes a rapid urban transition, linking urbanization with job creation and leveraging urbanization for inclusive growth require a deliberate policy regime. Aligning spatial and economic sector priorities can help maximize job creation and economic diversification, and thereby make a dent in poverty and

inequality. An urban lens in national development and economic planning is also critical for rural transformation, as it cannot occur without urbanization and well-functioning urban areas across the continuum of settlements, from large capitals to small rural towns and service centres.

IV. Emerging issues

53. Emerging issues such as conflict, climate change and migration lock millions of poor people, mostly women and children, in vulnerable situations. These factors make the fight against poverty more difficult than in the past, as delivery of public services becomes very difficult. The bottom 40 per cent, living on less than US\$1.90 a day, disproportionately reside in rural areas, making them vulnerable to disruptions caused by disasters and climate change.

54. The poorest countries are experiencing a disproportionate share of damage and loss of life attributed to disasters. According to the special edition of the Report of the Secretary-General on Sustainable Development Goals Progress 2019,⁹ more than 90 per cent of internationally reported deaths due to disasters occur in low- and middle-income countries, where a majority of the poor resides. Less than 18 per cent of Africa's population is estimated to be effectively covered by at least one social protection benefit, while the remaining 82 per cent – approximately 800 million people – are left unprotected.

V. Conclusion

55. For African countries to reach the goal of 3 per cent extreme poverty, per capita growth rates must increase to nearly 7 per cent and be sustained over the next decade. Based on ECA research published in 2019, this will require investments as a proportion of GDP to rise from the current 25 per cent to 30–35 per cent for sustained productivity improvements.

56. While seeking to increase economic growth rates, adequate attention needs to be paid to the type of growth. The inability of African economies to accelerate diversification and productive structural change is a key reason for limited progress in addressing poverty and inequality.

57. The following have all contributed to dampening the poverty-reducing impact of growth: lack of economic diversification; low growth in agriculture, where the bulk of the poor are located; few opportunities for productive employment, especially for young people; human capital deficits; gaps in gender parity and women's economic empowerment; and high initial inequality levels.

58. Diversification of African economies towards higher productivity manufacturing and modern services, while increasing agricultural productivity, remains imperative if economic growth is going to lead to declines in poverty and inequality. At the core of this endeavour is the need to promote higher productivity and labour-intensive sectors of the economy for job-rich economic growth, especially to overcome the continent's high dependency ratio.

59. The impressive progress in enhancing child survival has not yet led to a decline in fertility. The slow overall decline in fertility can delay Africa's demographic transition, which is necessary to unlock the demographic dividend.

60. African countries need to urgently invest in secondary education to increase the skill level of workers and accelerate the decline in fertility. This can kick off a virtuous circle in which, as fertility declines, more money can be invested per student

⁹ https://sustainabledevelopment.un.org/content/documents/24978Report_of_the_SG_on_SDG_Progress_2019.pdf.

and worker, raising productivity further and leading to sustained economic growth and rapid poverty reduction.

61. Consumption levels among the bottom 40 per cent of the population must also rise. As mentioned earlier, in 7 of the 13 countries in Africa for which comparable data are available, the average consumption levels of the bottom 40 per cent of the population are growing at a slower rate than that of the rest of the population in their respective countries. This is a worrying trend, given that these countries are the least likely to reach the 2030 target.

62. For African cities to realize their potential in enabling job creation, economic diversification and thus the eradication of poverty and reduction of inequality, a number of policy and investment priorities require attention. These include addressing the huge infrastructure deficits, dysfunctional land markets, and poor urban form and layout, which have increased the productivity and linkage to formal sector value chains for the informal economy. Many African cities, especially intermediate ones, are at a critical juncture, with opportunities to plan before a massive wave of poorly managed urban development takes shape. While investing in African cities is costly, not investing can be costlier in the longer term. These priorities require concerted efforts and investments that are guided not only by local development policies, but also through national development planning, and through key economic sector policies.

63. In spite of strong growth witnessed in most countries in Africa since the early 2000s, poverty reduction has been slow, and the number of people in extreme poverty on the continent has increased since 2002. With only 11 years to go, urgent steps are needed to accelerate progress on eradicating extreme poverty and reducing inequality in Africa by 2030.

VI. Issues for discussion

(a) How can sectoral ministries (gender, social, youth, urban) contribute more effectively to the eradication of poverty and inequality?

(b) How can coordination among sectoral ministries be enhanced to address the multiple dimensions of poverty and inequality?

(c) What are the key lessons and experiences from the implementation of the national development plans, and what revisions may be required to address the twin challenges of poverty and inequality?

(d) What are the ongoing efforts by Member States in strengthening national data collection systems for the measurement of poverty and inequality?
