BROADENING THE BENEFITS OF GROWTH:

No one
left behind

CHAPTER 3

Why has Africa's fast economic growth left more poor people behind and how do we fix it?

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Despite Africa's robust economic growth from 2000 to 2015[1], the absolute number of poor has increased on the continent. The World Bank estimates that Africa had at least 50 million more poor people in 2013 compared to 1990[2], and Homi Kharas and Wolfgang Fengler estimate that at least 2.4 million of new poor were added in 2017 alone.[3] Even the fastest-growing countries have not always translated growth into significant poverty reduction. For example, as seen in Table 3.1, only two of Africa's top 10 fastest-growing countries are also among the top 10 outperformers in terms of poverty reduction rate (Rwanda and Chad) and of overall poverty levels (Mauritius and Sudan).

This essay explores three factors explaining the disconnect between African growth and poverty reduction, and provides some policy recommendations to broaden the benefits of growth going forward. Although the literature on the question provides a broad variety of factors, I focus on three of the most prominent ones: non-labor-intensive driven economic growth (growth without quality job creation), the fast demographic growth in a context of deep poverty, and limited or ineffective pro-poor policy interventions and governance.

Although economic diversification is increasing on the continent, growth has not generated sufficient high-quality jobs. In addition, resource-rich countries remain overrepresented among the growth outperformers.

There has been growth without sufficient quality job creation

Although economic diversification is increasing on the continent, growth has not generated sufficient high-quality jobs. In addition, resource-rich countries remain overrepresented among the growth outperformers. For example, in 2013, the

1. My forthcoming book discusses the role of institutions in shaping Africa's political and economic transformation. Landry Signé. 2018. *African Development, African Transformation: How Institutions Shape Development Strategy.* Cambridge: Cambridge University Press.
2. Beegle, Kathleen; Christiaensen, Luc; Dabalen, Andrew; Gaddis, Isis. 2016. *Poverty in a Rising Africa*. Washington, DC: World Bank. https://openknowledge.worldbank.org/handle/10986/22575 License: CC BY 3.0 IGO.
3. Kharas, Homi, and Wolfgang Fengler. 2017. "Global Poverty Is Declining but Not Fast Enough," Available online: https://www.brookings.edu/blog/future-development/2017/11/07/global-poverty-is-declining-but-not-fast-enough/ (Accessed on January 5, 2018).

Universal basic income and Africa's oil countries

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For those of us who, around 2013, were optimistic about African economies, the past few years have been a disappointment. Whereas the continent averaged close to 5 percent annual GDP growth in the first decade and a half of this century, that growth rate has since fallen to 1-3 percent. The ostensible reason is the dramatic drop in commodity prices, especially oil, since mid-2014. Aggregate growth is pulled down by oil exporters, notably Nigeria and Angola, and to a lesser extent, South Africa. As so many African countries depend on commodities such as oil, copper, and cotton for their exports, the decline in the prices of these commodities amounted to a significant loss in income. But this explanation begs the question of why these governments did not save more of their revenues during the commodity boom in order to better cushion themselves when prices fell.

The latter question takes us into the realm of governance. Africa's oil exporters have systematically failed to use their oil revenues to benefit their citizens. Equatorial Guinea, with per capita income of around $6,500 in 2016, has one of the lowest child immunization rates on the continent (much lower than, say, Burundi, with a per capita income of less than $300). Nigeria earned about $43 billion a year in oil rents between 2000 and 2014 and still has extremely weak infrastructure and high poverty. Devarajan, Giugale, and others (2013) show that transferring 10 percent of oil revenues as transfers to the population could eliminate poverty in Angola, Gabon, and Equatorial Guinea, and reduce poverty by 40 percent in Nigeria. Ghana, which discovered oil in 2007, immediately increased the public sector wage bill, causing the fiscal deficit to rise by about three percentage points of GDP by 2008. By the time the oil started flowing, most of the revenues had already been spent.

The reason for this pattern is that oil revenues go directly from the oil company to the government. Consequently, citizens often do not know the extent of these revenues. Furthermore, unlike tax revenues, they may not think of these revenues as "their money" and hence would not scrutinize government spending as closely. As a result, actors within government are able to capture these oil revenues for their private benefit, resulting in poor public spending outcomes.

Universal basic income (UBI) provides a possible solution to this problem. If, instead of spending oil revenues, the government were to transfer it directly to all citizens (in equal amounts), and then tax them to finance public goods, two changes happen. First, citizens will know the size of oil revenues. Second, they will have a greater incentive to scrutinize government spending, since it is financed out of their tax payments. Devarajan and others (2010) show that such a scheme could result in better public-spending outcomes.

Furthermore, thanks to biometric identification cards that also transfer money, it is now possible to implement this tax and transfer at low cost (India has issued these cards to over a billion people). UBI is currently being piloted in a number of countries, including Finland, Canada, and Kenya. Given the track record of poor public spending, the time to introduce UBI in oil-rich African countries has arrived.

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Devarajan, S., T. Minh Le, and G. Raballand. 2010. "Increasing Public Expenditure Efficiency in Oil-rich Economies." World Bank Policy Research Working Paper No. 5287. Washington, D.C.: World Bank Group. https://openknowledge.worldbank.org/handle/10986/3774.

The Global Goals business opportunity in Africa

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We are living in a world where there are significant risks to global growth. Resources are degrading and dwindling at a rapid pace. Work is becoming increasingly automated. Social and economic inequalities are on an upswing, creating widespread social unrest and political instability. We in the business community are not bystanders. We need to step up to address these global challenges. It is in our own interest to do so. There is after all no business case for enduring poverty and runaway climate change.

These challenges also offer companies many opportunities, as highlighted by the Business & Sustainable Development Commission's flagship report, *Better Business, Better World*, launched earlier this year. The report clearly shows why the Sustainable Development Goals (SDGs)—a global action plan for a more inclusive, fairer, and sustainable world by 2030—offers the private sector a compelling growth strategy. In fact, the goals open new market value worth more than $12 trillion by 2030, while at the same time creating up to 380 million jobs. It is no surprise that the biggest opportunities are in emerging markets, not least in Africa, where sustainable business models could unlock an economic prize of at least $1 trillion and create up to 85 million new jobs by 2030 in four key areas: food and agriculture; cities and mobility; energy and materials; and finally, health and well-being.

Africa is the continent where the potential for inclusive green growth and development remains most untapped. Many African countries have burgeoning populations with improving education levels and a growing middle class. There are more mouths to feed, housing and urban settlements to be provided, and power and infrastructure bottlenecks to be resolved. At the same time, they are also vulnerable to droughts, poor agricultural yields, poor management of the very bio-diversity that gives us life, an over-reliance on base commodities and global trade, and conflict. It is time for Africa's business community to embrace the SDGs as a unique opportunity to deliver the growth the continent so desperately needs. Technological innovation and entrepreneurs will be critical to unlocking many of these new opportunities. In Africa, entrepreneurs are already bringing new solutions to urgent challenges in remarkable ways. Investments in African tech start-ups have been increasing—up nearly 17 percent in 2016 over the previous year. Digital technologies are breaking new ground, bringing life-changing products and services to underserved—for example, South Africa's Vula app, which connects rural health workers to specialist support and information, or Rwanda's SafeMotos, which connects customers with moto riders for safer transportation. One need only look at how mobile phones have revolutionized banking, bringing financial services and an important lifeline to communities, particularly women and entrepreneurs.

But rapid progress towards achieving the SDGs can only be made if such platforms are supported with the right policies and regulatory frameworks. At the same time, a "new social contract" between business, government, and society is essential to defining the role of business in a new, fairer economy. Companies can do so in ways that align with recommendations and actions outlined in *Better Business, Better World*: by creating decent jobs, protecting human rights, investing in communities, and paying a fair share of taxes. Prioritizing youth and women's employment while upholding their rights will also be critical in the new sustainable economy. We cannot afford to delay. We must act fast to scale impact to deliver a better world.

1. You can read the full report here: http://report.businesscommission.org/.

vulnerable employment rate (people without stable wage-paying jobs) was 77.4 percent in sub-Saharan Africa, the highest in the world.[4]

Additionally, the majority of the top 10 fastest-growing economies from 2000 to 2015 were resource-rich, mostly oil exporters (Equatorial Guinea, Nigeria, Chad, Sudan, Angola) with growth mostly driven by these natural resources.[5] Labor-intensive sub-sectors have not evolved fast enough to generate quality employment growth. This potentially catastrophic situation is partly explained by its initial conditions, many countries starting from a very low level of poverty and vulnerable employment, in addition to the deteriorations resulting from conflict-ridden and fragile states.

TABLE 3.1. OUT- AND UNDERPERFORMERS IN ECONOMIC GROWTH, POVERTY REDUCTION AND POVERTY LEVELS

Despite high economic growth in many African countries, poverty reduction has been surprisingly inconsistent and uneven. As seen below, most of the countries with high growth from 2000-2015 have not been the best performers when it comes to reducing poverty.

Top 10 country performers in GDP growth 2000-2015 (Angola through Sudan)

Countries	Poverty reduction rate	Overall poverty level
Angola*^		
Chad*	Top performers	
Equatorial Guinea*^		
Ethiopia		
Ghana		Top performers
Mauritius		Top performers
Mozambique		Bottom performers
Nigeria*^		
Rwanda	Top performers	Bottom performers
Sudan*†^		Top performers
Burundi		Bottom performers
Botswana		Top performers
CAR		Bottom performers
Côte d'Ivoire	Bottom performers	
Comoros	Bottom performers	Top performers

Countries	Poverty reduction rate	Overall poverty level
Cabo Verde		Top performers
DRC	Top performers	Bottom performers
Gabon*^		Top performers
Guinea	Top performers	
Guinea-Bissau	Bottom performers	Bottom performers
Lesotho		Bottom performers
Liberia	Top performers	
Madagascar	Bottom performers	Bottom performers
Malawi		Bottom performers
Mauritania*	Top performers	Top performers
Niger	Top performers	
Seychelles^		Top performers
South Africa	Top performers	Top performers
Tanzania	Top performers	
Uganda	Top performers	
Zambia	Bottom performers	Bottom performers

■ Top performers
■ Bottom performers
□ Neither top nor bottom performer

* Oil-exporting countries

† GDP per capita growth data for Sudan excludes South Sudan after July 9, 2011. Poverty data for Sudan only includes data from the Republic of Sudan for the 2009 observation.

^ Countries with insufficient data on poverty in the World Development Indicators.

Note: This table includes countries with the highest average GDP per capita growth rates 2000-2015 as well as outperformers and underperformers in poverty levels and the poverty reduction rate. Due to limited number of observations, poverty change is calculated by subtracting the earliest observation available after 2000 from the most recent poverty data up to 2015. Due to data limitations, including several countries having only one poverty survey during 2000-15, we limit the number of underperformers to just five countries. For poverty level, we use the most recent data available up to 2015.

Source: World Development Indicators.

4. Sy, Amadou. 2016. "Jobless Growth in Sub-Saharan Africa". Brookings: Available online: https://www.brookings.edu/blog/africa-in-focus/2014/01/30/jobless-growth-in-sub-saharan-africa/ (Accessed on January 5, 2018).
5. New players in the oil and gas sectors, which are also outperformers, include Ghana and Mozambique.

FIGURE 3.1

Lower poverty rates don’t always mean there is less poverty

To end poverty in the region in 2030, the continent will have to reduce poverty by approximately one person per second—a rate it is far from achieving since more people are currently falling into poverty than escaping it. By 2030, the poverty rate in sub-Saharan Africa is estimated to fall to 26.7 percent from 38.6 percent in 2018. Ethiopia is expected to see the largest decline in its poverty rate, which will fall by more than 15 percentage points to less than 2 percent in 2030. Nigeria, on the other hand, will see an increase in the absolute number of people living in poverty while its population also grows by nearly one-third from 2018 to 2030. Still, it will achieve some modest success in poverty reduction, as its poverty rate will fall by nearly 4 percentage points over the period.

Between 2018 and 2030, a net 43 million people are estimated to escape poverty in sub-Saharan Africa.

-77 million

At the same time, sub-Saharan Africa’s population is expected to grow by 319 million people (30 percent) from 2018 to 2030.

+34 million

Around 77 million people are estimated to escape poverty in 35 countries, with the following countries experiencing the largest declines in poverty headcount:

	2018 poverty rate	2030 poverty rate	Change in poverty headcount
Ethiopia	17.5%	2.0%	-16,062,613
Tanzania	37.1%	15.3%	-9,678,646
Mozambique	64.1%	35.3%	-5,882,039
Kenya	22.0%	8.3%	-5,710,040
Côte d'Ivoire	23.1%	1.9%	-5,089,496

In 13 countries, 34 million people are estimated to fall into poverty, with the following countries seeing the largest increases in poverty headcount:

	2018 poverty rate	2030 poverty rate	Change in poverty headcount
Nigeria	42.7%	38.7%	+16,689,963
Angola	30.3%	33.8%	+4,267,153
South Sudan	82.9%	77.2%	+2,603,800
Burundi	76.2%	74.5%	+2,592,975
Madagascar	76.7%	63.3%	+1,797,742

Source: World Poverty Clock, World Data Lab, December 2017. Available at: http://worldpoverty.io/.

In order to stimulate quality employment growth, governments should develop policies aimed to achieve economic structural transformation through diversification and development of labor-intensive sectors. Policymakers should identify the labor-intensive sectors for which they have a sustainable competitive advantage (manufacturing, industrial development, agriculture and agri-processing, tourism, etc.), and create clusters in order to enable the private sector to strive and facilitate the creation of well-paid and sustainable jobs. Amadou Sy has discussed solutions, including well-designed agricultural policies, increased productivity, transformation, and export of agricultural products.[6] John Page examines these strategies in depth in Chapter 5 of this publication. Achieving diversification and job creation will also require addressing other considerations, especially in fragile countries, such as improving human capital (quality education and health systems to support capable, healthy, and skilled workers), reducing the cost of doing business (including infrastructure, security, property rights, etc.), facilitating access to finance, easing trade restrictions, shifting away the dependence to natural resources, and providing tax incentives for job-creating businesses, among others.

The deeply poor population is growing faster than the poverty reduction rate

With the demographic boom and in absence of quality employment growth, the poor populations are often left alone, facing serious risks and vulnerabilities (food insecurity, epidemics, pandemics, infant and maternal mortality, gender gap, education, etc.).

Africa's rapid population growth, in a context where poverty levels are already profoundly high, is one of the main causes explaining the increased number of poor on the continent despite the fast economic growth. As noted by Laurence Chandy, the average poverty reduction rate is lower than the average population growth, which logically results in an increase of the number of poor despite the decrease of the proportion of poor people.[7] In fact, the World Bank notes that the proportion of people living below poverty line has decreased from 55 percent in 1990 to 43 percent in 2012, but with the fast population growth, the absolute number of poor people increased.[8] For example, nine of the top 10 economic outperformers in Africa have a high fertility rate (4-5 births or above per woman). The depth of poverty is also a contributing factor. At 16 percent, the regional poverty gap is five times higher than South Asia's, which means that the African poor are extremely poor.[9]
As such, incremental improvements in the levels of income are not sufficient to push households above the poverty line. Combining the depth of poverty with the high fertility rate makes it more challenging to pull populations out of poverty.

To make growth more effective at reducing poverty, policymakers should develop and implement policies aiming to control population growth so that the poverty reduction rate grows faster than the population while also enhancing well-paid employment opportunities. This task is particularly important as 70 percent of the population in sub-Saharan Africa is below the age of 30[10] and the poverty rate among youth is also 72 percent.[11] In addition, the unemployment rate is likely to be twice higher for the current youth when they enter the labor force.[12] Promoting family planning, particularly in countries with rapid demographic growth, should be an important component of policies to achieve inclusive growth and shared prosperity.

6. Sy, 2016.
7. Chandy, Laurence. 2016. Why Is the Number of Poor People in Africa Increasing When Africa's Economies Are Growing? Available online: https://www.brookings.edu/blog/africa-in-focus/2015/05/04/why-is-the-number-of-poor-people-in-africa-increasing-when-africas-economies-are-growing/ (Accessed on January 5, 2018).
8. Beegle et al., 2016.
9. Watkins, Kevin; Quattri, Maria. 2016. *Child poverty, inequality and demography: Why sub-Saharan Africa matters for the Sustainable Development Goals.* Washington D.C.: Overseas Development Institute.
10. Boumphrey, Sarah. 2017. Special Report: The World's Youngest Populations. Euromonitor International Blog. Euromonitor. https://blog.euromonitor.com/2012/02/special-report-the-worlds-youngest-populations.html (Accessed on January 5, 2018).
11. UNECA. 2015. Africa Regional Report on the Sustainable Development Goals. Addis Ababa: United Nations Economic Commission for Africa.
12. ILO. 2013. Global Employment Trends for Youth in 2013: A Generation at Risk. Geneva: International Labour Organization.

FIGURE 3.2

Current trajectories for achieving select Sustainable Development Goals by 2030

Despite efforts to achieve the Sustainable Development Goals, developing countries around the world—and particularly in Africa—are not on track to meet their targets. In fact, 28 sub-Saharan African countries are not on track to meet any targets for maternal mortality, child mortality, and access to water and sanitation. In some cases, countries are actually regressing. The graphs below show how close sub-Saharan African countries are projected to get to these goals by 2030, starting from 2015.

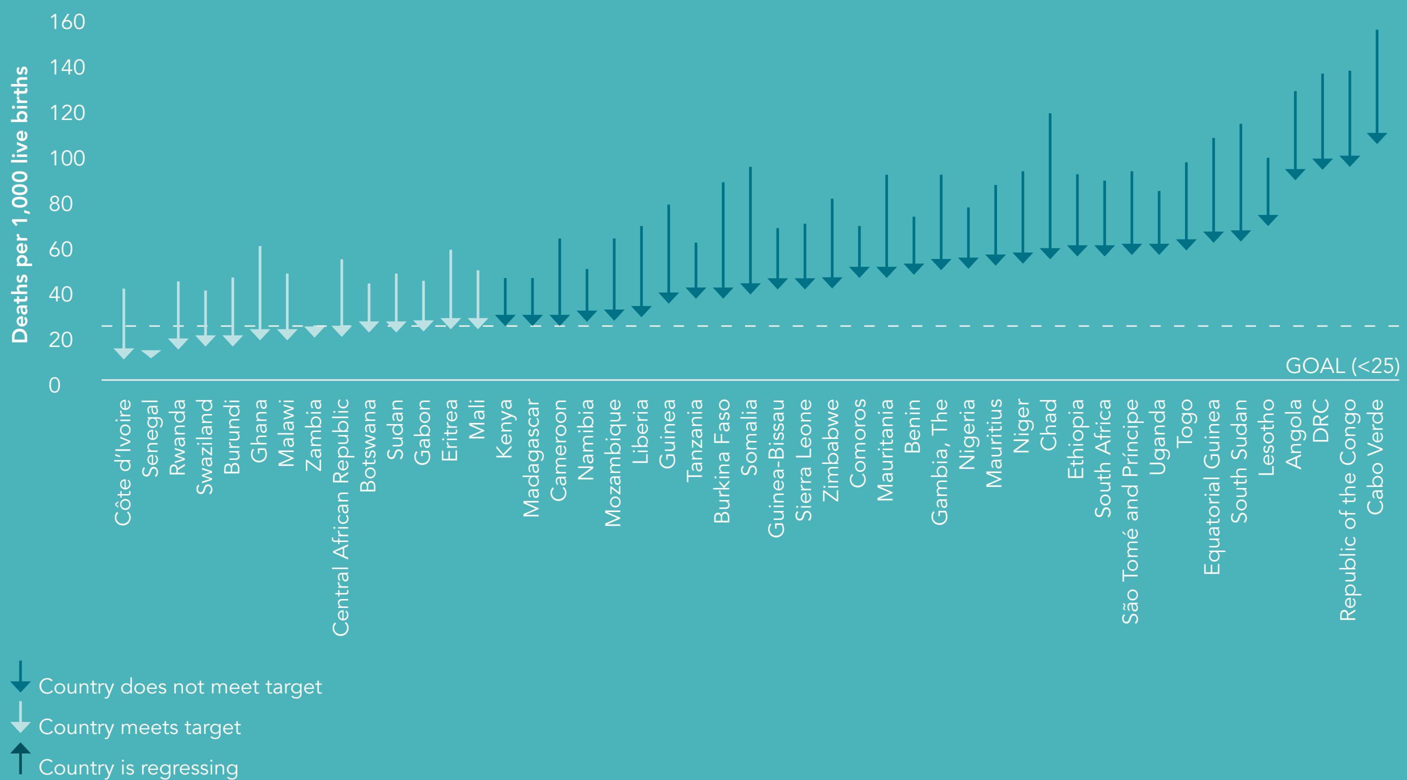
GOAL 3.1. REDUCING GLOBAL MATERNAL MORTALITY

By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births.

Not shown: 1) Seychelles due to lack of data. 2) Sierra Leone, which had a maternal mortality rate of 1,360 deaths per 100,000 live births and, though is not on track to meet Goal 3.1, is predicted to lower its rate to 768 per 100,000 live births.

GOAL 3.2a. REDUCING MORTALITY FOR CHILDREN UNDER 5 YEARS OF AGE

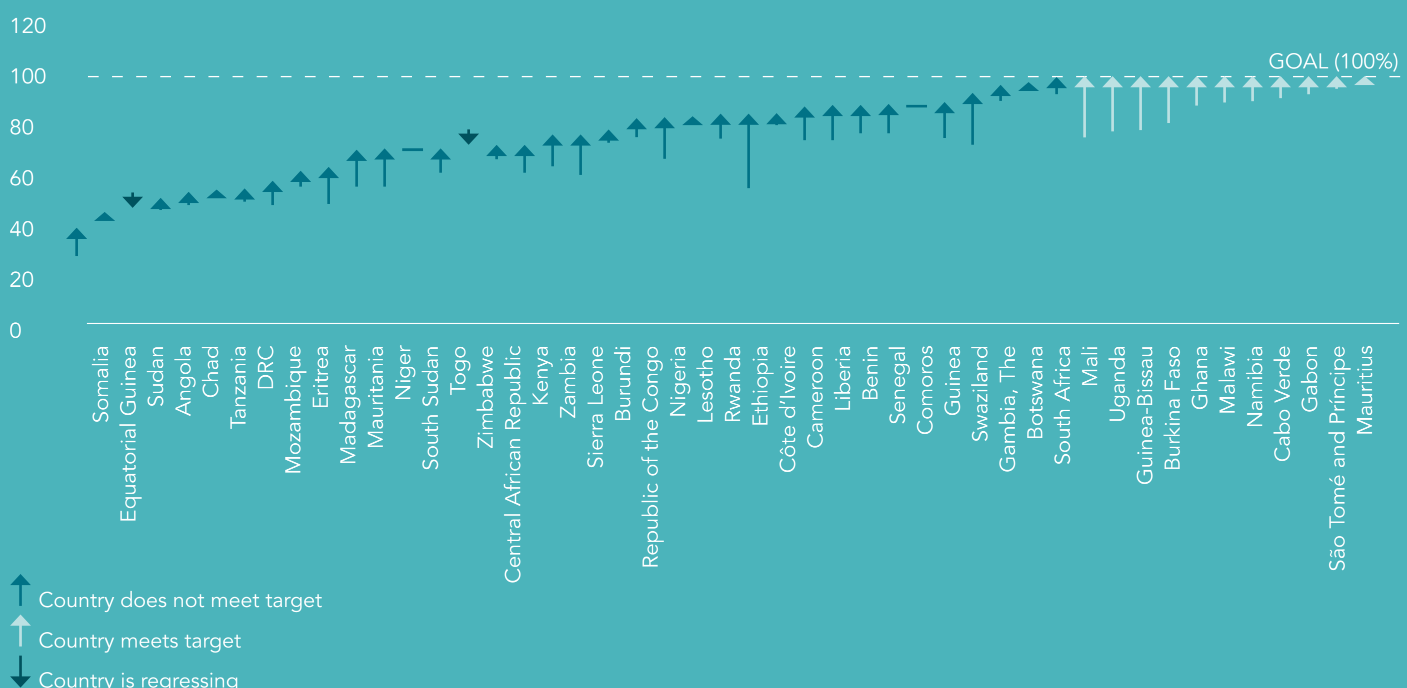
By 2030, end preventable deaths of children under 5 years of age, with all countries aiming to reduce under-5 mortality to at least as low as 25 per 1,000 live births.



Not shown: Seychelles, which has already met the target with 14 deaths per 1,000 live births and predicted to lower its rate to 12 deaths per 1,000 live births.

GOAL 6.1. SAFE AND AFFORDABLE DRINKING WATER FOR ALL

By 2030, achieve universal and equitable access to safe and affordable drinking water for all.

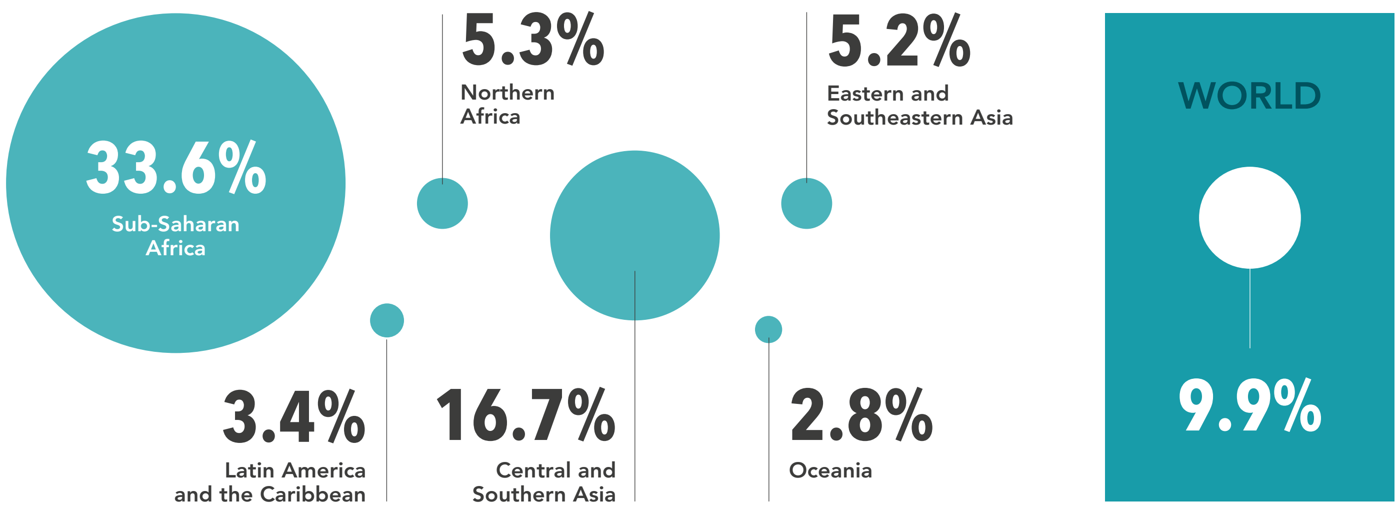


Not shown: Seychelles, whose access to safe and affordable water is predicted to be unchanged at 95.7 percent, just shy of the target.

Source: McArthur, John W. and Krista Rasmussen. 2016. "How close to zero? Assessing the world's extreme poverty-related trajectories for 2030. " Global Views. Brookings Institution.

FIGURE 3.3. AFRICAN WORKERS TOO OFTEN FIND THEMSELVES BELOW THE POVERTY LINE

Unemployment in the region is a major challenge for sub-Saharan African policymakers, but creating enough jobs does not mean the elimination of poverty. As seen below, of those Africans employed, over one-third still fall below the poverty line of $1.90/day—three times the world's proportion.



Note: The size of the bubbles suggests the relative differences in percent of employed workers that still remain under the poverty line.
Source: United Nations Statistics Division. https://unstats.un.org.

In order to stimulate quality employment growth, governments should develop policies aimed to achieve economic structural transformation through diversification and development of labor-intensive sectors.

Limited or ineffective pro-poor policy interventions and government

With the demographic boom and in absence of quality employment growth, the poor populations are often left alone, facing serious risks and vulnerabilities (food insecurity, epidemics, pandemics, infant and maternal mortality, gender gap, education, etc.). For example, 695 million people are living without basic sanitation access, only 34 percent have access to roads,[13] and 620 million people don't have access to electricity (sub-Saharan Africa).[14] In 2014-2015, 153 million people over 15 years of age suffered from severe food insecurity in sub-Saharan Africa.[15] Africa also faces the highest challenges in terms of social protection, especially related to health access.[16] Africa, especially sub-Saharan Africa, is also the region of the world with the highest proportion of workers living below the poverty line. Most vulnerable people do not necessarily have access to social assistance. The situation is worse in fragile and conflict-affected states, as civil war, terrorism, and political instability cause countries to lose decades of poverty reduction progress.

As achieving employment growth through structural transformation takes time, policymakers should simultaneously develop targeted policies, including with cash transfers,[17] to improve immediate poverty alleviation. Policymakers should adopt, through social protection initiatives, targeted interventions addressing immediate needs (poverty reduction, education, health, food, security, etc.) through four mechanisms. First, policymakers should make direct transfers (social assistance) to extremely poor individuals in order to increase their income and reduce vulnerability.

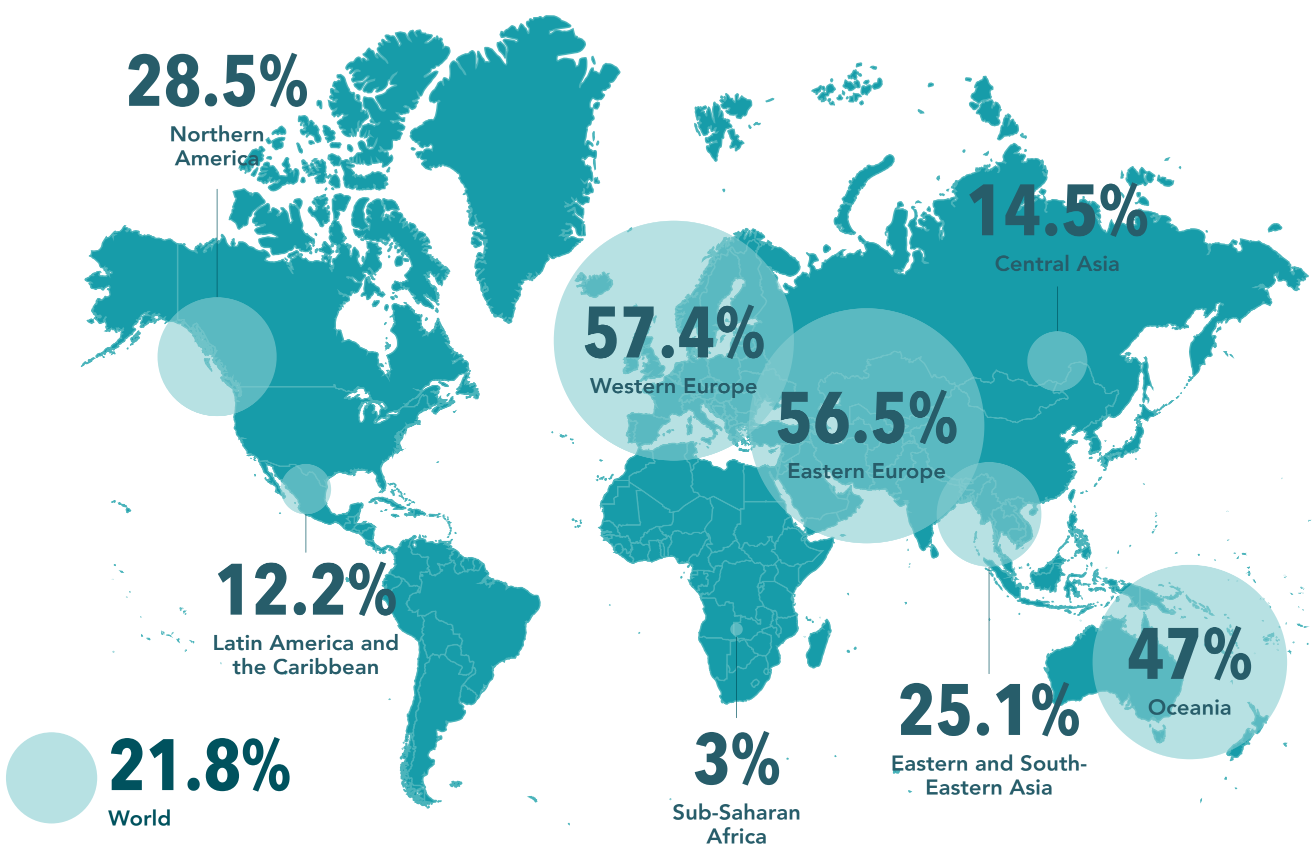
13. World Health Organization. Joint Monitoring Report 2015 Key Facts. Available at: http://www.who.int/water_sanitation_health/monitoring/jmp-2015-key-facts/en/.
14. International Energy Agency. 2014. Africa Energy Outlook: A focus on energy prospects in sub-Saharan Africa. Available at: http://www.iea.org/publications/freepublications/publication/WEO2014_AfricaEnergyOutlook.pdf.
15. Signe, Landry. 2017. "The quest for food security and agricultural transformation in Africa: Is the CAADP the answer?" Brookings. Available online: https://www.brookings.edu/blog/africa-in-focus/2017/10/16/the-quest-for-food-security-and-agricultural-transformation-in-africa-is-the-caadp-the-answer/.
16. ILO. International Labour Organization. Social Protection in Africa." Available online: <http://www.ilo.org/addisababa/areas-of-work/social-protection/lang--en/index.htm> . (Accessed on January 5, 2018).
17. U.K. Department for International Development. 2011. Cash Transfers. London: UKaid. Available online: http://www.who.int/alliance-hpsr/alliancehpsr_dfidevidencepaper.pdf.

These non-contributory, predictable, and regular transfers constitute the most direct route to address the thorny issues of poverty and, possibly, a more efficient way to share natural resource wealth. (Shanta Devarajan discusses universal basic income in a Viewpoint in this chapter.) Second, a better system of social insurance should be developed, with mandatory contributions from all workers, so that they can benefit in case of income shocks due to injury, illness, unemployment, retirement, or old age. Now, even where such programs exist, they are not efficiently implemented, and too often, workers are left alone. Third, policymakers should adopt, but most importantly, enforce high labor standards to protect the rights of workers, to shift away from employment vulnerability. Finally, specific social services must be developed for some of the most vulnerable groups who do not fall into the previous categories, including children, women, elders, and people living in remote rural areas, among others. Government should gather reliable information and develop policy interventions aiming at fixing the immediate needs.

All in all, African policymakers should keep the continent's growth momentum, but keep reducing poverty a center of focus. They should act now, not later, to make growth more inclusive and leave no one behind.

FIGURE 3.4. THE AFRICAN UNEMPLOYED RARELY RECEIVE UNEMPLOYMENT BENEFITS

To compound the difficulties of not having a job, just over 3 percent of the unemployed in sub-Saharan Africa receive unemployment benefits. Without this form of assistance, the obstacles confronting an unemployed worker loom even larger.



Source: United Nations Statistics Division. https://unstats.un.org.

Understanding the patterns and causes of African migration: Some facts

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The most important fact to note about migration rate in Africa, is that at 2.9 percent in 2017, it is one of the lowest in the world, only higher than that of Asia and North America.

The horrific images of African migrants drowning in the Mediterranean broadcasted live into the homes of millions of people has captivated the attention of the world in recent years, prompting many leaders to do "something about it." These images also give the impression that Africa is a crumbling and hopeless continent from which its young and strong are so desperate they risk their lives to escape. On the other hand, economic statistics coming out of Africa describe a continent on the move with unprecedented growth and economic opportunities. Why such a paradox? To appropriately inform policies related to illegal migration from Africa, we must first understand its patterns and underlying causes.

The most important fact to note about the migration rate in Africa, is that at 2.9 percent in 2017, it is one of the lowest in the world, only higher than that of Asia and North America. Over time, the migration rate in Africa has declined while the global average rate increased from 2.9 percent of total population to about 3.4 percent (Table 3.1). Since 1990, the number of African migrants has risen by about 80 percent. This rate is among the lowest in the world, only higher than that of North America and Europe. Clearly, migration from Africa is not as widespread as is widely perceived.

Migration from Africa is not as widespread as is widely perceived.

TABLE 3.2. GLOBAL RATES OF EMIGRATION: 1990-2017

Although the number of migrants originating from Africa increased by 80 percent from 1990 to 2017, Africa's emigration rate still declined from 3.2 percent to 2.9 percent over the period owing to a near doubling of the region's population.

Region of origin	Number of international migrants by major region of origin as a share of total population of region of origin						
	1990	1995	2000	2005	2010	2015	2017
World	2.9%	2.8%	2.8%	2.9%	3.2%	3.4%	3.4%
Africa	3.2%	3.0%	2.8%	2.8%	2.7%	2.9%	2.9%
Asia	1.8%	1.7%	1.7%	1.8%	2.1%	2.3%	2.3%
Europe	6.6%	6.7%	6.8%	7.0%	7.5%	7.9%	8.2%
Latin America and the Caribbean	3.4%	4.1%	4.7%	5.2%	5.8%	5.8%	5.8%
Northern America	1.0%	1.0%	1.0%	1.1%	1.2%	1.2%	1.2%
Oceania	3.6%	3.7%	4.0%	4.1%	4.3%	4.6%	4.6%

Note: This table shows the number of emigrants from a specific region as a share of the total population of the region of origin.

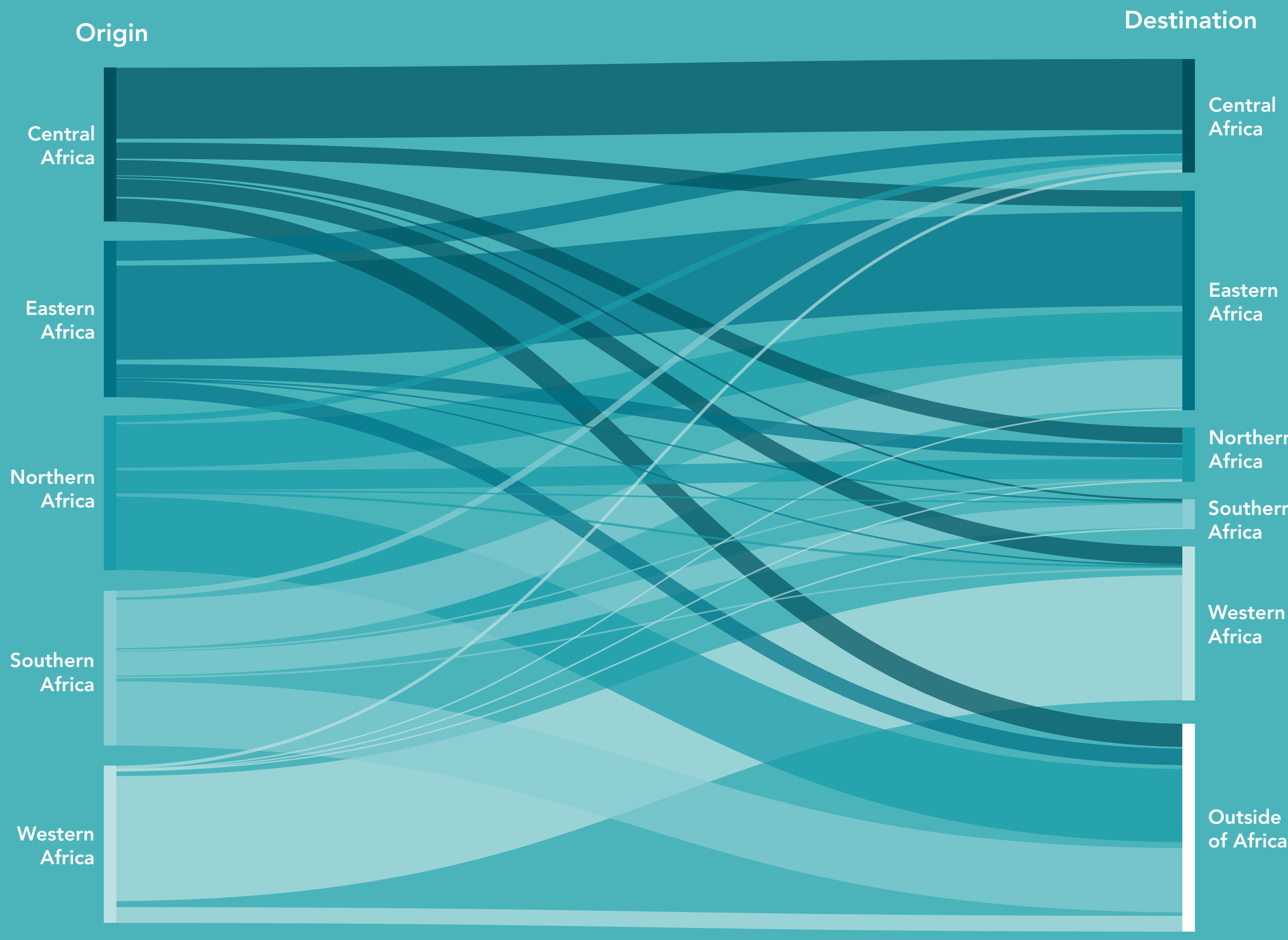
Source: Author's calculations, United Nations Population Division, International migrant stock: The 2017 revision, http://www.un.org/en/development/desa/population/migration/data/estimates2/estimates17.shtml.

*This essay is based on a revised working paper Shimeles, A. (2010), "Migration trends, patterns and policy issues in Africa," AfDB Working Paper series No 119.

The other important factor to note about the pattern of migration in Africa is that generally the bulk of it takes place within the region (Figure 3.5). In fact, 79 percent of sub-Saharan African migrants move within the same region. Less than 22 percent of migrants from Africa emigrate outside of Africa, with less than 15 percent of African migrants emigrating to Europe or North America.

FIGURE 3.5. MIGRATION PATTERNS WITHIN AND FROM AFRICA IN 2017 (% OF MIGRANTS BY ORIGIN AND DESTINATION)

African migrants overwhelming remain within Africa; less than a quarter emigrate outside of the continent. East Africa and West Africa are host to the largest shares of African migrants, at 30 percent and 26 percent, respectively. Notably, a majority of migrants from East Africa and West Africa emigrate within their own sub-regions.



	Destination						
Origin	**Africa**	**Eastern Africa**	**Central Africa**	**Northern Africa**	**Southern Africa**	**Western Africa**	**Outside of Africa**
Africa	**78.54**	30.33	13.1	5.99	3.33	25.79	21.46
Eastern Africa	88.67	**64.75**	13.67	9.34	0.75	0.16	11.33
Central Africa	84.09	11.11	**48.82**	10.55	1.38	12.23	15.91
Northern Africa	49.56	29.93	4.56	**13.36**	0.05	1.67	50.44
Southern Africa	55.78	33.22	4.6	0.38	**16.43**	1.16	44.22
Western Africa	89.17	0.06	2.29	0.83	0.02	**85.97**	10.83

Note: This table shows the percentage of total African migrants who have emigrated to different parts of Africa and outside of Africa.

Source: Authors' computations based on data provided by U.N. Department of Population. http://www.un.org/en/development/desa/population/migration/data/estimates2/estimatesorigin.shtml.

Within each sub-region, we also see a pattern where, except for North Africa, the bulk of African migrants prefer to move within neighboring countries or sub-regions. The bulk of migrants from North Africa predominantly move to Europe, North Africa, or the Middle East.

The evidence also suggests that migrants from richer African countries tend to migrate to destinations outside of Africa.

Thus, migration from Africa generally is low by global standards, and most of the movement, except for North Africa, takes place within the region, partly reflecting the relatively more flexible migration policies adopted by African countries over the years. The evidence also suggests that migrants from richer African countries tend to migrate to destinations outside of Africa (Figure 3.6). This is not surprising. One of the determinants of migration is cost, including travel and relocation.[1] The poorer a country is, the less affordable it becomes to travel far in search of better opportunities. In addition, migrants from relatively rich origin countries tend to be better educated and skilled. Thus, the rate of migration to richer countries from Africa could be projected to increase with rising economic opportunity, education, and other factors—called the Migration Hump—and recede once the wage differential between origin and destination countries narrows sufficiently, and other non-pecuniary considerations become important to the quality of life of migrants. For instance, populist views and less-welcoming regulations in richer countries could significantly dissuade migrants from richer African countries. This comes, however, with significant cost to the global economy, particularly to countries with an aging population. For a long time, migration has been a source of a sustained supply of labor at reasonably constant wages fueling growth in many advanced countries.

Seventy-nine percent of sub-Saharan African migrants move within the same region.

FIGURE 3.6. INTRA-AFRICAN MIGRATION AND PER CAPITA GDP (2006)

African emigrants originating from poorer countries generally remain within Africa, whereas African emigrants from middle-income countries tend to migrate to destinations outside of the continent. This suggests that the capacity and choice of African emigrants to migrate within or beyond Africa may depend on factors associated with the levels of development of their country of origin.

Source: Shimeles (2010).

1. An important element emphasized in the literature is the role that "cost of migration" plays in affecting migration flows. See for instance, Hatton and Willamson (2003) and also Rosenzwig, (2005) who showed that apart from the cost of migration, for a given level of skill price, the higher the per capita GDP of a country, the higher becomes the rate of out-migration.

Finally, migration has also served as a lifeline for many African countries through the flow of remittances. For African countries, these reliable flows have become the most important source of foreign exchange, provide consumption smoothing for poor families, and serve as a source of investment at the household level for education, assets, and other amenities. In addition, remittances serve as important factor in reducing asset inequality in Africa (Shimeles and Nabasaga, forthcoming).

The more formal and institutionalized migration becomes, the greater economic integration and its benefits will be.

In terms of policy implications, migration episodes that respond to incentives for economic opportunities generally reflect market forces in bridging excess demand in factor or goods markets, thus allowing efficient allocation of resources and fostering greater economic integration. Despite lack of evidence, it is plausible to expect that South-South migration is followed by increased trade flows and adjustment of labor markets in both sending and destination countries, which both play a crucial role in promoting growth and ensuring employment.[2] The more formal and institutionalized migration becomes, the greater economic integration and its benefits will be. The full benefit of such mobility of labor can be realized only if concerned national governments are able to jointly manage and coordinate the flow of migrants and protect basic rights for the entire duration of their stay. There are incidents of extortion, abuse, and exploitation of migrants bound to other parts of Africa as both legal and illegal migration became commercialized (Lucas, 2006; Shaw, 2007). Limited or lack of well-functioning financial intermediaries inhibit the flow of remittances, thus reducing their potential impact on household welfare. There are also a wide range of issues on property rights, licensing of businesses, and transfer of funds that African governments have not harmonized to encourage immigrants to engage in investment activities. Certainly this translates into areas of intra-African trade and investment, which has not improved much over the years. In principle, greater economic integration helps stem the flow of migration and limits its size and composition to what is allowed by economic fundamentals. The regional economic unions such as COMESA, ECOWAS, EAC, SACU, and SADC,[3] have been around for the greater part of post-independence Africa and yet their effectiveness in managing migration flows is still not sufficient.

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2. World Bank (2010) report suggests that in Southern Africa, generally wage rates follow that of South Africa with some lag for adjustment. Certainly the degree of adjustment is better for economies that are closely integrated with South Africa.
3. Respectively, Common Market for Eastern and Southern Africa, Economic Community of West African States, East African Community, Southern African Customs Union, and Southern African Development Community.

VIEWPOINT

Africa and Europe: Towards real partnership on migration

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The issues around refugees and migration remain some of the most hotly debated topics in Europe. With European per capita income roughly 11 times that of most of sub-Saharan Africa and tens of millions of young Africans with poor job prospects, the attraction of migrating to Europe is and will remain immense. While there is migration from all over the world into Europe, geography makes Africa the biggest potential source of migrants.

One approach that Europe (as well as others such as the United States) wants to take is to let in only skilled migrants. The aim here is to complement Europe's skilled labor with carefully filtered immigration. The numbers would be small, making the absorption of these migrants easier in terms of cultural barriers. While this may be a desirable objective from the point of view of the rich countries, it would have mixed results for Africa. The investment in human capital that these migrants embody would be largely lost. Then again, remittances could be an advantage, as would possible return of some of these migrants to their home countries. In any case, taking in small numbers of skilled Africans will not alleviate the strong pressure from the millions left behind.

In fact, the futures of Europe and Africa are intertwined. A growing, hopeful Africa will diminish this hard-to-manage migration pressure. A prosperous Europe will present good markets for African products. Thus, Europe should address the migration problem with a long-term perspective by investing in Africa. Potential returns are great when one averages. But individual projects are riskier than elsewhere due greater political uncertainty and regulatory deficits, as well as problems of transparency. This has constituted an important barrier for private investment, which is crucial given the scale of the challenge.

In any case, taking in small numbers of skilled Africans will not alleviate the strong pressure from the millions left behind.

That is why the public policy must be active in risk pooling and de-risking by accepting to bear some of the risk or supporting insurance mechanisms, leveraging its scarce funding capacity. Innovative financial engineering can bring together the private, public, and philanthropic sectors and create a virtuous circle with huge benefits for both Africa and Europe. Africa needs 8 to 9 percent sustained annual growth to really take off and create the hope its young population needs. The world, and particularly Europe, will benefit from it. This is totally achievable if the public and private sector partner in reducing risk. The future depends on it.

Nutrition security: The last mile of Africa's food security agenda

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Recognizing the importance of food and nutrition security (FNS) for improving public health, labor productivity, and economic growth, the world has committed to end all forms of hunger by ensuring access to sufficient and nutritious food for all people (Goal 2 of the Sustainable Development Goals).[1] Countries have made significant progress in their food security agendas by improving productivity and food production, by addressing socio-economic, gender, and regional inequalities in access to food, and by building resilient agricultural practices.

Recent AGI research on food and nutrition security[2] has found that, despite much progress in Africa on these issues, environmental shocks and other vulnerabilities; resource constraints and inefficiencies; and policy implementation gaps threaten the progress and sustainability of FNS interventions (Siba and Signé, 2017).[3]

Progress on nutrition security in particular has lagged largely because it is a lot more complex. Indeed, some countries with sufficient food continue to have pockets of nutritionally insecure communities and sub-regions.

First, **nutrition is cultural**. Populations are pre-disposed to consume mainly what they produce locally. For example, compared to Ghanaians and Senegalese, Ethiopians are more predisposed to eat enjera than fish, dictated by food preference and geography. The high dependence on locally produced food limits dietary diversity. Rural households are particularly affected by high staple dependence and are vulnerable to unexpected drops in harvests.

The high dependence on locally produced food limits dietary diversity, notably in settings where people primarily consume what they produce. Thus, rural households are particularly affected by high staple dependence and are vulnerable to unexpected drops in harvests.

In addition, nutrition security requires **integrated program interventions** beyond the agricultural sector. During our recent research and stakeholder interviews as part of select African cases studies in the Ending Rural Hunger project, we asked on-the-ground stakeholders about interventions they consider vital for nutrition security. The responses pointed to the importance of interventions in multiple sectors, including in infant and young child nutrition consultation, community-based nutrition programs, water, sanitation and hygiene, and health interventions.

Nutrition is also a **science and technology-intensive industry**. Lack of qualified professionals in nutrition and the high turnover in staff of implementing public institutions are important constraints to achieving nutrition security. For this reason, a number of African countries rely heavily on external technical assistance.

Despite the complexity of addressing FNS, governments across Africa should continue to make this objective an

1. According to the Food and Agriculture Organization's 2009 definition, "food security" exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life (FAO, 2009). The most comprehensive measure of food security includes food availability, accessibility, stability, and utilization dimensions. The most severe form of food insecurity is typically associated with the possibility of being hungry but unable to eat due to lack of money or other resources (FAO, 2016).
2. Nutrition security is a result of improvements in both nutritional status (hence of food security) and health status. Malnutrition is the most commonly used measure of nutrition insecurity. The United Nations Standing Committee on Nutrition (UNSCN) recommends the use of 'Food and Nutrition Security' jointly, to facilitate integrated actions. It proposes that "Food and nutrition security exists when all people at all times have physical, social and economic access to food, which is consumed in sufficient quantity and quality to meet their dietary needs and food preferences, and is supported by an environment of adequate sanitation, health services and care, allowing for a healthy and active life" (Wüstefeld, 2013).
3. The Global Ending Rural Hunger project of the Brookings Institution was one of the many initiatives that the year 2017 has seen in tracking progress in FNS through desk review and stakeholder engagement of six African countries (Ethiopia, Ghana, Nigeria, Tanzania, Senegal, and Uganda). For more information, see the Ending Rural Hunger website: https://endingruralhunger.org/.

important priority in development agendas given its importance for human capital development. Nutrition security does not necessarily require large **investments**. For example, well-organized campaigns to raise awareness on the importance of good nutrition, dietary diversity, and good hygiene for kids, mothers, and farmers can go a long way.

Lack of qualified professionals in nutrition and the high turnover in staff of implementing public institutions are important constraints to achieving nutrition security.

There also needs to be **shift in mindset of both agricultural policymakers and farmers**. Efforts on boosting productivity and food production need to embrace nutrition-sensitive agricultural practices by promoting the production of rich produce such as poultry and livestock, along with cereals. Educating farmers to consume these nutritionally rich products (not just sell them) may require integrating the work of agricultural development agents and health extension workers. The role of well-trained change agents is vital in settings where administrative structures are non-existent or barely functioning, particularly at lower administrative levels. Capacity building, through training change agents and ensuring implementing institutions are in place, is one of most pressing needs, as revealed in our stakeholders' engagements.

The **multi-sectoral coordination and horizontal accountability** necessary to address nutrition security require coordination among multiple ministries and sectors like agriculture, health, education, industry, and water. Multi-sectoral initiatives tend to be more functional when participating sectors are accountable to a higher office.

Addressing FNS challenges in **lagging regions and pastoral communities** merits a separate approach ranging from getting the wage and benefits incentives right, to ensuring the presence of sufficient number of qualified professionals, to designing livelihood and culturally sensitive FNS strategies.

Finally, to close the knowledge and policy gaps in the sector, **collecting national, subnational, and household data on a regular basis**, creating a unified nutrition database and establishing knowledge-sharing platforms among key national and international implementers are all vital. Data collected on major programs will allow for rigorous impact evaluation and ensure that FNS policies are evolving in the right direction.

Filling knowledge, technology, and policy gaps and supporting capacity building represent **complementary investments** to achieve Africa's FNS agenda.

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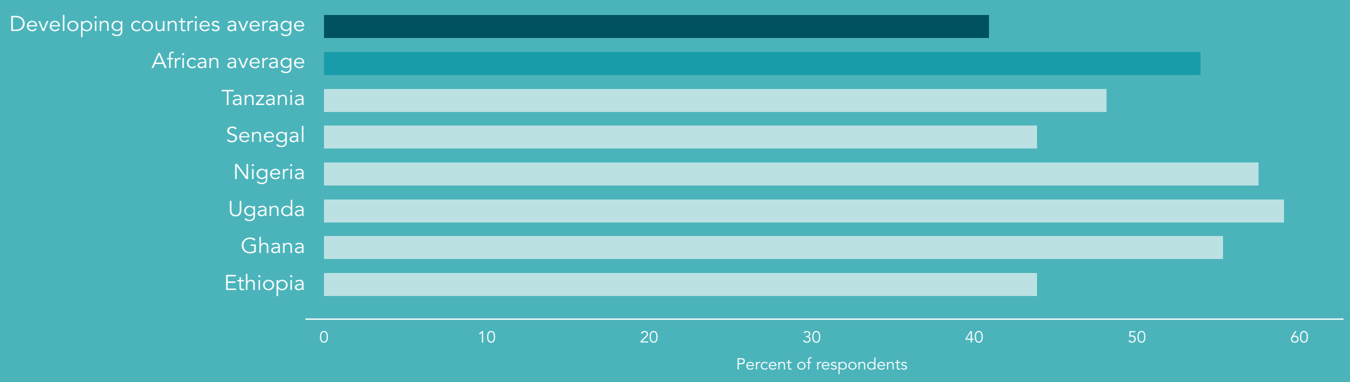
FIGURE 3.7

Ending rural hunger: Where do we go from here?

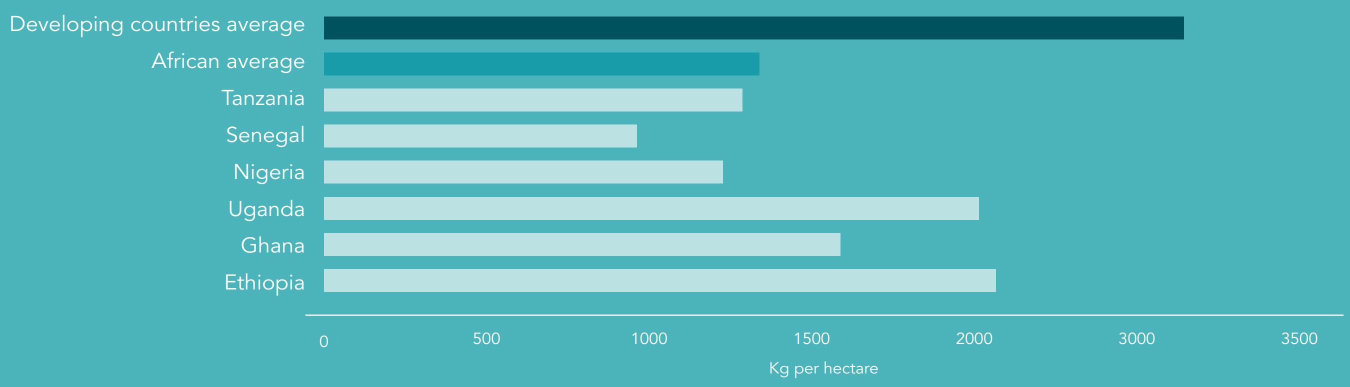
Ending rural hunger is one of the challenges enshrined in the Sustainable Development Goals, particularly Goal 2, "End hunger, achieve food security and improved nutrition, and promote sustainable agriculture." As seen in these graphs, food and nutrition security (FNS) is still a great obstacle for African countries. Poverty still holds citizens back from obtaining enough food, and child malnutrition (under-5 stunting) is not uncommon. Notably, while Africans have comparable levels of access to agricultural extension services as other developing countries globally, their average cereal yields are half that of their developing country counterparts. Access to food safety net programs is also generally low on the continent. Compounding these challenges, several African countries—Ghana, Nigeria, Senegal, Tanzania, and Uganda—are predicted to see declines in their agricultural yields due to climate change.

LACK OF ENOUGH MONEY TO BUY FOOD (2011-2015 AVERAGE)



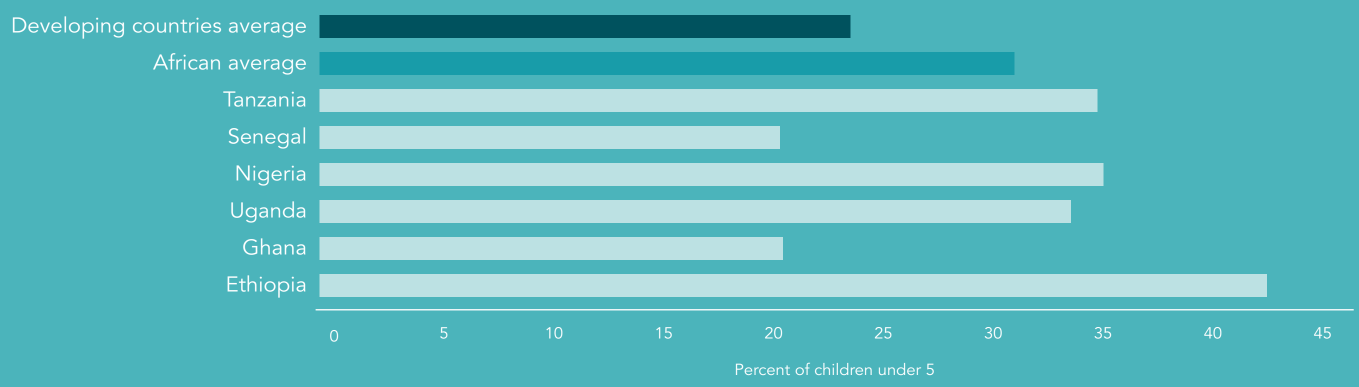
Note: Percent. This indicator is based off the following survey question: "Have there been times in the past 12 months when you did not have enough money to buy food that you or your family needed?" National level.

CEREAL YIELD (2011-2015 AVERAGE)



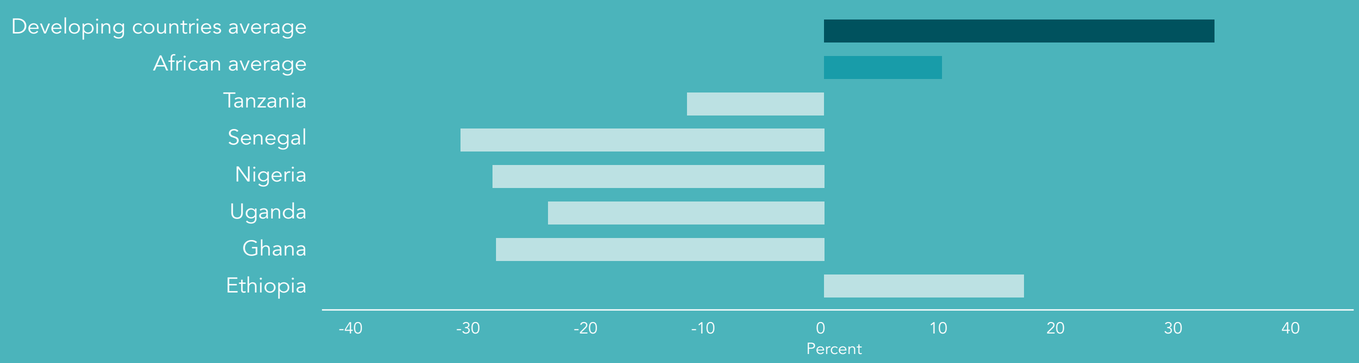
Note: Kg/ha. This indicator measures the total yield per country for wheat, rice, maize, barley, oats, rye, millet, sorghum, buckwheat, and mixed grains. Cereal crops harvested for hay or harvested green for food, feed, or silage and those used for grazing are excluded.

CHILD MALNUTRITION: UNDER-5 STUNTING (2011-2015 AVERAGE)



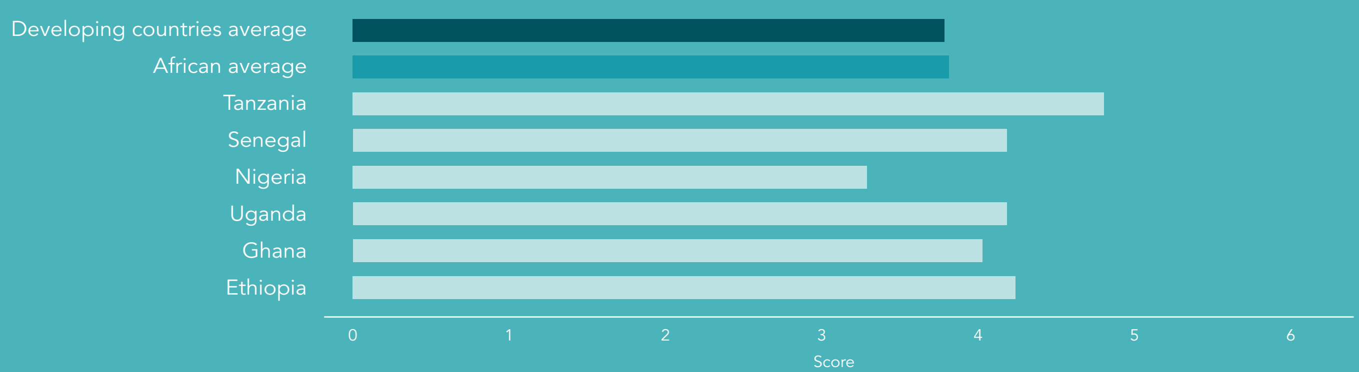
Note: Percent. This indicator measures the percentage of stunting (height-for-age less than 2 standard deviations of the WHO Child Growth Standards median) among children aged 0-5 years.

PROJECTED CHANGE IN AGRICULTURAL YIELD DUE TO CLIMATE CHANGE (2011-2015 AVERAGE)



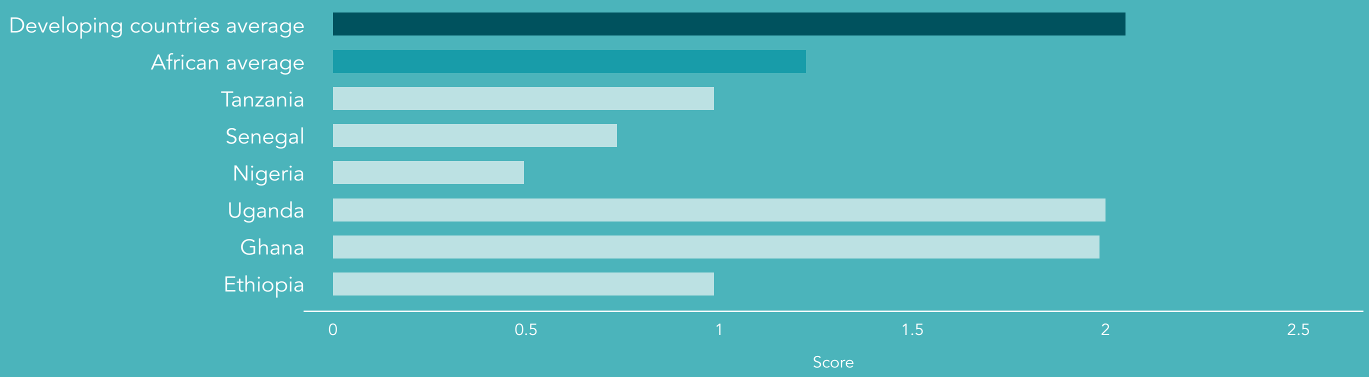
Note: Percent. This indicator is a proxy for what climate change implies for agricultural yield. The projected change is the percent change of annual yield from the baseline projection (1980-2009) to the future projection (2040-2069).

ACCESS TO AGRICULTURAL EXTENSION SERVICES (2011-2015 AVERAGE)



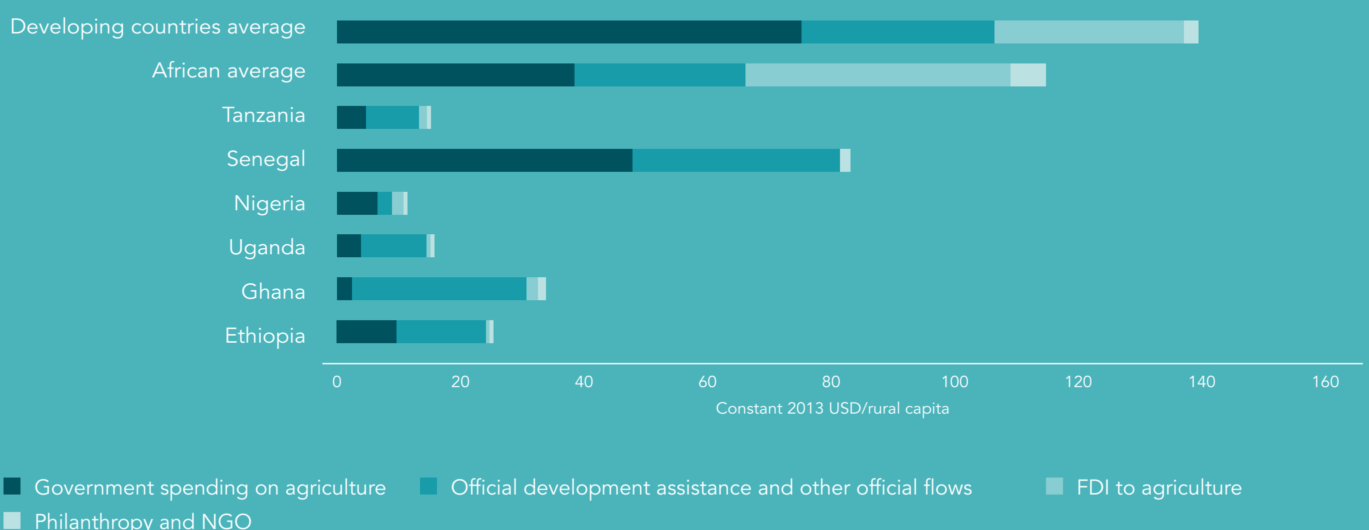
Note: Discrete 1-6. 6: Good for three years; 5: Government encourages the development of complementary pluralistic research and extension services; 4: Public agricultural research and extension have made major efforts to improve the participation of poor farmers in setting priorities; 3: The agricultural research and extension system is weak and does not address the needs of poor farmers; 2: Extension services are the exclusive preserve of government, and poor farmers have no say in setting priorities or in controlling funds for agricultural research and extension; 1: Unsatisfactory for three years.

ACCESS TO FOOD SAFETY NET PROGRAMS (2011-2015 AVERAGE)



Note: Score 0-4, with 0 representing minimal to no access and 4 representing complete or nearly complete access. This qualitative indicator (scored by EIU analysts) measures the variety of public incentives to protect the poor from food-related shocks. This indicator considers food safety net programs, which include in-kind food transfers (i.e., food vouchers), and the existence of school feeding programs by the government, NGOs, or multilateral sector.

RESOURCES TO FNS (2011-2015 AVERAGE)



Note: "African average" refers to the average values for 54 African countries, and "developing countries average" refers to the average values for 152 developing countries globally. The six African countries shown here are the six African countries selected for case studies for the Ending Rural Hunger project in 2017.

Source: The Ending Rural Hunger Project, Brookings Institution, October 2017 update, https://endingruralhunger.org/.