

# Poverty in Africa, the unvoiced failures of the World Bank

15 April 2016 by Salaheddine Lemaizi



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A recent report from the [World Bank](#) tells us that the number of Africans living in extreme poverty has considerably increased since 1990, rising from 280 million people living on less than \$1.25 per day in 1990, to 330 million in 2012. For the standard-bearer of neoliberal ideology in the southern countries this is due to two factors: demography and statistics. "...major poverty challenges remain, especially in the light of the region's rapid population growth." the report says.

The authors of "Poverty in a Rising Africa" [\[1\]](#) also put this statistical increase down to insufficient data concerning Sub-Saharan Africa. Maybe, but the [World Bank](#) omits to mention a 'detail': the increase in the number of people living in extreme poverty and the persistence of pronounced inequalities on the African continent are the direct result of the poverty reduction policies that the World Bank has been recommending

since the 1990s. Since that time, neoliberal [structural adjustment](#) policies have taken a heavy toll on African populations.

### Say 'thank you' to the World Bank

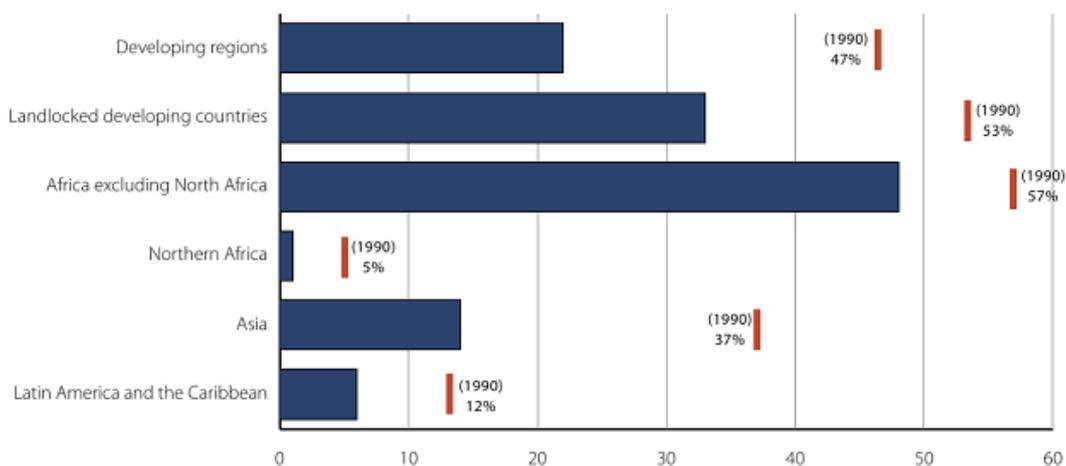
Certainly, the percentage of Africans in poverty has dropped from 56% in 1990 to 43% 2012. Adult literacy has gained 4% and gender differences are reduced. Life expectancy has risen by six years and the prevalence of chronic malnutrition of children under five years old has diminished by 6% to around 39%. Should these improvements in the living conditions in Africa be applauded?

To think that the struggle against poverty in Africa is gaining ground is illusionary. The rate of poverty eradication on the African continent and in its three sub-regions remains very slow. The failure to achieve the Millennium Development Goals (MDGs) can be largely explained by the shortcomings in reaching the goals set for Sub-Saharan Africa.

A joint report by the [UNDP](#), the ADB, and the Economic commission for Africa and the African Union, confirms that: “Africa’s progress in reducing poverty has been slow compared to that of developing regions as a whole. Africa excluding North Africa only reduced poverty levels from 56.5 per cent in 1990 to 48.4 per cent in 2010 (a 8 per cent reduction), which is well below the MDG target of 28.25 per cent by 2015.” [\[2\]](#)

The following graph, from the same report shows the situation. [\[3\]](#)

**Figure 1.1 Proportion of the population living below \$1.25 purchasing power parity per day**



Source: *UNSD data, 2014.*

Not forgetting that, as we have indicated above, the total number of Africans living in poverty continues to increase significantly.

### **Repay the debt or wipe-out poverty?**

The so called improvements in African economies have in no way changed Africans' lives. As the report says, "growth has neither been robust nor sufficient enough to sustain poverty reduction efforts. Many countries, particularly in Africa excluding North Africa, are dependent on primary [commodities](#) and susceptible to shocks that tend to disrupt development gains."

Yet, over the 2000s economic growth averaged 5%. The worldwide rise in commodity prices improved economic performance figures, without producing significant improvements in African living conditions. Only the [share](#) of added-value grabbed by Capital increased, while that distributed among labour has not changed. What's more, the World Bank report mentioned above also notes that "we observe an increase in the number of very rich people". The billionaires, Dangote, Rupert, Weise, Mohammed VI [\[4\]](#) and Sawaris have climbed the Forbes list ladder. [\[5\]](#)

Meanwhile, seven of the ten countries where inequality is most extreme are in Africa and mainly in Southern Africa. The World Bank twice admits failure "poverty reduction has been slowest in fragile countries" and "the inhabitants of countries rich in natural resources have the least favourable indicators of human development"!

In these long known circumstances, a question arises: why has the World Bank, that has supposedly been struggling against poverty in Africa for two decades, failed so lamentably? (The World bank itself claims, since its supposed exit from structural adjustment, to be working towards "a World without poverty".) We can reply to this question by saying that the World Bank's choices (or rather, their diktats), directly linked to their preferred financial models for development, which are based on indebtedness, are in fact the cause of the poverty.

Figures supporting this observation, which have been omitted by the World Bank report, are available in CADTM's brochure 'Debt figures 2015'. [\[6\]](#) In Sub-Saharan African countries indebtedness has increased 165 fold between 1970 and 2012, rising from \$2 billion to \$331 billion. Over the same period 30 Sub-Saharan countries have repaid the debt they owed in 1970 217 fold.

As the political charter of the CADTM says, “In most countries of the South, the amount spent each year in repayment of public debt comes to more than that spent on education, health, rural development and job creation all together”. Poverty is not to be measured in revenues and consumed calorie levels alone, access to basic public services, drinking water and sanitation, electricity, health cover, education, transport, which are today under-funded and widely privatized services, are also important indicators. By giving the priority to debt repayment and to “growth”, the World Bank and the leaders of the African countries turn away from any objective of eradication of poverty on the continent. The peoples resist and fight for alternative choices based on abolition of the debt, redistribution of wealth and social justice.

*Translated by Mike Krowlikowski*

## **Footnotes**

[1] <https://openknowledge.worldbank.org...>

[2] <http://www.uneca.org/sites/default/...>

[3] “The intensity of poverty, measured by the poverty gap index, estimates the average poverty gap in a population as a proportion of a poverty line; it estimates the depth of poverty by considering how far on average, the poor are from the poverty line.” (Source MDG report 2015)

[4] [Africa’s 50 Richest](#), Forbes for Morocco see [« MarocAfric » ou l’investissement marocain en Afrique subsaharienne](#) (in French)

[5] [Africa’s 50 Richest, Forbes](#)

[6] <http://cadtm.org/World-Debt-Figures-2015,273>

<http://www.cadtm.org/Poverty-in-Africa-the-unvoiced>