

Good News or Bad News for Africa: Recent Trends in Monetary Child Poverty in Sub-Saharan Africa

Sarah Hague, Paul Quarles van Ufford¹ and Bob Muchabaiwa² October 2023

This note is based on the World Bank's Policy Research Working Paper 10525 entitled "Global Trends in Child Monetary Poverty According to International Poverty Lines". The authors are particularly grateful to Daylan Salmeron-Gomez for the production of the sub-Saharan Africa specific data tables on which this note is based.

^{1.} Regional Policy Adviser, East and Southern Africa, UNICEF and Regional Policy Adviser, West and Central Africa, UNICEF, respectively.

^{2.} Social Policy Specialist, East and Southern Africa Regional Office, UNICEF

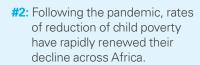
Key Messages and Main Findings

Good news

#1: Between 2013 and 2022, the proportion of children in sub-Saharan Africa who lived in extreme poverty declined by 11 per cent from 45 per cent to 40 per cent.

Bad news

#1: The reduction of extreme child poverty was faster in other regions. Therefore, the phenomenon of children living in extreme poverty is now increasingly concentrated in sub-Saharan Africa. Today, seven out of 10 of the world's extreme poor children live in Africa.





#2: The deep socioeconomic impacts of COVID-19 have reversed years' worth of gains in poverty reduction among children. In 2022, poverty rates and numbers were back at 2019 levels.

#3: Fertility rates in sub-Saharan
African continue to decline,
and future working age
populations will be larger than
child populations, representing
a major opportunity to propel
socioeconomic development.
Africa can reap this demographic
dividend if it invests in efforts to
reduce "multi-dimensional" child
poverty.



#3: Despite declining fertility rates,
Africa's growing population has led to
a rise in the *number* of extreme poor
children – from 210 million in 2013 to
237 million in 2022 – even though the
proportion of extreme poor children
has declined. At the same time, the
rate of decrease is not occurring fast
enough to eradicate poverty by 2030
as required by the global Sustainable
Development Goal (SDG) targets.

The analysis in this note uses data produced for the World Bank's recent Policy Research Working Paper on global trends in monetary child poverty and focuses specifically on sub-Saharan Africa. It reveals both good news and bad news about recent progress toward eradicating child poverty. The analysis reveals the good news that the percentage of African children living in extreme poverty has declined, even given the pandemic of 2020. This fact serves as a reminder that progress can be made even in the most challenging circumstances.

However, the rest of the world has made more rapid progress toward the achievement of the SDG target to eradicate extreme child poverty by 2030. As a result, the **share of extremely poor children in the world has become dramatically more concentrated in Africa**. The analysis also confirms that COVID-19 was responsible for keeping seven million African children in extreme poverty who otherwise would not be in this situation. While the analysis in this note does not allow country- or policy-specific recommendations, several additional conclusions can be drawn from it.

Most striking, is the finding that child poverty is now heavily concentrated in sub-Saharan Africa. Moreover, higher levels of extreme poverty are experienced by children compared to adults (40 per cent versus 29 per cent). The fact that the number of extremely poor children in sub-Saharan Africa is increasing serves as a pressing call to action for stakeholders to focus more deliberately on child wellbeing in Africa.

Secondly, while population growth is often highlighted as a particular challenge facing Africa, contributing to rising poverty numbers, the effect of declining poverty on reducing fertility rates is important. Africa's average fertility rate is in continual decline, and new UN population data suggests the continent's birth rate may be falling faster than previously projected.³ This means that **there is further potential to accelerate the**

reduction in child poverty in Africa as fertility rates continue to decline.

While conflict, fragile contexts, and rising vulnerability to climate change present serious challenges to progress on poverty reduction, the opportunity to lift more children out of poverty in some countries in Africa should encourage stakeholders to consider what works. Crucial to addressing child poverty remains the need for equitable policy solutions, based on accountability and good governance, that ensure that national resources are effectively and equitably generated, allocated and spent on programmes, and in sectors, that directly benefit children, including key areas such as early childhood development and social protection.



The higher levels of extreme poverty experienced by children than adults (**40 per cent vs 29 per cent**), and the rising and high numbers of extremely poor children in SSA should serve as a strong and clear demand to all stakeholders to more deliberately focus on children's wellbeing in Africa.



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^{3.} https://www.economist.com/middle-east-and-africa/2023/04/05/the-worlds-peak-population-may-be-smaller-than-expected

Introduction and Background

The elimination of child poverty is arguably one of the world's most important goals and indeed is presented as such within the first SDG, with a target for achievement by 2030. To measure global progress toward this goal, the World Bank and UNICEF recently updated estimates of child poverty in their policy research working paper "Global Trends in Child Monetary Poverty According to International Poverty Lines". This note uses the data produced by the World Bank for that paper, to focus specifically on sub-Saharan Africa (SSA).

The data analysed in this note uses new monetary poverty lines based on 2017 price data to estimate updated measures of purchasing power parity (PPP). As a result, the extreme poverty line was updated to US\$2.15 (2017 PPP) per day. The figures for 2020, 2021 and 2022 are estimated projections based on trends in per capita gross domestic product (GDP) growth rates. The resulting analysis presented here highlights recent trends in extreme monetary child poverty in sub-Saharan Africa, looking at the numbers, percentages and overall shares.

Looking at overall trends for the entire continent on monetary child poverty is crucial to understand whether progress is being made and at what rate. In doing this, the note comes with some important caveats. First, the data, and therefore the analysis, relate to monetary poverty only, whereas analysis of multi-dimensional poverty (meaning being deprived of essential goods and services such as health and education) can provide a more complete picture.

Furthermore, the poverty lines considered are international and as such can be used for comparison across countries. However, they can vary from national poverty lines, and therefore, should not be used to report on poverty rates in individual countries. Finally, there are key assumptions behind the data, including that GDP growth is shared equally across all households and that resources are shared uniformly within households. The reality is different, and such nuances within countries, households and between particularly vulnerable groups, are not considered here and should be examined further before drawing conclusions about individual countries.



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Trends in Child Poverty



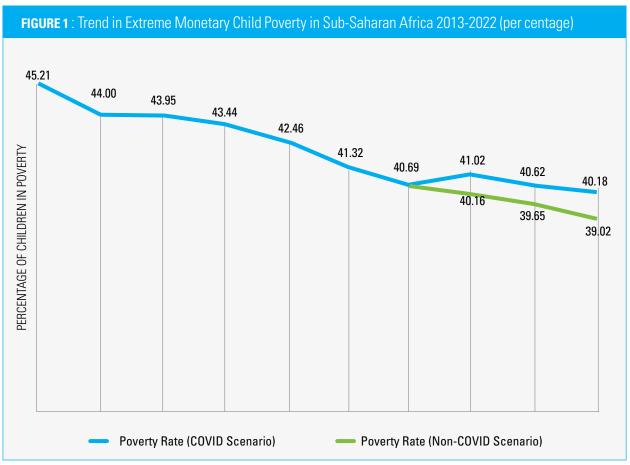
The percentage of children living in extreme poverty in Africa has dropped from **45%** to **40%** over the last nine years.



The percentage of children living in extreme poverty in sub-Saharan Africa has decreased from 45.2 per cent in 2013 to 40.18 per cent in 2022. Almost all regions across the globe saw reductions in the percentage of children living in child poverty in the same period – though often at a faster rate than Africa – leading to an overall global decline in extreme child poverty from 20.7 per cent to 15.89 per cent from 2013 to 2022.

What is notable – in Africa as well as globally – is the increase in child poverty rates in 2020, which interrupted the otherwise gradual decline (see figure 1 below). Despite this rise, the reduction in poverty rates resumed the following year, at a similar rate as before. This means that if the COVID-19 pandemic had not occurred, child poverty rates in Africa would have been lower by 2022 (see the green line below, at around 39 per cent). Given the slow rate of reduction, by 2022, child poverty percentages in Africa are still not back to 2019 levels. While projections are based on 'real GDP growth' which does factor in inflation rates, the ripple effect of the war in Ukraine and other factors continue to contribute to high inflation in many countries in Africa, which negatively impact poorer households more than others.

Furthermore, sub-Saharan Africa is the region with the highest rates of child poverty by far, followed at a distance by South Asia which has a child poverty rate of just 9.7 per cent.



Source: data analysed by Daylon Salmeron-Gomez as part of the World Bank's Policy Research Working Paper 10525



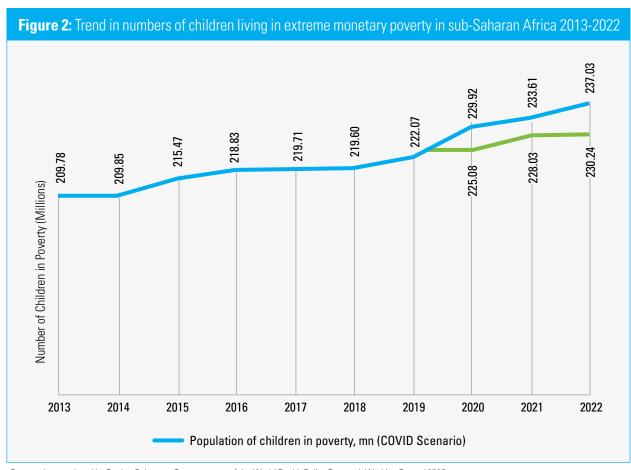
If the COVID-19 pandemic had not occurred, an additional 7 million children would have been lifted out of poverty in Africa between 2013 and 2022.



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Looking now at the actual numbers of children living in extreme poverty in Africa, we see a more worrying, increasing trend. In 2013, just under 210 million children in sub-Saharan African countries were living in extreme monetary poverty, but by 2022 the figure had risen to just over 237 million (see figure 2). In contrast, looking at the entire world, the number of children living in extreme poverty globally reduced by a significant number – 63.3 million – during this period. There is a clear link between poverty rates and fertility rates and while many countries in Africa are seeing fertility rates decline as poverty is addressed, rates are still high, leading to an increasing population. This means that economic growth and poverty eradication efforts are not fast enough to keep pace with demographic changes. As a result, though the percentage of children living in poverty is declining, the number of children living in poverty continues to rise. Again, we note that COVID-19 exacerbated the situation. If the pandemic had not occurred, it is estimated that another 7 million African children would have been lifted out of extreme poverty by 2022.

Although the estimates in this note are not meant to be used at the individual country level, it is important to point out that seven countries in sub-Saharan Africa are estimated to each contain more than 10 million children living in extreme poverty, with Nigeria and the Democratic Republic of the Congo estimated to represent over 70 million between them. In percentage terms, 11 countries in sub-Saharan Africa are estimated to each have extreme child poverty rates of over 60 per cent.



Beyond trends in the percentages and numbers of children living in extreme monetary poverty, other findings of the policy research paper are important to point out. It is critical to note that children are significantly more likely to live in poverty than adults. While 40 per cent of children in Africa live in extreme poverty, for adults the figure is 29.1 per cent, meaning a child is 25 per cent more likely to live in extreme poverty than an adult. In terms of numbers, this means that while there are 174.6 million adults living in extreme poverty in Africa, there are 237 million children living in extremely poor households. This is a major concern given the ramifications of growing up in a poor household, which can have long-term and irreversible implications on the child as well as national development.

Perhaps the most striking finding of this analysis is the tremendous acceleration in concentration of child poverty in sub-Saharan Africa. As noted in the working paper (see table below), Africa accounted for just over half of the world's extreme poor children in 2013. But by 2022, this high proportion had increased to 71.1 per cent. This means that of all children living in extreme poverty across the world today, seven out of 10 are African and that this has significantly risen in just a few years. While this trend illustrates the progress made in other regions, it must serve as a major red flag to stakeholders to focus on Africa.

Table 1: Children in extreme monetary poor households - trends in shares by region, 2013 to 2022 (%)

	2013	2017	2020	2022
East Asia and Pacific	7.24	4.09	3.65	3.52
East Asia and Pacific without China	8.93	5.48	5.31	4.79
South Asia	33.78	26.22	24.69	18.61
South Asia without India	9.20	5.78	5.15	4.07
Sub-Saharan Africa	54.84	63.16	65.08	71.11
Sub-Saharan Africa without Nigeria	75.14	79.00	79.80	81.77
Latin America and Caribbean	3.00	3.40	3.03	2.90
Europe and Central Asia	0.20	0.24	0.20	0.18
Middle East and North Africa	0.93	2.88	3.35	3.69
Total	100.00	100.00	100.00	100.00

Source: World Bank's Policy Research Working Paper 10525

It is also crucial to highlight the finding that, just as children are more likely than adults to live in extreme poverty, younger children are at greater risk. Of the 237 million children living in extreme poverty in sub-Saharan Africa, close to two-thirds of them are aged under 10 years old. While not a finding specific to children, there is also a clear gender disparity among adults as significantly more women are living in extreme poverty in Africa (94.4 million) compared to men (79.8 million).



It is also important to underline the fact that **children living in extreme poverty in sub-Saharan Africa are largely found in fragile states.** As categorised by the World Bank, there are 150 million extreme poor African children in fragile states versus 87 million in non-fragile states.

Finally, several other findings are worth mentioning. First, and not surprisingly, most children living in extremely poor households are found in low-income countries (141.2 million) in sub-Saharan Africa, rather than middle income countries (95.8 million). Children in extremely poor households predominantly reside in rural areas (84 per cent) across Africa; in households where the household head depends on agriculture for their employment (73.9 per cent); and in homes where the household head has little to no education (almost 80 per cent have no education or only primary level). Overwhelmingly, extreme poor children in Africa are living in large households, with six or more members (74.9 per cent).

In conclusion, crucial to addressing child poverty remains the need for equitable policy solutions, based on accountability and good governance, that ensure that national resources are effectively and equitably generated, allocated and spent on programmes and sectors that benefit children, including key areas such as early childhood development and social protection.



UNICEF Eastern and Southern
Africa Regional Office
P.O. Box 44145 Nairobi
Kenya 00100
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