

## Causes of Poverty in Africa: A Review of Literature

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### Abstract

*The study analysed and reviewed the causes of poverty in Africa. The study found that poverty in Africa is caused by a number of factors including corruption and poor governance, limited employment opportunities, poor infrastructure, poor resource usage, wars and unending conflicts, poor World Bank and IMF policies, among others. Poverty the study revealed is also caused by cultural and structural factors. The poor lacks the capacity to influence social processes, public policy, and resources allocation. Poor people are also said to lack access to relevant skills and knowledge, education and personal development that could improve their livelihoods. The study concluded that poverty can only be fought in the presence of strong institutions, and equitable distribution of resources. This requires a non-corrupt government. However, in Africa, programmes designed to fight poverty are not fully implemented because the funds end up in the hands of corrupt individuals, who pocket the majority.*

**Keywords:** Poverty, cultural causes, structural causes, corruption, unemployment

### 1. Introduction

Poverty is the oldest and the most resistant virus that brings about a devastating disease in the third world or developing countries (Tazoacha, 2001). It's rate of killing cannot be compared to any disease from the genesis of mankind. It is worse than malaria and HIV/AIDS which are claimed to be the highest killer diseases (Tazoacha, 2001), and even worse than EBOLA.

Despite the renewed commitment over the past 15 years and more to poverty reduction as the core objective of international development discourses and policies, progress to this end remains disappointing (UNDP, 2003). This is particularly evident in the extent to which the world is off track to achieve most of the Millennium Development Goals, globally and in most regions and countries (UNDP, 2003). This inadequate progress raises important questions about the policies and strategies that have been adopted to achieve poverty reduction, as well as about key international issues including aid, debt and trade.

Africa has the richest natural resources and yet it is poor and stagnant in growth and development. In other words, in spite of all the wealthy resources including human and material in its possession, Africa is the world's poorest continent. What are the causes?

### 2. Literature Review

#### 2.1.1 The Concept and Definition of Poverty

The word "poverty" and / or "poor" originated from the Latin word *pauper* meaning poor, which has its roots in the words pau- and pario that is "giving birth to nothing"; referring to unproductive livestock and farmland (Westover, 2008). Historically, the idea that some people are trapped in poverty while others have spells in poverty was a central element of most analysis (Hulme and Mckay, 2005). For example, officials and social commentators in eighteenth century France distinguished between the *pauvre* and the *indigent*. The former experienced seasonal poverty when crops failed or demand for casual agricultural labour was low. The latter were permanently poor because of ill health (physical and mental), accident, age or alcoholism. The central aim of policy was to support the *pauvre* ways that would stop them from becoming indigent (Hulme and Mckay, 2005).

In contemporary times this durational aspect of poverty has been relatively neglected and conceptual development, and more particularly measurement, has focused on severity/depth and multidimensionality.

This has been especially the case in economies where serious work on duration only began to emerge in the late 1980s (Gaiha 1993). An implicit assumption of much research was that the persistence of poverty at the individual and household level was highly correlated with the severity of poverty. During the early 1990s such work began to proliferate based on available panel data sets, and in 2000 the first collection of papers on this topic was published (Baulch and Hoddinott 2000).

There are many definitions of poverty, according to how it is viewed. Encyclopaedia Encarta, defines poverty as the condition of having insufficient resources or income. In its most extreme form, poverty is a lack of basic human needs to sustain as useful and working efficiency such as adequate and nutritious food, clothing, housing, clean water and health services. According to the United Nations Human Development Report, (1998), poverty is defined as a complex phenomenon that generally refers to inadequacy of resources and deprivation of choices that would enable people to enjoy decent living conditions. Yunus (1994) on the other hand defines it as the denial of human rights relating to the fulfillment of basic human needs.

Poverty is hunger. Poverty is lack of shelter. Poverty is being sick and not being able to see a doctor (World Bank, 2005). Poverty is losing a child to illness brought about by unclean water. Poverty is powerlessness, lack of representation and freedom (World Bank, 2005). According to the Ghana Poverty Reduction Strategy (GPRS) (2004), poverty is now recognised as multi-dimensional with complex interactive and causal relationship between the dimensions. According to SIDA (2005), the poor often lack access to finance and income-earning opportunities.

The subject of poverty has been a major issue on both national and international scale discussions, predominantly among the developing countries (Balogun, 1999). According to Balogun (1999), poverty could be described as a condition where a society barely survives on a level of subsistence, coupled with limited access to the necessities of physiological factors such as clothing, food, and appropriate accommodation, in view of maintaining a basic standard of living. In the view of the World Bank and The World Development Report (WDR), observations made suggest that conditions could be expressed as poor if people live on a per capita income lower than US \$370 at any given time (WDR, 1999) or as being extremely poor by living on less than US\$ 1 per day, and moderately poor by living on less than US\$2 daily (World Bank, 2007). The statement also projects that "1.1 billion people in 2001 had expenditures below US\$1 a day and 2.7 billion lived on less than US\$2 a day". Poverty as a condition is not only confined to developing nations, but it's also a universal phenomenon that could be observed in a set of social problems including homelessness and the persistence of "ghetto" housing clusters (World Bank, 2007).

In attempting to summarise the definition of poverty, Englama and Bamidele (1997) asserted that poverty in both relative and absolute terms refers to a circumstance where a person is not able to fend or provide sufficiently for his or her necessities or fundamental human requirements such as clothing and decent accommodation, food, the fulfillment of social and economic responsibilities, non-access to productive employment, lack of skills, resources and confidence; and has restricted admission to economic and social infrastructure. These include access to health, education, potable water, sanitation, and roads. These preclude the person from advancing in welfare which is limited by the scarce availability of economic and social infrastructure. They concluded by terming this situation as being subject to a "lack of capabilities" (Englama and Bamidele, 1997).

Mollie Orhansky who is accredited with the development of poverty measures in the United States by the government also denotes that poverty is the deprivation of those necessities as well as pleasures which are taken for granted by other people (Schwartz, 2005). According to Mollie Orshansky cited by Schwartz, (2005) a state of poverty is to be deprived of those goods, services and pleasures which others around us take for granted. Fallavier (1998) defines poverty as a structure of segregation from society and groups devoid of acceptance within a productive setup. In his view, poverty denies one the access and right to be part of society in a productive manner. He further reinforces this notion by drawing a link between the poor and the profusion of HIV/ AIDS as compared to the rich in society. He stated that, the poor are not only in a position with limited access to good food, but also without the capabilities to grow subsistently their own food, which threatens their security. Deducing from Fallavier's (1998) notion, the economic and financial implication of poverty is that, it precludes individuals to move from subsistence to commercial productivity, which also affects business development.

Another definition of poverty stresses economic opportunity. This concept is the most difficult to measure empirically, but it is typically the most central in theory and public policy debates.

One might define the poor as those whose economic opportunities are severely limited by parental wealth, race, religion or other traits (Solon, 1999). Poverty is also defined by ABD Institute (2003) as an income (or more broadly welfare) level below a socially acceptable minimum. The definition also widens to include precariousness, vulnerable and insecurity (especially that of employment) and exclusion from social life.

In summarising these definitions, one thing that is seen to be in common is the ability or inability of individuals to gain decent access to basic amenities and necessities.

### 2.1.2 Poverty in Africa

World Bank data (2007) indicate that the proportion of the populace living in family units with expenditure or income per individual below the poverty line has been on the decrease in the world's regions since 1990. Table 1 provides data in evidence of such decline. Notwithstanding this decline in poverty, the existence and persistent incidence of poverty in regions like Africa cannot be completely ruled out. By examining the table, it could be identified that the incidence of poverty in Africa is by far greater than that of Europe and Central Asia and others. Even within Africa itself, disparities exist between the Northern and Southern parts of Africa, owing to the availability or non-availability of essential resources to improve development. From Table 1, it is also evident that, poverty is indeed a worldwide epidemic, however its magnitude is what determines the classification under which individuals or nations are defined by.

From table 1 even though poverty situation in Sub-Saharan African countries is marginally reducing it is still precarious given the percentage of people living below \$ 1 a day (45 percent), more so, when compared with other regions of the world. The poverty situation also depicts country variations with countries like Uganda, Mali, Nigeria, Zambia, Niger, Madagascar, Zimbabwe, Burundi and Rwanda having more than 50 percent of their population living below \$ 1 a day in 2002. The sub-region also records more rural poverty than urban poverty with 37 percent of the population in the rural areas living below two-third of their national mean per capita income in 1999. The country with the highest rural poverty is South Africa with 86 percent, followed by Central African Republic with 77 percent of her rural population living in poverty (World Bank 2005a. 2005b).

The use of socio-economic indicators like per capita income, life expectancy at birth (years), access to health care services, access to safe water, access to education and access to sanitation facilities also depicts the extent of poverty in Sub-Saharan Africa.

**Table 1: Poverty Measurement between 1990 and 2004 Worldwide**

| REGION                          | 1990   | 2002   | 2004   |
|---------------------------------|--------|--------|--------|
| East Asia and Pacific           | 15.40% | 12.33% | 9.07%  |
| Europe and Central Asia         | 3.60%  | 1.28%  | 0.95%  |
| Latin America and the Caribbean | 9.62%  | 9.08%  | 8.64%  |
| Middle East and North Africa    | 2.08%  | 1.69%  | 1.47%  |
| South Asia                      | 35.04% | 33.44% | 30.84% |
| Sub-Saharan Africa              | 46.07% | 42.63% | 41.09% |

Source: World Bank 2007, povcalnet poverty data

### 2.1.3 Causes of Poverty in Africa

Poverty has multiple and complex causes. SIDA (2005) views these multi-dimensional causes as stemming from a lack of information, knowledge about market prices for the goods they deal in, issues related to health, availability of public services, and their rights. There is a political minority which lacks the visibility and voice as regards the institutions that shape their lives. Poor people are also said to lack access to relevant skills and knowledge, education and personal development that could improve their livelihoods.

According to Ghana Poverty Reduction Strategy (2004), Poverty may be caused or exacerbated by:

- The lack of capacity of the poor to influence social processes, public policy choices and resource allocations.
- Low capacities through lack of education, vocational skills, entrepreneurial abilities, poor health and poor quality of life.
- The disadvantaged position of women in society.
- Exposure to risks through lack of financial, social or physical security.
- Low levels of consumption through lack of access to capital, social assets, land and market opportunities.

- Exposure to shocks due to limited use of technology to stem effects of drought, floods, army worms, crop pests, crop diseases, and environmental degradation.
- Inadequate environmental protection measures.
- Lack of macro-economic stability that erodes the resources of the poor through inflation and other variables.
- The inability of the national economy to optimise benefits within the global system.
- Habits and conventions based upon superstition and myths giving rise to anti-social behaviour.
- Other factors leading to vulnerability and exclusion.

Poverty in Africa is caused by corruption and poor governance, poor land utilisation and land tenure system, civil wars and unending political conflicts, poor infrastructure, diseases and poor health facilities, the World Bank and IMF policies, among others. According to the World Bank (1990), and the United Nations (1995), poverty has various manifestations which include the lack of income and productive resources sufficient to ensure sustainable livelihood, hunger, and malnutrition, ill health, limited or lack of access to education and other basic services, increased morbidity and mortality from illness, homelessness, inadequate, unsafe and degraded environment, social discrimination and exclusion. It is also characterised by lack of participation in decision making in civil, social and cultural life (World Bank 2001).

In their discussions of the factors that cause poverty, de Haan (2000) and Sindzingre (2000) noted that poverty could also be caused by general exclusion of the people from social life. To them exclusion reflects discrimination, which is a process that denies individuals from full participation in material exchange or interaction. The concept is tied to exclusion from the labour market, long-term unemployment and the destruction of the social links and integration that usually accompany work.

The findings of the study by Obadan (1997) indicated that in Sub-Saharan Africa, the main factors that cause poverty include: inadequate access to employment opportunities; inadequate physical assets such as land, capital and minimal access by the poor to credit even on a small scale; inadequate access to the means of supporting rural development in poor regions; inadequate access to markets where the poor can sell goods and services; low endowment of human capital, destruction of natural resources leading to environmental degradation and reduced productivity; inadequate access to assistance for those living at the margin and those victimised by transitory poverty and lack of participation. That is, failure to draw the poor into the design of development programmes.

#### **2.1.4 Cultural and Structural Causes**

Causes of poverty have also been categorised as cultural or structural.

Yahie (1993) believes that the factors that cause poverty include: (i) structural causes that are more permanent and depend on a host of exogenous factors such as limited resources, lack of skills, locational disadvantage and other factors that are inherent in the social and political set-up; and (ii) the transitional causes that are mainly due to structural adjustment reforms and changes in domestic economic policies that may result in price changes, unemployment and so on. Natural calamities such as drought and man-made disasters such as wars, environmental degradation and so on also induce transitional poverty (Narayan et.al. 2000a, 2000b).

According to Glazer (2000), culture tends to be the explanatory variable that theorists and policymakers look to when attempting to explain social dysfunction, particularly due to the sometimes visible connection between culture and race. This may be why cultural arguments waned from the discussion and why some theorists and policymakers came to link poverty to behaviour (Mead, 1986), or to rational calculation (Murray 1984). These scholars argue that poverty is largely the result of social and behavioural deficiencies in individuals that ostensibly make them less economically viable within conventional society. However, due to persistence of poverty in certain areas, the behavioural perspective is reinforced by the culture of poverty thesis, which suggests that individuals create, sustain, and transmit to future generations a culture that reinforces the various social and behavioural deficiencies (Rodgers, 2000). A corollary to this perspective suggests that government policy perpetuates poverty, and contributes to a variety of other social ills including rising rates of divorce (Murray, 1984).

The "culture of poverty" thesis, which emanated from the anthropological arguments of Lewis (1970), later came to be erroneously associated with laying blame for poverty either on the poor themselves or on a government that keeps them dependent (Patterson 2000).

Along these lines, it is the deficient character of the poor along with their deviant behaviour and the resultant self-reinforcing environment that restrict their access to economic viability and success. Rising rates of divorce, female headed single parent families, teenage pregnancy, drug/alcohol misuse, and criminal activity are said to reflect these dysfunctional attitudes and values, relative to mainstream society, about family, education and work. These attitudes are passed onto subsequent generations leading to a vicious cycle of poverty from which few escape (Rodgers, 2000). Patterson (1994) traces the trajectory of the culture thesis from one based primarily on nuanced sociological and anthropological arguments to a more stereotypical and simplistic version.

The "culture of poverty" perspective must draw its relevance from cultural anthropology.

The noted anthropologist Oscar Lewis wrote in 1961 that poverty was "an adaptation to a set of objective conditions of the larger society, but once it comes into existence, it tends to perpetuate itself from generation to generation because of its effect on children" (Patterson 1994, p. 119). While Lewis argued that poverty was culturally self-reinforcing, its incidence was directly connected to "structural conditions in society" (Massey and Denton, 1993, p.5).

Supporters of the "structural" school of thought however argue that most poverty can be traced back to structural factors inherent to either the economy and/or to several interrelated institutional environments that serve to favour certain groups over others, generally based on gender, class, or race. Of the various institutional environments that tend to sustain a multitude of economic barriers to different groups, it is discrimination based on race and gender that create the most insidious obstructions. The disproportionately high rate of poverty among women may be viewed as the consequence of a patriarchal society that continues to resist their inclusion in a part of society that has been historically dominated by men, and as a consequence, welfare programmes have been designed in ways that stigmatise public support for women as opposed to marital support; both arrangements tend to reinforce patriarchy (Abramovitz, 1996). In this regard, the rise in poverty among women is an important structural level variable to consider, but the lack of reliable data going back to 1947 makes testing difficult.

Evidence of the economic disparities caused by historical and contemporary racial discrimination against blacks in USA is seen clearly when one views the data on white and black median income. In 1947, the percentage of black median income relative to white median income was 51 percent. In 2002, the figure had risen to only 62 percent (U.S. Census, 2002). In 2000, 35.5% of black single parent families were considered low-income while Blacks represented only 12.1% of the general population in that year (IWPR 2003). Given the over-representation of black Americans among the poor, it stands to reason that closing the gap between black and white median income by working to end racism and discrimination will have positive effects on poverty.

Massey and Denton (1993) argue that institutional racism in general, and residential segregation in particular, is a critical structural level cause of the severe poverty in the black community. However, they contend that as segregation took hold, the black communities in the inner cities reacted by creating an "oppositional culture that devalues work, schooling, and marriage and stresses attitudes and behaviours that are antithetical and often hostile to success in the larger economy" (p. 8). Wilson (1987) would tend to agree that an "oppositional culture" exists, but takes the analysis a step beyond segregation, citing "social isolation" as the primary culprit. Wilson argues that historical racism against Black Americans erected contemporary barriers to their economic success; their predicament is compounded by factors uniquely associated with American capitalism and demography.

Structural economic factors include the level and variation in unemployment, median income, and measures of income inequality. The effects of unemployment and rises in median income are well documented and their relationship to poverty is intuitive.

### **3.1 Conclusion**

Poverty can only be fought in the presence of strong institutions, and equitable distribution of resources. This requires a non-corrupt government. However, in Africa, programmes designed to fight poverty are not fully implemented because the funds end up in the hands of corrupt individuals, who pocket the majority. Again due to poor governance, those in authority have failed to apprehend the corrupt. This creates an imbalance in society and leads to more poverty because you end up with a few influential and powerful individuals oppressing the poor (who are the majority).

In most African countries, people own vast land that are underutilised or sometimes not even used at all. This is partly because they are either not educated on what to do with the land, or because some people are just stuck in their rudimentary ways of doing things. Some people just use the land to grow crops which are just enough for subsistence survival. Nothing goes to the market for sale. This is a contributor to poverty in Africa.

Most countries in Africa are notorious for its civil wars, either between neighbouring countries or within the same country. Such incidences render war zones unproductive, in addition to scaring away investment that would otherwise help foster economic development and create employment, which would help people get out of poverty. In addition to that Africa has a very poor infrastructure set up. They have poor roads, railways, water systems, etc, meanwhile these are some of the major drivers of economic development. As a result, only a few areas with better facilities (such as urban areas) have developed leaving the rural areas, which are occupied by the largest percentage of the population undeveloped.

Another leading cause of poverty in Africa is the prevalence of diseases (such as malaria, HIV/AIDS, TB, EBOLA etc) due partly to inadequate and poor health facilities. When a household is affected by any of the diseases, the little resources are spent on treating the sick. In a worst case scenario where the bread winner dies, those who are left behind have no resources to support themselves, thus leading to poor lifestyles.

The loans given out by the World Bank and IMF have also contributed to the poverty in Africa. Such loans come with strict conditionalities, which usually require governments to adjust some of their economic decisions. For instance, the requirement to reduce total government spending in African countries has affected major social sectors such as education, health and infrastructure, which are drivers of economic development.

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