West Africa: a brief introduction

Africa’s economic growth declined sharply, from 3.7 per cent in 2015 to 1.7 per cent in 2016, after a significant growth spell of more than a decade at an average of 5 per cent. That drop was caused in part by continuing weak global conditions, a drop in commodity prices, in particular oil (although its price is now on the rise), and adverse weather conditions. Indeed, the economic growth rate of African oil exporters dropped from 4.6 per cent in 2013 to 0.8 per cent in 2016 (Economic Commission for Africa, 2017). The decline in the international price of oil has affected West African oil exporters in particular, with Nigeria, the largest economy, estimated to contract by 1.6 per cent between 2016 and 2017.

The combined current account and fiscal deficits caused by decreasing export revenue have widened, with budget deficits in West Africa increasing from 1.8 per cent of GDP in 2015 to 2.8 per cent in 2016. That rise was once more driven by an increase in public spending in Nigeria, in particular on security matters, and by elections in Ghana and an increase in public spending in Côte d’Ivoire. Inflation increased dramatically within West Africa, from 8.6 to 13 per cent on average between 2015 and 2016, thus eroding the purchasing power of consumers. The slowdown in economic growth has made previous gains in social outcomes rather vulnerable to external shocks.

The West African countries reported a drop in poverty, as in all the other subregions of Africa, with the decrease mostly in urban areas. Indeed, in West Africa, rural poverty fell from nearly 70 per cent in 1996 to a little more than 40 per cent in 2012, while urban poverty dropped from approximately 30 per cent to 15 per cent during the same period. That was complemented by declining inequality, expressed as a Gini coefficient, in all West African countries, except Côte d’Ivoire and Ghana, where inequality increased, and Nigeria, which recorded a decline (but which is now rising). West African countries, except for Cabo Verde and Ghana, have a low Human Development Index score (<0.5), with per capita gross national income standing at $2,300 (African Development Bank et al., 2016). The life expectancy and expected years of schooling are the lowest in West Africa, with a clear gender bias. Women from West Africa post the highest gender gap in terms of schooling, and bias is also reported in access to public services (Economic Commission for Africa, 2017). An important social development feature in the West Africa subregion is that the average number of births per woman dropped from 6.53 in 1990 to 5.05 in 2014. On the other hand, the subregion continues to have the highest average fertility rate in Africa (United Nations, 2015). In addition, the fertility rate varies considerably throughout wealth quintiles, and West African countries report an average of 6.7 births per woman from the poorest quintile to an average of 3.7 births from the richest, indicating inequitable access to health services. Health services were severely challenged by the Ebola crisis that exposed the vulnerability of national health systems to epidemic shocks.

The aggregate figures on poverty, education and gender parity do not provide sufficient information for policy interventions. The marginalization of low-income groups, women and rural dwellers, among others, requires more country-specific analysis of the drivers of human exclusion as the subregion and the continent seek to achieve the objectives of the 2030 Agenda for Sustainable Development and of Agenda 2063 of leaving no one behind.

The African Social Development Index assists in identifying the depth of human exclusion in the six indicators by using national data disaggregated by gender, location and subnational levels. The tool provides better opportunities for policy planning, monitoring and targeting. Subregional workshops were held in Cotonou, Benin, and Cairo for francophone and
anglophone West African countries in order to train relevant national officials on the computations and use of the Index for policy analysis. The eight West African countries (Benin, Burkina Faso, Cabo Verde, the Gambia, Ghana, Guinea, Senegal and Togo) all attended the workshops and contributed significantly to the collection and computation of the Index.

4.3 Cabo Verde

Socioeconomic conditions

Cabo Verde was the second African country after Botswana to graduate from the least developed countries category in 2007 (United Nations, 2008). The post-graduation “smooth transition” period that includes United Nations-led technical support, with the continuation of the special international measures specific to the least developed countries, was implemented in Cabo Verde, but it occurred at the same time as the global financial crisis of 2008-2009. The vulnerability of Cabo Verde’s economy to exogenous shocks was further exposed by its dependence on the European market, which was going through a debt crisis. The mainstays of its economy, namely, tourism revenue, official transfers, remittances and foreign direct investment, dropped dramatically. The decline in economic growth between 2007 and 2009 improved of late through a counter-cyclical expansionary fiscal policy stance adopted by the Government to stimulate growth and mitigate the crisis. However, this in turn has led to a heightened budget deficit and indebtedness, thereby increasing Cabo Verde’s vulnerability to exogenous shocks, with a public debt of 118 per cent of GDP in 2015, up from 94.7 per cent in 2013, and a budget deficit that was 6.2 per cent of GDP in 2015, up from 10.5 per cent in 2010 (African Development Bank, 2014).

Tourism and tourism-related foreign investment, including construction, continue to be the main engines of growth. In fact, economic growth recovered to approximately 3.6 per cent in 2015, from 1.8 per cent in 2014 and 0.8 per cent in 2013 (figure 4.3.1), owing to the return of foreign direct investment, which grew by 13 per cent in 2014, especially in the tourism sector.

Figure 4.3.1
GDP growth rate in Cabo Verde

![GDP growth rate in Cabo Verde](image)

*Note:* (e) = estimations (p) = projections.

It is widely acknowledged that Cabo Verde, notwithstanding its isolated and fragmented territory, the small size of its population, its dry Sahel climate and scarce natural resources, is home to one of the most impressive socioeconomic performances in Africa. Part of that success was due to a focus on human capital development and institutional growth. Cabo Verde remains a model for political rights, civil liberties and good governance in Africa (Mo Ibrahim Foundation, 2015). It is characterized by the quality of the democratic system, established in 1991 and consolidated over the years, which resulted in it receiving the second-highest ranking in Africa for performance in governance in 2012.

Social development

Cabo Verde was one of the best performers with regard to the Millennium Development Goals, achieving a literacy rate among young people of more than 80 per cent and a life expectancy of 71 years of age. The main health indicators are much higher than those of most African countries. Between 2000 and 2015, its Human Development Index value increased from 0.562 to 0.648, an increase of 15.4 per cent, which placed the country in the medium human development category and positioned it at 122 of 188 countries and territories. In addition, disaggregated Human Development Index indicators showed that life expectancy at birth increased by 7.8 years, mean years of schooling increased by 1.3 years and expected years of schooling increased by 2.5 years. Cabo Verde’s per capita gross national income increased by 271.8 per cent between 1990 and 2015 (United Nations Development Programme, 2016). Furthermore, an important aspect is the equity focus of human development policies. The country’s Human Development Index for 2015 was, as mentioned, 0.648. When the value is discounted for inequality, however, the Index falls to 0.518, a loss of 20.1 per cent. This is below the average loss to inequality for medium Human Development Index countries, which stands at 25.7 per cent (United Nations Development Programme, 2016).

National poverty rates dropped significantly, from 49 per cent in 1990 to 26.6 per cent in 2007. Unemployment among young people, who account for 50 per cent of the working-age population, is another issue of concern. The fiscal recovery plan for 2010/2011 helped to scale unemployment down from 13.1 per cent in 2009 to 10.7 per cent in 2010. Nevertheless, unemployment rose to 12.2 per cent in 2011 and to 16 per cent in 2012, and the plan did not create enough first-job opportunities for young workers. An estimated 20.1 per cent of young people 15 to 24 years of age were unemployed in 2010, rising to 27.1 per cent, or more than twice the overall average, in 2011 (African Development Bank, 2014).

While gender parity, as in other African countries, has made significant strides in Cabo Verde, this parity stops short in terms of active participation in labour markets. In 2013, the World Economic Forum ranked Cabo Verde twenty-fifth among 136 countries with regard to the political empowerment of women, with women accounting for 21 per cent and 47 per cent, respectively, of parliamentarians and government ministers. However, the country is ranked ninety-sixth for the economic participation of and opportunities for women. Gender disparities in unemployment rates, especially between young men and women, indicate an uneven access to resources. More than one third of women 15 to 24 years of age were unemployed in 2011, well above the 22.1 per cent unemployment rate recorded for men in the same age category. Access to jobs for women is especially important for further reducing poverty, given that that households headed by women tend to be one and a half times more likely to be poor than those headed by men. Poverty levels in Cabo Verde reflect a rural bias. Whereas poverty in urban areas decreased from 25 to 13.2 per cent between 2002 and 2007, poverty in rural areas decreased only from 51.1 to 44.3 per cent during the same period.
In Cabo Verde, the aggregate improvement in human development observed shows a variation in human exclusion and provides improved information for targeting policies.

Table 4.3.1
Socioeconomic indicators in Cabo Verde

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population (millions)</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5 (2015)</td>
</tr>
<tr>
<td>Total GDP (escudos)</td>
<td>79 597</td>
<td>121 974</td>
<td>154 156</td>
</tr>
<tr>
<td>Population below the national poverty line (percentage of the population)</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Gini coefficient</td>
<td>52.5 (2001)</td>
<td>47.2</td>
<td>–</td>
</tr>
<tr>
<td>Unemployment (percentage of total labour force)</td>
<td>9.7</td>
<td>9.4</td>
<td>9.2</td>
</tr>
<tr>
<td>Unemployment among young people (percentage of total labour force 15 to 24 years of age)</td>
<td>18.0</td>
<td>17.7</td>
<td>18.8</td>
</tr>
<tr>
<td>Population growth (annual percentage)</td>
<td>1.8</td>
<td>0.6</td>
<td>1.3 (2015)</td>
</tr>
<tr>
<td>Life expectancy at birth, total (years)</td>
<td>70</td>
<td>72</td>
<td>73</td>
</tr>
</tbody>
</table>


Measuring human exclusion in Cabo Verde

There was a 34 per cent decrease in human exclusion in Cabo Verde during the period 2000-2015 (figure 4.3.2). The overall improvement in human development mentioned above is also reflected in the improvement in human exclusion. This could be due to the national capacity in implementing inclusive social policies.
The drivers of human exclusion reflect the relative contribution of the six dimensions towards the overall improvement registered. The drivers also provide information for the improved targeting of policies. The early stages of life, namely, survival and nutrition, increased their relative contribution to human exclusion during the period under review. The employment of young people remains, by far, the most important contributor, followed by poverty, but both have improved over time. The drop in tourism receipts and the halt in construction activity drove high levels of unemployment among young people and of poverty. In addition, the decrease in purchasing power due to macro conditions and unemployment catalysed a worsening of access to health and nutritional services during the early stages of life.

Source: Computed using national data.
Policy recommendations

The national focus on strengthening human capital as an exit strategy from the least developed country category has equipped Cabo Verde with a good basis for socioeconomic development. The Government is altering its strategies towards knowledge-driven services on the basis of its education and health policies (African Development Bank, 2014).

The quality of education from preschool through tertiary education has become a key concern with regard to the vision of economic transformation based on Cabo Verde becoming globally competitive in knowledge-driven services. In that sense, the Government has begun to implement more vocational and technical schooling programmes that are expected to alleviate the high rate of unemployment among graduates in all levels of education. The creation of few jobs and the mismatch of skills between the education system and labour market requirements demands careful monitoring to ensure age-specific policies, in particular those favourable to young people to ensure active participation in the labour market.

The exclusion of women from employment remains a concern. More than one third of women 15 to 24 years of age were unemployed in 2011, well above the 22.1 per cent unemployment rate recorded for men in the same age category. Access to jobs for women in Cabo Verde is especially important to further reduce poverty, given that households headed by women tend to be one and a half times more likely to be poor than those headed by men. Notwithstanding legal prohibitions against sex discrimination and provisions for full equality, including equal pay for equal work, a gender-based bias in employment remains. A gender-focused policy regarding employment, health and poverty reduction is therefore necessary.

4.4 The Gambia

Socioeconomic conditions

The Gambia is the smallest country on the African mainland and boasts a population of 2 million, with an average annual growth rate of 2.8 per cent between 2006 and 2008 (World Bank, 2017d). The country is endowed with arable land, coastal, marine and wetland habitats and a rich cultural heritage, making it a destination for tourists. However, its economy is highly vulnerable to exogenous shocks, with negative knock-on effects on overall performance. In 2014, growth suffered from exogenous shocks induced by the contagion effects of the Ebola crisis, which affected tourism and overall investment in the economy.

Notwithstanding those shocks, the Gambia’s growth has shown resilience and it rebounded to an estimated 4.7 per cent in 2015 from a low of -4.3 per cent in 2011. Strong economic performance continued in 2012, at 5.9 per cent, while 2014 posted a sharp dip of 0.9 percent (Economic Commission for Africa, 2016) (figure 4.4.1). Economic performance was further projected to exceed 5 per cent in 2016 and in 2017, contingent upon the Government implementing prudent fiscal reforms (African Development Bank et al., 2016) and the rule of law. The country’s economic growth relies mostly on tourism, rain-fed agriculture, fisheries, services and trade. In addition, private remittances from Gambians living abroad have begun to play a prominent role in the socioeconomic development of the country.

Notwithstanding its recent strong economic performance, the Gambia has experienced macroeconomic instability caused by policy slippages and financial difficulties in public enterprises, which have led to large fiscal deficits. The World Bank notes that a widening fiscal
deficit, ad hoc monetary policy shifts and central bank financing of the deficit caused the macroeconomic environment to continue to weaken in 2016, and that it was expected to dampen growth and private investment.\footnote{In addition, public debt rose from just below 70 per cent of GDP at the end of 2010 to 108 per cent by the end of 2015, raising concerns about debt sustainability. Consequently, interest payments on public sector debt increased to comprise 40 per cent of government revenue in 2015, up from 25 per cent in 2013 (African Development Bank et al., 2016). If not addressed, the rising national debt might lead to debt distress, with negative effects on growth. In addition, the lingering effects of policy slippages from previous years were expected to continue in 2016, with considerable consequences in the short-term and medium-term economic outlook of the country.}

Figure 4.4.1
GDP growth rate in the Gambia

Social development

Notwithstanding political instability in recent years, the Gambia has posted notable gains in some social indicators. In 2014, it had a primary school net enrolment of 100 girls for every 110 boys and nearly achieved parity in 2015 (African Development Bank et al., 2016). The infant mortality ratio dropped to 34 deaths per 1000 live births in 2014, beating the 2015 target of 42 deaths per 1000 live births. During the same period, under-five mortality recorded similar progress, declining from 109 deaths per 1000 live births in 2010 to 54 deaths per 1000 live births, below the 2015 target of 67.5 deaths per 1000 live births. Those achievements are attributed mostly to expanded health services leading to improved access, in particular in urban areas.

Nevertheless, the country faces challenges in reducing maternal mortality. In 2013, the rate of maternal mortality stood at 410 deaths per 100,000 live births, which was almost twice the African regional average of 210 deaths per 100,000 live births. The major causes of high maternal mortality are haemorrhage, early pregnancy and obstructed labour. Other contributing factors are low standards of health care for obstetric referrals, lack of transport and substandard primary health care.
In addition, poverty remains endemic, especially in rural areas where the majority engage in subsistence agriculture. In recent years, rainfall has been erratic, leading to frequent droughts and heightened food insecurity among the poor. Of the rural poor, women account for more than 50 per cent of the agricultural labour force and represent 70 per cent of the unskilled labourers (ReliefWeb, 2015). Although head-count poverty declined from 58 per cent in 2003 to 48 per cent in 2010 (according to the latest data) (World Bank, 2017d), some 70 per cent of the rural population lived on less than $1.25 a day, compared with 32.7 per cent of the urban population, showing that growth has not been adequately inclusive (African Development Bank et al., 2016). According to the African Development Bank et al. (2016), the difference between the levels of rural and urban poverty is attributed largely to the vulnerability of agriculture to climate-related shocks and low productivity in the sector arising from the limited adoption of modern farming technology and the inefficient management of available agricultural water from rainfall and river flooding, the inefficient utilization of resources and poorly functioning input and output markets.

The Gambia also suffers from relatively high levels of income inequality, compared with other countries in West Africa. With a Gini coefficient of 0.473 (Economic Commission for Africa, 2017), it was ranked as the fourth-most unequal country in West Africa in 2013. High income inequalities have serious implications for social and political cohesion in a country and tend to minimize the poverty-reducing impact of economic growth. In addition, the Gambia suffers from pervasive unemployment among young people, standing at 44.3 per cent between 2012 and 2014 (table 4.3.2), signifying that many young people are excluded from formal labour markets and therefore subsist in the informal sector with low incomes.

Table 4.3.2
Socioeconomic indicators in the Gambia

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population (millions)</td>
<td>1.3</td>
<td>1.5</td>
<td>2.0 (2015)</td>
</tr>
<tr>
<td>GDP total (dalasi)</td>
<td>10 629</td>
<td>19 871</td>
<td>38 203</td>
</tr>
<tr>
<td>Per capita GNI (Atlas method, current US$)</td>
<td>480</td>
<td>450</td>
<td>460</td>
</tr>
<tr>
<td>Population below the national poverty line</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Gini coefficient</td>
<td>…</td>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>Unemployment (percentage of total labour force)</td>
<td>7.3</td>
<td>7.1</td>
<td>7</td>
</tr>
<tr>
<td>Unemployment among young people (percentage of total labour force 15 to 24 years of age)</td>
<td>–</td>
<td>–</td>
<td>44.3(^b)</td>
</tr>
<tr>
<td>Population growth (annual percentage)</td>
<td>3.2</td>
<td>3.2</td>
<td>3.2 (2015)</td>
</tr>
<tr>
<td>Life expectancy at birth, total (years)</td>
<td>57</td>
<td>59</td>
<td>60</td>
</tr>
</tbody>
</table>


\(^b\) Economic Commission for Africa country profile, 2016.
Measuring human exclusion in the Gambia

Human exclusion in the Gambia dropped significantly, at almost 42 per cent, from 3.05 in 2005-2006 to 1.77 in 2013 (figure 4.4.2). That decrease was due mainly to appreciable declines in overall head-count poverty between 2003 and 2010. There have also been general improvements in social services delivered, in particular with regard to quantity or to access to education.\(^1\) Notwithstanding those achievements, the country’s Human Development Index remains low relative to other countries. For example, the Gambia’s Human Development Index value for 2014 was 0.441, which placed the country in the low human development category and at 175 of 188 countries and territories (Rådelius, 2016).

Figure 4.4.2
African Social Development Index in the Gambia

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005/6</td>
<td>3.05</td>
</tr>
<tr>
<td>2013</td>
<td>1.77</td>
</tr>
</tbody>
</table>

*Source: Computed using national data.*

The major drivers of human exclusion in the Gambia in 2013 were poverty (53 per cent), illiteracy (22 per cent) and child undernutrition (18 per cent) (figure 4.4.3). Together, those factors accounted for 93 per cent of changes in human exclusion, clearly suggesting the need for strong anti-poverty policies and inclusive education and health interventions in the country. In fact, the contribution of poverty to human exclusion rose by 20 per cent between 2005-2006 and 2013, which is indicative of depressed economic opportunities, especially in the formal labour markets, and, by implication, of limited access to social services for the majority.
Figure 4.4.3  
**Drivers of human exclusion in the Gambia**

There are stark spatial differences between rural and urban areas, with the former posting higher levels of human exclusion relative to the latter (figure 4.4.4). Exclusion in rural areas is driven mostly by poverty and illiteracy. Taken together, the contribution of poverty and illiteracy to overall exclusion was 77 per cent in 2013. Poverty in the Gambia is primarily a rural phenomenon, although it is also becoming a concern in urban areas (Government of the Gambia, 2011). This is not surprising, given that there are limited economic opportunities, especially decent jobs, in rural areas, resulting in a situation that leaves them susceptible to income poverty and its attendant effects. Rural areas have a slightly higher unemployment rate (31.1 per cent) than urban areas (28.4 per cent). Moreover, unemployment is highest for the 15 to 24 years of age cohort, standing at 44.3 per cent (Economic Commission for Africa, 2016).

Exclusion in urban areas was also an outcome of poverty and illiteracy, with an overall contribution of nearly 65 per cent in 2013. As in rural areas, urban areas are increasingly facing limited job opportunities, especially for young people, leaving the majority of them trapped in the informal sector doing low-paying jobs (Economic Commission for Africa, 2016). Informal sector jobs make it almost impossible for young people to escape poverty. In addition, many young people do not possess the needed tertiary and vocational skills, thus placing them at a disadvantage in terms of competing for limited formal jobs in the labour market.

During the same reference period (i.e., 2005/6-2013), minor but notable differences were also observed in child undernutrition, with urban areas recording almost a 21 per cent contribution to overall human exclusion, while rural areas had an 18 per cent contribution. This suggests that malnutrition is more of an urban menace than a rural problem. Undernutrition has been on the rise in urban areas, affecting between 13 and 16 per cent of women in most vulnerable urban dwellings. Indeed, high food prices in urban areas in the face of limited job opportunities, coupled with low incomes, exacerbate vulnerability among the poor, given that they are unable to meet the required daily calories for healthy bodies. The African Union Commission-led Cost of Hunger studies in Africa have demonstrated the debilitating and

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1 Available from www.costofhungerafrica.com/9wxt4z0z0epe0cko5domnty5x3r627.
irreversible cumulative effects of undernutrition in children that affect their health, education and labour productivity later in life.

Figure 4.4.4
**Drivers of human exclusion by location in the Gambia**

![Bar chart showing drivers of human exclusion in the Gambia](image)

*Source: Computed using national data.*

**Policy considerations**

Given that human exclusion in the Gambia is a function of poverty, illiteracy and child undernutrition, it is instructive to look at some of the existing interventions by the Government that target poverty, illiteracy and malnutrition. The authorities have formulated specific pillars to attain social and economic development, including: (a) creating an enabling policy environment; (b) enhancing the capacity and output of the productive sectors; (c) improving the coverage of basic social services and social protection; (d) enhancing governance systems and building the capacity of local communities and civil society organizations to play an active role in growth creation and poverty reduction; and (e) mainstreaming cross-cutting issues, namely, gender equality, young people, population, HIV/AIDS, nutrition and the environment, into the development process (Government of the Gambia, 2011).

A review of the five pillars in the programme for accelerated growth and employment during the period 2012-2015 revealed significant progress in the social sectors, health and education, given that they were receiving an average of 18 per cent of government resources through the national budget, probably an indication of strong political will to reverse the tide of weak social and economic development. The programme was the successor to the Gambia’s second programme for accelerated growth and employment and its thrust was to improve employment levels, per capita incomes, social services, gender equity and the country’s economic competitiveness (Government of the Gambia, 2011).

With regard to poverty, the Government is rolling out social protection interventions in collaboration with cooperating partners. Through social protection, the Government aims to establish more resilient and inclusive programmes and systems centred on four key elements: poverty and risk reduction; inclusive growth and capacity-building; human security as a basic right; and contributions to internationally agreed development goals (World Food Programme 2014b). While these policies appear quite comprehensive, high poverty has persisted, especially in rural areas, for a number of reasons. First, the Gambian population, in particular in rural
areas, relies on rain-fed agriculture that, in recent years, has suffered from frequent droughts, resulting in low productivity and food insecurity. Second, economic instability coupled with fluctuating food prices has had an adverse impact on the welfare of the poor. This points to a need for more robust policies and strategies in order to address the multidimensional nature of poverty.

In order to address illiteracy, the Government has put in place a number of policies and instruments. For example, the education policy during the period 2004-2015 and the education sector strategic plan during the period 2006-2015 provided an enabling environment for the realization of education policy, which is one of the internationally recognized subsectors of education (Government of the Gambia, 2012). The overall purpose of the national non-formal education policy framework during the period 2010-2015 was the development of a well-planned, organized and coordinated non-formal education operating system that would provide opportunities for adults and young people to gain access to relevant and quality learning programmes to enable them to participate effectively in the economic, sociocultural and political development of the Gambia. To effectively implement the education policy, total government expenditure on education averaged 16.6 per cent between 2008 and 2013, increasing to 17.3 per cent in 2014 (Economic Commission for Africa, 2016). Notwithstanding those interventions, the quality of education in the Gambia remains a challenge, affecting the capacity of young people to smoothly make the transition from school to the world of work. For example, it was noted in the education policy during the period 2004-2015 that the quality and relevance of the curriculum and learning materials were a concern for both teachers and parents (Manjang, 2012).

The Government has an elaborate national nutrition policy for the period 2010-2020 to address malnutrition in its various forms. The policy has several interrelated goals, including to reduce the prevalence of malnutrition among women of child-bearing age; to improve the nutritional and health status of children; to attain a reliable supply and the proper utilization of a variety of safe, adequate and nutritious foods at affordable prices at all times; and to prevent and control micronutrient malnutrition among the population, especially women and children. Nevertheless, the continued persistence and widespread cases of child undernutrition may be indicative of challenges in implementing the national nutrition policy. There is therefore a need to refocus national efforts by increasing resources to fund nutrition strategies in a more robust and sustainable manner to prevent further episodes of malnutrition.

4.5 Ghana

Socioeconomic conditions

The economy has undergone several changes. Available data from the African Development Bank et al. (2016) show that the GDP had recorded a low growth rate of 3.4 per cent in 2010 and a high growth rate of 14 per cent in 2011. Moreover, the economy was estimated to have slowed from 9.3 per cent in 2012 to 3.7 per cent in 2015, slightly higher than the 3.5 per cent projected in the 2015 budget. The slowdown was indicative of the stress on the economy from a number of factors, including: macroeconomic challenges experienced since 2013; the three-year power crisis and associated power rationing that increased the cost of doing business; the depreciation of the cedi, although at a slower rate than in 2014; lower world prices

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2 Available from [https://extranet.who.int/nutrition/gina/en/node/11496](https://extranet.who.int/nutrition/gina/en/node/11496).
for gold and crude oil exports; and low export volumes of gold and cocoa. Economic growth was, however, expected to recover to 5.8 per cent in 2016 and to 8.7 per cent in 2017 as macroeconomic stability was restored, the power crisis resolved and new gas and oil wells made operational in 2016 and 2017 (African Development Bank et al., 2016).

Figure 4.5.1
GDP Growth Rate in Ghana

Note: e = estimates and p = projections.

Ghana’s external position was vulnerable to external shocks, mainly from the volatility of market prices for major exports and the slowdown in gold and cocoa production. Its exports were dominated by primary commodity exports of gold (32 per cent), cocoa (24 per cent) and oil (19 per cent). During the first 10 months of 2015, there was a 42.3 per cent decline in total export earnings, to $6.9 billion, compared with 2014, owing to low crude oil and gold prices. While the realized price of cocoa beans increased by 22.2 per cent in 2015, the total volume exported decreased by 21 per cent. As a result, the earnings from cocoa were not significantly different from those in 2014. Ghana is a net importer of oil, and the sustained decline in international oil prices continues to have an adverse impact on public revenue (African Development Bank et al., 2016).

Social development

Ghana has managed to put in place a comprehensive social development strategy in recent years and raise its level of development, reaching the category of lower middle-income country at the global level. Its Human Development Index value improved from 0.46 in 1990 to 0.58 in 2014, recording an average annual increase of 0.5 per cent (United Nations Development Programme, 2015a). Ghana met target 1 of the Millennium Development Goals to halve the proportion of the population living in extreme poverty ahead of 2015 target date. Even less-urbanized, historically marginalized, poorer regions in the north were able to reduce poverty. This was in line with the nation-wide trend of poverty reduction that included 9 of 10 regions. Moreover, the pace of reduction was higher for urban areas: the reduction in poverty
incidence for urban areas was 62.8 per cent, compared with 35.9 per cent for rural areas between the periods 2005-2006 and 2012-2013.

Notwithstanding that growth, inequality has been increasing and poverty remains prevalent in many areas. According to the most recent Ghana living standards survey, estimates show that at least one quarter of Ghanaians remain below the poverty line (Ghana Statistical Services, 2014). Perhaps even more serious is the higher than average poverty levels in the north. In 2013, when the national poverty average was 24.2 per cent (table 4.5.1), it was 44.4 per cent in the Upper East, 70.7 per cent in the Upper West and 50.4 per cent in the Northern region. The country is currently making concerted efforts to mainstream the Sustainable Development Goals at the subnational level, with special emphasis on the northern regions, which are home to the most vulnerable segment of the population.

Most people in the economically active age range are working (i.e., some 75 per cent of the population 15 years of age and older). However, this masks a number of serious issues relating to the quality of the job market. Some 80 per cent of the workforce is in the informal economy, which is unregulated and known for seasonal or irregular incomes and poor job security. Although unemployment is said to be low overall, at 5.2 per cent (table 4.5.1), there is a serious challenge regarding unemployment among young people (Ghana Statistical Services, 2014).

In relation to access to health, a large proportion of the population had access to primary health care (97.5 per cent), with approximately 67 per cent coverage under national health insurance. The coverage gap and challenge in paying premiums is highest in poorer, rural areas (African Development Bank et al., 2016).

Government social spending on education has contributed immensely to the attainment of a more than 95 per cent gross enrolment rate and a more than 89 per cent net enrolment rate. Although these rates have improved over the years, in the most recent Ghana living standards survey it is reported that 20 per cent of Ghanaians 15 years of age and older have never been to school, while 44.6 per cent have attained a level below the basic education certificate examination and only 14.7 per cent have acquired a senior secondary school or higher level of education. Moreover, there has been much concern about the quality of schooling outcomes, given that many students leave basic school with mediocre grades (Ghana Statistical Services, 2014; Institute of Statistical, Social and Economic Research, 2015).
Table 4.5.1
Socioeconomic indicators in Ghana

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Total population (millions)</td>
<td>20.1</td>
<td>22.7</td>
<td>27.4</td>
</tr>
<tr>
<td>GDP total in billions of Ghanaian cedi</td>
<td>4.89</td>
<td>23.15</td>
<td>139.93</td>
</tr>
<tr>
<td>Per capita GNI (Atlas method, current US$)</td>
<td>280</td>
<td>800</td>
<td>1480</td>
</tr>
<tr>
<td>Population below the national poverty line (percentage of the population)</td>
<td>–</td>
<td>31.9</td>
<td>24.2</td>
</tr>
<tr>
<td>Population below the poverty line of $ 1.90 per day (percentage of the population)</td>
<td>33.85</td>
<td>25.19</td>
<td>–</td>
</tr>
<tr>
<td>Gini coefficient</td>
<td>40.07 (1998)</td>
<td>42.77</td>
<td>–</td>
</tr>
<tr>
<td>Unemployment (percentage of total labour force (national))</td>
<td>10.4</td>
<td>3.6</td>
<td>5.2</td>
</tr>
<tr>
<td>Population growth (annual percentage)</td>
<td>2.5</td>
<td>2.6</td>
<td>2.3</td>
</tr>
<tr>
<td>Life expectancy at birth total (years)</td>
<td>57.4</td>
<td>59.6</td>
<td>61.3</td>
</tr>
</tbody>
</table>


Measuring human exclusion in Ghana

Human exclusion in Ghana is estimated to have been reduced by almost 32 per cent during the period 2000-2014. (figure 4.5.2). This is likely to have been on account of healthy economic growth during that period, complemented by targeted social policies that include specific measures for improved inclusive health through the national health insurance scheme and programme packages, such as the Livelihood Empowerment Against Poverty initiative and social security payments that provide a basic and secure income for the most vulnerable and free access to the health-care services for the extreme poor in society.

Figure 4.5.2
African Social Development Index in Ghana

Source: Computed using national data.
The reduction in human exclusion in Ghana could be associated with the social protection investments made in the past two decades. In addition, many policies have been passed and organizational bodies established to implement and regulate the implementation of various social protection provisions that were intended to improve income distribution, such as an increase in the percentage of the district assemblies common fund from 5 to 7.5 per cent; capitation grants for public basic schools; feeding programmes and supplies for deprived schools; and an exemption policy for vulnerable groups under the national health insurance scheme. In addition, the expansion of the Government’s flagship Livelihood Empowerment Against Poverty programme, which targets orphans, vulnerable children, older persons and people with disabilities, benefited the poorest people and was on track to expanding its coverage by 62 per cent in 2015 to reach 144,980 households. An additional 100,000 households were scheduled to be added in 2016-2017 (African Development Bank et al., 2016). The recent implementation of these programmes and practices, however, have faced challenges owing to resource constraints and financial sustainability issues.

In terms of gender dynamics, the exclusion of women decreased by more than 32 per cent, while the exclusion of men decreased by 28 per cent between 2000 and 2014. One interesting result is a reduction in gender disparities in terms of exclusion, which clearly reflects the Government’s effort to improve lives and provide opportunities to women. Moreover, the African Social Development Index results show that the exclusion of women is slightly lower than the exclusion of men (figure 4.5.3). This could be associated with the relatively low level of poverty among women, compared with men, and affirmative policy interventions (Institute of Statistical, Social and Economic Research, 2015; African Development Bank et al., 2016).

Figure 4.5.3
Human exclusion by gender in Ghana

Source: Computed using national data.

The difference in the levels of exclusion are particularly significant when disaggregated by location. In fact, the African Social Development Index fell by 33 per cent in rural areas, from 3.02 to 2.02, during the period 2000-2014, while the fall in urban areas was more modest, thereby reducing spatial disparities with respect to exclusion. Moreover, human exclusion by location has been a rural phenomenon in the past one and half decades (2000-2015) and continues to be reducing at a slow annual rate of 2.4 per cent (figure 4.5.4).
Moreover, according to a national poverty study conducted in 2016, households in urban areas had, on average, a much lower poverty rate (10.6 per cent in 2013) compared with households in rural areas (37.9 per cent). Although both rural and urban poverty rates declined during the period 1990-2013, in the early 1990s, rural poverty was twice as high as urban poverty. By 2012, that factor had doubled and rural poverty is now almost four times as high as urban poverty. This could be the reason why a significant difference in spatial human exclusion is emerging (Cooke et al., 2016).

According to the same study, because of urban economic opportunity, the general population has continued to shift to urban zones, with a 12 percentage point move from rural to urban areas since 2006. As a result of the rural-urban shift, the urban population grew from 37.7 per cent in 2006 to 50.1 per cent in 2013, signifying that human exclusion could be transferred from rural to urban areas if appropriate urban planning interventions are not put in place.

Similarly, the rise in human exclusion at the subnational level confirms a significant rise in almost all 10 regions in Ghana. However, the rate was lower in the Northern, Upper West and Upper East regions (less than 2.7 per cent annually) compared with the strong-performing Central, Greater Accra and Western regions (more than 3.7 per cent annually) during the period 2000-2014 (figure 4.5.5).

Source: Computed using national data.
Similarly, according to a national poverty study carried out in 2016, the highest rates of poverty continue to be observed in the Northern, Upper East and Upper West regions. There was a significant reduction in poverty in almost all regions between 1992 and 2013. However, the rate of poverty was by far the highest in the Upper East, Upper West and Northern regions during the same period. An important region of concern is the Northern region, which saw a marginal decline in poverty, from 55.7 per cent in 2006 to 50.4 per cent in 2013. Its combination of a relatively high poverty rate and a relatively large population means that the Northern region holds the highest number of poor people in Ghana (Cooke et al., 2016). This is also consistent with the finding of a low rise in human exclusion in the Northern region and, most important, the finding that indicates a direct correlation between poverty and human exclusion, driven by the level of poverty.

Notwithstanding the improvements in human inclusion, the six indicators/dimensions have a varying contribution to the African Social Development Index, which have changed over the period under review (2000-2015) (figure 4.5.6). Although the actual data on infant mortality dropped from 77 to 41 deaths per 1000 live births during the period 2000-2014, human exclusion is driven predominantly by infant mortality (survival) and poverty. The contribution of infant mortality to overall human exclusion increased from 25.7 per cent in 2000 to 40.2 per cent in 2014. The substantial increase in the contribution of infant mortality to human exclusion warrants specific health policies for mothers and infants. Although the contribution of poverty to overall exclusion had declined, it remained rather high, at nearly 21 per cent, in 2014 (figure 4.5.6).
Ghana continues to face challenges in bridging the gap between population growth and economic development, given that its youthful population is characterized by high levels of unemployment and underemployment. Accordingly, the share of unemployment among young people towards human exclusion also increased during the period 2000-2014. That was due to the increase in the unemployment rate from 3.6 per cent in 2006 to 5.2 per cent in 2013 (table 4.5.1). Young people, in particular, were at risk. The unemployment rate among young people increased from 3.6 in 2000 to 4.9 in 2010 and further increased to 6.4 in 2012-2013 (Institute of Statistical, Social and Economic Research, 2014). To tackle the problem, Ghana launched its national employment policy in April 2015.

On the other hand, the contribution of decent life for older persons to overall human exclusion is on the rise, calling for urgent attention by policymakers.

Appreciable progress, however, has been made in terms of nutrition and education. As indicated above, the contribution of child stunting to overall exclusion is declining. In a recent African Union Commission-led Cost of Hunger in Africa study of Ghana, the authors confirmed the progress made in terms of reducing child malnutrition and recommended further investment on nutrition, in particular during the early stages of life. Similarly, the contribution of education to overall human exclusion dropped from 18.3 to 10.9 per cent during the period under review (2000-2014), thanks to a policy of universal free education in primary schools, which is reflected in its contribution to decreasing human exclusion.

The same trends are observed when human exclusion is disaggregated by gender. Infant mortality and poverty are critical hindrance to human inclusion in Ghana. Moreover, the gender gap is more pronounced in the area of education, which contributes to 14 per cent of exclusion among women, compared with 7.9 per cent among men. The contribution of poverty, malnutrition and decent life to overall human exclusion is higher for men compared with women. Overall human exclusion for women is higher with regard to education and unemployment (figure 4.5.7).

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Figure 4.5.7
Drivers of human exclusion by gender in Ghana

Source: Computed using national data.

The variation in rural and urban areas could be further assessed by examining its drivers across dimensions (figure 4.5.8). The positive urban bias on poverty and education does indicate that spatial variations in basic development and public services remain an important feature of human exclusion. Urban areas, however, are confronted with a high rate of unemployment among young people, possibly as a result of a high level of informality outside the major cities.

Figure 4.5.8
Drivers of human exclusion by location in Ghana

Source: Computed using national data.

Policy considerations

The smooth conduct of the general election of December 2016 and transfer of power to a new President and Government in January 2017 provides Ghana with a strong foundation for political stability in the coming years, which will positively contribute to continuing the existing social development agenda.
Ghana has made substantial progress in terms of access to education thanks to a policy of universal free education in primary schools, which is reflected in its contribution to dropping exclusion over time. Moreover, the new Government recently announced a new policy to provide free senior high school education, along with free vocational and technical training, which is expected to improve the required technical skills of people, especially young people. An intense debate is occurring, however, on how the Government intends to fund such a programme (Economist Intelligence Unit, 2017).

Ghana has also made appreciable progress in terms of nutrition on the basis of the passage of five new policies put forward by the Ministry of Gender, Children and Social Protection: the national social protection policy, the school feeding policy, the justice for children policy, the child and family welfare policy and the national gender policy programme. Moreover, the Livelihood Empowerment against Poverty programme was launched to address nutritional, wasting and stunting among extremely poor households with pregnant women or children under 12 months of age. The implementation of these programmes is being done through the use of the national household registry and electronic payment mechanisms, which have played a significant role in improving efficiency.

The national gender policy, launched in late 2015, has better enabled the country to improve many of the international development frameworks and conventions that it has signed and endorsed. Specifically, women’s empowerment and livelihood and economic opportunities for women have made good progress in recent years. Moreover, gender parity in education has improved considerably, but there are fewer highly qualified women to take up senior appointments in Government, compared with men. Legislation on affirmative action, which was submitted to Parliament in 2016, is another policy expected to promote gender equality and women’s empowerment.

Although Ghana managed to reduce the level of poverty in half, it remains a major challenge and obstacle to development, which intensified migration from the poorest areas towards the main cities, thus exacerbating spatial and economic inequalities. The current demographic trends are likely to intensify these flows and trigger social tensions, calling for improved urban planning and a more equitable distribution of resources and social protection coverage. Empirical evidence suggests that increasing inequality can have a range of negative impacts on a country’s development, including poverty reduction, human inclusion and improved social development. Tackling various forms of inequality should be done sooner rather than later.

The present analysis includes calls for appropriate policy action and resource commitments to be undertaken that would sustainably promote the optimal development of the nation with the goal of attaining human, social and economic capital over time. These include restructuring of the education system to make it more skill-oriented; creating an enabling environment to create more jobs, especially for unemployed young people; improving the efficiency of health service delivery; further reducing gender inequality; creating a balance between rural and urban development; properly targeting poverty reduction interventions, in particular for people living in the Northern, Upper East and Upper West regions; and ensuring full commitment to the implementation of the national ageing policy.
Conclusion

The African Social Development Index report for West Africa is prepared on the basis of 8 of 16 country studies in the region. Consequently, specific commonalities are indicative only of the subregion’s performance on human exclusion.

Results from West Africa have shown that, notwithstanding high economic growth in the past two decades (1992-2013), countries are still confronted with the challenge of making growth more inclusive and equitable. The dependence on primary commodities in economic growth spells makes West African countries vulnerable to exogenous shocks and the persistence of excluded and marginalized groups. Unequal access to social and economic opportunities limits their capacity to become productive and effective agents of change, thereby undermining their potential and overall social progress. The analysis of the drivers of human exclusion provide critical insights on the structural causes of exclusion in each country (table 5). Poverty is the major/significant driver of human exclusion in all the countries studied and illiteracy is the key contributor to exclusion in at least in five of the eight countries. Nutrition (stunting) is another important diver of exclusion in Benin, Burkina Faso and Togo.

Table 5
Drivers of human exclusion in West Africa

<table>
<thead>
<tr>
<th>Country</th>
<th>Infant mortality</th>
<th>Stunting</th>
<th>Literacy</th>
<th>Unemployment</th>
<th>Poverty</th>
<th>Life expectancy at 60</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benin</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
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<tr>
<td>Burkina Faso</td>
<td>X</td>
<td>X</td>
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<td></td>
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<tr>
<td>Cabo Verde</td>
<td></td>
<td>X</td>
<td>X</td>
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<tr>
<td>Gambia</td>
<td>X</td>
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<tr>
<td>Ghana</td>
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<tr>
<td>Guinea</td>
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<tr>
<td>Senegal</td>
<td>X</td>
<td>X</td>
<td></td>
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<tr>
<td>Togo</td>
<td></td>
<td>X</td>
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</tbody>
</table>

Source: Based on country analyses in the present report.
Note: the red X represents the third most important driver per country.
a These drivers contribute to more than 50 per cent of human exclusion in each country.

Poverty and education appear to be the major drivers of human exclusion in West Africa. The emergencies faced by many West African countries, for example, the Ebola outbreak of 2014, has had lingering effects on food inflation and household disposable income for its allocation to education services (Economic Commission for Africa, 2016). The cost of education to households reinforces the bias towards higher income quintiles and the exclusion of lower income quintiles and urban versus rural dwellers.

This study has justified in part the subregion’s prominent policy focus on educational development. However, several challenges confront the subregion with regard to education,
relating mainly to quality, quantity and gender disparities. Even though access is gradually improving and the gender gap has marginally narrowed, although not at the rate required to effectively influence poverty reduction, quality remains a major problem. Furthermore, the result of the African Social Development Index for West Africa highlighted the need for countries to focus their development agenda in order to address human exclusion more effectively and deal with both its underlying and structural drivers.

Lastly, the African Social Development Index serves as an important tool for ECA member States to identify policy gaps and formulate appropriate interventions to bridge the gap between the haves and the have-nots. In addition, the disaggregation of the Index by gender and location and its application at subnational levels are critical to capturing within-country inequalities and reorienting and placing inclusive policies at the centre of national and subnational planning. Indeed, global and regional frameworks such as the 2030 Agenda and Agenda 2063 offer an important opportunity to move beyond economic growth and place human and social dimensions at the centre of the development process.
References


