Working Paper Series

# The New Face of Poverty in Africa

## Urban Poverty in Sub-Saharan Africa

paper is prepared by Ms. Elizabeth Woldemariam (Task Manager) in the context of the Growth for Sustained Poverty Reduction Analysis Team with Mr. Abebe Shimeles and Mr. Deresse Degefa

Economic Commission for Africa

ESPD/WPS/99/3

For this and other publications, please visit the ECA web site at the following address: **http://www.un.org./depts/eca/divis/index.htm**

Or contact

The Director
Economic and Social Policy Division
Economic Commission for Africa
P.O.Box 3001
Addis Ababa, Ethiopia

Tel: (251-1) 51 10 56
Fax: (251-1) 51 03 89
E-mail: ecainfo@un.org

# Table of contents

Introduction ..... 1

I. The Data Base and Methodology ..... 4

THE DATA BASE AND METHODOLOGY ..... 4

II. Characteristics of the Urban Sector ..... 8

2.1 DEMOGRAPHIC PROFILE ..... 8
2.2 EDUCATIONAL ATTAINMENT ..... 8
2.3 HEALTH INDICATORS ..... 9
2.4 EMPLOYMENT FEATURES ..... 9
2.5 HOUSEHOLD CHARACTERISTICS ..... 10
2.6 INCOME DISTRIBUTION ..... 10

III. Urban Poverty: Results ..... 12

IV. Conclusion ..... 17

Annex ..... 18

References ..... 30

# Introduction

Until recently, the popular view has been that, in Africa, as well as in the rest of the developing world, poverty is generally taken as a problem of rural area and accelerated urbanization is believed to contribute to sustain and rapid reduction in overall poverty (e.g. World Development Report, 1990). But, recently, this view is being challenged by those concerned that urban poverty in developing countries is contributing a significant proportion of overall poverty and that the rate is increasing over time (see for instance, Haddad, et al, 1999)

2. There are a number of factors that contribute to the growing number of urban poor. Man made calamities such as civil strife have displaced many families forcing them to migrate to urban centres due to disruptions in their localities. Population growth, landlessness and fragmentalization of land also push many to seek urban employment. Thus, the number of urban poor is growing, because urban centres are unable to provide employment. Many do not possess the required training or skills; even those that are trained find formal sector employment to be highly competitive. Thus, urban centres are besieged by those seeking employment, usually in the informal sector, ending up as petty traders, hawkers, etc. The growth of large cities, that is the trend in urbanization, poses a threat or is likely to be accompanied by growing poverty. Their number and size contributed to the creation of slum areas, contributing to the ever-growing rate of crime and violence, which is labeling some cities in Africa as unsafe.

3. A thorough analysis of changes in urban areas in Africa over the last two decades is problematic due to the fact that there is lack of detailed demographic data. It is stated that "Africa had certainly had among the most rapid population growth and urban change of any of the world's regions in recent decades yet for almost half of its nations, there is no census data available since the early 1980s' (Habibat, 1996, p.84). Thus, most of the population figures are estimates or projections based on data from the early 1970s. The Habitat Global Report states that the fastest growing populations are now in Africa which shows that many countries more than tripled their population between 1950 and 1990. The population growth rate was not accompanied by higher GDP growth rates in most cases, thus rendering stagnation or worsening of the per-capita economic growth in many sub-Saharan developing countries.

4. African cities in the 1990s have changed in at least four ways since the early 1960s: in size, spatial organization, distribution and quality of public services, infrastructure, and employment base. The rapidly increasing size is partly due to the fact that population growth has been considerable, and partly to rural-urban migration, both of which, have their own economic and political causes as well. Deterioration of infrastructure and services was due to stagnation of the economies, which were not able to provide or maintain the roads, sewers, water systems, schools and hospitals.

5. Another major effect on urban centres in Africa has been the contraction of the formal labour market. The public sector is contracting and parastatals are being disbanded or privatized to cut back on the numbers of employees they support and even university-educated professionals have great difficulty in finding employment, if in fact they obtain suitable employment at all. (Habitat, 1996, p.86). The effect has been a dramatic increase in development of the informal sector, seen in the numbers of hawkers, open-air markets, food sellers in every street corner, and of private owned transport services. In sum, an explosion of all kinds of small businesses that the people use as a survival strategy. The concomitant result has been a change in the structure of cities or urban centres. Not only are the central business districts more poorly maintained and more populated with small-scale hawkers and vendors than in the past, but more and more of the population is moving to the periphery of the larger cities. There, land is cheaper and much more easily accessible, shelter can be constructed economically using locally available materials, and harassment from the police and restrictions of the formal planning system are rarely felt.

6. It is asserted that there are two trends namely, "the Africanization and the urbanization of poverty", Tabatabai writes. "In 1970, some 17.6 per cent of the total of poor people in developing countries (excluding China) were in Africa; by 1985 this share had increased to 23.6 per cent. The two main factors at work were the more rapid growth of population in Africa relating to the rest of the developing countries and the region's poorer economic performance." (Tabatabai, 1993)

7. The objective of this paper is to provide evidence on the status and characteristics of urban poverty for a sample of 21 sub-Saharan African

countries. The study is based on the latest available information on household income and expenditure surveys for the sample countries that are covered in the African Development Indicator for 1998/1999.

8. The paper tries to describe the overall condition of urban poverty in SSA. The poverty results are reported in terms of the popular poverty measures known as the FGT indices i.e, the head-count ratio ($P_0$) which measures the spread of poverty; the poverty-gap ratio ($P_1$) which measures the depth of poverty and the squared poverty-gap ratio ($P_2$) which measures the severity of poverty. (Ravallion, 1992)

9. The paper is organized as follows. Other this brief introduction, section (1) discusses methodology and sources of data; section (2) describes the main characteristics of urban poverty; section (3) reports the results on poverty and income distribution and section (4) presents the conclusions.

# I. The Data Base and Methodology

## The Data Base and Methodology1

The analysis on deprivation, poverty and income distribution is based on the data set provided by the **World Bank (1998/1999), African Development Indicators**, which provides the latest information on social indicators based on household surveys carried out at the country level. The data provide information subdivided into national, urban and rural areas. Thus, it allows for regional, i.e. rural urban comparisons or specific analysis as the case may be. The type of survey carried out and the year

---

[1]. Poverty measurements: The measurement of poverty used in this study is the most widely used poverty measure (Ravallion, 1992) of the $P\alpha$ family of poverty indices, commonly known as the FGT indices (Foster, Greerer and Thorbecke). The FGT measure of poverty is said to be additively decomposable and we use this in measuring urban poverty for selected SSA countries, for which the relevant data are available.

The FGT index is specified as:

$$P\alpha = 1/n \sum_{i=1}^{q} [(z-yi)/z]\alpha$$

where

n= total number of households in population

q= the number of poor households

z= the poverty line for the households

y= household income

$\alpha$= 0, 1&2

A number of well known poverty measures are obtainable as a special case of the above index depending on the values given to $\alpha$ which is the inequality sensitivity parameter, i.e. when $\alpha$= 0, Head-count ratio is given as H= Po=q/n, $\alpha$= 1, it reduces to the Poverty gap or $P_1$ which measures the intensity of poverty, when $\alpha$=2, ($P_2$) measures the severity of poverty gaps in assessing aggregate poverty. As $\alpha$ increases more and more weight is given to the poorest. The FGT index is subgroup decomposable. This is useful in analyzing the effect of changes in subgroup poverty on total poverty.

of the survey are provided in table 1. The data provides standardized household welfare indicators for the sample. The analysis in this study covers the urban sector for 21 SSA countries, namely, Burkina Faso, Central African Republic, Côte d'Ivoire, Djibouti, Ethiopia, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Madagascar, Mali, Mauritania, Niger, Nigeria, Senegal, South Africa, Swaziland, Tanzania, Uganda and Zambia[2].

11. The African Development Indicators (World Bank 1998/99), provide information on seven set of indicators: demographic (total population, population below 15 years, age dependency ratio, number of households, average household size); education and literacy (net primary enrolment, net secondary enrolment and literacy rate); head of household (male-headed households, female-headed households, educational level of head and sector of employment), labour market (number of employed people in sample, branch of activity and labour force participation by gender) household expenditure (mean per capita expenditure, poverty line and share of food in total expenditure), household amenities (type of fuel for cooking, access to sanitation, access to water and owner occupancy rate) and malnutrition (stunting, wasting and underweight).

[2] Sierra Leone is not included.

**Table 1: Type of Survey and Dates**

| Country | Types of Surveys | Dates of Surveys |
|---|---|---|
| Burkina Faso | Household Priority Survey | 1994/95 |
| Central African Republic | Household Priority Survey | 1993 |
| Côte d'Ivoire | Household Priority Survey | 1995 |
| Djibouti | Household Priority Survey | 1996 |
| Ethiopia | Household Income Consumption and Expenditure Survey | 1995/1996 |
| Gambia | Household Priority Survey | 1992 |
| Ghana | Core Welfare Indicator Questionnaire | 1997 |
| Guinea | Household Integrated Survey | 1994/1995 |
| Guinea Bissau | Priority Survey | 1992 |
| Kenya | Household Monitoring Survey | 1994 |
| Madagascar | Household Integrated Survey | 1993/1994 |
| Mali | Enquête malienne de joncture économique et sociale | 1994 |
| Mauritania | Enquête permanente sur les conditions de vie des merigages | 1995 |
| Niger | Household Priority Survey | 1995 |
| Nigeria | Consumer Expenditure Survey | 1992 |
| Senegal | Enquête sénégalaise auprès des mènages | 1994/1995 |
| South Africa | Living Standards and Development Survey | 1993 |

| Country | Types of Surveys | Dates of Surveys |
|---|---|---|
| Swaziland | Swaziland household income expenditure Survey | 1994 |
| Tanzania | Human Resources Development Survey | 1993 |
| Uganda | Household Integrated Survey Monitoring Survey | 1996 |
| Zambia | Zambian Living Conditions and Monitoring Survey | 1996 |

***Source:*** World Development Indicators, World Bank 1998/1999

12. The approach used to arrive at the comparable mean consumption expenditure was the following. For each country, Summers and Heston (1985) internet data sets were used on per capita consumption and were adjusted appropriately for the most recent year, 1997, using real per capita GDP growth rate from the African Development Indicators of 1998/1999.

13. The poverty lines were constructed on the basis of the empirical relationship between mean per capita expenditure and poverty lines as estimated in Ali, el al (1998):

$$Lnz = 5.181 + 0{,}00158\mu - .0000003485\mu^2;\ R^2 = 0.96$$

14. A Povcal programme was used on the distribution of the share of income to obtain the FGT and Gini indices and the elasticity of mean expenditure with respect to these indices. Also, the OLS regression of the family of poverty indices on mean expenditure and Gini index is done to substantiate the responsiveness of urban poverty to growth and inequality.

# II. Characteristics of the Urban Sector

## 2.1 Demographic Profile

This section will describe the main indicators of deprivation in the urban sector, from information derived from the World Bank report. The urban sector comprises about 30% of the total population of the 21 sample countries. With the exception of Djibouti, where about 94% of the population is urban, the rest of the countries display significant variation. On the upper side, we have countries such as South Africa (49%), Mauritania (44%), Côte d'Ivoire (42%), Nigeria (38%) and Central African Republic (37%). On the lower end, we have countries with low percentages of their population living in the urban area such as Uganda (12.4%), Ethiopia (15.1%), Kenya (15.6%), Niger (18.1%), Burkina Faso (16.2%), Mali (16.3) and Madagascar (17.4%). As indicated in annex table (A.1), urban Africa is characterized by a fairly young population, with about 41% below the age of 15. Comparing the rural and urban sectors of the sample countries, that is in terms of access to education, the urban sector, with a literacy rate of 56%, is better off than the rural sector. The age dependency ratio is very high, the lowest being for Swaziland (47%), Mauritania (49%) and South Africa (51%). In the rest of the sample, the mean age dependency ratio is about 80%.

## 2.2 Educational Attainment

16. Taking total literacy rate as an indicator of progress in educational achievement, we find that Madagascar 96% (97% male, 95% female), Kenya 92% (95% male, 88% female), Swaziland 87%, (87% male, 87% female), Uganda 86% (91% male, 82% female) and Tanzania 82% (89% male, 76% female) have made exceptional progress in urban education. While these countries display impressive achievement, the urban sectors in the following countries display poor performances in the educational sector, with a total literacy rate of 2% for Mali (3% male, 1% female), which has one of the lowest rates in the world, Guinea with 27% (35% male, 20% female) and Zambia 38% (45% male, 31% female).

## 2.3 Health Indicators

17. Access to piped water and sanitation facilities are usually taken as indicators of good health. The available evidence shows that, out of the 21 countries in the sample, the majority have over 60% of the urban population serviced by pipe borne water. Noteworthy are South Africa (99%), Kenya (90%), Mauritania (88%), Swaziland (86%), Senegal (84%), Ghana (82%) and Djibouti (81%). The other extreme of poor achievement is represented by Guinea-Bissau (26%), Central African Republic (27%), and Tanzania and Uganda (35% each) respectively. In regard to access to sanitation facilitates, the data show that about half of the countries in the sample have facilities for over 80% of the urban population. Cases of poor performance include Djibouti (19%), Ghana (42%), Mauritania (58%) and Ethiopia (59%). For further details, see annex table A.3.

## 2.4 Employment Features

18. Of the total population in urban areas, those aged 15 to 64 in the sample countries are about 50%, of which only 30% are employed in the formal sector. Computing a simple average shows that urban unemployment is substantial. The proportion employed is much below the number in the active labour force, i.e. the population aged 15 to 64. The countries with higher percentages of the employed are Senegal (48%), Zambia (47%), Ethiopia (46%) and Uganda (44%), of which a substantial proportion is engaged in commerce and other activities[3]. On the other hand, shocking results are observed for Mali and Mauritania with only 3% and 11%, respectively, of their population employed. Next in line are Djibouti and Niger (17% each) and Tanzania (18%).

19. From the available information, most household heads are employed either in the manufacturing sector or the commercial sector. An

[3] The classification of sector employment is into Agriculture, Manufacturing, Commerce, Civil Service and Others.

average of about 43% of the urban population is employed in the two sectors, but variations do exist between countries (Guinea 70%, Zambia 60%, Ethiopia 58%, Ghana 54%, South Africa 48%, Mauritania 45% and Uganda 43%). Thus, urban unemployment is a major problem in SSA and, undoubtedly, contributes to rising poverty (annex tables A.2 and A.4)

## 2.5 Household Characteristics

20. The characteristics of households found in the urban sectors show that on average, the household size is 5.7 for the countries in sample. But the highest household size is found in Senegal (9 persons), followed by Mali (8), and Niger and Guinea-Bissau (7.2) each. The lowest household size is found in Ghana (3.8), followed by Swaziland and Uganda (3.9) each, Kenya (4) and South Africa (4.1).

21. For the 21 SSA countries in the sample, 21.9% of the households are female headed. The highest percentage is recorded in Ethiopia (45%), followed by Central African Republic (38%), Uganda (29%), Kenya and Mauritania (28%) each, Senegal (27%), Ghana (26%), Guinea-Bissau, Madagascar and South Africa with a rate of 25% each. The lowest incidences are found in Mali (11%) and Burkina Faso (13%) (annex table A.2).

## 2.6 Income Distribution

22. The profile of urban income distribution for the sample SSA countries is presented in annex table (A.1). The mean share of the lowest 40% of the urban population is only about 15% of total income, which signifies a shortfall of 25% of total income. On the other hand, the top 20% of the population enjoy a mean share of almost 50% with an excess of 30% of total income. The middle income group also experiences a shortfall of 26%. In terms of shares, the top 20% in total income is almost 3.3 times that of the lowest 40% of the population. The share of the top 20% can also be compared with the lowest 20%, which amounts to only 6% of total urban income.

23. In order to illustrate the differences among countries in the sample, the results of some outstanding cases are reported. The highest share of

the lowest 40% of the urban population of 19.8% is recorded for Ghana, followed by Mauritania (19.4%), Senegal (18.6%), Nigeria (18.3%) and Côte d'Ivoire (18%). The lowest share is recorded for Swaziland (6.8%), South Africa (9.8%) and Central African Republic (11%) (annex table A.5).

24. From the above, it is clear that the African urban sector displays many facets of deprivation usually associated with developing countries. As usual, however, some countries are much more deprived than others. The following box may reflect the real situation in several urban centres in SSA.

**Box 1**

**Kenya: Mombassa District**

The Situation of the Urban Poor

Mombassa district is largely urban, although some areas in Kisauni, Likoni an Changamwe divisions have rural characteristics. Major problems are landlessness, unemployment, insecurity and lack of services such as water and sanitation. The issue of land is highly sensitive and emotional because there is a large landless population, and most land is in the hands of a few individuals. Resettlement may create rather than solve problems. Unemployment is most critical for the youth and is caused by rural-urban migration and limited industrial and commercial activities. The local people felt that unemployment has been caused by nepotism, discrimination, greed amongst the prominent coastal leaders, wealthy businessmen and lack of political will.

Piped water is irregular, and shortages do not favour the poor. Inadequat sanitation is caused by inefficient urban planning. Insecurity and police harassment cause much stress to the urban poor. Government facilities charge a fee for health services, and yet patients still have to buy drugs. Private clinics and traditional herbalists are very expensive. Official dumping sites for garbage are nonexistent.

In Mombassa, people felt that since they were all poor, the question of wh was most vulnerable did not apply. Despite this feeling, the following persons were identified: single mothers, orphans, children, men with large families, unemployed youth, adolescent mothers, casual workers (earning Ksh 75 per day) and women married to irresponsible or alcoholic husbands. Poverty was seen to be pervasive and widespread. Decision-makers listed the following as those most affected by poverty: squatters, slum dwellers, low-income earners, single mothers, women and children.

**Source:** Coping Without Coping, What Poor People Say About Poverty in Kenya. Government of Kenya, 1997, ed. David Nyamwaya

# III. Urban Poverty: Results

The results we report here are based on Povcal[4] estimates generated for the grouped data set described in table 1. Table 2 below summarizes the main results obtained. In 1997, 43% of the urban population in SSA is living below the poverty line of about $47 per month per person. The corresponding figure for the poverty-ratio and squared poverty gap ratio, respectively was, 16% and 8%. It can also be shown that the mean expenditure of the poor is $29 per person per month, which is 62% of the poverty line. These facts demonstrate that urban poverty in SSA is very deep and severe.

**Table 2: A Statistical Summary of Urban Poverty in SSA**

| Poverty Indicator | Head-Count (%) | Poverty-Gap (%) | Squared (PG%) | Mean Income ($) | Poverty Line($) |
|---|---|---|---|---|---|
| Mean | 43.03 | 16.12 | 8.28 | 958.95 | 558.44 |
| Standard Deviation | 8.13 | 6.04 | 4.69 | 546.94 | 179.54 |
| Minimum | 29.51 | 8.22 | 2.94 | 453.28 | 338.86 |
| Maximum | 58.58 | 33.07 | 22.71 | 2923.31 | 917.49 |

***Source:*** Annex table (A.1)

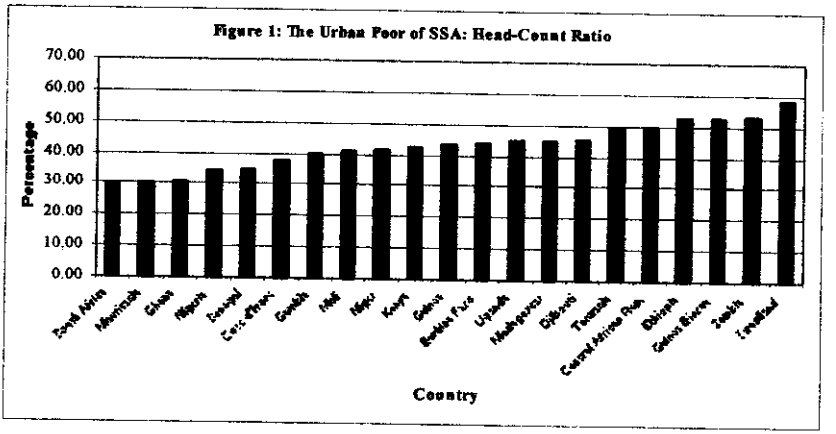
26. Among the sample SSA countries, the highest incidence of urban poverty is reported for Swaziland with 59% of the urban population below the poverty line. Next in line are Zambia, Guinea-Bissau and Ethiopia (53% each). On the other hand, the lowest incidence of poverty is reported for South Africa and Mauritania with about 30% of the urban population below the poverty line. Taking into account the depth and severity of poverty, the countries with the worst urban poverty are Swaziland (with a poverty-gap of 33% and a squared poverty gap of 23%) and next are Guinea-Bissau and Central African Republic (with

[4] A computer routine developed by Chen, Datt and Ravallion (1992) which assists the estimation of poverty and inequality using grouped data on the distribution of household expenditure or income.

poverty-gaps of 24% and squared poverty–gap measures of 15% each respectively).

27. Taking into consideration the reported mean head-count ratio in relation to the distribution of the 21 sample countries, it is shown that eleven countries have a ratio greater than the mean (Burkina Faso 44%, Central African Republic 50%, Djibouti 45%, Ethiopia 53%, Guinea 44%, Guinea-Bissau 53%, Madagascar 45%, Swaziland 59%, Tanzania 50%, Uganda 45% and Zambia 53%). Eight countries have a poverty-gap ratio greater than the mean (Burkina Faso 18%, CAR 24%, Ethiopia 20%, Guinea-Bissau 24%, Madagascar 17%, Swaziland 33%, Tanzania 17% and Zambia 22%)

28. The following graph presents the percentage of the urban population below the poverty line, i.e the head-count ratio of each country in ascending order, for 1997.



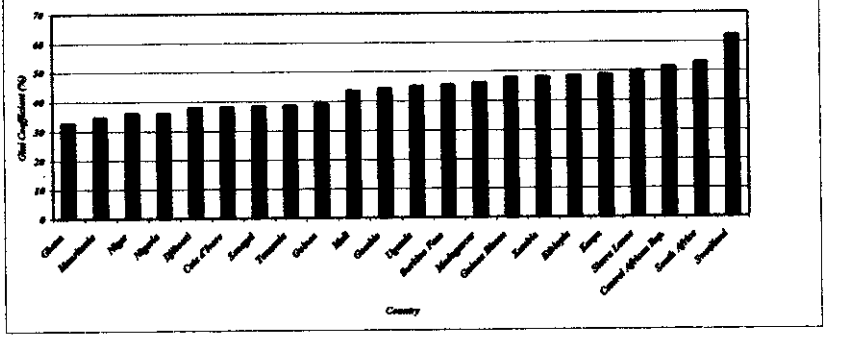

*Source:* Based on results in annex table (A.6)

29. Comparing the 21 urban SSA countries with respect to the mean Gini coefficient, it is shown that 11 countries have a share greater than the mean. These are Swaziland (62.4%), South Africa (53.1%), Central African Republic (51.3%), Kenya (48.6%), Ethiopia (48.3%), Zambia (48.3), Guinea-Bissau (47.8%), Madagascar (46.0%), Uganda

(45%), Burkina Faso (45.4%) and Gambia (44.2%). See table A.6 for details.

30. Comparing the distribution of the 21 sample SSA countries with respect to the mean of the expenditure shows that (a) 9 countries have a share of the lowest 40% less than the mean (Swaziland 6.8%, South Africa 9.8%, Central African Republic 11%, Guinea-Bissau 12.9%, Kenya 13.8%, Burkina Faso 13.9%, Madagascar and Zambia 14.1% each, Ethiopia 14.3%); and (b) three countries have a share equal to the mean (Ghana, Mauritania, Senegal, Nigeria, Côte d'Ivoire, Tanzania, Djibouti, Guinea and Niger). See annex table A.5 for details.

*Figure 2: Income Inequality in Urban SSA: Gini Coefficient (%)*



31. To assess the sensitivity of urban poverty to changes in income and the Gini coefficient we run a double-log regression of the family of poverty measures on mean per capita expenditure and the Gini coefficient. The results are reported in table 3.

**Table 3: Responsiveness of Urban Poverty to Growth and Inequality in SSA**

| Independent Variable and Constant Term | Dependent Variable | | |
|---|---|---|---|
| | Log $P_o$ | Pog $P_1$ | Log $P_2$ |
| Constant | 2.5085<br>(6.926) | -1.6793<br>(-3.791) | -4.9286<br>(-6.094) |
| Log μ | -0.3268<br>(-10.494) | -0.4894<br>(-12.851) | -0.6438<br>(-9.258) |
| Log G | 0.9142<br>(10.11) | 2.045<br>(18.49) | 2.9892<br>(14.80) |

***Source:*** OLS, based on information in annex Table 1.

32. According to table 3, for the sample of countries considered, urban poverty is more sensitive to distribution factors than to growth in mean income. For the headcount ratio, a one per cent increase in mean per capita expenditure would lead to a reduction of poverty by .3%, whereas a one per cent increase in income inequality leads to a .9% increase in poverty. In fact, for distribution-sensitive measures as $P_1$ and $P_2$, the effect of distribution, as captured by the Gini is much stronger than mean income.

**Box 2**

Poverty in South African Towns and Cities

With the march of urbanization, the impact of violence, and the breakdown an subsequent collapse of formal discriminatory controls on access to the cities, th question of urban poverty and of the associated inequalities of South Africa's citie becomes of rising policy significance. In common with trends of poverty observed in th rest of sub-Saharan Africa, the growing importance of urbanization is linked to a rapidl increasing proportion of the poor being situated in urban rather than rural areas (Worl Bank, 1996:38). With the preliminary results of the 1996 census suggesting that mor than half (55.4%) of the estimated population of South Africa now lives in urban area (CSS, 1997:11), both from a short-and long-term policy perspective, the urban polic context must be of vital significance for addressing poverty and inequality.

At the broadest level of analysis, it is evident across a range of poverty line that the incidence, depth and severity of poverty are unambiguously highest in Sout Africa's rural areas and small towns, followed by secondary cities, and are lowest in th country's four metropolitan areas viz. the Pretoria-Witwatersrand-Vaal region Metropolitan Cape Town, Durban and Port Elizabeth-Uitenhage. Looking at urba settlements only, the poverty rate (i.e. percentage of households classified as poor) fo all urban households is 24.4% for metropolitan areas, secondary cities and small town in the countryside; respectively, the rates are 15.4, 26.7 and 35.1% (Woolard, 1997).

Calculation of the poverty share for the different types of urban settlemen further sharpens the picture of where the urban poor are. It is evident that in absolut numbers the greatest burden of urban poverty occurs in the metropolitan areas followed by small towns, and secondary cities. However, while the four metropolita areas contain 70.5% of South Africa's urban population, they account for 54.5% of th urban poor. Overall, therefore, these findings show that whilst the absolute numbers o the urban poor are greatest in the metropolitan areas, in relative terms, the povert burden is most severe in South Africa's small towns and secondary cities.

**Source:** Poverty and Inequality in South Africa; Government of South Africa 199 Praxis Publication.

# IV. Conclusion

The paper attempted to provide the feature for urban poverty in a sample of 21 SSA countries using deprivation and poverty indicators. From the analysis, it is clear that about 43% of the urban population is below the poverty line and the depth and severity are also very acute. A more disturbing factor is that, in general, income distribution is very unequal, as the Gini coefficient of 44% shows. To further appreciate the depth of poverty, we may look at the average income of the poor in the period under consideration, which was 62% of the poverty line. The results obtained show that urban poverty is more sensitive to distribution factors. Some countries with low head-count ratios for urban poverty show that the Gini coefficient is high, which means that a few enjoy high income while the majority of the population suffer.

34. Urban poverty in Africa unlike popular expectations, is demonstrated by widespread poverty, deprivation and skewed income distribution. Urban areas on the other hand contribute more than 50% of the GDP of most SSA countries, but the formal sector has not generated enough employment to absorb the growing population. Only about 30% of the population is employed. Thus, it has led to much reliance on informal sector employment.

35. Emphasis on the rural economy and neglect of much of the economic activities in urban areas may further deepen the amount of poverty and deprivation. As resources to service the growing population of the urban centres contract, a new approach must be employed in order to make the cities more habitable, with less crime and violence.

36. In terms of other social amenities, even though the urban sector is better serviced than its rural counterpart, there is a lot of room for improvement. To better assess the poverty situation of both urban and rural Africa, more reliable data are needed, in particular for the social indicators. Thus, surveys must be conducted on a continued basis to make poverty analysis and monitoring more comprehensive.

**Annex Table (A.1): Characteristics of the African Urban Sector for SSA: Demography**

| Country | Survey Year | National Total (population) 000 | Urban (population) 000 | Urban % | Below 15 years % | Age Dependency ratios |
|---|---|---|---|---|---|---|
| Burkina Faso | 1994/95 | 9385 | 1522 | 16.22 | 43 | 83 |
| Central African Rep. | 1993 | 3340 | 1257 | 37.24 | 48 | - |
| Côte d'Ivoire | 1995 | 14400 | 6082 | 42.24 | 41 | 71 |
| Djibouti | 1996 | 259 | 244 | 94.21 | 37 | 66 |
| Ethiopia | 1995/96 | 55607 | 8372 | 15.06 | 39 | 73 |
| Gambia | 1992 | 1060* | 480* | 31.45 | 42 | 82 |
| Ghana | 1997 | 12431 | 3910 | 31.45 | 36 | 69 |
| Guinea | 1994/95 | 6450 | 2124 | 32.93 | 44 | 85 |
| Guinea Bissau | 1992 | 1060 | 319 | 30.09 | 46 | 93 |
| Kenya | 1994 | 26424 | 4131 | 15.63 | 40 | 70 |
| Madagascar | 1993/94 | 12344 | 2151 | 17.43 | 40 | 75 |
| Mali | 1994 | 7934 | 1294 | 16.31 | 33 | 54 |
| Mauritania | 1995 | 1162 | 509 | 43.80 | 30 | 49 |
| Niger | 1995 | 9063 | 1456.2 | 16.07 | 50 | 107 |
| Nigeria | 1992 | 107000 | 41139 | 38.45 | 50 | - |

| Country | Survey Year | National Total (population) 000 | Urban (population) 000 | Urban % | Below 15 years % | Age Dependency ratios |
|---|---|---|---|---|---|---|
| Senegal | 1994/95 | 7599 | 2980 | 39.22 | 42 | 82 |
| South Africa | 1993 | 41650 | 20441.5 | 49.08 | 29 | 51 |
| Swaziland | 1994 | 863 | 183 | 21.21 | 30 | 47 |
| Tanzania | 1993 | 27530 | 7964 | 28.93 | 43 | 85 |
| Uganda | 1992/93 | 18620 | 2307 | 12.39 | 46 | 91 |
| Zambia | 1996 | 9546 | 3520 | 36.87 | 43 | 78 |
| Total | | 373727 | 112385.7 | | | |

***Source:*** World Bank: *African Development Indicators 1998/1999*

**African Development Indicators 1997 (World Bank)*

**Annex Table (A.2): Characteristics of the African Urban Sector for SSA**

| Country | Survey Year | Household Size | Urban Literacy Rate | Male % | Female % | Female Headed Households | Employment of Head (% in Agric) |
|---|---|---|---|---|---|---|---|
| Burkina Faso | 1994/95 | 6.5 | 52 | 62 | 41 | 13 | 3.2 |
| Central African Rep. | 1993 | 5.8 | 61 | 75 | 48 | 38 | 38 |
| Côte d'Ivoire | 1995 | 5.6 | 65 | 76 | 55 | 19 | 8.0 |
| Djibouti | 1996 | 6.8 | 53 | 71 | 38 | 22 | 0 |
| Ethiopia | 1995/96 | 4.7 | 63 | 76 | 53 | 45 | 9 |
| Gambia | 1992 | 6.9 | 50 | 62 | 36 | 16 | 4.0 |
| Ghana | 1997 | 3.8 | 63 | 77 | 52 | 26 | 15 |
| Guinea | 1994/95 | 6.9 | 27 | 35 | 20 | 15 | 16 |
| Guinea Bissau | 1992 | 7.2 | 50 | 66 | 35 | 25 | 19* |
| Kenya | 1994 | 4.0 | 92 | 25 | 88 | 28 | 7.0* |
| Madagascar | 1993/94 | 5.0 | 96 | 97 | 95 | 25 | 29 |
| Mali | 1994 | 8.0 | 2 | 3 | 1 | 11 | 42 |
| Mauritania | 1995 | 5.0 | 49 | 58 | 40 | 28 | 7 |
| Niger | 1995 | 7.2 | 47* | 62* | 33* | 15 | 13* |

| Country | Survey Year | Household Size | Urban Literacy Rate | Male % | Female % | Female Headed Households | Employment of Head (% in Agric) |
|---|---|---|---|---|---|---|---|
| Nigeria | 1992 | 4.5 | 62 | 70 | 53 | 18 | 20 |
| Senegal | 1994/95 | 9.0 | 42 | 51 | 34 | 27 | 4 |
| South Africa | 1993 | 4.1 | 69* | 70* | 68* | 25 | 1 |
| Swaziland | 1994 | 3.9 | 87 | 87 | 87 | 22 | 59 |
| Tanzania | 1993 | 5.6 | 82 | 89 | 76 | 18 | 28 |
| Uganda | 1992/93 | 3.9 | 86 | 91 | 82 | 29 | 57 |
| Zambia | 1996 | 5.3 | 38* | 45* | 31* | 19 | 11 |

***Source:*** World Bank: *African Development Indicators 1998/1999*

** African Development Indicators 1997 (World Bank)*

**Annex Table (A.3): Access to Sanitation Facilities and Safe Water for Selected SSA Countries – Urban Sector**

| Country | Survey Year | Access to Sanitation Facilities | Access to Pipe/Borne Water | Well | Other |
|---|---|---|---|---|---|
| Burkina Faso | 1994/95 | 88 | 74 | 24 | 2 |
| Central African Rep. | 1993 | - | 27 | 53 | 19 |
| Côte d'Ivoire | 1995 | 91 | 69 | 30 | 1 |
| Djibouti | 1996 | 19 | 81 | 1 | 18 |
| Ethiopia | 1995/96 | 59 | 61 | 7 | 32 |
| Gambia | 1992 | - | 68 | 31 | 1 |
| Ghana | 1997 | 42 | 82 | 13 | 4 |
| Guinea | 1994/95 | 86 | 59 | 40 | 1 |
| Guinea Bissau | 1992 | - | 26 | 69 | 5 |
| Kenya | 1994 | 95 | 90 | 5 | 5 |
| Madagascar | 1993/94 | 67 | 71 | 19 | 9 |
| Mali | 1994 | - | 58 | 35 | 8 |
| Mauritania | 1995 | 58 | 88 | 10 | 3 |
| Niger | 1995 | 77 | 90 | 7 | 3 |
| Nigeria | 1992 | - | - | - | - |
| Senegal | 1994/95 | 93 | 84 | 14 | 2 |

| Country | Survey Year | Access to Sanitation Facilities | Access to Pipe/Borne Water | Well | Other |
|---|---|---|---|---|---|
| South Africa | 1993 | 89 | 99 | 0 | 0 |
| Swaziland | 1994 | 97 | 86 | 5 | 8 |
| Tanzania | 1993 | 97 | 35 | 17 | 49 |
| Uganda | 1992/93 | 95 | 35 | 51 | 14 |
| Zambia | 1996 | 93 | 77 | 15 | 8 |

***Source:*** World Bank: *African Development Indicators 1998/99.*

**Annex Table (A.4): Labour Market (aged 15 to 64) – SSA Urban**

| Country | Survey Year | Labour Force Participation | Male | Female | Activity | | | | | Proportion Employed |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Agri. (1) | Manuf. (2) | Commerce | Civil Service/ Army | Other | |
| Burkina Faso | 1994/95 | 58 | 73 | 43 | 32 | 16 | 25 | 20 | 6 | 29 |
| Central African Rep. | 1993 | - | - | - | - | - | - | - | - | - |
| Côte d'Ivoire | 1995 | - | - | - | - | - | - | - | - | - |
| Djibouti | 1996 | 49 | 64 | 37 | 0 | 5 | 21 | 41 | 32 | 17 |
| Ethiopia | 1995/96 | 51 | 60 | 44 | 9 | 16 | 42 | - | 33 | 46 |
| Gambia | 1992 | 59 | 55 | 64 | - | - | - | - | - | 30 |
| Ghana | 1997 | 66 | 67 | 66 | 15 | 12 | 42 | - | 31 | 34 |
| Guinea | 1994/95 | 67 | 73 | 62 | 11 | 19 | 51 | 7 | 13 | 34 |
| Guinea Bissau | 1992 | - | - | - | - | - | - | - | - | - |
| Kenya | 1994 | - | - | - | - | - | - | - | - | - |
| Madagascar | 1993/94 | 67 | 74 | 60 | 29 | 17 | 18 | 12 | 24 | 35 |

| Country | Survey Year | Labour Force Participation | Male | Female | Activity | | | | | Proportion Employed |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Agri. (1) | Manuf. (2) | Commerce | Civil Service/ Army | Other | |
| Mali | 1994 | 5 | 6 | 3 | 42 | 17 | 12 | - | 28 | 3 |
| Mauritania | 1995 | 20 | 34 | 7 | 7 | 26 | 19 | 14 | 32 | 11 |
| Niger | 1995 | - | - | - | - | - | - | - | - | 17 |
| Nigeria | 1992 | - | - | - | 20 | - | - | - | - | - |
| Senegal | 1994/95 | 56 | 60 | 52 | 4 | 16 | 20 | 4 | 56 | 48 |
| South Africa | 1993 | 51 | 50 | 53 | 1 | 32 | 16 | 23 | 29 | 30 |
| Swaziland | 1994 | 57 | 67 | 46 | 59 | 9 | 7 | 0 | 25 | 39 |
| Tanzania | 1993 | 35 | 51 | 21 | - | - | - | - | - | 18 |
| Uganda | 1992/93 | 84 | 82 | 86 | 37 | 15 | 28 | 13 | 7 | 44 |
| Zambia | 1996 | 71 | 72 | 72 | 11 | 21 | 39 | 16 | 14 | 47 |

**Source:** World Bank: *African Development Indicators 1998/99*

(1) Agriculture/fishing
(2) Manufacturing/mining/construction

**Annex Table (A.5): Urban Sector Household Expenditure Distribution**

| Country | Survey Year | Lowest 20% | Second 20% | Third 20% | Fourth 20% | Top 20% |
|---|---|---|---|---|---|---|
| Burkina Faso | 1994/95 | 4.84 | 9.07 | 13.91 | 21.24 | 50.93 |
| Central African Rep. | 1993 | 3.10 | 7.86 | 13.33 | 20.71 | 55.00 |
| Côte d'Ivoire | 1995 | 7.13 | 10.88 | 15.25 | 21.25 | 45.50 |
| Djibouti | 1996 | 6.70 | 11.07 | 15.53 | 21.62 | 45.08 |
| Ethiopia | 1995/96 | 5.43 | 8.82 | 12.62 | 18.57 | 54.55 |
| Gambia | 1992 | 5.85 | 10.00 | 14.15 | 19.63 | 50.37 |
| Ghana | 1997 | 7.72 | 12.06 | 16.54 | 23.16 | 40.51 |
| Guinea | 1994/95 | 6.66 | 10.88 | 14.97 | 21.24 | 46.24 |
| Guinea Bissau | 1992 | 3.78 | 9.11 | 13.83 | 21.17 | 52.11 |
| Kenya | 1994 | 4.83 | 8.97 | 13.10 | 19.31 | 53.79 |
| Madagascar | 1993/94 | 5.07 | 8.99 | 13.66 | 20.53 | 51.76 |
| Mali | 1994 | 5.87 | 9.93 | 13.99 | 20.28 | 49.93 |
| Mauritania | 1995 | 7.37 | 12.00 | 16.00 | 22.32 | 42.32 |
| Niger | 1995 | 5.76 | 11.19 | 15.76 | 22.03 | 45.25 |
| Nigeria | 1992 | 6.58 | 11.75 | 16.38 | 22.22 | 43.07 |
| Senegal | 1994/95 | 7.62 | 11.00 | 14.72 | 20.26 | 46.41 |

| Country | Survey Year | Lowest 20% | Second 20% | Third 20% | Fourth 20% | Top 20% |
|---|---|---|---|---|---|---|
| South Africa | 1993 | 3.15 | 6.61 | 11.30 | 21.51 | 57.43 |
| Swaziland | 1994 | 1.93 | 4.91 | 9.47 | 17.89 | 65.79 |
| Tanzania | 1993 | 6.88 | 10.91 | 15.06 | 21.30 | 45.84 |
| Uganda | 1992/93 | 5.60 | 9.60 | 13.60 | 20.00 | 51.20 |
| Zambia | 1996 | 4.86 | 9.19 | 12.97 | 19.46 | 53.51 |
| **Mean** | | **5.56** | **9.75** | **14.10** | **20.75** | **49.84** |

***Source:*** Computed from the World Bank*: African Development Indicators 1998/99*

**Annex Table (A.6): Poverty indicators in urban SSA: 1997 (Percentages unless otherwise stated)**

| Country | Survey Year | $u_\mu$ (PPP) | Z (PPP) | G | $P_0$ | $P_1$ | $P_2$ |
|---|---|---|---|---|---|---|---|
| Burkina Faso | 1994/95 | 922.75 | 568.05 | 45.43 | 44.16 | 17.59 | 9.16 |
| Central African Rep. | 1993 | 672 | 439.39 | 51.29 | 49.73 | 24.16 | 15.42 |
| Cote d'Ivoire | 1995 | 853.33 | 531.39 | 38.04 | 37.98 | 11.04 | 4.33 |
| Djibouti | 1996 | 497.68 | 358.17 | 37.93 | 45.40 | 15.53 | 7.11 |
| Ethiopia | 1995/96 | 651.64 | 429.49 | 48.34 | 52.90 | 19.71 | 9.56 |
| Gambia | 1992 | 1143.31 | 686.69 | 44.22 | 40.09 | 13.59 | 6.25 |
| Ghana | 1997 | 1045.75 | 634.07 | 32.63 | 30.69 | 8.22 | 2.95 |
| Guinea | 1994/95 | 594.05 | 402.07 | 39.20 | 43.52 | 14.24 | 6.37 |
| Guinea Bissau | 1992 | 464.13 | 343.52 | 47.79 | 52.91 | 24.27 | 14.76 |
| Kenya | 1994 | 1579.38 | 904.25 | 48.56 | 42.52 | 16.04 | 8.05 |
| Madagascar | 1993/94 | 919.49 | 566.32 | 46.03 | 45.09 | 17.39 | 8.75 |
| Mali | 1994 | 1086.8 | 656.23 | 43.50 | 41.33 | 13.81 | 6.43 |

| Country | Survey Year | uμ (PPP) | Z (PPP) | G | $P_0$ | $P_1$ | $P_2$ |
|---|---|---|---|---|---|---|---|
| Mauritania | 1995 | 1255.65 | 746.55 | 34.78 | 30.12 | 8.43 | 3.43 |
| Niger | 1995 | 557.82 | 385.26 | 39.06 | 41.60 | 15.56 | 8.05 |
| Nigeria | 1992 | 724.39 | 465.29 | 36.11 | 34.72 | 11.69 | 5.49 |
| Senegal | 1994/95 | 1329.81 | 798.1 | 38.30 | 34.94 | 8.64 | 2.94 |
| South Africa | 1993 | 2923.31 | 917.49 | 53.11 | 29.51 | 11.11 | 5.35 |
| Swaziland | 1994 | 1072.94 | 648.75 | 62.38 | 58.58 | 33.07 | 22.71 |
| Tanzania | 1993 | 453.28 | 338.86 | 38.61 | 49.58 | 16.93 | 7.67 |
| Uganda | 1992/93 | 853.85 | 531.66 | 44.99 | 44.84 | 15.85 | 7.59 |
| Zambia | 1996 | 536.5 | 375.54 | 48.26 | 53.35 | 21.61 | 11.46 |
| **Maximum** | | **2923.31** | **917.49** | **65.38** | **58.58** | **33.07** | **22.71** |
| **Minimum** | | **453.28** | **338.86** | **32.63** | **29.51** | **8.22** | **2.94** |
| **Mean** | | **958.95** | **558.44** | **43.74** | **43.03** | **16.12** | **8.28** |
| **Standard Deviation** | | **546.94** | **179.54** | **7.11** | **8.13** | **6.04** | **4.69** |

***Source:*** Computed from the World Bank: *African Development Indicators 1998/99*

# References

Ali, Ali and Thorbecke, E (1998); "The State and Path of Poverty in Sub-Saharan Africa: Some Preliminary Results" AERC, Nairobi.

Government of South Africa (1998); "Poverty and Inequality in South Africa".

Hadad, L., M.T. Ruel and J.L. Garett, (1999); "Are Urban Poverty and Undernutrition Growing? Some Newly Assembled Evidence", World Development, vol 27, no11, pp 1891-1904.

Nyamwaya, David, ed. (1997); "Coping Without Coping, What Poor People Say About Poverty in Kenya", (Government of Kenya, 1997).

Ravallion, M. (1992); "Poverty Comparisons: A Guide to Concepts and Methods", World Bank, LSMS Working Paper No.88. WB, Washington, D.C.

Summers, H. and A. Heston (1991); "The Penn World Tables", Table 5.

Tabatabai, Hamid, (1993); Poverty: New Approaches to Analysis and Policy; "Poverty and Inequality in Developing Countries: Extent and Trends", A Symposium (Geneva, 22-24 November 1993). ILO, Geneva, 1993.

United Nations Centre for Human Settlements, (HABITAT 1996); "An Urbanizing World, Global Report on Human Settlements 1996", Oxford University Press, Oxford.

UNECA (1996); "A Framework Agenda for Building and Utilizing Critical Capacities in Africa", (A Discussion Draft), E/ECA/CM.22/12. April 1996, Addis Ababa, Ethiopia.

World Bank (1997); "African Development Indicators, 1997", Washington D.C.

_____, (1998/99); "African Development Indicators, 1998", Washington D.C.