

The poverty in africa economics essay



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In recent years the international community has shown increasing concern with poverty in the developing world. At the Social Summit in Copenhagen, the issue was placed at the top of the agenda and more recently the Millennium Summit set a target to halve poverty by the year 2015. While the United Nations, including UNCTAD, had for many years drawn the attention of the international community to the need to address the plight of the poorest and the least developed countries.

Despite resource rich African countries, it's hardly possible to accept that Africa is poor. But the question remains, if they are not, why the vast majority of African countries are clustered at or near the bottom of the United Nations Human Development Index. While economic growth is considered essential for poverty reduction, it is also recognized that growth may not automatically trickle down to the poor. Thus, the current approach emphasizes policies that facilitate the access of the poor to human, physical and financial assets to improve their earning capacity

While macroeconomic stability and structural reforms continue to be considered to hold the key to sustained and rapid growth, it is also recognized that stabilization and structural adjustment policies may exert a temporary adverse impact on the poor. Thus, it is advocated that such policies should be accompanied by safety nets and targeted spending programmes to mitigate their possible adverse consequences for poverty.

“ Africa is not poor; it is poorly managed”[1]This statement was made by Ellen Johnson Sirleaf, President of Liberia. She stated it in August 2009 during her interview with the BBC radio documentary series, to answer question in

similar circumstances. It was aimed against corruption and she meant to assert that if corrupt officials mismanaged public funds or property, then countries are poor. But with good quality of government under the rule of law is already a fine predictive for wealth. Other key factor is the lack of technology, Africa is very rich with natural resources such as fertile soil, enough rain and sunshine for cultivation, raw materials, oil, gold and many other major resources but lacking ways of exploiting them. No advance technology or industrial infrastructure to channel these resources through real incentive to accelerate the development. Insufficient education is another significant factor contributing to poverty high level. It can never be overemphasized because education can make changes about everything. Today African children do not have access to education which is required to let them gain knowledge and skills, to equip them to have better ideas and opportunities for employment. Other correlated problems as well, for example, lack of skills and strong policies, and that is low economic performance with high inflation, let alone unproductive attitudes towards globalization. The trade situation is quite unfair in addition to tariffs and subsidies, which drive prices down and make it harder for African countries to sell agricultural goods at global markets. Still there should be a movement in the industrialized world to recognize this unfairness and get the system changed, though it is somewhat complex, economically to explain how it is going to happen. African politics are usually based on violence, instead of building and fix the future they destroy everything, and use natural resources for the short term gain of those in power. Another problem is that African countries still trade with their colonial masters at a loss instead of trading with each other. poverty reduction strategies cannot succeed if they

are not accompanied by policies to sustain rapid growth and improve income distribution,

Why almost all fifty three African countries are considered as poor?

Poverty has many dimensions and causes, and it is clear that different kinds of action are needed at different levels (international, regional, national and sub-national) if it is to

be significantly reduced.

Africa is the world's second-largest and second most-populous continent, after Asia.

Africa is the world's poorest inhabited continent. Though parts of the continent have made significant gains over the last few years, of the 175 countries reviewed in the United Nations' Human Development Report 2003, 25 African nations ranked lowest amongst the nations of the world. This is partly due to its turbulent history.

The geo-historical situations of African people should be examined while addressing poverty. Same like inhabitants in others continents, the African people were and up to today are mostly dependent on agriculture, therefore they were needed to live in the regions where they were located nearby the river in Nile Valley, in the coasts of North and West Africa, along the Niger, in the eastern highlands and in South Africa. They were living in traditional rustic lifestyle and could manage their requirement by hunting and farming in the green areas during the history, but gradually due to tropical climate

situation and high temperature in their living environment, decreasing the water recourses, increasing the number of people in living areas and reduction of their agricultural resources, because of weather fluctuations within the recent centuries, the problem of African people started.

The impacts of climate change are likely to be considerable in tropical regions. Developing countries are generally considered more vulnerable to the effects of climate change than more developed countries, largely attributed to a low capacity to adapt in the developing world. Of the developing countries, many in Africa are seen as being the most vulnerable to climate variability and change. High levels of vulnerability and low adaptive capacity in the developing world have been linked to factors such as a high reliance on natural resources, limited ability to adapt financially and institutionally, low per capita GDP and high poverty, and a lack of safety nets. The challenges for development are considerable, not least because the impacts are complex and highly uncertain.

Fighting for water and food made them busy with themselves so that they neglected to communicate with people who were living in other parts of the world. They didn't know how to sail and could not travel overseas and therefore they could not prepare their requirement by trading with other nations and therefore, they were isolated from the rest of the world in the recent centuries.

Such isolation as well as the ignorance and illiteracy of African people, their fast growing population, their sectarian conflicts from one side and arrival of non African adventurers to this rich continent and starting the slavery were

all imposed to the people who were not deserved and lead them to a new era of poverty. Africa is still grappling to undo a legacy dominated by trade with their former colonial rulers. For instance, Senegal's biggest trading partner is France, while Gambia trades extensively with the United Kingdom. [2]Although Senegal surrounds Gambia, trade between the two neighbors is minimal. Worse enough the continent's railways and roads often lead to ports rather than link countries across regions. Much dependency on aid and reluctant of solving problems doesn't help Africa to emerge out from being considered as poor continent.

Lack of sufficient infrastructure

More than two-thirds of countries in Sub-Saharan Africa are currently experiencing a debilitating power crisis. The crisis is the result of many factors: strong economic growth, which has in turn led to the rapid increase in electricity consumption and urbanization; and poor planning for boosting generation and distribution capacity and maintaining infrastructure. The human and economic consequences are significant. There is an urgent need to address the problems plaguing the power sector, but a large gap exists between infrastructure needs and the availability of resources. An estimated USD 40.8 billion a year in investments are needed for Africa's power sector, but ODA and funding from the public sector are not sufficient to meet this need. Consequently, the private sector will need to play a significant role in closing the demand-resources gap by providing funds and expertise.

The need for at least a basic level of infrastructure in Africa is quite critical in all sectors and because of its missing in %75 of African residential area, millions of lives are threatened every day for lack of clean water or safe

sanitation. In recent years the continent's development objectives are badly affected by poor infrastructure. There is very little investment made by developing countries in improving the infrastructure conditions in Africa and even most of this small quantity of investment (roughly two-thirds) have been focused in the telecommunications sector which has no relativity with other major sectors i. e. health care and education. Due to personal experience of my father in Nigeria as one of the richest African country, majority of people even in some big cities like Port Harcourt in river state which is considered as one of the richest oil production centers in Delta Niger, are suffering from lack of access to basic infrastructures like electricity, hygienic fresh water & piping network, sanitary and drainage systems, suitable domestic transportation and well constructed roads & railway at their home.

Political instability

Although the leadership issue is considered as one of the major problems in the world but its horrible condition in many African states made their political situation quite instable. Most of the African governors are busy with their own business and hand in hand of foreigners are draining the public resources out in favor of their overseas partners. Majority of African leaders are dictating those policies which are just match with their own private and not the public interests. The consequence of such kind of leadership leads the African people to sectarian conflicts and creates Political instability for the country. In most cases the African leaders try to run the country by copying the modern western state systems at domestic level and neglect the tradition and culture of their own people. With such negligence, the political

atmosphere in most African states is not well enough for safe investment and its level has been restricted to the sectors for washing out their resources in favor of western countries.

As a result of political leadership of the current governors, the economic condition of African people has gone under dominant of prescribed economical policies of western companies which play a significant role in the deprivation of African populations of the essential key services in development.

Some of political economists are in this belief that the foreign investors are not responsible for improvement of the living standards of the people in the regions where they make profits. Although this concept is commented by some others but even if there was no argue in this belief, no one may disagree with the role of African political leaders in organizing the consequence of their leadership and management on economic conditions in Africa which has obviously had serious affections in provision of essential services such as health, education and infrastructure and there is no doubt that in absence of these fundamental services, the productive potentiality of people in their own societies will be decreased and they go through deprivation and poverty more and more.

Main effects of poverty in Africa and its consequences:

Poverty can have a devastating effect, such as lack of food, improper healthcare; homelessness and lack of jobs all play a role in the effects of poverty.[3]A recorded number of people die each day in Africa due to extreme poverty. 14% of children in Sub Saharan African countries alone are

estimated to be underweight, out of 28% of children who are underweight in all poorer nations of the world. And it will increase because of low progress in the development and miss the Millennium Development Goals target of halving the proportion of underweight children.[4] Food and water is in low supply because of nonexistent infrastructure. As a result, poverty effects can easily cause inability to develop, afford modern technology, provides basic services and access, mistrust of governments- leading to revolutions which will paralyze the governmental system and more rivalry over few resources.

However, the significant consequences of poverty in Africa are more closely connected with uneven economic growth. More than a half of population lives in extreme poverty, which is defined as subsisting on less than \$1 a day by the World Bank. The huge waste of human resources, others are mainly on human suffering and death, high mortality rate, epidemic diseases, high illiteracy, ignorance of problems and poor hygiene, water and sanitation. If the current trend of poverty continue, then no hope to alleviate the poverty

Lack of sufficient health care and education

In 2008 around 1. 4 million people died from AIDS in sub-Saharan Africa and 1. 9 million people became infected with HIV.

Due to lack of standard levels of educations in little academic training, lack of medical centers and facilities in training of physicians, few number of hospitals, insufficient medicines and medical equipment, lack of a suitable nursing care and many other interrelated medical issues, result to a bad health condition in African countries. Although some activities have been done by International Health Organization under U. N. supervision but they

can temporarily figure out the health problems of about %25 of Africans who are living in urban areas and the major remaining population of the continent who are living in rural areas and villages are almost deprived from this small medical services provided by international society.

To sort out the African's health and medical care, the three principle health system inputs should be seriously noted and provided by the global society. Training of human resources as the clinical and non-clinical staff who are responsible for delivering health services, is considered as one these three which requires a comprehensive programming and establishment of colleges and universities, forwarding the motivated skillful & educated missions as well as the required tools and equipment. The budget elements of physical capital are considered as the third dependent direct principle in improvement of health care in Africa.

In the absence of massively expanded prevention, treatment and care efforts, it is expected that the AIDS death toll in sub-Saharan Africa will continue to rise. This means the impact of the AIDS epidemic on these societies will be felt most strongly in the course of the next ten years and beyond. Its social and economic consequences are already widely felt, not only in the health sector but also in education, industry, agriculture, transport, human resources and the economy in general. The AIDS epidemic in sub-Saharan Africa threatens to devastate whole communities, rolling back decades of development progress.

Political instability and Corruption

Good governance alone will not end poverty, but we cannot significantly reduce poverty, especially within a human rights approach, without good governance. Good governance

is necessary at all levels, from the global to the local, but it is also necessary to identify those levels of governance requiring special attention, and this may vary from country to country: it is not always the case that governance at the national level is the central problem as far as poverty alleviation is concerned.

There are problems in Africa for several decades even after many countries in the continent went through transitions from colonialism to independence, is not a deniable fact. In terms of political instability in Africa, it is also undeniable that the continent has had some difficult moments during the last fifty years or so. But what is still unexplained in the many analyses that have been looking at events in Africa is the fact that in almost all the cases of political instability in Africa, it is evident that the major problem is leadership. In this context, Africa has seen its freedom heroes turn into dictators, while plunder of natural resources, politics of exclusion and deprivation to tilt the balance of power continues to dominate the public sphere. Moreover, these problems have been pointed out and fought gallantly by ordinary Africans who have over the years, expressed their discontent with regimes imposed upon them, through the complicity of the international community.

It's strongly believed that most of the major problems in Africa are rooted in corruption of the leaders and governors who have sat on the throne of dictatorship and oppress their people and make them more miserable. It's quite obvious they never let the people have an acceptable standard of social rights for election of their nominated candidates as their leaders. Although it's a long way and bumpy road to achieve their goal for making a democratic society but they have no chance and must go straight forward. They should pay its worth and pave the path toward democracy peacefully. In an actual democratic system, all decision of the governors will be checked, debated, revised and ultimately approved by the people's representatives. The national recourses and assets will be managed to be spent for provision of vital and ordinary requirement of people like health care, training and infrastructural welfare.

If you go through the governing systems in African countries, you will find an apparent frame of democratic system but in most cases, you will come to know that majority of the people have no chance to vote for the key policies in management of their country. The corrupted high officials have a direct control on all centers of political and economical power and never let them to be supervised by the people's actual representatives. They have even enough influence in selection of the parliament members. We should never forget the significant role of western companies and investors in mastery of such dictators who have been elected and supported by them in a so called democratic way.

How African countries can build solutions to solve those problems?

The deepest challenge for countries in the poorest parts of the world, especially Africa, is governance. The African continent has been ravaged both by civil war and conflict and by rapacious leaders who have plundered the natural wealth of their nations. Corrupt rulers and their weak regimes have arguably been the single most important drag on African development.

The steps are to focus on good governance, social responsibility and elimination of corruption. Developed their educational systems, their infrastructure, and their labor markets which will able them to exploit their resources in the global markets. Increase economic input on national income through the important exports of major resources such as oil, gold, raw materials, timbers, fishers etc. In many instances capitalism can generate adequate resources to eradicate extreme poverty, but it is continually undermined by corruption and self interests. It is an unfortunate truth that the poorer the country, the more difficult it is to put aside these unwanted programs by products of economic and social growth.[5]Encourage agriculture sectors, proper management of resources and foreign investment. This can be met through the demand of trade reform that will help small scale farmers and enriching their agriculture and other sectors like services and labor. In other words governments should target the extremely poor people and enabled them to contribute to development by improving their health, education, provide agriculture subsidies instead of wasting expenditures all will lead to economic growth. There is need to educate the population and motivated them to maintain it. Donations can

help as well to build basic infrastructure. The African nations need political and economic policies that will aid their growth and lessen their dependence on outside charity. In order to eliminate poverty is to be stabilized in peace and may be reduce the population to have access to more food instead of more people with the less food. Even few African countries that have experienced sustained high growth over the last few decades are now reported to have reduced their absolute poverty levels, but the important aspect is that the gains of economic growth should be distributed fairly to reach the poor people in the country[6]

Democratization

Making money and profitable business is the major task of international investors and companies. It's quite understandable that they are not responsible for social welfare and improvements in the host country but we should never forget that in most cases, many of them and even their investing policies are controlled and supported by western countries in Europe and America. Democratization of African countries is not only beneficial for the people but also it may secure the investment and business of foreign companies and even increase their profit. In this view, I believe the western countries and the U. S. A can play a considerable role in settlement of democracy in this rich continent through European Union and United Nation organization.

As long as the African governors are just sticking to power and do not care about their national interests, this is the international responsibility to warn them in political congregations for their misbehaviors and isolate their administrations through intelligent sanctions from one side and practically

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protect the people by promotion of their life standards through dictating policies to their citizen companies and investors for win-win business in favor of African people as well as themselves.

Will Money Solve Africa's problems?

Some of the economical experts are in believe that investment in Africa may promote the level of knowledge and create prosperity and stability and will improve capabilities of the people to integrate their continent into global networks of trade. In this way the existence of three failures of corruption and abuse of power by African governments, the exploiting policies of extractive industries and the waste of resources by an ineffective aid system will be likely impossible. Some of the proponents of this belief are saying that the key solution in Africa's development problems is to support the African local entrepreneurs by invested capitals. As an opponent of above ideas it's believed as long as the prolonged violent conflicts, bad governance, excessive external interference, and lack of an independent policy, money cannot sort out the Africa's development problems. The matter in Africa has not been ever lack of money because this continent is quite rich and full of resources with fertile soil for agricultural productions and potentially has the key elements for progress and as initial steps; investment may facilitate the process of economical improvement.

Massive food production will solve Africa's poverty problem

Hunger is a horrible phenomenon which is considered as a critical issue in Africa. Among five continents, Africa is the only one which cannot to feed itself. Because of the fast growing of population, the shortages in agricultural

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productions is leading the continent to new potential conflicts and the peace situation in many African nations is fragile. Around 300 million people will not have enough to eat today. Despite millions of hectares of unused cultivated land, more than \$19 billion is spent in Africa for buying food each year. Donation or import of agricultural products is like a sedative for the illness and for actual treatment of hunger and poverty; African countries should focus their efforts on investment policies in agricultural sectors and training programs for more efficient water management, new techniques of cultivation, irrigation and harvesting. In addition of these issues and to rapidly increase productivity, the fertilizers as well as sufficient suitable machinery and equipment for conservation of agricultural products should be provided for the African farmers.

The EU strategy for supporting Africa

Witnessing the case of Mexico, it has the advantage of sharing a 2, 000-mile border with the world's greatest economic power. Since the North American Free Trade Agreement went into effect in 1994, the

United States has given Mexican goods duty-free access to its markets, has made huge investments in the Mexican economy, and has continued to absorb millions of Mexican laborers. During the 1994-95 peso crisis, the U. S. Treasury even underwrote Mexico's financial stability. Outside economic help does not get much better. But since 1992, Mexico's economy has grown at an annual average rate of barely more than one percent per capita. This figure is far less than the rates of the Asian growth superstars. It is also a fraction of Mexico's own growth of 3. 6 percent per year in the two decades that preceded its 1982 debt crisis. Access to external markets and resources

has not been able to make up for Mexico's internal problems. A notable exception to the limitations of outside assistance is European Union membership. By offering its poorer eastern and southern neighbors not just aid transfers and market access but the prospect of joining the union, the EU has stimulated deep policy and institutional changes and impressive growth in about 20 countries. But the exception proves the rule: the EU is not just an economic arrangement; it is also a political system in which member states transfer extensive legal powers to the central authority. In return, the center shoulders significant responsibilities for the economic well-being of each member.

Unfortunately, accession to the EU or to any other major power is not an option for most of the poorest parts of the world-and increasing the financial resources and trading opportunities for the poorest countries is not a sufficient substitute.

Although there is a long way towards a sustainable development in Africa but within the frame of the African Union, the New Partnership for Africa's Development (NEPAD) and international organizations, the EU members have tried to equip the African states with political and economic roadmaps and provide them with a vision for better future.

Regardless of existing different historical attitudes, cultures, religions, and traditions as well as different geographical and economical conditions with various political regimes in Africa, there are some African countries who are experiencing sustained periods of peace, security, economic and political stability and democratic methods of peaceful life but at the same time many

of African people are suffering from long-term conflicts in their lands. One of the major roles of the European Union in assistance of African people is to support them in human development and economic growth programs. A highly unequal distribution of income has an excessive impact on poverty levels among the people and such programs will be very helpful in democratization of Africa. To reduce the rate of poverty, job creation and social development as major challenges shall be considered as other solutions which should be included in the EU strategy for supporting of Africa. To achieve these and due to close relation of employment to education and training, working on eradication of illiteracy is quite important especially for women and ethnic minorities. Improving the health care and hygiene conditions in African states, in particular controlling and treatment of the HIV/AIDS as a very serious pandemic disease inside the whole Africa shall be considered as another supporting program which should be included in the European Union's strategy in Africa.

Climate change is something which may badly affect the life situation of African people and increase the level poverty among them. When the air temperature is going up, it affects more to the climate in Africa because the continent is environmentally very diverse. The shortages in water resources, increasing desertification, flooding and drought are all the common consequences of climate change and as a result of them, the food security and health of all human beings in the world and particularly in Africa will be worsen. The process of increasing the desert lands in almost half of the Africa specially in areas being located along desert margins and lack of compensation of water resources because of little raining fall below the

world average are the two threatening factors of the humans' lives and due to these concerns, many conflicts can be potentially created. About 17% of the world's forests are located in Africa, and deforestation and because of shortages in earning and food resources, they are changing to desert by the poor people. Therefore climate change adaptation program is another urgent necessity for Africa's development and should be noted and attended well by the European Union.

European Union help Africa through preventing or settling on going conflicts towards peace and security aims to establish necessary framework for development base on their partnership.[7] Sustainable development in Africa requires a safe and secure environment. Peace is therefore an essential way of progress. The Partnership is a better key component than without for Africa's future inside and outside its borders. Democracy and the respect for human rights are shared values between Europe and Africa. They are also critical issues to the development of any society. With the Joint Africa-EU Strategy the two sides have committed to conduct an in depth dialogue on human rights and democratic governance, to promote these values on a global level and to strengthen their cooperation in this field. From this dialogue and cooperation comes understanding, cooperation, and programs that bond leaders, civil society, and citizens in the pursuit of governance and human rights. EU has also enhanced trade and deeper regional integration as essential contributions to development, economic growth and employment, and ultimately the eradication of poverty in Africa.[8] As it believed that European Union has undergone a successful process of integration, it can share its experiences with Africa in a good faith. EU

conditionality for donations and economic reforms to Africa should not ignore the poverty alleviation programs and should focus on helping the poor in Africa by getting the benefits of the globalization through the national level economic reforms. At domestic level, Africa/EU should have stronger safety nets in macroeconomic management which could benefit the poor people and more investment in proper healthcare, education, technology, basic infrastructure and many other things.

Recommendation and conclusion

For the solutions to overcome or to reduce extreme poverty in Africa, the key points are good policies and prope