Child poverty in Africa

An SDG emergency in the making

Kevin Watkins and Maria Quattri

August 2019

Key messages

- The 2030 Sustainable Development Goals (SDGs) envisage an end to extreme poverty for 'all people everywhere'. That goal is drifting out of reach for one group of people in one region: children in Africa.

- On current trends, 305 million African children – two in every five – will be living in extreme poverty by 2030, accounting for over half of all global poverty. On average, 87 million will be born into poverty each year in the 2020s.

- The interaction between slow and unequal economic growth, demography and the incidence and depth of initial poverty is the primary driver of the increased presence of African children in the global poverty profile.

- Failure to tackle child poverty will jeopardise efforts to achieve a wide range of SDGs. Childhood poverty is associated with increased risks of ill-health and mortality, malnutrition, and reduced opportunities for learning.

- Changing this will require urgent and concerted effort. Social protection programmes have a key role to play, alongside increased and more equitable spending on child-related services.

Acknowledgements

Contents

List of figures

Figures

Acronyms

DHS	Demographic and Health Surveys
GDP	gross domestic product
GNI	gross national income
ILO	International Labour Organization
IMF	International Monetary Fund
OECD	Organisation for Economic Cooperation and Development
SCUK	Save the Children UK
SDG	Sustainable Development Goal
UIS	United Nations Educational, Scientific and Cultural Organization Institute for Statistics
UN IGME	United Nations Inter-agency Group for Child Mortality
UNDP	United Nations Development Programme
UNICEF	United Nations International Children's Emergency Fund
WEO	World Economic Outlook

Executive summary

The profile of world poverty is changing dramatically. This briefing paper focuses on one of the most troubling but least explored aspects of that change: a marked increase in the share of global extreme poverty accounted for by children in Africa. While the Sustainable Development Goals (SDGs) include a collective pledge by governments to eradicate extreme poverty by 2030 for 'all people everywhere' (UN, 2016), as things stand that pledge will be broken for African children. Updating projections presented in an earlier paper (Watkins and Quattri, 2016), we estimate that 304.7 million sub-Saharan African children (aged 0–19) will be living in extreme poverty in 2030. These children will account for 55% of world poverty in 2030, compared with 43% in 2018 – and over three times the share in 2000.

These figures have troubling implications. Poverty in the early years is closely associated with stunting, which has damaging (and potentially lifelong) consequences for cognitive development. Child poverty is also associated with lower enrolment, higher drop-out rates, reduced learning achievement and increased gender inequalities in both primary and secondary schooling. The interaction of child poverty and educational disadvantage will in turn reinforce the very inequalities that are slowing the pace of poverty reduction.

Left unattended, child poverty in Africa will derail the SDG project, but the policy response has been muted. Few African governments have prioritised child poverty within their overall poverty reduction strategies. Despite its own evidence on human capital and emerging poverty trends, the World Bank has not adjusted its poverty eradication approach to reflect the weight of child poverty in Africa.[1] While the International Monetary Fund (IMF) is doing valuable work on SDG financing, it has not altered its fiscal policy advice or loan conditions to reflect the imperative of child poverty reduction. The same can be said for aid donors, UN agencies and civil society organisations.

There are no blueprints for success in combating child poverty, but policy-makers can draw on a wide evidence base to inform policy design. Redistributive economic growth underpinned by progressive taxation and more equitable public spending holds the key to accelerated poverty reduction – and the evidence set out in this paper points to the case for putting the most deprived children at the centre of redistributive policies. We identify five critical areas where public policies need to respond to child poverty:

- **Cash transfers.** If monetary poverty is the problem, monetary transfers to the poor are an obvious part of the solution. Yet currently just 16% of African children are living in households receiving a cash transfer – and most transfers are too small to have any significant effect on poverty reduction. Modelling exercises point to the potential for marked poverty-reduction effects if transfers are properly targeted and on a sufficient scale. Simulations based on household surveys in Ghana, Liberia and Niger suggest consumption gains of 12–17% from transfers of $50 per household every month, cutting poverty rates by 40%. Applied on a region-wide basis, that would take 116 million children out of poverty in 2018.
- **Increased and more equitable public spending.** For countries with low income levels (and correspondingly limited

1   See World Bank Africa Human Capital Plan, 11 April 2019 (www.worldbank.org/en/region/afr/publication/africa-human-capital-plan)

revenues) and high levels of child poverty, cash transfers are unlikely to provide more than a partial solution. If the aim is to ensure that children furthest from achieving the 2030 goals catch up with the rest of society, redistributive public finance and the reprioritisation of service provision need to figure much more prominently.

- **Adolescent children.** Each year between 2018 and 2030, 246 million Africans aged 15–24 will enter labour markets. These adolescents and young adults have the potential to deliver a vast demographic dividend. The conditions for unlocking this include education, investment in training and the removal of the barriers that deny African girls and young women a chance to flourish.

- **Fiscal policy.** Tackling child poverty requires redistributive public finance to support investments in cash transfers, social protection and – critically – high-quality services in areas such as health and education. Fiscal systems across the sub-Saharan region are often highly regressive because of their over-reliance on indirect taxes and under-reliance on property taxes.

Greater equity in public finance could help to create an enabling environment for eradicating child poverty and strengthening human capital.

- **Aid partnerships.** Recent aid trends represent a source of concern. Transfers to sub-Saharan Africa have declined since 2013, from $46.1 billion to $41.7 billion (OECD, 2018). There is also growing evidence that aid is increasingly skewed away from countries with populations furthest from achieving the 2030 SDGs (Development Initiatives, 2019). The proportion of aid going to fragile states has also fallen, despite the increasing concentration of poverty in these countries. Agencies including the UN Children's Fund (UNICEF) and the World Bank should consider working more closely with national statistics agencies to monitor and report on child poverty.

The time has come for African governments, donors, international agencies and civil society organisations to develop coherent responses to the challenge of child poverty. The credibility of the SDGs and, more importantly, the future of a region's children depend on it.

1 Introduction

The world has made remarkable progress in reducing extreme poverty. Between 1990 and 2015 the number of people living on less than $1.90 a day (in 2011 purchasing power parity) fell by 1.3 billion to 736 million – or just over a third, to around 10% of the world's population (World Bank, 2019).

While the headline numbers point to the most rapid poverty reduction drive in history, the global story is one of uneven progress. Much of the momentum has come from China and East and – more recently – South Asia. Sub-Saharan Africa is at the other end of the spectrum. Poverty incidence has declined as the region's economies have expanded over the past two decades, but the absolute number of poor people has continued to rise as populations have grown. An estimated 40% of the region's people – 439 million in 2018 – are living on less than $1.90 a day (Lakner et al., 2019). Behind the broad-brush data, national patterns vary. Headcount rates are highest in the Sahel and northern areas of coastal West African states and in conflict-affected states (although data is limited). While the region is urbanising, 82% of Africa's poor live in rural areas (Beegle and Christiansen, 2019).

As in other regions, poverty in Africa is a dynamic rather than static condition. Small increases in income can lift large numbers of people out of poverty, while leaving them vulnerable to a relapse in the other direction. Losses of income have the opposite effect. Two in every five poor households in Africa are among the transient poor, moving out of or into poverty as their incomes change (Dang and Dabalen, 2017). Climate shocks, ill-health, conflict and displacement are among the key drivers of vulnerability and transient poverty.

Inequality has a significant bearing on the conversion of economic growth into poverty reduction. The degree to which growth cuts poverty is a function of the rate of growth and the share of any increment to growth captured by people living below the poverty threshold. High and/or rising inequality acts as a brake on poverty reduction because it reduces the rate at which the incomes of the poor rise (Ravallion, 2001; 2018). To take one recent example, the World Bank estimates that growing inequality in Mozambique reduced the number of people escaping poverty by around 2 million between 1996 and 2009 (Baez and Olinto, 2016). The impact of rising inequality is often reflected at a sub-national level. Kenya has a broadly positive record in reducing poverty (from 47% to 36% in the decade to 2015–16). However, the north and north-eastern regions of the country, which have the highest poverty rates, have registered limited progress, and the number of urban poor has increased (Pape and Mejia-Mantilla, 2019). What these and other cases illustrate is the limited potential for 'trickle-down' growth to transform poverty reduction prospects.

Low or declining inequality produces an equal and opposite effect. Comparisons between China, Brazil and India are instructive. Brazil achieved a higher rate of poverty reduction at a lower growth rate than India (over the period 1993–2005) largely because of pro-poor redistribution. Had India achieved the same conversion rate from economic growth to poverty reduction, the incidence of poverty would have fallen at more than three times the reported rate. In China, rapid growth has swamped the effects of rising inequality, but the latter has had a markedly dampening effect on the pace of poverty reduction (Ravallion, 2009).

Sub-Saharan Africa has a far lower conversion rate from growth to poverty reduction than other regions. On average, one percentage point of economic growth in developing countries outside of sub-Saharan Africa lowers extreme poverty by 2%. The equivalent figure for sub-Saharan Africa is 0.7%. That difference is the result of population

growth (which reduces the increase in per capita income), high levels of initial inequality and the distance of the poor from the poverty threshold. The mean income of a person living on less than $1.90 in sub-Saharan Africa is $0.30 below that threshold, compared to just $0.02 in South Asia (Beegle and Christiaensen, 2019).

An important corollary of sub-Saharan Africa's weaker record on extreme poverty reduction is that global poverty is increasingly concentrated there (Kharas et al., 2018b; Lakner et al., 2019; Chandy et al., 2013; World Bank, 2015) (see Figures 1 and 2). This is unlikely to change. Plausible scenarios typically place the global extreme poverty rate at 6–7% in 2030, or around twice the SDG target level. Projections to 2030 suggest that poverty incidence in sub-Saharan Africa will remain at around 30% or more, with the region's share of world poverty rising from around a half to 87% (World Bank, 2018; Lakner et al., 2019). One in three sub-Saharan Africans will still be living on less than $1.90 a day at the end of the SDG period.

This projection is based on rates of economic growth over the past decade, with a 1–2% variation in per capita income gains, and would obviously change under different assumptions for growth, and the distribution of the benefits of that growth. This has been illustrated by

World Bank scenarios. In one scenario, growth projections are held constant while the share of income captured by the poor is assumed to increase at two percentage points above the historical trend. While this would require a relatively modest pro-poor shift in distribution, it would enable an additional 50 million people in the region to escape poverty by 2030 (Lakner et al., 2019). Changes in the Gini index are particularly relevant for sub-Saharan Africa. Lakner et al. (ibid.) model the effects of annual changes in the Gini of +/- 1–2% a year in various growth scenarios. Projected poverty rates for 2030 fluctuate between a low of 24% and a high of 46% – a variation that translates into a difference of 300 million in the number of poor people. The bottom line emerging from this exercise is that policies influencing the distribution – and redistribution – of growth matter a great deal for poverty reduction, though not enough to eradicate poverty without policy interventions in other areas.

Developments in sub-Saharan Africa help to explain a potentially significant slowdown in the pace of global poverty reduction. On average, extreme poverty has been falling by one percentage point a year globally since 1990. However, the annualised rate of reduction slipped to 0.6 percentage points between 2013

Figure 1   Regional poverty incidence 2018 and projected in 2030
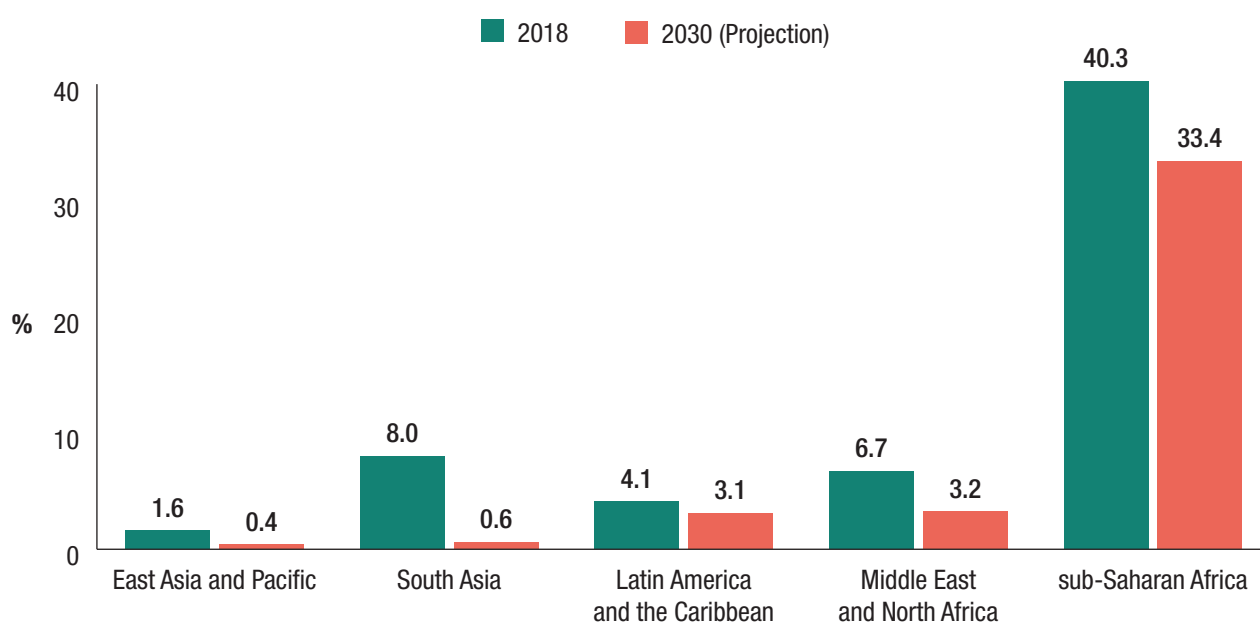
Source: World Bank, 2019

Figure 2   Mean income below the $1.90/day poverty line

● 2018   ● 2030 (Projection)
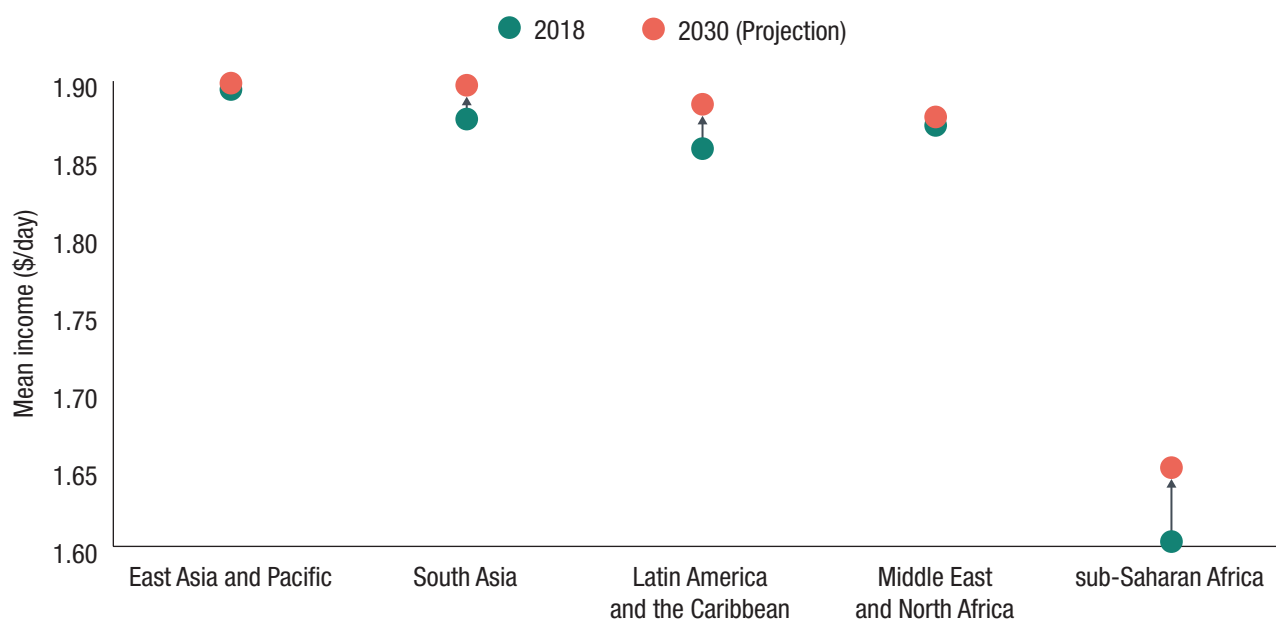
Source: World Bank, 2019

and 2015, with a further decline to less than half a percentage point projected between 2015 and 2018 (World Bank, 2018). The slowdown reflects the growing concentration of poverty in a region with the weakest record and least favourable prospects for poverty reduction. While forecasting may be a hazardous enterprise, most forecasts point to a 2030 future in which extreme monetary poverty is an overwhelmingly sub-Saharan African phenomenon, with the region accounting for over 90% globally. The displacement of India as the country with the largest number of $1.90 poor by Nigeria (Kharas et al., 2018a) is indicative of the wider global changes now in train.

Monetary indicators capture only one dimension of poverty and deprivation. As Amartya Sen has emphasised, the real measure of human progress is the freedom people have to make choices in areas they have reason to value, such as education, health, nutrition and political participation (Sen, 1999). It would be wrong to assume a simple linear relationship between income or wealth on the one side and indicators such as health, nutrition and literacy on the other. The UN Development Programme (UNDP)'s Human Development Reports demonstrate the inconsistent relationship between income and

wider development indicators (UNDP, n.d). Even so, monetary poverty is closely associated with wider indicators of deprivation. The World Bank's Human Capital Index (World Bank, n.d.) has measured national performance in three domains critical for children and, by extension, the future development and growth prospects of countries: child survival, stunting and learning outcomes. Of the bottom 40 countries ranked on the Index, 34 are in sub-Saharan Africa.

This snapshot ranking does not detract from rapid progress in many areas. Sub-Saharan Africa's performance on child survival and school enrolment in the face of a rapid increase in child populations stands out as an extraordinary accomplishment. There have been comparable achievements in access to clean water, sanitation and vaccinations. Even so, the region accounts for a large and growing share of the prospective shortfall from the 2030 SDG targets. To cite three areas:

• **Child mortality** has fallen from 4 million to 2.7 million since 2000, but sub-Saharan Africa accounts for a rising share of under-five deaths globally. In 2017, half of all such deaths globally occurred in the region, up from 40% in 2000 (UN IGME, 2018).

The SDG target is zero child deaths from preventable causes. On current tends there will be 4.2 million child deaths in 2030, with 2.7 million in sub-Saharan Africa (Save the Children UK (SCUK) calculations).

- The share of children stunted as a result of **malnutrition** has fallen globally since 2000, from 33% to 22%, but the number of African children who are stunted has grown. The increase has been especially marked in West and Central Africa, where the number of children affected has risen from 22 million to 28.9 million (UNICEF, n.d.). The SDG ambition is to end 'all forms of malnutrition' by 2030. Current trajectories fall far short of this target, with around 115 million children facing the prospect of stunting in 2030 – 61 million of them in sub-Saharan Africa (SCUK calculations).
- While **school enrolment** has been rising, one in five children of primary school age is out of school, rising to almost one-third of lower-secondary-age children, and over half of upper-secondary age (UIS, 2018). Across the three age levels, there are 7.5 million more girls out of school than boys, with the gender gap becoming progressively wider at each stage (ibid.). Even without taking into consideration the quality of the education received by children who are in school, the out-of-school numbers indicate that sub-Saharan Africa has been left far behind in progress towards the SDG goal of universal secondary learning.

Any overview of poverty in sub-Saharan Africa should come with important caveats. The region comprises countries at different levels of income and human development. Macroeconomic conditions vary enormously, as does the level of dependence on natural resources (and exposure to the 'resource curse'). Some countries – including Ethiopia and Kenya – have a credible record on poverty reduction, while others are lagging behind. Poverty in conflict-affected and fragile states is falling at around half the rate for the region as a whole (Beegle et al., 2016). As such, differences between countries are as important as the features defining the region.

# 2 Child poverty in Africa – the 2030 trajectory

This section draws on a World Bank poverty scenario for 2030 (Lakner et al., 2019), merged with UN population data and household survey data on fertility, to highlight plausible changes in child poverty. The methodology is explained in the Annex. While any scenario for poverty should be read as indicative of plausible outcomes, rather than as predictions, our scenario points unmistakably towards African children accounting for a rapidly rising share of global poverty.

Sub-Saharan Africa is the world's youngest region. Just under two-thirds of the population is aged under 24, and 42% is under 15 (Figure 3). The median age in Nigeria is 18. By comparison, the equivalent figure for the UK is 40. The age

gap between sub-Saharan Africa and other regions will remain intact for the SDG period.

Demography has a profound but widely overlooked bearing on the emerging profile of world poverty. In contrast to other developing regions, sub-Saharan Africa is in the early phases of demographic transition. The ratio of dependent household members to working-age adults, one of the key transition indicators, is slowly declining, as are fertility rates (Choi, 2016). The average fertility rate (the number of live births per 1,000 women of child-bearing age) for sub-Saharan Africa is 5.0, compared with 2.9 in South Asia. While the underlying factors are debated, there is some evidence pointing to a lag in Africa in the demographic transitions that have traditionally

Figure 3 Estimated population shares for under-24 age groups by region, 2018
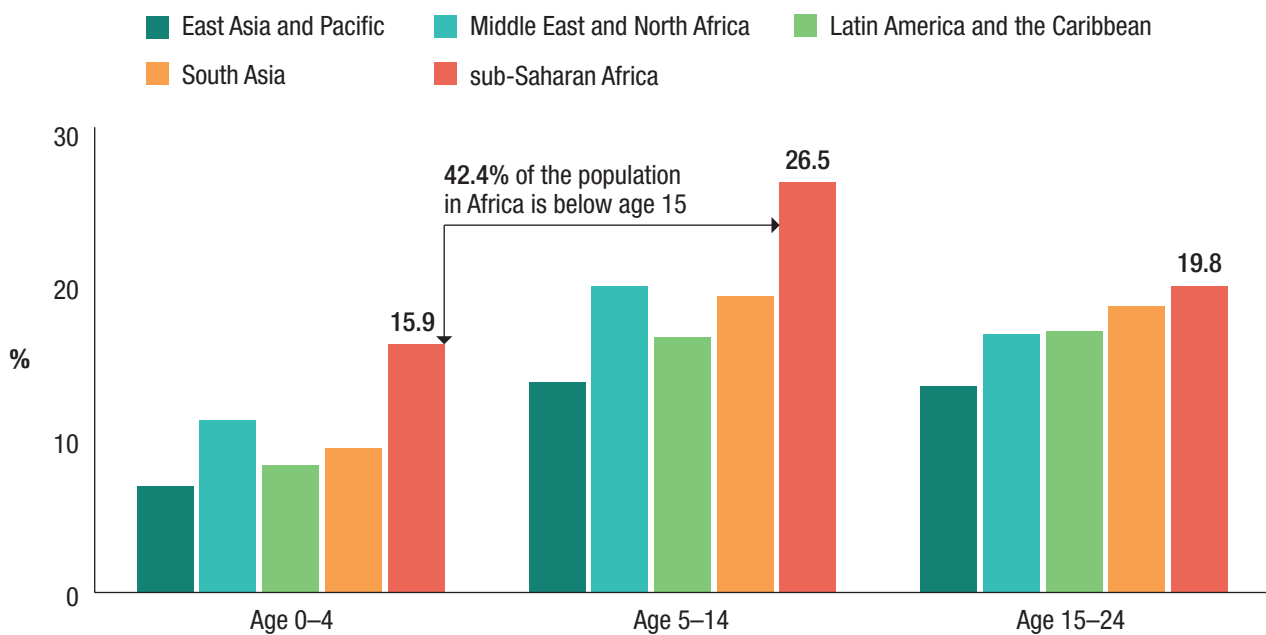
Source: UN DESA, World Population Prospects 2017

followed declines in child mortality (Watkins and Quattri, 2016; Samman, 2016).

Whatever the underlying forces at play, sub-Saharan Africa accounts for a rising share of the world's births and its population of children. In the first half of the 1990s, African children accounted for one in every five births. That share will rise to one in three for the second half of the 2020s. The region's share of children is also rising steeply: by 2030 sub-Saharan Africa will account for 30% of 0–14-year-olds, almost double the share in 2000 (Figure 4).

The immediate link from demography to child poverty is readily apparent. As in other regions,

Figure 4   Sub-Saharan Africa's share of developing world births, children and 15–24-year-olds
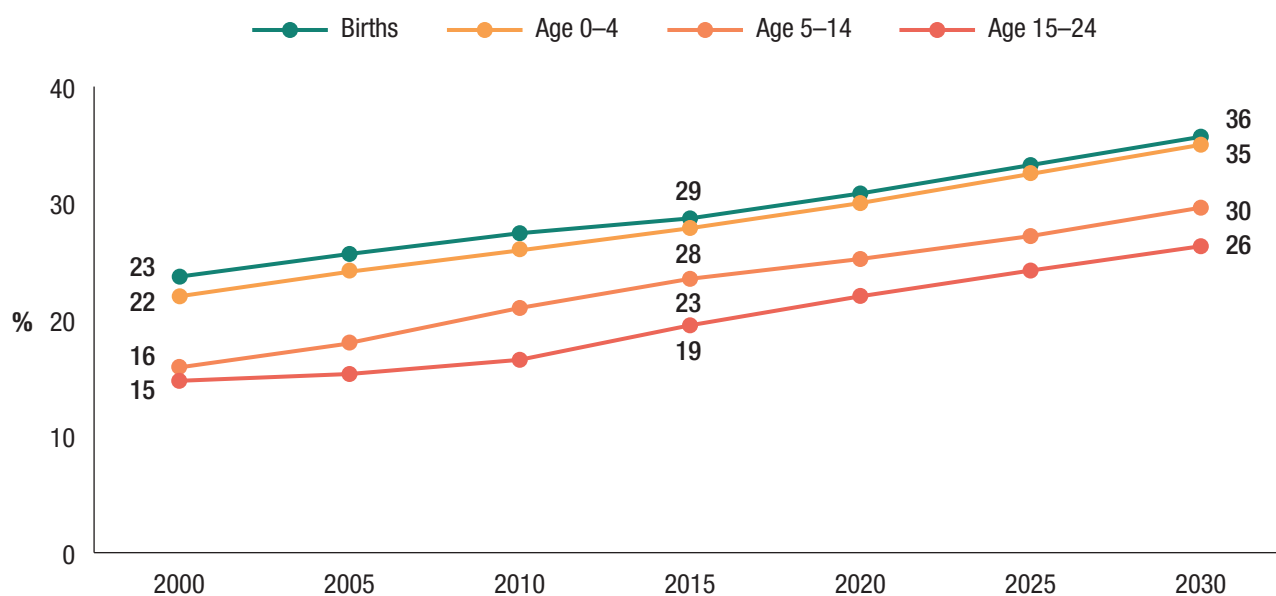
Source: UN DESA, World Population Prospects 2017

Figure 5   Fertility by region and richest/poorest wealth quintiles
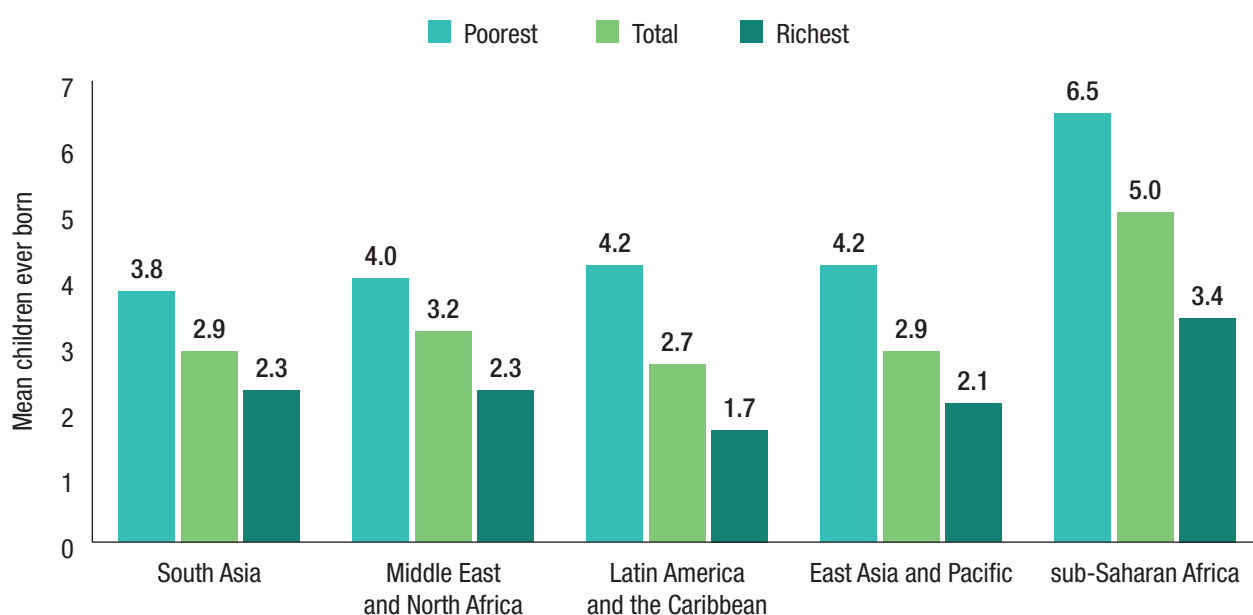
Source: DHS surveys after 2009

fertility rates in sub-Saharan Africa are higher among the poorest households (Figure 5). However, Africa's poor are escaping poverty far more slowly than children in other regions. The result is that children in Africa face a growing risk of being born into poverty relative to children in other regions.

What do these trends imply for child poverty? While the number of sub-Saharan African children living in poverty will fall slightly, we estimate that an average of 87 million children will be born into poverty annually over the decade to 2030. These children, along with those born into poverty

Figure 6   Number of children in poverty by region, 2018–2030 (millions)
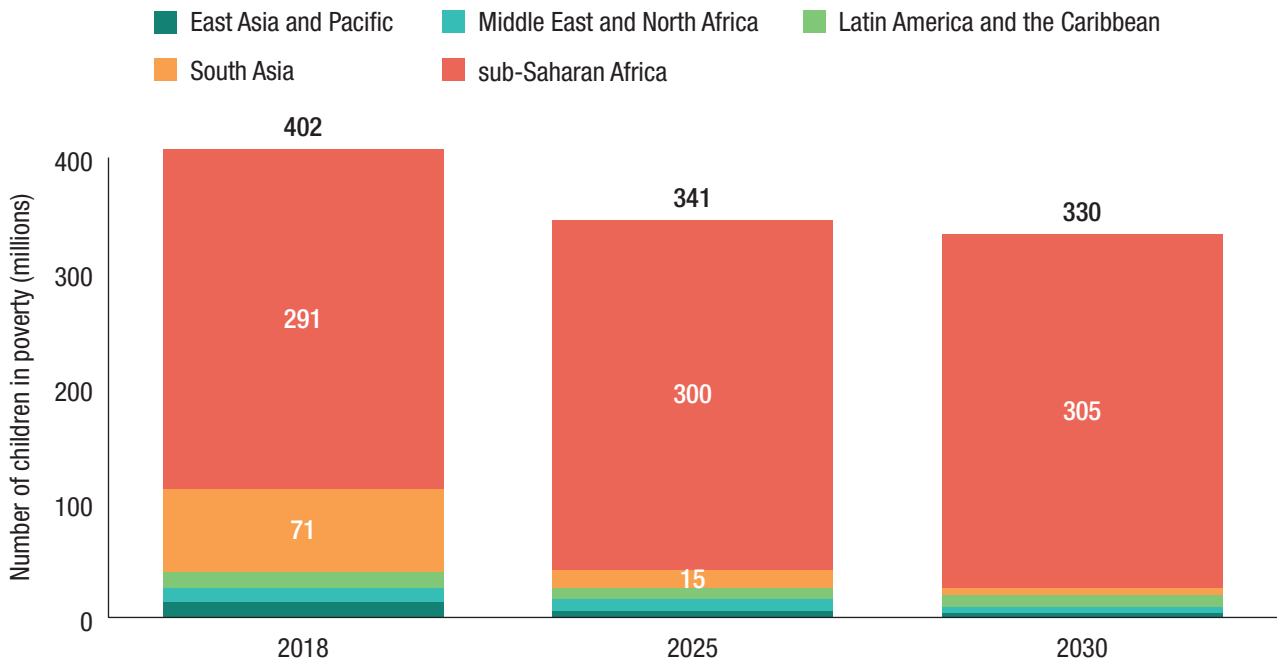
Source: ODI, 2019

Figure 7   Percentage of those living on less than $1.90 per day who are children, by region

Source: ODI, 2019

15
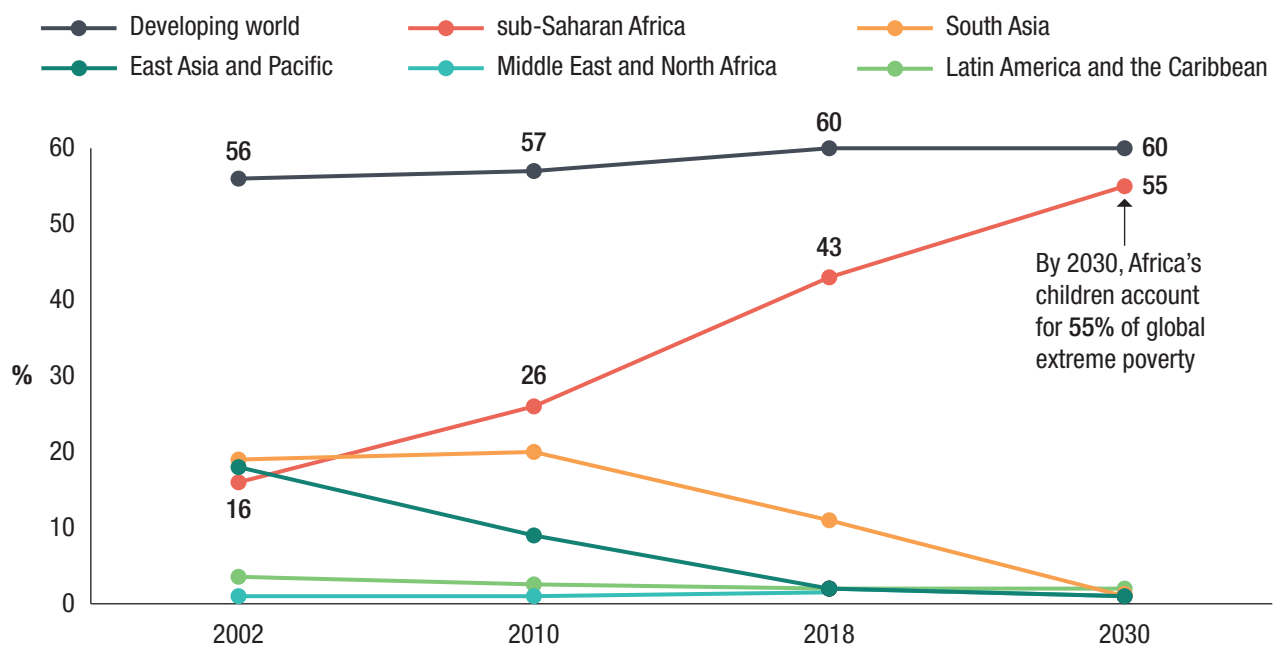
before 2020, will account for a dramatically rising share of global extreme poverty.

Updating the simulations presented in an earlier paper (Watkins and Quattri, 2016), we estimate that 304.7 million sub-Saharan African children (aged 0–19) will be living in extreme poverty in 2030 (Figure 6). These children will account for 55% of world poverty in 2030 compared with 43% in 2018 – and over three times the share in 2000 (Figure 7).

Projections such as these are based on trends – and trends do not define the destinies of nations or regions. Sub-Saharan Africa's demography is not an automatic driver of child poverty. On the contrary, the region's young population could emerge as a driver of dynamic and inclusive growth. Supported by strengthened health systems, greater gender equity and education systems that impart high-quality learning, Africa's youth has the potential to emerge as a socially transformative force for change.

Yet the warning signs are there. Childhood poverty is itself a powerful obstacle to change. Being born into the poorest 40% in sub-Saharan Africa, which roughly corresponds to the incidence of poverty for the region, increases the risk of mortality before the age of five by more than 50%, almost doubles the risk of stunting and more than triples the risk of a child dropping out of school.[2] Such figures illustrate the potential for child poverty to erode the human capital critical to securing a demographic dividend.

An age breakdown of prospective poverty reinforces this point (Figure 8). On our estimates, 88 million children aged 0–4 years in sub-Saharan Africa will be living in extreme poverty in 2030. This is the critical period for child development and human capital formation. Many of the children in question will experience malnutrition and micro-nutrient deficiency in their early years, leading to delayed and disrupted cognitive development, fewer years of schooling, reduced educational attainment and lower wages. The effects of stunting on brain development before the age of two are detectable in significant test score effects during primary and secondary schooling (Prado and Dewey, 2014). Another 152 million children will be spending their primary school

Figure 8   Estimated number of sub-Saharan African children in $1.90 poverty by age group, 2018–2030
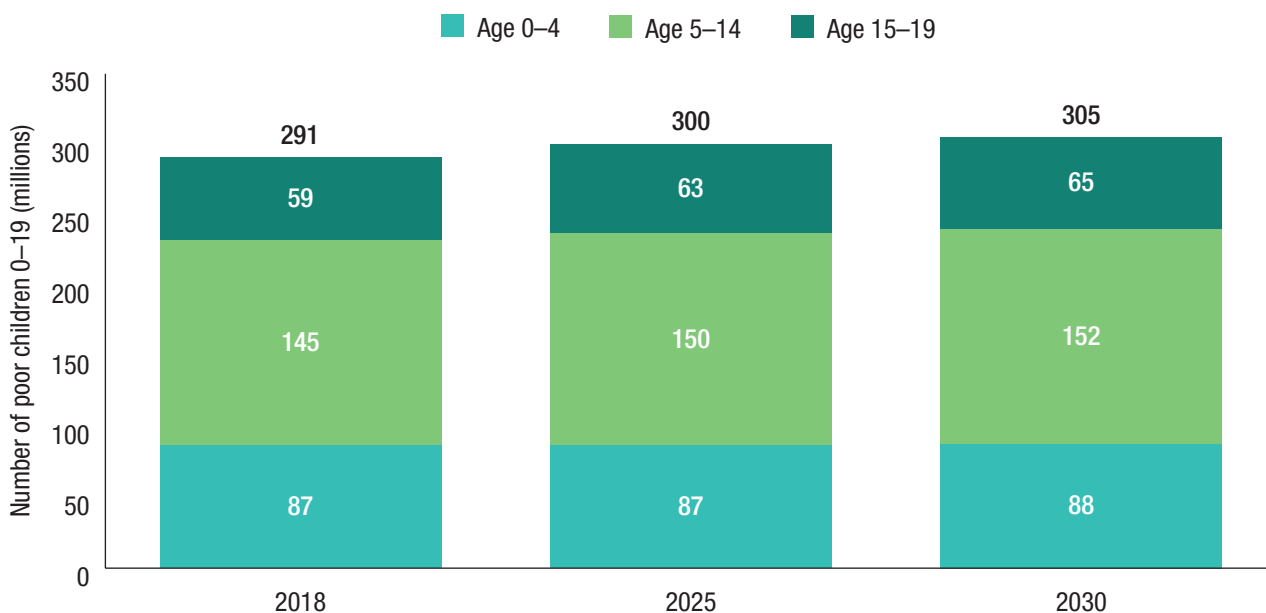
Source: ODI, 2019

---

2   The higher risks in child outcomes have been calculated based on prevalence for under-five mortality, stunting and out-of-school children in primary school for children living in the poorest 40% of households compared to those living the richest 40%. Calculations are based on GRID, Save the Children's Child Inequality Tracker (https://campaigns.savethechildren.net/grid).

and adolescent years in poverty (Figure 8), with attendant consequences for learning and school completion. By 2030 7.4 million children in sub-Saharan Africa will not be completing primary school, and 14.3 million will not reach the end of their secondary school education (SCUK and Still Left Behind, 2018). The interaction of child poverty and educational disadvantage will in turn reinforce the very inequalities that are slowing the pace of poverty reduction.

Poverty also has a magnifying effect on gender disadvantage. While there is no evidence that African women or girls are more likely to live in monetary poverty than men and boys, they are subject to powerful equity-related constraints as a result of discrimination, lack of access to productive assets, restricted legal rights and sexist attitudes. Girls born into poor households are more likely to drop out of school, to marry and have children early and to have limited access to the reproductive health services that would enhance their ability to manage fertility (SCUK, 2019). The consequences for education are equally stark. For example, a 20-year-old woman in Nigeria has accumulated on average 6.6 years of schooling, but this drops to one year for a girl in the poorest 20% of households (1.7 years less than a male counterpart), while a girl in the richest 20% has accumulated 12 years (roughly the same as a boy) (DHS, 2013).

3   Putting African children at the heart of the 2030 agenda

When governments signed up to the SDGs in 2015, they made a simple pledge: 'progress will be most rapid for those furthest from the goals'.[3] On any plausible metric, African children born into poverty are part of the global constituency furthest from the goals. Simple arithmetic dictates that many of the 2030 targets will be unattainable without accelerated progress in cutting child poverty across sub-Saharan Africa.

Projections on the changing profile of global extreme poverty do not provide a simple guide to policy solutions. Child poverty in sub-Saharan Africa and other regions is evidently the result of a low level of income. But it is also a symptom of wider deficits in human capital; insufficient and unequally distributed economic growth; inadequate access to clean water, sanitation and electricity; and vulnerability to risk.

Evidence that policy-makers, aid donors and international financial institutions are responding to the challenge of child poverty is at best limited and tentative. Few governments have identified child poverty as a primary policy concern, and in most cases the specific issues raised by poverty among children are subsumed under wider anti-poverty strategies. The World Bank has produced excellent data analysis on poverty trends, but there is no evidence that it has reframed its strategy for driving progress towards the eradication of extreme poverty to reflect child poverty in Africa. As the agency with primary responsibility for reporting on $1.90 poverty, the Bank might consider making age-disaggregated child poverty reporting a central part of its monitoring and tracking frameworks. Likewise, the IMF has recently embarked on a series of estimates aimed at identifying SDG financing gaps and wider barriers to achieving the 2030 targets. Again, however, there is no solid evidence of the Fund recalibrating its fiscal policy advice, loan conditions or approaches to taxation and public spending to respond to child poverty (Gaspar et al., 2019). Neither UN agencies nor civil society organisations have developed policy responses commensurate with the scale of the challenge posed by child poverty in sub-Saharan Africa.

The trends and underlying demographic drivers identified in this paper make it clear that poverty will not be eradicated for children in sub-Saharan Africa. Changing the picture confronts policy-makers with challenges on many fronts. Redistributive economic growth underpinned by progressive taxation and equitable public investment is a general condition for accelerated poverty reduction. The evidence set out in this paper points to a powerful case for putting the most disadvantaged children at the centre of the agenda for redistribution. There are at least five critical areas where public policies need to respond to child poverty.

---

3   'Transforming our world: the 2030 Agenda for Sustainable Development' (https://sustainabledevelopment.un.org/post2015/transformingourworld)

3.1 Cash transfers and safety nets

If monetary poverty is the problem, monetary transfers to the poor are an obvious part of the solution. Most countries in sub-Saharan Africa have adopted social safety nets (broadly defined as non-contributory social assistance mechanisms) intended to benefit the poor. In fact, the average number of programmes is around 15 per country (Beegle et al., 2018). Many are delivering real benefits, but most are too limited in reach and provide transfers that are too small to materially influence child poverty. Children figure prominently in the design of social assistance programmes. The majority directly target children through nutrition interventions, health and education fee waivers, benefits aimed at orphans and other vulnerable groups, and school feeding. Yet currently just 15.9% of African children are living in households that receive a cash transfer (ILO, 2017).

The most rigorous and comprehensive review of cash transfer programmes identifies wide-ranging benefits (Bastagli et al., 2016). Safety nets have been associated with declines in both the incidence and depth of poverty. Zambia's Child Grant Programme, an unconditional cash transfer, reduced reported poverty among beneficiaries by four percentage points compared with non-beneficiaries. Kenya's Orphans and Vulnerable Children cash transfer programme, a more targeted model, has also produced impressive results (ibid.). Several countries have pioneered the use of cash transfers to protect children in households facing risks associated with drought and other emergencies.

Beyond their monetary effects, safety net programmes deliver wider benefits. Both conditional and unconditional cash transfer programmes have contributed to improved health and nutrition outcomes and increased school attendance (though not necessarily learning outcomes (ibid.)). Investments in younger infants have produced encouraging results for nutrition. Niger's Safety Net Project, which promotes exclusive breast feeding, is one example. Another is South Africa's Child Support Grant Programme (Beegle et al., 2018). Well-designed safety nets can also help to mitigate the risk of transient poverty and enable poor households to build productive assets, with important secondary benefits for children. There is compelling evidence from Rwanda that cash transfer programmes operating at scale (in this case around $500 per household) have the potential to generate far-reaching nutritional gains for children, while at the same time reducing household poverty (McIntosh and Zeitlin, 2018). Outcomes are inevitably shaped by the size and duration of the transfer, programme design, targeting arrangements and other factors. However, if child poverty is the product of a lack of household cash, cash transfers would appear to be an obvious element in any toolkit for eradicating child poverty and mitigating its wider effects.

The impact of child grants on poverty depends in part on the size of the transfer, and how it is targeted. Safety nets boost the consumption of the poor while delivering wider benefits, but most current schemes deliver limited financial support, with commensurately modest effects: average transfers correspond to 10% of the poverty line in low income countries (Beegle et al., 2018). Ethiopia's social safety net programme played an important role in addressing vulnerability to food shocks, but it also reduced national poverty rates by 1.6% in 2011 (ibid.). The poverty-reduction effects of safety net financing are often further diluted through 'leakage' to non-poor households. However, overall transfers are typically pro-poor – and often strongly so. Over 60% of beneficiaries under the South African Child Support Grant and Malawi's Social Action Fund are in the poorest two quintiles. Even in the most difficult conditions, effective targeting is often possible. Nepal's Child Grant programme, introduced in 2008–2009, has targeted children in one region with high levels of malnutrition. While the grants are too small to alleviate monetary poverty, targeting has been effective, reaching 80% of the intended population, and the programme has delivered significant nutritional benefits (Mathers et al., 2016; Hagen-Zanker and Mallett, 2016). Experience gained during the targeted programme phase is informing the development of proposals for a universal scheme (Mathers et al., 2016).

Modelling exercises point to the potential for marked reductions in poverty if transfers

are effectively targeted and at sufficient scale. Simulations based on household surveys for three countries (Ghana, Liberia and Niger) suggest that consumption gains from transfers of $50 per household every month could increase consumption among the poor by 12–17%, cutting poverty rates by 40% (Beegle et al., 2018). Applied on a region-wide basis, that figure would translate into a reduction of 116 million children living in poverty in 2018 (based on ibid.).

While exercises of this type illustrate the case for targeting, there is a need for caution. Whatever their intention, targeted approaches often bypass the poor, and deliver less at higher costs (Kidd, 2015). One review of 38 social protection programmes found that only one – the Pantawia programme in the Philippines targeting households with children – reached more than half of the poorest 20% of households it targeted (Kidd and Athias, 2019). There are also wider political economy questions around the sustainability of transfer programmes targeting sub-groups of the poor with limited political influence, while excluding middle-income groups with a stronger voice.

Given the potentially devastating and lifelong effects of stunting in the early years, cash transfers aimed at protecting nutritional status have a critical role to play in countering poverty. Providing support through mothers is a proven route to effective action. In Nigeria cash transfers of around $10 a month have been provided on an unconditional basis to over 90,000 pregnant women in the Nigerian states of Zamfara and Jigawa under a programme supported by the UK's Department for International Development. Transfers were associated with outreach programmes providing information on child and maternal health. Detailed evaluation using household surveys and a longitudinal analysis points to encouraging results (Carneiro et al., 2019). Recipient households were 12 percentage points less likely to experience food shortages. Children directly exposed to cash transfers were less likely to be stunted, and more likely to be vaccinated. Critically, the transfers were associated with significantly higher levels of investment in productive assets, pointing to the potential for cash-transfers to unlock future income gains.

3.2 Financing and delivery of basic services

For countries with low income levels (and correspondingly limited revenues) and with high levels of child poverty, cash transfers are unlikely to provide more than a partial solution. Access to decent-quality basic services – education, health, nutrition and clean water and sanitation – will have more far-reaching effects, especially if linked to cash transfer interventions. Under-financing and weak delivery often mean that poor people are left to pay for low-quality services (which increases child poverty and often excludes poor children from service provision), reinforcing the interaction between monetary poverty and wider human capital deficits.

As recognised in the SDGs, there is now widespread recognition that universal health coverage and education are critical to progress. Yet advocates for universalism in these and other domains often appear to work from an assumption that the distribution of benefits will automatically be pro-poor. That assumption is flawed and grounded in a perspective analogous to that of trickle-down economics. In many countries, financing and delivery models are inversely related to need. Per capita spending is lowest in areas with the lowest levels of human capital, including elevated risks of malnutrition, child mortality and poor education outcomes. These areas are also often the least served in terms of qualified and competent health, education and other professional providers. If the aim is to ensure that children furthest from achieving the 2030 goals catch up with the rest of society, redistributive public finance and the reprioritisation of service provision must be given greater prominence.

3.3 Adolescent children

The 112 million sub-Saharan Africans aged 14–19 represent an enormous opportunity for their families, their countries and the region. Each year between 2018 and 2030, 245.6 million Africans aged 15–24 will enter labour markets. These adolescents and young adults have the potential to deliver a vast demographic dividend. The conditions for unlocking that dividend

include education, investment in training and the removal of the barriers that deny African girls and young women a chance to flourish. Combating adolescent poverty and expanding educational opportunities are two of the surest and most self-reinforcing approaches for keeping children in school – and out of labour markets and early marriage (UNICEF, 2018).

3.4 Fiscal conditions and public spending

Tackling child poverty requires redistributive public finance to support investments in cash transfers, social protection and – critically – high-quality services. Increased public finance investment in areas such as health and education not only builds human capital, but also reduces the costs incurred by poor households through formal and informal user charges associated with treatment at health clinics and hospitals, school books, and other items of expenditure. In each of these areas there is scope to debate the appropriate design of public policy on child poverty, including the respective roles of universal versus targeted social transfers, and conditional versus unconditional cash transfers.

However, policy options in sub-Saharan Africa are heavily restricted by low levels of revenue to gross domestic product (GDP), averaging just 15% for the region (IMF/AFR, 2019). This is too low to finance the critical investments that are needed. Improving tax compliance, expanding the tax base and preventing tax evasion require more decisive national action, backed by international cooperation. The re-emergence of unsustainable external debt as a constraint on public finance is another serious concern. Greater equity in public finance could help to create an enabling environment for eradicating child poverty and strengthening human capital. Fiscal systems across

the region are often highly regressive because of their over-reliance on indirect taxes and under-reliance on property taxes. Moreover, spending is often skewed in favour of higher-income groups (for example, urban teaching hospitals that the very poor rarely use often absorb 40% or more of health budgets), and by public spending formulae that attach insufficient weight to child poverty and deprivation (Xu et al., 2018). Out-of-pocket health payments in Africa remain a major driver of poverty (World Health Organization and World Bank Group, 2017).

3.5 Aid partnerships

Agencies such as UNICEF and the World Bank should work more closely with national statistics agencies to monitor and report on child poverty. In fact, this is now a condition for any plausible reporting on the 2030 goal of eradicating extreme poverty. Recognising that the specific needs and concerns of children have often been neglected in wider poverty reduction strategies, national governments and aid donors should develop specific child poverty eradication strategies.

Recent aid trends represent a source of concern. Aid currently represents 2.9% of gross national income (GNI) for the region. This figure understates the significance of aid for key sectors, including health and education. Despite an increase in official development assistance, transfers to sub-Saharan Africa have declined since 2013, from $46.1 billion to $41.7 billion (OECD, 2018). Moreover, as highlighted in research by Development Initiatives (Development Initiatives, 2019), there is growing evidence that aid is increasingly being directed away from countries furthest from achieving the SDGs. The proportion of aid going to fragile states has also fallen, despite the increasing concentration of poverty in these countries.

4   Conclusion

The SDGs envisage the eradication of extreme poverty 'for all people everywhere' (Target 1.1) by 2030 (UN, 2015). However, evidence presented in this paper points to a gap between that pledge and practical action to meet it. Poverty is not falling fast enough – and some people in some countries will continue to experience high levels of extreme poverty in 2030. Specifically, children in sub-Saharan Africa will account for a large and growing share of poverty and, by extension, of the prospective shortfall from the SDG target.

These child poverty trends represent *possible* outcomes. They do not define the destiny of nations. The dynamic interplay between demography and other factors shaping African poverty does not operate in pre-determined directions. Demographic forces will leave sub-Saharan Africa with the world's youngest population. Harnessing the power of youth to expand opportunities for education, employment and access to decent-quality health services would transform sub-Saharan Africa into a hub of dynamic and inclusive growth, fundamentally rewriting the script outlined in this paper. Reduced inequality could act as another powerful driver for the reduction of child poverty.

Yet the warning signs are ominously clear. The tectonic plates of demographic change move slowly, but with powerful reverberations through societies and economies. Sub-Saharan Africa remains in the foothills of the demographic transition that has transformed other regions. Superimposing the region's prospective increase in the population of children onto a scenario of slow economic growth, high levels of initial poverty, a large poverty gap and extreme inequality points in a clear direction: a rapidly rising share of the world's children will be born into the region where poverty is falling most slowly. The face of world poverty to 2030 will increasingly be the face of an African child.

Emerging regional and age profiles for extreme poverty have far-reaching implications for the SDGs. Monetary poverty is just one indicator of deprivation among wider human development indicators enshrined in the SDGs. However, extreme monetary poverty is closely associated with deprivation in other areas related to the 2030 goals, including nutrition, child survival, education and gender equality. Failure to accelerate progress towards the eradication of childhood poverty in Africa will jeopardise prospects for success across a broad range of 2030 targets.

Considerations of equity and efficiency point to the need for urgent action to combat child poverty in Africa, both nationally and internationally. The equity argument is straightforward. While there is a case for debating the relationship between income distribution and growth, the idea that children should be born into circumstances that rob them of their potential, curtail their opportunities and endanger their lives is an offence to basic ethical precepts, quite apart from representing a violation of the rights enshrined in the Convention on the Rights of the Child. Efficiency arguments reinforce the case for action. Allowing child poverty to erode human capital is bad for economic growth, employment and the development of more inclusive and dynamic societies. The message for governments and donors is that child poverty should be brought in from the periphery and repositioned at the centre of agendas for achieving the 2030 goal of ending extreme poverty.

References

Baez, E.J. and Olinto, P. (2016) *Accelerating poverty reduction in Mozambique: challenges and opportunities*. Washington DC: World Bank Group

Bastagli, F., Hagen-Zanker, J., Harman, L., Sturge, G., Barca, V., Schmidt, T. and Pellerano, L. (2016) *Cash transfers: what does the evidence say? A rigorous review of impacts and the role of design and implementation features*. ODI Report. London: ODI

Beegle, K., Christiaensen, L., Dabalen, A. and Gaddis, I. (2016) *Poverty in a rising Africa*. Africa Poverty Report. World Bank Group

Beegle, K., Coudouel, A. and Monsalve, E. (eds) (2018) *Realizing the full potential of social safety nets in Africa*. Africa Development Forum series. Washington DC: World Bank

Beegle, K. and Christiaensen, L. (eds) (2019) *Accelerating poverty reduction in Africa*. Washington DC: World Bank Group

Carneiro, P., Rasul, I., Mason, G., Kraftman, L. and Scott, M. (2019) *Child Development Grant Programme evaluation. Quantitative endline report volume I: final endline findings*. e-Pact

Chandy, L., Ledlie, N. and Penciakovq, V. (2013) 'The final countdown: prospects for ending extreme poverty by 2030'. Policy Paper 2013–14, Global Economy and Development at Brookings

Choi, Y. (2016) 'Demographic transition in sub-Saharan Africa: implications for demographic dividend' in R. Pace and R. Ham-Chande (eds) *Demographic dividends: emerging challenges and policy implications*. Switzerland: Springer

Dang, H-AH. and Dabalen, A.L. (2017) 'Is poverty in Africa mostly chronic or transient? Evidence from synthetic panel data' *The Journal of Development Studies* 55: 7

Development Initiatives (2019) 'Aid spending by DAC donors in 2018: a review of the OECD-DAC preliminary data. Factsheet' (www.worldbank.org/en/region/afr/publication/africa-human-capital-plan)

DHS – Demographic and Health Surveys Program (2013) 'Nigeria 2013 dataset' (electronic dataset, Demographic and Health Surveys Program, USAID) (https://dhsprogram.com/data/available-datasets.cfm)

Gaspar, V., Amaglobeli, D., Garcia-Escribano, M., Prady, D. and Soto, M. (2019) 'Fiscal policy and development: human, social, and physical investments for the SDGs'. International Monetary Fund (IMF) staff discussion notes

Hagen-Zanker, J. and Mallett, R. (2016) 'Nepal's child grant: a mixed-methods assessment of implementation bottlenecks' *International Social Security Review* 69(1)

ILO – International Labour Organization (2017) *World social protection report 2017–19: universal social protection to achieve the Sustainable Development Goals*. Geneva: International Labour Organization

IMF/AFR Regional Economic Outlook (2019) 'Sub-Saharan Africa: current conditions, fiscal trends and challenges to finance the development agenda'. Presentation at 7th African Fiscal Forum, 14–15 February, Nairobi, Kenya (www.imf.org/en/News/Seminars/Conferences/2019/02/08/7th-african-fiscal-forum)

Kharas, H., Hamel, K. and Hofer, M. (2018a) 'The start of a new poverty narrative'. Blog. Future Development at Brookings, 19 June (www.brookings.edu/blog/future-development/2018/06/19/the-start-of-a-new-poverty-narrative/)

Kharas, H., Hamel, K. and Hofer, M. (2018b) 'Rethinking global poverty reduction in 2019'. Blog. Future Development at Brookings, 13 December (www.brookings.edu/blog/future-development/2018/12/13/rethinking-global-poverty-reduction-in-2019/)

Kidd, S. (2015) 'The political economy of "targeting" of social security schemes' *Pathways' Perspectives on Social Policy in International Development* 19

Kidd, S. and Athias, D. (2019) *Hit and miss: an assessment of targeting effectiveness in social protection*. Working Paper. Church of Sweden, member of ACT Alliance and Development Pathways

Lakner, C., Gerszon Mahler, D., Negre, M. and Beer Prydz, E. (2019) 'How much does reducing inequality matter for global poverty?' World Bank Group Policy Research Working Paper 8869

Mathers, N., Karim, S., and Mshvidobadze, A. (2016) 'Why a universal Child Grant makes sense for Nepal'. UNICEF Policy Brief. New York: UNICEF

McIntosh, C. and Zeitlin, A. (2018) *Benchmarking a child nutrition program against cash: experimental evidence from Rwanda* (www.poverty-action.org/publication/benchmarking-child-nutrition-program-against-cash-experimental-evidence-rwanda)

OECD – Organisation for Economic Cooperation and Development (2018) 'Aid (ODA) disbursements to countries and regions [DAC2a]' (electronic dataset, OECD.Stat) (https://stats.oecd.org/)

Pape, U. and Mejia-Mantilla, C. (2019) 'More than just growth: accelerating poverty reduction in Kenya'. Blog. World Bank, 12 February (https://blogs.worldbank.org/africacan/more-than-just-growth-accelerating-poverty-reduction-in-kenya)

PovcalNet (n.d.) PovcalNet database (electronic dataset, World Bank) (http://iresearch.worldbank.org/PovcalNet/povOnDemand.aspx)

Prado, E.L. and Dewey, K.G. (2014) 'Nutrition and brain development in early life' *Nutrition Reviews* 72(4): 267–284

Ravallion, M. (2001) 'Growth, inequality and poverty: looking beyond averages' *World Development* 29(11): 1803–1815

Ravallion, M. (2009) *A comparative perspective on poverty reduction in Brazil, China and India*. World Bank, Development Research Group, Director's Office. Policy Research Working Paper WPS5080

Ravallion, M. (2018) 'Inequality and globalization: a review essay' *Journal of Economic Literature* 56(2): 620–642

Samman, E. and Watkins, K. (2017) 'Africa's opportunity – reaping the early harvest of the demographic transition'. ODI Report (www.odi.org/publications/10955-africa-s-opportunity-reaping-early-harvest-demographic-transition-and-ensuring-no-one-left-behind)

Save the Children UK (2019) 'Data from Demographic and Health Surveys (DHS) and Multi-Indicator Cluster Surveys (MICS) for Sub-Saharan Africa' (electronic data set) (https://campaigns.savethechildren.net/grid)

Sen, A. (1999) *Development as freedom*. Oxford: Oxford University Press

UIS – UNESCO Institute for Statistics (2018) 'One in five children, adolescents and youth is out of school'. Fact Sheet No. 48, February, UIS/FS/2018/ED/48

UN – United Nations (2016) 'Goal 1: poverty'. Sustainable Development Goals (www.un.org/sustainabledevelopment/poverty/)

UN IGME – United Nations Inter-agency Group for Child Mortality (2018) *Levels and trends in child mortality*. New York: UN IGME

UNDP – United Nations Development Programme (n.d.) 'Human development reports'. UNDP (http://hdr.undp.org/en)

UNICEF (n.d.) 'Malnutrition'. UNICEF (www.unicef.org/wca/malnutrition)

UNICEF (2018) *Child marriage: latest trends and future prospects*. UNICEF brochure. New York: UNICEF (https://data.unicef.org/resources/child-marriage-latest-trends-and-future-prospects/)

Watkins, K. and Quattri, M. (2016) *Child poverty, inequality and demography: why sub-Saharan Africa matters for the Sustainable Development Goals*. ODI Report. London: ODI

World Bank (n.d.) 'The human capital project'. World Bank (www.worldbank.org/en/publication/human-capital)

World Bank (2015) 'Ending poverty in a rising Africa'. World Bank, 16 October (www.worldbank.org/en/news/feature/2015/10/16/ending-poverty-in-a-rising-africa)

World Bank (2018) *Poverty and shared prosperity 2018: piecing together the poverty puzzle*. Washington DC: World Bank

World Bank (2019) 'Poverty headcount ratio at $1.90 a day (2011 PPP) (% of population)' (electronic dataset, World Bank) (https://data.worldbank.org/indicator/SI.POV.DDAY)

World Health Organization and World Bank Group (2017) *Tracking universal health coverage: 2017 global monitoring report*

Xu, K., Soucat, A., Kutzin, J., Brindley, C., Vande Maele, N., Toure, H., … and Cherilova, V. (2018) *Public spending on health: a closer look at global trend*s. World Health Organization Working Paper 18.3. Switzerland: World Health Organization

Annex

Estimating age profiles for extreme poverty

In estimating the number, share and distribution of children in poverty, we followed four methodological steps, as follows.

Step 1   Overall $1.90 poverty estimates

These are based on Lakner et al. (2019), which extrapolated the latest available IMF World Economic Outlook (WEO) projections for GDP to 2030. The growth incidence curve is assumed linear. The annual growth rate in GDP added to the historical/projected annualised growth is set to zero, as are changes in the Gini index.

Step 2   Deriving fertility rates by quintile

Poverty incidence refers to the entire population. However, poorer households tend to have more children than non-poor households. We derive approximate fertility rates for different wealth quintiles from fertility data presented in Demographic and Health Surveys (DHS collected after 2009), using the mean number of children ever born to women aged 40-49. We then develop a regional multiplier. This expresses the regional fertility rate by quintile as a multiple of the regional (unweighted) average. For example, sub-Saharan Africa (SSA) fertility multiplier for the poorest (equal to 1.3) is the ratio between the fertility rate for the poorest in the region (6.5) and the unweighted regional average (5.0). Similarly, SSA fertility multiplier for the poorer (equal to 1.2) is the ratio between the fertility rate for the poorer in SSA (5.9) and the unweighted regional average (5.0).

Step 3   Percentage of the total poor population in each region that belongs to a particular age group [(0–4), (5–14), (15–19)]

UN DESA data suggest that 15.9% of the total SSA population was under four years of age in 2018. For the poorest, this 15.9% is equivalent to 20.7% (that is, the product between 15.9% and the 1.3 fertility multiplier for the poorest; see step 2). For the poorer, this 15.9% is equivalent to 19.1% (i.e. the product between 15.9% and the fertility multiplier for the poorer). PovcalNet data suggests that 41.0% of people were living below the poverty line in sub-Saharan Africa in 2015. We then compute the percentage of the total population that is 0–4 and poor in sub-Saharan Africa in 2018 as the simple average between 20.7% and 19.1%. We apply the same logic to all other regions (SSA, South Asia (SA), East Asia Pacific (EAP), Latin America and the Caribbean (LAC), years (2018, 2025 and 2030) and age groups [(0–4), (5–14), (15–19)]. Population data is based on UN DESA population estimates (2017) adjusted for PovCal regional classifications. Note that UN DESA data for 2018 is unavailable for the percentage of the total (regional) population aged 0–17; hence, the reference to the 0–19 age group instead. Note also that the Demographic Health Surveys' wealth quintiles are not consumption quintiles that correspond to $1.90 monetary poverty, which introduces a further margin of error.

Step 4   Child poverty numbers

We estimate child poverty numbers for each region as the product between child poverty shares (from step 3) and total number of poor (from step 1). As per child poverty shares (Step 3), child poverty numbers in step 4 are also computed for all regions of reference (SSA, SA, EAP and LAC), years (2018, 2025 and 2030) and age groups [(0–4), (5–14), (15–19)].

ODI

Evidence.
Ideas.
Change.

ODI is an independent, global think tank,
working for a sustainable and peaceful
world in which every person thrives. We
harness the power of evidence and ideas
through research and partnership to
confront challenges, develop solutions, and
create change.