On average, poverty and inequality declined in the decade before Covid19

- Extreme poverty fell for all regions
- Inequality by most measures fell for all regions
- Smallest declines in inequality for Sub-Saharan Africa and MNA

Interesting aside: inequality fell more for commodity importers even though average initial inequality was much higher among the commodity exporters

Average extreme poverty rate in countries, by region
- Percent of population
- World EAP ECA LAC MNA SAR SSA
- 2000-2009 2010-2019

Average income share of the bottom 40% in countries, by region
- Percent
- World EAP ECA LAC MNA SAR SSA
- 2000-2009 2010-2019

Average Gini coefficient in countries, by region
- Index
- World EAP ECA LAC MNA SAR SSA
- 2000-2009 2010-2019

Average top-to-bottom income quintile ratio in countries, by region
- Ratio
- World EAP ECA LAC MNA SAR SSA
- 2000-2009 2010-2019

Note: Simple averages across economies: 14 in EAP, 19 in ECA, 17 in LAC, 9 in MNA, 7 in SAR and 39 in SSA.
Source: Chapter 4 (GEP January 2022), using Povcalnet data (World Bank)
Inequality trends varied across countries in SSA, with inequality still very high in some cases.

The change in inequality prior to Covid varies across countries...

...and remained extremely high in some cases.

Source: Poverty & Inequality Platform (PIP)

Note: GINI coefficient is based on household survey data. All countries for which comparable GINI estimates within five years of each reference year available are shown.

Prior to Covid: intergenerational mobility in Sub-Saharan Africa was among the lowest in the world

Absolute mobility in education: % of population born in 1980s with more yrs of education than their parents

Relative mobility in education: extent to which education attainments of parents and children are independent

Most of the SSA countries are in the lowest quintile of absolute and relative mobility in education for those born in the 1980s

Relative mobility has not improved in developing countries, including SSA, since the 1960s generation

Lower relative mobility is associated with higher income inequality (Great Gatsby curve), which raises concern about “inequality traps” and long-term costs to economic growth for SSA

Covid reversed many of these hard-won gains: Poverty increased

Covid reversed progress in the Poverty headcount rate for SSA...

...which translated to a large increase in the number of poor.

Estimated increase in Poverty in SSA (US$1.90 per day, 2011 PPP)

Source: Adapted from Lakner et al (2022) (updated), Poverty & Inequality Platform (PIP), and April 2022 Macro and Poverty Outlook.
Education losses were large, with children at the bottom of the distribution at higher risk.

Learning poverty increased...

Share of children unable to read and understand a simple passage by age 10

<table>
<thead>
<tr>
<th>Region</th>
<th>2015</th>
<th>2019</th>
<th>2022(f)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSA</td>
<td>87</td>
<td>86</td>
<td>89</td>
</tr>
<tr>
<td>MENA</td>
<td>63</td>
<td>63</td>
<td></td>
</tr>
<tr>
<td>SAR</td>
<td>58</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>EAP</td>
<td>21</td>
<td>35</td>
<td></td>
</tr>
<tr>
<td>LCR</td>
<td>51</td>
<td>52</td>
<td></td>
</tr>
<tr>
<td>ECA</td>
<td>13</td>
<td>10</td>
<td>14</td>
</tr>
</tbody>
</table>

Gap in Primary School Completion between average and the Bottom 40%, age 15 - 19

<table>
<thead>
<tr>
<th>Region</th>
<th>2015</th>
<th>2019</th>
<th>2022(f)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFE</td>
<td>11%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AFW</td>
<td>14%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAR</td>
<td>9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ECA</td>
<td>1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MNA</td>
<td>5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LAC</td>
<td>4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EAP</td>
<td>3%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Source: Global Monitoring Database, Spring 2022
Food systems were disrupted during the pandemic and food insecurity increased.

- **Covid-19 containment measures led to disruptions** in the upstream and downstream food market and supply chains across Africa.
  - Border closures and checkpoints increased transport costs and reduced food availability

- **Seasonal price increases were exacerbated** due to panic buying at the beginning of the pandemic

- **Dampened demand for perishable foods** caused substantial post-harvest losses and reduced producer prices

- **Agroprocessing SMEs** were adversely affected by decreased domestic and international sales, difficulties accessing raw materials, and increased input prices, all leading to a reduction in capacity, employment and output.


Despite a large effort to scale up social assistance during the pandemic, the coverage of programs was limited.

The pandemic accelerated the expansion of social protection programs

- Horizontal expansions and new SSN: 28 countries in AFR

Preexisting social protection delivery systems helped responses significantly, but they were not a necessary nor sufficient condition for scale-up

- Togo - tapped the voter registry and an ad-hoc payment platform created during the pandemic (Aiken et al 2022; Lawson et al forthcoming).

- Kinshasa a registry was built in real-time based on anonymized data from private mobile phone companies (Bance et al 2021).


The recent rise in prices has put the poor and vulnerable at further risk...

Food prices are increasing faster than average prices,....

...which is especially worrisome for poor households who dedicate nearly 60% of their budgets on food.

Source: Banque Centrale des États de l’Afrique de l’Ouest (BCEAO)
Notes: WAEMU is composed of Benin, Burkina Faso, Cote d’Ivoire, Guinea-Bissau, Mali, Niger, Togo and Senegal
... aggravating already high levels of food insecurity in the region.

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**Expected Food Security Outcomes, July-Sept 2022**

**Projected Food Security Outcomes, Oct 2022 - Jan 2023**

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Source: Famine Early Warning Systems Network (2022)
Notes: Data for East Africa is from May 2022.

Source: Famine Early Warning Systems Network (2022)
Notes: Data for East Africa is from June 2022 to September 2022.
The policy response to rising inflation in the region has so far focused on subsidies…

Over 90% of policies enacted in 2022 are focused on subsidies in SSA…

…of which over half are on food and fuel subsidies.

Policies going forward

- Subsidy measures to keep fuels, electricity, or gas affordable in response to a crisis should be time-bound, transparent, and fully budgeted.

- Adaptive social assistance systems can replace subsidies to provide immediate support.

- These efforts must advance in parallel with reforms that improve food networks and build resilience
  - Policies that promote the development of competitive food and agricultural value chains
  - Address bottlenecks in logistics and supply chain disruptions
  - Remove policy incentives that limit crop diversification

- Over the medium term, these efforts need to be accompanied with “climate-smart” investments to develop more resilient and productive agriculture (e.g., irrigation, insurance, improved inputs and the challenging issue of land/property rights).

- Learning recovery and acceleration programs can help get students back on their pre-pandemic learning trajectories
  - Reach every child and keep them in school
  - Assess learning levels regularly
  - Prioritize teaching the fundamentals
  - Increase the efficiency of instruction including through catch-up learning
  - Develop psychosocial health and wellbeing
Thank you!