Poverty in Sub-Saharan Africa: The case of Sudan

The main objective of this paper is to present poverty in Sudan in its various dimensions. The paper consists of three sections, not counting the introduction and conclusions. In the first section, Sudan’s economy is described. In the second section, changing approaches to defining poverty are presented. The last section contains the analysis of various dimensions and main determinants of poverty in Sudan. The author uses mainly descriptive and statistical methods of analysis. The paper is based mostly on literature studies and the latest available statistics provided mainly by various international organizations. The author concludes that determinants of poverty in Sudan do not differ significantly from the determinants of this phenomenon in other countries of Sub-Saharan Africa. Post-secession Sudan needs to adopt economic and development policies which would put its economy on the sustainable growth path. Internal conflict resolution and national reconciliation are the key issues and should be the starting point towards reducing poverty in the country.

Keywords: poverty, Sub-Saharan Africa, Sudan

JEL classification: E6, F43, I3, O1
In 2000, leaders of 189 countries adopted the United Nations Millennium Declaration which committed their nations to a new global partnership to reduce extreme poverty. A number of targets, the so-called Millennium Development Goals (MDGs), were formulated. Among them were: eradicate extreme hunger and poverty, achieve universal primary education, promote gender equality and empower women, reduce child mortality, improve maternal health, combat HIV/AIDS, malaria and other diseases, ensure environmental sustainability, develop a global partnership for development. The target date was set for 2015.

The global mobilization behind the MDGs has led to significant progress in reducing poverty in the world. However, despite remarkable achievements on many of the MDG targets worldwide, millions of people still live in poverty and hunger, without access to basic services. Moreover, progress has been uneven across regions. Poverty is most prevalent in Sub-Saharan Africa, where the share of the population living below US$ 1.25\(^1\) a day in 2011 was at 46.8%, compared to 24.5% in South Asia and 7.9% in East Asia and Pacific [TWB, 2016].

One of the Sub-Saharan African countries which is severely affected by poverty is Sudan. The country is located in the northeast part of Africa on the Red Sea. In 2014, Sudan was Sub-Saharan Africa’s second largest country by surface, after the Democratic Republic of the Congo, and the seventh largest by population (39.4 million inhabitants) [TWB, 2016]. Sudan’s population consists mostly of Sudanese Arabs (70%), who are mainly descendants of immigrants from the Arabian Peninsula. The rest of the population is primarily a mix of Arabized ethnic groups. Almost all of Sudan’s population is Sunni Muslims [World Population Review, 2015].

Sudan gained independence in 1956. Before that, since 1899, it had been an Anglo-Egyptian condominium. During most of the condominium period, the British did not govern one Sudan but, in fact, administered separately northern and southern Sudan. Emphasis was put on the development of the northern, Arab part of Sudan, while the southern, Christian-Animist provinces received little attention [Seri-Hersch, 2013]. In 1955, tensions between the two parts of Sudan led to the outbreak of a civil war. The war ended in 1972 with the Addis Ababa peace agreement. However, in 1983 the civil war resumed. The conflict lasted 22 years and led to humanitarian and developmental disaster in Sudan. Two million people died and four million southerners were displaced [Attree, 2012]. The Comprehensive Peace Agreement which was signed in 2005 led to the referendum on the independence of southern Sudan in January 2011 and the secession of the South

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\(^{1}\) In 2005 prices, purchasing power parity.
in July 2011. As a result of secession of the southern provinces, Sudan has lost one fourth of its former territory and about 10 million of its population.

However, the South’s independence has not brought peace to Sudan. Internal conflicts continue in Darfur, South Kordofan and Blue Nile. According to the United Nations, at the end of 2014, there were over 2.5 million displaced people in Darfur [OCHA, 2016]. At the same time, nearly 7 million people were in need of humanitarian assistance in Sudan [UNHCR, 2016].

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The study is based on analytical work using literature studies and the latest available statistics provided mostly by the United Nations, the World Bank and Central Bureau of Statistics of the Republic of Sudan.

1. Sudan’s economy

Sudan has the fourth largest economy in Sub-Saharan Africa after Nigeria, South Africa and Angola. In 2014, Sudan’s GDP amounted to US$73.8 billion, approximately 4.2% of the Sub-Saharan Africa’s total. At the same time, Sudan’s GDP based on purchasing power parity (PPP) was 160.1 billion international dollars (4.7% of the region’s total) [TWB, 2016].

Sudan’s economy was traditionally based on agriculture. From the early 1960s to the late 1990s, the share of agriculture in the country’s GDP fluctuated, ranging from 30% to 55% [Sobol, Michałowski, 2015]. Since the independence, Sudan’s authorities have adopted a series of development plans and economic reforms. However, the country’s economy experienced severe interdependent structural problems that had a negative impact on economic growth [Faki, Taha, 2007]. In fact, from the early 1960s to the mid-1990, Sudan’s GDP per capita had not risen in real terms (Figure 1).

In the early 1990s, the Sudanese authorities initiated the program of economic liberalisation and deregulation. The undertaken reforms resulted in significant improvement in economic growth. It was not until 1997, however, when in real terms Sudan reached the GDP per capita level of the early 1960s (Figure 1). Nevertheless, despite economic recovery, some negative trends remained. The inflation was high, the value of Sudanese pound was falling, and the costs of production were rising. Difficulties with reaching the economic balance forced Sudan’s authorities to seek a further agreement with the IMF on economic and structural
reforms. The economic measures which were undertaken aimed at stabilizing the monetary system and disciplining the government fiscal operations [Ahmed, Suliman, 2011].

The turning point for the Sudanese economy was associated with the start of oil exploitation. In 1999, Sudan began to export petroleum and soon its economy became highly dependent on the oil sector. The share of the petroleum sector in Sudan’s GDP increased from 2% in 1999 to 21% in 2007 and averaged 9% in 2008–2010. In 2006–2010, the contribution of the oil sector to total exports exceeded 90% [Siddig, 2012].

After 1999, Sudan’s economy boomed on the back of rising revenues from the petroleum sector, substantial inflows of foreign direct investment related to the commercial exploitation of crude oil and the positive impact of macroeconomic reforms [Nour, 2011; UNDP 2006]. From 2000 to 2007, Sudan’s GDP growth averaged 7.5%, while in per capita terms 4.5% [TWB, 2016].

The emergence of the petroleum sector in Sudan has led to changes in structural composition of the GDP of the country, which for several decades had remained virtually unchanged despite fluctuations. Traditionally, agriculture and the service sector were the main contributors to Sudan’s economy. From the early 1960s to the late 1990s, the share of industry in the GDP of the country hovered around only 15%, yet, with the start of the oil exploitation, it went up and reached an average level of 28.6% in 2005–2010. The increase in the contribution of industry to the Sudanese economy has been accompanied by the decline in the share of the agricultural sector in GDP and only a slight change in the relative significance of services [TWB, 2016].
Although the oil boom of 1999–2010 contributed significantly to the improvement of economic performance of the country, in hindsight it could be argued that Sudan missed a chance to build a basis for creating a more diversified economy. Only a small fraction of oil revenues were used for public investment in such important areas as infrastructure or health and education. As a matter of fact, oil revenues were used to finance consumption and imports, rather than development of productive sectors, i.e., manufacturing and agriculture [Siddig, 2012; TWB, 2012].

In 2011, as a result of the secession of South Sudan, Sudan lost 75% of its oil resources [AfDB, 2013]. Foreign currency earnings of the country have plummeted by 80%, while the government’s revenue has dropped by 35% [AfDB, 2012]. Most of the indicators have pointed to a serious deterioration in Sudan’s economic situation. In 2012, CPI inflation was at 36%, the current account deficit exceeded 10% of GDP and the overall budget deficit more than quadrupled and reached 4.4% of GDP [AfDB, 2013]. There has been a continuing decline in the value of the Sudanese pound related to the depletion of foreign exchange reserves. In 2013–2014, inflation in Sudan was the highest in Africa and averaged almost 37.0%. At the same time, the current account deficit went down to 8.7% of GDP in 2013 and 8.4% of GDP in 2014. The overall budget deficit fell to 2.3% of GDP in 2013 and 0.9% of GDP in 2014. At the end of 2014, Sudan continued to be in debt distress with the external and domestic debt to GDP ratios at 79% and 12%, respectively [AfDB, 2015].

2. Understanding and measuring poverty

Understanding and measuring poverty have changed considerably over time. In traditional societies, most people were poor. The situation was treated as natural and unavoidable. Currently, poverty is considered to be a phenomenon which is difficult to accept and which needs to be eradicated or at least reduced [Schwartzman, 1998].

Research on poverty has been conducted for over a hundred years. In the late 19th and the early 20th century, the problem of poverty was most widely studied in England. At that time, a major contribution to the understanding and measuring poverty was made by Charles Booth and Benjamin Seebohm Rowntree. Booth [1892–1897] studied the phenomenon of poverty in London. In turn, in the interest of Rowntree [1901] was the city of York. Both Booth and Rowntree defined poverty primarily in terms of low income and inability of meeting basic needs. Booth’s contribution was to develop and popularize the concept of poverty line by which he understood the level of income required to stay beyond starvation. Both Booth and Rowntree found that poverty is not necessarily a person’s own fault.
Understanding poverty as the inability to satisfy basic needs including primarily food, housing and clothing had been the dominant solution used in the analysis of poverty until the late 1960s [Panek, 2009]. At that time, the main focus was placed on the income criterion. Indicators such as Gross National Income per capita were primarily considered on a macro scale [Maxwell, 1999].

In the 1970s, the scope of basic needs in the context of understanding poverty was extended to those supplied socially. A significant contribution to the popularization of this approach was made by the International Labour Organization, which in 1977, in one of its reports, stated that the basic needs also include ‘essential services provided by and for the community at large, such as safe drinking water, sanitation, public transport and health, educational facilities’ [ILO, 1977].

Another important step in the perception of poverty was made in the 1980s by defining poverty in terms of human capabilities and functionings. According to Sen [2000], the concept of functionings reflects beings or doings which a person may value. The valued functionings may represent elementary things, such as being nourished or being free from avoidable disease, but also very complex activities or personal states, such as being able to take part in the life of the community or having self-respect. Human capabilities refer to the alternative combinations of functionings that are feasible for a person to achieve. Capability is thus a kind of freedom: the substantive freedom to achieve the goals (alternative functioning combinations) that someone values. As Sen notes, shifting attention from an exclusive focus on income poverty to the more inclusive idea of capability deprivation allows to better understand poverty in terms of a different informational base.

Another important approach to poverty, which became popular in the 1990s, is the participatory poverty assessment. The participatory approach aims at understanding poverty dimensions within the social, cultural, economic and political environment of a locality. It is based on the assumption that poor people are able to understand and analyse their own situation [Titumir, Rahman, 2013]. Robert Chambers [1995], who is the precursor of this approach, distinguished poverty from other dimensions of deprivation such as physical weakness, isolation, vulnerability and powerlessness with which it interacts.

In the 1990s, the idea of well-being became an analogy for the absence of poverty. The definition of poverty has moved towards multidimensionality within diverse theoretical frameworks [Maxwell, 1999; Bisiaux, 2013].

The multidimensional definition of poverty was adopted by the United Nations [1995] in the Report of the World Summit for Social Development. During the summit, the international community distinguished between absolute and overall poverty. Absolute poverty was defined as ‘a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information. It depends not only on in-
come but also on access to social services’. On the other hand, overall poverty ‘has various manifestations, including lack of income and productive resources sufficient to ensure sustainable livelihoods; hunger and malnutrition; ill health; limited or lack of access to education and other basic services; increased morbidity and mortality from illness; homelessness and inadequate housing; unsafe environments; and social discrimination and exclusion. It is also characterized by a lack of participation in decision-making and in civil, social and cultural life’.

In 1998, the United Nations [1998] presented another definition of poverty: ‘Fundamentally, poverty is a denial of choices and opportunities, a violation of human dignity. It means lack of basic capacity to participate effectively in society. It means not having enough to feed and clothe a family, not having a school or clinic to go to, not having the land on which to grow one’s food or a job to earn one’s living, not having access to credit. It means insecurity, powerlessness and exclusion of individuals, households and communities. It means susceptibility to violence, and it often implies living on marginal or fragile environments, without access to clean water or sanitation’.

In the last 20–30 years, various attempts were made to quantify the multidimensional aspects of poverty. In 1990, with the publication of the first Human Development Report, the United Nations introduced the concept of human development. It emphasises, inter alia, that development concerns enlarging people’s choices by strengthening their functioning and capabilities [Jahan, 2003]. The Human Development Index (HDI), which was first launched in the 1990 Human Development Report, is a multidimensional measure of well-being. Countries with a relatively high level of poverty tend to exhibit low HDI values. HDI combines three dimensions: longevity, knowledge and standard of living. The United Nations notes that HDI is not to be an unassailable indicator of well-being. Its objective is to redirect attention towards human-centred development and to promote debate over ways of advancing the progress of societies [UNDP, 2010].

In 1997, the United Nations introduced the Human Poverty Index (HPI), as a complement to HDI. HPI was an attempt to bring together in a composite index various features of deprivation in the quality of life. HPI focused on the deprivation in the three basic elements of human life reflected in HDI: longevity, knowledge and standard of living. HPI was constructed for both developing countries (HPI-1) and industrial countries (HPI-2). In the case of HPI for developing countries, the deprivation in longevity was expressed by the probability at birth of not surviving to age 40. The deprivation in knowledge was measured by adult illiteracy rate. The failure to achieve a decent standard of living was represented by a composite of three variables: the percentage of people without access to health services, the percentage of people without access to safe water, and the percentage of malnourished (underweight) children under five [UNDP, 1997; UNDP,
HPI was based on country averages to reflect aggregate deprivations in the three basic elements of human life, and thereby it could not identify specific individuals, households or larger groups of people as jointly deprived [UNDP, 2010].

In 2010, the United Nations replaced HPI with the Multidimensional Poverty Index (MPI). MPI, which is grounded in the capability approach, identifies overlapping deprivations at the household level in health, knowledge and standard of living, and shows the average number of poor people and deprivations with which poor households contend. The MPI dimensions are reflected in ten indicators: nutrition, child mortality (health), years of schooling, school attendance (education), cooking fuel, toilet, water, electricity, floor, assets (living standards). People are considered to be multidimensionally poor if they are deprived in at least 33% of weighted indicators.

3. Dimensions and main determinants of poverty in Sudan

In 2014, Sudan’s GDP per capita was US$ 1,876, compared to a US$ 1,792 average of Sub-Saharan Africa [TWB, 2016]. Although Sudan has succeeded to enter the World Bank’s group of lower-middle-income countries, it is classified by the United Nations as one of the least developed countries. It also belongs to the group of countries of low human development. In 2015, it was ranked 167th in the list of 188 countries surveyed under the Human Development Index [UNDP, 2015].

Data on poverty and development in Sudan are in general weak, outdated and partial. After the secession of South Sudan, the Central Bureau of Statistics of the Republic of Sudan generally does not publish statistical data on its website. The main sources of data on poverty in Sudan which have been used here are the results of the 2009 Sudan National Baseline Household Survey (NBHS) and the statistics of the international organizations: the United Nations and the World Bank. The data show that over the last quarter of a century there has been progress in poverty reduction in Sudan in some dimension. However, in other dimensions, stagnation and even regression can be observed.

According to the NBHS, in 2009, the proportion of Sudan’s population below national poverty line stood at 46.5%. The poverty line was defined by using a benchmark of daily total consumption below SDG 3.8. There were significant differences in the ratio between regions. For example, in Khartoum the ratio was at 26%, whereas in Darfur it exceeded 62%. The poverty rate was substantially higher in the rural areas (57.6% of households living below poverty line) than in the urban areas (26.5%) [SCBS, 2010].
On the other hand, according to the United Nations, in 2009, the proportion of Sudan’s population with income below $1.25 (PPP) per day (the benchmark indicator representing the international poverty line set by the World Bank) was at 19.8% (consumption based estimates). In this regard, Sudan performed much better than Sub-Saharan Africa as a whole, where almost half of the population lived on less than $1.25 a day [UN, 2016].

According to Sudan’s Central Bureau of Statistics, in 2007, 13 million Sudanese, representing 31.5% of the country’s population, were food deprived. Food deprivation refers here to the percentage of Sudan’s population whose dietary energy consumption was below the minimum dietary energy requirements which was established at 1751 kcal. The ratio of food deprivation for the rural population (34%) was very close to the corresponding ratio for the urban population (31%). Among the different regions, the worst situation was observed in the Red Sea (41%), the best in the Gazira and River Nile (15%) [RSNPC, 2010].

One of the symptoms of malnutrition is underweight among children. In 2006, 26% of children under five were underweight in Sudan. In 2014, the ratio increased to 33% and was substantially higher than the average for Sub-Saharan Africa (19.6%) [TWB, 2016]. According to UNICEF, undernutrition contributes to almost half of all under-five deaths, mostly because it increases the severity of diseases [UNICEF, 2015]. However, the children under five mortality rate per 1,000 live births in Sudan fell from 128 in 1990 to 77 in 2013. These results are better than the average for Sub-Saharan Africa, where the corresponding ratio declined from 179 in 1990 to 92 in 2013 [UN, 2016]. The progress in this area is partly due to affordable, evidence-based interventions against the major infectious diseases, such as immunization, insecticide-treated mosquito nets, rehydration treatment for diarrhoea, therapeutic food or nutritional supplements [UNICEF, 2014].

In 2013, life expectancy at birth in Sudan was 63.2 years, compared to 58.1 in Sub-Saharan Africa. From 1990 to 2013, life expectancy at birth in Sudan rose by 7.7 years [TWB, 2016].

Living conditions of Sudan’s population remain harsh. In 2014, 91.6% of the country’s urban population lived in slums, compared to 55% in Sub-Saharan Africa as a whole. The proportion of Sudan’s population using an improved drinking water source fell from 67% in 1990 to 56% in 2014. Moreover, over the period, the proportion of Sudan’s population using an improved sanitation facility decreased from 27% to 24%. For the whole of Sub-Saharan Africa, in 2015, 68% of the population used an improved drinking water source and 30% had access to improved sanitation [UN, 2016].

In 2012, the literacy rate of 15–24-years-old in Sudan was at 87.9%, compared to 78.2% in 2000. The rate was substantially higher than the average for Sub-Saharan Africa (69.6% in 2011). However, in 2012 the net enrolment ratio in pri-
mary education in Sudan stood at only 54.5% while the average for Sub-Saharan Africa was at 77.9% [UN, 2016]. According to the NBHS, in 2009, 45% of the Sudanese household heads had no formal education, 23% had primary education, 18% – secondary education, 6% – postsecondary education and 8% stopped their education with khalwa\(^2\) completion. Poverty rates correlated highly with education. They stood at 59% in households whose heads had no education and at 51% in households whose heads reported that khalwa was their highest level of education. On the other hand, in households in which the heads had secondary education poverty rate stood at 30% and in households in which the main breadwinners had completed postsecondary education poverty rate was at 9% [TWB, 2011].

One of the poverty dimensions in Sudan are severe gender gaps. The percentage of women who have less than primary education stands at nearly two-thirds, compared to only over half among their male counterparts [TWB, 2015].

UN estimates based on the Multidimensional Poverty Index show that in 2010, 18.9 million of Sudan’s population, representing 57.8% of the country’s inhabitants, were multidimensionally poor. Almost 32% of Sudan’s population was in severe multidimensional poverty and almost 18% near multidimensional poverty. The intensity of deprivation, which is the average proportion of indicators in which poor people are deprived, was at 54.6%. Contribution of deprivation to overall poverty was as follows: education – 30.4%, health – 20.7%, living standards – 48.9% [UNDP, 2015].

According to the World Bank [2015] and the IMF [2013], among the most important determinants of poverty in Sudan are:

- the long-drawn-out, multiple civil conflicts, which do not provide opportunities for development and divert resources and attention from development to fighting wars,
- a dependence on oil, which has led to the neglect of other sectors of the economy,
- the direction of attention in development policy in the past primarily on urban areas and limited efforts to increase the productivity of rural factors of production, especially in the area of rain-fed agriculture,
- the unequal distribution of public funds and unequal access to natural resources, especially between the centre and the periphery,
- governance failures which are reflected in poor policy credibility and implementation, and insufficient incentives for private sector investment and participation,
- the lack of coherent efforts to reduce poverty and sustained reforms to promote shared growth and diversification of the economy,
- low allocation of public funds to the priorities for poverty reduction, primarily on the development of agriculture and social development and the lack of de-

\(^{2}\) Khalwa – ‘Koranic school’ representing the first cycle of the Islamic system of education.
velopment partners which could compensate for insufficient domestic expenditure on poverty reduction,
– the burden of foreign debt, international economic sanctions and isolation that have restricted access to international debt relief initiatives and concessional financial assistance.

One of the most important problems of Sudan are weak institutions. The country is considered to be one of the most corrupt nations in the world. It ranked 165th (out of 168) in the Transparency International’s Corruption Perceptions Index for 2015. It should be emphasised that poverty can only be fought in the presence of strong institutions [Addae-Korankye, 2014].

Poverty determinants in Sudan also involve some cultural and religious factors. Child marriage can be an example of this. In Sudan, the Personal Status of Muslims Act of 1991 had allowed children as young as 10 to marry. In 2010, the percentage of young women in Sudan married before age 18 stood at 38%, ranging from 20.5% in Northern State to 62.2% in Blue Nile State. In the latter region, 19.1% of women married before 15 [UNICEF, 2012]. Child marriage substantially reduces the likelihood that girls will be literate or that they will complete secondary school [TWB, IMF, 2015]. Additionally, it puts girls at risk of early pregnancies, posing life-threatening consequences [UNICEF, 2012].

One of the most important obstacles to economic growth in Sudan is the underdeveloped infrastructure. The country’s roads exhibit a low density and uneven spatial distribution. Despite a few road corridors, much of Sudan is unconnected or has unpaved roads which are unavailable during the rainy season [Ranganathan, Briceño-Garmendia, 2011]. Sudan’s railway network is in a very poor condition, with most of the rail track being out of service [Leassing, 2013]. River transport services are underdeveloped. Despite significant achievements, power infrastructure is relative

Conclusions

Poverty in Sudan contributes to the suffering of millions of people. Its determinants do not differ significantly from the determinants of this phenomenon in other countries of Sub-Saharan Africa. Fighting poverty and economic development should be the priority for the authorities in Khartoum. Internal conflict resolution and national reconciliation are the key issue and should be the starting point towards eliminating poverty in the country.

Post-secession Sudan needs to adopt economic and development policies which would put its economy on the sustainable growth path. According to the IMF [2013], strategy for poverty reduction in Sudan should be clustered under four broad pillars: strengthening governance and institutional capacity of the
public sector, reintegration of internally displaced persons and other displaced populations, developing human resources, and promotion of economic growth and employment creation.

According to the World Bank, special emphasis should be laid on the modernisation of Sudan’s agricultural sector which employs about 80% of the total population. Promotion and facilitation of other tradable non-natural resource sectors such as food-processing and manufacturing is also essential. Sudan could benefit much from the improvement of infrastructure. Resources to finance development activities could partly be derived from boosting the production of gold or other minerals [TWB, 2012].

References


