



## Fact Sheet No. 5: Africa

### Insecurities Compound Poverty

Africa has suffered greater economic insecurity than any other region of the world during the past decade and half. Overall, not only has economic growth been slower than everywhere but the instability, or variability, of that growth has been among the worst. The need for more stable economic growth has not been given the attention needed, according to the ILO report.

Among the principal findings as they relate to Africa are the following:

- Among the 23 African countries for which adequate data are available, 19 (or 83%) had scores on the Economic Security Index that puts them firmly in the bottom “Much-to-be-Done” cluster, implying weak policies, weak institutions and weak outcomes.

Economic Security Clusters in Africa



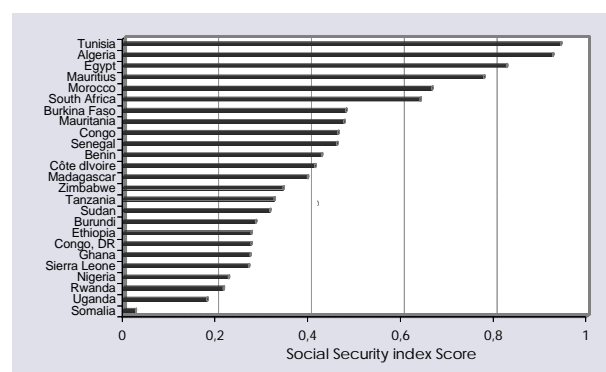
**Legend**  
Pacesetters (orange)  
Conventional (light blue)  
Pragmatists (yellow)  
Much to be done (dark blue)

Note: Countries in “white” are not part of the analysis.

Source: IFP-SES database 2004

- Overall, social security systems in Africa are still little developed, less than elsewhere in the world. In a composite measure of legislative coverage of standard social security risks, the countries that are more advanced in this respect are in north Africa, with Mauritius and South Africa.

Social security index in selected African countries



Source: SES Social Security Database, 2004

- While poverty rates are underestimated for Africa compared with other parts of the world, due to measurement procedures, the problems are compounded by the fact that income insecurity is severe. According to the ILO's People Security Surveys in four African countries, most Africans suffer from acute income insecurity even if they are not actually in poverty at any particular moment.
- In South Africa, about one-third feel their household income is insufficient for their food needs, and even more said that about their clothing, housing and health care needs. In Ethiopia, 78% of men and 83% of women say their household income is inadequate for basic needs. About 12% of Ethiopian households said one or more young members had left school due to financial difficulties, about 8% had been obliged to sell some livestock and 7% had sold jewellery in distress sales.

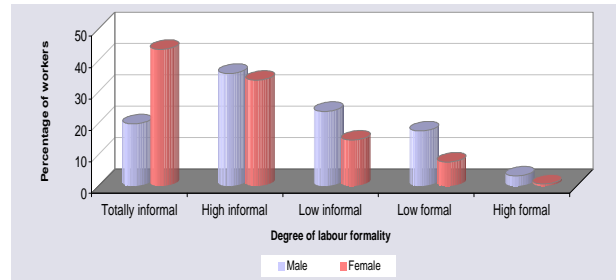


- Incomes are rarely stable or predictable. In Tanzania and Ghana most people said their household income fluctuated from month to month, particularly for those who relied largely or exclusively on non-wage income, for the less educated and for women.
- *Who most supports basic security and redistribution ... and who does not?* In both Ghana and South Africa rural dwellers are more inclined to support the egalitarian option of similar incomes for all. On the contrary, the support for “no limits but policies to help the poor” is stronger among the more educated; precisely those who can expect to reach higher income levels than those with fewer qualifications.
- In South Africa, is there legacy of apartheid and persistent race-based inequalities in the country? Blacks were far more likely to favour equality and an upper limit on incomes, and whites were strongly against an upper limit. More encouraging is that a majority of both main racial groups favour a minimum floor income, corresponding to the popularity of the proposed basic income grant in the country.
- The PSS show strong support for government providing remedial assistance for poverty alleviation: “partial assistance” in Ghana and Ethiopia and “complete assistance” favoured in South Africa.
- Regardless of their own income, people want more help to be given to the poor in their societies, and this applies even if they anticipate being made slightly worse off in seeing that come about.
- Inter-household income transfers are less widespread than is commonly believed. Those informal mechanisms — richer households helping out those in economic difficulty - are apparently weak, but there is a popular belief that they are a proper part of society. Could be that those who seem rich in a local community may relate their income and wealth to an outside reference community, and feel themselves anything but rich.
- Very few Africans have strong employment security. In South Africa, a large proportion of wage and salary workers had been in their employment for a short time. The age structure of the labour force is key. Sadly, in the case of South Africa and other African countries, a factor in low average tenure is the impact of

HIV/AIDS. Many workers do not live active lives long enough to have long-term jobs.

- In Ethiopia, the PSS found that about a third of the urban workforce were in highly informal work, with women far more likely to be in that situation.

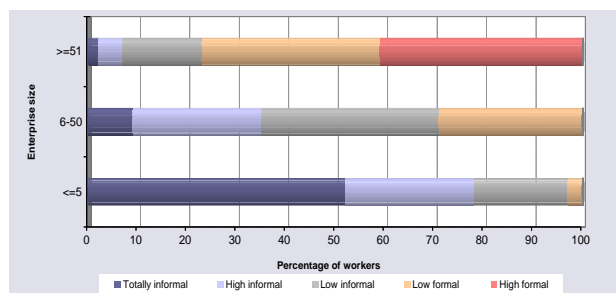
Ethiopia: Degree of labour informality, by gender



Source: PSS Ethiopia, 2001

- Most workers in Africa work informally even if they are working for so-called formal enterprises. Labour informality does not map neatly onto the enterprise-based concept so widely used in reports and by analysts. In Ethiopia a majority of workers in relatively large-scale enterprises (or establishments) are rather informal in terms of work status.

Ethiopia: Degree of labour informality, by size of enterprise



Source: PSS Ethiopia, 2001

- A great many working people, particularly in Africa, are not aware of unions, are not drawn to belong to unions and are not aware of advantages that they could provide.
- A feature in South Africa, approximately replicated in other countries, is that the least educated are the least likely to have an attitude towards unions: being least likely to be aware of advantages that could be gained from union membership, making them the least likely to join or to participate. The irony is that the least educated and disadvantaged groups that include women are the most in need of powerful collective voice to combat the many forms of insecurity that they face.