Chapter 5
Poverty in Africa

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Introduction

It is imperative to engage with the discourse of poverty in Africa, beyond the MDGs and SDGs, by looking at the African Union (AU) *Agenda 2063, the Africa we want*, as the yearnings and aspirations of the African people. Moving from the MDG to the SDG objectives of halving by 2015 and eradicating by 2030 extreme poverty respectively remains a fundamental challenge to global development, and Africa development in particular. The celebrated achievement of MDG goal 1 of halving world poverty by 2015 is not a reflection of the achievement of Africa in poverty reduction. Rather it is the achievement of East Asia and the Pacific (especially China where over 500 million people moved out of extreme poverty between 1990 and 2010) and South Asia where the populations living in extreme poverty were reduced from 60.6% to 7.2% and 50.6% to 18.8% respectively between 1990 and 2012 using the $1.90 a day international poverty line at 2011 PPP (World Bank 2016; African Union 2015; United Nations 2013).

Africans living in extreme poverty only reduced from 56.8% to 42.7% of the population between 1990 and 2012. However, in head counts, the number of Africans living in extreme poverty increased from 288 to 389 million people between 1990 and 2012, an increase of 35.1%. The reduction in percentage is a function of the higher population growth rate. There are 897 million extremely poor people in the world, 389 million (43.4%) of them are Africans (World Bank 2016). The extreme poverty experienced by over 40% of the African population is a serious set-back for its development agenda, no matter how it is conceptualized. Therefore, poverty is central to the discourse of African development. The central attention given to poverty in the MDGs and SDGs is reinforced in the African Union Agenda

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2063, which spells out African aspirations for the next 50 years. The first aspiration, a prosperous Africa, driven by broad-based growth and sustainable development, hinges on poverty eradication and shared prosperity informed by socioeconomic transformation (African Union 2015). It is with this self-proclaimed aspiration in mind that I engage with poverty as a development challenge in this chapter.

The discourse of poverty must differentiate between concepts and the definition and measurement of poverty (Lister 2004). However, the conception, definition and measurement of poverty are contested; they often mirror the prevailing socioeconomic ideologies in a society, with the dominant view emanating from international institutions such as the World Bank and the United Nations. Barrett et al. (2008, 4–8) note that different conceptions of poverty in Africa have placed emphasis on issues such as ownership of assets, positive technological change, domestic and international market liberalization, favorable and unfavorable physical and political geographical areas. While they favor an asset-based approach to poverty in Africa, they emphasize that poverty could result from intricate social, political and historical relations.

Concepts of poverty are broad approaches to poverty that inform how it is defined and measured. It is about what it means to be poor from different perspectives and for different categories of people in a society and the world. It involves the discourses of poverty (Lister 2004). The definition of poverty speaks to the criteria for distinguishing 'the poor' from 'the non-poor'. It highlights the characteristics of poverty. The operationalization of the definition of poverty is its measurement of headcount or depth (Lister 2004; Noble et al. 2004). Noble et al. (2004) identified absolute, relative, commodities and capabilities and social exclusion as the broad conceptual approaches to poverty. Jones (2006) emphasizes understanding and explaining poverty beyond describing, defining and measuring it. The competing understanding and explanation of poverty informs responsive social action.

Poverty is located within the broader discourse of the political economy in order to connect it to consumption, social reproduction and social policy. The continuous appropriation of productive, individual and collective consumptions through the institutions of the economy, family and the state respectively is important for the persistence of a society. The consideration of poverty as a level of well-being speaks to the structure of the political economy and the appropriation of the productive, individual and collective consumptions in a society (Dickinson and Russell 1986). The level of well-being achieved defines the 'quality of social reproduction' of individuals or households. Sen (2009, 1999) sees well-being as achievement; it differs from 'advantage', which is an opportunity.

While income and expenditure remain very useful in poverty discourse vis-à-vis the standard of living, it will be argued in this chapter that the consideration of seemingly remote social institutions that might promote or reduce it is important in moving beyond description, to understanding and explanation. The kind of life that people wish and are able to live is important, which is a function of the conversion of income and assets into functioning (Sen 2009, 1999). To emphasize the difference between income or assets and the achieved functioning, Sen (1997) makes a distinction between income inequality and economic inequality.

The inability of individuals and households to adequately satisfy their individual consumption needs and the lack of collective consumption could account for the condition of poverty. It speaks to different modes of entitlement (Sen 1999, 2009) to appropriate a particular (socially defined) level of well-being or 'quality of social reproduction'. This approach to the consideration of poverty broadens its scope to include households living in the condition that has been described as "precarious prosperity" (Hübingers 1996, cited in Budowski et al. 2010). These are households that lack secured prosperity, and can easily slip into poverty due to various reasons. This category of people is often neglected in poverty discourse because they are above local or international poverty lines. Interestingly, the MDGs progress report of 2015 suggests that Africa's meagre achievement in reducing poverty is fragile and prone to a roll-back from shock (UNDP 2015).

Starting from what we know about the various conceptions, definitions and measurements of poverty, the discussion will be taken further to the not so clear precarious prosperous households in the South African context. The implications of the activities of micro-credit institutions, and patronage by those living in 'precarious prosperity' will be emphasized. Secondary data on socioeconomic indicators will be used to capture poverty trends in Africa. The international poverty line was used in this regard because it can be applied to most national contexts with Purchasing Power Parity (PPP) adjustment. This was complemented with primary data from a small-scale study in South Africa on the specific institutional practices of micro-credit institutions and their implications for the well-being of credit-consuming households. This was used to support the argument of the need to study the implications of social institutions that might create or reduce poverty within a society. It is the view here that the study of such institutions could be complementary to the descriptive power of income and expenditure approach to poverty to its explanation (Jones 2006).

Poverty as a Level of Well-Being

Poverty is taken to be a level of well-being here because it enables its connection to social reproduction and social policy. It means formal and non-formal collective consumption (the concern of social policy) can be interrogated in poverty discourse. Also poverty can be viewed as a particular 'quality of social reproduction' defined by different conceptual criteria as the different conceptions portend. Conceptually, if poverty is the opposing end of a continuum with prosperity, distinct points between the two ends are different levels of well-being or 'quality of social reproduction'. The various conceptions of poverty therefore speak to a particular characteristic level of well-being defined as poverty. This puts people's well-being at the center of political economy. The structure of individual, productive and collective consumptions is therefore informed by this (Fig. 5.1).

Sen (1997, 2008) emphasizes the concept of "well-being achievement" to differentiate "income inequality" from "economic inequality" in his capability

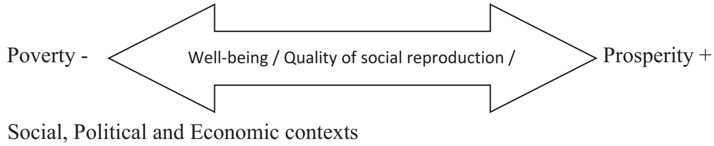

Fig. 5.1 Poverty as a level of well-being

conception of poverty (Sen 1999). This idea shows the limits of income and expenditure approach to poverty. There are environmental, social and individual variables that impact on the conversion of income to "well-being achievement" or functioning. Differences in individual advantages might result in the conversion of the same amount of income to different levels of "well-being achievement". The freedom to choose the functioning people value is fundamental to "well-being achievement" (Sen 2008). Poverty can hence be conceived as an undesirable level of "well-being achievement", in which the determining criteria have been variously conceptualized. Hence, we talk of the contested conception of poverty.

There are different approaches to the understanding of poverty that cannot be divorced from the history and culture of societies at a point in time. Contextual experience is important in the analysis of poverty. Hence the different explanations of poverty could have derived from differences in context and time (Stewart et al. 2007; Lister 2004, 3). Over the years, in what could be argued as heralded from Booth's and Rowntree's foundational research on poverty (Townsend 2009; Gordon 2002) in the United Kingdom, the notion of poverty has traversed different conceptual explanations, as it continues to define over 800 million people across the world. From its initial conception as a lack of means for subsistence to the deficiency of basic needs, the conception of poverty has include notions of relative and absolute deprivations, capabilities deprivation, culture of poverty, structural poverty and social inequality.

These various conceptions of poverty speak to material, relational and symbolic approaches to poverty in various combinations (Lister 2004; Baulch 1996). Jones (2006, 14–15), drawing the on Pierre Bourdieu's concepts of 'orthodoxy' and 'doxa', emphasizes power relations in the conception of poverty that becomes dominant. 'Orthodoxy' is the normalization of a particular position as truth and unchallenged about a contested phenomenon, and 'doxa' refers to the unidentified particular view that is latent and therefore uncontested. Baulch (1996, 2) uses "a pyramid of poverty concepts" to group the different conception of poverty into those that emphasize private consumption, common property resources and state-driven collective provision. Broad approaches emphasize physical capital assets, human capital, dignity and freedom. "Material and non-material wheel of poverty" is how Lister (2004) brings the different conceptions of poverty together. She emphasizes the interdependence between material and relational/symbolic (non-material) aspects in the conception of poverty. The material core or hub and the relational rim of the wheel of poverty are social structurally conditioned.

The conception of poverty remains contested. Noble et al. (2004, 3–4) classified the conceptions of poverty into absolute poverty, relative poverty, capabilities and commodities, and social exclusion. Their classification cannot be treated as exhaustive, and the delineation between concepts and definition is not always clear. *Absolute poverty* is described as an objective conception of poverty because it conceives poverty without a reference group. This conception of poverty is not limited by context or time (Noble et al. 2004). Sen (1981, 17) maintained that there is an "irreducible core of 'absolute deprivation'" in his conception of poverty as "absolute deprivation". This conception of poverty is emphasized through *subsistence* and *basic needs* approaches to poverty, and income is used as a proxy for the definition of poverty. The poverty threshold is determined by minimum income presumed necessary for subsistence (in term of human body nutritional requirement to physically function). Basic needs approach takes into consideration the provision of social services (health, education, shelter etc.) in addition to subsistence to define poverty (Gordon 2002; Townsend 1987, 1993). The subsistence and basic needs conception of poverty are limited by the assumption that people live on food alone and differences in the experiences of poverty by difference groups of people could undermine the effect of social services respectively (White et al. 2001).

The poverty line is synonymous and the dominant definition of poverty informed by subsistence and basic needs conceptions of poverty (Noble et al. 2007, 2004). Absolute poverty defined as the poverty line sets a threshold that divides the poor from the non-poor. The poverty line is "the monetary cost to a given person, at a given place and time, of a reference level of welfare" (Ravallion 1998, 3). Poverty lines could be problematic with regard to who and how the line is set. Also, how do we deal with people living just above the poverty line (the precarious prosperous) and transitory poverty (Blakemore and Griggs 2007; Kumar 2002)? The international poverty line is set by the World Bank, using the average poverty lines in the 15 poorest countries of the world at per capita GDP. It is applied to different countries by adjusting for purchasing power parity (PPP) in order to equalize the value of the poverty line across countries. The current international poverty lines are set at $1.90 and $3.10 a day for extreme poverty and poverty respectively at 2011 PPP (World Bank 2016).

The idea of relative poverty can be viewed as a response to the limitations of the absolute conception of poverty. It highlights the relational aspect and the implication of inequality in poverty discourse. *Relative poverty* was pioneered by Peter Townsend; it is the notion of poverty that considers poverty in relation to a reference group living standard that is socially acceptable for people to participate in the normal activities of their society. The minimum resources required to facilitating the reference living standard and social participation become the measure of poverty. Relativity can be in respect of other person(s)/group(s) or time period (Noble et al. 2004; Townsend 1979, 19). The relative deprivation conception of poverty transcends subsistence and basic needs approaches to poverty of income to include the provision of public goods, social and historical elements. It could expose the difference between poverty and inequality and speaks to human dignity and the unequal distribution of social infrastructures (Townsend 1987, 1993). Townsend's "deprivation index" (Townsend 1979, 250) and socially perceived necessities, as well as income and expenditure surveys, are used to measure relative deprivation

(Noble et al. 2004). Its limitation is that it might trade low income and inequality for poverty (Blakemore and Griggs 2007; Noble et al. 2004).

More recently, the conception of poverty as capability deprivation (Sen 1999, 2009) is an audacious shift away from the previous conceptions of poverty. *Capabilities poverty* emphasizes the deficiency of human capabilities and commodities at the heart of poverty. Noble et al. (2004) are of the view that while capabilities might be absolute, the required commodities to satisfy them are subject to individual, environmental and social conditions. Differences in advantages affect the conversion of monetary and non-monetary commodities to functioning (Sen 1999). It is achieved well-being (functioning), with available commodities that are important in the conception of poverty. The freedom to choose the functioning one value depending on individual, social and environmental advantages is a person's capabilities (Sen 2009, 1999). Poverty is defined in this view as "the denial of choices and opportunities for a tolerable life" (UNDP 1997 in Gordon 2002). This view prompted the UNDP to see poverty as a human development problem (Gordon 2002). A person is poor if his/her basic capabilities is below minimum acceptable level, and the life they live is not worthy of human dignity (Nussbaum 2011, 2003; Sen 1992 in Lister 2004, 16). This conception of poverty informs the UNDP Human Development Index (HDI) and the Human Poverty Index (HPI) to measure human development nationally and among deprived group respectively.

The s*ocial exclusion* conception of poverty takes into consideration the capability to participate in the ordinary activities of the society to which people belong (Millar 2007; Abrams and Christian 2007; Noble et al. 2004). The inability to fully participate could be constitutive of or instrumental to deprivation from a social relational perspective (Sen 2000). It is measured with the Bristol Social Exclusion Matrix (B-SEM) to reflect its multidimensionality of participation, resources and quality of life (Levitas et al. 2007).

Poverty—Further Conceptual Distinctions

The above four categorizations are not exhaustive; there are other characterizations of poverty, such as chronic poverty, transitory poverty, economically active and dependent poor and catastrophic poverty (Martins 2007; Hulme and Shephered 2003; White et al. 2001). While these situations might characterize poverty among different groups and contexts, they describe the characteristics of poverty rather than offering a causal explanation for poverty. However, what is worth mentioning here is the culture versus structure in poverty discourse. The idea that poverty results from the behavioral ineptitude of the poor against the position that poverty results from socio-structural imbalance and macroeconomic problems such as high rate of unemployment. This divide often plays out in the categorization of non-deserving and deserving poor respectively (Miller 1996), which is rooted English poor law of the 1600s. This idea is used to justify the targeting of social security benefits in the narrow sense and social policy broadly. It is my view that the choices that different countries make in this situation are a mixture of economic ideology, politics and scientific information.

The question of teleology arises in the conception of a culture of poverty. The ordering becomes difficult in terms of precedence and consequence. Does a culture of poverty cause poverty or it is poverty that causes a culture of poverty? The culture of poverty idea resonates with the notion of the 'underclass' and poverty (Murray 1996; Jencks 1992; Wilson 1987), often used to argue against the social provision of welfare even when there is no empirical justification (Jencks 1996). It is a value judgment language, which tends to blame the poor, pitch them against the rest of society and influence policy accordingly (Lister 1996). Rather than blaming the poor, the structure of poverty speaks to social structures that are constraining, historical and relational (Jones 2006). The question that this culture versus structure divides poses, in the final analysis, is whether a society should treat poverty as an individual or a social problem. The position taken by a society is often reflected in the structure of its political economy; how productive, individual and collective consumptions are satisfied.

White et al. (2001) noted that there are different causes and manifestation of poverty in Africa, although there are national and intra-national variations between different social groups. The different conceptions of poverty might therefore speak to different national and intra-national situations in Africa, I will argue. For example, Jones (2006) makes a compelling case for historical antecedents and the structure of global power relations as important for the consideration of the causes of poverty in Africa. He argues that we must take our engagement with poverty beyond description to causal explanations. Also, we might look at the causes from the perspective of different dimensions of poverty, such as geography (lack of natural endowment could cause poverty), gender, race and catastrophe such as famine, diseases and conflict. White et al. (2001) contend that dimensions of poverty are influenced by social positioning, time, physical location and distance from economic activities. Mbaku (2014) is of the view that the lack of rule of law and democratic institutions to create a conducive environment for creating wealth in postcolonial Africa is accountable for persistent poverty.

Poverty in Africa

The different conceptions of poverty might highlight different things in how we conceive and treat poverty (White et al. 2001). It is the position here that different empirical situations among different social groups and countries could provide important pointers to adapting or re-conceptualizing poverty in Africa. Conception is crucial because it informs the definition and measurement of and the policy response to poverty (White et al. 2001). The prevalence of poverty in Africa can be viewed from the culture and structure perspectives, an African problem caused by African ways of life—in the "local present" (Jones 2006, 7) or a global socioeconomic structural relations problem respectively—"the presence of the past and outside in the constitution of the local present (Bhaskar 1994 in Jones 2006, 7). Inadequate economic growth, a dearth of democratic and good governance, culture, conflict and diseases are viewed as some of the causes of poverty in Africa (Mbaku 2014; Gordon 2002). These causes emphasize the 'local present' without reference to the history and structure of global relations.

Adapting or Reconceptualizing Poverty in Africa

The prevalence and the characteristics of poverty in Africa warrant a closer look at how the different conceptions, definitions and measurements of poverty speak to African contexts. Such a look might call for the adaption of existing conceptions to the African situations or the reconceptualization of poverty from Africa's perspective. This process will involve paying attention to African contextual realities and the thinking that best captures the nature of poverty in Africa. Ikejiaku (2008, 2009a) tends to capture the unique nature of poverty in Africa with his conception of "poverty qua poverty"—a seemingly expanded absolute conception of poverty. For him, the consideration of absolute poverty precedes relative poverty. Therefore, relative poverty becomes relevant only when the problem of absolute poverty has been dealt with. Africa is still faced with the challenge of absolute poverty, unlike the developed world. Hence, she must prioritize absolute poverty compared to relative poverty.

The infusion of African realities into absolute poverty is what Ikejiaku describes with the notion of "poverty qua poverty"—the lack of basic needs with "hunger, thirst, poor health and living without decent shelter … not being able to read … chronic sickness … not finding any opportunities for you or your children; it is about being pushed around by those who are more powerful" (Ikejiaku 2009a, 6). Poverty in Africa therefore involves numerous situations that require understanding in order to explain them. This also reflects the mutually reinforcing multidimensionality (White et al. 2001) of poverty—different conditions may be described as poverty in the African context. Ikejiaku (2009b) is of the view that poverty qua poverty might be accountable for conflicts and instability in Africa. He contends that corruption in politics could hinder good governance, the provision of social goods and security, which might exacerbate poverty. This raises the question of causes and consequence in poverty discourse.

In a similar vein, the structure versus culture poverty debate is more nuanced than it seems. The conception of 'poverty breeds poverty' (Mafeje 2001, 20; Ikejiaku 2009a, 9) could cause the replacement of structure with 'culture of poverty'. Emphasizing the nature of the African context, Ikejiaku (2009a, 9) argues that economic stagnation is inevitable where a significant proportion of the population is living in poverty. Hence, dwelling on individual features of the poor is less rewarding than broad contextual engagement with the prevalence of poverty in Africa. Beyond the absolute poverty (measured with poverty line), we must consider 'poverty qua poverty'. The pervasiveness of poverty in Africa, Mafeje (2001) argues, merits its treatment as a problem of development, which needs fundamental reforms, and not ephemeral poverty alleviation policies. The treatment of poverty in Africa should therefore be informed by her development agenda.

Poverty in Africa—The Status Quo

Poverty persists in Africa (World Bank 2016; World Economic Forum 2015; Mbaku 2014), although social groups and national experiences vary because the causes also vary. The different causes of poverty are interacting, and there is a possibility of trading cause for effect (White et al. 2001). The consistent average economic growth rate of 5% for a decade has not reached a significant proportion of the population (World Economic Forum 2015; African Development Bank 2014). Growth has not led to a significant reduction in extreme poverty due to a lack of proper distribution and redistribution mechanisms. Therefore, market and the state must interact for effective engagement with poverty in Africa (White et al. 2001). In Africa, income inequality remains high, there is low productivity in all sectors of the economy, and sustainable inclusive growth and the creation of quality employment remain elusive. The best path to Africa development is not clear (African Development Bank 2014; World Economic Forum 2015).

The African Development Bank (ADB) (2014) categorizes the 54 African countries into low income ($785 or less), lower middle income ($786–$3115) and upper middle income ($3116–$9636) countries according to their 2013 gross national income (GNI) per capita. While GNI per capita shows the size of the economy in relation to the population, its relation to poverty is reflected in the Gini coefficient. The World Bank data on poverty quoted above excludes North Africa (Algeria, Egypt, Djibouti, Libya, Morocco and Tunisia) from Sub-Saharan Africa. The ADB data is more useful because it includes North Africa and uses local poverty lines of the respective African countries as well as the international poverty lines to determine the poverty rate. In addition, it speaks directly to national definition and policy response to poverty. The socioeconomic data presented in Table 5.1 captures the socioeconomic landscape of Africa.

There seems to be no clearly defined pattern to the data presented here. What is clear is that the level of poverty is high when national and international poverty lines are applied in most African countries. The few exceptions are Tunisia, Morocco and Mauritius. The Algerian data is rather old at 1995. The HDI seems to have a positive correlation with the GNI per capita. The countries in the upper middle income range record higher HDI values. However, the effect of the GNI per capita seems to be undermined by higher levels of inequality in some of the upper middle income countries. Botswana, Namibia, Seychelles and South Africa record a Gini coefficient of over 60% respectively. This is directly reflected in the level of poverty in most of the countries. Apart from Comoros with a Gini coefficient of 64.3%, no country in the low income and lower middle income categories recorded up to 60%.

Table 5.1 GNI per capita, HDI, inequality and poverty in Africa

Country	GNI per capita (US$) 2013	HDI value (scale 0–1) 2013	Gini coefficient		% of population in poverty (national poverty lines)		% of population in poverty (international poverty lines)		
			Year	Index	Survey year	%	Year	Below $1.25/day	Below $2/day
Low income countries ($785 or less)									
Burkina Faso	670	0.388	2009	39.8	2009	46.7	2009	44.5	72.4
Burundi	260	0.389	2006	33.3	2006	66.9	2006	81.3	93.5
Central African Rep	320	0.341	2008	56.3	2008	62.0	2008	62.8	80.1
Congo	430	0.564	2011	40.2	2011	46.5	2011	32.8	57.3
Eritrea	490	0.381	–	–	1993	69.0	–	–	–
Ethiopia	470	0.435	2011	33.6	2011	29.6	2011	36.8	72.2
Gambia	500	0.441	2003	47.3	2010	48.4	2003	33.6	55.9
Guinea	460	0.392	2012	33.7	2012	55.2	2012	40.9	72.7
Guinea Bissau	590	0.396	2002	35.5	2010	69.3	2002	48.9	78.0
Liberia	410	0.412	2007	38.2	2007	63.8	2007	83.8	94.9
Madagascar	440	0.498	2010	40.6	2010	75.3	2010	87.7	95.1
Malawi	270	0.414	2010	46.2	2010	50.7	2010	72.2	88.1
Mali	670	0.407	2010	33.0	2010	43.6	2010	50.6	78.8
Mozambique	610	0.393	2009	45.7	2009	54.7	2009	60.7	82.5
Niger	400	0.337	2011	31.2	2007	59.5	2011	40.8	76.1
Rwanda	630	0.506	2011	50.8	2011	44.9	2011	63.0	82.3
Sierra Leone	660	0.374	2011	35.4	2011	52.9	2011	56.6	82.5
Somalia	–	–	–	–	–	–	–	–	–
Tanzania	630	0.488	2012	37.8	2012	28.2	2012	43.5	73.0
Togo	530	0.473	2011	46.0	2011	58.7	2011	52.5	72.8
Uganda	550	0.484	2013	44.6	2009	24.5	2013	37.8	62.9
Lower middle income countries ($786–$3115)									
Benin	790	0.476	2012	43.5	2011	36.2	2012	51.6	74.3
Cameroon	1290	0.504	2007	40.7	2007	39.9	2007	27.6	53.2
Chad	1020	0.372	2011	43.3	2011	46.7	2011	36.5	60.5
Comoros	840	0.488	2004	64.3	2004	44.8	2004	46.1	65.0
Congo (DRC)	2590	0.338	2006	44.4	2005	71.3	2006	87.7	95.2
Côte d'Ivoire	1450	0.452	2008	43.2	2008	42.7	2008	35.0	59.1
Djibouti	–	0.467	2002	40.0	–	–	2002	18.8	41.2
Ghana	1770	0.573	2006	42.8	2012	24.2	2006	28.6	51.8
Kenya	1160	0.535	2005	47.7	2005	45.9	2005	43.4	67.2
Lesotho	1500	0.486	2010	54.2	2010	57.1	2010	56.2	73.4
Mauritania	1060	0.487	2008	40.5	2008	42.0	2008	23.4	47.7
Morocco	3020	0.617	2007	40.9	2007	8.9	2007	2.6	14.2

(continued)

Table 5.1 (continued)

Country	GNI per capita (US$) 2013	HDI value (scale 0–1) 2013	Gini coefficient		% of population in poverty (national poverty lines)		% of population in poverty (international poverty lines)		
			Year	Index	Survey year	%	Year	Below $1.25/day	Below $2/day
Nigeria	2710	0.504	2010	43.0	2010	46.0	2010	62.0	82.2
São Tomé & Principe	1470	0.558	2010	33.9	2009	61.7	2010	43.5	73.1
Senegal	1050	0.485	2011	40.3	2011	46.7	2011	34.1	60.3
South Sudan	960	–	–	–	2009	50.6	–	–	–
Sudan	1550	0.473	2009	35.3	2009	46.5	2009	19.8	44.1
Swaziland	2990	0.530	2010	51.5	2009	63.0	2010	39.3	59.1
Zambia	1810	0.561	2010	57.5	2010	60.5	2010	74.3	86.6
Zimbabwe	860	0.492	1995	50.1	2011	72.3	–	–	–
Upper middle income countries ($3116–$9636)									
Algeria	5330	0.717	1995	35.3	–	–	1995	6.4	22.8
Angola	5170	0.526	2009	42.7	2008	36.6	2009	43.4	67.4
Botswana	7770	0.683	2009	60.5	2009	19.3	2009	13.4	27.8
Cabo Verde	3620	0.636	2008	43.8	2007	26.6	2008	13.7	34.7
Egypt	3140	0.682	2008	30.8	2011	25.2	2008	1.7	15.4
Equatorial Guinea	14,320	0.556	–	–	2006	76.8	–	–	–
Gabon	10,650	0.674	2005	42.2	2005	32.7	2005	6.1	20.9
Libya	–	0.784	–	–	–	–	–	–	–
Mauritius	9290	0.771	2012	35.9	–	–	2012	0.4	1.9
Namibia	5870	0.624	2010	61.3	2009	28.7	2010	23.5	43.2
Seychelles	13,210	0.756	2007	65.8	2006	37.8	2007	0.3	1.8
South Africa	7190	0.658	2011	65.0	2011	45.5	2011	9.4	26.2
Tunisia	4200	0.721	2010	35.8	2010	15.5	2010	0.7	4.5

Source: African Development Bank (2014)

The high level of inequality in most African countries is an indication that the low level of economic success on the continent is not evenly distributed among its population. What is also worrying is the significant proportion of the populations that are sucked into poverty by moving from the international poverty line of $1.25/day to $2.00/day. This is a seeming indication that those above the poverty line have a tenuous prosperity. With poverty comes other challenges such as inadequate access to health services and a high mortality rate. Africa spent approximately 6% of it GDP on health in 2012, with a ratio of 47 doctors and 133 nurses to 100,000 people from 2004 to 2012. The crude death rate was 10.2/1000 in 2014 and a whopping 84/1000 for the under 5 mortality rate in 2012 (African Development Bank 2015).

Africa is not faring well in other development indicators such as education. Adult literacy rate remains low. Between 2001 and 2005, approximately 41% of persons 15 years and over could not read and write in Africa. This figure only slightly reduced to 37% in 2011–2015 (African Development Bank 2015). There is a significant reduction in the levels of the gross enrollment ratio between primary and secondary schools. From 2001 to 2015, the difference between gross enrollments from primary to secondary schools remained consistently high at over 50% attrition. For example, the enrollment ratios for 2011–2015 were 100% and 48% for primary and secondary schools respectively. The size and the structure of the national accounts do not portend a context prepared for significant growth. Africa's GDP remained small at approximately 2.3 trillion in 2015 at current market prices, with real GDP growth rate of 3.5% and $1932 per capita GDP in the same year. The structure of production continues to favor the agriculture and services sectors, with low industrial and manufacturing production. Between 2007 and 2014, industrial output dropped from 38.7% to 30.9%, and manufacturing output only slightly increased from 10.1% to 11.2%. In the same periods agricultural output remained constant at 16% while services output increased from 45.1% to 52.8% (African Development Bank 2015).

Therefore, Africa is not showing any serious signs of getting out of the poverty quagmire expediently. While the figures on poverty presented here might highlight low GNI per capita, a high level of inequality and low HDI, they offer more description than explanation of poverty in Africa. We cannot reduce variable association to causal explanation, and cause and effect relationships are not always unambiguous. With this in mind, I will highlight some of the reasons or causes that have been associated with the prevalence and persistence of poverty in Africa. I used associated consciously as a caution to avoid the problem of teleology.

Factors Associated with Poverty in Africa: Causes and/or Effects of Poverty

The identification of the causes and effects of any social phenomenon in an open system, such as a society, is often enigmatic because of the inability to control for all variables. It is not always clear which variable can be treated as cause or effect. Therefore we must tread cautiously rather than making emphatic claims. It is with this thinking that I engage with the causes and effects (factors associated with poverty) of poverty in Africa here. Bigman (2011) is of the view that a broad study of Africa's present and potential development must take into consideration her economic growth, urbanization and political development. The socioeconomic and demographic consequences of these factors underlie his contention for the persistence of poverty (poverty trap) in Africa.

Collier (2007 in Bigman 2011) opined that resource curse, bad governance, landlocked countries and conflicts are accountable for persistent poverty in Africa. For

Table 5.2 Causes of poverty in Africa

Causes of poverty	Political	Social and demographic	Economic	Situational
1	Governance	Household structure	Low productivity/growth	Remoteness of location
2	Social exclusion	Poverty creating social structure	Market instability and failures	Susceptible to shocks (disasters and diseases)
3	Political conflict	Low human capital and social services	Low productive assets	Environmental degradation
4		Gender biases	Income and wealth inequalities	
5		Disability and weak safety nets	Capital intensity—low job creation	
6			'Globalization' adjustment	

Source: White et al. (2001)

him, Africa's resources were plundered during the colonial and postcolonial periods by colonizers and corrupt politicians respectively. Bad governance, which undermines the development of efficient institutions, continues to define the political landscapes of significant numbers of African countries. He argues that land-locked countries are geographically disadvantaged by lack of access to the coast to facilitate their access to international market. Finally, conflict continues to adversely affect African economies. Bigman (2011) emphasizes a nuanced engagement with these factors, as their cause-and-effect relationship with poverty is not without ambiguity and the fact that there might be other intervening factors (variables). However, he notes that corruption, inequality, ineffective institutions and conflicts continues to stifle the improvement of the social well-being of African populations.

White et al. (2001) argue that there are diverse causes of poverty in Africa, which can be grouped into political, social and economic factors. These factors can be broadly divided into national (macro and micro) and international. In their specific analysis, White et al. categorized the causes of poverty into economic, situational, social-demographic and political. The identified elements in these categories were further classified as interactive, primary and proximate causes of poverty. Interactive factors are ambiguous with regard to cause/effect relationship to poverty. Primary causes are underlying, enduring causes of poverty, and they are fundamental to proximate causes. For instance, they suggest in their analysis that while economic growth is important, it is a proximate cause of poverty that depends on political and social primary factors. Table 5.2 shows the broad categories and their elements of causes of poverty in Africa.

It is imperative to note that these various factors and their elements play out in different dynamics and combinations in different African countries. White et al.

(2001) concluded broadly that markets and states are failing the poor in Africa. Barrett et al. (2006) note that vast literature emphasizes poor geographical location (unfavorable nature) and the corrupt colonial and modern state as contributing to persistent poverty trap in Africa.

Three key relational phenomena that should be taken into consideration in the "modern tragedy and a social crisis of enormous proportions" (Jones 2006, 4) of African poverty are the Structural Adjustment Program (SAP), external debt and international aid. This is not a claim that these are the primary causes of poverty in Africa, rather out of curiosity why they failed as a policy and practical approach to poverty eradication. Also, they highlight a particular understanding of poverty and how it should be dealt with. Their failure is perhaps a wake-up call for the consideration of alternative positions on the understanding and treatment of poverty.

The World Bank's policy idea of the SAP prescribes free market-driven production, distribution and consumption, with a significant cut-down in social spending. Its adoption and implementation failed in the African contexts because its conception does not capture the African situation appropriately (Ali 2003; Mafeje 2001). The SAP promise of economic growth and poverty alleviation were not achieved, rather the withdrawal of social provision was devastating for poor Africans (Mafeje 2001). The inadequate information base about poverty in Africa was at the center of the failure of the SAP (Ali 2003). The result of this failed policy is the targeting of social assistance for poverty alleviation, with its limitations, in the developing country context with the majority of the population living in poverty. Ali (2003) argues that a universal social policy is more appropriate in the African context due to high rates of poverty. It could be argued that this mismatch in policy and context is partly responsible for persistent poverty in Africa.

African countries credit and debt relations with international agencies, the International Monetary Fund (IMF) and the World Bank, as well as other developed countries agencies, can be viewed in the same light as the SAP. These are structural relations that failed to eradicate poverty in Africa. The result of borrowing by African countries has not resulted in the development of capital infrastructure and economic growth as a neoliberal postulation of development argues. Rather, most of the countries ended up with huge debt burdens that depleted their national fiscus, with little resources left for human and infrastructural development projects. Debt servicing in essence takes a large share of their GDP (Hope 2008; Mwega 2003). Debt is often connected to the SAP as a condition for African countries to access credit from international agencies. Therefore, their political economy was shaped by this condition without proper attention to the characteristics of their population.

This situation is not helped by the level of corruption among politicians and public and private sectors officials. This is often highlighted for the failure of the SAP and the inappropriate appropriation of debt funds. But we have cases where growth rate is lower than the high interest rate on debt (Hope 2008; Soludo 2003; Mkandawire and Soludo 2003). Ikejiaku (2008) is of the view that the African debt crisis is a case of dependency and collusion between African leaders, international agencies and the West. Servicing of debt is an avenue to extract substantial financial resources from Africa, which can be indirectly linked to poverty and underdevelopment. Closely associated to the SAP and external debt is international aid. It is also associated with conditionality of economic liberalization. Opening Africa to international financial systems and trade with advanced countries predisposed it to poverty and indebtedness (Ikejiaku 2008).

The paradox of aid dependence is that the amounts are often too small to make any significant socioeconomic or infrastructural development impact. Yet countries are compelled to take conditions, such as where to make purchases, which see a significant part of the fund staying in the donor country. This is what Ikejiaku (2008) calls the dependent and exploitative imperialist relationship. There is a connection between debt, aid and conditionality that undermines African development by causing aid dependence and outflow through debt servicing (Kanbur 2000). The thinking here is that in addition to defining and counting the poor, the structural relations of the SAP, foreign aid and the debt crisis have implications for poverty and African development. There is a need to consider alternative complements to economic liberalism in order to engage with poverty in Africa, if liberalism and targeted social provisions have failed to eradicate poverty in Africa. The consideration of structural issues might be an important complementary perspective, especially as they relate to different countries' contexts. Counting the poor only tells us part of the story (descriptive) about poverty, the concluding part might reside in the structural issues that can create or eradicate poverty.

Institutional Practices and Poverty in Africa: A Case Study in South Africa

Africa remains "the core of the world's poverty problem" (Bigman 2011, 3). The notion of 'poverty qua poverty' shows that poverty is beyond the lack of basic needs in Africa. Hope (2008, 2) describes African poverty as "characterized by lack of purchasing power, rural predominance, exposure to environmental risk, population displacement, insufficient access to social and economic services, rapid urbanization, and few opportunities for formal income generation". This shows that the nature of poverty on the African continent is unique, and should be treated accordingly. Disabled people, children, landless people and the working poor constitute a significant proportion of the poor in Africa. The poverty condition is aggravated by conflict, communicable diseases and inadequate formal employment (White et al. 2001).

To take this discussion further, I am of the view that embedded causes of poverty are more problematic to uncover, and are often not dealt with. These are institutions that may seem remote from poverty but could undermine or enhance social well-being. Institutions that could deplete the amount of household real income might gradually drive them into poverty, in the absence of collective consumption. The consumption of micro-credit in South Africa demonstrates this argument. Attempts to fill the gap in consumption needs and income with micro-credit, in the absence of collective consumption, could have either negative or positive consequences for the quality of social reproduction of the households concerned. It can push households living within the poverty range into poverty. In a small-scale study on poverty, micro-credit institutions and social reproduction in South Africa (Omomowo 2015), it was revealed that precariously prosperous households that consume micro-credit to meet individual consumption gaps, in the absence of collective consumption, are likely to gradually slip into poverty.

The argument here extracts from a qualitative research study on the effects of the consumption of micro-credit on the well-being of concerned households, using a case study of Pretoria and Cape Town in South Africa. Theoretical and purposive sampling methods were used to select participants for the study. Snowball sampling referral power facilitates the continuous selection of participants until saturation point. One-on-one semi-structured in-depth interviews were used for data collection (Yin 2009; Kumar 2005; Burgess 1984; Glaser and Strauss 1967). Fifty-four in-depth interviews, comprising four categories, were conducted. Thirty-six life histories, 13 micro-credit, four cultural and one legal interview were conducted. The life history interviews probed the implications of the consumption of micro-credit for the social reproduction of households. The interviews with micro-credit institution workers were used to corroborate the life histories interviews, while the cultural interviews probed cultural practices. The interview with a lawyer was to obtain legal views on credit relationships.

The textual data was manually analyzed using grounded theory and critical realism's 'constant comparative method' and 'analytical model' respectively. Thought processes of abduction, induction and retroduction were used to facilitate understanding, interpretation and explanation for conceptual abstraction (Danermark et al. 2002; Charmaz 2006; Dey 1999). Working with the conception of 'precarious prosperity', a poverty range was constructed, using the experience of the 2014 Ugandan report on poverty status. Setting the secured prosperity threshold at double the poverty line, 43% of the population was categorized as 'non-poor insecure' in Uganda. This approach was applied to the South African local poverty lines. South Africa uses three poverty lines—food, lower-bound and upper-bound poverty lines. These were rebased in the Income and Expenditure Survey of 2011 to R335, R501 and R779 respectively (Stats 2015; Ministry of Finance, Planning, and Economic Development 2014). In view of this, the 'poverty range' was taken to be from the lower-bound poverty line of R501 to the double upper-bound poverty line of R1558).

Out of a total of 36, 24 interviewees revealed the income and structure (number of adults and children) of their households, which were used to calculate their income per capita. Table 5.3 shows that 16 households' per capital incomes are within R501–R1558 poverty range, one household earn below it and seven households earn above it. The boundaries of the poverty range cannot be treated as rigid as there are indications of financial support of family not living in the same household, without clarity on frequency of support and amount. The voice of the people living within poverty range was emphasized.

Poverty discourse tends to overlook this category of people. Though they are categorized as non-poor, their prosperity is fragile and unsecured. The Uganda case

Table 5.3 Household per capita income taking children as half adult

S/N	[a]Name (interviewee code)	No of persons	No of adults	No of children	No of persons taking children as ½ adult	Household income (rand)			Household per capita income (rand)
						Salary/wage	CSG/DG/Pen/gift	Total	
1	Lerato (SR30)	10	6	4	8	4500	1000	5500	687[b]
2	Refilwe (SR31)	11	5 [2]	1 [3]	5 ½	6000	660	6600	1200[b]
3	Fibi (SR12)		5	4	7	3500	1400	4900	700[b]
4	Teballo (SR9)	10	5	5	7 ½	2600	1750	4350	580[b]
5	Mr. Ahmed (SR19)	6	4	2	5	1114	500	1614	323[b]
6	Tebogho (SR14)	3	1	2	2	5500	–	5500	2750
7	Mr. Hendricks (SR16)	3	2	1	2 ½	–	2580	2580	1032[b]
8	Lebo (SR29)	2	2	–	2	1500	–	1500	750[b]
9	Motapelo (SR28)	3	1	2	2	3000	–	3000	1500[b]
10	Impilo (SR27)	4	2	2	3	4900	–	4900	1633
11	Olwethu (SR33)	7	5	2	6	7500	500	8000	1333[b]
12	Peter (SR10)	7	6 [1]	–	6	5200	–	5200	867[b]
13	Ruth (SR7)	5	3	2	4	6000	–	6000	1500[b]
14	Tumi (SR6)	4	4	–	4	2500	2200	4700	1175[b]
15	Pamela (SR5)	6	4	2	5	2600	1100	3700	740[b]
16	Angela (SR4)	4	2	2	3	3000	500	3500	1166[b]
17	John (SR3)	6	2	4	4	2900	1000	3900	975[b]

(continued)

Table 5.3 (continued)

S/N	[a]Name (interviewee code)	No of persons	No of adults	No of children	No of persons taking children as ½ adult	Household income (rand)			Household per capita income (rand)
						Salary/wage	CSG/DG/Pen/gift	Total	
18	Unathi (SR2)	8	4	4	6	3540	1100	4640	773[b]
19	Simphiwe (SR13)	4	3	1	3 ½	2536	250	2786	796[b]
20	Mitchelle (SR15)	4	4	–	4	12,300	–	12,300	3075
21	Rose (SR23)	4	2	2	3	10,700	–	10,700	3567
22	May (SR21)	3	2	1	2 ½	5500	1100	6600	2640
23	Ingrid (SR18)	5	3	2	4	8300	1100	9400	2350
24	Phumi (SR17)	3	3	–	3	9000	1100	10,100	3367

CSG Child support grant, *DS* – Disability grant, *Pen* Old age pension
[a]All names are pseudonyms
[b]Household per capita income within 'poverty range'

shows that they have started paying attention to this category of people because they constitute a substantial part of their population. My sense here is that an anti-poverty or poverty eradication program that does not cast its net wide enough to include people living within the poverty range might not be very successful. It becomes imperative that embedded institutional practices, seemingly remote, that might undermine the quality of social reproduction of the precarious non-poor be studied. This will unveil the contextually peculiar causes of poverty to inform appropriate policy responses. It is with this thinking that the activities of micro-credit institutions and the consumption of micro-credit by the precarious non-poor were studied in two South African cities. Cash loans (micro-credit institution that lend against salary/wage income), retail goods credit (hire-purchase of durable goods and clothes) and 'mashonisa' (informal moneylenders) micro-credit institutions were considered in this study.

The study revealed that the purpose and dimension at which credit is consumed is important for its implications for a credit consuming household. There is a distinction between the productive consumption of micro-credit and micro-credit to smoothen individual consumption. While the productive consumption of micro-credit has the potential to increase household real income, its consumption to smoothen individual consumption leads to the depletion of real income due to repayment of principal amount and costs. Reduced real income negatively affects the quality of social reproduction of households when there is no collective consumption to bridge the gap in individual consumption needs as a result of low wage from the capital–labor nexus (Heinrich 2012; Altman 2007). Micro-credit consumption is often used to smoothen individual consumption in South Africa, rather than the promotion of micro enterprise (Calvin and Coetzee 2010).

The dimension at which credit is consumed is also important in shaping its effect on household quality of social reproduction. It emphasizes the degree of drive to consume credit. The study reveals three dimensions of desperation-need-choice on a continuum of highest to lowest drive to consume credit. The higher the drive to consume credit, the lower is consumer power to negotiate positive terms in a credit relationship. The dimension at which a household consumes micro-credit is an indication of its location in her social reproduction needs. For instance, when micro-credit is consumed at the desperate dimension, such as for food or transport to get to work, households might have no leverage of time to consider alternative or negotiate favorable terms.

The granting of micro-credit in South Africa is focused on the affordability of monthly repayment installments, credit history and formal employment. Purpose is not given much attention, except in house mortgage. Vangile, a query line manager, did not mince her words about the priority micro-credit institutions placed on affordability when she said:

> It's just plain simple, if you can afford it we will give it to you. For whatever reason that you take it up for, it is your baby (Vangile: MC 8, P 17–10/09/2011).

Henry is a branch manager of in one of the big micro-credit granting institutions in South Africa. He stressed the importance of affordability, employment and credit history—in his words:

> So affordability plays a major role in giving the client the product or not … There are other stuffs that we look at, employment, how long the client has been employed … the client needs to be employed, minimum a year with the same institution. So those are the specific criteria that we look at; affordability, credit name and employment (Henry: MC 3, P4–07/06/2011).

It was inferred from the study that a focus on purpose and dimension is important because it can inform the architecture of collective consumption, in the form of social policy to advance social well-being. This approach to poverty could target those living close to poverty, which are not often included in the poverty discourse, and uncover social institutions that might subtly create poverty. The dimension at which households consume credit determines its urgency and importance in their social reproduction. Credit consumption purpose and dimension are connected. For example, purpose can reflect dimension. The consumption of credit for food and medical care reflects a desperate situation that must be satisfied urgently. The study revealed that credit is consumed for food, electricity, transportation, tuition fees, medical bills, debt consolidation, school uniform, clothing and the payment of existing credit monthly instalments. Teballo's, Ma Ntombi's, Lerato's and Lebo's words show their desperation for micro-credit to fill their social reproduction needs gap thus:

> I only survive when I go and borrow money from a 'mashonisa' [informal moneylender] … I have Mr. Price account on which I pay R150 every month. I bought a fridge, on which I am paying R150 per month as well, and I have to eat and send some of the money home (Teballo: SR 9, P2, 3, 4–24/03/2011).

> Like when the kids are sick because we don't have a medical aid … We go to a 'mashonisa' [informal moneylender] and loaned the money because we must take the kids to the hospital … Sometimes we don't have electricity because we can't buy enough electricity for the whole month … then we go to 'mashonisa' or there is something that is an emergency (Ma Ntombi: MC 10, P9–16/04/2012).

> Sometimes we don't manage to buy uniform for our young children, so we have account to buy uniforms for school at Ackermans … R200 every month … No, not only uniforms, sometimes it is for winter clothes, sometimes for Christmas (Lerato: SR 30, P8–06/09/2011).

> Last year I took my son to the … skills college … he did what, boiler making. So I went to African Bank to borrow the money. African Bank gave me 5.5 [R5500] … they are still taking that money, R383.05 … I took 5½ thousand … now I owe the bank 11000, which means the interest is maybe 6000 (Lebo: SR 29, P4 – 03/09/2011).

The various needs for which credit is sought reflect different dimensions. The credit consumer is powerless at the desperate dimension, with no time to compare alternatives. While needs might be satisfied in desperation, the cost might be huge for households in the long run. The need dimension is when credit is used to close the income–need gap. There is little time to consider alternatives. It is also a position of powerlessness because in order to socially reproduce the needs not covered by income must be satisfied. There is ample time to consider alternatives at the choice dimension. Credit is used for non-compulsory needs, therefore the household can decide to consume credit or not. There were clear indications that credit consumption at the desperate and need dimensions can push the household into poverty in the long run due to the repayment of principal debt and costs, causing continuous reduction in households' real income. Credit consumption by people living in the poverty range at these dimensions could lead to over-indebtedness, bad debt, credit administration, garnishee orders and attachment of property. Tebogho clearly expresses her over-indebtedness when she said:

> I'm sinking in a 'titanic' … I was paying this furniture there, the divider there, the fridge, the mirror and the machines … Then I decided in January this year to borrow a loan from African Bank to settle all of my accounts. I had a loan [from] African Bank; they are disturbing me now … Then I have to settle that one as well in January. It was R22,000 and some odds … I was also having the one for the fridge and the one for the machine and other shops now for the clothes. But applying for a loan at African Bank is very easy, but it's so frustrating because you'll pay until I don't know, 5 years … and their interest is sky-high … I decided to go to Capitec because I was so fed-up of having those phone calls from the shops like RCS and Joshua Doore and stuff … then Capitec settled that African Bank loan, the big one that I have. It was like now R38,000 that they settled for me. And then they settle that Joshua Doore and RCS … Capitec said they are not going to settle the credit card that I have at African Bank. So I am left with that credit card at African Bank (Tebogho: SR 14, P2, 3 – 03/07/2011).

Refilwe is under debt administration due to over-indebtedness:

> It is hard men because of now we are at … administration … I ended up at credit bureau, those people ended up interfering with my salary because I'm the one who is working. The lawyers wanted to deduct my money so I ended up going to administration to help me. They call it debt counselling. I am paying those people R750 … to pay lots of accounts, ABSA loan, Foschini, and Truworths. So they ended up making it one credit … those administrators, and then paying those debts (Refilwe: SR 31, P4 – 07/09/2011).

According to Nicole, when people are desperate the cost of credit is rarely taken into consideration when they are making micro-credit consumption decisions:

> You see, if you are desperately in need of money, you just sign and … because you want the money, you don't check what … is the interest. So … last month I said … no man, something is not right, let me just check … it comes out like R475 on R300 (Nicole: SR 8, P4 – 22/03/2011).

The entanglement in debt cycle is clear as Teballo's experience shows she survives by consuming micro-credit repeatedly:

> I'm renting a room in Mamelodi, I am the one paying the rent, I buy food worth R200, train is R100 and taxi I spend R200 per week on taxi. Still I only survive when I go and borrow money from a 'mashonisa'. I borrow from them; I do what I needed to do. At the end of the month they take their money from my salary. I take the money, they deduct it, I take the money again, they deduct it again, and on and on like that (Teballo: SR 9, P3 – 24/03/2011).

The study therefore shows that micro-credit institutions, which seem remote to the discourse of poverty, can actually push households that are living just above poverty into poverty when they try to solve their individual consumption challenges with credit consumption. The argument here is that where the structure of the political economy is weak on collective consumption, individual households that use micro-credit to solve the challenge of individual consumption might be gradually pushed into poverty in the long run. It is therefore imperative that the study of poverty in Africa should transcend description and obvious structural causes to uncovering remote social institutional practices that might cause or aggravate poverty. Such is the case of the consumption of micro-credit by those living in the poverty range in South Africa. In addition to economic growth, comprehensive social policy on collective consumption might be important to deal with the prevalence of poverty in Africa. Such policy has the capacity to raise the socio-economic floor and build individual capabilities to convert resources to high quality functioning.

Conclusion

The prevalence of poverty in Africa means that how it is treated is unique to the African context. About 50% of Sub-Saharan Africans (as well as North Africa) are poor using the $1.90 per day international poverty line at 2011 PPP (World Bank 2016). In excess of 50% of the populations in most African countries are poor using their local poverty lines and the $1.25 a day international poverty line (African Development Bank 2015). The figures are worse at the $2.00 and $3.10 2011 PPP. Though Africa has achieved an average 5% growth rate in the past decade, the level of poverty reduction achieved is not significant. This situation is accompanied by diseases, conflict, hunger and lack of proper shelter (Ikejiaku 2009a). Therefore poverty can better be conceived as a development challenge in Africa. The targeting of social welfare is not likely to be effective in a context where a significant proportion of the population is poor. A universal social policy is needed to complement economic policy in order to deal with Africa's development (poverty) challenge (Ikejiaku 2009a; Ali 2003; Mafeje 2001; White et al. 2001).

In view of these contextual realities, it is pertinent to talk about the structure of poverty in Africa as a relational phenomenon. The structure of Africa's relationship with the rest of the world, which is capable of causing or aggravating poverty, is imperative. Also, the structure of poverty can be considered as contextual institutional practices that are capable of causing or aggravating poverty. What is more important for the way poverty is viewed in this chapter is the study of institutions that appear remote to poverty, yet a closer interrogation could uncover that they are capable of causing and aggravating poverty in Africa. This is important if we have to move from description to an explanation of poverty (Jones 2006).

There are many causes of poverty in Africa if it is approached by means of structural institutional practices; hence, the approaches applied should differ from country to country. It is the position here that the poverty eradication agenda, as proposed in Africa's Agenda 2063 and the SDGs, must complement economic growth with human capabilities development policies. The socioeconomic floor must be raised broadly in order for targeted social protection policy to have any meaningful effect on poverty eradication. Therefore comprehensive social policy must be considered to unlock human potential. Social policy should not be treated as residual, but as a complement to economic policy.

The complementary relationship between economic and social policy in the treatment of poverty is vivid within the framework of the political economy that speaks to how a society satisfies productive, individual and collective consumptions through the institutions of the economy, family/household and the state. Within this frame, poverty is a challenge of individual consumption within the family/household as a result of human capabilities and entitlements (Sen 2009), which merge claims to wage funds in the capital–labor nexus (Heinrich 2012) and claims on social provisions and collective consumption often led by (but not limited to) the state. Both sites (the economy and state/social cooperation) of entitlements, defined by human capabilities, must complement each other to foster social well-being. When individuals' entitlements are inadequate to facilitate absolute and relative socially acceptable functioning (living) or quality of social reproduction, they are deemed to live in poverty. Therefore, a poverty reduction or eradication agenda must target economic and social policies simultaneously. Both possess the tools to enhance human capabilities to increase their entitlements so as to foster improved social well-being. In the African context, where poverty is overwhelming and the social floor is very low, human capabilities improvement through comprehensive social policy (seen as social investment) can increase economic participation and foster growth and distribution, which are all important for development.

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