

Examining Poverty at the Border of West Africa: Guinea and Sierra Leone

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Abstract

This article will examine the essence of poverty in neighboring West African countries, Guinea and Sierra Leone. The primary focus of the article is given to the ill-being of the citizens in both realms. It will first review both countries' income per capita and the incidence of poverty. It will then discuss some driving elements behind the nature of poverty in both nations, focusing on agriculture, education, and health. Though by no means complete, this article also analyzes some of the measures Guinea and Sierra Leone have taken and could take to eradicate poverty.

I. Introduction

West Africa is a place where diversity, natural landmarks and intricate art are all intertwined in a melting pot of rich culture. Though central to a sundry of cultural backgrounds molded from previous sufferings of slavery, the region remains fragile from amplitude of internal disarray – ranging from deathly diseases to the lack of stable infrastructure. Sierra Leone and Guinea are neighboring countries that sit on the border of West Africa. Although both countries are wealthy in a cultural aspect, today these two realms are among the world's poorest nations.

The United Nations Development Program (UNDP)'s Human Development Index (HDI) for 2009 showed that 22 of 24 nations in West Africa were identified as having 'Low Human Development'. Despite advances in technology, medicine, agriculture and other fields in today's day and age, poverty remains a relevant issue.

This article will examine several factors that have been said to affect economic growth in both Sierra Leone and Guinea. Following this introduction, this article provides first a brief review of literature and then some empirical background. The subsequent discussion section will then focus on three aspects that have been argued to be influential for the reduction of poverty and the promotion of growth: agriculture, education, and health. Each sub-section covering these three aspects will capture some similarities as well as key differences between both countries and shed some light upon the current and past situation. Finally, the last section of the article will provide some conclusions.

II. Brief Literature Review

Given the severe poverty in Guinea and Sierra Leone, there are many publications on poverty in these two countries. In addition to academic publications, there also are a variety of reports by the either the governments of these two countries or international organizations active in these two countries.

- The most extensive information on poverty in Guinea and Sierra Leone is available from the government of these countries' Poverty Reduction Strategy Papers (PRSPs). Though officially written by the government of a country, they are usually also published by the International Monetary Fund (IMF) and the World Bank. Guinea's first PRSP of 2002 has been published by the Republic of Guinea (2002), while Guinea's second PRSP and Sierra Leone's first PRSP are published by the IMF, see IMF (2008) and IMF (2005), respectively. In some cases, there also are PRSP Progress Reports, as is the case for Sierra Leone, see IMF (2011). The World Bank (2013) has also published a detailed poverty profile for Sierra Leone.
- Victor A. B. Davies (2002) wrote the paper entitled "*War, Poverty and Growth in Africa: Lessons from Sierra Leone*" for the Centre for the Study of African Economies' 5th Annual Conference. The paper examines current economic evidence for Sierra Leone on the causes of civil war, poverty and poor growth that threaten the African country. The paper by Davies specifically examines the political economy influences of the three phenomena in Sierra Leone, which include, a diamond curse, political repression (1958-1992), ethno-regional divisions, and an urban bias in government policy. The paper further assesses the consequence of the civil war in relation to the four influences and the conditions that emphasizes post-conflict challenges.
- The International Fund for Agricultural Development (IFAD) publishes on the internet a rural poverty profile for most developing countries, including for Guinea and Sierra Leone.¹ The rural poverty profiles, which typically are 500-700 words-long summaries for each country's main issues related to rural poverty, are part of IFAD's Rural Poverty Portal.
- Clive Harber (2010) focuses on the political relationship between education (a factor of poverty) and poverty reduction in Africa as a whole. The article discusses the authoritarian rule in Africa and the dire levels of poverty. It will also examine several examples from Africa where education has no substantial role in furthering democracy and provide other examples of African countries where the education system is being altered to follow a democratic direction. All in all, the article is trying review a factor of poverty and how it plays a role in the well-being of the people in Africa such as Sierra Leone.
- Paul Shaffer (1998) points out the general concept between gender, consumption poverty and deprivation in the Republic of Guinea. The article aims to explain that women are not more prone to be consumption poor or to suffer greater poverty. The article also continues to provide evidence from the Kamatiguia village to show that women suffer more than men when deprivation such as excessive workload and reduced decision-making authority is present. Shaffer believes that when consumption poverty poorly correlates with other

¹ The rural poverty profile for Guinea is posted at: <http://www.ruralpovertyportal.org/country/home/tags/guinea>; for Sierra Leone, see: http://www.ruralpovertyportal.org/country/home/tags/sierra_leone.

dimensions of deprivation, it should not be the sole guide for equity-based policy intervention.

III. Empirical Background

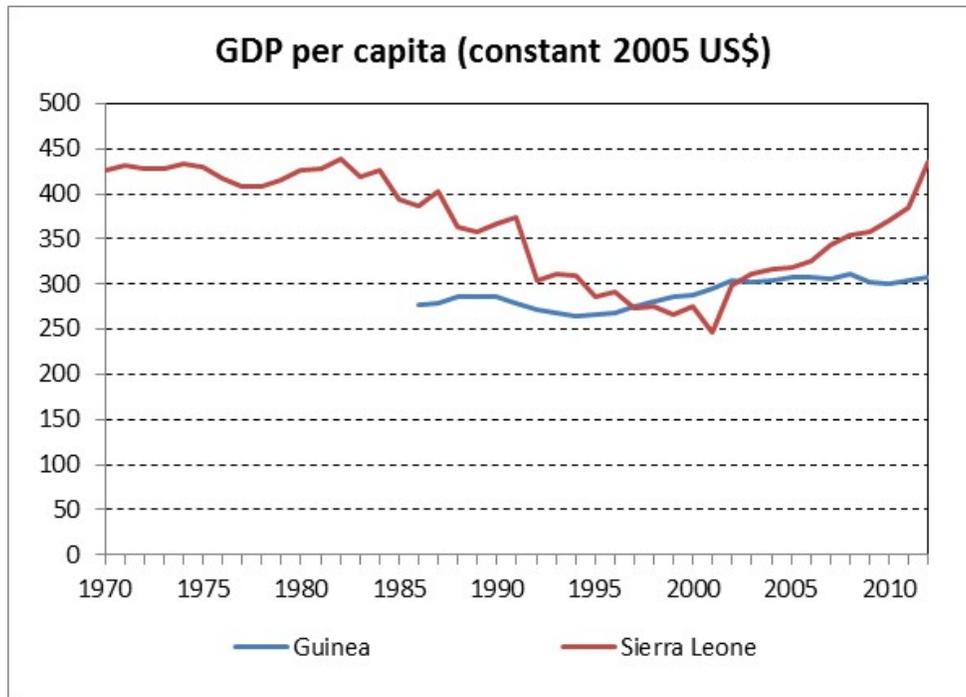
Following Guinea's independence in 1958 from France and Sierra Leone's independence in 1961 from the British, both countries have been plagued by political instability, military coups and in the case of Sierra Leone, even civil war (1991-2002), which resulted in the destruction of Sierra Leone's economic and physical infrastructure. Both countries have some natural resources (bauxite in the case of Guinea, and diamonds in the case of Sierra Leone), but like in most African countries, the availability of these natural resources have been more a curse than a blessing.

- According to the IFAD's rural poverty profile for Guinea, Guinea was relatively stable and had decent economic growth during the 1990s, which was driven mainly by mining and agriculture. However in 2000, Guinea began experiencing political, social and governance instability, which led to the deterioration of the socio-economic situation.
- According to Sierra Leone's Poverty Reduction Strategy Paper (see International Monetary Fund, 2005, pp. 52-55) Sierra Leone's economic prospects were "sound and promising" during independence in 1961, due to the mining of diamonds, iron ore and bauxite. It was apparent that the economy grew considerably in the 1960s by "about 4.5 percent on average per annum". However, during the 1970s and 1980s, the economy started to decline and reached near collapse during the civil war that raged in Sierra Leone.

Like in all nations, the economic wellbeing of Guinea' and Sierra Leone's people is influenced by economic production, typically measured by gross domestic product (GDP), divided by population size. Though GDP per capita is distorted due to inequality, it remains an important indicator that illustrates the average income received by a person. Therefore, GDP per capita is a useful tool to show the general economic situation of the average person living in a country. Figure 1 illustrates the evolution of the two countries' GDP per capita for all available years.

- With regards to Guinea, for which such data is available since 1986, Figure 1 shows that there has been a gradual decline from an already low GDP per capita of \$277 in 1986 to \$265 in 1994, followed by a modest increase until 2002 (when GDP per capita reached \$304), and after which GDP per capita stagnated until 2012.
- With regards to Sierra Leone, Figure 1 shows an economic stagnation during the 1970s, followed by an economic decline until 2001, when GDP per capita reached an all-time low of \$247. Even though Sierra Leone's GDP per capita rose sharply since 2001, it was at about the same level in 2012 (\$435) as it was in 1970 (\$426).

Figure 1: GDP per capita in constant 2005 dollar, all available years

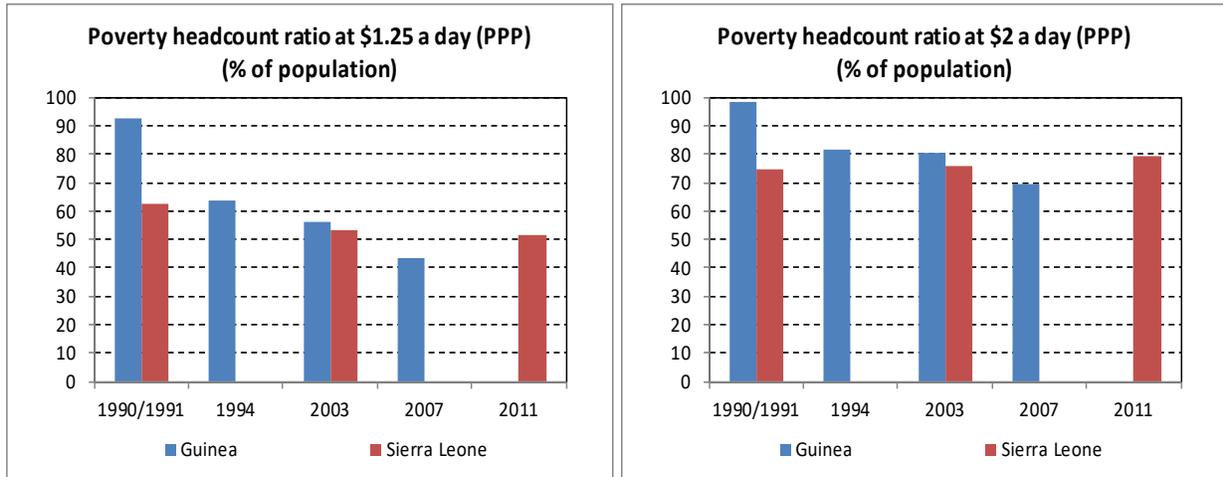


Source: Created by author based on World Bank (2014).

By no means is a low GDP per capita the only aspect of income poverty. For example, poor living standards can be measured by the percent of citizens living below a particular income threshold. Guinea’s first Poverty Reduction Strategy Paper (Republic of Guinea, 2002, p. 12) states: “In income terms, in 1994/95, 40.3 percent of the population had a consumption level below the national poverty threshold, estimated at about US\$300 per person per year.” In addition, data from Sierra Leone’s Poverty Reduction Strategy Paper (International Monetary Fund, 2005, p. 33) states that “the incidence of poverty among unpaid family workers is about 77 percent, and the intensity [is] about 31.6 percent.”

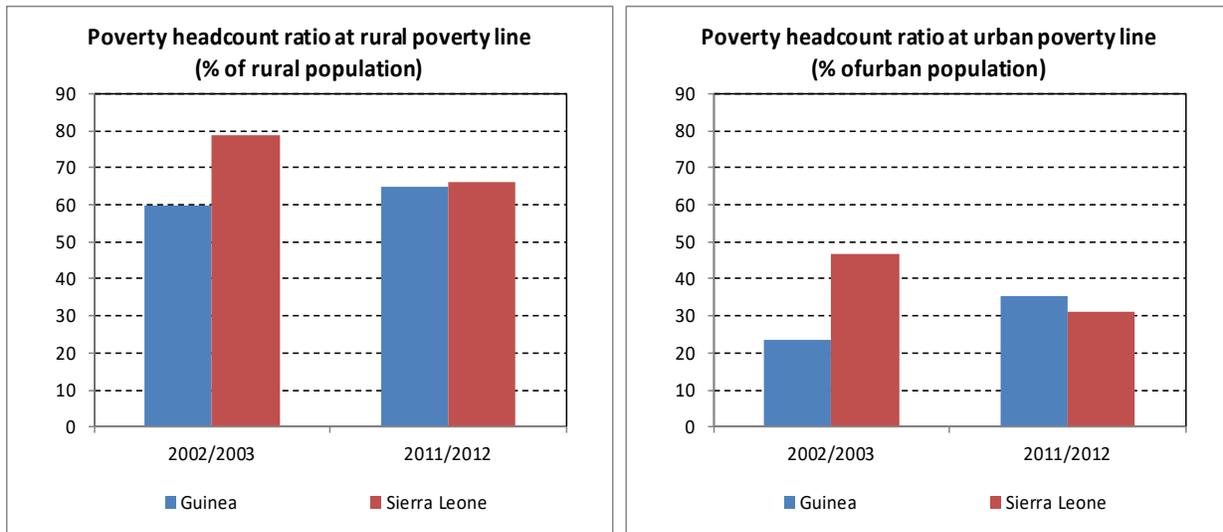
The data for the poverty incidence in both countries is shown more clearly in Figure 2. The graph indicates the percentage of civilians who live under \$1.25-a-day and \$2-a-day; which are the international poverty lines and are direct indications of wide spread poverty in both countries. Even though Guinea’s poverty incidence was significantly higher than that of Sierra Leone in 1990/1991, based on the latest data available for 2007 and 2011, it now seems like that poverty in Sierra Leone is slightly higher than in Guinea. In any case, it is clear that not much progress has been made over the last few decades and that both countries continue to have incidence of poverty with some 70 to 80 percent of the population living below \$2-a-day. Furthermore, as Figure 3 shows, in both Guinea and Sierra Leone, poverty is far higher in rural areas than in urban areas.

Figure 2: Poverty Headcount Ratios at \$1.25-a-day and \$2-a-day, all available years



Source: Created by author based on World Bank (2014).

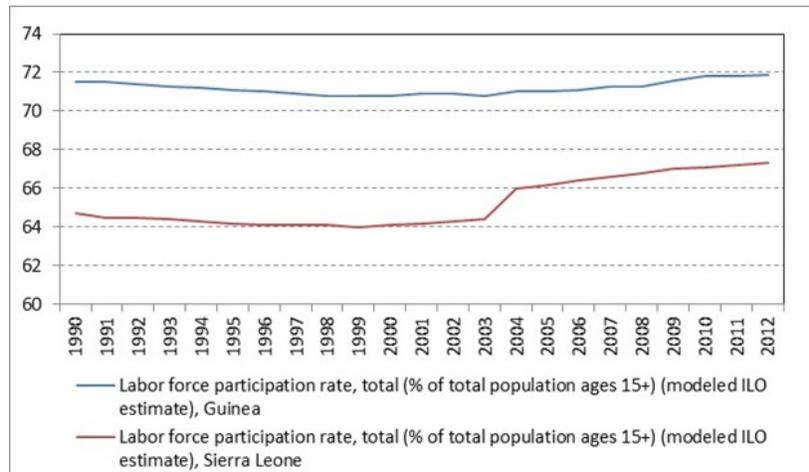
Figure 3: Rural versus Urban Poverty, 2002/2003 and 2011/2012



Source: Created by author based on World Bank (2014).

It is crucial to understand that the high poverty headcount ratios are not due to low labor participation rates. Figure 4 shows that both countries had a relatively high percentage in labor force participation for males and females above the age 15. The data suggests that the percentage of labor force participation is well above 60 percent and it also shows a gradual increase since 2004. However, Figure 4 also shows that the labor force participation rate is estimated to be considerably higher in Guinea than in Sierra Leone.

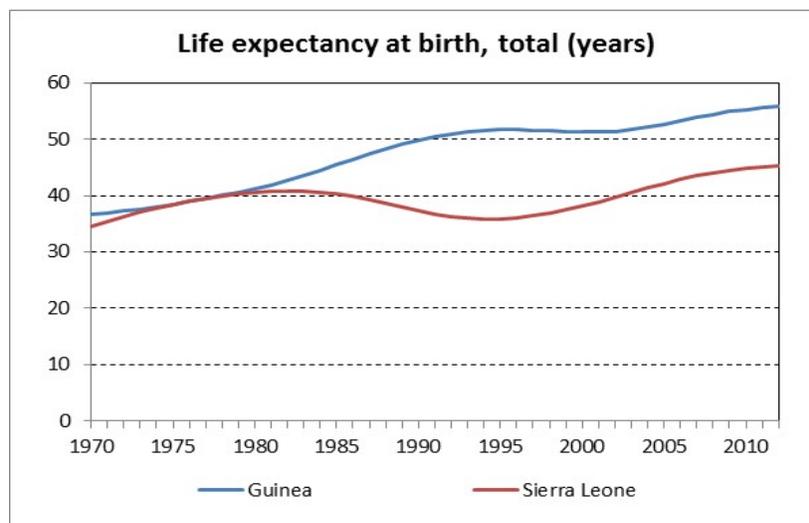
Figure 4: Labor Force Participation Rate, 1990-2012



Source: Created by author based on World Bank (2014).

Clearly, poverty is almost impossible to be measured precisely. To grasp the nature of poverty, we must look beyond income poverty data and focus on determinants related to living conditions. Life expectancy is one of measurements indicating the level of public health in both countries. Despite what we know about poverty in Sierra Leone and Guinea, the data in Figure 5 is somewhat positive and encouraging. In Figure 5, the life expectancy in years is shown for both countries and both trend lines are upward sloping, therefore indicating that people are starting to live longer. However, the statistic also suggests that life expectancy in Guinea is about 10 years higher than the life expectancy in Sierra Leone. In 2012, the life expectancy at birth for Guinea was about 56 years, whereas it was 45 years for Sierra Leone.

Figure 5: Life Expectancy at Birth (years), 1970-2012



Source: Created by author based on World Bank (2014).

IV. Discussion: Agriculture, Education and Health

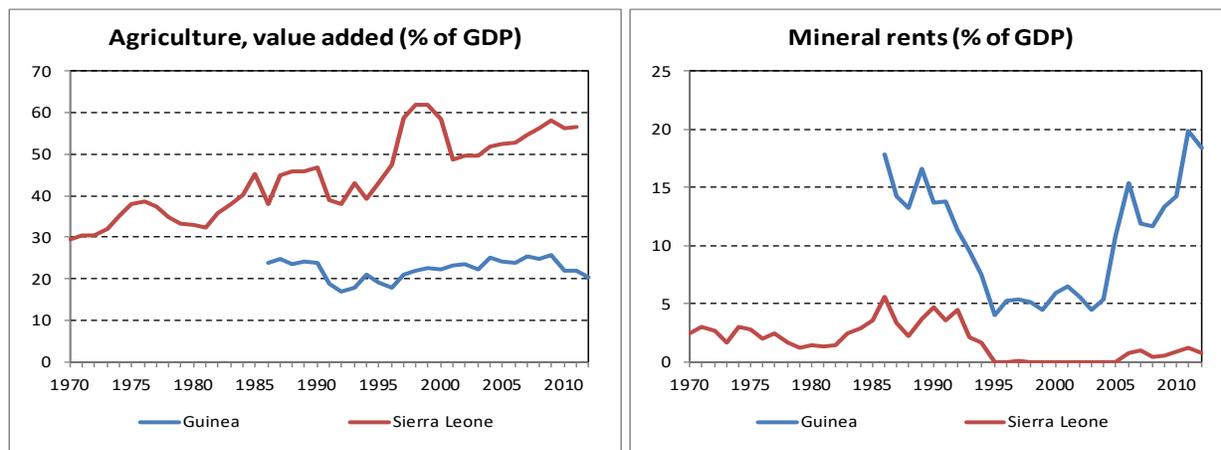
There have been many different claims and explanations for factors that affect poverty. In this discussion section, we focus on the contributions of three areas for which there is some empirical data: (1) agriculture, (2) education, and (3) health.

IV.1. Agriculture

Given that most of the poor people live in rural areas in Guinea and Sierra Leone (see Figure 3 above), agriculture is considered important for economic growth. Guinea's second PRSP (see IMF, 2008, p. 31) states "agriculture is the main activity of poor households and the largest sources of income for rural households." Similarly, Sierra Leone's PRSP Progress Report (see IMF, 2011, p. 35) says: "Agriculture remains the backbone of the economy" as about two-thirds of its population depend on agriculture for their livelihood and agriculture makes up 45 percent of the country's GDP.

As the left hand panel of Figure 6 shows, the value added by agriculture as percent of GDP is far higher in Sierra Leone than in Guinea. This is largely due to far higher mineral rents in Guinea than in Sierra Leone (shown in the right hand panel of Figure 6). However, even though there is no time series data available for the share of agricultural employment, the available data clearly indicates that agriculture is the main source of employment in both countries.² Combining the high level of employment in agriculture with the fact that poverty is far higher in rural areas than in urban areas (see Figure 3 above), both countries can be considered to be agriculture-based countries. It is therefore critical for both countries to invest in agriculture, though policies towards a longer-term structural transformation will need to be kept in mind.

Figure 6: Contributions of Agriculture and Minerals to GDP, all available years

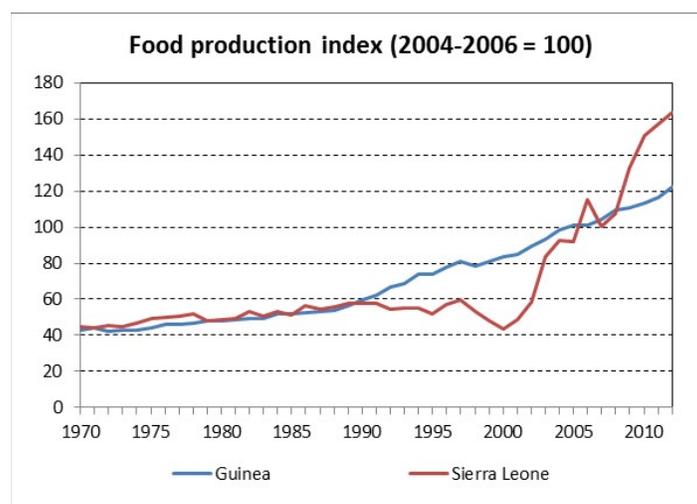


Source: Created by author based on World Bank (2014).

² Based on the only data available in World Bank (2014), the percentage of employment in agriculture in total employment was 76 percent (in 1994) in Guinea, while it was 68 percent (in 2004) in Sierra Leone.

The climates of both countries are generally suitable for food production. Both countries have high levels of precipitation. Guinea’s precipitation has been around 1,700 millimeter (mm) per year for the last 4 decades, while that of Sierra Leone has been around 2,500 mm per year.³ The sometimes excessive precipitation in West Africa leads to regular flooding, thus reducing the possibility of growing crops. One of the worst surface flooding occurred in 2009, when exceptionally heavy seasonal rainfall in large areas of West Africa lead to several rivers braking their banks, causing destruction of houses, bridges, roads and crops. The floods are reported to have affected 940,000 people across 12 countries, including Guinea and Sierra Leone, and caused the deaths of at least 193 people.⁴ Anyway, as Figure 7 shows, food production has grown moderately but steadily in Guinea, while it stagnated in Sierra Leone from 1970 to 1997, after which is even declined in the last few years of the civil war. Only since 2000 has food production increased in Sierra Leone, at a very high rate, which implies that Sierra Leone’s food production index has surpassed that of Guinea since 2008.

Figure 7: Food Production Index (2004-2006 = 100), 1970-2012



Source: Created by author based on World Bank (2014).

IV.2. Education

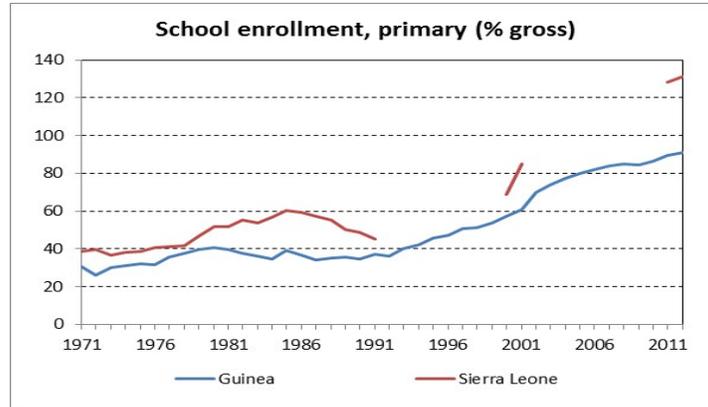
Guinea’s second PRSP and Sierra Leone’s PRSP Progress Report (see, respectively, IMF (2008) and IMF (2011)) recognize the value of education in helping both countries to promote growth and reduce poverty. According to Guinea’s second PRSP, Guinea’s gross enrollment rate at the primary school level rose “16 points during 2001-2006, from 62 percent to 78 percent” and the net enrollment rate also rose from “57 percent in 2001/2002 to 63 percent in 2005/2006” (IMF, 2008, p. 18). Similarly, according to Sierra Leone’s PRSP Progress Report, Sierra Leone’s net primary school enrollment rate increased from “57 percent in 2002 to 62 percent in 2008” and the percentage for female students rose 5 percent (IMF, 2011, p. 33). Based on Figure 8, it is apparent that primary school enrollment in both countries has overall been increasing. However, as there is

³ World Bank (2014).

⁴ See: http://en.wikipedia.org/wiki/2009_West_Africa_floods.

no data available for various years in the case of Sierra Leone, there could have been a significant decline during those years, especially during the years of Sierra Leone’s civil war (1991-2002).

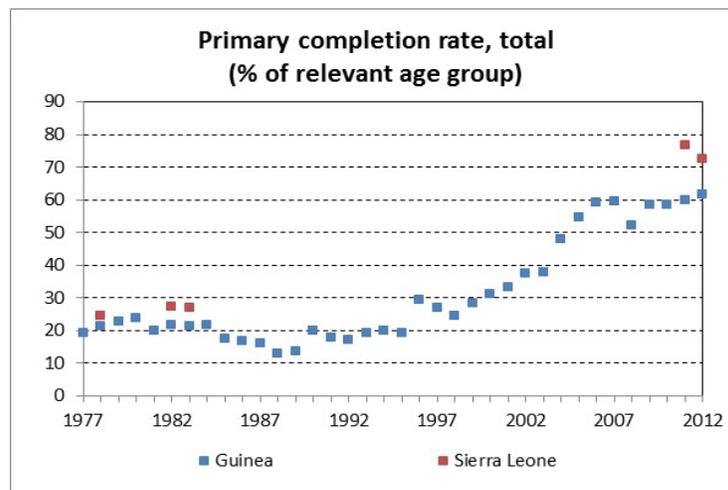
Figure 8: Primary School Enrollment in Guinea and Sierra Leone, all available years



Source: Created by author based on World Bank (2014).

It is important to note that primary education itself does not hold a significant effect on growth, but it does create a foundation for knowledge and future education. Therefore, completing primary school (shown in Figure 9) could be an indicator of secondary school enrollment and so forth. Once again, there was more data available for Guinea than data for Sierra Leone. However, looking at Figure 9, it is possible to infer that Sierra Leone has a higher percentage of primary school completion rates and in recent years, the completion rates surpassed 70 percent. Although, the school completion rates in Guinea is seemingly increasing, in recent years, the completion rate was around 60 percent or below.

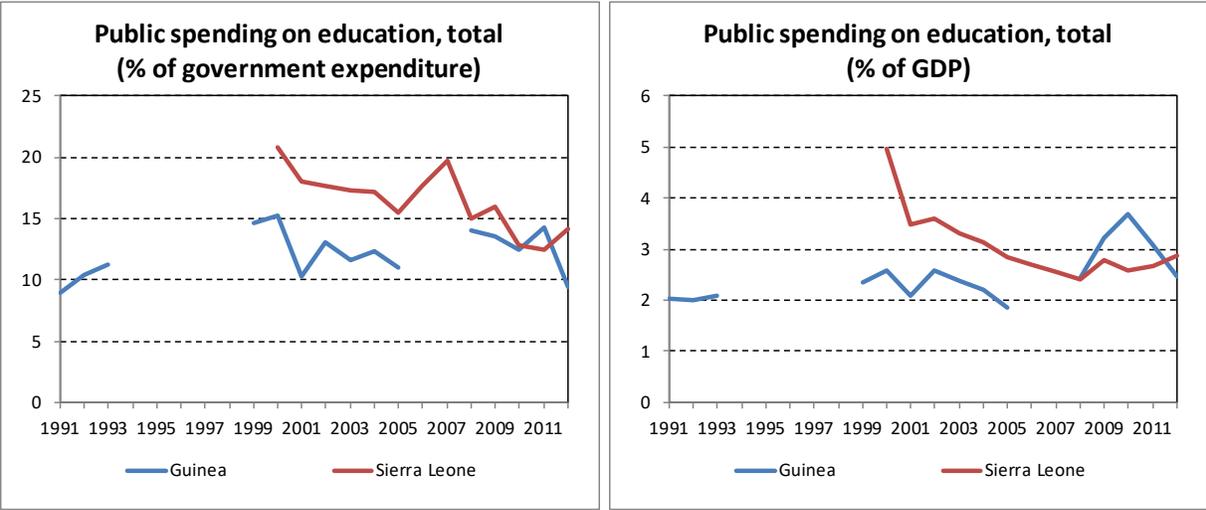
Figure 9: Primary School Completion Rate, all available years



Source: Created by author based on World Bank (2014).

Furthermore, it is important to realize that the quality of education also depends on the government for it has the ability to influence its nation’s education. Figure 10 shows the data for public education spending for all available years; the left hand panel shows public education spending in percent of government expenditure, the right hand panel shows public education spending as percent of GDP. Though the data is limited, it still highlights the trends of public spending on education in each country. Based on Figure 10, it is apparent that public spending on education has typically been higher in Sierra Leone than Guinea, except for 2009-2011. Despite some volatility, the trend of public spending in Guinea stays relatively the same, which is typically below 16 percent of total government expenditure, while the trend in Sierra Leone has actually been decreasing. Overall, it can be seen that the governments of both West African countries spend currently very little on education, which is likely one of the reasons for both countries’ low growth and high poverty, as well as both countries’ political instability.

Figure 10: Public Spending on Education, all available years

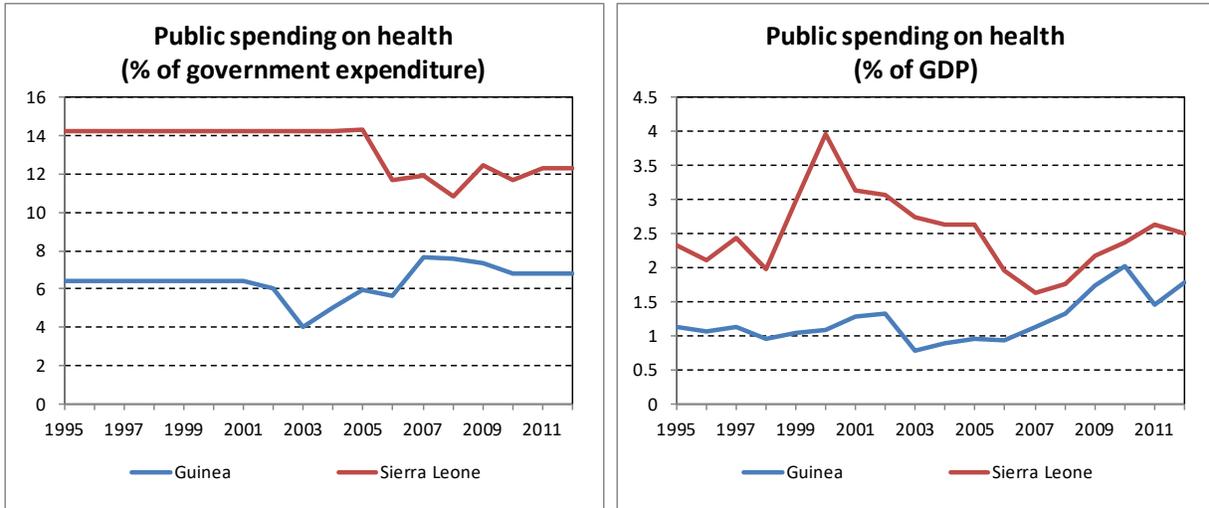


Source: Created by author based on World Bank (2014).

IV.3. Health

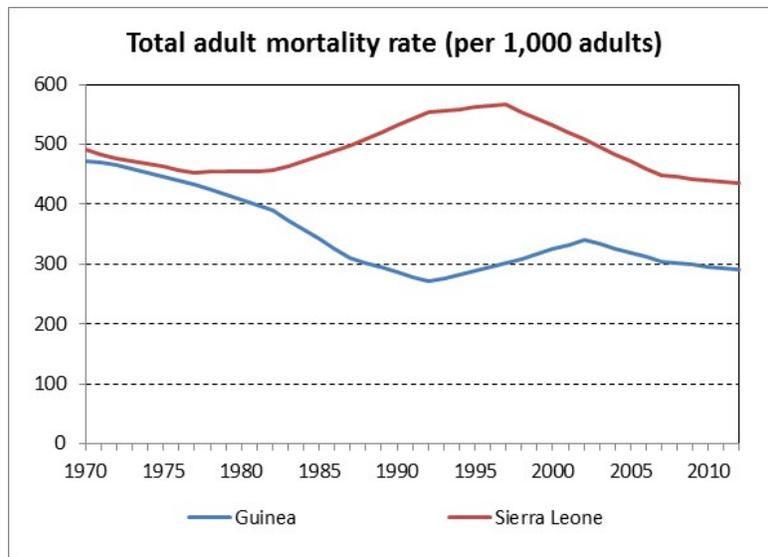
Both countries’ PRSPs mention health as an important factor for the promotion of growth and reduction of poverty. Guinea’s second PRSP states that “the health of the population is also one of the determinants of poverty, due to its impact on the ability of the population to work with vigor” (IMF, 2008, p. 21). This basically implies that healthy clearly has an effect on economic growth and a crucial part of a country’s health is the spending on health. Based on Figure 11, it is evident that the government of Sierra Leone has invested more in health than the government of Guinea, though the gaps have narrowed more recently. In any case, as was the case with public expenditures on education, both countries’ public health expenditures are too low to promote more growth and poverty reduction. Low public expenditures on education and health also explain why both countries have not made much progress in reducing the mortality rate, see Figure 12.

Figure 11: Public Health Expenditure, 1995-2012



Source: Created by author based on World Bank (2014).

Figure 12: Adult Mortality Rates (per 1,000 adults), 1970-2012



Source: Created by author based on World Bank (2014).

V. Conclusion

During the last decade, Guinea's GDP per capita has stagnated and poverty has not been reduced, mostly due to its political instability. In Sierra Leone, despite some economic growth and increasing GDP per capita during the last decade, poverty has remained persistently high. The amplitude of data shown above illustrates that many aspects influence growth and poverty. From what is discussed, it is clear that history and environment holds less of significance to growth compared to government policy. Hence, this indicates that the government has the ability to help eradicate poverty through its policies. This could be done through revamped policies in agriculture,

education, and health. There are of course, other factors that affect growth and poverty in Guinea and Sierra Leone, however these issues have been shown to be significant.

Both Sierra Leone and Guinea can learn from one another by adopting different policies that can help eliminate poverty once and for all. Though it will take years and effort, the idea of improved living conditions should be encouraging to the government and civilians. If the government invests more time and money in the agriculture, education and health sectors, it is possible for both Sierra Leone and Guinea to be “reborn” into countries with limited hardship. Despite having limited resources at the time being, investing more into the right resources may ultimately help the livelihood of many and encourage economic growth. The government must attack poverty one way or another, if they hope to see their country progress in modern times. With the right mind and focus on important investments, both West African countries have the potential to overcome poverty and prevail economically.

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