Africa’s Pulse

Chief Economist of the Africa Region

The World Bank
Sub-Saharan Africa Growth has remained sluggish

The External Environment:

*Increasing global uncertainty is weighing down on global growth*
SSA faces a less supportive external environment

Global Growth

Source: Africa’s Pulse, Volume 20.
Worsening global uncertainty affecting global growth

World Trade Uncertainty, Global Trade and Global Industrial Production

Global Manufacturing PMI and Export Orders

Source: Africa’s Pulse, Volume 20.
Energy and metals prices declining on concerns about slowing global growth

Change in commodity prices

Commodity price indexes

Source: Africa’s Pulse, Volume 20.
Accommodative monetary policy and capital outflows from EMDEs amid slow global growth

Central Bank Monetary Policy Stance

Equity and Debt Flows

Source: Africa’s Pulse, Volume 20.
Sluggish recovery in Sub-Saharan Africa…

although pace of growth remains heterogeneous across countries
Slow investment growth and weaker exports driver the pace of recovery in SSA

Contribution to real GDP growth in Sub-Saharan Africa

Investment Growth over Time, Sub-Saharan Africa

Source: Africa’s Pulse, Volume 20.
Largest SSA economies: Weaker economic performance than anticipated

Nigeria: Oil and Non-Oil GDP growth

South Africa: Real GDP and Investment Growth

Source: Africa’s Pulse, Volume 20.
Fast growth still experienced among some Sub-Saharan African countries

Quarterly GDP growth in selected SSA countries

Fast-Growing Economies in and outside Sub-Saharan Africa

Source: Africa’s Pulse, Volume 20.
Easing inflation while fiscal consolidation continues

CPI Inflation Rate in SSA, By Resource Group

Fiscal Balance in SSA, By Resource Group

Source: Africa’s Pulse, Volume 20.
Current account deficits widened and external buffers remained under pressure

**Current Account Balance in SSA, By Resource Group**

**International Bond Issuances in Selected SSA Countries**

Source: Africa’s Pulse, Volume 20.
Public Debt are still elevated

Public Debt in SSA, By Resource Group

EMBI Spreads, By Region

Source: Africa’s Pulse, Volume 20.
Risk of External Debt Distress rising amid higher interest payments in the region

Source: Africa’s Pulse, Volume 20.
Significant gaps in debt recording, evaluation and reporting, and monitoring of guarantees in Sub-Saharan Africa.

Evolution of DeMPA Scores

Share of SSA countries meeting minimum required of debt transparency

Source: World Bank
Growth will gradually pick up in SSA

GDP Growth Forecast for SSA

GDP per Capita Growth Forecast

Source: Africa’s Pulse, Volume 20
Accelerating Poverty Reduction in Africa

Bridging the opportunity gap for the poor
Global poverty increasingly becoming an African problem

The poverty rate in Africa has gone down, but the number of African people living in poverty has increased.

Africa’s poverty rate and poor are concentrated in a limited numbers of (often landlocked) countries.

a. Poverty rate
2011 PPP, % of population at <US$1.90/day

b. Number of extreme poor
Estimated number of persons below the poverty line (<US$1.90/day)

Source: World Bank’s internal Global Monitoring Database. Note: PPP = purchasing power parity. Poverty estimates are based on the latest available household survey.
Policy Actions to Accelerate Poverty Reduction

1. Accelerate the Fertility Transition
2. Leverage the Food System, on and off the Farm
3. Address Risk and Conflict
4. Provide more Public Finance for the Agenda to tackle Poverty
Empowering African Women: A Force for Economic Change

Evidence-based recommendations for policymakers to design innovative solutions to unleash women’s unmet potential
Rising women’s labor force participation in Africa

Africa

• Women are more likely to be entrepreneurs than men (Campos et al. 2019)
• Women contribute a large share (40%) of agricultural labor across the continent (O’Sullivan et al. 2014).
• Labor force participation is often touted as close to parity for the region (at 0.85).
• However, there is large variation across countries – particularly, in the Sahel region.
• Africa’s success story in terms of women’s labor force participation is stifled by large gender disparities in earnings. It is still not a level playing field.

Source: Africa’s Pulse, Volume 20
...but large gender disparities in earnings remain

- Women earn less than men in agricultural and non-agricultural activities.
- **Agriculture:** for the average country, it is estimated that women produce 33% less per hectare of land than men do (O’Sullivan et al. 2014)
- **Non-Agriculture:** Profits earned by female entrepreneurs/business owners are, on average, 34% lower than those of male business owners (Campos et al. 2019).
- Earning gaps can be explained by differences in sectors where women operate.
- Women in Africa spend a disproportionate amount of time on unpaid domestic and care services.

Source: Africa’s Pulse, Volume 20
Policy Solutions to Gender-Based Constraints

To realize the benefits from African women’s labor participation, policymakers must confront the constraints that women disproportionately face and enact policies to help them boost growth.

1. Building Skills: Going Beyond Traditional Training
2. Capitalizing on women’s potential: Relieving Capital Constraints
3. Securing Women’s Land Rights
4. Increasing Women’s Use of Hired and Household Labor
5. Assessing Social Norms that Constrain Women’s Economic Opportunities in Africa
Creating a Policy Ecosystem to deliver on Gender Goals

• Promote evidence-based policymaking and design new solutions to support women.

• Policies can help tackle multiple constraints faced by women
  • E.g. Safe spaces for adolescent girls help tackle skills building and address restrictive gender norms

• Some constraints best lifted by a combination of policies
  • In-kind grants and capital injections to women entrepreneurs may achieve best results training to develop entrepreneurial mindset.

• Policy design and implementation should consider women’s time and mobility
  • E.g. Childcare services during training, stipends for transportation costs.