

## POVERTY IN THE SUDAN

### Poverty: a broad and multi-dimensional concept

Poverty is a broad concept with many faces that mirror dimensions of human welfare. It goes beyond inadequate food or income to access of individuals to basic nutrition, health, education and skills, improved livelihood, good housing conditions, clean water, social participation and political or religious freedom that are such welfare dimensions. Pronounced shortage or deprivation in each of these has a poverty face and their sum symbolizes the broad concept of human development to which a focus on deprivation is fundamental. Yet, the most commonly addressed poverty dimensions are income (or food) poverty and human poverty that are expressed via measured indicators.

Understanding poverty is vital to target appropriate groups of people and allocate resources where they are likely to be most effective. Along with some explanations on the concept of poverty, this brief utilizes different poverty measurement results for the past several years with the objective of eliciting spatial and temporal dimensions of income and human poverty in Sudan and proposes policies conducive to their mitigation. As the composition of poverty varies among States, regions and population sectors, so should the general policy recommendations that need to fit into the kind of multi-dimensional poverty facet. Multi-dimensional poverty also changes very fast and hence regular monitoring is crucial.

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**Income (food) poverty:** refers to the situation whereby the income of an individual runs short of allowing that individual to attain a socially determined food basket containing a recommended minimum level of energy, measured as calorie intake per person per day. If a person does not attain that minimum level (poverty line), he/she will be considered poor. Although the minimum calorie requirements differ with variables such as climate, sex, and age, there is a widely acceptable narrow range of average levels usually used in food poverty assessments.

Measuring food poverty requires knowledge about individuals' incomes or consumption expenditures and monetary value of the food basket. Then poverty is derived in aggregate terms at three dimensions: *incidence of poverty* (percent of individuals out of the total sample whose incomes are insufficient to attain the minimum energy level), *depth (intensity) of poverty* (meaning how far is the poor group from reaching the minimum energy level), and the *severity of poverty* (energy inequality within the poor group). Each of these dimensions might require a different policy action, but the most widely used poverty measure is poverty incidence; also known as head-count ratio.

**Human poverty:** denotes deprivation in human development needs, grouped into three components: deprivation in *survival* (health variables), in *knowledge* (education variables), and in *material well being* (such as electricity, water, sanitation, biomass energy). These needs are basically influenced by the individual's share in public spending, reflecting income distribution status. The component are measured and combined into a single measure; the *Human Poverty Index* (HPI). The HPI assesses levels and progress using a concept of development much broader than that allowed by income alone (Human Development Report 2010). It simplifies and captures only part of what human development entails.



## Interface between income and human poverty

Income and human poverty indicators are often interrelated in two aspects. First, various poverty situations often overlap. Mostly, a malnourished person (income-poor) is also poorly educated and without access to health care. Second, human development is key for enhancing human capabilities that lead to improvements in incomes and food. This means that human poverty reduction is critical for enhancing food poverty reduction. Further, an overall assessment of all income and human development dimensions is also made to derive a unified indicator: the *Human Development Index* (HDI), which is usually derived by international institutions. Nevertheless, it is also common in poverty measurements to assess separately income (food) poverty and human poverty. The Millennium Development Goals (MDGs) are actually a set of selected income and human poverty mitigation targets. MDG reports present progress on each indicator singly. No composite MDG index has been developed, and few studies have reflected the interconnections between indicators. However, the MDGs are interconnected so we need to address MDG deprivations together: "Acceleration in one goal often speeds up progress in others".

## Income poverty in the Sudan: high, temporally and geographically variable

Poverty assessment in the Sudan has been limited, but studies provide evidence of high income poverty. Earlier analyses by region revealed very high, rising poverty incidence between 1990 and 1996; ranging in its urban dimension from 87-91% to 77-93% and in its rural dimension from 55-77% to 80-97% from 1990 to 1996 in the six regions of North Sudan. Rural areas had witnessed escalating poverty incidence during the first half of the 1990s rendering poverty as a dominantly rural phenomenon. Poverty depth and severity also remained at high levels. In urban areas, the ranges in poverty depth were 56-67% in 1990 and 51-68% in 1996, while a poverty severity range of 42-55% was reported in 1990 compared to 37-57% in 1996. Poverty depth in rural areas escalated from 26-24% in 1990 to 50-77% in 1996 and poverty from

18-32% in 1990 to 37-70% in 1996. This means that while the ratio of the poor in rural areas had significantly increased during the stated period, both their gap to reach minimum energy intake and inequality among them increased over-proportionally. Except for Khartoum, poverty incidence was generally high and comparable among, all regions, but was particularly higher in Darfur and Kordofan.

### Poverty Incidence by region 1990-1996 (%)

Region	1990		1993		1996	
	Urban	Rural	Urban	Rural	Urban	Rural
Darfur	87	55	89	89	89	97
Kordofan	91	77	91	84	87	96
Central	88	67	89	83	93	91
Eastern	89	60	82	81	88	94
Northern	89	56	91	80	90	93
Khartoum	84	56	75	64	77	80

Source: Hamid Faki, Eltahir M. Nur and Abdelaziz Hashim (ICARDA forthcoming).

Under other estimates, about 60-75% of the population in the North in 2006 was living below the poverty line of US \$ 1 a day. Estimates in 2007 indicated a decline in extreme poverty incidence in the whole country from 85% in the 1990s to 60% in 2007; thanks to sustained economic growth that yet still leaves important regional and state level disparities. Rural poverty particularly affects rainfed farmers. Approximately one third of Sudan's area is suitable for agricultural development. However, according to FAO only an estimated 15-20% of that land is under cultivation; half of it rain-fed mostly producing subsistence crops.

### Income-poverty in four states, 2008 (%)

Indicator	Kordofan	Kassala	North	R. Nile
Incidence	81	54	65	48
Depth	45	14	38	21
Severity	46	25	48	29

Source: Hamid Faki, Eltahir M. Nur and Abdelaziz Hashim (ICARDA, forthcoming).

High income poverty levels were reported in 2008 across the board in four states, although two of them

are used to be considered as poor (North Kordofan and Kassala) and the other two as having low poverty (River Nile and North). While poverty incidence, depth and severity are quite high in Kordofan, yet notable income deprivation is also evident for the other three states.

Rural poverty by State, 2009 (%)

State	Incidence	Gap	Severity
Red Sea	80	41	25
North Darfur	76	31	17
South Darfur	72	30	16
West Darfur	68	24	11
North Kordofan	67	30	16
South Kordofan	67	23	11
Blue Nile	64	25	12
White Nile	61	20	9
Gadarif	59	20	8
Kassala	48	20	11
Sennar	48	16	7
Khartoum	41	10	4
Gezira	40	11	5
North	38	12	5
River Nile	35	9	4

Source: Martín Cumpa Castro (2010).

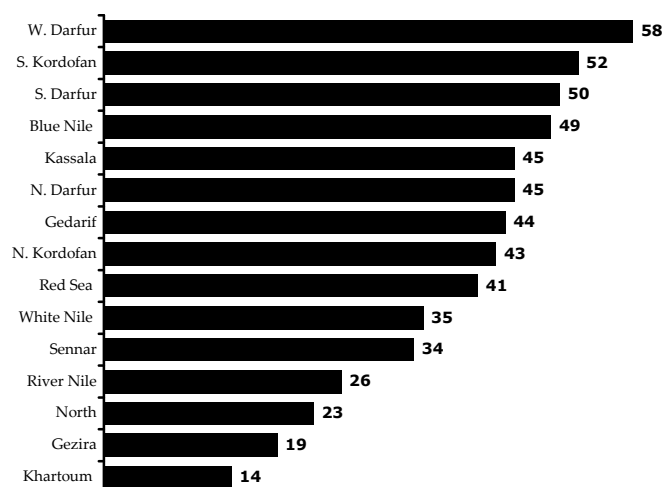
A more recent (2009) poverty analysis with wide coverage by state and based on consumption aggregates of five main components (food, non-food, durable goods, housing and energy) puts North Sudan at an overall poverty level of 46.5% with a poverty gap ratio including both poor and non-poor of 16.2% and a severity of 7.8%. Rural poverty levels vary greatly by state. Red Sea took lead in poverty followed by North Darfur, but except for Khartoum, Gezira, North and River Nile that probably have moderate poverty levels, rural poverty is rather widespread. With an overall incidence of 58% in North Sudan, rural poverty was way above urban poverty of 27%. In general, it is a bit difficult to compare some of the poverty estimate due to variations in their measurements. Results exemplify temporal and spatial variability in income poverty, being influenced by the method used, and level of coverage. Despite comparability problems, rural and urban poverty are high and widespread in Sudan. The overall figures also indicate a noticeable reduction in poverty to around 60% in 2009 compared to its high levels of over

80% in the 1990s. The poverty gap is high reflecting deprivations in levels of food intake by the poor while severity is rather low illustrating high similarity of the poor in deprivation levels.

## Human Poverty

Human poverty indicators for 2006 depict significant levels of deprivation in the three main human development components of survival, knowledge and material well-being, but with high disparities among the Northern states. At 58% HPI, West Darfur harbors the highest level of deprivation followed by five states with HPI ranging from 52% to 45%. The four relatively better-off states comprise Khartoum, Gezira, North and River Nile.

Human Poverty index (HPI) by State - 2006



Source: Hamid Faki, Eltahir M. Nur and Abdelaziz Hashim (ICARDA, forthcoming)

## Human Development: a low-ranking Sudan compared to other countries

Considering the whole poverty spectrum that encompasses the major components of human welfare as seen within the human development perspective, Sudan is categorized by the United Nations as a low-income, low human development

category ranking as number 147 out of 177 countries and territories on the 2007/08 Human Development Index (HDI); deteriorating to 154<sup>th</sup> out of 169 countries in 2010. As compared to the Multi-dimensional Poverty Index (MPI), the HPI could not identify specific individuals, households or larger groups of people are jointly labeled as deprived.

### Poverty correlates and policy issues

Out of many poverty-underlying factors, the following are of high significance:

- According to World Bank (2009), Sudan's Gross National Product has grown fivefold—from \$10 billion in 1999 to \$53 billion in 2008. Per capita income, a summary measure of the living standard of the average citizen, has increased from \$334 to \$532 (constant 2000 USD) over the same time period; one of the strongest in the region. Real GDP growth is projected to be in the 5-6 percent range during 2010–15. This, however, has been unevenly distributed; hindering broad-based human development.
- Sudan's growth has been historically unbalanced, with the majority of its manufacturing firms and irrigated land concentrated in Khartoum and Gezira states. The persistent spatial disparities are neither desirable nor inevitable. According to the World Bank, for example, in 2006 the net attendance rate in primary schools in the best performing state was 91 percent, while it was 4 percent in the worst performing state.
- Progress is being made in meeting some of the MDGs, including reducing the prevalence of undernourishment, increasing immunization of one-year olds, and increasing the percentage of births attended by health professionals. However, parts of the country remain in the grip of civil conflict and large numbers of people live in poverty.
- High oil dependence (which is temporary and fundamentally unreliable) has led to marginalization of agriculture that forms the main source of rural livelihoods. Oil accounts for some 93 percent of exports and 50 percent of government revenue in 2009. Agriculture, receiving poor public- and financial-sector allocations, has been almost consistently disadvantaged in investment.
- Misuse of natural resources that is largely caused by a fragile land tenure system in the absence of adequate development strategies has resulted in the erosion of natural resources and escalation of conflicts forming root causes of rural poverty.
- Poor rural physical infrastructure, rudimentary markets, high taxation, scarce finance and poor use of productivity-enhancing technology remain as crucial general poverty correlates.
- Sudan's large and rapidly growing public sector has become an impediment to the development of a robust private sector. According to the IMF (2010), during the last ten years, the public sector's share in GDP has increased from 6 percent to nearly 40 percent.
- The combined impact of conflict, persistent drought and annual flooding in some areas have undermined traditional livelihoods and pushed people from their homes; calling for emergency interventions. This rendered North Sudan as the world's leading recipient of the WFP's food assistance covering over 3.2 million vulnerable people in 2011.
- Areas prone to drought such as Red Sea, North Darfur and North Kordofan are more vulnerable to poverty than others with better natural resources.
- Areas harboring conflict, such as Darfur States, South Kordofan and some parts of the Blue Nile and White Nile States are likely to encounter persistent poverty levels.
- Despite their potentials, rural areas and their traditional rainfed farming and livestock sectors sustain higher poverty levels than those in the irrigated sector, while landless people therein are further disadvantaged.
- Poverty is also correlated with gender whereby female-headed households are found to be poorer than men-headed households; with sector where those employed in agriculture are poorer than those engaged in industry or services; and with education where the illiterate are poorer than the educated. According to the analysis of 2009 National Baseline Survey (Aug 2010), inequality, as measured by the coefficient of variation (CV) of

income-based dietary energy consumption was similar for urban and rural populations (31.2% and 32.2% respectively); however, it was higher in female than in male headed households (35.1% and 29.6%, respectively).

## Policy: the need for pro-poor orientation of development

Given the high poverty rates that pose a noticeable threat to stability in the country, a pro-poor development path is imperative. The major policy issues include:

- There is empirical evidence that Sudan needs to attain and sustain a GDP growth rate of about 7 percent per annum to achieve the MDG goals on poverty. Diversification in the economy to enhance sectoral balances by recognizing agriculture as an engine for growth and broadening private sector-led growth. As agreed with various international and national institutions, Sudan needs a new, more balanced growth vision that is less reliant on oil, while using the oil wealth to create an economic foundation for a diversified, inclusive and sustainable growth path.
  - Economic growth is necessary but not sufficient for poverty reduction. As noted in the Human Development Report, if growth is a means to various ends—as is now broadly accepted—“success” in growth must be evaluated for the broader human development goals that growth aims to advance. Distribution is critical, calling for equity in regional shares in rural economic development. The greatest priority should not be just to achieve rapid growth, but also to ensure that it is broad-based and inclusive.
  - The long-run policy strategy should target human development via improving governance and accountability, reforming taxation policies and access to finance, providing health, education, clean water, electricity and other public utilities as well as infrastructural development including market development (minimize administrative and transaction costs), and natural resource conservation. This will empower people to overcome income poverty. Along with this, improving institutions to manage conflict, resolving disputes and addressing ethnic, racial and class differences, ensuring access to a minimal basic level of infrastructure services and connectivity is also essential to support basic livelihoods of the population and reducing regional disparities. Likewise, the large presence of government and state enterprises and its adverse impact on private investment needs to be curtailed.
- In addition to promoting foreign investment and development assistance, domestic investment (private and public) is crucial. Furthermore, alliances between traditional and religious charity institutions with business and Government interests can easily advance the goal of human development.
  - Allocations and prioritizations for human development should be made targeting states according to their poverty status, both in terms of incidence and severity, where Darfur, Kordofans, Red Sea, and Blue Nile, receive top priority.
  - In the short-to-medium term, prudent targeting to reduce poverty is important. The hierarchy of prioritized steps starts with the rural sector, namely its traditional agricultural part. Support should target agricultural activities of resource-poor farmers including through technology-enhancing input subsidies, land allocation to the landless poor, support to various income-generating activities, especially for female headed households, human capacity building of people, and cooperation with relevant internal and external organizations to facilitate provision of suitable forms of humanitarian assistance.
  - Continual poverty assessment is needed to monitor poverty levels according to various geographical and sectoral settings. This requires raising capacities at the national and state levels while it should benefit from cooperation with international organizations to promote an institutional, social and economic environment conducive to poverty reduction. Because of the uncertainty over which policies and approaches are most likely to pay off for human development, there is a need for systematic monitoring and feedback that again requires effective state capacity.

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