

# Inequalities in the Context of Structural Transformation: The case of Senegal\*

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**ABSTRACT** *This article analyzes the key domains of inequalities in Senegal. It underscores the high level of gender disparity in the distribution of unemployment that disproportionately affects women. A relatively efficient education system is nevertheless undermined by large geographically defined access differentials. In terms of infrastructure, the capital Dakar enjoys better access to transportation, schools and health facilities in comparison with rural and other urban zones. Agriculture and informal trade are crucial for reducing youth unemployment.*

**KEYWORDS** *youth unemployment; access to infrastructure; socio-economic and geographical disparities*

## Introduction

Reducing inequality and poverty has been a priority for Senegal since the late 1990s, and since 2000 social spending has significantly increased. The focus on the reduction of inequalities is directly and indirectly integrated in recent major macroeconomic programmes undertaken by the government. These programmes are captured by the 2005 Accelerated Growth Strategy (AGS); the 2011–2015 Poverty Reduction Strategy Paper (PRSP); and the 2006 Document of Economic and Social Policy (DESP). Most recently, a new National Strategy for Economic and Social Development (NSESD) for 2013–2017 has replaced the DESP, while the Emerging Senegal Plan (ESP) was launched in 2014. These policy documents have been developed through a participatory process, and lay emphasis on wealth creation, with a significant special focus on improving welfare and social services. Support for cross-cutting issues such as employment, gender, social protection and environmental sustainability are taken into account in these new strategies. Although the new policies express significant ambition and raise hope, the interim results have not always been in line with the referred objectives, despite the commitment of the stakeholders (including central and local authorities, and civil society).

This article aims to illustrate the extent of the different forms of inequality (economic, social and political) in Senegal, analyze their current drivers and dynamics, and the strategies to address them, in the context of the current development and transformation processes. Lessons learnt and possible key policy areas for future engagement are also identified. Social and economic inequalities are spotlighted, especially the gender, ethnic and

spatial dimensions. Income inequality is also analyzed alongside disparities in employment and access to essential services (such as health facilities, education and drinking water).

### Key domains of inequalities in Senegal

Senegal is a relatively stable democracy, but remains confronted with significant socio-economic challenges. According to the 2011 Senegalese Survey on the Perception of Poverty, the most shared feeling among people is the fact that there is a dramatic deterioration of the economic and social situation, aside from widespread poverty and inequality. Senegalese people also have a very low opinion of public institutions and their governance (Senegalese Survey on the Perception of Poverty (SSPP), 2011: 2). Since its independence in 1960, the country has not pursued a serious structural transformation agenda capable of creating significant change in the living standards of the population. Despite the stated motivations of successive governments to improve people's living conditions, their strategies did not meet the desired objectives. Recently adopted economic development strategies have been crafted in a participatory manner that involved various stakeholders (civil society, technical and financial partners, central and local government, among others). This participatory process raised a lot of hope for the achievement of the objectives of the programmes. We will analyze these programmes in later sections of this article.

Social inequalities are very serious in Senegal and manifest in significant disparities in access to health and education services, employment opportunities and infrastructure, among others. These are reinforced by the country's demographic imbalance, wherein 62 percent of the estimated population of 13.9 million inhabitants comprises of young people under the age of 25, a majority of who face the sharp social effects of unemployment. Indeed, the unemployment rate is 12.2 percent for young workers aged 15–35 years (SSPP, 2011), far exceeding the national rate of 10.2 percent. Inclusion of young people in the labour market remains difficult, thus young people in Senegal have resorted to working within the informal

sector to survive. Many such young people are mainly engaged in petty trade (DFES, 2014: 4). In the country's capital, Dakar, more than 43.9 percent of the population in the 15–24 age bracket work in the informal sector. Many youth also resort to illegal migration, which is often accomplished with parental consent and support. Illicit migration, typically to Europe, often results in death at sea, or deportation. Criminal behaviour (i.e. narcotics trafficking, theft and drug use) is another consequence of high youth unemployment.

### Inequality in unemployment

Employment is among the primary concerns of Senegalese households (26.8 percent). This is understandable given the high unemployment rate at national level and the gender disparity in the distribution of unemployment, with women more affected by it. Indeed, the unemployment rate of women is 13.3 percent, against 7.7 percent for men (SSPP, 2011).

There are also disparities in the distribution of unemployment by education levels. Thus, long-term unemployment (over a year) affects 74 percent of graduate heads of households, and 52 percent of secondary school graduates. The explanation is that the latter are more likely to indulge in small informal activities than the former. Recently, to encourage people to invest in the agricultural sector in order to reduce unemployment, the government set up a programme called *Back to Agriculture*. However, two phenomena explain the difficulty to fight unemployment-oriented inequalities. First, education and training are not tailored for the production sector. Second, there is lack of coordination between the education sector and other policy sectors, especially since the country has not achieved the goal of directing 25 percent of students towards public and private vocational training. Moreover, even within the education system, significant inequalities persist.

### Inequalities in education

Senegal's education system is highly efficient if compared with those of the West African sub-region. Given the great quality of education, it is

thus the preferred destination of study (especially for higher education) for several students from African countries. Nevertheless, it is characterized by marked differences in terms of access and internal efficiency. If we consider primary enrolment, we find large disparities between the regions. Indeed, Ziguinchor and Dakar have the highest gross enrolment ratios (115.6 percent and 102.6 percent, respectively), while Diourbel (46.7 percent) and Kaffrine (44.2 percent) have the lowest ones. The gross enrolment ratio at the national level was 93 percent in 2013.

### **Inequality of access to essential services: health care**

The geographical coverage, in terms of health infrastructure and skilled health experts, is very unequal, to the detriment of the rural areas. The proportion of households requiring more than 15 min to reach the nearest health facility has increased in all areas, according to 2011 statistics. However, in urban areas, particularly in Dakar, this proportion is up to 79 percent against the 48 percent recorded in rural areas. While the proportion of households requiring more than one hour has steeply declined in rural areas, the rate remains markedly higher than in urban areas (14 percent against 5 percent). Other important dimensions of health inequalities are malnutrition and HIV/AIDS prevalence. While the national HIV/AIDS prevalence is 0.7 percent, it is higher for women living in Southern regions such as Kedougou (2.5 percent) and Kolda (2.4 percent). Higher rates are also recorded for men in the East and the South of Senegal: Kolda (2.4 percent), Tambacounda (1.2 percent) and Ziguinchor (0.9 percent). These areas are characterized by border crossings where there is mixing of populations because of trade (Groupe Consultatif (GC), 2014: 20).

### **Inequality of access to essential services: clean water**

In 2005, nearly 92 percent of households were spending less than 30 min to access a clean water source. We also note that the proportion of households taking less than 30 min is slightly higher in

rural areas than in Dakar. In urban areas, there is a sharp increase in the proportion of households that require more than one hour to reach a clean water source. This is explained by the lack of infrastructure within the growing peri-urban suburbs, fed by high rates of rural–urban migration. In rural areas, there is a slight decrease in the percentage of households exposed to water access problems (from 5.31 to 5.28 percent).

### **Inequality of access to essential services: school facilities**

Among the many reasons that explain the educational disparities introduced above is the fact that, despite some recent improvements, many households have difficulties in accessing school facilities. The difficulty in access to schools decreased between the 2005 and 2011 period both at national level and within rural areas. In 2011, over 83 percent of households had easy access to primary school and nearly 75 percent to secondary school, against 81 percent and 56 percent, respectively, in 2005. These figures are mainly influenced by the lower access experienced by rural areas, where difficulties remain high, though access has changed significantly in 2011. Urban areas remain more advantaged in the access to educational facilities, given their better infrastructure and equipment.

### **Income inequality in Senegal**

The national levels of income inequality are very high, according to the recent computations done by the authors Diop *et al.* (2013: 14). The Gini indices during the years 2009, 2010 and 2011 are 39.19, 38.98 and 41.3, respectively.

To analyze income inequality in detail and better understand the phenomenon, we used data from available household surveys (Enquête Sénégalaise Auprès des Ménages, 1995, and 2001: ESAM I and ESAM II). Unfortunately, household panel data is not currently available for Senegal, though the basic evolutionary pattern of income inequality can still be studied using the available household surveys. The socio-economic characteristics we chose to analyze are *the area of residence, gender and ethnicity*

in order to illustrate the acuteness of inequality in these domains, also given their potential to spur social tensions and polarization.

The national Gini index, which remains very high, was 0.4086 in 1995 and 0.4065 in 2001. Income inequalities are particularly marked in urban areas, especially in Dakar. In the 1995–2001 period, income inequalities slightly declined, both in cities and rural areas, but remained greater within men-headed households, as compared with female-headed ones. Regarding ethnic groups, income inequality was extremely marked among the Soninke in 1995, but the trend reversed in 2001. The greatest levels of inequality are currently found among the Wolof and Pulaar ethnicities. The general observation is that the Gini indices are over 0.3 for each year. This means that even within groups, income distribution remains highly unequal.

### **The political economy of inequalities in Senegal**

Policies to fight against inequalities in Senegal are often integrated into national comprehensive strategies, such as the PRSP, the NSESD, the ESP and social protection programmes, among others. However, marked asynchronies persist between these national plans and traditional mind-sets and power structures. Although the political authorities are working to shift attitudes among religious leaders on the essence of education, especially for girls, much more remains to be done. Indeed, there is still reluctance, in some religious circles, to formal schooling for both girls and boys, with informal education in Koranic schools remaining a priority. The challenge for the government is to provide a bridge between the two types of education (formal and informal) in order to reduce inequalities between future generations and promote a more egalitarian society.

### **Assessment of recent policy interventions**

Recently adopted economic strategies are now seeing the country more involved in the regional integration process and its economic policies

influenced by recommendations emanating from regional institutions such as the West African Economic and Monetary Union. In parallel, for inequalities reduction, among other aims, the country developed and implemented the first PRSP, covering the 2003–2005 period, accompanied by the AGS since 2005. The main feature of these new strategies is the involvement of many different stakeholders. The technical and financial partners work together with social partners such as civil society organizations, and the central and local administrations. The donors often provide technical support and fund the training and participation of all these various actors in the formation of the policies. Furthermore, transparency in budget management has become one key condition for donors' participation. This explains why programmes such as the PRSP, the AGS and the Economic Policy Support Instrument (EPSI) involve many experts from different sectors.

The EPSI is a programme adopted by the International Monetary Fund (2009) for Senegal in 2007. The programme is designed to help the government to pursue a cautious approach to public finances and debt management, in order to maintain economic stability, increase revenues and generate greater fiscal space for financing priority expenditures; strengthen the public financial management and governance; and promote private sector development by advancing structural reforms, particularly in the areas of energy and finance, and promote a better business environment. The EPSI was extended to the 2010–2013 period to allow the government to complete its major infrastructure spending programmes.

Under the PRSP and the AGS, structural reforms and sector-based policies were designed to bring the average growth rate above 4 percent in the period between 2010 and 2015 (EPCMU, 2011). The PRSP is the framework for political, economic and social development of Senegal for the period between 2011 and 2015, and is structured around the following strategic areas:

- Wealth creation for a pro-poor growth strategy accompanied by the development of transport infrastructure

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- Promotion of access to basic social services in conjunction with the Millennium Development Goals (MDGs) to be achieved in the social sectors
- Social protection, prevention and management of risks and disasters (drought, floods, locusts etc.)

It gives a central role to the current AGS for the generation of sustainable high rates of GDP growth, the creation of jobs and the improvement of households' living conditions in order to tackle inequalities. Critical assessment of the PRSP reveals that it is unlikely that the country will achieve the MDGs by 2015. However, improvements in access to electricity and drinking water can be recorded across the whole country. Access to basic infrastructure at village level has also greatly improved through the PRSP (Backiny-Yetna *et al.*, 2010: 21).

The AGS is designed to diversify and transform the economy by strengthening competitiveness. It was adopted in 2005 and is based on two pillars. The first was the development of clusters with high growth potential (growth areas) that could positively impact the overall economy. The second pillar was focused on the promotion of investment by continuously improving the business environment, aligning it to international standards, strengthening the efficiency of the infrastructure sector such as transportation, energy and telecommunications. The AGS is designed to foster a dynamic process towards economic transformation. Operationally, it is focused on promoting private investment and growth in agro-industry, aquaculture and seafood; textiles and clothing; and, information and communication technology, tourism, culture and crafts. Its main weakness is the lack of evaluation, despite having become a component of the NSESD since 2012.

The NSESD was established in November 2012, targeting three economic and social policy areas. The first area comprises growth, productivity and wealth creation. The second area is human capital, social protection and sustainable development, while the third one is governance, institutions, peace and security. As the NSESD is the main national programme that addresses the

key sectors where social inequalities are more acute (access to drinking water, health and school facilities etc.), compliance requires mutual trust among different stakeholders in macroeconomic policy formulation and implementation. To this end, the first actors to be involved in the coordination aspects of the NSESD are the local private organizations, civil society and the local administration.

A very recent programme seeking to reduce inequality by addressing the condition of vulnerable people is the Program of Family Safety Grants. It was launched in September 2013 and piloted in 50,000 households spread across all the districts of the country. To be eligible, the households should not have a daily income higher than half a dollar; they must have school-aged children between six and twelve years, and those aged between zero and five years must have health records. The programme was initially financed by the government budget. Aiming to reach 250,000 families in the short period, the programme is also supposed to be funded by resources from the international technical and financial partners. While it has not yet been assessed, it aims to significantly contribute to reducing inequality among the poorest segment of the population.

### Summary of lessons learnt and policy challenges

Reducing inequality and poverty has been a priority for Senegal since the late 1990s. Despite its political stability, Senegal has been facing many economic and social challenges. In this respect, a notable feature of Senegal policies is that, since the 2000s, social spending has significantly increased, thereby showing a constant concern to reduce inequality. Given the high level of unemployment, particularly among young people, the reduction of inequalities is directly and indirectly integrated in the major recent macroeconomic programmes undertaken by the government. These programmes are developed through a participatory process and lay emphasis on wealth creation, with significant special focus on improving welfare and

social services. Support for cross-cutting issues such as employment, gender, social protection and sustainable development are taken into account in these new strategies. Nevertheless, the results are not always in line with the referred objectives.

- Social inequalities are very significant: Inclusion of young people in the labour market remains difficult, thus young people have resorted to the informal sector to survive
- There is marked gender disparity in the distribution of unemployment, with women being the most affected. There are also disparities in the distribution of unemployment by education levels. Despite the government's response in encouraging people to invest in the agricultural sector, there is lack of coordination between economic policy interventions and education and training, with a consequent skill mismatch
- There are large differences between regions in terms of primary education enrolment. At national level, the gross enrolment rate is higher for boys than for girls and geographically, the greatest gender disparities are found in the South of the country
- Inequality of household literacy rates is very high and illiteracy is more pronounced in rural zones than in Dakar and the other urban areas
- The geographical coverage in terms of health infrastructure and skilled health experts is very unequal to the detriment of rural areas
- The national efforts made to facilitate access to water are insufficient and there is a sharp increase in the proportion of households who require more than one hour to reach clean water within urban areas
- The supply of education is not easily accessible for all the population because, despite recent improvements, urban areas enjoy higher access to educational facilities than rural areas
- The national levels of income inequality are very high, particularly within urban areas and especially in Dakar. The greatest levels of income

inequality are found among the Wolof and Pulaar ethnic groups

- Social protection is also a new great challenge for the government and an innovative national programme for family safety grants has been put in place. While it has not been assessed yet, the programme inspires hope for the reduction of inequality among the poorest people

In the efforts to address inequalities, the people and the government of Senegal are confronted by many challenges, some of which we consider important to highlight. First, support for the informal sector is crucial for the objective of reducing youth unemployment, also taking into consideration that encouraging people to invest and work in the agricultural sector is a cultural challenge, especially for those in urban areas. Second, critical efforts are required to reduce geographical disparities in primary education enrolment. An enhancement of the supply of school facilities in rural areas is crucial in this respect, and the same applies to health infrastructure. Greater effort is also needed to facilitate access to water, mainly in the urban and peri-urban areas. Third, social protection is also a new great challenge for the government and it is crucial to assist the most vulnerable segments of the population, by strengthening the recently introduced safety nets.

The government is now very conscious of the importance of reducing inequality, which is why many social protection programmes are currently under implementation. It is worth noting that inequality reduction has always been an indirect objective of key national programmes, but, since 2012, the government showed a more deliberate commitment to tackle this issue head on. The key policy areas for future engagement seem to be the coordination of the numerous economic and social policies, and their systematic evaluation. This coordination is particularly important for the actions on domains like social protection of the informal sector, by non-contributing schemes, for the reduction of the current high levels of vulnerability.

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