Economic Growth and Poverty in Burkina Faso

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In Poverty Reduction Strategy Papers (PRSP) prepared by many developing countries under the initiative of the World Bank, economic growth constitutes the principal instrument of poverty reduction. Samuel Kaboré of the Burkina Faso MIMAP National team compares the respective impacts of growth and redistribution in various sectors and socio-economic groups on the evolution of poverty in Burkina Faso between 1994 and 1998. For this period, average real economic growth was 5% per year while the incidence of poverty actually increased from 44.5% to 45.3%.

Growth of real income per capita in rural areas contributes for approximately 83% to the variation of the poverty incidence between 1994 and 1998, as compared to less than 5% for urban areas. Income redistribution contributes, for less than 13%, to the reduction of poverty in rural areas, whereas it contributes, for less than 2%, to increasing poverty among the urban poor. The contribution of population change is weak, but represents a spatial transfer of poverty from rural to urban areas.

We note that in the agricultural sector approximately 89% of poverty variation is due to growth, whereas in the non-agricultural sector growth contributes less than 10% to the variation in poverty incidence. The redistributive effect in the agricultural sector contributes less than 6% to poverty variation. This effect increases poverty in the non-agricultural sector, although it represents less than 1% of this variation. Population changes in the agricultural sector tend to worsen poverty (approximately 7%). The analysis by agricultural subsectors shows that growth of real income in the food-producing sector contributes approximately 60% to the variation of poverty incidence, while that of the cotton sector amounts to between 19 and 25%.

In terms of poverty reduction policies, these results show that growth policies will have stronger impacts on poverty in rural and agricultural areas, in particular in the food-producing subsector, whereas redistributive policies should be considered in urban and non-agricultural areas.