

Making eradication of poverty an integral objective of all policies: what will it take?

Submitted by: Association Africa 21
NGO in Special Consultative Status with ECOSOC

The poverty is still being a major concern for public authorities in Cameroon. In fact, after more than a decade of programs/projects to fight against poverty, its level remains high. If in relative terms the rate of poverty has dropped between 2001 and 2014 from 40.2 % to 37.5 %, in absolute terms, the number of poor has increased by about 2 million passing from 6.2 million to 8.1 million people during this period. This is due to the fact that the implemented programs benefited more to non-poor than to the poor (INS, 2015). This brings up the importance of the targeting of the poor and refers to the methodological aspects. The main objective of this study is to analyse the dynamics of the multidimensional poverty between 2001 and 2007 by highlighting the role of the international trade in its eradication in Cameroon. In fact, the multidimensional nature of the poverty is widely recognised by the researchers (Winters, 2007; Boccanfuso et Siméon, 2006; Mouafo, 2007). Furthermore, the World Bank and the World Trade Organization (2015) recognise the role of the international trade in the reduction of the poverty through its impact on the growth.

Following the necessity of analysing poverty in its dimensions and across population sub-groups in Cameroon (World Bank, 2016), we made use of the Alkire and Foster family indicators (2009, 2011) to measure the multidimensional poverty and analyze its evolution. The Alkire and Foster family indicators use a dual cut-off approach- a deprivation cut-off and a poverty cut-off to identify the poor individuals. They have the decomposability property both in dimensions and in population sub-groups – residence area, sex, regions, divisions, etc. They allow for the use of the cardinal and ordinal data and finally, they can be used in microeconomic and macroeconomic analyses.

From the literature review, the SDGs and the availability of the data, six dimensions were selected for 23 indicators for this study. They include expenditure, education, housing, basic services, assets and health. Every person is considered as poor if his weighted deprivation score is greater than or equals to 40 %. The application of poverty line allows computing the multidimensional poverty headcount ratio H . The Alkire and Foster indicator $M0$ is obtained by adjusting this headcount ratio by the average deprivation shared among the poor people (A). The estimation of the microeconomic determinants of the poverty was made using a logistic model due to binary nature of the dependent variable. In fact, the dependent variable takes the value 1 if the weighted deprivation score of an individual is greater than or equals to 1 (poor) and 0 otherwise. In this case, several variables not having been taken into account in the calculation of $M0$ were taken as exogenous variables. We considered the marital status, the age, the sex of the individual, the area of residence, the ethnic group, the business sector, the membership in an association, having a savings and a credit among others.

The analysis of the impact of the international trade on the multidimensional poverty was made through a macro-regression. In this case, the dependent variable is the multidimensional headcount ratio H , which is a proportion varying between 0 and 1. In this case, the suitable model is the Generalised Linear Model with the Bernoulli family and a logistic link. The unit of observation is the

division for a total of 58. The main exogenous variable is the total trade measured by the sum of the exports and the imports as a proxy of the commercial policy de facto. Other variables include the distance from Douala, main entry and exit point of the country, the size of the division, the road infrastructures, the population density and the number of municipalities in the division.

The results show that the multidimensional headcount ratio has increased between 2001 and 2007 from 48 % to 56 % that corresponds to an annual average of 1 %. At the regional level, 5 regions out of 12 (the cities of Douala and Yaoundé being considered as regions because of their size) have an adjusted headcount ratio greater than the national value against 7 out of 12 in 2007. Regarding the contribution of each indicator to the poverty, the values of 2007 are superior or equal to those of 2001 except for the telephone.

The estimation of the microeconomic determinants of the multidimensional poverty showed that being married, working in the formal sector, having an association membership and having a saving contribute to reduce the probability to be multidimensionally poor. On contrary, being a member of a large size household, working in the informal sector, obtaining a credit or being a Semi-Bantou or Sudanese contribute to increase the probability to be multidimensionally poor in Cameroon.

Concerning the impact of the international trade on the multidimensional poverty, we found a negative coefficient which is and significant at 1 %. In other words, the international trade reduces the multidimensional poverty in Cameroon. Its impact is strengthened by the road infrastructures. On the other hand, the distance increases the multidimensional poverty.

Based on the above results, we recommend the followings; (i) a poverty focus policy alleviation; (ii) a Social Protection Floor that will provide financial support and improve the access to basic social services like health, water, sanitation, education, shelter and food security; (iii) a duty free policy on agricultural inputs to improve on the food crops production; (iv) efficiency in the use of Aid for Trade and the Trade Facilitation Agreement and; (v) setting up a research centre/network to support trade policy formulation and implementation.