Africa is different.
Africa is a smelting pot of ideologies.
It is difficult to understand, what they mean by speaking of the Eastern and Western Blocs and the extremely different political opinions between them.
The Congolese people, after given up the socialism, are still seeking their happiness – now urged by the Great, Free, Prosperous West – by trying to reach the targets of the five-year National Economic Plan.
This time (in 2015) they follow quite voluntarily and under western-style multiple-party system the (2nd) five-year National Development Plan, in which the attention is concentrated on growth, employment and POVERTY REDUCTION STRATEGY.

1. Characteristics of the Republic of Congo

1.1 Geography

The Republic of Congo is located in central Africa along the Equator. Its total area is 342,000 km². Forests covered [ ] km² in 2011. The capital is Brazzaville on the Congo River just across Kinshasa, the capital of the Democratic Republic of the Congo. Congo-Brazzaville is the alternative name for the state that has a large port at Pointe-Noire on the Atlantic Ocean, other ports at Brazzaville and Impfondo along the Congo River. The ports and especially the seaport are very important for the economy of Congo.

Congo Republic is bordered by Gabon, Cameroon, the Central Africa Republic (CAR), the Democratic Republic of the Congo and the Angolan exclave of Cabinda. Among these states Gabon and Angola are wealthier than Congo Rep. measured by GDP p. c. PPP USD. Cameroon, CAR and the Democratic Republic of the Congo are poorer measured by the same indicator. The Republic of Congo is grouped into lower middle income economies in the classifications of the World Bank.

1.2 Demographic features

1.2.1 Population

The Republic of Congo has 4,662,446 inhabitants (2014 estimate) and the population density was 12.8/km² (year = ?)1. Congo is one of the most urbanized countries in Africa. About 70% of the total population live in urban areas. For instance Brazzaville had 1,307,911 inhabitants in 2007.

1 The density in Finland = 18 / km2
In 2005 over 50% of the urban population lived in slums. Also the literacy rate and the number of internet users indicate poverty: total 79.3% of adults ages 15 and above were illiterate in 2011 and there were only 1.5 internet users per 100 people in 2005 (5.6 in 2011)\(^2\). Table 1 shows more information about Congolese demography and poverty. In general the trends are positive: for instance life expectancy (at birth, total) was 58.77 years in 2013, the enrolment at the primary level was 90.17036 in 2012 and there were altogether 104.7695 mobile telephone subscriptions in 2011.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population, total</td>
<td>3 542 867</td>
<td>3 646 653</td>
<td>3 758 858</td>
<td>3 876 475</td>
<td>3 995 146</td>
<td>4 111 715</td>
<td>4 225 359</td>
</tr>
<tr>
<td>Life expectancy at birth</td>
<td>54,03329</td>
<td>54,63427</td>
<td>55,27617</td>
<td>55,93405</td>
<td>56,58449</td>
<td>57,20402</td>
<td>57,77522</td>
</tr>
<tr>
<td>Mortality rate, infant (per 1000 live birth)</td>
<td>61.6</td>
<td>57.2</td>
<td>52.9</td>
<td>48.8</td>
<td>45.1</td>
<td>42</td>
<td>39.4</td>
</tr>
<tr>
<td>Prevalence of under-nourishment (% of popul.)</td>
<td>30.3</td>
<td>33.2</td>
<td>34.2</td>
<td>34.6</td>
<td>34.2</td>
<td>33.6</td>
<td>32.8</td>
</tr>
<tr>
<td>School enrolm., primary (% net)(^3)</td>
<td>52.65096</td>
<td>56.08426</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary completion rate, total (% of relevant age)</td>
<td>71.87337</td>
<td>77.84373</td>
<td>75.92909</td>
<td>70.45697</td>
<td>69.46105</td>
<td>69.36973</td>
<td>76.08852</td>
</tr>
<tr>
<td>Mobile cellular subscriptions (per 100 people)</td>
<td>15.75538</td>
<td>25.75538</td>
<td>34.25591</td>
<td>46.61451</td>
<td>73.79715</td>
<td>90.44275</td>
<td>91.9391</td>
</tr>
</tbody>
</table>

Table 1: Some statistics about the population of the Republic of Congo from 2005 to 2011. (World Bank)

Kongo is the biggest ethnic group in Congo Rep. (48%) and the following are: Sangha (20%), Teke (17%), M’Bochi (12%) and others (3%).

1.2.2 Languages

Three official languages are French, Kituba and Lingala. Lingala is spoken also in Zaire\(^4\) and is used as lingua franca. Fardon & Furniss say that multilingualism is the African lingua franca:

> The African lingua franca might best be envisaged not as a single language but as multilayered and partially connected language chain, that choice of varieties and registers in the speaker’s immediate environment, and a steadily diminishing set of options to be employed in more distant interactions, albeit a set that is always liable to be reconnected more densely to a new environment by rapid secondary language learning, or by the development of new languages. [   ]

In short, African multilingualism poses problems of national governmentality in both the enabling and restrictive senses of this term. In the post-colonial state, these problems are compounded by questions of national autonomy, identity and authenticity that spill over into the fields of verbal creativity and philosophy. If the ideologically unconcerned among the citizenry may nonetheless be coping, those involved in government, politics or the verbal expression of artistic or philosophical realities may find a “language problem” of pressing concern. Whatever the grounds for them making it everyone else’s concern, faced with the burgeoning literature on the topic, no one can doubt that there is governmental and academic unease with multilingualism in Africa.

\(^2\) There were 74.5 internet users in 2005 and 88.7 in 2011 in Finland. The corresponding numbers have been 0.2 in 2005 and 1.2 in 2011 in the Congo Democratic Republic.

\(^3\) Wikipedia tells that the primary enrollment rate was 44% in 2005 (the Republic of the Congo/Education).

\(^4\) African languages 2001, pages 4–6, 10–12, 34. – I apologize for the overlong citation but I have planned to use it when presenting my single recommendation concerning “as possible policies in improving Congo’s poverty record”. To cite was the most rapid way to include Fardon & Furniss in this write-up. Underlining is my own.
Although African language planning discourse has an undeniable concern with “oneness”, there is a countervailing theme of pride in the sheer numbers of African languages, and the linguistic skill implied by the fact that so many Africans operate in so many of them. If this richness is sometimes undervalued, if it appears in policy statements only to be countermended by dictates of national integration and efficiency, this move stems at least in part from the continuing hegemonic influence in the world of European, nineteenth century, romantic as well as real-politic, notions of the nation state as the embodiment of a unitary people, culture and language. Given the inadequacy of this ideal in contemporary Europe, it is worth at least asking what Europeans might learn from African experience. Language as an objective of concern finds itself subjected to, usually incompatible, desires for purity, authenticity, modernity, Africanness, national usage, equality and statal identity. Meanwhile, language as practice develops as if it had a life of its own under the influences of the pursuit of wealth or political influence, or more neutrally communication and sociality, to which ends it is only a means.

Fardon & Furniss (p. 10–12) present an idea of a multiple map:

Language as objects need to be attributed such properties as systematicity, distinctiveness, closure, and independence. The map is one master trope of this type of discourse. This is particularly clear in the African case. Four varieties of map of Africa show a poor fit when superimposed upon one another, and unease about this fit problematizes “language”. Further unease invests practices that take place, as it were, off the map.

The first map is the one we come across most often: the map of African states. These two maps (the colonial and the national) are the least contested in the sense that the boundaries are generally known. The third map is the linguists ´creation. A higher level generalization of the language map groups languages into families. Related to the language map, but not entirely coincident with it, is the ethnographic map of the peoples of Africa. This divides the terrain by allotting it unambiguously to named peoples. These two maps, the linguistic and the ethnographic, are taken as signs of the process interrupted by colonialism as well as the evidence on which accounts of more distant history have largely to rely.

Each of the four maps could be thought of as a discursive register. The colonial map, which explains the distribution of European official languages in Africa, also refers to other aspects of imperial history; the map of nation states refers beyond itself to a global condition of nation states and a discourse of human rights embodied in organizations such as the United Nations; language and ethnic maps speak beyond themselves to processes that antedate colonialism but were nonetheless affected by it. Yet the maps can be envisaged to have succeeded one another over a period of not much more than a century. A discourse located in one of the maps, and its correlative register, can either disregard or explain its relation to the other maps. Single-mindedly sticking to a single map (in the fashion of a nationalist or ethnic irredentist rhetoric, for instance) renders the other registers “off the map”. Not only do the four maps offer different registers, all four ignore much that is definitely off the map because it cannot fit into the two-dimensional imagination of this kind of map-making: the linguistic complexity of the burgeoning urban centres, or the multilingualism of most African communities, or the fact that all but global maps can always be encompassed by bigger maps.

1.3 Politics

“French Congo” was established as a result of Pierre de Brazza’s treaty with Makoko of the Bateke in 1880 and was named “Middle Congo” since 1903. Five years later Middle Congo was replaced by “French Equatorial Africa” (AEF). In 1958 AEF dissolved into autonomous colonies within the French Community. The middle part of AEF became known as the Republic of the Congo and published its first constitution in 1959. It won independence on 15.8.1960.
Fulbert Youlou was the first president. He became ousted by the Congolese military installed government headed by Alphonse Massamba-Débat, who was elected president in 1963. During his era “scientific socialism” was adopted but the regime of Massamba-Débat ended with a coup d’état in 1968. Socialistic attitudes still prevailed among the Government and in 1970s the Republic of Congo was aligned with the Eastern Bloc.

Marien Ngouabi, who had participated in the coup, assumed the presidency on December 31, 1968. One year later, President Ngouabi proclaimed Congo Africa´s first “people republic”, the People’s Republic of the Congo, and announced the decision of the National Revolutionary Movement to change its name to the Congolese Labour Party (PCT). On March 16, 1977, President Ngouabi was assassinated.

An 11-member Military Committee of the Party (CMP) was named to head an interim government with Joachim Yhombi-Opango to serve as President of the Republic. Two years later, Yhombi-Opango was forced from power and Denis Sassou Nguesso became the new president. A 20-year friendship pact with the Soviet Union was signed in the era of President Nguesso.

After Soviet Union collapsed in 1991 the one-party system of the Republic of Congo was turned into multiple-party system and President Pascal Lissouba (1992–1997) was the first elected president in the new democracy.

During the independence many rebellions, military takeovers, assassinations and coups d’état have taken place in Congo Republic. Political disorders and socialism may indicate that so called ”policy syndromes” (state controls, adverse redistribution, suboptimal resource allocation, state breakdown) exist. Syndrome-free regime (SF) would influence favorably on growth via improving the output per unit of all inputs (total factor productivity, TFP).  


1.4 Economy

The 1980s was a decade of crisis for the developing countries as a whole, and the period is often referred to as the “lost decade”. It was subjected to a series of major external shocks in the early 1980s, and the continuation of adverse factors throughout the period made economic recovery difficult for many countries. Excluding the transitional economies, however, there was an improvement in the growth performance of poor countries in the 1990s, largely the result of the rapid growth of the East Asia and Pacific group of countries. (the original “Gang of Four”). But in the case of the Republic of Congo the Civil War retarded the development of the economy and the recovery did not start until during the former decade. Then the experts on economy arrived from the West.  

In 2012, the composition of the gross domestic product (GDP) by sectors, was: agriculture 4.2%, industry 71.3% and services 24.5%. Petroleum has supplanted forestry as the mainstay of the econ-

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5 Recent World Bank studies have confirmed Kuznets’s finding that total factor productivity growth is what determines the rate of growth in developing countries (World Bank, The East Asian Miracle (new York: Oxford University Press, 1993. (Source: Fosu 2010, 67–68).
6 Nixon 2001, 47.
onomy, providing a major share of government revenues and exports. The most important target of the Government (according the World Bank) was to enable a faster medium-term economic and social development. That means: to support the transformation of the Republic of Congo from a low-middle income country to a high-middle income country in a medium-term horizon.\footnote{Eustache Ouayoro’s “Foreword” in The Road to Economic Development, 2014.}

According to the NDP2\footnote{National Development Plan, 2012 (2nd), p. 139. – About NDPs later on.}, during the period 2008–2010, Congo registered sound average annual growth levels of 7.4 percent. Strong annual growth levels influenced positively developments in household living-conditions in Congo and thereafter achieving the Millennium Development Goals (MDGs).

In the past decade, the average annual economic growth rate of Congo was lower than that of lower middle income countries (LMICs). From 2011 to 2013 Congo’s annual growth rate has averaged 3.5 percent, which is lower than 8.5 percent target set in the recent National Development Plan (NDP) over the period 2012–2016 to achieve the country’s ambitions over that timeframe. Congo’s unsatisfactory GDP growth is largely due to the poor performance of the extractive sectors. During the last three years, the oil sector declined by an average annual rate of 8.2 percent essentially due to interruptions of oil production in some offshore wells. Likewise, mining exports, which were expected to begin 2012, have been delayed due to infrastructural and regulatory constraints.\footnote{The Road to Economic Development, 2014.}

However, the relative strong performance of non-oil sectors has counterbalanced the disappointing results of the oil and mining sectors. In fact, although oil remained the country’s major source of revenue, the contribution of the non-oil sector to growth has been steady. In the past three years, Congo’s non-oil sectors grew by an average annual rate of about 8 percent.\footnote{Ibid.}

The strong performance of non-oil sectors is mainly due to the investment boom in public infrastructure. During the past three years, public investments have increased threefold as a share of GDP. Public investments appear to have created favorable conditions and positive externalities for private investments, which grew steadily from 15.7 percent of GDP during 2000–2004 to 25.4 percent of GDP during 2005–2013. This is indicative of the role that the Brazzaville–Beijing strategic partnership has played in reshaping the GDP breakdown.\footnote{Ibid.}

The Congolese economy is projected to grow at an annual rate of about 6–7 percent over the next three years. This projection is based on a set of assumptions. Firstly, non-extractive sectors are anticipated to grow at a strong pace as the government has secured new funding from China. That will keep infrastructure investment growing and, at the same time, the government is expected to continue strengthening its economic diversification policies. Secondly, Congo’s oil production is expected to gradually stabilize in the coming years, mainly due to the discovery of the new fields. Thirdly, the country is likely to witness the beginning of mining production.\footnote{Ibid.}

### 2. The Millennium Development Goals (MDG)

In September 2000, the Republic of Congo joined the 192 other member countries of the United Nations in adopting the “Millennium Declaration”, which defines a consensus-based vision of sus-
tainable human development and specific objectives known as the “Millennium Development Goals (MDGs) that translate that vision into targets to be achieved by 2015. Having done so, Congo and the other signatory nations collectively committed to working at both the national and international levels, to take up the significant challenges of development and the promotion of human dignity, including the eradication of extreme poverty and hunger, education for all, the reduction of maternal and infant mortality, and combating the HIV/AIDS pandemic.\(^{13}\)

The Millennium Development Goals are eight international development goals that were established following the Millennium Summit of the United Nations in 2000, following the adoption of the United Nations’ Millennium Declaration.\(^ {14}\) All 189 United Nations’ member states at that time, and at least 23 international organizations, committed to help achieve the following Millennium Development Goals by 2015:

1. To eradicate extreme poverty and hunger
2. To achieve universal primary education
3. To promote gender equality
4. To reduce child mortality
5. To improve maternal health
6. To combat HIV/AIDS, malaria, and other diseases
7. To ensure environmental sustainability
8. To develop a global partnership for development.

GOAL 1: To eradicate extreme poverty and hunger consists of three targets [1A – 1C]:

Target 1A: Halve, between 1990 and 2015, the proportion of people living on less than $1.25 a day
- Poverty gap ratio [incidence x depth of poverty]
- Share of poorest quintile in national consumption

Target 1B: Achieve decent employment for women, men, and young people
- GDP growth per employed person
- Employment rate
- Proportion of employed population below $1.25 per day (PPP values)
- Proportion of family-based workers in employed population

Target 1C: Halve, between 1990 and 2015, the proportion of people who suffer from hunger
- Prevalence of underweight children under five years of age
- Proportion of population below minimum level of dietary energy consumption.

Currently extreme poverty or absolute poverty widely refers to earning below the international poverty line of $1.25/day (in 2005 prices) set by the World Bank. This measure is the equivalent to earning $1.00 a day in 1996 US prices, hence the widely used expression, living on “less than a dollar a day”. The vast majority of those in extreme poverty – 96% – reside in South Asia, Sub-Saharan Africa, the West Indies, East Asia and the Pacific; nearly half live in India and China alone.

Specifically the first Millennium Development Goal set a target of reducing the extreme poverty rate in half by 2015, a goal that was met five years a head of schedule. With the expiration of the

\(^{13}\) Pierre Moussa (Minister of State, Responsible for Economic Coordination; Minister of Economy, Planning, Land Reform and Integration) in Foreword for the publication: National Development Plan, 2\(^{nd}\) (NDP2).

\(^{14}\) Wikipedia.org
MDGs’ fast approaching, the international community, including the United Nations, the World Bank and the United States, has set a target of ending extreme poverty by 2030.\(^\text{15}\)

The World Bank estimated that Millennium Development Goal 1 was achieved in 2008 mainly due to the results from successes of India and China and East Asia. Between 1990 and 2010 the population living on less than $1.25 a day in development countries halved to 21% or 1.2 billion people achieving MDG 1A before the target date. – New species of rice were one weapon against hunger for instance in the Republic of Congo. A high-yielding and well adopted strain was developed and introduced in areas including Congo Brazzaville, Côte d’Ivoire, the Democratic Rep. of the Congo, Guinea, Kenya, Mali, Nigeria, Togo and Uganda. Some 18 varieties of the hybrid species became available, enabling farmers to produce enough rice to feed their families and have extra to sell.

3. Student comparisons for five-page write-up

3.1 Poverty changes and inequality

3.1.1 International terms

International poverty lines were revised using the new data on PPPs compiled in the 2005 round of the International Comparison Program, along with data from an expanded set of household income and expenditure. The new extreme poverty line is set at $1.25 a day in 2005 PPP terms, which represents the mean of the poverty lines found in the poorest 15 countries ranked by per capita consumption. The poverty measures are prepared by the World Bank’s Development Research Group.\(^\text{16}\)

So-called poverty PPPs, designed to compare the consumption of the poorest people in the world, might provide a better basis for comparison of poverty across countries than PPP exchange rates alone. As a result of revisions in PPP exchange rates, consumer price indexes, or welfare aggregates, poverty rates for individual countries cannot be compared with poverty rates reported in earlier editions.\(^\text{17}\)

3.1.2 National data

The international poverty lines are based on nationally representative primary household surveys conducted by national statistical offices or by private agencies under the supervision of government or international agencies and obtained from government statistical offices and World Bank Group country departments.\(^\text{18}\)

In the Republic of Congo the first national household survey, the Survey of Living Conditions in Congolese Households (ECOM1), was collected in 2005. The second household survey (ECOM2) became ready in 2011.

The National Center for Statistics and Economic Research (CNSEE) conducted its first nationwide survey of household living conditions in 2005. This was the Congolese Survey of Households to

\(^{15}\) “Join the movement to end extreme poverty worldwide by 2030 by tackling such issues as education, clean water, gender equality, maternal health and renewable energy.” (Source: [www.worldbank.org](http://www.worldbank.org))

\(^{16}\) World Development Indicators 2014, 24–25.

\(^{17}\) Ibid.

Evaluate Poverty” (ECOM1, 2005). This socio economic survey covered 5,256 households distributed across the country, and estimated the monetary poverty rate (those living below the threshold of (Central African franc) CFA 544,40 per day and per adult equivalent) at 50.7 percent for the Congolese population as a whole.

The second household survey (ECOM2) was launched on February, 25 2011, and covered 10,584 households, again nationwide. The survey results, and in particular the analysis of the “core welfare indicators” module (the CWIQ) questionnaire) produced some indicators of household living conditions in 2011. The 201 CWIQ derived from ECOM2 can be used to draw some comparisons with selected indicators for 2005 produced by ECOM1.

The satisfactory implementation of the PRSP programs\(^{19}\) between 2008 and 2010, including the government’s economic program, enabled Congo to make commendable strides for instance in social terms: a marked improvements in household living conditions and a sharp drop in unemployment (from 19.4 percent in 2005 to 6.9 percent in 2011). Applauded by the international community, these achievements enabled the Republic of Congo to reach the HIPC Initiative\(^{20}\) completion point in January 2010, which led to the cancellation of approximately CFAF 3,000 billion of Congo’s debt, or close to one-third of its GDP.\(^{21}\)

### 3.1.3 Poverty and inequality\(^{22}\)

Economic inequality refers to how economic metrics (wealth, income, consumption) are distributed among individuals in a group, among groups in a population, or among countries. The issue of economic inequality can implicate notions of equity, equality of outcome and equality of opportunity.

<table>
<thead>
<tr>
<th>Sub-Saharan Africa Poverty line $1.25 a day, PPP</th>
<th>2005</th>
<th>2008</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty headcount ratio at $1.25 a day, PPP (% of population)</td>
<td>54</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Headcount ratio (% of population)</td>
<td>52.82</td>
<td>49.65</td>
<td>48.19</td>
<td>46.85</td>
</tr>
<tr>
<td>Poverty gap (% of the poverty line)</td>
<td>22.43</td>
<td>20.63</td>
<td>20.01</td>
<td>19.20</td>
</tr>
<tr>
<td>Poverty gap, squared</td>
<td>12.43</td>
<td>11.27</td>
<td>10.93</td>
<td>10.40</td>
</tr>
<tr>
<td>Population (millions)</td>
<td>754.69</td>
<td>812.50</td>
<td>853.57</td>
<td>887.43</td>
</tr>
<tr>
<td>Number of poor (millions)</td>
<td>398.93</td>
<td>403.41</td>
<td>411.34</td>
<td>415.76</td>
</tr>
<tr>
<td>Survey coverage (% of population)</td>
<td>82.70</td>
<td>81.70</td>
<td>75.60</td>
<td>67.50</td>
</tr>
</tbody>
</table>

Table 2. Poverty indicators in Sub-Saharan Africa (Poverty line $1.25, PPP).

Gini coefficients are aggregate inequality measures and can vary anywhere from 0 (perfect equality) to 1 (perfect inequality). The Gini coefficient for countries with highly unequal income distributions typically lies between 0.50 and 0.70, while for countries with relatively equitable distributions, it is on the order of 0.20 to 0.35.\(^{23}\)

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\(^{19}\) About the Poverty Reduction Strategy (PRSP) later on.

\(^{20}\) Congo reached the Heavily Indebted Poor Countries (HIPC) initiative (through the Poverty Reduction and Growth Facility (PRGF) and implementation of the Poverty Reduction Strategy, PRSP for 2008–2010).

\(^{21}\) Source: PRSP2. CFAF = Central African CFA franc (the currency of the Rep. of Congo).

\(^{22}\) Economic inequality refers to how economic metrics (wealth, income, consumption) are distributed among individuals in a group, among groups in a population, or among countries. The issue of economic inequality can implicate notions of equity, equality of outcome and equality of opportunity.

\(^{23}\) Todaro 2000, 160.
Poverty gap index is the mean shortfall from the poverty line (counting the non-poor as having zero shortfall), expressed as a percentage of the poverty line. Poverty gap index reflects the depth of poverty – by considering how far, on the average, the poor are from that poverty – as well as its incidence. \(^{24}\)

<table>
<thead>
<tr>
<th>The Republic of Congo</th>
<th>2005</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty headcount ratio at national poverty lines (% of population)</td>
<td>50.7</td>
<td>46.5</td>
</tr>
<tr>
<td>Poverty headcount ratio at $1.25 a day, PPP (% of population)</td>
<td>54.10</td>
<td>32.82</td>
</tr>
<tr>
<td>Poverty gap index at $1.25 a day, PPP (%)</td>
<td>22.82</td>
<td>11.47</td>
</tr>
<tr>
<td>Poverty gap index, squared(^{25})</td>
<td>12.10</td>
<td>5.43</td>
</tr>
<tr>
<td>GINI index</td>
<td>47.32</td>
<td>40.17</td>
</tr>
<tr>
<td>Watts index(^{26})</td>
<td>34.3900</td>
<td>38.0300</td>
</tr>
<tr>
<td>MLD index(^{27})</td>
<td>16.0200</td>
<td>28.2100</td>
</tr>
</tbody>
</table>


Poverty gap index is an improvement over the poverty measure headcount ratio, which simply counts all the people below a poverty line, in a given population, and considers them equally poor. But poverty gap index ignores the effect of inequality between the poor. It does not capture differences in the severity of poverty amongst the poor. It is a moderate but incomplete improvement over poverty headcount ratio. A better measure would focus on capabilities and consequent consumption side of impoverished households. – Watts’ index is one improvement.

The officials of the Republic of Congo has organized two large household surveys in order to collect information about consumption and the consumer price indices (CPI), which measure changes in the price level of a market basket of consumer goods and services purchased by households.

CPI is one of several price indices calculated by most national statistical agencies. The annual percentage change in a CPI is used as a measure of inflation. A CPI can be used to index (i.e. adjust for the effect of inflation) the real value of wages, salaries, pensions, for regulating prices and for deflating monetary magnitudes to show changes in real values.

The changes in national population and in the consume price index (CPI) in the Republic of Congo have been following:

<table>
<thead>
<tr>
<th>National population</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
</table>

| National CPI        | 77.0483 | 82.0856 | 84.2661 | 90.4464 | 95.2395 | 100 | 101.326 |

Table 4: Total population and consumer price index in Congo Republic in 2005–2011. The data is taken from ECOM1.

\(^{24}\) Ibid.
\(^{25}\) Squared poverty gap index or poverty severity index (P2), is calculated by averaging the square of the poverty gap ratio. By squaring each poverty gap data, the measure puts more weight the further a poor person’s observed income falls below the poverty line. The squared poverty gap index is one form of a weighted sum of poverty gaps, with the weight proportionate to the poverty gap.
\(^{26}\) Watts’ index is calculated as follows: \( W = \frac{1}{N} \sum_{j=1}^{N} \ln \left( \frac{z}{y_j} \right) \). \( N \) is the total population, \( z \) is the poverty line and \( y_j \) is the income of the poor individual \( j \).
\(^{27}\) Mean log deviation (MLD) index is a measure of income inequality. The MLD is zero when everyone has the same income and takes on larger positive values as incomes become more unequal, especially at the high end. MLD is nonnegative.
Centre National de la statistique et des Etudes Economiques is the conductor of the two household surveys in Congo Republic (ECOM1 and ECOM2). The survey was collected during 2005/06 – 2005/08 and it was a priority survey (World Bank). Sample size was 5002.

3.2 Growth of GDP and changes in income

Since 2000, Congo Republic has become increasingly dependent on the oil sector in the wake of the rapidly rising international oil prices. The oil sector’s share of GDP reached 68% in 2010. Although the contribution to employment generation may be limited compared to other economic sectors, Congo’s petroleum sector remains vital to the economic growth of the country and could potentially contribute substantially to the overall development of the country, if developed through a more sustainable framework. More specifically, the sustainable development of petroleum resources is critical for achieving the “Modernization and Industrialization Program” proposed by the Government.28

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</tr>
</thead>
<tbody>
<tr>
<td>GNI p. c. PPP (current int. $)29</td>
<td>2,940.0</td>
<td>3,110.0</td>
<td>3,180.0</td>
<td>3,570.0</td>
<td>3,690.0</td>
<td>4,070.0</td>
<td>4,140.0</td>
</tr>
<tr>
<td>GNI, Atlas meth. (current US$)</td>
<td>3,449,714</td>
<td>4,416,133</td>
<td>5,241,184</td>
<td>7,177,055</td>
<td>7,806,219</td>
<td>9,071,295</td>
<td>9,315,549</td>
</tr>
<tr>
<td>GNI p.c. Atlas m. (current US$)</td>
<td>970.0</td>
<td>1,210.0</td>
<td>1,390.0</td>
<td>1,850.0</td>
<td>1,950.0</td>
<td>2,210.0</td>
<td>2,200.0</td>
</tr>
<tr>
<td>GDP growth (annual %)30</td>
<td>7.8</td>
<td>6.2</td>
<td>–1.6</td>
<td>5.6</td>
<td>7.5</td>
<td>8.8</td>
<td>3.4</td>
</tr>
<tr>
<td>GDP (current US$)</td>
<td>6087002682</td>
<td>7731261169</td>
<td>8394688589</td>
<td>11859015181</td>
<td>9593536719</td>
<td>12007880067</td>
<td>14425606793</td>
</tr>
<tr>
<td>GDP p.c. (current US$)31</td>
<td>1,718.1</td>
<td>2,120.1</td>
<td>2,233.3</td>
<td>3,059.2</td>
<td>2,401.3</td>
<td>2,920.4</td>
<td>3,414.1</td>
</tr>
</tbody>
</table>


While oil has historically been the main driver for revenues in the Republic of Congo, the role of natural gas is poised to become more prominent moving forward. According to the Ministry of Hydrocarbons Congo contains about 3.5–4 trillion cubic feet (Tcf) of natural gas reserves, the third largest gas resources base in sub-Saharan Africa. An estimated 2.0 Bcm of natural gas is currently flared, which represent a lost opportunity for the country’s economic growth. In an effort to address this issue, a new plant has recently been commissioned that will utilize natural gas previously flared from the Djeno field. This plant adds to the already considerable effort to strengthen the power sector in the Republic of Congo, bringing generation capacity to approximately 500 MW up from 89 MW in 2003.

A more reliable distribution network and the production of affordable energy will serve as the basis for the Government’s ambitious economic diversification program. Staffs advise that attracting

28 NDP2, p. 5–6.
29 GNI p.c. PPP (current US$) for instance in the Congo Democratic Republic: 510.0 (2005) and 680.0 (2013).
30 GDP growth (annual %) has been in Finland: 2.8 (2005) and 2.6 (2011).
31 GDP per capita (current US$) in the Congo Dem. Rep.: 221.4 (2005) and 404.1 (2011); in Finland 38,968.2 (2005) and 50,790.7 (2011)
private sector investment in energy generation and distribution should be a policy priority. To this end, staffs recommend that the Government develop an attractive legal and regulatory framework that includes incentives for the use of domestic natural gas, and design policies to maximize local development opportunities arising from the petroleum sector.\textsuperscript{32}

### 3.3 Comparisons between GDP, income, inequality and poverty

The tasks for the write-up are the following:

A) Using data on mean income, poverty measures and the Gini index from your “adopted” country, describe how poverty, income and inequality have each changed over time.

B) Then, what is the relationship for the country between poverty changes, on the one hand, and income and inequality changes, on the other?

C) Gather data on the country’s per capita GDP growth to gauge the extent to which this variable tallies with the observed progress on poverty.

D) Gather additional information on the country’s economic performance to support and explain your findings above.

E) Based on your findings, what would you recommend as possible policies for your “adopted” country in improving its poverty record.

**My answers:** \textsuperscript{33}

**A)**

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>GNI p.c. PPP (current int. $)</td>
<td>2,940</td>
<td>&lt; 4,140</td>
</tr>
<tr>
<td>Gini index has fallen</td>
<td>47.32</td>
<td>&gt; 40.17</td>
</tr>
<tr>
<td>Poverty headcount ratio at US$1.25 a day PPP (% of population) has fallen</td>
<td>54.10</td>
<td>&gt; 32.82</td>
</tr>
<tr>
<td>Poverty gap index has fallen</td>
<td>22.82</td>
<td>&gt; 11.47</td>
</tr>
</tbody>
</table>

**B) The relationship between [poverty changes] and [income and inequality]:**

The changes in GNI, Poverty headcount ratio, Gini index and Poverty gap are all positive.

**C)**

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<thead>
<tr>
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<th>2005</th>
<th>2011</th>
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</thead>
<tbody>
<tr>
<td>GDP growth (annual %) has fallen</td>
<td>7.8</td>
<td>&gt; 3.4</td>
</tr>
<tr>
<td>GDP p.c. (current US$) has risen</td>
<td>1,718.1</td>
<td>&lt; 3,414.1</td>
</tr>
</tbody>
</table>

**D) GDP growth fallen to half. GDP per capita has risen twofold. These two indicators are seemingly in contradiction with each other but actually also GDP is positive – it is concretely, realistically a positive number, because also 3.4 means that the gross domestic product has been growing. But the positive trend is becoming slower. That is a problem. In chapter five I propose one possible recommendation as possible policies for the Republic of the Congo.**

\textsuperscript{32} A mysterious term “Staffs” means the joint IDA–IMF advising staff, specialized in issues of the Republic of Cong.

\textsuperscript{33} The Staffs had already known and said everything essential about Congo Rep. What could I say more? I have been proceeding carefully and slowly as if I were walking on the thin ice. Results, the only idea, is written in Chapter 5 “Conclusions”.
4. The Staff’s views as guidelines for economy

4.1 The first National Plan (PRSP1)

The Republic of Congo’s first Poverty Reduction Strategy Paper (PRSP1), which covered the years 2008–2010, was launched and adopted in April 2008. The first PRSP1 was part of the “new hope” plan to reconstruct the country after years of conflict to consolidate the peace process, and to put the Republic of Congo on the path of sustainable development. The goals of Poverty Reduction SP1 were five-fold:

1. The amelioration of governance and the consolidation of peace and security;
2. The promotion of growth and macroeconomic stability;
3. The improvement of universal access to basic social services;
4. The improvement of the social environment and the integration of vulnerable groups; and
5. The fight against HIV/AIDS.

The first Poverty Reduction Strategy Plan or PRSP (PRSP1) represented Congo’s very first national development plan following the end of the civil war in 2001. It served as the operational framework for implementation of the “Nouvelle Espérance” [New Hope] vision and for the formulation of economic and social strategy for Congo’s progress forward attainment of the Millennium Development Goals (MDGs).

Satisfactory implementation of the PRSP1 programs between 2008 and 2010, including the government’s economic program, enabled Congo to make commendable strides in economic terms: achievements characterized by sustained growth of the order of 7.0 percent, inflation kept within the community standard (~ 3%), and fiscal consolidation.

4.2 The second National Plan (PRSP2)

But sizeable challenges remained after 2010 and that’s why the President of the Republic replaced the “Nouvelle Espérance” project with the “Future Path”. This new vision is aimed at modernizing society and industrializing the economy in order to move Congo toward emergence (into the global economy). To turn this vision into reality, the government also decided to expand the strategic framework of the PRSP2 and to reconfigure it as a Five-Year Development Plan. Furthermore, to enhance the effectiveness of the planned actions and maximize their social impact, the government adopted Results-Based Development Management (RBDM) as the linchpin of its execution framework.

PRSP2 was the following National Development Plan and it was for 2012–2016. It is also the Joint Staffs’ advisory note reviews, which was completed on January 31, 2012.

PRSP2 is part of the Government’s National Development Plan, and its goal is to modernize and industrialize the country. The strategy rests on the same pillars as the PRSP1 but reinvigorates two

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aspects: (1) The promotion of diversified, inclusive, employment-creating and value-added growth, and (2) The equal distribution of the benefits and security of growth throughout the country. Also added to this PRSP is the priority of respecting and protecting the environment to slow down climate change and reduce the harmful extraction of natural resources.

The process of preparing the PRSP2 was officially launched in March 11 during a workshop attended by participants from all parties and regions. The workshop formalized the six thematic groups that worked on the detailed background documents for each sector, which were: (1) governance; (2) economy; (3) infrastructure; (4) development and social inclusion; (5) education, training, and scientific research; and (6) balance and sustainable development.

After the thematic reports were adopted in July 2011, the permanent technical secretariat of the national committee for the fight against poverty produced a drift of the PRSP2. Then, the poverty report based on the 2011 Living Standards Measurement Survey (ECOM, 2011) was not yet available, but the subjective understandings of the main cause of poverty had remained relatively unchanged over time: the causes of poverty are unemployment, poor public sector management and lack of household financial resources.

The Staffs encouraged the authorities to broaden and deepen the analytical agenda laid out in the PRSP by preparing the planned poverty trends assessment. In these activities the ECOM 2011 should serve to produce a detailed poverty analysis taking into account strata not covered in the 2005 survey. Additional analyses on national health accounts, benefit-incidence analysis, and public expenditures could benefit from these data. According the Staffs the construction of poverty maps based on the 2011 household survey and the 2007 population and housing census could support the ongoing decentralization process.

The government had presented three macroeconomic scenarios, which recognized the importance of macroeconomic stability, policy commitment and external conditions in achieving poverty reduction and growth. The Staff preferred the poverty reduction strategy on a more centrist baseline scenario. The foundation of the poverty reduction strategy would be strengthened by greater discussion of how robust growth, including in the natural resources sector will contribute to a reduction in poverty by over 15 percentage points in less than five years and more realistic assumptions regarding the social impact of structural reform given persistent implementation.

According the Staff Congo’s abundance of natural resource wealth calls for improvements in governance, transparency and natural resource management. Growth in mining is assured, with large-scale mineral production, scheduled to come on stream in 2017, while forests cover over 60% of the country’s landmass.

In the Staffs’ view, deterioration in the terms of trade and slow progress on structural reforms constitute the main downside risks to the poverty reduction strategy. External risks call for prudent policies and a further build-up of fiscal buffers. Mitigating domestic risks requires sustained policy actions to:

1. Raise the quality of spending by further strengthening public financial management;
2. Promote inclusive growth by swiftly implementing the action plan to improve business climate; and
3. Address labour market demand and supply issues, including the labour skills mismatch by raising the quality of education and increasing focus on vocational training. Without such actions, the spending of oil wealth will not reach its potential impact on poverty reduction.
A diversification of the economy towards other sectors (than oil sector) is necessary to secure the country against the long-range consequences of a reliance on the petroleum sector. As such, the PRSP presents the diversification of the Congolese economy as well as the creation of a robust private sector as critical to the development of a sustainable economy. Also Congo’s forestry sector could potentially create employment and evenly distributed growth.

Agricultural production, which is also important for poverty alleviation and employment creation, is currently far below potential, and the country relies extensively on imports for its food consumption. The strategy to boost the agricultural sector laid out in the PRSP2 aims to address sectoral gaps, which include the rural exodus phenomenon, the provision of inputs, the financing mechanisms of the farmers and land tenure/use issues. Furthermore the Staff advised that the strengthening of the private sector depends on an amenable environment to small and medium-size enterprises. And Staffs commend the PRSP2 for addressing the critical nature of human capital development within these sectors as well as the need to adopt industry-wide standards for the construction sector.

Overall, Staffs commend the PRSP for its identification of the key sectors with growth potential. Staffs recommend the prioritization of sectors that require less complexity to develop and sectors where the country has a comparative advantage. Those sectors include agriculture, forestry, and services particularly related to the operations of the port of Pointe Noire. Moreover, Staffs recommend these sectors be developed in coordination with those of regional partners, in line with CEMAC’s Regional Development Plan for 2015, in order to allow for both cross-country regional learning and growth on a larger scale.

Summarizing: The Staffs underline that:

The National Development Plan (NDP) is a “common roadmap” for moving Congo forward. It is the integrated multi-year and multi-sectoral strategy planning framework that gives life to the President’s vision and program of the “Future Path”. NDP includes e.g. the Growth, Employment and Poverty Reduction Strategy Paper (DSCERP), which is one of the key components of the NDP. It is a new-generation PRSP, expanded into a five-year plan. It provides an integrated framework of macroeconomic and sectoral strategies that Congo intends to combine to diversify and accelerate growth, create jobs, and develop the social sector, in line with: (i) the Millennium Development Goals (MDGs), (ii) Congo’s dreams of emergence in the global economy and (iii) the aspirations of the Congolese people.

4.3 The staffs´ opinions about poverty and inequality

During the period 2005–2010 an average per capita income increased 4.4 percent per annum. This performance places Congo among the highest performing countries in sub-Saharan Africa in terms of growth during this period. The Staffs refer to this achievement when continuing:

While it constitutes the most important factor in poverty reduction, income growth alone is insufficient. The distribution of growth and income by sector, and more generally speaking, trends in economic and social development inequalities are also important factors in the dynamics of poverty. The results of ECOM2 (which was in production in 2012) will make it possible to assess the incidence of and trends in monetary poverty during the period 2005–2011. However, the results that are now available on trends in household well-being, can be used as a basis to esti-

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36 PRSP2, p. 3.
37 NDP2, p. 132–133.
mate poverty trends in correlation with trends in household well-being indicators. This micro approach was crossed with a more macro approach in which developments in the monetary poverty rate incidence correlate with average per capita income and the income distribution variance.

If we cross the results from ECOM2 with the movements in the non-petroleum sector growth rate, we can assess that the rate of monetary poverty has declined substantially during the past five years of sustained reforms. This result is in line with the movements in household well-being indicators and the favourable performance in the economic growth, employment and occupation rates.

In Congo, poverty is still more severe in rural areas than it is in urban areas. In 2005 rural and semi-urban areas registered substantial poor sectors (64.8% and 67.4%, respectively) as compared with the cities of Pointe Noire and Brazzaville (33% and 42% respectively). According to the results of the ECOM1 survey (2005) and the World Health Organization Statistical Report (CNSEE, 2010), the proportion of the poor population declined by six points (from 50.7 percent to 44.0 percent) between 2005 and 2009, equivalent to an average decline of 1.7 points per annum.

5. Conclusions38

The Republic of Congo has perhaps flied or at least flying out of a vicious circle of poverty.39 The idea of a vicious circle of poverty is closely associated with the work of Ragnar Nurkse who published his influential book Problems of Capital Formation in Underdeveloped Countries in 1953. Nurkse argued that a vicious circle was a “circular constellation of forces tending to act and react upon one another in such a way as to keep a poor country in a state of poverty”. The most widely quoted example of a vicious circle is with respect to capital accumulation. The low level of real income in “underdeveloped areas” resulted in a limited capacity to save and was itself a reflection of low productivity. Low productivity in turn was the result of the lack of capital which was the result of the limited capacity to save. The circle was thus complete.

However, the development is fragile. I propose on mean to strengthen the positive economic and social development in Congo Republic: The economics, its ideas and facts, should be included in all official education since primary education.

I refer to the page 3 in this write-up:

> Although African language planning discourse has an undeniable concern with “oneness”, there is a countervailing theme of pride in the sheer numbers of African languages, and the linguistic skill implied by the fact that so many Africans operate in so many of them.

African people have a comparative advantage in learning easily languages; economics is a kind of language. If the governments in African states really hope that the economy of their country would become prosperous so soon as possible, their should concentrate their attention to teach the people the new “langua franca”: economics. No worry with it; if happiness does not come with wealth, people can change again their attitudes. Congolese people have already shown how rapidly and with great flexibility they can change their habits of thinking: they could adopt socialism and then “abandon” it.

The idea of general learning and teaching economics (economic principles) is familiar in Finland. They have spoken (written) that already small children could learn some economic issues.

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38 Chapter 5 remains a draft because time is short again.
39 Nixon 2001, 34.
Contents:

Africa is different ......................................................................................................................... 1
1. Characteristics of the Republic of Congo .................................................................................. 1
   1.1 Geography .................................................................................................................................. 1
   1.2 Demographic features .............................................................................................................. 1
      1.2.1 Population .......................................................................................................................... 1
      1.2.2 Languages .......................................................................................................................... 2
   1.3 Politics ......................................................................................................................................... 3
   1.4 Economy ....................................................................................................................................... 4
2. The Millennium Development Goals (MDG) ......................................................................... 5
3. Student comparisons for five-page write-up .......................................................................... 7
   3.1 Poverty changes and inequality ............................................................................................... 7
      3.1.1 International terms ............................................................................................................... 7
      3.1.2 National data ...................................................................................................................... 7
      3.1.3 Poverty and inequality ......................................................................................................... 8
   3.2 Growth of GDP and changes in income .................................................................................. 10
   3.3 Comparisons between GDP, income, inequality and poverty ............................................... 11
4. The Staff’s views as guidelines for economy .......................................................................... 12
   4.1 The first National Plan (PRSP1) .............................................................................................. 12
   4.2 The second National Plan (PRSP2) ........................................................................................ 12
   4.3 The staffs’ opinions about poverty and inequality ............................................................... 14
5. Conclusions ............................................................................................................................... 15
Sources ........................................................................................................................................... 16

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A poster at the UNs Headquarters in New York City showing Millennium Development Goals.