



CONSORTIUM POUR LA RECHERCHE
ÉCONOMIQUE ET SOCIALE

SÉRIE DE DOCUMENTS DE RECHERCHE

**Inequalities in the Context of Structural
Transformation: Senegal Country Case Study**

Mbaye DIENE

Consortium pour la Recherche Economique et Sociale
Rue 10 Prolongée Cheik Ibra Ndiaye Djadjil
Lot 1 et 2 - Pyrotechnique - Dakar Sénégal
CP : 12023 - BP : 7988, Dakar Médina
Tél : (221) 33 864 77 57 - (221) 33 864 73 98 - Fax : (221) 33 864 77 58
Email : crec_ucad@yahoo.fr / crec@crec-sn.org
Information : contact@crec-sn.org / Site Web : www.crec-sn.org

2014 / 61

List of abbreviations

| | |
|---------|--|
| AGS | Accelerated Growth Strategy |
| BATA | Back to Agriculture |
| CSPLP | Cellule de Suivi du Programme de Lutte contre Pauvreté |
| CRES | Consortium pour la Recherche Economique et Sociale |
| DESP | Document of Economic and Social Policy |
| DFES | Direction of Forecast and Economic Studies |
| EPCMU | Economic Policy Coordination and Monitoring Unit |
| EPSI | Economic Policy Support Instrument |
| ESAM I | Enquête Sénégalaise auprès des ménages, 1995 |
| ESAM II | Enquête Sénégalaise auprès des ménages, 2001 |
| GDP | Gross Domestic Product |
| GC | Groupe Consultatif |
| ICT | Information and Communications Technology |
| IMF | International Monetary Fund |
| MDG | Millennium Development Goals |
| MEF | Ministry of economy and finance |
| NASD | National Agency for Statistics and Demography |
| NAYE | National Agency for Youth Employment |
| NFYE | National Fund for Youth Employment |
| NNEP | New National Employment Policy |
| NSESD | National Strategy for Economic and Social Development |
| PES | Plan for an Emerging Senegal |
| PANEJ | National Action Plan for Youth Employment |
| PFSG | Program of family safety grants |
| PRSP | Poverty Reduction Strategy Paper |
| SME | Small and medium enterprises |
| SSPP | Senegalese Survey on the Perception of Poverty |
| WAEMU | West African Economic and Monetary Union |

1. Introduction

Reducing inequality and poverty has become a priority of Senegal, since the late 1990s. The catalysts are the structural adjustment policies, which have had disastrous consequences on the living conditions of populations. The policies undertaken since then by the state are rise up to the urgent social problems related to poverty and social justice. Despite its political stability, Senegal has been facing many economic and social challenges which often lead to regular interventions of the government. Even if the country's development strategies largely influence its economic performance, the economy currently seems affected by the adverse international environment, particularly by the socio-political situation in Mali. It is not surprising that sometimes a State has other than social priorities, while its economy is in recession; this explains why developing countries often cut in social expenditures, in times of crisis.

But a feature of Senegal, is that since the 2000s, social spending, have significantly increased, showing a constant concern to reduce inequality. Currently, despite the many economic challenges the country is on a growth trajectory, which can point to a positive trend in social expenditures in the coming years. The growth rate of the real GDP is 4% in 2013 against 3.5% in 2012, and it is carried by the primary and tertiary sectors. The tertiary sector contributes at about 45% to the GDP between 2005 and 2013, followed by the secondary sector which contributes up to 25%. The tertiary sector is dominated by trade, transport, telecommunications and real estate activities. Many young people are working informally in that sector, mainly in trade, (DFES, 2014: 4). These young people are directly affected by unemployment.

The reduction of inequalities is directly and indirectly integrated in the major recent macroeconomic programs undertaken by the government. These programs are: the Accelerated Growth Strategy (AGS) since 2005, the Third Poverty Reduction Strategy Paper (PRSP) from 2011 to 2015 and the Document of Economic and Social Policy (DESP) in 2006. Currently, a new National Strategy for Economic and Social Development (NSES) for the years 2013-2017 have replaced the DESP, and the Plan for Emerging Senegal in 2014.

They are developed through a participatory process, and lay emphasis on wealth creation, with significant special focus on improving the welfare and social demand. 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, despite the willingness of the stakeholders (central and local authorities, civil society, involved in the process of policy development and the fight against inequality. But new policies raise much hope.

Our objective in this paper, is to illustrate the extent of the different forms of inequality (economic, social and political) in Senegal, to analyze their current drivers and dynamics, the strategies to address them, in the context of the current development and transformation processes. We also aim to identify lessons learnt and possible key policy areas for future engagement.

The study will focus on social and economic inequalities, taking into account their decomposition according to gender, regions, rural and urban areas and ethnics. We respectively treat the disparities of unemployment, education, illiteracy, access to infrastructures such as health facilities, education, drinking water, transportation and income inequality.

2. Key domains of inequalities in Senegal

Senegal is a very stable country and the political regime changes have always been made democratically, despite some clashes between the passionate supporters of political parties. But economically and socially, the country fails to be at an acceptable level for its population. The proof is that the latest Senegalese Survey on the Perception of Poverty (SSPP), made in 2011, showed that the most shared feeling among people is the fact that there is a dramatic deterioration of the economic and social situations, aside from widespread poverty and inequality.

There is also a very bad perception of the Senegalese people, on the public institutions and their governance (SSPP, 2011 : 2). In reality, there was not a moment during the country's recent history (from the independence in 1960) where Senegal has experienced a structural transformation enough decisive to bring a significant change in the levels of living standards of the population. Even if the successive governments have always been motivated by a desire to improve people's living conditions, their strategies do not meet their objectives. What is common in the economic development strategies recently adopted, is the involvement of various stakeholders (civil society, technical and financial partners, central and local government, etc.). This participatory process raises a lot of hope for the achievement of the objectives of the programs. We return to the most important of these programs in the next sections, but for now, we make the inventory of the inequalities experienced by the country.

Social inequalities are very serious in Senegal and they generalize both in health, education, employment, infrastructures, etc. They are reinforced by the great handicap of the country, which its demographic imbalance, as the estimated population of 13.9 million inhabitants, is composed of 62% of young people under 25 who face the sharp social effects of unemployment. Indeed, the unemployment rate is 12.2% for young workers aged 15 to 35

years (SSPP, 2011), far exceeding the national rate (10.2%). Inclusion of young people in the labour market remains difficult, thus, young people in Senegal have resorted to the using of the informal sector to survive. In the capital of Senegal, Dakar, more than 43.9% of the population in the 15-24 age bracket work in the informal sector. Many youth resort to illegal migration, which is often accomplished with parental consent and support. Illicit migration, typically to Europe, regularly results in death at sea, or deportation. Criminal behaviour has also become a salve for youth unemployment, i.e. narcotics- trafficking, theft, and drug use.

2.1 Inequality in unemployment

Employment is the main concern of Senegalese households (26.8% of the whole households). This is understandable because the unemployment rate at the national level is high and there is a great gender disparity in the distribution of unemployment, because women are more affected by it. Indeed, the unemployment rate of women is 13.3%, against 7.7% for men (SSPP, 2011.)

There are also disparities in the distribution of unemployment by education levels. Thus, long-term unemployment (over a year) hits 74% of graduate heads of households, and 52% of secondary school graduates. The explanation is that these latter are more likely to indulge in small informal activities than the former ones. Recently, to encourage people to invest in the agricultural sector in order to reduce unemployment, the government set up a program called Back to Agriculture (BATA). But two phenomena explain the difficulty to fight against inequalities due to unemployment. First, education and training do not suit for the production sectors. There is secondly a lack of coordination between policy sectors and the education sector, especially since the country has not achieved the goal of directing 25% of students in public and private vocational training. Moreover, even within the education system, there are high inequalities.

2.2 Inequalities in education

Senegal's education system is enough efficient compared to those of the West African sub-region. Senegal is the destination of study of several African countries, and education (especially higher education) is of great quality. Nevertheless, it faces differences in terms of access and internal efficiency. If we consider the primary enrolment, we find large differences between the regions. Indeed, Ziguinchor and Dakar have the highest gross enrolment ratios (115.6% and 102.6%, respectively) while Diourbel (46.7) and Kaffrine (44.2 0%) have the lowest ones. The gross enrolment ratio at the national level is 93.0% in 2013, which is still quite important.

Table 1. Gross enrolment ratio by and region

| | Primary | Secondary | Higher |
|-------------|----------------|------------------|---------------|
| Ziguinchor | 115.6 | 118.3 | 84.9 |
| Dakar | 102.6 | 81.1 | 45.5 |
| Kédougou | 99.3 | 60.4 | 20.8 |
| Fatick | 90.8 | 65.9 | 28.7 |
| Sédhiou | 89.7 | 75.7 | 30 |
| Saint-Louis | 83.9 | 68.3 | 36.8 |
| Thiès | 83.8 | 58.2 | 30.7 |
| Kolda | 79.7 | 57.5 | 24.1 |
| Kaolack | 70.6 | 56.3 | 21 |
| Tambacounda | 69.7 | 54.3 | 15.5 |
| Matam | 63.8 | 53.2 | 13.6 |
| Louga | 53 | 29.4 | 10.8 |
| Diourbel | 46.7 | 29.2 | 11 |
| Kaffrine | 44.2 | 23.7 | 9.6 |
| Ensemble | 79.7 | 62.6 | 32.7 |

Source: ESPS-II 2011, NASD, Sénégal.

At national level, the gross enrolment rate is relatively higher for boys (56.1%) than for girls (50.0%) and geographically, there is great inequality. The greatest gender disparities are found in the south of the country, mainly in the regions of Kedougou Sedhiou, and Kolda. The inequalities are also striking in the key cities of Dakar, Tambacounda and Thies. However, there are regions in the North (St. Louis and Louga) and East (Matam) where girls are more educated than boys. This is mainly due to the fact that parents are becoming more aware about the education of girls, and that boys are more likely to leave school for job.

Table 2. Overall gross enrollment ratio by gender and region

| Regions | Male | Female |
|-------------|------|--------|
| Kédougou | 71.9 | 55.1 |
| Sédhiou | 69.5 | 55.5 |
| Kolda | 56.9 | 47.2 |
| Diourbel | 33.9 | 25.5 |
| Dakar | 67.2 | 61.4 |
| Tambacounda | 47 | 42.2 |
| Thiès | 55.9 | 51.1 |
| Kaolack | 48.3 | 44.6 |
| Kaffrine | 28.6 | 25.1 |
| Ziguinchor | 88.9 | 85.5 |
| Fatick | 62.5 | 59.8 |
| Louga | 30.2 | 30.3 |
| Saint-Louis | 56.5 | 57.7 |
| Matam | 38.9 | 45 |

Source: ESPS-II 2011, NASD, Sénégal

In the other sides of the educational system, including superior education, technical and professional training, disparities still exist.

The region of Dakar includes 80% of the universities and graduate schools (the public and private ones) as well as 80% of the students. Similarly, only 5% of the students are in the technical training, and there are high geographical inequalities.

Dakar gathers most of the registered students (62.5%) and the private schools (79.3%) while that the regions of Louga, Matam and Fatick have the lowest numbers.

Table 3. Proportion of households by gross enrolment rate inside the household

| Rate of enrolment | National | | Dakar | | Other urban areas | | Rural area | |
|---------------------|----------|-------|-------|-------|-------------------|-------|------------|-------|
| | 2005 | 2011 | 2005 | 2011 | 2005 | 2011 | 2005 | 2011 |
| More than 75 % | 77,11 | 74,75 | 89,56 | 83,23 | 87,85 | 79,93 | 75,62 | 67,40 |
| Between 50% and 75% | 8,27 | 8,58 | 1,64 | 7,35 | 4,91 | 5,91 | 10,34 | 10,60 |
| Less than 50% | 14,62 | 16,67 | 8,80 | 9,42 | 7,24 | 14,16 | 14,04 | 22,00 |
| TOTAL | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

Source : Author's calculations with SSPP (2011) survey data.

In the table above, we compute the gross enrolment rate of children in the households. So for each household, we counted the percentage of children enrolled in school. We see that in 2005 the percentage of households (15%) whose gross enrolment

rate is less than 50%, rose to 17% in 2011, at the national level. There is a strong inequality between urban and rural areas, in terms of enrolment in the households. In 2011, the percentage of households with low enrolment rate is 22% in the rural areas, against 9% and 14.16% respectively in Dakar and the other cities.

Table 4. The distribution of households by their literacy rate within the household

| Rate of literacy | National | | Dakar | | Other urban areas | | Rural area | |
|---------------------|----------|-------|-------|-------|-------------------|-------|------------|-------|
| | 2005 | 2011 | 2005 | 2011 | 2005 | 2011 | 2005 | 2011 |
| More than 75 % | 25.14 | 63.59 | 45.35 | 31.07 | 34.36 | 23.26 | 7.83 | 4.40 |
| Between 50% and 75% | 14.29 | 5.46 | 17.84 | 25.56 | 19.84 | 29.49 | 10.18 | 14.53 |
| Less than 50% | 60.57 | 30.95 | 36.81 | 43.37 | 45.80 | 47.25 | 81.99 | 81.07 |
| TOTAL | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

Source : Author's calculations with SSPP (2011) survey data.

The table shows the intervals of adult literacy rate in the households. It appears that the inequality of household literacy rates is very high. In rural areas, the percentage of households, whose rate fall below 50%, is lower in 2011 than in 2005 (81% and 82% respectively). Nevertheless, illiteracy is more pronounced in rural zones than in Dakar and the other urban areas.

2.3 Inequalities in health care

The geographical coverage, in terms of health infrastructures and skilled health experts is very unequal to the detriment of the rural zones. The following table gives the percentage of households by the time they spend to reach a health care structure.

Table 5. Inequalities in the access to health facilities

| Time to access health facilities | National | | Dakar | | Other urban areas | | Rural area | |
|----------------------------------|----------|-------|-------|-------|-------------------|-------|------------|-------|
| | 2005 | 2011 | 2005 | 2011 | 2005 | 2011 | 2005 | 2011 |
| Less than 30 mn | 43.94 | 61.84 | 56.43 | 78.52 | 51.90 | 71.19 | 34.70 | 48.49 |
| Between 30 mn to 60 mn | 33.97 | 28.67 | 41.47 | 16.60 | 46.79 | 23.83 | 25.65 | 37.54 |
| More than 1 hour | 22.09 | 9.50 | 2.09 | 4.88 | 1.31 | 4.98 | 39.65 | 13.98 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

Source : Author's calculations with SSPP (2011) survey data.

The table 5 shows that the proportion of households making less than 15 minutes to reach a health facility has increased in all areas in 2011. In urban areas, particularly in Dakar, this proportion is up to 79% in 2011 against 48% in rural areas. The proportion of

households, making more than one hour, has steeply declined in rural areas, although the rate is still higher than in urban areas (14% against 5%). The other aspects of health inequalities are also important, such as *AIDS prevalence and malnutrition*. HIV / AIDS prevalence rate is 0.7%, and it is higher for women living in the regions of the south, including Kédougou (2.5%) and Kolda (2.4 %). High rates among men are also met in the East and the South of Senegal : Kolda (2.4%), Tambacounda (1.2%) and Ziguinchor (0.9%). These areas are border crossings where there is a mixing of populations due to trade (GC, 2014:20).

Malnutrition : The rate of chronic malnutrition among children under 5 years was reduced by 30% in 2000 to 16% in 2011, with a strong geographic disparity : 21% of children in rural areas against 12% in urban areas. Underweight is strong in regions Sédhiou (27%), Kolda (26%), St. Louis (25%), Matam (25%), Kaffrine (24%), Louga (23%), Tambacounda (22%) and Kédougou (21%) (GC, 2014:23).

2.4 Inequality of access to infrastructures

The type of inequalities we focus on, concern access to infrastructures such as : drinking water, transportation, school facilities and health facilities.

- **Inequality of access to clean water**

Table 6. Percentage of households acceding to a source of drinking water

| Time to access a source of drinking water | National | | Dakar | | Other urban areas | | Rural area | |
|---|----------|-------|-------|-------|-------------------|-------|------------|-------|
| | 2005 | 2011 | 2005 | 2011 | 2005 | 2011 | 2005 | 2011 |
| Less than 30 mn | 91.75 | 91.60 | 92.69 | 92.89 | 92.14 | 91.09 | 91.13 | 91.12 |
| Between 30 mn to 60 mn | 4.07 | 2.23 | 4.50 | 0.28 | 4.87 | 1.60 | 3.57 | 3.60 |
| More than 1 hour | 4.18 | 6.17 | 2.81 | 6.82 | 2.99 | 7.30 | 5.31 | 5.28 |
| TOTAL | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

Source : Author’s calculations with SSPP (2011) survey data.

The table 6 shows that nearly 92% of households in 2005 are spending less than 30 minutes to access to a clean water source. This percentage is, however, slightly lower in 2011 (91.6%). This means that the efforts made to facilitate access to water are insufficient. We also note that the proportion of households making less than 30 minutes is slightly higher in rural areas than in Dakar. However, there is a sharp increase of the proportion households who take more than one hour to reach clean water, in the urban areas. This is explained by the lack of infrastructure and the growing suburbs around the urban areas, fed by high rates of migration and rural exodus. In rural areas, there is a slight

decrease of the percentage of households exposed to water access problems (from 5.31 to 5.28%).

- **Inequality of access to a means of transportation**

Table 7. Inequalities of access to a means of transportation

| Time to access a means of transportation | National | | Dakar | | Other urban areas | | Rural area | |
|--|----------|-------|-------|-------|-------------------|-------|------------|-------|
| | 2005 | 2011 | 2005 | 2011 | 2005 | 2011 | 2005 | 2011 |
| Less than 30 mn | 70.24 | 76.77 | 95.10 | 94.64 | 90.78 | 87.93 | 50.23 | 62.02 |
| Between 30 mn to 60 mn | 10.13 | 8.58 | 4.82 | 0.88 | 8.30 | 5.30 | 13.53 | 14.31 |
| More than 1 hour | 19.62 | 14.65 | 0.08 | 4.48 | 0.93 | 6.77 | 36.24 | 23.67 |
| TOTAL | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

Source : Author's calculations with SSPP (2011) survey data.

Inequalities between geographical areas in the issue access to transportation are very high, as shown in table 7, because 95% of households in Dakar are spending less than 30 minutes, against 62% only, in rural areas. Similarly, 24% of rural households have problems to reaching a means of transportation, as doing more than one hour, against 4.48% and 7% in Dakar and the other cities. The paradox is that the difficulty of access has increased in urban areas, from 2005 to 2011, while it decreased by almost 12 points in rural areas. Similarly, improvements in these rural areas are clear, as the proportion falls from 50 to 62% for those who do less than 30 minutes.

- **Inequalities of access to school facilities**

In Senegal, the supply of education is not easily accessible for all the population because, despite some recent improvements, many households have difficulties to access education infrastructures as shown in the following table 8, where we compute the percentage of household and the time they spend, to reach a primary school or secondary school.

Table 8. Inequalities of access to school facilities

| <i>Time to access school facilities</i> | National | | Dakar | | Other urban areas | | Rural area | |
|---|----------|-------|-------|-------|-------------------|-------|------------|-------|
| | 2005 | 2011 | 2005 | 2011 | 2005 | 2011 | 2005 | 2011 |
| Primary school | | | | | | | | |
| Less than 30 mn | 81.14 | 83.32 | 93.89 | 90.90 | 95.60 | 93.49 | 69.54 | 74.82 |
| Between 30 mn to 60 mn | 8.72 | 6.86 | 5.90 | 2.76 | 4.33 | 2.41 | 11.70 | 11.03 |
| More than 1 hour | 10.13 | 9.82 | 0.21 | 6.34 | 0.07 | 4.10 | 18.76 | 14.15 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Secondary school | | | | | | | | |
| Less than 30 mn | 55.80 | 74.60 | 88.60 | 89.47 | 91.42 | 90.59 | 26.47 | 59.56 |
| Between 30 mn to 60 mn | 7.12 | 2.58 | 6.45 | 0.72 | 5.28 | 1.18 | 8.11 | 4.21 |
| More than 1 hour | 37.08 | 22.83 | 4.95 | 9.81 | 3.30 | 8.23 | 65.42 | 36.23 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

Source : Author's calculations with SSPP (2011) survey data.

The difficulty to access schools relatively decreased between 2005 and 2011 at the national level and in rural areas. In 2011, over 83% of households have easy access to a primary school, and nearly 75% to a secondary school, against 81% and 56% respectively, in 2005. These differences are mainly influenced by the proportions in rural areas where the difficulty is high, but the access has changed significantly in 2011. Though there is improvement, almost 36% of households still spend more than one hour to reach a secondary school, against less than 10% in Dakar and 9% in the other urban areas. Urban areas are more advantaged in the access to educational facilities, because they are better equipped.

2.5 Income inequality in Senegal

The national levels of income inequality are very high, according to the recent computations done by the authors Diop, Diop and Kane (2013:14). The Gini indices are respectively 39.19, 38.98, and 41.3 during the years 2009, 2010 and 2011. To analyze income inequality in detail, we use the available survey recent data on households: (Enquête Sénégalaise auprès des ménages, 1995, and 2001: ESAM I and ESAM II), to better understand the phenomenon. Unfortunately, we do not have panel data on the households in Senegal, but the evolution of income inequality can be studied using these data. The socioeconomic characteristics, we chose to study are *the area of residence, the gender and the ethnicity*. Though other choices are also possible, but the number of groups is restricted

so as to point out the more acute inequality domains, which can lead to social tensions and polarization, mainly in developing countries.

According to data from ESAM II, nearly one in five households in Senegal is headed by a woman, and in urban areas, this proportion is higher in rural areas. The low proportion of rural women heads of household is certainly due to greater resistance to changes in rural attitudes, and promoting women who must go through their empowerment and empowerment.

Regarding ethnicity, the Wolof and Lebous represent more than 40% of the population. The Pulaar (Fulani and Toucouleur) form the second major group. The Serer, Diola, Mandingo, which are the main ethnic groups in the South of Senegal, respectively represent about 15%, 4% and 3.0% of the total. The Soninke in the North are less than 3%. The data show that the Diola, Soninke and Wolof appear to be the relatively more urbanized ethnic groups. The relatively less urbanized groups are the Serer and Pulaar. The Foreigners are more present in Dakar. In the following table, we compute the income inequality indices within the groups, by using the per-capita expenditures.

Table 9. Inequality indices by groups

| Years | 1995 | 2001 |
|----------------------|--------|--------|
| Gini index | 0.4086 | 0.4065 |
| Zones | | |
| Dakar | 0.397 | 0.38 |
| Other urban zones | 0.3243 | 0.3396 |
| Rural zones | 0.3065 | 0.2971 |
| Gender | | |
| Male | 0.4117 | 0.4152 |
| Female | 0.3944 | 0.379 |
| Ethnic groups | | |
| Wolof | 0.3893 | 0.4674 |
| Pulaar | 0.3701 | 0.4278 |
| Sérères | 0.3941 | 0.4199 |
| Diola | 0.4135 | 0.424 |
| Manding | 0.392 | 0.507 |
| Soninké | 0.49 | 0.3997 |

Source : Author's calculations with ESAM I and ESAM II survey data.

The national Gini index which remains very high is 0.4086 in 1995 and 0.4065 in 2001. The inequalities are very high in urban areas, mainly in Dakar. In the period 1995 - 2001, both in cities and rural areas, inequalities slightly decline but they are greater within

households headed by men than within those of women and the gap between the two groups widened from 1995 to 2001. According to ethnic groups, inequality is higher among the Soninke in 1995, but in 2001 the trend was reversed for them. The greatest levels of inequality are found among the Wolof and Pulaar ethnies. The general observation is that the Gini indices are over 0.3 for each year. This means that even within groups, income distributions have remained highly unequal.

3. The political economy of inequalities in Senegal

Policies to fight against inequalities of Senegal were often integrated into comprehensive strategies such as Poverty reduction strategy, (PRSP), the NSESD, the Plan for an Emerging Senegal (PES), etc. But since the regime change in 2012, the reduction of economic and social inequalities becomes a priority for the authorities. The very recent social protection programs are done in this context. The political authorities are still attempting to convince the religious authorities on the urgency of the education of children, especially the girls. Their constant efforts are starting to yield encouraging results, but much remains to be done. Indeed, there is still reluctance in some religious circles, to formal schooling of both girls and children, and education in informal Koranic schools is a priority there. The challenge for the government is to provide a bridge between the two types education (formal and informal), to reduce inequalities between future generations.

4. The data challenge

The first challenge in the fight against inequality is the reliable and timely information. There have not been specific surveys on economic and social inequalities. The surveys on households' life and budget conditions are the best sources of information about economic inequality and fortunately, they all are conducted with the financial support of development partners, such as the World Bank.

5. Assessment of recent policy interventions

Here we try to link the national programs to the different situations of inequality in Senegal. On youth unemployment the government is taking three approaches to curb youth unemployment: the Accelerated Growth Strategy (AGS), the development and technical support of small and medium enterprises, and further technical support for operational SMEs. The AGS has defined a development plan of some sectors to boost economic growth and employment, including youth employment. These sectors, considered as having a great potential for youth employment, are mainly agriculture, fisheries, textiles, ICT and tourism.

Additionally, there is support for the informal sector by the New National Employment Policy (NNEP) which aims 700000 new jobs during the period 2010-2015. The government has specifically designed support for youth projects within the frameworks of various programs and agencies. Since 2006, Senegal has developed a National Action Plan for Youth Employment (PANEJ). This plan has established an online management information system, to assist unemployed young people; youth can access job offers and applications through the PANEJ system. The National Fund for Youth Employment (FNPJ) and the National Agency for Youth Employment (ANEJ) are national organizations dedicated to the integration of young people into the labour market and to the support of youth-led business projects in the informal sector. These organizations are still functioning and they are broadly considered as effective and useful tools for both educated and non-educated young people.

Recent economic strategies are also adopted and the country is now more involved in the regional integration process and it has begun to apply economic policies recommended by regional integration institutions such as the West African Economic and Monetary Union (WAEMU). In parallel, for inequalities reduction, among other aims, the country developed and implemented a first Poverty Reduction Strategy Paper (PRSP) that covers the period from 2003 to 2005, accompanied by the Accelerated Growth Strategy (AGS) since 2005.

The main feature of these government's new strategies, concerning economic policies and social equality, is the involvement of many private stakeholders. The technical and financial partners work together with the social partners such as the civil society, and the central and local administrations. The donors often provide technical support and fund the training and the participation of all the actors in the formation of policies. Transparency in budget management has become the key condition of the donors' participation. This explains why programs such as the PRSP, the AGS and the Economic Policy Support Instrument (EPSI) involve many experts from different sectors.

The EPSI is an IMF program for Senegal adopted since 2007 to date. The program is designed to help the government to pursue a cautious approach to public finances and debt in order to maintain economic stability and increase revenues in order to generate greater fiscal space for financing priority expenditures; strengthen the public financial management and governance; and promote private sector development by making structural reforms, particularly in the areas of energy and finance; and make better business environment. For example, in 2008 a major slippage in public finances was found, and the state had large arrears debt settlement to the private sector, and the EPSI helped the program to tackle this situation: (IMF:2009: 6). The EPSI is now extended over the period from 2010 to 2013. This allows the government to complete the major infrastructure

spending programs.

Under the PRSP and the AGS which are the main strategic options of the government, structural reforms and sector-based policies were designed to bring the average growth rate above 4% 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. It is structured around the following strategic areas:

- Wealth creation for a pro-poor growth strategy accompanied by the development of transport infrastructure.
- Promotion of access to basic social services in conjunction with the MDGs to be achieved in the social sectors.
- Social protection, prevention and management of risks and disasters (drought, floods, locusts, etc.).

The PRSP 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 the households' living conditions for inequality reduction. Critical assessment of the PRSP revealed that it is unlikely that the country will achieve the objectives of MDGs by 2015. However, the access to electricity and drinking water seems to be progressing in the whole country. Access to basic infrastructure in villages has greatly improved through the PRSP (Backiny-Yetna *et al.* : 2010: 21).

The Accelerated Growth Strategy is the strategy designed to diversify and transform the economy by strengthening competitiveness. The strategy adopted in 2005 was based on two focal points. The first was the development of groups of clusters with high growth potential (growth areas) which could positively impact the overall economy. The second was focused on the promotion of investment by continuously improving the business environment, aligning it to international standards, strengthening the efficiency of infrastructure sectors such as transportation, energy and the telecommunications.

The AGS is designed to foster a dynamic process towards economic emergence. Operationally, it is focused on promoting private investment and growth in the agriculture and agro-industry, aquaculture and seafood, textiles and clothing; ICT, tourism, cultural industries and crafts. The main weakness of the AGS is its lack of evaluations, though it has become since 2012 a component of the National Strategy for Economic and Social Development (NSESD). The NSESD was established in November 2012 and its objectives are reflected in three economic and social policy areas. The first area comprises growth, productivity and wealth creation. The second is human capital, social protection and sustainable development

while the third is governance, institutions, peace and security. The main components of the policy on *human capital, social protection and sustainable development* are:

- Improvement of health and nutrition, access to drinking water, strengthening of social protection. The strategy was designed to build health infrastructures, to improve the existing military medical centres, to recruit skilled health staff and to promote generic drugs. Other major issue includes measures to improve the performance of the prevention and fight against diseases such as the HIV.
- Support universal education by improving the quality of teaching and training, by building, rehabilitating and the equipment supply to colleges, schools, institutes and universities.
- Eradication of illiteracy and promotion of national languages: there is to undertake the diversification of the non-formal education, the building of new infrastructures for the non-formal education and the codification of national languages (MEF, 2012: 40).

As the NSESD is the main national program that indirectly touches the main sectors where social inequalities are more acute, such as those pointed out, in this study (access to drinking water, health and school facilities, etc.). Compliance to these rules requires mutual trust among different stakeholders in macroeconomic policy formulation and implementation. The first actors that are involved in the coordination aspects of the NSESD are the local private organizations, civil society and local administrations.

A very recent program, aiming the reduce inequality by helping vulnerable people, is the Program of family safety grants (PFSG). Launched in September 2013, the pilot in particular concerns 50,000 households spread across all the districts of the country. To be eligible, the households should not have a daily income of more than half a dollar; they must have school-aged children between 6 to 12 years, and those aged 0-5 years must have health records. The program was initially financed by the government budget. Aiming to reach 250,000 families in 2014, the program is supposed to be funded also by resources from the international technical and financial partners. It has not been assessed yet, but it aims to contribute to reduce inequality among poor people.

6. Summary of lessons learnt and policy challenges

Reducing inequality and poverty has become a priority of Senegal, since the late 1990s. Despite its political stability, Senegal has been facing many economic and social challenges which often lead to regular interventions of the government. But a feature of Senegal, is that since the 2000s, social spending, have significantly increased, showing a constant concern to reduce inequality. These young people are directly affected by

unemployment. The reduction of inequalities is directly and indirectly integrated in the major recent macroeconomic programs undertaken by the government. They are developed through a participatory process, and lay emphasis on wealth creation, with significant special focus on improving the welfare and social demand.

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 serious in Senegal and they generalize both in health, education, employment, infrastructures, etc.

- Inclusion of young people in the labour market remains difficult, thus, young people in Senegal have resorted to the using of the informal sector to survive.
- There is a great gender disparity in the distribution of unemployment, because women are more affected by it. There are also disparities in the distribution of unemployment by education levels. The government's response is to encourage people to invest in the agricultural sector in order to reduce unemployment. But there is a lack of coordination between policy sectors and the education sector.
- There are large differences between the 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.
- The 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 infrastructures and skilled health experts is very unequal to the detriment of the rural zones.
- The national efforts made to facilitate access to water are insufficient and there is a sharp increase of the proportion households who take more than one hour to reach clean water, in the urban areas.
- The supply of education is not easily accessible for all the population because, despite some recent improvements and urban areas are more advantaged in the access to educational facilities than rural zones, because they are better equipped.
- The national levels of income inequality are very high in Senegal and the inequalities

are very high in urban areas, mainly in Dakar. The greatest levels of inequality are found among the Wolof and Pulaar ethnics.

- Social protection is also a new great challenge for the government and an innovative national program for family safety grants and even if it has not been assessed yet, this program raises many hopes in the reduction inequality among poor people.

There are many challenges which the people and the government of Senegal are facing, for the reduction of inequality. We can stress these ones: Firstly, the support of the informal sector is crucial, in the objective of reducing youth unemployment. Encouraging people to invest and to work in the agricultural sector is a cultural challenge because urban people are more reluctant to follow the government in this program. Secondly, there are many efforts to do for the reduction of geographical disparities in terms of primary education enrolment. An enhancement of the supply of school facilities for the rural zones is crucial for this, the same as for health infrastructures. Efforts are also to be done to facilitate access to water, mainly in the urban areas. Thirdly, social protection is also a new great challenge for the government and it is crucial to assist vulnerable people, by introducing safety nets.

7. Conclusions

We have tried to illustrate the main types of inequality in Senegal, to analyze their current drivers and dynamics, and the strategies to address them. For that, we focus on some social and economic inequalities, regarding to their decomposition according to gender, geographical and ethnic aspects. We respectively treat the disparities of unemployment, education, illiteracy, access to infrastructures such as health facilities, education, drinking water, transportation and income inequality.

There are many challenges which Senegal is facing, for the reduction of inequality. Some sectors such as agriculture, trade (the informal one) are crucial, for youth unemployment reduction. Cultural challenges exist because urban people are more reluctant to work in agriculture and also, change of the mentalities towards the formal education is a great deal for inequality reduction. Many efforts are to be done for the reduction of geographical disparities in terms of education and a better supply of school facilities for the rural zones is crucial for this, the same as for health infrastructures.

The government is now very conscious of the importance of reducing inequality, that is why many social protection programs are under implementation. It is worth noting that inequality reduction has always been an indirect objective in the national programs, but since 2012, the government is conscious of the necessity of gearing up 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. For this, it is necessary to encourage a process of innovative and continually reinforced participation in the economic policies formulation, which involves all stakeholders, including non-state actors from the regions and the rural areas. For this direction to emerge, it is desirable to create functional and durable mechanisms of dialogue between the government, the donors and the other stakeholders. This coordination is very important for the actions on domains like social protection of the informal sector, by non-contributing schemes, for the reduction of current vulnerability.

8. References

- Backiny-Yetdna, P., Camara, M., Ndoye D., Ndiaye P. T., Tsimpo, C., & Wodon Q. (2010) 'Evaluation sur base d'enquêtes des progrès accomplis dans la stratégie pour la croissance et la réduction de la pauvreté au Sénégal.' CSPLP. Dakar.
- DFES, (2014) 'Financial and Economic Situation in 2013 et perspectives in 2014'. biannual publication of the DFES, NASD, Dakar
- Diop, Ibrahima Thione. Diop, Ale Nar. Kane, Cherif Sidy (2013) 'Jeunesse et développement durable.' Center for Economic Research. Dakar
- EPCMU, (2011) 'Economic Policy Coordination and Monitoring Unit Poverty Reduction Strategy Papers'. Dakar.
- Groupe Consultatif, (2014) 'Le Plan Sénégal émergent. Présidence du Sénégal'. Dakar
- IMF, international Monetary Fund (2009) 'Report on the second review of the Economic Policy Support Instrument (ESPI) for Senegal.' Number 09/5. Publication Services. 700 19th Street, N.W. Washington, D.C. 20431
- MEF, (2012). Ministry of Economy and Finance. 'National Strategy for Economic and Social Development.' Republic of Senegal. Dakar.
- SPPS, (2011) 'Survey on the Perception of Poverty in Senegal, National agency for statistics and demography.' Survey Report, 2011. Dakar