INCLUSIVE GROWTH: THE RELATIONSHIP BETWEEN ECONOMIC GROWTH AND POVERTY REDUCTION IN SUB-SAHARA AFRICA

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ABSTRACT

Sub-Sahara Africa has experienced rapidly and remarkably growth over the past decade. However, there was high rate of poverty and income inequality. This has raised concern, both in academic and policy circles, over whether the impressive growth is inclusive. Therefore, this study assessed the level at which economic growth has been inclusive in Sub-Sahara Africa, and the factors that could be responsible for non-inclusive growth process in comparison with other regions of the world. This is done by reviewing the recent trends in Sub-Sahara Africa's growth, poverty and income inequality in comparison with other regions. The study analyzed the relationship between growth and poverty reduction using tubular presentations and verbal constructs. The study's findings show that the trends in poverty rate, income inequality and unemployment revealed that Sub-Sahara Africa is relatively far from achieving sustained inclusive growth. The high poverty rate, income inequality, unemployment rate are clear manifestations of non-inclusiveness of Sub-Sahara Africa's growth process. Also, the study found that institutions (governance indicators- rule of law, voice and accountability, Government Effectiveness and control of corruption) that drive and sustain inclusive growth are relatively weak in Sub-Sahara Africa. These weak institutions are indeed constraining inclusive growth in the region. Hence, the study recommends that; the Sub-Sahara Africa policy makers should undertake policies that will translate economic growth into employment opportunities for those below poverty line, and at risk of poverty, as well reduce inequality. Should also strengthen the institutions to adequately tackle corruption and inaccessible property rights, equip the health sector, and encourage school enrolment with the intention to boost human capital development.

Keywords: *Growth, Poverty, Inclusive Growth, Sub-Sahara Africa*

JEL Classification: *D31, D63, I32*

1. Introduction

Scholars have long assumed that growth will bring about increase in incomes across the board as well as reduce poverty (McCulloch, 2003). This assumption has been in line with the experience of developed countries, which saw strong economic growth occurring simultaneously with significant poverty reduction (Dollar, Kleineberg, & Kraay, 2013). Yet, it appears that the experience of African countries does not seem to support this assumption.

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Africa has experienced rapidly and remarkably growth since the turn of the 21st century. Between 2000 and 2015 Africa's growth rate was 4.8 percent, which was one the highest average growth rates since the wave of independence on the continent. In 2012, at a time developed nations are experiencing growth contraction, the growth rate of Africa's economy was 6.6 percent, as well as 4 percent and 4.3 percent for 2013 and 2014, respectively. However, there is, a growing concern that this growth has not been widely shared, and significant portions of the population have been left out. This Africa's experience, implies that the benefits have not been inclusive and equitably shared, with serious implications for income distribution, poverty alleviation and the stability of the continent. According to Pinstrup-Anderson & Pandya-Lorch, (2001), the level of poverty in the developing countries is very alarming, thus Edward & Sumner (2015) attributed this alarming poverty rate to lack of inclusive growth. Economic Commission for Africa (2015) referred to this growth as a jobless growth, while Economic Commission for Africa and African Union (2013) referred to it as non-inclusive growth.

Similarly, Sub-Saharan Africa's economic growth was about 6% over the past decade. Indeed, there is also, a growing concern that the impressive growth rate appears to point to growth benefits bypassing significant segments of its population, with serious implications for income distribution, poverty alleviation and the stability of the region. This suggests that the remarkably growth in Sub-Saharan Africa (SSA) region has not been inclusive and equitably shared. According Berg & Ostry (2011) and Kraay (2004), growth that is not inclusive can to be sustainable and effective in reducing poverty. Thus, drawing from Seer (1972), when economic growth occurs simultaneously with persistent poverty, significant level of unemployment and high inequality in the distribution of income/wealth, such economic growth should not be seen as inclusive or development. Consequently, the questions on the development of a region are thus: what happened to poverty? What happened to unemployment? What happened to inequality? If one of these crucial problems worsened, such growth will not be seen as inclusive/development. This growing concern about growth not being inclusive and widely shared has compelled researchers and policy makers to focus attention on the new development paradigm of inclusive growth. Therefore, this study examines the level at which economic growth has translated to poverty reduction in Sub-Sahara Africa, and the factors that could be responsible for non-inclusive growth process in comparison with other regions of the world.

Globally, many scholars and institutions (Rauniyar & Kanbur, 2010; Klasen, 2010; United Nations Economic Commission for Africa (UNECA), 2017) in their studies have varying concepts of inclusive growth and how it is measured. There is no universally agreed definition of inclusive growth (Asghor & Joved, 2011; Ali & Son, 2007; Ranieri & Ramos, 2013). However, there are some striking features in the definitions which include: (i) growth should reduce inequality and poverty and benefit the most marginalized as well, it is about participation not just outcomes, it is growth that is sustainable, and it is growth coupled with equal opportunities for all. Inclusive growth is often used interchangeably with *broad-based growth, shared growth, and pro-poor growth.* Hence, inclusive is defined as a growth that is broad-based in income and non-income dimensions or growth that reduces income inequality, or a combination of both.

Analytically, this study follows Ozughalu & Ogwumike (2015) approach but with little modification. They examined inclusive growth and poverty reduction in Nigeria and also they examined the major factors that could be responsible for the non-inclusive growth in Nigeria by using tubular presentations and verbal constructs. This study investigates the level at which economic growth has translated to poverty reduction in Sub-Sahara Africa, as well as examining factors that could be responsible for the non-inclusive growth using stylized facts. This is done by reviewing the recent trends in growth and poverty by providing a description of the extent that growth has been inclusive in Sub-Sahara Africa. That is, the study analyses the relationship between economic growth and poverty reduction by using tubular presentations and verbal constructs. However, this study differs from Ozughalu & Ogwumike (2015) in the areas of geographical location and inclusive growth measures. Their study is centered on Nigeria while this is centered on SSA region. On inclusive growth measurement, Ozughalu & Ogwumike (2015) used poverty incidence while this study follows UNECA (2017) definition/measure of inclusive growth by using income poverty (headcount index of international poverty line) and non-income poverty indicators (life expectancy, infant mortality and gross primary school enrollment).

The study is structured into six sections .Following a quick overview of growth and poverty; Section two focuses on the concept of inclusive growth and poverty; Section three reviews relevant literature on growth, poverty and inequality; Section four provides stylized facts on inclusive growth in SSA in relation to other regions; while Section five deals with drivers of inclusive growth; and Section six forms the concluding remark.

2. The concept of inclusive growth and Poverty

Inclusive Growth

Various institutions and scholars have offered different definitions of inclusive growth, and many of the definitions are conflicting. Some of these definitions are elusive and do not lend themselves to easy quantitative operationalization, while others are specific but may not capture the essence of the concept (Ranieri & Ramos, 2013). In this study, few of the many definitions are taken.

Institutional Definition of inclusive growth

The African Development Bank (2012) argued that inclusive growth is an economic growth that brings about a broader number of people, regions, or countries having wider access to sustainable socioeconomic opportunities, while protecting the vulnerable, all being done in an environment of fairness, equal justice, and political plurality. The Organization for Economic Cooperation and Development (2014) sees inclusive growth as economic growth that creates opportunity for all segments of the population and distributes the dividends of increased prosperity, both in monetary and non-monetary terms, fairly across society. This means that growth can only be inclusive if the dividends of growth are shared fairly among individuals and social groups. According to the United Nations Development Programme (2015), growth can be inclusive growth only when it occurs in the sectors in which the poor work (e.g., agriculture) and where the poor live (e.g., undeveloped areas with few resources), uses the factors of production that the poor possess (e.g., unskilled labour) and reduces the prices of consumption items that the poor consume (e.g., food, fuel and clothing). In the same vein, The World Bank (2009) argued that growth can be inclusive when productivity is improved and employment opportunities created, and that inclusive growth is on high growth and not only on one group: the poor. Also, United Nations Economic Commission for Africa (2017) argued that growth is inclusive when it is a broad-based growth in income that is shared by every member of society (i.e., growth benefitting everyone in the economy) or growth that reduces inequality, or a combination of both.

Scholars Definition of inclusive growth

Habito (2009) argued that growth can only be inclusive if the gross domestic product (GDP) growth leads to significant poverty reduction**.** In their conceptualization, Ianchovichina & Lundstrom (2009) sees inclusive growth in relation to better growth and improved GDP of the economy, accompanied by an increase in productive employment opportunities and a level playing field for investment. Klasen (2010) argued that growth can only be inclusive when it benefits large part groups that are otherwise disadvantaged. This he called disadvantage reducing growth. Also, Rauniyar & Kanbur (2010) sees inclusive growth as growth that is accompanied by lower income inequality, while inclusive development encompasses improvements in well-being along income and non-income dimensions.

The review of the literature shows a lack of unanimity in the definition of inclusive growth. Therefore, inclusive growth can be defined as a growth that is broad-based in income and non-income dimensions or growth that reduces income inequality, or a combination of both. That is, inclusive growth is a growth that benefits and improves the well-being of everyone in the economy, as well as lower income inequality in the society.

Poverty

Just like the concept of inclusive growth, the concept of poverty does not have a consensus definition; however, what is certain is that, when analyzing the concept of poverty, three main approaches can be identified namely; poverty as deprivation, poverty as exclusion and poverty as dissatisfaction (Martin-Guzman, 2005). 1). poverty as deprivation- the poor are seen as those that are deprived of basic necessities of life. This concept is known as absolute poverty. In line with this concept, World Bank (2017) sees poverty as a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health services, shelter, education and information. 2). poverty as exclusion- the poor are considered as those that are excluded because of lack of resources from what is considered the usual way of life in the society. This concept is known as relative poverty. 3). poverty as dissatisfaction- the poor are seen as those who feel that their income levels do not allow them to get access to what they consider as the minimum living standards. This concept is known as subjective poverty or income-based poverty. In line with this perspective, Misturelli & Heffernan (2008) defined income-based poverty as the condition where individuals lack the financial resources to satisfy their basic needs and/or a minimum standard of living. This approach views the poor as those who do not have enough income or consumption to meet a minimum threshold (Haughton & Khandker, 2009). This criterion is the theoretical basis for international poverty measures such as the poverty line. In recognition of the variant definitions of poverty, World Bank (2000/2001) defines poverty as encompassing not only in terms of income but also low achievement in education and health. To capture this broader definition of poverty, United Nations constructed a composite human index (HDI) which utilizes a weighted average life expectancy, per capita income and educational achievement. However, this index has been criticized for having arbitrary component weights and for its bias towards developing countries. Given the controversy surrounding the United Nations' HDI, this study analyses each of the indicators separately using the World Bank broader definition. These indicators include; life expectancy from birth, the infant mortality rate and gross primary school enrolment (Moser & Ichida, 2001).

3. The interaction between Growth, Poverty and inequality

Theoretical Review

Theoretically, scholars and school of thoughts have (Kuznets, 1955; Solow, 1956; Keynesians; Marxist; structuralist) associated economic growth with poverty reduction. Kuznets (1955) and Solow (1956) in their trickledown theory describe the pattern of increase and decrease in inequality as a result of the flow of benefits of growth to all class layers of people including poor in a society as it develops. They argued that during the early stage of growth, the wealth of the rich would increase, inequality would tend to increase but later the increased wealth of the rich will eventually trickledown to the poor, and inequality would fall. In justifying the trickledown theory, Keynesians argued that that the pace of initial economic growth can only be increased by the rich because they have high capacity of saving and that the initial temporary inequality is for better future growth (Saad-Filho, 2010). In the same vein, Ozughalu & Ogwumike (2015) argued that it is the pattern of expenditure and general socioeconomic behavior of the rich that will determine if the acquired wealth will significantly benefit the poor. For instance, if the rich spend large proportion of its wealth on foreign goods and in foreign countries, then the poor in the home country will not significantly benefit from the wealth.

Empirical Review

Empirically, majority of the studies on inclusive economic growth and poverty reduction have mixed results, for instance, Meng, Gregory & Wang (2005) examined the relationship between the income growth and the proportion of the population below the poverty line using panel data and found inclusiveness in the growth process. Ravallion & Chen (1997) using the consecutive household expenditure survey for a group of 42 countries and found a negative relationship between poverty and income. Ali (2001) found that there is a stronger negative relationship between growth and poverty reduction in all regions of the world than Africa. Asghar & Javed (2011) analyzed inclusive growth in Pakistan using cross-sectional data sets from the Pakistan Social and Living Standards Measurement Surveys of 1998-99 and 2007-08, and found some traces of non-inclusiveness in the growth process in Pakistan. Based on data from 43 African countries for the period l980-2011, Anyanwu (2013) investigated the correlates of poverty for inclusive growth in Africa and among others that higher real per capita gross domestic product has significant negative effect on poverty in Africa and therefore good for poverty reduction and inclusive growth in the continent. Ozughalu & Ogwumike (2015) using tubular presentations and verbal constructs analyzed the relationship between Inclusive growth and poverty reduction in Nigeria and found that Nigeria did not experienced inclusive growth within the period under review. Using ratio analysis, Osmani (2008) examined inclusive growth in South Asia between 1983 and 2005 and found contrasting movements in poverty and inequality in the region as growth took place; the reduction in poverty suggests inclusiveness while the rise in inequality suggests non-inclusiveness. In their studies, Perotti (1996), Barro (2000) and Galor & Moav (2000) found that growth and inequality move in the same direction in low income countries. In light of these mixed results, there is need to examine the level at which economic growth has translated into inclusiveness in Sub-Sahara Africa. Therefore, this study assesses the level at which economic growth has been inclusive in Sub-Sahara Africa, and the factor (governance indicators) that could be responsible for non-inclusive growth process in comparison with other regions. The study defines inclusive growth as broad-based growth in income that is shared by every member of society or growth that reduces inequality, or a combination of both. With this, income (poverty line) and non-income (life expectancy, infant mortality and school enrolment) poverty indicators are used as measures of inclusive growth.

4. Inclusive Growth in Sub-Sahara Africa: Stylized Facts

There is growing concern in Sub-Sahara Africa that the benefits of economic growth are not shared equitably, hence not inclusive. This section provides stylized facts about inclusive growth in Sub-Sahara Africa in relation to other regions.

Growth Performance in Sub-Sahara Africa, 2000-2010 and 2010-2023

Table 1 shows the annual average real gross domestic product of various regions of the world over the period 2000-2023. An examination of Table 1 shows that between 2000 and 2010 the average growth rate of real GDP of Sub-Sahara Africa (SSA) was 5.5%, 5.5% for East Asia and Pacific, 2.0% for Europe and Central Asia, 3.4% for Latin America and Caribbean, 4.6% for Middle East & North Africa and 6.5 % for

South Asia. During this period, Sub-Sahara Africa was the second-fastest growing region following South Asia. This is in contrast with the period 2010-2023. The Sub-Sahara Africa's average growth rate of real GDP fell to 2.7%, 4.3% for East Asia and Pacific, 1.6% for Europe and Central Asia, 5.5% for South Asia and 1.2% for Latin America and Caribbean over the period 2010-2023.

Table 1: GDP Average Annual Real Growth (%)

	2000-2010	2010-2023
East Asia and Pacific	5.5	4.3
Europe and Central Asia	2.0	1.6
Latin America and the Caribbean	3.4	1.2
Middle East & North Africa	4.6	2.4
South Asia	6.5	5.5
Sub-Sahara Africa	5.5	2.7
World	3.2	2.7

Source: World Development Indicator (2023)

However, Sub-Sahara Africa was the third-fastest growing region following East Asia and Pacific. Thus, of the six regions, South Asia and East Asia and Pacific performed best. Many scholars have attributed the high growth rate in real GDP by South Asia and East Asia and Pacific among others to effective governance, and high-investment rate, massive capital inflows, macroeconomic policies and rapid export.

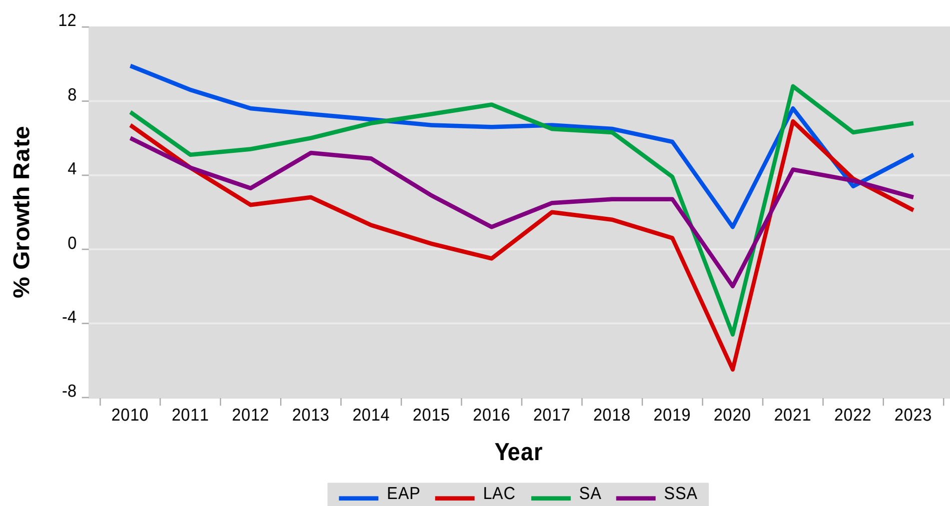


Figure 1: GDP Annual Growth (%)

EAP = East Asia and Pacific Region, LAC = Latin America and the Caribbean, SA = South Asia, SSA = Sub-Sahara Africa

Source: Author's computation using data from world development indicator.

Poverty Trend in Sub-Sahara Africa

Despite the high and impressive economic growth rates experienced by Sub-Sahara Africa over the years, these did not translated into significant reduction in poverty, inequality and unemployment rate. As can be seen from Table 2, the high economic growth rates did not bring about significant and desirable reduction in poverty, inequality and unemployment rate in the region.

Table 2: Share of population living below the International Poverty Line of US$2.15 per day

	Share of Population living below US$2.15 per day (%)				Real GDP Average Annual Growth (%)	
	2010	2024	Absolute Change	Relative Change	2000-2010	2010-2023
East Asia and Pacific	12.61	0.82	-11.79	-93%	5.5	4.3
Europe and Central Asia	1.16	0.46	-0.70	-61%	2.0	1.6
Latin America and Caribbean	6.28	3.51	-2.77	-44%	3.4	1.2
Middle East and North Africa	1.87	6.73	4.86	260%	4.6	2.4
South Asia	25.40	7.59	-17.81	-70%	6.5	5.5
Sub-Sahara Africa	42.1	36.45	-5.67	-13%	5.5	2.7
World	15.71	8.56	-7.15	-46%	3.2	2.7

Sources: World Bank Poverty and Inequality Platform (2024), World Bank Development Indicator (2023) and https://ourworldindata.org/poverty. This data is adjusted for inflation and for differences in the cost of living between countries

For instance, between 2010 and 2024, the economic growth rate of real gross domestic product (real GDP) in Sub-Sahara Africa (SSA) was always not below 2% but the share of Sub-Sahara Africa population living below US$2.15 per day fell by 13% points, it declined by 93% in East Asia and Pacific and by 70% points and 61% points in South Asia and Europe and Central Asia respectively. Despite the fall in poverty rate, SSA's share of the World population living below US$2.15 per day increased by 25% between 2010 and 2024 (see appendix). In particular, growth in Sub-Sahara Africa was associated with modest decline in poverty, while the economic growth in East Asia and pacific, South Asia and Europe and Central Asia was associated with sizable decline in poverty.

Table 3: Children in Extreme Monetary Poor Households - Trends in Shares by Region, 2013 to 2022 (%)

	2013	**2017**	**2020**	**2022**
East Asia and Pacific	7.24	4.09	3.65	3.52
East Asia and Pacific without China	8.93	5.48	5.31	4.79
South Asia	33.78	26.22	24.69	18.61
South Asia without India	9.20	5.78	5.15	4.07
Sub-Saharan Africa	54.84	63.16	65.08	71.11
Sub-Saharan Africa without Nigeria	75.14	79.00	79.80	81.77

Latin America and Caribbean	3.00	3.40	3.03	2.90
Europe and Central Asia	0.20	0.24	0.20	0.18
Middle East and North Africa	0.93	2.88	3.35	3.69
Total	**100**	**100**	**100**	**100**

Source: Culled from Hague et al., 2023

As noted in Table 3, Sub-Sahara Africa accounted for about 54.84% of children living in monetary poor households of world's extreme poor children in 2013. But by 2022, the number of children living in monetary poor households of world's extreme poor children increased to 71.1%. This means that of all children living in extreme poverty across the world today, seven out of 10 are Sub-Sahara African. While other regions have made tremendous progress, for instance, in 2013, East Asia and Pacific, and Latin America and Caribbean accounted for about 7.24% and 3% of children living in monetary poor households of world's extreme poor children and later fell to 3.52% and 2.90% in 2022 respectively. This should serve as a major red flag to stakeholders in Sub-Sahara Africa. Similarly, in 2013, about 210 million children in Sub-Saharan Africans children were living in extreme monetary poor households, and the figure rose to 237 million in 2022 (Hague et al., 2023). Table 3 reveals that Sub-Saharan Africa is with the highest burden of children living in monetary poor households.

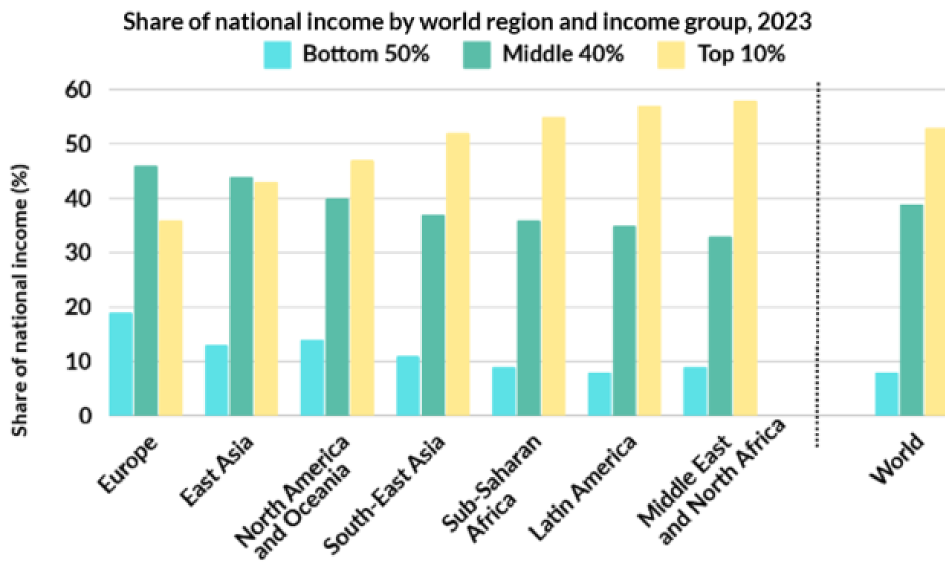
Table 4: Global Income Inequality 2022

Region	Bottom 50%	Middle 40%	Top 10%
Europe	19%	45%	36%
South & South East Asia	12%	33%	55%
East Asia	14%	43%	43%
North America	13%	41%	46%
Sub-Sahara Africa	9%	35%	56%
Middle East & North Africa	9%	33%	58%
Latin America	10%	34%	55%

Source: World Inequality Report, 2022.

Similarly, Sub-Sahara Africa is plagued by high degree of income inequality and it is described as one of the most unequal regions in the World. The rich are apparently getting richer while the Poor are apparently getting poorer. There is evident of gross inequality in the distribution of income in Sub-Sahara Africa. An examination of Table 4 shows that richest 10% in SSA captured 56% of the national income, while the share of 50% of the population in the national income is 9%. Sub-Sahara Africa was the second most unequal region following Middle East and North Africa. In East Asia, the richest 10% shares 43%, 46% in North America, and 55% in Latin America, while the share of 50% of the population in the national income of East Asia was 19% , 13% in North America and 10% respectively. The economic growth in Sub-Sahara Africa, Middle East and North Africa, South and South East Asia and Latin America was associated with a high degree of income inequality, while growth in Europe and East Asia was associated with a moderate degree of income inequality. Sub-Sahara Africa witnessed high growth, while on the other hand, inequality remained high and appeared to persist at a high level (figure 2 shows that richest 10% in SSA captured 58% of the national income in 2023). This implies that the high growth achieved during the period under review did not translate into reducing income inequality. If this trend continues, that is, as people become poorer, inclusive growth desire will not become achievable. Also, as inequality widens (i.e., increase in income distribution disparity), children are at high risk to be in monetary poor households, as they are not supposed to earn a living. This high income inequality in SSA, calls for a good governance that ensures that the people participate in the growth process, and same is allocated and spent on programmes and sectors that benefit every member of the region, including children.

Figure 2: Share of national income by world region and income group, 2023



Source: World Inequality Database (2024)

In terms of job creation, Table 5 shows trend of unemployment in SSA region between 2018 and 2023. A cursory look at Table 5 reveals that the region's unemployment rate rose consistently, though marginally, between 2018 and 2023 to about 6.70%, except in 2022 and 2023 when it experienced marginal fall. Despite the fall in unemployment rate, SSA's share of the World's unemployed persons increased by 6.7% between 2021 and 2023 (Statista.com, 2024). In 2023, Sub-Sahara Africa region had the second highest unemployment rate following Latin America and Caribbean. The share of Sub-Sahara Africa population unemployed labour force stood at 5.97% in 2023, it was 3.89% in East Asia and Pacific, 3.82% in North Africa and 6.22% in Latin America and Caribbean.

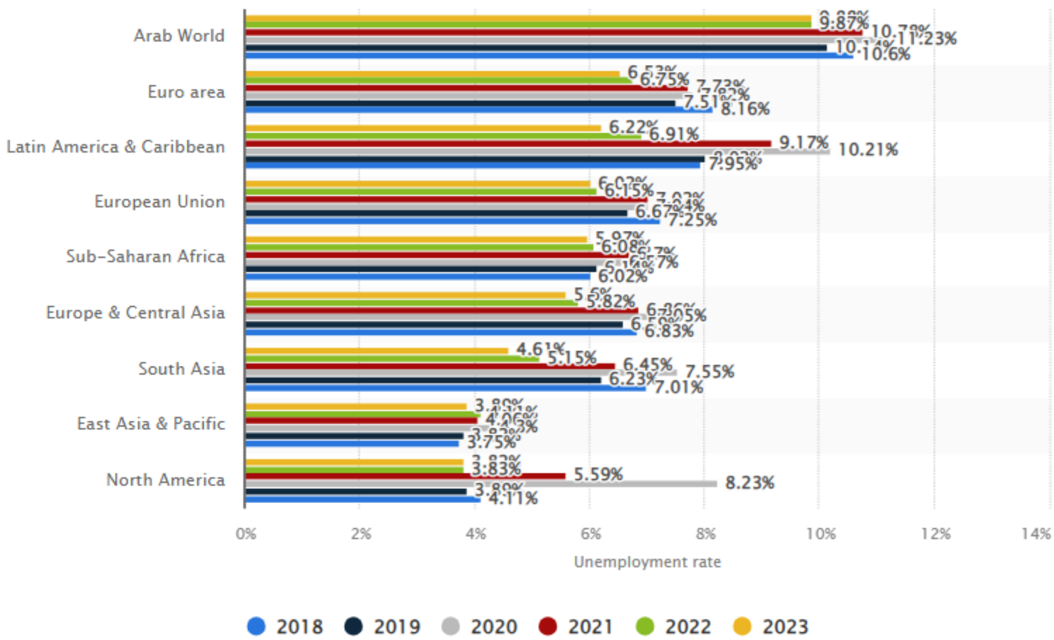
Table 5: Unemployment Rate of World Regions, 2018-2023

Region	2018	2019	2020	2021	2022	2023
East Asia and Pacific	3.75%	3.82%	4.30%	4.06%	4.11%	3.89%
Europe and Central Asia	6.83%	6.59%	7.05%	6.86%	5.82%	5.60%
Latin America and Caribbean	7.95%	8.02%	10.21%	9.17%	6.91%	6.22%
North Africa	4.11%	3.89%	8.23%	5.59%	3.83%	3.82%
South Asia	7.01%	6.23%	7.55%	6.45%	5.15%	4.16%
Sub-Sahara Africa	6.02%	6.14%	6.57%	6.70%	6.08%	5.97%

Source: www. Statista.com/statistics.

In particular, growth in Sub-Sahara Africa was associated with a marginal decline in unemployment rate. For SSA growth to be inclusive, there must be an improvement in productive employment. Employment growth generates new jobs and income for the people. Productive employment is major instrument for a sustainable and inclusive growth (Ianchovichina & Lundstrom, 2009).

Figure 3: Unemployment rate in selected world regions between 2018 and 2023



Source: WWW. Statista.com/statistics

The foregoing clearly reveals that over the years the growth in Sub-Sahara Africa region has not been inclusive. The high poverty rate, unemployment rate, income inequality are clear manifestations of non-inclusiveness of SSA's growth process.

Table 6: Non-income Poverty Indicators, Real GDP and Population, 2010-2023

	Life Expectancy at birth (in years)			**Infant Mortality rate (per 1000 birth)**			**Real GDP Growth rate Per Capita (Avg)**		**Population (In million)**
	2010	2022	%Δ	2010	2022	%Δ	2000-2010	2010-2023	2023
East Asia and Pacific	74	76	2.7	18	12	-33.3	5.5	4.3	2,384.5
Europe and Central Asia	72	74	2.7	19	11	-42.1	2.0	1.6	925.0
Latin America and Caribbean	73	74	1.4	19	13	-31.6	3.4	1.2	657.6
Middle East and North Africa	71	72	1.4	24	18	-25.0	4.6	2.4	508.3
South Asia	67	68	1.5	50	31	-38.0	6.5	5.5	1,951.5

Sub-Sahara Africa	57	61	7.0	65	49	-24.6	5.5	2.7	1,259.9
World	65	72	10.8	37	28	-24.3	3.2	2.7	8,061.9

Sources: https://ourworldindata.org/, https://data.worldbank.org/indicator/

A cursory look at Table 6 reveals that improvement in life expectancy and infant mortality rate in SSA has been less encouraging for a region that wants to reduce poverty and increase participation in the growth process and in benefit sharing. During the 2010 – 2022 period, life expectancy increased by an annual average of 7% in SSA (to 61 years), compare with East Asia and Pacific (to 76 years), Latin America and Caribbean (to 74years) and Middle East and North Africa (to 72years). Also, infant mortality rate declined moderately in SSA during the 2010 -2023 period, although it remains substantially higher than the rest of the world regions. Infant mortality rate fell by an annual average of 24.3% in SSA (to 49 per 1000) during the period, compare with a fall of 33.3% in East Asia and Pacific, 42.1% in Europe and Central Asia, 38% in South Asia and 31.6% in Latin America and Caribbean. Similarly, primary school enrollment rate in SSA increased marginally. Gross primary school enrollment increased from 97% in 2010 to 98% in 2022. This increase is relatively low. In 2022, gross primary school enrollment in East Asia and Pacific stood at 102%, Latin America and Caribbean was 105% and South Asia was 107% (World development indicator, 2023). The improvement in life expectancy, infant mortality rates and primary school enrollment rates is strongly associated with economic growth in the regions, though the relationship is not pronounced in the case of SSA. This implies that SSA experienced less encouraging rate of decline in poverty.
Next is to examine the factors that limit economic growth from being inclusive.

5. Drivers of Inclusive Growth

To promote inclusive growth, scholars and institutions (Ozughalu & Ogwumike, 2015; Eregha & Mesagan, 2017; Ianchovichina & Lundstrom, 2009; World Bank, 2004; United Nations Economic Commission for Africa, 2017) have identified key factors, these among others are; manufacturing sector, knowledge base, dependency ratio, capital investment, level of global competitiveness, good institutions and governance, better information and communications technology (ICT) infrastructure, macroeconomic policies. However, this study focuses on institutions/governance, as one of the drivers of inclusive growth.

Governance and Institution

Scholars have sought to substantiate the expected governance/institutions–growth nexus. However, these scholars are faced with the issue of measuring governance/institutional quality. Thus, there is no universally agreed measure of governance/institutional quality. This has led to a large number of governance indicators. Among these, the most popular and widely used today are the Worldwide Governance Indicators produced by the World Bank. These indicators include; Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption. However, this study focuses on Voice and Accountability, Government Effectiveness, Rule of Law, and Control of Corruption.

A cursory look at Tables 3, 6 and 7 shows that regions with above-average good governance, in terms of government effectiveness, voice and accountability, control of corruption and the rule of law experienced inclusive growth than those below the average (of 50%). According to Bouma & Berkhout (2015), quality institutions tend to be associated with lower inequality and lower poverty incidence. In the same vein, Zhuang et al (2010) argued that the developing countries of Asia with above-average good governance grew faster than those below the average.

Table 7: Worldwide Governance Indicators

	Voice & Accountability			Government Effectiveness			Rule of Law			Control of Corruption		
	2013	**2018**	**2023**	**2013**	**2018**	**2023**	**2013**	**2018**	**2023**	**2013**	**2018**	**2023**
EAP	52.35	57.30	55.44	47.88	58.98	59.63	54.83	60.05	60.06	53.04	59.27	59.77
ECA	66.33	65.59	66.94	67.95	69.31	67.88	66.14	66.19	66.56	62.91	63.97	64.73
LAC	60.83	58.79	57.74	58.50	50.88	49.07	52.36	48.43	48.10	57.20	51.63	49.03
MENA	24.55	24.06	24.11	45.70	42.40	42.57	43.66	42.59	41.55	45.54	40.84	38.86
SA	34.04	36.95	35.72	35.31	35.06	38.03	32.86	37.74	40.57	32.88	34.58	36.67
SSA	32.15	32.04	33.05	26.97	24.43	26.32	29.41	28.91	28.52	30.20	30.59	31.71

Source: worldwide governance indicators/www.govindicators.org.

Note: EAP = East Asia and Pacific, ECA = Europe and Central Asia, LAC = Latin America and Caribbean, MENA = Middle East and North Africa, SA = South Asia, SSA = Sub-Sahara Africa.

Percentile rank (0 to 100) indicates rank of region among all regions in the world. 0 corresponds to lowest rank and 100 corresponds to highest rank

Table 7 shows where SSA stands in the governance and institutional quality among other regions of the world between 2013 and 2023. A cursory look at the Table shows that the SSA lagged behind other regions. Between 2013 and 2023, Sub-Sahara Africa ranked low among the regions in the four governance indicators. SSA scores in Voice and Accountability was 32.15 in 2013 and slightly increased to 33.05 in 2023; in Government Effectiveness it was 26.97 in 2013 and slightly fell to 26.36 in 2023; in Rule of Law it was 29.41 in 2013 and slightly fell to 28.52 in 2023; and in Control of Corruption it was 30.20 and slightly increased to 31.71. This means that from 2013 to 2023, Government Effectiveness and Rule of Law slightly deteriorated, while there was a slight improvement in Voice and Accountability and Control of Corruption. Comparatively, in 2023, the four governance indicators score were above-average in East Asia and Pacific, Europe and Central Asia and Latin America and Caribbean, while the indicators score were below-average in SSA, South Asia and Middle East and North Africa region. Similarly, in 2023, the Sub-Sahara Africa's poverty rate was 36.92%, 0.89% for East Asia and Pacific, 0.48% for Europe and Central Asia, 8.68% for South Asia, 3.3% for Latin America and Caribbean, and 6.38 for Middle East and North Africa (World Bank Development Indicator, 2023 and https://ourworldindata.org/poverty). Also, the degree of SSA's income inequality was relatively high (Table 4 and figure 2). This suggests that regions with above-average good governance witnessed inclusive growth than those below the average (of 50%). This is in line with Zhuang et al (2010) and Bouma & Berkhout (2015) arguments that countries with quality institutions tend to be associated with inclusive growth- lower inequality and lower poverty rate. This is why East Asia and Pacific and Europe Central Asia regions and Latin America and Caribbean have maintained and sustained inclusive growth than SSA region. With this, it shows that institutions that are supposed to drive and sustain inclusive growth in SSA are very weak. This finding collaborates with Ianchovichina & Lundstrom (2009) argument that governance failures are indeed constraining inclusive growth. This implies that Institutions that address rule of law (property rights), voice and accountability (freedom of expression, association, and the press), Government Effectiveness (independent of the civil servants from political pressures) and control of corruption (public power not exercised for private gain) encourage investment and enhance employment and productivity that eventually raises the inclusiveness of growth process. The Government, through its institutions, could promote sustained growth and curb poverty and economic inequalities (United Nations Economic Commission for Africa, 2017).

Concluding Remark

The study assessed the level at which economic growth has been inclusive in Sub-Sahara Africa and the factor (governance indicators) that could be responsible for non-inclusive growth process in comparison with other regions of the world. The study measures inclusive growth as broad-based growth in income that is shared by every member of society or growth that reduces inequality, or a combination of both. With this, income (poverty line) and non-income (life expectancy, infant mortality and school enrolment) poverty indicators were used as measures of inclusive growth. The examination of the relationship between economic growth and poverty reduction in sub-Sahara Africa was done through the analysis of relevant stylized facts of the regions. This was done by reviewing the recent trends in growth and poverty as well as providing a description of the extent that growth has been inclusive in Sub-Sahara Africa. It was found in terms of the key indicators of inclusive growth (income and non-income indicators) that Sub-Sahara Africa is lagging behind other regions, especially East Asia and Pacific and Europe Central Asia regions and Latin America and Caribbean, despite the recorded impressive growth. However, there was a marginal fall in SSA's poverty rate and unemployment within the period under review. Despite the fall in poverty rate, SSA's share of the World population living below US$2.15 per day increased by 25%. Also, the degree of SSA's income inequality was relatively high. In particular, growth in Sub-Sahara Africa was associated with marginal decline in poverty and high degree of income inequality, while the economic growth in East Asia and pacific, Latin America and Caribbean and Europe and Central Asia was associated with sizable decline in poverty. The trends in poverty rate, income inequality and unemployment show that Sub-Sahara Africa is relatively far from achieving sustained inclusive growth. The high poverty rate, unemployment rate, income inequality are clear manifestations of non-inclusiveness of SSA's growth process.

Also, the study found that institutions that drive and sustain inclusive growth in SSA are relatively weak, as rule of law (property rights), voice and accountability (freedom of expression, association, and the press), Government Effectiveness (independent of the civil servants from political pressures) and control of corruption (public power not exercised for private gain) were low. Sub-Sahara Africa ranked low among the regions in the four governance indicators. These poor or weak institutions are indeed constraining inclusive growth in SSA region. This implies that institutions that are supposed to promote inclusive growth through the encouragement of investment and employment and productivity are lacking in SSA region. Hence, SSA's weak institutions are, to an extent responsible for non- inclusiveness of growth process.

Based on the findings, some key policy recommendations are made. First, the Sub-Sahara Africa policy makers should implement policies that will translate economic growth into jobs creation for those below poverty line, and at risk of poverty, as well reduce inequality. Second, SSA should also strengthen the institutions of governance to adequately tackle corruption and inaccessible property rights, and many more. If the institutions are adequately strengthened, this will promote inclusive growth through the encouragement of private investment and employment and productivity. Third, SSA region needs to equip its health sector and encourage school enrolment with the intention to boost human capital development. These subjections will enhance employment opportunities of SSA citizens, as well as reducing poverty and inequality. These policies, if implemented, growth will become inclusive, as well as sustainable.

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