

DETERMINING POVERTY LEVELS IN SUB-SAHARAN AFRICA

MAMADOU DIARRA
PUANSH KAMINENI



POVERTY- AN AFRICAN CRISIS

- AN ESTIMATED 410 MILLION AFRICAN PEOPLE LIVE IN POVERTY.
- DESPITE DECADES OF WORK BY AFRICAN GOVERNMENTS, NGOS, AND FOREIGN GOVERNMENT AID PROGRAMS. THIS ISSUE NEVER SEEMS TO BE RESOLVED.
- THE QUESTION IS WHAT ENTRENCHED A CONTINENT SO RICH IN NATURAL RESOURCES, INTO A STATE OF POVERTY?
- UNFORTUNATELY, THERE IS NO SINGLE SOURCE

WHAT ARE THE MAIN CAUSES ?

- LACK OF EDUCATION
- LACK OF EMPLOYMENT
- POLITICAL TURMOIL
- WAR
- DISEASES (MALARIA-HIV/AIDS)
- ACCESS TO WATER

LITERATURE REVIEW

- COULOMBE & MCKAY (1999) MODELING DETERMINANTS OF POVERTY IN MAURITANIA
- MUKHERJEE (1998) THE DETERMINANTS OF POVERTY IN MALAWI
- FAUJAS (2012) FRANCOPHONE COUNTRIES IN AFRICA ARE LAGGING BEHIND ANGLOPHONES COUNTRIES IN AFRICA.
- KULILD (2014) EASE OF ACCESS OF EDUCATION IS SHOWING TO BE THE MOST EFFECTIVE MANNER OF ENDING EXTREME POVERTY

REGRESSION MODEL

$$P = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8$$

DEPENDENT VARIABLE

POVERTY HEADCOUNT RATIO

INDEPENDENT VARIABLE

- **X1: % OF RURAL POP**
- **X2: POPULATION AGE**
- **X3: ENROLLMENT IN PRIMARY EDUCATION**
- **X4: LABOR FORCE PARTICIPATION RATE**
- **X5: UNEMPLOYMENT TOTAL (% OF POP)**
- **X6: FDI**
- **X7: INFANT MORTALITY RATE**

COUNTRY'S

ANGLOPHONE COUNTRIES (2008-2012)

- MALAWI
- NIGERIA
- KENYA
- SOUTH AFRICA
- SIERRA LEONE
- GHANA
- ZAMBIA

FRANCOPHONE COUNTRIES (2008-2012)

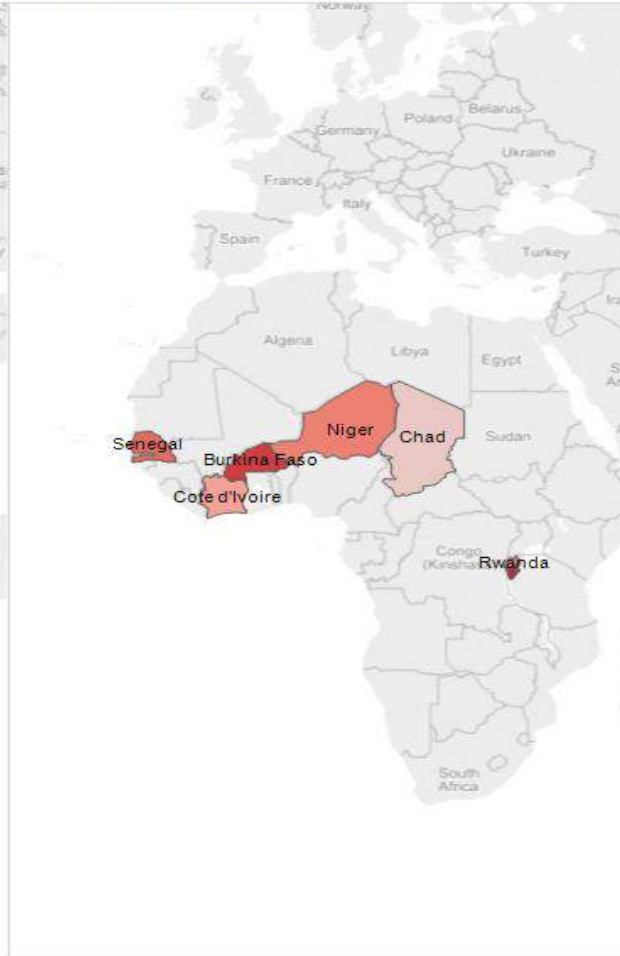
- SENEGAL
- BURUNDI
- NIGER
- IVORY COAST
- RWANDA
- CHAD
- BURKINA FASO

Anglophone Countries



Map based on Longitude (generated) and Latitude (generated). Color shows sum of Poverty Headcount Ratio. The marks are labeled by Country Name. Details are shown for Country Name. The view is filtered on Country Name, which keeps 7 of 14 members.

Francophone Countries



Map based on Longitude (generated) and Latitude (generated). Color shows sum of Poverty Headcount Ratio. The marks are labeled by Country Name. Details are shown for Country Name. The view is filtered on Country Name, which keeps 7 of 14 members.

Poverty Headcount..

384.1 737.4

EMPIRICAL RESULT- ANGLOPHONE NATIONS

Dependent Variable: POVERTY_HEADCOUNT_RATIO

Method: Least Squares

Date: 04/20/16 Time: 00:28

Sample: 1 56

Included observations: 56

Variable	Coefficient	Std. Error	t-Statistic	Prob.
FOREIGN_DIRECT_INVESTMEN	-2.91E-08	9.30E-09	-3.131692	0.0029
ENROLMENT_IN_PRIMARY_EDU	-1.87E-08	1.43E-08	-1.311265	0.1959
LABOR_FORCE_PARTICIPATIO	-0.138973	0.395202	-0.351649	0.7266
MORTALITY_RATE__INFANT__	-0.559275	0.222112	-2.517980	0.0151
RURAL_POPULATION____OF_T	0.656708	0.276303	2.376770	0.0214
UNEMPLOYMENT__TOTAL____O	-1.979516	1.806041	-1.096053	0.2784
C	175.4792	88.30692	1.987151	0.0525
R-squared	0.461212	Mean dependent var		66.50232
Adjusted R-squared	0.395238	S.D. dependent var		14.90286
S.E. of regression	11.58942	Akaike info criterion		7.854532
Sum squared resid	6581.423	Schwarz criterion		8.107701
Log likelihood	-212.9269	Hannan-Quinn criter.		7.952685
F-statistic	6.990818	Durbin-Watson stat		0.543982
Prob(F-statistic)	0.000021			

EMPIRICAL RESULT- FRANCOPHONE NATIONS

Dependent Variable: POVERTY_HEADCOUNT_RATIO

Method: Least Squares

Date: 04/20/16 Time: 00:23

Sample: 1 56

Included observations: 56

Variable	Coefficient	Std. Error	t-Statistic	Prob.
POPULATION__AGES_15_64__	-1.916183	0.816745	-2.346122	0.0231
MORTALITY_RATE__INFANT__	-0.382819	0.225472	-1.697858	0.0960
LABOR_FORCE_PARTICIPATIO	-0.624053	0.431028	-1.447825	0.1542
FOREIGN_DIRECT_INVESTMEN	-2.97E-08	8.90E-09	-3.340102	0.0016
ENROLMENT_IN_PRIMARY_EDU	3.79E-09	1.67E-08	0.227261	0.8212
RURAL_POPULATION____OF_T	0.218617	0.323704	0.675363	0.5027
UNEMPLOYMENT__TOTAL____O	-0.265218	1.876460	-0.141340	0.8882
C	151.5766	85.12005	1.780739	0.0813
R-squared	0.516640	Mean dependent var	66.50232	
Adjusted R-squared	0.446150	S.D. dependent var	14.90286	
S.E. of regression	11.09087	Akaike info criterion	7.781685	
Sum squared resid	5904.355	Schwarz criterion	8.071021	
Log likelihood	-209.8872	Hannan-Quinn criter.	7.893860	
F-statistic	7.329278	Durbin-Watson stat	0.510740	
Prob(F-statistic)	0.000006			

FINDINGS

- ANGLOPHONE COUNTRIES ACCOUNT FOR ONLY 19 PERCENT OF SSA'S AVERAGE GDP.
- ANGLOPHONE COUNTRIES BOAST OF 47 PERCENT OF GDP (EXCLUDING SOUTH AFRICA).
- FRANCOPHONE ECONOMIC AND MONETARY UNION OF WEST AFRICA (UEMOA) HAVE BEEN GROWING AT AN AVERAGE RATE OF 3.4 PERCENT PER ANNUM IN THE LAST TEN YEARS.
- ENGLISH-SPEAKING EAST AFRICA COMMUNITY (EAC) HAVE REGISTERED A 5.4 PERCENT GROWTH RATE.

CONCLUSION

- AFRICA'S POVERTY STATISTIC & TRENDS
- A. MEASURING POVERTY IN SUB-SAHARAN AFRICA REMAINS VERY CHALLENGING GIVEN THE LIMITED AVAILABILITY OF QUALITY INFORMATION
- B. SOME COUNTRIES HAVE SHOWN TREMENDOUS IMPROVEMENT, BUT STILL HAVE A HIGH HEADCOUNT POVERTY RATIO WHEN COMPARED TO DIFFERENT COUNTRIES IN OTHER CONTINENTS.
- C. ANGLOPHONE COUNTRIES ARE BETTER OFF THAN FRANCOPHONE COUNTRIES