Drivers of poverty in Sub-Saharan Africa: Policy implications for achieving Agenda 2030 for Sustainable Development

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Abstract- Following their independence, Sub-Sahara African (SSA) countries started with high hopes for rapid economic growth, eradication of poverty and socio-economic transformation that will culminate into high quality of life of their population. However, poverty is increasingly assuming an African face. Sub-Saharan Africa accounts for 75% of the world's poor people. Fifty-four percent of the population in SSA is multi-dimensionally poor. The overall objective of the paper is analyzing the main drivers of poverty and policy implications for achieving sustainable development goals by 2030. The main drivers of poverty in Sub- Sahara Africa are (i) Lack of broad-based growth. (ii) High income inequalities (iii) rapid population growth. (iv) Lack of capabilities and deprivation of basic necessities for large segments of the population. (v) High external debt burden and debt services. (vi) Low productivity of rural population. (vi) Political instability, conflicts and bad governance.

In order to end poverty and hunger in SSA, the following interventions are suggested: (i) Expand policy space of governments to properly manage their economic development process and building their productive capacities. (ii) Address the causes of income/wealth inequality through effective fiscal and monetary policies to increase access of the poor to public services and employment opportunities. (iii) Prioritize sustainable development goals to match their national capabilities and resources in order to achieve most of sustainable development goals by 2030. (iv)Increase public investment in human resource development to expand the capabilities of the poor (v) Increase public investment for the transformation of the agricultural system from low productivity to high productivity and ensure the benefits of transformation reaches the poor. (vi) Commitment and implementation of democratic system of governance based on the principle of social justice to maintain peace and stability. (vii) Strengthening and expanding family planning to reduce fertility rates and accelerate demographic transition (vii). External debt cancellation and access to markets of developed countries for exports of SSA to enable the countries to finance their development programs that will enable them to achieve most of the 17 sustainable development goals by 2030.

Index Terms-Sub-Saharan Africa, Poverty, Multidimensional poverty index, Developmental state, Sustainable Development goals.

1. Introduction

Following their independence, Sub-Sahara African (SSA) countries started with high hopes for rapid economic growth, eradication of poverty and socio-economic transformation that will culminate into high quality of life of their population (Go et al. 2007:252). Sub-Saharan African governments attempted to enhance their countries' economic growth through state-led investments and import substitution industrialization strategies. However, the era of 'big government' in which public projects and public enterprises expanded enormously remained unsuccessful (Heidhues and Obare, 2011:2). In the 1980s, Sub-Saharan African countries faced fundamental problems: low economic growth , low levels of savings and low investments, high levels of unemployment, persistent deficit in their balance of payments and a general decline in their incomes and increasing incidence of poverty (Heidhues and Obare,2011:2).

As response to their macroeconomic crises, Sub-Saharan African countries' governments changed their policies and development strategies in favor of free market and free trade , with minimal state under the rubric of structural adjustment programs (SAPs.) to enhance efficiency and competitiveness of their economies and, subsequently enhance their economic growth (WB, 1994). However, market-oriented reforms have led to a greater inequality and increase in the number of poor people (GDEI, 2000:4). Poverty is increasingly assuming an African face. Sub-Saharan Africa accounts for 75% of the world's poor people (SDSN, 2012:5). Thus policies of eradication of poverty and promotion of shared prosperity needs to be strengthened in order to make economic growth inclusive in line with Agenda 2030 for Sustainable Development (AfDB, 2016:57).

2. Problem statement

Poverty is a major development challenge in SSA countries. It is strongly linked to lack of income, productive resources and human capabilities as well as lack of participation in decision making of individuals or households in their social, economic and political life (UN, 1995; UN, 2001). Fifty-four percent of the population in SSA is multi-dimensionally poor (AfDB, OCED and UNDP, 2017:6).
The majority of the population in SSA countries lives in rural areas and earns their livelihoods primarily from subsistence agriculture (Gollin, 2009:2). However, rising rural populations has resulted into reduced farm sizes which put more pressure on the farm land. Smallholder farmers are responding by continuously cropping their fields every year, without crop rotation or investments in land improvement (AGRA, 2016:75). Such unsustainable farming practices of small holders while worsening land degradation have contributed to their low crop yields. As a result, a large portion of poor people are concentrated in rural areas (KIT, 2005:9). Despite the abundant natural and human resources in SSA countries, they still suffer from widespread and persistent poverty due to lack of productive employment opportunities, several interlinked factors, including low productivity in agriculture, low human capabilities, bad governance, income inequality and conflicts (ODI, 2009:7; Go et al. 2007:35; Kabuya, 2015:2; WB, 2015; ILO, 2003:8).
Since 2000, poverty eradication has become at the center of development agenda, both globally and nationally. Augmenting the millennium development goals, in September 2015, the UN adopted Agenda 2030 for Sustainable Development which contains 17 goals (UN, 2015:6). The Agenda 2030 which is supported by all member states is a transformative vision and framework that will guide development policies in all countries. One of the sustainable development goals is elimination of poverty by 2030 (UNCTAD, 2015:6). Achieving sustainable development goals such as eradicating extreme poverty is formidable challenge for Sub-Saharan African countries as many of the countries have to overcome their multiple and interwoven challenges, including, low savings and investments rates, weak economic growth, political instability, high unemployment and external debt burden (Adeyemi, and Raheem ,2009:162). These factors are interrelated, and success in one area may reinforce the others. Breaking the vicious circle of poverty in sub-Saharan Africa would thus require building an effective state which can mobilize both domestic and foreign resources in order to enhance public and private investments to achieve inclusive sustained economic growth that would eliminate poverty in line with the Agenda 2030 for sustainable development.

3. Objective of the study

Sustained economic growth and poverty reduction in Sub-Sahara African countries would require development of their productive capacities in such a way that the working-age of their population becomes fully and productively employed (ECA, 2015:76). National productive capacities in SSA countries can be developed through the interrelated processes of capital accumulation, human resource development and technological progress, strengthening competitiveness of their exports in the world markets (ECA, 2015:76). Successful economic development in other parts of the world have been accompanied by structural transformation, a process in which the bulk of economic activities shift from low-productivity to high-productivity sectors (AGRA , 2016:65). In the successful countries , labor moved from less productive traditional sectors into modern high productive sectors such as manufacturing and services, which resulted into sustained economic growth, improvement in living standards, and poverty reduction of the populations (AGRA , 2016:65). Building a critical mass of viable and competitive productive capacity in agriculture, manufacturing and services sectors is essential if SSA countries are to sustain inclusive and equitable growth that will have substantial impact on poverty reduction. The sources of growth also matter because for substantial poverty reduction, new jobs need to be created in the labour-intensive sectors. To these ends, SSA countries would be required to mobilize their domestic resources that would enable them to save and invest 25% or above of their GDP to sustain 7% -8% growth rates, which most analysts consider have a high impact on reducing poverty (UNCTAD, 2011; ECA, 1999). The extent to which the levels of savings can enhance investments, and hence growth rates , largely depend on the capacities of financial intermediation in channeling domestic savings into productive investments (Abebe and Quaicoe , 2014:3). Poverty eradication through increased investments which create employment, particularly employment for the SSA youth has to be a priority in the policy agenda of the countries (ILO, 2007:13).

Rural areas in SSA countries constitute 75 per cent of the poor, who are desperately seeking ways to improve their living conditions (KIT, 2005:5). This is mainly because agricultural productivity in SSA has lagged far behind the progress made in Asia and Latin America (WB, 2007:19). That is why agriculture is still the centerpiece of development in SSA countries for their rapid economic growth, poverty reduction, and food security (WB, 2007, p.39). In order to increase agricultural productivity and to foster broad-based economic growth, more investments would be required. Poverty in SSA countries is predominantly multidimensional because of deprivation of individuals of certain basic necessities and capabilities and that it has to be addressed from a broader dimension. In line with this perspective, governments can substantially reduce the level of poverty by (a) increasing investment in productive employment and entrepreneurship development; (b) improving governance and resolve conflicts; (c) address the causes of income or wealth inequality through appropriate fiscal and monetary policies (d) increase investment in human capital formation; (f) increase investment in research and development (f) spurring agricultural and rural development through more public and private investments; (g) diversifying exports, while pursuing regional integration; and (h) reducing aid dependency and external debt burden through mobilizing more domestic resources (UNU-WIDER) 2016:14) .

Thus, understanding the various drivers, scale and depth of poverty that exist in many Sub-Saharan African countries is very important in order to implement inclusive and pro-poor growth policies in line with Agenda 2030 for sustainable development. The overall objective of the paper is analyzing the main drivers of poverty in SSA. The specific objectives are:

- Analyze the nature and magnitude of poverty ;
- Analyze the main causes of poverty in the region;
- Analyze the main challenges in overcoming poverty and enhancing inclusive pro-poor economic growth ; and
- Recommend policy measures which would promote inclusive growth and poverty reduction in Sub-Sahara Africa.

In line with the problem statement and overall objective of the study, this paper aims to address the following questions: (i) Have economic growth rates in SSA substantially reduced poverty? (ii)What are the main drivers of poverty in Sub-Saharan Africa? (iii) What policy measures would be required to deliver sustainable and broad-based economic growth that would reduce poverty in SSA countries?

4. Methodology

The study dwells on extensive literature review to gather secondary data from various sources including research reports, publications of academic institutions, relevant documents of international organizations and national policy documents relevant textbooks as well as the internet. The secondary data are contextualized and analyzed to suit the objectives of the study. Following sections 1-4, (introduction, problem statement, objectives and methodology), Section 5 deals with conceptual framework: perspectives on poverty. Section 6 is the main body of the paper; it deals with the empirical analysis on the drivers of poverty in SSA. Section 7 is an extension of the previous sections and focuses on discussion and policy implications.

5. Conceptual Framework: perspectives on poverty in developing countries

Development has several objectives, including building of productive capacity, promotion of equal opportunities for the population and elimination of poverty. Poverty is primarily an ethical concept. Essentially, to think about poverty means to identify individual economic and social situations which are judged unfair and unjust in a given society (CECI, 2001:3). The search for a fair society is in fact a search for some form of equity among the members of a society for “material things” or access to resources and opportunities (CECI, 2001:3). Poverty is thus caused by lack of resources, opportunities and capabilities of certain segments of a given society in a country. Thus, the solutions to remedy poverty is inclusive sustained economic growth, fair distribution of wealth, equal opportunities and a focus on building human capacity of all members of a society (Manjoro, 2012:30) .

Conceptually it is essential to understand different perspectives on the causes of poverty and effective methods of eradicating it. According to the neoclassical school the main cause of poverty, within a market-based competitive economic system is unequal initial endowments of talents, skills and capital (NIESR, 2014 p.22). The neoclassical school underpins that under free market economy, everyone would be better-off as producer or consumer in any society (Wolff and Resnick, 2012:15). The neoclassicals view is that factors that fuel poverty are individual deficiencies in decision making. Poor individuals are to be blamed for being poor because with harder work and better choices and decisions they could have avoided their poverty (Bradshaw, 2006:17). The neoclassical economists propose no explicit policy interventions by governments to overcome high incidence of poverty observed in many developing countries. The individual deficiency theory of poverty and a do-nothing policy is not well received in the academics and policy making circles because the market is not perfect and doesn’t guarantee equal opportunities. The policy implication is that government interventions are expected to provide equal opportunities for all and, subsequently eliminate poverty through inclusive and sustained economic growth.

In the early post independence, the growth-oriented development strategy in SSA countries resulted in into high income inequality and incidence of poverty. In the 1970's, a focus on basic needs was advocated by the basic needs school (CECI, 2001:22). A person is judged to be poor because of the inability to meet his /her basic needs: food, clothing, shelter, basic education and health care (CECI, 2001:22). These elements do not often “trickle down” to the largest segment of a society or the poor (GDEI, 2000:4). The basic needs approach implies inadequacy of the market to meet the basic needs of the people and that governments have central roles in meeting basic needs of the population and in alleviating poverty through employment creation and increasing their access to public services (UNDP,1996:56).

Although governments of SSA countries have been exerting efforts to promote economic growth and alleviate income poverty, high incidence of poverty is still prevailing in most of the countries. Since 1990, there has been a shift in emphasis on human development. The Human development Index (HDI is constructed based on three core elements which have equal weights: longevity, knowledge and decent living standards. The UNDP has developed a score on human development index which varies between zero (lowest human development) and one (highest human development) (UNDP, 1990:12). In 2016, human development index of SSA countries was 0.523 compared to the world, which was 0.717 (UNDP, 2016:201). Thus based on the HDI SSA countries are ranked in the low human development. The implication is that the SSA countries still have to build their human development through increased investments in their social sectors, particularly education and health care.

The capability perspective provides a wider perspective in which people can be enriched or impoverished (Hick, 2012:11). Based on Amartya Sen’s capability approach, poverty is viewed as the deprivation of certain basic capabilities and that poverty is increasingly recognized as multi dimensional, which includes economic and non economic dimensions (Sen, 1999: 75). From a capability

perspective, poverty is viewed as the deprivation of people of certain basic necessities such as food , shelter, basic education, health care as well as lack of employment opportunities and lack of participation in the economic, social and political life of their respective societies (Sen, 1999: 75). In situations where some individuals or households lack access to resources or are denied of opportunities, they become poor. The market forces are not capable of correcting the situation and that the poor tend to remain poor. When people are deprived of several necessities such as health care services, education, potable water, sanitation, they become multidimensionally poor (OPHI, 2016:3;Addae-Korankyep, 2014: 2). Thus, SSA governments' must ensure equal opportunities and ensure equitable distribution of the national wealth in their respective countries in order to eliminate multidimensional poverty.
In September 2015, the United Nations adopted the 2030 Agenda for Sustainable Development. The 2030 Agenda contains 17 goals. Two of the 17 goals are related to poverty. These are: Goal 1 End poverty in all its forms everywhere; Goal 2 End hunger, achieve food security and improved nutrition and promote sustainable agriculture which are expected to be achieved by 2030 (UN, 2015:6). Sustainable Development does not only depend on the value attached to the economic variables but also on the extent to which social inclusion and social cohesion are integrated into policy formulation and implementation. Today, there is clear recognition that poverty occurs within and is affected by the political, economic, social, cultural and environmental, national and global factors (UNDP, 2010:104).
From an inclusive growth and poverty reduction perspective, the fundamental preconditions for poverty eradication/reduction are building human capacity and ensuring a pattern of growth and structural change that generates productive employment, improves earnings of majority of the population. The prospects for poverty eradication and social justice, however, cannot be ensured by the market forces and that effective states that are both developmental and redistributive would be required. Countries that have successfully reduced poverty had purposeful, growth-oriented and welfare-enhancing policies (UNRISD, 2010:222). Without developmental state approach to development and poverty elimination, successful industrialization, structural transformation and building of productive capabilities of the poor will be difficult in SSA.
Moreover, SSA countries do not seem to substantially reduce poverty with out realizing inclusive sustained economic growth which avoids their further marginalization in the global economy in the 21st century (Edigheji, 2005:12). Experience of Southeast Asia countries that have been successful in reducing their poverty indicates that the countries used effective industrial and agricultural policies that enhance their economic growths while facilitating employment-centered structural transformations (Warr, 2000:143). Similar kinds of interventions appropriate to SSA countries' situations can be used to transform the structure of their economies, strengthen linkages between their industry and agriculture, while creating productive employment opportunities for the poor (UNRISD, 2010:46). Structural transformation underlines the importance of an export-oriented development strategy that enhance sustained economic growth and export diversification based on domestic resources without creating high dependence on external financing that leads to indebtedness (ADB, 2003). To these ends, SSA countries need developmental states which give top priority for the building of their productive capacities (Leftwich, 2000). The building of productive capacities involves three basic processes: (i) accumulation of physical, human and organizational capital, (ii) technological progress and (iii) structural transformation (UNCTAD, 2004:79). It is through structural transformation and the development of their productive capacities that the SSA countries will be able to rely increasingly on their domestic resources mobilization to finance their economic growth, to reduce aid dependency and to attract private capital inflows of a type that enhance their development process (UNCTAD, 2006). The developmental state approach by expanding their policy space would enable the SSA countries to achieve the expected positive benefits of trade liberalization in terms of sustained economic growth, employment creation, poverty reduction, structural transformation and export diversification (UNCTAD, 2004:79). Development of productive capacities would particularly be important for the SSA countries during the next 14 years because they are at a critical moment of implementation of the sustainable development goals.

6. Empirical findings

6.1 Lack of broad-based growth /Lack of pro-poor growth

Raising people out of poverty requires sustained and inclusive economic growth which quire large investments in productive employment creation, industrial expansion, including promotion of investments in small, micro and medium enterprises and in the modernization of agricultural production.
As shown in Table 1, in a sample of SSA countries, Botswana, Kenya, Mozambique and Tanzania relatively showed better growth performances, while Algeria, Chad, South Africa, and Eritrea showed low performances in their growth rates during 2007-2016 periods. However, the average growth rates of real GDP for most of the countries were far below 7 per cent required to have a great impact on poverty reduction. The average growth rates in SSA decreased from 6.1% in 2007 to 2.2% in 2016. Declining patterns of growth rates were also observed in the sample countries, including Botswana, South Africa, Uganda, Mozambique and Nigeria. Reflecting their sluggish economic growth rates. During the period 2005-2014, the poor population were 54.7% of the population in Mozambique, 37.5% of the population in Cameroon ; 75.3% of the population in Madagascar while in Nigeria and South Africa the poor constituted 46% and 53.8% of their populations respectively (UNDP, 2016:218-219) . Thus, economic growth rates in most SSA countries were non- transformative and pro-poor. With current trends of their economic growth rates, SSA countries are unlikely to escape from their high incidences of poverty (Gordon, Sachs and Woo, 2005:6). Thus high domestic savings and

investments would be required to create productive employment opportunities. It is not only higher growth rate, but also shared higher economic growth and high employment in order to reduce poverty substantially in SSA countries (WB, 2007:33).

Table 1: Real GDP growth rates for selected SS African countries 2007-2016 (percentage)

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Algeria	3.4	2.4	1.6	3.6	2.9	3.4	2.8	3.8	3.8	3.5
Botswana	8.3	6.2	-7.7	8.6	6	4.5	11.3	4.1	-1.7	2.9
Cameroon	3.3	2.9	1.9	3.3	4.1	4.6	5.6	5.9	5.8	3.2
Chad	4.8	2.8	-2	15	6.3	12.5	-5.9	3.4	4.4	-3.4
Eritrea	1.4	-9.8	3.9	2.2	8.7	7	3.1	5	4.8	3.8
Ghana	4.3	9.1	4.8	7.9	14	9.3	7.3	4	3.9	4
Kenya	6.9	0.2	3.3	8.4	6.1	4.6	5.7	5.3	5.6	6
Madagascar	6.2	7.1	-4	0.3	1.5	3	2.3	3.3	3.1	4
Mozambique	7.4	6.9	6.4	6.7	7.1	7.2	7.1	7.4	6.6	3.3
Nigeria	6.4	6.3	6.9	7.8	4.9	4.3	5.4	6.3	2.7	-1.5
Rwanda	7.6	11.2	6.3	7.3	7.8	8.8	4.7	7.6	8.9	5.9
South Africa	5.4	3.2	-1.5	3	3.3	2.2	2.5	1.7	1.3	0.3
Tanzania	8.5	5.6	5.4	6.4	7.9	5.1	7.3	7	7	7.2
Togo	2.1	2.4	3.4	4	4.8	4.8	4	5.9	5.5	6
Uganda	8.1	10.4	6.9	8.2	5.9	3.2	4.7	4.9	5.4	4.8
Africa	6.1	5.3	3.4	5.7	2.9	6.2	3.9	3.7	3.4	2.2

Source: ECA, AFDB and AU, 2017: 51, Table 2.2

6.2 high income inequalities

The high incidence of poverty in SSA countries is not only due to the low income per capita but also due to the high income inequality (AfDB, 2016:22. Empirical studies indicate that a one percentage change in income inequality would translate into 0.78% increase in poverty levels in Africa (AfDB, 2013:16). Income distribution can be measured by: (i) Gini coefficient. The theoretical range of the Gini coefficient is from 0 (perfect equality) to 100 (perfect inequality (Todaro and Smith, 2012, p.209). (ii) Quintile ratio- a ratio of the average income of the richest 20 percent of the population to the average income of the poorest 20 percent of the population and (iii) Palma ratio- a ratio of the share of income of the richest 10 percent of the population to the share of income of the poorest 40 percent of the population (UNDP, 2016:206-209) 3. Table 2 shows the distribution of income in selected SSA countries.

The distribution of income in Norway and China are used as references. With respect to quintile ratio, South Africa has the highest value (27.9) compared to Norway (3.9) and China (9.2) during the period 2000-2015.

Table 2: Income distribution in selected African countries, 2000-2015

Country	**Quintile ratio** 2000-2015	**Palma ratio** 2000-2015	**Gini Coefficient (0-100)** 2000-2015
Norway	**3.8**	**0.9**	**25.9**
China	**9.2**	**2.1**	**42.2**
Botswana	22.9	5.8	60.5
Gabon	8.4	2.1	42.2
South Africa	27.9	7.1	63.4
Namibia	20.3	5.8	61
Angola	8.9	2.2	42.7
Cameroon	11.4	2.7	46.5
Sudan	6.2	1.4	35.4
Lesotho	20.5	4.3	54.2
Malawi	9.6	2.6	46.1
Congo Democratic Republic	8.7	2.1	42.1
Zimbabwe	8.5	2.2	43.2
Zambia	16.5	4.3	55.6

Source: UNDP, 2016: 206-209, table 3

Most SSA countries have higher quintal ratios, indicating that the shares of income of the richest 20 percent of the population are more than six times the shares of income of the poorest 20 percent of the population. With respect to Gini coefficient, income inequality is highest in Botswana with a value of 60.5, compared to Norway (25.9) and China (42) during the period 2000-2015. With the exception of Sudan, the countries have higher Gini coefficient, reflecting high income inequality. The Palma ratio also reflects the high Gini Coefficient for the sample SSA countries: South Africa (7.1), Botswana (5.8), Namibia (5.8), Lesotho (4.3) and Zambia (4.3) during the period 2000-2015. In terms of income inequality, SSA is one of the most unequal regions in the world. The average Gini coefficient is 47.4 and the poorest 20% of the population earn only 5.3% of total income (ODI, 2009:14). The high level of inequality in SSA countries is the result of complex interactions of their history, politics, resource endowments, market forces, and government policies. The existence of high incidence of poverty with economic growth rates also suggest that growth in SSA countries has been due to modern-sector enrichment growth where economic growth has been benefitting certain groups of people in the modern sector, while the traditional agricultural sector was experiencing little or no growth.

The persistence of economic inequality, that is, unequal distribution of assets such as land, unequal access to education, health and lack of high paying employment opportunity perpetuate poverty in SSA. The policy implications are that SSA countries can reduce poverty using their fiscal and monetary policies. Progressive taxation on property, income and profit; public investment on education, vocational and entrepreneurial training, access to basic health services; provision of cheap credit to promote micro and small enterprises will expand employment opportunities and will have direct or indirect positive impacts on the return of the most important asset of the poor, their labor.

6.3 High fertility rates /rapid population growth

Most SSA countries have higher fertility rates compared to other regions. Of the 22 countries in the world with relatively high levels of fertility rates, 20 are found in Africa (United Nations, 2017:12). Table 2 shows that fertility rates in SSA are highest, 5.1 births per woman compared to 2.2 births in Latin America, 1.8 births in East Asia and Pacific during the period 2010-2015. The high fertility rate is partly due to the high demand of poor households for children to meet the high labor demand in a predominantly labor-intensive subsistence agricultural production system. Poor households also desire to have a large number of children to protect themselves against poverty in times of old age (AFDB, 2004:34; SDSN, 2012:5). A reflection of high fertility rate in SSA is also observed in the highest dependency ratio which is 79.9 per 100 people for young age compared to 28.5 and 38.7 for East Asia and Pacific and Latin American and the Caribbean respectively (ECA, 2017:14).

Table 3: Total fertility of SSA countries, 2010-2015

Region	Total fertility Birth per woman 2010-2015	Dependency ratio per 100 people ages (15-64), 2015	
		Young age (0-14)	Old age (65 and older)
Sub-Saharan Africa	**5.1**	**79.8**	**5.7**
East Asia and the Pacific	1.8	28.5	11.8
Latin America and the Caribbean	2.2	38.7	11.3
Organization for Economic Co-operation and Development	1.8	27.7	24.8
World	**2.5**	**39.7**	**24.8**

Source: UNDP, 2016:239, Table 7

The consequences of high fertility and high dependency ratios are reduced per capita incomes, reduced investment in education and health of children, reduced consumption, low savings , increased incidence of poverty as well as low governments' per capita investments in infrastructure and social services (AfDB, 2004:34; SDSN, 2012:5). The population of sub-Saharan Africa is still rapidly increasing, demonstrating an early stage of demographic transition compared to most other regions of the world. The population of Africa grew at an average rate of 2.6 per cent per year during the period 1990-2015, more than twice the world average (ECA, 2017:14). The population of Africa is also expected to reach 2.2 billion people by 2050 (International Institute for Environment and Development, 2014:8). The policy implications are that enhancing development, access to reproductive health services, effective information and expanded education will help to bring behavioral changes and enhance demographic transitions which will culminate into low birth rates and low death rates (Merrick, 2002:6). Decline in fertility rates, in turn, will increase investments of households in the health and education of their children. At the national level, low population growth will increase public savings and public investments that would stimulate inclusive economic growth which has high impact on poverty reduction.

6.4 Lack of capabilities and deprivation of basic necessities for large segments of populations

People who lack capabilities or who are denied access to basic services and necessities are likely to remain multidimensionally poor. Multidimensional poverty index (MPI) is an international measure of acute poverty. It measures the nature and magnitude of overlapping deprivations in three dimensions: (i) Education which has two indicators (years of schooling and child school attendance. (ii) Health which has two indicators (child mortality and nutrition). (iii) Standard of living which has six indicators (electricity, improved sanitation, safe drinking water, flooring, cooking fuel and assets) (OPHI, 2016:3). Each person's deprivation profile across the three equally weighted dimensions and the ten indicators are considered in calculating MPI. A person is identified as multidimensionally poor if he/she is deprived in at least one third or more of the ten (weighted) indicators. The value of MPI ranges between 0 (no deprivation to 100 (perfect deprivation). The intensity of poverty is measured by the number of deprivations a person experiences across the ten indicators. Intensity of the deprivation varies between zero (no deprivations) to 100% (perfect deprivation). The contribution of deprivation to multidimensional poverty index is attributed to deprivations in each of the three dimensions of poverty (education, health and standard of living (UNDP, 2016:219).

Table 4 shows that population in multidimensional poverty for selected SSA countries which have data. The value of MPI is highest in Burkina Faso (50.8%) and lowest in Swaziland (11.3%). In Burkina Faso, 82.8% of the population is categorized as multidimensional poor based on headcount; in Zimbabwe, 28.9% of the population is considered multidimensional poor based on headcount in 2010. The intensity of deprivation remained high for all the countries, the highest being in Burkina Faso (61.3%) and lowest deprivation was in Swaziland (43.5%). The major contributing factor of deprivation is attributed to standard of living, constituting 54.9% in Tanzania, the highest value in the sample countries and 8.5% in Burkina Faso. The deprivations affecting the highest share of MPI poor people in SSA are cooking fuel, electricity and sanitation (OPHI, 2016:1).

Table 4: Multidimensional poverty for selected African Countries, selected years 2009-2015

Country	Multidimensional Poverty index		Population in multidimensional poverty		Contribution of deprivation in dimension to overall poverty %		
	Year of survey	Index value	head count %	Intensity of deprivation %	Education	Health	standards Living
Benin	2012	0.343	64.2	53.3	33.1	24.8	42.1
Burkina Faso	2010	0.508	82.8	61.3	39.0	22.5	38.5
Cameroon	2011	0.260	48.2	54.1	24.5	31.3	44.2
Ghana	2014	0.147	32.4	45.4	27.2	31.5	41.2
Gambia	2013	0.289	57.2	50.5	32.9	30.9	36.2
Lesotho	2009	0.227	49.5	45.9	14.8	33.8	51.4
Rwanda	2015	0.253	53.9	47.0	28.6	18.4	53.0
Swaziland	2010	0.113	25.9	43.5	13.7	41.0	45.3
Tanzania	2010	0.335	66.4	50.4	16.9	28.2	54.9
Zambia	2014	0.264	54.4	48.6	17.9	29.8	52.3
Zimbabwe	2014	0.128	28.9	44.1	10.8	34.5	54.8

Source: UNDP, 2016:218-219, Table 6

Knowing the extent of deprivation and poverty is crucial for designing appropriate policies for poverty elimination through sustained inclusive growth. As underdeveloped human capital is a key determinant of the low returns to the most abundant asset of the poor, their labor, increased investments in health and education and in employment creation, particularly through promotion of microenterprises will serve as important paths out of poverty (AfDB, 2004., p.16).

6.5 External debt burden and debt services

Since their independence, most Africa countries have faced shortage of domestic savings. Thus, the countries used foreign savings through foreign borrowing with the objective to augment the stock of their capital and build up their productive capacities and kick-start their economic growth which will have high impact on their poverty reduction, and subsequently to pay their external debts (AERC, 1990:15; Swaray, 2005:132). However external debt burden has become a major development challenge of SSA governments because it has undermined their investment capabilities in their respective countries. One measurement of external debt burden is debt-GDP ratio-which measures a country's capacity to repay its debt and is an indicator of its creditworthiness. Another indicator of debt burden is debt service ratio which measures the percentage of export revenue used for external debt repayment and the magnitude indicates the extent of debt payment burden of a country. As shown in Table 5, the debt-to-GDP ratio varied across the SSA countries reflecting the differences in the sizes of their GDP and magnitudes of their external debts. In 2016, external debt as percentage of GDP in Mozambique was 111.3%, the highest in the group, while the value for Benin was 19.1%, the lowest in the sample countries. High debt /GDP ratios suggest low debt payment capacities of the countries.

The external debt service of the SSA countries increased from 8.8% in 2011 to 12% in 2014. In 2016, the highest external debt service was in Kenya (28%), while the lowest was in Benin (3.5%). The external debt services in all the sample countries showed an increasing trend, making the debt service more challenging in future. In the SSA countries for which debt-service ratios exceeded the threshold level such as 25 percent of the exports of goods and services, the debt burden becomes a significant obstacle to development efforts (AERC, 1990:27). In SSA , the debt service takes up a large part of scarce budgetary resources that could be directed to productive investment in different sectors and that external debt service is crowding out public investments (Onovwoakpoma . 2013:143). Sub- Saharan Africa, pays $10 billion every year for interest on debt accumulated. That is about 4 times as much money as the countries in the region spend on healthcare and education (Easterly , 2002:1).

The debt burden to a certain extent is the result of domestic macroeconomic policy mistakes exacerbated by structural weaknesses in their economies, particularly a narrow and technologically backward production base and heavy dependence on the exportation of a narrow range of primary products. The external factors reflect an increasingly hostile international economic environment characterized by low and falling primary commodity prices, declining terms of trade, soaring global interest rates, rising protectionism in the industrialized countries and dwindling capital flows into African countries (AERC, 1999:8). As a result, SSA countries have been facing mounting current account and balance-of-payments deficits, and an escalating external debt stock, while poverty continued to deepen (AERC, 1999:8).

Table5: External debt, debt services for selected SSA African countries, 2011-2016

	External Debt outstanding (%GDP)						Debt services (%exports)				
Country	2011	2012	2013	2014	2015	2016	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Angola	19.5	18.8	23.6	27.4	34.8	51.1	2.7	3	3.5	6.1	10.6	14
Benin	15.8	15.9	17.4	18.8	20.1	19.1	3.3	3,5	3.1	2.3	3.2	3.5
Chad	20.7	20.5	21.9	27.2	24.6	23.3	2.2	3.2	4	15.7	9.6	16.5
Eritrea	45.8	35.8	29.1	25.8	23.2	23.9	33.5	13.1	8.3	8.3	6.8	6.1
Ghana	25.1	26	31	42.8	46.7	57.1	3.2	3.9	4.7	7	8.7	18.7
Kenya	31.8	28.5	29.2	36.4	38	38.3	50.3	43.3	55.1	63.4	21.1	28
Mozambique	72.8	69.3	83	89.7	113	111.3	16.4	11.9	12.9	12.1	14.8	19.9
Rwanda	15.7	14.2	20.6	22.2	26.9	34.2	2.4	10.2	19.1	5.5	7	14.8
Sudan	59.2	63.4	67.5	56.9	52.1	47.4	2.8	6.6	2.8	3.6	10	5.2
Zimbabwe	68.8	66.4	68.4	71.5	77.8	84.2	12.2	17.9	17.3	21.7	26	27
Africa	**18.5**	**18.6**	**19.5**	**20.9**	**24.6**	**24.7**	**8.8**	**10.3**	**9.1**	**10.4**	**10.9**	**12**

Source: ECA, AFDB and AU, 2017, p.62 Table 4.1

To date, the debt problem facing many African countries has constituted a serious obstacle to their development efforts and economic growth , while deepening the vicious circle of poverty, (SESRTCIC, 2002:33). When seen from Agenda 2030 for Sustainable Development, a major concern is that high levels of external indebtedness will continue to reduce the capacity of SSA countries to invest in building their productive capacities, particularly the productive capacities of the poor. The policy implications is that external debt cancellation and access of SSA Africa countries' exports to the market of the developed countries will increase their investments in education, health care, employment creation that will have large impacts on poverty reduction.

6.6 Low productivity of rural population

Majority of Sub-Saharan Africa's population live in rural areas where poverty and deprivation are most severe. Seventy –five percent of the extreme poor in Africa live in rural areas (WTO, 2015, p.26). Family farms make up the majority of agricultural producers in SSA and they produce 98 percent of food crops (AGRA , 2016:95). Rural poverty, low agricultural productivity and natural resource degradation are interrelated problems in many SSA countries. Around 65 percent of arable land in SSA countries is already degraded, costing farmers about US $68 million of lost income annually (AGRA, 2016:75). This loss is estimated to affect over 180 million people, mostly smallholder farmers (AGRA , 2016:75).

The degradation of land and inadequate investments in agriculture has resulted into low crop yields in most SSA countries. As shown in Table 6, the yields per hectare in South Africa remained above 4000 kg, while those of Eritrea, Mozambique, Namibia and Zimbabwe remained below 1000 kg. The variations in yields have been due to differences in climate, fertility of soils, and intensity in the use of modern farm inputs. Low agricultural productivity is attributed largely to inadequate rural infrastructure and agricultural services, low levels of education of farmers; under-investment in agricultural research, low application of fertilizer, slow adoption of high yielding crop varieties, lack of access to small-scale irrigation, lack of credit and limited opportunities for trade in international markets for the agricultural products (AfDB, 2004:16). Moreover, increased population pressure has precipitated natural resource degradation as farmers who are unable to intensify their production continue to expand their farm lands by cultivating marginal land areas.

Table 6: Cereal yield (Kg per hectare) in selected African countries, 2008-2014

Country	2008	2009	2010	2011	2012	2013	2014
Burkina Faso	1,040	1,002	1,063	995	1,203	1,157	1,226
Cameroon	1,678	1,765	1,669	1,681	1,597	1,652	1,623
Central African Republic	947	948	1,447	1,522	1,684	1,716	1,649
Eritrea	252	500	536	578	608	602	626
Gabon	1,603	1,658	1,687	1,698	1,685	1,691	1,686
Kenya	1,418	1,243	1,710	1,515	1,745	1,662	1,628
Mozambique	763	884	1,028	1,041	630	670	703
Namibia	496	365	436	389	551	351	421
South Africa	4,062	4,413	4,143	4,024	3,689	3,725	4,320
Tanzania	1,334	1,110	1,648	1,390	1,315	1,418	1,660
Zambia	2,180	2,066	2,534	2,731	2,689	2,532	2,755
Zimbabwe	309	424	743	794	806	724	789

Source: AGRA, 2016:270-271

At the current patterns of crop yields and population growth, poverty is likely to remain a predominantly rural phenomenon for the coming decades in most Sub Saharan Africa (Ravallion et al., 2007:5). This is mainly because governments have been focusing on agricultural market liberalization, while reducing their fiscal policy space. As a result, there has been significant reduction of public investment in the agricultural sector (Dorward et al, 2004: 1). Moreover, while liberalizing their economies extreme public spending cuts have contributed to the deterioration of infrastructure, including roads, water supply, irrigation facilities and have undermined crop productivity of the rural population (UN/DESA 2011:30). Table 7 shows that that SSA governments' expenditures as total government expenditure have remained below 10 per cent, lesser than the agreed target of allocating 10% of the national budget in each country to agriculture to reach an annual average growth rate of 6% in agricultural production by 2015 (African Union, 2003:1) . However with very low domestic savings and low rates of investments, there is little in SSA African countries' current dynamics that ensure an escape from their rural poverty (Gordon, Sachs and Woo, 2005:6). The policy implication is increase public investments in modern farm inputs, including public investment in rural infrastructure for the provision of energy, water and sanitation, transportation and communications, fertilizer, high quality seed varies, irrigation infrastructure in order to foster farmers' productivity and incomes of the rural population that would eventually eradicate rural poverty in line with the sustainable development goals.

Table 7: Government agricultural expenditure as% age of total government expenditure for selected SSA African countries, 2008-2014

country	2008	2009	2010	2011	2012	2013	2014
Angola	2.8	2.3	2	1.6	1.3	1	1.1
Botswana	2.9	2.4	3.4	2.7	2.9	2.1	2.1
Cote d'Ivoire	2.3	2.7	3	3.3	5.9	5	5.3
Gambia	6.4	6	5.9	9.6	3.7	3.5	3.3
Kenya	3.2	3.9	4.1	4.3	4.1	3.4	2.7
Rwanda	4.4	3.1	3	6.9	7.4	7.6	9.1
Sudan	4.5	3.5	3.9	3.4	2.9	2.5	2.2
Uganda	5	4.6	4.8	3.7	3.4	4.6	4.5
Zambia	12.5	9.3	11.4	6.1	5.9	6.3	9.4
Zimbabwe	44.7	12.5	15	14.5	4.9	5.5	9.5

Source: AGRA, 2016:286-287

6.7 Political instability, conflicts and bad governance

According to Messer et al, (1998) conflicts are linked to grievance arising from the mix of resource scarcity with social inequality and human rights abuses and from perceptions of unfairness in the distribution of resources. Lack of democratic governance and absence of social justice are also driving forces of conflicts in many SSA countries. That is why conflict is a driver of poverty in many parts of Africa: Southern Africa, the Horn of Africa, Sudan and Chad, Eastern Africa, and the Western Sahara (University for Peace, 2011:24; Go et al. 2007:32). In 2006, Africa, with 13% of the global population, had over 40% of the world's violent conflicts; eleven countries were affected directly (Ploughshares, 2007) . Over 28 years, 1970-97, conflict-related losses to agricultural production in Sub-Saharan Africa amounted to a total of some $52billion. This represented some 30 per cent of the agricultural output of the affected countries during conflict years (Cramer, 1999:6-7). Conflicts affect negatively the welfare of people by channeling public spending away from productive activities, undermining their economic life, devastating physical, social and human capital and by strengthening the push factor which lead to the outmigration of skilled labor (Go et al. 200:25; Addae-Korankyep, 2014:152).

Conflicts in SSA countries while undercutting economic development and deepening economic deprivation lead to further escalation of conflict, making states unable to deliver public goods, or increase in productive investments that create more employment (University for Peace, 2011:66). Lack of productive investments, in turn, result into high incidence of multidimensional poverty. -Sustainable goal 16 underscores promotion of peaceful and inclusive societies (UN, 2015:6). In line with this, the policy implications is that democratic governance structures and social justice , and popular participation which put people at the center of development will help SSA countries to build peace and to sustain inclusive economic growth to achieve most important development goal: national harmony and socio-economic development that would eventually eradicate poverty .To these end, development policies in SSA countries should aim at building peace in ways that foster human-centered, inclusive development in which all members of the society are both agents and beneficiaries of their development.

Discussions and conclusions

This paper deals with the main drivers of poverty in Sub-Saharan African countries and the policy implications for eradication of poverty and achievement of Agenda 2030 for Sustainable Development. Following their independence, African countries started with high hopes for rapid growth and development, eradication of poverty and socio-economic transformation that will culminate into high quality of life of their population. However, poverty continued to be one of the major development challenges in SSA. Fifty-four percent of the population in SSA is multi-dimensionally poor.

The high incidence poverty in SSA countries is the result of the failure of development outcomes over several decades because African governments are not able create productive employment and sustain inclusive economic growth. Sub-Saharan African countries have been suffering from widespread and persistent poverty due to several interlinked factors: (i) lack of broad-based or pro-poor economic growth. (ii) High income inequalities mainly because economic growth rates were the result of modern-sector enrichment where growth is limited to certain groups of people in the modern sector while incidence of poverty continued to increase, particularly in rural areas. (iii) High fertility rates which contribute to high incidence of poverty through reduced households per capita investment in the health and education of their children as well as low public investments in infrastructure and other social sectors (iv) lack of capabilities and deprivation of basic necessities, lack of productive employment opportunities , lack of access to basic health care and education of large segments of African people (v) high external debt burden and debt services which have been taking large part of scarce budgetary resources. As a result external debt service has been crowding out public investments in health care and education (vi) Low productivity of rural population due low investment in modem farm inputs and rural infrastructure (viii) Political instability, conflicts and bad governance which breed corruption, implementation of inappropriate development strategies and policies and low quality institutional structures have resulted in failure of development while fueling conflicts and deepening poverty. Conflicts in many SSA countries affect negatively welfare of people by channeling public spending away from productive activities, undermining their economic life, devastating physical, social, and human capital and by strengthening the push factor which lead to the outmigration of skilled labor. Conflict of different scales is one of the driving force of poverty in SSA because the magnitude of poverty increases when population are displaced, livelihoods lost and safety nets break down. Sub-Saharan African countries thus need to build systems of good governance which are effective and accountable to their people and simultaneously address areas of concern such as health, education, agriculture, infrastructure, corruption and land tenure.

From an inclusive growth and poverty reduction perspective, Sub-Saharan African countries need to make several strategic choices in their development strategies and policies: an outward-oriented strategy of export-led growth, based on labour-intensive manufacturing; agricultural and rural development, with encouragement of new technologies; investment in physical infrastructure and human capital; efficient institutions that provide the right set of incentives to farmers and entrepreneurs; and social policies that promote health, education, and social capital, as well as safety nets to protect the poor people . These will help SSA to overcome their multiple and interwoven challenges, including, low investment and economic growth, political instability, high unemployment, external debt burden and poverty. These factors are interrelated, and success in one area will reinforce the others. Breaking the vicious circle of poverty in sub-Saharan Africa would thus require building an effective state which can mobilize both domestic and foreign resources that would enhance public and private investments to achieve inclusive sustained economic growth and eliminate poverty in line with the Agendas 2030 for sustainable development. As poverty in SSA countries is multidimensional by its nature, it requires active involvement of the governments in several areas. In line with this, the following measures are suggested:

i. Expand policy space of governments to properly manage their economic development process
SSA would be required to expand their policy spaces and undertake proactive complementary policies for building their productive capacities to achieve the expected positive benefits of trade liberalization in terms of sustained inclusive economic growth, structural transformation, export diversification, strengthening financing capabilities and poverty eradication that meet the sustainable development goal 1 by 2030.

ii. Address the causes of income/wealth inequality through effective fiscal and monetary policies. Fiscal policies affect poverty and inequality through progressive taxation, equitable land distribution, and well-targeted public spending on education, vocational and entrepreneurial training, and basic health services that benefit more to the poor. Similarly, monetary policies such as provision of cheap credit to the poor will expand their employment opportunities.

iii. Prioritize sustainable development goals to match national capabilities and resources - SSA countries would be required to prioritize the sustainable development goals and, select a few sustainable development goals depending on their own circumstances. This is because they lack resources and are unable to meet the investment needs for the 17 sustainable development goals. The selected sustainable goals need to be synchronized with their respective national development plans and poverty reduction targets. This approach will help the SSA countries to estimate their domestic financing needs for the selected sustainable development goals as well as their resource gaps that could be met by mobilizing foreign resources.
iv. Increase public investment in human resource development to expand their capabilities of people that would enable them to get productive employment and lead dignified life.
v. Increase public investment for the transformation of the agricultural system from low productivity to high productivity
Increasing and sustaining agricultural productivity in SSA will require large public investments in agricultural research and development, irrigation facilities and other farm inputs such as new varieties of seeds, fertilizer and pesticides, marketing , warehouse and extension services to have great impact on poverty reduction.
vi. Commitment and implementation of democratic system of governance based on the principle of social justice to maintain peace and stability
Implementing democratic governance structures and social justice, and popular participation which put people at the center of development will help sub-Saharan African countries build peace and to sustain inclusive economic growth to achieve most important development goal: build a just society to ensure national harmony and socio-economic development that would eventually eradicate poverty. To these end, development policies in SSA countries should aim at realizing social justice while building peace in ways that foster human-centered, inclusive development in which all members of the society become both agents and beneficiaries of their development.
vii. Strengthening and expanding family planning to reduce fertility rates -rapid growth rates of population in SSA countries is a major driver of poverty. Thus, investments in family planning and provision of accessible and effective family planning will reduce fertility rates, household sizes and subsequently increase investment that would reduce poverty.
viii. External debt cancellation and access to markets of developed countries for exports of SSA. The prospects of economic growth and achievement of many of the sustainable development goals in SSA will be influenced considerably by progress in international debt relief efforts and access of SSA exports to markets of the developed countries. Debt cancellation and access of African exports to developed countries' markets will enable SSA countries to finance their development programs that will enable them achieve most of the 17 sustainable development goals by 2030.

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