The impact of governance on poverty reduction : Are there regional differences in Sub-saharan Africa ?

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FSEG SOUSSE

26 June 2019

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Abstract

This article attempts to explore the relationship between governance and poverty reduction. Throughout this work, we have tried to clearly answer the following questions: What is the effect of governance indicators on poverty reduction in sub-Saharan Africa? In this framework, the basic assumption was the existence of a direct effect of governance on poverty reduction. The study of this hypothesis was formulated in a static model applied to the data available on the countries of sub-Saharan Africa between 1996-2016. The results of our regressions show that governance indicators have a positive and negative effect on poverty reduction in sub-Saharan African countries. This result implies that governance factors play an important role in poverty and the primary role of government effectiveness. The relationship between governance and poverty reduction varies by stage of development. But notes significant differences between African regions. This supports our contention that governance has more impact on poverty reduction in the poorer regions than in rich sub-Saharan Africa. For example, the relationship between government effectiveness and poverty reduction is positive and significant for Central and Eastern Africa, it is not significant in Southern Africa is negative and significant in west Africa.

Keywords: Governance Indicators, Poverty, Regional Economic Integration, Africa.

1. Introduction

After the relative failure of structural adjustment policies in developing countries, there is today a growing international consensus on the importance of both the content of economic policies and the process by which they are implemented, in particular, in the light of new international poverty reduction strategies. New factors such as governance, ownership and participation are becoming basic elements of development programs. At the same time, the development research agenda has been expanded to take into account the interactions between the four broad dimensions: growth, distribution of income and assets, quality of institutions and type of political system. Current indicators and aggregates therefore seek to integrate these aspects in order to measure and evaluate development strategies. Since the beginning of the 1990s, there has been renewed interest in the notion of governance.

The good governance agenda has been in the ascendant in the international development field since the mid-1990s. The term "governance" is broad and far-reaching, and the achievement of "good governance" is based on improvements who have "virtually every aspect of the public sector" (Grindle (2004)). Promoting the good governance agenda will involve engagement with a wide range of institutions, setting the rules of the game for economic and political interaction, decision-making structures that prioritize public issues and allocate resources. in response, organizations that manage administrative systems and provide goods and services to citizens, as well as human resources in government bureaucracies of staff and the interface of civil servants and citizens in political and bureaucratic arenas. The adoption of good governance sometimes involves changes in political organization, interest representation, public debate processes and political decision-making (Grindle (2004)). Despite this immense challenge, recent political statements by bilateral and multilateral donors emphasize the importance of good governance, both as a desirable goal or part of development and as a means to achieve greater economic growth which, in turn contribute to development.

This position can be seen in a DFID (2007) publication "Recent Governance" which indicates that without "good" or at least "good enough", governance for the fight against poverty can not be won. States are effective or not, if they are able to prevent violent conflict, respect human rights obligations, help businesses grow and provide essential public services to their citizens. This is the most important factor that determines whether or not a successful development (DFID, 2007). Moore (2001) has argued that "bad governance" has been identified by the international law of development agencies as a major impediment to economic growth and improved well-being in poor countries, and these agencies are therefore important resources that remain behind the governance interventions. For example, Collier (2007) recently ranked bad governance as one of four "development pitfalls". Analyzing the recent history of 58 small countries (classified as countries lagging behind the rest of the developing world in terms of economic growth and poverty reduction), he notes that 76% have "been prolonged by a period of bad governance and bad economic policy "(Collier (2007)).

The purpose of this study is therefore to examine the effects of governance on poverty in sub-Saharan African countries, for the period 1996-2016, using the method in a static model. More specifically, this study aims to answer the following questions:

1. Does governance reduce poverty in sub-Saharan Africa?
2. Are there differences between African regions?

This article is organized as follows: We first present a literature review on the link between governance and poverty. Then we will present the methodology and describe the variables, the sample and the specification of the model. We examine the empirical results of our analyzes of the link between governance and poverty, at the aggregate level and by region. Finally, we will conclude this work with a conclusion and political implications.

2. Review of the theoretical literature the impact of governance indicators on poverty

2.1. The impact of democracy on poverty reduction

Democratic states have neither the best nor the worst performance when it comes to economic performance and poverty reduction, and there is evidence to show that democratic systems prevent the worst humanitarian crises. Democracy does not necessarily contribute to economic growth and democratic governments do not necessarily put pro-poor policies in place. However, donors remain committed to promoting political freedom and democracy which is seen by many as a development goal, as well as a means to an end in achieving other benefits for citizens. Over long timeframes, it appears that consolidated democratic regimes benefit from superior governance, and are able to promote higher levels of economic growth and pro-poor social policies.

Over the past two decades, democratic freedom and political participation have been considered important elements of the development project. In 2006, UNDP placed democratic governance for human development at the heart of its Least Developed Countries Strategy. Despite this commitment, the academic debate shows that the principle that democracy contributes to economic growth and poverty reduction. It is not intended to suggest that democratization initiatives have failed to promote democracy, however, the record of the commitment of pro-poor democratic regimes socially and politically is mixed, and there are a number examples of authoritarian regimes that have many human development indicators and have made reductions in the level of poverty.

Poverty, which includes the absence of voice or freedom, democratization will make a direct contribution to the fight against poverty. This view is supported in particular by Sen who views political freedom as having intrinsic value and democracy as "an essential component of the development process" (Sen (1999)). For example, in Indonesia, the relationship between democracy and poverty is positive because in 1987, poverty (18%) and in 2006, (12%), (World Bank, (2004)) and in Malaysia, the relationship between poverty, democracy and corruption is high, for example, poverty in 1989 (15%) and in 2006 (10%). In Bolivia, democracy, law and corruption do not change, hence the rate of poverty increases in 1990 (60%) and in 2005 (65%). In Uganda, there is a strong relationship between freedom, decline in corruption, democracy and poverty reduction, for example, in 1992, poverty (56%) and in 2006 (31%).

Some theorists, like Lipset (1959), believed that democracy was more likely to emerge in countries with higher levels of socio-economic development. Once a country has reached a certain level of economic development, "more inclined to believe in democratic values and support a democratic system". (Doorenspleet (2002)). Research has highlighted the greater impact of stable democracy in high-income countries. UNDP (2002) notes that 42 to 48 high human development countries are democracies. Democracies are more likely to survive in high-income countries. Przeworkski (2000), examined 135 countries between 1950 and 1990, show that there is no compromise between democratization and development.

Gerring, Bond, Barndt and Moreno (2005) have argued that "democracy has a negative effect on GDP growth" however, they also find that the more a country has a functioning democratic system, the more likely it is to have a solid record of economic growth, "long-term democracy leads to stronger economic performance". Tavares and Waczairg (2001) demonstrated the nature of the complex relationship: the results suggest that democracy promotes growth by improving the accumulation of human capital, lowering income inequality. On the other hand, democracy hinders growth by reducing the rate of physical capital accumulation by raising the ratio of public consumption to GDP. Our results indicate that democratic institutions respond to the demands of the poor, expanding access to education and reducing income inequality, but doing so at the expense of physical capital accumulation. Varshney (1985) goes on to say that democracies themselves do not eradicate poverty, it is the economic strategy that does it.

2.2. The impact of the rule of law on poverty reduction

The literature largely recognizes the negative impact of a weak rule of law on the poor, including property rights and the inadequacy of various settlement mechanisms. There are some positive case studies of attempts to improve the lack of access to popular justice that could be a means of reducing poverty. According to Carothers, if a country does not have the rule of law ... it will not be able to attract foreign investment and will not be able to finance development (Carothers (2003)). Hudson and Mosely (2001), in a study of the impact of the main state-building functions on sustainable development, asserted that "law and order" is one of the most important factors in governance for economic growth.

So there is a body of thought that implicitly links rule of law improvement with poverty reduction, developing countries have experienced faster economic growth with secure property rights, and a settlement different systems. On the other hand, many also recognize that an imperfect rule of law is almost inevitable in most poor countries (one reason is that resources to support the necessary institutions) and that deeper factors in the political economy determine growth and development outcomes. Beyond, linking the rule of law to economic growth, the World Bank argues that the law can make a contribution to equity and thus prospects for social development and poverty reduction through the fight against discrimination and contribute to the distribution of opportunities in society (World Bank (1994)).

According to Grandvoinnet: Access to legal information and the justice system is necessary for poverty reduction, in that it ... decreases the vulnerability of the poor to exploitation or deception. This access can enable them to take advantage of economic opportunities. However, access to the law is generally limited to educated sectors, and generally to the urban population (Grandvoinnet (2001)). The poor are at greater risk of abuse of political power, and are less able to protect themselves from injury and economic loss over this abuse. In countries around the world, the poor are more likely to be victims of police violence than the rich (Anderson (2003)). The poor are also negatively affected by the weak protection of property rights. As Anderson notes, "there has been little systematic exploration of the role that the rule of law plays in improving poverty" (Anderson (2003)). Although Hasan and Ulubasoglu (2007) have argued that stable property rights and the rule of law are prerequisites for a vibrant private sector, they are cautious about the impact of this situation on income inequality.

Acemoglu, Johnson and Robinson (2001) have shown that income levels between countries are closely associated with the security of property rights, and that a key factor in attracting foreign direct investment (which is important for economic growth in developing countries) is a stable of a coherent, fair and transparent legal system.

2.3. The impact of corruption on poverty reduction

To date, little empirical evidence has been generated on the impact of the fight against corruption on poverty levels and more broadly on development. The main focus is in the literature on the link between corruption and economic growth, where the impact on poverty reduction is implicit or indirect. The poor are the hardest hit by corruption. As a result, policymakers and academics say that efforts to combat corruption will lead to poverty reduction. This presumed link between the fight against corruption and the fight against poverty is often based on the assumption that efforts to curb corruption can stimulate economic growth which, in turn, benefits all members of society, rich and poor.

The World Bank is now referring to the fight against corruption as the "central mission of its fight against poverty". Wei (1999) notes that poor people are less able to pay bribes, and that political power is unable to cope with bureaucratic corruption. He cites the list of more direct ways in which the poor are affected by corruption: "(A) The poor will receive a lower level of social services. (B) Infrastructure investments will be skewed against projects that help the poor. (C) The poor can cope with higher tax or fewer services. (D) The poor are at a disadvantage in the sale of their agricultural products, and their ability to escape poverty, using indigenous, small-scale enterprises are diminished (Wei (1999)).

2.4. The impact of decentralization on poverty reduction

Decentralization can have a very positive effect on development by improving state efficiency, responsiveness, accountability and citizen voice. However, there is a lack of solid empirical research to support these claims. There is a strong emphasis on the importance of the political context in determining success. The term "decentralization" is used to refer to many types of political arrangement. There are three distinct elements of decentralization:

-fiscal decentralization entails the transfer of financial resources in the form of subsidies and fiscal powers to sub-national units of the government

-the administrative decentralization of functions performed by the central government are transferred geographically separate administrative units

-political decentralization or powers and responsibilities are devolved to local government officials. This form of decentralization is synonymous with democratic decentralization.

In addition, "in environments with high inequalities at the outset, there is a certain risk that decentralization will increase poverty, rather than reduce it. Ambiguous evidence suggests that the link between decentralization and poverty reduction is not simple and that the result is largely influenced by country specificities as well as by the design of the process "(Jutting et al (2004)).

2.5. The impact of public administrative reform on poverty reduction

A close link between improvements in the efficiency and accountability of public institutions and development results. However, literature suggests that public administrative reform (PCR) is indirectly linked to development and poverty reduction outcomes:

-access and quality of public services depend largely on the performance of public sector employees who deliver or manage their delivery.

-A more efficient and accountable public administration creates a more conducive environment for the development of the private sector, which will eventually lead to economic growth.

-The public sector is the largest spender and employer in virtually all developing countries, and it sets the policy environment for the rest of the economy. If the mechanism by which the government seeks to achieve the MDGs is made more effective, then it can ultimately lead to better development results.

-The downsizing of corruption can lead to gains in profitability that can lead to more resources available for pro-poor service delivery.

-Public administration is the main interface for state-society relations. Reform can not facilitate rights-based approaches to development and lead to increased voice and accountability for the poor, which increases the risk of pro-poor policies.

-An effective, independent public administration underpins democratic pluralism because it allows for peaceful political succession.

2.6. The impact of public financial management on poverty reduction

Improvements in public financial management are important to enable countries to achieve their development goals. However, the impact of public financial management (PFM) on poverty ultimately depends on the quality of government objectives and the policies

themselves. However, there are examples of case studies where PFM reform has advanced the Millennium Development Goals (MDGs), for example, through improvements in budget allocations to the social sectors.
According to the World Bank (2004) effective public financial management systems are crucial for countries making progress in reducing poverty ... progress towards achieving the Millennium Development Goals (MDGs) has justified the urgency of improving public financial management (PFM) as a condition for reducing poverty. Good governance in PFM is critical for countries making progress in reducing poverty ... if progress towards the implementation of the Millennium Agenda and the Millennium Development Goals is to be made, it is necessary to all the more urgently needed to improve PFM as a condition for reducing poverty. (OECD (2006)). Poverty reduction requires strong government and financial management skills, multi-year spending programs, and effective tracking of expenditures. The need to raise revenue for development and poverty reduction requires good tax administration skills (IMF (2002)).
According to Foster, Adrian, Felix and Tim (2002) "fundamental improvements in budget preparation and implementation, for example, ensure that more than the entire revenue and expenditure are captured in the national budget; or that expenditures are classified in formats that allow analysis of compliance with policy objectives, which is a fundamental precondition for ensuring that governments aim to reduce poverty. " The international development community has emphasized that good governance is a prerequisite for poverty reduction in developing countries. It is about whether or not good governance leads to poverty reduction.

3. Methodology

3.1. Variables

The main variables that we use to explain the effect of governance on poverty reduction are the six governance indicators and household consumption expenditure (the poverty rate indicator). We also use a number of control variables.
Voice and responsibility (RESP): measures the perceptions of the extent to which citizens of a country are able to participate in the selection of their government, as well as freedom of expression, freedom of association and freedom of the press.

Political Stability and Absence of Violence (STAB): measures the perception of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including politically motivated violence and terrorism.

Government Effectiveness (EFFECT): measures the perception of the quality of public services, the quality of public education and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to its policies.

Regulatory Quality (REG): measures the perception of the government's ability to formulate and enforce sound policies and regulations that promote private sector development.

Rule of law (RULE of LAW): measures the perception of the extent to which the agents trust and respect the rules of the company including the quality of execution of the contracts, the property rights, the police and the courts, as well as the probability of crime and violence.

Corruption Control (COR): measures the perception of the extent to which the public power is exercised to gain a personal benefit, including the large and small form of corruption, as well as "monopolizing" the state by elites and private interests.

Poverty (P): It is measured by household per capita consumption expenditure and calculated by the World Bank. According to Woolard and Leibbrandt (1999) and Ravallion (1992) have shown that consumption expenditure for the poor is more stable than income. For this reason, we will use in our study per capita consumption as an indicator of poverty measurement (Quartey (2005)). This measure is in line with the definition proposed by the World Bank (1990) which defines poverty as "the inability to reach the minimum standard of living" measured in terms of basic consumption needs.

Control variables

. **GDP per capita:** It is measured by the annual growth rate of GDP per capita.

. **Total debt (Debt / GDP):** It is measured by total debt to GDP.

. **Official Development Assistance (ODA):** as a percentage of GDP, it represents disbursements of loans and grants on concessional terms and grants by public bodies.

. **Government Expenditure (GS):** This is measured by the share of total government consumption relative to GDP.

. **Education (EDUCATION):** It is measured by the percentage of secondary schooling.

. **Degree of openness (OPENNESS):** it is measured by total exports and imports as a ratio of GDP.

. **Financial development (FD):** It is measured by total credit by private sector financial intermediaries in relation to GDP.

. **Political Rights (DP):** who measure freedom for political activism.

. **Civil liberties (LC):** measures the enjoyment of civil liberties in different countries.

3.2. Sample

Our study covers the period from 1996 to 2016 in the countries of sub-Saharan Africa. Our sample covers 44 countries in sub-Saharan Africa. One of the objectives in this article is to study the differences between regions in the relationship between governance and poverty.

Africa's free trade zones:

(1) Economic Community of Central African States (ECCAS)

(2) Western Economic Community of African States (ECOWAS)

(3) Intergovernmental Authority on Development (IGAD)

(4) Southern African Development Community (SADC).

Five customs and monetary unions:

(1) the Economic and Monetary Community of Central African States (CEMAC)

(2) the East African Community (EAC)

(3) Southern African Customs Union (SACU)

(4) the West African Monetary and Economic Union (UEMOA)

(5) West African Monetary Zone (WAMZ)

3.3. Regression model

It is also necessary to look for which indicator of governance will be favorable to the reduction of poverty? The issue of linking governance indicators to poverty reduction has not attracted the attention of economists. We will use panel data for the period 1996-2016. We test the effect of the indicators of political stability, control of corruption, efficiency of government, rule of law, regulation and responsibility.

The model to be estimated therefore relates the poverty rate to the indicators of governance, other macroeconomic control variables. The objective is to study the nature and intensity of the relationship between the poverty rate and the governance indicators. To achieve this end, we will estimate the following model:

$$P_{it} = \alpha + \beta_1 STAB_{it} + \beta_2 COR_{it} + \beta_3 EFFECT_{it} + \beta_4 RULE\ of\ LAW_{it} + \beta_5 REG_{it} + \beta_6 RESP_{it} + \beta_7 GDP_{it} + \beta_8 ODA_{it} + \beta_9 Debt_{it} + \beta_{10} OPENNESS_{it} + \beta_{11} GE_{it} + \beta_{12} CL_{it} + \beta_{13} PR_{it} + \beta_{14} EDUCAT_{it} + \beta_{15} FD_{it} + \varepsilon_{it}$$

4. Analysis of the results

To better appreciate the role of governance in poverty reduction, we test the relationship using, first, the aforementioned governance indicators. The first is an indicator of political stability. The second is that of corruption, the third is the effectiveness of government, the fourth indicator is the rule of law. The fifth is the regulation and the sixth indicator is the way and the responsibility, we present the results on six types of governance measure. The estimation of our econometric model was carried out using the STATA14 software. The results found were listed at the table level. They allow us to advance interpretations and draw conclusions.

Table 1: Robustness analysis of the relationship between governance indicators and poverty: use different types of governance indicators. (The countries of Africa)

The variables	Coefficient	P(t)
Stab	**-1.897**	**-2.20****
Cor	**-3.256**	**-1.86***
Effect	**7.437**	**3.40*****
RULE of LAW	**1.107**	**0.51**
Reg	**-2.337**	**-1.28**
Resp	**2.076**	**1.02**
GDP	-0.239	-4.56***
EDUCAT	-0.175	-4.57***
OPENNESS	0.073	4.92***
FD	0.038	0.76
Debt	-0.023	-5.20***
ODA	-0.004	-1.58
GE	-0.414	-4.84***
PR	-0.543	-1.02
LC	0.330	0.47
Constant	86.707	21.04***

Nb Observation **R^2**	885 0.13	

*** Significant at 10%; ** Significant at 5%; *** Significant at 1%**

Free Trade Zones:

Table 2: Robustness analysis of the relationship between governance indicators and poverty: use different types of governance indicators. (Free trade Area)

The variables	ECCAS	ECOWAS	IGAD	SADC
Stab	**-10.322** **(-4.42)*****	**3.974** **(2.68)*****	**-1.455** **(-0.61)**	**-5.734** **(-2.28)****
Cor	**14.173** **(2.95)*****	**2.997** **(0.91)**	**-0.384** **(-0.09)**	**9.020** **(2.42)****
Effect	**9.774** **(1.96)****	**-14.286** **(-4.18)*****	**16.588** **(2.80)*****	**-4.855** **(-0.91)**
RULE of LAW	**-11.364** **(-1.64)***	**4.127** **(1.24)**	**-7.397** **(-1.71)***	**7.909** **(1.75)***
Reg	**-1.868** **(-0.33)**	**-7.042** **(-1.89)****	**3.913** **(0.73)**	**-7.811** **(-1.77)***
Resp	**24.623** **(4.66)*****	**6.583** **(1.94)****	**-9.973** **(-2.23)****	**-1.963** **(-0.38)**
GDP	-0.092 (-0.74)	-0.056 (-0.62)	-0.114 (-0.56)	-1.115 (-4.12)***
EDUCAT	-0.330 (-2.96)***	-0.033 (-0.60)	-0.122 (-1.38)	-0.322 (-5.28)***
OPENNESS	-0.181 (-5.64)***	0.298 (9.14)***	-0.000 (-0.00)	0.144 (4.01)***
FD	0.051 (0.31)	-0.680 (-6.79)***	0.428 (3.65)***	0.136 (2.62)***
Debt	-0.024 (-2.47)**	-0.008 (-1.24)	0.050 (1.19)	-0.013 (-1.18)
ODA	-0.005	0.004	-0.017	-0.007

	(-0.40)	(0.41)	(-1.10)	(-0.47)
GE	-0.017 (-0.09)	0.166 (0.88)	-0.962 (-5.27)***	-0.689 (-4.89)***
PR	-1.239 (-0.79)	-1.775 (-1.90)**	-6.369 (-3.67)***	-2.189 (-1.59)
LC	10.324 (6.06)***	3.488 (2.40)**	3.224 (1.78)**	0.451 (0.27)
Constant	71.844 (8.11)***	60.869 (10.65)***	95.654 (12.23)***	89.295 (13.63)
Nb Observation	209	289	84	280
R^2	0.96	0.51	0.72	0.28

*** Significant at 10%; ** Significant at 5%; *** Significant at 1%**

Customs Union Zone in Africa:

Table 3: Robustness analysis of the relationship between governance indicators and poverty: use different types of governance indicators. (Customs Union Zone in Africa)

The variables	**CEMAC**	**EAC**	**SACU**	**WAEMU**	**WAMZ**
Stab	**16.721 (-6.00)*****	**-5.033 (-3.73)*****	**-11.640 (-3.15)*****	**3.746 (3.55)*****	**2.541 (1.12)**
Cor	**8.844 (1.16)**	**-2.345 (-1.15)**	**5.268 (1.15)**	**-4.091 (-1.61)***	**7.583 (1.12)**
Effect	**13.568 (2.56)****	**9.619 (3.28)*****	**20.825 (2.89)*****	**-2.220 (-0.98)**	**-18.452 (-3.12)*****
RULE of LAW	**-3.282 (-0.36)**	**1.187 (0.44)**	**-0.067 (-0.01)**	**8.266 (3.32)*****	**5.770 (1.20)**
Reg	**4.552 (0.73)**	**-7.864 (-3.66)*****	**-43.237 (-6.96)*****	**-5.576 (-1.70)***	**-1.293 (-0.22)**
Resp	**28.709 (3.79)*****	**-10.698 (-3.77)*****	**1.927 (0.39)**	**-6.891 (-2.91)*****	**-10.754 (-2.15)****

GDP	0.093 (0.70)	0.495 (2.39)**	-0.022 -0.06	-0.223 (-1.81)**	-0.011 (-0.08)
EDUCAT	-0.907 (-6.03)***	0.157 (2.60)***	0.051 (0.52)	0.167 (3.06)***	0.177 (1.62)*
OPENNESS	-0.075 (1.82)*	0.025 (0.48)	0.107 (1.90)**	-0.057 (-1.78)**	0.127 (2.26)**
FD	0.999 (3.00)***	-0.100 (-1.11)	-0.019 (-0.37)	-0.311 (-2.71)***	-0.617 (-1.73)*
Debt	-0.109 (-3.74)***	0.049 (2.13)**	0.191 (2.10)**	0.034 (4.43)***	-0.047 (-2.04)*
ODA	0.001 (0.16)	0.245 (4.07)***	0.003 (0.20)	0.008 (1.29)	0.007 (0.27)
GE	0.410 (1.34)	-0.205 (-1.51)	-0.427 (-1.53)	-0.329 (-2.35)**	-0.029 (-0.09)
PR	1.363 (0.80)	-1.696 (-2.02)**	-0.966 (-0.64)	-1.273 (-2.02)**	-3.125 (-2.63)**
LC	8.724 (4.25)***	2.552 (2.49)**	2.364 (1.06)	0.465 (0.45)	0.799 (0.37)
Constant	76.562 (7.91)***	57.896 10.53***	57.108 (4.39)***	85.965 (19.05)***	76.693 (9.25)***
Nb Observation	125	103	99	166	82
R^2	0.83	0.77	0.87	0.64	0.44

*** Significant at 10%; ** Significant at 5%; *** Significant at 1%**

The results of the panel data regressions we performed over the period 1996-2016 are presented in the tables above. The coefficients of interest to us in these series of estimates are those related to governance indicators.

The results obtained are interesting. As for the importance of the governance indicators, which are of greatest interest to us in this study, the results of the estimate point to a positive and significant coefficient of some governance indicators. The first indicator of political stability appears to be negative and significant in the countries of sub-Saharan Africa, ECCAS, SADC, EAC and SACU, in the ECOWAS, CEMAC and WAEMU countries, significant and positive, but in the IGAD and WAMZ countries, it is is not significant. Political stability provides insight into the rise of poverty in sub-Saharan Africa. Increasing political stability by 1% reduces household consumption expenditure by 1,897 points in African countries. Indeed, the second indicator of governance (the fight against corruption) shows a negative and significant coefficient in the African and WAEMU countries and positive in the ECCAS and SADC countries and not significant in the other regions. Regarding the Government Efficiency variable, it appears to be positive and significant in Sub-Saharan African countries, ECCAS, IGAD, CEMAC, EAC and SACU. The results of our estimation draw conclusions that confirm the primary role of government effectiveness in explaining poverty reduction. This suggests that high rates of government efficiency are associated with lower levels of poverty. Indeed, we find that the effect of increasing one unit of efficiency in Africa will cost 7.437 more units than the poverty indicator measured by the household consumption index.

As for the fourth indicator (rule of law), its sign is, according to expectations, positive in SADC and WAEMU, negative in ECCAS and IGAD but it is not significant in the other regions. Hudson and Mosely (2001) in a study of the impact of the main statebuilding functions on sustainable development, state that "the law and "order" is one of the most important factors of governance for economic growth. There is therefore a body of thought that implicitly links the improvement of the rule of law with the reduction of poverty.

Regarding the fifth indicator, the quality of regulation has a negative and statistically significant effect in ECOWAS and SADC countries and positive in WAEMU. Finally, the lane indicator and the responsibility shows a significant and negative correlation in the IGAD, WAEMU and WAMZ countries and positive in ECCAS, ECOWA and CEMAC.

Thus, at the sub-Saharan African level, three of the six indicators used appear with a negative sign and positive "political stability", "control of corruption" and "government efficiency" that significantly affect the poverty rate. Of these three governance indicators, two contribute negatively to the explanation of the poverty rate: this is political stability and control of corruption. The government efficiency indicator positively influences the poverty rate.

By looking at all the regional organizations that can play similar roles in improving societies, in the case of all of West Africa, the economic community of West African states is reestablishing the peace in war-torn countries. Similarly, between Guinea, Liberia and Sierra Leone who are members, it could work closely together to reduce internal conflicts in member countries.

Niger, Benin, Burkina Faso, Cameroon, Chad, Ivory Coast, Guinea, Mali, Nigeria can be similar to the challenge of being a framework for a regional peace initiative. When constitutional, legislative and electoral rules make it difficult to arbitrarily change laws and procedures, then the legitimacy of government becomes more institutionalized to ensure the proper functioning of effective, efficient and relatively honest legal and bureaucratic systems. This institutional legitimacy is good for business, job creation, income generation and therefore the fight against poverty. For the rule of law, it is so vital for good governance that it must be institutionalized.

Among them, the effectiveness of government, which measures the competence of the bureaucracy and the quality of the delivery of public services, is likely to play the most important role in the reduction of poverty. This suggests that countries pursuing a higher level of public service to the poor tend to achieve poverty reduction. So government effectiveness has positive effects on reducing poverty. By For example, the management of bureaucrats in the case of policy changes, and its indirect impacts include the quality of public services that mainly affects private sector investment activities. For some countries where the bureaucratic procedure is complicated, it provides negative impacts on private investment activities.

Conclusion and policy implications

In developing countries, most governance indicators are positively and negatively correlated with poverty reduction in the 1996-2016 period. It should also be noted that government effectiveness is likely to play the most important role in explaining poverty reduction. In the analysis of the period (1996-2016), in sub-Saharan African countries, the key is political stability, the control of corruption and the effectiveness of government show statistically significant results, while the quality regulation, the rule of law and the voice and responsibility are negligible. Regarding the impact of governance indicators on poverty reduction in the ECCAS region, corruption control, government effectiveness and accountability are positive and statistically significant. In the ECOWAS region, political stability and accountability are statistically significant and positive. In the IGAD region, only the significant and positive government efficiency variable, and in the SADC region, the control of corruption and the rule of law are statistically significant. In the CEMAC region, political stability, government effectiveness and accountability are statistically significant and positive. In the EAC and SACU region, the government's effectiveness is significant and positive. But in the WAEMU region, political stability and the rule of law are statistically significant and positive.

However, the impact of governance differs according to each of its elements and groups, according to the regional economic classification. For example, in sub-Saharan African countries, the quality of governance seems to have a greater impact on poverty reduction. However, the impact of governance indicators, the effectiveness of government seem to have a greater impact on poverty reduction than other elements of governance. Therefore, in order to formulate and implement an effective economic policy to reduce poverty, it is necessary to understand the characteristics of each element of governance.

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