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# **The impact of civil society and governance on poverty: Are there differences between the North and East Africa region?**

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## **Abstract**

This article attempts to study the impact of civil society and governance on poverty. In this work, we have tried to answer the following questions: what is the effect of civil society and governance on poverty in the region of North and East Africa? In this framework, the basic assumption was the existence of a direct and indirect effect of civil society and the quality of governance in reducing poverty. The study of this hypothesis was formulated in a static model applied to data available on the region of North and East Africa between 1996-2016. The results of our regressions show that civil society, has a positive effect in reducing poverty in East Africa, but negative in North Africa and the political and legal indicators, has a positive effect on poverty in the East African countries and administrative indicators, has a positive effect in North Africa. This result implies that civil society and governance quality factors play an important role in reducing poverty in East Africa as North Africa. The relationship between civil society, governance and poverty varies according to the stage of development. But notes significant differences between the region of North Africa and East. This supports our contention that civil society and governance has more impact on poverty in the East African region, the poorest than in the rich region of North Africa. For example, the relationship between civil society and poverty is positive and significant for East Africa, is negative and significant in North Africa. The relationship between governance (policy and legal indicators) and poverty is positive and significant for East Africa, but in North Africa only administrative indicators have a positive effect on poverty. This supports our claim that governance has more impact on poverty than civil society.

**Keywords:** civil society, governance, poverty, Regional Economic Integration, North Africa, East Africa.

## **1. Introduction**

The United Nations Declaration (2000) sets out eight Millennium Development Goals (MDGs) until 2015. The eight goals are aimed at accelerating human development and reducing poverty in developing countries. Unfortunately, at present, most African countries are off-track with respect to these goals. At the same time, the improvement in GDP per capita and the Human Development Index (UNDP, 2010) appear to be linked to well-being and poverty reduction. In most developing countries, poverty is still considered a big problem. Appropriate and collective planning efforts are needed to fight poverty. The importance of good governance for economic development has been increasingly recognized over the past three decades by academics as well as policy makers. Economists and lawyers have studied the effects of poor governance on economic performance, and the alternative of institutions that attempt to replace ineffective formal state laws.

The World Bank provides quality criteria for governance (political stability and absence of violence, efficiency of government, quality of regulation, rule of law, absence of corruption). According to UNDP (1997) "governance is in favor of sustainable human development". According to UNDP (1997) "good governance is defined, among other characteristics, as participatory, transparent and accountable; it is also effective and equitable: it promotes respect for legality ". According to Sen (1999) "a process of expansion of the real freedoms that people can enjoy. In this way, the expansion of freedoms is both the primary end and the main means of development.

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 institutional quality, 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.

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. to respond, organizations that manage the systems administrative 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 growth, which in turn contributes to development.

With the emergence of a global understanding of the challenge of development, various reasons have been identified: insufficient technology, lack of capital and education, cultural factors and institutional failures. In analyzing the challenge of eradicating hunger and poverty, governance has attracted particular attention in the past decade. Kofi, United Nations Secretary-General (1998), told world leaders, "Good governance is perhaps the most important factor in eradicating poverty and promoting development."

The main objective of this study is to encourage civil society and governance that have played a key role in poverty reduction. One of the most striking developments of the past decade in Africa and other developing country regions has been development strategies and declining poverty rates. This study aims to locate the main determinants of poverty reduction. The literature review has taught us that the main explanatory factors that can determine development are economic growth, job creation, government transfer payments, and income inequality. In recent years, development has become one of the political concerns of governments and international institutions and civil society. Since the late 1990s, the importance of governance in the performance of growth has been widely recognized and the number of researchers who have analyzed the relationship between governance and economic growth has increased significantly. Knack and Keefer (1995) have emphasized the

role of a country's political, institutional and legal environment in determining economic performance.

World Bank President Serageldin and Landell-Mills (1991) define good governance in the "governance" report as good governance. According to the World Bank, good governance means the absence of corruption to the extent that it can alter policy objectives and weaken the legitimacy of public institutions. In the report (1992) "Governance and Development", according to the World Bank, good governance is defined as the way power is exercised to manage national economic and social resources devoted to development. Good governance contributes to social and economic development and to achieving the overarching goal of reducing global poverty. Countries with relatively good governance tend to grow more rapidly, while countries with relatively poor governance tend to grow more slowly. Thus, the elements of governance play a crucial role in determining the rate of growth and the development of an economy.

Developing countries want civil society and good governance. They hope to benefit from it in order to promote development. As such, poverty reduction is a dimension of development. In recent years, poverty reduction has become a primary goal of civil society and governance policies in both developed and developing countries. The purpose of this study is therefore to examine the effects of civil society and governance on poverty in the countries of North and East Africa, for the period 1996-2016, using the method in a static model. More specifically, this study aims to answer the following questions:

- (1) Are civil society and governance equally important in reducing poverty for the North and East Africa region?
- (2) Does governance have more impact on poverty reduction than civil society?
- (3) Are there differences between North and East Africa?

This article is organized as follows: We first present a literature review on the link between civil society, 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 civil society, governance and poverty, by region. Finally, we will conclude this work with a conclusion and political implications.

## **2. Literature review of the relationship between civil Society, governance and poverty**

### **2.1. The impact of governance on poverty reduction**

Good governance is a determining factor in economic and social development. According to the World Bank, the essential criteria of good governance: (rule of law, democracy, the requirement of transparency and accountability in various aspects of public and private life, participatory management and existence a decentralized system of decision-making, effective management of public resources, a sound macroeconomic framework that encourages and promotes free enterprise and the market economy, the fight against corruption.)

- Responsibility: we can foresee two aspects of responsibility (political accountability, that is to say, the empowerment of elected representatives vis-à-vis the voters who have invested them with this power and administrative accountability, that is to say, the responsibility of the civil servants vis-à-vis elected officials).

- Transparency: that is to say, openness and absence of any error or doubt concerning the measures taken. In other words, the opportunity for the public to access knowledge of government policies and strategies.

- Participation: this is a process by which stakeholders influence decisions of general interest and provide joint control of the means and institutions that, in turn, affect people's lives and enable them to control the power of the authorities. It refers to procedures, approaches or attempts to give individuals a role in decision-making affecting the community or organization of which they are a part.

- The rule of law: setting up a system of rules that really supports the institutions that ensure the proper application of these rules.

- Equity: according to Sen (1998) "equity is a multidimensional concept that covers equal opportunities and access, as well as the distribution of consumption and wealth. The key to success in the fight against inequality lies not only in the redistribution of wealth, but also in the increased opportunities offered.

The fight against corruption: Benson (1981) defines corruption as "Technically, there is corruption as soon as the direct person responsible for a change in the structure of property rights obtains in return a personal benefit, monetary or otherwise, from the share of beneficiaries: it is a real black market property rights. Corruption is the most serious obstacle to development and economic growth.

North (1990) defines institutions as "humanly constraining factors that help structure political, economic, and social interactions." According to Amprou and Chauvet (2004), "the allocation is based on levels of poverty and the quality of institutions and economic policies, according

to external shocks to countries and situations of conflict and post-conflict". Good governance is the transparency of public action, the control of corruption, the free functioning of markets, democracy and the rule of law with macroeconomic stabilization.

According to UN Secretary-General Kofi Annan (1998), "State sovereignty, in its most basic sense, is being redefined (...). States are now widely regarded as instruments in the service of their peoples and not the reverse. At the same time, the sovereignty of the individual (...) is reinforced by a renewed awareness and in full dissemination of individual rights. Senegal's national program of good governance (2002) set itself the objectives of "contributing to efficiency and transparency in economic and social management and strengthening the rule of law in a democratic society. The program should help to anchor in the minds of every citizen that access to power and resources is fair and transparent. It will also contribute to the establishment of peace and stability and foster an environment conducive to production and transparent management practices in the public and private sectors. (...) Thus, the program aims to improve the quality of service, especially in sectors where social demand is very strong (education, health, employment promotion).

An economy is capable of generating sustained economic growth and poverty reduction. Economic growth generally has an overflow effect on poverty. There are consequences that result from the distribution of economic growth through a competitive market structure. Countries such as South Korea, Singapore, Taiwan and Hong Kong are countries that have achieved a high level of growth and have been able to significantly reduce poverty (Dollar and Kraay (2002)). On the contrary, others argue that economic growth is necessary but see that it remains insufficient to generate poverty reduction. Indeed, the process of economic growth in general exacerbates inequalities and poverty in society. A certain level of redistribution and correction of economic inequalities in society is necessary to achieve stable economic growth (Ravallion 2001, Bruno Ravallion and Squire 1998). Effective institutions with clear rules of economic commitment to reduce transaction costs, market imperfections and make a non-market resource allocation in some cases.

The essence of institutions in this case is simply to support the economy; it is not to give primacy to politics, democracy or governance in the issues of poverty. However, in recent times, new thoughts have begun to emerge on the notion of poverty, its causes and the strategy to combat it. Governance has become a key issue in the discourse on poverty. Poverty is a policy issue that exists in the field of politics. Poverty, inequality and governance are now

considered to be linked, because without good governance, poor policy choices will be made, people will be speechless and powerless, and the economy can probably deteriorate. Similarly, when poverty and inequality persist in a society, they weaken the political process and promote weak governance. Governance provides the institutional, legal and political framework not only for designing poverty reduction policies, but also for improving the capacity of the poor to deal positively with and improve their material conditions. Governance ensures the participation of the poor in decisions that affect them and gives them the means to obtain their views on the political agenda.

## **2.2. The impact of civil society on poverty reduction**

In order to understand the poor economic performance in Africa and their generally poor strategies of poverty reduction, it seems that an analysis of the social relations that shape the decision-making processes and implementation of state policies is necessary. Without this, it is difficult to understand why decisions for the poor are made by many African leaders. As we have seen, poverty is multidimensional and not just linked to material deprivation. It is a vulnerability, a feeling of helplessness, weak capacities, limited livelihoods and other constraints to getting out of poverty that are partly the result of weak state institutions and governance that are policies, weak formal institutions, poorly designed rules and implementations of the law, inadequate service delivery, and other practices that hinder the creation of a supportive environment.

### **Non-development policy**

Aspects of political systems in Africa tend to hinder transformational change and poverty reduction efforts. This is because deep social forces create power relations, often referred to as "neo-patrimonial" or "hybrid," a state that shares a number of characteristics. These include (i) a weak separation of the public and private spheres, (ii) private appropriation of public resources (of corruption), (iii) regular use of clientelism, nepotism and other relationships vertical exchange to maintain power, (iiii) low interest.

Decisions that affect development are often made by informal networks of influential people (although some of them may have official positions in government) according to their highly personalized logic. Public administrations in these countries are subject to loyalty tests rather than appointed and kept on merit, the implementation of policies that go against the interests of elite is likely to delay further.

### **Corruption**

Abuse of a public office for private purposes is the norm in such states. This is evident in a number of countries in different ways. Of course, bribery and bribes for public procurement and to evade taxes and customs fees are common. The misappropriation of public funds, and the sale or misuse of government property are seen frequently. For example, civil servants resort to the creation of small supply companies simply to provide goods at inflated prices for the departments where they work. On a larger scale, public licenses are distributed to the politically favored so that they can monopolize telecommunications or IT services. These practices hamper the development of public services (mobile phone networks, for example) and raise their costs.

### **Weak states**

African national borders are largely a colonial legacy; they have been set with little regard for local residents. This has resulted in countries that are marked by ethnic and religious diversity that has been transformed into ethnic and religious conflict (at the local and national levels) by unscrupulous politicians, budget constraints and discrimination. Conflicts in Darfur and northern Nigeria. In many countries, vast territories are outside the control of the central government, and warlords reign by the form of arms, which they often acquire by selling resources (diamonds, coltan, wood, etc.), this is the case today in the Democratic Republic of Congo, and in the previous decade in several West African countries. In other words, in some African states, the process of building the nation is incomplete.

### **Weak civil societies**

Most Africans live in rural areas. Many people know little of the world outside their villages, except what they hear on the radio. Getting schools, clinics, cities and the capital is difficult because of poor roads and transportation. In many countries, people living in a region have little contact with those living in other areas. Taken together, this creates a society that favors local connections (family and clan, tribal, religious, regional) rather than a shared national identity.

This is what is meant when analysts speak of African civil society as "weak". It is a strong relationship between civil society and the resolution of contemporary issues such as crime, low quality education and sustainable development. The voice of citizens is rarely heard, it has some local organizations, but little influence at the national level.

### **Curse of resources**

Socio-political events independently affect poverty and poverty reduction, it is easier to see their impact when talking about the resource curse. Resource endowments - such as oil, gas, coltan, diamonds, hardwoods - can become "curses" in the face of political incentives and policy failures they generate (Robinson, Torvik and Verdier (2006)). Indeed, "the failure of the policy is the main cause of the under-performance of the countries of abundant resources" (Lal and Myint (1996)). As these resources are generally owned by the state, the government decides the level of extraction, timing and rent expenditures. It is easy to see that some governments would like to benefit economically and politically from the resource as quickly as possible, leading to overexploitation, and short-term policies.

In addition, the wealth of these state-produced resources accentuates political competition, and the ruling party can thus be led to use resource rent to maintain its influence. Offering public sector contracts and employment is one of the key patronage mechanisms available in these states, and it is obvious that resource-rich countries with stagnant economies. For example, in Zambia's high copper, between 1966 and 1980, the average annual growth rate of public sector employment was 7.2%, while average private employment contracted by 6.2% each year (Gelb, Knight and Sabot (1991)). How does the government choose to invest and spend resource rents that are often influenced by the quality of their public institutions. Institutions that are competent, transparent and accountable are able to manage the resource rent in a manner that is separate from heritage practices, and are allocated according to rational and independent criteria. Even though poverty has increased. In particular, the path and accountability, government effectiveness, market-friendly policies and the regulatory framework and effective anti-corruption measures have had the greatest impact. In general, poor governance, human violence, corruption, clientelism and other "informal" practices combine with structural constraints to generate and sustain poverty. They also make it difficult for people to initiate and carry out reforms that would improve their livelihoods. It is for this reason that Western development practitioners are fighting poverty on two levels: one level trying to strengthen economic development and growth, and the other by improving local governance and empowerment national. Both strategies focus on setting up or reforming public and social institutions.

### **3. Methodology**

#### **3.1. Variables**

The main variables that we use to explain the effect of civil society and governance on poverty reduction are political rights, civil liberty and the six governance indicators (Voice and responsibility, Political stability and absence of violence), Government Effectiveness, Regulatory Quality, Rule of Law and Corruption Control) and the Human Development Indicator (the poverty rate indicator). We also use a number of control variables.

**Indicators of civil society:**

- . **Political Rights (PR):** who measure freedom for political activism.
- . **Civil liberties (CL):** measures the enjoyment of civil liberties in different countries.

**Governance indicators:**

- . **Voice and responsibility (RESP):** measures the probability of civil and political freedom and the independence of the media in each country.
- . **Political Stability (STAB):** measures the likelihood of a government being exposed to violence against terrorism or serious threats.
- . **Government Effectiveness (EFFECT):** This is a purely institutional indicator developed to measure the quality of public service and administration.
- . **Regulatory Quality (REG):** measures the obstacles that threaten the functioning of the market.
- . **The Rule of Law (RULE OF LAW):** measures the ability of society to have a healthy environment characterized by fair and predictable rules.
- . **Corruption Control (COR):** measures the use of power available to a public official for personal gain.

**Poverty (HDI):** It is measured by the Human Development Index.

**Control variables**

**Economic and political variables:**

- . **GDP per capita (GDP):** It is measured by the annual growth rate of GDP per capita.
- . **Total debt (Debt):** 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 (GE):** 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.

**The variables of the business environment:**

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

### 3.2. Sample

We believe that the countries in our sample are fundamentally different in many respects in terms of the determinants of poverty (political, institutional and economic differences). Regional economic integration is becoming an increasingly important driver for economic development, growth and human development. Economic integration between neighboring countries is growing all over the world. International development institutions such as the Africa Development Bank and the World Bank stress the need for regional integration in their strategic plans and the scaling up of actions in this direction.

**North Africa:** Tunisia, Algeria, Egypt, Libya, Morocco, Mauritania.

**East Africa:** Kenya, Tanzania, Uganda. Burundi, Rwanda.

### 3.3. Presentation of the model

There is also a need to look at the impact of civil society and governance on poverty. The issue of linking civil society and governance indicators to poverty reduction has not attracted much attention from economists. We will use panel data for the period 1996-2016. We test the effect of civil society and governance indicators on poverty. To achieve this end, we will estimate the following model:

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

### 3.4. Descriptive statistics

**Table 1: Descriptive statistics (North Africa)**

Variables	Observation	Mean	Std. Dev	Min	Max
HDI	126	0,705	0,797	0,416	9,52
CL	126	5,119	0,934	3	7

<b>PR</b>	126	5,722	1,092	1	7
<b>Stab</b>	126	-0,586	0,711	-2,35	0,814
<b>Cor</b>	126	-0,450	0,419	-1,62	0,55
<b>Effect</b>	126	-0,415	0,527	-1,89	0,62
<b>Rule of law</b>	126	-0,453	0,447	-1.81	0,23
<b>Reg</b>	126	0,599	0,581	-2,27	0,3
<b>Resp</b>	126	-0,939	0,428	-1,93	0,3
<b>Debt</b>	126	479,291	4907,412	-202,548	55123
<b>ODA</b>	126	6,439	27,452	-191,716	190,131
<b>GDP</b>	126	2,037	11,410	-62,466	102,777
<b>Education</b>	126	69,424	29,120	15,874	111,181
<b>Openness</b>	126	53,335	33,403	19,18	173,479
<b>FD</b>	126	35,660	21,961	2,349	81,648
<b>GE</b>	126	16,774	4,107	9,943	28,73

**Table 2: Descriptive statistics (East Africa)**

<b>Variables</b>	<b>Observation</b>	<b>Mean</b>	<b>Std. Dev</b>	<b>Min</b>	<b>Max</b>
<b>HDI</b>	105	0,423	0,077	0,258	0,58
<b>CL</b>	105	4,523	1,056	3	7
<b>PR</b>	105	5,028	1,228	3	7
<b>Stab</b>	105	-1,069	0,658	-2,51	0,07
<b>Cor</b>	105	-0,762	0,460	-1,46	0,76
<b>Effect</b>	105	-0,654	0,404	-1,73	0,09
<b>Rule of law</b>	105	-0,759	0,440	-1.73	0,01
<b>Reg</b>	105	-0,506	0,466	-1,67	0,25
<b>Resp</b>	105	-0,781	0,463	-1,75	-0,11
<b>Debt</b>	105	56,387	34,853	12,791	177,62
<b>ODA</b>	105	7,640	8,277	-25,621	52,044
<b>GDP</b>	105	2,352	2,913	-8,802	10,637
<b>Education</b>	105	26,629	16,842	5,159	67,328
<b>Openness</b>	105	45,385	13,785	21,574	96,093

<b>FD</b>	105	17,626	10,637	3,094	51,097
<b>GE</b>	105	15,346	4,711	7,501	31,573

For the sample studied, in North and East Africa, the statistics presented show that the human development index (HDI) in North Africa ranges from (0.416) to 9.52 and in Africa. East they range from 0.258 to 0.58.

Another very interesting indicator to notice is civil liberty. Civil liberty in North and East Africa varies between a minimum of 3 and a maximum of 7. Political law in North Africa varies between a minimum of 1 and a maximum of 7 and in East Africa between 3 and 7. If we consider political stability in North Africa, can reach a maximum of 0.814 and in East Africa (0.07). In addition, these countries recorded corruption in North Africa ranging from a low of -1.62 to a high of 0.55 and in East Africa between (-1.46) and (0, 76). Government effectiveness in North Africa varies between a low of (-1.89) and a high of 0.62, and in East Africa between (-1.73) and 0.09. The rule of law in our sample (North Africa) varies between a minimum of -1.81 and a maximum of 0.23 and in East Africa varies between -1.73 and 0.01. For the regulatory quality variable in North Africa, we note that ranges from a low of -2.27 to a high of 0.3 and in East Africa ranges from -1.67 to 0.25. . The variable of voice and responsibility in North Africa, varies between a minimum of (-1.93) and a maximum of 0.3 and in East Africa, varies between (-1.75) and -0 11.

#### 4. Results and discussions

**Table 3: Robustness analysis of the relationship between civil society, governance and poverty in north africa**

The variables	Coefficient	P(t)
<b>CL</b>	<b>-0.012</b>	<b>-2.27**</b>
<b>PR</b>	<b>-0.008</b>	<b>-1.43</b>
<b>Stab</b>	<b>-0.002</b>	<b>-0.43</b>
<b>Cor</b>	<b>0.017</b>	<b>1.03</b>
<b>Effect</b>	<b>0.024</b>	<b>1.61*</b>
<b>Rule of law</b>	<b>-0.047</b>	<b>-3.20***</b>
<b>Reg</b>	<b>0.022</b>	<b>1.93**</b>
<b>Resp</b>	<b>-0.023</b>	<b>-1.46</b>

<b>Debt</b>	-6.30	-1.60
<b>ODA</b>	-0.000	-1.59
<b>GDP</b>	0.000	0.71
<b>Education</b>	0.003	20.59***
<b>Openness</b>	0.000	1.15
<b>FD</b>	-0.000	-2.52**
<b>GE</b>	-0.001	-1.53
<b>Constant</b>	0.496	12.89***
<b>Nb Observation</b>	98	
<b>R<sup>2</sup></b>	0.79	

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

**Table 4: Robustness analysis of the relationship between civil society, governance and poverty in east africa**

<b>The variables</b>	<b>Coefficient</b>	<b>P(t)</b>
<b>CL</b>	<b>-0.001</b>	<b>-0.28</b>
<b>PR</b>	<b>0.006</b>	<b>1.65*</b>
<b>Stab</b>	<b>0.003</b>	<b>0.60</b>
<b>Cor</b>	<b>0.006</b>	<b>0.77</b>
<b>Effect</b>	<b>-0.004</b>	<b>-0.32</b>
<b>Rule of law</b>	<b>0.074</b>	<b>6.39***</b>
<b>Reg</b>	<b>-0.008</b>	<b>-0.95</b>
<b>Resp</b>	<b>0.039</b>	<b>3.18***</b>
<b>Debt</b>	-0.000	-2.05**
<b>ODA</b>	-0.000	-1.95**
<b>GDP</b>	0.000	-1.07
<b>Education</b>	0.003	11.62***
<b>Openness</b>	-0.000	-0.53
<b>FD</b>	0.000	0.23
<b>GE</b>	-0.000	-1.21
<b>Constant</b>	0.438	18.34***

<b>Nb Observation</b>	103	
<b>R<sup>2</sup></b>	0.91	

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

The results obtained are interesting. As for the importance of civil society and governance indicators, which is of greatest interest to us in this study, the estimation results point to a negative and significant coefficient of civil society indicators. The first indicator of civil liberty appears to be negative and significant in the countries of North Africa, not significant in East Africa. Civil liberty gives an idea of the increase of poverty in North Africa. Increasing civil liberty by 1% reduces the human development index by 0.012 percentage points in North African countries. Indeed, the second indicator of civil society (political law) shows a positive and significant coefficient in the countries of East Africa and not significant in North Africa.

The results of our estimation draw conclusions that confirm the crucial role of civil society in explaining poverty reduction in East Africa. This supports our claim that civil society has more impact on reducing poverty in the East African region than in the North Africa region. This suggests that high rates of civil society are associated with a decrease in the level of poverty. Indeed, we find that the effect of increasing a unit of political right in East Africa will cost 0.006 more units than the poverty indicator measured by the human development index.

Regarding governance indicators (the government efficiency variable and the quality of regulation), it appears to be positive and significant in North African countries, but the rule of law variable is negative and significant. . The results of our estimation draw conclusions that confirm the crucial role of administrative indicators in reducing poverty in North Africa. This suggests that high rates of administrative indicators are associated with a decrease in the level of poverty. Indeed, we find that the effect of increasing one unit of efficiency in East Africa will cost 0.024 units and the effect of regulation quality will cost 0.022. In the East African region, governance indicators (rule of law and voice and responsibility), its sign is positive and significant. The key role of legal and policy indicators in poverty reduction in East Africa.

The results of our estimation draw conclusions that confirm the central role of governance in explaining poverty reduction in North and East Africa. This supports our assertion that governance has more impact on poverty reduction than civil society.

For these control variables, government expenditures (G), not significant in North and East Africa. Especially in developing countries, the basic needs of citizens are mainly provided by

government spending. At the same time, much of the government funding comes from debt. For this reason, the debt ratio as a control variable should represent the government's financial constraints, the debt ratio is expected to have a negative impact on well-being in East Africa, plus the indebtedness of the government a country is high, the more the capacity of the government to meet the basic needs of its population is limited (constraint).

Another control variable such as the commercial openness indicator, not significant. This indicator is measured as the ratio of total exports and imports to GDP. The education level of a population indicates the quality of the countries' human capital should have a significant and positive impact on poverty reduction in North and East Africa. Measured by the gross secondary school enrollment ratio, the education indicator is used as a control variable in the regressions. Those aimed at improving well-being and reducing poverty. Per capita GDP growth is not significant.

### **Conclusion and policy implications**

In the countries of North and East Africa, most civil society and governance indicators are positively and negatively correlated with poverty reduction in the period 1996-2016. It should also be noted that civil society in East Africa is likely to play the most important role in explaining poverty reduction only in the countries of North Africa. In the analysis of the period (1996-2016), in the countries of North Africa, the essential is the administrative indicators (the efficiency of the government and the quality of the regulation) show statistically significant and positive results, while in East African countries, the essentials and civil society, political indicators and legal indicators. Regarding the impact of civil society and governance indicators on poverty reduction in the region of North and East Africa, governance has more impact on poverty reduction as civil society.

In the North Africa region, the government efficiency variable and the quality of significant and positive regulation, and in the East African region, the rule of law and voice and responsibility are statistically significant.

However, the impact of civil society and governance differs according to each of its elements and groups, according to the regional economic classification. For example, in North African countries, the quality of governance seems to have a greater impact on poverty reduction. However, the impact of governance indicators, administrative variables seem to have a greater impact on poverty reduction than other elements of governance. In East African countries, civil society, political and legal variables seem to have a greater impact on poverty

reduction. Therefore, to reduce poverty, it is necessary to understand the characteristics of each element of governance and civil society.

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