Assessing Capacity Building and Good Governance Indicators in Sub-Saharan Africa: The Implications for Poverty Reduction

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Abstract

The aim of this paper was to examine two important factors that serve as the foundation for poverty reduction in Sub-Saharan Africa: capacity building and good governance. The data showed significant differences in the measures of capacity building and good governance across regions. Differences in gender equality and personal satisfaction with life opportunities were most evident across regions. The data indicated that good governance was an issue throughout Sub-Saharan Africa regardless of region. The data also indicated the existent of several links and non-links between human development characteristics and the level of poverty in the nation. It showed that personal satisfaction with life opportunities or government services had no significant influence on the nation's level of poverty. The level of education among the nation's population had the greatest potential for explaining variation in the level of poverty, and the migration and population characteristics were associated with producing change in the level of poverty. The data indicated that gender was important in reducing poverty to the extent that it relates to inequality in education. Good governance appears to be a stronger factor influencing changes in poverty level, but weaker in explaining variation in poverty. Overall, the Sub-Saharan nations with the lowest level of poverty had some combination of a population with higher median years of school completed, a higher level of government effectiveness score, and/or a lower population growth rate. The findings lend support to the adoption of an integrated policy approach that takes into consideration social development alongside with economic development as a means to reduce poverty in Sub-Saharan Africa. The social component of the strategy would emphasize human capital development while the economic component would employ an inclusive growth strategy.

Assessing Capacity Building and Good Governance Indicators in Sub-Saharan Africa: The Implications for Poverty Reduction

Despite its abundance of natural resources and the potential for economic growth and development on the continent, the countries in Sub-Saharan Africa continue to have high levels of extreme poverty and a life expectancy that is among the lowest in the world. Over the last 40 years, the quality of life in Sub-Saharan Africa has gotten progressively worse. In fact, the plight of the people of Sub-Saharan Africa is rather depressing when compared to some of the other regions of the world.[1] Sub-Saharan Africa has one of the weakest socioeconomic foundations for building public sector capacity. According to the World Bank, between 1980 and 2007, Sub-Saharan Africa had the highest annual population growth at 2.7 percent. Averaging 51 years, the region had one of the lowest life expectancy in 2007. The life expectancy in Sub-Saharan Africa was at least twenty years less than all regions of the world except South Asia, where the life expectancy was thirteen years greater than Sub-Saharan Africa. The infant mortality rate in Sub-Saharan Africa of 146 per 1,000 was also doubled that of South Asia and four times greater than the other regions. It also had the highest percentage of underweight children due to malnutrition. The youth literacy rate in Sub-Saharan Africa was the lowest of all the regions, and it had the highest prevalence of HIV for adults between the ages of 15 and 49 (World Bank, April 2009).

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[1] (The other regions included East Asia and Pacific, Europe and Central Asia, Latin America and Caribbean, Middle East and North Africa, and South Asia)

In July 2001, the African Union adopted a new "framework for action" called The New Partnership for African Development (NEPAD). NEPAD was a mandate to develop an integrated socio-economic development framework to address escalating poverty, to achieve sustainable growth, to halt the marginalization of Africa, and to accelerate the empowerment of women. Supporters of NEPAD embraced the call for an "African Renaissance" based on a long-term vision to address poverty alleviation in all African counties, with Africans taking the lead in the creation and development of programs to address the social, political and economic development on the continent (Venter and Neuland, 2005). The aim of this paper is to examine two important factors that serve as the foundation for development and poverty reduction in Sub-Saharan Africa: capacity building (as represented by human development) and good governance. The objectives of this paper are: 1) to do a regional comparative evaluation of some of the capacity building (human development) markers and indicators of good governance that are necessary for achieving the sub-continent's poverty reduction priorities; 2) to examine the connection between the select capacity building measures and poverty indicators; 3) similarly to examine the relationship between the indicators of good governance and level of poverty, and 4) to discuss the implications for the creation of a policy approach that results in sustainable social, political and economic development and poverty reduction in Sub-Saharan Africa.

Although outsiders tend to see and treat the nations of Sub-Saharan Africa as one unit, we should not ignore the fact that Sub-Saharan Africa is made up of forty-eight diverse nations with diverse populations that are often culturally and socially different. As the African Union seeks to develop a framework for action, it is incumbent that

consideration be given to the degree to which such a framework should have local, national, regional and/or continental focus to addressing the capacity building and governance problems in Sub-Saharan Africa. Thus, the ambition here is provide information that has implications for poverty reduction and the development of local, national and regional policies on the sub-continent. This information could also be used by other agents/agencies interested in matters related to reducing the escalating poverty rate and achieving sustainable growth on the region and on the continent.

Challenges of Poverty Reduction

In 2000, world leaders came together at United Nations Headquarters and adopted the <u>United Nations Millennium Declaration</u> in which the countries of the world formed a global partnership to reduce extreme poverty by 2015.   The declaration set as part of its goals cutting in half the proportion of people whose income was less than a dollar a day and the proportion that suffers from hunger.   According to the UN, the world is on track to meet the Millennium Development goals of halving the proportion of the people living on less than a dollar a day (United Nations Summit, 2010). However, the UN acknowledges that these achievements are largely the result of extraordinary success in East Asia. It was noted, however, that little progress had been made in Sub-Saharan Africa where the poverty rate had declined by only a little more than 5 percent between 1990 and 2005.

Prior to the UN Millennium Development initiative, in 1999, the World Bank (WB) and the International Monetary Fund (IMF) had introduced a new framework to reduce

poverty. This framework was introduced in the Poverty Reduction Strategy Papers (PRSPs). This new framework called for country-led strategy designed to enhance domestic accountability among the most impoverished countries. The key elements of the enhanced framework were: 1) a comprehensive understanding of poverty and its determinants; 2) choosing public actions that have the highest poverty impact; and 3) choosing outcome indicators which are set and monitored using participatory processes (International Monetary Fund/World Bank. 1999a).   Ultimately, IMF and the WB identified five principles in Poverty Reduction Strategy Papers that underlie the approach: 1) country-ownership of a poverty reduction strategy is paramount (country driven); 2) an understanding of the nature and determinants of poverty (results-oriented); 3) a poverty reduction strategy should integrate institutional, structural and sectorial interventions (comprehensive); 4) government development strategies that facilitate coordination with other institutions (partnership); and 5) an understanding that poverty reduction will require institutional changes and capacity building that will result in a long-term process/perspective (International Monetary Fund/World Bank. 1999b).

Key to any poverty reduction strategy and development is the ability of the nation to engage in capacity building. Capacity building has been defined as the "process of developing and strengthening the skills, instincts, abilities, processes and resources that organizations and communities need to survive, adapt, and thrive in the fast-changing world."(Philbin, 1996)   Capacity building is said to encompass all the human, scientific, technological, organizational, and institutional resource capabilities in a country with the goal of enhancing policy choices and modes of implementation (United Nations, 1992). Capacity building occurs on many levels and successful capacity building depends

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heavily upon human capacity (the individuals), organizational capacity (groups of individuals), and institutional capacity (the formal rules and informal norms) (The World Bank, 2005). There is no development without the ability of a nation, a people or a community to enhance its potential to build its capacity. After all, development and poverty reduction are about the community (the nation) empowering itself to bring about positive changes and personal growth by transforming lives and society (Eade and Williams, 1995).

In the early 2000s, most African nations embraced the Poverty Reduction Strategy Papers as the primary course of action to escape the strangle hold of poverty. The outcomes of the PRSP were geared more toward structural development or building institutional capacity.   In many ways, the PRSP in Africa has focused largely on state or other non-government institutions to produce poverty reduction strategies. Since its inception, the PRSP, especially as implemented in Africa, has met with criticism and praise. Craig and Porter commended the PRSP for being a new convergence of public policy around global integration and social inclusion on one hand, yet on the other hand they raised concerns about structural tendency to favor the technical and juridical over the political economic (Craig and Porter, 2003). Ikhide and Obadan (2011), noted that the capacity of most African governments to draw up sound economic policies and implementation of them varied from country to country, but the real concern was that most Sub-Saharan nations did not have the human resources and institutional capacity to undertake the type of analysis, design programs and monitor their impacts.   PRSP has been criticized in Africa for relying on externally conceived interventions at the local scale, for not considering the social context and processes

through which problems are identified and solutions shaped, and for failing to address the compromises to work out between different sectors of the community (Carr, 2008). Cheru (2006), concluded that in Africa much needs to be done if the PRSPs approach is to become more participatory and result-oriented, and deal with the multi-dimensional nature of poverty.

Alternatively, successful poverty reduction requires consideration being given to human capital development as well as increasing institutional capacity as advanced in the PRSPs. The human capital capacity building strategy supports reform in those institutions that promotes capacity building in areas such as human geography, education, health, housing, equality, personal satisfaction, etc. There is a direct connection between capacity building (human development) in a structural context and human capital development. The relationship is best described as one where the individual is unable to achieve human capital development within the context of their personal abilities and resources; however they are able to experience human capital development within the context of the services delivered by the institutions in society. According to Nyong'o, the principal indicators of poverty reduction are those variables that measure improvements in the standards of living such as education, health, housing, security and social solidarity or human dignity (Nyong'o, 2001).

Krishna suggested that the fastest way to reduce poverty is not to focus on whom to target, but what to target. From this perspective, focusing on the reasons related to escaping poverty are just as important as focusing on the reasons for falling into poverty (Krishna, 2007). A study examining the adoption of human strategies as a tool in the reduction of poverty in Africa found that inter-country differences in poverty levels can

be accounted for by factors such as public expenditure on education, primary school enrollment, female educational enrollment, expenditure on health, and good governance (Arimah, 2004). Harber examined the political relationship between education and poverty in Africa and concluded that education helps poverty reduction efforts by fostering democracy and greater citizen participation in the political decision-making process (Harber, 2002). A study of the effects of different types of government expenditures on services in rural areas in Sub-Saharan Africa showed that education's effect on poverty reduction ranks after agricultural research and extension, and road improvements (Fan and Zhang, 2008). Gender equalities also remain an issue impacting poverty reduction efforts in Africa. Mainly because of social expectations, young women's enrollment in education and access to employment continues to be a problem in poverty reduction (Jones and Chant, 2009). A recent World Bank report that examined the link between inequality and poverty in Sub-Saharan Africa concluded that reducing gender based asset inequality increased growth, efficiency and the welfare of the household (Blackden and Bhanu, 1999). Among other human development factors that influences poverty reduction are life satisfaction and migration. Rojas argues that measures of life satisfaction should also be taken into account when designing and evaluating poverty-reduction programs (Rojas, 2009). Similarly it has been suggested that migration factors into poverty reduction strategies. Poverty is said to cause migration and it can be caused by migration, on the whole migration tends to serve as a factor alleviating poverty (primarily because one of the benefits of migration is remittance) (Skeldon, 2002).

Another key to poverty reduction is good governance. Governance has been defined as the process of decision-making and how decisions are implemented (United Nations, 2006). Thus, good governance is about how institutions (in this case public institutions) conduct their affairs. There has been much discussion about good governance and the nations of Sub-Saharan Africa. It has been suggested that there are three elements important and relevant to good governance in Sub-Saharan Africa: prevention of corruption, education of and communication with the people, and enforcement of policies (Thiam, 1999). However, this is often not the case in most Sub-Saharan countries. Efforts to achieve good governance has been problematic in the vast majority of Sub-Saharan nations because of a failure to apply sanctions for corrupt behavior, the institutional capacity of the state (or lack of), and a failure to manage the economies well (Lockwood, 2005). To overcome many of these problems, Maathai (2009) spoke of the pillars of good governance in Africa in the context of a three-legged stool. Each leg of the stool represented a pillar. The first leg represented democratic space where human and other rights were respected. The second leg symbolized good management of natural resources and the third leg stood for cultures of peace (as indicative of fairness, respect, compassion, forgiveness and justice.

As a component of poverty reduction in Africa, good governance needs to be refocused or be structured to enhance participation, accountability, political and economic rights and political inclusion (Nyong'o, 2001). Poverty reduction requires rule of law, transparency, institutional accountability and elimination of corruption in government (The World Bank, 2001). Whereas, the country led strategy called for by the PRSP has resulted in the decentralization of poverty reduction efforts in Africa. The

problem is the "elite capture" of local power structures and patronage system, will not likely lead to more pro-poor outcomes without effective accountability mechanisms being put in place locally and nationally (Crook, 2003). For example, a study of Nigeria's strategic plan for poverty reduction concluded that local government was structurally handicapped to handle the program outlined in the National Economic Empowerment and Development Strategy for issues ranging from disconnect between local officials and people they represent (especially the poor) to the local government being ignored by the traditional political structure (Adogamhe, 2010). The intent here is not to determine cause, per se, or to test a theoretical explanation; rather it is to explore how select indicators of capacity building as represented by human development and good governance influence on poverty reduction.

Methods

This study compiles data from the World Bank's Africa Database,[2] the CIA World Fact Book[3], and the Human Development Report 2010 Statistical Data[4] to evaluate the foundations for capacity building and good governance in Sub-Saharan Africa. Capacity building involves the collective ability of the population to respond to the needs of the community/nation. Capacity building often concerns a number of interdependent

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[2] The World Bank. 2011..Africa Development Indicators: The Little Data Book on Africa 2011

[3] The World Fact Book, online Washington DC, Central Intelligence Agency of the United States https://www.cia.gov/library/publications/the-world-factbook/rankorder/rankorderguide.html

[4] World Bank, Human Development Report 2010—Advanced Search Results, http://hdr.undp.org/en/reports/global/hdr2010/chapters/

factors such as human capital, socio-cultural capital, physical capital, financial capital and natural resources. Human capital resources are the focus of capacity building in this paper. In this study the measures of human capacity building resources were grouped into four categories: migration/population (or demographic characteristics), education, gender equality, and satisfaction.

The migration/population factors considered how characteristics such as growth, maturity and stability of the population influenced poverty reduction. Among the migration/population factors examined were size of the population, population growth, percentage of the population urban in 2010, annual growth in urban population (2010), net migration (2011 estimate) and the median age. Education is a key criterion for development in a nation and there were five indicators of the country's educational capacity examined in this study. These included the mean years of school completed by adults over the age of 25, the literacy rate for all over the age of 15, expected years of schooling, the percentage of age group appropriate individuals enrolled in secondary education, and the percentage progressing to secondary education. Gender equality is a measure of how human capital is being utilized in the development process. The measures of gender equality were the percentage of the members parliament that were female, the ratio for male/female percentage with secondary education, the male/female literacy rate ratio, the male/female ratio for the years of school expected to attend, and the ratio for the percentage of male/females in the labor force. Finally, although it is not a tangible measure of capacity building, personal satisfaction with life and satisfaction with institutions that contribute to societal well-being can also be considered indicators

of capacity building. Among the measures of satisfaction examined was the percentage of the population stating they were satisfied with their job, their personal health, their standard of living, the availability of affordable housing, and satisfaction with the health care and educational systems.

The World Bank originally defined governance as "the manner in which power is exercised in the management of a country's economic and social resources for development."[5] More recently the World Bank defined governance as "the manner in which public officials and institutions acquire and exercise the authority to shape public policy and provide goods and services."[6] The United Nations suggests that the characteristics of good governance include: consensus oriented, participatory, follows the rule of law, effective and efficient, accountable, transparent, equitable and inclusive, and responsive.[7]   Good governance has also been defined as the existence of efficient and accountable institutions -- that promote development, protects human rights, respects the rule of law, and ensures that people are free to participate in, and be heard on, decisions that affect their lives.[8] The World Bank's Worldwide Governance Indicators (WGI) Project regularly reports on what has been identified as the good

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[5] The World Bank. 1992. "Governance and Development" Washington DC

[6] The World Bank. 2007. "Strengthening World Bank Group Engagement on Governance and Anticorruption. (Washington, DC) http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTGOVANTICORR/0,,contentMDK:21519459~pagePK:210058~piPK:210062~theSitePK:3035864,00.html

[7] United Nations. 2006. What is Good Governance? United Nations Economic and Social Commission for Asia and the Pacific, www.unescap.org/prs/ProjectActivities/Ongoing/gg/governance.asp

[8] Amoako, K. Y. 2003. "The UNECA and Good Governance in Africa." A paper presented at the Harvard International Development Conference 2003: Governance by Kempe Hope, Sr.

governance indicators. According the WGI Project these indictors include: voice and

accountability, political stability and absence of violence, government effectiveness,

regulatory quality, rule of law, and control of corruption. The impact of each of these

measures of good governance will be examined as they relate to poverty reduction.

The WGI report assigns each country a value on each indicator ranging from -2.5 to 2.5.

A rating of -2.5 is considered very low and 2.5 is considered very high.

The dependent variables were the Human Development Index (HDI) and the

Multidimensional Poverty Index (MPI). The HDI is an instrument that measures

development based on three dimensions: health, education, and living standards. It is

intended to emphasize what people and their capabilities should be as an indicator of

development in a country. The HDI shows a country's development (or goalpost) and

shows where the country stands relative to goalpost by a value ranging from 0 to 1. [9]

The higher the HDI value, the higher the level of human development in the country.

Likewise the Multidimensional Poverty index (MPI) is intended to reflect what a poor

person in the country faces with respect to education, health and living standard and

complements the income measures of poverty.   The MPI was introduced in 2010 and it

is intended to supplant the HDI in the future. The MPI uses 10 different indictors to

measure development and only one of the four used to create the HDI. The MPI also

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[9] Human Development Reports: Indices and Data (United Nations Development Program)
http://hdr.undp.org/en/statistics/hdi/

uses a value ranging from 0 to 1, but the lower the value the greater the quality of life for the country's population. [10]

Findings

We began this analysis with a comparative examination of some of the markers of capacity building from a sub-continual and regional perspective. The aim here was to paint a picture of the capacity building (or the human development) indicators of migration and population, education, gender equality and satisfaction in Sub-Saharan Africa, and to show how they differed across the four regions. As shown in Table 1, in 2010 the size of the population in Sub-Saharan African nations ranged from just over 100 thousands to just under 159 million. The average Sub-Saharan African nation had around 18 million people, although there were 18 nations with populations less than five million. The nations in the East and West regions had the larger population, but overall the averages did not differ significantly across regions. The annual population growth rate in Sub-Saharan Africa was around 2.2 percent and it did not differ significantly across regions. The estimated net migration in Sub-Saharan African nations in 2011 was -1.5.[11] That is, the average Sub-Saharan nation has a net loss of 1.5 percent of its

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[10] Human Development Reports: Indices and Data (United Nations Development Program) http://hdr.undp.org/en/statistics/hdi/; Alkire, Sabina and Maria Emma Santos. 2010. Multidimensional Poverty Index: 2010 Data. Oxford Poverty and Human Development Initiative. Available at: www.ophi.org.uk/policy/multidimensional-poverty-index/.

[11] According to the CIA World Factbook, this entry includes the figure for the difference between the number of persons entering and leaving a country during the year per 1,000 persons (based on midyear population). An excess of persons entering the country is referred to as net immigration (e.g., 3.56 migrants/1,000 population); an excess of persons leaving the country as net emigration (e.g., -9.26 migrants/1,000 population). The net migration rate

population to migration annually. Although the average migration rate for the Southern African nations was -3.6, it did not differ significantly from the other regions. Population growth in urban areas is becoming a big problem in Africa. In 2010, it was estimated that roughly 40 percent of the population in the average Sub-Saharan African nation resided in an urban area. The nations in the Central region had the highest average percentage of the population residing in an urban area and its rate was significantly higher than that of the Eastern region where the average percentage of the urban population was around 31 percent. The percentage of the urban population in the Eastern region was also significantly smaller than that in the Western region (43.1 percent).   The annual growth rate in the urban populations across the sub-continent was roughly 3.5 percent and it did not differ significantly from region to region. Finally, the median age in the average Sub-Saharan African nation was 19.3 and this did not differ significantly from region to region.

(Table 1 about here)

There is much similarly between the educational outcomes regionally in Sub-Saharan Africa. In the average nation in Sub-Saharan Africa, the adult population over the age of 25 had 4.4 years of school and this did differ significantly between some regions. For example, Southern African nations had the highest average mean years of school for its adult population (5.9 years) and the West African nations had the lowest average (3.5 years). The average mean years of school for adults in Southern African

indicates the contribution of migration to the overall level of population change. The net migration rate does not distinguish between economic migrants, refugees, and other types of migrants nor does it distinguish between lawful migrants and undocumented migrants.

nations was significantly higher than the average in the average West African nations and the mean for the average Southern African nation was also significantly higher than the mean in the average East African nation. The literacy rate among the population in the average Sub-Saharan nation was 61.6 percent.   The Southern African nations had the highest average adult literacy rates and the nations in West Africa had the lowest average literacy rate at 48.5 percent. The average literacy rate in the West African nations was significantly smaller than the literacy rate in the other regions.   In Sub-Saharan Africa, in the average nation, the expected years of schooling was 9.2 years and no region differed significantly from the others. Secondary education is another important indicator of capacity building, and in the average Sub-Saharan African nation, 31.4 percent of the appropriate age group was enrolled in secondary education. This was in spite of the fact that the average nation has a progression to secondary education rate of 67.1 percent.

The data presented in Table 1 also show significant differences regionally in gender equality in Sub-Saharan nations. For example, in the average Sub-Saharan nation, only about 17 percent of the seats in parliament are held by women. The number of seats held by women in Central African nations (on average around 9.5 percent) was significantly smaller than the seats held by women in the average East and Southern Region nations. In the average nation in Southern region of Africa had a significantly higher percentage of females in parliament (22.7 percent) than the average West African nation (about 14.5 percent). In Sub-Saharan Africa, for every 10 males with a secondary education less than 7 females were likewise educated.   This figure differed significantly between the average Southern African nation (where for every 10

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males with secondary education there were 8 females with secondary education experience) and the average West African nation (where for every 10 males less than 5 females had secondary education experience). The adult literacy ratio was .728 in the average African nation in favor of males. The nations in the Southern region had the highest ratio at .868. The gender literacy ratio in the average Southern nation was significantly higher than the average literacy ratio in both the nations in the Central and West regions. In addition, the average nation's gender literacy ratio in the East was significantly higher than the nations in the West. In the average nation in the Southern region, there was almost equity in expected years of schooling between males and females. In Sub-Saharan Africa, gender equality in education was greatest in the expected years of school completed. In the average nation, the ratio for male/female expected years of school was .862. Gender equality in the labor force participation between males and females was high across nations. In general, the average nation in the Southern Region had a gender equality rating that was significantly higher than nations in the Central and West Regions. However, this statistic does not speak differences in the type and quality of work performed by males and females.

Another important, but often overlooked factor influencing capacity building within the population is the level of satisfaction with their quality of life and the services provided by government. When asked about their personal well-being as it relates to their job, standard of living, housing, and the health care and educational systems, populations in the various regions often differed significantly. In the average Sub-Saharan nation, 57.1 percent of the population in the average nation said they were satisfied with their job. Nearly 70 percent of the populations in the average Central

African nations said they were satisfied with the jobs which was significantly higher than the populations in most East and West African nations.   Similarly, a significantly higher percentage of the populations in the average Southern nation were satisfied with their jobs than populations in the average West African nation. Roughly 71 percent of the population in the average Sub-Saharan nation was satisfied with their personal health and this did not differ significantly from region to region. On average, 37.8 percent of the population in the average Sub-Saharan nation was satisfied with their standard of living and a significantly higher percentage of the populations in Southern African nations were more satisfied than populations in most West African nations. When it comes to being satisfied with available to affordable housing, populations in the average Southern African nations were significantly more satisfied than population in Central African nations and roughly 42 percent of the populations in all nations were satisfied with the availability of affordable housing. Likewise, populations in Southern African nations were significantly more satisfied with their health care systems than populations in the other three regions. Populations in Southern and East African nations were significantly more satisfied with their education systems than those in West African nations.

Gender equality tends to be greater on average in the Southern region, and likewise populations in the average Southern nation were more satisfied with their personal well-being. The level of gender equality in the average Central region nation was smaller than the followed by the nations in the Western region. Populations in the average Western African nation were less satisfied with the personal well-being than the other regions. The average Southern African nation had a stronger educational

foundation for building capacity. West African nations had the weakest educational

foundation for capacity building. Southern African nations were slightly ahead of the

other Sub-Saharan regions in the movement toward gender equality. Taken all

together, and considering the importance of the human development indicators, it

appears that the nations in the Southern region are better positioned for poverty

reduction efforts than the other regions.

Migration and Population Indicators

Table 2 provides an assessment of the influence of select migration/population

indicators and the HDI and MPI. As shown in Table 2, the size of the nation had no

significant impact on the HDI or the MPI score. However, a one percent increase in the

nation's population growth rate resulted in a.098 decrease in the nation's HDI score. Of

the migration and population indicators examined, population growth produced the

greatest negative change in the HDI. Population growth explained more than one-fourth

of the variation in the HDI. The annual growth in the urban population was a stronger

predictor of the HDI score than the percent percentage of the population urban. A one

percent increase in the annual urban population growth rate produced a .058 percent

decrease in the HDI and it explains more than a quarter of the variation. Of the selected

migration/population indicators examined, the percentage of the population urban

explained the least amount of the variation in the HDI and a one percent change in the

percentage of the population urban only caused .003 percent change in the HDI.   While

the median age of the nation's population explained the most variation in the HDI (more

than a third of the variation), its influence on producing change in the HDI was not as great as either population growth or annual growth in urban population.   Finally, the nation's net migration was not a significant factor influencing the HDI.

(Table 2 about here)

The link between the migration/population capacity building indicators and the MPI was very comparable to the relationship between these variables and the HDI. There was a very strong connection between population growth and the MPI. A one percent increase in the annual population growth produced a .152 increase in the MPI. Of the migration/population indicators examined, population growth also explained the most variation in the MPI (explaining almost half of the variation).   The percentage of population urban had the least influence on the MPI (like it did on the HDI). The amount of change produced in MPI by a one percent change in the percentage of the population urban was .004 (this was a negative change and it was very small).   However, the annual growth rate in the size of urban population had a much stronger influence on the MPI. A one percent increase in the annual growth rate caused a .074 increase in the MPI. The annual growth in the urban population growth explained .311 of the variation in MPI, which was slightly less than the .323 explained by the median age. The influence of the population's median age on the MPI was not as great as the annual growth in the urban population.   A one percent change in the median age actually caused the MPI to decrease by .030. The nation's net migration did not significantly influence the nation's MPI score.

Educational Indicators

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Education is a key capacity building indicators in any country, whether developing or developed. Among the key educational indicators of capacity building examined here are the mean years of school, literacy rate, expected years of school, secondary education school enrollment, and progression to secondary education. The mean years of school produced the most change in the HDI and MPI. A one year increase in the mean years of school caused a .034 increase in the HDI and a .045 decrease in the MPI. Actually, among the educational indicators examined, the mean years of school completed caused the most variation in the MPI (.440) and the second largest amount of variation in the HDI (.366). The expected years of school produced the second largest amount of change (negative) in the both the HDI and MPI. An increase of one year in the expected number of years of schooling caused a .028 increase in the HDI and a .026 decrease in the MPI. While the expected years of schooling completed explained .284 of the variation in the HDI, it explained only .171 percent of the variation in the MPI.

Although the percentage of the age appropriate population enrolled in secondary education did not produce the same level of change in the HDI or the MPT scores as the expected years of schooling or the mean years of school, its influence on the HDI and MPI was stronger than the literacy rate of progression to secondary school. The percentage of age appropriate population enrolled in the secondary education explained half of the variation in the HDI and almost one-third of the variation in the MPI. A one percent increase in the percentage of age appropriate population enrolled in secondary education produce .004 and .005 change in the HDI and MPI respectively. The amount

of change in the HDI produced by a unit change in the literacy rate and a unit change in the percentage progressing to secondary school was the same at .003. However, the literacy rate explained more of the variation in the HDI (.258) than the progression to secondary education (.139). The amount of change in the MPI produced by the a one unit change in the literacy rate was comparable to that of the percentage of the age appropriate population enrolled in secondary education, while the percentage of the students progressing to secondary education had the weakest influence and it explained the least amount of the variation. The literacy rate explained .407 of the variation in the MPI.

Gender Equality Indicators

Gender equality is crucial to a community's ability to augment its capacity. Equality in education and participation in government as political actors are very important indicators of capacity building and development. Among the gender equality indicators examined, an increase in the male/female expected years of school completed produced the most change in both the HDI and the MPI. In both cases, a one year change in the expected number of years of school ratio caused a change of greater than .45 in both indexes. In both cases, the male/female ratio for the expected years of school completed explained .286 of the variation in the HDI and .251 in the MPI. Among the gender equality variables, improvement in the male/female literacy ratio produced the second greatest amount of change in the HDI and MPI. The changes produce in the HDI and the MPI by the male/female literacy ratios were

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positive, the amount of change produced by a one unit change was stronger on the MPI. The male/female literacy ratio also explained more of the variation in the MPI than it did in the HDI. A one unit change in the secondary education ratio produced changes in both indexes that were in excess of .20. The amount of variation explained by the progression to secondary education ratio was .218 on the HDI and .259 on the MPI.. Another important gauge of gender equality as an indicator of capacity building potential was the percentage of seats held in the national parliament by women. In the average Sub-Saharan nation, in 2006, 15.7 percent of the seats in parliament were held by women. Interestingly, the data showed no significant relationship between percentage of parliament seats held by women and the HPI or the MPI. Likewise, the data showed no significant relationship between the male/female ratio and either of the indexes.

Satisfaction Indicators

The data in Table 2 show no significant relationship between the level of satisfaction with jobs, standards of living, affordable housing and the educational system and the HDI and MPI scores. There was a very small amount of change in the HDI with an increase in the percentage of the population satisfied with the health care system. The amount of change produced in the HDI with a one unit increase in the level of satisfaction with the nation's health care system was minimal at .002. The amount of variation in the HDI explained by the population's level of satisfaction with the health care system was .087. The relationship between the percentage of the

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population satisfied with the health care system and the MPI was not statistically significant.

Good Governance

Table 3 provides an assessment of the link between good governance and the Human Development and Multidimensional Poverty Indexes.   This table shows the average good governance score for the 48 nations in Sub-Saharan Africa and it also displays a region comparison for the good governance indicators. The first thing we note was the negative average for all of the indicators, indicating governance problems throughout Sub-Saharan Africa. On the voice and accountability indicator that measures citizen's perceptions that they can participate in selecting government and their freedoms of expression, association and the media[12], the average for Sub-Saharan African nations was -.633. Forty-two percent of the nations had a score below -1.00 and 79 percent had a score below zero.   The voice and accountability scores for Sub-Saharan African nations ranged from -2.2 to .85. The political stability and absence of violence indicator considered citizen's perceptions that government would be destabilized or overthrown by unconstitutional or violent means.[13] Thirty-nine percent of the nations had a positive score, but none them had a score above 1.0. Of the six measures of good governance, the political stability and absence violence scores were

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[12] http:/info.worldbank.org/governance/wgi/pdf/va.pdf

[13] http:/info.worldbank.org/governance/wgi/pdf/pv.pdf

the highest averaging -.416, whereas, the government effectiveness scores were the lowest. The government effectiveness indicator measured the perceptions of the quality of public services, policy formulation and implementation, and government's commitment to its policies.[14] Averaging -.784, the scores ranged from -2.3 to .72 and only six nations (or 13 percent) had a government effectiveness score above 0.

<div align="center">(Table 3 about here)</div>

Another important dimension of good governance is the control of corruption. The control of corruption variable is intended to capture the extent that public power is exercised for private gain.[15] The average Sub-Saharan nation had a control of corruption score of -.613. Only 19 percent of the nations in the subcontinent had a positive score and 31 percent had a score lower than -1. The corruption scores ranged from -1.7 to .86.   When it comes to good governance, matters pertaining to the policy process are equally important to the behavior of political actors and institutions. For example, regulatory quality and rule of law have also been identified as important good governance indicators. Regulatory quality assesses the perceptions of the government's ability to formulate and implement sound policies and regulations that promote private sector development.[16] The average nation had a regulatory quality

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[14] http:/info.worldbank.org/governance/wgi/pdf/ge.pdf

[15] http:/info.worldbank.org/governance/wgi/pdf/cc.pdf

[16] http:/info.worldbank.org/governance/wgi/pdf/rq.pdf

score of -.720 and a rule of law score of -.711. Rule of law measures the perceptions of the extent the population has confidence in and abide by the rules of society.[17]

Table 3 shows a comparative assessment of the good governance indicators across regions. A fairly consistent pattern emerges in the differences in good governance scores. The data showed no significant differences in the regional averages on the regulatory quality good governance indicator. The control of corruption, political stability, government effectiveness and rule of law regional averages did not differ significantly between the Eastern, Southern and Western regions of Sub-Sahara Africa. On all of the indicators the average for nations in the Central regions was lower than the averages for the other regions. The average for the nations in the Central region was significantly lower than the average for the Southern region on the control of corruption, political stability, government effectiveness and rule of law good governance indicators. The average for the nations in the Central region was significantly lower than the average for the Western region on the voice and accountability index.

In Table 4 we get a look at the influence of the good governance indicators on the HDI and the MPI. Regulatory quality produced the greatest amount of change in the HDI. A one unit change in the regulatory quality score resulted in a .122 increase in the HDI. The regulatory quality also explained the most variation (.392) in the HDI among the good governance variables. The impact of the other (policy) measure of good governance, rule of law, did not produce as much change or explain as much of the

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[17] http:/info.worldbank.org/governance/wgi/pdf/rl.pdf

variation in the HDI as the government effectiveness indicator. When we consider the

functioning of the political system itself, the data show that the influence of government

effectiveness had the second greatest impact on the HDI resulting in a .137 increase in

the HDI with a one unit change. Government effectiveness explained almost one-third

(.340) of the variation in the HDI. Political stability produced the least among of change

in the HDI, producing an increase of .0469 and explaining only .117 of the variation. Of

the two measures of good governance that considered the behavior of the political

actors, voice and accountability produced a change of .071 in the HDI for every one unit

of change. Voice and accountability explained .164 percent of the change in HDI, while

control of corruption resulted in no significant change in the HDI.

<div align="center">(Table 4 about here)</div>

The pattern of influence of the good governance measures on the MPI was

slightly different from the HDI. Of the good governance variable, control of corruption

voice and accountability, and rule of law caused no significant change in the MPI.

Unlike its influence on the HDI, government effectiveness was the good governance

indicator that produced the greatest among of change (-.073) in MPI of the good

governance measures. The influence of regulatory quality and political stability on the

MPI were comparable, resulting in a change in the MPI of -.060 and -.052 respectively.

Of these three factors, political stability explained the most variation in the MPI and the

regulatory quality explained the least amount. The amount of variation explained in the

MPI by each of these measures was less than .110.

Explaining inter-country variations in the HDI and MPI

An ordinary least-square regression model was used to examine the effects of the human development capacity building and good governance on HDI and MPI. Based on the regression data presented earlier, the two variables from each grouping that appeared to produce the most change in the HDI and/or MPI was entered into the model.[18] As shown in Table 5, a Sub-Saharan nation with a lower HDI score would have a population that has a higher median years of school completed and good governance score with the government effectiveness would be higher. These two variables explained .514 percent of the variation in the HDI. Whereas, a Sub-Saharan nation with a higher MPI score would also have an adult population with a higher median years of school completed. However, unlike the HDI, the nation would also have a smaller population growth. These two variables explained .566 of the variation in the MPI. Overall, poverty reduction efforts should be the greatest in Sub-Saharan African nations with higher median years of school completed (for adults over 25), smaller population growth and have more effective governments.

(Table 5 about here)

Summary and Discussion

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[18] The variables entered into the model were: population growth, annual growth urban population 2010, mean years of school (adults over 25 years of age), expected years of schooling, male/female literacy ratio, male/female expected years of school ratio, government effectiveness, and regulatory law. No satisfaction variables were included in the model. Stepwise regression procedure was utilized.

The examination of select capacity building indicators (human development characteristics) and good governance measures provided evidence of some consistencies and some differences across regions. There was also evidence to suggest that the differences in the foundations for capacity building (human capital development) and good governance were just as great within regions as they are across regions. This conclusion lends support to the importance of regional efforts along with national to reduce poverty.   The data in this study also revealed links between the capacity building characteristics and the level of poverty. It suggested that the population's level of education had the greatest potential for explaining the variation in the rate of poverty across Sub-Saharan Africa. It also suggested that migration and population characteristics were associated with producing change in the level of poverty, and that gender equality was important to poverty reduction as it relates to equality in education.   Finally, it suggested that, in Sub-Saharan Africa, personal satisfaction with life opportunities or government services was not significantly associated with the nation's level of poverty.

The answer to the question to what degree in Sub-Saharan Africa do good governance indicators differ significantly from one region to the other, the answer is for the most part it doesn't. The nations in Sub-Saharan Africa still have a long way to go to achieve good governance status. While some nations in some regions had better scores than others, no single nation or region could be identified having the good governance characteristics necessary to aid in poverty reduction. On average, the nations in the Southern region had better good governance scores than the governments in the other regions.   On the other hand, on average, the nations in the

Central region had good governance scores that indicated their governments could be a serious hindrance to poverty reduction efforts.   The good governance indicators, overall, were not as strong in producing change in the poverty level as the human development indicators. When the measures of good governance were grouped into two categories: behavior of political agents (corruption, voice and accountability and rule of law), functioning of political institutions (political stability, government effectiveness and regulatory quality), the data suggested that the functioning of government had the strongest influence on reducing the poverty level of poverty.

Based on the findings, several policy suggestions are warranted. If Sub-Saharan Africa is to become economically viable and competitive in an increasingly globalized world, the nations and regions must develop educational policies that will increase literacy, the mean years of formal education and gender equality. Organizations like the African Union, the United Nations African Development Programs, The World Bank and the International Monetary Fund should embarked upon a development strategy that encourages and rewards those nations that develop (and meet) a minimum continental educational standard that achieve these goals. Such a policy would stress access to quality public education for all school age children. It would develop program that help the nations in Sub-Saharan improve the quality of public education. Perhaps most importantly, the nations in this area of the world must embrace and vigorously enforce educational policies that ensure gender equality and equity in the public educational system.

Equally important to improving education opportunities in Sub-Saharan Africa is the improvement of the governance throughout the sub-continent.   The African

Governance Report (2009) stated that Africa in the mid-2000s recorded marginal progress in governance. According to the report while there have been gains in the scope for political representation and competitive electoral politics, human rights and the observance of rule of law, improvements in party and electoral systems remain weak and poorly institutionalized. The finding of this study would suggest that policies and efforts aimed at improving government effectiveness, political stability and regulatory quality would have a significant impact on poverty reduction efforts. Improving these measures of good governance would governments to committing to increased accountability, transparency, equitable/inclusive, and effectiveness/efficiency among the major characteristics of good governance identified by the United Nations (see United Nations 2006).

The findings lend support to the adoption of an integrated policy approach that takes into consideration social development alongside with economic development as a means to reduce poverty in Sub-Saharan Africa. The social component of the strategy would emphasize human capital development while the economic component would employ an inclusive growth strategy. The inclusive growth model was first introduced in India and focused on improving the delivery of core public services, and spreading the benefits of economic growth more widely among the population (The World Bank, 2006). According to the Report, essential to inclusive growth is improving the delivery of core public services such as healthcare, education, power and clean drinking water. It also meant investments in the infrastructure in ways that create jobs for low and semi-skilled workers. By definition, inclusive growth rapid and sustained poverty reduction

requires inclusive growth that allows all citizens to contribute to the social, political and economic development of nation (Ianchovichian and Lunstrom, 2009).

This paper is not without its limitations in terms of interpretive potential. In addition, a number of measures of human development needed for more conclusive analysis.   The data and the data collection techniques could pose some reliability and validity issues. Some of the data was collected by the nations themselves while other data was collected, compiled or gathered by other entities. Because of the transnational nature of the data, the data was not always collected during the same time period. Furthermore, there were limitations to the type of data available for analysis. Despite the limitations of the study, the results provide a very good assessment of the indicators of capacity building and good governance in Sub-Saharan and thus lay the groundwork for future studies and the foundations for policy considerations.

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Table 1

A Comparative Assessment of Capacity Building Characteristics across Regions in Africa

	Central	East	Southern	West		Sub-Saharan
Migration and Population						
Population 2010 (in millions)	13.750	21.743	14.200	19.131		17.969
Population Growth 2010	2.163	2.179	1.911	2.324		2.177
Percent urban 2010	51.262[a]	31.388[e]	37.567	43.082		40.000
Annual growth urban population in 2010	3.238	3.600	3.378	3.606		3.500
Net migration 2011 estimate	-2.077	-.150	-3.353	-3.323		-1.487
Median age	19.013	19.931	19.989	19.012		19.262
Education						
Mean years of school (adults over 25)	4.713	4.082[d]	5.867[f]	3.571		4.358
Literacy rate (ages 15 and over)	66.038[c]	65.836[e]	75.956[f]	48.541		61.642
Expected years of schooling	9.250	9.193	9.778	9.059		9.250
School enrollment, secondary education	19.950	38.289	35.663	28.412		31.387
Progression to secondary education	60.414	71.055	73.950	63.507		67.130
Gender Equality						
% parliament seats held by women	9.487[a,b]	20.629	22.711[f]	14.463		17.032
Ratio male/female with secondary education	.749	.716	.804	.479		.654
Ratio male/female literacy	.697[b]	.783[e]	.868[f]	.624		.728
Ratio male/female expected years of school	.801[b]	.901	.958[f]	.809		.862
Ratio male/female in the labor force	.698[b]	.824	.866	.757		.786
Satisfaction						
% personal well-being-job	69.200[a,c]	54.333	63.857[f]	50.692		57.088
% personal well-being-health	71.000	72.000	75.714	68.429		71.216
% personal well-being-standard of living	39.000	39.636	46.714[f]	31.571		37.838
% with well-being-- affordable housing	32.600[b]	41.818	53.714	41.857		42.838
% with well-being—health care system	34.200[b]	37.727[d]	53.429[f]	28.429		36.703
% with well-being—educational system	44.400	59.455[e]	62.000[f]	39.071		50.189

[a]Difference between the Central and East Regions' means was significantly different
[b]Difference between the Central and Southern Regions' means was significantly different
[c]Difference between the Central and West Regions' means was significantly different
[d]Difference between the East and Southern Regions' means was significantly different
[e]Difference between the East and West Regions' means was significantly different
[f]Difference between the Southern and West Regions' means was significantly different

Table 2

Relationship between Select Capacity Building Indicators and the Human Development and Multidimensional Poverty Indexes

	Human Development Index			Multidimensional Poverty Index		
Migration and Population	Unstandardized Coefficient (error)	Adjusted r^2	Sig.	Unstandardized Coefficient (error)	Adjusted r^2	Sig
Population	-.000 (.001)	.001	.471	.001	.002	.758
Population Growth	-.098 (.023)	.286	.000	.152 (.025)	.458	.000
Percent urban 2010	.003 (.001)	.126	.010	-.004 (.001)	.169	.003
Annual growth urban population in 2010	-.058 (.014)	.278	.000	.074 (.016)	.311	.000
Net migration 2011 estimate	.007 (.004)	.063	.053	.006 (.004)	.016	.197
Median age	.026 (.005)	.368	.000	-.030 (.006)	.323	.000
Education						
Mean years of school (adults over 25)	.034 (.007)	.366	.000	-.045 (.008)	.440	.000
Literacy rate (ages 15 and over)	.003 (.001)	.258	.000	-.005 (.001)	.407	.000
Expected years of schooling	.028 (.007)	.284	.000	-.026 (.008)	.171	.003
School enrollment, secondary education	.004 (.001)	.500	.000	-.005 (.001)	.344	.000
Progression to secondary education	.003 (.001)	.139	.012	-.003 (.001)	.147	.011
Gender Equality						
% parliament seats held by women	.000 (.002)	-.024	.938	-.001 (.002)	-.019	.643
Ratio male/female with secondary education	.203 (.066)	.218	.005	-.247 (.075)	.259	.003
Ratio male/female literacy	.291 (.082)	.209	.001	-.416 (.093)	.301	.000
Ratio male/female expected yrs. of school	.483 (.120)	.286	.000	-.552 (.149)	.251	.001
Ratio male/female in the labor force	-.106 (.107)	-.001	.329	.048 (.141)	-.020	.733
Satisfaction						
With job	.001 (.001)	.000	.328	-.003 (.002)	.045	.126
With standard of living	.001 (.001)	-.009	.412	-.001 (.002)	-.022	.604
With affordability of housing	.001 (.001)	-.007	.387	-.000 (.002)	-.030	.998
With health care system	.002 (.001)	.087	.045	-.002 (.002)	.001	.313
With educational system	.001 (.001)	.035	.140	-.001 (.001)	-.020	.571

Table 3

Relationship between the Good Governance Indicators and the Human Development and Multidimensional Poverty Indexes

	Central Africa	East Africa	Southern Africa	West Africa		Sub-Sahara Africa
Control of Corruption index score (-2.5 low to 2.5 high)	-1.040[a]	-.543	-.334	-.619		-.613
Voice and accountability (-2.5 low to 2.5 high)	-1.075[c]	-.796	-.432	-.398		-.633
Rule of law (-2.5 low to 2.5 high)	-1.159[a]	-.703	-.482	-.626		-.711
Political stability (-2.5 low to 2.5 high)	-.699[a]	-.536	.149	-.498		-.416
Government effectiveness (-2.5 low to 2.5 high)	-1.218[a]	-.778	-.403	-.785		-.784
Regulatory Quality	-.935	-.883	-.578	-.561		-.720

[a]Difference between the Central and Southern Regions' means was significantly different
[b]Difference in the Central and West Regions' means was significantly different

Table 4

Relationship between the Good Governance Indicators and the Human Development and Multidimensional Poverty Indexes

Governance	Human Development Index				Multidimensional Poverty Index		
	Unstandardized Coefficient (error)	Adjusted r^2	Sig		Unstandardized Coefficient (error)	Adjusted r^2	Sig
Control of Corruption index	.017 (.026)	-.013	.505		.026 (.032)	-.008	.427
Voice and accountability	.071 (.023)	.164	.003		-.050 (.028)	.047	.083
Rule of law	.069 (.026)	.121	.011		-.011 (.032)	-.021	.742
Political stability	.046 (.017)	.117	.012		-.052 (.021)	.107	.016
Government effectiveness	.113 (.023)	.340	.000		-.073 (.031)	.095	.023
Regulatory Quality	.122 (.023)	.392	.000		-.060 (.030)	.066	.049

Table 5

Models Predicting Variations in the levels of Poverty

	Human Development Index		Multidimensional Poverty Index
Constant	.353		.299
Median Years of School	.026*** (.006)		-.031*** (.008)
Government Effectiveness	.074** (.022)		----
Population Growth	----		-.088** (.029)
Adjusted R^2	.514		.566

**P < .01   ***P < .001