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Revisiting the Growth, Inequality and Poverty Nexus: An Overview

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Abstract

There is no doubt that the role of economic growth in poverty reduction is very critical in the development process of Sub-Saharan African countries. Despite Sub-Saharan African countries achieving sterling growth in the last 15 years, the corresponding reduction in poverty has been minor with the absolute number of people living in poverty remaining high. The three papers published in this supplement attempt to revisit the growth, inequality and poverty nexus to bring out new insights into their linkages. The first paper focuses on the interrelationship linking growth, inequality and poverty in Sub-Saharan Africa. The second paper looks at growth and poverty reduction in Africa in the last two decades: evidence from an AERC growth poverty project and beyond, while the third paper is sustaining high economic growth in Sub-Saharan Africa: knowledge and the structure of the economy. Some of the main findings of the papers are as follows: first, a combination of initial endemic poverty, high inequality and low growth is a major challenge to achieving poverty reduction as well as overall socio-economic development in Africa; second, there has been some progress in poverty reduction in the last decade in Africa but at different rates in different countries, third, sustainable economic growth can be achieved through transforming the structure of the economies in African countries so as to meet the targets of Millennium Development Goals, of which poverty reduction is one.