

Growth and in-work poverty in Africa

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Research Article

Keywords: Growth, labor, poverty, vulnerability, job quality

Posted Date: July 15th, 2026

DOI: <https://doi.org/10.21203/rs.3.rs-10213798/v1>

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Additional Declarations: No competing interests reported.

Abstract

This article analyzed the interrelations between economic growth and in-work poverty. The study considered a sample of 43 African countries over the period 2000–2001. Using a varied methodology, the results led to mixed conclusions. The findings suggest that the effect of growth on middle- and high-income countries differs from that in low-income countries. More specifically, different sectors of the economy have varying impacts on the level of in-work poverty, depending on the country group. Overall, growth is impoverishing for all countries, particularly for the group of low-income countries. Our policy implications point towards both structural and cyclical measures related to economic policy objectives and labor market mechanisms.

JEL Codes: C23; C33; E61; J31 ; J81

1. Introduction

The relationship between employment and poverty has long been considered self-evident, with conventional wisdom suggesting a negative correlation between the two. As noted by Airio (2008), employment is widely regarded as the most reliable pathway to economic well-being, as wages constitute the primary source of income sustaining individuals' livelihoods. Beyond its monetary dimension, work also fulfills critical social functions: it structures daily life, fosters social integration, and mitigates the risks of exclusion and deprivation. In this sense, employment is not merely an economic activity but a key determinant of social participation in contemporary societies. However, the neoclassical framework, which conceptualizes labor as a homogeneous factor of production analogous to capital or raw materials, offers a reductionist view of work. While production functions typically aggregate inputs such as machinery, capital, and labor, this abstraction obscures a fundamental distinction: labor is inherently human. As emphasized by Stiglitz (2002), unlike inanimate inputs such as steel, labor embodies individuals whose well-being, rights, and working conditions are intrinsically relevant. This human dimension challenges the commodification of labor and calls for a broader analytical framework that incorporates social and institutional considerations.

In this regard, the concept of decent work has emerged as a central pillar in development discourse. Decent work encompasses not only employment opportunities but also the quality of those opportunities, including respect for labor rights, access to social protection, and the promotion of social dialogue. These dimensions are mutually reinforcing and contribute to reducing vulnerabilities arising from constrained choices and limited opportunities. From a legal and institutional perspective, the decent work agenda plays a crucial role in empowerment processes by providing a normative framework that helps break cycles of inequality (Ernst et al., 2012). Recognizing the limitations of trickle-down growth, the International Labor Organization (ILO) has consistently advocated for a development strategy in which economic growth is embedded within a broader social framework. As argued by Lapeyre (2012), growth should not be pursued in isolation but rather complemented by policies aimed at generating productive employment, improving working conditions, strengthening labor rights, ensuring

equitable income distribution, and addressing basic human needs. Ultimately, if the objective of political economy is to enhance living standards, then improving workers' well-being must be regarded as an end in itself rather than a by-product of market efficiency (Stiglitz, 2002).

The literature on in-work poverty distinguishes between two analytically distinct yet empirically interrelated definitions. The first adopts an individual perspective, defining the working poor as individuals whose labor income falls below a specified threshold, often measured relative to the national median wage (Filandri & Struffolino, 2019). The second definition operates at the household level, identifying as working poor those individuals who are employed but belong to households with incomes below the poverty line (Freyssinet, 2020). These complementary perspectives highlight the multidimensional nature of poverty, which cannot be fully captured by labor income alone.

Addressing in-work poverty requires a multifaceted policy approach. Karnani (2011) identifies three key pillars: job creation, enhancement of employability, and improvement of labor market efficiency. The first pillar focuses on the demand side by promoting the creation of employment opportunities aligned with the skills of disadvantaged populations. The second targets the supply side through investments in education and vocational training aimed at increasing human capital. The third addresses structural inefficiencies in labor markets, particularly in developing countries, where information asymmetries and limited mobility hinder matching processes. Interventions such as job placement services and labor market intermediation can help reduce these frictions. Nevertheless, the simultaneous pursuit of these objectives remains complex, reflecting the structural constraints faced by many developing economies.

Over recent decades, Africa has experienced relatively strong economic growth, contributing to a decline in extreme poverty rates. According to World Bank estimates, the proportion of individuals living on less than \$1.90 per day decreased from 56 percent in 1990 to 43 percent in 2012 (Beegle et al., 2016). Despite this progress, poverty remains highly concentrated in Sub-Saharan Africa, which accounted for approximately 60 percent of the global extreme poor in 2019, while 81 percent of individuals living below the \$3.65 poverty line were located in Sub-Saharan Africa and South Asia (Aguila et al., 2023). The growth acceleration observed since the mid-1990s, coupled with the region's relative resilience during global economic downturns, has generated renewed optimism regarding Africa's development trajectory (ILO, 2011).

However, the translation of economic growth into substantial poverty reduction has been limited. As noted by Martins (2013), this disconnect largely stems from the insufficient generation of productive and high-quality employment. Much of Africa's growth has been driven by capital-intensive sectors such as oil, mining, and the export of primary commodities, which exhibit limited employment elasticity and relatively low wage levels. Moreover, demographic pressures have played a significant role in sustaining aggregate growth, often masking the absence of structural transformation and productivity gains. Consequently, per capita income growth has remained modest, and in some cases stagnant.

Empirical evidence further underscores the weak employment responsiveness of growth in the region. For instance, between 2000 and 2014, a 1 percent increase in GDP was associated with only a 0.41

percent increase in employment (ILO, 2020). At the same time, demographic dynamics are intensifying labor market pressures. The World Bank estimates that approximately ten million individuals enter the African labor force each year, and by 2050 the continent is expected to account for 25 percent of the global workforce. Yet, there is no guarantee that this expanding labor force—particularly its growing youth component—will be absorbed into productive and decent employment. As a result, unemployment, underemployment, informality, and vulnerable employment remain pervasive challenges across Sub-Saharan Africa (Kappel, 2022).

The study of issues related to the working poor is experiencing a resurgence of interest, especially in developed countries (Herman, 2014; Filandri & Struffolino, 2019). Few studies have focused on the specific issue of the working poor in Africa. Indeed, most studies analyze the link between growth and poverty and integrate employment as a channel (Fields, 2023; Erumban & de Vries, 2024). This article analyzes the relationship between growth and in-work poverty, hypothesizing that the two can mutually influence each other. The article contributes to the literature by examining the subject over a relatively long-time horizon and by adopting a rigorous and varied methodology to test the robustness of the effects. This methodology allows us to analyze the interaction between growth and working poverty. The remainder of the article is structured as follows: Section 2 provides a synthesis of the empirical literature; Section 3 presents the methodology; Section 4 analyzes and discusses the results; and the final section concludes.

2. Growth and in-work poverty: some empirical evidences

The concept of the “working poor” presents significant analytical and empirical challenges. Its complexity stems not only from data limitations but also from its inherently multidimensional nature, as it simultaneously combines two distinct levels of analysis: the individual’s employment status and the income position of the household in which the individual resides (Blagoycheva, 2016). This dual perspective implies that in-work poverty cannot be adequately understood without accounting for intra-household dynamics. In particular, the “household factor” operates through two primary mechanisms. First, it reflects the composition of the household, including the labor market participation, earnings, and social transfers received by other members. Second, it operates through equivalence scales, which adjust household income according to size and composition. As emphasized by Ponthieux (2010), these scales can generate counterintuitive outcomes: individuals with identical incomes may be classified differently in terms of poverty depending on whether they live alone or share resources within a household, thereby statistically escaping poverty without any change in their individual earnings.

A fundamental distinction between developed and developing economies lies in the distribution of living standards. In advanced economies, a substantial share of the population belongs to the middle class, benefiting from relatively stable incomes and social protection systems. In contrast, developing countries continue to exhibit a high incidence of poverty, with a large proportion of the population living under precarious conditions. Estimates suggest that nearly half of the population in developing regions survives on less than two dollars per day (Steven & Evangelina, 2013). Nevertheless, structural

transformations over recent decades have led to a gradual expansion of the middle class in developing countries. Using aggregated national data across eight developing regions, Steven and Evangelina (2013) show that the share of workers classified as middle class or above increased from approximately 20 percent in 1991 to 41.6 percent in 2011. While this trend reflects some degree of economic progress, it also highlights the persistence of a large segment of vulnerable workers.

Understanding the determinants of poverty requires a detailed examination of the socio-economic characteristics of affected populations. In particular, labor market status constitutes a key dimension of analysis. Information on whether individuals are employed, unemployed, or inactive provides critical insights into the mechanisms through which poverty is generated and sustained (Gammarano, 2019). This underscores the importance of integrating labor market indicators into poverty diagnostics, especially in contexts where employment does not necessarily guarantee adequate living standards.

From a structural perspective, the weak performance of wage employment creation in many developing economies—particularly in Sub-Saharan Africa—can be traced back to historical policy choices and macroeconomic adjustments. As argued by Fox and Gaal (2008), the collapse of postcolonial state-led development models, combined with deteriorating terms of trade, led to persistent balance-of-payments constraints. Subsequent structural adjustment programs emphasized trade liberalization, currency devaluation, and reduced industrial protection. While these reforms improved incentives in the agricultural sector, they exposed domestic industries to intensified international competition. Many firms, already financially fragile, were unable to withstand these shocks and consequently exited the market, thereby limiting the expansion of formal wage employment.

Although the centrality of decent work in poverty reduction and human development is widely acknowledged, the precise mechanisms linking these dimensions remain insufficiently understood. Osmani (2002) emphasizes the need for further analytical and empirical research to clarify these relationships and inform effective policy design. In this context, industrial policy emerges as a potentially powerful instrument for poverty alleviation, provided that it prioritizes the creation of productive and well-remunerated employment. Söderbom and Teal (2003) argue that the poverty-reducing impact of industrial policy operates primarily through its capacity to generate higher-paying jobs. In this framework, economic growth alone is not sufficient; its composition and employment intensity are critical determinants of its distributive outcomes.

Empirical evidence further highlights the heterogeneous nature of in-work poverty across socio-demographic groups. In South Africa, for instance, historically disadvantaged populations—including African and Colored workers, women, individuals with low levels of education, rural residents, and workers in temporary employment—are disproportionately exposed to in-work poverty (Lilenstein et al., 2018). The interaction between low wages and household composition significantly amplifies this risk, particularly in contexts where a single income must support multiple dependents. Comparative evidence from Europe also reveals important nuances. Using data from 31 countries, Filandri and Struffolino (2019) show that involuntary part-time employment is positively associated with in-work poverty when

defined at the household level. Moreover, while female labor force participation is positively correlated with individual in-work poverty, it is negatively associated with household-level poverty. However, once income inequality is controlled for, only the positive relationship with individual in-work poverty remains statistically significant, underscoring the importance of broader structural inequalities in shaping labor market outcomes.

3. Methods and data

The objective of this article is to analyze the interrelationship between growth and in-work poverty in Africa, with a particular focus on the impact of growth on the level of in-work poverty. To achieve this, we adopt a methodological approach based on the estimation of two models: a simultaneous equation model to capture reverse causality effects and a dynamic panel model to account for endogeneity bias. This approach allows us to compare the results and test the robustness of the effects.

3.1 Methods

- **In-work poverty measure**

When studying poverty, it is necessary to first define poverty, and this could be done in a variety of ways: in absolute terms or relative terms, in monetary terms or taking into account non-monetary aspects, according to a national poverty line or an international one (Gammarano, 2019). In this article, we measure in-work poverty according to the ILO's definition. Specifically, in-work poverty is measured as the percentage of employed individuals living below US\$2.15 PPP.

- **Measure of economic growth and control variables**

Growth is measured by GDP per capita. However, this variable is supplemented by the value-added in the agricultural, manufacturing, and service sectors. In total, growth, and more broadly, the level of development, is measured by these four variables. Since GDP is calculated as the sum of value-added, we consider there to be a correlation between GDP and sectoral value-added. Therefore, we will not include all four variables simultaneously in the equations. Regarding the control variables, we have accounted for human capital and institutional variables. Human capital is measured by gross enrollment rates at the three levels of education: primary, secondary, and tertiary. Institutions are measured by the World Bank's regulatory quality indicator. Regulatory quality captures perceptions of the government's ability to formulate and implement sound policies and regulations that allow and promote private sector development.

- **Identification strategy**

To analyze the interrelationship between growth and in-work poverty, we estimate the two equations below:

$$\begin{aligned}
Y_{it} &= a_{it} + a_1 Growth_{it} + X_{it}\beta_1 + \varepsilon_{it} \\
Growth_{it} &= b_0 + b_1 Y_{it} + X_{it}\beta_2 + \mu_{it}
\end{aligned}
\tag{1}$$

$$Y_{it} = a_{it} + a_1 Growth_{it} + X_{it}\beta_1 + \varepsilon_{it} \tag{2}$$

Y is the in-work poverty rate as defined in the measures subsections; Growth is measured by a set of four variables namely the GDP per capita and the three sectoral added values; ε and μ are the error terms. In Equation 1, growth is measured solely by the three sectoral value-added components. This choice is justified by the endogeneity of GDP per capita and the potential correlation between sectoral value-added and GDP per capita.

However, estimating Equation 2 raises a problem, particularly regarding endogeneity bias. Indeed, our variable of interest, growth, can influence the level of in-work poverty, especially depending on the nature of the growth. In other words, growth achieved through labor market flexibilization policies might lead to employment vulnerability and, ultimately, in-work poverty. Similarly, poor workers are likely to have low productivity levels, which can, in turn, affect the level of economic growth. Thus, we have a case of reverse causality between in-work poverty and growth. This configuration introduces endogeneity bias and undermines the quality of the estimated parameters. To address this bias, we use a dynamic panel estimator, specifically the one developed by Blundell & Bond (1998) and detailed by Roodman (2009).

3.2 Data

Table 1: descriptive statistics

The data used in this article come from two sources: the World Development Indicators (WDI) and the International Labor Organization (ILO) databases. The data cover the period from 2000 to 2021, spanning 22 years across 43 African countries. This results in 946 observations across 43 statistical units/individuals. The World Bank database provides variables related to GDP and human capital (enrollment rates across the three levels of education). The ILO database provides data on in-work poverty.

Table 1: descriptive statistics

Variables	Mean	Standard Deviation	Minimum	Maximum
In-work Poverty	33.201	23.665	0.024	92.68
GDP per capita	2147.711	2299.742	255.100	13729.16
Value Added in Agriculture	6.50e+09	1.43e+10	2.44e+07	1.22e+11
Value Added in Manufacture	5.91e+09	1.19e+10	3433635	6.33e+10
Value Added in Service	2.35e+10	4.98e+10	9.87e+07	3.23e+11
Primary School Enrollment Rate (gross)	101.765	19.603	31.846	150.410
Secondary School Enrollment Rate (gross)	47.427	23.608	6.113	111.802
University Enrollment Rate (gross)	11.042	12.047	-0.915	61.601
Regulatory Quality	-0.588	0.554	-2.282	1.196

Table 1 presents the descriptive statistics of the study variables. Focusing on our two variables of interest, in-work poverty and GDP per capita, we observe that the standard deviations are very high. This indicates a significant dispersion within the sample considered. Indeed, our sample, composed of 43 countries, includes nations at varying levels of development. The two mentioned standard deviations demonstrate that there is a substantial development gap between the different groups of countries. Based on the World Bank's 2023 country classification, we have grouped the countries into two sub-groups: the first sub-group consists of upper- and middle-income countries, and the second sub-group comprises low-income countries. The classification into two sub-groups was done to maintain a minimum number of countries per sub-group, ensuring sufficient degrees of freedom for reliable estimates. On this basis, for example, the average in-work poverty rate is 23.174% for the countries in the first sub-group and 51.918% for the countries in the second sub-group. Similarly, the average GDP per capita is 2974.809 for upper- and middle-income countries and 603.7943 for other countries. These two statistics illustrate the heterogeneity in the level of development within the sample. This observation holds for the other variables in Table 1. Therefore, it will be essential to account for this aspect in the estimates to ensure that the results are consistent with the level of development of each country sub-group.

4. Results and discussion

This section presents and discusses the estimation results of the equations outlined in the methodological section. The results are displayed in Table 2 for the simultaneous equation and in Table 3 for the dynamic panel.

Table 2
simultaneous equations results

Variables	High and Middle Income Countries		Low Income Countries		All Countries	
	In-Work Poverty Rate	GDP per capita	In-Work Poverty Rate	GDP per capita	In-Work Poverty Rate	GDP per capita
In-Work Poverty Rate	-	2.273*** (0.801)	-	2.584* (1.560)	-	1.767*** (0.640)
Value Added in Agriculture	-0.000*** (0.000)	-	-0.000*** (0.000)	-	-0.000*** (0.000)	-
Value Added in Manufacture	-0.000*** (0.000)	-	0.000*** (0.000)	-	-0.000*** (0.000)	-
Value Added in Service	0.000*** (0.000)	-	0.000*** (0.000)	-	0.000*** (0.000)	-
Primary School Enrollment Rate	-0.017 (0.039)	0.200* (0.101)	0.231*** (0.032)	-2.078*** (0.579)	0.093*** (0.028)	-0.105 (0.087)
Secondary School Enrollment Rate	-0.328*** (0.040)	0.880*** (0.295)	-0.724*** (0.072)	0.518*** (0.141)	-0.536*** (0.038)	1.110*** (0.353)
University Enrollment Rate	-0.447*** (0.063)	0.222*** (0.040)	-1.255*** (0.245)	0.331*** (0.035)	-0.428*** (0.068)	1.979*** (0.321)
Regulatory Quality	-0.268*** (0.101)	1.332*** (0.333)	-0.122*** (0.002)	0.304*** (0.030)	-0.394*** (0.104)	1.424*** (0.310)
Observations	616	616	330	330	946	946
Standard errors in parentheses						
*** p < 0.01, ** p < 0.05, * p < 0.1						

Table 2 presents the results of the simultaneous equations model. The results are organized into three groups: the first group includes upper-middle-income and high-income countries; the second group consists of low-income countries; and the final group encompasses all the countries in the sample. This distinction is made to identify any potential country-specific characteristics relative to their level of development. In this estimation, growth is measured by the three sectoral value-added components. This approach helps avoid isolating the effects of the different components of growth on in-work poverty.

The results show that the agricultural and manufacturing sectors reduce the rate of in-work poverty in the first group of countries (upper-middle-income and high-income countries). However, the service sector contributes to poverty in these countries. Regarding human capital variables, secondary and tertiary education levels are found to lower the rate of in-work poverty in the first group. These findings suggest that in these countries, the service sector includes jobs that are poorly protected and well-remunerated. For the second group of countries, it is observed that, with the exception of the agricultural sector, growth in other sectors increases the level of in-work poverty. This situation contrasts with that of the first group of countries, highlighting the greater vulnerability of jobs in low-income countries. This can be explained by the level of development of the economic sectors in these countries. Indeed, the manufacturing sector is less developed in the second group of countries compared to the first group, and the rate of informal employment is also higher. These two factors combined may explain why jobs in the manufacturing sector are associated with in-work poverty in low-income countries but not in other countries.

Considering the results across all countries, it is observed that the effect seen in the first group of countries prevails. In other words, the agricultural and manufacturing sectors help reduce the level of in-work poverty. The finding concerning the service sector remains consistent, indicating that it is a sector characterized by precarious and low-paying jobs. Overall, the results in Table 2 suggest that the level of in-work poverty contributes to growth. This is a revealing indicator of the quality of growth in African countries. Indeed, this result suggests that growth in Africa is achieved at the cost of a poor quality of life for workers. This may be linked to the labor market flexibilization measures implemented in most countries over the past decades. With few well-paying formal jobs available, many Africans in nonagricultural fields have to start their own businesses in the informal sector. This sector mainly consists of informal businesses run by families and unpaid relatives. Research indicates that the informal sector makes up to 80% of non-farm jobs. Additionally, most formal sector jobs come from small and medium enterprises (SMEs), which have fewer than 250 employees and represent about 80% of global formal employment (Woldemichael et al., 2017).

Table 3
Dynamic Panel results

Variables	High and Middle Income Countries		Low Income Countries		All Countries	
	In-Work Poverty Rate	In-Work Poverty Rate	In-Work Poverty Rate	In-Work Poverty Rate	In-Work Poverty Rate	In-Work Poverty Rate
GDP per capita	-0.000***	-	0.033*	-	0.003***	-
	(0.000)		(0.017)		(0.000)	
Value Added in Agriculture	-	-0.000***	-	0.000	-	-0.000***
		(0.000)		(0.000)		(0.000)
Value Added in Manufacture	-	-0.000***	-	0.000***	-	0.000***
		(0.000)		(0.000)		(0.000)
Value Added in Service	-	0.000***	-	0.000***	-	0.000***
		(0.000)		(0.000)		(0.000)
Primary School Enrollment Rate	0.382***	-0.026**	0.485***	0.626***	0.471***	0.504***
	(0.015)	(0.012)	(0.070)	(0.107)	(0.006)	(0.007)
Secondary School Enrollment Rate	-0.226***	-0.320***	-0.733***	-0.382***	-0.394***	-0.399***
	(0.025)	(0.010)	(0.236)	(0.121)	(0.009)	(0.011)
University Enrollment Rate	-0.489***	-0.390***	-2.006***	-0.070	-0.938***	-0.628***
	(0.042)	(0.015)	(0.574)	(0.914)	(0.023)	(0.011)
Regulatory Quality	-0.468***	-0.754***	-0.271***	-1.021	-0.102***	-0.927***
	(0.035)	(0.173)	(0.061)	(0.715)	(0.004)	(0.014)
Observations	616	592	330	317	946	946
Number of id	28	28	15	15	43	43
Standard errors in parentheses						

*** $p < 0.01$, ** $p < 0.05$, * $p < 0$.

Table 3 presents the results of the dynamic panel estimation. For these estimations, the results are presented according to the same country groups as in Table 2, with the difference being that here, GDP per capita and sectoral value-added are used in separate regressions. In other words, for each group of countries, we present two estimations: one measuring growth by GDP per capita and another measuring growth by sectoral value-added.

When considering GDP per capita, we notice that its effect is not uniform across the country groups. Indeed, GDP per capita helps reduce the rate of in-work poverty in the first group of countries, in contrast to the second group of countries, where growth appears to act as a catalyst for in-work poverty, and this effect dominates in the regression that includes all countries. This result aligns with those obtained by some authors in the literature. Eshun et al., (2023), showed that liberalizing rigid labor market regulations can lead to economic growth benefits in 37 African countries. Specifically, it is observed that economic growth increases by approximately 0.16%, resulting from a unit (one standard deviation) increase in labor market flexibility. They also found that economic growth (real GDP per capita growth) is high in countries that have flexible hour regulations, flexible mandatory costs of worker dismissal, and the absence of (or not strictly enforced) military conscription. According to Eyck (2003), the new types of job relationships and roles that are appearing in today's changing environment deserve focus because they can help create jobs and offer more options for both employers and employees. Flexibility has opened up new chances but also brought challenges for workers and their organizations. Some researchers worry that this flexibility might harm workers, pointing out several troubling trends in flexible jobs, such as wage deterioration, increased stress, work speed-up and intensification, and increasing labor market inequality, insecurity, and alienation.

When growth is measured by sectoral value-added, the results in Table 3 generally align with those in Table 2. In the first group of countries, the service sector is a source of in-work poverty. This effect is also present in low-income countries, along with the manufacturing sector, which exhibits a similar effect. This may be linked to the labor market flexibilization measures implemented in most countries over the past decades. Indeed, the belief that labor market reforms aimed at increasing flexibility are crucial for enhancing competitiveness, driving economic growth, and generating more employment is widely accepted in contemporary labor economics and economic policy. This perspective is prevalent not only in developed countries but also influences thinking and policy recommendations in the developing world (Jha & Golder, 2008).

Human capital variables generally indicate that secondary and tertiary education levels mitigate in-work poverty. However, across the different regressions in Table 3, primary education clearly emerges as a factor that increases in-work poverty.

As in Table 2, the results in Table 3 show that the quality of regulation is an essential factor for both growth and in-work poverty. Specifically, Table 2 suggests that the quality of regulation enhances growth and reduces in-work poverty. This latter effect is consistently observed across the various estimations

presented in Table 3. This underscores the importance of institutions in development policies and, particularly, in the functioning mechanisms of the labor market. According to Herman (2014), vulnerable employment is characterized, in general, by low income and difficult working conditions, in which the fundamental rights of the workers can be undermined. High vulnerable employment indicates a high agricultural sector, high informal work, in which workers do not have, most of the times, an adequate social protection, guaranteed by employment contracts. Institutions are important for incorporating protective aspects into regulatory policies and safeguarding the most vulnerable in the labor market.

5. Conclusion and policy implications

This article analyzed the interactions between economic growth and in-work poverty. The study adopted a country group analysis to capture differences across nations according to their levels of development. Using a varied methodology, the results led to mixed conclusions. The findings indicate that the effect of growth on middle- and high-income countries is not the same as in low-income countries. Specifically, the results show that in the former group of countries, the service sector is associated with poor-quality jobs, leading to in-work poverty. In contrast, in the low-income group, in addition to the service sector, the manufacturing sector also contributes to jobs that result in in-work poverty. Overall, growth impoverishes workers in the low-income country group. Human capital variables showed differentiated effects on in-work poverty. In fact, primary education is associated with in-work poverty, unlike other levels of education, which mitigate poverty.

In terms of policy implications, our results point to both structural and cyclical measures. Structural measures involve the development of economic policies that integrate workers' quality of life as an objective. This also includes the promotion of education and vocational training to enhance workers' productivity, thereby increasing their chances of accessing good-quality jobs. Finally, there are also institutional implications. In other words, the results showed that the quality of regulation improves growth and reduces in-work poverty. This underscores the importance of institutions in development policies and, more specifically, in the functioning mechanisms of the labor market. It is therefore important to design and deepen cyclical measures to address potential distortions related to the status of the most vulnerable workers.

Declarations

Author Contribution

I am alone so I write the manuscript alone.

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