

THE “AFRICA RISING”: AN EMPIRICAL ANALYSIS OF THE DETERMINANTS OF PER-CAPITA GROWTH

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Abstract

In developing economies, the race toward inclusive development has prompted researchers to reconsider the drivers of growth in view of achieving the Sustainable Development Goals (SDGs). This study explores the determinants of African growth. We have identified the drivers of growth of 54 African countries over the period 2010-2019. As a data source, the main international organisations (UN, WB, IMF) have been considered. We employ system dynamic panel estimators (GMM-sys) and fixed-effects (FE) models. The real per-capita GDP is the dependent variable. The findings indicate that in addition to the initial conditions of the per-capita GDP – found significant in all GMM-sys models – external debt, received remittance, gross fixed investments, institutional quality proxied by the governance climate, exports to the Eastern-Asia or Pacific region, and imports from the Southern-Asia region robustly drive African growth. We conclude that enhancing governance and the institutional and business environment is pivotal in fostering African growth.

Keywords : Development, Growth, Africa, Globalisation

JEL Codes : C23, F15, O11

1. Introduction

Since the new millennium, Africa has had considerable GDP growth that has more than doubled. Over the last decade, six of the fastest-growing economies in the world were in Africa. “Africa rising” has prompted academics and analysts to reconsider the issue of African economic potential. This is affecting firms’ strategies, and those from developed countries are seeking to enter these emerging markets (Ferrucci et al., 2018; Signé, 2020; Scalamonti, 2022; Abdu et al., 2022).

African countries that gained independence from colonial rule in the sixties experienced their own model of cultural, social, and economic development (Becker and Ricart-Huguet, 2024; Becker and Dulay, 2024). According to the theory of development, all societies advance through similar stages of development, and this means that underdeveloped countries today are in the same condition as developed countries were in the past (Schwab, 2014, 2015). In other words,

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underdeveloped countries are not merely a primitive version of developed countries, but they are unique in their features and structures (De Jong, 2009; Hofstede et al., 2010).

Underdeveloped countries can accelerate their development, for instance, by implementing structural reforms, by attracting capital flows, and by enhancing technology transfers, as well as, they have increased the integration along the global value chains (GVCs) (Gereffi and Korzeniewicz, 1994).

Although the political and macroeconomic framework of African countries can be unstable, nonetheless, these emerging markets are often considered as an opportunity. In other words, labour markets may be inadequately regulated. The rule of law may be poor, and corruption may be high. Logistical difficulties may arise by infrastructural deficiencies, or trade may be difficult due to the absence of codes of conduct and best practices. All these themes can be addressed by the modernization theory of country systems.

Can African markets grow and modernize them? On the other hand, can African manufacturing systems successfully integrate into the global value chains, as experienced in other areas of the world? Despite the difficulties, many African countries are encouraging drawing up action agendas and implementing structural reforms (Nafziger, 2012; Kuada, 2014; Mazrui and Wiafe-Amoako, 2015; Mol et al., 2017; Heshmati, 2017, 2018; Oluwatayo and Ojo, 2018; Wiafe-Amoako, 2021; Prempeh et al., 2024).

In the last decade, Africa has experimented with high levels of growth, but there are still governance weaknesses (Rodrik, 2016). Historically, African countries have experienced conflicts, structural upgrade programmes, weak institutions and unsound governance, high levels of international aid, low levels of foreign investment, dependence on natural resources, limited economic freedom and private sector (Beekman et al., 2013; D'Agostino et al., 2016).

This means that debate on the determinants of African growth is central for economists and scholars. Economies in transition, such as emerging and developing, are experiencing an evident socio-economic dynamism, and soon, they will have to face the challenge of change, as much as developed countries will have to do (Dallago and Casagrande, 2023). This has increased competition between firms to enter GVCs, and the pressure on emerging markets (Bacchiocchi and Bischi, 2022). African ones primarily trade raw materials and commodities with developed countries, but when these are traded with developing countries, it exists a higher likelihood that they are dutiable.

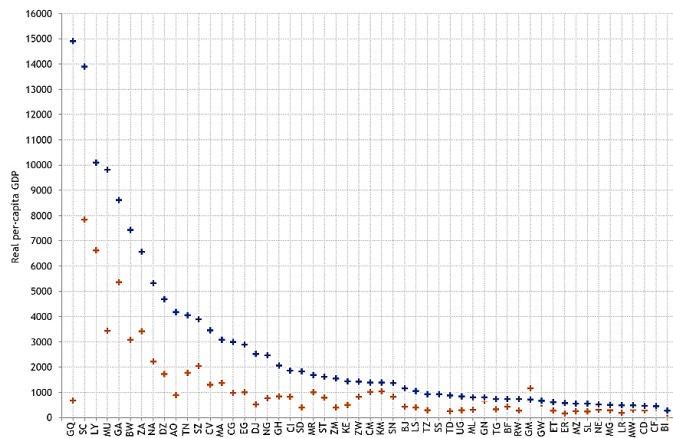
Globalisation has broken the consolidated production paradigms, and new business opportunities have emerged around the world. The state of crisis that began in 2008 has never stopped. The sovereign debt crisis in the Eurozone, the “Arab Spring” uprisings, the Covid-19 global pandemic that has constituted an important structural break, the imbalances in the US-China trade relationship, the Russia-Ukraine war and that in the Middle East are seriously damaging the world economy. Advanced economies are growing slowly, or risk a new recession, as they have begun to suffer from growing internal imbalances and income disparity risking compromising the long-run economic and social stability (IMF, 2020, 2021, 2022).

In conclusion, interest in African emerging markets is growing at least for three reasons: (i) governance in developed and developing countries, especially in Eastern and Southern Asia, is concerned about ensuring the supply of strategic raw materials to manufacturing industries; (ii) the so-called “African lions” – Ethiopia, Ghana, Kenya, Mozambique, Nigeria, and South Africa – have experienced fast growth (IMF, 2019); (iii) it expects that the African Continental Free Trade Area Agreement (AfCFTA) will increase income in countries by at least 9% by 2035 (World Bank, 2020, 2022).

The multilateral, and free trade agreements are important for the success of African countries, as a consequence of the economic and geopolitical processes that are affecting the globalised world. In fact, AfCFTA will help investors mitigate operational risks, overcome market barriers, and address compliance issues arising from non-harmonised trade standards, therefore enabling them to effectively grow their businesses while supporting inclusive and sustainable development at both the regional and local levels (World Economic Forum, 2023).

In Figure 1 below, the average levels of real per capita GDP over the periods 2010-2019 (benchmark) and 1990-1999 for the 54 African countries are shown in comparison. Figure 1 shows that African countries recorded growth in real per capita GDP on average between the two periods considered. Numerous countries fall within the range of less than \$1,000 to around \$2,000 yearly. However, wide disparities between countries are evident. At the bottom of the income pyramid are two of the poorest countries in the world, Somalia and Burundi, with just over \$100 and \$200 yearly, respectively. While Equatorial Guinea – an oil-rich country – and the Seychelles – a financial and offshore centre – stand out, with almost \$15,000 and \$14,000 yearly, respectively. The “African lions” – South Africa (\$6,500), Nigeria (\$2,500), Ghana (\$2,000), Kenya (\$1,500), Ethiopia (\$600), and Mozambique (\$550) – are quite vary. Finally, the other countries in the \$6,000-\$10,000 yearly range are: Libya (\$10,000), Mauritius (\$9,800), Gabon (\$8,500), and Botswana (\$7,500).

Figure 1: Average Levels of Real Per-Capita GDP for the 54 African Countries, 2010-2019 and 1990-1999, USD



Source: Author’s own elaboration.

Note: Data for South-Sudan are missing before 2010.

At the Figure A.1 in Appendix A, the long-term average growth of Africa and its sub-regions is shown since 1990. The greatest growth rates are evident starting in the 2000s. In terms of growth achieved, Northern-Africa is the leader thanks to its more diversified economies. Southern-Africa follows, supported by the mining industry and relatively advanced infrastructure, but penalized by internal inequalities and recurring crises. Eastern-Africa follows, its growth has accelerated driven by targeted economic reforms. Western-Africa is subject to political instability and volatility in commodity prices, and it is at the bottom. Central-Africa is the last due to internal conflicts and a lack of infrastructure.

The last decade, then, is the period showing the most uneven trends, where growth has suffered setbacks or slowed, and has generally become more instable, primarily due to commodity price shocks and various socio-political tensions across subregions (IMF, 2019; World Bank, 2020, 2022). Northern – and Eastern – Africa remained the area with the highest income levels, while the Central-, Western-, and Southern – Africa struggled the most. Therefore, these trends make the last decade worthy of further investigation and a deeper understanding of the drivers of African growth.

This study aims to explore the determinants of African growth in a panel of 54 counties ¹ after analysing reference literature to select the explanatory variables. Therefore, the research question (RQ) directly results from the overall questions above and is as follows: *what institutional and trade factors have driven African growth over the decade 2010-2019?*

Although many studies analysed African growth, however, as far as we know, there are no studies analysing this for a whole sample of 54 African countries during the period 2010-2019. In fact, pre-Covid-2019 dynamics can primarily reflect ordinary fluctuations of the economic cycle. Additionally, the construction of a panel covering 54 African countries with a large N and small T can represent a relatively uncommon and valuable contribution to the empirical growth studies. Therefore, this study adds to previous works referred to African growth, resulting useful as a support for future research. In an original way, this study then employed an overall composite index of governance. For a discussion of the topic, refer to Scalamonti (2024c, 2025).

The remaining paper has been structured as follows: (i) literature background and explanatory variables selection, (ii) data collection, materials, and methods, (iii) empirical analysis, (iv) conclusions.

1 Northern-Africa: Algeria, Egypt, Libya, Morocco, Tunisia. Western-Africa: Benin, Burkina-Faso, Cabo Verde, Gambia, Ghana, Guinea, Guinea-Bissau, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo. Central-Africa: Burundi, Cameroon, Central African Rep., Chad, Congo Dem. Rep., Congo Rep., Equatorial Guinea, Gabon, Liberia, São Tomé and Príncipe. Eastern-Africa: Comoros, Côte d'Ivoire, Djibouti, Eritrea, Ethiopia, Kenya, Madagascar, Mauritius, Rwanda, Seychelles, Somalia, South-Sudan, Sudan, Tanzania, Uganda. Southern-Africa: Angola, Botswana, Eswatini, Lesotho, Malawi, Mozambique, Namibia, South-Africa, Zambia, Zimbabwe.

2. Literature Background and Explanatory Variables Selection

Development economists have produced many empirical studies about the drivers of growth, however, their findings can change over time and based on the considered countries. As a result, authors can differently explain growth, based on the specific research questions or analysis methods they adopt. From the reference literature, it emerges that differences in economic policy among countries can explain their gaps in economic growth.

We have selected the empirical literature related to African growth's explanatory variables describing reference background from the Edinburgh University's online search engine *discovered.ed.ac.uk* by using the following keywords for the title: *Africa growth*; filters: *gross domestic product*; time-frame: *2011-2025*; discipline: *business and economics*. Results were performed for 75 peer-reviewed research articles clustered based on their main topics (Table A.1 in Appendix A).

While empirical works have identified a number of variables correlated with development, an important issue that remains open is the lack of an unequivocal theoretical framework about what the determinants of growth are with reasonable certainty. Therefore, a specific approach to analyse the growth determinants may be to research robust empirical relations for African growth over the last decade.

Empirical works focus on explaining why some countries have experienced rapid long-term growth rates in per-capita income, while others have not achieved the same performance. In growth theory, relatively small differences in cross-country growth rates, when cumulated over one or more generations, can have significant consequences on countries' living standards. As a result, the role of governance and institutional environment on development is a widely debated research topic.

The relationship between the geographical localisation of countries and growth is also debated. Their effects can be indirectly grasped by the institutional and business environment variables. The experience of countries where institutional and business environment is unsound, or where governance has collapsed, has shown that growth is significantly lower than otherwise. Moreover, in a globalised world, a part of the trade is along the GVCs.

Among the various strands of the literature that can be used to explain the relation between growth and development, one of the most important in development economics and pertinent for this study is the modernization theory, which is well suited to African contexts. This theory argues that cultural and technological differences among countries can contribute to explain their underdevelopment (Sadik-Zada, 2020).

The capitalistic way should be a solution for underdeveloped economies and technology is the most important factor in the development analysis, while cultural differences and traditionalist behaviours can be an obstacle to progress and innovation. However, the underdevelopment of countries could also be explained by the exploitation of developing countries by the advanced

ones due to the globalisation that privileges some countries at the expense of others (Sadik-Zada, 2023). For instance, southern resource-rich countries remain underdeveloped to the advantage of developed ones exporting cheap raw materials then employed for development in advanced economies.

In conclusion, the literature background is characterized above all by the importance of the institutional quality variable. The institutional level reached by countries affects their business environment. In other words, there is a positive nexus between the institutional quality, business environment and growth (Acemoglu and Robinson, 2012; Acemoglu et al., 2019; Babajide et al., 2021; Festré, 2021; Glegg et al., 2021; Lin, 2021; Razin, 2022).

Table 1 below summarizes the main explanatory variable used in the studies, their expected signs, and economic motivations for their inclusion in the empirical analysis.

Additionally, we also consider how the global interdependencies across markets can contribute to explaining African growth (Barro, 2014). As a result, it is necessary to include in the analysis the terms-of-trade variables based on the World Bank's classification of country development, such as high-developed countries (HDCs) and low – and middle-developed countries (LMDCs).

Table 1: Economic Variables, Expected Signs, and Economic Motivations

Variables	Expected Signs	Economic Motivations
Real per-capita GDP	+	Growth persistence and conditional convergence (lags)
FDI Inflows	+	Technology transfer and capital accumulation
Inflation	–	Macroeconomic and monetary instability
Openness	±	Productivity spillovers, or infant industry crowd-out
Natural Resource Rent	–	Resource curse
Government Expenditure	±	Stabilizing role, infrastructure, or fiscal constraints
Productivity	+	Manufacturing efficiency and country's competitiveness
External Debt	±	Debt-overhang effects, or financing
Unemployment	–	Unproductive labour force
Military Expenditure	±	Political stability, or opportunity costs
Health Expenditure	+	Improvement of human capital and productivity
Received Remittances	+	Keynesian demand-driven multiplier effect
Net-ODA	±	Effective aid, or crowd-out and governance lacks
Urban Population	±	Urban-scale benefits, or infrastructural congestion
Human Capital Formation	+	High skills, innovation, and productivity
Gross Fixed Capital Formation	+	Physical capital accumulation
ICT-diffusion	+	Greater connectivity, technology diffusion and spillovers
Institutional Quality	+	Sound governance reduces country risk and attracts capital flows
Terms-of-trade (import-export)	±	Participation in GVC, or structural dependence

Source: Author's own elaboration.

3. Data Collection, Materials, and Methods

We have used a set of explanatory variables extracted from the UN-dataset (UNCTAD and UNDP), and the WB-dataset (World Development Indicators-WDI and World Governance Indicators-WGI) over the period 2010-2019 for all 54 African countries. Time-series have been integrated with data from the IMF (World Economic Outlook-WEO), otherwise from secondary sources (CIA-World Factbook’s country surveys). Overall, the panel-dataset reliability based on the completeness is at 98%.

A panel-dataset allows for exploring not only the cross-sectional dimension but also the time-variant one. At Table A.2 in the Appendix A, we show the main descriptive statistics and proxies for the variables used. An acceptable level of variability over the time dimension exists, while the cross-sectional dimension shows a higher level of this for some variables.

Table A.3 in the Supplementary File shows the statistical associations between variables that are non-excessive for the dependent variable, particularly, and among the regressors, generally.

We decided to proceed as follows. First, we estimate univariate GMM-system models to identify in a preliminary way the most significant regressors.

The approach adopted in this first step individually control for the significance of each regressor on the African countries’ growth performance. It is appropriate as the regressors individually should not be affected by the influence of other variables. Although the univariate GMM approach in this sense can be a way to mitigate endogeneity in the modelling, a bias from omitted variables may still exist.

Second, with the significant variables found, we estimate the most common fixed-effect (FE) model that duly accounts for the time-invariant and specific fixed-effects of African countries. Since we cannot adequately model the country-specific heterogeneity implementing a dynamic panel model without compromising the efficiency, we opt to employ the more common fixed-effect model while adequately considering the interactions between the significant variables. We then made the fitting of the model with a backward-and-forward procedure to search for the last determinants of African growth.

Furthermore, in panel data, unobserved heterogeneity needs to be addressed by applying the within transformation – or demeaning process – as in FE models, otherwise by taking first differences, if the second dimension of the panel is a proper time-series. Since estimates may be affected by heteroskedasticity and autocorrelation, or cross-sectional dependence, clustered robust standard errors were employed (Arellano, 2003).

The ability of first differencing to remove unobserved heterogeneity also underlies the GMM-estimators (Arellano and Bond, 1991; Blundell and Bond, 1998). These models contain one or more lagged dependent variables, allowing for the modelling of a partial adjustment mechanism. The GMM estimators can provide consistent results in the presence of different sources of

endogeneity, such as unobserved heterogeneity, simultaneity, dynamic endogeneity, and in finite samples. Finally, we have computed over the time-series 2010-2019 the average value every two years, thus having in mean-stationary time-series of five time-units.

The dependent variable is real per-capita GDP, and the dynamic panel specification is given by the presence of the dependent variable with one order of lags in the right side of equation. We have estimated models with regressors at time t , and $t-1$ to consider the eventual lagged effect of macroeconomic policies on variables, or the persistent effect on trade. The models have been estimated with the open-source statistical software *gretl*, as below [1]:

$$y_{i,t} = \alpha y_{i,t-1} + \beta x_{i,t} + \delta x_{i,t-1} + \theta_i + \lambda_t + \varepsilon_{i,t}; \quad [1]$$

where, $y_{i,t}$ is the dependent variable; $y_{i,t-1}$ is the dependent variable with one order of lags on the right side of the equation; $x_{i,t}$ and $x_{i,t-1}$ are time-variant explanatory variables; θ_i is the constant in the equation grasping the fixed effects; λ_t is the idiosyncratic unobserved time-specific effects to prevent a contemporaneous correlation due to time-related shocks; finally, α , β , and δ are the coefficients that want to be estimated, $\varepsilon_{i,t}$ is the idiosyncratic individual and time-specific error terms in the regressions.

The “two-step” GMM applies forward orthogonal deviations, which means that instead of subtracting the previous observations of a variable from its current value, it subtracts the average of all future available observations of a particular variable (Roodman, 2009a). By using a “two-step” GMM, researchers can prevent unnecessary data information loss. In the case of a balanced panel dataset, this estimator provides more efficient and consistent estimates for the involved coefficients (Arellano and Bover, 1995). In other words, the estimator allows to correct endogeneity when using a panel-dataset with variables that are potentially endogenously determined (Bond et al., 2001). Generally, using the orthogonality conditions, the GMM estimators allow efficient estimation even in the presence of heteroscedasticity of unknown form.

Therefore, we have adopted the “two-step” GMM-sys estimator, as this procedure is more efficient than the differencing (GMM-diff), especially for a panel dataset like ours, where N is greater than T . The GMM-sys extended the difference model by adding equations in levels to the regressions run in the first differences, and this allows the introduction of additional instruments. Specifically, by using lagged levels as instruments for first difference equations and the lagged first differences as instruments for level equations.

In other words, for endogenous variables in levels, their own lagged differences serve as instruments, thus the additional moment conditions efficiency is increased. This means the modelling also takes care of finite sample bias, and if it exists an inverse causality issue, the variables are highly persistent and are used as weak instruments for the first differences. We have also used the finite sample bias correction by Windmeijer (2005) for robust standard errors in the models.

However, an unbiased GMM estimator depends on the validity of the instruments and maintaining the number of this below the number of groups is a good rule of thumb (Roodman, 2009b). Instruments should be correlated with endogenous instrumented variables while conforming to the orthogonality condition to prevent errors (Baum et al., 2003). A higher p-value for Sargan and Hansen is a confirmation of the correct specification of models under the null hypothesis of non-overidentification and instrumental validity. On the one hand, Sargan relies on the assumption of homoscedastic errors, but this puts limitations on the strength of the test when the assumption is weak. On the other hand, this test is not exposed to the same instrumental proliferation weaknesses as the Hansen test. The Sargan test is associated with not robust estimates, but is not weakened by many instruments, while, the Hansen test is associated with robust estimates, but can be weakened by the instrument proliferations. Therefore, the Hansen test should be more adequate. Based on a heterogeneous dataset, there is a high probability of idiosyncratic shocks in each country, and there is a potential violation of the homoscedasticity assumption. Therefore, computing the Sargan test alone may be misleading, while computing both tests can be more convenient.

4. Empirical Analysis

4.1 Outcomes and Discussion

GMM-models and their significant variables are shown in Table 2 (a, b), while FE-models are shown in Table 3. The various sign reversals found indicate the existence of potentially significant differences in short – and long-run growth effects. That said, it cannot be excluded that in some cases the relatively weak magnitude detected for the effect could be just a noise.

The real per-capita GDP with one order of lags is the significant variable with the highest magnitude in all models, and this result is in line with the literature on growth determinants. This effect is clear confirmation that the dynamic approach is suitable for capturing the effects of past policies on economic growth.

Inflation could be expected to negatively impact growth. In fact, it is not uncommon to find it associated with a more unstable economic system (Kagochi et al., 2013; Asongu, 2014; Walle, 2014; Bouvet et al., 2022). However, its significance and positive magnitude for the variable with one order of lags can be affected by competitive devaluations in the related foreign exchange markets implemented by policymakers to encourage import-export, otherwise, it can be related to short-term assessments of labour market efficiency.

As well, external debt has been found to be significant, which means that African countries have had a need to finance their growth recurring to funds of international organisation financing development (Mbate, 2013; Kadir et al., 2017; Mensah et al., 2019; Ehigiamusoe and Lean, 2020; Idun, 2021; Olaoye, 2022; Asante et al., 2023; Jima and Makoni, 2023; Mazorodze, 2024; Sore et al., 2024; Diop et al., 2025).

This result may mean that larger levels of debt stocks initially lead to lower growth, as captured by the variable without lags. However, it should be highlighted that while excessive debt can have a positive effect on growth, it can also cause several macroeconomic imbalances (Menyari, 2019).

Openness is significant and it is not uncommon for more liberalised economies to be better positioned along the GVCs, for instance, benefiting from positive externalities on productivity by learning-by-doing in trade, or by collaborations and competition on international markets (Chang and Mendy, 2012; Elhiraika et al., 2014; Brueckner and Lederman, 2015; Koomson-Abekah and Nwaba, 2018; Osei et al., 2019; Udeagha and Ngepah, 2021; Abdu et al., 2021). However, a rapid openness can also damage development, if it does not occur in the appropriate way and at the right time, especially in developing countries, where they tend to specialise in traditional productions or in industries where innovation is not the core, thus, by becoming more vulnerable to external negative shocks (Kiiza et al., 2022). This means the openness effect on growth can be ambiguous in developing countries, and more openness can have a crowding-out effect on domestic growth and investments (Sghaier, 2021). Nonetheless, more openness can increase productivity, facilitate the manufacturing industry's upgrading, promote technological and institutional advancement, and finally, increase capital accumulation, as a result, intermediate manufacturing imports and goods exports rise (Mbogela, 2019; Epaphra and Amin, 2022).

In line with expectations, the gross fixed investments and unemployment rate have been found significant (Seetanah and Rojid, 2011; Calderon and Boreux, 2016; Shittu et al., 2020). Gross fixed investment has been found with a positive magnitude, while the unemployment rate and it with one order of lags have been found with a negative and positive magnitude, respectively. Gross fixed investment and unemployment rate are variables related to income equation and labour market efficiency.

Remittances can influence the economy to which they are directed through the Keynesian multiplier. Even if all the income is consumed by the households that received the remittances, this would indirectly stimulate the exogenous component of demand, as there will be a general increase in aggregate income. This suggests that migrant workers' earnings proxied by received remittance with one order of lags are positively contributing to African growth (Adusah-Poku, 2016; Coulibaly et al., 2018; Amir and Amir, 2024).

The macroeconomic variables related to public spending, such as government, health and military expenditure have been also found significant (Seetanah and Rojid, 2011; Pinkovski and Sala-i-Martin, 2014).

Government expenditure is a proxy for the governance's bureaucratic size, and it is often associated with a negative impact on growth due to the issue of available resource allocation (Arizala et al., 2021).

The health expenditure and military one with one order of lags have been found significant and positively and negatively impacting growth, respectively, although the second without the lag has

had a positive impact (Ahmed, 2012; Akhmat et al., 2014; Shaaba and Ngepah, 2018; Ajayi, 2024). However, assessing these impacts should be difficult, especially in economies with a permanent or semipermanent war and riots, or because they could be related to other unconsidered exogenous variables (Mijiyawa, 2013; Nsiah et al., 2016; Calderon and Boreux, 2016; Franses and Welz, 2022).

Growth can be associated, among other determinants, with geographical and cultural factors, or with ethnic fragmentation grasped by constant in the equations. This result shows that geographical factors can have significant impacts on growth, although control for other country factors is still necessary (Aboubacar and Xu, 2017; Iheonu and Ichoku, 2021; Wirajing et al., 2023).

In Table 2b, we show models with the proxy variables for the terms-of-trade. Significant variables are the imports and exports from or to the cluster of HDCs lead by US economy, as well as the exports to the cluster of developing economies in Europe or Central-Asia, and Eastern-Asia or Pacific where the Russian and Chinese economy lead, respectively. In general, Russian, and especially Chinese economic influence in Africa has increased over the past decade (Doku et al., 2017; Kodzi-Jr, 2023). Additionally, imports from developing economies in Southern Asia led by India, have been found significant. Other significant evidence has not been found for the remaining clusters. In fact, the weak complementarity between African countries’ trade specialisations – linked also to the weight of primary natural resources in their exports – may constitute an obstacle to trade across African countries (Okoro et al., 2020; Musila and Yiheyis, 2025).

Low countries’ integration along the GVCs may be another obstacle to adding value to their productions. This means that, it is more likely that countries’ trade in general focus on processed goods, while agricultural products and raw materials may mostly be exported outside the African continent (Borojo and Jiang, 2016; Miao et al., 2020, 2021).

Finally, we also found that among the macroeconomic variables (Table 2a), natural resource rent, productivity, FDI inflows, human capital formation, urban population, net-ODA, and ICT-diffusion have not been found significant.

Countries rich in natural resources are usually characterised by their high dependency on them, their low economic diversification, and the volatility of their commodity prices and revenues (Ocran and Biekpe, 2011; Diaw and Lessoua, 2013). As a result, a negative sign for the variable with one order of lags refers to a crowding-out effect, i.e., the Dutch disease due to an abundance of natural resources and raw materials (Namahoro et al., 2023).

Productivity reflects the manufacturing industry’s ability to add value to production inputs. The higher this is, the broader the implications for growth (McMillan and Rodrik, 2011). This variable shows a negative relationship, which may depend on the positioning of the African countries’ manufacturing system along the GVCs, but it is not significant (Rodrik, 2016; Yeboua, 2025).

In developing and emerging economies, FDI inflows can contribute to growth in a different way, but proofs of their effect can be contrasting (Adusah-Poku, 2016; Awolusi et al., 2017; Asamoah et al., 2019; Hagan and Amoah, 2019; Shittu et al., 2020). There is evidence that FDI inflows with one order of lags positively affect growth. Nevertheless, the magnitude of the coefficients is very low, not excluding the only noise. Otherwise, this result may depend on the complementarity degree, or the substitution effect between FDIs and the other foreign capital – such as net-ODA and received remittance – or the countries' domestic policies on infrastructure and human capital. Alternatively, it may be caused by increased competition within the markets. This means that their net effect can be positive even if the substitution effect has crowded-out domestic fixed investment.

Human capital formation is a proxy for more training, or a higher educational level usually associated with higher growth (Kagochi et al., 2013; Kayaoglu and Naval, 2017; Ibrahim, 2018; Anetor, 2020; Nwani, 2021 ; Onatunji, 2024). Nonetheless, their effects can have a direct and indirect impact on growth and can be positive, negative, or neutral based on the level of disaggregation of the indicators (Ibrahim et al., 2024).

The urban population growth may be related to the extension of urban areas, and the development of global cities following an increase in income (Bruckner, 2012; Onjala and K'Akumu, 2016; Oluwatayo and Ojo, 2018). The non-significance found for the urban population growth can be due to the neo-Malthusian theory suggesting that population growth can hinder development, as larger households must spend more on public utilities, by eroding their savings or limiting investments (Ajayi, 2024). However, the impacts of demographic growth on development can vary considerably by country based on economic and institutional policies.

The effect of net-ODA comes with a negative sign. International aid can crowd-out growth if it is not effectively directed by governance toward social and economic progress or poverty reduction (Alemu and Lee, 2015; Adusah-Poku, 2016; Cai et al., 2018). In other words, democracy and political rights promote growth, while the protectionism of the elite's interests depresses it (Gaibullov and Sandler, 2011; Narayan et al., 2011; Bertocchi and Guerzoni, 2012; Jaunky, 2013; Fayissa and Nsiah, 2013; Ahlerup et al., 2016; Toh, 2016; Epaphra and Kombe, 2017; Ogbuabor et al., 2020; Hussen, 2023).

The use of new technologies, such as the internet and mobile devices, has been found significant in previous studies. Its non-significance detected here could also depend on the variable used as a proxy (Chavula, 2013; Batuo, 2015; Donou-Adonsou et al., 2016; David, 2019; David and Grobler, 2020; Ngameni et al., 2022; Ahodode, 2023). However, this result could also be because African societies still lag in the adoption of new information and communication technologies (Haftu, 2019). Although non-significant, we have found ICT-diffusion at time t with a positive sign.

Ultimately, the Sargan and Hansen tests, Wald tests on regressors and time-dummies, as well as respecting the rule of thumb to maintain the number of instruments less than the number of cross-sectional units, show the estimate reliability in the models.

Table 2: GMM-sys with Strictly Exogenous Regressor

(a)	Real per-capita													
	GDP													
	Coeff.	Std. Err.	Constant	Time Dummies	Standard Error	Regressors Wald-Test p-value	Time Dummies Wald-Test p-value	AR (1) Test p-value	AR (2) Test p-value	Non-Observations (%)	Observations (%)	Sargan Test p-value	Hansen Test p-value	Instruments
Real per-capita														
GDP (t-1)	0.917	0.064	***											
FDI Inflows	-0.001	0.008												
FDI Inflows (t-1)	0.006	0.010		yes	0.107	0.000	0.000	0.020	0.489	54 (20)	216 (80)	0.149	0.336	15
Real per-capita														
GDP (t-1)	0.890	0.057	***											
Inflation	-0.230	0.027	***											
Inflation (t-1)	0.340	0.042	***											
Real per-capita				yes	0.099	0.000	0.000	0.045	0.175	54 (20)	216 (80)	0.191	0.626	15
GDP (t-1)	0.878	0.078	***											
Openness	-0.148	0.076	*											
Openness (t-1)	0.245	0.074	***											
Real per-capita				yes	0.101	0.000	0.000	0.022	0.164	54 (20)	216 (80)	0.029	0.444	15
GDP (t-1)	0.948	0.041	***											
Natural Resources Rent	0.053	0.048												
Natural Resources Rent (t-1)	-0.072	0.047												
Real per-capita				yes	0.106	0.000	0.000	0.016	0.611	54 (20)	216 (80)	0.264	0.301	15
GDP (t-1)	0.911	0.054	***											
Government Expenditure	-0.055	0.063												

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The "Africa Rising": An Empirical Analysis of the Determinants of Per-Capita Growth

Real per-capita GDP														
(b)	Coef.	Std. Err.	Constant	Time Dummies	Standard Error	Regressors Wald-Test p-value	Time Dummies Wald-Test p-value	AR (1) Test p-value	AR (2) Test p-value	Non-Observations (%)	Observations (%)	Sargan Test p-value	Hansen Test p-value	Instruments
Real per-capita GDP (t-1)	0.899	0.062	***											
Imports from HDCs	0.235	0.114	**											
Imports from HDCs (t-1)	-0.209	0.113	*											
				yes	0.104	0.000	0.000	0.011	0.142	54 (20)	216 (80)	0.064	0.283	15
Real per-capita GDP (t-1)	0.901	0.065	***											
Exports to HDCs	-0.034	0.023												
Exports to HDCs (t-1)	0.056	0.019	***											
				yes	0.103	0.000	0.000	0.017	0.451	54 (20)	216 (80)	0.080	0.332	15
Real per-capita GDP (t-1)	0.901	0.066	***											
Imports from LMDCs in Latin America or Caribbean	0.005	0.014												
Imports from LMDCs in Latin America or Caribbean (t-1)	-0.004	0.011												
				yes	0.106	0.000	0.000	0.017	0.523	54 (20)	216 (80)	0.146	0.397	15
Real per-capita GDP (t-1)	0.919	0.049	***											
Exports to LMDCs in Latin America or Caribbean	0.006	0.012												
Exports to LMDCs in Latin America or Caribbean (t-1)	0.011	0.011												
				yes	0.106	0.000	0.000	0.016	0.497	54 (20)	216 (80)	0.176	0.438	15
Real per-capita GDP (t-1)	0.895	0.058	***											

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Note: *** significance for $\alpha = 0.01$ ** significance for $\alpha = 0.05$ * significance for $\alpha = 0.10$.

4.2 Controlling for Fixed-Effects

FE-models are shown in Table 3 below. The findings indicate that external debt, received remittance, gross fixed investments, institutional quality proxied by the governance climate, exports to LMDCs in Eastern-Asia or Pacific regions, and imports from LMDCs in Southern-Asia region are all significant drivers of African growth.

In particular, the magnitude of the variables reveals that institutional quality is the most important driver of growth with a positive impact, followed by external debt but with a negative sign. While the two significant terms-of-trade negatively impact African growth, although more marginally.

Concluding, improvement in country’s governance can act as a growth accelerator by adopting sounder policies (Khyareh and Amini, 2021; Arjun and Mishra, 2024). For instance, public spending may be channelled toward societal well-being through investments in healthcare, education, infrastructure, and through the integration of marginalized groups, such as women, into economic processes, enhancing productivity and acting as a driver for the African countries’ development (Jeong et al., 2020; Ibrahimov et al., 2023; Osinubi and Simatele, 2024).

Therefore, the effectiveness of government policies is contingent on a sound institutional and business environment (Bah and Kpognon, 2020; Borgi et al., 2023). In other words, improving the African countries’ governance climate may represent a necessary, though not sufficient, condition for sustainable and inclusive economic growth (Kwilinski et al., 2023; Yang et al., 2023).

Table 3: Fixed-Effects Models, Clustered Robust Standard Errors

	Full Model		Fitted Model ^(a)	
	Real per-capita GDP			
	Coeff.	Std. Err.	Coeff.	Std. Err.
Inflation	-0.065	0.050		
Openness	-0.097	0.109		
Government Expenditure	-0.053	0.078		
External Debt	-0.220***	0.043	-0.222***	0.042
Unemployment	0.027	0.062		
Military Expenditure	-0.018	0.038		
Health Expenditure	-0.059	0.060		
Received Remittance	-0.088***	0.032	-0.096***	0.031
Gross Fixed Investments	0.197**	0.090	0.158*	0.084
Governance Climate	0.254**	0.106	0.318***	0.086
Imports from HDCs	-0.030	0.098		
Exports to HDCs	-0.012	0.031		
Exports to LMDCs in Europe or Central-Asia	-0.015	0.010		
Exports to LMDCs in Eastern-Asia or Pacific	-0.017	0.013	-0.021*	0.012
Imports from LMDCs in Southern-Asia	-0.073**	0.035	-0.076**	0.036
Fixed-Effects	8.680***	0.753	7.529***	0.447
Time-Dummies	Yes		Yes	
Standard Error	0.121		0.121	

Log-likelihood	230.3	224.7
Regressors F-Test p-value	0.000	0.000
Time-Dummies Wald F-Test p-value	0.000	0.000
Welch F-Test p-value	0.000	0.000
Heteroskedasticity Test p-value	0.000	0.000
Autocorrelation Test p-value	0.000	0.000
Normality Test p-value	0.006	0.008
Pesaran CD-Test p-value	0.185	0.234
Non-Observations (%)	-	25 (9)
Observations (%)	270 (100)	245 (91)
Whitin R-squared	0.441	0.417
LSDV R-squared	0.990	0.990

Source: Author's own elaboration.

Note: *** significance for $\alpha = 0.01$ ** significance for $\alpha = 0.05$ * significance for $\alpha = 0.10$. (a) Both backward and forward selection of regressors was used.

5. Conclusions

5.1 Contribution and Concluding Remarks

The African continent represents one of the most dynamic frontiers for global development in the coming decades (Carmody, 2017; Mohseni-Cheraghloo, 2023; Signé et al., 2025), although Africa's development-path remains atypical in comparison with other areas of the developing world, such as Asia and Latin America, for instance. (Grabowski and Self, 2025).

In many African countries, the substitution of the subsistence economy since the decolonization period of the mid-20th century and the development of service sectors rather than manufacturing in recent decades led to premature deindustrialization (Rodrik, 2016; D'Amelio et al., 2016) and constrained sustainable growth across the continent. Hence, African countries continue to suffer from significant inequalities within them (Larsen et al., 2025).

Moreover, both the United States and European countries – formerly colonizing – have reduced the intensity of their African engagement, while other emerging economies – especially China – have pursued an increasing engagement recurring to enter strategies primarily cantered on infrastructural development and state-backed loans, finally producing a rapid increase of Chinese presence in Africa over the last twenty years (Ferrucci et al., 2018; Scalamonti, 2024a,b; Carmody, 2025; Mariotti and Meacci, 2025).

Therefore, African growth may have benefited from particularly favourable external factors over the last decades (IMF, 2019; World Bank, 2020, 2022). For instance, recent Chinese economic expansionism has fuelled African exports of natural resources and increased foreign capital flows have supplemented international aid. Finally, commodity prices have been high, interest rates

have been low, and economic global crisis had limited impacts as African countries have weak or underdeveloped financial markets.

The significant variables that result controlling for fixed-effects indicate that growth dynamics in African countries especially rely on the institutional quality.

In fact, governance climate is emerged as a significant positive driver, thereby highlighting a pivotal role of sounder governance and policies in fostering growth (Dao, 2015; Asante et al., 2023). However, the significance of external debt and its negative impact highlight that an excessive debt hindered African growth and may be the cause of several macroeconomic imbalances (Menyari, 2019).

While the impact the gross fixed investments is in line with expectations, highlighting the pivotal role of the infrastructural capital on economic growth (Seetanah and Rojid, 2011; Calderon and Boreux, 2016; Shittu et al., 2020). Also, remittance inflows show a negative impact and are not in line with expectations, perhaps due to inefficiencies and imbalances in the countries’ macroeconomic framework and governance (Adusah-Poku, 2016; Coulibaly et al., 2018; Amir and Amir, 2024).

Finally, the terms-of-trade suggested Africa’s trade-dependency on specific global regions. The exports to the cluster of developing economies in Eastern-Asia or Pacific led by China seem hindered African growth, as well as imports from developing economies in Southern Asia led by India (Doku et al., 2017; Kodzi-Jr, 2023). The weak African countries’ trade specialisations may be the most obstacle to growth through trade relationships (Okoro et al., 2020; Musila and Yiheyis, 2025).

We have introduced a novelty element in the analysis by considering African growth also in relation to specific trade factors proxied by merchandise imports and exports for the clusters of developed and developing countries as defined by the World Bank. Therefore, based on the time-series data collected, and the estimation methodology used, the results show the determinants of African growth over the period 2010-2019.

Finally, about the second part of the research question in the introduction, we reasonably believe that African manufacturing systems are not successfully integrating into global value chains, as shown by the terms-of-trade found insignificant and by these found significant but that inhibit African growth.

The GVCs have expanded in the new millennium, and low transport costs, low trade barriers, few embargoes, as well as technological and financial spillovers, have made this possible, but this has also meant greater uncertainty in the markets, which are then closely interconnected with each other (IMF, 2019; World Bank, 2020, 2022). This means that economies in transition have to face negative aspects related to globalisation. As a result, there is a trade-off between the lowering of trade barriers, and technological advancements deriving from the international specialisation of

production, and the exposure of countries and their firms to economic and political unbalances and shocks (Togati and Visaggio, 2016).

Especially, in developing countries, trade in semi-finished products has intensified firms' activities along the GVCs, however, these goods may escape from national accounting due to the absence of international accounting harmonisation (Wolf, 2015; Van Bergeijk, 2024). It should be considered that the system of harmonisation of national accounts developed by the UN statistical commission is stuck in the fifth version since 2008 as an upgrade of the previous one released in the early Nineties. Therefore, causing trade intensification along the GVCs, products can transit from one developing country to another after they have had an increase in value at least equal to the labour cost, and in turn, they can return to developed countries, but without having been properly accounted for. This means that a "country-factory" can show macroeconomic structures characterised by only consumed income, for instance, as small economies focusing on import-export activities with a dominant manufacturing production.

The fragmentation of production along GVCs involves both trade and foreign direct investment and may have had different impacts on the African countries' economic growth (Coveri and Zanfei, 2023).

Trading tasks and unbundling foster capital mobility more than labour one, a relatively less mobile input. Therefore, the international fragmentation of production can pose a credible threat for workers, weakening their bargaining power, reducing the wage share, and increasing inequality in both developed and underdeveloped countries (Stansbury and Summers, 2020; Coveri and Pianta, 2022).

The internationally fragmented production requires more skill – and capital-intensive activities than domestic production and international trade because a higher level of knowledge, capabilities and competencies are required for internationalized firms and their workers to operate along GVCs than domestic firms (Castellani et al., 2015), as well as to perform specific and geographically dispersed value-adding activities (Bernard et al., 2018; Antràs, 2020). The offshoring of low-skill tasks to underdeveloped countries may entail a higher (lower) remuneration of high-skilled workers in developed (underdeveloped) countries, increasing (reducing) income inequality within (across) developed (and underdeveloped) countries (Van Bergeijk, 2018; Irwin, 2020). Furthermore, the offshoring of labour-intensive activities from capital-abundant countries to labour-abundant ones may involve a higher capital-output ratio in the former, reducing the wage share in developed countries to the extent that capital acts as a gross substitute for labour (Helpman, 2017). Nevertheless, to the extent that underdeveloped countries are marked by a lower level of education and capital endowment than developed countries, the value chain functions offshored by the latter to the former may involve high-skill and capital-intensive activities, therefore increasing income inequality in both developed and underdeveloped countries (Jaumotte et al., 2013; Dao et al., 2019; Coveri et al., 2024).

Concluding, trading tasks and unbundling may foster countries’ hyper-specialization in selected value-chain activities (Dedrick et al., 2010; Timmer et al., 2014; Gereffi et al., 2018; Timmer et al., 2019; Coveri et al., 2020). However, a more developed institutional and business environment is needed to lead to sustainable long-run African growth, but this result depends on sound countries’ governance (Beekman et al., 2013; D’Agostino et al., 2016).

5.2 Policy Implications

African growth should depend more on institutional quality. This means that African countries should improve their institutional and business environments to achieve more inclusive and sustainable growth (Acemoglu et al., 2019; Lin, 2021). African governance could lead the growth, both by pursuing incentive policies on exports rather than imports or by improving the opportunities for firms (Glegg et al., 2021). Therefore, sound institutions and forward-looking policies can lead firms toward progress, technological specialisation, and wellbeing (Kurtishi-Kastrati, 2013; Collier, 2014; Trebilcock, 2015; Kim and Heshmati, 2019; Farahane and Heshmati, 2020; Babajide et al., 2021).

With reference to the different income levels and the specificities characterizing the development-path of each African country, policymakers should focus on efficient management of natural resources, and targeted public spending on infrastructural investments and human capital formation. In pursuit of these goals, Africa’s sustainable development should follow an equal and non-predatory approach, in contrast to traditional models constrained by the donor-recipient logic. For instance, promoting co-designed partnerships and leveraging local potential, the two projects aim to develop sound synergies in key sectors, such as agriculture, energy, education, and infrastructure (Wampler et al., 2021; Sinervo et al., 2024; Muthomi and Thurmaier, 2020; Lassou et al., 2024; Islam, 2025).

The global pandemic and war around the world are showing that global governance is an important issue at the current stage of globalisation (Cowling and Tomlinson, 2011; Autor et al., 2016; Eichengreen, 2018; Saccone, 2021; Mariotti, 2022; Valli, 2025). The evolution of the world economy has for too long been left solely to the regulatory automatism of the markets, and this has increased social inequalities (Lakner and Milanovic, 2016; Stiglitz, 2021; Razin, 2022; Mariotti, 2024).

The trajectory followed by globalisation is progressively abrading the stability and social cohesion in the advanced and emerging economies, as it is not consciously governed (Boranbay and Guerriero, 2019; Benati and Guerriero, 2021, 2022; Benati et al., 2022; Dallago and Casagrande, 2023). Globalisation, on the other hand, can foster convergence between countries while also increasing economic and political competition between them by causing a disruption in global balances (Heshmati and Lee, 2010; Valli, 2018; Obstfeld, 2020; Marelli and Signorelli, 2025).

For instance, difficulties in multilateral trade negotiations within the World Trade Organisation-WTO have resulted in a generalised focus shift toward regional agreements, which have grown

in number and complexity over the last decade. African countries' signatories to the AfCFTA agreement have accepted to limit their governance's unilateral action to jointly improve their attractiveness. The AfCFTA agreement may be the biggest trade area in the world, with which the African countries could enhance the position of their manufacturing systems along the GVCs and reach sustainable development in the direction of the SDGs (Frankema and Van Waijenburg, 2018), nonetheless, the AfCFTA agreement is burdened by significant lags in its agenda (Jacobsz, 2020; Debrah et al., 2024; Nitsche et al., 2024; Africa, 2025).

African countries, such as Rwanda, Ethiopia, and Botswana, have demonstrated how targeted reforms and infrastructural investments can generate important socioeconomic impacts (IMF, 2019; World Bank, 2020, 2022). For instance, in Rwanda, partnerships between statal and private actors have enabled of implementing numerous projects in strategic sectors, such as energy, transport, and communication. In Ethiopia, the expansion of the roads and railways has strongly reduced inter-urban travel time and promoted intra-regional trade.

The Botswana government has also invested more in improving roads, railways, and facilities. These structural interventions are transforming Botswana into a major regional logistics hub and supporting a new process of economic diversification. These cases can be examples of how infrastructural investments can accelerate economic growth and promote wider trade integration.

5.3 Limitations and Suggestions

One limitation of the analysis is that African countries cannot share the same growth functions, which can also be unstable over time. Growth can be the result of a different resource endowment and distinct stages of progress that could be separately considered (Schwab, 2014, 2015). Therefore, this relationship could be further explored at the country level.

In investigating the relationship between growth and development, the study could also benefit from expansions fitting into specific strands in the literature, such as the theory of the "resource curse", that of capital mobility within the exogenous growth, or that of human capital formation within the endogenous growth.

In other words, it can be more convenient to singularly deal with the specificities of each African country's development path (N'Zue, 2020; Wang et al., 2023). For instance, it is important to recognise that a higher positive effect observed in one country can offset smaller negative effects in other countries within the panel. Nevertheless, a panel data analysis provides the advantage of constructing well-fitting models that may not be identifiable using cross-sectional or time-series data alone.

Additionally, the non-significance found for some explanatory variables could arise from econometric specification or a combination of methodological factors and structural specificities of models. For instance, some variables may suffer from mismeasurement. FDI inflows not disaggregated by sector or technology intensity may not fully reflect the true impact on countries'

growth, especially if their intent is extractive or non-inclusive. Other indicators, such as human capital formation, if measured through an aggregate proxy, may not capture the true quality of skills or their compatibility with the African labour market.

Another issue is related to the time-frame adopted, which may not be sufficient to observe the effects of structural reforms, especially in emerging and transitional economies where technology adoption and institutional change require a long adjustment period. As a result, this may explain why some lagged variables have not been found to be significant in this study.

Some variables may be affected by low intra-country variability, which limits the informativeness of panel data. In this case, non-linear effects models could be used to detect possible latent relationships. Therefore, there could be a need to include other explicative variables in models, for instance, related to demographic characteristics, such as fertility rate or life expectancy, which literature has shown to be significant for growth, resulting in greater data completeness.

Finally, a clustering based on the country’s level of income could also be necessary to have control in models with reference to it. Additionally, four clusters could be used: low-income, lower middle-income, upper middle-income, and high-income countries. Also, the gross national income-GNI with Atlas correction to reduce the impact of exchange rate fluctuations in the cross-country comparison, and the Gini coefficient for the income inequality could be used in addition to GDP. Alternatively, the Human Development Index (HDI), or the Social Progress Index (SPI), or similar other indexes (e.g., Global Impact Inequality index, Gross National Happiness, Governance-adjusted Sustainable Development Index) are well-being indicators prioritising social progress over economic progress and thus could be used as a valid alternative to the GDP.

Competing Interests Declaration

There are no relevant financial or non-financial interests regarding the study.

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Data Availability Declaration

No datasets were generated during the study and all data sources were properly quoted in the text.

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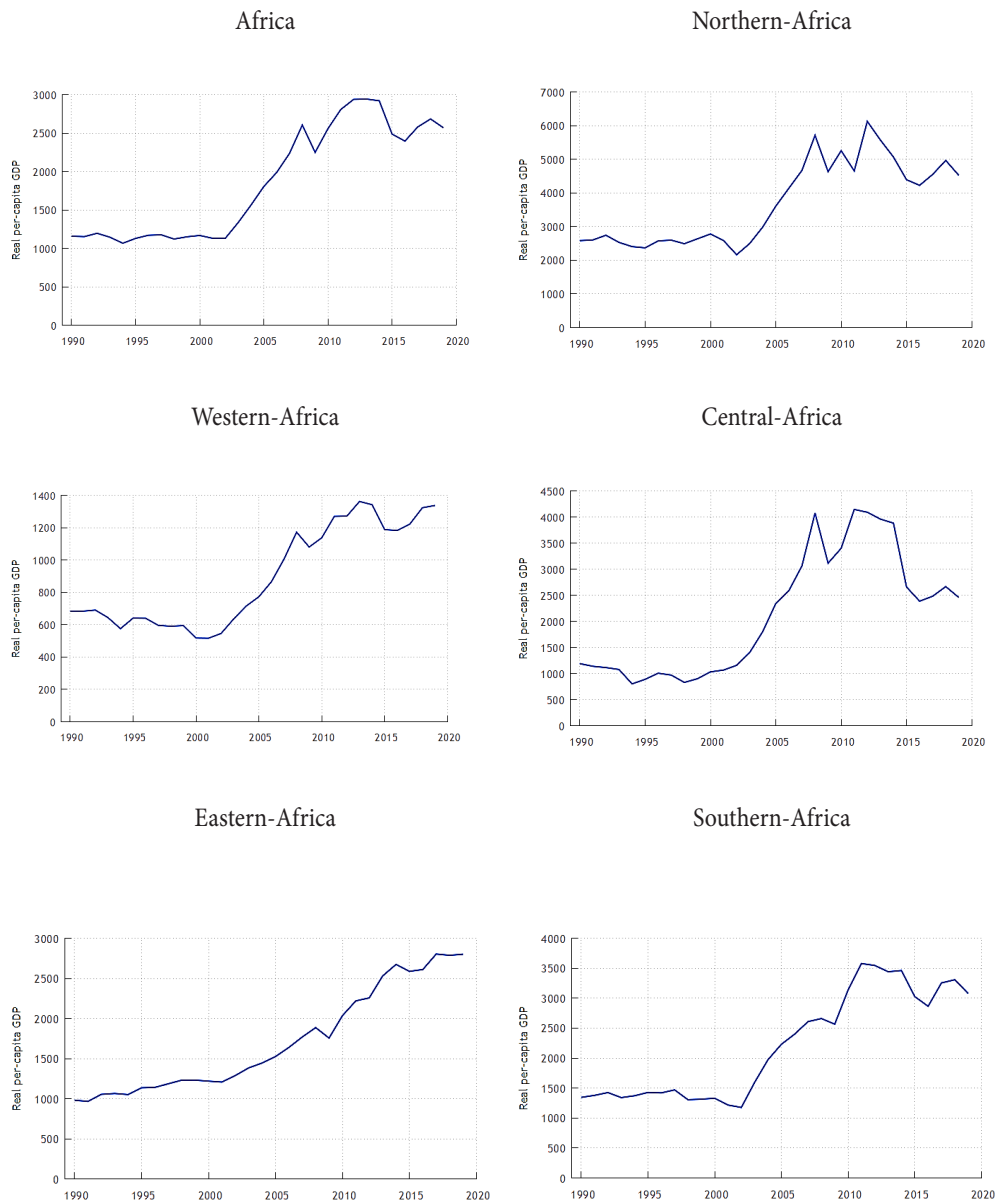
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Appendix A

Figure A.1: The Long-Term Average Growth of Africa and Its Sub-Regions, 1990-2019



Source: Author's own elaboration.

Note: data for South-Sudan are missing before 2010.

Table A.1: Clustering and Reference Literature Covering the Period 2011–2025

Clusters	Authors	Summary
INSTITUTIONAL QUALITY	Gaibullov and Sandler (2011)	They have found the effects of domestic and transnational terrorism on the per-capita income growth of 51 African countries from 1970 to 2007 by accounting for the cross-sectional spatial dependence of conflicts. The findings suggest that transnational terrorism has a modest marginal impact on per-capita income growth and that domestic terrorist events, surprisingly, do not affect it. According to the authors, the modest impact of transnational terrorism on African growth indicates that developing economies are more resilient to terrorism than is commonly assumed.
	Narayan et al. (2011)	They examine the relationship between democracy and economic growth in 30 SSA countries, finding mixed support for the Lipset theory in the long run.
	Bertocchi and Guerzoni (2012)	They explore the empirical determinants of fragility in SSA over the period 1992–2007 by using a battery of development indicators and finding that institutions are the main cause of the fragility. The probability that a country will be fragile increases with the restrictions on civil liberties and with the increase in revolutions. In fact, the per-capita GDP growth and investments are significant explanatory variables, but the economic growth has an uncertain net impact as it reduces the country's fragility, while the investments increase it.
	Jaunky (2013)	He studies the linkage between democracy and economic development in 28 SSA countries over the period 1980–2005 using the GMM model. He has found that economic growth precedes democracy in the short run, while bi-directional causality is found in the long run. At last, the effects on growth are positive.
	Fayissa and Nsiah (2013)	They use fixed and random effects models, and GMM models for investigating the governance effect on African growth. They have found that governance contributes to the growth gap of African countries, which depends on the countries' income.
	Ahlerup et al. (2016)	They examine how an impartial government toward ethnic groups can improve the growth of 20 SSA countries beginning in the late Nineties. They have found that countries with a governance perceived as impartial have a better chance of growth.
	Akobeng (2016)	He investigates whether the linkage between growth and poverty reduction can be strengthened across the institutions in 41 SSA countries over the period 1981–2010 by using the GMM estimator. He finds that improvements in governance are significant for supporting the link between growth and poverty reduction in SSA.
	Toh (2016)	He investigates the long-run growth drivers of a group of SSA emerging economies. His findings indicate that the economies diverge more on economic characteristics, institutional quality, and governance than the slow-growth group.
	Epaphra and Kombe (2017)	They examine the impact of institutions on African growth using the GMM, fixed – and random-effects models over a sample of 48 countries from 1996 to 2016, discovering that political stability is the most important factor in explaining African per-capita GDP growth. Other significant explanatory variables are openness, gross fixed investments, human capital formation, and foreign direct investments.
	Ogbuabor et al. (2020)	They examine the impact of governance on economic growth in Western Africa after the global economic recession using a panel of 13 countries and find a negative relationship between governance and growth. Specifically, corruption, government ineffectiveness, political instability, the weakness of the rule of law, and the absence of accountability are the main obstacles to growth, while the per-capita GDP, gross fixed investments, employment, and foreign direct investment are the other significant drivers of growth in the region.
QUALITY OF INSTITUTIONS	Chomen (2022)	He investigates the causal relationship between institutions and economic growth in 43 SSA countries over 13 years using system-GMM. He reports no significant causal link between institutions and growth and suggests that their impact may depend on omitted variables and institutional thresholds.
	Hussen (2023)	He investigates how different dimensions of institutional quality affect economic growth in 31 SSA countries between 1991 and 2015. Using PCA and system-GMM, he finds that investment-promoting, democratic, and regulatory institutions significantly enhance growth, while conflict-preventing institutions have limited effect.

FINANCIAL DEBT AND PUBLIC EXPENDITURE	Ahmed (2012)	He explores the relationship between military expenditure, external debts, and growth in a sample of 25 SSA countries over the period 1988–2007, by finding that military expenditure has a positive impact on the external debt of African countries, and GDP growth negatively affects their total debt stock.
	Kagochi et al. (2013)	They investigate the relationship between financial development and growth in a sample of SSA countries and find that stock-market development has a positive effect on growth. Instead, the other financial development indicators have an uncertain impact on the growth, while the control variables such as capital formation, schooling, and life expectancy have a positive effect on the growth.
	Mbate (2013)	He investigates the impact of the domestic debt on growth and the private sector in 21 SSA countries over the period 1985–2010 by using GMM models. He has found that domestic debt crowds out the private sector and deters capital accumulation.
	Asongu (2014)	He uses a VAR approach to examine the effects of monetary policy on African growth from 1987 to 2010, testing whether monetary policy variables affect growth in the short and long run, but with inconclusive results.
	Walle (2014)	He examines the long-run relationship between the financial development and growth in 17 SSA countries over the period 1975–2005 by applying an error correction term based on the co-integration tests for considering the cross-sectional dependence between the countries. He has found that there is a long-run relationship between financial development and growth, although there is a weak reverse causal impact.
	Shaaba and Ngepah (2018)	On a panel of 35 African countries from 1990 to 2015, they analyse the relationship between military expenditure, industrialization, and growth, by finding that industrialisation and growth precede military expenditure in the short – and long run, but that military power can be used to achieve industrialisation and growth under given conditions.
	Mensah et al. (2019)	They used ADL models to exaggerate the impact of public debt on growth in 38 African countries from 1970 to 2015, discovering that public debt stifles growth when it exceeds 50% of the country's GDP.
	Arizala et al. (2021)	They investigate the effects of government expenditures and revenues on growth in SSA from 1990 to 2016. They discovered that cutting off public investments has a greater impact on growth than cutting off public consumption or increasing revenues. Attempts to consolidate public finances, on the other hand, have had a negative impact on short – and medium-term growth, which has been mitigated by financial adjustments.
	Ehigiamusoe and Lean (2020)	They examine the effects of public debt and deficit on growth in Western Africa by implementing empirical strategies that account for various econometric issues. They find that the impact of financial development on growth depends on the levels of debt and deficit. When debt and deficit levels exceed a certain threshold, the marginal effects of financial development on growth are negative.
	Idun (2021)	He believes that the use of technology in financial systems can contribute to African growth in the long run, provided that other growth drivers such as human capital formation, openness, and infrastructural capital are present in the countries. However, financial development produces divergent responses to growth within African country clusters. Financial innovation in COMESA and ECCAS causes growth, while that in ECOWAS and ARABMAG has been found to be dangerous to growth.
	Olaoye (2022)	He evaluates the sustainability and inclusiveness of debt-financed growth in 44 SSA countries over 38 years. By using nonlinear fiscal reaction functions and panel threshold models, he finds that economic growth becomes less inclusive when public debt exceeds 34% of GDP, thereby questioning the long-term viability of debt-driven development.
	Asante et al. (2023)	They examine the relationship between financial development and economic growth in 29 SSA countries from 2000 to 2019, incorporating institutional quality as a mediating factor. Using system-GMM, they find that institutional features such as rule of law and regulatory quality amplify the positive effect of financial development on growth.
	Jima and Makoni (2023)	They explore the causal relationships between financial inclusion, financial stability, and economic growth in 26 SSA countries. Using PCA and ARDL cointegration with Granger causality tests, they find short – and long-term linkages, as well as bi-directional and unidirectional causality, supporting a complementary policy framework.
	Mazorodze (2024)	He evaluates the interplay between exports, government debt, and growth in 44 SSA countries from 2004 to 2023. He finds that export-led growth is weaker in countries with high debt burdens. Simulated fiscal adjustments indicate that reducing public expenditure is more effective than raising revenue to achieve debt sustainability.
	Sore et al. (2024)	They assess the short – and long-term effects of fiscal deficits on growth in 42 SSA countries between 2011 and 2021 using a two-step GMM approach. They report that fiscal deficits have a positive short-run but a negative long-run impact on growth. They also find capital formation and real interest rates to be key growth drivers, whereas inflation and exchange rates hinder short-term growth.
	Drop et al. (2025)	They investigate the relationship between bank-based and market-based financial systems and their effects on economic growth in Sub-Saharan Africa. Using a dynamic panel model, they disentangle the roles of banks and stock markets. Their findings show a negative impact from banking development and a positive contribution from stock markets, suggesting that policy should favour capital market expansion.

The “Africa Rising”: An Empirical Analysis of the Determinants of Per-Capita Growth

ADVANCEMENT ICT	Batuo (2015)	He finds that ICT infrastructures are positively related to the growth of a panel of 44 African countries over the period 1990-2010. A dynamic panel data approach has been employed. Findings show that additional ICT investments have a positive impact on growth.
	Donou-Adansou et al. (2016)	They examine the impact of the ICT infrastructures on the growth of 47 SSA countries over the period 1993-2012, by finding the positive impact of internet adoption and mobile technology.
	David (2019)	Over the period 2000-2015, he investigated the impact of ICT infrastructure on growth as measured by the GDP and HDI index in 46 African countries. He uses a composite index as a proxy for the ICT depth finding and finds that it contributes to the growth.
	Haftu (2019)	Using GMM models with internet and mobile telephone penetration rates as proxies for ICT depth, he discovered that an increase in mobile telephone penetration rate contributes to growth while an increase in internet penetration rate does not, as the countries remain in a relatively immature state in terms of technology use.
	David and Grobler (2020)	They investigate the impact of ICT infrastructure on growth in African countries. They discovered that the depth of ICT has a positive impact on growth.
	Ngameni et al. (2022)	They study the impact of the ICT infrastructure on the growth-gap between China and 30 African countries over the period 2000-2016, by using internet penetration and ICT good exports as proxies. Their results suggest that the technological gap has a positive impact on African growth. The increase in Chinese ICT investments could benefit African economies through the positive externalities induced.
	Ahodode (2023)	He explores how triple to quintuple innovation systems affect GDP per capita growth in 27 African countries between 2007 and 2019. Using panel VAR and causality tests, he identifies coevolution dynamics between innovation, institutions, and competitiveness. The study suggests that policy should support system openness and resource-driven innovation for sustained growth.
	Ibrahim et al. (2024)	They assess the impact of financial development, macroeconomic volatility, digital economy, and domestic investment on sustainable growth in African countries from 1995 to 2021. Disaggregating finance indicators, they find long- and short-run benefits for financial institutions, human capital, and digital tools, but negative effects from trade openness and volatility. The study informs sustainability-focused financial policies.
	Alemu and Lee (2015)	For a panel of 20 middle-income economies and one for 19 low-income economies over the period 1995-2010, they used GMM models that found a positive relationship between foreign aid and growth only in the low-income countries, while the growth is subordinated to foreign investments and oil-export revenues in the middle-income countries.
	Adush-Poku (2016)	He investigates the impact of foreign capital inflows – foreign aid, foreign direct investments, and personal remittances – on SSA growth from 1990 to 2010, concluding that all three inflows have a positive and significant impact on growth in the long run, while personal remittances are significant only in the short run.
FOREIGN CAPITAL INFLOWS	Cai et al. (2018)	They investigate the effects of aid on African growth using panel data from 47 African countries from 1980 to 2013, discovering that international aid promotes growth, but its effectiveness is dependent on governance.
	Hagan and Amoah (2019)	Using an instrumental variable approach to panel data, they investigate whether the effect of foreign investments on African growth is dependent on the resilience of the financial system. They have found that when the financial markets are fragile, as they are in some African countries, the foreign investment inflows can have a small positive effect on growth.
	Kumar and Saleh (2021)	They use co-integrated vector autoregressive analysis to examine the output and prices of tradable and non-tradable sectors in SSA countries. They find that aid has a heterogeneous effect on sectoral output and prices.
	Amir and Amir (2024)	They evaluate the relationship between remittances and economic growth in 42 African countries from 2001 to 2020 using fixed-effects and GMM. They find a significant positive effect of remittances on GDP growth. The use of unemployment as an instrument addresses endogeneity, strengthening the case for remittance-driven development policies.
	Anoruo and Elike (2015)	They analyse the causal relationship between human capital formation and growth in a panel of 29 African countries. The results show a bidirectional causality between the two variables and reinforce the nexus between education and growth.
	Kayaoglu and Naval (2017)	They simulate the trend for the formation of human capital, the urbanisation rate, and the per-capita GDP in African countries. They contend that in the short run, a low, or negative return on education investments can be attributed to systemic transitory adjustment or urbanisation costs.
	Ibrahim (2018)	He examines the effect of human capital formation on the financial depth and growth in 29 SSA countries over the period 1980-2014 by using GMM models. They discovered that human capital formation and financial depth both promote growth in the short and long run, with financial depth stimulating human capital formation.
	Anetor (2020)	He analyses the impact of human capital formation on foreign direct investment and growth in 28 SSA countries over the period 1999-2017. He finds that SSA countries do not have a sufficient, skilled workers for absorbing and transforming the FDI's spillover toward growth.
	Nwani (2021)	He examines the role of human capital formation in relation to foreign aid and growth in SSA countries from 1985 to 2019. He has found that foreign aid and human capital formation have a negative impact on growth, nevertheless, this impact is mitigated by the interaction between human capital formation and foreign aid, which reduces the negative effect of foreign aid on growth.

	Onatunji (2024)	He investigates the effect of human capital on development in SSA covering the period 1991-2021. The findings reveal that improvement in human capital through higher educational levels fosters economic growth, employment, and poverty reduction.
	Chang and Mendy (2012)	They examine the effects of openness on growth in 36 African countries over the period 1980-2009, by using fixed-effects models. Their results show that openness and investments positively impact growth, with North Africa being the best, while foreign aid, domestic savings, and gross fixed investments show a negative impact.
	Brueckner and Lederman (2015)	They use the instrumental variables approach to estimate the reciprocal effects of openness and growth in SSA, discovering that growth has a negative effect on openness while having a positive effect on growth.
	Osei et al. (2019)	They compare the influencing factors of openness in low- and low-middle-income African countries using the GMM approach. They have found that growth robustly enhances openness in low-income countries, while the impact is not robust and is largely negative in low-income countries. This suggests to them that higher growth is associated with less openness. Furthermore, the growth-openness relationship is non-linear and has an inverted U-shape in low-income countries. This means that an increase in the per-capita GDP improves openness, but beyond a given threshold, further increases penalise openness.
	Udeagha and Ngepah (2021)	They use a non-linear ARDL approach for exploiting the relationship between openness and growth in South Africa over the period 1960-2016, by finding that there is a short- and long-run causality from the openness to the growth.
	Kiiza et al. (2022)	They study the effect of export quality and public institutions on income convergence between SSA and developed countries. Using system-GMM, they find that both manufactured and food exports increase convergence, and this effect is strengthened by good institutions, anti-corruption efforts, and public investment.
	Epaphra and Amin (2022)	They analyse the relationship between trade liberalization, economic growth, and balance of payments in 37 SSA countries from 1996 to 2019. Using GMM regressions, they find that trade openness, measured via trade-to-GDP ratio, significantly enhances growth, and improves both the trade and current account balances.
	Namahoro et al. (2023)	They analyse how natural resource rents and trade openness affect growth across African regions and income levels from 1980 to 2018. Using CS-DL and variance decomposition, they find that resource rents negatively impact long-run growth, while trade openness through exports has a more positive and strong effect. The study highlights regional disparities and calls for tailored policymaking to promote sustainable growth.
	Musila and Yiheyis (2025)	They examine the effects of intra-African trade, extra-African trade, and overall trade openness on economic growth using panel data from 42 African countries. They find that both intra- and extra-regional trade openness positively and significantly influence long-run real GDP per capita. However, this effect is limited to more integrated regional blocs. Short-run effects are mostly positive but not statistically significant. In addition, they emphasize the importance of human and physical capital accumulation in driving growth.
CHINESE INFLUENCE	Doku et al. (2017)	They use fixed-effect models and Granger causality tests to examine the effects and causal nexus of Chinese FDI on African growth over a sample of 20 countries from 2003 to 2012. They have found that Chinese FDI increases the GDP growth rate in Africa, and all other things being equal, they have found that there is a unidirectional causality between GDP growth and Chinese FDI in Africa.
	Koomson-Abekah and Nwaba (2018)	They primarily examine the effects of Chinese FDI on African growth using ADL models and Granger causality tests on data dating back to the millennium. They discovered that Chinese FDI has a negative impact on African growth in both the short and long run because their inflows are directed toward capital-intensive activities with a lower impact on employment. They also discovered that FDI from the United States and Chinese trade had little impact on African growth. The Granger-causality test has confirmed that there is a unidirectional relationship between growth and the other variables, except for human capital formation, which does not show causality. More FDI inflows to labour-intensive activities will, according to the authors, boost African growth by lowering unemployment.
	Kodzi-Jr (2023)	He investigates whether Chinese FDI contributes to inclusive growth in Africa by assessing local industry participation across BRI-linked African countries. Using principal components and regression analysis, he finds that while Chinese FDI reduces unemployment, it does not support local industry linkages. He warns that special economic zones may foster isolationism and advocates for strategic interconnectivity improvements to realize mutual benefits.
URBANISATION	Bruckner (2012)	He analyses the effects of the value-added growth in the agricultural sector and per-capita GDP growth on the urbanisation rate in African countries over the period 1960-2007. He has found that an increase in the urbanisation rate has a negative effect on the per-capita GDP growth on average, but this does not affect the urbanisation rate. At last, he has found that a decrease in the value-added in agriculture leads to an increase in urbanisation.
	Onjala and KAKumu (2016)	They found that the relationship between GDP and urbanisation in sub-Saharan African countries differs from that in developed economies. Their results indicate that the traditional thesis is still valid in the SSA countries, in fact, they urbanise without growth. However, new trends emerge when urbanization coexists with growth.

The “Africa Rising”: An Empirical Analysis of the Determinants of Per-Capita Growth

OTHER ADDITIONAL VARIABLES		
	Author(s)	Abstract
	Seetanah and Rojid (2011)	They analyse the drivers of growth in the selected African COMESA member countries and find that gross fixed investments, openness, and human capital formation are the most important drivers of growth, as well as governance, financial depth, international aid, and spillover effects from foreign capital inflows.
	Mijiyawa (2013)	He explores the drivers of African growth over the period 1995-2005, by finding that investments, access to finance, governance improvements, exports, and the share of value-added from agriculture have positively contributed to the growth.
	Akhmat et al. (2014)	They investigate the relationship between the public health indicators and growth in Africa from 1975 to 2011, by establishing that there exists a moderately bidirectional causality between the variables.
	Elhiraika et al. (2014)	They investigate the role of manufacturing transformations along the GVCs in 50 growing African countries. By using GMM models, they find that GDP increases when human capital formation drives the output growth in manufacturing, at last, this has a positive impact on the GDP growth rate, reducing the volatility.
	Pinkovskiy and Salai-i-Martin (2014)	They look at the recent growth in Africa in relation to poverty. They estimate the income distribution, the poverty rate, and the inequality index in African countries over the period 1990-2011. They show that African poverty is falling rapidly, and the growth that began in the second half of the Nineties has decreased income inequality, even in countries with geographical or historical disadvantages.
	Addison et al. (2016)	They investigate the commodity price shocks in SSA countries dependent on agricultural commodities, by finding that there are inconclusive proofs of unanticipated price variations as responses to variations in per-capita GDP.
	Calderon and Boreux (2016)	They investigate if African growth was accompanied by improved structural and macroeconomic indicators, if African countries had liquidity, and if governments implemented countercyclical policies following the global economic crisis between 1995 and 2008. They have found that improvements in the macroeconomic framework have allowed some African countries to better resist the global crisis.
	Nsiah et al. (2016)	They examine the determinants of growth in 48 African countries from 1980 to 2011, by taking into account the economic impacts of neighbouring countries. They control for some drivers of growth, such as the gross fixed capital investment, openness, aids, and inflation, by finding a significant level for the gross fixed investments and education, as well as, for the spatial linkages across countries. When recessions occur, neighbouring SSA countries with similar growth compete for resources.
	Kedir et al. (2017)	They estimate the additional investments required to achieve the SDGs and reduce poverty in Africa by 2030. They have found that estimates of the required growth rates vary widely across African subregions and countries. Countries and subregions with low initial poverty levels and higher responsiveness to the poverty contrast will need less development assistance.
	Oluwatayo and Ojo (2018)	They examine growth drivers and poverty reduction in African countries, by finding that African development is advancing inequality and poverty. In other words, this is manifested through persistent inequality, poverty, armed conflict, and indiscriminate young people's migration toward developed countries in search of better living conditions.
	Shiftu et al. (2020)	They study the impacts of FDIs, globalisation, and governance on the growth of Western Africa over the period of 1996-2016 using ADL models. They discover a positive relationship between globalization, governance, and growth. Even if the findings on the relationship between FDI and growth are inconclusive, governance has a positive impact on FDIs and growth. The other considered drivers of growth are employment, gross fixed capital investment, and government expenditure, whose effects on growth are negative on the first two and positive on the last.
	Franses and Welz (2022)	They propose a forecasting model with a single equation for estimating the GDP growth rate in 52 African countries starting from 1960 and by including lagged growth rates from the other countries. Furthermore, co-integration relationships have been computed to capture potential common stochastic trends.
	Bouvet et al. (2022)	They evaluate the 1994 CFA franc devaluation's impact on GDP per capita across CFA-zone countries using synthetic control methods. Except for Mali, the devaluation did not result in higher GDP levels compared to the counterfactual. Negative outcomes are linked to weak institutions and external shocks, casting doubt on currency devaluation as a growth strategy.
	Ajayi (2024)	He explores the impact of mineral rents, conflict, and population growth on GDP in 13 SSA countries from 1980 to 2022. Using pooled OLS, fixed-effects, and GMM, he finds that mineral rents boost short-run growth, while civil conflict and high population growth rates negatively affect long-term growth. The study highlights the mediating role of institutional quality.
	Yeboua (2025)	He investigates how growth in specific economic sectors affects income inequality in 21 African countries from 1990 to 2018. Using FE and FE-IV estimations, he finds that agriculture and manufacturing reduce inequality, while mining and finance increase it. These results stress the need for sub-sectoral analysis in designing inclusive growth policies.
	Source: Author's own elaboration.	

Table A.2: Main Statistics and Description of the Used Variables, 2010-2019

Variables	Standard Deviation			Proxy and source
	Mean	Within	Between	
Real per-capita GDP	2,687	963.0	3,330	Middle income per-capita as a proxy of economic growth UNCTAD (USD)
FDI Inflows	4.985	4.606	5.729	FDI inflows as a proxy of activities of international investors UNCTAD (% of GDP)
Inflation	189.7	603.4	372.7	Consumer price index as a proxy of monetary stability UNCTAD (trend % with the annual average growth rate)
Openness	75.96	19.48	41.60	Openness degree by country as a proxy of international integration UNCTAD (% of GDP)
Natural Resources Rent	10.59	5.323	9.637	Available resources rent as a proxy of revenues from raw materials WB-WDI (% of GDP)
Government Expenditure	16.66	4.166	7.443	General government consumption as a proxy of the bureaucracy WB-WDI (% of GDP)
Productivity	91.55	4.312	4.475	Gross value added (GVA) at factors cost as a proxy of productivity WB-WDI (% of GDP)
External Debt	40.15	13.12	27.04	External debt stock as a proxy of the creditworthiness of the country WB-WDI (% of GNI)
Unemployment	9.149	0.922	7.285	Labour market efficiency WB-WDI (% of labour force)
Military Expenditure	3.395	16.18	10.51	Expenditures for keeping the armed forces WB-WDI (% of GDP)
Health Expenditure	6.504	1.403	3.144	Domestic general health expenditure as a proxy of public health care WB-WDI (% of general government expenditure)
Received Remittances	3.591	2.103	4.407	Transfers from the migrant labour force as a proxy of foreign incomes WB-WDI (% of GDP)
Net-ODA	8.225	6.361	9.972	Net official development assistance as a proxy of the international aid WB-WDI (% of GNI)
Urban Population	44.77	4.138	18.52	Urban population level as a proxy of urbanisation WB-WDI (% of total population)
Human Capital Formation	39.70	12.89	6.808	Human capital formation as a proxy of the educational level UNDP (%)
Gross Fixed Investments	23.62	5.454	8.258	Internal structural investments as a proxy of infrastructural capital WB-WDI (% of GDP)

ICT-diffusion	77.91	15.47	35.60	Mobile cellular subscriptions as a proxy of ICT-diffusion WB-WDI (per 100 people)
Institutional Quality	35.62	2.363	12.72	Institutional quality proxied by the composite index of governance climate by Scalomonti (2024c, 2025) our elaboration from WB-WGI (%)
Imports [Exports] from [to] HDCs	46.78 [52.12]	6.338 [10.84]	16.77 [23.34]	Merchandise imports [exports] from [to] high-developed countries (HDCs) WB-WDI (% of total merchandise imports [exports])
Imports [Exports] from [to] LMDCs in Latin America or Caribbean	2.092 [1.136]	0.868 [1.372]	1.928 [2.210]	Merchandise imports [exports] from [to] low – and middle-developed countries (LMDCs) in Latin America or Caribbean WB-WDI (% of total merchandise imports [exports])
Imports [Exports] from [to] LMDCs in Europe or Central-Asia	3.429 [1.347]	1.424 [1.792]	3.068 [1.533]	Merchandise imports [exports] from [to] low – and middle-developed countries (LMDCs) in Europe or Central-Asia WB-WDI (% of total merchandise imports [exports])
Imports [Exports] from [to] LMDCs in Eastern-Asia or Pacific	15.40 [11.85]	4.141 [10.26]	7.087 [14.14]	Merchandise imports [exports] from [to] low – and middle-developed countries (LMDCs) in Eastern-Asia or Pacific WB-WDI (% of total merchandise imports [exports])
Imports [Exports] from [to] LMDCs in Southern-Asia	6.607 [6.655]	4.345 [5.026]	5.896 [10.58]	Merchandise imports [exports] from [to] low – and middle-developed countries (LMDCs) in Southern-Asia WB-WDI (% of total merchandise imports [exports])
Imports [Exports] from [to] LMDCs in North Africa or Middle East	2.380 [2.098]	1.102 [1.941]	2.291 [3.559]	Merchandise imports [exports] from [to] low – and middle-developed countries (LMDCs) in North Africa or Middle East WB-WDI (% of total merchandise imports [exports])
Imports [Exports] from [to] LMDCs in Sub-Saharan Africa	21.41 [22.80]	7.088 [7.955]	21.24 [21.02]	Merchandise imports [exports] from [to] low – and middle-developed countries (LMDCs) in Sub-Saharan Africa WB-WDI (% of total merchandise imports [exports])

Source: Author’s own elaboration.

Supplementary File:

[Table A.3: The Correlation Matrix, 2010-2019](#)