

How Growth Benefits the Poor in Cameroon

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Abstract

The aim of this study is to analyze the relation between economic growth, inequality and poverty in Cameroon. It uses for this fact both the static decomposition method of Kakwani (1993) and dynamic decomposition method of Datt and Ravallion (1992) and Kakwani (1997). Static decomposition of Kakwani (1993) measures independently the impact of variation of income and inequality on poverty, while the dynamic decomposition breaks up the variation of poverty into component of growth and redistribution. The indices of poverty used are those of Foster, Greer and Thorbecke (1984) and the data analysed are those of ECAM II and ECAM III carried out respectively into 2001 and 2007.

The static decomposition shows a strong sensitivity of poverty to the growth rather than to the inequality, except with the urban area where the elasticity of poverty to inequality is higher than elasticity of poverty to growth. In addition, the dynamic decomposition mentions a favourable effect of growth and inequality on poverty alleviation between 2001 and 2007.

Key words: poverty, growth, inequality, poverty alleviation