

Does Poverty and Inequalities Impact Urbanization in West Africa? Testing the Validity of Rostow's Linear Stages of Growth Model

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Abstract: This study tested the validity of Rostow's theory by examining the effect of poverty and income inequality on urbanization in ECOWAS countries. Panel data comprising of 15 cross sections and years spanning from 1990-2015 sourced from World Development Indicators (WDI) was used for the analysis. The result of the Generalized Linear Model (GLM) revealed that poverty reduction has a positive and statistically significant effect on urbanization while inequality is positively related to urbanization but statistically insignificant. This result is in conformity with studies that identify African countries as low income urbanized cities with high rate of poverty. The study concluded that, in ECOWAS countries, poverty reduction spur urbanization which upheld the Rostow's Linear stages. Also, the condition of inequality confirmed the position of Unified Dependence Model rather than Rostow's Linear stages. As a policy recommendation various ECOWAS countries' governments should collaborate with private sector in terms of savings and investments. The potentials of West African countries as viable market place for both developed and developing countries cannot be ignored.

Keywords: Urbanization, Poverty, Inequalities, West Africa, GLM.

Contribution/ Originality :

This study contributes to the existing literature on the role of poverty and inequality in the process of urbanization in West African countries. The incorporation of Rostow's linear stages into Keynesian model is the interest of this research work.

1. INTRODUCTION

Poverty and inequality are extreme economic problems in both developed and developing countries. Poverty, as a worldwide phenomenon, is characterized by monetary or material deprivation and is more easily recognized than defined². The severities of poverty most often result into inequality which is refer to in this study as difference in size, degree, circumstances and others. The effect of inequality can be seen with the widening gap between the rich and the poor. Inequality can be measured in few perspectives such as income, consumption, wealth, gender, employment, health variables and others (Ogbeidi & Agu, 2015). Several studies have examined poverty and inequalities from different economic perspectives. Human Development Index (2016) confirmed that in ECOWAS countries, thirteen out of fifteen are rated as low income countries (only Ghana and Cape Verde made it to middle income countries).

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² O Aboyade, "On the Need for an Operational Specification of Poverty in the Nigerian Economy" in O Aboyade (ed), **Poverty in Nigeria**, (Ibadan: Nigerian Society for Economics, 1975), p.25

Conversely, Africa as a whole is urbanizing rapidly: From 1950 till date, the share of urban residents has increased from 14 percent to 40 percent, and is expected to reach 50 percent by the mid-2030s³. But the pace and shape of that trend looks very different from one country to the next. Urbanization is an indicator for development. Urbanization, which refers to the gradual increase in the proportion of people living in urban areas, has been on the increase in recent times. This is because urbanization affords the people opportunities like getting jobs (different from the agrarian jobs in the rural areas), access to better health care, increased productivity and better education; to mention a few. Overtime, there has been a link between urbanization and structural transformation; the emergence of cities brings a rise in incomes and living standards.

However, this position appears not to be obtainable in Africa, as many ECOWAS countries that are more than 50 percent urbanized still have low income levels. In some places, urbanization is becoming synonymous with overcrowded informal settlements, congestion, overloaded infrastructure and high costs of living. According to African Development Bank (AfDB) report 2017, urbanization is growing in both developed and developing countries. The proportion of the world's urban population is expected to increase to about 57% by 2050 from 47% in 2000. More than 90% of future population growth will be accounted for by the large cities in the developing countries. In the developing world, Africa has experienced the highest urban growth during the last two decades at 3.5% per year and this rate of growth is expected to hold into 2050. Projections also indicate that between 2010 and 2025, some African cities will account for up to 85% of the population. In 2010, the share of the African urban population was about 36% and is projected to increase to 50% and 60% by 2030 and 2050 respectively. This rapid expansion has changed the continent's demographic landscape. Yet, urbanization in Africa has failed to bring about inclusive growth which in turn, has resulted in proliferation of slums, urban poverty and rising inequality. Inequality in African cities remains the second highest in the world with an average Gini coefficient of about 0.58, well above the average of 0.4. Rural-urban migration and natural population growth rates in cities are the major causes of the increasing rate of urban growth and slum proliferation in Africa.

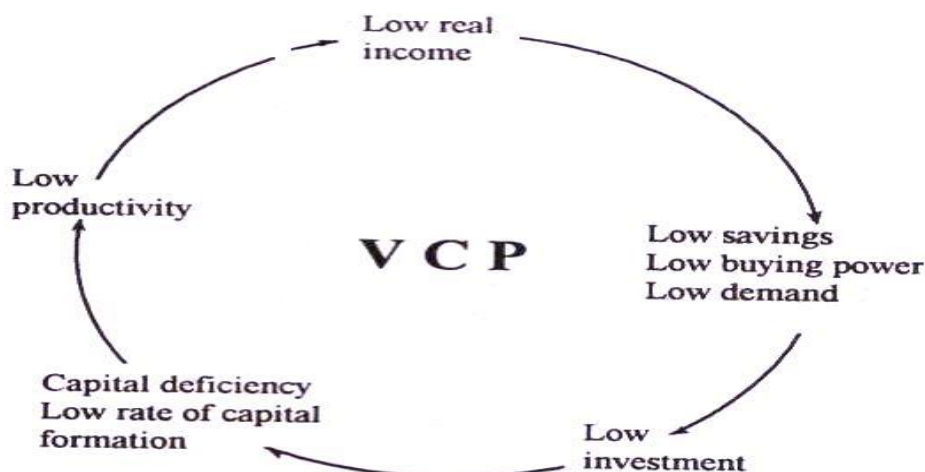
More so, the Citiscope report groups African countries into five categories based on three indicators: their current level of urbanization, their stage in transitioning to lower fertility rates, and their degree of structural transformation from low-productivity economic activities like traditional farming to higher-productivity ones such as manufacturing⁴. The five categories which are diversifiers, agrarians, early urbanizers, late urbanizers and natural resources-based countries clearly categorized most West African countries into agrarian, early urbanizers and natural resources-based groups. These three categories portrayed the main features of Rostow's stages of economic growth. In view of this, there is a need to test the validity of classic theories of economic development using Rostow's linear stages to establish if poverty and inequalities impact urbanization in West African countries, with a view to confirming the positions of unified features of dependence theorists. This indeed establishes the major focus of this paper.

Rostow's suppositions supported the structural transformation. However, urbanization in the West African context displays different characteristics from the ones witnessed in Asia and Latin America. Rather, West African cities are seeing fast growth, engendering the emergence of megacities, without the structural transformation urbanization has been compiled with in the Asian and Latin American context⁵. Then does it mean that the unified features of dependence theorists are right?, which assumed a pattern of inequalities and economics imbalances in developing countries would still exist despite the interaction between developing countries and developed countries towards attainment of economics development. Otherwise, Nurkse (1952) position will be upheld 'The Theory of the Vicious Circle of Poverty (VCP)' succeeds in showing the level of poverty and backwardness of underdeveloped countries.

³ www.Citiscope.org/story/2016/five-trend-african-rapid-urbanization visited 21/1/2018 3:24pm

⁴ Ibid

⁵ Mariama Sow 2015 Foresight Africa 2016: Urbanization in the African context .African Focus Magazine



Source: www.economicconcepts.com/model_of_vicious_circle_of_poverty. Accessed 4/2/18

Figure 1

VCP shows a circular actions and reactions in such a way as to keep a country in the state of poverty". In such state of affairs the process of capital formation remains obstructed and restricted. It shows that with low real income which results in a meager savings which in turn will check investment. Low level of investment would create deficiency of capital which in second round leads to low productivity. This again results in low income. Here, the circle perpetuates the low level of development. On the supply side, there is low income, low savings, low investment, capital deficiency and low productivity. On the demand side, low income, low demand for goods, limited home market and low investment

Hopefully, through this research, ECOWAS can overcome this problem in order to achieve its aim of being a developed regional integration by 2020.

The rest of this study is divided into four sections. Section two presents a review of literature and theoretical framework of the study. Section three discussed the data and method of analysis, while in section four, empirical result is discussed. Conclusion and policy recommendations are contained in section five.

2. LITERATURE REVIEW

The analysis of the nexus between poverty and inequality as its affect urbanization has a long history. Several studies have established various positions in this regards. Kuznet (1955),⁶ lower class people who are originally from agricultural sector tend to migrate from countryside to the cities due to the blooming of social amenities, as a movement towards urbanization, which can increase the share of their income. This would lead to increases in the urban population, where population in urban areas is greater compared to rural areas and eventually raises the economic growth with better and upgraded living conditions with relatively unobserved inequalities at first. Besides that, the incidence of death rate is declining due to poverty reduction as the people are getting more stable in their economic position, where a better lifestyle is maintained and invariably impacted positively on life expectancy. The study identified a linear position of economic growth model.

In 1970s, most developing countries have developed the poverty line in order to eradicate poverty. This poverty line was applied for the evaluation of the minimum consumption on moderate sized household demands which includes food, shelter, clothing and others. Rank (2001), pointed out three major factors that contribute to the incident of poverty as individual factors, cultural and neighborhood factors and structural factors. The structural factors which are centered on need for urbanization widen the economic and social gap structures related to poverty. The high number of urban poor is due to the process of urbanization (Elhadary & Samat, 2012). It means that, people living in urban area are moderately better-off compared to those living in rural area. Urbanization is an approach that will activate economic growth, however it will cause huge gap between cities and different social group. World Bank defines poverty as failure in income "dollar-a-day".

⁶ Rabiul Islam, Ahmad Bashawir Abdul Ghani, Irwanshah Zainal Abidin, Jeya Malar Rayaiappan, 2017. Impact on poverty and income inequality in Malaysia's Economic Growth. Pg 57.

Therefore, if the income of households is below the poverty line, then it is described as living in poverty. In addition, households are categorized as living in “hard-core” or extreme poverty if their incomes are below half the poverty line (Hatta & Ali, 2013). International Monetary Fund found that there is an inverse relationship between income inequality and economy growth of a developing country. Furthermore, income inequality can affect the economic growth in the sense of inefficient public policies. The higher gap between income inequalities can bring higher social cost and expenditure. Eventually, there will be imbalance in growth (Dabla-Norris, 2015). Therefore, income distribution or redistribution analyses are geared towards addressing the inequalities and consumption decision makings center on poverty reduction amongst household at micro level while at macro level among developing and developed countries. These studies and others fall in line with the pattern assumed at the traditional stage of linear model but the perception of testing the validity of Rostow’s model and position of dependence model has not been done.

Several other studies have examined empirically the impact of poverty and inequality on urbanization. AfDB et al, (2012) present a brief overview of the studies conducted on the relationship of urbanization, poverty and inequality in Africa. Urbanization in Africa has largely been translated into rising slum establishments, increasing poverty and inequality. However, there are large variations in the patterns of urbanization across African regions. North Africa has a higher proportion of urban population (47.8%) relative to Sub Saharan Africa (SSA) (32.8%) and ECOWAS countries with assuming figure of (9.84%). The relatively fewer slums in North African countries is mainly attributed to better urban development strategies, including investment in infrastructure and in upgrading urban settlements. In contrast, SSA has lower proportion of urban population (32.8%), but higher proportion of slum dwellers (65%) and ECOWAS with the lowest proportion of urban population of (9.84%), but the highest proportion of slum dwellers of (85%). Most West African cities are characterized by insufficient basic infrastructure, particularly in low-income areas. Only 20% of West African’s population has access to electricity, and in 2010, 3% and 53% of Africans had access to fixed or mobile phones, respectively; 84% of the continent’s urban dwellers have access to potable water while 54% to sanitation.

More broadly, 60% of African citizens live in places where water supplies and sanitation are inadequate. As most of the migrants from rural areas are uneducated and unskilled, they end up in informal sector which accounts for 93% of all new jobs and 61% of urban employment in Africa. Since incomes from the informal sector are by their very nature low and intermittent, most migrants naturally seek for shelters or become tenants of slum landlords. As a consequence, many African cities have to deal not only with slum proliferation but also with increasing insecurity and crime. Weak institutions have contributed to poor urban enforcement, resulting in dysfunctional land and housing markets, which in turn has caused mushrooming of informal settlements. Furthermore, African governments have neglected the key drivers of productivity which include small and medium-size enterprises, human resource and skills development, and technological innovation. These factors are essential in advancing predominantly informal, survivalist and basic trading activities to higher value-added work.

Another challenge from Africa’s rapid urbanization is the increasing pressure of urban populations on natural resources and the environment. The expansion of cities is generally at the expense of destruction of forests and other natural environment or ecosystems, and increasing pollution (especially air pollution) with the related diseases. Good health is one of the most important pre-requisite to human productivity which in turn leads to overall development of a society. Health is understood as the indispensable basis for defining a person’s sense of well-being and is regarded as an important resource for a nation to pursue national development goals, this interplay life expectancy as a control variable in this paper. Good health raises the productivity of the labour force and enhances economic growth (Aldosari et al. 2014).

UNDP 2015 reports the adoption of 2030 Agenda for sustainable Development and its 17 sustainable development Goals (SDGs) has drawn serious attention to income inequality in SSA. The study identified that to achieve the goal of leaving no one behind by 2030, then UNDP Regional Bureau for Africa must examine the level of inequality, trends, determinants and consequences in the region. This study explores these issues systematically and draws relevant lessons that could help reduce inequality in SSA. In order, to overcome problem caused by the scarcity and inconsistency of the data on inequality, the study builds an Integrated Inequality Dataset for SSA. The study used descriptive analysis to present inequality levels, trends, determinants in SSA; an overview of main changes since the early 1990. Figure 2 is adopted while figure 3 is adapted in this study from UNDP 2015 report as it explains the position of this research work (see appendices I and II). UNDP report identified that the relationship between poverty reduction and population variables (urbanization) is positive, the relationship between population growth and inequality reduction create a puzzles. The study shows that most countries with a fertility rate of 6.0 children per woman are associated with a low Gini (less than 0.44),

while most countries classified as advanced in the demographic transition have Gini coefficients of more than 0.6. the intensity of multidimensional poverty tends to drive conflict; yet contrary to expectation, the relationship of over 60% are also experiencing intense conflict (Burundi, Central Africa Republic and Democratic republic of Congo), while the highest level of inequality (Botswana, South Africa and Namibia) are categorized as non-conflict prone countries. These findings conform to the position of this study. All these studies have analyzed the effects of poverty and inequality on urbanization in various countries of concerns. However, none has linked the issue of poverty and inequality in West African countries with Rostow's linear stages of economic growth and establish the positions of unified dependence model.

The theoretical position of classic theories will be examined with a view to testing the validity of Rostow's model and position of dependence model as poverty and inequality impact urbanization in West African countries. Kutluk (2012) conducted a joint validity of the growth models introduced by Solow, Harrod- Domar, Barro and Romer for Turkish economy by applying the Seemingly Unrelated method from 1980 to 2010. This study is related because it is a validity test of classic growth model but it was a single-country study that didn't include Rostow's theory. Makuachukwu, (2014) presented certain questions; are Rostow's stages of growth still ideal for today economies? And must an economy follow these 5 stages to achieve sustainable economic growth. He further asked can technology transfer or technology acquisition enable an economy skip early stipulated by Rostow and still achieve sustainable growth? He summarized the stages and concluded that age of mass consumption of the industrial base dominates the economy. The primary sector diminished greatly in weight of economy and society. The widespread of normative consumption of high-value consumer goods (e.g car) exist. Generally, consumers have disposable income; beyond all basic needs for goods. The study actually supports this research work but did not test the validity of Rostow's Model as questions were structured. This shows the exclusivity of the study.

Rostow's Linear Stages Model propounds five stages of economic growth model⁷. Traditional stage being the first stages could be linked to completely unexposed rural communities with features synonymous to that of underdeveloped countries where no traces of link up with urbanization, it is assumed absolute poverty exist. Pre-take off, take-off and drive to maturity explain the need for better life, integration and modern societies, invariably urbanization which involves the regional integration of ECOWAS. The second, third and fourth stages further expatiate the process and procedures to achieve modernization as process of urbanization. The age of high mass consumption accommodates the features of urbanization as the drive for maturity of developing countries is an indicator for attainment of development in West African countries. Krishnan (2014) conducted a demographic research using Rostow's model prior to product launch. The work was based on market analysis that explained the stages alongside with conditioning variables of growth model. This study identified the pattern of growth theory used in this paper (see appendix III). The major concern is that patterns of economic growth and development would be unsustainable unless environment concerns are put seriously into consideration (Ahmed et al. 2012).

The dependence model realized that in attainment of age of high mass consumption (urbanization). As promising Rostow's fourth and fifth stages of development are, there exist economic imbalances amongst countries; the idea or assumption of neo classical that proposed pareto optimality could not be achieved, therefore, becoming almost impossible. The outcome of this is that the attainment of urbanization does not eliminate poverty and this would make most ECOWAS countries not have definite pattern of inequalities which are the product of economic imbalances.

The Keynesian model postulates that autonomous consumption is constant without any income or investment. Therefore, poverty is independent exogenous variable to household. Hence, the ability of household to close up with the sustenance poverty line would result into need for additional source of income. This also laid a foundation toward the pull effect of migration of household where the income inequalities become independent endogenous variable. Kuznet, (1955) low class people migrate from rural area originally from agricultural sector tend to the cities due to increase the share of their income. This would lead to increases in the urban population, where population in urban areas is greater compared to rural areas and eventually raises the economic growth with better and upgraded living conditions with relatively unobserved inequalities at first position urbanization. Urbanization is a sign of economic prosperity. As a country undergo structural transformation, and its economy shifted from agriculture to manufacturing and industry, the composition of the population of the country shifted from being predominantly rural to predominantly urban.

⁷ Rostow WW (1960). The five stages of Growth- A summary Cambridge University press Pg 4-16.

According to Nurkse (1952), who introduced theory of the Vicious Circle of Poverty, he proposed that a country is poor because it is poor. It implies that poverty is associated with economic imbalances in a country that is not developed and financially unstable. According to this theory, a circular relationship portrays both the demand and supply side of problem of the capital formation of economically underdeveloped countries. Invariably, explains that consumption decision makings are controlled through market forces. The demand side is determined by the incentives to invest. In contrast, the supply side is determined by the capability and willingness to save. The market dimension is determined by the productivity level of an economy.

Therefore to overcome the limitations of being a low income and underdeveloped economy, Nurkse (1952) insisted that the enlargement of market is necessary so that a country can be eliminated from the lower income stage and discontinue being part of the vicious circle of poverty. This ideology of market enlargement aside other political reasons equally informed the economic benefits of proposed application of ⁸Morocco to join ECOWAS on 24 February 2017. The economic progress of a country is not automatic or spontaneous. Thus, developing countries should need the collaboration of both government and private sector in terms of savings and investments. The potentials of West African countries as viable market place for both developed and developing countries cannot be ignored. A balanced growth surely leads to greater economic progress where surplus is greater than deficits. It is believed that the VCP succeeds in showing the level of poverty and backwardness of underdeveloped countries.

Rostow's fourth stage of development which is identified by this study as urbanization is characterized by migration from rural to urban areas. This brings a shift from rural to urban poverty as such people find low income or no jobs and dwell in slums. Consequently, rural poverty may increase due to shortage of manpower in the rural area. The underlying question is that, is this so called Rostow's linear stages of economics development through urbanization increasing poverty or otherwise in poor countries like ECOWAS? Hence, the validity of this theory need to be tested empirically using the relationship between urbanization, poverty and inequality in West African countries.

3. THEORETICAL FRAMEWORK

This study incorporated the work of Rostow into Keynesian consumption, saving and income relationship. Assuming that the stage of economic development where there will be age of high mass consumption as proposed by Rostow is defined as urbanization by this study; then, poverty and inequality will play a big role in urbanization. Hence, poverty and inequality is a function of urbanization.

$$U = f(POV, INQ) \dots \dots \dots (1)$$

Where, U is urbanization, POV is poverty and INQ is inequality

Also, the Keynesian equation is stated as

$$Y = C + S \dots \dots \dots (2)$$

Where Y is income (could also denote economic growth), C is consumption and S is saving.

We assume that Y in equation 2 represents economic development as proposed by Rostow, hence, equation 2 becomes

$$U = C + S \dots \dots \dots (3)$$

In addition, consumption is a measure of economic welfare. Higher consumption is synonymous to higher welfare and lower poverty or poverty reduction. Therefore, this study replaces C with POV with a view to measuring it with household final consumption expenditure. Likewise, saving S is a crucial parameter identified by literature (Harrod-Dormer, Solow Model, etc.) as the key to economic development. At equilibrium, saving is equal to investment, thus countries with high marginal propensity to save are assumed to be richer than the ones with low savings. Consequently, this study proposed that Keynesian saving is synonymous to wealth and the difference in this wealth denoted by difference in MPS. Hence, this study replaces S with INQ .

$$U = f(POV, INQ).$$

$$U = a_0 + a_1 POV + a_2 INQ + \epsilon \dots \dots \dots (4)$$

Equation 4 is the interest of this research work.

⁸ www.vanguardngr.com_Chidi Odinkalu 2017, Understanding Morocco's application to join ECOWAS. dated 5/1/18 4:30 pm

4. DATA AND METHOD OF ANALYSIS

Panel data was used by this study for the analysis with years spanning from 1990 to 2015. Data from fifteen ECOWAS countries namely, Republic of Benin, Burkina Faso, Cabo Verde, Cote D'ivoire, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo were sourced from World Development Indicators (WDI). The choice of ECOWAS countries is borne out of one, similarity in the decisions and policies made by those countries and two; the fact that all countries in this region are developing countries. Poverty (POV) was proxy by Household final consumption expenditure per capita (HFCE); the rule of thumb is that as HFCE increases, poverty reduces, hence it is a measure of poverty reduction. Inequality (INQ) was proxy by Income Share held by the fourth 20%. Life expectancy at birth, total (years) and Urbanization was proxy by Urban population (% of total).

This study assumes that the relationship among urbanization, poverty and inequality may not be completely linear, hence, the study specify a Generalized Linear Model (GLM) thus:

$$E[\text{URBAN}_i|X] = \beta_0 + \beta_1 \text{POV}_{i1} + \beta_2 \text{INQ}_{i2} + \beta_3 \text{POV}_{i1} \text{INQ}_{i1} \dots \dots \dots (5)$$

The choice of GLM is borne out of its flexibility to generalize ordinary linear regression that allows for response variables that have error distribution models other than a normal distribution.

5. RESULT

5.1 Stationarity Test:

The study tried to establish the stationarity of the variables used by conducting panel unit root test, the result is displayed in table 1 below. The Levin, Lin & Chu (LLC), Augmented Dickey-Fuller (ADF) and Phillips-Perron (PP) test were used in this study. The results of the unit root tests on variables as shown in the table 1 below revealed that all the variables are integrated in order of one (I(1)). Thus, all the variables are stationary at first difference. These findings are further confirmed by the results of the LLC, ADF and PP test.

Table 1: Unit Root Test

Variables	Levin, Lin & Chu			ADF			PP		
	Status	Statistic	Probability	Status	Statistic	Probability	Status	Statistic	Probability
INQ	I(1)	-5.67560	0.0000	I(1)	79.1448	0.0000	I(1)	145.860	0.0000
POV	I(1)	-4.49162	0.0000	I(1)	121.698	0.0000	I(1)	232.442	0.0000
URBAN	I(1)	-88.0201	0.0000	I(1)	585.209	0.0000	I(1)	658.985	0.0000
LIFEXP	I(1)	-27.9540	0.0000	I(1)	1309.60	0.0000	I(1)	14.2032	0.0160

Source: Author's computation (2017)

5.2 Cointegration Test:

Having established the order of integration of the selected series, the study determines the number of long-run equilibrium relationships or cointegrating vectors between the variables. Since the variables are found to be integrated of the same order, such as 1(1) as shown above, it implies that an equilibrium relationship exists among the variables. Therefore, a cointegration test in line with Johansen Fisher test was conducted.

Table 2: Result of Cointegration Test

Hypothesized No. of CE(s)	Fisher's Stat. (Max-Eigen Statistic)	Probability	Fisher's Stat. (Likelihood Ratio)	Probability
None	343.5	0.0000	390.3	0.0000
At most 1	92.69	0.0000	145.7	0.0000
At most 2	58.29	0.0000	78.58	0.0000
At most 3	59.44	0.0000	59.44	0.0000

Source: Author's computation (2017)

Table 2 above presents the test results for the number of cointegrating vectors. The results showed that both the maximum Eigen value and likelihood statistic suggest the presence of three cointegrating equation among the four variables observed. This unveils the existence of a long-run equilibrium relationship among urbanization, inequality, poverty and life expectancy

5.3 Vector Error Correction Model (VECM):

The Cointegration test showed that there was a long run relationship among the variables tested; hence, there is a need to establish the short-run speed of adjustment for the variables. In doing so, the alternative Engle and Granger Method called VECM is employed and the results are presented in table 3 below:

Table 3: VECM Result

Variables	VECM	T-Statistic
D(INQ)	--0.196434	-5.07337*
D(POV)	-0.239738	-4.18651*
D(URBAN)	-0.003807	-1.64696

(**)* indicate significance at (5%)1%.

A crucial parameter in the estimation of the short-run dynamic model is the coefficient of the error-correction term which measures the speed of adjustment of the model to its equilibrium level. The estimation using two-lag specification and by incorporating the error term (VECM), yielded the result above. The results show that the parameter of the error-correction terms in the model is statistically significant and correctly signed. This confirms that urbanization has an automatic adjustment mechanism and that the economy responds to deviations from equilibrium in a balancing manner in ECOWAS countries.

5.4 Generalized Linear Model:

In order to test the effect of poverty and inequality on urbanization, the Generalised Linear Model was estimated and the result showed in Table 4 below

The coefficient of poverty reduction is 0.011209; poverty reduction has a positive and statistically significant effect on urbanization. A unit increase in household final consumption expenditure in ECOWAS countries will cause about 0.1 increases in urbanization. Economic development is spurred by a reduction in poverty; this result justifies the Rostow's theory of economic development assumed in this study.

Table 4: Result of the Generalized Linear Model:

Variable	Coefficient	z-Statistic	Prob.
POV	0.011209	7.694833*	0.0000
INQ	0.582287	1.293749*	0.1958
LIFEXP	0.480621	5.619355*	0.0000
Deviance- 73.64668		Pearson SSR-19148.14 Dependent Variable: URBAN	

* indicate significance at 1%

Source: Author's computation (2017)

This is in conformity with our expectation. Inequality, on the other hand is positively signed but statistically insignificant. This explains the reasons behind the traits of underdevelopment in developing countries, despite the application of linear stages of development such as Rostow's model. This is in conformity with the dependence features that assumed a different pattern of inequalities and economics imbalances in West African countries despite the interaction with developed countries towards the attainment of economics development. This further shows that exchange of rural poverty for urban poverty still remain, no visible employment that would lead to income inequalities.

According to Nurkse (1952), who introduced theory of the Vicious Circle of Poverty, he proposed that a country is poor because it is poor. It implies that poverty is associated with economic imbalances not inequalities in ECOWAS countries

and explains our financial instability associated with other factors. The poor are getting poorer without any significant sign for substantial employment. The jobs in rural area are left undone and the facilities in urban area are stressed, which gives room for more slums. Also, life expectancy is positively signed and statistically significant. The implication of this is that higher life expectancy will lead to higher level of urbanization and therefore economic development in ECOWAS countries.

6. SUMMARY, CONCLUSION AND POLICY RECOMMENDATION

This study validates Rostow's linear stages and confirms the position of unified features of dependence theorists as poverty and inequalities impact urbanization in West African countries. The result revealed that poverty reduction positively influence economic development while inequality has no significant impact on urbanization in ECOWAS countries. The study concludes that, in ECOWAS countries, poverty reduction spur urbanization and hence, economic development. It is believed that the theory of the VCP succeeds in showing the level of poverty and backwardness of underdeveloped countries. The economic progress of a country is not automatic or spontaneous. Rostow's theory helps West African countries to understand the economic development in a classical sense. It is still much valid and applicable in ECOWAS countries. Sustainable development that addresses the issue of inequality is the main issue of all economies. Economic transition is a must for growth and its sustainability.

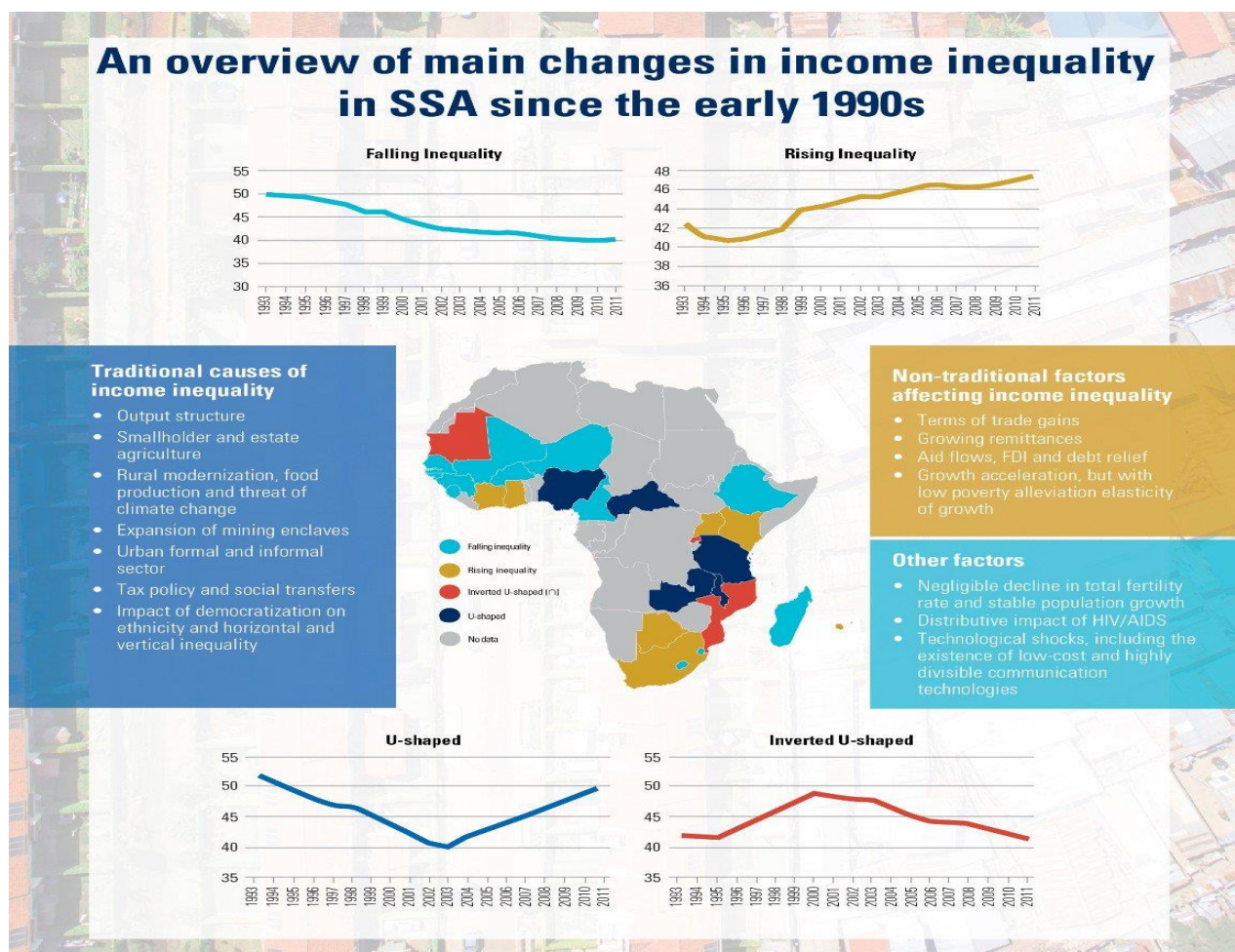
Therefore, it is recommended that various ECOWAS countries' governments should collaborate with private sector in terms of savings and investments. The potentials of West African countries as viable market place for both developed and developing countries cannot be ignored. A balanced growth surely leads to greater economic progress where surplus is greater than deficits.

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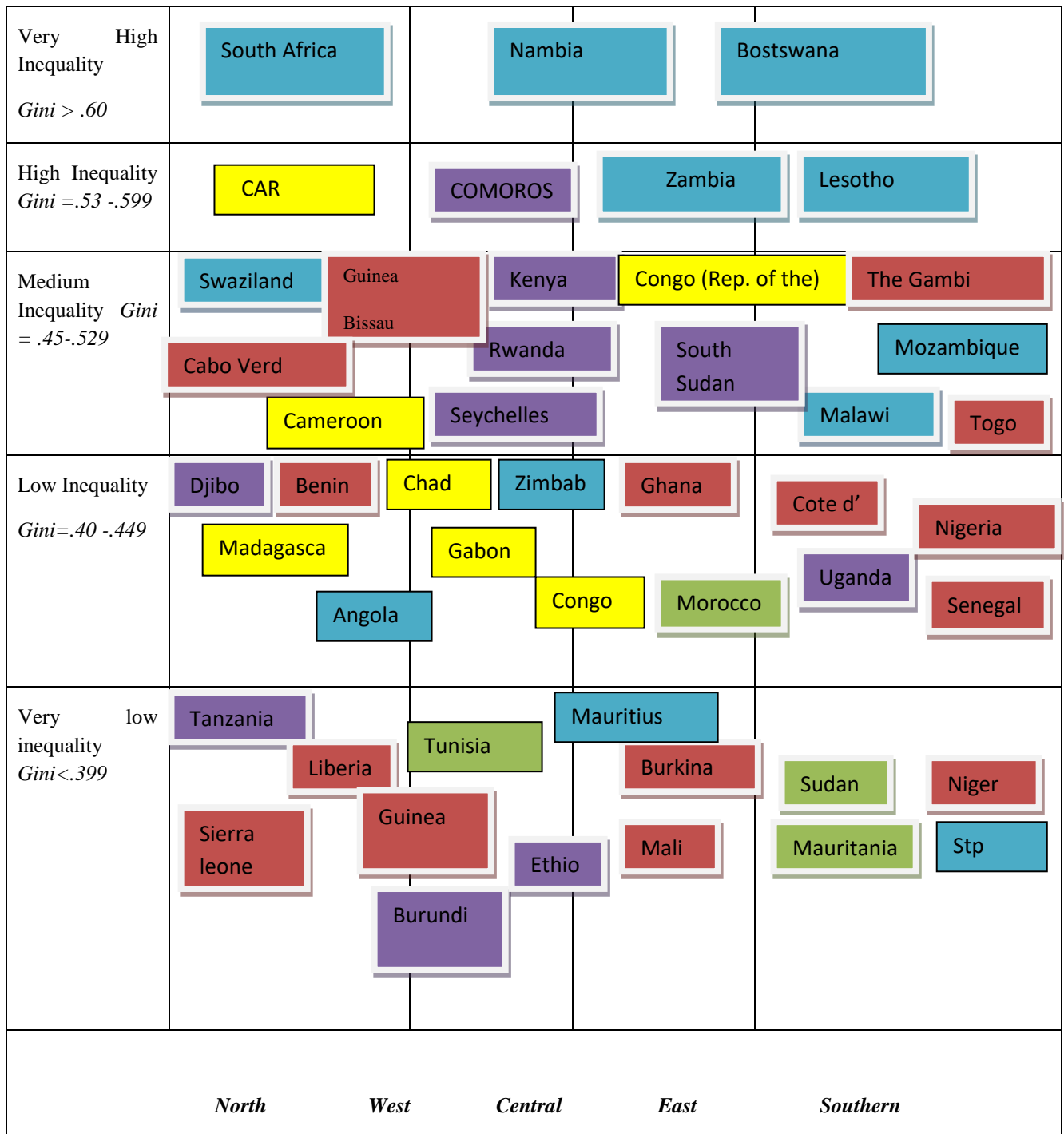
APPENDIX - I



Source: Adopted from UNDP report 2015 Accessed 04/2/18

APPENDIX - II

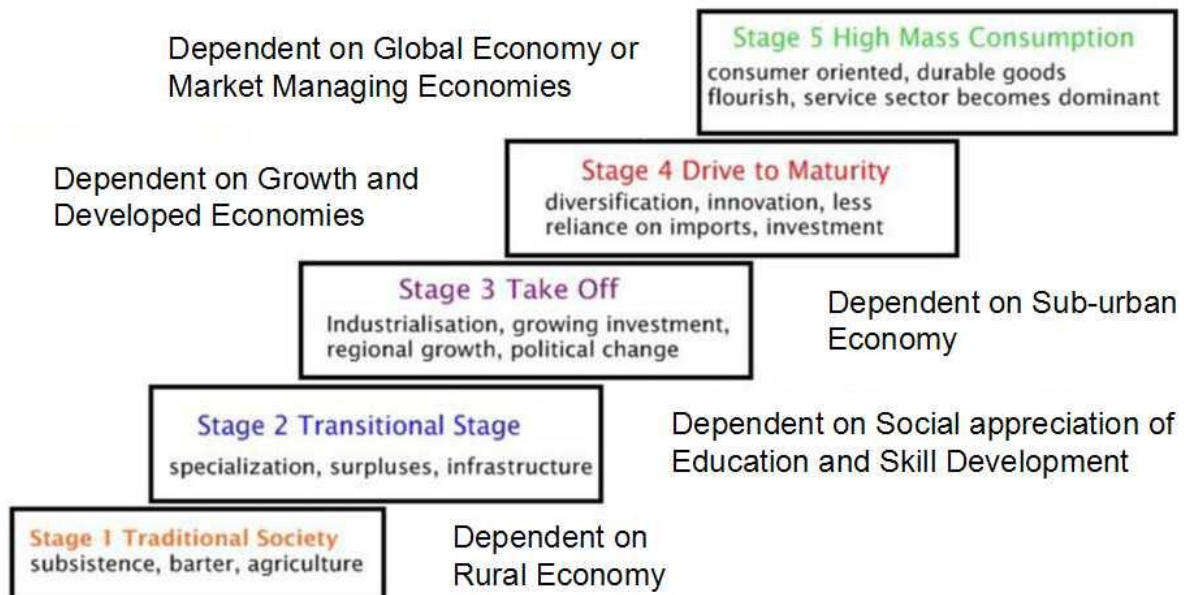
Which African Countries are the least, or most, unequal?



Source: Adapted from UNDP Report 2015

APPENDIX - III

Rostow's 5 Stages of growth



Demographic research requirement using Rostow's model prior to Product Launch

Dr. Krishnan Umachandran

Source: www.researchgate.net