18. Inequality in sub-Saharan Africa: dimensions and drivers

Jimi O. Adesina

The average Gini index for sub-Saharan Africa is one of the world's highest. However, since 2000 inequalities in education, health and gender have been significantly reduced, and this might eventually lead to improvement in people's well-being. This contribution explores these four important dimensions of inequality in sub-Saharan Africa.

Introduction

Over the past two decades, evidence from all over the world has shown the harmful effects of high levels of inequality on everything from economic growth to poverty reduction, social unity and public health. A similar pattern has been shown in sub-Saharan Africa, especially regarding the influence of growth on reducing poverty. Reducing inequality is not only helpful but essential. High inequality is 'divisive and socially corrosive', Wilkinson and Pickett (2010, p. 195) remind us.

The economy of sub-Saharan Africa has grown at an exceptional pace over the past decade. Seven of the ten countries with the highest growth rates worldwide are in Africa. However, growth has been concentrated in particular sectors of the economy and in specific geographical areas within countries. The benefits of this growth have not been broadly shared, and have left out large sections of the population. Poverty has not fallen as much or as fast as expected and economic inequalities have remained high. There are, of course, significant differences between the countries in the region and their directions of inequality.

In this contribution, I explore four important dimensions of inequality in sub-Saharan Africa and some of the reasons for their evolution.

Economic inequality: consumption, income and wealth

There is broad agreement that the average economic inequality in sub-Saharan Africa is the highest in the world after Latin America (Milanovic, 2003, p. 10; ADB, 2012). The average rate of income inequality in sub-Saharan Africa declined from 1960 to the 1980s, before rising in the 1990s and declining again in the 2000s.

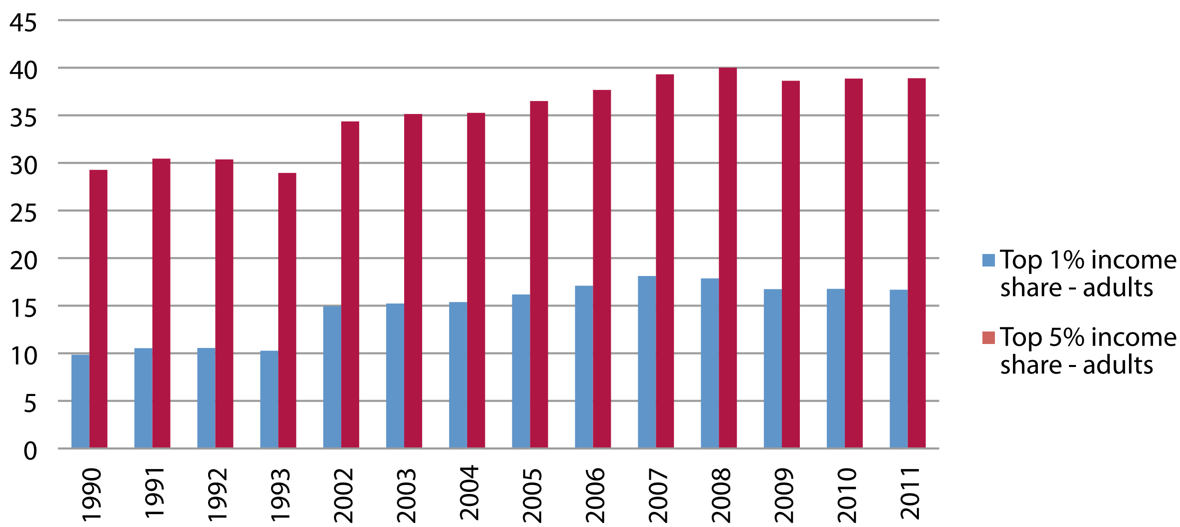
Using consumption data for the period 1991–93 to 2011, Cornia and Martorano (2015) found four trends in twenty-nine sub-Saharan African countries with at least four observation data points. In thirteen countries, the Gini index fell between 1991–93 and 2011. Some of these countries experienced high growth rates during the last decade sampled. Four countries show an inverted U-shaped trend, with the Gini index rising before falling. In seven countries, the Gini index rose during the period. In the last group of five countries, the Gini trend showed a U shape, with income inequality falling before rising over the period. Of the twenty-nine countries, Ethiopia (2011) had the lowest Gini index at 33.6, while the Gini indices for Botswana (2009) and South Africa (2011) were the highest, at 68.6 and 65.0 respectively.

A somewhat different picture appears when we consider wealth inequalities. Again, Africa's[1] wealth inequality level is the highest after the Asia-Pacific region,[2] at 89.2. The countries with the highest wealth Gini index include South Africa (84.0), Botswana (81.7), Namibia (81.6) and Nigeria (81.4), all mining or oil-producing countries.

In South Africa, the income and wealth indices of inequality have worsened since 1994. Using tax-income data, *Figure 18.1* shows the income share of the top 1 per cent and top 5 per cent of adults between 1990 and 2011. Using wealth data, in 2015, the share of the top 1 per cent was 42.8 per cent, and 75.9 per cent for the top 10 per cent (Shorrocks et al., 2015). The average income of a male-headed household is nearly twice that of a female-headed household (SSA, 2011).

This article features in the *World Social Science Report 2016*, UNESCO and the ISSC, Paris. Click here to access the complete Report.

Figure 18.1 **Income share of the top 1 per cent and 5 per cent in South Africa**



Source: Paris School of Economics Dataset (*http://topincomes.g-mond.parisschoolofeconomics.eu/*).

The fall and rise in economic inequality

The reasons behind changes in economic inequality differ between countries. The overall fall in average income inequality across the region from 1960 to 1980, and its subsequent rise, reflect the serious shift in the economic and social roles of the state in the region. The fall in inequality before 1980 reflects the growth of economic opportunities and social mobility in postcolonial Africa. A higher level of investment and broader participation in education led to a much higher level of social mobility. Economic liberalization, deregulation and other neoliberal policies were the main reason for inequality increasing in the post-1980 period, as in other regions of the world.

The decline in inequality that some countries experienced in the 2000s is probably related to their good economic performance and to favourable external conditions such as improvements in terms of trade. But not all countries that experienced fast economic growth have seen a reduction in levels of inequality (for example, Botswana and Ghana have not). On the whole, we have too little information to identify the reasons for the decrease or increase in economic inequality in many countries during those years.[3]

It is often easier to identify drivers of income inequality at the national level than across the continent as a whole. In South Africa, race and labour market location are the most significant drivers of inequality, and combined, they lead to the highest level of inequality.

Other dimensions of inequality: education, health and gender

Improvement in the education sector

Between 1999 and 2011, sub-Saharan Africa showed improvements in several education indicators, from net enrolment ratio in primary school (58 per cent to 77 per cent) to gender parity (0.85 to 0.93). The youth literacy rate also increased. However, the region lagged behind other regions in the world, and there is wide variation between different countries. Across the region, 16.6 million girls and 13 million boys in the primary school age cohort did not attend school in 2012 (UNESCO, 2015). Two out of three illiterate adults in the region are women.

Within-country indicators also vary widely by gender, by location (urban, rural) and by income group. Disadvantages often accumulate and lead to high levels of inequality. Inequality of learning also increases when moving up the educational ladder.

Unless public authorities actively promote and fund education, wealth inequalities and spatial location will continue to shape inequalities in education. The direct and indirect costs of education often discourage or prevent poor households from investing in the education of their children.

Over recent years, public authorities' active efforts to reduce the financial burden of education (abolishing fees, introducing school feeding programmes and in some cases cash transfers)[4] have helped to improve enrolment rates at primary school level. This has helped lessen the influence of social norms that discriminate against women and girls. The problems of low-quality education and early drop-outs remain an object of concern, as is the high inequality at the post-primary level.

The following examples highlight the differences between and within countries. In 2013, a child from the poorest quintile in Nigeria was more than twenty-three times more likely to have never attended school than a child from the richest quintile; this figure was nine times in Ghana in 2011 and two in South Africa in 2013. Forty per cent of children in rural areas in Nigeria had never been to school, compared with 10 per cent in urban areas. The primary school completion rate varies similarly.

Only 15 per cent of girls in Niger complete primary school education compared with 30 per cent of boys, while the completion rate is 91 per cent for girls and 86 per cent for boys in Zimbabwe; and 95 per cent for girls and 91 per cent for boys in South Africa.

Again, in Nigeria 98 per cent of children from the richest quintile complete primary school, compared with 20 per cent of children from the poorest quintile (UNESCO, 2015). The difference increases at higher educational levels. Eighty-nine per cent of adolescents from the richest quintile complete lower secondary school compared with only 9 per cent of those from the poorest quintile.

In Niger, only 4 per cent of females, 1 per cent of rural adolescents and 1 per cent of those from the poorest quintile complete lower secondary school (UNESCO, 2015). But in Namibia, Lesotho, South Africa and Zimbabwe, more girls complete lower secondary education than boys.

Health

Sub-Saharan Africa witnessed improvements in several health indicators between 1990 and 2012, although at lower levels than the global average.

Once again there are differences at the national level (WHO, 2014). While life expectancy is increasing across the region, it varies at birth from 74 years in island states such as Cape Verde, Mauritius and Seychelles to 46 years in Sierra Leone. These three island states have some of the most developed social policy structures in the region. The infant death rate declined between 1990 and 2012, but again differed between countries, ranging from thirteen deaths for every thousand live births in the Seychelles to 182 in Sierra Leone.

According to various indicators, the main factors influencing health inequalities (WHO, 2014) are wealth, spatial location (rural/urban), and mothers' educational level. But the extent to which public authorities help promote and enable the wellness of citizens influences these factors.

In Nigeria the main drivers of health inequality, far more than spatial location, are mothers' educational level and wealth inequality. The DTP3[5] immunization coverage of the poorest quintile is more than eight times lower than that of the richest quintile. In contrast, these quintiles exhibit parity or near parity in immunization, and at high levels of coverage (between 89 per cent and 99 per cent) in Burundi and Rwanda (WHO, 2014).

In South Africa, significant health inequalities exist along wealth lines. In 2015, total health-care expenditure was 8.5 per cent of the GDP. Of this, less than half (4.1 per cent) was public health-care spending, covering 84 per cent of the population. The remaining balance of the GDP dedicated to health care (4.4 per cent, or more than half) was used by the 16 per cent of the population who have private health insurance and mainly use private health-care facilities. The top two quintiles form the majority of health insurance membership, which is 'almost non-existent in the other quintiles' (Ataguba and McIntyre, 2013, p. 37). These two quintiles receive just slightly less than 60 per cent of the total benefits of the health-care system compared with a health-care need share of just over 25 per cent (Ataguba and McIntyre, 2013).

Gender equity and inequity

Gender inequity merits distinct exploration. The Global Gender Gap Report (World Economic Forum, 2014) provides a snapshot of the gender gap in sub-Saharan Africa according to four fields: economic participation and opportunity, educational achievement, health and survival, and political empowerment. As with other aspects of inequality, there are enormous differences between countries in the region. Rwanda, Burundi and South Africa are the three top-performing countries on the overall gender-gap index, while Côte d'Ivoire, Mali and Chad are the worst. However, the countries' performance varies across the subindexes. In 2015, Rwanda ranked highest in political empowerment, which was partly because it had the highest percentage of female legislators in the world: 63.8 per cent of its parliamentarians are women (International Parliamentary Union, 2016). Burundi, with a score of 0.86, topped the global subindex for economic participation and opportunity, followed by Malawi (0.829), Botswana (0.816) and Kenya (0.81).

The difference in the gender gap scores shows that gender equality in education does not automatically translate into gender equality in other domains. Globally, and across the region, social institutions (including norms, practices and law) remain the most powerful drivers of gender inequality (OECD, 2015). Here, policy and leadership again matter. Reducing gender inequality is often a result of focused activism and strong public leadership.

Conclusion

While growth is important for reducing inequality and poverty, sub-Saharan Africa's experience with growth fuelled by the commodity super-cycle shows that growth alone is not enough to reduce poverty. In the past, orthodox pro-market policies which boosted economic growth also increased inequality. Reducing inequality in sub-Saharan Africa would require a publicly driven programme of inclusive development, active social policy (combining redistribution and growth in productive capacity) and tackling the norms and practices that sustain gender discrimination.

Notes

1. The Global Wealth Databook (2015) covers fifty-two African countries, forty-seven of which are in sub-Saharan Africa.
2. Asia-Pacific minus China and India.
3. It is to be remembered that the statistical database on output, consumption and income can be weak in some countries, casting doubt on the level and evolution of some indices.
4. These programmes were often organized with the support of development agencies.
5. Three doses of diphtheria–tetanus–pertussis vaccine.

Bibliography

ADB (African Development Bank). 2015. Data Portal. *http://dataportal.afdb.org/DataQuery.aspx* (Accessed 20 November 2015.)

Ataguba, J. E.-O. and McIntyre, D. 2013. Who benefits from health services in South Africa? *Health Economics, Policy and Law*, Vol. 8, No. 1, pp. 21–46.

Cornia, G. A. and Martorano, B. 2016. Building the integrated inequality database and the seven sins of inequality measurement in Sub-Saharan Africa, UNDP Africa Policy Notes 2016-02, UNDP Regional Bureau for Africa. New York, UN Development Programme (UNDP).

Fosu, K. 2008. Inequality and the impact of growth on poverty: comparative evidence for sub-Saharan Africa. Research Report no. 2008-107. Helsinki, United Nations University World Institute for Development Economics Research (UNU-WIDER).

International Parliamentary Union. 2016. Women in national parliaments. *http://www.ipu.org/wmn-e/classif.htm* (Accessed 28 June 2016.)

Milanovic, B. 2003. Is inequality in Africa really different? Working Paper no. 3169, Washington DC, World Bank.

OECD. 2015. Social Institutions and Gender Index Database. *www.genderindex.org/* (Accessed 2 December 2015.)

Okojie, C. and Shimeles, A. 2006. Inequality in sub-Saharan Africa: a synthesis of recent research on the levels, trends, effects and determinants of inequality in its different dimensions. London, Overseas Development Institute Inter-Regional Inequality Facility.

Ravallion, M. and Chen, S. 2012. Monitoring inequality. *http://blog.worldbank.org/developmenttalk/monitoring-inequality* (Accessed 2 October 2015.)

Shorrocks, A., Davies, J. and Lluberas, R. 2015. *Global Wealth Databook 2015*. Zurich, Switzerland, Credit Suisse Research Institute.

SSA (Statistics South Africa). 2011. South Africa 2011 census data. Pretoria, SSA.

UNESCO. 2015. World Inequality Database on Education. *www.education-inequalities.org* (Accessed 25 November 2015.)

WHO (World Health Organization). 2014. *The Health of the People: What Works. The African Regional Health Report 2014.* Brazzaville, WHO Regional Office for Africa.

Wilkinson, R. and Pickett, K. 2010. *The Spirit Level: Why Greater Equality Makes Societies Stronger.* New York, Bloomsbury Press.

World Economic Forum. 2014. Global Gender Gap Report 2014. *http://reports.weforum.org/global-gender-gap-report-2014/* (Accessed 10 June 2016.)

■ ***Jimi Adesina*** *(Nigeria) is a professor at the College of Graduate Studies, University of South Africa and holder of the South African Research Chair in Social Policy. The South African National Research Foundation supports his work.*