



Regional View: Inequality in Africa



**Interregional Expert Group Meeting
“Placing equality at the center of the 2030
agenda”**

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STRUCTURE OF THE PRESENTATION

Five key points:

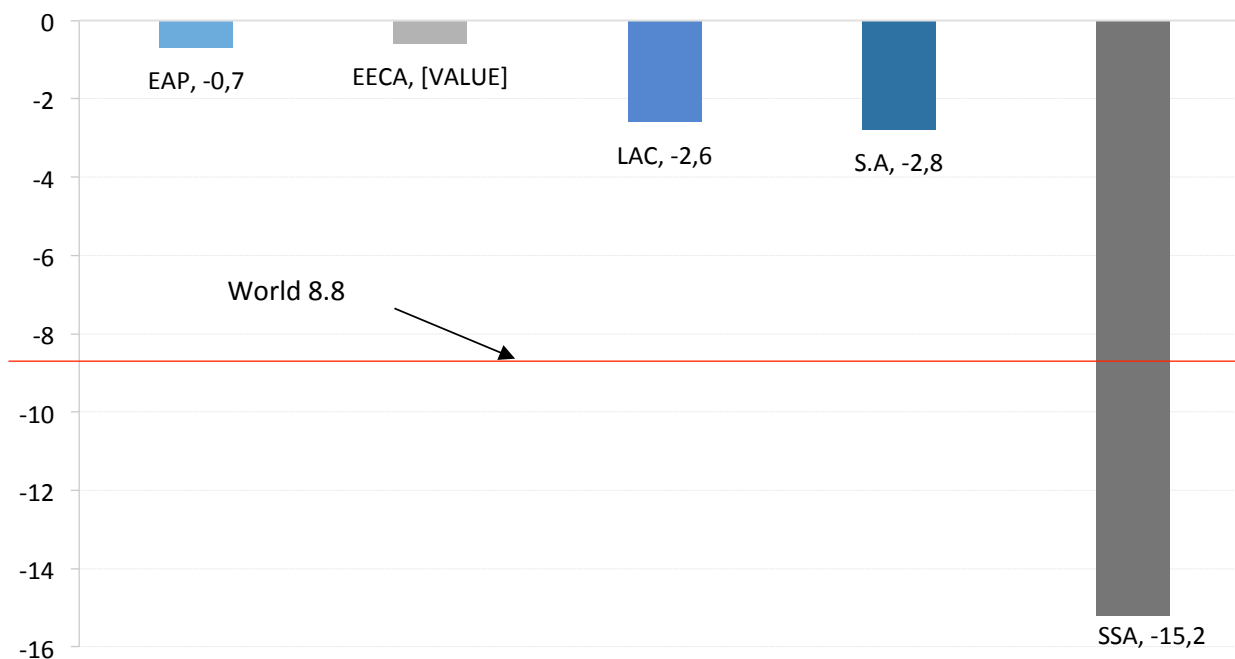
1. Poverty has declined slowly in Africa
2. Income inequality is declining but remains a within-country phenomenon
3. Drivers of inequality : gender, location and income bias prevail on access and outcomes of labour, health and finance
4. Commonalities of policies in African countries with declining inequality
5. Conclusions



Some facts on growth poverty levels and numbers

- In Africa, over the period 1990 to 2015 average economic growth was 5%
- Poverty dropped from 54.3% in 1990 to 41% in 2013. Slow drop was partly driven by:
 - Undiversified sources of growth
 - Population growth was 2.6% during the period, number of people living below the poverty line remained at approx. 390 million
 - High poverty gap renders poverty reduction efforts more challenging

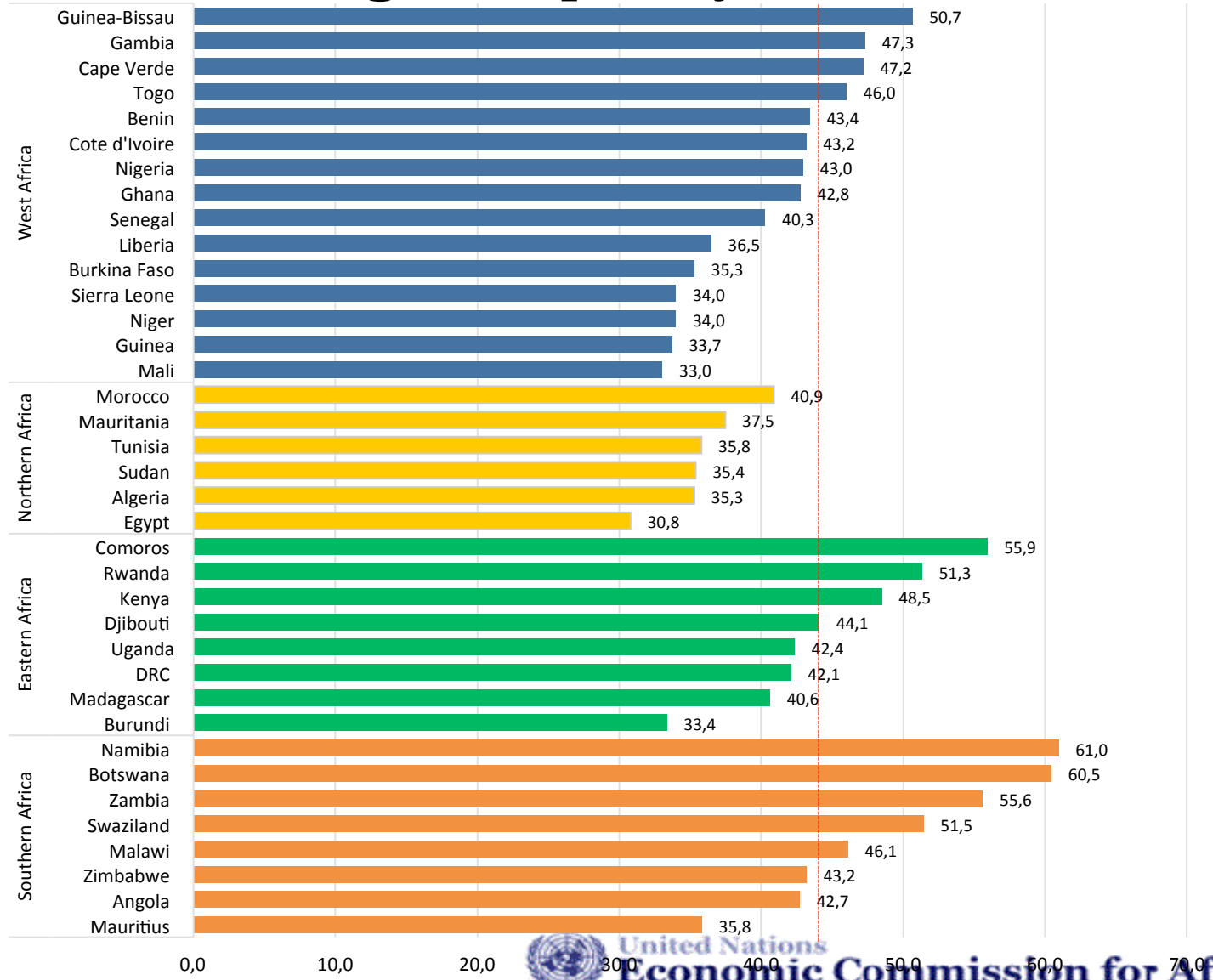
Depth of poverty “Income distance” from poverty line



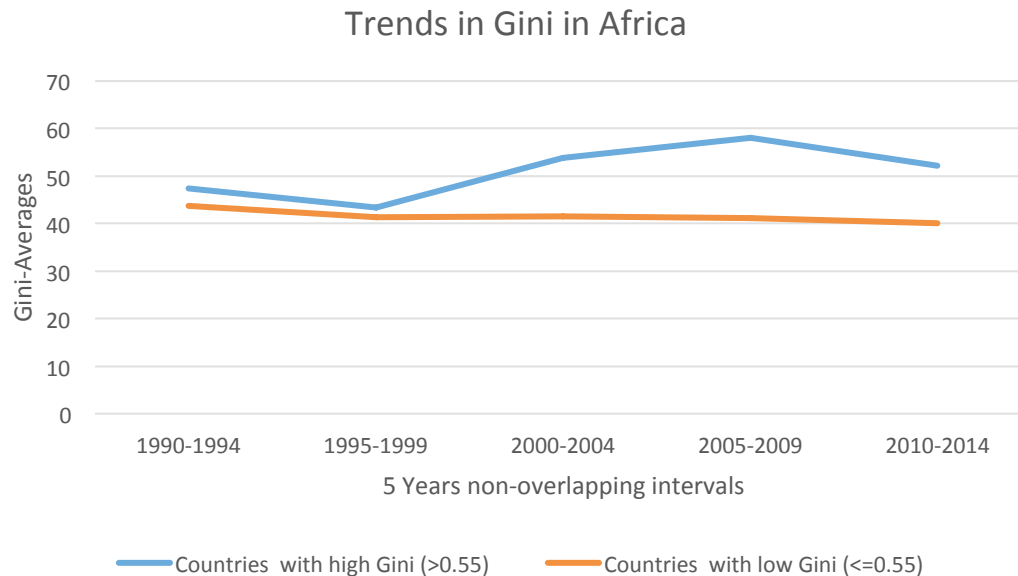


Income Inequality

2d. High inequality in Africa



Trends in income inequality



- Decreased from 0.43 to 0.40 between 1990 and 2014
- Gini in high inequality countries increased from 0.47 to 0.52
- Decrease in Gini during a growth spell of 2005-2009
- The rate of economic growth has a stronger effect on income inequality in higher unequal countries

Selection of 29 African countries: trends in income inequality

Income Inequality (Gini 1993-2011)				
Sub-region	<i>Declined</i>	<i>Increased</i>	<i>Increased before declining</i>	<i>Declined but rising now</i>
North Africa			Mauritania	
Central Africa	Cameroon			Central Africa Republic
East Africa	Ethiopia Madagascar	Kenya Uganda	Rwanda	Tanzania
West Africa	Burkina Faso Gambia Guinea Guinea-Bissau Mali Niger Senegal Sierra Leone	Cote d'Ivoire Ghana		Nigeria
Southern Africa	Lesotho Swaziland	Botswana Mauritius South Africa		Malawi Zambia

Trends in income inequality (contd)

	1993	1998	2003	2008
Gini for Africa	0.52	0.52	0.54	0.56
Average country Gini	0.47	0.45	0.45	0.45
Average country Gini	0.44	0.44	0.43	0.44
African mean log deviation	0.47	0.47	0.51	0.57
Within country contribution to log deviation (percent)	73.4	71.3	64.3	59.7

- African countries inequality is within countries (60% approx.)
- Global level is between countries

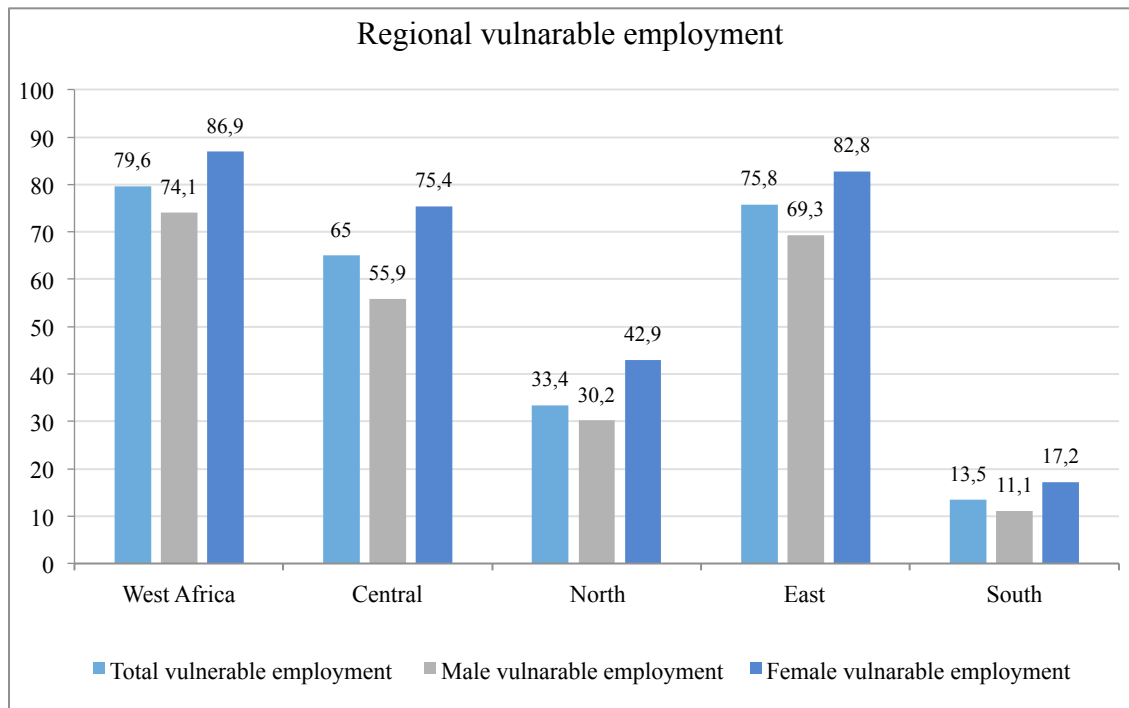
Source: Lakner 2016



Drivers of inequality

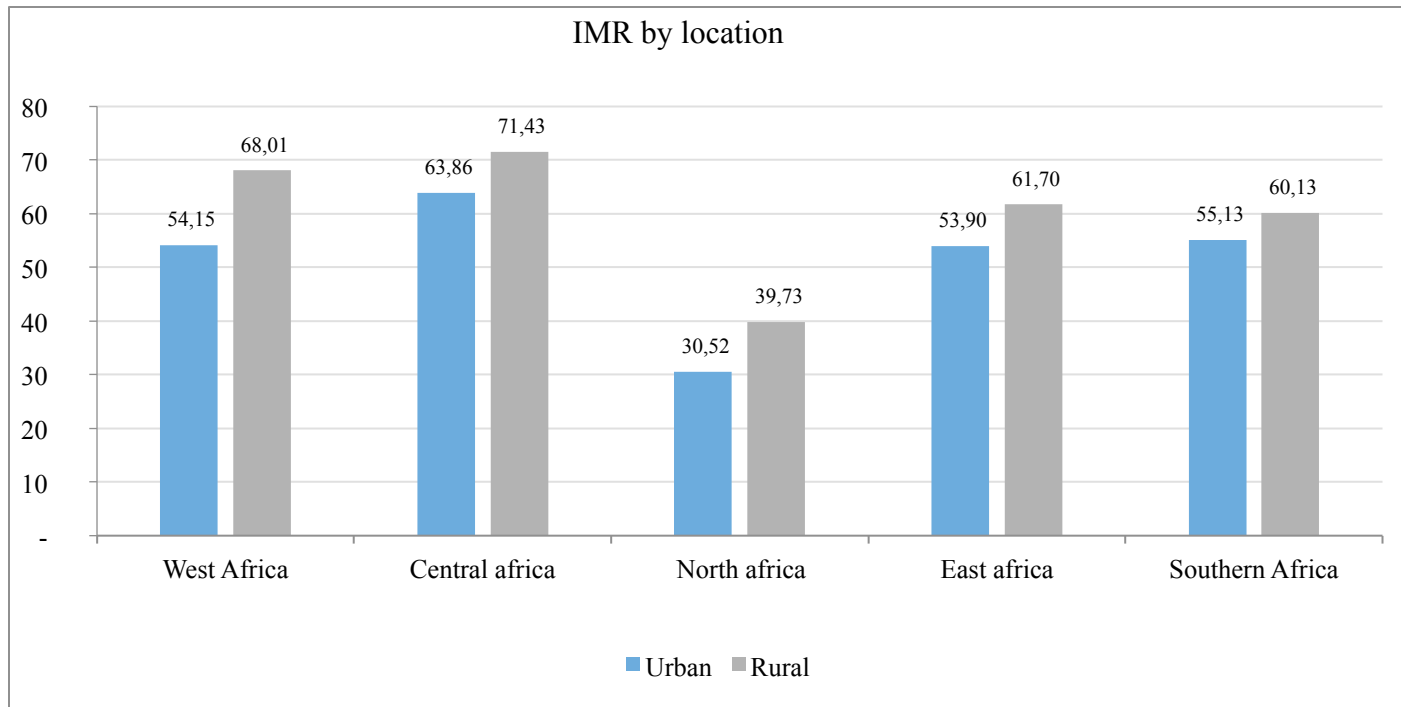


Labour markets



- Vulnerable employment, which represents 66.1 percent of total employed and varies across sub-regions.
- Gender variation is substantial

Spatial imbalance in health outcomes

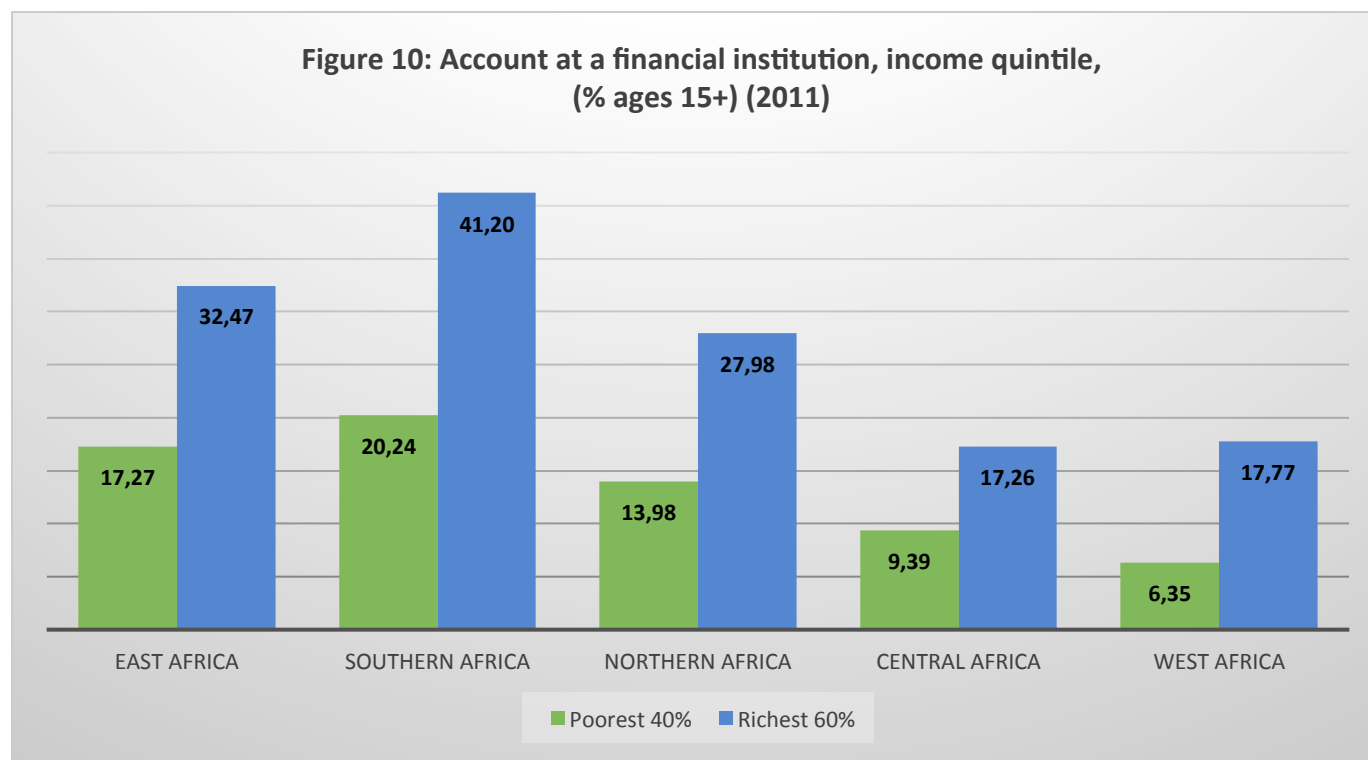


Inequalities of opportunities

Access and completion rates at primary level by social characteristics of individuals (from 35 African countries), 2006-2011

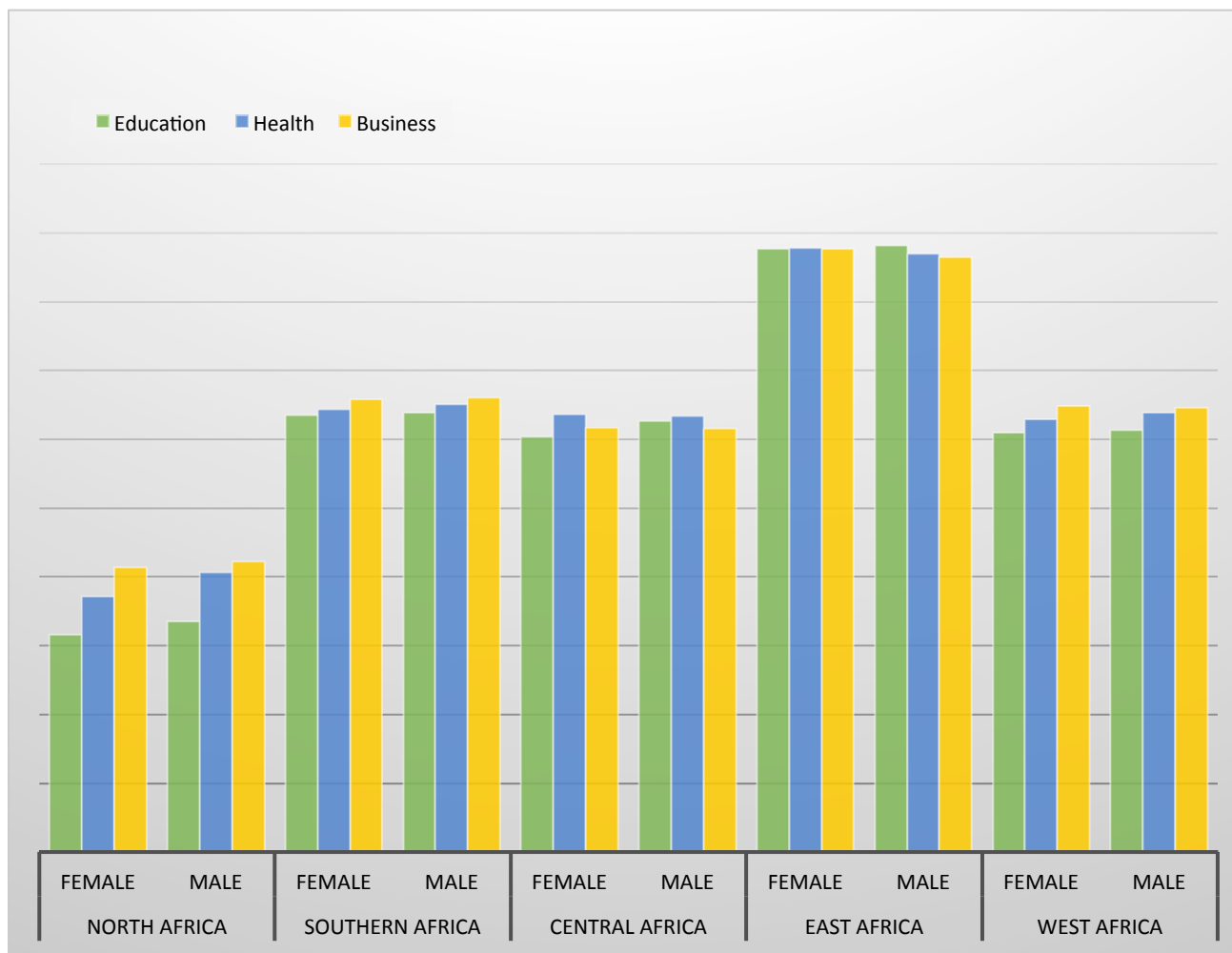
	Total	Gender		Location		Quintile of wealth		Gender x Location				
		Girls	Boys	Rural	Urban	Q123	Q45	RG	RB	UG	UB	
Access	81.6%	80.0%	83.1%	77.5%	91.2%	76.2%	90.4%	75.4%	79.4%	90.0%	92.4%	
Completion	54.8%	52.5%	57.1%	44.6%	71.5%	41.7%	70.9%	41.4%	47.3%	69.0%	74.2%	
		Gender x Location x Wealth						Disparities				
		RGQ123	RGQ45	RBQ123	RBQ45	UGQ123	UGQ45	UBQ123	UBQ45	B/G	U/R	Q45/ Q123
Access	73.1%	83.8%	77.3%	87.9%	80.5%	92.1%	83.9%	94.4%	1.04	1.18	1.19	
Completion	36.2%	57.2%	42.4%	63.0%	48.8%	73.4%	52.1%	78.9%	1.09	1.60	1.70	

Inequity in access to finance



Paying for education and health

Reasons for borrowing (% Age 15+: 2014)



Some Commonalities

Countries	Pro-poor investments	Labour interventions	Education policies	Health policies	Gender equality	Spatial interventions	Access to finance
Guinea			Increase in budget allocation	Increase in budget allocation			
Ethiopia	Ethiopia Agricultural Transformation	PSNP	Increase in budget allocation	Health extension workers	Ethiopia Agricultural Transformation		
Sénégal			Increase in budget allocation	Increase in budget allocation			
Sierra Leone				Free primary care			National Strategy for Financial inclusion
Burkina Faso	Physical infrastructure (water & sanitation)				FAWE & TUSEME		
Cote d'Ivoire	Growth cities (NDP 2016-2020)				Income support to female headed households		
Tanzania	Farmer input subsidies						



Conclusions

- Transmission from tackling inequality of opportunities to income inequality
- No coordinated response to tackling inequality
- Complementing access to public services with social protection to ensure “leaving no one behind”.
- Placing inequality squarely within national plans and strategies-both monetary and non-monetary forms

