

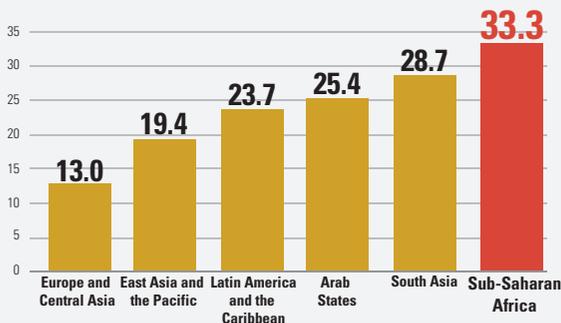
Emerging facts on inequality and human development in Africa

1 SSA experienced **more rapid growth in the Human Development Index** between **2000 and 2010**, rising at an **annual average of 1.68 per cent**. However, progress is **uneven across countries and groups**.

2 Between 2010 and 2014, more than **90 per cent** of **SSA countries reduced health inequality**; close to **50 per cent reduced education inequality**; and less than **40 per cent reduced income inequality**.

3 The perpetuation of **inequalities in income, health and education outcomes** is linked to complex mixes of **discriminatory social norms (especially for women)** and a **skewed distribution of service provisions**.

4 The loss of human potential due to inequality is higher in sub-Saharan Africa than in all other regions



5 Gender inequality and human development are inversely related

Countries with a lower level of gender inequality (e.g. Mauritius, Algeria and South Africa) tend to **have higher levels of human development**, while those with higher levels of gender inequality (e.g. Central African Republic, Chad and Niger) **have lower levels of human development**.

6 Tackling the **root causes of gender inequality** is a way to **improving the lives of both women and men**.

7 Investing in **youth development, gender equality and women's empowerment** and building **economic, social, political and environmental resilience** are **key to accelerating human development**.

11 Inequality, Gender and Human Development in Africa

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11.1 Introduction

Sub-Saharan Africa (SSA) has witnessed impressive progress on human development over the past 25 years. Indeed, using the Human Development Index (HDI) as a measure of development, since 2000, SSA has experienced more rapid growth than any other region, growing at 1.68 per cent from 2000 to 2010 and 0.94 per cent from 2010 to 2014 (UNDP, 2015a). The rate of progress in some countries – for example, Rwanda, Ethiopia and Mozambique – has been particularly remarkable.

At the same time, inequality has become a central challenge for the region as it has for all other regions of the world. Progress has been uneven between countries and various socioeconomic groups and serious human deprivation remains. Income inequality is an important element of inequality, but the trends capture only part of the story. The full realization of human potential for all people also requires attention to inequalities in access to non-income resources, including basic services such as health, education, political participation and access to property and financial resources. In addition, some groups systematically have less access to income and non-income resources than others. Women and girls in particular are, on average, more deprived than men across all countries in the region. Ensuring equal access to opportunities and services for women and girls would have significant positive implications for overall human development progress in SSA.

This chapter employs the human development framework to examine the extent and nature of inequality in SSA. It draws attention to the complex and multidimensional nature of inequalities in the region, with a particular focus on gender inequalities, and points to policy interventions that may help to close gaps. Section 11.2 introduces the human development paradigm and presents an overview of inequality in key dimensions of human development. This section also identifies some of the drivers of inequality in these dimensions and interlinkages among inequalities in different dimensions, e.g. in education and income. Section 11.3 presents global and regional inequality trends using the Inequality-adjusted Human Development Index (IHDI). Section 11.4 explores inequality trends by subregions in Africa and identifies some key challenges for countries in the region related to gender inequality. Finally, Section 11.5 draws upon the previous analysis to outline policy priorities to close gaps in inequality in SSA.

11.2 Linkages and drivers of inequality in income and human development

11.2.1 *The intersection of inequality in income and human development*

The human development paradigm places people at the centre of development. From this perspective, “the objective of development is to create an enabling environment for people to enjoy long, healthy and creative lives” (UNDP, 1990). It involves expanding political freedoms and guaranteeing basic human rights. All people should be equipped with the knowledge and agency to make choices from a range of accessible alternatives so as to enhance their well-being at every stage of existence. In simple terms, human development is about enlarging people’s choices by improving their capabilities, expanding their opportunities and removing the social, cultural or political barriers that may work against them.

Equity and universal opportunities for people, in this generation and in subsequent generations, to realize their full potential are central to the human development paradigm. Early Human Development Reports emphasised universalism and the need to aim for a world where “no child goes without an education, where no human being is denied healthcare and where all people can develop their potential capabilities” (UNDP, 1994). The reports also emphasise that all people should have the economic, social and political rights that allow them to make choices in line with their values and aspirations. The full realization of human potential for all people requires policy attention to inequalities in income and non-income resources, including basic services such as health and education, political participation and access to property and financial resources.

Over the past 25 years, much progress has been made in many dimensions of human development: people are living longer, healthier and more creative lives; people are more knowledgeable and have access to resources needed to support a decent standard of living; more children are going to school; incomes are higher; and more people live under democratic regimes with greater potential for political engagement. In SSA, the number of children enrolled in primary education increased by 19 per cent from 1990 to 2015 and child mortality dropped from 178.5 deaths per thousand live births to 91.2 over the same time period (UNDP, 2015a). Impressive progress in reducing poverty has been made in The Gambia (32 per cent reduction since 1990), Burkina Faso, Niger, Swaziland, Ethiopia, Uganda and Malawi (UNECA, 2015). And yet, in many cases, progress in the region is marked by high levels of inequality in health, education and income, and in the urgency required to influence change. Gains have not been universal and many people still suffer deprivations in basic elements of life.

There are significant differences in the human development of women and men as measured by the HDI. This is the case even though women in the region have a longer life expectancy than men. Much of the variation is due to women’s incomes falling far short of men’s and the levels of education of adult women falling below adult men’s. In 2014, average per capita gross national income (PPP) for women in the region was US\$2,626 compared to US\$4,148 for men (UNDP, 2015a). This is despite a relatively high labour force participation rate among women in SSA (65.4 per cent) relative to other regions. Part of the variation in the incomes of men and women is related to the nature of the work that women do. They typically carry a disproportionate burden of the unpaid care work that is performed in the home. And even when they have paid work, they are more likely than men to be in vulnerable and informal jobs.

Those living in poverty at the bottom of income distributions, many of whom are women and girls, and are often deprived in many other dimensions of human development, with implications for

socio-economic mobility. Across all regions, children in the lowest wealth quintile are more likely to die before their fifth birthday than children in the wealthiest quintile. In SSA, child mortality rates are about 67 per cent higher for the lowest quintile. These children are also almost twice as likely to suffer stunting from chronic malnutrition (UNDP, 2013a). Similar gaps can be observed in education outcomes. Children whose families are in the highest wealth quintile in the region are 60 per cent more likely to complete primary school than children from the poorest quintile. Girls are even less likely than boys to complete primary school (ibid.).

Health and education deprivation is higher in rural areas than in urban areas. In SSA, 77 per cent of women in urban areas have access to maternal health care compared to only 38 per cent of women living in rural areas. Globally, nearly half of people living in rural areas lack access to improved sanitation facilities, whereas only 18 per cent of people in urban areas are without improved sanitation. Children from rural areas are also less likely to be in school; worldwide, twice as many rural children are out of school than in urban areas (UN, 2015). At the same time, levels of inequality in income and in access to services, infrastructure and opportunities are higher in urban areas. Slum populations, which make up 63 per cent of the urban population in the region, are deprived of many basic services and opportunities (UN Habitat, 2013).

There are also inequalities in access to information and technology, which are key tools for empowering people to expand their capabilities. In Africa, only one in every five people has access to the Internet (ITU, 2015). Women disproportionately lack access in developing countries, where 16 per cent fewer women than men use the Internet (ITU, 2013). This digital divide can perpetuate inequalities in access to jobs and education and, in some cases, even limit opportunities for political participation.

Overcoming income inequalities and empowering women to participate in the labour market and secure quality work is one way of ensuring that all people have opportunities to achieve their full potential in life. However, from a human development perspective, there are many other inequalities that deserve policy attention. For instance, more equitable access to health and education services and information, and equal rights to participate in political decisions can significantly enlarge people's choices, particularly the most disadvantaged – women, the poor and those in rural areas.

11.2.2 Income inequality and sustainable human development

Income inequality can reinforce inequalities in health and education as well as work, political participation and security. These overlapping inequalities perpetuate exclusion and deprivations throughout the life course and across generations. As indicated in the section above, the poorest quintiles of the population are often the most deprived in access to healthcare and education.

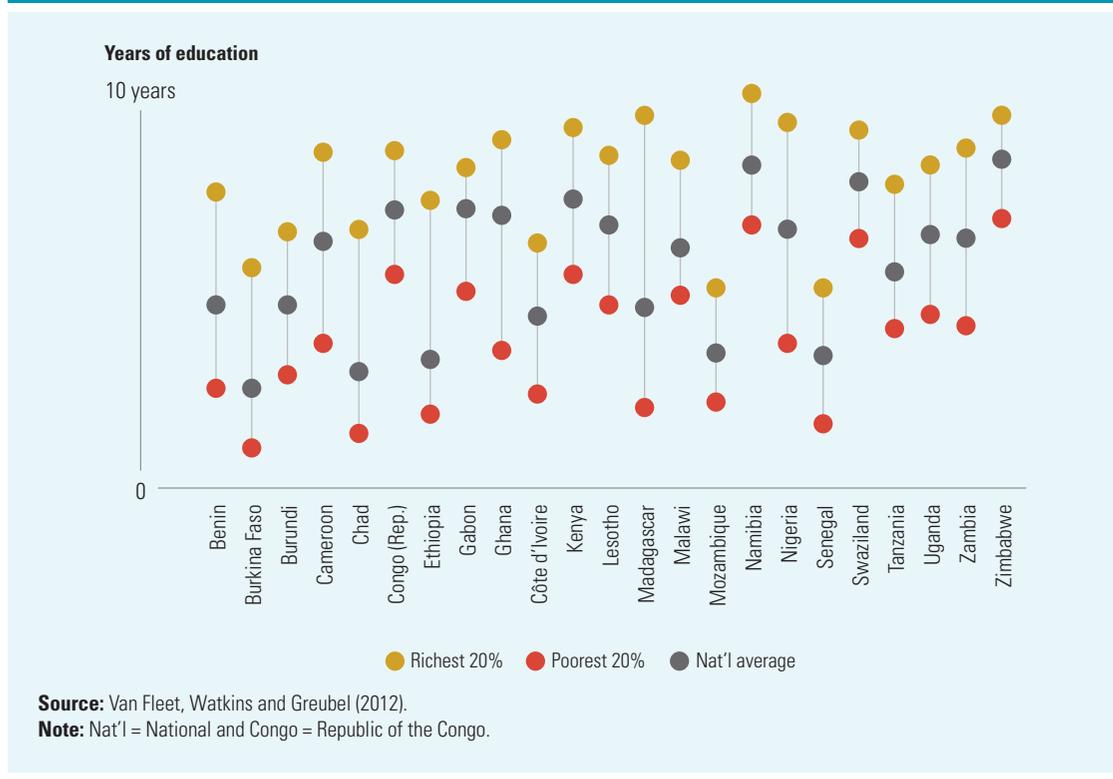
Access to quality health services is often limited for those living in poverty. Disparities in access to healthcare across income groups can result in disparities in health outcomes across these groups. For example, in Zambia, the poor are less likely to access public hospitals due to financial and physical barriers, despite showing higher need than other income groups. They are also more likely to use primary facilities such as health clinics, which have fewer resources (Phiri and Ataguba, 2014). In South Africa, HIV prevalence is found to be higher among those in the poorest socioeconomic groups. This may be due in part to access to information and access to HIV/AIDS testing. In one study, only 20.5 per cent of the poor reported having access to information on HIV/AIDS compared to 79.5 per cent of people from higher socioeconomic groups (Wabiri and Taffa, 2013). People who live in poor communities also have a higher risk of dying from non-communicable diseases such

as lung cancer, diabetes and cardiovascular illnesses. This is due to a combination of inequalities in risk and in access to healthcare for timely diagnosis and treatment, both of which are linked to socioeconomic levels (Di Cesare et al., 2013).

Similar patterns are observed in access to education where the poor are disproportionately deprived, particularly beyond the primary and secondary levels. In Ghana, for example, positive correlations are found between poverty incidence and education inequalities, with additional deprivation experienced by girls and those living in rural areas (Senadza, 2012). This is also the case in many other countries in the region. A recent study by the Brookings Center for Universal Education’s Africa Learning Barometer finds that individuals who are poor, female and attending school in rural communities in the region are far less likely to be learning critical skills such as reading, writing and mathematics. The study finds that people in extreme education poverty (less than two years of schooling) are much less likely to learn (see figure 11.1) (Agbor, 2012). Disadvantages in opportunities for education, as with healthcare, are linked to poverty and also to lower levels of access for girls and women and people living in rural areas.

Income inequalities, as well as inequalities between men and women and those in rural and urban areas, are reinforced across generations because deprivation in access to quality education and healthcare limits opportunities for secure livelihoods. Indeed, studies in a number of countries have found that parents’ educational attainment and earnings are two of the strongest predictors of children’s educational attainment (Duncan and Murnane, 2011). In a world where advanced skills are

FIGURE 11.1 Education disparities between rich and poor in sub-Saharan Africa, 2010



Source: Van Fleet, Watkins and Greubel (2012).
Note: Nat'l = National and Congo = Republic of the Congo.

increasingly central to work across sectors and in all regions, these inequalities in education translate into future inequalities in earnings (Autor, 2014). In South Africa, fathers pass on three-fifths of their earnings advantage to sons, much of which is linked to the former's level of education (Piraino, 2015). In Senegal, parents' education is also positively associated with the living standards of their adult children and maternal education has a much larger positive effect than paternal education (Lambert, Ravallion and Van de Walle, 2014).

In highly unequal societies, intergenerational mobility is limited. Parents' levels of education, income and health can greatly affect the opportunities available to their children unless policy interventions are made to increase opportunities for mobility. This is particularly important for girls and people living in rural areas, where low levels of access to quality education and healthcare are felt most significantly. In this regard, the human development of future generations will depend on policy actions taken today against the multiple dimensions of inequality.

11.2.3 Drivers of inequality in human development

Perpetuation of inequalities in income, health and education outcomes is linked to complex mixes of discriminatory social norms and patterns of service provision, combined with exposure to conflict in some cases, among other reasons. High levels of poverty and inequality combined with asymmetries in access to health and education services are problematic. Today, many countries in SSA still feel the effects of cost-cutting measures in education and health services that were implemented in the 1980s and 1990s. This is especially the case in rural areas where cuts were the greatest and for girls, who often forgo education when families cannot afford to send all of their children to school (Ombati and Mokuu, 2012). Expenditures on health and education services often disproportionately reach wealthier populations. This is the case in Ghana, United Republic of Tanzania and South Africa, where health services are directed toward rich populations even while the burden of illness is much greater for low-income populations (Mills et al., 2012). There is some evidence that democratic engagement may help direct government policies and expenditures toward improving health and education outcomes. There is a strong correlation between the 2015 Economist Democracy Index and HDI (0.60), indicating that when citizens have a greater say in decisions that affect them, overall human development status is strengthened.

Studies have found that one of the single greatest potential equalisers in the region is increased access to education, including access to technical, vocational and entrepreneurial education that increases skills and employability (Anyanwu, Erhijakpor and Obi, 2016). Universal quality education and health systems are essential. Access to public education is unlikely to reduce inequalities if teachers are poorly trained, class sizes are large and resources are limited. In this instance, the children of wealthy individuals are likely to go to private schools, obtaining higher-quality schooling than those in the public system and maintaining inequalities. For example, in Kenya, after the introduction of the Free Primary Education (FPE) programme in 2003, the proportion of children attending private primary schools increased by 7 percentage points by 2007 as parents reacted to the quality of public education (Nishimura and Yamano, 2013).

Social norms and traditions can also drive inequality by limiting opportunities for women and minorities. For example, traditions dictating that women and girls carry a disproportionate burden of unpaid work in the home limit their opportunities relative to men and boys (UNDP, 2015a). According to time-use surveys in developing countries, traditional work divisions leave women responsible for more than three-quarters of the time their household dedicates to unpaid care work.

In Mali, men spend 21 minutes per day doing unpaid work while women spend 241 minutes per day in unpaid work. As such, women in Mali perform over ten times more unpaid work than men, while men only do 42 per cent more paid work than women (ibid.). Women's unequal contributions to unpaid work reduce time available for education and activities that increase their preparation for the job market and also limit the time they can commit to paid work. Women are also limited in access to healthcare because of norms that reduce their decision-making authority in communities and households. In Tanzania, Ghana and Uganda, surveys indicate that women are less likely to use maternal health services when they live in areas that are relatively tolerant of violence against women (Adjiwanou and LeGrand, 2014). Additionally, when traditional norms encourage early marriage and childbearing, girls leave school at a young age and miss out on opportunities to expand their education and gain skills that would empower them to consider different livelihoods.

Conflict remains a barrier to overcoming inequalities for many communities and countries, although the number of countries in conflict in SSA has declined over the past 15 years. When individuals live in fear of violence (either real or perceived), their abilities to make choices freely and access opportunities are diminished. People may be afraid to leave their homes or communities, which limits work, access to health services and schooling. When parents fear for the physical and sexual safety of daughters, they are likely to keep them out of school (Pinheiro, 2006). Violence can magnify existing inequalities within societies when certain groups are the targets of violence. Women and sexual, ethnic and religious minorities, for example, are more likely to be threatened by violence, real or perceived, which disproportionately constrains their opportunities (Stewart, 2008). In areas affected by conflict, deficiencies in access to services and livelihoods can have lasting effects, stifling human potential relative to those areas that are free of conflict. The result can be geographical inequalities in outcomes across many dimensions of human development. Targeted action for populations affected by conflict may help reduce these disparities and reinforce movements toward peace and social cohesion.

11.3 Measuring inequality in human development

11.3.1 *The Inequality-adjusted Human Development Index*

Recognizing inequality as a central policy challenge for sustainable human development, the 2010 UNDP Human Development Report (HDR) introduced a new index for monitoring levels of inequality across dimensions of human development. The Inequality-adjusted HDI (IHDI) is a composite index that accounts for inequality in the three dimensions of the HDI – the ability to live a long and healthy life, access to knowledge and a decent standard of living. The IHDI accounts for inequalities in HDI dimensions by ‘discounting’ each dimension’s average value according to its level of inequality. Under perfect equality, the HDI and the IHDI are equal. If distribution of income, health and/or education is unequal, the IHDI is lower than the HDI. The higher the level of inequality in a society, the greater the difference becomes between the HDI and the IHDI. In this sense, the IHDI gives an indication of the actual level of human development (taking into account inequality), while the HDI reflects the ‘potential’ human development that could be achieved if there were no inequality. Loss in potential human development due to inequality is the difference between the HDI and the IHDI and is expressed as a percentage.

The IHDI is calculated using the following indicators and sources of data:¹

¹ See Human Development Report Technical Notes for further details (UNDP, 2015b).

- Distribution of health is calculated based on differences in life expectancy using data from the abridged life tables of the United Nations Department of Economic and Social Affairs (UN DESA).
- Distribution of education is calculated based on differences in mean years of schooling using data from various household surveys.
- Distribution of income is calculated based on differences in disposable household income or consumption per capita using data from various household surveys.

Data in each of these dimensions are used to calculate an Atkinson index on inequality.² Atkinson measures for each dimension are then used to adjust the respective HDI dimensions for inequality. These adjusted dimensions are then aggregated using a geometric mean to produce the IHDI (Alkire and Foster, 2010; Foster, Lopez-Calva and Szekely, 2005:1).

11.3.2 Mapping the status of inequality in human development across regions

The IHDI is a powerful tool for inequality analysis that reveals trends and patterns that can guide policy-making. The IHDI indicates that inequality is one of the main drags on human development progress, resulting in an overall loss at the global level of 22.8 per cent of human development potential. The ranking of some of the leading countries in the Human Development Index drops significantly when inequality is taken into account: the United States (about 20 positions); the Republic of Korea (about 19 positions); and Chile (about 13 positions) in 2014. For developing countries, loss in HDI due to inequality is 25.7 per cent. The loss is highest in low human development countries, indicating that not only are levels of human development low, but they are also extremely unequal (see table 11.1).

TABLE 11.1 Loss in human development due to inequality, by level of development

Human development group	Loss in HDI due to inequality adjustment (%)
Very high human development	12.1
High human development	19.4
Medium human development	25.8
Low human development	32.0

Source: UNDP (2015a, 2015b).

In SSA, loss of human potential due to inequality is 33 per cent. In South Asia and the Arab States, it is over 25 per cent (see figure 11.2). In four countries – the Central African Republic, Comoros, Namibia and Sierra Leone – the IHDI is more than 40 per cent lower than the HDI. In 35 other countries, it is 30-40 per cent lower.

Today, public concern over inequality is focused mostly on income, but the IHDI shows that globally, based on the Atkinson inequality index, inequalities in education are highest, with 27 per cent, followed by income at 24 per cent and health at 17 per cent. Inequalities in education are the most extreme in South Asia (42 per cent), the Arab states (39 per cent) and SSA (35 per cent). Inequalities in education garner less attention than inequalities in income, but are perhaps even more worrisome

² The IHDI draws on the Atkinson (1970) family of inequality measures and sets the aversion parameter equal to 1.1. The inequality measure is $A = 1 - g/\mu$, where g is the geometric mean and μ is the arithmetic mean of the distribution.

FIGURE 11.2 Overall loss of HDI (%) due to inequalities



Source: UNDP (2015a).

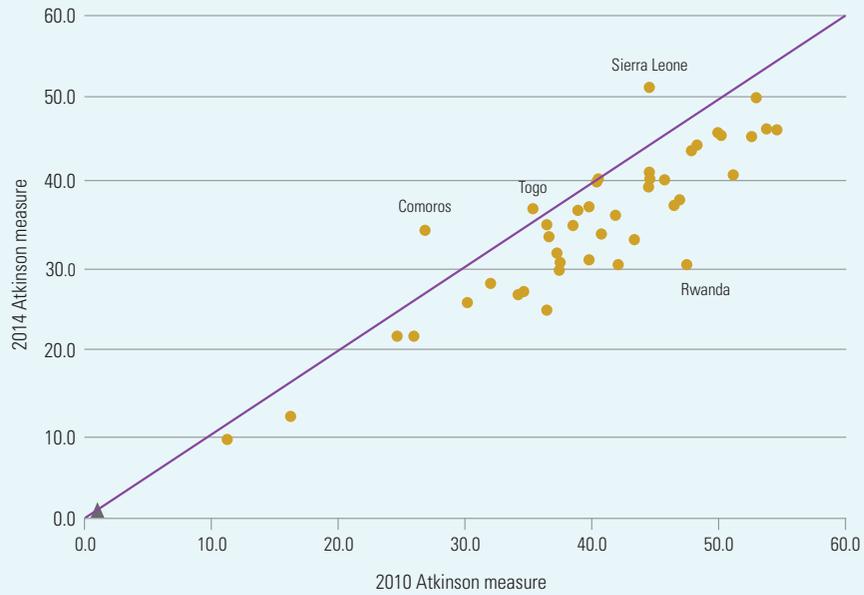
from a long-term development perspective, as previously discussed. Health inequalities are highest in SSA, at 37 per cent, followed by South Asia, at 24 per cent. Income inequalities are highest in Latin America and the Caribbean, at 35 per cent, followed by East Asia and the Pacific and SSA, at 27 per cent. This is similar to the income Gini coefficients, which are also highest for Latin America and the Caribbean (World Bank, 2015).

Patterns of change in recent years indicate some promise for the future if efforts to reduce inequalities are stepped up. As measured by the IHDI, inequality in human development has declined slightly in most regions since 2010, except for SSA where it has not changed. Declines have been driven mainly by reductions in health inequality in all regions, whereas inequality in years of schooling has remained mostly constant and inequality in income has risen in several regions, including SSA and South Asia. But there have also been declines in income inequality in some countries in Latin America and the Caribbean, Europe and Central Asia.

Regional trends that are revealed with the IHDI still mask much variation across countries within regions in terms of levels of inequality and directions of change. In SSA, for example, figures 11.3 to 11.5 show Atkinson inequality measures for each of the HDI dimensions by country for 2010 and 2014.³ Countries falling above the 45 degree line have shown increasing levels of inequality, while those falling below the line show declining levels of inequality. Almost all countries have lower levels of health inequality with the exception of Sierra Leone, Comoros and Togo. Changes in education and income inequalities are fluctuating, with some countries making great strides to reduce inequalities and others experiencing increased inequality levels. Mozambique and Ethiopia have seen steep drops in income inequality, while Swaziland and Cabo Verde have moved toward greater equity in education.

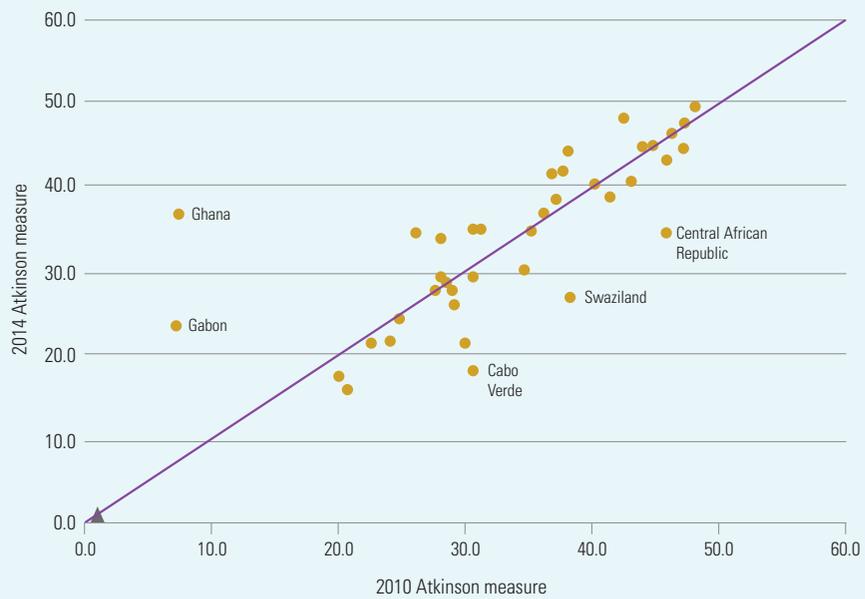
³ Measures of inequality may be from surveys for years earlier than the year listed.

FIGURE 11.3 Change in health inequality 2010-2014, SSA



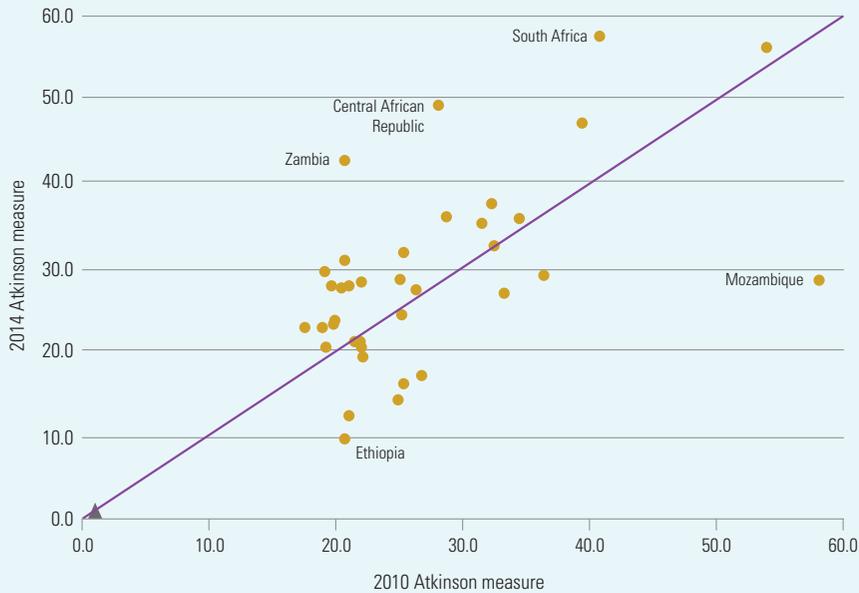
Source: Authors' calculation based on UNDP (2015a) data.

FIGURE 11.4 Change in education inequality 2010-2014, SSA



Source: Authors' calculation based on UNDP (2015a) data.

FIGURE 11.5 Change in income inequality 2010-2014, SSA



Source: Authors' calculation based on UNDP (2015a) data.

The following sections provide more details on the degrees of multidimensional inequality in the region and point to some policy options for the future to move toward a more equitable distribution of opportunities and human potential.

11.4 Exploring trends in human development and income inequality

11.4.1 Trends in human development by subregion and human development grouping

Starting from a low base in 1990, SSA has made significant strides in human development. From 1990 to 2014, SSA was the third-fastest improving region in terms of human development, behind South and East Asia. In 1990, the level of human development in SSA was 62 per cent lower than the highest performing region, which was Europe and Central Asia. By 2014, this gap had shrunk to 45 per cent, behind HDI levels in Europe and Central Asia, and Latin America and the Caribbean, which are the two best performing regions. The latest HDI reveals that 17 African countries across all subregions have now achieved medium and high human development status (UNDP, 2015).

Yet, the majority of countries remain in the low human development category, which has negative implications for the well-being of present and future generations. Three out of every four Africans live in a country with poor foundations for human development, while globally, one in every five individuals lives in a low human development country (UNDP, 2015). Africa is a youthful continent, with over 50 per cent of the population under the age of 18.5 years and 19 per cent of the population

TABLE 11.2 African countries by region and level of human development

Region	Low Human Development	Medium Human Development	High Human Development	Fastest Improving (2000-2014)
Central	Cameroon Central African Republic Chad Congo (Dem. Rep.) Madagascar	Congo (Rep.) Equatorial Guinea Gabon		Congo (Dem. Rep.) Congo (Rep.)
East	Burundi Comoros Djibouti Eritrea Ethiopia Kenya Rwanda South Sudan Sudan Uganda Tanzania (United Rep.)		Seychelles	Burundi Djibouti Ethiopia Kenya Rwanda Tanzania (United Rep.)
North	Mauritania	Egypt Morocco	Algeria Libya Tunisia	
Southern	Angola Lesotho Malawi Mozambique Swaziland Zimbabwe	Botswana Namibia Sao Tome and Principe South Africa Zambia	Mauritius	Angola Botswana Malawi Mozambique Zambia Zimbabwe
West	Benin Burkina Faso Côte d'Ivoire The Gambia Guinea Guinea-Bissau Liberia Mali Niger Nigeria Senegal Sierra Leone Togo	Cabo Verde Ghana		Burkina Faso Guinea Liberia Mali Niger Sierra Leone

Source: UNDP (2015a).

between the ages of 15 and 24 years (UN DESA, 2015). This deficit in terms of human development, therefore, has tremendous short- and long-term implications for inclusive growth and development.

Recent improvements in human development are the result of improvements in income as well as non-income dimensions of human development. African countries making the fastest improvement in human development have enhanced both their income and non-income dimensions of human development. A review of the annual change in income and non-income dimensions of human development in the top 20 African countries from 2005 to 2012 shows that 60 per cent of the countries had improvements in both income and non-income dimensions. The remaining 35 per cent had more improvement in non-income dimensions, while only 5 per cent had improvements mainly in income dimensions (UNDP, 2013b).

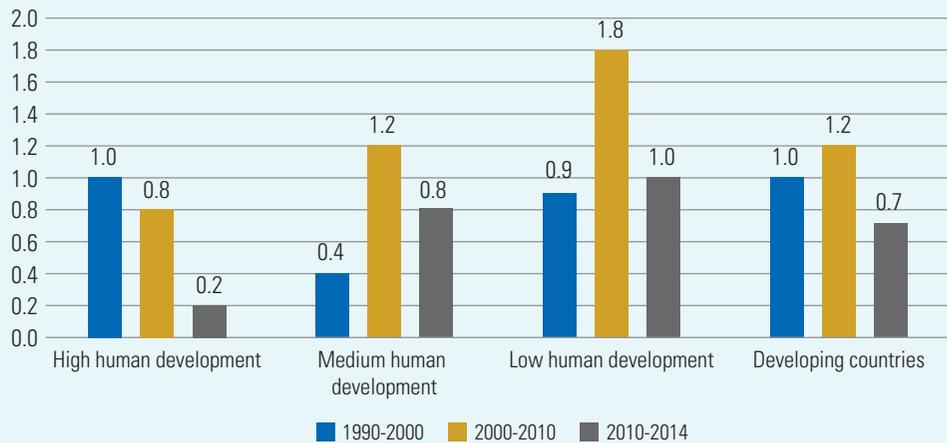
It is important to note that African countries with low human development are catching up fast. African low human development countries are improving their levels of human development faster than high human development African countries. Countries making the fastest progress since 2000 include Angola, Burundi, Botswana, Burkina Faso, Democratic Republic of the Congo, Ethiopia, Guinea, Kenya, Liberia, Malawi, Mali, Mozambique, Niger, Republic of the Congo, Sierra Leone, United Republic of Tanzania, Rwanda, Zambia and Zimbabwe. Together, these countries represent a significant proportion of Africa's population. They also represent a mix of natural resource-rich countries as well as those that are more diversified. This indicates the importance of effective use of available resources, beyond resource abundance, in promoting human development. In addition, there seems to be a peace dividend, as countries coming out of conflict recover lost ground.

The global Multidimensional Poverty Index (MPI), which examines both incidence and intensity of poverty in three dimensions – health, education and living standards – shows a similar picture to that of the HDI in terms of Africa's progress in reducing poverty. A key finding of the Global MPI (2016) is that for the 35 African countries where changes to poverty over time were analysed, 30 have reduced poverty significantly. Rwanda had the fastest reduction in MPI, followed by Ghana, Liberia, Comoros and the Democratic Republic of the Congo. In addition, every MPI indicator was significantly reduced in Burkina Faso, Comoros, Gabon, Mozambique and Rwanda. Some countries, such as Gabon, Ghana, The Gambia, Liberia, Mozambique, Malawi, Niger and Rwanda, managed to reduce poverty in every region, indicating equitable progress in poverty reduction (Alkire et al., 2016).

However, the rate of change in human development has slowed since 2010. Therefore, although the gap between low and high human development African countries is closing, this growth needs to be sustained. The growth slowdown is a clear concern, as at least 17 African countries remain in the low human development category. In some instances, this disruption was caused by insecurity, as in the case of the Central African Republic and South Sudan. The impact of the global financial crisis on levels of foreign direct investment in the economies most integrated in the global financial market is also evident mainly for 'high human development' countries in North Africa. Finally, commodity price volatility also played a role in reducing income growth in natural resource- and agricultural commodity-dependent countries such as Botswana, Equatorial Guinea, Mozambique and Uganda.

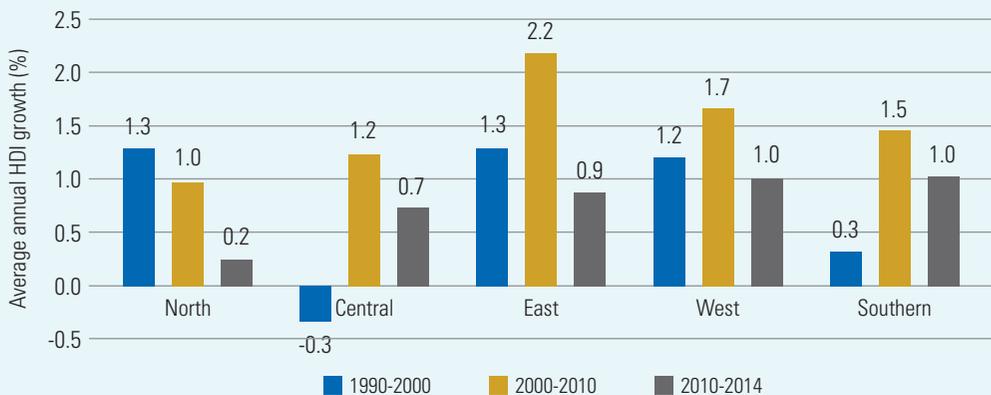
This slowdown in the rate of improvement of human development is not uniform across the subregions. In the 1990s, East and North Africa had the fastest improvement in human development. This shifted to East and West Africa from 2000 and in West and Southern Africa starting in 2010. While there is a pattern in slowing improvement in human development across all subregions, Southern, Central and West Africa experienced the smallest reductions, from 30 to 40 per cent. The

FIGURE 11.6 Trends in average annual change in HDI level in African countries, by development group



Source: Authors' calculation based on UNDP (2015a) data.

FIGURE 11.7 Human development change, by subregion

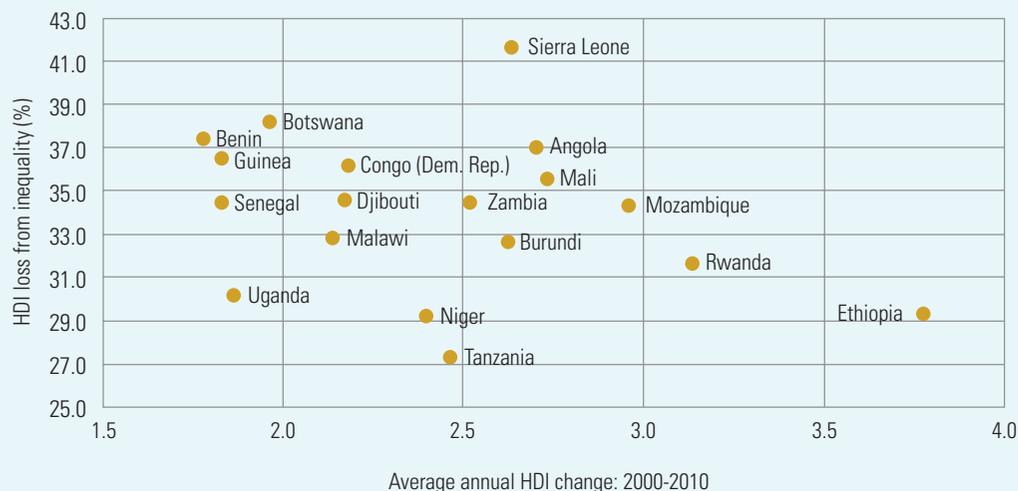


Source: Authors' calculation based on UNDP (2015) data.

rate of improvement fell more sharply in East Africa with a reduction of 60 per cent, mainly due to a slowdown in Burundi, Tanzania and Uganda. However, despite the general slowdown, a number of countries continued on an upward trajectory in improving their levels of human development, including Gabon, Lesotho, Seychelles, South Africa and Togo.

Countries making the fastest progress also tend to have low inequality; countries with lower inequality in human development indicators grew faster on average than those with higher levels of inequality. For instance, Ethiopia, Rwanda, Burundi and Mozambique grew faster than Benin, Botswana and the Democratic Republic of the Congo. The latter have higher levels of inequality in education, health and income distribution across the population. This is indicated by a higher overall loss in human development, shown by a large difference between the HDI and the Inequality-adjusted HDI, expressed as a percentage.

FIGURE 11.8 HDI change against HDI loss from inequality



Source: UNDP (2015a).

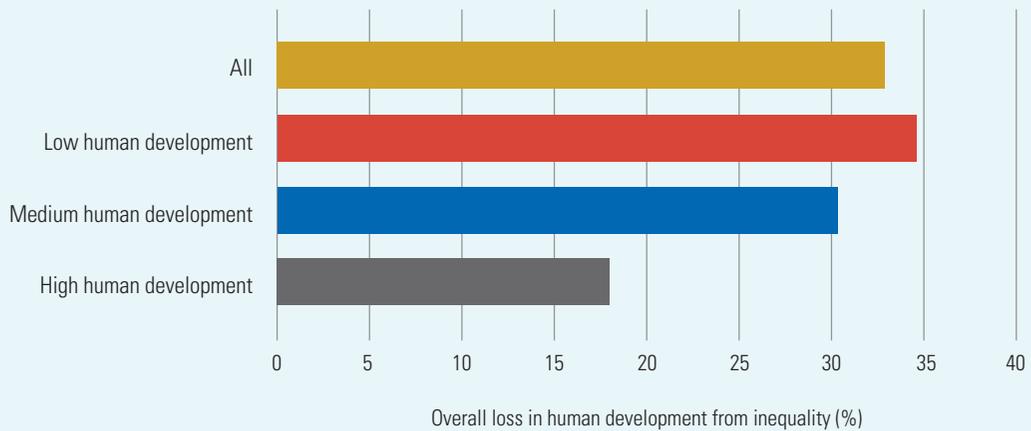
11.4.2 Trends in inequality by subregion and human development grouping

High human development countries seem to be associated with lower levels of overall HDI inequality. As previously mentioned, SSA countries have the highest losses in terms of human development when distribution of outcomes across the population is taken into account. However, in general, lower human development African countries face higher levels of inequality than medium and high human development African countries.

Yet, when dimensions of inequality in human development are considered, each human development group experiences a distinct driver of inequality. For instance, the importance of education inequality relative to income and health inequality is higher in high human development countries. In low human development countries, inequality in education and health contributes relatively more to overall inequality in HDI than inequality in income. In medium human development countries, the impact of income inequality overrides education and health inequalities.

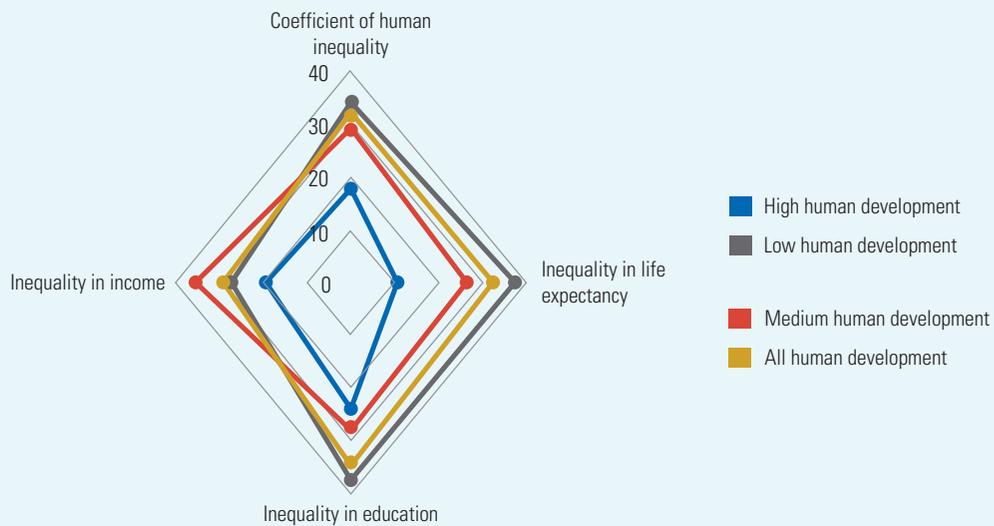
In addition to inequality across the population, all African countries struggle with some form of gender inequality. Overall, high human development countries have lower gender gaps in terms of women's

FIGURE 11.9 Overall loss due to inequality, by human development group



Source: Authors' calculation based on UNDP (2015a) data.

FIGURE 11.10 Dimensions of inequality in human development, by human development group



Source: Authors' calculation based on UNDP (2015a) data.

health, empowerment and economic activity, compared to low human development countries, as captured by UNDP's Gender Inequality Index (GII). The GII reflects gender-based inequalities in three dimensions: reproductive health, measured by maternal mortality and adolescent birth rates; empowerment, measured by the share of parliamentary seats held by women and attainment in secondary and higher education by each gender; and economic activity, measured by labour market

participation rates for women and men. The GII can be interpreted as the loss in human development due to inequality between female and male achievements in the three GII dimensions.

However, relatively lower levels of gender inequality in high human development African countries mask significant economic gaps related to women's participation in the labour forces. For instance, many countries in North Africa face challenges in ensuring economic empowerment through women's participation in the labour force. By contrast, low human development countries have more women in the workforce but high inequality in health and education outcomes. This may have an impact on the effectiveness of women's participation in the labour force as they are overrepresented in the informal sector and in vulnerable employment. Gender inequality in the labour market results in lost benefits at individual, household and society levels. It is estimated that Africa faces significant economic losses annually due to gender gaps in labour force participation of up to US\$95 billion annually for SSA (Bandara, 2015).

Another persistent gender gap across most African countries is in political dimensions. A wide gap remains in women's and men's political representation, and in leadership, despite significant progress in some countries. For instance, Rwanda, Senegal, Seychelles, Mozambique and Zimbabwe have shown tremendous improvement, with 40 to 50 per cent representation of women in single or combined national parliaments (IPU, 2016). This goes well beyond the minimum one-third in most national constitutions. However, there is a wide gap in African country performance, with 37 African countries at a lower level of representation than the SSA average of 23 per cent. In at least 10 countries, the level of representation is below 10 per cent, with the lowest in Central African Republic, the Democratic Republic of the Congo, Comoros, Nigeria and Swaziland (IPU, 2016).

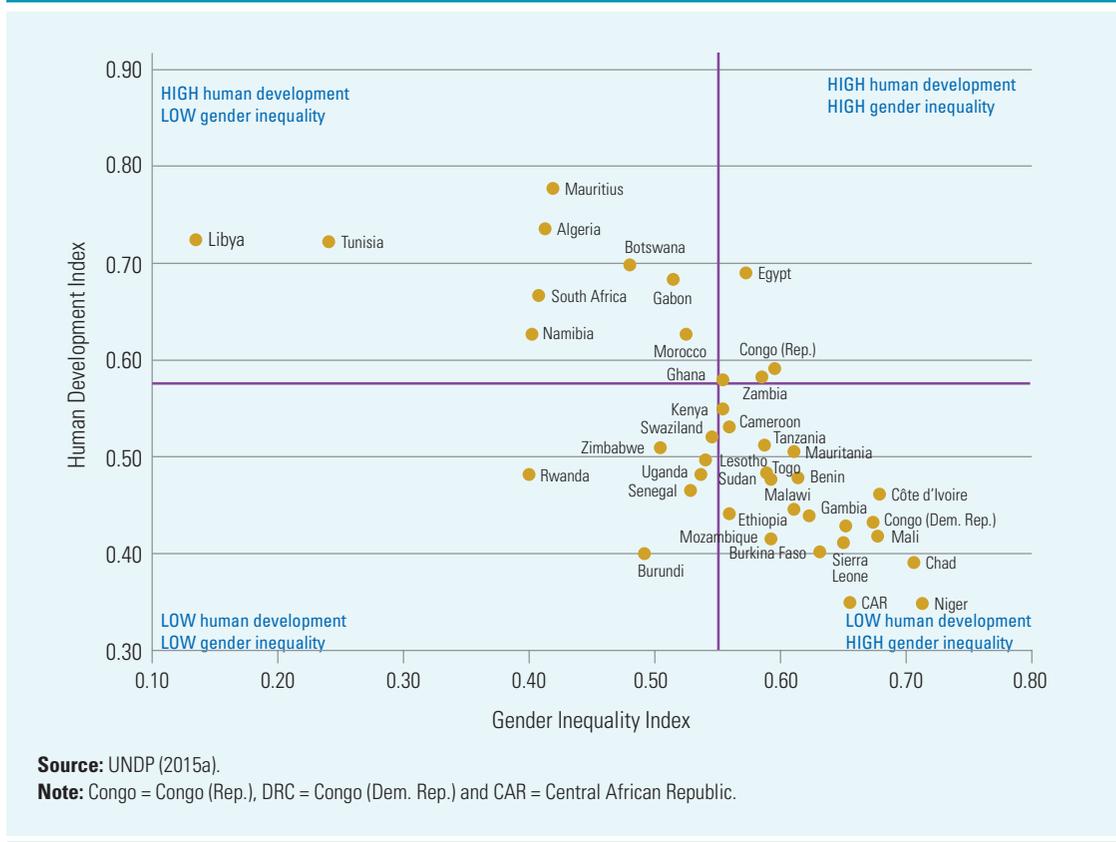
Disparities related to income and sex are compounded by inequality due to geographic location and age. At present, the majority of young Africans live in poverty and work at an early age rather than further their education. It is estimated that up to 17 per cent of Africa's 15-17 year olds are working and out of school, compared to 15 per cent in Asia and the Pacific and only 2.2 per cent in Eastern Europe and Central Asia (ILO, 2015). Youth aged between 15 and 24 years who are working, including those in urban areas, are more likely to live in poverty. While globally, two-thirds of youth can be categorized as working poor, in SSA, nine out of ten working youth are poor or near poor (ILO, 2015). The highest proportion of working poor youth are found in South Asia (94 per cent), followed by SSA (93 per cent) and South East Asia and the Pacific (67 per cent). These rates are likely a reflection of the higher proportion of youth still in school in these regions, rather than in the workforce.

11.4.3 Gender inequality and human development

As discussed in preceding sections, the underlying drivers of inequality in human capabilities include unequal participation in political and economic life; unequal access to economic, financial and natural resources; lack of human security and rights; and inequitable outcomes and opportunities for women and men. Inequitable distribution of national resources, differences in power to influence decision-making and existing discriminatory social institutions and norms, especially gender inequality, also act as key transmission channels for inequality in African countries.

There is a negative relationship between human development and gender inequality in Africa, as demonstrated in figure 11.11, which maps the level of human development against the level of gender inequality. Countries with overall low levels of gender inequality, such as Libya, Tunisia and

FIGURE 11.11 Human development and gender inequality in Africa



Mauritius, tend to have higher levels of human development. By contrast, countries such as Niger, Chad, Central African Republic, Mali and the Democratic Republic of the Congo, with higher levels of gender inequality, also tend to have lower levels of human development.

African countries have responded to gender inequality by putting in place legislative frameworks and institutions at regional, subregional and national levels, and targeted programmes to reduce gaps in education and health, as well as providing dedicated resources, yet this problem persists. In view of the persistent nature of gender inequality in Africa, it is useful to examine the root causes to inform a more effective response. The Africa Human Development Report 2016 (UNDP, 2016) explores the policy agenda and actions needed to accelerate gender equality and women’s empowerment in Africa. One of the key findings is that social institutions and norms play a critical role in perpetuating gender inequality. For instance, there is ample evidence that countries with high gender inequality and the presence of discriminatory social institutions, as illustrated in UNDP’s Gender Inequality Index and OECD’s Social Institutions and Gender Index (SIGI), tend to have poorer human development outcomes for women than for men. These discriminatory social institutions limit women’s decision-making power and status in the home, increase their vulnerability to violence, lead to unequal care for children (favouring sons) and reduce women’s access to resources and participation in politics and public life.

While these findings do not establish causality, they do indicate that tackling the root causes of gender inequality may be a useful channel toward improving the lives of both women and men. To this end, the Africa Human Development Report proposes a five-fold approach toward the achievement of sustainable human development by accelerating gender equality and the empowerment of women. This approach first shifts the focus from gender equality as a separate outcome to advancing gender equality and women's empowerment as a critical enabler of all development outcomes. Second, it encourages strong leadership and accountability in tackling destructive social norms in all their forms and at all levels. Third, it calls for strategic choices in planning and budgeting that forgo the short-term gains of the status quo in favour of investments toward a more empowered and inclusive growth trajectory. It also calls for more adaptive, socially responsive, representative institutions and better data for effective decision-making. Finally, this approach fosters regional and South-South cooperation in the design and implementation of gender-focused policies and initiatives.

11.5 Policy response to reduce inequality in human development and achieve Agenda 2063 and the Sustainable Development Goals

In view of the preceding analysis, this section draws upon the findings from a review of Africa's progress toward global and regional development goals, including the Millennium Development Goals (MDGs) (AU et al. 2015). The focus is on providing key policy conclusions that contribute to closing the human development gap in SSA by accelerating achievement of the new global Agenda 2030 for Sustainable Development (Agenda 2030) and the African Union's Agenda 2063.

Africa's economic structure offers some insights into poverty, growth and inequality dynamics on the continent. The composition of GDP by sector is telling in terms of the wealth redistribution channels for poverty reduction. There have been shifts in all sectors from 2000 to 2014, particularly in agriculture, which has traditionally provided a source of livelihood for most of the African population, albeit at a subsistence level. Unlike the structural transformation seen in other regions, however, the shift away from agriculture has not been toward manufacturing or labour-intensive industry, but rather services, which has not created sufficient jobs for the majority. This trend is a cause for concern because it has not encouraged the growth of labour-intensive industry and light manufacturing for inclusive growth or provided building blocks for diversification and dynamism in local economies.

Addressing the underlying causes of the different dimensions of inequalities, it can be observed that SSA will put the region on a better footing toward sustainable development. High levels of inequality have proven to be less poverty-reducing because the benefits of growth accrue to a few individuals (non-inclusive growth), hence the slower-than-anticipated pace of poverty reduction in Africa, despite a decade of strong growth. Using the Gini measure, SSA is on average more unequal relative to the rest of the developing world. Africa's mean Gini coefficient⁴ stands at 0.43, whereas for other non-African developing countries, the average Gini coefficient is lower, at 0.39 (Bhorat, 2015). SSA alone had an average Gini coefficient of 0.44 in 2015, slightly higher than the continental average (see below), with mostly the Southern and Central African subregions pushing up the regional average.

Angola, Botswana, Central African Republic, Comoros, Namibia, South Africa and Zambia have exceptionally high income inequalities, which have tended to increase the overall result for

⁴The Gini index measures the extent to which distribution of income (or, in some cases, consumption expenditure) among individuals or households within an economy deviates from a perfectly equal distribution. It is expressed as a percentage of the maximum area under a line. Thus, a Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequality (World Bank, 2016).

Africa. Removing these seven outlier countries puts Africa at the same level of inequality as other developing countries (Bhorat et al., 2016). These trends have almost mirrored (in reverse) poverty reduction trends in many countries. Poverty has tended to decrease much faster in economies with relatively lower income inequalities and more diversified economic structures than countries with large enclave sectors that have higher returns on capital relative to labour. Ultimately, for Africa to significantly reduce poverty, the economic structure must shift more toward light manufacturing and industrialisation to create employment and a more sustainable human development path for the continent.

11.5.1 Macro and sector policy responses at national, regional and continental levels

Economic structural transformation. Africa needs to transform its economic structures to diversify its economic base, create jobs for the many unemployed youth and women, and start reversing the high inequality trends on the continent. Important lessons abound on the impact on poverty and inequality trends of the growth that Africa has enjoyed for the past ten years. Progress on poverty eradication will depend largely on sustained industrialisation and agricultural transformation.

Macroeconomic and political stability. Development has occurred where there has been a stable and conducive environment for investments and growth. Past growth rates have been buoyed in part by stable operating environments. Africa is inundated with examples of development reversals due to unstable economic and political environments. Achieving most, if not all, of the SDGs will depend on stability in operating environments.

Sustainable urbanisation. Africa has the opportunity to promote sustainable urbanisation to accelerate inclusive structural transformation and poverty and inequality reduction. This will involve the promotion of sustainable livelihoods and access to public services – transport, infrastructure, housing, water, sanitation and energy – for Africa’s rising population. National institutions will have to address simultaneous environmental challenges, such as land, water and air pollution due to rapid urbanisation, including the additional pressures from climate change. Investment will be required to develop urban connectivity to exploit economies of agglomeration for structural transformation. Finally, there is a need for measures to mitigate the impact of urban expansion into rural areas, which include changing land use patterns and skewed land distribution impacts.

11.5.2 Enabling frameworks to harness new actors, partners and emerging opportunities

Domestic resource mobilisation. Financing plays a substantial role in determining areas of investment and development outcomes. The MDG agenda depended largely on ODA. Countries will have to design innovative policies for domestic resource mobilisation in order to finance the SDGs. The anticipated structural transformation and growth will have to come with changes in national and global tax policies in order to fairly distribute the burden of financing public spending.

Infrastructure development. Infrastructure has the potential to contribute to sustainable development by connecting citizens and firms to economic opportunities. Africa has large infrastructure deficits in transportation (roads, air and rail), energy (electricity and water) and technology. Removing infrastructure deficits would spur economic activity and growth, as well as provide significant benefits for human development. Investing in Africa’s infrastructure will drastically reduce the cost of doing business on the continent and boost trade, achieve the regional integration objectives under Agenda 2063 and raise the quality of life by increasing access to markets, education and health opportunities.

Regional integration. Regional integration is a pathway for countries to achieve economic, social and environmental priorities toward more sustainable and equitable human development. Regional integration consists of uniting countries, institutions, people and ideas by eliminating barriers to trade, harmonizing standards and regulatory frameworks, enhancing financial flows and labour mobility, adopting common approaches to fiscal and monetary policies, promoting peace and conflict prevention, and carrying out joint investment in cross-border infrastructure (transport, power and communications). Accelerating the pace of regional integration will require greater policy coherence across national and regional policies and more effective leadership of regional institutions that are accountable to member states. In addition to providing the necessary funding, technical and human resources required, regional institutions must ensure that citizens have a say in key decisions taken at the regional level in order to ensure broad buy-in.

11.5.3 Key investment focus areas with multiplier effects for achieving the Sustainable Development Goals

Human capital development and youth empowerment. Building human capital will continue to demand attention in Africa in the medium to long term. With improvements in some of the human development indicators and not in others, there is room to finish the unfinished business of the MDG agenda for meaningful development to take place on the continent. SDGs 1 (poverty eradication), 2 (food security), 3 (health), 4 (education), 5 (gender equality) and 6 (sanitation) will be at the centre of this development objective.

Resilience building. Africa remains vulnerable to shocks, disasters and conflicts, which continue to erode the continent's development progress. Rollbacks in progress have resulted from: the commodity price decline; domestic conflicts in many of the countries, especially in Central Africa; increases in violent extremism activities; climate change effects, as seen in the Sahel, the Horn of Africa and Southern African regions; and the recent Ebola crisis. Building strong socioeconomic, governance and environmental systems to withstand such shocks, in addition to implementing effective social protection policies and programmes will have to be part and parcel of the new agenda for sustainable development.

Accelerating gender equality and women's empowerment. Ensuring that women receive the same economic, social and political opportunities by shifting from the current situation of legal gender equality to more substantive gender equality offers a pathway to more inclusive economic growth and human development. This entails supporting adoption of legal reforms, policies and programmes to advance women's empowerment. It also requires supporting national capacities to promote and increase women's participation and leadership in decision-making in the home, the economy and society. In addition, the capacity to implement multi-sectoral approaches to mitigate the impacts of discriminatory health and education practices must be enhanced. Finally, supporting women to gain ownership and management of economic and environmental assets is fundamental.

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