

Inequality Statistics in Africa:

Status and Implications for Policy Discussions

Statistical Brief –
ECA/ACS/03/2026
JUNE 2026

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About this Brief

This edition of the Africa Beyond the Numbers series reviews the state of inequality measurement in Africa, highlighting persistent data gaps that limit the continent's ability to track disparities and design evidence-based policies. Inequality has become a key theme in Africa's development agenda, yet the statistical systems needed to measure its various dimensions, such as wealth, income, consumption, education, health, gender and spatial divides, remain inconsistent. Many countries face infrequent household surveys, limited administrative data, divergent methodologies and weak integration of emerging data sources, which undermine the ability to monitor inequality trends, compare outcomes across countries, or develop policies based on solid evidence. This brief maps where inequality data exist, where they are missing and highlights methodological inconsistencies that constrain cross-country and over-time measurement. It calls for harmonised measurement frameworks grounded in clear definitions, transparent methods and replicable guidelines, supported by frequent data to generate coherent, policy-ready inequality indicators. Overall, the brief aims to strengthen Africa's capacity to diagnose inequality by highlighting the continent's inequality data gaps and measurement challenges, and to contribute to a broader effort to build more coherent, credible, and policy-ready inequality indicators for Africa's development agenda.

Africa Beyond the Numbers is part of the African Centre for Statistics' efforts to produce concise, policy-ready statistical products that communicate why the numbers matter, not only what they are. The aim is to present the status of the availability, production, and dissemination of relational development indicators to enhance policy uptake.

Introduction

Inequality lies at the centre of Africa's development challenges, yet it remains among the most inconsistently measured, irregularly reported, and analytically underused domains of socioeconomic statistics on the continent. While poverty reduction, GDP growth, and other Sustainable Development Goals indicators have attracted sustained investment in data infrastructure, the distributional dimension of welfare- who benefits, by how much, and relative to whom- receives comparatively limited statistical attention in national systems. Across Africa, the development agenda is undergoing a quiet but significant reorientation. This shift reflects a growing recognition that inequality shapes the poverty-reducing power of economic growth, the design of redistributive policies, and the long-term sustainability of development gains. As a result, distributional analysis is no longer a specialised subfield; it is becoming a central lens for assessing development performance.

Evidence reinforces this shift: Africa is home to some of the world's most unequal societies, with several countries ranking among the highest globally on inequality measures (UNU-WIDER 2023; World Bank, 2022; 2024). For instance, South Africa's consumption Gini coefficient consistently exceeds 0.60, placing it among the most unequal countries globally. Namibia, Botswana, Zambia, Eswatini, and the Central African Republic all record Gini values above 0.50. By contrast, countries such as Ethiopia, Niger and Egypt record Gini indices in the range of 0.28 – 0.35, levels more comparable to those of middle-income countries in Asia, though methodological differences limit strict cross-country comparisons. Yet the continent's inequality profile is documented in a patchy, uneven data landscape. Across 54 African countries, the World Bank's Poverty and Inequality Platform provides consumption or income inequality estimates for 51 countries, with the number of estimates per country ranging from one to twelve (as of 2025) and a median of approximately five. For many countries, the most recent inequality statistics are five to ten years old. These patterns underscore both the scale of inequality and the structural blind spots in how it is measured.

Notably, inequality has moved from the margins of Africa's development discourse to its centre, not only because disparities are widening, but because they reveal the deeper structural conditions shaping economic and social outcomes. Given that inequality is both a cause and a consequence of underdevelopment, it functions as a critical African Priority Development Indicator (APDI). The case for this positioning rests on four interconnected factors: (1) *the continent's low growth elasticity of poverty* shows that economic expansion alone cannot reduce poverty without addressing distributional constraints. Countries with persistently high inequality extract less poverty reduction from equivalent growth rates, a pattern well documented across sub-Saharan Africa over the period; (2) *measurement noise in income and consumption data*, driven by informality and data gaps, systematically obscures inequality patterns. The structure of Africa's labour markets directly reinforces inequality: the dominance of informal employment complicates earnings measurement, limits job security, and restricts access to social protection, masking

structural divides across sectors and regions that standard inequality statistics cannot currently reveal; (3) *the distributional effects of foreign savings, wealth accumulation, and capital flows* are poorly captured in existing data systems. The concentration of elite wealth in financial assets, real estate, and offshore holdings, all beyond the reach of household consumption surveys, leaves major drivers of inequality unmeasured; (4) *economic inequalities intersect with horizontal inequalities based on gender, ethnicity, age, region, political affiliation, and religion*. These intersections heighten exclusion, conflict risk, and entrench intergenerational outcomes. These considerations collectively justify focus on inequality and provide the foundation for the objectives set out in this brief.

Against this backdrop, the brief focuses on four key objectives. First, it assesses the *availability, frequency and recency of inequality statistics across Africa*, examining which countries produce estimates, how often, and what gaps exist in the historical record. Second, it examines *the scope and interrelation of inequality statistics*, the dimensions measured, the indicators in use, their conceptual differences, and the degree to which they form a coherent or fragmented analytical picture. Third, it assesses the *data landscape* for analysing the relationship between inequality, economic growth, and well-being, identifying frequency mismatches and structural limitations that constrain the statistical narrative on lag effects and joint distributional outcomes. Fourth, it assesses the *implications of statistical gaps for policy*: specifically, how the absence of timely, comparable, and comprehensive inequality data constrains governments' capacity to design and evaluate interventions targeting poverty reduction and inclusive growth. The brief aims to position inequality statistics not as a technical afterthought to poverty and growth measurement, but as a strategic priority for Africa's national statistical systems and for the continent's development governance more broadly.

The sections that follow outline the analytical approach adopted in the brief; define the key concepts and methodology, present the key findings, and provide a diagnostic assessment of the comparability of inequality measures and preliminary guidance on their use. The final sections discuss emerging data sources for inequality measurement in Africa and conclude with implications for using inequality indicators in policy and practice.

Approach and Methodology

This section outlines the key concepts and indicators used in the brief, describes the data sources and statistical markers employed, and clarifies the core dimensions of inequality that underpin the analysis.

1.1 Definition of Key Concepts

Inequality refers to the unequal distribution of economic and social resources, opportunities, and outcomes across individuals, households, or groups within a society.

Inequality statistics refer to quantitative measures that describe the dispersion, concentration, or distributional shape of a welfare-relevant variable across individuals, households, or population groups within a defined geographic unit.

The welfare variables measured include¹:

- **Income** refers to the flow of resources received by households or individuals through wages, salaries, self-employment, transfers, and returns on capital.
- **Consumption** refers to household expenditure on goods and services. It is the dominant welfare metric in African inequality analysis due to greater data availability.
- **Wealth** refers to the stock of assets owned by households, net of liabilities, including land, housing, financial assets, and productive capital.

Key statistical concepts used throughout this brief include the following:

- **Gini coefficient** measures distributional inequality ranging from 0 (perfect equality) to 1 (maximum inequality), most applied to per capita household consumption or income. It is the most widely used summary measure of inequality
- **Palma ratio** measures the ratio of the income or consumption share of the richest 10% to that of the poorest 40% of the population
- **Theil index** is a decomposable inequality measure that allows inequality to be attributed to within-group and between-group components.
- **Concentration index** is a measure of the socioeconomic gradient in a health or education outcome, ranging from -1 (outcome concentrated among the poorest) to $+1$ (concentrated among the richest).
- **Asset-based inequality** captures the unequal distribution of accumulated wealth, including land, housing, livestock, savings, and productive capital, across households.
- **Subnational HDI (SHDI)** extends the Human Development Index to subnational administrative units, produced by the Global Data Lab for most African countries.

¹ Beyond economic variables, inequality in access to education, health services, infrastructure, and other essential services is measured through distributional analysis of service uptake and outcomes across socioeconomic quintiles.

- **Gender Inequality Index (GII)** captures reproductive health, empowerment and labour market dimensions of gender-based inequality.
- **Fiscal incidence** refers to the effect of government taxes and transfers on the distribution of income, typically assessed through Commitment to Equity (CEQ) methodology.

1.2 Data Sources and Methods

This brief draws on multiple data sources to characterise the state of inequality statistics in Africa. The primary sources are:

- World Bank Poverty and Inequality Platform (PIP): The most comprehensive repository of harmonised household survey-based inequality estimates for Africa. As of 2024, PIP contains consumption or income Gini estimates for 51 of 54 African countries.
- UNDP Human Development Report data: Provides the Gender Inequality Index (GII) and HDI data used to contextualise multidimensional inequality.
- Global Data Lab (GDL): Provides subnational HDI and area-level welfare estimates for African countries, enabling spatial inequality analysis.
- DHS Program and UNICEF MICS: Multi-round household surveys providing health, nutrition, and education data disaggregated by wealth quintile, enabling concentration index and equity analysis.
- Commitment to Equity (CEQ) Institute: Provides fiscal incidence analyses for a subset of African countries, estimating the redistributive effect of taxes and social transfers.
- National Statistical Offices (NSOs): the primary producers of household surveys and the official source for country-level inequality statistics.
- World Inequality Database and the UNU-WIDER World Income Inequality Database

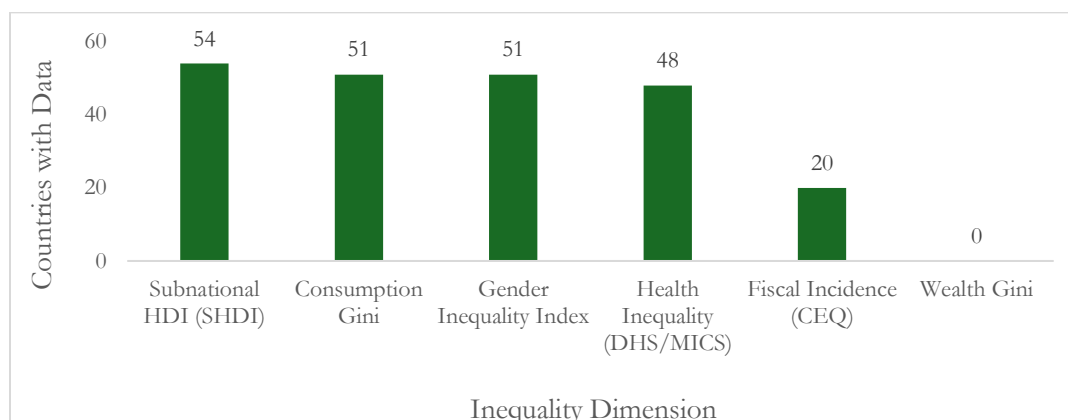
The methodology involves descriptive statistical analysis of available estimates, coverage mapping by country and time period, conceptual comparison of different inequality measures, and thematic synthesis of evidence on measurement gaps. This brief undertakes no new primary data collection or econometric modelling.

1.3 Coverage

The analysis covers African countries for which data were available across the selected indicators: The analysis on consumption/income inequality covers 51 countries from 1980 to 2024 from the World Bank PIP database(excludes Eritrea, Libya and Somalia); the GDL Subnational HDI covers all 54; the GII covers 51; the CEQ fiscal incidence analyses cover approximately 20, and no African country has a systematically produced wealth Gini². Countries with no data for a given indicator are excluded from indicator-specific analyses.

² A distinction must be drawn between the availability of asset-based welfare proxies and the availability of wealth inequality statistics. While asset-based welfare proxies are available for approximately 46 African countries (IPUM: wealth quintile index from DHS and MICS), no African country produces a

Figure 1: Country coverage of selected inequality indicators



1.4 Statistical Markers

The brief applies the following analytical markers consistently:

1. Data recency / latest estimate: the most recent reference year available for a given inequality indicator.
2. Data range: the span between the earliest and most recent available inequality estimates for a country.
3. Number of data points: the total count of available survey-based inequality estimates within the specified period.
4. Periodicity: the regularity with which inequality data are collected or updated.
5. Periodicity gap: the deviation from the standard five-year inter-survey interval.
6. Inter-survey period: the time gap in years between consecutive inequality estimates, used to assess the risk of undetected distributional change.
7. Survey family: recurring household survey program using broadly consistent objectives, sampling designs and measurement methodologies across multiple survey rounds.
8. Survey switching: change in the survey family used to generate inequality estimates.
9. Survey comparability: a continuous period of survey observations for a country in which data remain methodologically consistent, with no structural or measurement breaks.

Wealth Gini or equivalent measure of net wealth distribution(although model-based estimates are available from external sources).

1.5 Dimensions and Indicators of Inequality Statistics in Africa

Inequality is measured across multiple dimensions and through a diverse set of statistical indicators. Economic inequality remains the core dimension and is primarily assessed through the distribution of consumption, income, and wealth: consumption expenditure is the dominant welfare metric in Africa due to the prevalence of informal employment, subsistence production, and in-kind transactions. Standard measures include the Gini coefficient, quintile shares, and Palma ratio, while wealth inequality is less consistently captured through asset indices, land distribution measures, and financial wealth data. Beyond economic inequality, statistical measurement extends to disparities in access to education, healthcare, infrastructure, and economic opportunities: **educational inequality, health inequality, spatial inequality, and gender inequality.**

The multiple dimensions of inequality are interconnected and jointly shape broader socioeconomic and well-being outcomes. For instance, income and consumption inequality directly affect living standards and subjective well-being through access to basic goods and economic security. In contrast, wealth inequality influences long-term well-being by shaping housing stability, intergenerational opportunity, and resilience to shocks. Inequalities in education and health are central to human development, determining capabilities, life expectancy, and overall quality of life. Spatial, gender, and labour market inequalities further condition access to opportunities, quality of employment, and inclusion in economic and social systems. Thus, these dimensions show that inequality is a multi-layered phenomenon that extends beyond income poverty and fundamentally shapes human well-being and development outcomes.

Table 1: Core Economic and Social Inequality Dimensions, Indicators and Links

Dimension	Key Indicators	Relational Dimension	Links to Poverty & Growth
Income & Consumption Inequality	Gini coefficient (income / consumption); Income shares (quintiles/deciles); Palma ratio; Theil index; 90/10 & 80/20 ratios	Welfare distribution, living standards, economic stratification	Link to monetary poverty rates; correlates inversely with economic growth; informs fiscal redistribution policy
Wealth Inequality	Wealth Gini; Share of wealth held by top 1%, 10%; Net worth distribution; asset ownership concentration	Intergenerational mobility, power concentration, financial exclusion	Reinforces income inequality and constrains poverty escape; negative effect on shared growth
Social Access Inequality (Education)	Parity indices (gender, income, location); Completion rates by	Human capital formation, labour market entry,	Entraps households in poverty; human capital deficits reduce

Dimension	Key Indicators	Relational Dimension	Links to Poverty & Growth
	quintile; Learning poverty; Out-of-School Children rates; Literacy gaps	intergenerational mobility	productivity and GDP growth
Social Access Inequality (Health)	Under-5 mortality by income quintile; ANC/skilled birth attendance concentration index; Out of Pocket health spending share; Coverage inequalities (stunting, vaccination)	Capability deprivation, labour productivity, nutrition outcomes	Increases poverty depth
Spatial & Geographic Inequality	Urban–rural welfare gap; Nighttime light-based estimates; Regional/provincial Gini; Infrastructure access index; Subnational HDI	Structural dualism, migration pressures, territorial cohesion	Creates poverty traps and slows national growth convergence
Gender Inequality	Gender Inequality Index (GII); Gender Pay Gap; Women's land/asset ownership share; Female LFPR gaps; Adolescent fertility rate; Gender parity index	Agency, empowerment, labour supply, reproductive rights	Reduces aggregate labour supply; correlates with higher poverty rates in female-headed households
Labour Market Inequality	Formal/informal employment share; Wage premium by education; Working poor rate; Unemployment by youth/sex; Sectoral wage dispersion	Productive inclusion, decent work, social protection coverage	Informality drives consumption inequality and poverty; wage premiums capture returns to human capital investment
Fiscal & Redistributive Inequality	Fiscal incidence (pre/post-transfer Gini); Social protection coverage rate by quintile; Tax-to-GDP ratio	State capacity, redistribution, social contract	Fiscal redistribution reduces Gini; limits poverty impact of growth

Key Findings on the Status of Inequality Statistics in Africa

This section presents key findings on the status of inequality statistics in Africa. It covers data recency, ranges and periodicities, and consistency in the statistical narrative across dimensions.

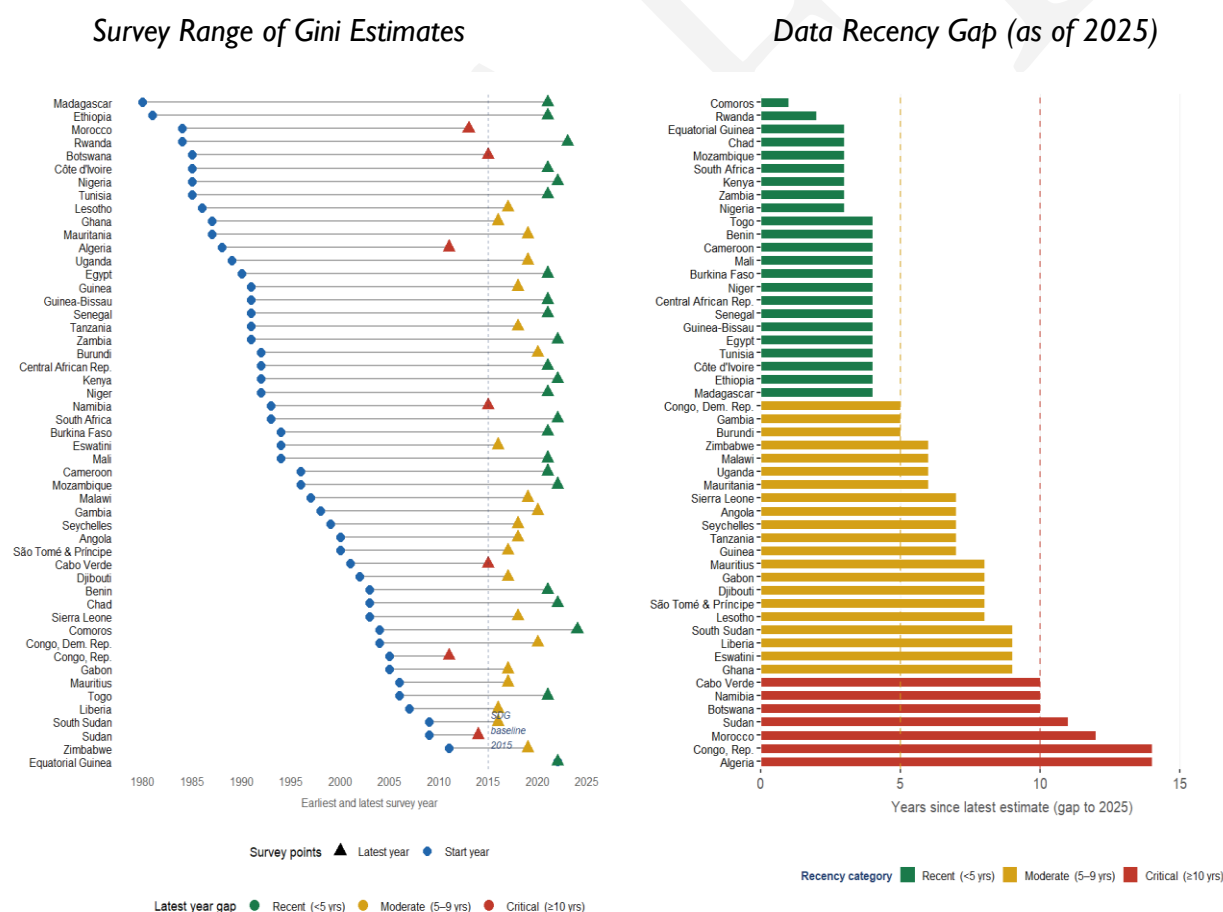
1.6 Data Recency, Latest Year, and Ranges

The recency of consumption inequality estimates ranges from 2011 (Algeria, Congo Rep) to 2024 (Comoros).

Less than 50.0 per cent (23) of African countries have consumption inequality estimates from the last five years.

Seven (7) countries have no usable inequality estimate since 2015, the SDG baseline year.

Figure 2: Data Range and Recency for Gini Estimates across African Countries



Sources: World Bank Poverty and Inequality Platform (PIP)

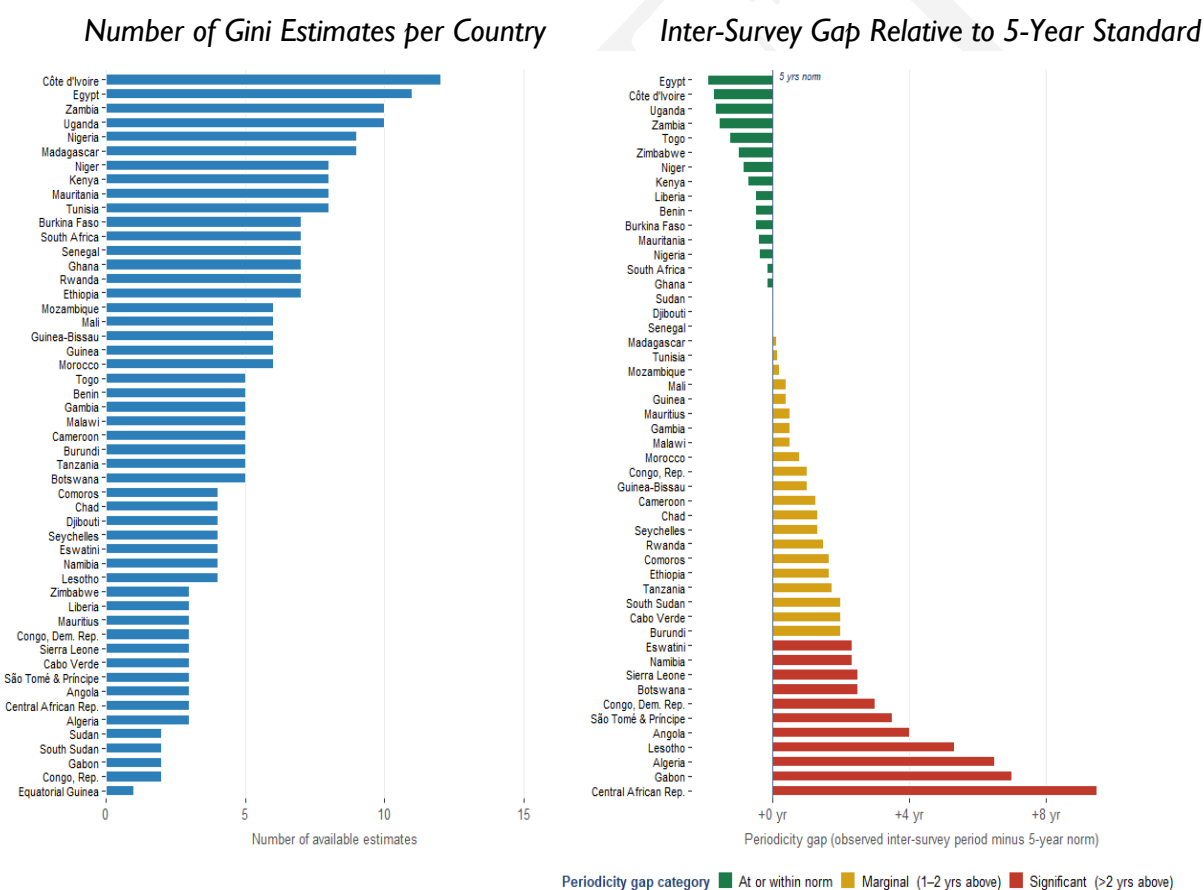
I.7 Data Periodicities and Number of Data Points

The number of available Gini estimates per country ranges from 1 (Equatorial Guinea) to 12 (Côte d'Ivoire), with Eritrea, Somalia and Libya having no data.

While 15 countries fall within the norm of having less than five years between surveys, 24 countries record inter-survey periods exceeding seven years, with at least four countries showing gaps of ten years or more.

Five African countries have inter-survey periods of at least 9 years for consumption inequality estimates, with the Central African Republic having the longest interval.

Figure 3: Data Periodicities and Number of Data Points of Gini Estimates



Sources: World Bank Poverty and Inequality Platform (PIP)

About 46 African countries have at least one DHS or MICS round(1990-2023).

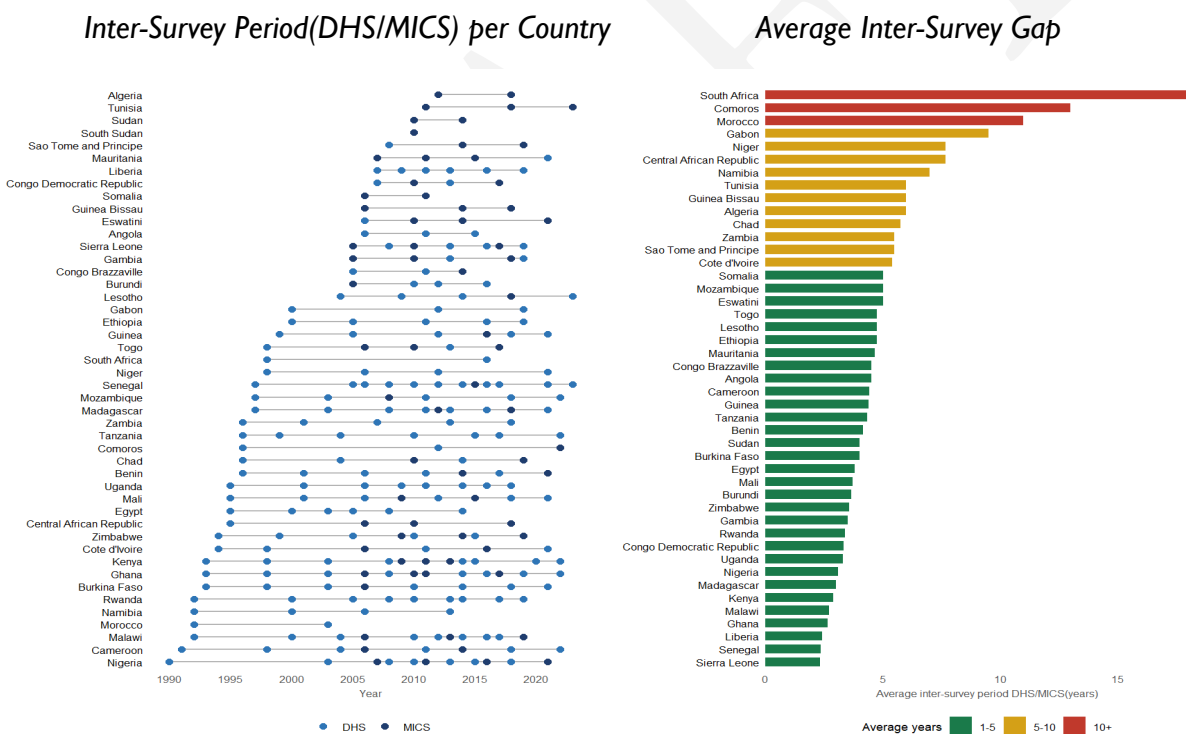
- Kenya and Senegal lead with 13 estimates each, though very differently composed: Senegal (12 DHS vs 1 MICS) and Kenya (8 DHS, 5 MICS), whereas South Sudan has 1 estimate.

DHS provides broader repeat-round coverage (36 countries, averaging 4.9 years between rounds) than MICS (24 countries, 5.5 years)

Of the African countries that have at least two data points:

- Sierra Leone, Liberia, Senegal, Ghana and Malawi are surveyed most consistently, averaging roughly every 2–3 years (DHS/MICS), with 7–12 rounds apiece.
- South Africa has the longest interval, with only two surveys conducted 18 years apart (1998–2016), followed by Comoros (13 years) and Morocco (11 years).

Figure 4: Data Periodicities and Number of Data Points of Asset-based Inequality³



Sources: IPUMS (DHS and MICS)

³ Although asset indices are widely used as proxies for wealth in many contexts, they are better interpreted as measures of long-run household socioeconomic status than of wealth inequality, particularly given the absence of wealth data for African countries. Consequently, the reported asset-based inequality measures should not be interpreted as direct measures of wealth inequality.

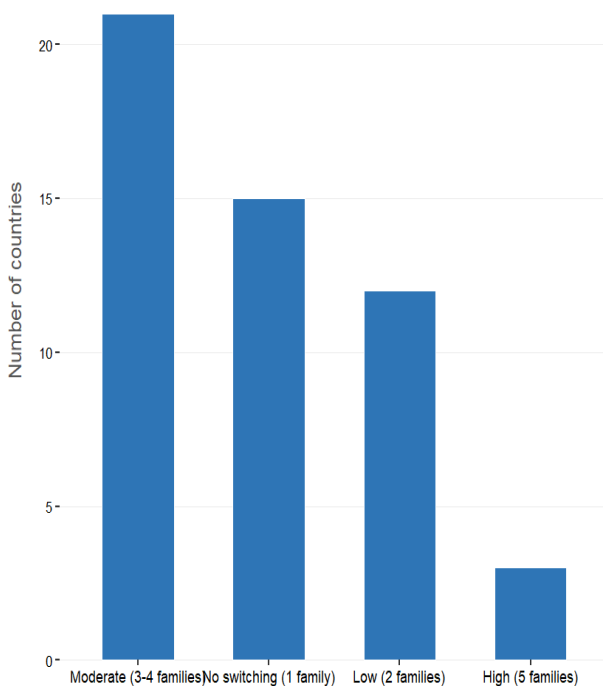
I.8 Survey Switching and Methodological Discontinuities

More than 70 per cent of African countries rely on more than one survey family to produce inequality statistics, and nearly 90 per cent have multiple comparability breaks.

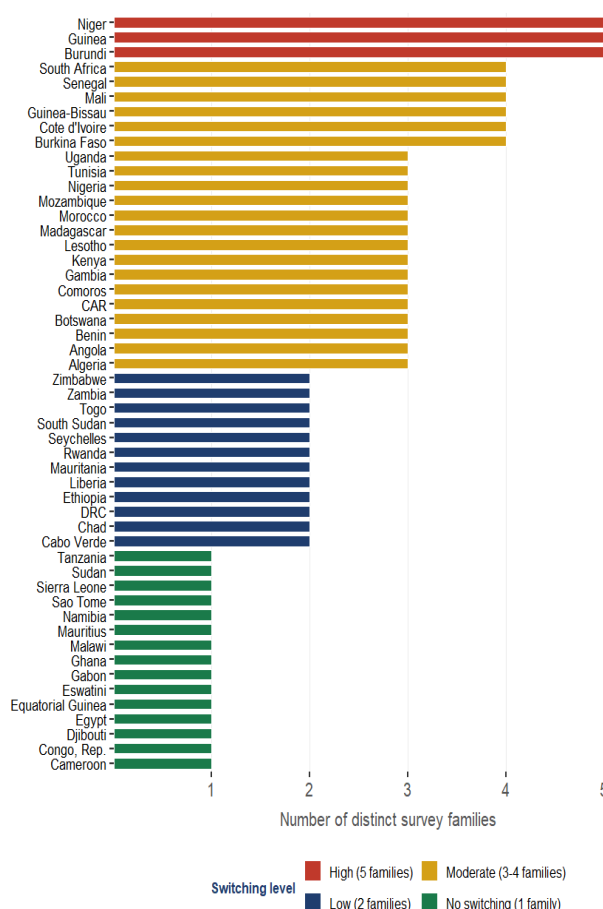
- For instance, Nigeria has 9 surveys grouped into 5 comparability breaks, Burkina Faso has 7 surveys across 4 different breaks, and Angola has 3 surveys, each belonging to a different comparability break.
- Among countries with at least five Gini estimates, Mozambique (1996–2022) maintained a long, uninterrupted comparable series. Other countries with similarly stable systems include Ethiopia, with six comparable survey rounds spanning 1995–2021, and Ghana, with five comparable survey rounds spanning 1991–2017.

Figure 5: Survey Switching of Gini Estimates

Number of Countries per Survey Switching

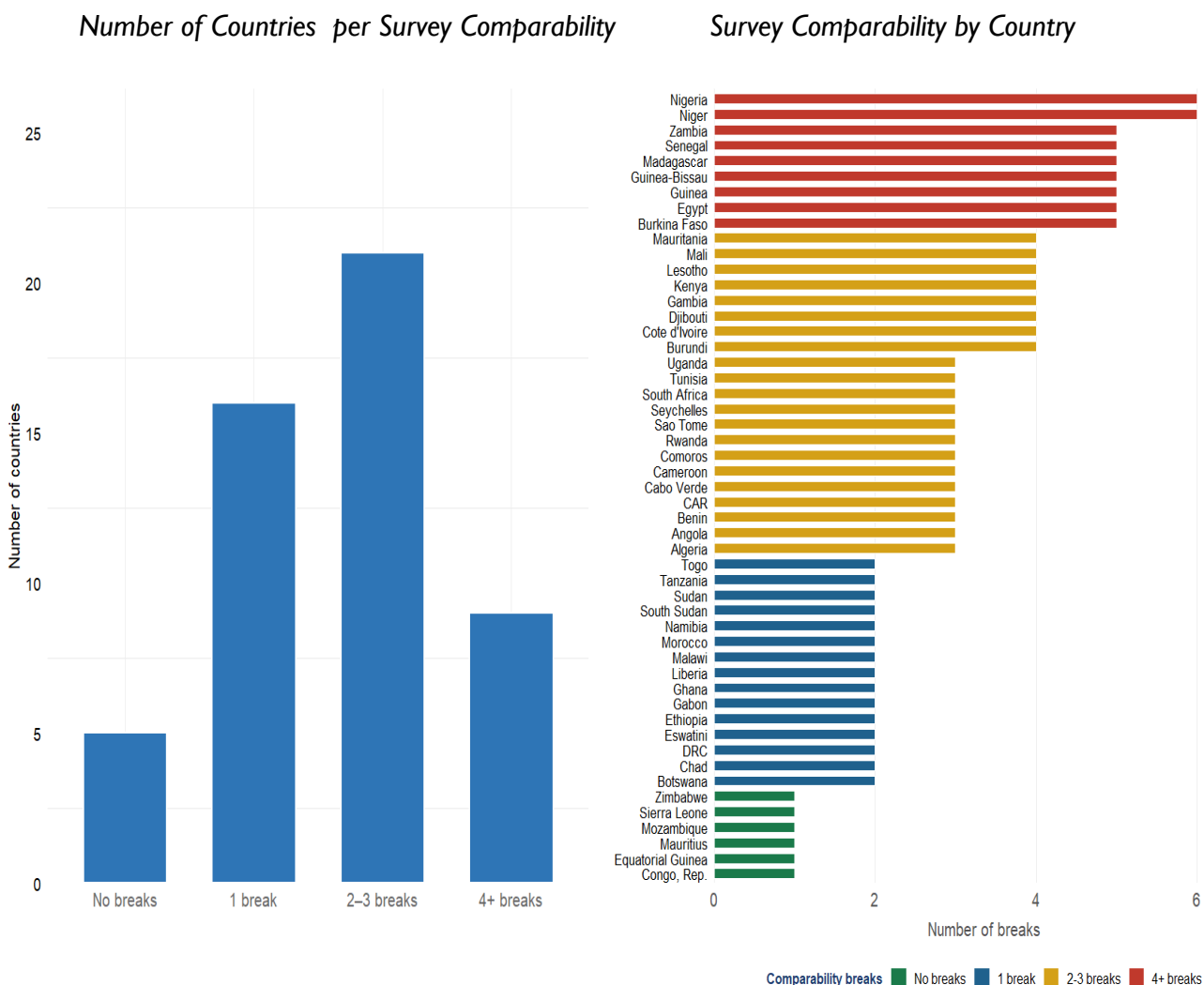


Survey Switching by Country



Sources: World Bank Poverty and Inequality Platform (PIP)

Figure 6: Survey comparability of Gini Estimates⁴



Sources: World Bank Poverty and Inequality Platform (PIP)

⁴ Countries are classified by the number of survey comparability breaks identified from PIP's comparable spell variable. A comparability break occurs when methodological changes (survey design, sampling or estimation procedures) prevent direct comparison with earlier survey estimates.

1.9 Trends in Income and Wealth Inequality

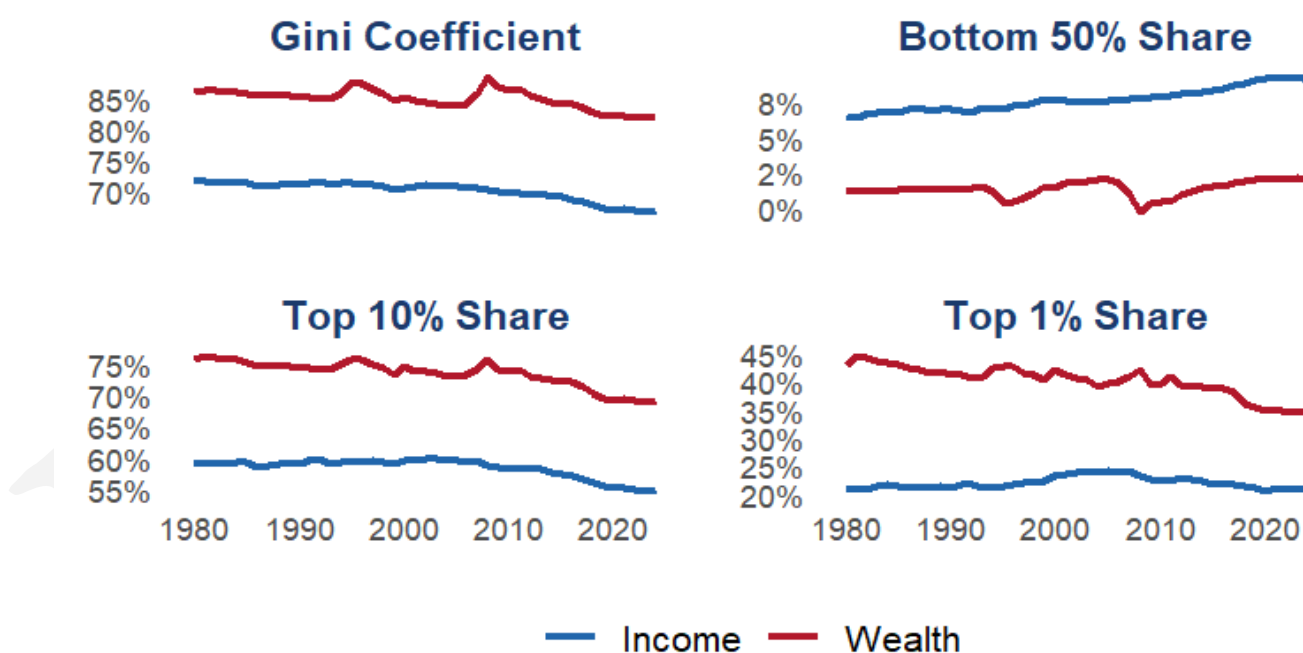
Income and wealth inequality have remained persistent in Sub-Saharan Africa over the past four decades

Wealth inequality consistently exceeds consumption inequality across all distributional measures throughout the period.

- Income inequality has exhibited a gradual decline since the early 2000s, whereas wealth inequality remains persistently high.

The Gini coefficient shows limited variation over time, with coefficients of variation of 2.16 per cent for income inequality and 1.88 per cent for wealth inequality.

Figure 7: Comparative Trends in Income and Wealth Inequality in Sub-Saharan Africa 1980 -2024



Sources: World Inequality Database⁵

⁵ World Inequality Database (WID) integrates national accounts, household surveys, and fiscal data to produce annual wealth distribution estimates, including imputed values for years where direct observations are unavailable. Many estimates are model-based rather than directly observed.

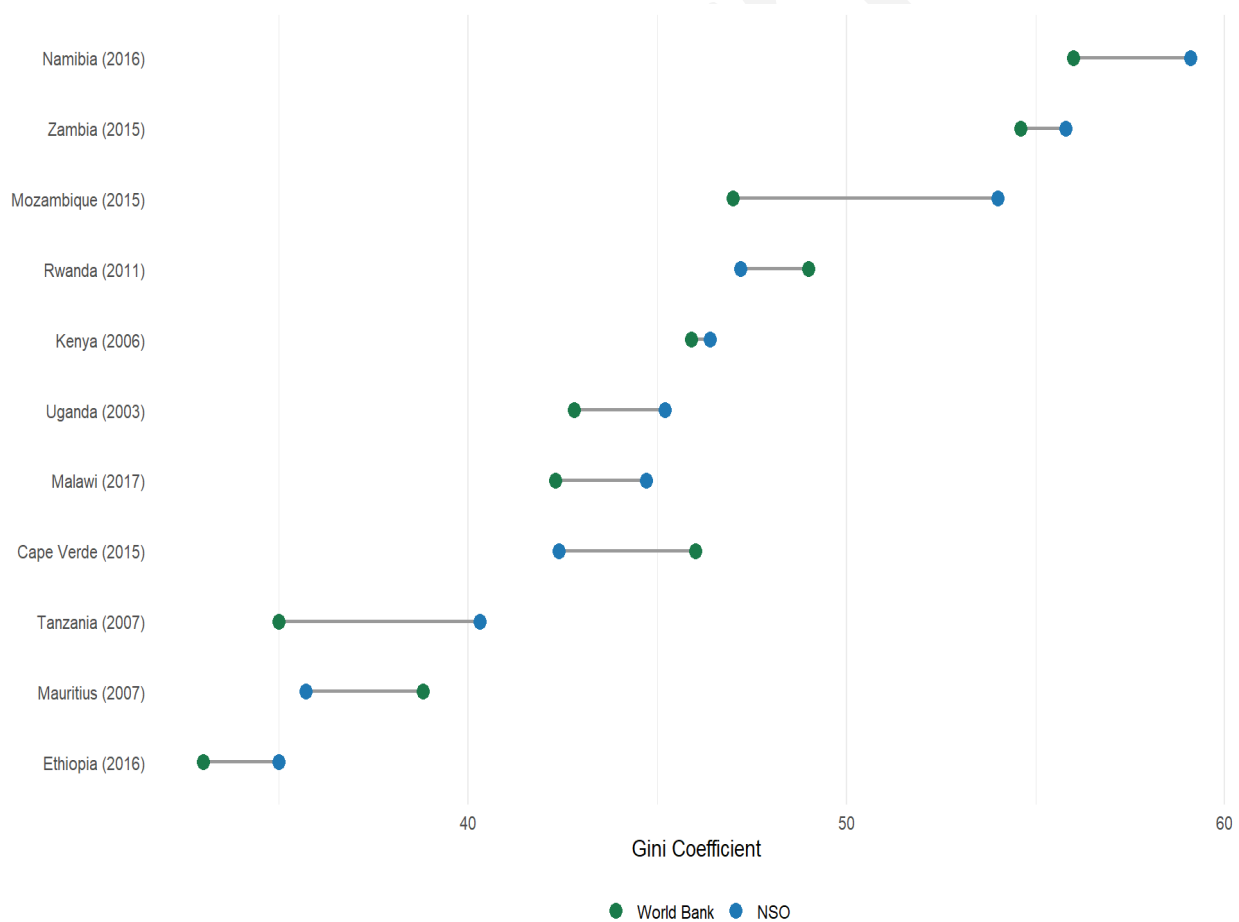
I.10 Divergence Between Reported Estimates

Across country-year pairs with World Bank PIP and NSO Gini estimates, methodological and survey-instrument differences generate substantial differences.

- The magnitude of divergence ranges from about 0.5 to over 6 percentage points.

Figure 8: Divergence Between Reported Gini Estimates for Selected Countries

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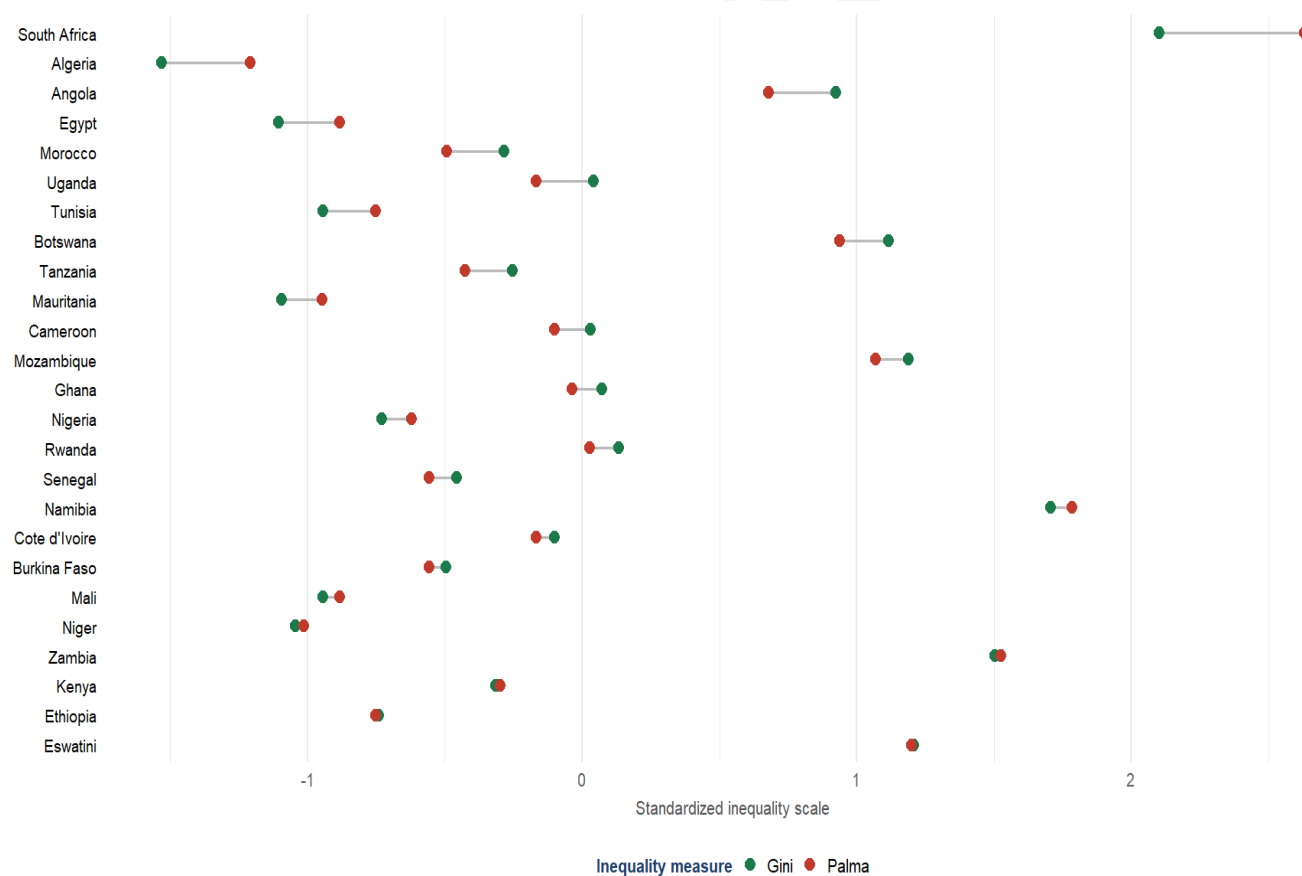
Sources: World Bank Poverty and Inequality Platform (PIP) and NSO reported estimates, compiled in UNU-WIDER World Income Inequality Database.

1.1.1 Divergence Between Inequality Indicators

For comparable years, Palma and Gini do not always align and provide different assessments of inequality across countries.

- Positive divergence (Palma > Gini) in countries such as South Africa indicates that inequality is driven by top-income concentration that Gini tends to understate.
- Negative divergence (Gini > Palma) in countries such as Niger indicates that inequality is distributed across the income distribution rather than concentrated at the top.

Figure 9: Divergence between the Palma ratio and the Gini coefficient⁶



Sources: World Bank Poverty and Inequality Platform (PIP)

⁶ Divergence is computed as the residual from a linear regression of the Palma ratio (computed using the decile shares from PIP) on the Gini coefficient, capturing how far a country's Palma deviates from its Gini.

Diagnosis of the Comparability of Inequality Measures

The choice of inequality indicator for policy design, monitoring, and evaluation has been largely discretionary, reflecting limited understanding of transmission linkages between measures and the fragmented production and dissemination of inequality statistics. This section provides a structured diagnosis of the comparability of key inequality measures.

1.12 Understanding the Definition and Purpose of Inequality Measures

All inequality measures seek to describe how a welfare-relevant variable is distributed across a population. However, they do so from fundamentally different conceptual vantage points. For instance, consumption and income Gini coefficients are grounded in the distribution of economic resources; the Palma ratio focuses specifically on the relative position of the top decile and the bottom two quintiles; and the Theil index is an analytical tool for decomposing inequality into spatial and demographic components. The concentration index measures the equity gradient in health or education outcomes, with the GII and SHDI capturing multidimensional distributional disparities. The CEQ fiscal incidence measure captures the state's redistribution function.

These differences in purpose mean that the choice of indicator also reflects the question being answered. A government seeking to monitor the poverty-reducing efficiency of growth needs Gini and Palma trend data, while a government designing a health equity programme needs concentration indices. A government assessing the impact of tax and transfer reforms needs fiscal incidence analysis. No single inequality measure serves all these functions, and misapplication of one for another produces misleading policy conclusions.

1.13 Conceptualisation and Measurement

Conceptually, inequality measures span a spectrum from narrow economic distribution to multidimensional capability and outcome equity. Consumption and income Gini indices are premised on a single welfare variable and the assumption that purchasing power captures the essential dimension of welfare inequality. The Theil index and Palma ratio extend this framework with different mathematical sensitivities and decomposition properties. The GII, SHDI, and concentration index recognise that inequality in health, education, spatial development, and gender outcomes is not fully captured by income and consumption distributions, and may diverge significantly from economic inequality in both direction and magnitude.

A country may record a moderate consumption Gini while exhibiting extreme gender inequality, severe spatial disparities, and steep health equity gradients, because different structural factors drive economic and non-economic inequalities and respond differently to policy interventions. This conceptual non-equivalence across dimensions means that a coherent national inequality profile requires multiple indicators. The most critical gap is that consumption-based Gini indices systematically underestimate inequality because they exclude the top of the distribution.

I.14 Data Sources Heterogeneity

Inequality measures in Africa draw on a fundamentally heterogeneous set of data sources: consumption and income Gini indices derive from household surveys (infrequent, nationally representative); concentration indices and wealth-quintile-based indices from DHS and MICS (5-year cycles, disrupted since February 2025 by USAID funding suspension); SHDI combines DHS, census, and national accounts data harmonised by the Global Data Lab; GII combines DHS, ILO and UNDP; CEQ analysis from surveys combined with fiscal records. Since these indicators originate from different statistical systems, survey instruments, reference populations, and time periods, they are not directly comparable without careful methodological interpretation. As documented in the *ACS well-being statistics brief*, this source heterogeneity is a principal driver of the divergences observed across indicators for the same country and year.

I.15 Data Time Periods and Periodicity

Differences in reference years and survey periods further complicate comparability. Consumption Gini is survey-dependent and typically available every 3–10 years. Concentration indices depend on DHS rounds conducted every 5–6 years. The SHDI is updated annually by the GDL using modelled estimates where direct survey data are absent. Fiscal incidence analyses are produced episodically, often linked to country-specific analytical projects rather than routine statistical production. As with the well-being indicators, the reference years for different inequality measures rarely coincide for the same country.

I.16 Policy Orientation of Inequality Statistics

A critical dimension of the use and dissemination of inequality statistics is the policy orientation embedded in each measure's purpose. Consumption Ginis and Palma ratios are primarily monitoring tools; they track whether distribution is worsening or improving over time but provide limited operational guidance on which populations or sectors require intervention. Concentration indices and disaggregated education and health outcomes are more operational, identifying the socioeconomic gradient in service access and enabling targeted design of equity-focused programmes. CEQ fiscal incidence analysis is explicitly evaluative; it assesses whether the government budget is progressive or regressive in distributional impact.

Citing only the Gini coefficient in national policy documents and development partner reporting, without the full distribution table, spatial disaggregation, and linkage to fiscal or service delivery data, limits the policy utility of the inequality statistics produced.

I.17 Statistical Disconnect of Inequality, Economic Growth and Poverty

Examining the relationship between inequality, economic growth, and poverty in Africa is constrained by a fundamental statistical problem: the three variables are neither measured at the same frequency nor designed for integrated interpretation. GDP growth is typically available annually, while inequality estimates rely on household surveys conducted every three to five years at best, often with publication lags of two to four years. Poverty indicators are similarly

fragmented across household survey cycles with irregular timing across countries. This temporal misalignment makes lag analysis difficult, since by the time distributional data becomes available, the macroeconomic conditions against which it should be interpreted may have shifted substantially.

Recent proposals for inequality-adjusted GDP aim to correct a core weakness of conventional GDP by discounting average income according to the degree of inequality, following the logic of the UNDP's Inequality-Adjusted Human Development Index. In principle, this offers a more welfare-relevant indicator and a distribution-sensitive way to assess whether growth translates into broad-based gains. In practice, however, its use in Africa is limited by the very statistical gaps it seeks to address. Credible adjustment requires timely, comparable, high-frequency household surveys aligned with national accounts, yet Gini coefficients are often outdated or drawn from inconsistent survey rounds. At the same time, GDP figures themselves are affected by rebasing and the undercounting of informal activity, widening the gap between measured growth and lived welfare.

The structural gap is the absence of distributional national accounts that connect household welfare distributions directly to national accounts aggregates. Without this, growth, poverty, and inequality figures remain institutionally siloed, with no systematic mechanism for joint interpretation. Inequality-adjusted GDP is therefore analytically useful but not yet a statistically robust alternative at scale; its wider adoption depends on improved survey systems and integrated distributional accounting.

Table 2: Syntheses of the conceptual characteristics of key inequality measures

Measure	Conceptual Type	Welfare Concept	Purpose	Scope	Aggregation	Relationship Across Measures	Data Source	Geographic Level	Value Range	Assessment in Africa
Gini Coefficient (consumption)	Relative	Consumption per capita	Evaluation	Unitary	Poverty line ratio	Strong with Gini (income), Palma; weak with wealth Gini	HH surveys (HIES, LSMS)	National; rarely sub-national	0–1	Widely used; sensitive to middle of distribution; consumption proxy underestimates true inequality; survey unit and recall period affect comparability.
Gini Coefficient (income)	Relative	Household income	Evaluation	Unitary	Mean-based	Nested in Palma, CEQ	LFS, HIES, tax records	National	0–1	Less common in low-income Africa; underestimates top incomes without tax data.
Palma Ratio	Relative	Income/consumption shares	Monitoring	Unitary	Ratio	Near-perfect with decile shares	HH surveys	National	>1	Captures top 10% vs bottom 40%; policy-relevant; robust to extreme values.
Theil Index (T & L)	Relative	Income/consumption	Analysis	Unitary + spatial	Additive	Decomposable by group	HH surveys	National; decomposable	≥0	Decomposable between/within groups; used for spatial inequality; rarely published officially by African NSOs
Income Quintile/Decile Shares	Distributional	Income/consumption	Monitoring & SDG reporting	Unitary	Population-weighted shares (summative)	Linked to Palma ratio; SDG 10.1 uses bottom 40% share; complement Gini	HH surveys	National	Share (%)	Fairly reported; less sensitive to top tail

Measure	Conceptual Type	Welfare Concept	Purpose	Scope	Aggregation	Relationship Across Measures	Data Source	Geographic Level	Value Range	Assessment in Africa
Concentration Index	Health/education	Health outcome + living standard	Equity monitoring	Multidimensional	Regression-based	Linked to DHS wealth index	DHS, MICS	National; sometimes subnational	-1 to +1	Measures socioeconomic gradient in health outcomes; standard in equity analysis; DHS Programme disrupted since Feb 2025, no replacement source exists for most African countries
Subnational HDI (SHDI)	Multidimensional	Health, education, income	Spatial monitoring	Multidimensional	Geometric	Conceptual link to national HDI	DHS, census, national accounts	Subnational (ADM1)	0-1	Captures spatial inequality in human development
Gender Inequality Index (GII)	Gender	Reproductive health, empowerment, labour	Policy design	Multidimensional	Geometric	Linked to G-MPI on health/education dims	DHS, ILO labour force data, UNDP national accounts	National	0-1	Published annually; covers 3 dimensions; limited labour data in Africa
Asset-based Wealth Index (DHS/MICS)	Asset-based proxy	Asset ownership/housing quality	Welfare proxy for targeting and equity analysis	Unitary (proxy)	Principal component analysis (PCA) of asset variables	Proxy for consumption Gini and used to construct concentration index	DHS/MICS	National; urban-rural; subnational	Quintile	Widely used where consumption and expenditure surveys are absent; not comparable across surveys and countries.
Fiscal Incidence (CEQ)	Redistributive	Pre/post-transfer income	Policy evaluation	Unitary	Gini difference	Links consumption Gini to fiscal policy	HH surveys + fiscal data	National	Gini difference	Standard for redistribution analysis; exists for <20 African countries

Source: Synthesis drawing on World Bank PIP, UNDP, DHS Programme, GDL, CEQ Institute, ILO, and academic literature

Conceptual and Measurement Gaps in Inequality Statistics

1.18 Conceptual Gaps

Three conceptual gaps stand out in African inequality statistics. First, the systematic exclusion of the top of the distribution from household surveys, with no administrative tax data to correct it, means official Gini indices likely substantially understate true inequality. Second, no multidimensional inequality measure exists for Africa that captures the joint distribution of deprivations across income, health, education, and spatial dimensions simultaneously. Third, intersectional inequality, the compounding of being poor, female, rural, and from a marginalised group, is absent from official African inequality statistics.

1.19 Population and Subgroup Gaps

Standard inequality measures treat the population as a single distributional unit and report aggregate Gini coefficients or income shares. But inequality is experienced differently across population sub-groups, by age, disability status, ethnicity, generation, and political identity. Official inequality statistics exclude or underrepresent several large population groups: internally displaced persons and refugees, urban informal settlement residents, children and youth, older people, and persons with disabilities. Aggregate national estimates conceal these structural exclusions.

1.20 Data Architecture and Systems Gaps

Several structural deficits in data systems limit inequality measurement. First, the absence of administrative income microdata (tax records, financial account data) prevents correcting top-income underrepresentation and eliminates a complementary high-frequency data source. Second, fragmented survey ecosystems- HIES, LFS, DHS, MICS, LSMS, produced by different units on different schedules- prevent integrated cross-dimensional analysis. Third, a large and growing gap between national accounts consumption aggregates and survey-based estimates undermines both GDP statistics and the distributional measures derived from surveys: The statistical infrastructure needed to consistently link growth, poverty, and inequality, specifically, distributional national accounts that connect household survey welfare distributions to national accounts, does not exist for any African country⁷. Fourth, longitudinal data are lacking: measuring inequality of opportunity requires tracking individuals over time. Panel surveys exist for only a handful of African countries, limiting intergenerational mobility analysis.

⁷ Few initiatives, such as the World Inequality Database (WID), produce partial prototypes, but no national statistical system maintains an institutionalised framework.

I.2I Policy Interface Gaps

Inequality statistics face several structural gaps at the policy interface. Institutional fragmentation across ministries means no single body is responsible for a coherent national inequality profile. In some contexts, weak political demand, including reluctance to publish distributional information, further suppresses supply. The absence of explicit distributional targets in national development plans also removes the institutional incentives needed for sustained statistical investment. Also, communication deficits between data producers and policymakers mean that, even when statistics exist, they often fail to reach decision-makers in forms that are understandable, timely, or methodologically transparent enough to guide policy.

Preliminary Guidance on the Engagement with Inequality Statistics

NSOs should apply similar principles advocated in the ACS well-being statistics brief to inequality statistics: metadata publication and engagement should extend beyond siloed, measure-specific documentation to reflect the comparative nuances in using different inequality indicators. The following guidance is offered for producers, users and advocates of inequality statistics in Africa.

- The choice of inequality indicator should be governed by purpose. Consumption or income Gini and Palma ratios are appropriate for monitoring aggregate distributional trends and benchmarking against poverty and growth outcomes. Concentration indices and disaggregated service coverage data are appropriate for health and education equity programming. CEQ fiscal incidence estimates are appropriate for evaluating tax and transfer policy. Subnational HDI and spatial inequality measures are appropriate for territorial development planning. No single measure is sufficient for all purposes. African countries need a stronger framework for deciding which inequality indicator is appropriate for which purpose. This requires regular engagement at policy levels, integration of inequality statistics into national planning and budgeting cycles, and country-led narratives that connect distributional data to policy action. Only then will inequality statistics move from isolated technical outputs to practical instruments for designing inclusive development.
- A simple verification protocol, analogous to the one recommended in the GDP comparability brief, should be applied before disseminating inequality statistics. If the most recent estimate is more than five years old, flag this prominently. Where survey methodology has changed between rounds, assess and note the comparability of trend data. Where country-level inequality estimates come from international rather than NSO sources, disclose the source with an appropriate disclaimer. Thus, publications that cite inequality statistics should identify the measure used, the data source, the reference year, and whether the estimate is based on consumption or income. The practice of citing Gini

coefficients without these metadata, standard in many official African publications, renders the statistic analytically ambiguous and policy unusable.

- A key proposition for strengthening African statistical systems lies in addressing persistent institutional capacity and financing constraints that limit the production and use of high-quality inequality data. Many NSOs remain reliant on traditional survey methods and lack sufficient statisticians, data scientists, and geospatial analysts to harness emerging data sources fully. Investing in capacity building through coordinated, continent-wide training would enhance the production of inequality statistics. This should be complemented by national training plans, continuous professional development, and the establishment of specialized analytical units, enabling statistical systems to generate more timely, comparable and policy-relevant inequality evidence. Likewise, targeted and sustained financing, through coordinated support from development partners, regional institutions, and Member States, should enable more regular survey implementation, improved data infrastructure, and the adoption of modern statistical tools.
- African countries should institutionalise the regular production and dissemination of inequality statistics within national statistical systems, aligned with planning and reporting cycles. The publication of full quintile distribution tables, not only summary Gini figures, should become a standard output of every household survey. Subnational inequality estimates, where geographically identified survey clusters permit, should be produced alongside national estimates.

Potential of Emerging Data for Inequality Statistics

While household surveys remain foundational for inequality measurement, their limitations require complementary sources. As documented in the ACS well-being statistics brief, emerging data sources can support more frequent, granular, and cost-effective measurement, provided they uphold the integrity of official statistics and complement rather than replace traditional systems.

I.22 Administrative and Government Data Systems

Social protection registries, tax administration platforms, payroll data, and civil registration systems generate high-frequency distributional data that could complement and update survey-based inequality estimates between survey rounds. However, their use requires interoperability of systems across agencies, legislation on data sharing, and protection of personal data. National statistical offices can adopt *Distributional National Accounts approaches*, combining survey data with national accounts and administrative tax records to better capture income distribution, particularly at the top.

I.23 Geospatial and Satellite Data

Nighttime light intensity from satellite imagery, high-resolution daytime imagery, and machine-learning welfare prediction models now permit consumption distribution estimates at sub-district resolution for most African countries. These methods should be treated as complements to, not replacements for, survey-based distributional statistics, with results validated against available survey benchmarks.

I.24 Mobile Phone and Digital Financial Data

Call Detail Records and mobile money transaction data contain behavioural signals correlated with socioeconomic status. Research partnerships between mobile operators, national statistical offices, and academic institutions have produced experimental welfare distribution estimates for several African countries that could supplement traditional survey-based inequality measures. Significant challenges around representativeness skewed toward wealthier and urban users, privacy, and data-sharing governance limit systematic application for official inequality statistics at this stage. Still, the potential for complementary use is established.

Conclusion and Way Forward

Inequality statistics in Africa are characterised by insufficient country coverage, inadequate periodicity, methodological fragmentation, limited multidimensionality, and weak linkages to the poverty and growth statistics alongside which they must be interpreted. The choice of inequality measure is not a neutral technical decision. As with well-being indicators, different inequality measures, Gini coefficients, Palma ratios, concentration indices, fiscal incidence estimates, subnational HDIs, and gender inequality indices serve different analytical purposes, draw on different data sources, and produce different country narratives. Treating them interchangeably obscures reality rather than clarifying it. African countries need stronger frameworks for matching the choice of inequality indicator to the policy question being addressed.

This brief focused not on inequality outcomes themselves, but on the statistical systems that produce them, specifically their coverage, frequency, comparability, conceptual foundations, and underlying data architecture. The inequality statistics presented illustrate measurement properties, not definitive policy assessments, underscoring that the quality of statistical systems determines how reliably inequality can be understood and compared across countries and over time. Far from being a technical detail, inequality statistics are a core component of national evidence systems, shaping how growth, poverty, and welfare dynamics are interpreted. Strengthening these statistical foundations is therefore essential for improving the credibility, comparability and policy relevance of development measurement in Africa.

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