

FORUM:	Economic and Social Council
ISSUE:	Addressing Economic Inequality in Sub-Saharan Africa Through Inclusive Growth Policies
STUDENT OFFICER:	JaeHyun Cha
POSITION:	Deputy Chair of Economic and Social Council

Introduction

Economic inequality remains as one of the most pressing and urgent challenges to be resolved around the globe, as it can lead to reduced social mobility, increased political polarization, and social unrest. Currently, the urgent need to resolve economic inequality is present in Sub-Saharan Africa, where numerous people are suffering from poverty, and this increasing disparity is hindering economic growth and social progress. In order to achieve the United Nations Sustainable Development Goal #10: Reduce inequality within and among countries, the global community must actively cooperate and negotiate, seeking a consensus beyond sovereignties. Various factors contribute to the economic inequality present in Sub-Saharan Africa, such as the existence of a dualistic economic structure, limited access to resources and healthcare, and weak state capacity. The disparity between various ethnic groups, genders, and regions continues to grow, highlighting the urgent need for an effective and feasible resolution. This report will cover how applying inclusive growth policies – policies targeted to ensure that the benefits of economic progress are equally shared among all sectors of society, not only among the elite class – can reduce economic inequality among the regions, bringing forth a more sustainable future.



Map of Sub-Saharan Africa

Background

Colonial Legacy and the Rise of Inequality

Sub-Saharan Africa, positioned south of the Sahara Desert, covers a vast region of Africa and is home to over 1.3 billion people. Historically, the majority of the region was colonized by European powers during the 19th and 20th centuries, and its effects are still felt today. During its colonization,



European powers solely focused on exploiting resources, rather than fostering regional development, hence only investing in trade-related infrastructures, such as railroads and ports. While European powers



A Political Cartoon depicting Economic Inequality

heavily exploited African resources, they failed to establish an inclusive economic structure, an equitable education system, and pivotal infrastructures, leaving behind nothing when their colonization ended. Thus, the local population had to suffer in extreme poverty, lack of healthcare access, and poor infrastructure for a prolonged period, demanding urgent changes. In contrast, the elite class, mainly the white settlers, gained significant wealth and power during European

colonization, marking the beginning of the dualistic economic structure. Few sectors owned by elites, mainly the white settlers and their collaborators, were well-funded and industrialized, while the remaining local population had to live within the impoverished traditional system. As a result, a big economic gap between formal and informal sectors took place, where its effect is persisting in modern-day Africa – the richest 10% of the Sub-Saharan African population controls approximately 50% of its total income.

Post-Colonial Efforts and Demand for Inclusive Growth

To enhance its economy and resolve inequality, various actions were taken by international organizations like the International Monetary Fund (IMF) and the World Bank; however, those initiatives often failed to improve the situation and faced various obstacles. Yet, various nations in Sub-Saharan Africa experienced an approximate 5% annual GDP growth during 2000 and 2015 due to increased Foreign Direct Investment (FDI) and improved political stability. Unfortunately, the economic growth failed to translate into equitable outcomes, where economic inequality still remained as an urgent challenge to resolve. The continuous dominance of informal labor and youth unemployment also worsened the situation, in which numerous workers suffered from low-paying wages and unstable working conditions. Lastly, Sub-Saharan Africa's prolonged poor education system has restricted students from being prepared to engage in the labor market for decades, hindering economic growth and social progress. Hence, to combat the dual economic structure and reduce inequality, fostering an inclusive economic growth is essential, ensuring that all sectors of society benefit from economic progress through means such as promoting equitable education and healthcare access, strengthening social safety nets, investing in rural development, and utilizing a progressive tax system.

Problems Raised



TIANMUN

Social and Political Instability

One significant problem caused by economic inequality is social and political instability, where various countries located in the Sub-Saharan region experience protests, strikes, and civil war. Since wealth and power are concentrated in the elites' hands, a large portion of the population is neglected when making political decisions, especially fostering resentment among impoverished people. This resentment soon grows into more violent and aggressive forms, such as protests and strikes, aggravating social unrest. For instance, in 2019, a large protest took place in Zimbabwe, where angry Zimbabweans stood up against the increased fuel price, demanding immediate changes within the government. Moreover, when public officers favor wealthy donors and foreign interests over the local population, political institutions lose their legitimacy, undermining trust in democratic systems and possibly fostering the rise of populist movements. As such, when economic inequality is not resolved, it will lead to social division and unrest, decelerating economic growth and lowering the standard of living.

Increased Poverty

Following social unrest and political instability, increased poverty remains as one of the most direct and damaging effects of economic inequality. Although most nations have experienced GDP growth during the past 30 years, their poverty level failed to improve due to their unequal wealth distribution, exhibiting the “growth without development” phenomenon. Since the power remains in the elites' hands, the benefits of economic growth return to the elites, solidifying the “rich get richer and the poor get poorer” phenomenon. In such a situation, the possibility of increasing the impoverished populations' standard of living converges to zero – there is no



An African Family living through Extreme Poverty

beneficial reason for the elites to invest in strengthening rural infrastructures. Hence, without an effective tax system and the redistribution of wealth, the poverty level in Sub-Saharan Africa will continue to intensify, highlighting the urgent need to adopt inclusive growth policies. When the majority of the population suffers in severe poverty due to a lack of infrastructure, limited access, and exclusion from the global market, it weakens resilience to economic shocks, increases migration, and decreases life expectancy.

International Actions

Structural Adjustment Programs (SAPs) by the IMF and World Bank



TIANMUN

During the 1970s and 1980s, the International Monetary Fund (IMF) and World Bank implemented structural adjustment programs (SAPs) to enhance the economy and promote development across Sub-Saharan Africa. These programs, aimed at stabilizing the economy, often encouraged free market policies, privatization, and tried to appeal to foreign investors. Although the SAPs did have an effect on enhancing the economy, proven by the GDP growth, they often worsened inequality in various ways. Mainly, the effort towards privatization reduced job opportunities, and the effort towards attracting foreign interest left the rural community behind in terms of resource access and infrastructure. As an example, Nigeria experienced a 5% GDP growth through the SAP, but also experienced mass unemployment due to the downsizing of public institutions. Therefore, the SAPs imposed by the IMF and World Bank had a negative effect on resolving economic inequality and showcased the “growth without development” phenomenon.

The United Nations 2030 Agenda for Sustainable Development

As a global community, it is every nation’s responsibility to support sustainable development in Sub-Saharan Africa, and this includes efforts towards minimizing economic inequality. On the United



The United Nation 2030 Agenda

Nations Sustainable Development Goals (UNSDG), also known as the UN 2030 Agenda, goal #10: “Reduce inequality within and among countries” emphasizes its effort to reduce economic inequality and promote a more accessible and equitable society. Under this agenda, Ethiopia’s Productive Safety Net Programme (PSNP) remains as one of the biggest successes, saving the hope of

reducing inequality in Sub-Saharan Africa. The PSNP successfully improved food security and created numerous job opportunities, setting a quality example for other nations to follow. Likewise, under the UN 2030 Agenda, the Nigerian government implemented the National Social Investment Programme (NSIP) to promote equitable distribution of resources among vulnerable populations. This allowed 7.9 million impoverished Nigerians to enhance their standard of living through social support programs such as the Conditional Cash Transfer (CCT), Home-Grown School Feeding (HGSF), and N-Power. Thus, as the UN 2030 Agenda continues to be adopted worldwide, more policies and efforts will be introduced, hence it is expected that the issue to be enhanced and resolved.

Key Players

African Union



The African Union (AU), comprising 55 member states, plays a crucial role in resolving economic inequality since it coordinates continental efforts and promotes cooperation among member states. To enhance the current situation, various attempts have been taken by the AU, mainly through the African Continental Free Trade Area (AfCFTA) and Agenda 2063: The Africa we want. By implementing the AfCFTA, small and medium enterprises (SMEs) could easily trade with each other, enhancing the local economy and creating more job opportunities. Moreover, with the Agenda 2063, the AU specifically aims to utilize inclusive growth policies to bridge the wealth gap and promote sustainable development. Therefore, the AU plays a significant role in resolving economic inequality, and with continuous effort, Sub-Saharan Africa will soon transition into a more equitable and well-being society.

International Monetary Fund

The International Monetary Fund (IMF) is an international financial institution aiming to promote global monetary cooperation, financial security, and sustainable development. As previously mentioned, the IMF has been involved in enhancing Africa's economy during the 1970s and 1980s by imposing Structural Adjustment Programs, and now its main responsibility is to reduce economic inequality among the Sub-Saharan African population. Although the IMF has failed in resolving inequality during the 1980s, it has now shifted its view towards implementing inclusive growth policies, attempting to ensure that the benefit of economic growth is equally distributed among all sectors of society. Along with providing financial support to reduce poverty in Sub-Saharan Africa, the IMF also monitors and advises economic policies in the region, playing a key role in successfully adopting inclusive growth policies while enhancing the economy.



Logo of the IMF

Nigeria

Nigeria, an African nation located in West Africa, plays a pivotal role in resolving economic inequality in Sub-Saharan Africa due to its large economic and demographic size. Home to over 230 million citizens, Nigeria remains as the most populous nation in Africa, as well as the economic leader and powerhouse, showcasing a national GDP of \$477.38 billion. As such, it is crucial for Nigeria to lay out a demonstrable example for other nations to follow, especially through implementing various policies fostering inclusive economic growth. In 2016, the Nigerian government has launched the National Social Investment Programme (NSIP), benefiting over 7.9 million vulnerable Nigerians through various social support programs, namely the Conditional Cash Transfer (CCT), Home-Grown School Feeding (HGSF),



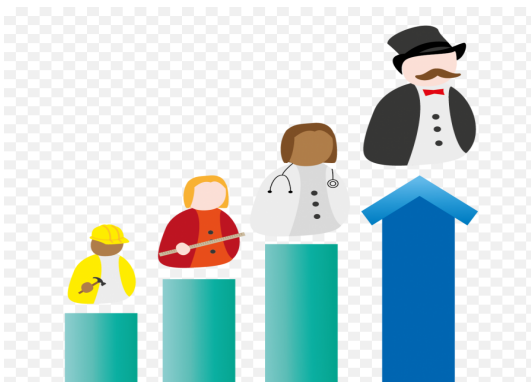
and N-Power. Hence, Nigeria holds vast influence across the Sub-Saharan African region, where its economic and political direction heavily influences other nations within the region.

Possible Solutions

Expanding Access to Quality Education

To reduce inequality, investing in equitable and high-quality education is inevitable – education is the fundamental step for being ready to engage in the labor market. Without proper education, individuals will not be able to apply for a high-income job, but rather work in a low-income job, mainly as informal factory workers. Conversely, when high-quality education is accessible to all students, there will be a broader option for students to select their path and possibly work for a high-income job, creating a rags-to-riches story. Possible solutions to provide quality education include providing free primary and secondary education, funding teachers for curriculum development and training, creating vocational training programs in local labor markets, and constructing digital learning infrastructure in rural areas. In particular, providing free primary and secondary education and funding teachers for curriculum development would require close cooperation with the IMF and World Bank, gaining necessary financial support to complete its objective. Moreover, creating vocational training programs in local labor markets would require direct communication with local businesses, ultimately discovering the most feasible solution to balance out increased job opportunities and the local market's burden of providing vocational training. Rwanda's Education Sector Strategic Plan (ESSP) and Kenya's Competency-Based Curriculum (CBC) are regional examples of making quality education accessible to all citizens.

Imposing Progressive Taxation



A Clipart illustrating Progressive Taxation

One of the most common inclusive growth policies is progressive taxation – imposing higher taxes on rich citizens and imposing less tax on poor citizens. Through this, the government can utilize more money collected by the rich people to invest in rural infrastructure and education, while lightening the economic burden for the poor people. However, this policy should be utilized with caution since the

dissatisfied rich people – mostly enterprise owners – might migrate to different regions, weakening the national economy. Hence, before imposing such policies, the government should closely negotiate with enterprise owners and make agreements that benefit the most people. In alignment with the progressive tax system, the government can also strengthen social protection programs, such as funding cash transfers, food subsidies, and healthcare support, ensuring that



the money gained through taxation is equally distributed among the society. Specifically, utilizing the taxes to fund cash transfers will directly aid the vulnerable population, as a successful example lies in Ghana's Livelihood Empowerment Against Poverty (LEAP) program. Therefore, when progressive taxation is successfully imposed, the government can invest more money in improving impoverished families' lives, thus resolving economic inequality and creating a more equitable society.

Glossary

Economic Inequality

The unequal distribution of wealth, resources, and power among different individuals or groups within a society.

Inclusive Growth Policies

Policies tailored towards ensuring that the benefit of economic growth is equally shared among all sectors of a society.

State Capacity

The government's ability to effectively implement policies and achieve its desired goals.

European Colonization

Historical process where European nations established settlements, gained control, and exploited resources in various regions.

Foreign Direct Investment (FDI)

Investments made by individuals or enterprises located in another country.

Informal Sector

Economic activities that lack social and legal protection – not regulated by the government.

Gross Domestic Product (GDP)

The total value of goods and services provided in one nation for one year.

Infrastructure

Basic physical and organizational structure – such as roads, buildings, and streetlights – needed for a society to effectively operate.

Dualistic Economic Structure

An economic structure where two separate sectors exist – mainly the modern, well-funded sector and the traditional, impoverished sector.



Works Cited

- African Union. “Goals & Priority Areas of Agenda 2063.” *Goals & Priority Areas of Agenda 2063 | African Union*, 29 Oct. 2025, au.int/en/agenda2063/goals.
- Barnecutt, Amy. “Rwanda’s Foundational Learning Delivery Unit.” *Engeza*, 31 Oct. 2024, www.engeza.africa/knowledge-base-articles?recordId=rec2rHdbgacnUTrnR.
- Cornia. “Income Inequality Trends in Sub-Saharan Africa: Explaining Divergence, Determinants and Consequences.” *Friedrich Ebert Stiftung*, 30 Sept. 2019, geneva.fes.de/e/income-inequality-trends-in-sub-saharan-africa-explaining-divergence-determinants-and-consequences.html#:~:text=Professor%20Cornia%20then%20analysed%20the,must%20go%20hand%20in%20hand.
- Department of Economic and Social Affairs. “Goal 10 | Department of Economic and Social Affairs.” *United Nations*, United Nations, 2016, sdgs.un.org/goals/goal10.
- Hillbom, Ellen, et al. “Income Inequality and Export-Oriented Commercialization in Colonial Africa: Evidence from Six Countries.” *African Economic History Network*, 5 June 2024, www.aehnetwork.org/blog/income-inequality-and-export-oriented-commercialization-in-colonial-africa-evidence-from-six-countries/.
- International Monetary Fund. “Regional Economic Outlook for Sub-Saharan Africa, October 2022.” *IMF*, 14 Oct. 2022, www.imf.org/en/Publications/REO/SSA/Issues/2022/10/14/regional-economic-outlook-for-sub-saharan-africa-october-2022.
- Marima, Tendai. “Angry Zimbabweans Riot after 150 Percent Fuel Price Rise Imposed.” *Al Jazeera*, Al Jazeera, 15 Jan. 2019, www.aljazeera.com/economy/2019/1/15/angry-zimbabweans-riot-after-150-percent-fuel-price-rise-imposed.
- Olubayi, Olubayi. “The New Competency Based Curriculum (CBC) in Kenya.” *Kiwimbi International*, 14 Mar. 2025, kiwimbi.org/blog/the-new-competency-based-curriculum-cbc-in-kenya/#:~:text=Olubayi%20Olubayi,because%20of%20future%20employment%20opportunities.
- Quayyum, Saad, et al. “Growth in Sub-Saharan Africa Is Diverging.” *IMF*, 14 Nov. 2024, www.imf.org/en/News/Articles/2024/11/14/cf-growth-in-sub-saharan-africa-is-diverging.
- Segning, Beauclair Atadouanla, et al. “Financial Inclusion and Income Inequality in Sub-Saharan Africa: Taking Socio-Cultural Particularities into Account - Journal of the Knowledge Economy.” *SpringerLink*, Springer US, 19 May 2023, link.springer.com/article/10.1007/s13132-023-01207-x#:~:text=The%20Independent%20Variable:%20Financial%20Inclusion,the%20promotion%20of%20economic%20growth.
- Weider, Drew. “Structural Adjustment’s Complex Legacy in Sub-Saharan Africa.” *Michigan Journal of Economics*, 29 Apr. 2024, sites.lsa.umich.edu/mje/2024/04/29/structural-adjustments-complex-legacy-in-sub-saharan-africa/#:~:text=Introduction,caused%20more%20harm%20than%20good.
- Wid.World. “What’s New about Inequality in Sub-Saharan Africa in 2023? - Wid - World Inequality Database.” *WID*, 23 Nov. 2023, wid.world/news-article/2023-wid-update-sub-saharan-africa/.



World Bank. “Poverty and Shared Prosperity 2022.” *World Bank*, 2022,
www.worldbank.org/en/publication/poverty-and-shared-prosperity.

