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Inequality: Concepts and Issues

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1. Introduction and overview of background issues

Social and economic inequality is a phenomenon that has not only spanned the ages, but is also common to all societies. Individuals, households and societies are not equally endowed. The inverted pyramid structure of income and wealth (assets) found in most societies provides an important albeit narrow economic perspective on the issue. Besides, fundamental changes in the social and demographic, cultural, political, legal, economic, technological and ecological landscape either reinforce or minimize existing inequality. Broadly speaking, the state of human development has experienced immense progress this century. However, there is the disturbing trend that the distribution of the benefits of development has been characterized by significant and growing inequalities within and among households, rural and urban societies, countries, and regions (UNDP; 1998). The complexity of the inequality problem is partly captured by the UNDP Human Development Report 1998 which stated on page 29 that: "The inequalities that persist between poor people and rich, women and men, rural and urban, among different ethnic groups are seldom isolated – instead they are interrelated and overlapping".

Overall, research has shown that social and economic disparities are primarily driven by the level and structure of resource endowment (of human and physical capital), level and structure of opportunities and their rewards, reinforced by technological progress and ecological factors. An additional factor is the distribution of privileges as determined by the institutional relationships in the society. In most societies, individuals and group of people raise issues as well as fight for minimizing social and economic inequalities. In general, the principal factors which determine the extent of societal tolerance of inequality, are: societal values and ethics, which are usually the product of culture, history and religion; the prospects for widespread and sustained improvement in social well being; and availability and dissemination of information on inequality.

In terms of recent historical antecedent, the onset of a determined public effort to sensitize the world to societal inequities and move towards equalizing opportunities and an egalitarian society as a desirable moral and social philosophy and objective, came with the French Revolution in 1789 - equality, fraternity and freedom. In broad terms, Liberalism and Marxism were in varying degrees concerned with egalitarianism and minimization of social and economic inequalities. The key difference is the pace of equalizing the society. One prefers gradualism, the other a more radical approach. The liberal-Marxist debate on this issue is beyond the scope of this paper (Wallerstein: 1975).

As a focus of academic interest and economic policy, inequality did not enter the development literature until very recently, specifically the mid 1950s, when the World Bank shifted its focus of development assistance from the European economy to that of the developing nations.

Remarkable developments in the third world countries then made attention on them compelling; First was the decolonisation, a process that engineered the birth of new geopolitical units, which were desperately in need of economic expansion as a means of political identity and relevance. Second was decline in mortality with associated phenomenal increase in population of most developing countries. This perhaps was the main engine behind accelerated production that was required to maintain rapid population growth Fishlow (1995). Thus the prevailing economic situation - general expansion or growth, precipitated studies on pattern and mechanism of economic growth, particularly income distribution. Attention was called to the increasing income inequality and the inability of general or widespread economic growth to redress the problem (Adelman and Robinson 1989). The issue also became object of positive policy, with policy makers worldwide focusing attention on redistribution with growth (Chenery et al, 1974; Chenery 1992) to increase equity simultaneously with improved aggregate economic performance.

Inequality, poverty and empowerment, the theme of this workshop, has become a dominant theme on the development agenda and the social science research, particularly in the 90s for several reasons. First, is the alarming rise in economic and social disparities unleashed by the economic restructuring associated with the harsh post-debt crisis structural adjustment and related economic reform programme under the aegis of the international financial institutions (IMF and World Bank) within a weak institutional framework. Much has already been written on this issue (Bangurah; 1996; Mosley and Weeks; 1993, Mustapha; 1992). Second is the unequal and potentially negative distribution impact of the increasing globalization of the world economy on the weak socio-economic conditions in primary commodity-based African economies. Globalization may be integrating markets around the world and creating enormous economic opportunities, it is also generating greater global economic and political disparities (UNDP; 1998, Rao; 1998). The third is the growing political awareness and sophistication of previously disadvantaged groups and their use of various channels to make their political and social position and influence better known and appreciated. The rising importance and more activist roles of NGO, which propelled new and innovative civil society initiatives, were instrumental in making gender inequality and women empowerment and the problems of marginalized and oppressed people a high profile issue in global discussions. The steady improvement in the empowerment of women and better local and international appreciation of actual and perceived marginalization of people and communities in oil producing areas of the Niger Delta are two illustrations. Fourth is the greater global concern about regional and global inequities in the consumption and production of goods and services and the use of environmental resource against the background of the emerging paradigm of sustainable human development. This concern has been popularized by the annual publication of Human Development Report by the UNDP since 1990.

Why should we care about inequality since it dates back to history and is a common occurrence? Will the society be better off or worse off with persistent inequality? Is inequality desirable? What are the different dimensions of inequality and how do they interact? What is inequality all about, and what do we know about it? What have we learned about this complex phenomenon? Why should we be concerned about it? What are its main determinants? These are legitimate but complex questions that defy simplistic answers. Certainly, these questions are not exhaustive, yet they pose important challenges to social science research in Africa.

The main purpose of this paper is to provide a broad overview of the concepts and issues on inequality. Methodological and empirical issues are not covered in this paper in order not to duplicate other papers in the workshop. We shall attempt to throw some light on some of the questions raised above. The rest of the paper is structured as follows. Section 2 deals with conceptual issues. The different dimension of inequality is the focus of discussion in section 3. Section 4 examines alternative paradigms for explaining inequality. In section 5 two key issues are discussed. They are the relationship between inequality and development, globalization and inequality. The summary and conclusions are presented in section 6.

2. INEQUALITY:CONCEPTUAL ISSUES

Before examining the alternative theoretical explanations of inequality, it is useful to define the concept of inequality. Given the multidimensional nature of the concept, several definitions can be proffered depending on the purpose of analysis.

Although the notion of inequality is seemingly simple, yet its wide ranging and complex nature is implicit in the extensive discussion and heated debate on this issue by a variety of discipline spanning philosophy, economics, political science, sociology, anthropology, statistics, geography, environmental science, law and psychology. Inequality is a complex issue with economic, social, political, ecological dimensions. The interactions among the different dimensions of inequality pose important conceptual and methodological problems?

Consequent upon the wide range interest in the subject, the literature on inequality is replete with theoretical discussion and empirical analyses (Kuznets, 1955; Adelman and Robinson, 1989; Chenery et al, 1974; World Bank, 1980; 1990; 1991; 1994; Feldstein, 1998 Wright; 1988) among others. The notion is again implicit in several other studies appearing under the theme: exclusion (Charles Gore, 1994; Singer 1997); poverty, (Fishlow, 1995; Ahluwalia, 1995; Bourguignon 1995). The tendency however, is to equate it, with economic inequality, interpreted as disparities in income distribution, which to us is a typology of a multidimensional phenomenon. Although in any meaningful consideration of inequality, economic conceptualisation would feature prominently, attempt to focus on it only, represents a reductionist view, unnecessarily limiting discussion and research, and, by logical extension, policy formulations erroneously to economic considerations.

An etymological consideration of the notion permits an expanded framework for general commentary and descriptive analysis of the meaning, scope and content of inequality, its dynamics as well as its varying dimensions and fluid expressions within specific socio-economic and cultural context. The concept of inequality is a mere abstraction. It implies that different and relevant units, for example, individuals, households, family units, groups, society and nations, possess differential amounts of some valued attributes (Wright; 1988). These valued attributes encompass earnings, income, wealth, power, status, and knowledge. Alternative paradigms for explaining inequality in varying ways combine these attributes in causal relationships in the dynamics of inequality. Relative access to infrastructure and other services, means or factors of production, varying production or productive capacity and consumption pattern reflect the focus on inequality in material welfare. This conceptualisation immediately suggests the need to focus attention on income distribution – its pattern, mechanism and measurement. Apparently, income distribution is the most concrete expression and analytically tractable aggregate measure of inequality. However as a relative term, the notion of inequality becomes more obvious when concern is with the socio-economic or political condition of a group or groups in a society, or of communities, as distinct from individuals or few people. In order words, for purpose of research, variations in nature and characteristics as well as mechanisms of inequality as a social phenomenon are more obvious in a large group or among groups.

Beyond the concern with economic consideration is the implication of the existence in a society or community of skewed opportunities, privileges and rights defined along racial, ethnic or class lines and other demographic variables such as sex and age. Such issues as the extent to which there is vertical or horizontal (along class, sex, age or religious, ethnic, race) concentration of justice or the absence of distributive justice, varying economic capabilities, capacities, opportunities and privileges, varying political rights and opportunities etc. fall within the ambit of inequality. The multidimensional nature of inequality is again vividly expressed in the various interpretations of the term in social sciences. With specific reference to political philosophy and sociology, the concept has been largely used in the discussions of social exclusion, poverty and justice. It has for instance been argued in political philosophy that concepts of distributive justice subtly assume the presence of a society in which rights are held and goods shared. (Michael Walzer 1983). It has also been suggested that the notion of liberalisation, which is based on ideas of equal treatment and universality, has within its foundation, exclusionary discriminatory practices. (Mehta, 1993)

It should be noted that the nature, character and mechanisms of inequality are very complex, having socio-ecological and cultural specificity. There is also the temporal dimension, which further compounds its structure and dynamics. The emphasis given the issue here is an attempt to identify, within a complex and complicated geopolitical context, the multi-dimensional nature of this socio-economic phenomenon, and, strengthen research capacity to be able to come to grasp with and simplify through empirical study, its complexity.

In order to make the discussion less abstract, a brief comment on the nature of inequality in Nigeria is made. It is argued here that, whether in terms of income, pattern of consumption or access to goods and services or benefits of development efforts, Nigeria is one of the most unequal societies in the world. Inequality in Nigeria is evident in the three inseparable socio-economic and political lives, and, within the framework of each of the above, along demographic variables of age and sex. While conclusive remark on the above would await detailed empirical studies, a brief comment on economic inequality is made to the effect that, there is a yawning gap between the few extremely rich and the strikingly poor majority in Nigeria. This gap will show little or no variation when viewed along ethnic or geopolitical divide. In order words, at whatever level of investigation, be it city, town, local government or state, different living conditions-physical environment; standard and quality of life etc. are some of the concrete expressions of the observed gap between the rich and the poor. While this observation may be a universal condition, its increasing severity and magnitude deserve special attention, in a nation, which has equity and justice as one of its cardinal development objectives.

In essence, economic inequality is a fundamental issue in Nigeria. It is not only pervasive; it is persistent and provides further insight into the occurrence, magnitude and pattern of other forms of inequality. For instance, unequal access to decent housing and, homelessness in Nigerian cities is to a great extent, the inevitable consequence of economic inequality. While ownership of housing units is the exclusive preserve of the few well to do, decent accommodation in Nigerian cities is opened only to the few who can afford it. Consequently while some house owners had 'problem' of which house or room to sleep, the real housing problem of many city dwellers in the country is where or how to sleep. However the nature and character of inequality as well as its mechanisms within different geo-political, ecological and ethno-cultural contexts should be a focus of research attention

3. ALTERNATIVE PARADIGMS FOR EXPLAINING INEQUALITY

A cursory look at the literature on the subject or related issues shows that, there are at least two basic theoretical frameworks within which the nature and mechanisms of inequality can be understood. These are Individualism and Structuralism. It should be pointed out however that the dividing line between the two is almost imperceptible.

3.1 Individualism

Individualism, is a sociological conception of the functioning of the society. It has as one of its major assumptions that, the society is an agglomeration of individuals, who are not only free but fundamentally different. While everyone seems to have different aim and objectives, maximization of well fare is obviously the major goal of individuals. Towards a realization of such goal, contractual relationships are often entered into, which involves sacrifices or costs and benefits on both parties. Where benefits compared to costs are regarded as largest by all parties in the contract, there is an equilibrium relationship. But where one or some of the individuals strive to improve their benefits relative to cost, attempt is made to alter terms of the contract. A disequilibrium sets in, and with it, competition and bargaining follows, thus creating changes in relationships. The process continues until a new equilibrium is established.

In other words, the partisans of individualistic school of thought opine that all social relations are relations among individuals, who fell into different occupational categories. Societal structures are established and serviced for the benefit of individuals. The continual support of societal institutions should be to the extent that they adhere strictly to the spirit of fairness of competition among individuals. Freedom and equality are some of, if not the most important values of individualism. The argument is that if individuals are given the freedom, that is, not constrained by oppressive structures or institutions, individuals behave as utility maximizer in the society. The partisans reject institutions and traditional systems of privilege such as extended family which inhibit individual freedom and institute inequality among members of different social groups.

In essence, the students of individualism views inequality as the fault of individuals or result of individual factors. The poor are for instance poor, either because they do not have the skills required in the market or that they chose to remain outside the economic and social relationships that could have given them leverage.

To the classical liberals, the creation of welfare state is a positive policy that should lead to the elimination or reduction of inequality. Within the state, redistributive policies through progressive taxation should be pursued. However, any policy aimed at eliminating inequality should be pursued at individual level through provision of better skill or education, which is expected to place individual in vantage positions to bargain or compete well in the market.

3.2 Structuralism

Within the maxim of structuralism, inequality is a logical outcome of the market economy, which is made up of structures and institutions such as businesses, formal and informal organisations and institutions etc all of which are the main avenues of socio-economic integration. In any economy, competitive market mechanisms governed not only access to socio-economic production, but also the control and consumption of goods and services. The competitive nature of market forces effectively ensures that not everybody in need is accommodated, hence inequality. Keynes view of the functioning of market economy provides further insight.

Within the Keynesian paradigm the total demand for labour is a function of the collective production decisions of individuals in a huge number of competing institutions or structures. These decisions are governed by the total amount of income that consumers are willing to spend and the proportion of the total income that investors decide to spend in the procurement of factors of production, labour in particular. From Keynes explanation of the relationship between labour demand by firms and labour supply, inequality is a function of the activities of firms and other income providing structures. From his explanations three conditions of labour demand by firms exist. These are when demand is less, equal or more than labour supply. A balance between demand and supply of labour, seems to ensure there is no inequality or unemployment. Views of the opposing school of thought, particularly the individualistic school, argue that an equilibrium between demand and supply can be achieved by adjusting wage downwards or upwards as the case may be. However, Keynes contend that, the major cause of unemployment (a situation when labour demand is lower than supply) is insufficient consumption and that any downward adjustment of wage rate would compel workers to further reduce their consumption. (This implies that in most cases, unemployment is probably involuntary).

To understand inequality the two theories are important. First, while individual actions and behaviour determine who wins or losses among competing individuals, the total number of winners and losers is still determined by structural factors such as technological change, product mix and labour relations. Although decisions on technological change and investments are made by individuals or entrepreneurs, but such crucial decisions are often based on macroeconomic trends and expectations rather than individual preferences. It follows that, social and economic structure and institutions are important just as individual behaviours and actions. However, the underlying factors of inequality differ from place to place and also changes from time to time. In developing countries inequality may be more of structural problem than in the developed nations where individual factors is expected to be a dominant process. The need to understand the mechanisms of inequality in a specific situation is for practical reason of identifying objects of positive policy for pragmatic programme intervention

THE TEMPORAL DIMENSION OF INEQUALITY

In considering the temporal dimension of inequality, it is more fruitful to place the discussion within two historical epochs-colonial and post-colonial era. The periods were marked with distinct political and economic processes which provide inequality with different nature and characteristics in African society.

Colonial epoch

In Africa generally, inequality existed in a variety of ways in the colonial era. First and perhaps more vivid, were political and economic differences between the African population on one hand and their colonial masters on the other. Although various European powers followed different political and economic policies throughout the continent of Africa, one striking commonality is, the imposition and dominating presence of white minority rule. In some extreme cases such inequality was founded on the principle of racial superiority, and its variants in many other instances. In virtually all cases however, the local inhabitants had very little say in the conduct of affairs. There were very few if any political rights and privileges. The distribution of power was in favour of the ccolonial power and its agencies.

In Nigerian and other British Colonies for instance, indigenes were treated as "subjects" rather than citizens, a policy which immediately implies, exclusion from or deprivation of certain social and economic privileges and opportunities, as well as alienation from political and administrative processes and functions. In French colonies, the initial policy of assimilation was later replaced by one of association in which only a few select individuals were accorded citizenship. Crowder (1962) reported thaf in 1921

> "the vast mass of the African population had the inferior status of "sujet" (Subject people) which made them liable to summary administrative justice and forced labour, while only about 555 people outside Senegal, enjoyed citizenship. In 1939, out of a total population of 15 million in French West African Empire, there were only 2,136 citizens outside of the four Senegalese towns of Dakar, Goree, St. Louis and Rufisque"

Although the French initially planned to involve local chiefs in their administration (this position was later changed due to perceived incapacity of these chiefs and reported internal dissensions among them) only very few regarded as capable and loyal were involved. Even then these were, in the words of Boateng(1980 p. 63) "reduced to the status of mere functionaries whose main role was the collection of taxes, the recruitment of labourers and soldiers, and the settling of minor disputes".

Another major source of inequality in Africa is the defective colonial economic policy in which there was the concentration of socio-economic and other development programmes in the urban centres, where white administrators and their allies - the African elites were found, while the rural areas, where the majority of the Africans lived were neglected. Thus the pivotal development advantage which the urban centres and city dwellers enjoyed (particularly in terms of provision of education, employment opportunities relative access to health etc) set the skewed structure of development, a pattern which have been emphasised by independent regimes in most African states. If there is any dichotomy between the urban and rural areas with respect to distribution of poverty, unemployment and level of education, such is in part, inspired greatly by the colonial development policy.

Furthermore, in most of the colonies, control of the African economy was achieved through the establishment of colonies of settlements where white sellers acquired for themselves vast tracts of agricultural land. Africans were to work as farm labourers and were paid starvation wages. In all her economic policies in Africa, it was clear that the colonial masters sought to exploit local resources for the benefit of her declining or fragile economy. This more so since the colonies were regarded as overseas extension of the metropolitan economy. One of the driving forces of African nationalism was, in addition to self-determination and self-government the need to put an end to discrimination in access to job opportunities and exclusion from other socio-economic benefits and political rights.

POST COLONIAL ERA

Inequality in the post colonial era is deeply rooted in the complex citizenship laws which were put in place in African countries at independence. Two basic features of the laws in former British Colonies are that:

(a) Being born within the national territory is considered not strong enough to guarantee citizenship. This is a truism in Nigeria, where citizens of different ethnic origin are often regarded and treated as strangers by other ethnic groups in their locality, irrespective of length of stay of such citizens in the area.

In some African countries, to be considered citizens, a parent or grandparent must either be a citizen (Uganda) or as in Zambia, an established resident.

b) Stringent conditions are also put on the right to naturalization. In Nigeria for example, an individual can be naturalized only if he is acceptable to the local community in which he is to live permanently and must have been assimilated into the way of life of Nigerians in that part of the federation.

However, as Howard (1986) noted. "Naturalized citizens may be deprived of their citizenship rights" This is particularly so when key political functions and economic privileges and rights are to be competed for or assigned. It seems therefore that at the national level, the citizenship laws provide the basis for inequality since rights are only guaranteed by citizenship a notion attached to nationality. The concept of "aliens" (legal or illegal) indicates the central importance of nationality as a salient social identity. However, where concern is with inequality among citizens, the discussion becomes more complex, as notions and expressions of local citizenship differs, affecting the ways and manner in which social identities regulate access to resources, opportunities and privileges.

The concept of structural pluralism as expounded in the literature (Smith, 1969; Kuper 1969; Ashforth, 1990) is examined here to provide further insight into the structure of inequality in post-colonial African society. The notion approximates an order of social relations in which discriminatory practices are directed at specific members of the society by reason of their corporate location or origin. According to Kuper (1969)

> "pluralism implies a series of confrontations between people perceived as strangers. The confrontations may be hostile or friendly, and the term "strangers" has in English, a wide range of conceptual refinements with guests at one end and enemies at the other ...."

Although originally formulated to explain multi-ethnic societies under colonial rule, structural pluralism is applicable to post-colonial situation as in some African Societies (Rwanda, Burundi and Sudan) where certain ethnic or ethno-regional communities control the state power. In Nigeria, the simultaneous existence of different social aggregates often institute social order of inequalities and subordination by the differential or selective distribution of civil and political rights as well as economic and other opportunities. This corresponds to a situation where rights and obligations are yet to be fully nationalized and may be understood in the context of social relations between citizenship and ethnicity. Ekeh's (1975) scholarly discussion of the topic is informative. To him, the notion of "citizenship" in Africa has acquired a variety of meanings, which depend on wether it is conceived in terms of the primordial public (a realm identified with primordial groupings, sentiments and activities) or the civil public (another realm associated historically with colonial administration and has become closely associated with popular politics). Ekeh argues further that, within the civic public realm, the individual seek to gain in material terms, official roles and responsibilities are de-emphasised, while rights are squeezed out of the civic public with the amorality of an artful dodger.

In the primordial public realm (ethnic group) on the other hand, the individual sees his duties as moral obligations to benefit a primordial public which he belongs. What he gives in return are intangible benefits in the form of identity or psychological security. The political elites in Africa are confronted with dialectic tensions and confrontation between the primordial and civic public realms which have as its unwritten law, the fact that it is legal to rob the civic public in order to strengthen the primordial public.

INEQUALITY: THE GENDER DIMENSION.

In Africa and indeed in most developing nations, access to various means of production and means for artisanal activity is strongly based though not exclusively, on social identity (Berry 1984,1985,1989). It is important to note that there is a wide range of social affiliations and distinctions which have strong influence on access to resources, and hence the existence of inequality. Shimpton and Goheen(1992) identify three of such social boundaries as (a) groups-(spatio-biological units) or bounded units, as opposed to (b) networks-unbounded links between persons, and (c) categories-unbounded sets of people with common characteristics
With specific reference to categories. Shimpton and Goheen (p.310) observed that

> "gender, age, stage of life cycle and family cycle are basic determinants of land rights and duties everywhere... Ethnicity and religion, often personally adjustable, coincides with tenure rules that may be easy or hard to break. Class,

whether culturally or economically defined, and occupation are other social categories that determine rights and responsibilities."

The discussion of feminisation of inequality focuses attention on the pattern and processes of exclusion of women from: land resources; formal employment; and political participation.

1 Gender and access to land Resources.

Land is a basic natural resource, and an important factor of production. It is the major source of wealth, hence, not only is its availability very fundamental its accessibility and control is often a major source of conflict among nations, communities and individuals

In a comprehensive review of the pattern of women in relation to access to land in Africa, Knows (1991) observe among others that:

(a) The most important fact about women's access to land in Africa is that it has typically been, and continues to be derived from someone else (father, husband or son) rather than existing independently and directly.

(b) In matrilineal as well as patrilineal societies, a woman's "bundle" (of rights with respect to land) typically does not include any of the hallmarks of ownership, i.e. the ability to: loan, rent, sell, dispose of by will, or make improvement. Moreover, since the initial right of access is derivative and thus insecure, so too are all of the related rights: that is because the landholder grants the initial use right, he can also control the management and the resource control rights.

While the above conditions apply to all women, the position of widows, divorced and deserted women are made difficult, especially in matrilineal societies (Charles Gore 1994).

At the root of women's unequal access to land resources is the role of legal entitlements. In almost all the countries of the developing world, two legal systems are operated. There are the customary/traditional law and the common law, which is in most cases derived from the colonial master, and later modified by independent regimes. While the transitional law prohibits women's ownership or inheritance of land, the statutory system limit women's property rights to the status of legal minors. Butegira (1991) observed that, the realities of mode of acquisition of land discriminate against women. She argues that "women lost out in the first generation of landownership, which was introduced by colonial authorities and through which land was registered in the name of household heads, usually men.

In Nigeria, while the law and official procedure does not discriminate against women in acquisition and allocation of land, acquisition is governed by the general law of contract with contractual capacity determined by age put at 21years. It is a common knowledge in the country that fewer women compared to men own land. This is due in part to certain socio-economic constraints, particularly, the surbodination of women within marriages, and the lack of economic power of women to purchase land at the market price. Case studies in different parts of Africa shows that in Zambia less than 5% of the people allocated land in a settlement schemes in 1987-

1988, were women (Himonge and Munachonga 1991). Similarly in Kenya, Karanja (1991) reports that "only 5% of Kenyan women own land in their own names in the area under individual tenure".

The 1991 issue of Third World Legal Studies suggests a number of policy options on how to improve women's access to land. These include:

(a) Legal changes including tenure rights and wider changes in women's legal status, particularly laws regarding marriage and divorce.

(b) There is need to improve the practice of the law e.g. rights awareness campaigns promotions of a progressive judiciary and the building of women's chances through community-level support groups.

(2) Gender dimension of Inequality in formal employment:

In a survey of 21 Sub-Saharan African countries over the period 1960 to 1985, Ghai 1988) observed that:

> "there has been a steady deterioration in the employment situation in most Sub-Saharan African countries in the 70's, with marked deterioration in the 80's. Furthermore, against the background of accelerating population growth of the labour market, economic stagnation and rapid decline in most cases, the employment situation in most African countries nosedived for the worst in the century, with the ***females*** being worst hit compared to their male counterparts".

Gender inequality in formal employment can be viewed from two perspective: job discrimination characterised by unequal access to high paying occupations; and occupational discrimination which is perhaps related to personal characteristics and credentials. In a study of 7577 formal employees in Khartoum, Sudan, Gohen and House (1993) observed, among others that, only 1624 or 21.4% were females, and that "labour force participation outside agriculture for Sudanese women is difficult and generally an option for those with a significant amount of education". On inequality in income, the same report shows that average female wage was 0.77 of the average male wage in the whole sample. The difference was attributed to occupational segregation rather than wage discrimination, as the population of working women is found to cluster around low-paying and low-productivity jobs such as, typing, clerical or secretarial jobs.

Statistical studies of formal employment in Tanzania (Knight and Sabot 1982) show that job discrimination against women is a more important restriction on their earning capacity. The study shows that while males and females had similar levels of formal education, very few women were on supervisory or skilled occupations. With women clustering around occupations, which have limited options and prospects for capital accumulation, the inequality between men and women is expected to increase.

(3) Gender Dimension of Inequality in political organisation and representation

The body of literature on political organisation and, the representation and realization of group interest through political institutions is fast growing. However, the notion of inequality is implicit in the various discussions, worse still, attention is scarcely given to the gender dimension.
In African States, political processes provide the framework for understanding the gender dimension of inequality. It is a well known fact that while constitutionally speaking, women hold equal rights with their male counterparts with respect to right to vote or being voted for, in practice women's political participation has been and still is or likely to be, much more limited than men. A general observation in most African states is the tendency for women's organizations to be coopted or controlled by male politicians and for women issues to be under-represented by government (Parpart 1988, Chazan 1988).

The debate on women's political participation in the literature raises the following questions among others.

(a) Have women withdrawn or have they been sidelined from political participation?

(b) What is the relationship between class, ethnicity and gender in the pattern of political participation of women.

The observation by Connors (1988) provides an insight into the first question. According to him, women inferiority is seen as traditional in African context. This is a philosophy reflected in her legal status, which has relegated her, and continue to relegate her, to the position of legal minority-child hood – for her entire life, always under the tutelage of a man. The role of religion in reinforcing this legal position is crucially important in places like Northern part of Nigeria, where Islamic norm largely places the women on unequal terms in matters relating to political participation and representation. The subordination of women politically, is deeply rooted in the norms of customary law, which, according to Moore (1986) are not only enforced in the court but even outside it. He shows that customary legal rules "precast certain persons (women in particular) in difficult roles, giving others (males) an opportunity to take advantage of them".

Furthermore, the inequality of women and their political subordination are associated with a number of factors, among which are; their vulnerability as spinsters; relatively low level of education, limited economic opportunities, through denial of access to land resources and agricultural livelihood and associated insecurity.

ETHNIC DIMENSION OF INEQUALITY

Ethnic dimension of inequality is a very complex phenomenon, when concern is particularly with it processes and pattern. This is more so, given the fluidity of ethnic identities and their situational political salience. Although ethnic identities may be mobilized for specific purposes such as electoral voting, and kinship networks employed in the processes of national resources allocation or job search/placement, the pattern of inequality is still not very clear in most African states.

However, in the discussion of political representation in Africa, ethnic identity featured prominently as an important factor. (Kandeh, 1992); Krynikowski and Hall, 1990). This is because within geopolitical entities in Africa, there is preponderance of ethnic societies, with varying but significant numerical strength.

Ethnic particularism should be noted, has propensity for mistrust and conflict, and may often lead to civil war, while policies such as agrarian commercialization, socio-economic infrastructure and services and general development did not take into consideration, the need for even spatial development or equal opportunities.

4. SOME KEY ISSUES IN INEQUALITY

4.1 ECONOMIC INEQUALITY AND DEVELOPMENT

Given the high profile of income distribution in the literature on inequality, the topic is considered in greater details here, so that we can proceed from a familiar terrain to the less clear issues. Kuznets (1955) provided the impetus for the focus of attention on the topic in the literature. In 1971, he was awarded the Nobel Prize in Economics for work on economic development. Central to this work were his findings on the size distribution of income. Kuznets devoted much effort towards measuring and explaining differing patterns in the distribution of income over time in different countries. He concluded from his studies of the historical experience of countries that are currently tagged as developed that at low levels of per capita income, economic growth tends to increase inequality in the distribution of income, and at intermediate and higher levels of per capita income, economic growth reduces inequality. This led to the famous 'U-shaped' hypothesis of income distribution, i.e. that the income shares of the poorest households' decline then rise with increasing per capita GDP. This observation was based exclusively on time-series data on GNP per capita, and income shares for a number of developed countries.

The relationship between distribution and development in developing countries attracted the attention of several economists, but due to the difficulty of finding sufficient time-series data for developing countries, in the 1960s and 1970s (when most developing countries had only just begun to collect the relevant statistics) the work which was done by development economists at that time on the 'U' hypothesis for developing countries, used *cross-section* data. Instead of measuring on the x axis per capita GNP through time for a single country, cross-section studies took per capita GNP for a range of countries at a given point of time, with countries ranked along the x axis, the poorest close to the origin at 0, and the richest located towards x. Similarly, in cross-section studies, the y axis measured not the changing income share of a given group of income recipients, in a single country through time, but rather the income share of a given group in a given country at a single point in time. Corresponding to the income data on the x-axis, the y-axis in cross-section studies measured income shares in countries, ranked from the poorest country (close to 0) to the richest country (close to y).

For instance, in the 1975 World Bank study by Hollis Chenery and Moises Syrquin (*Patterns of Development, 1950 – 1960)*, the 'U' curve was derived from cross-section data. Fifty-five countries were included in the sample, which included both developed and developing countries. Per capita income ranged from just under US$ 100 in 1964 to just over US$ 3000, and embraced countries as diverse as Australia, Ethiopia, Kenya, Norway, Switzerland, Tanzania and the United States. Income shares were measured both as the share of the lowest (poorest) 40 percent, and the share of the highest (richest) 20 percent of income recipients. Chenery concluded from his cross-section study that 'these results confirm the tendency for income distribution to worsen in the early part of the transition'. He added the qualification, however, that once data became available it would be necessary to verify the conclusion by looking at time-series data.

In a widely cited paper, Ahluwalia (1976) claimed to have empirical support for the inverted-U using data on a cross section of developing and developed countries. The income share of the poorest 40 percent of income recipients declined then rose, with increasing per capita GDP. The income share of the richest 20 percent of income recipients followed the opposite pattern. Ahluwalia proffered several explanations for the observed 'U'-shaped relationship between inequality and per capita GNP, attributing it in the main to a number of *structural changes.*

The major structural change bringing greater inequality in the early phases of development was the shift of population from the low-income, slow-growing traditional sector, to the high-income, faster-growing modern sector. In other words, misery is no longer shared equally! A few have gained higher incomes. The modern sector also tends to exhibit greater within-sector inequality than does the traditional sector. As the modern sector grows, therefore, relative to the traditional sector, inequality increases.

Ahluwalia also had 'structural' explanations for the later mechanisms, which appeared to reduce inequality at higher levels of per capita income. First, the reduced pressure of population in the traditional sector eventually raises per capita incomes in the traditional sector, and narrows intersectoral income differentials. Second, the expansion of the modern sector at high levels of per capita income tends to be associated with expanded education, and with a more highly trained labour force. This tends to increase the share of wages in national income and also leads to a more equal distribution of wage income within the modern sector.

Throughout the 1970s then, the accepted wisdom in development economics was that the 'U' curve derived from cross-section data correctly summarizes the expected relationship over time between distribution and development in the developing world. In the early stages of growth, inequality increases, then remains unchanged for a period, before finally declining in the latter stages of growth.

Work in the 1980s and beyond, however, suggests mixed and sometimes contradictory evidence from regressions. Some of this work relates to measures of *poverty* as well as to measures of *inequality.* In particular, recent statistical and econometric work has indicated that there is an enormous variance in income distribution across developing countries. Very little of this variance is explained by the popular 'U' curve relationship. Using the very same data set on which Ahluwalia (1976) was based, Anand and Kanbur (1993b) argued that there was in fact no empirical relationship to be seen once a clean data set and appropriate econometric techniques were applied. This finding has now been confirmed by researchers on a greatly expanded data set compiled by Deininger and Squire (1996). In fact, Li, Squire and Zou (1998) argue that inequality does not change very much in all countries over time.

Papank and Kyn (1986) analysed cross-section data for 83 countries have demonstrated important explanations of increasing equality (irrespective of the 'U' curve's level of per capita income). Groups of variables were added to the Kuznets curve, and the following findings were reported.

1. *The rate of growth* This appears to have no systematic effect on income distribution.

2. *Primary exports* Regression results mildly support the view of the country which concentrates heavily on primary product exports, tends to generate a less equal distribution of income.
3. *Manufactured exports* A high ratio of manufactured exports has no significant effect on equality, despite the commonly held view that manufactured exports, produced by labour-intensive industries, favour an egalitarian distribution of income.
4. *Government intervention* In socialist economies intervention had a strong effect on income distribution. The evidence for Eastern Europe showed an unusually egalitarian income distribution in consequence of government intervention. For mixed economies, however, there was no evidence that government intervention designed to increase equality has any marked effect on income distribution.
5. *Dualistic sociopolitical structure* A country with a dualistic sociopolitical structure, in which an elite can be distinguished, drawn from a distinct ethnic group, makes an unequal income distribution.
6. *Education* When measured as the percentage school enrolment rate, education is significantly related to income distribution. High school enrolment rates are strongly associated with a more equal distribution of income.

While a theory explaining the causal relationship between different variables and the degree of inequality is still in its infancy, cross-section analysis is suggestive of certain relationships that are of particular interest because of their amenability to policy. For example, education is positively correlated to equality in terms of income shares, with primary school enrolment particularly significant in explaining the share of the lowest income group. Rate of growth of the population, on the other hand, is inversely related to equality. There is however the need for a more disaggregated approach to the determinants of income distribution and one stage in this process which is emphasized in recent literature (ILO 1972a) is to identify the economic characteristics of poverty groups. It can be argued that the main purpose of studying income distribution is to give us better data on the sectoral distribution of the poor, their occupational characteristics, educational levels, ownership levels, ownership of productive assets and access to resources.

In most countries the poorest would be found among four identifieable economic groups. The rural landless, small farmers, the urban under-employed and the urban unemployed. Although the percentage engaged in agriculture varies considerably between developing countries, it is a general fact that the poor are disproportionately located in the rural areas. It is estimated (Chenery et al 1974:19) that at least 70 percent of the poor are to be found in this sector, mostly landless farm workers and self-employed small farmers, but also including small traders and artisans located in the rural areas. The dimensions of this group have obvious implications for policies aimed at reducing poverty. But a mere shift in sectoral emphasis toward allocating resources to rural development is not sufficient if the benefits of policies aimed at this sector are slanted in favour of upper income groups in the rural areas. Policies will have to be designed that specifically favour the target group in question. In general terms, this means physical investment, investment in human capital to raise skill levels, increasing access to resources in the form of credit etc., and in some cases land reform involving a redistribution in the form of land ownership and security of tenure are essential elements in improving the productivity and income of the rural poor.

The next most important poverty group are the urban under-employed. These are the low earning self-employed or wage-paid workers in the 'informal' urban sector. Until recently this rapidly growing sector comprising petty traders, providers of services, artisans and small-scale labour-intensive manufacturers have been given scant attention by investigators or policymakers in government. They share with their rural counterparts a lack of capital assets, limited access to resources and low level of education and skill. It is a great merit of the Kenya Report (ILO 1972a) that it not only identified this sector but recommended specific policies for assisting it.

Finally, a large and growing literature in the last decade and a half has explored the connections between growth and distribution through an investigation of a possible causal link between initial inequality and subsequent growth. This literature has brought together recently developed models of endogenous growth, with an earlier generation of models of credit and other market failures, and also incorporated insights of the new political economy. This is a large literature (see Kanbur, 1998, Benabou, 1996), but some flavor of it can be found in Alesina and Rodrik (1994), for example. Here output depends on capital, labour and public good. The public good is financed through a proportional tax and, given the endogenous growth specification, steady state growth depends on this tax rate. Individuals differ in their endowments and hence have differing interests – the common tax rate delivers a common benefit through expenditure on the public goods, but its costs are paid for by those with higher endowments. These differing interests will be resolved through the political economy institutions. With majority voting the median vote theorem can be invoked under certain conditions – as the ratio of median to mean wealth rises, i.e. as the measure of inequality decreases, the voted for tax rate will be lower and hence growth rate will be higher. It has to be said that the jury is still out on whether empirically there is a positive or negative causal link from inequality to growth (Fishlow, 1995 and Forbes 1998). However, the assumption of independence between the two is seriously in doubt.

In the growth and distribution literature, much has been made of the empirical regularity of a lack of systematic correlation between per capita income and inequality at the aggregate level, which is sometimes used as the basis for separating growth and redistribution in policy discourse, particularly to emphasize the primacy of "growth" instruments for poverty reduction. But, as we have argued, such reduced form relationships have little to say on policy instruments, and what is needed is empirical work on the distributional consequences of specific policy instruments. Such work is now under way. The task then is to find *combinations* of instruments that will deliver both growth and equity and, in this task, inequality is clearly back on the agenda.

Changes in Poverty and Inequality in Developing Countries

Hypothesis	Evidence	Conclusion
Systematic tendency for inequality to increase with economic growth	10 Countries Gini coefficient increased 11 Countries Gini coefficient decreased 1 Country Gini coefficient unchanged. *Lorenz curve* 5 Countries inequality increased 6 Countries inequality decreased 6 Countries not clear (Lorenz curves crossed)	No tendency for inequality to increase or decrease *systematically* with economic growth
Inequality is more likely to increase the more rapid is economic growth	Tests using growth rate of GDP show rapid growth associated with lower inequality. Test using growth rate of ICP (internationally comparable purchasing power) show	Inequality is not more likely to increase the more rapid is economic growth

	inequality increasing with higher growth rate. Neither result is statistically significant.	
The less even the initial distribution of income, the higher is the rate of economic growth	Zero correlation coefficients between growth rate of GNP per capita and the Gini coefficient at the beginning of the period	No statistically significant relationship between inequality in the initial distribution of income and the subsequent rate of economic growth
Poverty tends to decrease with economic growth	Fall in poverty over time, as income grew, in 14 countries. Rise in poverty over time, as income grew, in 3 countries. poverty unchanged in 1 country	In almost all cases poverty declines as economies grow
Poverty is more apt to decrease the more rapid is economic growth	With growth rates above 30% poverty decreases. Effect on high growth on poverty reduction is statistically significant	Poverty is more apt to decrease the more rapid is economic growth
Growth tends to raise inequality in low-income countries and to reduce inequality in high-income countries (Kuznets curve)	The division between high- and low-income countries was set at US$728 in 1980. In low-income, 10 out of 21 showed increased inequality. In high-income countries 9 out of 22 showed increased inequality	No tendency for inequality to increase more in the early stages of economic development than in the later stages
Growth tends to bring about an increase in inequality more in Latin America than in Asia	The Gini coefficient increased in 55% of the Latin American growth spells, and in 43% of the Asian growth spells. These differences, though notable, are not statistically significant	Although inequality appears to have increased with growth more frequently in Latin America than in Asia, the results do not differ statistically

Source: Fields G., 1989

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