AFRICA'S INEQUALITY CRISIS AND THE RISE OF THE SUPER-RICH

OXFAM

SUMMARY

Africa is facing a double inequality crisis: extreme inequality and weak commitment among its governments to fight it. But there is hope. The African Union has urged member states to reduce inequality by 15% in the coming decade and has identified progressive taxation as a key tool to do so. The tax systems of most African countries are currently underusing the power of progressive taxation to tax the super-rich to fight inequality. The causes are many, including the regressive policies peddled by the IMF, the corrosive impact of illicit financial flows, and the lack of political will to confront inequality. In a year where South Africa holds the G20 presidency and negotiations begin on a UN Tax Convention, African leaders have a unique chance to deliver bold action to address these causes, and spearhead the global fight against inequality by demanding we tax the super-rich.

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FOREWORD

The crisis of inequality in Africa is not merely a contemporary economic challenge but a historical legacy that continues to shape our continent's socioeconomic landscape. For centuries, colonial and post-colonial structures have facilitated disproportionate access to property, capital, markets and political space, enabling a select few to amass extraordinary wealth while the majority remain relegated to the economic periphery.

The statistics presented in this report paint a stark picture of this reality. The four richest African billionaires now possess more wealth than half of the region's population – approximately 750 million people. Africa's richest 5% own twice as much wealth as the poorest 95%. Perhaps most troubling is that over the past decade, income inequality has either increased or stagnated in 41% of African countries, representing half of our continent's population.

This inequality is systematically reinforced through tax systems designed to maintain the status quo. As this report demonstrates, while income from labour is heavily taxed, corporate income benefits from myriad tax incentives and exemptions. The evidence is clear: for every dollar African countries raise through taxes on income and profits, they collect more than two dollars through regressive indirect taxes such as VAT, which disproportionately burden those with the least.

The consequences of this arrangement are profound. High-net-worth individuals who park their wealth in corporate structures, moving capital transnationally and exploiting intellectual property regimes, see their fortunes multiply without commensurate taxation. Meanwhile, in Nigeria alone more than 18.3 million children remain out of school, and across the region countries struggle with some of the lowest health budgets globally.

If we are to truly address inequality in all its dimensions – geographical, national, gender-based, intergenerational, socioeconomic and even digital – we must broaden domestic resource mobilization. Taxing high-net-worth individuals represents a critical measure that deserves urgent consideration and implementation. As this report demonstrates, by taxing the richest 1% of Africans an additional percentage point on their wealth and an additional 10 percentage points on their income, African countries could raise nearly US$66 annually – enough to cover all of the continent's financing gap to deliver free, quality education and connect all homes and businesses to electricity, and still leave $2 billion to spare.

The African Union's commitment to reduce inequality by 15% over the next decade represents a promising start. However, meeting this target will require a fundamental reconfiguration of our economic systems and tax regimes. With South Africa's G20 presidency, the first-ever UN Framework Convention on International Tax Cooperation, and mounting global momentum behind taxing the super-rich, 2025 presents a unique opportunity for African leadership to address inequality both at home and globally.

The choice before us is clear: continue with systems that entrench historical patterns of inequality or embrace bold reforms that can transform our economic landscape for generations to come. This report offers a roadmap for the latter – one that promises a more equitable and prosperous Africa for all its citizens.

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EXECUTIVE SUMMARY

Africa faces a double crisis of inequality. Not only are the continent and its countries among the world's most unequal, but its governments are on average among the least committed to reducing inequality.
This has created a situation in which a few people are becoming rich beyond their wildest dreams, while the majority endure increasing hardship:

- Africa's four richest people – all of whom are men – have more wealth than half of the region's 750 million people combined.
- Over the past five years, African billionaires have increased their wealth by 56%; the five richest African billionaires have increased their wealth by 88%.
- Nearly half of the 50 most unequal countries in the world are African.
- Since 2020, the average income of the richest 1% in Africa has increased five times faster than that of the bottom 50%.
- African dollar millionaires, who account for 0.02% of the population, own nearly a fifth of the region's wealth, while the bottom 50% own less than 1%.
- In Africa, men own three times more wealth than women; this is the highest gender wealth gap of all regions and is double the world ratio.

This level of extreme inequality is neither natural nor desirable but is the result of unjust policies and structures – nationally and globally – that see Africa's wealth flowing to the few rather than benefiting the many. Such a system of redistribution to the rich should be a major concern for all, as extreme inequality threatens to undermine democracy, hampers poverty reduction and growth, worsens the climate crisis, widens gender and other intersectional injustices, and leads to the denial of basic rights and dignity for ordinary citizens. Reversing the continent's extreme inequality can transform the lives of millions:

- Reducing inequality by 2% accompanied by an annual growth rate of 2% would end extreme poverty rate in Africa 2.4 times faster than if inequality remained the same.
- Over the next five years, an additional 71 million people in Africa could be lifted out of extreme poverty if inequality were reduced by 2% per year.

The African Union and its member states have recognized that extreme inequality will undermine its ambitious Agenda 2063 development plan and formulated a goal in 2024 to reduce inequality by 15% in the coming decade. Such a target is welcome but, without urgent action, inequality in Africa is likely to spiral even further out of control as the policies meant to contain inequality are insufficient. Among all regions of the world, Africa scores lowest on governments' average commitment to reducing inequality in 2024, and the already low commitment has weakened since 2022, where:

- All African countries for which we have data have cut the share of budgets going to education, health and/or social protection;
- 79% have backtracked on progressive taxation; and
- 89% have regressed on labour rights, minimum wages and the provision of quality jobs.

If Africa is to get on track to reduce inequality, radical change is needed. Taxing the super-rich and investing the billions this could raise could help deliver the change. We propose an ambitious, three-point agenda of taxing the richest 1% (roughly 14.7 million people) on their income and wealth, and stopping illicit financial flows. This could drastically reduce inequality, both within African countries and between Africa and the rest of the world. We show that:

- For every US$1 collected from personal income tax and wealth taxes, nearly US$3 is on average raised from inequality increasing indirect taxes (such as VAT and excise taxes)
- Africa's tax systems are nearly three times less effective at redistributing income away from the richest 1% than the global average, and have the least redistributive effect on the richest 1% of any region in the world.
- Taxing the richest 1% an additional 10 percentage points on their income and one percentage point on their wealth could help raise nearly US$66 bn in new revenue each year. This could cover the funding gaps to achieve free quality education and connect all homes and businesses to electricity, with $2 billion to spare.

In a year with the first-ever African G20 presidency, the adoption of a new UN framework for financing development (the Compromiso de Sevilla), and the first-of-their-kind negotiations for a UN tax convention spearheaded by African countries, the stars are aligned for African leadership to fight inequality both at home and globally by demanding taxation of the rich and an end to the illicit financial flows that drain the continent. A newly elected African Union Commission can help provide leadership to deliver on these global opportunities while at the same time supporting its members to deliver on their new target of reducing domestic inequality by 15% in the coming decade. Oxfam is calling on the continent's leaders to seize the opportunity and supercharge the fight against inequality.

1. INTRODUCTION

'We have in Africa the paradox of poverty in the midst of plenty, and scarcity in the midst of abundance.'[1]
– Kwame Nkrumah, 1961

Six decades ago, pan-Africanist Kwame Nkrumah pointed out the paradox of African poverty amidst an abundance of natural resource wealth. Today, his paradox encompasses another facet: while poverty and scarcity still characterize the daily life of far too many Africans, they exist side by side with an abundance of riches in the hands of an elite few.
This is true both in the continent itself – where Africa's wealthiest people are amassing huge fortunes – and globally, as Africa continues to be plundered by neocolonial structures that enrich multinational corporations and their wealthy owners in the Global North.[2] Africa faces a double inequality crisis: it is both one of the most unequal regions in the world (see **Chapter 2**), and its governments are also on average the least committed to reducing inequality (see **Chapter 3**). This should be a major concern for all, as extreme inequality threatens to undermine democracy, hampers poverty reduction and growth, worsens the climate crisis, widens gender and other intersectional injustices, and leads to the denial of basic rights and dignity for ordinary citizens **(see Box 1)**.

The African Union has recognized the problem of inequality. In 2024, it set its first related target: reducing inequality by 15% over the coming decade, as part of its ambitious Agenda 2063 (see **Box 4**). Meeting this target will require a drastic change of course for most African governments, which have adopted policies in recent years that are more likel yto increase the already extreme inequality
(see **Chapter 3**).

One promising way to achieve the goal of lower inequality is to tax the super-rich. This not only takes wealth and power out of the hands of the richest, but it also raises billions that governments can invest in inequality-busting policies. Globally, momentum behind taxing the super-rich is finally gaining steam, and 2025 presents African leaders with a unique set of opportunities to take action to tax the super-rich, at home and abroad (see **Box 9)**. This report presents evidence that most tax systems in African countries are currently very far from fulfilling their potential to reduce inequality and provides a menu of initiatives for how to tax the super-rich (see **Chapter 4**).

The report ends by setting out recommendations for how Africa can become a champion of fighting inequality both at home and globally (see **Chapter 5**).

Poverty in the midst of plenty: In Kenya, the Royal Nairobi Golf Club, opened in 1906, exists side by side with Kibera, the largest informal settlement in Africa, home to an estimated 700,000 to one million people. Photo: Unequal Scenes. Credit: Jonny Miller, @johnny_miller_photography

2. THE SCALE OF AFRICAN INEQUALITY

> 'Others have noted this before me and yet others will say after me how broad the gap now is between the rich peoples and those that aspire only to have enough to eat, enough to drink, to survive and to defend their dignity, but nobody could believe how much of the food of our people has gone to feed the rich man's cow.'
>
> – Thomas Sankara, Speech before the General Assembly of the United Nations, 1984[3]

The world's richest 5% had twice as much wealth as the rest of the world in 2022.[4] With a combined wealth of $16.5 trillion at the end of May 2025, the world's billionaires are $2.1 trillion richer than a year earlier in real terms – the highest wealth concentration ever.[5]

While inequality is affecting every part of the world, its impact is seen and felt the most in Africa. Nearly half of the fifty most unequal countries (measured by Gini of income) are in Africa,[6] and it accounts for 44% of the countries that the World Bank defines as having 'high inequality', i.e., a Gini above 0.40.[7] The income gap between the richest 10% and the poorest 50% is the second widest in the world.[8]

The COVID-19 pandemic increased within-country inequality and pushed 55 million Africans below the poverty line.[9] It also widened the gap between rich and poor countries for the first time in nearly three decades,[10] and accelerated the debt crisis faced by many countries. The cost-of-living crisis is straining households – high food prices are disproportionately hitting low earners, as they spend most of their incomes on food.[11] Hunger is rising in Africa, with 846.6 million people facing food insecurity in 2023, an increase of 20 million from 2022, and 167 million more compared to 2019.[12]

The richest people in Africa are getting richer while the majority are driven deeper into poverty. The income share of the richest 1% and 10% has increased since 2019, while that of the poorest 50% has dropped.[13] Inequality is widening in many countries; over the past decade, it has increased or stagnated in 41% of African countries, representing half of the region's population.[14] The number and wealth of the super-rich are also steadily rising. At the start of the millennium, Africa had no US dollar billionaires.[15] As of 31 May 2025, it had 23, with a combined net wealth of $112.6billion.[16] The four richest individuals have more wealth than the poorest half of the region's population, about 750 million people.[17]

Box 1: The many benefits of reducing inequality

Tackling inequality could deliver many benefits:

1.Poverty reduction.
Reducing inequality would accelerate poverty reduction. World Bank research shows that countries with high inequality will take longer to end poverty than those with low disparities. The World Bank estimates that a 2% annual reduction in inequality can cut the time it will take countries to eradicate extreme poverty from 60 to 20 years.Oxfam's calculations show that if Africa were to reduce inequality by 2% per year, as per the African Union recommendation, the rate of poverty reduction would be 2.4 times faster.

2.Social mobility and opportunities.
Inequality is one of the key hindrances to social mobility in Africa. There is a strong correlation between parents' education and their children's education; the children of educated parents are more likely to be educated than those whose parents have no education. Inequality also tends to have a gendered impact by denying opportunities to the poorest groups, in which women tend to be overrepresented; the wealthy are predominantly men.

3.Economic growth.
High inequality slows economic growth. When economic benefits accrue to only a few people it depresses consumption and, thus, economic growth. IMF research shows that above a Gini of 0.27, inequality begins to harm economic growth.

4.Corruption and democracy.
Wealth brings power. The extreme concentration of wealth in the hands of a tiny elite can undermine the influence that ordinary citizens have on politics. Thus, high inequality fosters corruption and erodes the effectiveness of public institutions, as wealthy individuals can use their economic power to influence public policy and cripple the effectiveness of public service provision for their own selfish gains. High inequality can also lead to the rise of populism and the erosion of democracy. In a global survey, 60% of respondents across eight African countries thought that rich people buy elections 'often' or 'fairly often', which is significantly higher than in the rest of the world.

5.Social outcomes.
High inequality leads to poor social outcomes, such as ill health, low educational performance, poor childhood wellbeing, teen pregnancy, and imprisonment. Reducing inequality is therefore essential in tackling most of the social challenges Africa is facing today.

6.Tackling climate change.
The richest people are the biggest polluters through their consumption. However, the poorest people are the most impacted by the climate crisis. Reducing economic concentration while increasing the incomes of those with the least will be critical if the world is to win the battle against climate change.

2.1 INEQUALITY IS HINDERING THE FIGHT AGAINST POVERTY

Escalating inequality is having unimaginable impacts on hundreds of millions of people. Extreme poverty is increasingly becoming an African problem. In 1990, one in 10 people in the world lived in Africa, which also accounted for one in 10 people living in extreme poverty globally. However, in 2024, seven in 10 people living in extreme poverty in the world were in Africa, which accounted for two in 10 people in the world.[18] Since 2020, the number of people living in extreme poverty in Africa has risen by 41.3 million.[19] At the current rate, it will take more than 600 years to end extreme poverty in Africa.[20]

Reducing inequality would have significant impact on ending poverty in Africa, as shown in **Figures 2.0 and 2.1.** For instance, a 2% annual reduction in the Gini coefficient accompanied by a 2% growth rate could lead to a four percentage point decrease in extreme poverty by 2030 in Africa, potentially lifting 71 million more people out of poverty – 14.2 million more people per year on average – than if inequality remained the same.[21] In this scenario of accelerated inequality reduction, extreme poverty in Africa would be ended 2.4 times faster.[22]

Figure 2.0: Poverty projection under different scenarios in Africa

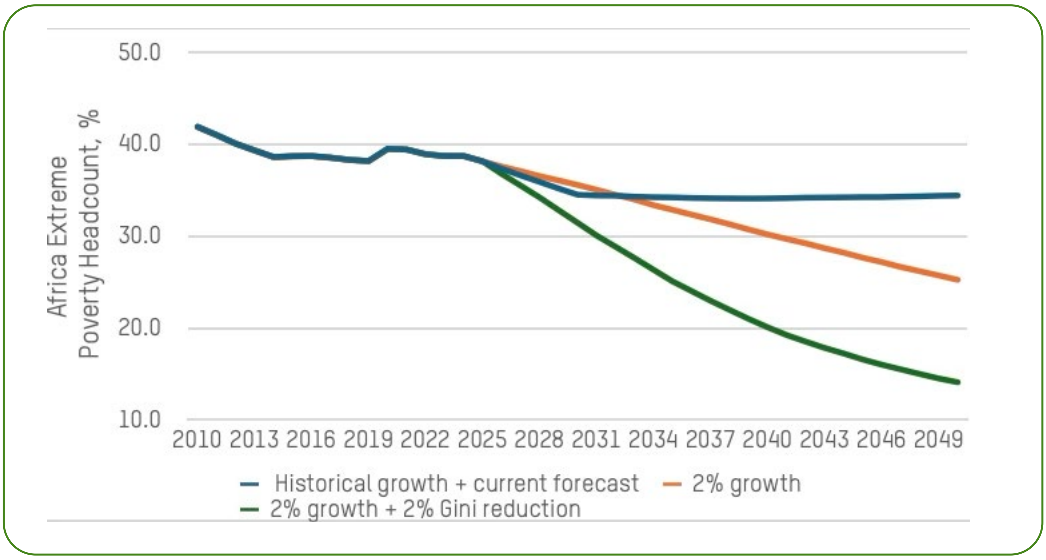
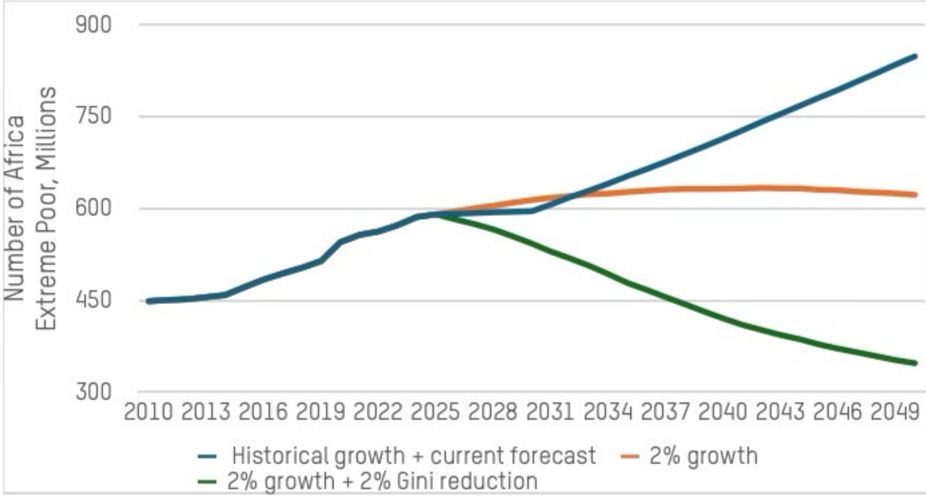


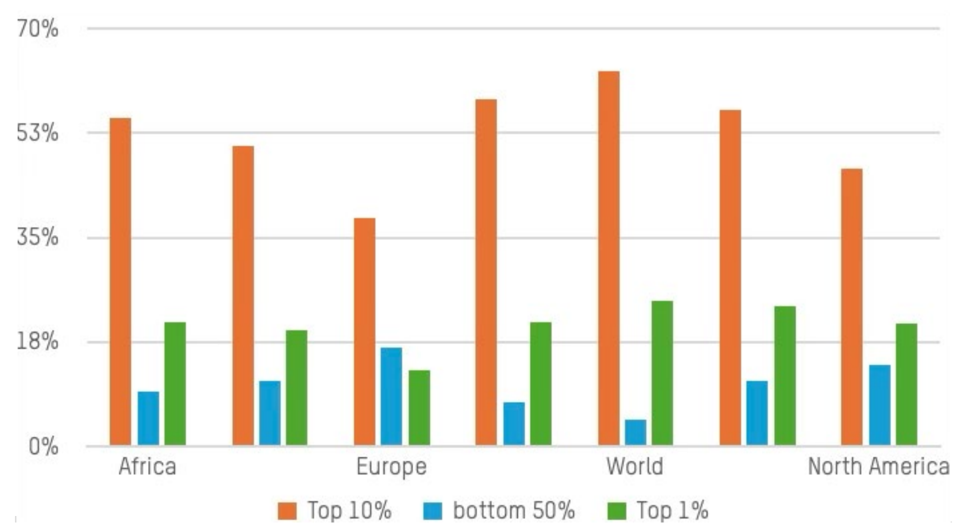
Figure 2.1: Reducing inequality will end poverty faster in Africa



Source: World Bank[23]

The World Bank has adopted a new measure of shared prosperity, called the Prosperity Gap. The indicator measures the number of times the average income needs to grow to reach US$25 (purchasing power parity) per person per day. With a mean income of US$2 a day per person, the average daily income in sub-Saharan Africa needs to grow by over 12 times;[24] this is the largest increase required of any region and more than 2.5 times the global average. The gaps vary by country, with the level of inequality playing a significant role: for example, Zambia and Niger have almost identical average incomes but the average daily income in Zambia and Niger would need to grow by 23.1 and 12.6 times respectively to reach US$25.[25] This is because Zambia is more unequal than Niger.

Figure 2.2: Pre-tax income distribution by region, 2023



Source: World Inequality Database. (n.d.). https://wid.world/data/ Accessed 11 June 2025

African women and girls, especially those living in poverty, are the most impacted by this inequality. Women are putting in billions of hours of unpaid care and domestic work that is hardly recognized and remains invisible and undervalued. Their labour produces much of the region's food, yet they have almost no ownership of or say about the land they work.[26] Women are also concentrated in informal employment, where pay is too low, working conditions are poor and there is no job security.[27]

2.2 AFRICA'S INEQUALITY CRISIS IS A CHOICE

Africa's inequality exists largely because of structural factors. Economic policies have disproportionally benefited the richest people across Africa at the expense of the majority of the population, small enterprises and informal workers.

The neoliberal economic policies forced on Africa by actors including the IMF and the World Bank have done more harm than good. The impacts of the structural adjustment programmes of the 1980s and 1990s linger. The more recent debt crisis has seen the return of harmful austerity policies in the region, often imposed by the IMF (see **Section 2.4**). These include budget cuts, increased indirect taxation of people with low incomes, the privatization of essential public services and the removal of subsidies. These actions have angered citizens, leading to deadly protests in countries such as Kenya and Angola.[28]

The growing wealth disparity, where a small elite hold an increasingly large share of wealth, cannot be attributed solely to their superior work ethic or innate abilities. Oxfam's research shows that more than three-fifths of the world's billionaires' wealth comes from cronyism, corruption, abuse of monopoly power, and inheritance.[29] This is particularly true in Africa, where wealth concentration and political capture undermine pro-poor government policies and the effectiveness of public institutions.

For instance, Aliko Dangote, Africa's richest man, was a beneficiary of the privatization of publicly owned enterprises in the early 2000s, especially in the cement industry.[30] Over the years, government policies such as tax waivers and tariffs[31] have boosted his company Dangote Cement's profit margins. This has potentially been at the expense of small businesses that cannot compete effectively, consumers who would have benefited from low prices from competition, and the government in the form of lost tax revenue. For instance, in 2016 the effective tax paid by Dangote Cement in Nigeria was just 2%.[32] The same year, the company declared net profits of 86%.[33] This type of state support to billionaires and the super-rich while enforcing austerity on the welfare systems relied upon by people living in poverty is having devastating consequences. For instance, tax deductions for Dangote, Sino Trucks West Africa Limited, Lafarge Africa Plc, Honeywell Flour Mills Plc, Jigawa Rice Limited and Stallion Motors Limited, has reached N5 trillion, accounting for 18.5 percent of Nigeria's 2024 Federal budget.[34]

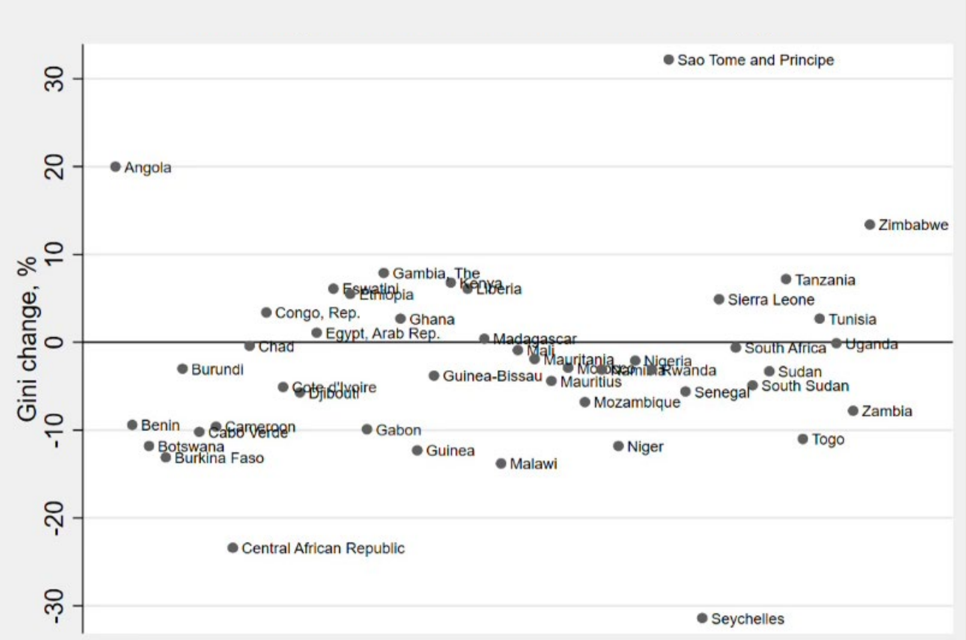
Box 2: The countries reducing inequality

Some African countries have managed to reduce inequality through progressive economic policies, mostly in Southern Africa:

- In the **Seychelles**, the income share of the poorest half of the population has increased by 76% since 2000, while that of the richest 1% has dropped by two-thirds. The Seychellois government provides quality education and healthcare services to all its citizens, while a strong welfare scheme protects vulnerable people.
- Although their inequality is still high, **Botswana**, **Lesotho** and **Namibia** have managed to significantly reduce it since 2000. Botswana's welfare programmes are among the most extensive in Africa. With prudent use of diamond money, the country has invested heavily in public services such as education, healthcare and housing, which benefit people living in poverty more than their wealthy counterparts. The income share of the poorest half of the population is nearly 50% higher than it was in 2000.

As **Figure 2.3** shows, inequality has either widened or reduced marginally in many African countries over the past 10 years.

Figure 2.3: Gini change between the last two most recent survey years



Source: World Bank and author's calculation

Economic inequality intersects with other forms of inequality, both reinforcing each other. Despite the world being committed to ensuring 12 years of free, publicly funded formal quality education for all by 2030,[35] over half (54%) of parents across Africa worry about school fees, and nearly a third report that school fees are one of their main financial worries.[36] For instance, 20% of the richest 25-29 year olds complete at least four years of tertiary education compared with less than 1% of the poorest.[37] The rich can afford to be educated in elite institutions in rich countries in the Global North,[38] fast-tracking them into higher-paying jobs. As a result, in many African countries, this inequality of opportunity in access to essential services exacerbates economic inequality, and the two are mutually reinforcing.

Reducing inequality is within reach of every African country. Luckily, some governments and the African Union are starting to pay more attention to it. For instance, the African Union has set a target for the continent to reduce inequality by 15% over the next 10 years (see Box 4), equivalent to an annual reduction of about 1.5% per year. If every African country was to live up to this target, the average Gini coefficient per country would fall by six percentage points in the next 10 years, from the current average of 0.41 to 0.35.[39] This would deliver immense benefits to hundreds of millions of people in the region.

Box 3: Africa's extreme inequality in numbers

1. Africa's richest 5% own twice as much wealth as the bottom 95%.

2. The four richest African billionaires have more wealth than half of the region's population – about 750 million people.

3. A 2% annual growth rate and a 2% reduction in inequality would cut the time it takes to end extreme poverty by 90 years, leading to the elimination of extreme poverty in 64 years.

4. Reducing inequality by 2% annually would end extreme poverty 2.4 times faster than if inequality remained unchanged.

5. A 2% annual reduction in the Gini coefficient accompanied by a 2% growth rate could potentially lift an additional 71 million people out of extreme poverty by 2030, or 14.2 million more people per year on average, over the next five years.

6. Since 2020, the average income of the richest 1% has increased five times faster than that of the bottom 50%.

7. The average income of the richest 1% increased by 510 times more than that of the bottom 50%.

8. Over the past decade, income inequality has increased or stagnated in two-fifths of the African countries where half of the continent's population resides.

9. To achieve a Palma ratio of 1, i.e. a situation in which the income share of the richest 10% is equal to that of the bottom 40%, the average annual income of a person in the bottom 40% needs to grow by more than five times.

10. If each of the five richest African men spent US$10,000 per hour for the next 100 years, they would still be worth US$4.28bn each on average.

11. If each of the five richest African billionaires were to lose 99.9999% of their wealth, they would still be 56 times richer than the bottom 99.999% of the African population on average.

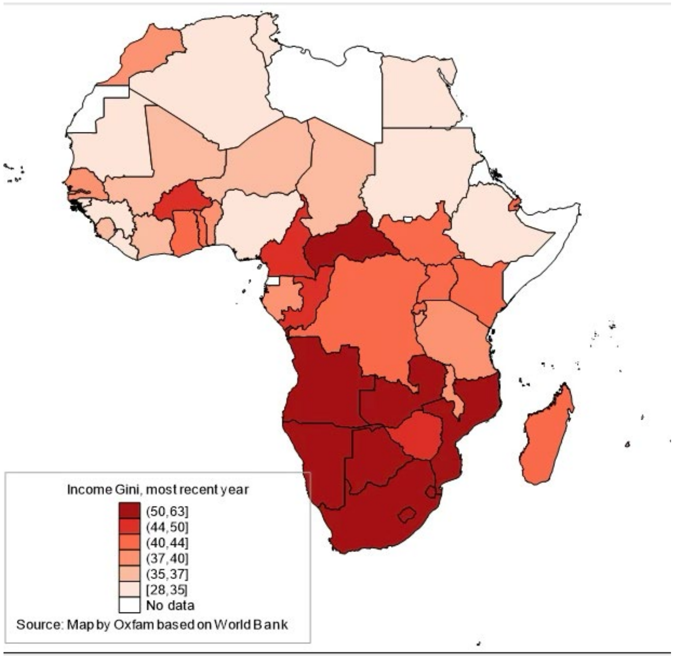
12. African dollar millionaires, who account for just 0.02% of the population, own nearly a fifth of the region's wealth, while the bottom 50% own less than 1%.

13. In Africa, men own three times more wealth than women; this is the highest gender wealth gap of all regions, and is double than the world ratio.

14. On average, it takes three days for a person in the richest 1% to earn the annual income of a person in the poorest 50%.

15. World billionaires are $2.1 trillion richer than they were a year ago.

Figure 2.4: Gini coefficient of income in Africa, latest available year



Source: Data from the World Bank's Inequality and Poverty Platform.
https://pip.worldbank.org/home

Box 4: Targeting inequality

An increasing number of countries and institutions are setting targets for reducing inequality. These include the African Union, in its recent 10-year plan for its Agenda 2063.[40] The plan sets a target of reducing inequality by 15% in the coming decade and identifies four strategic areas for delivering lower inequality: '(i) Recognize and value informal sector work, especially domestic work, through minimum wage and social protection; (ii) Establish an unemployment insurance fund; (iii) Implement pro-poor income tax policy reforms; (iv) Implement food assistance programs, especially for the poor and vulnerable populations.'[41]

Sustainable Development Goal (SDG) 10 is to 'reduce inequality within and among countries'.[42] It does not set targets for how much inequality should be reduced, but instead requires that the poorest 40% have income growth that is higher than the national average (indicator 10.1), along with monitoring of the redistributive impact of fiscal policy (indicator 10.4.2).[43] The SDGs have brought attention to inequality and helpfully target both inequality within and between countries. However, they miss a key part of inequality by focusing mainly on the poorest people, not on the rising wealth and incomes of the richest people.

The World Bank in 2024, for the first time ever, established an indicator to measure inequality, where it defined high inequality as income inequality higher than a Gini of 0.4.[44] Despite finally recognizing the dangers of inequality, the Bank has set its definition of inequality too high – and simultaneously watered down past commitments to support progressive taxation, including increased taxation of the super-rich.[45] The IMF has yet to set any inequality targets but has published several papers showing that inequality hurts growth.[46] In 2024, the head of the IMF said that 'we have an obligation to correct what has been most seriously wrong over the last 100 years – the persistence of high economic inequality'.[47] Despite recent rhetoric, evidence collected by Oxfam shows that both the IMF and World Bank continue to peddle the same inequality-increasing policies as in the past.[48]

Oxfam recommends that all African countries should be aiming for an income Gini coefficient of less than 0.3 and/or a Palma ratio of no more than 1. To reduce inequality between countries, Oxfam also recommends a fundamental shift of power to the Global South and an end to the neocolonial extractive economic system that widens global inequality (see **Section 2.3**)

2.3 HOW NEOCOLONIALISM IS DRIVING INEQUALITY

While Africa's inequality is structural, it also reflects colonial and neocolonial exploitation of the continent's resources and labour. Countries that had large settler populations, particularly those in Southern and East Africa, are more unequal than others. Similarly, countries in West and Central Africa that were exploited for agricultural production or mineral extraction during the colonial era continue to grapple with persistent extreme inequality.

The colonial system that trapped Africa as a commodity exporter and importer of almost everything has persisted. Coupled with stringent trade and intellectual property rules championed by the World Trade Organization, this has derailed African industrial development and opportunities to catch up with the rest of the world. The rules of engagement – from the cost of debt to access to markets – appear stacked against African modernization and development on fair terms, unlike the development of newly industrialized countries in the 1970s that was underwritten by Western Cold War interests.

The world's richest people have been amassing great wealth by exploiting Africa's natural resources, labour and markets. This form of extraction is facilitated by the international financial and trade architecture. For instance, African governments pay more interest on their sovereign debt than rich countries do, making it hard to invest in inequality-busting policies. The region's farmers are paid very little, while the multinational food companies that buy from them are making billions of dollars.

2.4 THE DEBT CRISIS AND AUSTERITY WAVE IN AFRICA

The economic fallout from the COVID-19 pandemic, inflation, and tightening monetary policy in the Global North have exacerbated the debt burden in Africa. As of July 2024, all but two countries defined by the World Bank as in debt distress are African (Republic of Congo, Ethiopia, Ghana, Malawi, São Tomé and Príncipe, Sudan, Zambia and Zimbabwe), and more than half of African countries are at high risk of debt distress.[49]

Public debt as a share of GDP in Africa has more than doubled over the last decade to 67% in 2023.[50] This erodes governments' capacity for social spending, as significant resources are being diverted to service increasingly costly and unfair debts – an average of 54% of revenues.[51] Servicing the interest on debt alone is gobbling up 17% of revenue on average, double the amount a decade ago.[52] Spending on debt is 150% greater than education, healthcare and social protection combined, on average. The poorest people are feeling the impacts of this; the richest people in Africa do not use public social facilities such as education or healthcare.

Mounting debt is leading to waves of austerity policies across the region, some of which are imposed directly by the IMF through loan conditionalities. Such measures range from reducing public wage bills (which means fewer teachers, nurses, etc.), tax hikes on ordinary people (e.g. through regressive VAT and sales taxes), to the privatization of state-owned enterprises. However, as previous austerity policies have shown, such measures only deepen inequality by punishing people living in poverty while benefiting those with money. Since 2022, virtually all governments have cut the share of their budgets spent on education, health and/ or social protection (see **Section 3.1**).[53]

The international financial architecture has been unfair to Africa. For example, credit rating agencies are often quick to downgrade African countries, prompting investors to demand exorbitant interest rates on loans. Subsequently, many African nations spend more on interest repayments than they receive in total official development assistance. Countries of the Global South, including those in Africa, have for years been advocating for reform so that the international financial architecture can work for rather than against the majority of the world's people. However, their efforts have been blocked by representatives of rich countries, which do not wish to relinquish their control of the system – and thereby their ability to extract value from Africa.

Africa's debt crisis is likely to worsen further over the medium term and beyond. Debt servicing will limit governments' ability to raise the necessary finance to deliver social improvements and respond to climate change. Africa urgently needs well-thought-out debt restructuring that provides fair terms for sovereign borrowing and cancellation, and robust public debt management to get out of this crisis.

3 THE COMMITMENT TO REDUCING INEQUALITY IN AFRICA

There is a lot of talk about not leaving people behind, but our economic system is designed to leave people behind. Too many people are falling through the cracks.'

– Njoki Njehu, Fight Inequality Alliance[54]

In the previous chapter, we showed the alarming scale of Africa's inequality. This chapter looks at what its governments are doing – and not doing – to fight inequality. We present the findings of the 2024 Commitment to Reducing Inequality (CRI) Index for Africa, which covers 48 African countries. It is based on the research for the global 2024 CRI Index.[55] The CRI assesses countries around the world on their commitment to reducing inequality through the following key areas:

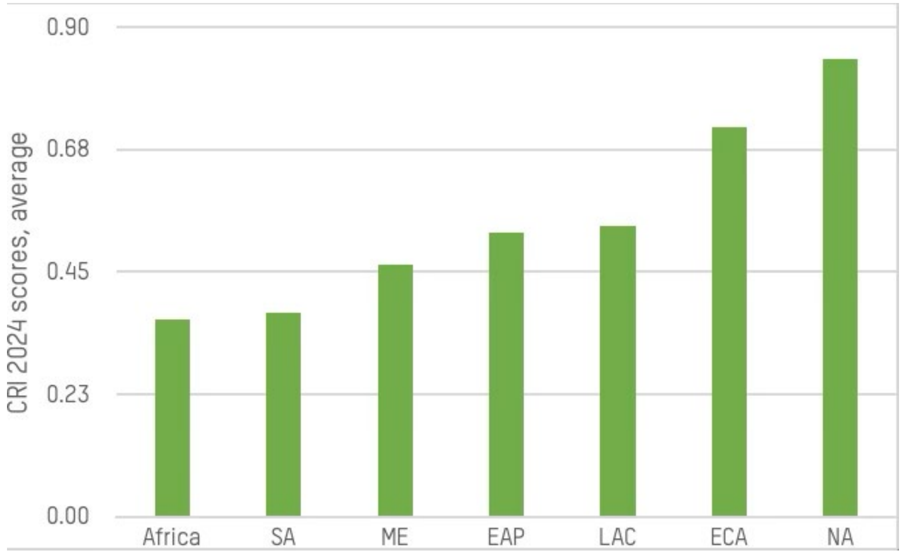
- Essential public services (education, healthcare and social protection);
- Progressive taxation; and
- Progressive labour rights and wages.[56]

The global CRI Index 2024 showed that governments across the world are failing to implement inequality-reducing policies. Africa has done particularly badly. Compared to the 2022 CRI:

- 89% of African countries have backtracked on one or more indicators, meaning that, without urgent policy actions, inequality will worsen;
- All African countries assessed by the CRI have cut the share of budgets going to either education, health and/or social protection;
- 79% have backtracked on measures of progressive taxation; and
- 89% have regressed on labour rights, minimum wage and the provision of quality jobs.

Figure 3.0 shows the CRI 2024 scores by region (where 0 is the worst and 1.0 is the best possible score). Africa stands out as the region with the lowest average commitment to reducing inequality among all regions of the world. Africa's poor performance is reflected by the presence of 25 countries in the bottom 30 ranks of the global index; these account for half of the countries in the region. They include some of the most populous nations, such as Nigeria, Ethiopia and the Democratic Republic of Congo (DRC). The **Annex** shows the full CRI 2024 pillars and indicators, together with the complete rankings for African countries.

Figure 3.0: CRI Index 2024 scores by region

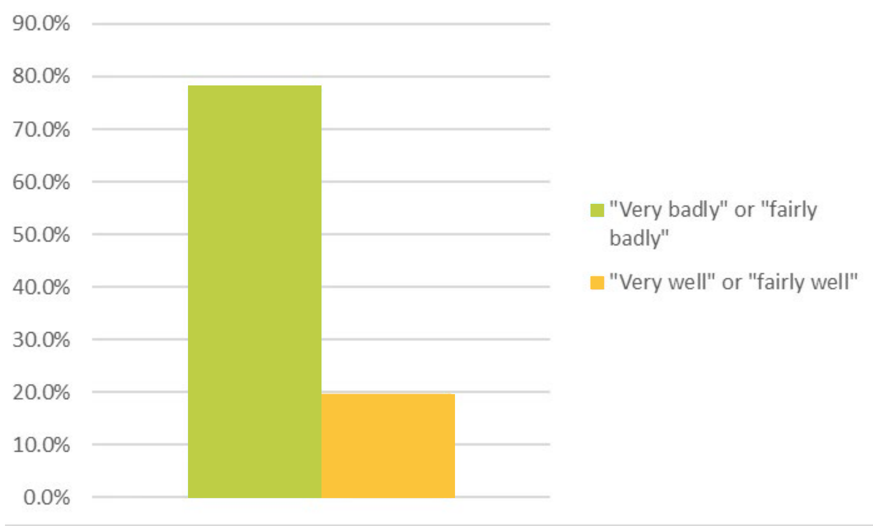


SA=South Asia, ME=Middle East, EAP=East Asia and the Pacific, LAC=Latin America and the Caribbean, ECA=Europe and Central Asia, NA=North America

The CRI also reveals the potential harmful impact of debt and austerity measures. Half of the countries with outstanding World Bank and IMF loans that have cut public spending since the 2022 CRI are in Africa.

Given the low commitment to reducing inequality, it is not surprising that citizens across the continent generally do not think their government is doing enough to reduce inequality. In a survey of 28,000 citizens across Africa, almost four out of five said that their government was doing badly or fairly badly on reducing inequality.[57]

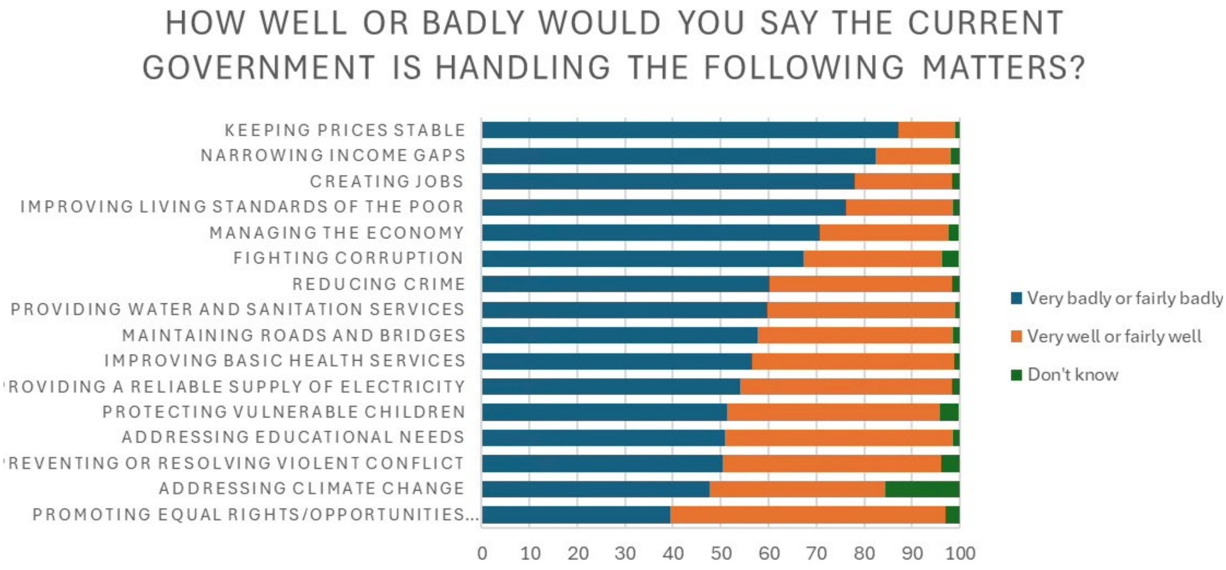
Figure 3.1: African governments' handling of inequality according to their citizens



African citizens are unsatisfied with their governments' handling of inequality.

In a poll of more than 54,000 Africans across 39 countries that asked citizens to rate their government's efforts to address 16 issues, narrowing the income gap scored second lowest.[58]

Figure 3.2: African citizens rate government efforts against inequality lower than almost all issues



While a majority of African countries are regressing in the fight against inequality, a few are implementing anti-inequality policies. **Eswatini** increased its spending on education and health, boosting social spending by 21% since the 2022 CRI. **Benin** is improving its social protection coverage through the expansion of the *Gbessoke* social safety net programme. This initiative targets 150,000 households with cash transfers and income-generating activities between 2023 and 2026, costing 0.2% of GDP per year.[59]

3.1 FIGHTING INEQUALITY THROUGH PUBLIC SERVICES

The CRI Public Services pillar assesses countries on:

- Public spending on education, health and social protection as a share of total government budget;
- Coverage of public services, by considering a) secondary school completion rate by the poorest 20%, b) universal health coverage and catastrophic out-of-pocket (COOP) spending, and c) old-age pension coverage; and
- The impact of social spending on inequality, as measured by the Gini of income.

On average, African countries allocate just a third of total budgets to education, health and social protection combined, the lowest of any region except South Asia (see Table 3.2). Public service coverage is lowest in Africa: only a third of elderly people receive a pension on average, compared to nearly 60% globally. As a result, the impact of public services on inequality in Africa is half the global average.

Table 3.1: Public services average performance by sub-region (population unweighted)

Sub region	Average social spending % of total expenditure	Average sec. school completion rate, poorest 20%, %	Average universal health coverage, %	Average COOP health spending, %	Average impact of spending on Gini	Average impact of spending on Gini
Central Africa	27.95	4.62	41.18	7.98	22.19	-0.02
East & Horn of Africa	25.43	7.78	41.62	3.97	10.25	-0.02
North Africa	45.12	39.91	70.23	16.04	57.49	-0.04
Southern Africa	37.67	18.75	54.84	6.47	59.92	-0.08
West Africa	29.07	7.02	43.57	7.81	15.40	-0.02
Africa	31.91	12.78	48.18	7.43	30.85	-0.04

While the majority of countries are not doing enough to reduce inequality through social services, a handful are showing what is possible. **Namibia**, the best performer, spends 55% of its budget on the three sectors, has achieved universal pension coverage, and is reducing inequality by almost 0.20 Gini points – the second highest reduction in Africa.

3.1.1 SPENDING ON EDUCATION, HEALTH AND SOCIAL PROTECTION (INDICATOR PS1)

Spending on public services continues to be dismally low across Africa, as shown in **Table 3.1**. Since the 2022 CRI was published, all African countries have cut their budget shares to one or more of the three sectors. Debt-servicing costs and IMF conditionalities for budget consolidations explain much of this (see **Section 2.4**).

Namibia and **Mauritius** allocate more than half of their budget to public services, with four other countries (**South Africa, Morocco, Algeria** and **Tunisia**) coming close to half. By contrast, nearly two-fifths of countries in Africa spend less than a third of their budget on public services, with **South Sudan** and **Nigeria** spending less than a fifth.

Table 3.2: Average public services spending by region of the world (percentage of total expenditure)

Region	Average total social spending	Education	Health	Social protection
North America	63.0	12.5	24.1	26.4
Europe and Central Asia	57.9	11.7	13.5	32.7
Latin America and the Caribbean	44.3	14.5	12.0	17.8
Middle East	43.6	14.7	9.7	19.1
East Asia and the Pacific	41.4	14.8	12.9	13.7
Africa	31.9	15.0	8.6	8.4
South Asia	26.1	11.0	7.0	8.1
Global average	43.5	13.7	11.4	18.4

Education spending

On average, African governments spend 15% of their budgets on education, which is the minimum benchmark.[60] More than half spend less than this, with only nine spending 20% or above. While Africa is the region of the world with the highest budget share spent on education (see **Table 3.2**), per capita spending is very low and has stagnated at US$100 for about a decade.[61] As a result, households account for 27% of total education expenditure in Africa.[62]

Worryingly, over three-quarters of African countries are spending less on education than in 2019. [63] **Cabo Verde, Liberia, Mauritius** and **Ghana** are the biggest cutters. However, a few countries like Cote d'Ivoire and Senegal have bucked this trend by increasing their education budgets.

The out-of-pocket household spending to access education is a big concern for citizens in the region, and is contributing to the inequality gap. In addition, a huge chunk of public spending on education in Africa goes to tertiary education[64] where only a handful of students from poor households are represented: 20% of 25-29 year olds from the richest households have completed four years of tertiary education, compared to just 1% from the poorest.[65]

Health spending

Africa spends second least on healthcare compared to other regions (see **Table 3.2**), with seven in 10 countries spending less than 10% of total expenditure. Only **Namibia** meets the recommended 15%,[66] with **Botswana** coming close. On average, the share of budgets spent on health has reduced by about 6% compared to 2019.[67]

Social protection spending

Africa's public spending on social protection is the second lowest as a proportion of budgets (see **Table 3.2**), at just 8.4%. Two-thirds of countries spend less than this, with 14 countries below 5%. **Mauritius** spends about a third of its budget on social protection, the highest in Africa, followed by **Tunisia** and **Algeria**, both of which spend about a quarter.
Half of countries are spending less on social protection than in 2019.[68] However, **Chad** has multiplied its spending by nearly nine times, while **Niger** has almost doubled its spending. **Senegal** and **Cabo Verde** are spending about a third more, while Kenya and South Africa have increased their spending on social protection by about 40%.

3.1.2 PUBLIC SERVICE COVERAGE (INDICATOR PS2)

The top performers on public service coverage are primarily in Southern and North Africa, reflecting their significant social spending (see **Table 3.1**).

Secondary school completion rate by poorest 20%

This indicator looks at the secondary school completion rate among young people from the poorest 20% of households.

On average, only one in 10 young people completes upper secondary education (see **Table 3.1**) in Africa. In about two-thirds of countries, just one in a thousand does. The top performers in this indicator, **Mauritius, Egypt** and **Botswana** have a graduation rate over 60%. **Cabo Verde** and **Morocco** achieve almost half. In **Nigeria**, a child from the poorest quintile has a one in 10 chance of completing secondary education, while a child from the richest quintile has a nine in 10 chance.[69]

Health coverage and out-of-pocket health spending

This indicator has two sub-indicators:

- The share of population with access to basic healthcare, measured by universal health coverage; and
- The proportion of the population facing catastrophic out-of-pocket (COOP) health spending, defined as more than 10% of total household budget.

Across the region, more than half of the population does not have access to basic healthcare services. This is a slight increase since 2019.[70] Only 17 countries have healthcare coverage of over 50%. Health coverage is generally lowest in fragile and conflict-affected states such as **South Sudan, Chad** and **the Central African Republic (CAR)**. Basic health coverage is highest in North and Southern Africa, reflecting high health spending in these regions (see **Table 3.1**).
In Africa, about 7.4% of the population is facing COOP heath spending, with a quarter of countries having more than a tenth of their citizens affected. Angola and Egypt have the highest COOP health spending in the world, at 35% and 31%, respectively. Compared to 2019, COOP health spending has risen in about a third of countries but has fallen in half.[71]

Old-age pension coverage

Across Africa, old-age pension coverage is at about a third (see **Table 3.1**), but this average conceals a wide range: about two-fifths of countries have coverage below 14%, while only 10 have a coverage rate of more than half. Of the latter, five countries have achieved universal pension coverage, all of them in Southern Africa.

In more than half of African countries (53%) old-age pension coverage share has either stagnated or reduced compared to 2019. However, others have increased the proportion of older people covered, albeit from very low levels, including **Sierra Leone, Liberia** and **Zimbabwe.**

3.1.3 IMPACT OF PUBLIC SERVICES ON INEQUALITY (INDICATOR PS3)

This indicator assesses the impact of spending across the three sectors on inequality, as measured by the Gini coefficient of income.

The 2024 CRI shows that spending reduces inequality in all African countries, but the extent to which it does this varies greatly. On average, spending on the three social sectors reduces the Gini by -0.04, with the most significant reduction in Southern Africa, reflecting higher social spending (see **Table 3.1**). The effect is -0.22 and -0.20 in **South Africa** and **Namibia**, respectively. The impact is less for the countries that spend the least.

Compared to 2019,[73] the impact of public services on inequality regressed or stagnated in about 64% of countries, largely because of spending cuts.

3.2 FIGHTING INEQUALITY THROUGH LABOUR RIGHTS AND WAGES

The Labour Rights and Wages pillar in the CRI 2024 assesses countries' performance on:

- Labour rights, in law and practice, women's labour rights and minimum wage policies;
- Unemployment rates and levels of vulnerable employment; and
- The impact of labour policies and practices on inequality, as measured by the Gini coefficient of labour income.

Table 3.3: Selected labour indicators performance by sub-region in Africa in the CRI 2024

Sub region	Minimum wage (% of per capita GDP)	Vulnerable employment (% of labour force)	Gini of wage	Days of fully paid parental leave
Central Africa	79.2	79.7	0.70	100.5
East & Horn of Africa	12.7*	74.5	0.66	94.3
North Africa	49.3	37.2	0.48	78.3
Southern Africa	51.3	54.8	0.60	76.7
West Africa	72.3	75.3	0.68	95.1
Africa	54.4	67.0	0.64	89.2

*Six of the nine countries in the East & Horn of Africa (Ethiopia, Uganda, Somalia, South Sudan, Rwanda and Burundi) have virtually no national minimum wages. For the other three, it is at 60%, 32% and 16% for Djibouti, Kenya and Tanzania respectively.

African countries are performing well on some of these indicators but very poorly in others. Overall, 77% of African countries rank in the bottom third of the labour pillar globally, with 18 of the world's worst 20 performers being in Africa.

Table 3.4: Average performance on key labour indicators in the CRI 2024 by region

Region	Minimum wage (% per capita GDP)	Vulnerable employment rate (%)	Gini of labour income
Africa	54	67.0	0.64
East Asia and the Pacific	48	41.5	0.46
Europe and Central Asia	44	22.6	0.36
Latin America and the Caribbean	49	39.1	0.45
Middle East	42	45.5	0.41
North America	29	11.2	0.37
South Asia	55	62.1	0.56
Global average	49	44.0	0.48

Africa's top performers are largely upper middle-income countries in Southern and North Africa, but even they perform quite poorly compared to countries in other regions. The Seychelles, the top performer in Africa, ranks 41st out of 164 countries.

3.2.1 LABOUR POLICY (INDICATOR L1)

The labour policy indicator assesses labour rights and unionization in law and practice, women's labour rights and minimum wage policies.

Labour rights in law and practice

Across the region, countries' performance on labour rights and collective bargaining, both in law and practice, varies widely. **Cabo Verde** ranks top in Africa, followed by **Somalia** and **Togo**.

Compared to 2019, 52% of Africa's governments have improved on this indicator.

Women's labour rights

This indicator includes sub-indicators on:

- Laws on equal pay for work of equal value; non-discrimination in hiring; rape and sexual harassment; and
- The length of paid parental leave.

While many African countries have introduced progressive laws to tackle gender discrimination in the workplace, the average length of paid parental leave is about 89 days (86 days of fully paid maternal leave and less than four days of paid paternal leave), which is low compared to other regions (see **Table 3.3**). In addition, because a majority of the labour force is in informal employment, existing laws do not benefit most working women in the region.

Minimum wages

This indicator compares the minimum wage to per capita GDP. Africa performs well on this metric compared to other regions (see Table 3.4), although this due to its low per capita GDP.

Six East African countries – **Ethiopia, Somalia, South Sudan, Uganda, Rwanda, Burundi Zimbabwe** either do not have, or effectively do not have, a national minimum wage.

On average, the minimum wage as a share of per capita GDP is 14% lower than in 2019, reducing in two-thirds of countries. This shows that economic growth is not translating into higher workers' pay amidst the current crises, including sky-high inflation drastically reducing workers' real-terms pay.

3.2.2 LABOUR RIGHTS COVERAGE (INDICATOR L2)

This indicator measures the level of combined vulnerable employment and unemployment as a share of the total workforce.

Africa has the highest rate of vulnerable employment in the world (see **Table 3.4**). Four in five countries have vulnerable employment rates above 50%, and three out of five have rates above 66%. Only four countries – **Mauritius, Seychelles, Egypt** and **Tunisia** – have vulnerable employment rates under 33%.

Workers in vulnerable employment are particularly open to exploitation because of their lack of formal contracts. Compared to before the pandemic, the level of vulnerable employment has gone up in more countries (25) than it has reduced (21).

3.2.3 IMPACT OF LABOUR POLICIES ON INEQUALITY (INDICATOR L3)

This indicator looks at whether labour policies are reducing wage income inequality and making the distribution of labour income fairer, using the Gini of labour income.

The gap in the distribution of labour income is widest in Africa (see **Table 3.4**), as a handful of workers receive the biggest portion of the labour income, reflecting the extremely high rate of informal employment. Out of 164 countries, the 20 countries with the highest wage Ginis are all in Africa.

On average, the Gini of labour income in Africa is 0.64 (see **Table 3.4**), a 0.01 increase compared to 2019. Distribution has only become less unequal in the **Republic of Congo, Guinea-Bissau** and **Burundi.**

3.3 FIGHTING INEQUALITY THROUGH PROGRESSIVE TAXATION

African countries collect the lowest amount of tax of any region, at 16% of GDP.[75] A review of the tax systems of 151 countries found that Africa was the only region in which countries have not increased effective tax rates since 1980.[76]

This is worrying, as Africa faces the biggest funding gap for achieving the SDGs of any region. The cost for African countries to meet the SDGs by 2030 is estimated at an annual US$1.3 trillion, with the average country only meeting 53% of what is needed.[77] Raising more taxes in a progressive way holds the promise of helping to bridge some of the gap while at the same time reducing the high inequality found across the continent. Unfortunately, the CRI 2024 shows that African countries are not yet using the full potential of progressive taxation.

The Progressive Taxation pillar of the CRI assesses countries on the basis of:

- Tax policy on paper, focusing on the progressivity of value-added tax (VAT) or sales taxes (adjusted for food exemptions and registration thresholds), personal income tax (PIT) and corporate income tax (CIT);
- Tax collection across PIT, VAT and CIT compared to potential collectable tax revenue; and
- The impact of taxes on inequality, as measured by the Gini coefficient of income.

Table 3.5 shows average performance by sub-region in Africa on key tax indicators.

Table 3.5: Average performance on key tax indicators in the CRI 2024 by African sub-region

Sub region	Average adjusted VAT rate (%)	Top PIT rate (%)	Average CIT rate (%)	Average tax productivity* (%)	Average impact of tax on inequality (Gini)
Central Africa	4.8	35.0	30.2	14.5	0.0048
East & Horn of Africa	12.7*	74.5	0.66	94.3	-0.0124
North Africa	49.3	37.2	0.48	78.3	-0.0088
Southern Africa	51.3	54.8	0.60	76.7	-0.0025
West Africa	72.3	75.3	0.68	95.1	-0.0004
Africa	54.4	67.0	0.64	89.2	-0.0033

*Tax collection compared to potential collectable tax revenue.

Africa does particularly well on progressive taxation on paper. The average adjusted VAT rate is 5% for Africa, compared to 8% globally, while the average CIT rate is above the global average (see Table 3.6). PIT is also relatively progressive compared to other regions. Four African countries – Lesotho, South Africa, Kenya and Zambia – are in the top 10 of 164 countries for the Progressive Taxation pillar.

However, this strong performance on paper is not translating into actual tax collection, which is well below the global average (see **Table 3.6**).

Table 3.6: Average performance on key tax indicators in the CRI 2024 by region

Region	Average adjusted VAT rate (%))	Average CIT rate (%)	Average tax productivity* (%)	Average impact on inequality (Gini)
Africa	5.1	26.9	29	-0.003
East Asia and the Pacific	5.6	22.3	45	0.012
Europe and Central Asia	13.5	19.4	52	0.011
Latin America and the Caribbean	9.2	25.9	35	0.002
Middle East	7.6	18.3	30	0.007
North America	7.8	26.0	42	0.031
South Asia	1.0	24.0	27	0.003
Global average	8.2	23.3	39	0.004

*Tax collection compared to potential collectable tax revenue.

3.3.1 PROGRESSIVE TAX POLICY ON PAPER (INDICATOR T1)

Many African countries perform well on this indicator, with more than half of countries in the top third globally: Chad, CAR, DRC, Togo and Benin are among the top six performers. For instance, the average CIT rate is higher in Africa than in any other region (see **Table 3.6**), and all African countries except two (**São Tomé and Príncipe** and **South Sudan**) make VAT less regressive by exempting/zero-rating basic food items or setting a high registration threshold, or both.

On average, the top PIT rate is 32.5%, the highest of any region except North America. Half of African countries have a top marginal PIT rate of 35% or more, while 13 have a rate at or below 25%. Africa's average CIT is the world's highest, at 27%. About half of African countries have CIT rates below the regional average; two-fifths have a rate of 30% or more; and none have a rate below 15%.

However, as Section 3.3.2 shows, the over-reliance on indirect taxes that hit the poor people the hardest has severely impacted the effectiveness of the tax system in reducing inequality over the past four decades.

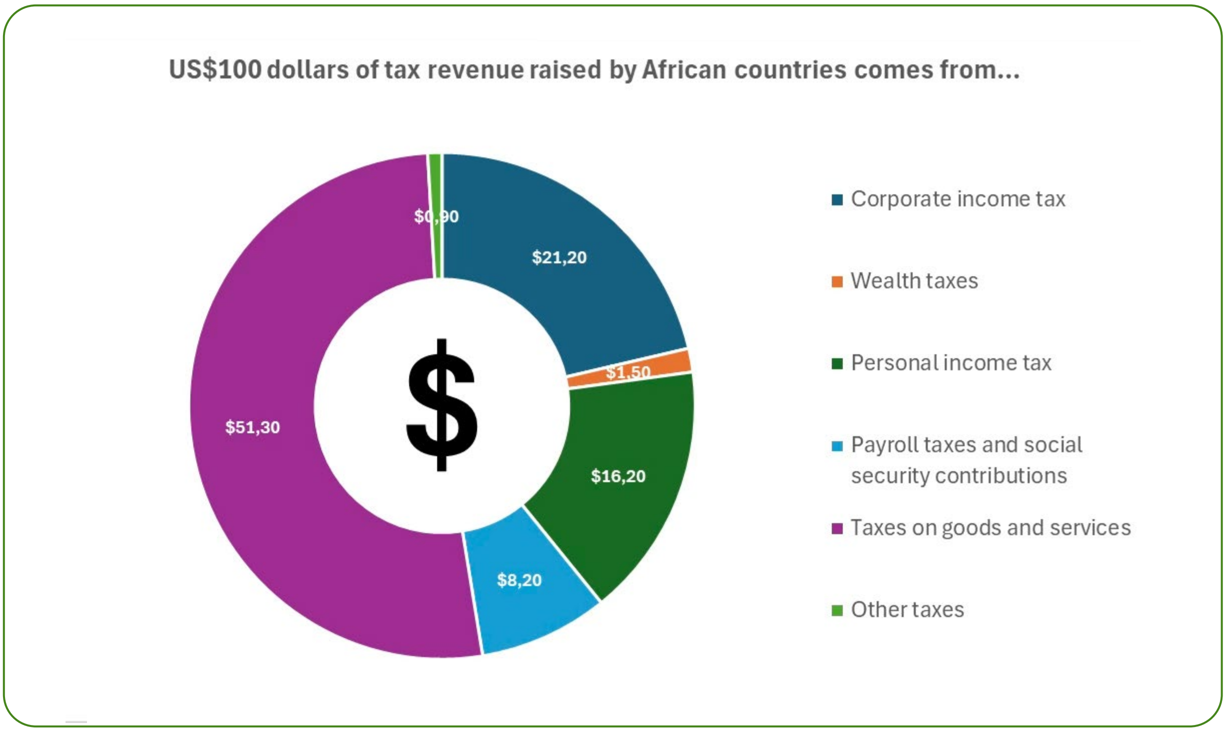
3.3.2 TAX COLLECTION (INDICATOR T2) AND IMPACT OF TAX ON INEQUALITY (INDICATOR T3)

Most African countries have a very low level of tax collection (see **Table 3.5**), and most tax receipts are from regressive VAT and sales taxes.

In a worrying trend, the CRI 2024 shows that tax collection is increasing inequality in more African countries (25) than it is reducing it (23), reflecting the fact that the tax burden is falling disproportionately on people living in poverty through regressive VAT and sale taxes. This is confirmed in a recent review of African tax systems that found that they have on average increased income inequality since 1980.[78]

The ineffectiveness of African countries' tax systems in reducing inequality stems primarily from how taxes are raised. Across African countries, for every US$1 collected from personal income tax and wealth taxes, nearly US$3 is on average raised from inequality increasing indirect taxes (such as VAT and excise taxes).[79] Of all regions of the world, Africa has the highest reliance on such regressive indirect taxes, and is the only region where more than 50% of tax revenue comes from indirect taxes.[80]

Figure 3.3: Who is taxed? The sources of tax revenue in African countries, 2022

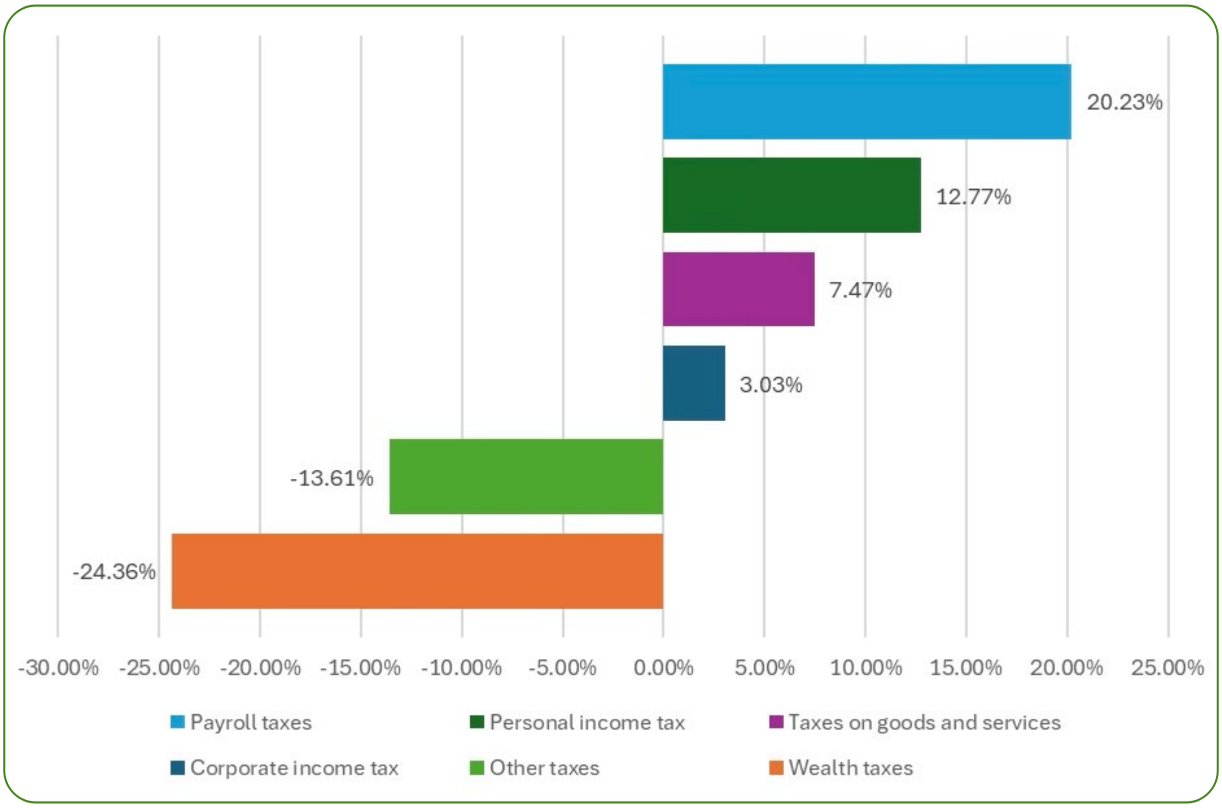


Source: OECD (2025). Global Revenue Statistics Database.
Each category is based on the average for 28 to 33 African countries, and all numbers are from 2022.
https://www.oecd.org/en/data/datasets/global-revenue-statistics-database.html

This reliance on regressive consumption taxes falls on all citizens, but especially on women and people living in poverty, while under-taxing those with the most ability to pay. During the 1990s, the number of African countries with a VAT system increased from two to 30.[81] By 2018, 80% of sub-Saharan African countries had implemented a VAT system.[82]

As **Figure 3.4** shows, in the last decade, tax systems in African countries have on average increased their reliance on taxes on goods and services and payroll taxes, while taxes on corporate income have barely changed and collection from wealth taxes has **plummeted** by nearly a quarter. These changes are helping to reinforce the regressive nature of the average African tax system. The changes seen are not only the result of a lack of government commitment to reduce inequality but is also the result of outside influence on African countries tax policies, not least from the IMF.[83]

Figure 3.4: Changes in Africa's tax system between 2012 and 2022 (% change to tax revenue to GDP)



Source: OECD (2025). Global Revenue Statistics Database.
https://www.oecd.org/en/data/datasets/global-revenue-statistics-database.html

The reliance on regressive taxes is at odds with the fact that the tax systems in African countries tend to be modestly progressive on paper; there is a large difference between the tax system on paper and the one in practice. According to the CRI data, half of African countries collect less than a quarter of potential revenues; only six collect more than half, with another two coming close. And unfortunately, 53% countries are collecting less than they did in 2019. There are some indications that African countries are especially underperforming in their collection from the taxes that could help make their tax systems more progressive, such as personal income tax and taxes on wealth.

Box 5: Regressive taxes are a gender injustice

Aber Christine sells a mix of millet flour, rice and soya used for making porridge at her market stall in Northern Uganda. In a good month she makes a profit of around 300,000 Ugandan Shillings (US$80). She does not pay any income tax, but she does pay market dues collected by the local government of 4,000 Ugandan Shillings a day, plus a market stall rent of 13,000 per month. This means that she pays around 44% of her profits in tax. This is significantly higher than the maximum of 30% corporate income tax that multinational corporations are subject to, highlighting the injustice and regressive nature of tax systems found in many African countries.

Aber Christine also reminds us of another important lesson: the current regressive tax system in many African countries has significant gender inequality built into it. Some of the continent's richest people and multinational corporations do not pay their fair share, predominantly benefiting men, while market traders such as Aber Christine and other groups – predominantly women, in many cases – tend to pay a higher share due to high indirect and direct taxes. Tax policies and budgets don't have to be gender blind. Through Oxfam's Fiscal Justice for Women and Girls project, Christine is a community mobilizer and tries to make local budgets and tax policies address the ingrained gender inequalities that women and girls face.

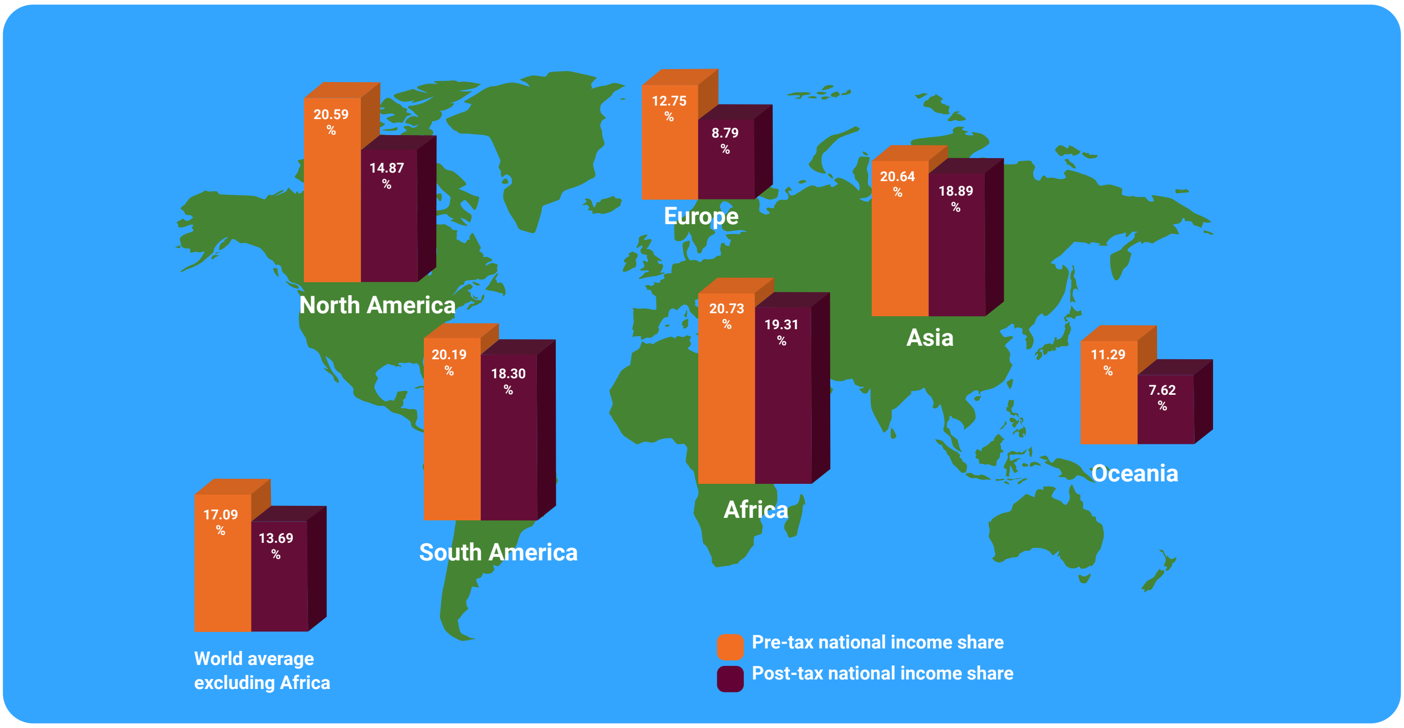
4 TAXING AFRICA'S RICHEST 1%

'There is no need to sustain inequality around the world. The super-rich must be willing to give a minimum contribution by taxing their wealth... We either swim together or sink together. And if we are to swim together everybody must sacrifice, and this is the moment for the super-rich to contribute.'
– Former African Union Commissioner Amb. Albert Muchanga[84]

This chapter shows how the tax systems of African countries generally are failing to tax the richest 1% and lays out an agenda for changing this. Africa's richest 1% – a group consisting of about 14.7 million people – receive a fifth of all income (20.78%) and own a third of all wealth (33.87%) in the region.[85] Because of their immense income and wealth, it is absolutely essential to ensure that this group is taxed effectively both to reduce inequality and to raise tax revenue.

A comparison of regions' tax systems show that Africa's tax systems generally do not reduce the income going to the richest 1% by much (see **figure 4.0**). Both before and after taxes are paid, the income share going the richest 1% is the highest in Africa of any region in the world.

Figure 4.0: The national income share of the richest 1% before and after taxes, by region, 2023



Source: World Inequality Database, https://wid.world/data

All regions outside of Africa reduce the income in the hands of the richest 1% by nearly 20% through their tax systems, with the income share of the richest 1% reduced from 17,09% to 13,69% after taxes are paid. For African countries, the income share of the richest 1% is only reduced by 6,85% on average. This means that Africa's tax systems are nearly three times less effective at redistributing income away from the richest 1% than the global average.[86] This is confirmed in recent research, which shows that the tax systems in the average African country are 'essentially flat' when it comes to taxing the super-rich.[87]

This chapter lays out a three-step agenda showing how African countries can tax Africa's richest 1%:

1. Tax their wealth;
2. Tax their income; and
3. Stop illicit financial flows and tax evasion.

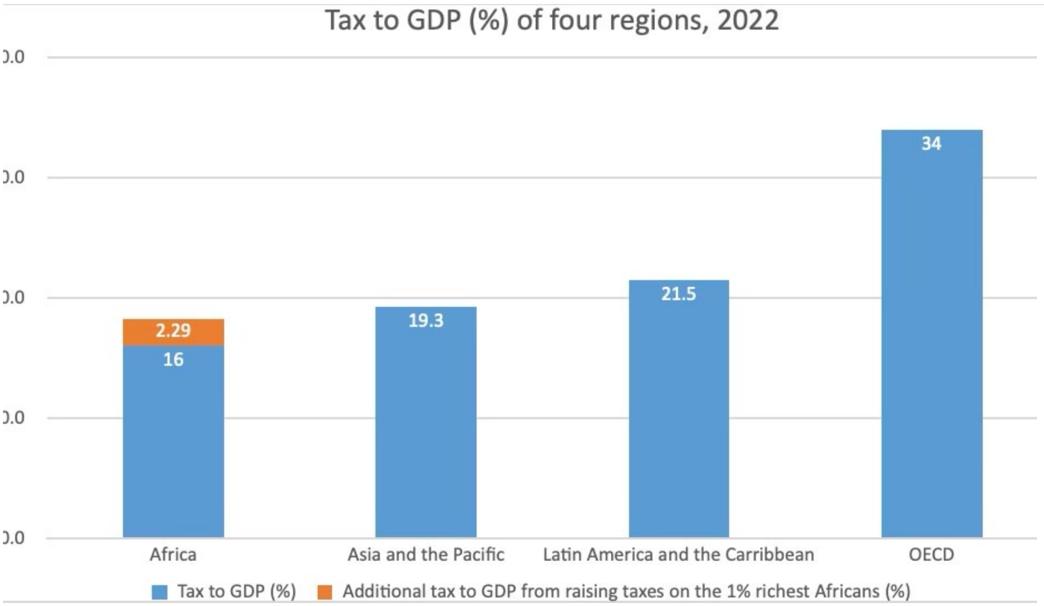
Box 6: Who makes up Africa's richest 1%?

- To be among the richest 1% of Africans, you must:
    - Earn an annual income of at least US$80,000; and
    - Have net wealth of at least
- The average member of the top 1% in Africa earns just above US$180,000 a year and has net wealth of US$980,000.
- 1% of the population of Africa was around 14.7 million people, as of 2025.

Source: World Inequality Database, https://wid.world/data/ and IMF, https://www.imf.org/external/datamapper

According to our estimates, African countries could raise nearly US$66bn in additional revenue every year by taxing the richest 1% by an additional percentage point on their wealth and an additional 10 percentage points on their income.[88] This would cover the funding gaps to achieve free quality education and connect all homes and businesses to electricity, with $2 billion to spare.[89] It would also increase Africa's tax-to-GDP ratio by nearly 15%, from the current 16% – the lowest of any region in the world – to 18,29%, which would bring the continent's tax effort closer to the levels found in Asia and Latin America (see **Figure 4.2**).

Figure 4.2: Taxing the richest 1% could increase Africa's tax to GDP by nearly 15%



Source: OECD, ATAF and AUC. (2024). Revenue Statistics in Africa: 1990–2022 and Oxfam calculations (see Stat 3.2 in the technical note)

Box 7: Is taxing the rich bad for growth and job creation?

Raising taxes on the super-rich is bad for economic growth and job creation. That is the neoliberal mantra which has justified decades of tax cuts for the rich across the world.[90] However, a recent review of tax cuts for the rich across 18 countries over the last five decades found that while tax cuts for the rich did increase inequality, they could not document any impact on growth or jobs.[91] What research *is* able to confirm is that investments in public goods like free, quality public education or free, quality healthcare have immense potential for creating inclusive growth. For example, meeting the finance gap for quality education (at US$41.9bn annually) could increase the GDP of Africa by US$368.4bn (around 4.3% of GDP) and boost GDP per capita by around US$240.[92]

Far from jeopardizing growth and jobs, taxing the super-rich to fund essential social services has the potential to create a much stronger economy, all while reducing inequality, strengthening gender justice, and providing rights and dignity to citizens. The choice that we are told exists between higher taxes and higher growth is in fact more a choice between private wealth for the few and public good for the many. In the words of economist Ha-Joon Chang: 'Once you realize that trickle-down economics does not work, you will see the excessive tax cuts for the rich as what they are – a simple upward redistribution of income, rather than a way to make all of us richer, as we were told.'[93]

While taxing the richest is not easy, the difficulties involved are often deliberately exaggerated by both the rich themselves and by the politicians and media that they often overlap with or have excessive control over.[94] With political will, progress to tax the richest can be made even in difficult contexts (see **Box 7** on Bolivia's introduction of a net wealth tax). Taxing the super-rich holds many benefits, including:

- Lowering extreme economic inequality, with all the associated benefits that brings for gender justice, growth, poverty reduction, the climate crisis and more (see **Box 1**).
- Raising billions that can help strengthen both the economy and social justice (**Box 6**).
- Building the social contract around taxation and democracy; surveys show that big majorities of Africa's citizens expect the rich to pay a higher share of tax and see progressive taxation as an essential part of democracy (see Box 7) and research has shown that citizens are more inclined to pay taxes when their country's tax system is progressive.[95]

Box 8: Taxing the wealthiest is a popular idea among African citizens

Polling across the world consistently finds strong support for taxing the richest people. This is also the case in Africa, where 69% of people polled across 34 countries agreed that it 'is fair to tax rich people at a higher rate than ordinary people in order to fund government programs to benefit the poor'.[96] In another survey, which covered eight African countries, 62% of citizens answered that it is an essential characteristic of democracy for governments to tax the rich to subsidize the poor, a figure which is slightly higher than the average in 58 countries outside the African continent.[97]

Although polling on the support for a net wealth tax on the rich is sparse in most African countries, a recent poll from 2024 shows that 70% of Kenyans and 68% of South African citizens support a net wealth tax on the rich, similar to the 68% average support found among citizens across 17 G20 countries.[98]

4.1 TAXING WEALTH

Research has shown that Africa is the only region in the world where taxes on property and wealth do not contribute to redistribution from rich people to people living in poverty.[99] This is reflected in the fact that Africa is the region where taxes collected from wealth is the lowest as a share of GDP, at just 0.3%.[100] In Asian and Latin American countries, collection from wealth taxes is double and triple the average collection in African countries, while it is six times larger in OECD countries (see **Table 4.1**).[101] There is unfortunately little sign that African countries are strengthening their taxes on wealth, as revenue from taxes on wealth has declined by nearly a quarter over the last decade (**Figure 3.4**).

Table 4.1: Revenue from wealth taxes in four regions, 2022

Region	Average taxes on wealth (percent of GDP)
Africa	0.3%
Asia and the Pacific	0.6%
Latin America and the Caribbean	0.9%
OECD	1.8%

Source: OECD. (2025). Global Revenue Statistics Database.
https://www.oecd.org/en/data/datasets/global-revenue-statistics-database.html

The lack of taxes on wealth has big implications for inequality, since a third of all of Africa's private net wealth is owned by the richest 1% of Africans. When wealth is hardly taxed, it ensures that massive resources stay in the hands of a tiny minority while millions suffer from undignified and unnecessary deprivation.

Because of the extreme concentration of wealth in Africa, the potential revenues from taxing the wealthiest 1% at even low rates are significant. We estimate that a one percentage point increase in the effective tax rate on the net wealth of the richest 1% could raise an additional US$22.7bn annually for African governments (corresponding to 0.79% of Africa's GDP).[102]

Taxing the wealth of the richest can be achieved through a range of means, including:

- Taxing personally held inheritance and gifts;
- Taxing property, including land; and
- Taxing net wealth.

Each country can use the mix of wealth taxes that is most suitable for its context and existing tax system. In some cases, increasing or introducing new taxes on wealth will be effective, and in other cases enforcing existing taxes on wealth may be sufficient.[103] Special consideration should be given to communal forms of ownership of property and land, which are found across many African countries.[104] The sections below focus on privately owned wealth, not communal ownership forms. The section also does not focus on wealth owned by most citizens, but exclusively on the wealth owned by the richest 1%.

4.1.1 TAXING INHERITANCE

Two-thirds of African countries (64.3%) do not have any form of tax on inheritance or gifts,[105] and apart from South Africa, taxes on inheritance contribute very little revenue to African countries.[106]

According to a recent analysis, there are 8,320 Africans that each own US$5m or more, who are expected to pass on a total of US$214bn in wealth in the coming decade through inheritance and gifts.[107] Of these wealthy individuals, there are 208 that each own US$100m or more, who together will pass on US$95bn (40% of the total).[108] Because of the lack of taxes on inheritance or gifts, much of this transfer of wealth will happen without any tax being paid. Among Africa's 23 dollar billionaires, 14 are from countries with no inheritance or gift taxes. These 14 billionaires will be able to pass on a combined net wealth of US$71bn without paying any tax on it.[109] This amount from just 14 super-rich individuals is more than the total official development assistance received by African countries in 2023 (US$59.7bn).[110]

By increasing the rate of tax on inheritance of fortunes above US$5m by 10 percentage points, African governments could generate approximately US$520m in additional revenue each year.[111]

4.1.2 TAXING PROPERTY

Taxing property (including both houses and land) can be an effective way to tax extreme wealth. The super-rich tend to invest in property and a recent survey of wealth managers found that compared to other regions in the world, super-rich clients based in African countries tend to own the highest numbers of houses (more than four on average).[112] Unlike money, property cannot be hidden or moved abroad, so property taxes are more difficult to evade.

On average, African countries only raised 0.3% of their GDP from property taxes in 2022, with several countries collecting no property tax at all. Morocco and South Africa stand out by collecting 1.5% and 1.2% of their GDP from property taxes, respectively.[113] If all African countries were able to match Morocco's collection as a share of GDP, Africa would be able to raise an estimated additional US$34.34bn a year from property taxes.[114]

The city council in Sierra Leone's capital, Freetown, has demonstrated that property taxes can be increased in a highly progressive way. Since 2018, it has not only doubled its registration of properties, but also reviewed the valuation of properties in a way that has halved the tax bill for the 20% least valuable properties, and more than tripled the taxes due on the 20% most valuable properties.[115] With the new valuation system, potential revenues have increased more than five-fold, with 70% coming from the 25% most valuable properties.[116] Such reforms show that revenue collection can be increased even while lowering taxes for low-income households.

4.1.3 TAXING NET WEALTH

Net wealth taxes are essential to ensure that the very richest are paying their fair share. Despite this, no African country currently has a net wealth tax.

We estimate that a progressive net wealth tax of 2–5% on those with a net wealth over US$5m could potentially raise US$10,52bn annually for African countries.[117]

Net wealth taxes can be avoided by hiding wealth in tax havens. For this reason, international cooperation to tax the super-rich – such as the measures being discussed within the G20 and the UN – is especially promising for African countries (see **Box 8**). However, even without progress in such discussions, Bolivia has recently shown that a net wealth tax can potentially raise significant revenues (see **Box 7**).

Box 9: Bolivia demonstrates how to tax wealth in the absence of international cooperation

Bolivia is a lower middle-income country in Latin America with an economy that is 18% smaller than the average African country, and a per capita GDP similar to Eswatini.[118] The richest 1% in Bolivia own 31.2% of the country's wealth – a higher share than in Kenya (28.6%) and significantly more than in Senegal (25.6%)[119] Despite not being part of the global network for the automatic exchange of financial information,[120] Bolivia has been able to collect US$30–35m annually since it introduced a net wealth tax in 2021 as part of its COVID-19 recovery efforts –addressing economic inequality and bolstering state revenues during a period of fiscal constraints.[121]

The tax only applies to multi-millionaires with net wealth of more than 30 million Bolivianos (approximately US$4.3m), with a rate starting at 1.4% and increasing up to 2.4%.[122] In its first year, the tax was paid by 203 people and brought in twice as much revenue as authorities had projected.[123]

4.2 TAXING INCOME

The income of the richest 1% of Africans is also undertaxed. The 1% highest earners currently capture one-fifth of Africa's income (20.73%).[124]

We estimate that taxing the income of Africa's richest 1% by an additional 10 percentage points could potentially raise US$43.3bn in revenues for African countries annually (representing 1.5% of GDP), while increasing the progressivity of their tax systems.[125]

Taxing the incomes of the highest earners can be achieved through a range of means, including:

- Taxing income from employment;
- Taxing capital gains; and
- Taxing corporate income.

Achieving a 10% higher effective tax rate on the richest 1% can involve any combination of these different forms of taxes on income, and can involve both increasing tax rates and strengthening enforcement of existing taxes on income.

4.2.1 TAXING PERSONAL INCOME

Taxing income at a higher rate the more someone earns is one of the fundamentals of progressive taxation. However, the top marginal tax rates and the number of bands in the personal income tax systems of African countries have been falling over the last 25 years.[126] In addition, many countries have very low thresholds for exemptions; an individual earning a wage equivalent to the US$1.90/day poverty line would be subject to income tax in a quarter of African countries.[127] Despite these shortcomings, researchers estimate that if the existing taxes on employment income were applied robustly in African countries, it could reduce inequality by between 0.041 and 0.047 Gini points. Reforming taxes on employment income to exempt lower-income households, while increasing rates and enforcement on the highest earners, would have great potential in increasing the progressivity of the tax system.

4.2.2 TAXING CAPITAL GAINS

Most people earn their money through work, but among the super-rich, income from the ownership of capital tends to be much more important.[129] This is also the case among African countries, where the wealthiest 1% are estimated to own 46.4% of all financial wealth[130] (stocks, bonds, etc.), which is higher than the global average (43.3%).[131] Such capital income is often taxed at lower rates than income from work, and African countries are no exception.

Of the 34 African countries for which we have data, 22 countries (65%) tax capital gains at a rate lower than personal income.[132] Six of the 34 countries (17%) do not tax capital gains at all, while the rest (12%) tax them at similar rates as personal income.[133] On average across the 34 African countries, capital gains are taxed at 19% compared to the 33% on employment income.[134] Taxing capital gains at rates that are at least as high as those on income from work, and preferably higher, could generate much-needed new revenue while almost exclusively falling on the richest individuals.

Kenya shows that increasing capital gains tax rates can be difficult, but not impossible. The capital gains tax was abolished in Kenya in 1985 following pressure from the wealthy elite. It was finally reintroduced at a low 5% rate in 2015, then tripled to 15% in 2023 despite fierce resistance and lobbying.[135] Following the increased rate introduced in 2023, the Kenyan Revenue Authority has stated that they have seen a 49.5% growth in revenue collected from capital gains tax (over US$64m for FY2023–24).[136]

4.2.3 TAXING CORPORATE INCOME

Even though the corporate income tax (CIT) is not levied directly on rich people, there is increasing evidence that wealthy shareholders ultimately pay a majority of the tax.[137]

African countries, on average, collect more than a fifth of tax revenues from corporations – almost twice the average for OECD countries.[138] While rates are generally higher than elsewhere, nearly one in four African countries (24%) have reduced their CIT rates since 2019; only two have increased them (South Sudan and Morocco).[139]

The widespread use of corporate tax incentives further undermines collection of CIT. Across 20 African countries, US$4.9bn is lost every year to such incentives.[140]
However, the IMF, World Bank, UN and OECD have all identified such profit-based incentives as problematic.[141] Reforming and removing such corporate tax incentives could release billions for social investment.

The inequality inherent in the current international tax system further means that the tax payments of multinational corporations are skewed away from African countries and towards the countries where the multinational corporations are based.[142] Such unequal distribution of taxing rights is part of the system that drives inequality between the Global North and South, and is a key topic to be discussed under the UN Tax Convention negotiations
(see **Box 9**).

Box 10: Tax enforcement is essential for taxing the super-rich in Africa

Taxing the richest is not only about introducing new taxes or raising tax rates on them. In many cases it is also about making sure they pay the taxes that are already in place. This is especially true in many African countries, where underreporting and tax evasion are widespread among the richest. Research has shown that:

- Only one in five dollar-millionaires in Rwanda filed a personal income declaration in 2018.[143]
- Before 2015, only one in five of the most successful lawyers in Uganda paid any personal income tax.[144]
- More than 99% of Nigeria's super-rich were found to be non-compliant with their tax obligations in a recent government-commissioned study. Out of the approximate population of 115,000 high-net-worth individuals, the study found only 40 were compliant, or just around 0.035% of the super-rich.[145]
- Only 16% of landlords identified in a registration drive in Sierra Leone's capital in 2021 had registered for taxes.[146]

Perhaps such non-compliance is not such a surprise, since African countries on average only have one tax auditor for nearly every 13,000 taxpayers. Investing in increasing tax audit capacity can quickly pay for itself, especially if the investment is targeted at audits of the richest. For example, the government of Ghana estimates that every tax auditor in the Large Taxpayers Office (LTO) can bring in an average US$2.4m in new revenue, and a study from the African Tax Administration Forum (ATAF) finds that African countries can increase their domestic revenue by 1% for every 10% increase in the number of comprehensive audits.

A particularly promising approach is to establish a dedicated unit for taxing high-net-worth individuals within the tax administration to ensure that tax compliance of the richest is being enforced. Uganda established such a unit years ago and has since seen a large increase in the number of registered taxpayers among the richest, with additional revenue collected as a result.

4.3 STOPPING ILLICIT FINANCIAL FLOWS

To tax the super-rich and reduce inequality both within and between countries, it is essential for African countries to stop wealthy individuals and corporations from hiding their wealth abroad. It is estimated that Africa loses US$88.6bn annually through illicit financial flows.[151]

Across 31 African countries, researchers have estimated that an average 15.2% of their GDP is held offshore. This is the highest rate of offshore[152] wealth among Asia, Latin America and Europe, and the researchers also demonstrate that hiding wealth offshore is almost exclusively done by the super-rich.[153] Capital flight to tax havens is not only a question of lost revenue – it is also a driver of extreme inequality.

Multinational corporations also hide profits offshore on a massive scale, with serious implications for global inequality. Research shows that African countries lose on average 3.5% of their total tax revenue to multinational corporation's tax avoidance, which is higher than any other region.[154] In dollars, the loss to African countries from the misalignment of multinational corporation's profits is US$15.3bn.[155] These massive losses exacerbates inequality both within African countries, and between the Global North and South.

Stopping the losses requires improving international cooperation both to stop corporate tax dodging by reforming the international corporate tax system, as well actions to stop individuals sending money offshore by increasing transparency around the owners of offshore wealth, including assets and companies. The UN Tax Convention presents a golden opportunity to achieve such global reforms (see **Box 9**).

Box 11: 2025 is the year of opportunities to tax the super-rich

During its 2024 G20 presidency, Brazil succeeded in getting the world's biggest economies behind a historic declaration that recognizes the need for international cooperation to tax the super-rich.[156] South Africa has continued this work as Chair of the G20 in 2025.[157] The African Union has also become a full member of the G20 and, together with the government of South Africa in its 2025 G20 leadership role, has a unique chance to push for agreement on an ambitious international standard, developed under the UN, to tax the super-rich.

Negotiations for a UN Tax Convention began in February 2025 in a historic breakthrough delivered by African countries.[158] The Terms of Reference for the convention recognize the need for effective taxation of high-net-worth individuals, as well as dealing with illicit financial flows and other important issues for global tax justice.[159] Having spearheaded the tax convention, African countries have demonstrated strong leadership and can now help deliver a convention that uses international tax reform to reduce inequality both within and between countries.

At the UN Committee of Experts on International Cooperation in Tax Matters in 2024, a new handbook for taxing wealth was adopted.[160] In 2025 the committee developed a model law for introducing a net wealth tax,[161] despite resistance from OECD countries and others.[162] African countries can help push for a continued focus on taxing the super-rich at the UN tax committee and can commit to implementing the new model law.

In mid-2025, Spain hosted the UN's fourth International Conference on Financing for Development (FfD). The outcome document identified the need to address inequality through progressive fiscal systems and highlighted the need for countries to ensure the effective taxation of high-net-worth individuals.[163] During the FfD conference, a new collaboration to tax the super-rich was launched, involving countries from both the Global South and North, the UN and civil society.[164] African countries can join this Sevilla Platform for Action to tax high-net-worth individuals to help build a 'coalition of the willing' that commit to taxing the super-rich.

Taxing the richest people has also begun to figure prominently in discussions around climate finance. The Global Solidarity Levies Task Force co-chaired by Kenya, France and Barbados has made several suggestions to help provide climate finance, including an internationally coordinated tax on the super-rich along the lines of what Brazil suggested under the G20.[165] Barbados's Bridgetown Initiative 3.0, released in 2024, contains a similar call to tax the wealthiest individuals to finance a loss and damage climate fund.[166] At COP30 in Brazil this November, African countries can play an important role in demanding that the richest people are taxed to help raise the climate finance that rich countries owe Africa and the Global South.[167]

5 POLICY RECOMMENDATIONS

Reducing economic inequality is within reach of every African country. It requires policy reform and political commitment by Africa's governments, more support from the African Union, international cooperation and reform of the international financial institutions. But change is possible with enough political will, and there are proven ways to make progress towards this goal. We urge governments and the African Union to act quickly to implement the policy options below, to accelerate progress on reducing inequality both within African countries and between the Global South and North.

1. Plan for ambitious reductions in inequality

a) Governments should develop **National Inequality Reduction Plans (NIRPs)** that set timebound and ambitious targets for reducing economic inequality in income and wealth. Every country should be aiming for an income Gini coefficient of less than 0.3 and/or a Palma ratio of no more than 1 (the income share of the richest 10% being equal to that of the poorest 40%). These NIRPs should include increased **monitoring and data collection on economic inequality**, especially the data on top incomes, as well as data disaggregation based on income and wealth. The World Bank should support countries in collecting more, and up-to-date, inequity data.

2. Governments should implement policies to reduce inequality, including:

b) **Progressive labour policies, increased minimum wages and support for formalization of informal economy actors.** Of particular importance is to progressively reduce vulnerable employment through policies intended to create decent, well-paying jobs for Africa's burgeoning youth population. Measures could range from supporting small and medium-sized businesses to thrive and formalize (e.g. through a simple business registration process, a high threshold for VAT registration, trainings, credit support, incorporation into social protection system, among others) to breaking up monopolies that hinder competition, jobs creation and innovation, among other country-specific measures.

c) **Increased public spending on quality public education, health and social protection.** All African countries must ensure that their health budget is at least 15% of total public expenditure and their education budget at least 20% – and that this spending benefits the poorest people by improving access to and quality of education, health and social protection, so that they maximize progress toward universal coverage targeted by the SDGs. Countries should avoid privatizing healthcare through measures such as public health insurance that only cripple the public healthcare system and make healthcare inaccessible to the poorest people while enriching private healthcare providers.

d) **More progressive tax systems,** including exemptions for low-income groups from paying income tax; zero-rating essential basic goods such as food under VAT; improving the design and targeting of tax incentives to eliminate regressive or unjustified corporate tax breaks, and rebalancing tax systems away from regressive taxes and towards progressive taxes that ensure the richest individuals and companies pay their fair share.

e) **Tackling gender inequality**. Every African government should develop and implement gender transformative budgeting and taxation that takes into account the impact of fiscal policies on men and women (for instance, regressive taxes like VAT affect women the most); tackle gender discrimination in the world of work (through disciplinary action including summary dismissal and criminal proceedings for sexual exploitation, closing the gender pay gap, ending pregnancy discrimination and increasing the length of paid parental leave); and recognize care as a human right and public good, and invest in care infrastructures and services, particularly in sectors where women are disproportionately represented (such as healthcare, education and agriculture).

The African Union should support countries to tackle inequality, including through:

f) **Strengthening monitoring of inequality, helping to develop NIRP templates**, and establishing a permanent working group to focus on inequality and the delivery of the 15% reduction of inequality identified under the most recent 10-year implementation plan for Agenda 2063.

g) **Pushing for action against the debt crisis, illicit financial flows and other economic structures** that increase within-country inequality, inequality between Africa and the rest of the world, and global inequality – during both the G20 and the follow up on the Compromiso de Seville from UN's fourth International Conference on Financing for Development.

3. Increase taxes on the super-rich

Governments should:

h) **Increase taxes on the income and wealth of the richest 1%** at rates high enough to significantly reduce inequality. The exact mix of taxes to increase – on capital gains, property, high wages, net wealth, etc. – will have to be adapted to the needs and context of each country, but the guiding principle should be to scale up taxes that target the richest people.

i) **Establish dedicated and well-resourced units** within the tax administration for taxing high-net-worth individuals to help ensure that new and existing taxes on the super-rich are paid.

j) **Join the newly established Sevilla Platform for Action to tax the super-rich** and commit to international collaboration to ensure the super-rich are taxed effectively.

k) Continue to **stand united in their demand for a robust and ambitious UN Tax Convention** with a strong focus on reducing inequality within and between countries, including by delivering effective solutions for taxing income from cross-border services, addressing illicit financial flows and ensuring the effective taxation of high-net-worth individuals.

The African Union should:

l) Develop regional cooperation around taxing the super-rich, with the ultimate purpose of **developing a regional standard**, adapted to the special needs of African governments and tax administrations.

m) Build on the progress made by the Brazilian presidency and together with the G20 Presidency of South Africa push to begin the development of an ambitious international standard to tax the super-rich under the mandate given to the UN.

4. Reform the international financial system and international financial institutions

The current international financial system and institutions were formed when virtually all African countries were still colonies. For 80 years, they have profoundly shaped African development and inequality, often in a colonial way. Reform is long overdue.

n) **Reform governance structure of the IMF and the World Bank**. African countries and the African Union should continue to champion reforms of the IMF and the World Bank to ensure that these institutions serve the African population. The IMF, World Bank and rich countries should support this. Countries of the Global South need more voting rights in these institutions, particularly in Africa where the gap between population size and voting share is most pronounced.. This requires an overhaul of their governance structure, including major reform to the quota system and distribution, which gives rich countries far greater decision-making power (and even grants veto power over major decisions to just one shareholder, the US).

o) **Review policy advice and loan-conditionalities to tackle inequality**. The IMF and World Bank's decades-old reliance on austerity-type policies without consideration of their social and economic costs needs to change. They should instead support countries to invest more in inequality-busting polices in their loan programmes and projects with countries, including through supporting state intervention to correct market failures, budgetary support that is pro-poor, and a taxation regime that ensures tax is based on ability to pay and workers' rights.

a) **Correct the unfairness of the international financial market, especially regarding credit rating, interest rates on debt and predatory lending,** to stop the flow of money from Africa to the richest people in rich countries. Africa needs credit rating agencies that consider its special needs and circumstances, not exacerbate the problem. The IMF, World Bank and rich countries should support an African-based credit agency that will support the region in tackling its economic challenges.

5. Ensure civic engagement

q) An African civil society organization engagement platform (including women, faith-based, labour, tax justice and social protection platforms) and other non-state actors through the Economic, Social and Cultural Council of the African Union (ECOSOCC) must strengthen collaboration on inequality, and support and engage with youth and community activists working against inequality

r) Public and private academic institutions should **strengthen the focus on inequality in their research**, in close partnership with state research institutions, to bolster the evidence for policy action.

s) Governments should **ensure that citizens, media and civil society have a meaningful role in developing, monitoring and influencing fiscal policies and NIRPs**. Special care should be taken to ensure representation of women, youth and other marginalized groups.

ANNEX

Figure A1: The Commitment to Reducing Inequality Index's three pillars and their indicators

	PUBLIC SERVICES SPENDING	TAX PROGRESSIVITY	LABOUR RIGHTS AND WAGES
Policy indicators	• **PS1a** Education • **PS1b** Health • **PS1c** Social protection	• **T1a** Personal income tax • **T1a** Corporate income tax • **T1a** Value added tax • **T1b**-Harmful tax practices	• **L1a** Labour rights • **L1b** Women's labour rights • **L1c** Minimum wage
	Spending as % of total budget	Progressive tax structures	Governments' efforts to protect workers in law and practice
Implementation or coverage indicators	• **PS2a** Secondary education completion by poorest quintile • **PS2b** Universal health coverage and out-of -pocket expenditure • **PS2c** Pension coverage	• **T2** Tax productivity across VAT, PIT & CIT	• **L2a** Unemployment • **L2b** Vulnerable employment
Impact indicators	• **PS3** Impact of spending on inequality (Gini)	• **T3** Impact of tax on inequality (Gini)	• **L3** Impact of labour income (wage) on inequality (Gini)
Total CRI score	Average of 3 pillar scores		

ote: Value added tax (VAT), personal income tax (PIT) and corporate income tax (CIT).

Table A1: CRI Index 2024 rank for African countries

Country	CRI Index 2024 rank	Public services rank	Tax rank	Labour rank
South Africa	1	2	2	6
Namibia	2	1	8	12
Seychelles	3	6	27	1
Mauritius	4	3	33	2
Lesotho	5	11	1	7
Tunisia	6	9	9	3
Algeria	7	7	5	8
Morocco	8	8	6	9

Country	CRI Index 2024 rank	Public services rank	Tax rank	Labour rank
Botswana	9	4	11	25
Egypt, Arab Rep	10	13	31	4
Eswatini	11	5	19	20
Cabo Verde	12	10	38	5
Kenya	13	14	3	23
Senegal	14	16	17	14
Togo	15	24	10	17
Zambia	16	15	4	41
Djibouti	17	18	12	24
Malawi	18	32	21	11
Sao Tome and Princip	19	12	47	10
Benin	20	21	16	31
Burkina Faso	21	22	13	34
Mali	22	27	15	30
Tanzania	23	40	7	35
Angola	24	39	24	19
Gambia, The	25	31	30	18
Ghana	26	29	23	27
Mozambique	27	17	39	22
Rwanda	28	34	22	29
Congo, Rep.	29	26	46	13
Chad	32	46	14	39
Guinea-Bissau	33	42	36	16

Country	CRI Index 2024 rank	Public services rank	Tax rank	Labour rank
Cameroon	34	35	29	38
Madagascar	35	28	45	26
Ethiopia	36	30	28	44
Niger	37	41	20	40
Cote d'Ivoire	38	23	41	36
Somalia	39	47	42	15
Guinea	40	45	32	32
Burundi	41	33	34	37
Sieera Leone	42	36	40	33
Liberia	43	38	43	28
Central African Republic	44	44	25	42
Uganda	45	37	26	45
Zimbabwe	46	19	37	46
Nigeria	47	43	35	48
South Sudan	48	48	48	47

Table A2: CRI Index 2024 global rank for African countries

Country	CRI Index 2024 rank	Public services rank	Tax rank	Labour rank
South Africa	33	38	4	85
Namibia	49	33	25	109
Seychelles	52	80	81	41
Mauritius	53	53	107	50
Lesotho	54	97	3	89
Tunisia	59	93	26	73
Algeria	64	86	11	93
Botswana	82	56	28	135
Egypt, Arab Rep.	90	107	101	74
Eswatini	91	74	56	126
Cabo Verde	93	96	118	79
Kenya	96	111	7	132
Senegal	111	118	53	116
Togo	112	131	27	123
Zambia	113	116	9	155
Djbouti	114	124	30	133
Malawi	117	142	68	104
Sao Tome and Principe	120	104	140	103
Benin	123	127	45	144
Burkina Faso	126	128	39	147
Mali	128	136	44	142
Tanzania	132	153	23	148

Country	CRI Index 2024 rank	Public services rank	Tax rank	Labour rank
Angola	134	152	75	125
Gambia, The	135	141	96	124
Ghana	137	139	72	138
Mozambique	138	123	119	131
Rwanda	139	145	69	140
Congo, Dem. Rep	143	133	54	158
Chad	145	161	42	153
Guinea-Bissau	146	157	116	121
Cameroon	148	145	84	152
Madagascar	149	137	128	137
Ethiopia	150	140	83	159
Niger	151	156	67	154
Cote d'Ivoire	152	130	124	149
Somalia	153	163	125	119
Guinea	154	160	102	145
Burundi	155	144	108	151
Sierra Leone	156	147	121	146
Liberia	157	150	126	139
Central African Republic	158	159	77	157
Uganda	159	148	79	161
Zimbabwe	160	125	117	162
Nigeria	163	158	109	164
South Sudan	164	164	162	163

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Images:

Front cover image: An informal settlement next to the rich suburb of Parklands, Nairobi. Photo: Johnnie Miller/unequalscenes.com

Page 34: Aber Christine a market trader and community mobilizer in Northern Uganda. Photo: Oxfam in Uganda”

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