Effects of Income Inequality on Human Capital in Sub-Saharan Africa

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Abstract: This article analyses the effect of income inequality on human capital in sub-Saharan Africa (SSA), using data from the World Development Indicators (WDI) and the Standardized World Income Inequality Database (SWIID) for 20 countries between 2010 and 2021. Inspired by the work of Legendre (1805) and Gauss (1809), the author applies the generalised method of moments (GMM). The results show that income inequality, measured by the GINI coefficient, has a negative impact on education. On the other hand, ICTs and public expenditure on education (PEE) have a positive effect. An equitable redistribution policy is therefore recommended.

Keywords: Income Inequality, Human Capital, Education, Health

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