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# A Wide Inequality Gap between Algeria and Namibia, but for How Long?

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## Abstract

*This article examines the difference in economic inequality levels in Algeria and Namibia. While Algeria has a relatively low Gini index, Namibia has one of the highest in the world. Namibia is still dealing with lasting effects from apartheid, and it struggles to help the large proportion of its population that live in rural areas. Meanwhile, Algeria's oil resources have allowed it to make advances in infrastructure, which together with other redistributive social policies have helped keeping inequality low. However, more recently, based on some indicators, Namibia has been lowering its inequality levels faster than Algeria, and its fiscal policy is more effective in reducing inequality. Hence, Namibia could be a more equal country than Algeria in a few decades.*

## I. Introduction

Inequality is one of the most pressing issues the world faces in the 21st century. The world's richest people hold a staggering amount of wealth, while billions continue to live in poverty. Namibia and Algeria are not exceptions in this regard; both countries face the challenge of inequality within their borders. Fortunately, both countries are on a decades-long journey to combat inequality. While Algeria is in a more promising position now, its lack of effective economic policy could put it at a disadvantage in lowering inequality in the future. Namibia, on the other hand, is currently one of the most unequal countries in the world, but its policies are much stronger, and it will not stay in its current position for long.

This article examines several facets of income inequality in Algeria and Namibia. After a brief literature review and some socioeconomic background, it examines some of the key indicators related to income inequality, including income shares by top and bottom deciles, quintiles, the Palma ratio, the Gini index, and some additional social indicators. It also discusses some ethical frameworks and applies them to both inequality in general and the fiscal policies of Algeria and Namibia.

Following this introduction (Section I), the article is structured as follows: first, the literature review discusses some of the relevant publications covering issues of inequality in the two countries (Section II). Next, some socioeconomic background paints a brief picture of each of the two countries and compared to each other, by examining the evolution of purchasing power parity (PPP)-adjusted GDP per capita, life expectancy, and literacy rates (Section III). Section IV

provides the factual analysis diving into the data, using several key indicators to portray how inequality has evolved over time in Algeria and Namibia. Section V constitutes an ethical analysis that discusses both the ethics of inequality in general and how each country is combating inequality. The last section provides some conclusions.

## II. Literature Review

There is not much literature on each country, as neither is especially "popular" on the world stage. However, Lawson (2017) and the World Bank (2017) have illustrated Namibia's recent commitment to reducing inequality. Threlfall and Nyaungwa (2020) cover an influential speech by Namibian President Hage Geingob on the topic of inequality. Meanwhile, Matallah, Benlahcene and Matallah (2022), Ameur Ameur and Seffih (2021), and Chekouri (2023) discusses inequality in Algeria. One of the common threads in these three publications focusing on Algeria is the impact of natural resources and economic growth on inequality. Algeria has a lot of natural resources, which can be helpful in both growing the economy and reducing inequality.

- Lawson (2017) uses Namibia as an example to show that inequality is not inevitable. He cites Namibia's progressivity and success in tackling inequality to show that other countries can do the same if they take the right steps. He uses several statistics to cement this point, including the fact that Namibia reduced its poverty rate from 53 percent to 23 percent between 1990 and 2017, as well as that it boasts some of the highest spending on health and education in the world, relative to its overall budget. However, Lawson notes that its tax system could be more progressive, which would reduce inequality even further.
- A World Bank (2017) study examines the effectiveness of Namibia's fiscal policy in reducing inequality, including the country's Vision 2030, which aims to reduce poverty and inequality by the year 2030. Several policy measures have been implemented to bring about such changes. The study examines taxes, transfers, and subsidies to find their level of progressivity (how much they truly help the poor). It finds that overall, Namibia's fiscal policy is progressive and helps to reduce both poverty and inequality, with the most progressive measures being the personal income tax and the water subsidy. However, the World Bank (2017) finds that some measures are neutral or ill-targeted, meaning that the benefits do not always reach the people it intends to reach. The study recommends a better targeting system for these measures, which could do more to decrease poverty and inequality.
- Threlfall and Nyaungwa (2020) contribute little in terms of substantive research about inequality, but their coverage of a speech by Namibian President Hage Geingob contributes to the ethical analysis in this article and provides some political and historical background for the country. President Geingob spoke about the challenges of reversing the effects of apartheid, which contributed heavily to both overall income inequality and racial inequality in Namibia (and several other sub-Saharan countries).
- Matallah, Benlahcene and Matallah (2022) discuss fiscal policy in Algeria, mainly focusing on subsidies and their effect on inequality and poverty. Like the World Bank study, their report finds that subsidies are effective to this end, as they enable poor people to access basic needs, as well as health and education services. However, they argue that subsidies are not effective unless well-targeted, and many of Algeria's subsidies have historically been ill-targeted, helping rich people more than poor people. They also discuss the effects

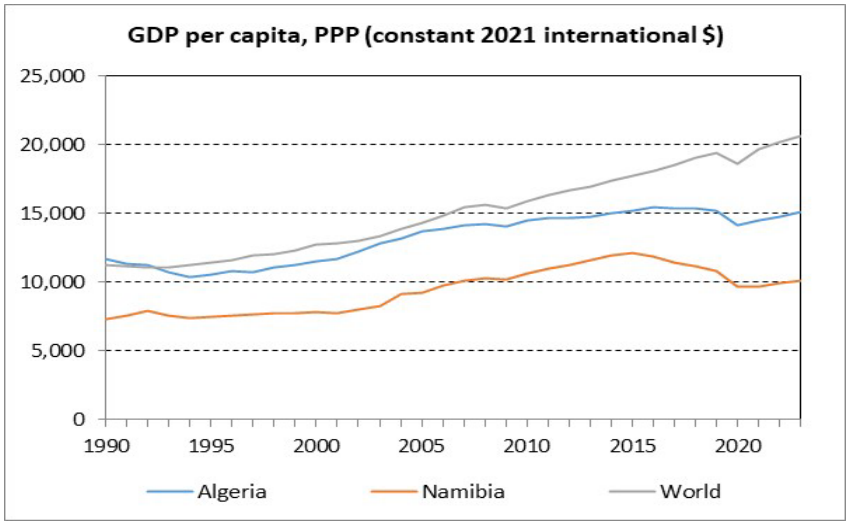
of corruption, which is rampant in the country, on inequality; they argue that the observed high corruption has heavily exacerbated inequality, and that controlling this corruption would have a desirable, opposite effect.

- Ameur Ameur and Seffih (2021) take a different approach in their study, using inequality as an independent variable and economic growth as a dependent variable. They tackle a long-standing debate in economics, which is whether inequality is good or bad for economic growth. While some have argued that inequality helps economic growth via competition and motivation, others have argued that it hinders growth because of a lack of spending. Ameur Ameur and Seffih (2021) find the latter to be true, arguing that while inequality in Algeria may stimulate economic growth in the short run, it will have the opposite effect in the long run.
- Chekouri (2023) observes the opposite relationship — that is, the effect of economic growth on inequality. More specifically, Chekouri observes the effect of increased resource rent, or the abundance/value of resources in an economy, on Algeria's economic growth. The findings suggest that contrary to the resource curse theory, an abundance of natural resources can contribute to growth as it enables governments to increase spending on social programs, which has been shown to reduce inequality. However, Chekouri does recommend that Algeria diversify its economy to protect itself from the volatility of natural resource prices.

## III. Socioeconomic Background

Algeria and Namibia have experienced similar economic trends over the last 30 years, but they started and remain in different positions. Both countries gained independence during the 20th century, but by 1990, Namibia was still under South African control, while Algeria had been independent for 30 years, allowing Algeria to gain more control over its economy and experience more substantial growth. Algeria's economy is based heavily on the hydrocarbon industry, which it was able to capitalize on in the early years of their independence.

**Figure 1: PPP-adjusted GDP per capita (constant 2021 international $)**

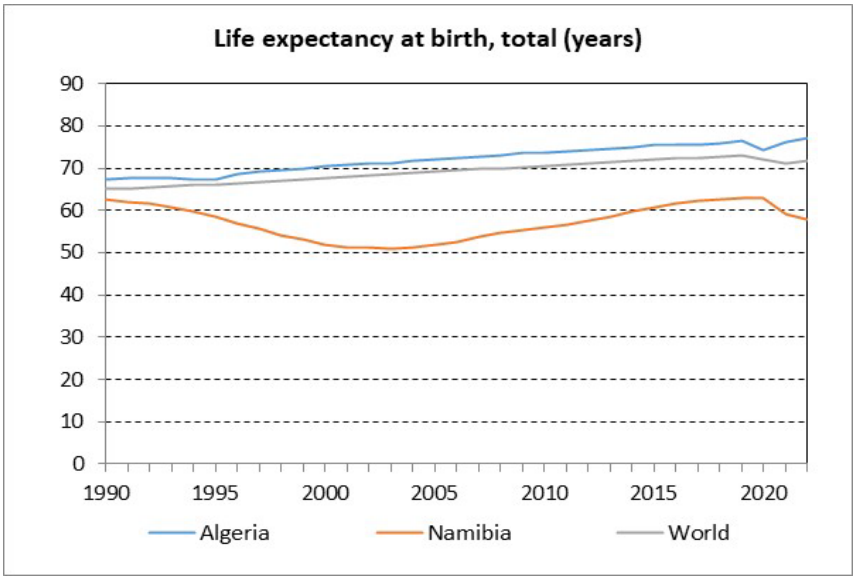



Source: Created by author based on World Bank (2025).

As shown in Figure 1, in 1990, Algeria's GDP per capita (PPP-adjusted and in constant 2021 international $) was $11,729, a little over the world average of $11,263. Namibia, meanwhile, was in a far worse economic situation in 1990. Its PPP-adjusted GDP per capita was $7,282, slightly more than one third below that of Algeria's PPP-adjusted GDP per capita. Both countries experienced modest growth in this measure throughout the 1990s and 2000s, eventually peaking in the mid-2010s. Algeria's highest recorded PPP-adjusted GDP per capita was $15,512 in 2016, and Namibia's was $12,167 in 2015. Both countries' PPP-adjusted GDP per capita declined moderately in the late 2010s, and then recorded a noticeable drop in 2020, likely due to the COVID-19 pandemic. Starting in 2021, both countries' GDP per capita started to rise again. Overall, Algeria's GDP per capita was only 1.30 times higher than it was 32 years earlier in 1990, while Namibia's GDP per capita was 1.39 times higher than it was in 1990. As can be seen in Figure 1, both countries were significantly below the world average GDP per capita in 2023.

Life expectancy also tells a story that can be reflected through history. Algeria's life expectancy has consistently exceeded the world average and risen with it, starting at 67.4 years in 1990 and climbing to 77.1 years in 2022 (see Figure 2). There was a dip in 2020 due to the COVID-19 pandemic, but the country recovered quickly; its 2022 life expectancy exceeded pre-pandemic levels. Namibia, meanwhile, has not exceeded the world average in life expectancy in the last 30 years, and Namibians were actually living shorter lives on average in 2022 than they were in 1990. The country suffered a substantial drop in life expectancy during the 1990s due to the impact of the HIV/AIDS epidemic, reaching a low of 51.1 years in 2003. It eventually grew back to just above its pre-HIV levels during the late 2010s, but COVID-19 reversed that success; in 2021, its life expectancy dropped below 60 years again, and as of 2022, it was still dropping.

**Figure 2: Life Expectancy at Birth (years), 1990 to 2022**

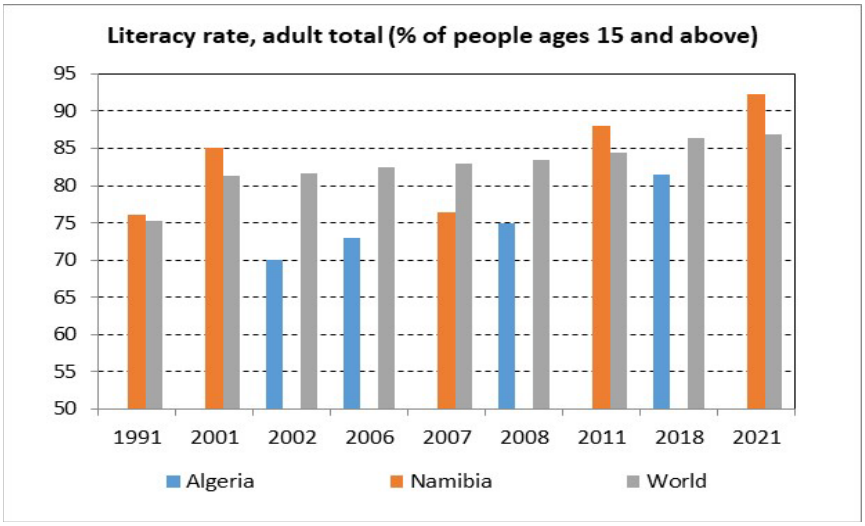



Source: Created by author based on World Bank (2025).

With regards to adult literacy rates, shown in Figure 3, it is difficult to tell how well each country is doing as the available data is limited; only four data points exist for Algeria and only five data points exist for Namibia. However, it is clear that Namibia has exceeded Algeria in adult literacy

rates (people aged 15 and above) over the last 30 years. This is contrary to Algeria's higher GDP per capita. Namibia's literacy rate was 85 percent in 2002 compared to 70 percent for Algeria in 2001. As of 2018, which is Algeria's latest data point, it sits at 81 percent, and as of 2021, Namibia sits at 92 percent. Algeria is always below the world average, which Namibia is, with exception of 2007, always above the world average, which was 78 percent in 2021.

**Figure 3: Adult Literacy Rates (people aged 15 and above)**




Source: Created by author based on World Bank (2025).

## IV. Analysis of Facts

This section is divided into two subsections. The first subsection examines some of the key statistics that depict inequality in each country. These include income shares by decile and quintile, the Palma ratio, and the Gini index. [1] The second subsection examines some health and education statistics.

While all of these statistics show different things about Algeria and Namibia, they are all similar in two ways: First, they do not contain a lot of data, as accurate numbers pertaining to income levels and education in each of these countries are few and far between. For all of these metrics, we will examine the relatively few data points they carry and try to build a picture of how each country has changed. Second, and more importantly, they tell a similar story, which is that Namibia has far more inequality than Algeria but is "catching up" slightly faster.

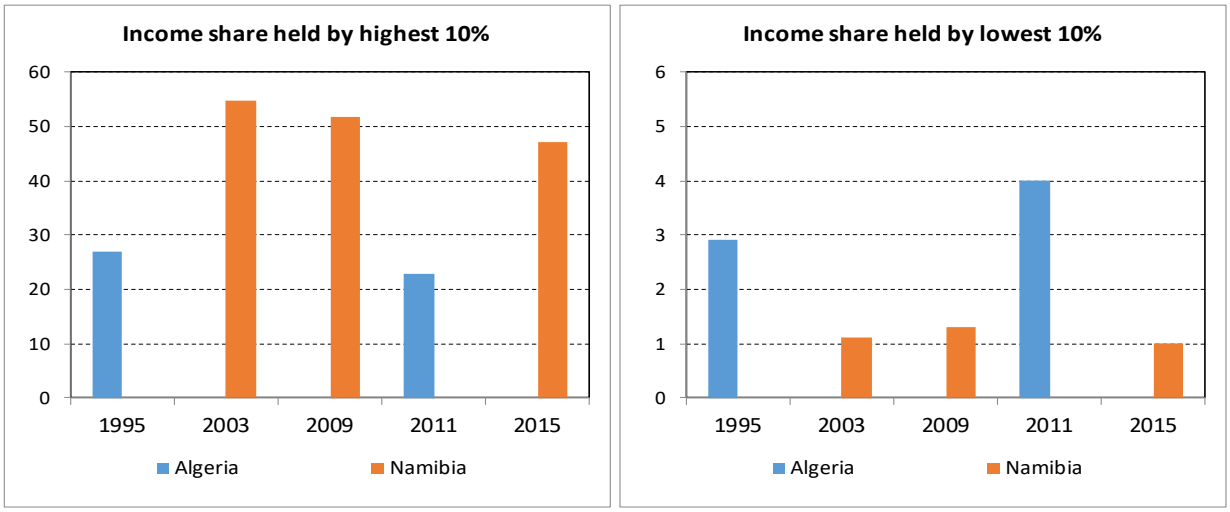
### IV.1. Examination of Key Inequality Indicators

Figures 4 and 5 show, respectively, the income held by the richest 10 percent of the population and the income held by the poorest 10 percent of the population. Algeria has two data points (1995

[1] It should be mentioned that different organizations use different methods to calculate the income shares. The income shares reported by the World Bank (2025) relate to either income after taxes and benefits or income based on consumption. On the other hand, data from, for example, the *World Inequality Database* and *Our World in Data* (https://ourworldindata.org/) relate to inequality before taxes and benefits. In order to be consistent within this article, we always use the World Bank (2025) data for the income shares held by deciles and quintiles, and we then calculated the Palma ratio based on that data instead of using the Palma ratio reported by other sources.

and 2011) for this statistic. In 1995, the top 10 percent held 26.9 percent of the overall income, while the bottom 10 percent held 2.9 percent of the income. In 2011, the top 10 percent held 22.9 percent of the overall income, while the bottom 10 percent held 4.0 percent of the income. Though the only two observation points we have for Algeria do not make a trend, based on this limited information, inequality has decreased in Algeria between 1995 and 2011. For Namibia, which has far higher inequality between the top and bottom deciles than Algeria, we have data for three years: 2003, 2009 and 2015. Though the income share of the top 10 percent decreased continuously from 54.8 percent in 2003, to 51.8 percent in 2009, and then to 47.2 percent in 2015, the income share of the poorest decile only increased from 1.1 percent in 2003 to 1.3 percent in 2009, it then decreased in 2015 to only 1.0 percent.

**Figures 4 and 5: Income Held by Top and Bottom Decile**

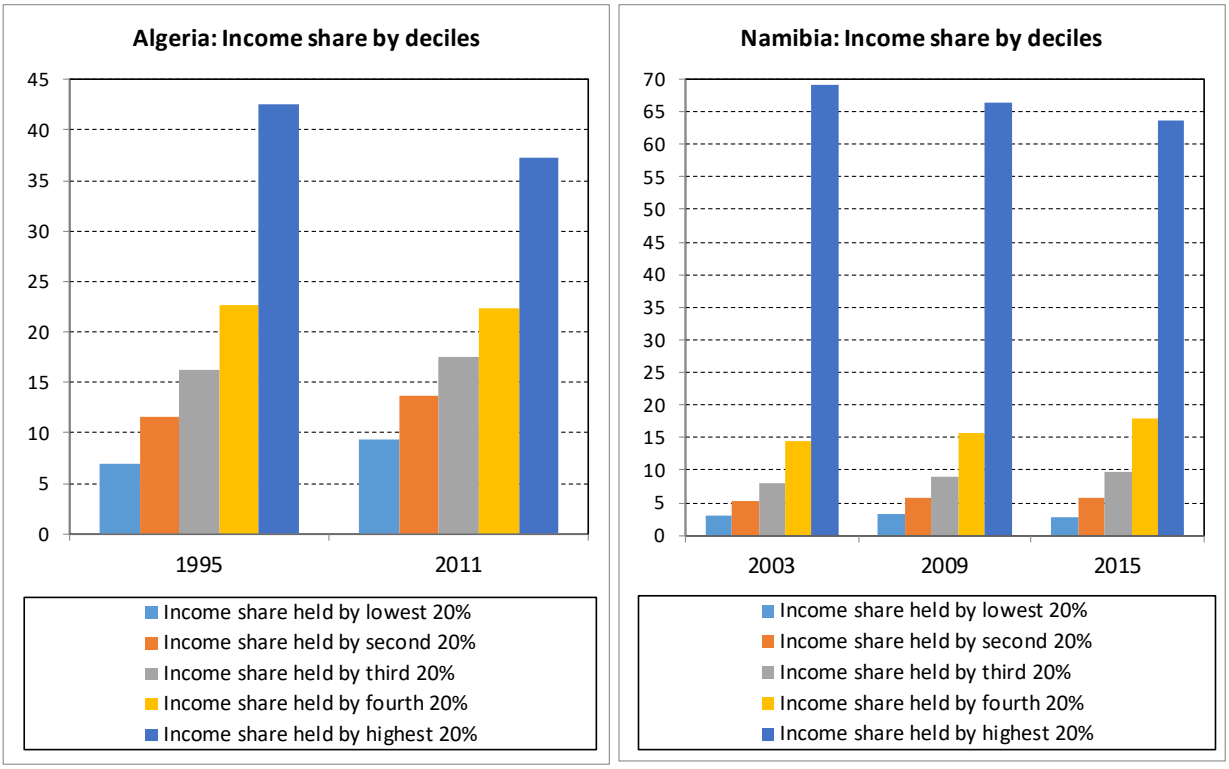



Source: Created by author based on World Bank (2025).

Given this partly inconclusive data for Namibia, Figures 6 and 7 show the available data on income shares by quintiles, respectively for Algeria and Namibia. While both countries have reduced the income of the top quintile (i.e., the richest 20 percent), the changes for the other quintiles are different for the two countries. As shown in Figure 6, in Algeria, the significant reduction in the income share held by the top quintile (from 42.6 percent in 1995 to 37.2 percent in 2011) has benefitted the bottom, second and third quintiles, which have respectively increased their income shares from 7.0 percent to 9.4 percent, from 11.6 percent to 13.7 percent, and from 16.2 percent to 17.5 percent. Hence, consistent to Figures 4 and 5, inequality has been reduced in Algeria.

In Namibia (shown in Figure 7), the reduction in the income share held by the top quintile (from 69.0 percent in 2003, to 66.4 percent in 2009, and then to 63.7 percent in 2015) has benefitted all the other quintiles from 2003 to 2009, but not from 2009 to 2015. While the income share held by second, third and fourth quintiles increased from 2009 to 2015, the income share held by poorest quintile decreased from 3.3 percent in 2009, to 2.8 percent in 2015. While this is consistent with the data shown in Figures 4 and 5, it does once again not allow us to draw a solid conclusion for what happened to inequality in Namibia from 2009 to 2015 as the richest quintile got less income but so did also the poorest quintile. What can be said is that the changes in Namibia's income distribution consistently benefitted the middle class, i.e., the three quintiles in the middle.

**Figures 6 and 7: Income Shares by Quintile in Algeria and Namibia, all available years**



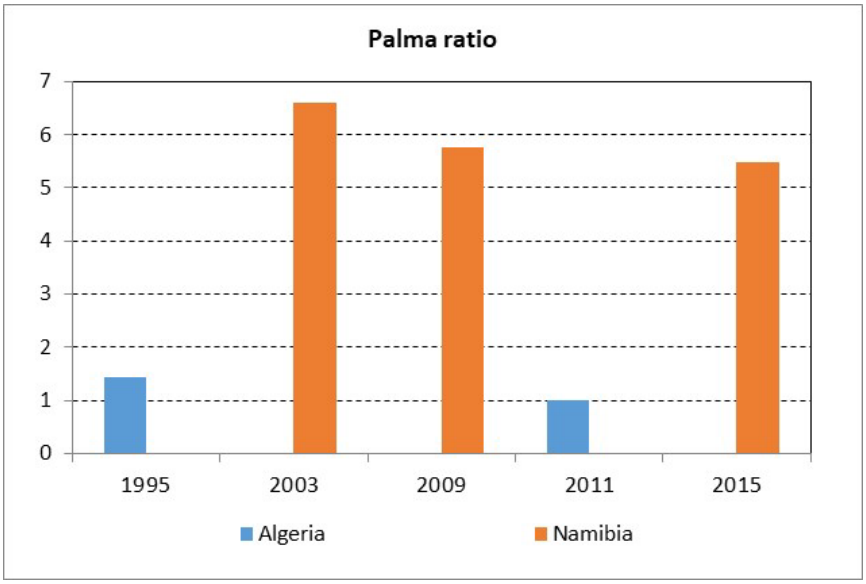

Source: Created by author based on World Bank (2025).

The next logical step is to look at some more compound measures. Two of the more famous ones in regard to inequality are the Palma ratio and the Gini index. The former is a simple measure that builds on income shares, dividing the share received by the top 10 percent by the share received by the bottom 40 percent. Hence, a higher value indicates higher inequality.

As shown in Figure 8, Namibia's Palma ratio has been much higher than Algeria's. Algeria's Palma ratio was 1.45 in 1995, which declined to 0.99 in 2011. Hence, the income share of the richest 10 percent of Algeria's population was nearly exactly the same as the income held by the poorest 40 percent. Namibia's Palma ratio also declined over time, from 6.60 in 2003, to 5.76 in 2009, to 5.49 in 2015. That is, the income share of the richest 10 percent of Namibia's population was more than five times higher than the income held by the poorest 40 percent. Though Namibia's Palma ratio declined more than Algeria's in absolute terms, it declined less in relative terms.

However, as with all the data reported in this section, there are severe limitations with the sample size (i.e., two data points for Algeria and three data points for Namibia). Furthermore, though the Palma ratio is a great measure to see the income share of the richest 10 percent to that of the poorest 40 percent, the Palma ratio itself is an imperfect measure. One of the main criticisms is that it can be insensitive to income transfers and therefore does not satisfy the Pigou-Dalton principle, which states that an income transfer from a richer household to a poorer household must decrease the inequality index. Another criticism is that it ignores half of the people in a country (those within the 40$^{th}$ and 90$^{th}$ percentile of income), which means there are no insights taken from what happens to the middle class.

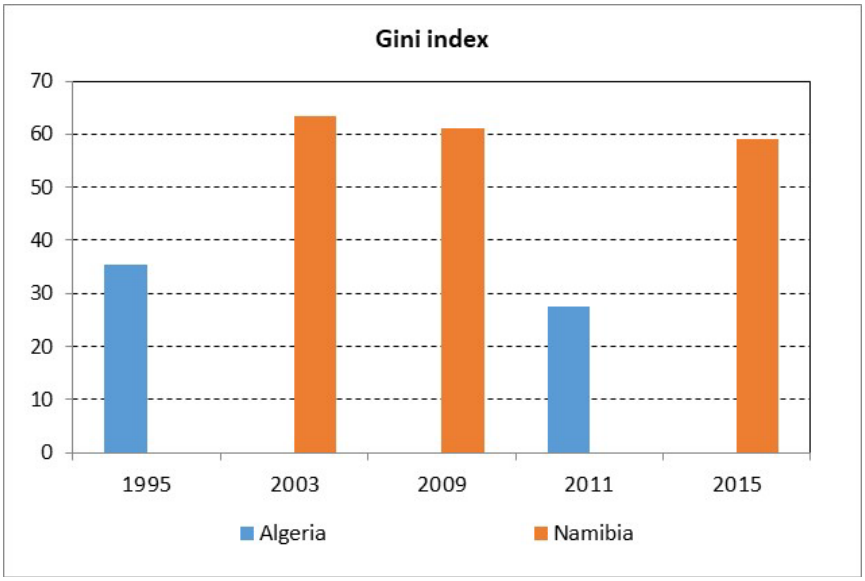
**Figure 8: Palma Ratio, all available years**




Source: Created and calculated by author based on World Bank (2025).

A better inequality measure, according to many economists, is the Gini index, which measures the entire distribution of income within a country. The Gini satisfies the Pigou-Dalton principle and is widely used as the main measure of inequality around the world. As shown in Figure 9, Algeria's Gini coefficient declined from 35.3 percent in 1995 to 27.6 percent in 2011, while Namibia's Gini coefficient declined from 63.3 percent in 2003, to 61.0 percent in 2009, and then to 59.1 percent in 2015. Based on the Gini, Algeria reduced inequality more during 1995 and 2011 than Namibia reduced inequality during 2003 to 2015 (both in absolute and relative terms).

**Figure 9: Gini Index (percent), all available years**



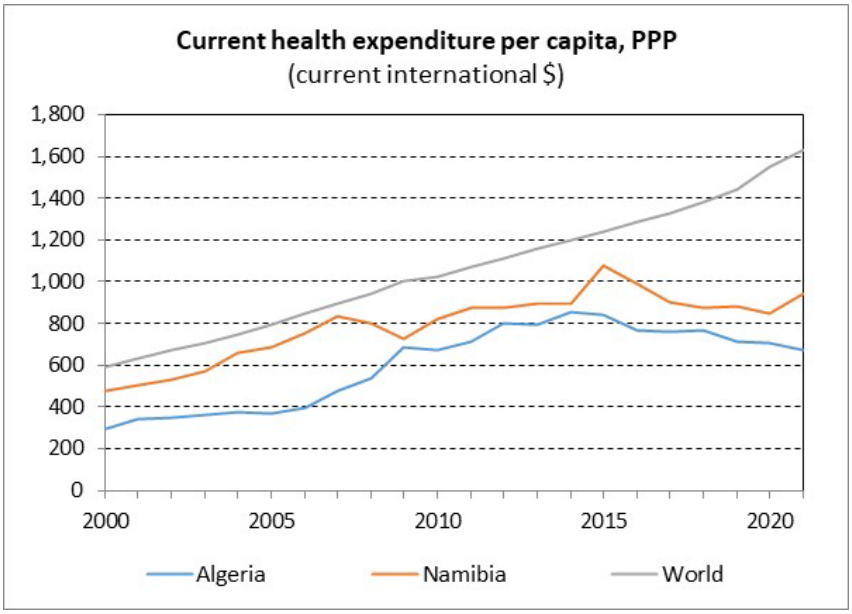

Source: Created by author based on World Bank (2025).

## IV.2. Examination of Some Health and Education Indicators

The two measures examined in this subsection are not directly measuring inequality but still shed light on the likely future reduction in inequality due to investments made in health and education. Figure 10 shows current health expenditure per capita (PPP-adjusted), while Figure 11 shows the percentage of the population (at least 25 years old) that has at least completed lower secondary education. Both of these statistics provide some alternative context to the income statistics already examined, and interestingly, they paint a different picture. Namibia is outpacing Algeria in both of these measures.

As detailed in Figure 10, Namibia spent (in per capita terms) more than Algeria in every year from 2000 to 2021 (which are the only years such data is available). On average, Namibia spent PPP-$190 more a year on current health expenditures per capita than Algeria, which implies that Namibia spent on average 38.4 percent more than Algeria.[2] Even though we do not have information on whether most of these spendings are on poor or rich households, assuming they are not highly skewed to the rich, these investments are likely going to reduce inequality in the future. Nevertheless, Figure 10 also shows that both, Algeria and Namibia have fallen behind the world average per capita current health expenditures during the last decade. Even though the world average is biased upwards by the very high health expenditures on the richest countries, it still puts the per capita current health expenditures of Algeria and Namibia into perspective.

**Figure 10: Current Health Expenditure, per capita, 2000–2021**



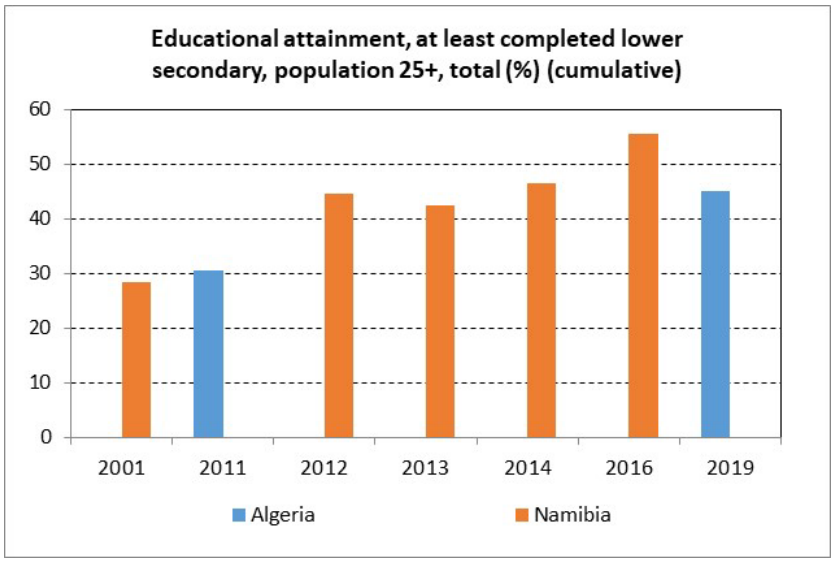

Source: Created by author based on World Bank (2025).

Our last figure, Figure 11, shows that the percentage of the population (at least 25 years old) that has at least completed lower secondary education increased from 30.6 percent in 2011 to 45.1 percent in 2019 in Algeria. This is a solid gain but far below the progress made in Namibia, where this statistic increased from 28.5 percent in 2001 to 55.5 percent in 2016. Though the years for

[2] Calculations by author based on data provided in Figure 10.

which this statistic is available do not match exactly for the two countries, it is nevertheless clear that Namibia has made more progress than Algeria. For example, the percentage of the population (at least 25 years old) that has at least completed lower secondary education was more than 10 percentage points higher in Namibia in 2016 than it was three years later (2019) in Algeria.[3]

**Figure 11: Population that Has Completed at Least Lower Secondary Education (percent of over 25 years-old), all available years**




Source: Created by author based on World Bank (2025).

These two statistics lead us into the ethical analysis of this article. Both statistics suggest something about the future of the countries; for example, given the higher educational attainment by Namibia and the importance of education in reducing inequality, it is reasonable to assume that Namibia could lower its inequality in the next few decades more than Algeria. They also give us a preview as to what the countries are doing to deal with their levels of inequality. For example, Namibia's higher health expenditure is a sign of a more progressive economic system.

## V. Ethical Analysis

This section is broken down into two subsections. The first subsection covers the ethics of inequality in general and examines some philosophical arguments and ethical frameworks. In other words, this section attempts to explain whether inequality is justified and what implications it has for a population. It also begins to apply the frameworks to Namibia and Algeria. The second subsection focuses on Namibia's and Algeria's policies and discusses the effectiveness of each country's anti-inequality measures.

### V.1. The Ethics of Inequality

Extreme inequality is, from a basic egalitarian perspective, bad. That is the simplest examination of inequality, and it serves as an explanation for why nearly every country in the world has adopted

[3] Calculations by author based on data provided in Figure 11.

at least some kind of anti-inequality measure. That being said, the simple examination does not hold up to advanced scrutiny for the simple reason that inequality is far from simple. It is a nuanced issue, and in order to make judgments about a country's response to it, a deeper understanding is necessary.

The most popular argument in support of inequality (in moderate levels, not extreme) is that it promotes efficiency and economic growth. By being forced to earn their way in the world, workers are incentivized to work hard and innovate in order to make a high salary, which in turn encourages overall economic growth. If there was too robust of a safety net, no one would want to work hard. This belief aligns with philosopher Thomas Hobbes' view (although Hobbes mainly reflects on governance, not economics) that mankind is inherently selfish and people will naturally want to satisfy their own desires. From this view, a certain level of inequality is justified as long as it incentivizes growth. Other philosophers, like John Locke, take the justification of inequality even further. Locke was a libertarian who believed in the importance of individual freedom, and he supported inequality as long as the wealth of the rich was obtained in a moral way. This is one of the most extreme views of inequality, as it ignores the notion of a "greater good" and the suffering of the poor.

Interestingly, even by Locke's view, the inequality of Namibia and Algeria is ethically dubious. In the case of Algeria, the economy is dominated by the petroleum trade, which is not inherently unethical.[4] It could be argued that these resources were found in the country, and those who find the resources have every right to use them to their advantage. The complication with this argument is that in Algeria, the state-owned company Sonatrach owns the majority of the oil and gas industry, controlling roughly 80 percent of hydrocarbon production.[5] Hence, the question is then whether the revenues the government gets from its hydrocarbon production are shared equally across the population. Additionally, there are ethical concerns related to how workers in the oil and gas industry are treated, especially as these jobs are not the most pleasant and also not very safe. In Namibia's case, the answer is more cut and dry. Much of the upper-level wealth in the country is associated with apartheid, the long-standing system of racial separation in southern Africa that systematically denied people of color rights and opportunities, which kept them in poverty. This system is obviously unethical, and any wealth acquired because of it is unethical as well.

According to other views, inequality is less excusable. Jean-Jacques Rousseau and Emmanuel Kant both posited that inequality is inherently bad. Rousseau said that no one would willingly engage in the "social contract" of government if it meant that they would be harmed by it, so substantial inequality must not be part of the social contract. Kant, meanwhile, said that all humans deserve to be treated equal by virtue of being human.

These views are consistent with many of the ethical decision-making frameworks, or lenses, outlined by the Markkula Center for Applied Ethics (2021). Kant's view aligns closely with the Rights Lens, which states that humans have "a dignity based on their human nature per se" and should be treated in accordance with those rights. [6] Another similar framework is the Justice Lens, which states that humans should not be treated exactly the same, but that they should be given the justice they deserve. Because of their humanity, under this view, humans deserve social and

[4] Chekouri (2023).
[5] U.S. Department of Commerce, International Trade Administration (2021).
[6] The Markkula Center for Applied Ethics (2021).

economic justice, which is not in accordance with extreme inequality.[7] Rousseau's views also align with the Justice Lens; people participate in the social contract, which means they ought to be provided with the benefits they deserve. [8] A government should logically, then, take steps to reduce inequality.

John Rawls' views illuminate an additional perspective on inequality. He posited that inequality is justified as long as the poorest person has a better quality of life than they would under a system of total equality. This view aligns closely with the utilitarian lens, which emphasizes creating the most good in the world. If the poorest person has a better life under inequality, then inequality produces the most good. This statement hardly applies to the real world, though, especially in relation to Namibia and Algeria. First of all, inequality is not a black-and-white issue; it lies on a spectrum. Communism could very well be worse than rampant inequality, but few would argue for communism. Moving further towards equality, though, would likely have tremendous benefits for the economies of both countries.

Building off of this point, it is nearly inarguable that the poorest people in Namibia and Algeria would be worse off with more equality. In Algeria, 36.3 percent of the population lived below $6.85 a day in 2011, the most recent year of measurement. In Namibia, over half lived below $6.85 a day in 2015.[9] Again, under a strict economic system like communism, corruption and instability might leave them worse off, but even moderate improvements to inequality in both countries would no doubt leave them better off.

Ameur Ameur and Seffih (2021, p. 45) support this notion as they find that for every 1 percent growth in inequality in Algeria, economic growth will be reduced by 0.52 percent. They outline a few causes for this trend; first, they argue, inequality concentrates wealth and resources in the hands of the ultra-rich, who have monopolies on production and therefore use and allocate resources inefficiently. Secondly, inequality leads to social unrest and increased incidence of crime, both of which can hinder economic growth.

The primary takeaway from this ethical analysis is that while inequality can sometimes be justified, it is almost certainly not justified in Algeria and Namibia, and steps should be (and actually have been) taken in both countries to address it. The next subsection will analyze some of these steps.

### V.2. Analysis of Fiscal Policy

Both Namibia and Algeria have taken steps in the last few decades to combat inequality, but based on the literature, it seems that Namibia is outperforming Algeria in this realm. This subsection will analyze some of the policy measures that each country has taken.

To combat its extremely high inequality, Namibia has taken some substantial measures, which have earned the country praise. Lawson (2017, p. 3) cites two statistics that show Namibia's progressive policy in health and education. The first is that Namibia "has the world's second-highest percentage of overall budget spent on education, enabling it to provide free secondary school to all students." The second is that it spends (as a percentage of the overall budget) more on health than Finland, one of the most progressive countries in the world.

[7] The Markkula Center for Applied Ethics (2021).
[8] The Markkula Center for Applied Ethics (2021).
[9] World Bank (2025).

These measures have had a serious impact. Lawson (2017) argues that they allowed the country to reduce its poverty rate from 53 percent to 23 percent and reduce malaria cases by 97 percent over the course of the late 2000s and early 2010s. Lawson's article also refers to Oxfam's Commitment to Reducing Inequality (CRI) index from 2017, which ranked every country in the world based on how effective their policies were in reducing inequality. In the 2017 index, Namibia ranked 40th globally, and in the updated 2018 version, it had risen to 32nd.[10]

Each CRI index is based on the rankings in three categories: spending on health, education, and social protection; progressive structure and incidence of tax; and labor market policies to address inequality. In the 2017 ranking, Namibia ranked 41st in spending, 52nd in tax policy, and 64th in labor policy.[11] In the 2018 ranking, it ranked 27th in spending, 29th in tax policy, and 56th in labor policy.[12] Clearly, Namibia could drastically improve their future rankings if it improves in the labor policy category, which encompasses measures like minimum wage, parental leave, non-discriminatory pay and labor rights.

The World Bank (2017) found that Namibia's fiscal policy was progressive as a whole, and it is performing especially well in terms of spending. "More than half of government spending routinely goes to education, health, social security, housing, and other social programs."[13] Additionally, the World Bank (2017, p. 1) states that Namibia boasts a "highly progressive income tax schedule," and it relieves the poor from some payments of its value-added tax, which is similar to a sales tax. In empirical terms, the World Bank (2017, p. 50) finds that Namibia's fiscal policy reduces extreme poverty by about 25 percent. However, some of its policies are more effective than others.

The most progressive measures are the personal income tax and the water subsidy. For the income tax, 70 percent of all revenue is paid by the top 10 percent of earners.[14] This is a relatively simple measure and disregarding the potential effects of tax loopholes (there is not enough readily available information to cover this), it is a relatively foolproof policy that does not fall victim to poor coverage or targeting inefficiency. The water subsidy, meanwhile, is highly progressive in large part due to correlation, not causation. It mainly goes to households in rural parts of the country, and the vast majority of the poor households are in these areas.[15] This correlation is observed all over the world and is not likely to cease anytime soon, but if it weakens, the progressivity of the water subsidy would likely weaken too.

Effectiveness becomes even more complicated for measures like direct and in-kind transfers. These policy measures can be some of the most helpful for the poor, as they directly put income in their hands, but they have to be well-executed. On the whole, the World Bank (2017) finds that transfers are progressive in Namibia, but not as progressive as they could be. Put together, they create wide coverage, and they are generous — those in the poorest quintile received 66 percent of their income from direct transfers — but they are not always well-targeted, meaning the benefits are not going to who they should go to. In fact, the observed targeting accuracy was higher for the richest quintile than the poorest quintile, making it regressive.[16]

[10] Oxfam (2018), p. 50.
[11] Lawson (2017).
[12] Oxfam (2018) p. 50.
[13] World Bank (2017), p. 1.
[14] World Bank (2017) p. 31.
[15] World Bank (2017) p. 2.
[16] World Bank (2017) pp. 39–40.

Additionally, spending on health and education could use some work. As suggested by Lawson (2017), the country spends a lot on both categories, but again, the benefits are not always well-targeted. In the education sphere, the poorest receive much of the spending on primary school, but the rich receive more of the spending on secondary and tertiary education. Similar effects are found in health. The World Bank (2017, p. 2) summarize this finding nicely:

> *Taken together, expenditures on in-kind education and health services are approximately neutral. In both education and health, poorer households acquire greater shares of the low valued but more frequently provided public services (primary education and outpatient healthcare). Richer households acquire greater shares of the high valued but not as frequently provided public services (tertiary education and inpatient healthcare).*

Overall, Namibia's fiscal policy does help the poor, and although there is certainly room to improve it, its failures are almost certainly not intentional or malicious. The Markkula Center's Care Ethics Lens emphasizes "the need to listen and respond to individuals in their specific circumstances," and fiscal policy that aims to help the poor certainly follows this lens.[17] Algeria's fiscal policy, meanwhile, is more in doubt. In 2017, Algeria's CRI ranking was 82nd in the world.[18] In 2018, it ranked overall 80th: 94th in spending, 69th in tax policy, and 86th in labor policy.[19] That places it at about the global median, which is by no means a bad place to be, but the literature suggests a lot of room for improvement.

Matallah, Benlahcene and Matallah (2022) analyze the effectiveness of subsidies in reducing inequality in Algeria from 1996 to 2016. Algeria has depended heavily on subsidies in the last few decades, providing and maintaining dozens every year. Overall, they find that these subsidies are helpful, as they allow the poor to more easily access basic goods, like wheat and dairy.[20] However, they are far less effective than cash transfers, and if broadly targeted, they help the rich more than the poor; they alleviate the cost of consumption, and the rich — especially the wealthy business owners who advocate for subsidies — consume far more than the poor.[21] Additionally, subsidies are often used in bad faith. Because they help broad segments of the population and their effects can easily be seen (lower price tags), they can become a tool in mitigating social unrest.

> *When conflicts erupt, non-democratic regimes resort to subsidizing some basic consumer goods and services in order to buy social peace, win the satisfaction of the middle class, lower-middle class, and poor, remove threats to a stable national order, achieve social stability, and thus stay longer in the position of power and reap more benefits.*[22]

This is an example of taking positive action with negative intentions, which is not ethical by any lens. It is not proven that the Algerian government is using subsidies in this way, but it is worth keeping in mind, especially considering the country's high levels of corruption. In Transparency International's Corruption Perception Index 2017, cited by Matallah, Benlahcene and Matallah (2022), Algeria ranked 112th out of 180 countries. "The current level of income inequality in Algeria is nothing but the result of decades of institutional weaknesses and unwise policies."[23]

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[17] The Markkula Center for Applied Ethics (2021), p. 3.
[18] Lawson (2017).
[19] Oxfam (2018) p. 51.
[20] Matallah, Benlahcene and Matallah (2022), p. 159.
[21] Matallah, Benlahcene and Matallah (2022), p. 150.
[22] Matallah, Benlahcene and Matallah (2022), p. 151.
[23] Matallah, Benlahcene and Matallah (2022), p. 154.

Though not focusing specifically on Algeria or Namibia, Flores-Quiroga (2025) also finds that subsidies are often ineffective. Flores-Quiroga argues that cash transfers have two main advantages: they are more efficient in helping those who truly need help, and they cost less overall, allowing the government to save more money and make more investments. Given that Algeria focuses more on subsidies, while Namibia takes a more balanced approach and boasts a more progressive tax structure, it is fair to say that Namibia's fiscal policy is more progressive, and therefore more ethical.

Progressive fiscal policy is more likely to reduce inequality, and all of the Markkula Center's ethical lenses would advocate for reducing inequality in these countries given their relatively high current levels. That being said, Algeria could easily make some improvements to its policies, and it is in an advantageous position, as it has an abundance of natural resources. Chekouri (2023, p. 340) finds that this abundance can lead to reduced inequality via economic growth and higher economic spending.

Overall, both Algeria and Namibia have taken steps to address inequality. However, Namibia has taken more effective steps, and if these steps are maintained and furthered, the country could drastically reduce its inequality levels in the next few decades, perhaps even catching up to Algeria.

## VI. Conclusion

Algeria and Namibia have varying levels of inequality — the former is a moderately unequal country, while the latter is one of the most unequal countries in the world, mostly due to the legacy of apartheid rule that only ended in the early 1990s. The apartheid system systematically fostered inequality, and the country has had a serious uphill battle to reduce that inequality since it was reversed. Algeria, meanwhile, has been independent for several decades, and its wealth of natural resources has allowed it to foster economic growth, which has somewhat controlled inequality.

By several metrics, Algeria has much lower inequality than Namibia. Its Gini index and Palma ratio are far lower, and its income shares by quintile are much more even. However, Namibia has been catching up in these metrics fairly quickly, and it may soon be even with Algeria and a lot of other countries. This is in large part due to its progressive fiscal policy; it has a progressive personal income tax and spends large portions of its budget on education and health. Algeria, meanwhile, has largely depended on subsidies to reduce inequality and poverty, and subsidies are less effective than cash transfers in doing so. Algeria has also been affected by corruption, which has lowered its ability to fight inequality.

In order to further reduce inequality, Algeria should focus more on cash transfers and less on subsidies. It should also take more action to fight corruption in its government. For Namibia, keeping on its progressive fiscal policy is recommended, but it needs to do a better job with targeting efficiency. Many of its poor residents are not receiving the benefits they should be receiving, which obviously is hurtful in the fight to reduce inequality.

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