Working Paper 265

A New Equity Agenda?

Reflections on the 2006 World Development Report, the 2005 Human Development Report and the 2005 Report on the World Social Situation

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Text Boxes

Acronyms

HDR	2005 Human Development Report
MDGs	The Millennium Development Goals
PRS	Poverty Reduction Strategy
RWSS	2005 Report on the World Social Situation
UNDP	United Nation Development Programme
UNMP	UN Millennium Project
WDR	2006 World Development Report

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1 Introduction

In 2005, the international community was focused on reducing $1-a-day poverty and meeting the Millennium Development Goals. However, towards the end of 2005, three major Development Reports were produced which focused attention not so much on the amount of absolute deprivation in the world, but on the large inequalities in people's life chances and life outcomes which exist within and between countries. These are the 2006 World Development Report (WDR), the 2005 Human Development Report (HDR), and the 2005 Report on the World Social Situation (RWSS).[1] This paper describes the main messages contained in these reports related to the issue of inequality, and their implications for policy makers in governments and donor organisations.

The issue of inequality in development has been debated for some time. Various arguments have been offered as to why policy makers seeking to promote development should care about inequality, either because greater equality is considered a goal in itself, or because it is considered a means toward some other goals, such as economic growth or poverty reduction. At another level, it is recognised that one of the basic functions of the state is to promote equity (e.g. World Bank, 1997). Greater equity in turn requires there to be greater equality in at least some things, be they life chances, opportunities, capabilities or outcomes.

These arguments are revisited and given an up-to-date treatment in the WDR, HDR and RWSS. Not surprisingly, the reports differ in terms of their size, scope and intellectual underpinnings. Also, while the WDR and RWSS are (as evident from their titles) focused fairly exclusively on the issues of equity and/or inequality, the focus of HDR is much broader, on the dimensions of international cooperation (aid, trade and security), with specific discussion of the issue of inequality being contained in a single chapter. Nevertheless, the three reports do share one important thing in common, which is that they all contain a series of arguments as to why governments and donors should be concerned with inequalities, and a series of recommendations as to how inequalities can be addressed, sensibly and effectively, by policy. This gives us the opportunity to ask two important questions, namely: are we are now approaching an international consensus as to why (and which) inequalities matter and how they are best addressed, and if so is there anything which this consensus misses out?

The paper is organised as follows. Section 1 looks at the arguments made about why governments and donors should be concerned with inequalities. It first summarises the arguments contained in WDR, HDR and RWSS, and highlights some of the ways in which the reports build on and extend the arguments contained in earlier reports such as the WDR 2000/2001. It then raises some issues for discussion, including (i) how a focus on (in)equity differs from one on (in)equality; (ii) how equity is to be defined; and (iii) whether there are arguments not discussed in the three reports which nonetheless also reinforce the case for addressing inequalities.

Section 2 then looks at the types of policies and interventions which can be used to address inequalities. It first summarises some of the main policy recommendations contained in WDR, HDR and RWSS, and asks to what extent these differ from (or are not already part of) the types of policies and interventions which are generally agreed to be necessary for reducing poverty and attaining the Millennium Development Goals (MDGs). It then raises some issues for discussion, and in particular asks whether there are policy options not discussed in the reports which might

[1] World Bank (2006) *World Development Report 2006: Equity and Development*. New York: Oxford University Press for the World Bank; UNDP (2005) *Human Development Report 2005: International Cooperation at a Crossroads: Aid, Trade and Security in an Unequal World*. New York: UNDP; UN (2005) *The Inequality Predicament: Report on the World Social Situation*. New York: Department of Economic and Social Affairs, UN.

nonetheless still legitimately form part of an ‘equity policy agenda’.

Section 3 rounds off the discussion by looking in more detail at the potential constraints to addressing inequalities, in particular political economy constraints. It first summarises some of the academic debates about political economy and reform processes, and then discusses what the three reports have to say in the context of this literature. It then asks what this tells us about the constraints and opportunities for implementing an ‘equity agenda’ and concludes by considering how donors and other external agencies can legitimately engage in these processes.

In terms of implications for policy-makers in governments and national organisations, the paper has three main conclusions. The first is that there are good reasons for placing more emphasis on equity, and related concepts such as social justice and fairness, as policy objectives – in addition to, or as a broader concept which includes, the elimination of absolute deprivation. The second is that, although making equity a more explicit policy objective does not require a fundamentally different approach to development policy, it does require that governments and donors do some things they are not doing now, and some things they are already doing, but doing then differently. The third is that the institutional inequalities at the core of ‘inequality traps’ reflect political disparities that are historically rooted and therefore persistent. However, even within this institutional landscape, there are opportunities for social actors to negotiate, to strategically manage reform processes and to build coalitions for pro-equity change. Donors will need to invest in political analysis in order to support these processes.

A final point is that the main focus of the paper is on inequalities within countries. This is not to suggest that inequalities between countries are unimportant, nor to ignore the fact that inequalities between countries are typically larger than those within countries, and that the three reports all have important things to say about why and how international inequalities should be addressed. The main reason is that there is insufficient space for an adequate treatment of both within and between country inequalities in single paper, and the latter are instead left for future work.

2 Do Inequalities Matter for Development and If So Why?

During the 1990s, a consensus emerged within the international community that the overriding goal of development policy was the reduction and eventual elimination of poverty. This included the understanding that poverty was a multi-dimensional phenomenon, including both material (income, assets) and non-material (education, health, voice, power, rights, security) deprivation (UNDP, 1990, 1997; World Bank, 1990, 2000). The MDGs provided the international community with clear benchmarks for measuring progress towards the achievement of this objective.

Despite the overriding objective of poverty reduction, many argue that development policy should also be concerned with inequality. First, the empirical evidence base has demonstrated the sheer extent of inequalities between and within countries. Secondly, a critical mass of work has emerged to contest the claim that inequalities are of no consequence to growth, and has thereby provided the basis for an instrumental approach to inequality. The WDR 2000/2001, for example, made two main propositions about the instrumental importance of inequality (Maxwell, 2001):

(i) high inequality is bad for growth; and
(ii) high inequality is bad for poverty reduction, because it reduces the amount by which poverty falls for each 1% of growth.

On this basis, WDR 2000/2001 outlined a series of policy recommendations designed to accelerate poverty reduction through the reduction of inequalities. Within this framework, tackling inequality is generally assumed to serve an instrumental function, in relation to the main objective of reducing poverty, but not to be of intrinsic importance. The virtual absence of inequality from the MDGs reinforces this view. (The one exception is gender equality, which features explicitly and independently within the MDG framework (MDG 3), and was recognised as being of intrinsic importance in WDR 2000/2001.[2]) The MDGs' lack of attention to addressing inequality is despite the Millennium Declaration's reaffirmation of the commitment to the principles of equality (equal rights and opportunities) and solidarity (equity and social justice).

2.1 Arguments from WDR 2006, HDR 2005 and RWSS 2005

In this section we review what each report has to say about the importance of addressing inequality. We follow previous authors (e.g. Maxwell, 2001) in distinguishing between 'intrinsic' arguments, in which greater equality in at least some things is a goal in itself, and 'instrumental' arguments, in which greater equality in at least some things is a means toward some other goal(s), such as economic growth or poverty reduction

2.1.1 Intrinsic arguments

All three reports discuss the intrinsic importance of addressing inequality and present two main arguments in particular.

The first argument is that *most societies share a concern for equity and justice*. This is demonstrated by looking to both everyday discourse and the major philosophical and religious traditions (WDR 76-8, HDR 52).[3] Nevertheless, this leads to another question, namely how is equity defined? According to WDR, how equity is defined within a particular social arrangement is

[2] "Greater gender equity is desirable in its own right and for its instrumental social and economic benefits for poverty reduction" (World Bank 2000:10).
[3] Sen provides an explanation for this apparent universality: all social arrangements must be interested in some form of equality to be legitimate (Sen, 1992).

for the society in question to decide, on the basis of fair processes (WDR 20). Despite this, WDR also offers a specific definition, namely that equity is secured on the basis of two principles (18-19):

(i) *Equality of opportunity*: ensuring that efforts and talent, rather than predetermined circumstances, determine outcomes. This is achieved through, *inter alia*, equality before the law, equal enforcement of personal and property rights, non-discriminatory institutions, and equal access to public services and infrastructure.

(ii) *Avoidance of absolute deprivation*: ensuring that members of society do not fall below an absolute threshold of need.

According to WDR therefore, equity requires equality of opportunities, but not equality of outcomes. Its interest in the distribution of outcomes is limited to their instrumental impact on the distribution of opportunities and other social goals (e.g. efficiency), and focuses on the distribution of assets rather than income. This draws on a libertarian line of reasoning, that unequal outcomes cannot be perceived as being unjust if they are the result of fair processes. It does however go somewhat beyond the strict libertarian argument, including a minimum outcome threshold in its definition of equity. It is also careful to point out the close link between inequalities of outcomes and inequalities of opportunities

The HDR and RWSS do not give as much space to setting out a specific conceptualisation of equity. Nevertheless, they appear to be in agreement with WDR that, at a minimum, this should include equality of opportunity and 'life chances'. The HDR, for example, argues that 'not all inequalities are unjust…[but] few people would accept in principle that inequalities in opportunity are tolerable when based on gender, inherited wealth, ethnicity or other accidents of birth over which individuals have no control' (52). Also like WDR, neither HDR nor RWSS argues that equity might also require some degree of equality of outcomes.[4] However, based on Sen's capability approach, HDR does suggest that formal equality in rights and freedoms is insufficient and, to be meaningful, needs to be accompanied by substantive freedoms (HDR 54).

The second argument is that the principle of equality and equity is integral to many *legal traditions*. The World Bank argues that equity is a concept found within legal systems around the world, interpreted as being 'a set of principles intended to guide and correct the application of the law' (WDR 78-79). Equity is also a key component within international law. The legal instruments that constitute the international human rights framework are founded on the idea of inherent human dignity and the equal rights of all, which give rise to the fundamental human rights principles of equality and non-discrimination (WDR 78-80). Some inequalities are therefore a violation of human rights. For instance, HDR argues that the absence of gender parity in access to education is a violation of the universal right to education (HDR 41). The HDR also makes the point that the MDGs are derived from the Millennium Declaration and are therefore underpinned by the principles of equality and human rights. Unless the 'distributional blind spot' of the MDGs are addressed, therefore, there is a danger that they will be achieved in a way that contradicts the universality of human rights that they rest upon (HDR 51-52).

2.1.2 Instrumental arguments

All three reports also make a strong case for the instrumental importance of addressing inequality. These are more wide-ranging than the intrinsic arguments and can be grouped according to three main themes.

[4] The HDR probably comes closest, when it argues that there are questions about the justifiable extent of income inequality (52), and when it stresses the case for using relative measures of poverty (54-55).

The first is the impact of inequality on *efficiency and economic growth*. Two main arguments are made in this context. The first is that, when combined with imperfect land and capital markets, high inequalities in income and assets reduce most people's opportunities to contribute to growth through investment. This argument is mentioned in HDR (53) and RWSS (15), but is covered most comprehensively in WDR (chapter 5). The second is that political inequalities and disparities in power give rise to exclusive institutions that allow only the advantaged to establish the rules of the game. This produces inefficient institutions and sustains cycles of advantage and disadvantage. Again, this argument is mentioned in HDR (53-54) and RWSS (15), but is covered most comprehensively in WDR (chapter 6).

The second main theme is the impact of inequality on *poverty reduction*. Three main arguments are made in this context. First, all three reports note that declines in income inequality, alongside economic growth, accelerate the rate of poverty reduction (WDR 84-86, HDR 65-66, RWSS 14).[5] This is particularly the case when using a relative definition of poverty (HDR 69). Second, WDR notes that that the higher is initial income inequality, the lower is the effectiveness of future economic growth in lowering absolute income poverty, and that this effect is significant (WDR 86-88).[6] Third, the HDR and RWSS argue that certain types of inequalities – in access to healthcare, education or political rights for example – have a direct causal impact on poverty, by reinforcing the inter-generational transmission of poverty and diminishing individuals' prospects for escaping poverty (HDR 54, RWSS 16-19).

The third main theme is the impact of inequality on *social cohesion*. All three reports argue that high inequalities have the potential to result in crime, violence and insecurity (HDR 163, RWSS 81, 92; WDR 50). Each also argues that horizontal (group-based) inequalities have a potentially more destabilising impact and can, in extreme circumstances, result in violent conflict and social disintegration (HDR 12, 163-165; RWSS 81, 92; WDR 50). A related point made in HDR is that inequalities can, when they are perceived as unjust (as for example when political institutions are perceived as being vehicles for the advancement of the interests of a particular elite or group), undermine democratic institutions and political legitimacy (HDR 54). A further related point made in WDR is that marked inequalities in the distribution of benefits of market reforms can create resentment, and undermine support for those reforms (WDR 183, 194).

2.2 Comparison with existing arguments

All three reports therefore outline a series of arguments about the intrinsic and instrumental case for addressing inequalities. How much of this discussion is really new, as compared to what was laid out in WDR 2000/2001 for example? Here we argue that there are perhaps three ways in which the arguments differ from those in earlier reports.

The first is the more explicit focus, most notably in WDR, on promoting equity, as opposed to promoting equality (or tackling inequality). All reports make a strong case that most societies view equity as being at least one of its goals. This shifts the debate to the question of how equity is defined, and also how much efficiency has to be, and/or should be, traded-off in pursuit of greater equity. Thus WDR spends a lot of time discussing the potential trade-offs between equity and

[5] The evidence presented in WDR suggests that up to half of the total amount of poverty reduction in recent decades can be attributed to changes in the underlying distribution of relative incomes (85). The HDR focuses more on the contribution that 'progressive growth' – defined as when the incomes of the poor are growing faster than average incomes – can make to countries' progress toward the MDG target of halving $1-a-day poverty by 2015 (65-66). For example, according to its predictions if Kenya were to achieve a 1% per capita growth rate it would, under current distribution patterns, not halve poverty until 2030. However, doubling the share of the poor in future growth would enable Kenya to halve poverty by 2013 even at the 1% per capita growth rate (66).

[6] According to the report, a 10 percentage point increase in the Gini coefficient is, on average, associated with a decline of 1.4 in the (absolute value) of the growth elasticity of poverty, compared with an average elasticity of 2.5.

efficiency, and stresses that the long-term benefits of measures to increase equity can out weight their short-term efficiency costs.

The second is the emergence of a specific definition of what is meant by equity (WDR 2000/2001 had made quite a lot of use of the term, but it had not offered a specific definition). WDR is clearest in this regard, with its focus on equality of opportunities, but only avoidance of deprivation in – and not greater equality of – outcomes. The positions in HDR and RWSS are, as argued above, not markedly different, at least explicitly, although HDR does note the need to provide substantive content to the principle of equality of opportunity.

Finally, there is in contrast to previous reports arguably a strengthening of the instrumental case for tackling inequalities. In particular, the argument that inequality is bad for growth and poverty reduction presented in WDR 2000/2001 is supplemented by more detailed analysis regarding the underlying dynamics of unequal political and economic institutions. Thus WDR stresses that it is inequalities in power that give rise to disparities in influence and ability to set the rules of the game and it is these that produce unequal and inefficient institutions and cycles of advantage and disadvantage. Similarly, the analysis of the impact of inequalities in power and human development on absolute and inter-generationally transmitted poverty in HDR and RWSS establishes a more qualitative argument about the impact of inequality on poverty reduction. Furthermore, all three reports claim in various ways that inequality, particularly between groups, can have dire consequences on the feasibility of social and political arrangements because of the centrality of equality to the concept of citizenship. In the worst-case scenario, the ensuing loss of political legitimacy and trust in political institutions can lead to civil war and state failure.

Despite these three differences, all three reports arguably continue to place most emphasis on the instrumental reasons for tackling inequality, as in previous reports such as WDR 2000/2001. The WDR stresses its contribution to poverty reduction (‘the reduction of poverty through the equitable pursuit of prosperity’). HDR and RWSS supplement this with an additional argument regarding the impact of inequality on human development.

2.3 Discussion

2.3.1 The focus on equity

As argued above, WDR frames the debate in terms of (in)equity rather than (in)equality. Given that equality in one space usually leads to inequality in another (Sen, 1992), equity – or the broader concept of social justice utilised in HDR and RWSS – may more adequately capture the objective of fair or just treatment than a more narrow focus on inequality. Equity can be interpreted in various ways, however, depending on the underlying ethical theory or ideology (see Box 1). For instance, equity can be interpreted to mean that policies and institutions should be judged according to the extent that they benefit the most disadvantaged (e.g. Rawls). However, it can equally be interpreted in a more minimal sense to mean formal equality of opportunity (e.g. Nozick, Hayek). Whilst this flexibility makes equity an attractive concept, it also makes it susceptible to manipulation. WDR, for example, suggests that the meaning of equity, and the trade-offs between equity and other objectives such as efficiency, should be decided through decision-making processes that the society in question regards as fair. However, whilst this might be the ideal, it presents a problem given the unequal distribution of political power and the inadequacy of democratic institutions that the WDR itself describes. Given this, the power to decide what is equitable is therefore open to capture by those in positions of advantage.

A further issue is the relation between equity and efficiency. Of the two, efficiency is generally considered to be less political and more technocratic. Thus, although donors are often reluctant to

pursue equity as a goal, given the lack of universality about its definition, they are generally much more prepared to pursue increased efficiency.[7] However, the concept of efficiency is also subjective (see Box 2), and it is therefore misleading to present policy recommendations that flow from it as being neutral or technocratic. Instead, they are – like equity – rooted in ideology and entail political decisions about priorities and objectives.

Box 1 Equality of what?

In some respects, the nuances in the positions taken within the WDR, HDR and RWSS regarding the question 'equality of what?' reflect the tensions within liberalism, between those who believe that neutral rules have no bearing on distributive issues, and those who believe state action should be used to secure social justice (Plant, 1995). The interest of those in the first camp is limited to equality of formal opportunities – a society is just if it guarantees fair process, generally secured through the protection of negative liberties for all. Those in the second camp are also interested in outcomes – social justice requires ensuring a particular pattern of goods and services based on transparent criteria.

Even within this latter category there are disagreements regarding the correct criteria or choice of space in which equality matters. For instance, Sen challenges the adequacy of Rawls' primary goods on the basis that human diversity and variations in external environments mean that individuals do not have equal capacity to convert primary goods into achievements of well-being. Sen suggests that the most appropriate space is capabilities – an individual's actual freedom to achieve certain functionings, that is the 'beings' and 'doings' that make up their well-being (Sen, 1992).

Determining the answer to 'equality of what?' is however only one part of the problem. One still needs to resolve tensions between the goals of increasing capabilities (or primary goods, or some other concept) for all, irrespective of distributional considerations, and ensuring an equitable distribution of capabilities (or primary goods, or some other concept); in other words, tensions between equity and efficiency' (see Box 2).

2.3.2 The definition of equity

The reports are grounded in particular philosophical and ideological traditions that take a particular view of the individual and the set of institutions that will best allow her to pursue her own conception of the good life. This is important because it determines how equity is conceptualised and establishes the parameters for deciding which (in)equalities are viewed as being important (as discussed previously in Box 1). As noted above, WDR goes furthest in terms of offering a specific conception of what is meant by equity. This particular conception raises a number of issues.

The first is what is meant by equal opportunity. In WDR, it is generally defined to mean that efforts and talent, rather than predetermined circumstances, determine outcomes in life. This corresponds to the 'conventional' or 'left-liberal' definition of equality of opportunity, which goes beyond the 'minimal' or 'right-liberal' notion (Swift, 2001 99-100).[8] This definition is subject to criticism however. One argument is that what most people want is less inequality of opportunity, since true equality of opportunity would come into conflict with family autonomy. Another is that the position is 'unstable', and on reflection slides into the 'radical' definition (ibid.: 102). In particular, if it is unfair and/or inequitable that social background should hold some people back, it is also unfair that people's ability, or how clever they are, should hold some back. Or is it that it is simply too difficult to compensate for the impact of 'luck' on people's fortunes (Miller, 2005)? Another question is whether prioritising equality of opportunity results in an excess focus on the individual divorced from wider questions of social relations and power (Thompson, 2003; Moncrieffe, 2005).

[7] For instance, whilst the WDR stresses that it is for the society in question to decide on the correct balance between reducing inequality, ensuring fair processes and protecting against deprivation through open debate, it feels it is in a position to make the recommendation that policies to enhance equity 'should e implemented only to the extent that the (present) value of the long-run benefits of greater equity exceed the efficiency costs of funding them' (22). Should this not also be a decision for the society in question?

[8] Swift (2001) describes the conventional definition of equal opportunity as 'people's prospects in life should depend on their ability and effort, not their social background' (100). The minimal definition requires only that 'a person's race or gender or religion should not be allowed to affect their chances of being selected for a job, of getting a good education, and so on' (99). The radical definition requires that 'people should have equal opportunities in the sense that their prospects are influenced neither by their social position, nor by their position in the distribution of natural talents' (101).

Box 2 Equity and efficiency

The notion of equity is often contrasted with that of efficiency, and people often talk, about the equity-efficiency trade off. What, however, is exactly meant by efficiency? Broadly speaking, efficiency describes a situation in which the aggregate amount of some output is the largest which can be obtained from a given amount of inputs. Interpreted as a social goal, the output is something that everyone is assumed to want or value. Problems arise, however, when trying to agree on what that something is, and how it can be aggregated across individuals.

In the economic definition of efficiency, the output to be maximised is utility or, roughly speaking, happiness. Despite this, most economists have problems with the idea of aggregating levels of utility across individuals. To avoid having to do this, they define efficiency as a situation in which no one person's utility can be increased, without reducing the utility of someone else. This is referred to as economic efficiency or 'Pareto-efficiency'.

Although often treated as such, economic efficiency does not have an entirely value free definition (Thurow, 1976). The main reason is that each individual is assumed to be the best (and final) judge of what contributes most to his or her own utility. This is a liberal notion to which many people subscribe, but it is a value judgement nonetheless. In practice, most societies place some restrictions on the types of goods or activities which are regarded to be in people's best interest, and these are determined through the political process.

Alternative definitions of efficiency arise if the aggregate amount of some other output is to be maximised, such as 'primary goods' (as defined by Rawls, 1971), 'capabilities' (as defined in Sen, 1992), or even 'opportunities' (as suggested by WDR: box 4.1, p.78). Efficiency then becomes a situation in which the aggregate amount of primary goods/capabilities/opportunities is the largest which can be obtained from a given level of inputs or resources. The value judgement in this case is becomes that of deciding which of these things are the things that people really want and/or value.

However one defines efficiency, it is accepted that it will not do as a social goal by itself, and must be complemented by considerations of distribution and equity. How then are trade-offs between efficiency and equity, assuming they do arise, to be decided and/or managed? The position in WDR is that, like the definition of equity itself, it is something to be decided at the level of individual countries or societies, through the political process. In broader notions of social justice, however, trade-offs are managed by reference to some higher-level decision rule. According to Rawls' theory of justice, the ultimate decision rule is whether a policy and/or institutional change raises the advantage of the least advantaged person(s) in society.

The second is what is meant by the minimum standard or threshold. First, one of the dimensions of absolute deprivation is low levels of income and other goods relative to others. Although it would be extreme to use a purely relative measure of poverty in most low and middle-income countries, it would also be extreme to deny the existence of this dimension of poverty altogether. Second, how is the minimum threshold, or set of thresholds, to be calculated? If it is calculated in the standard way a poverty line is calculated, one may well end up labelling societies as inequitable simply because they have insufficient resources for tackling poverty. An alternative would be to make a clear distinction between the poverty line and the level of income or resources that is equitable and that it is possible to provide for all persons. This would be adjusted upwards as the total amount of resources available to society increases, according to some mechanism regarded to be fair.[9] Third, and relatedly, if one does choose to include a minimum standard, does one also need to justify why it is set at the bar of absolute deprivation rather than at another (higher) level?

Do other frameworks provide a more adequate basis for thinking about equity? Is it more legitimate to frame the debate in terms of social justice, as HDR and RWSS do, rather than equity for instance? Social justice is a broader concept and has a different ideological underpinning – it entails a belief that social and political institutions can be actively shaped to ensure a fair distribution of

[9] The distinction between the concept of the poverty line on the one hand, and the minimum social income on the other, has been noted before (e.g. Sen 1984: 331-332). The US Commission on Income Maintenance in 1969, for example, referred to the minimum social income as something "the society feels some responsibility for providing to all persons", and labelled it the 'policy definition' of poverty (ibid.). Its level is recognised as being influenced by a much broader set of considerations than traditional poverty measures.

different types of goods and bands (Miller, 2005). David Miller suggests that social justice rests on four principles (ibid., 2005: 5):

(i) *Equal citizenship:* 'every citizen is entitled to an equal set of civil, political and social rights, including the means to exercise these rights effectively'.

(ii) *The social minimum:* 'all citizens must have access to resources that adequately meet their essential needs, and allow them to live a secure and dignified life in today's society'.

(iii) *Equality of opportunity*: 'a person's life-chances … should depend only on their own motivation and aptitudes, and not on irrelevant features such as gender, class or ethnicity'.

(iv) *Fair distribution*: 'resources that do not form part of equal citizenship or the social minimum may be distributed unequally, but the distribution must reflect factors such as personal desert and personal choice.'

This framework has the merit of encompassing all of the elements found in the three reports. It stresses both the importance of formal equality of rights and opportunities but also the means to exercise this effectively. For instance, it makes the important point that equality of opportunity applies throughout a person's life rather than simply to one point. It also includes a social minimum and idea that distribution should not be based purely on luck or existing advantage, not least because extreme inequalities are potentially damaging to the possibility of citizenship and community cohesion.

This framework is still open to the challenge that it involves extremely subjective assessments, however. Is the domestic political arena the most appropriate space for determining the basis for such assessments? As has already been discussed, this can be problematic given the inability of some groups and individuals to influence such debates. Is there a more 'neutral' benchmark for assessing the 'justness' of social arrangements? Could the human rights framework provide a more legitimate and universally-agreed measurement of what constitutes equitable treatment and the social minimum needed to enable an individual to live a life of dignity and well-being? The human rights framework at least has the merit of being universal – in the sense that it applies to all human beings and its main treaties have been ratified by the majority of government – and includes social, cultural and economic as well as civil and political rights.

2.3.3 Additional instrumental and intrinsic arguments

As argued above, the three reports strengthen the instrumental case for tackling inequities and/or inequalities, relative to previous reports such as WDR 2000/2001. How convincing is this strengthened case, and is it in fact the strongest instrumental case one can make?

One consideration is the cross-country statistical evidence on the effects of inequality. WDR states that "despite the great attention devoted to the question of a systematic relationship between overall inequality and growth at the country level, the body of evidence remains unconvincing" (103), and that more reliable and that better evidence comes from case-study work. This position might need more qualification. On the one hand, certain types of aggregate inequality – in the distribution of land for example – generally show a much more robust negative impact on growth, as noted by RWSS (14). On the other hand, overall inequality has a negative impact on several other country-level measures of welfare, including educational attainment and enrolment (e.g. Deininger and Squire, 1998; Odedokun and Round, 2004), life expectancy (e.g. Wilkinson, 2005), stability (e.g. Rodrik, 1998, 1999) and happiness (e.g. Alesina et al., 2004). The effect of overall inequality on

these measures is also often more robust than its effect on economic growth, and could arguably be given greater emphasis.

A second consideration is the theory underlying the arguments that certain inequalities undermine economic growth and/or efficiency. As noted above, the three reports outline two main arguments relating to a) imperfect land and capital markets and b) political inequalities and the nature of institutions they give rise to. One can ask here whether there are not other equally plausible and consistent theories which suggest that inequalities might well be inefficient. One is the argument that non-linearities in the relationship between income and productivity mean that high asset inequality leads to widespread involuntary unemployment (e.g. Dasgupta and Ray, 1986). Another is the argument that high levels of inequality reduce the size of the domestic market for basic manufactures, which hampers industrialisation (e.g. Murphy et al., 1989). Another is the argument that failures in the market for voluntary donations and transfers (e.g. information asymmetries, free-rider problems) make private-sector redistribution inefficient (e.g. Hochman and Rogers, 1969).

The instrumental case is of course extremely important and worth re-emphasising. The desire to make a strong instrumental case is also perhaps not surprising given that it is likely that the reports hope to influence those that might be sceptical about the value of pursuing equity. Nevertheless, some observers (e.g. Maxwell, 2001) argue that the case for addressing inequality in WDR 2000/2001 would have been strengthened if the intrinsic reasons for redistribution had been emphasised. This criticism could also perhaps be applied to WDR, HDR and RWSS. This is based on two arguments. First, the international human rights framework contains a number of legal instruments that can be used to strengthen the case for redistributive policies. This includes the commitment to equal civil and political rights, to ensuring minimum standards and to the 'progressive realisation'[10] of economic and social rights. Second, the centrality of equity to socially-inclusive societies can be emphasised (Maxwell, 2001: 335). Related to this second point is the possibility of emphasising the centrality of both rights and equality to the evolution of citizenship within many individual countries (Thompson, 2003).

[10] The principle of progressive realisation within the International Covenant on Economic, Social and Cultural Rights commits states to 'take steps … to the maximum of its available resources, with a view to achieving progressively the full realisation of the rights recognised in the present Covenant' (Article 2(1)).

3 Policies for Addressing Inequality

It has been argued (e.g. Maxwell, 2003) that the broad strategy for reducing poverty outlined in the 2000/2001 WDR represented an international consensus. This strategy consisted of three pillars, namely opportunity, empowerment and security. Associated with each was a range of more specific policy recommendations (see Annex Table 1). More recently, the report of the UN Millennium Project (UNMP, 2005) has outlined the policies and investments deemed to be necessary between 2005 and 2015 to achieve the MDGs (see Annex Table 2).

This section asks whether there is anything missing from these broad strategies, given what we now know about the instrumental and intrinsic cases for tackling inequality. It first reviews the main recommendations of the reports in the following areas: land reform, taxation, government spending, markets and regulation (including capital, labour and product markets), anti-discrimination legislation and affirmative action, governance and institutions, and macroeconomic management. It then compares and contrasts these recommendations with those contained in earlier reports, focusing in particular on WDR 2000/2001 and UNMP 2005. It ends by considering whether the recommended policies are sufficient, or whether the equity policy agenda should go further.

3.1 Recommendations in WDR 2006, HDR 2005 and RWSS 2005

3.1.1 Land reform

WDR 2006 places quite a lot of emphasis on land reform (162-167), arguing that there are 'strong equity and efficiency reasons for addressing inequalities in land distribution'. HDR 2005 also cites successful examples of redistributive land reforms in China, Korea and Vietnam, and the success of tenancy reform and the recognition of the land rights of the poor in West Bengal (71).

In terms of more specific instruments, WDR 2006 argues in favour of measures to improve the security of land tenure, the liberalisation of land rental markets, and taxes on land ownership, rather than outright redistribution. This is viewed with caution, on the grounds that (a) it can lower incentives for existing land owners to invest in the land; (b) political imperatives can override sound programme design; and (c) it is costly in terms of budget resources.

Nevertheless, it is recognised that land redistribution might be politically necessary 'to address historical inequities and stave off violence' (167) and that, in situations of extreme land inequality, other land reform instruments may not have sufficient impact. To be successful, land redistribution must at the very least provide (a) complementary training and credit; (b) transparent rules for selecting beneficiaries; and (c) clear ownership rights to those who gain access to redistributed land.

3.1.2 Taxation

None of the three reports places much emphasis on taxation as a means to achieve greater equity. According to WDR 2006, the main aim of tax policy should be to 'mobilise sufficient funding, while distorting incentives and compromising growth as little as possible' (12). In terms of tax design, this translates into six basic principles, namely: (i) keep taxes broad; (ii) keep tax rates low; (iii) increase collection rates; (iv) use property taxes; (v) consider inheritance taxes; and (vi) avoid implicit taxes (176-177). Similarly, HDR 2005 argues that it is low tax revenues, rather than a lack of progressivity in the tax system, which restricts governments' ability to alleviate poverty via fiscal transfers (70-71).

WDR 2006 does offer some advice, however, for countries wishing to bring about a (limited) increase in the progressivity of the tax system. In particular, they should consider exemptions for basic foodstuffs and property taxation, rather than higher marginal income tax rates, which discourage savings and work effort (12).

3.1.3 Public spending

In marked contrast, public spending is regarded by all three reports as playing a key role in achieving greater equity. Each report outlines a series of programmes, to be provided through government expenditure, which are presented as having the potential to increase equity. These include, most notably, programmes in the following areas: early childhood development, basic education, health, social protection, infrastructure and law and order. These are considered briefly in turn. (Measures to strengthen the quality of public services through increased accountability are discussed later, under 'governance and institutions'.)

Early childhood development programmes, including the provision of nutritional supplements, regular monitoring by health staff and cognitive development for children of pre-primary school age, are emphasised by WDR 2006 as a means of reducing inequalities of opportunities. It is argued that they generate high rates of return ($2-$5 for every $1 invested (134)) and increase school attendance and completion rates, and may, as a result, be 'one of the most cost-effective avenues for reaching the MDGs for universal education and an important contributor to the attainment of gender parity in primary completion' (134). The most successful programmes are argued to be those which involve children from an early age, have strong parental involvement and focus on nutrition and cognitive and social development.

All three reports emphasise the importance of public expenditure on **education** in achieving equity. WDR 2006, for instance, sees four sets of measures necessary to ensure that all have access to basic education. These are increased expenditure on school infrastructure, inputs and instruction; reductions in the direct financial costs of schooling to households (e.g. elimination of user fees); financial inducements to schooling (e.g. conditional cash transfer programmes), and various special provisions for girls and other excluded groups (e.g. gender-specific schools, bilingual schools). Similar measures are proposed by HDR 2005, although at a slightly higher level of generality, namely 'public investment to increase the supply of good quality education, and measures to reduce obstacles to demand', and 'public policies that systematically remove the social, economic and cultural barriers facing disadvantaged groups' (70). RWSS also argues that universal education is one of the most effective mechanisms for fostering social cohesion and levelling the playing field of opportunity (21, 138).

WDR 2006 also discusses specific measures to equalise the quality of basic education, in terms of actual learning achievements. Remedial education programmes (e.g. the Balsakhi program in India) for example, provide additional tutoring to students lagging behind in basic literacy and numeracy skills. Other initiatives (e.g. merit scholarships, more text-books, teacher incentives) can raise learning outcomes in schools which are lagging behind, although not necessarily of the students who are lagging behind within those schools. None of the reports, however, place much emphasis on higher levels of education (e.g. secondary or tertiary). RWSS 2005 does argue that governments should pay much greater attention to the related problem of youth unemployment (136) but does not provide any specific recommendations or examples. It also argues that secondary education is particularly important in terms of equalising opportunity, and that access to secondary education should be expanded (22).

In **health,** WDR 2006 emphasises a package of measures to increase access, including increased expenditure on community health workers (examples from Brazil and Ethiopia) and public information campaigns (e.g. the hand-washing initiative in Central America); conditional cash transfers to encourage child immunisations and monitoring (examples from Mexico, Brazil, Colombia and Nicaragua), and free health services. As with education, further measures are argued to be necessary to address inequalities in the quality of healthcare, particularly across geographical areas. These include incentives and/or compulsory service for doctors in rural areas (examples from Chile, Mexico, Thailand and Indonesia), roving extension clinics (examples from Afghanistan, Somalia and Tunisia), and village health worker programmes (examples from Malaysia, Sri Lanka and Bolivia). HDR 2005 recommends a 'three-A' approach to addressing health inequalities, which shares much in common with the WDR 2006 approach. In particular, it recommends measures to promote access (increased expenditure on health facilities and medicine), affordability (removing fees for basic healthcare services), and accountability.

All three reports regard public spending on **social protection** as playing a key role in promoting equity (WDR 148-154, HDR 70, and RWSS 135-137). Its role is seen in terms of directly alleviating adult and childhood poverty, as well as allowing household members to manage risk and invest in human capital. In terms of specific instruments (e.g. health and unemployment insurance, cash transfers, public works, school feeding, social pensions), WDR 2006 argues that there are few universal prescriptions; instead, 'the mix of programs selected and their characteristics will depend on context – that is, the risks faced, the level of urbanisation, the age structure, the size of the formal sector, the administrative capacity, and the complementary social policies and socio-cultural or political factors' (150).

Nevertheless, some points of general relevance emerge. For example, WDR 2006 argues that most low-income and many middle-income countries lack the fiscal and administrative capacity to implement universal social insurance schemes (149-150).[11] It also argues that CCT programmes may not always be appropriate vehicles for social assistance, because the conditioning of benefits can prevent the programs from reaching the poorest (153), and that there is sometimes a case for shifting social assistance spending away from pensions and towards families with children (154). The RWSS 2005 argues that targeted programmes should not become a substitute for universal coverage, given that the latter can promote social integration (23-24). If targeting has to be used – because of resource constraints for example – community-based targeting is the best method (136-137). RWSS also argues that specific measures should be taken to extend social protection arrangements to the informal sector (135), although those measures are not directly specified.

In **infrastructure** WDR 2006 emphasises investments in rural roads, 'especially in areas with large numbers of poor people and agro-climatic potential', connection subsidies (e.g. in water and sanitation), and means-tested subsidies or vouchers (169). HDR 2005 also argues in favour of increased public investment in marginal, rain-fed agricultural areas, where the majority of the poor are located, and in the infrastructure serving them (66, 71). Public investments in regional infrastructure are also considered by WDR 2006 to be one way of addressing spatial inequalities, although they increase rather than decrease spatial inequalities in the short to medium term (205).

In **law and order** WDR 2006 emphasises the importance of measures to lower the costs of legal services to the poor (e.g. through legal aid, community mediation centres, mobile courts, bilingual

[11] A distinction is made in WDR between social insurance and social assistance. Social insurance includes contributory schemes, which are targeted in the sense that the receipt of benefits depends on a certain level of contributions having been made, but universal in the sense that, assuming the necessary contributions have been made, no means test is applied to the receipt of benefits or participation in the scheme. Social assistance includes non-contributory schemes funded out of general taxation. These may be targeted (subject to a means-test) or universal (not subject to a means test). Some schemes which are universal in a formal sense may nevertheless involve self-targeting (e.g. public works programmes).

mediators) (159-160), and to increase the provision of basic policing and crime-prevention services to the poor (161-162). HDR 2005 emphasises the high cost of legal services faced by the poor (71).

A final point is that there are certain other implications for public spending arising from policy recommendations in other areas. For example, judicial reform (discussed under 'governance and institutions') may well require increased expenditure on pay and working conditions for judges, while quotas and/or targets for disadvantaged groups (discussed under 'anti-discrimination legislation and affirmative action') typically require recurring expenditure on monitoring and enforcement, for example via an Equal Opportunities Commission.

3.1.4 Markets and regulation

WDR 2006 sees more equal access to markets as playing a key role, alongside public spending, in promoting equity. The overall message is that market liberalisation, carefully managed, is the best way to promote more equitable access to markets. Government interventions in markets can in some cases bring about greater equity, but generally involve high costs of efficiency, often fail to reach (or even harm) the poor. These types of interventions therefore discouraged in favour of more efficient instruments, including policies relating to financial, labour and product markets (and also land markets, which were considered earlier under land reform).

In **financial markets**, more liberalised financial systems (e.g. privatisation of state-owned banks) are encouraged by WDR, when suitably managed and regulated (182-183), but subsidised credit schemes for poor farmers and/or small enterprises (such as India's social banking programme) are discouraged, because they undermine institutional development and reach poor and excluded groups only at high cost (184). Similarly, in **labour markets** high levels of protection for formal sector workers is discouraged (186-187); instead governments should aim to promote core labour standards in all sectors and protect workers against unemployment through broad-based social insurance (190-191). It may also provide relocation assistance for migrants (e.g. resettlement assistance, portable safety nets) in circumstances in which spatial inequalities are high (205). In **product markets**, trade liberalisation, better marketing channels and transport infrastructure, and reductions in firm licensing requirements are encouraged (194-197), while high levels of protection and/or subsidies for labour-intensive manufacturing and food, and incentives for firms to invest in lagging regions, are discouraged (193, 205). The impact of privatisation is viewed as a mixed blessing (170-171).

The potential role of markets in promoting greater equity is given less emphasis in HDR 2005 and RWSS 2005. Nevertheless, measures to lower the costs of establishing and operating a business (e.g. simplified registration and licensing procedures, reasonable and fair taxation) are emphasised by RWSS 2005, mainly to discourage businesses from shifting from the formal to the informal economy (135). RWSS 2005 also emphasises the need to extend labour standards and social protection to the informal economy, without compromising its potential for generating employment (136). It also argues that the private provision of certain goods and services needs to be accompanied by a strong regulatory framework to guarantee universal access (24).

3.1.5 Anti-discrimination legislation and affirmative action

Affirmative action (AA) programs are mentioned in WDR 2006. Their role is seen in terms of complementing and/or reinforcing anti-discrimination and equal opportunity legislation, which is often not enough to address the impact of structural discrimination. It is also recognised that AA programs have reduced group-based differences in earnings and education in the past. Nevertheless, AA programs are still viewed with some caution. The report argues that they can 'become politically entrenched and limited to helping the better-off among the disadvantaged groups' (13),

and 'be perceived as unfair, as for example when individuals of greater merit (but from a non-preferred group) are excluded from opportunities' (20). The impacts of AA programs in India and the US are viewed as 'mixed' (158).

Initiatives other than AA can also address discrimination and prejudice. RWSS 2005 for example argues that the incorporation of indigenous history and culture in educational curricula can play an important role in reducing prejudices (137).

3.1.6 Governance and institutions

This is a broad heading, but essentially includes those recommendations which address inequality through broader governance and institutional reforms. First, WDR 2006 stresses the importance of an independent and accountable **judiciary** in achieving greater equity, because of their role in ensuring an equitable distribution of political power and rights (156). There are various things which can be done to achieve this, including security of tenure and improved pay and working conditions for judges; rigorous and transparent appointment and disciplinary processes; transparent mechanisms of case allocation and case management; transparent and open hearings, appeal rights and the publication of judicial decisions, and public information campaigns (157).

WDR and HDR also both stress the importance of strengthening **accountability** processes in order to improve the quality of public services. In education, this can be achieved partly through the availability of information on school performance, increased school autonomy, non-government providers and voucher programmes, although deeper longer-term reforms (e.g. expansion of voice, democratisation) may also be required (WDR 140-141). In health, this can be achieved by improving career structures and financial incentives for good performance within the health professions, and also by supporting community organisations to influence health providers (WDR 148).

At a deeper level, the RWSS sees **democracy** and the **rule of law** as "essential for the elimination of institutionalised inequalities that have prevented the successful integration of marginalised groups into society" (4).

3.1.7 Macroeconomic management

A final domestic policy area for achieving greater equity is macroeconomic management, which is discussed in WDR 2006 and RWSS 2005. WDR 2006 argues for a combination of (a) comprehensive social insurance mechanisms, to be in place before crises hit; and (b) taking a 'super-prudent' fiscal position, involving 'macroeconomic restraint in good times' and 'a sensible easing of policies to be applied in a disciplined fashion when adverse shocks occur', both embodied in fiscal rules and institutions (202). RWSS offers a different emphasis, calling for 'flexibility' in macroeconomic policies, including the mainstreaming of employment and poverty objectives into short-term macroeconomic policies and structural adjustment programmes (132).

3.2 Comparisons with existing policy agendas

Summarising so far, the three reports outline a series of policies and programmes for addressing inequalities and/or inequities within countries. Here we briefly ask exactly how different this set of policy recommendations is from the existing poverty policy agenda, as summarised in WDR 2000/2001 or, more recently, UNMP 2005.

At first sight, there is perhaps little difference. WDR 2000/2001, for example, emphasises the importance of land reform, as one of the special measures required in many countries to socially-

based asset inequalities. WDR 2000/2001 also emphasises that fiscal redistribution was to come through the expenditure side, not taxation, a position which remains essentially unchanged in WDR 2006. Furthermore, many of the areas of 'equity-enhancing' public spending recommended by the three reports feature in UNMP 2005. This recommends, for example conditional cash transfers, as a way of addressing demand-side constraints to accessing health and education; nutrition programmes for infants, pregnant women and nursing mothers and all undernourished children under five years (266, 272); and social safety nets (e.g. food for work, cash for work) (267, 272). The most novel elements of WDR 2006, in terms of specific policy recommendations, are arguably the emphases on early childhood development programmes, judicial reform and measures to reduce inequalities in the quality of education and health services. Social protection spending is also arguably given much more emphasis than in any previous WDR.

One could argue therefore that the equity policy agenda, as set out in WDR 2006 and generally supported (at a higher level of generality) in HDR 2005 and RWSS 2005, adds some new items to the policy agenda. Nevertheless, these do not constitute more than a slight change of emphasis. This would not perhaps be surprising, since (as we argued in the previous section) the reasons for addressing inequity given in each report are largely instrumental rather than intrinsic, and the instrumental importance of inequality had been recognised in WDR 2000/2001. However, it is still worth asking whether there are ways in which an equity policy agenda could and perhaps should go further.

3.3 Could or should an equity policy agenda go further?

The first question one might ask is whether the menu of policy recommendations presented in the three reports will be sufficient to address the inequalities in incomes, assets, opportunities and power which are regarded to be bad for intrinsic and/or instrumental reasons. This is more likely, the more accurate the reports are in their depiction of the underlying causes of inequalities.

Here we make four initial observations. The first is that little mention is made in the three reports on the role of affirmative action programmes in increasing levels of political representation among women, even though current progress towards ensuring women's equal participation in national parliaments (part of MDG 3) is lagging far behind schedule. In fact, the importance of affirmative action is arguably covered better in existing reports. WDR 2000/2001 had referred to reservation policies for women in local and national assemblies in 32 countries, while UNMP 2005 calls 'for mechanisms (such as quotas or reservations) to allow for adequate representation [of women] at all levels of government' (277).

The second observation relates to taxation. Like WDR 2000/2001 before it, WDR 2006 argues that the bulk of fiscal redistribution should come through the expenditure side, and not the revenue side. Nevertheless, it does mention the possibility that reducing inequality of opportunity might require more emphasis on inheritance taxes (177). One could ask whether the same logic might be extended into other areas of tax policy, for example in justifying more progressive income and expenditure taxes. After all, WDR does argue that it would be difficult to deny that large inequalities in parents' income and expenditure translate into significant inequalities in the opportunities and life chances of their children.

The third observation relates to the underlying methods for deciding whether a given piece of public expenditure should go ahead. One such method (emphasised in WDR) is cost-benefit analysis, according to which "policies should be implemented only to the extent that the (present) value of the long-run benefits of greater equity exceed the efficiency costs of funding them" (WDR:22). There has been a long debate in the literature about whether cost benefit analysis should incorporate distributional weights, i.e. give more weight to costs and benefits experienced by those

on lower incomes. Is it the case that an equity perspective requires the use of such weights, in order to promote a more equitable pattern of government expenditure? None of the three reports directly address this question, although HDR does argue that "a policy which increases the income of the poor by $1 can be worthwhile, even if it costs the rest of society more than $1" (53).[12]

A final observation relates to the issue of a social minimum income, initially mentioned in Section 1.3. In recent years a number of academics and social and political organisations have paid serious attention to the notion of a basic minimum income or basic income grant to be paid to all citizens, e.g. van Parijs (1992, 1995) and the more recent Basic Income Grant Coalition (www.big.org.za). None of the three reports refer to this debate directly. Nevertheless, one could argue that the case for is significantly strengthened and informed by a focus on reducing unacceptable inequalities alongside the eradication of poverty, rather than on the eradication of poverty alone.

[12] Other World Bank documentation has cautiously favoured the use of distributional weights. According to the World Bank *Sourcebook for Poverty Reduction Strategies* for example, "an emphasis on the economic efficiency of an intervention should be complemented with an emphasis on its distributive impact. One way of doing this is by incorporating distributional weights into the economic assessment tools used", although it also advises "be cautious here: the determination of such weights can be open to manipulation, obfuscating efficiency measurement" (World Bank 2002: 328).

4 Politics, Implementation and the Role of External Agencies

The previous section described the types of policies and interventions that the reports consider necessary to promote equity. It argued that there is a broad consensus that these include – at a minimum – some combination of land reform, progressive public expenditure, broad-based taxation, the relaxation of constraints to small businesses and labour mobility, and sound macroeconomic management. Some argue there are other policy instruments which might also be required – including basic income grants, progressive taxation and affirmative action – although in these cases there is arguably less consensus.

This section pays explicit attention to issues of political economy. It asks what are the political constraints to implementing a so-called 'equity policy agenda' – interpreted in either its narrow or its broad sense – and how might these be overcome. It is divided into three sub-sections. The first summarises perspectives from the literature on the political economy constraints to pro-poor and pro-equity policy reform. The second summarises what the three reports recommend in terms of bringing about policy change and situates them within the context of these debates. The third section examines some of the implications of this discussion for pro-equity change and asks what role donor organisations should play in the process.

4.1 Political economy and pro-poor reform

It is well understood that the poor development performance of some countries, in particular in terms of tackling persistent poverty and inequality, is not simply, or even mainly, due to a lack of good technical advice or adequate capacity.[13] By examining the interests and incentives that influence policy-makers, political economy analysis can be used to better understand the politics of policy processes and explain why some policies are adopted and successfully implemented and others are not. In her analysis of social policy reform in Latin America in the 1990s, Grindle (2002) provides a useful typology of political economy approaches to understanding reform experiences, distinguishing rational-choice, institutional and process approaches. Her discussion will be drawn on throughout this section.

Rational-choice analysis focuses on the decisions taken by potential winners and losers from policy change. The relative power, knowledge and capacity to organise possessed by different interest groups translates into disparities in their ability to block those policy measures that undermine their interests or lobby for those that promote them. That poor citizens often lack access to information and policy-making networks and are unorganised suggests that pro-poor or pro-equity change will either not occur or will do so only infrequently and under particular circumstances, for instance following periods of major social upheaval such as war or revolution. An extensive literature (e.g. Tommasi and Velasco, 1996) supports this point of view.

Institutional analysis also tends to focus on obstacles to reform but seeks to explain how power, influence and behaviour are structured by institutions.[14] This includes examination of the nature of formal institutions and their relationship to one another, such as the relative power of the executive or the configuration of political parties. It also stresses the importance of having control over, or access to, formal institutions of power in order to be able to shape the future rules of the game. Institutionalists have also concerned themselves with understanding the informal institutions that drive and constrain political elites and other social groupings. A key lens for this analysis has been the nature of the neopatrimonial state.[15] The literature on the Africa state (e.g. van de Walle, 2001)

[13] A recent and comprehensively-argued example of this literature is Lockwood (2005).
[14] Following North (1990), institutions are understood to be 'constraints that structure political, economic and social interactions'.
[15] Neo-patrimonialism describes a hybrid state where rational-legal formal institutions are suffused by patrimonial practices. Most political systems entail some practices that would be seen as patrimonial. In a neopatrimonial state, however, the patrimonial

has shown that the patrimonial logic guiding informal institutions results in incentives that are anti-developmental and which undermine the functioning of formal institutions.[16] Some argue that patrimonial institutions are deeply rooted in society and entail some degree of actual redistribution of public resources that are appropriated for private purposes (e.g. Chabal and Daloz, 1999, 2005), others that the primary beneficiaries of clientelism are a narrow elite with a high degree of autonomy who are therefore insulated from societal pressures (e.g. van de Walle, 2001).

There is much empirical evidence that supports the largely pessimistic predictions arising from both rational-choice and institutional approaches.[17] The work on the persistence of inequalities over time would also suggest that a number of factors conspire against the possibility of pro-poor or pro-equity change. Research (e.g. Li et al., 1998) has shown that overall income inequality varies a lot across countries, but tends to be highly persistent within countries. This is a particular cause for concern if, as some claim, reversing rises in inequality is difficult (Pogge, 2005:10).[18] It has also led some to conclude that policy-makers concerned with reducing poverty would do better to focus their attention on trying to increase growth.[19]

However, it is also the case that pro-poor reform has occurred within developing countries and this suggests that there are additional dynamics that must be explained and which are not adequately captured by either the rational-choice or institutional approaches. Grindle argues that rational-choice political economy standardises the power and incentives of actors, is therefore unable to account for differences in behaviour and objectives, and does not recognise that reform is a process that allows for negotiation and second-best outcomes. Equally, by focusing on (formal and informal) structural constraints, an institutional approach understates the 'more dynamic agency possibilities' and therefore also fails to explain the range of possible outcomes.

Grindle suggests that understanding reform as a process addresses these shortcomings. Such an approach views each reform process as an 'episode' that unfolds over time and entails a number of (non-linear) phases, from agenda setting and design to implementation, within which different actors have the opportunity to act strategically to influence the shape of the process and its outcome. These reform episodes are acted out within the broader institutional context, and therefore actors do not have free rein but, crucially, they do have room for manoeuvre. For instance, Grindle describes how the composition of social sector policy planning teams in Latin America – closed teams located within the executive – were crucial in determining the design of successful reforms. The reform process shaped which groups were likely to gain or lose but also provided opportunities to assuage some of the grievances of opponents or affect the relative strength of the groupings. Whilst not implying that reform process are not often blocked by vested interests who have relative power and/or institutional advantages, Grindle's analysis does suggest that reform may nevertheless be possible. Entry points for reformers do exist and these can lead to pro-poor outcomes if reform processes are managed strategically.

(informal) institutions provide the dominant logic. Characteristics of such states include presidentialism/'big-man' syndrome, systemic clientelism and the collapsing of legitimate boundaries between use of public and private resources (Bratton and van de Walle, 2001).

[16] Examples include the legitimisation of the use of public resources for private purposes to feed patronage networks; the undermining of the effectiveness of the bureaucracy through the creation of a culture of mediocrity; and the distortion of the logic of democratic institutions and competition through an understanding of accountability and representation that punishes politicians who fail to 'bring home the bacon' and which renders legitimate oppositions meaningless (Chabal and Daloz, 1999).

[17] Such as the clear winners and loser that emerge from social sector reform that attempts to redress inequalities (Grindle, 2002); the only partial implementation of structural adjustment policies by African elites who have sought to instrumentalise the reform process and protect government consumption in order to continue to feed their patronage networks (van de Walle, 2001); or the impact of clientelism on the formation of horizontal alliances in Latin America as a factor explaining the persistence of high levels of inequality in Latin America (World Bank, 2003 cited in Anderson, et al).

[18] Pogge argues that once increased, it is less politically feasible to reduce inequality because 'those at the top will then have much greater advantages in bargaining power and expertise as well as much stronger incentives to resist any such inequality reduction'.

[19] According to Li *et al*. (1998: 26), 'the significance of [the proposition that income inequality is stable within countries] is obvious – barring any fundamental socio-political change, poverty reduction will depend crucially on the rate of economic growth'.

4.2 Strategies for policy change in WDR 2006, HDR 2005 and RWSS 2005

As in the wider literature surveyed by Grindle, the institutional analysis contained within the three reports also results in an emphasis on the persistence of inequalities over time. In WDR, inequalities in political power or influence are regarded as one of the main reasons for this persistence.[20] Although HDR argues that the empirical evidence suggesting a high degree of persistence is 'misleading in important respects' (55), the generalised trend referred to (originally identified by Cornia, 2004) is toward rising rather than falling inequality within countries.

The importance of institutions in determining development outcomes, including inequality, is a central strand of the analysis in WDR. It emphasises the importance of equitable non-market and political institutions, in particular secure property rights for all and equality before the law (107), and claims that these are the product of a 'sufficient political equality' that is secured on the basis of a number of other institutions (e.g. the constitutions, formalised balance of power between branches of government, etc.) (107-8).[21] The WDR therefore suggests that a key strategy for improving pro-equity outcomes is the promotion of better quality and more inclusive institutions and highlights three means of achieving this.

Firstly, the WDR suggests that the nature of democratic processes and institutions is a key determinant of the distribution of power and influence. It presents evidence from Kerala and Brazil to demonstrate that increased participation in local democratic processes, particularly of traditionally excluded groups, can produce more equitable outcomes, such as increased pro-poor public expenditure (70-71). Secondly, the WDR recommends that improving the quality of legal institutions is an important pillar in the attempt to foster more equitable institutions because they have a key role in determining the distribution of power and rights and the quality of other institutions. Thirdly, the WDR recommends undertaking measures to increase the accountability and transparency of institutions involved in service provision, for instance in the health or education sectors, as an important instrument for combating vested interests and elite capture, and influencing incentive structures. (Section 2 outlines some of the more specific policies measures recommended in relation to legal institutions and increasing the accountability of service providers.)

However, although it has clearly been influenced by institutional approaches, the WDR also exhibits elements of a more process-oriented approach in its understanding of how change occurs. It acknowledges that institutional change must be placed within the context of historical, social and political structures, which can exert forces that lead to the persistence of institutions. It nevertheless makes a strong case for the ability of actors to influence the evolution of institutions 'through good decisions, virtuous paths, and the intrinsic dynamics of the development process' (118). WDR thus sees the combination of structure and institutions, agency and policy choice as explaining why institutional change occurs in some countries and not others.[22]

The HDR and RWSS take a different approach when considering the factors that can bring about policy change, emphasising the importance of international commitments and targets. The RWSS reminds us of existing global commitments to overcoming inequality, outlined at the 1995 World

[20] For example, 'unequal distributions of control over resources and of political influence perpetuate institutions that protect the interests of the most powerful, sometimes to the detriment of the personal and property rights of others' (22).
[21] Political equality is defined as equality in access to the political system and in the distribution of political power, political rights, and influence' (WDR 107).
[22] WDR uses historical case studies to illustrate this point. For instance, sustained prosperity and reduced inequality in Britain was the result of the inter-relationship between a combination of factors including, emergence of constitutional government, the social forces unleashed by industrialisation and the political response to these, investment in education, labour market reforms and the expansion of voting rights (119-20). In the case of Finland, the end of the civil war and a strong leadership provided the backdrop to a range of progressive policies including land reform, progressive taxation and the establishment of a welfare state.

Summit for Social Development. These include explicit policy commitments to tackling inequality, including 'fostering societies based on non-discrimination and equality of opportunity' (part of Commitment 4), and 'rectifying inequalities [in education and primary health care] relating to social conditions and … to race, national origin, gender, age or disability' (part of Commitment 6). RWSS argues that 'this agenda ought to dominate and shape the agendas of national Governments and international organisations' (6). It stops short, however, of arguing for a change to the current list of goals, targets and indicators set out in the UN Millennium Declaration.

The HDR emphasises engagement with the existing Poverty Reduction Strategy (PRS) process. It argues that 'at a national level … plans for achieving the MDGs, including the Poverty Reduction Strategy Papers … should include measures for redressing extreme inequalities' (71). Presumably, this would have to emerge out of the civil society consultation processes underlying the PRS process. It also argues that 'the MDG agenda needs to go beyond national averages' and that 'governments should commit themselves to targets for reducing inequality and gaps in opportunity, in addition to aggregate MDG targets' (ibid.). Presumably this would require some adjustments to be made to the current list of goals, targets and indicators set out in the UN Millennium Declaration, although no specific proposals are made.

Neither the RWSS nor the HDR makes clear whether the proposed change agenda is consistent with what the political economy literature tells us about the obstacles and opportunities affecting pro-equity reform at the country level.

4.3 Strategies for pro-equity change?

This concluding section considers some of the implications for the feasibility of the 'equity agenda' arising from the analysis of political constraints to, and opportunities for, pro-equity change contained both within the reports and in the wider political economy literature.

4.3.1 Extending institutional analysis

WDR emphasises the necessity of institutional reform if more equitable institutions, and therefore outcomes, are to be achieved. However, the institutional analysis in WDR would have been strengthened considerably if it had included a more explicit consideration of the role of *informal institutions* and their impact on the functioning and outcomes of formal institutions. This analysis could also have framed the indicated recommendations and the likelihood of an attempt to orchestrate reform being successful. For example, the WDR correctly highlights the importance of strengthening formal accountability mechanisms but does not consider the implications of doing so in contexts where it is the informal accountability mechanisms that actually 'work' and these are in tension with the formal ones (Booth, 2005).[23]

Another example is provided by the discussion of democratic institutions in the reports. Both WDR and RWSS consider the pro-equity potential of democratic institutions. In practice, however, the ability of *democratic institutions* to foster greater equity will depend on a commonly-held belief in the legitimacy of democratic institutions and their ability to bring about change. Informal institutions will play an important role in determining whether this view prevails. The discussion of whether redistributive policies are more likely within democratic regimes could also be taken further. For instance, in theory, particular elements of democratic institutions can act to restrain the ability of economic and political elites to capture other formal institutions of the state, such as constitutional guarantees for pluralism and the dispersion of power (Pearce and Paxton, 2005),

[23] For example, strengthening the independence of the judiciary to enable it to fulfil its formal accountability function as a check on the power of the executive is likely to be difficult in a neopatrimonial state where power is excessively concentrated in the President and where political interference in judicial decisions is endemic and plays a central role in functioning of clientelist networks.

political rights that enable poor people to participate in, or at least be represented in, decision-making (Conway and Moncrieffe, 2003), or the need for power-holders to reflect some societal views in order to remain in power. However, as Latin America demonstrates, it is possible for high-levels of inequality to exist alongside democratic institutions. Paxton and Gamble (2005) suggest that it may be types of democracies rather than democracy per se that are a positive force for social justice.[24]

4.3.2 Recognising the role of elite reformers

The WDR recognises the potential for individuals and groups to negotiate institutional constraints in order to be able to bring about change, reflecting a more 'reform as process' approach to policy change. In the Latin American case, Grindle argues that, when social sector reform occurred, this was usually a result of it being 'chosen' by key political actors within the *executive*, such as the President or a Minister, rather than because of domestic pressure from potential 'winners' or their champions.[25] Alongside Grindle's findings that reform processes can be strategically managed to secure a successful outcome, this suggests that the capacity to manage and direct complex relationships and processes is paramount, but it is also clear that this capacity will be present to varying degrees. For instance, it may be less in evidence in 'fragile' or 'poorly-performing' countries as opposed to middle-income countries.

The willingness and ability of elites to place pro-equity reforms on the agenda will also be influenced by their political feasibility. The reports engage with the issue of the detrimental effect of inequality on social cohesion. However, there is less consideration of questions of *national identity* and the possibility of progressive pro-equity policies. Pearce and Paxton (2005) argue that 'strong welfare states require collective identities, trust and solidarities'. Given this, it could be argued that societies that are fractured along sectarian lines and exhibit low levels of national identity face particular difficulties in generating the social support required for the progressive elements of the equity policy agenda, such as universal provision of services or progressive taxation. Pearce and Paxton's further contend that the centrifugal effect of increased diversity on national identity can be counterbalanced by political agency, in particular the presence of progressive political parties. Again, the presence of progressive political parties and political elites that represent broad sections of their citizenry will be a characteristics that varies widely between countries

The elite-driven nature of much policy reform also points to another implication. Grindle concludes that social sector reform has not provided a forum for the *participation of poor citizens*. Agenda setting and design has been an elite exercise and stakeholders who have been able to engage in the later stages of the policy process have been those with well-established organisations and interests, such as unions or parliamentarians. The possibility of using participation in the PRS process to place pro-equity reforms on the national agenda is also put in doubt by Gould (2005) who, in his analysis of the politics of PRSs, concludes that their manipulation by national elites and IFIs has narrowed the space for representation of more 'radical' views and has marginalised those groups likely to hold them, such as trade unionists, feminists or peasant organisations.

4.3.3 Recognising the importance of alliances for change

Even if it is the case that participatory reform processes have not been the most effective route to pro-poor change (and the evidence base is not yet broad enough to draw definitive conclusions), it

[24] In particularly they identify proportional representation and forms of direct and deliberative democracy.
[25] This was true of reform of the health and education sectors, however, in the case of pension reform, 'pressure' from international agencies and domestic constituencies set to benefit from privatisation was also a factor.

could be argued that the relative importance of *social demand* is dependent on context. [26] Where power is highly centralised in an executive that is non-developmental and which is able to effectively constrain reformist elements within it, the politicisation of the general populace to enable them to 'demand' change may become a necessary strategy. If this the case, it is important to consider the institutional constraints that poor or disadvantaged people may face in organising in order to forward their interests? Two discussions within the reports are relevant.

First, as all three reports acknowledge, unequal status is often *internalised* and this has implications for the ability and willingness of people to question the status quo or demand change. This analysis could be extended to draw further conclusions about the potential constraints on people's political agency. For instance, whilst recognising that poor people require mechanisms to foster their 'capacity to aspire' and the 'capacity to engage' (71), the WDR still appears to operate under the general assumption that poor and disadvantaged people will be able to take advantage of their opportunities and assets. Moncrieffe (2005) argues that a more nuanced view of power and agency is required, rooted in a 'relational' approach to poverty.[27] Such an analysis suggests that a number of factors constrain choices and actions and that it may be rational for disadvantaged people to uphold existing hierarchies, even where these preserve inequalities, because these are foundational to those things that they have reason to value such as mutual accountability. Similarly, Cammack (2005) suggests that, in the absence of public service provision, clientelism undermines demand for more accountable government because individuals are instead forced to look to their patrons (e.g. their MP) to provide the things they need for their well-being. Thus, informal institutions constrain and shape the 'demand' side of clientelism as well as its 'supply' referred to earlier.

Secondly, in order for poor people to advance their interests in policy processes, an important strategy will be the construction of *horizontal and vertical alliances*.[28] The institutional framework – historical context and political and social structures – conditions the feasibility of such social action occurring and being effective. The reports, in particular the comparative and historical case studies presented in WDR, do refer to these debates but further analysis could be done to consider the conditions that are likely to facilitate the construction of strategic alliances. For instance, although the degree of intra-group differentiation means that there is much potential for horizontal alliances in many developing countries, this may be stymied by prevalent group classifications and the perception of intra-group homogeneity. This can mean that vertical relationships (such as those based on patronage networks) are viewed as being more important than horizontal ones and poor people may not be able to recognise common interests (Moncrieffe, 2005). Other factors influencing the possibility of horizontal alliances include the scale of internalisation, the nature of collective identity and the amount of time available to the poor for organisation.[29]

The ability of poor people to build vertical coalitions with non-poor elites will also be crucial if they are to successfully press for pro-equity changes to the status quo. The non-poor may recognise the intrinsic value of policies to reduce inequality. They may also recognise that such policies are in their own interest because they, for example, increase efficiency, provide universal benefits for all or address root causes of crime and insecurity. Elites are also more likely to support dynamic

[26] Houtzager (2005) reminds us that historically 'organised working class movements, when these have been allied with other (particularly middle class) sectors, have most consistently pressed for the enlargement of citizen's rights and for democratisation. This is of course itself problematic in the context of largely agrarian societies.

[27] Moncrieffe compares a 'categorical' approach to inequality that emphasises the disparities between different classifications of people to a 'relational' approach that locates people within their social context and relationships (Moncrieffe, 2005).

[28] Social movement theory suggests that for subordinate groups, who are subject to structural discrimination and horizontal inequality, to improve their status requires: (i) a trigger to heighten the group's awareness of their oppressed status; (ii) individuals to become organised in order to mobilise discontent; (iii) for group discontent to be directed towards clearly defined collective goals (Kallen, 2004).

[29] Kelsall (2004) argues that economic diversification and multiple livelihoods have made collective action more difficult because it has reduced the amount of leisure time available to poor people, crucial if they are to organise, and has, by making rural society more heterogeneous, undermined the emergence of collective identities.

approaches to reducing inequality that enable the poor to capture an increased proportion of the benefits of growth rather than static approaches (Anderson et al., 2003).

A '*polity approach*' (Houtzager, 2005) encapsulates many of the strands of the discussion in this section. This approach 'focuses on how societal and state actors are constituted, how they develop a differential capacity to act and form alliances, and how they cooperate and compete across the public-private divide to produce purposeful change'.[30] It views the actions of social actors as fundamental to achieving more inclusive policies but eschews a simplistic dichotomy that pits civil society against the state and views the actions of civil society alone as insufficient to 'negotiate large-scale collective solutions'. The approach instead reactivates the historical role of political society[31] in aggregating and negotiating competing interests both within society and between society and the state. In doing so, it also captures the spirit of the reform as process approach, suggesting that actors do have the opportunity to influence change but that this usually occurs in an incremental, bounded way within particular paths or in more dramatic ways when there is a shift to a new path. The ability of actors to bring about more inclusive policies is contingent on their capacity 'engineer fit' with political institutions because it is through these that they will gain leverage in the policy process. This is particularly important for poor people who need these associations in order to gain access to information and policy networks. Crucially, this capacity itself will be limited by institutional factors: how the state is organised and how public policy is developed and implemented will have a significant impact, suggesting that policy makers need to be cognisant of the way public policy, including seemingly technical policies (e.g. tax), influence opportunities and incentives for different interest groups to organise (IDS, 2006).

4.3.4 What role for donors?

Both the 'reform as process' and 'polity' approaches provide cause for optimism about the possibility of pro-equity change. We conclude by providing five suggestions for how donors can better support these processes.

Firstly, the reports suggest that pro-equity change is a complex process. The precise mix of factors that determines change will be context-specific, including historical and structural conditions but also the political and policy choices made by individuals and groups. This reinforces the need for donors to ground their policy recommendations in good quality political economy analysis if they are to support potential change processes and avoid reinforcing the status quo. It also suggests that donors will need to undertake political analysis at sectoral level if they are to assist stakeholders in collecting the political intelligence required to strategically navigate 'reform episodes' and make decision about the most appropriate aid modalities (Buse, 2005).

Secondly, the analysis in the reports regarding the inequalities in political power and influence underlying inequality traps, suggests that donors need to be more aware of the ways in which their actions and non-actions impact upon the political relation-of-forces in recipient countries. In particular, should the World Bank extend its mandate to include a more explicit interest in country-level political processes and the effects of the Bank's operations on them?

Thirdly, there are also grounds for not being too pessimistic about the potential of aid to influence domestic inequality. A common view is that aid does not affect domestic inequality, mainly because of fungibility (e.g. Collier and Dollar, 2002). The most recent research however has suggested that aid can potentially reduce inequalities of income and assets in recipient countries, by promoting a

[30] The polity approach is set as a counterweight to the polycentrism of both neoliberal and poststructuralist development thinking which sets store in decentralisation of action and governance and therefore has an inbuilt hostility to large political organisations.
[31] Defined broadly as including political parties, labour movements and other professional associations.

more pro-poor pattern of public expenditure, particularly in low income recipient countries (e.g. Mosley et al., 2004).

Fourth, the analysis in the reports also suggests that promoting a pro-equity agenda might well require adjustments to the current list of goals, targets and indicators set out in the UN Millennium Declaration. If this is the case, what particular targets and indicators would be most appropriate? Maxwell (2001) suggests, for example, a target that the Gini coefficient of income inequality should not exceed 0.45 (2003: 15).

A final question is whether donors need to pay more attention to the question of what international equity would involve. In particular, how would a focus on promoting international equity, in addition to the elimination of global poverty, alter policies with regard to the volume and allocation of aid, trade liberalisation, and restrictions on migration?[32]

[32] As noted earlier, this set of issues are covered in HDR and, to a lesser extent, in RWSS.

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Annex Table 1

The strategy for poverty elimination in World Development Report 2000/2001

Broad pillar	*More specific recommendations*
Opportunity "expanding economic opportunity for poor people … [through] rapid, sustainable, pro-poor growth" (38)	Encourage effective private investment Expand into international markets Build the assets of poor people Address asset inequalities across gender, ethnic, racial, and social divides Get infrastructure and knowledge to poor areas
Empowerment "enhancing the capacity of poor people to influence the state institutions that affect their lives, by strengthening their participation in political processes and local decision making" (39)	Lay the political and legal basis for inclusive development Create public administrations that foster growth and equity Promote inclusive decentralisation and community development Promote gender equity Tackle social barriers Support poor people's social capital
Security "reducing the vulnerability [of poor people] to such risks as ill health, economic shocks, and natural disasters and helping them cope with adverse shocks when they do occur" (39)	Formulate a modular approach to helping poor people manage risk Develop national programs to prevent, prepare for, and respond to macro shocks Design national systems of social risk management that are also pro-growth Address social conflict Tackle the HIV/AIDS epidemic
International	Expand market access Increase aid to countries with sound policy environment for poverty reduction Debt relief Support country-driven poverty reduction programs Ensure transparency in IFIs and MNCs Strengthen international financial architecture Support international public goods Stem armed conflict

Source: World Bank (2000: 8-11)

Annex Table 2

The strategy for achieving the Millennium Development Goals in the UN Millennium Project Report 2005

Broad intervention area	More specific interventions and/or investments	
Rural development	Soil health Small-scale water management Improved inputs Farm diversification Extension services Agricultural research Special interventions to reach women farmers Storage and marketing facilities Agrodealer networks Support to farmer associations Access to credit Nutrition for infants, pregnant women and nursing mothers, undernourished children under five and school-going children Address hidden hunger Early warning systems Emergency response Social safety nets	Water supply infrastructure Water storage infrastructure Hydrological monitoring Sanitation infrastructure Awareness campaigns District roads Feeder and community roads Footpaths Road maintenance Vehicle supply Other interventions Improved cooking stoves Modern cooking fuels Off-grid electric power systems Electric power generation capacity Electric power grid
Urban development and slum upgrading	Housing improvements Infrastructure for slum upgrading Security of tenure Enforcement of improved land tenure legislation Urban infrastructure and basic services Mass transport Urban roads Footpaths Small-scale transport providers Improved cooking stoves Modern cooking fuels Electric power generation capacity Electric power grid Water supply infrastructure Trunk water infrastructure Storm drainage and flood control measures	Sanitation infrastructure Sewage treatment Awareness building Hygiene education Air pollution control Water pollution control Solid waste and pollution control Industrial promotion Export processing zones Urban agriculture Nutrition for infants, pregnant women and nursing mothers, undernourished children under five and school-going children Address hidden hunger Early warning systems Emergency response Social safety nets
Health: child and maternal health	Integrated neonatal packages Integrated management of child illness and immunisation Emergency obstetric care	Skilled attendance, clean delivery and postpartum care Antenatal care Safe abortion services
Health: HIV/AIDS prevention, care and treatment	Improved linkages Behaviour change programs Control of sexually transmitted diseases Voluntary counselling and services Harm reduction for infecting drug users	Prevention of mother-to-child transmission Blood safety interventions Antiretroviral therapy Treatment of opportunistic infections Orphan support
Health: sexual and reproductive health	Counseling on contraception and birth spacing Universal access to contraception Age-appropriate sexuality education	Prevention and treatment of sexually transmitted infections Outreach to men to increase participation and support in

	and services (especially for adolescents)	reproductive health
Health: other	DOTS Adaptation of treatment to high-prevalence TB/HIV settings Insecticide-treated bed-nets Indoor residual spraying Artemisinin combination treatment Larviciding, drainage, and house improvement	Interventions to ensure availability, affordability and appropriate use of essential medicines Multiple interventions to improve health systems
Education at all levels	Demand-side incentives Local control and management Information/assessment Improving and evaluating learning outcomes Measures to make schools safe for girls Measures for children with disabilities	Measures for education in conflict and post-conflict situations Adult literacy for women Infrastructure Teachers Curriculum reform Extension and maintenance of higher education
Gender equality	Universal access to sexual and reproductive health information and services Protection of reproductive rights Equal access to and treatment at work Equal access to property rights	Security of girls and women from violence Political representation Involvement of women's groups at the community level National women's machineries Gender diaggregated data
Environmental sustainability	Soil management and prevention of desertification Forest management Watershed management	Management of coastal ecosystems and fisheries Management of freshwater resources and ecosystems Advisory mechanisms and environmental impact assessments
Science, technology and innovation	Science and technology advice Science and technology research Science parks and business incubators Telecommunications infrastructure	

Source: UNMP (2005: 265-280)