

# Equity in development

## Why it is important and how to achieve it

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Harry Jones

**Working Paper 311**

Results of ODI research presented  
in preliminary form for discussion  
and critical comment

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**Harry Jones**

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## Acronyms

CPRC	Chronic Poverty Research Centre
CSO	Civil Society Organisation
DFID	UK Department for International Development
ECCD	Early Childhood Care and Development
ECLAC	UN Economic Commission for Latin America and the Caribbean
EFA	Education For All
GDP	Gross Domestic Product
HIV	Human Immunodeficiency Virus
INGO	International NGO
MDG	Millennium Development Goal
NGO	Non-governmental Organisation
ODI	Overseas Development Institute
OECD	Organisation for Economic Co-operation and Development
PSIA	Poverty and Social Impact Analysis
SDC	Swiss Agency for Development and Cooperation
Sida	Swedish International Development Cooperation Agency
SODEV	Social Development Division (SDC)
UK	United Kingdom
UN	United Nations
UNCRC	UN Convention on the Rights of the Child
UN DESA	UN Department of Economic and Social Affairs
UNDP	UN Development Program
UNESCO	UN Educational, Scientific and Cultural Organization
UNICEF	UN Children's Fund
WHO	World Health Organization

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## Executive summary

There is a growing recognition of the importance of equity to development, and many development agencies recognise equity as a central goal for their programming. However, while equity is used intuitively in development debates and programming, it seems that its meaning is not clearly understood. This is reflected in often shallow analysis about what equity is and what should be done to achieve it. Its importance is recognised, but the policy priorities for achieving it are not consistently or coherently explored.

Recent decades have seen rising inequality and inequities, which are in turn partly responsible for the world 'lagging behind' on headline goals such as the Millennium Development Goals (MDGs). While this rise may be driven largely by worldwide processes such as globalisation and economic integration, more than by government or donor policies, rising inequity is a problem that can and should be tackled by the development community, and should be more firmly on the agenda. This paper draws together the current understanding on why it is important, and how to tackle it.

## The problem

Equity comes from the idea of moral equality, that people should be treated as equals. Thinking about equity can help us decide how to distribute goods and services across society, holding the state responsible for its influence over how goods and services are distributed in a society, and using this influence to ensure fair treatment for all citizens. Applying these ideas in a specific country context involves hard choices, and embedding discussions of distributive justice into domestic political and policy debates is central to national development, but three areas of considerable consensus can be identified. In order of priority, these are:

1. **Equal life chances:** There should be no differences in outcomes based on factors for which people cannot be held responsible.
2. **Equal concern for people's needs:** Some goods and services are necessities, and should be distributed according solely to the level of need.
3. **Meritocracy:** Positions in society and rewards should reflect differences in effort and ability, based on fair competition.

Unfortunately, there is considerable inequity in developing countries. People's access to and interaction with key institutions are shaped by power balances in the political, economic and social spheres, often leading to adverse incorporation and social exclusion. Also, patterns of inequality reinforce each other through intergenerational transmission and various formal and informal institutions, resulting in inequality between groups and geographical regions and chronic poverty passed between generations. The available evidence on the scale of the challenge confirms a worrying picture of life chances dependent on inherited circumstances and inequitable access to services, as well as rising income inequality which may further entrench disadvantage. As well as being a bad thing in itself, this inequity has a negative effect on growth, poverty reduction, social cohesion and voice.

## The solutions

Taking equity as a guiding principle brings into focus particular areas of policy. These are existing and emerging areas of policy, but they gain a new importance from an equity perspective. The five core priorities for addressing equity at the national level are:

1. **Providing universal public services for fair treatment.** This means prioritising universal access to public services, such as health and education, and improving their quality by improving their delivery and strengthening underlying institutions. Infrastructure and law and

- order are also crucial. Services should be free at the point of delivery wherever possible, and where this is not possible, arrangements should be made to ensure that poor people are not excluded.
2. **Targeted action for disadvantaged groups.** Government expenditure should favour disadvantaged regions or groups. Quotas can support access to employment for specific excluded groups. Services targeted towards these groups are crucial (e.g. girls' education), as is providing assistance at key stages of development, such as early childhood. Empowering these groups is also vital, as well as strengthening organisations such as producer organisations, social movements and trade unions.
  3. **Social protection.** Social protection should be provided to ensure that nobody drops below a minimum level of wellbeing, beyond which unmet need will create cycles of disadvantage. Options include: payments such as social insurance or basic income grants; conditional transfers to promote human development; minimum wage policies; guaranteed government employment programmes; and labour market regulations to those in employment.
  4. **Redistribution.** 'Downstream' action is required to improve equity by reducing inequality. Progressive taxation can help, if the additional fiscal space created is used to fund interventions that will support equity. Other priorities include lowering taxes on staple goods and applying taxes on property – inheritance taxes are key. Land reform is also crucial and redistribution may be required to provide the poor with productive assets.
  5. **Challenging embedded power imbalances.** Power relations can cause and sustain inequity. Tackling harmful power relations takes time, and the empowerment of disadvantaged people must be combined with improving accountability mechanisms and reforming democratic institutions. It is important to build a vibrant civil society and an independent media. Addressing unhelpful attitudes and beliefs can also help foster social cohesion and build a pro-equity social contract.

There are a number of challenges and obstacles to implementing pro-equity policies, many of which themselves stem from inequities. In light of this, development agencies have a special role: by virtue of being external actors they may have more room for manoeuvre to help equalise life chances. To deliver on equity, agencies should incorporate a more systematic understanding of equity and inequity into their policy decisions, implement pro-equity policies and influence developing country governments to address inequity. More than this, equity should be embedded in decision-making tools and procedures.

## **The payoff**

The interventions listed above have had a proven impact on poverty, inequity and human development indicators. More than this, some developing countries (e.g. Vietnam) have employed wide-ranging and coherent strategies to tackle inequity, which have promoted long-term and sustainable change in terms of growth as well as reducing poverty and inequality. Tackling inequity is crucial for developing country governments and development agencies: as well as being a valuable goal in itself, improving equity constitutes a central place in our understanding of beneficial change and development, driving poverty reduction in combination with growth. Moreover, the empirical evidence indicates that equity is instrumentally central to long-term change, through its causal ties to efficiency, growth, poverty reduction and social cohesion.

Putting equity at the heart of development programming could potentially have further benefits. As well as adding practical value, the symbolic, normative and political dimensions of the concept promote the recognition of key challenges, resonate with stakeholders North and South, foster empowerment and engagement and promote deeper, more sustainable change.



## **The political will?**

Equity is central to development. There is a broad and deep understanding of inequity and its causes, and on what works and what does not. Yet, equity remains low on the policy agenda in many countries. This must be down to a lack of political will. We can only conclude that the limited focus on equity is a matter of domestic and international power imbalances. Tackling inequities often requires working against the interests of national elites, challenging vested interests or dominant ideologies, or speaking for people who are excluded and ignored systematically by those making policy.

As a result, the biggest challenge for promoting equity in developing countries is to address the political economy of change. It is crucial to strengthen political movements and coalitions, to challenge prevailing beliefs and misconceptions around equity, and to encourage a representative public debate on practical issues of distributive justice.

While many developing countries do not need to wait for the development community to get its act together on equity issues, donors can play a crucial role in influencing development debates and in promoting equity through programme design and policy influence. Because donors are separate from national power structures that may reinforce social, political and economic inequalities they can also have a disproportionate influence. While some agencies (mostly INGOs such as ActionAid and Oxfam, but also SIDA) do give equity considerable attention in their analysis, policy and practice, others portray equity related issues as overly 'political'. Where policy discourses draw on neo-liberal visions of development, principles such as equality of opportunity may be seen as important, but there may be ideological barriers to putting this agenda into operational. Donor agencies need to focus more strongly on transforming an equity-focused agenda into tangible action for the poor, backed by political will at the top levels.

## 1. Introduction

There is growing recognition that equity is important for development. Although issues of equity and inequality had been debated for some time, 2006 saw three major development reports focus on these issues,<sup>1</sup> in what was described as a ‘new equity agenda’ (Anderson and O’Neil, 2006). As well as moving up the agenda of multilateral organisations, equity is a concern of many bilateral donors, international non-governmental organisations (INGOs) (e.g. Oxfam, see Green, 2008a) and cutting-edge research in poverty analysis (e.g. the Chronic Poverty Report 2008 (CPRC, 2008)). With trends such as climate change threatening highly inequitable consequences, it is likely that equity will only rise in importance in the future.

Although equity is attracting growing explicit attention in development discourse, and despite its being of widespread intuitive value, it is often seen as somehow less relevant than some other issues, such as efficiency, economic growth or cohesion and remedying conflict. For many Southern governments and multilateral and bilateral development agencies, policies that would promote equity are often low on the agenda. There may be a variety of reasons for this. One suggestion is that considerations of equity, inequality of opportunity and redistribution go against the political grain of what has been the most prominent and influential paradigm in international development over the past two decades, the Washington Consensus (Therien, 2002). More generally, equity considerations by definition seek to work against existing power imbalances, which will always be an uphill struggle.

An alternative (or perhaps complementary) explanation is that equity has yet to be explored comprehensively. Poor understanding of the concept and its implications may be part of the reason why equity is underrepresented in development policy and practice. A recent scoping study shows that, while donors are committed explicitly to promoting equity, the overall level of analysis is poor and shallow (with the exception of gender equity), with the term often used only as yet another buzzword (see Box 1) (O’Meara, 2008). A clear discussion of its meaning is lacking and very few policy-oriented reports have presented a satisfactory overview on how to orient development policy and programming towards promoting equity in development.

### Box 1: Donor approaches to equity

A recent scoping study examining the incorporation of equity into donor research, policies and programming (O’Meara, 2008) found that the concept is a highly visible commitment for all donors examined, but that equity and related terms are used in a vague fashion, often quite superficially or as a ‘buzzword’. In general, overall analysis was found to be ‘poor or shallow’, with processes and underlying causes rarely addressed. Similarly, two separate analyses of the 2006 World Development Report (on equity and development) argue that it presents new concepts but the ‘same old’ policy recommendations, and is seemingly more of a review of operational knowledge than an attempt to draw on the concept of equity to forge a new policy agenda (Cling et al., 2005).

There are some important exceptions to these generalisations. O’Meara’s study found that a few organisations (such as the Swedish International Development Cooperation Agency (Sida) and ActionAid) have made more progress in integrating equity into their development approach. More generally, the health sector has shown a more developed understanding of equity (e.g. Macinko and Starfield, 2002; WHO 2008), and the issue of gender equity is far ahead of more general equity analyses.

Recent decades have seen rising inequality and inequities, which are in turn partly responsible for the world ‘lagging behind’ on headline goals such as the Millennium Development Goals (MDGs) (Vandemoortele, J., 2009). While this rise may be driven largely by worldwide processes such as globalisation and economic integration (Hickey and du Toit, 2007), more so than by development policy, rising inequity is a problem that can be addressed through development policy and as such should be firmly on the agenda.

<sup>1</sup> The 2006 World Development Report (World Bank, 2005), the 2005 Human Development Report (UNDP, 2005) and the 2005 Report on the World Social Situation (UN, 2005).

This paper is aimed at policymakers, programmers and researchers in international development. It aims to contribute to filling the 'knowledge gap' on equity by bringing together the wealth of literature on the topic and giving an overview of an equity agenda. It outlines the concept of equity and discusses its relevance for development policy and practice. It sets out to illuminate what is meant by equity and inequity, how to promote equity through development interventions and what value the focus on equity could bring to development policies and programmes.

The structure of the report is as follows. Section 2 outlines the concept of equity, discussing the foundations, its three core principles and the relationship between them. Section 3 looks at inequity in developing countries, examining its causes and the state of inequity worldwide. Section 4 makes the case for promoting equity, based on its intrinsic value, its being constitutive of progress and its causal links to other important development goals. Section 5 assesses how to promote equity, presenting priorities for an equity agenda, listing potential barriers to promoting equity and situating the relevant roles for donors and external actors. Section 6 explores the added value equity would bring to policies and programmes that seek to support development, arguing that the concept brings practical benefits for development programming as well as political, symbolic and normative value. Section 7 concludes.

## 2. What is equity?

This section outlines the concept of equity, based on a broad understanding of its usage in various disciplines and backed up by work on equity in moral and political philosophy. One qualification is needed: equity is a normative concept, one which has a long history in religious, cultural and philosophical traditions (World Bank, 2005) and is concerned with equality, fairness and social justice, topics which are also the subject of fierce debate among political philosophers. As such, there will always be debates about the precise meaning of equity, and it is likely that a number of conceptions will compete to be the ‘correct’ definition. What follows in this section should be understood against this background: in order to explain the concept of equity we must present one particular point of view but the topic can be approached from many different points of view.

Having said this, we believe that by drawing on a rounded understanding of moral and political philosophy, the discussion below represents a firm foundation for understanding equity. It offers an outline of the basic structure of the concept, almost like the ‘grammar’ of how it is used, based on a balanced and robust reading of the theory. By setting out the structures of the concept, we hope we can give readers at least the tools with which to make their own judgements about levels of equity. By then offering our own interpretation of the value judgements involved, we hope also to provide a broad and inclusive understanding of equity, while retaining enough depth to give something meaningful and inspiring to work with.<sup>2</sup>

### 2.1 Grounding the ideas

Equity is based on the idea of **moral equality**, the principle that people should be treated as equals. This is the idea that, despite many differences, all people share a common humanity or human dignity and, as a result of this, we must consider how each of them **should** be treated. This is not the same as **treating people equally**, as we shall see; rather, it is the idea that **all count** in the moral calculus.

Once we accept moral equality, this means that when we behave in ways that affect any other people our actions should be morally justifiable. There are certain standards of moral justification, which must in turn govern our actions with respect to serious and non-trivial decisions. Two are particularly important: relevance and consistency.<sup>3</sup>

- **Relevance** is about a certain kind of connection between the way in which we treat a person and some feature of the person themselves, that some important features of the person have a bearing on the way they are treated. For example, ‘I gave him some food because he was hungry’ clearly meets the standard of relevance, whereas ‘I gave him some food because he was wearing a red shirt’ does not (without some further, more operative description of why the red shirt is relevant), because there is no clear link between colour of clothing and being given food. Or, ‘I chastised my son because he did not go to school’ meets the standard of relevance whereas ‘I chastised my son because he is tall’ does not.
- **Consistency** is about a certain kind of connection between the reasons lying behind how we treat different people (or the same people on different occasions), meaning that they are compatible, they hold together and they are not contradictory. For example, if you give food to one person because of their hunger but then withhold it from the next person who is equally hungry then this is not consistent. Chastising all of your offspring who are above a certain height is consistent (even if it does violate the ‘relevance’ criterion!)

Although we would instinctively say that many people do not live up to the principle of ‘treating people equally’, it is extremely rare to hear their justifications for their actions fail at least to try to live up to

<sup>2</sup> This section focuses on explaining the meaning of equity. We discuss possible objections in Section 4.1.

<sup>3</sup> This approach to understanding the bases of equity is similar to some arguments made in Williams (1962).

these standards, which are like grammatical laws regarding how to speak about such situations or what it means to morally justify actions. For example, a person who discriminates against people based on ethnicity rarely justifies this solely on ethnicity grounds, for example by saying something such as ‘this person is white and it is my moral principle to treat white people differently from others’ (which goes against ‘relevance’). Rather, if any reasons are given at all, these are usually attempts to link ethnicity to considerations that are at least candidates for ‘relevant’ reasons, such as ‘stupidity’ or ‘evil’.

Relevance and consistency essentially play the role of defining the structure of discussions of moral equality. The crucial factor in deciding whether someone has actually violated moral equality will lie in value judgements about whether reasons are relevant or consistent. This is not to say that whether or not the principle has been violated is hopelessly subjective or undecidable, or that no person can make a confident affirmation on this. Rather, there are likely to be situations which are easy to assess, and for which there would be considerable consensus, and others which would be harder to decide and which might see cross-cultural variability.

The idea of **equity is the application of this principle of moral equality to the ways in which people are treated by society**. The principle should cover every individual’s actions in society but should be of particular importance in setting goals for and constraints on actions by governments and states. There is a strong consensus that the relationship between the state and its citizens means that the state should respect moral equality (most famously argued by Rawls in 1971). This has to do with the social contract – a shared set of expectations and norms whereby citizens hold the state responsible for acting fairly and/or meeting certain minimum standards, or ensuring certain outcomes, in return for citizens fulfilling certain duties such as paying taxes. Equity is about understanding how moral equality can be realised at the level of a whole society.

Asking ‘what would a society look like that treats all its members as equals?’ is a complex task: there are such varied realms of social, economic, political and cultural life, and so many ways of looking at them. The concept has been explored most extensively through the lens of distributive justice: this involves specifying principles or rules according to which the different goods, services, rewards, punishments, etc, should be distributed among members of a society (for a discussion of how distributive justice principles relate to other moral principles, see Box 2).

There is a range of takes on how to delineate principles of equity: ‘fairness’ in distributions (e.g. Rawls, 1971); equality of opportunity; treating people with equal concern and respect (Dworkin, 1983); and that the notion that alike cases should be treated as alike, with similar benefits (or burdens) to be enjoyed (or suffered) by similar people. For the purpose of drawing out some areas of consensus, rather than relying on one particular principle it is instructive to understand the general shape of investigations into equitable distributions, which involves:<sup>4</sup>

- First examining the various things that are distributed within society (like power, honour, knowledge, wealth, work and leisure, as well as more tangible things such as food, shelter, transportation and medical care);
- Then deciding on **relevant** principles for distributing the different goods (or broad categories of goods). This can be understood by looking at the nature of the goods as well as features of the people receiving them, or what having them (or not) means to people and why you might want to give them to them;
- Then ensuring that these goods are distributed **consistently** according to these principles, not according to other principles or the quantities of other goods people have.

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<sup>4</sup> This draws on Walzer’s (1997) discussion of ‘complex equality’.

## Box 2: Comparing principles – equity, aggregation and rights

Equity can be contrasted with some other types of principles that often play a role in development policy. In real-life policymaking, a number of trade-offs are likely to be required between various competing goals that probably cannot all be equally realised through some action. It is worth noting that each of these are values, in other words none is 'more objective' than the others, and there is no theoretical or instrumental justification for holding one sort of value above others.

**Aggregative principles:** Roughly put, aggregative principles require that goods be distributed to maximise the average level of some particular property, such as wellbeing. For example, utilitarianism states (roughly) that a decision is valuable to the extent that it maximises overall 'utility' (or wellbeing) for all people. The key value judgement involved in aggregative principles lies in the choice of goal to 'maximise' (and how it is measured) as the central most valuable asset. In the case of health care, for example, an aggregative principle might say that treatment should be provided in such a way as to maximise overall good health. Aggregative principles often drive policymaking: growth requires maximising overall gross domestic product (GDP) and efficiency is about maximising some goal with respect to a fixed input. Efficiency also brings along with it a prioritisation of the goal of preserving scarce resources above other aims (such as preserving human dignity).

**Distributive justice:** Equity, on the other hand, is not concerned primarily with what the final distribution of some good is. Rather, it operates at a higher argumentative level, requiring that goods be distributed according to principles that respect people's common humanity. This involves looking at how the distribution respects the nature of the goods and certain features of the people between whom they are being distributed. For example, an equitable principle says that health care should be provided according to how much health care each person needs.

**Rights:** Rights constitute minimum entitlements or permissions which impose constraints on others. In one sense, they are quite different from the aggregative and distributive justice principles, focusing largely on forbidding or requiring certain actions of others or allowing actions of the individual. However, in more distributive terms they can be thought of as minimum thresholds that must be met by the duty-bearer.

## 2.2 Three principles of equity

As argued above, there is no single interpretation of equity, and precisely what qualifies as the most 'relevant' principles for distributing goods and services, and the most useful broad groupings of goods, is a value judgement. Therefore, clearly (following recent arguments by two leading theorists – Sen, 2009 and Sandel, 2009), dialogues on distributive justice need to be a top priority for national political and policy debates. Ensuring that justice is a central concern for public policy is a central task in making legitimate policies on equity, and in national development more generally. However, there are three strong areas of convergence and consensus running through the literature (as well as speaking strongly to common sense), which should serve as at least a starting point for these debates. We take these as the basis for the structure of equity: three principles placed in order of priority.

**1. Equal life chances:** There should be no differences in outcome based on factors for which people cannot be held responsible. Certain differences among people strike most as inherently unfair. The World Development Report 2006 (World Bank, 2005) uses the example of two children born on the same day in South Africa: Nthabiseng is black, born to a poor family in a rural area in the Eastern Cape to a mother with no formal schooling; Pieter is white, born to a wealthy family in Cape Town, to a mother who completed a college education at a nearby prestigious university. The circumstances into which the two children were born play a major role in shaping their lives: Nthabiseng has a 7.2% chance of dying in her first year and can expect to live to 50, compared with Pieter's 3% and of 68; she is likely to complete less than one year of formal schooling to Pieter's 12; and she is likely to be considerably poorer throughout her life. From the outset, these children face vastly different opportunities and have very different chances of achieving wellbeing and reaching their potential, through no fault of their own.

This principle of equity relates to people's life chances, which is a probabilistic concept describing how an individual's life is likely to turn out. It involves surveying a broad range of outcomes, such as health,

wealth, educational achievement and any other factors relevant to people's welfare and wellbeing, such as career sector and immunisations. Correlations, links and causal relationships are drawn between these outcomes and various features of people and their lives, to see how various factors influence a person's likely outcomes.

The central principle here is that there should be no differences in life chances based on factors that are beyond a person's control, for which we can not hold them responsible. In other words, there can be no relevant reason for differences in outcomes between two people where they have done nothing different to each other. Discussions of life chances focus on probabilities linked to factors with which or into which people are born, and which therefore a person quite unambiguously has no control over or responsibility for<sup>5</sup> (most prominently, Roemer's 1998 formulation). So, where factors such as family circumstances (e.g. income, dependency ratio, father's occupation or mother's years of education), place of birth and group characteristics (e.g. gender, caste, religion or ethnicity) play a role in determining a person's likely welfare outcomes, the principle has been violated. Giving one child a wealth of opportunities while another is likely to face relative deprivation means either that justifications are not relevant (e.g. suggesting that a person of a certain ethnicity just inherently deserves more money in life) or that they are not being consistently applied (e.g. ensuring one child is given education but not another).

**2. Equal concern for people's needs: Some goods/services are matters of necessity and should be distributed proportional to people's level of need and nothing else.** A broad range of goods and services, often crucial to people and of universal value, need to be distributed based on very stark and firm criteria in order to respect people's common humanity. As an illustration, imagine two sick children at a doctor's surgery, both with the same condition, equally in need of treatment. The first child is given a full examination and treated and makes a quick recovery whereas the second is made to wait weeks, then seen only briefly by the doctor and not given sufficient medicine to fully treat his illness. Two equal problems, but vastly different treatment. This seems unfair: the doctor clearly has not shown equal concern for the children's problems, and perhaps our instinct would be to say that a doctor would not do such a thing. However, something similar to this occurs at a wider level with uneven state-run health care coverage: imagine that the children actually went to different doctors, one in the centre of a capital city, the other in a rural area neglected by the government. The first child finds a well-staffed, well-resourced hospital, whereas the rural child finds only a run-down, poorly equipped clinic where resources and capacity are overstretched. The government funds and is responsible for the running of both services but has not delivered adequate care to one child.

This second principle of equity relates to the sorts of goods and services that people are said to need: shelter, physical security and environment, health care, water and sanitation, food and nutrition, a basic education and so on. These are things a person must have within a certain time period if they are to avoid suffering adverse effects on their wellbeing. These are goods which are required despite what one chooses, and which perhaps no person would rationally decide to go without. There are different levels of need of course, ranging from 'basic' needs, which are 'pressed from a simple passion to subsist' (Wiggins, 1998) and required as a result of simple laws of nature or human constitution, to the broader set of goods and services that are a prerequisite to people being able to take full part in society.<sup>6</sup> The latter are likely to be more variable and culturally specific than the former, but both are relative to an understanding of wellbeing.

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<sup>5</sup> This is not to say that this is the only area of relevance for this principle, just that this is where there is greatest consensus. The literature does not tend to examine the role that 'chance' factors (which may, in some situations, mark out factors that a person cannot be held responsible for) might play in determining outcomes, focusing instead on systematic and entrenched differences in life chances by looking at the 'macro' level and large sample sizes. An area that has been paid some more attention is situations where an adult has not attained certain skills necessary for full participation in society (e.g. literacy), i.e. where they have missed out on an equal start in life.

<sup>6</sup> There are some similarities between this principle of equity and the 'basic needs approach' to development. Both have similar starting points, with basic needs relying on the normative nature of the concept of 'need' and the attendant feeling of urgency or priority (Wiggins, 1998). Basic needs was also concerned with principles of distributive justice, for example Streeten (1977) argues that it involves 'concentrating on the nature of what is provided' to people rather than just looking at their income, and a portion of the discourse on basic needs is concerned with understanding what it means to people to have

The relevant criterion for distributing these goods and services is the level of need: simply lacking them is reason enough to be given them. This means distribution of necessary goods on the basis of people's need, that is, proportional to the extent that they are missing them and nothing else. These are not things that should be 'earned' or 'deserved' through hard work, and lacking them can be seen as an outcome that is so bad that nobody deserves or merits it. So, lifelong access to health care services is equally needed by all people and should be equally distributed; the principle would be violated where groups of the population are excluded from such services, and where health care services are distributed according to ability to pay or social status, for example.

**3. Meritocracy: Positions in society and rewards should be distributed to reflect differences in effort and ability, based on fair competition.** A strong instinct many have is that, where differences in people's success in life truly reflect factors over which they had control, this is just. Imagine twins Adam and Betty, with identical upbringings, having attended the same school, with similar interests in making a living as a concert pianist. On leaving music school, Betty devotes every waking hour to practising, learning and applying for positions, whereas Adam does not try to improve, spends little time looking for opportunities to play the piano and never seems to find the will to really do something about it. If Betty was to find a highly rewarding, high-profile and well-paid job as a concert pianist, and Adam was to make a modest living accompanying performers in a talent contest, the intuition that most would have is that this difference in achievement is deserved. If Adam was able to get the concert pianist job ahead of Betty thanks to having a friend on the judging panel, or because the judges were happier giving the job to a man, then this would be an unfair reflection on their abilities or would fail to pay respect to the great sacrifices made by Betty in relation to those of her brother.

Inevitably, there are a number of different positions in society, different paying jobs and positions of status and influence: each of these has certain criteria that seem relevant (usually based on the kind of tasks it involves) and each confers certain advantages on the people who hold it. Many of them are by definition in limited supply and things that are likely to be widely desirable and important components of wellbeing. Essentially, these are the positions people can take in the labour market, with certain wages attached.

This principle of equity relates to the sorts of positions in society that can be deserved, and the sorts of things that should be distributed based on people's merits, and is a focus of much of the literature on equality of opportunity. The relevant criterion for distributing these positions, then, is merit. People applying for these positions should be judged fairly according to their qualifications for the position. Their working towards different achievements should be a function of the choices they make, the effort they put in, the talents they develop and their ability to carry out the job. This principle is violated where factors such as people's family background, race or place of origin mean that they have access to different types of job. Or, where males and females are treated differently in consideration for a job or paid differently for performing similar tasks. Or, where a person's social standing or political power are more operative in the sorts of opportunity available than their qualifications for the post.

In order to ensure a true meritocracy, two additional factors must hold.

- First, clearly all people must have **access to these positions**, in the sense that all people must be eligible to apply for positions and there should not be any variation in the sorts of position different people have access to. So, for example, the awarding of an administrative job in a

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(or not have) various goods or services. The fact that policy implications were drawn from this for the resource allocations of governments and development agencies is also similar. There are a number of differences, however: basic needs focuses on an 'absolute' minimum level of goods whereas equity is concerned with relative distributions between people; more generally, equity is concerned with things in society past what can be said to be 'needed'. Some lessons can also be taken from the rise and fall of basic needs: one commentator (Hoadley, 1981) argues that basic needs did not properly take hold partly because efforts to establish a consensus on a universal, 'technical' definition failed. Proponents of equity should be wary of depoliticising an inherently political concept, and trying to export one single, inflexible vision of what an equitable society should look like.



government department could be judged based on the merits of the candidates applying, but if the job is advertised in one language only in a multilingual society, then clearly not everyone has a chance to apply.

- Second, there are certain requirements for ensuring ‘fair’ competition based on effort and ability, such as **all people having sufficient opportunity to develop the skills and talents needed for success**. Not only should the goods be distributed according to relevant principles, but also the chances of attaining the qualities relevant for the goods should be evenly distributed. This second factor is crucial for many institutions (such as markets), which are based on the idea of fair competition between people, which might not always hold. For example, people from disadvantaged regions may not have the chance to gain an education and build their human capital to develop the skills necessary for securing a decent living. Or, ‘imperfect’ credit markets may exclude groups in society from full participation in the economy. This element is strongly linked to Principle 1 above.

### Box 3: Three principles of equity

- 1. Equal life chances:** There should be no differences in outcome based on factors for which people cannot be held responsible.
- 2. Equal concern for people’s needs:** Some goods/services are matters of necessity and should be distributed proportional to people’s level of need and nothing else.
- 3. Meritocracy:** Positions in society and rewards should be distributed to reflect differences in effort and ability, based on fair competition.

## 2.3 Linkages among the three principles

It is worth making some comments about how the principles set out above relate to each other. These three principles play different roles in relation to each other, but are mutually supportive. Some key issues are as follows.

### 2.3.1 Overall measure vs. positive guidance

Principle 1 is framed in a ‘negative’ manner, outlining what we should avoid to ensure equity and describing the kinds of factors that should not be allowed to influence things. In contrast, Principles 2 and 3 are framed more in terms of positive principles, relating to how things should be done. In this way, Principles 2 and 3 offer firm guidance on how to steer policy and how to set up social institutions to ensure equity, whereas Principle 1 serves as a measure of the overall state of equity in a country. It serves this function because we can assume that, over the course of time, taking in a broad enough sample size, there should be no systematic differences in the talents, propensity for effort and hard work or levels of need between different groups of people based on their circumstances of birth. By examining the links between these factors, Principle 1 highlights ways in which continued disadvantage is transmitted.

### 2.3.2 Securing the foundation for equitable society

Principle 2 plays the role of buttressing and supporting Principle 3, and should to a certain extent take priority over it. Equitably distributing necessary goods and services is a prerequisite to fair comparisons of ‘effort and ability’: these are needed in order to allow people to take responsibility for their life. By equally meeting people’s needs throughout their lives it is guaranteed not only that people are given a ‘fair start’ on a ‘level playing field’, but also that there is no chance of people being pushed off that playing field or being put at a systematic disadvantage.<sup>7</sup> Although needs are clearly not the only thing we care about, meeting needs should be seen as a higher priority than rewarding merit, so (for

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<sup>7</sup> It also helps support Principle 1: by helping people meet basic levels of subsistence and inclusion, vicious circles of deprivation that are passed over generations can begin to be broken.

example) based on equity considerations a government's budget should be weighted away from non-essential goods towards basic goods required to meet people's needs.

### **2.3.3 Acceptable inequality**

Principle 3 stands out from the other two principles by marking out the kinds of inequality that may be acceptable (the other two mark out a number of factors that are likely to be broadly equal among people). Where a group of people have an equal 'start' in life, and their needs are treated evenly, then unequal outcomes that are a result of their efforts and abilities do respect their common humanity. Precisely how much people should be rewarded for their effort and ability is not specified by principles of equity. Some theories of social justice have attempted to outline the levels of reward, for example Rawls argued that positions should reward people in relation to the extent to which they increase the wellbeing of the worst off in society. Clearly, it should not be simply about 'rent' and playing on the scarcity of your talent or position. However, even where income has been earned fairly it is likely that some redistribution is needed: first to ensure that people's needs can continue to be met equally (taking income away from those who have earned more to give to those who do not have enough to meet their basic needs); second so that life chances are not overly biased by inherited advantage.

## **2.4 Other relevant issues**

Three areas are not explicitly covered in this outline of equity, but are nonetheless important. First, it is worth stating clearly that equity and equality are related but distinct concepts. Whereas equity is about fairness and focuses on processes, equality compares the distribution of some goods or outcomes between different individuals or groups (e.g. between people in different locations within a country, between people of different caste, class or ethnic group, between genders and between different levels of wealth). To put it another way, equity focuses on what constitutes a just distribution, which treats people equally, whereas equality is about what the final actual distribution is, requiring that people receive equal amounts. Cause and effect processes occur between inequalities and inequities and play out in both directions (i.e. inequities cause inequalities and inequalities cause inequities), which means that the concepts of equity and equality overlap practically and operationally (for more on this see Section 3.2.2).

Second, while these three principles are likely to focus largely on the economic and social spheres, equity does have implications for civil and political factors. These receive less attention in the literature on equity but may be equally crucial. Thinking in terms of principles 'relevant' for treatment and distribution, the only factors relevant for how someone is treated by the legal system are to do with the actions they carried out and their motivations, rather than their wealth, status or political power, for example. Similarly, access to political power should be evenly spread. Although this is little-discussed in the conceptual literature on equity, these areas are included in some policy-focused literature (and hence will be considered later on in the report). For example, some authors explore the role that the nature of the judiciary may play in fostering equity, or the importance of legal aid (Anderson and O'Neil, 2006).

Third, this paper focuses on equity and inequity within countries, rather than the question of international equity, equity between countries or equity between people worldwide. This is largely a practical decision – the literature on national-level equity is quite separate from that on international equity. The literature on international distributive justice and equity examines very different problems, and a very different range of policy solutions to that on national equity. Moreover, there is less agreement and experience on the nature of the problems faced, on the actors responsible or on the policy options available. Considerably less conceptual headway has been made on the potential principles and justifications (Blake, 2005). It would have been outside the scope of this paper to fully cover international equity, and the decision to exclude it was made in order to be able to provide a resource for national-level policies. This should not be taken to imply that international equity is less important: with the level of between-country and global inequalities significantly higher than within-country inequality and widening (Woolcock, 2009), and future trends such as climate change likely to

make the situation much worse, this could not be further from the truth. For a brief discussion of some issues relating to international equity, see Box 4.

#### **Box 4: International equity**

There is no clear reason why the principle of moral equality should respect national boundaries: people share a common humanity regardless of their nationality, and country of birth seems quite clearly to be one of these 'irrelevant factors' that should not affect a person's life chances. A principle of international equity could be drawn from this, which would set out priorities for global distributive justice. Many argue that this is the central idea behind aid, framing development as solidarity and redistribution (Therien, 2002), and even the World Development Report on equity (World Bank, 2005) seems to frame equity as the source and motivation for development (Cling et al., 2005).

However, suggesting that global equity could be a goal aspired to by the international community is, if not radical, far from commonly agreed. The opposing position in the theoretical debates on international justice is known as 'particularism', which emphasises that, while nations may have responsibilities to treat their own citizens as equals, their interaction with other nations should be guided first and foremost by informed self-interest. Attempted justifications of this principle tend to focus on the clear lines of accountability and authority within national borders, and the extent to which the state's legitimacy relates to its primary sphere of influence (Blake, 2005). The emphasis placed in recent decades on the quality of national policies and national institutions, especially by World Bank economists, suggests that particularism may be the prevailing current in the most powerful institutions, whereas international equity is currently too daring for some (Cling et al., 2005).

However, theoretical justifications of particularism are seen as weak and, in the context of globalisation and economic integration, questions about global equity seem more relevant than ever. It may be the case that lines of responsibility are less clear and the correct institutional setup to promote global equity is not obvious. Nevertheless, the need for such a discussion, and for practical and politically feasible solutions to be found, is urgent. For nation states, it is likely that this will be an area for foreign policy as much as development policy. Green (2008a) argues that the institutions of global governance can help the fight against inequality in eight ways:

- Managing the global economy with rules on trade and investment;
- Coordinating systemically important countries (e.g. the G20) to manage the functioning of international markets;
- Redistributing wealth, technology and knowledge through aid or other mechanisms;
- Averting environmental or health threats through agreements such as the Kyoto Protocol on Climate Change and institutions such as the World Health Organization (WHO);
- Avoiding war and limiting abuses during war by providing a forum for negotiations;
- Preventing powerful countries or corporations from harming weaker or poorer ones;
- Providing a safety net for the most vulnerable when disaster strikes and states are unwilling or unable to cope; and,
- Challenging attitudes and beliefs, for example through the UN Convention on the Rights of the Child (UNCRC).

### 3. Inequity in developing countries

This section looks at the empirical evidence on inequity in developing countries. This involves discussing what drives inequity, and how bad levels of inequity are. First, we outline different approaches to understanding what explains the emergence and persistence of inequity, and then we move on to provide some initial evidence on the state of inequity in developing countries and the scale of the challenge.

#### 3.1 What causes inequity?

There are various approaches towards understanding the causes of inequity, the factors that explain how inequity comes about and how it is sustained over time. First, we discuss approaches towards understanding how access to key institutions, and people's interactions with them and 'treatment' by them, is shaped by power imbalances rather than principles of equal concern and respect. Second, we outline the various ways in which patterns of inequality entrench themselves in society, reinforcing themselves across generations and skewing people's life chances.

##### 3.1.1 Power imbalances in access to and interactions with key institutions

Institutions, and the policies they create and implement, are not benign entities that aim to enhance welfare across society, but rather political entities that reflect existing political-economic power structures within a society (World Bank, 2005). Rather than markets being based on freely chosen, voluntary interactions in which people succeed or fail based on their own efforts and ability, they are governed by detailed rules and relationships, which are not arrived at in a political vacuum and tend to reflect the relative power of those involved or excluded from negotiating them (Green, 2008a). And rather than government providing essential services to all its citizens based on their level of need, these are unevenly distributed, with more powerful groups capturing benefits. These forces go directly against Principles 2 and 3 in Section 2.2, and operate along a number of dimensions.

**Political** forces include formal and informal political structures and institutions, including parliaments, public sector institutions, electoral processes, legal systems, legislation and policies. Access to and involvement with these political structures and institutions is differential owing to inequitable power structures in societies, resulting in political inequalities. Moreover, some groups benefit from inequality and from inequitable political relationships that give them more voice than others, thereby allowing them to exercise privileged influence over the structure of society. These imbalances are in turn often reflected in the coverage and quality of social services such as health and education. In addition, those who one would expect to value equity more highly possess less voice, so arguments against inequality tend to be underrepresented in public debate (Bebbington et al., 2008; Bird et al., 2004).

These drivers can operate in a number of ways, often arising from historical events and upheavals and sustained through law, demographics, education and culture. For example, voter registration programmes may have excluded the disadvantaged from exercising the right to vote; poor access to education may mean they lack the human capital that gives them greater capacity to formulate and express their voice; a variety of disadvantages may block the emergence of political organisations through which these concerns might otherwise have been represented (Bebbington et al., 2008). One example of the operation of such a political driver of inequities is the full or partial denial of women's right to vote (e.g. Lebanon, Saudi Arabia or the United Arab Emirates).

**Economic** drivers include formal and informal product, financial, labour and land markets and inherited disadvantage. Access to and involvement with these markets is differential owing to inequitable political economic structures, socio-cultural norms, systems and institutions in societies, resulting in inequality in the economic sphere.

Inequities are often driven by ‘market failures’. For example, where credit markets do not work perfectly (for example through lack of information on opportunities and unstable contexts, leading to an inability to contract for every eventuality), access to credit can be skewed towards those who have the wealth to enable them to offer collateral, or those with better social connections with lenders. This way, wealthy groups accumulate physical and human capital more rapidly than less advantaged groups (Bebbington et al., 2008). Similar processes occur in insurance markets, land, education and health. An example of the operation of an economic driver of inequities is the poor access to credit experienced by urban slum dwellers (who have often migrated from rural areas). Also, people’s ‘initial endowment’ – their starting position in the market – has a negative influence on their ability to get a fair start in life. For example, low levels of capital can often reinforce themselves and constitute a ‘poverty trap’ (Stewart, 2008).

**Socio-cultural** drivers include values, belief systems and cultural norms. These underpin societal structures and result in inequalities based on identities such as gender, ethnicity, race, religion and caste. Inter-group relationships are often central to these processes, through institutions and through social interactions with underlying imbalances in power. A particularly important factor is the cultural value attached by different groups to education (or differential value for boys and for girls, for example). These can be internalised into everyday practices, as ‘natural’.

Particularly central is discrimination: unequal treatment on the basis of group identity rather than individual merit (Braunholtz, 2007). Central to the concept of discrimination is power, and negative discrimination often involves the unfavourable treatment of members of less powerful groups by members of more powerful groups. This impairs the enjoyment of basic rights and freedoms based on group identity and can result in poverty. One example of this is the caste system in India, which limits the opportunities of lower castes.

A number of these different forces coincide in shaping two processes that function in a range of domains, including institutions, markets and service provision. Social exclusion and adverse incorporation are underlying causal processes that sustain inequity through the power relationships between people and key institutions, such as the state and the market.

**Social exclusion** is defined as ‘the process through which individuals or groups are wholly or partially excluded from the society in which they live’ (Eurofound, 1995 in de Haan and Maxwell, 1998). It is possible to be excluded without being poor but, in reality, many people who are poor are also socially excluded from society and societal processes. The study of social exclusion involves understanding development as a historical process and exploring the character of different forms of social change associated with ‘modernity’ and how these can marginalise people (Hickey and du Toit, 2007).

**Adverse incorporation** is negative and differential incorporation into the state, the market or civil society as a result of limited power and agency. It captures the ways in which localised livelihood strategies are constrained by economic, social and political relations and driven by inequalities of power (Hickey and du Toit, 2007). Adverse incorporation can have similar outcomes to exploitation: for example, in contexts with highly imperfect markets and corrupt state practices, poor people must put immediate practical needs for income ahead of longer-term forms of social capital and prospects of supporting needs and rights in the long run.

There are similarities between these two concepts, but they do differ somewhat and each therefore has analytical and practical value. Social exclusion focuses on exclusion from societal structures and processes, and this can be quite covert and even subtle. Adverse incorporation relates to inclusion, rather than exclusion, and how social structures and processes can involve particular groups or individuals detrimentally. These represent two research traditions that have historically often held conflicting views, but some attempt is being made to bring them together. Hickey and du Toit (2007) argue that they imply a focus on the relational and historical nature of development problems, necessitating a shift from ‘policy’ to ‘politics, and from specific interventions to long-term development

strategies. Trends of particular importance include industrialisation, labour market restructuring, the move towards developmental states and shifts from clientelism to citizenship.

### 3.1.2 Patterns of inequality reinforcing each other

Poor people often experience inequities across a number of dimensions, and through various different processes. As well as existing simultaneously, these multiple inequalities interrelate, leading to 'mutually reinforcing cycles of disadvantage that are transmitted across generations' (UNDP, 2005). These forces result in recognisable and often highly stable patterns of disadvantage, and play a strong role in shaping people's life chances.

One key issue is **intergenerational transmission** of disadvantage. This is an active area of study. One example is Bird's (2007) analysis of the intergenerational transmission of poverty using a livelihoods framework. A complex set of positive and negative factors are transferred (or not) between generations, for example:

- High dependency ratios limit children's human development and socialisation, and costs may mean that younger siblings may not be well nourished or able to complete secondary school.
- Health shocks are a key driver of downward mobility owing to the lost labour of the individual, increased dependency ratios and costs of seeking treatment. A lack of resilience may mean that a household, once poor, remains poor. Children who grow up in poverty face a much higher likelihood of being poor through their adult lives than children from non-poor households.
- Child and maternal nutrition and health status are critical factors in determining the irreversibility of poverty transfers: maternal nutrition contributes to infant and under-five mortality, and poor *in utero* nutrition leads to low birth-weight babies, which in turn leads to a permanent limit on the child's physical and cognitive development.
- With productive assets, household livelihood and investment options play a major role, as do inheritance patterns.
- Female education is important in interrupting the intergenerational transmission of poverty, as educated mothers are associated with improved family health and are more likely to send their own children to school. They also have reduced fertility and their children are less likely to die in infancy.
- Extra-household factors are also crucial, for example conflict: here, a child's life chances are affected by the loss of loved ones, displacement, lack of educational structure, trauma from exposure to violence, disruption of income-generating activities and loss of assets, causing long-term household poverty.

Stewart (2008) frames intergenerational inequality in terms of two traps: capability inequality traps and capital poverty traps. The former involves interactions between health, education, income and nutritional capabilities. These function to ensure that adults have low earnings, which in turn makes it likely that children will have low health and nutrition as well as relatively low education. They are likely to have larger families, which also leads to lower capabilities. As well as deficient human capital (which is broadly the same as these capabilities), interactions between other types of capital also serve to reinforce disadvantage, low levels of capital and low returns to capital. For example, education is more productive where there are good schools (physical capital) and if children are encouraged to attend school (attitudinal capital). The poor are excluded from capital markets because the latter are biased against those with few assets.

Instances where inequalities are embodied in and sustained by various formal and informal **institutions** have been labelled 'inequality traps', described by Eyben (2006) as a 'manifestation of the historically generated patterns of relationships imbued and shaped by operations of power'. Institutions can be understood as bundles of rules that grow out of structural relationships and serve to organise action, while being reproduced through those actions, and formal (e.g. the government) and informal (e.g. the family) institutions play a central role in driving and reproducing inequities. Essentially, the political, economic and socio-cultural inequalities of a society shape its rules and

institutions, and vice versa. Inequality traps mark out situations where institutions hold the entire distribution stable, because the various dimensions of inequality interact to protect the rich from downward mobility and prevent the poor from being upwardly mobile (Rao, 2006). This is distinct from a poverty trap by virtue of being a persistent ranking rather than an absolute level, and highlights that inequality traps are a product of interactions within a system rather than simply reflecting the characteristics of poor people (Bebbington et al., 2008).

Another perspective on institutions that shape patterns of inequality lies in the study of social differentiation and stratification. This looks at the processes through which elements of a person's identity, such as gender, age, ethnicity, place of birth or religion, lead to social differences and stratification. This helps illuminate how aspects of a person's identity interact with social practices, policies and ideologies to reinforce social differences, and highlights the role that categories and public policy can have in reinforcing such differentiation (Juteau, 2003).

Patterns of inequity can often centre around culturally defined **groups** such as races, ethnic groups, religions, regions and so on. Stewart (2008) argues that inequalities between groups are more persistent than other types of inequality, and owe to four factors:

- *Asymmetries in social capital:* People will have more intra-group contacts than inter-group contacts, so poorer groups will have more contacts with poorer people and richer groups will have more with richer people. This results in poorer groups finding it harder to access inputs and markets and get jobs.
- *Asymmetries in attitude:* Attitudes towards education, economic activities and other factors associated with upward mobility tend to be heavily influenced by group. This may be a positive factor for some groups but can play a negative role in others.
- *Discrimination:* Discrimination centres around culturally defined groups and can affect education, employment and treatment in the legal system, as well as access to infrastructure.
- *Political powerlessness:* Ethnicity is often used by groups to achieve political goals, and the political system can in general serve to reinforce disadvantage for certain groups.

As Stewart (2008) argues, geographical location and a person's region of origin can often serve as a group boundary around which inequalities form. Where inequalities are compounded, inequality can be **geographically patterned**: 'lagging regions' and 'spatial poverty traps' (Box 5). The existence of rural–urban disparities is well documented: in many countries, living in a rural area is a marker for disadvantage, because poverty rates are higher and access to services and markets is lower (UNDP, 2005). More generally, there tend to be geographically advantaged and disadvantaged regions. Remoteness is often a factor, but spatiality reflects and combines with a number of processes, relationships and interlocking and multidimensional forms of deprivation and disadvantage. Key issues include adverse incorporation and social exclusion through patterns of migration and the uneven impact of globalisation (Hickey and du Toit, 2007). Geographical inequality can be particularly worrying where spatial divisions coincide with ethnic groupings.

### **Box 5: Spatial poverty traps**

Spatial poverty traps are where 'geographic capital' (the physical, natural, social, political and human capital of an area) is low and poverty is high, partly as a result of geographic disadvantage. Spatial poverty traps may be 'geographically remote' (areas that are far from the centres of political and economic activity), 'low potential' or marginal (ecologically disadvantaged areas that have low agricultural or natural resources), 'less favoured' (politically disadvantaged areas) or 'weakly integrated' (areas that are poorly linked both physically and in terms of communication and markets) (CPRC, 2004). They can exist on a large or a small scale. An example of a spatial poverty trap is the rural, mountainous and indigenous municipality of Metlatónoc in Guerrero province of Mexico. Here, literacy levels are 28% – half the level of Sudan – and 20% for women. This is a stark contrast with the resort municipality of Acapulco, which is in the same province, where literacy levels are comparable with those in high-income countries, with limited gender gaps (UNDP, 2005).

Finally, **chronic poverty** is another instance of self-sustaining patterns of inequity. Up to 400 million people worldwide live in chronic poverty, which is poverty experienced for a long time period (e.g. five years or more), through a stage of life (e.g. old age) or for a person's entire life and transmitted to the next generation. Chronic poverty can be the result of various interlocking forces (and often is the result of many), such as: insecurity (being exposed to various shocks such as environmental, violent conflict or economic shocks, as well as being vulnerable through, for example, poor health, limited assets or entitlements to draw on); limited citizenship (lack of political voice and representation); spatial disadvantage; social discrimination; and limited work opportunities (CPRC, 2008).

With each of these recognisable patterns it is crucial to look at the **intermediary causal factors** between the recognisable feature (group, geography, etc) and the inequality. It is by doing this that the problem can be truly understood and tackled. One example of an approach that does this is that of the Commission on Social Determinants of Health (WHO, 2008). This examines the processes and mechanisms that result in the inequity 'gradient' for health. These 'intermediary determinants' attached to socioeconomic status that work to influence health include: factors such as material circumstances (housing and neighbourhood quality, consumption potential, physical work environment); psychosocial circumstances (psychological stressors, stressful living circumstances and relationships, lack of social support); and behavioural and biological factors (nutrition, physical activity, tobacco and alcohol consumption, genetic factors). Another study (Costa et al., 2007) has found time use to be a crucial factor in shaping economic inequalities. For example, women work more than men but their labour is mostly unpaid, and they do not achieve more economic power as a result.

### 3.2 How widespread is inequity?

It is beyond the scope of this paper to attempt to give a full picture of the state of inequity in developing countries worldwide. In any case, inequity is difficult to measure, because it is challenging to observe things like fairness of treatment: opportunities and life chances are multidimensional and difficult to quantify. However, there is a nascent but growing body of research and data which has a direct bearing on the issue; we will attempt to give some indications and offer some stylised facts about the scale of the challenge.

#### 3.2.1 Direct signs of inequity

A series of measures can give a direct picture of the levels of equity in a country. These revolve around looking at life chances and access to opportunities and services. Following Roemer's (1998) conceptualisation of inequality of opportunity as unequal life chances relating to inherited 'circumstances', a number of studies have set out to quantify this and compare extents across countries. This tends to involve examining (at national level) the correlation between various inherited 'circumstances' (e.g. ethnic group, gender, region of birth, father's occupation, mother's level of education) and some outcome variable (e.g. income, health) or access to and/or utilisation of some services (e.g. features of infrastructure such as electricity or housing, or school attendance).

**Inequity in life chances:** A number of studies have direct bearing on Principle 1 in Section 2.2, that is, the extent to which life chances are equally distributed. While there is no comprehensive picture of unequal life chances worldwide, the initial indications show considerable inequity. One study (Ferreira and Gignoux, 2008) estimates the effect that birthplace, gender, ethnicity and parental background have on economic outcomes in a variety of Latin American countries, finding that income inequality correlated with these factors makes up between 20% and 30% of income inequality and in some countries over 50% of consumption inequality.

Examining the characteristics of the most disadvantaged groups, those which suffer unequal life chances in Latin America, Barros et al. (2009) find that more than two-thirds of the poorest 10% (of the distribution of consumption) constitute ethnic minorities, with family background also a crucial factor – at least 90% of the poorest in all countries surveyed were born to a mother without an education and 88% and up have a father who works in agriculture.



**Inequitable access to services:** Studies that have examined the spread of basic services and utilisation of these have found considerable inequity. First, in many countries, access to services and their utilisation are strongly affected by income. For example, in 89 of 103 developing countries, children have to pay to go to school, meaning that poor people drop out of education (Emmett, 2006). The Education For All (EFA) monitoring report of 2009 (UNESCO, 2008) argues that the central global challenge in education is related to inequality and social justice. For example, in sub-Saharan Africa members of the poorest 20% of the population are between 1.5 times and 2.5 times (depending on whether they are at the high or low end of the spectrum of grades, respectively) more likely to drop out of school early compared with the richest 20%. While 20% of people in Organisation for Economic Co-operation and Development (OECD) countries are still in education at age 20, this figure is less than 2% in sub-Saharan Africa. In fact, sub-Saharan Africa shows the highest inequality in access to education in the world (Cogneau et al., 2006).<sup>8</sup>

In addition, existing services are spread inequitably between groups. For example, in four Latin American countries (Argentina, Brazil, Chile and Mexico), between 43% and 56% of the variation and inequality in educational achievement<sup>9</sup> owes to inequality in life chances related to the gender of the child, the location of the school, the mother's education and the father's occupation (Ferreira, 2007). Barros et al. (2009) propose a 'human opportunity index' that measures inequality in the attainment of certain outcomes (including completion of Grade 6 on time, school attendance aged 10-14) and in access to crucial services (including water, housing, electricity). The measure takes into account both the average level of outcome/access to the service as well as its variation in distribution across groups.

This measures the basic opportunity sets, critical for life chances, that are distributed between children in these countries. Applying the index to Latin American countries, the work finds substantially unequal life chances across a number of variables, as well as considerable variation between the countries, for example:

- The probability of completing Grade 6 on time for a child with one sibling, living in an urban area, whose parents have secondary education and a per capita income of \$25 per day, is roughly equal for all countries considered – between 75% and 90%. However, for a child with four young siblings in a rural single-parent household with an illiterate parent and per capita income of \$1 per day, the probability is lower than 20% in a number of countries (Honduras, Ecuador, Colombia and Guatemala), which is less than a quarter of the level for an urban child in these countries. It is as low as 5% in Brazil, less than one-fifteenth of the level of completion of an urban child.
- There is also considerable inequitable delivery of sanitation services, as well as considerable variation: in Nicaragua, El Salvador and Bolivia around 20% or less of all opportunities needed to ensure universal access are available and have been allocated equitably. Costa Rica, Chile and Venezuela show scores of 80% or above.
- Constructing composite indicators over all services and outcomes, Argentina, Chile, Costa Rica, Uruguay and Venezuela all have relatively equitably distributed opportunities (scoring 86% or above), whereas Guatemala, Honduras and Nicaragua show low coverage as well as considerable inequitable distribution of coverage (around 50%).

**Other approaches and future directions:** One portion of the literature focuses on 'horizontal inequalities' – inequality between culturally defined groups. These are highly likely to be inequities (Stewart 2001), and data are frequently disaggregated according to various aspects of group membership.<sup>10</sup> Measuring other factors of inequity can be much harder. One approach is to look at

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<sup>8</sup> The Gini coefficient for years of education is 0.59 in sub-Saharan Africa, compared with 0.57 in South Asia and 0.34 in Latin America.

<sup>9</sup> Measured via standardised maths tests.

<sup>10</sup> The matter of group boundaries and membership is complex, boundaries are often arbitrary and defining and recording group membership is a power-laden activity. It is crucial to pay attention to the framing of boundaries and be prepared to

intergenerational mobility (for more on this see Box 6), which looks at the degree to which the economic position of the child is different to that of the parents, the degree to which income prospects depend on the social origin of the parents and in general the movement between (Silber et al., 2007). For example, one study shows that, in sub-Saharan Africa, there is a very strong link between a child's income and the father's, which is especially significant in light of the gulf between income in the agriculture sector and others (Cogneau and Mesplé-Somps, 2008). This literature has a variety of quantitative tools and clearly has a direct bearing on the way in which life chances are shaped by irrelevant factors. However, it tends only to examine links between pairs of variables and hence is not so useful for understanding the multidimensional nature of inequity (Yalonetzky, 2009).

Other approaches to measuring inequity study the factors that determine the distribution of various essential services, and are hence crucial to understanding the extent to which Principles 2 and 3 (Section 2.2) are being met. In general, there is poor quality of public services in developing countries, with various barriers to the poor in accessing them, including privatised service provision that excludes the poorest (Bird and Busse, 2006). Understanding how service provision relates to the level of need is crucial, for example, and available studies do not paint a rosy picture. One study of African countries finds that the availability of quality health care is in fact inversely related to the need for it: on average, the richest 20% of the population receives more than twice the level of government health spending that the poorest 20% does (Zere et al., 2007). The 2006 World Development Report (World Bank, 2005) notes that immunisation of children worldwide is vastly different for poor children compared with rich children. For example, in Chad around 65% of the poorest quintile are not immunised, compared with around 15% of the richest quintile. This difference is 50% to 10% in Pakistan.

### **Box 6: Social mobility**

Related to equal opportunities is the concept of social mobility. This is defined in relative and absolute terms: the former considers how being socially mobile varies according to an individual's starting position, whereas the latter looks at the aggregate of individuals' movement through the socioeconomic structures of a society over time, comparing the social class of origin and their 'destination' as an adult (Nunn et al., 2007). Intra-generational mobility means the chances for mobility within an individual's own lifetime; intergenerational mobility is the change in economic status between parents and their children. Studies of social mobility indicate that education is a key factor. However, EFA does not necessarily lead to improvements for the poorest, as the non-poor are better able to take advantages of opportunities because social capital plays an important role. Further, cultural factors can play a role whereby poor communities transfer limited aspirations, higher discount rates and higher levels of risk aversion. Area-based influences on mobility include a lack of access to transport, which may be a barrier to a normal range of activities: the costs of transport may be borne disproportionately by the poor and less advantaged people may not be able to access health care, education, economic and livelihood opportunities (Bird et al., 2002; Nunn et al., 2007).

### **3.2.2 Inequality and inequity**

The concepts of inequity and inequality coincide in places, as some types of inequality are in fact inequities, such as unequal life chances, political inclusion, unequal educational coverage and health inequalities. One author (Ferreira, 2007) has argued that it may be useful to define a set of 'bad' inequalities, those which waste human potential and are tied more strongly to inequity, in order to better inform policy. These would be separated from inequalities that provide differential rewards to effort. However, inequality in economic outcomes such as income and wealth is also crucial to understanding equity, and we should not abandon these as indicators of inequity.

Inequality in income (or wealth or consumption) is related strongly to equity. Various types of inequality play a major role in causing inequity, but also, clearly, inequity results in levels of inequality. Some 'lower-bound' estimates for the causal link between the two find that roughly between one-third and a half of all income and consumption inequality is caused unambiguously by inequity. The actual figure is likely to be higher, since only a selection of 'circumstances' were recorded in the data (Ferreira,

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redefine them. However, it is clear that inequalities do exist between groups, however defined, and the issue is too important to abandon the approach (Stewart, 2001).

2007), hence there are likely to be more unequal life chances. Also, inequity in terms of unfair distribution of services and rewards to effort are difficult to aggregate and quantify.

Therefore, more traditional measures of income inequality are relevant for understanding levels of inequity. Global inequality (the measure of dispersion of income between individuals worldwide) has been rising, as have inequalities between countries (Woolcock, 2009). Meanwhile, there is a varied picture on inequality within countries (the main focus of this paper): for example, nine of 18 Latin American countries reduced inequality between 2002 and 2007 (Argentina, Venezuela, Bolivia, Brazil, Chile, El Salvador, Nicaragua, Panama and Paraguay), increasing share of income of the poor and lowering that of the richest (ECLAC, 2008), although this decrease has taken the countries only to 1990 levels (which were already very high). However, overall, income inequality has been rising in most countries, if at faster rates in some regions than in others (Woolcock, 2009). This may be down to 'skills-based technical change', which has seen increased returns to education and decreasing influence of trade unions. Most worryingly, it has been suggested that increased economic integration is seeing a 'regression to the mean' level of inequality. Considering that calculating a Gini coefficient for the world would place it as the world's most unequal country (Green 2008a), this should be an alarming prospect.

Another tool for understanding income inequality is polarisation indices. These measure the extent to which income distribution converges around a number of 'poles' (e.g. a large proportion of the population being very poor while a small number is exceedingly rich, with not much in between). These capture the extent to which there is a great 'distance' between people in an income distribution ('alienation') as well as the density with which people are clustered around a particular income level ('identification'). These may be particularly important instruments for guiding policy, offering an insight into social cohesion and mobility and group formation by looking at the income distribution (Vandemoortele, M., 2009).

Getting an overall picture of the inequity in a country is unlikely to be easy. There are various measures, but the field is still young and we should not assume that single composite indices will necessarily provide the most useful information. Getting a broad and deep picture inequity in a country is likely to require Q-squared methodologies, which combine quantitative and qualitative analysis. Complementing quantitative methodologies, which will reveal outcomes in terms of access to services, with qualitative methodologies, which will allow an exploration of the processes (such as social exclusion, discrimination and adverse incorporation) that lead to that outcome, will enhance understanding of fairness of treatment and levels of opportunities. In addition to this, qualitative approaches (potentially including participatory research) are crucial to understand the social meanings of goods for recipients. A balance will also need to be struck between looking at 'impact'-level effects, to assess the overall effects of system performance on citizens, with more 'intermediate' factors, such as the behaviour of key groups and institutions, to understand how these effects are produced (and how they might be altered).

## 4. The case for promoting equity in developing countries

Recently, a number of sources have argued that equity should be a central concern for development: the 2005 Human Development Report, *International Cooperation at a Crossroads – Aid, Trade and Security in an Unequal World* (UNDP, 2005), focuses on inequities and inequalities in human development. The 2006 World Development Report, *Equity and Development*, focuses explicitly on the importance of equity for development. One fairly recent working paper (Anderson and O’Neil, 2006) argues that a ‘new equity agenda’ is emerging.

There are three main arguments why equity should be central to government policy in developing countries, and why it should be a major concern of international development actors. First, equity is of intrinsic value: greater equity is a good thing in itself and is valued worldwide. Second, through its relationship with other goals (such as growth and rights), equity is a key ingredient in numerous conceptions of what ‘development’ or ‘good’ social change constitutes. Third, equity is instrumental to any development strategy through its causal links with other crucial outcomes, which make it an important factor in securing growth, poverty reduction, social cohesion and long-term change.

### 4.1 Equity as having intrinsic value

Equity is of intrinsic worth. As a normative concept, it is valuable in its own right, i.e. something ‘good’ or ‘right’. Working to change society to help people get more even chances in life is more than just a means to an end, it is worth doing in and of itself. Most societies share a concern for equity and justice (Anderson and O’Neil, 2006), and frequent surveys carried out worldwide find that people tend only to perceive inequality in outcomes as fair if people are given equal starting points (Barros et al., 2009).

The principle of moral equality from which equity stems is a core belief common to many religions. For example, equality of human beings before God is a key principle of Christianity, and can be found in the Talmud and Islam, where it is grounded in Greek and Hebraic elements (Gosepath, 2007). It is echoed in many philosophical traditions, for example Hobbes, Locke, Rousseau and Kant. It is also a fundamental principle of many legal traditions worldwide, and seen as a basis for natural human rights (ibid). It is reflected in principles guiding action in many areas of life, for example the Hippocratic Oath involves a promise to do no deliberate harm to anyone for anyone else’s interest and to keep the welfare of a patient as the highest priority. Respecting people’s moral equality in a legal framework involves a certain set of principles, procedures and agents, involving rights to a fair trial, being innocent until proven guilty and so on. And the humanitarian principles of humanity and impartiality are very similar.

There are some objections to using equity to guide development, but these often either are based on misunderstanding or attack features of other conceptions of equity that our formulation has purposefully avoided. The following discussion outlines a few of these objections and important issues of concern about applying the concept. None of them is too damaging, and a discussion is included as it may further embed understanding of the concept.

#### 4.1.1 Needs vs. merit

A crucial decision and a key point of debate when applying the concept of equity is what should be distributed based on need and what should be distributed based on merit (i.e. based on having to *earn* something). For example, a basic level of education is seen by many as an essential need, and is also a key element of building someone’s life chances. On the other hand, some goods are not seen as bare essentials (for example owning a car) and hence should be distributed on the basis of whether an individual earns enough money to purchase and maintain one. There are likely to be some grey areas: for example, the government in Chile has been examining variations in access to the internet as a category of good that it should work towards equitably distributing (Barros et al., 2009).

#### 4.1.2 'Deserving' vs. 'undeserving' poor

Rosalind Eyben (2006), in commenting on the World Development Report 2006, argues that equity relies on the Victorian notion of the deserving as distinct from the undeserving poor.<sup>11</sup> Looking at the concept itself, this criticism seems misplaced: as argued above, goods that are a matter of need are distributed separately from those one can 'earn' or 'deserve'. Hence, since poor people commonly live without their basic needs being met while others are well provided for, an equity-oriented approach would attempt to distribute needed goods more evenly, which would result in lifting poor people out of poverty. Eyben's criticism holds more weight in terms of how aspects of equality of opportunity can be used in some political debates, and should therefore serve as a warning against the tendency to focus on the principle of equal *opportunities* alone.

#### 4.1.3 'Formal' vs. 'substantive' equality of opportunity

There is a danger of notions of equity being misused by some political debates, to imply that the majority of poor people are to blame for their own fate, since there may not be formal rules preventing them from earning their fortune. One conception of equality of opportunity is to specify that people should not be denied jobs based on morally irrelevant factors such as ethnicity, religion, class, gender or other forms of social difference.

Leaving aside theoretical debates, this 'formal' definition of equity needs to be complemented by a recognition of the need to give everyone equal opportunities to build the skills necessary to make the most of good opportunities. This is perhaps of particular relevance in low-income developing countries, where barriers to education mean that some people never get the chance to fulfil their potential. Clearly, a realistic assessment of people's life chances and opportunities, and the interrelated factors that influence them, should illuminate the fact that poor people do not get equal opportunities.

#### 4.1.4 State responsibility

While some commentators have shied away from properly assessing what is required by principles of distributive justice, one theorist has explicitly argued that it isn't legitimate to do so: (Hayek, 1978) argues that applying such moral principles to the level of a society, a nation or a community is not legitimate, because there is no single agent who determines the totality of how people are treated in society, or the aggregate distribution of goods, whose reasons and justifications we could interrogate.

While some politicians have appealed to Hayek's argument to justify policies (e.g. Margaret Thatcher), few serious political philosophers attempt to defend this point. While there is no single person in control of society, or of the situation in a particular country, clearly a number of people hold influence over it, and we can look at the extent to which their decisions made about the running of a society have an influence on how people are treated. Also, we do often hold people responsible for outcomes that they did not intend (e.g. the man driving a car causes a crash because he is on the phone). As such, equity is something we can hold people (and governments) responsible for.

#### 4.1.5 Individualism and competition

Some objections to equity or to theories of distributional justice in general argue that they are too 'individualistic' in some way (Swift, 2006). One argument is that it makes no sense to talk about goals and principles where no differences would be tied to group membership, because humans are socially defined animals. Another position is that the framing of equality of opportunity presents life as if it were a 'race', or simply a 'cooperative venture for individual advantage'.

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<sup>11</sup> This is related to a strand of the theoretical debate around 'luck egalitarianism', which suggests that equity prescribes inhumane action by suggesting that, as long as somebody's outcome in life was determined by their own choices, they receive no other assistance, etc. Critics argue that this would lead to inhumane responses such as leaving victims of car crashes to die by the roadside if they caused it.

There is some kernel of importance in this line of argument, but there are also some ways in which equity is clearly not attempting to focus life on individual advantage: for example, in order to correct life chances we have argued that equity explicitly requires attention to be paid to the wellbeing of various culturally defined groups. The differences that equity requires to be eliminated are systematic differences in outcomes such as health, income and access to education, and not differences in cultures and practices *per se* (although where these are sustaining inequity they may need to be dealt with). In addition, one could argue that the remit of equity, and the responsibilities that it confers on a state, do not stretch as far as things such as personal relationships and cultural practices, so equity being ‘blind’ to this is simply a way of recognising that states should not be concerned with the ‘distribution’ of such things. Nevertheless, there is still some sense in which this point holds true, but it is possibly asking too much to ask one value to cover all that we value about a society. It is important to hold more than one value central to society (*viz. liberté, égalité, fraternité!*)

## 4.2 Equity as co-constitutive of progress

Alongside some other key variables, equity holds an important place in terms of completing a picture of what defines ‘development’ and ‘positive’ progress. In the realm of moral philosophy and political values, it is complementary to freedom-oriented concepts such as rights or political liberty in defining a great deal of what people see as ‘valuable’ in society. Equity and rights both stem from the same starting point of people’s common humanity, but there are some contrasts and differences that complement each other:

- While equity relates to giving people equal ‘life chances’, human rights are about allowing people to make their own ‘life choices’.
- They are also complementary to the extent that human rights work focuses largely on the civil and political spheres, whereas equity focuses on the social and economic spheres (Morvaridi, 2008).
- Whereas human rights focus on certain core ‘absolute’ standards, equity revolves around comparing relative treatment.

More crucially, equity plays a constitutive role alongside growth in reducing absolute poverty. The rate of reduction in absolute poverty is fully determined by the growth in mean income and the change in the distribution of income (Bourguignon, 2004). In this relationship, income inequality, which is strongly related to inequity, serves to determine the extent to which growth and country-level economic progress reach the poor: for a given rate of growth, higher inequality means less poverty reduction and lower inequality means more.

Therefore, declines in income inequality occurring alongside economic growth accelerate poverty reduction (Anderson and O’Neil, 2006), and the higher the initial income inequality the lower the effectiveness of future economic growth in lowering absolute poverty (World Bank, 2005). Hence, both growth and distributional policies are extremely important in reducing poverty (Bourguignon, 2004).

These represent two contrasting sorts of principle for decision making (see Box 2). A large proportion of policy decisions will (certainly from an economic point of view) involve a trade-off between these two types of principles (Okun, 1975). However, there are some indications that equity may be less well represented in decision making in international development. As well as the increasing inequality between countries, a number of commentators have expressed concerns that the MDGs suffer from ignoring equity and redistributive concerns (e.g. Anderson and O’Neil, 2006), and a co-chair of the group that put them together has recently argued that they should be reinterpreted to emphasise inequities within countries (Vandemoortele, J., 2009). Looking at another arena, a study of the drivers of policymaking in South America finds that aggregative and instrumental solutions to problems dominate policy diffusion, with redistribution and equity less well represented (Weyland, 2008).

Equity is often implicitly perceived by economists as a secondary concern, with pro-equity transfers acceptable where they do not distort efficiency. It is also notable that the discourse features (but has not strongly defined) equitable growth or pro-poor growth, but not things like ‘pro-growth poverty reduction’ (Perry et al., 2006), which is seen to be the crucial thing to promote. This may owe to efficiency being (falsely) perceived as ‘value free’ or technical, as opposed to equity, which is more clearly value laden and political. Alternatively, it could be down to a poor understanding of the meaning of equity, or could be to do with the power structures in development processes: policy drives such as the Washington Consensus come from ideological backgrounds that are more rightwing than principles of equity might be suited to (Therien, 2002).

Although equity is often relegated to a secondary position with regard to principles such as efficiency and growth, it is no less valuable. Distributional concerns should be weighed up along with aggregative-type principles in order to inform decision making.<sup>12</sup> It is therefore important to restate Bourguignon’s analysis of the central role of equity, alongside growth, in reducing poverty.

### 4.3 Equity as causally central to long-term change

Across a large range of measures of wellbeing, there is a strong correlation showing that more equal countries do better (e.g. Wilkinson and Pickett, 2009, show this for life expectancy, trust, crime, birth-weight, HIV and trust, among others). More than this, there is a significant body of evidence indicating that equity has a number of strong causal effects on efficiency and economic growth, poverty reduction, social cohesion and voice. Equity and inequities exist with or without these existing development goals, influencing their trajectory in a number of ways. This is a strong instrumental justification for promoting equity in order to help achieve these other goals.

One caveat is needed. There are a number of ways in which inequities influence development goals. Although there are some robust links, the picture is far from straightforward. For a number of reasons, the focus of study so far has been on the relationship between inequality and these goals, rather than on inequities, owing not least to the lack of a clear definition of equity. However, clues emerging from studies on what constitute ‘good’ and ‘bad’ inequalities (those which are not and are in themselves inequities, respectively) hint at there being a simpler relationship between equity and these goals: inequalities that are also inequities tend to have a more pronounced and consistent impact on growth and poverty reduction<sup>13</sup> (for see Ferreira, 2007). So, it may well be that future research will uncover a far more robust relationship between them.

#### 4.3.1 Impact on efficiency and economic growth

There are a number of ways in which inequalities affect efficiency and growth.

- High inequalities in income and assets (including human capital assets), combined with imperfect land and capital markets, reduce some people’s opportunities to contribute to growth through investment. Conversely, increasing equity contributes to more inclusive national markets, by (more positively) incorporating disadvantaged groups (CPRC, 2008). This can deepen labour markets and make for more robust domestic demand, which are key elements for sustaining growth in the long term and reducing a country’s vulnerability to external shocks.
- Political inequalities and power disparities give rise to exclusive institutions that allow the powerful and advantaged to establish the ‘rules of the game’, which leads to the development of inefficient institutions and to cycles of advantage and disadvantage.

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<sup>12</sup> One illustration of the pertinence of these sorts of trade-offs is highly relevant for policymaking: in a study of health policymakers, a scenario was presented describing a trade-off between health maximisation and one that is less efficient but eliminates all social inequalities. The maximisation option was generally rejected, and under certain conditions the politicians were prepared to sacrifice 15 out of 100 preventable deaths to achieve equity (Lindholm et al., 1996).

<sup>13</sup> ‘Good’ inequalities reward effort and lead to better performance, whereas ‘bad’ inequality wastes human potential.

- Inequalities generate forms of collective behaviour that impede growth. This is because they lead to social protest along with institutional forms that make it difficult for these protests to be negotiated (Bebbington et al., 2008). Related to this, it has been found that inequalities lead to policies that reduce incentives for individuals to engage in growth-promoting activities (Persson and Tabellini, 1994). On the other hand, a good deal of work shows that high levels of trust (which is eroded by high inequality) are strongly linked to economic success (Harrison and Huntington, 2000), by encouraging the idea that there are benefits to cooperation.
- In addition to these main three argument strands, there are a number of other links. There is a strong, robust link between inequality in the distribution of land and poor economic growth performance. A number of 'bad inequalities', in human capital development for example, are particularly bad for growth (Ferreira, 2007) and there are also strong links between inequality and several variables that are widely agreed to be good for growth, including: low investor confidence, corruption, poor contract enforcement, macroeconomic instability, low enrolment in secondary and tertiary education, high fertility rates and low life expectancy (Anderson and Bird, 2006).

#### **4.3.2 Impact on poverty reduction**

Inequality hinders poverty reduction. There are two main lines of argument:

- Through its multiplicative relationship with growth, inequality directly determines the rate of poverty reduction. Holding the level of growth constant, a reduction in inequality will reduce poverty while an increase will increase it. Similarly, for a given level of growth, this will translate into greater poverty reduction where there is less inequality and lesser poverty reduction where there is more.
- As well as the central role that equity plays alongside growth in determining the rate of poverty reduction, certain types of inequalities – in access to health care, education or markets, or in civil and political rights – have a direct causal effect on poverty. They also reinforce the intergenerational transmission of poverty and reduce individuals' chances of escaping poverty.

#### **4.3.3 Impact on social cohesion and voice**

High levels of inequality can reflect and reinforce the monopolisation of political power, and lead to insecurity and conflict. Inequalities in the control of assets and institutions create unequal relationships of power, which the more powerful use to sustain their positions of advantage (Bebbington et al., 2008). Rather than meaning overt resistance by particular actors, 'indifference' better describes the ways in which the less powerful are omitted and their issues are kept off the agenda, owing to (for example) the low visibility of the marginalised, poor understanding of the problems and lack of simple solutions (Bird, 2008). It has been observed that ethnically polarised societies, with substantial inequalities between groups, are prone to competitive rent-seeking activities between groups, and have difficulties agreeing on public goods such as infrastructure and education (Alesina and Drazen, 1991).

Whereas more equitable societies are much more likely to demonstrate relatively high levels of trust and cooperation, in unequal societies the rich suffer from fear of the poor, and those lower down often experience status anxiety. Inequity has been shown to be strongly correlated worldwide with poor physical health, poor mental health, drug abuse, violence and a disintegration of community life (Wilkinson and Pickett, 2009). Work in Southern contexts has reinforced the evidence that high vertical inequalities (between income groups, classes or castes) can contribute to insecurity, crime and violence, and as societies become more polarised conflict is more likely (Vandemoortele, M., 2009). Horizontal inequalities (between ethno-linguistic groups, regions or religions) potentially contribute to destabilisation, violence and social disintegration (Stewart, 2001).



#### **4.3.4 Long-term change**

There is also empirical evidence that equity and inequities are more resistant to change than income poverty or levels of growth. For example, Bebbington et al. (2008) argue that inequalities are highly 'sticky'; a study of income inequality worldwide (Li et al., 1998) has found that such inequality is stable within countries over time (for example, the Gini coefficient in India remained almost constant for 40 years). A number of social processes underlie this, through which high levels of inequality are self-reinforcing, as explored in (for example) Tilly's 'durable inequalities' (1998). This is in contrast with growth and efficiency, which are not self-reinforcing.

For these reasons, analysis of equity and inequity and the related inequalities could be seen as requiring more deep-rooted and fundamental aspects of a country's make-up than either poverty or growth analysis. It may be that attacking inequity in a country may be the crucial area to focus on in order to stimulate a big, long-lasting, pro-poor shift. The sequencing is important – it has been argued that high poverty and low growth represent a vicious cycle (Perry et al., 2006). Breaking this may first require poverty reduction in order to stimulate long-term change and the beginning of virtuous cycles, or at least both at the same time.

## 5. How to promote equity

Having presented what equity is and why inequity is a critical development issue, this section outlines strategies to promote equity. First, we present priorities for an equity agenda, that is, policy areas that should be prioritised in order to achieve equity: providing universal public services for fair treatment; targeted action to strengthen disadvantaged groups; meeting socially minimum needs; redistribution; and challenging embedded power imbalances. We then list the potential obstacles and barriers to promoting equity: the power structures and political incentives involved; the complexity of measuring and achieving equity; and the potential sticking point of cultural values. Finally, we analyse the potential for donors and external actors to promote equity, through providing services, influencing country policies and efforts to embed the principle into decision making.

### 5.1 Priorities for an equity agenda

In this section, we assess what policy areas are highlighted and brought to the fore by an attempt to address equity. One caveat is necessary: equity is a principle that has implicitly underpinned many development policies and programmes past and present, especially interventions that address inequality. Because of this, it is unrealistic to expect this analysis to point to wholly new and unique areas for development policy. However, this has not been addressed as a whole before. By taking a solid definition of equity as a guiding principle, and drawing together operational knowledge on areas that are shown to be linked, some areas are brought into focus and put on the agenda where before they may not have taken centre stage, and the relationship between areas is brought into focus.<sup>14</sup> This broad view is intended to provide a resource to help bring equity to the forefront of analysis with the design, implementation and monitoring of development policies and programmes.

It should also be noted here that ‘politics’ may be just as important as ‘policy’ when it comes to addressing equity. First, the shifts in power balances that are required to promote it in the long term cannot be achieved without some kind of engagement in politics, and are likely actually to be an area of interest of many political parties. For example, of the nine Latin American countries mentioned earlier as reducing inequality since 2002, the one with the biggest reduction was Hugo Chavez’s Venezuela, followed by the centre-left Bolivia, Brazil and Nicaragua (Green, 2008c). This means that a ‘technical fix’ is unlikely to be the way forward for tackling such problems: for example, the WHO (2008) argues that health is socially determined, and must be dealt with as such, rather than as a matter for technology.

The priorities for an equity agenda revolve around five key areas, which are overlapping and interrelated but distinct enough to mark out key ideals for policy. The first two, ‘providing universal public services for fair treatment’ and ‘targeted action to strengthen disadvantaged groups’, are aimed ‘upstream’, attempting to tackle inequities in the way that people are treated by various institutions before the inequities translate into unfairly unequal outcomes. The first focuses on universal treatment and hence may be more long term or ambitious; the second is about ‘tipping’ the playing field in favour of particular groups, and may include better short-term strategies for change. The second pair focuses more ‘downstream’ of inequities, on dealing with unequal outcomes. ‘Meeting socially minimum needs’ involves protecting a minimum level of outcomes for all people; ‘redistribution’ is broader, focusing on altering the country-wide distribution of income and wealth. The final area is about ‘challenging embedded power imbalances’, the underlying issues that govern inequity. These areas are highly interdependent, and progress in one area may require supporting policies in another, for example: the WHO (2008) and UNICEF (2008) argue that, to achieve more equitable access to and outcomes in

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<sup>14</sup> In this way, we hope to go further than either the World Development Report or the Human Development Report on equity which, as Cling et al. (2005) note, presented new concepts but the ‘same old recommendations’, with the policy analyses seeming more of a review of operational knowledge than an attempt to define and discuss development policies aimed at equity.

health and education (respectively), redistribution of power and assets is required as well as providing social protection and ensuring decent work and living conditions.

### **Box 7: Priorities for an equity agenda**

#### **1. Providing universal public services for fair treatment**

This means prioritising universal access to public services, such as health and education, and improving their quality by improving their delivery and strengthening underlying institutions. Infrastructure and law and order are also crucial. Services should be free at the point of delivery wherever possible, and where this is not possible, arrangements should be made to ensure that poor people are not excluded.

#### **2. Targeted action for disadvantaged groups**

Government expenditure should favour disadvantaged regions or groups. Quotas can support access to employment for specific excluded groups. Services targeted towards these groups are crucial (e.g. girls' education), as is providing assistance at key stages of development, such as early childhood. Empowering these groups is also vital, as well as strengthening organisations such as producer organisations, social movements and trade unions.

#### **3. Social protection**

Social protection should be provided to ensure that nobody drops below a minimum level of wellbeing, beyond which unmet need will create cycles of disadvantage. Options include: payments such as social insurance or basic income grants; conditional transfers to promote human development; minimum wage policies; guaranteed government employment programmes; and labour market regulations to those in employment.

#### **4. Redistribution**

'Downstream' action is required to improve equity by reducing inequality. Progressive taxation can help, if the additional fiscal space created is used to fund interventions that will support equity. Other priorities include lowering taxes on staple goods and applying taxes on property – inheritance taxes are key. Land reform is also crucial and redistribution may be required to provide the poor with productive assets.

#### **5. Challenging embedded power imbalances**

Power relations can cause and sustain inequity. Tackling harmful power relations takes time, and the empowerment of disadvantaged people must be combined with improving accountability mechanisms and reforming democratic institutions. It is important to build a vibrant civil society and an independent media. Addressing unhelpful attitudes and beliefs can also help foster social cohesion and build a pro-equity social contract.

#### **5.1.1 Providing universal public services for fair treatment**

Providing **universal, quality public services** should be a central government priority. The distributional effects of services such as health, education and infrastructure are significant, and providing them has been proven to work in developing countries, promoting human development and reducing poverty. For example, Sri Lanka has made progress in health and education in a generation, which took industrialised countries 200 years, and even though one-third of Sri Lankans live below the poverty line the maternal mortality rate is among the lowest in the world (Emmett, 2006). These are a matter of treating people's needs with equal concern regardless of their wealth, and providing all citizens with the basic tools required for inclusion in society and for a fair shot at developing their talents and building a decent livelihood.

Public financing of these services should be maintained or increased to ensure that they are **free at the point of delivery** to the extent possible. Market-led solutions to service provision (including payment at the point of delivery) tend to be highly inequitable, excluding the poorest and those who need them most (Bird and Busse, 2006). These are goods and services that are a matter of need, not ones that should be earned or 'deserved', so access should be equal and utilisation should not be determined by ability to pay. Put simply, only the state can reach the kind of scale necessary to provide such services free or as heavily subsidised and geared towards the needs of citizens (Bennett, 2006). Removing user fees may not be the only challenge, as informal charges by 'gate keepers' need also to be substantially reduced.

There is a broad consensus that free and universal basic **health care** and primary **education** should be provided, but the level of free public service provision is likely to be a matter of judgement over what is feasible in different countries, and more may be needed. For example, research indicates that at least 10 years of education may be necessary for individuals to be protected from poverty, which means that making secondary education free may be another important policy for promoting equity (Bennett, 2006). There are some options for financing these services: in the long term improved domestic resource mobilisation through taxation is a sustainable strategy (more on this below), whereas in the short term relying on donor funds may be acceptable. Cost recovery from users can be consistent with equity only where services are still affordable for the poor (e.g. social investment funds, scholarships and waivers and exemptions) (Bird and Busse, 2006). **Nutrition** is also important and help must be given to vulnerable groups (see Section 5.1.2).

An important factor in improving service provision is **strengthening the underlying institutions**. Civil service reform is likely to be necessary, in order to build the appropriate human resources and meritocratic recruitment and promotion processes. Paying public servants adequately is crucial to ensure the civil service 'culture' will improve, and decentralisation should not be seen as a panacea, with central government coordination required to make the distribution of finance more equitable between regions (UNICEF, 2008). Improving accountability will also strengthen public services: for example, strengthening civil society organisations (CSOs) at the community level to engage in influencing service providers has shown to be effective in improving performance (Court et al., 2005).

**Infrastructure** is an important area for investment. **Water and sanitation** represent a basic need for all people and hence all people should have access to such services regardless of economic situation. While there is a consensus over primary education and basic health, debate remains over financing water supply and sanitation services (Marcus et al., 2004). At the very least, measures are needed to ensure that the disadvantaged are not excluded from these services, such as connection subsidies or other means-tested subsidies or vouchers (Bird and Busse, 2006). Other infrastructure priorities should include improving rural roads, especially in areas with large numbers of poor people, to equalise the opportunities that people face. Social housing and public transport are also areas that are relevant.

**Law and order** are also relevant: the provision of basic policing and crime prevention services should extend to all areas, irrespective of their affluence. Legal policies, to outlaw discriminatory practices, can substantially improve equity, and policies can also address the enforcement of economic and social rights. Other efforts should be made to ensure that all have access to justice: providing legal aid, community mediation centres, mobile courts and bilingual mediators will all promote equity (World Bank, 2005). Judicial reform may be needed: this will require increased expenditure on pay and working conditions for judges; measures such as increasing security of tenure, rigorous and transparent appointment and disciplinary processes, transparent mechanisms of case management and transparent and open hearings will increase independence (ibid).

### 5.1.2 Targeted action for disadvantaged groups

As well as providing services and goods that are universal, promoting equity is likely to require a more proactive approach, actively 'tipping' the playing field in favour of the disadvantaged to help level things out. Policies that directly target group inequalities using subsidies and quotas are often referred to as **affirmative action**. They provide a 'bias' in favour of certain groups to help even out inequalities.

As a general principle, **expenditure and services** should be **weighted towards disadvantaged groups or regions**. This is about being sensitive to varying levels of need, so (for example) greater resources for health care should be directed towards areas where there is a greater need for them (e.g. regions with high poverty levels or a greater burden of disease (Bambas and Casas, 2001)). This will include being prepared to deal with non-linearities in the funding of access to services: for example, it may be relatively cheap to reach 90% coverage of the population with health services, but then very costly to meet the health needs of the final 10%, who may be in particularly remote areas or may need

tailored services to meet specific socio-cultural needs. Plans should take into account these factors and direct greater resources towards reaching those who are difficult to reach.

There are other ways of **orienting services towards disadvantaged groups**. Education can target girls and other excluded groups through gender-specific or multilingual schools, or remedial education programmes can be provided in areas where there are likely to be significant numbers of students lagging behind (Anderson and O'Neil, 2006). To help address health inequalities across geographical areas, incentives can be put in place to ensure that doctors work for periods in rural areas, or government can provide roving extension clinics or village health worker programmes (World Bank, 2005). Targeted transfers can also be used to encourage those most deprived to access services, such as cash transfers to encourage child immunisations and monitoring.

Meeting differential levels of need and attacking unequal life chances is also likely to involve a **focus on particular stages of their development**. Early childhood care and development (ECCD), such as the provision of nutritional supplements, regular monitoring by health staff and cognitive and social development for children of pre-primary school age, is seen to generate extremely high rates of return (\$2-5 for every dollar invested – World Bank, 2005). This is particularly important in order to address intergenerational transmission of disadvantage, by tackling the non-material aspect of inheritance. Education is an area where the attainment of one generation can significantly affect the prospects for the next and, as well as ECCD, promoting female education can have a significant impact (Bird, 2007). As well as traditional schooling, it may be important to provide adult literacy and technical and vocational training in order to help those who missed out on an education gain confidence and social resources in order for them to improve their livelihoods (Anderson and O'Neil, 2006).

The prospects for disadvantaged groups can be improved by putting in place **quotas** for the inclusion of disadvantaged groups for services such as employment opportunities, education, health and housing. Setting group quotas and providing subsidies for public and private sector employment have been effective, and representation in politics and the judiciary is also important. Similar quotas can be set on the construction of public facilities, such as infrastructure (Stewart, 2007).

Another crucial area for action is the **empowerment** of those on the wrong end of power imbalances. This involves both a political aspect, addressing the collective struggle of poor and disadvantaged people against relationships of domination, exploitation and marginalisation, as well as a personal aspect, referring to the agency and consciousness of individuals to address issues determining their lives. Agency approaches to empowerment are relevant here, emphasising the importance of increasing confidence and awareness of rights, widening aspirations and building skills and control over resources (Luttrell, 2007).

As well as empowering individuals, it is also important to strengthen the **organisations that represent the disadvantaged**. Social movements should be one focus. They can challenge the *status quo* of power imbalance through collective action and mobilisation and, by expressing the demand for change, they create political space for pro-equity reforms (CPRC, 2008).<sup>15</sup> Producer organisations such as cooperatives, self-help groups and savings and credit groups, can also be important, especially in rural areas. They strengthen the hand of the poor through (for example) marketing; helping members obtain cheaper credit, negotiate better prices for inputs and acquire or arrange facilities and transport to markets; or providing training or technical assistance (Green, 2008a). In particular, trade unions are vital to go some way towards remedying power imbalances that often see the overbearing influence of business associations. Trade unions with political clout can stabilise industrial relations and help ensure economic growth does not work against the disadvantaged.

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<sup>15</sup> In some instances, this mobilisation may involve organised protest and even lead to violence; however, the evidence suggests that violent episodes do not necessarily lead to improved equity but often the opposite (Bebbington et al., 2008).

### **Box 8: Affirmative action: A necessary 'evil'**

Direct action against horizontal inequities is quite controversial in some political contexts: it is highly visible and can provoke opposition and reinforce group prejudice. Policies directed at specific groups will be based on explicit categorisations and 'labels'; some argue that such practices can in fact work to sustain the relations and structures that underpin inequalities. In development practice, labels can reflect overly simplified, homogenous or biased understandings of problems, and can serve to stigmatise groups (Eyben and Moncrieffe, 2006). Worse, they can provoke opposition and entrench group differences by drawing attention to them, and can encourage corruption (Stewart, 2007). Moreover, the practice of giving particular privileges to people based on characteristics such as ethnicity, religion and so on, itself constitutes an inequity (even if it is in place to combat an inequity).

However, in many circumstances, this offers the best option. In comparison with other types of policies designed to address horizontal inequities, effects are quicker and more likely to succeed (Eyben and Moncrieffe, 2006). It may be, therefore, that putting in place (something that is technically) an additional inequity is a necessary sacrifice in order to help counteract other societal processes. In order to reduce the likelihood of negative unintended consequences, it is important to reflect on the political underpinnings and impact of labels, and to look to facilitate policy responses that reflect the perspectives of the people involved and respond to the shifting complexity of identities (Eyben and Moncrieffe, 2006).

#### **5.1.3 Social Protection**

People living on low incomes face a variety of risks: protection from these by meeting basic minimum needs is crucial to promote equity in order to ensure they do not drop below a level past which vicious circles may make it increasingly more difficult for them to lift themselves out of poverty. This is action downstream, guaranteeing citizens minimum outcomes throughout their adult lives.

**Social protection** is the primary instrument: insurance to help meet all citizens' basic needs in the event of livelihood shocks and stresses, such as those brought about by ill health. Social protection is defined as interventions to support communities, households and individuals in their efforts to respond to deprivation and to prevent, manage and overcome a defined set of risks and vulnerability (which are deemed socially unacceptable in a society) (Bird and Busse, 2006). As well as helping people meet their needs, social protection is important for enabling equality of opportunity by allowing poor people to build their assets and contribute to challenging and transforming inequitable social relationships (Marcus, 2007).

This often focuses on **welfare**-type payments – which can be delivered in cash or in kind, can be unconditional or have conditions attached and may be universal or targeted (e.g. means tested or aimed at particular groups). Social assistance programmes are quite common, which take poor or destitute people's income up to an agreed threshold level (often defined in relation to a minimum food basket). Social insurance is funded by recipients paying a fee over a defined period in order to be eligible for assistance. Another example is the basic income grant, which involves universal transfers of a social minimum income. Tight targeting may be difficult without highly effective administrative systems, and can also exclude intended beneficiaries and distort the behaviour of the target group, so unconditional cash transfers can often be the most effective and efficient option.

Some social protection **transfers** seek to go beyond the simple aim of protection to promote welfare. For example, some newer kinds of transfer programmes are conditional on recipients or their families undertaking certain activities (e.g. immunisation), maximising the value of a transfer by ensuring it has an immediate affect in the short term as well as contributing to future wellbeing (Shepherd, 2004). For example, in Mexico, the Progresa programme offers conditional cash transfers based on the registration and continued attendance of recipients children in school (see Box 9). These are similar to the targeted action discussed in the section above, so will not be discussed at length here.

### Box 9: Impact of the Progresa programme

The Progresa programme (now called Oportunidades), implemented by the Mexican government, provides in-kind benefits to people in extreme poverty in rural areas. The transfers are structured so that they help alleviate poverty but also encourage investment in education, health and nutrition.

An independent impact evaluation of the programme (Skoufias and McClafferty, 2001) robustly showed that the programme has had significant impact in a number of ways. The programme was found to significantly increase school enrolment, particularly of girls, leading to 8% higher earnings on entering the workforce. It was found to have a strong impact on health as well, lowering the incidence of illness by 12% and reducing the number of 'sick days' by 19%. In terms of nutrition, the programme fostered a higher calorie intake and lower incidence of stunting. Finally, it had significant effect empowering women, by placing them in control of the benefits. There was no evidence that adults were working less as a result of getting an unconditional transfer from the government (i.e. it created no 'dependence').

Another important approach is guaranteeing a **minimum wage**. Active wage policies should be strengthened, with special efforts to secure jobs with adequate pay for those in the weakest position in the labour market. The minimum wage should be set at a level that ensures that working people have enough to cover the bare essentials, in order to avoid a population of working poor.

Another option is **government employment programmes**, a type of public works programme that involve the provision of employment for the creation of public goods at a set wage for those unable to find alternative employment (McCord, 2008). They often offer either food or cash in return for physical labour, and are frequently implemented in the infrastructure sector. Long-term programmes undertaken in response to poverty and unemployment are often referred to as employment guarantee schemes, where the state guarantees ongoing or repeated episodes of employment to those who are eligible: for example, in India the state offers 100 guaranteed days employment each year to one unemployed worker from any rural household, paid at the minimum wage, in order to create community assets (ibid).

Finally, **labour market regulations** also constitute a form of social protection. Although equity considerations clearly need to be balanced with other goals, such as the needs of employers and the value of a flexible labour market, securing decent labour rights is an essential way to combat adverse incorporation and exploitation. This will prevent low economic outcomes leading to other factors detrimental to wellbeing. Employment protection, such as maternity protection or accident insurance, can make strong contributions to protecting the wellbeing of mothers and children or households in general at vulnerable periods (Shepherd, 2004). Another example is ensuring decent working conditions, which helps to mediate the effect of socioeconomic position on health (WHO, 2008). In many developing countries, a great deal of employment is in the informal sector, so extending labour standards and social protection to the informal economy can be a pressing need, without compromising its potential for generating employment (Anderson and O'Neil, 2006).

#### 5.1.4 Redistribution

The unequal distribution of resources in society is to a certain extent the result of inequity, and in turn plays a strong role in sustaining inequities. Put simply, those with a decent start in life will, in general, find it easier to get an education, earn a reasonable income and build wealth and power, whereas those without certain basic necessities and coming from disadvantaged families face an uphill battle to accumulate the same levels of resources as the relatively more advantaged. These inequalities then translate back into inequity as imbalances in power and disparities in wealth lead to the persistence of inequitable processes: for example, living on a low income can not only impact on people's health (e.g. through overwork, poor working conditions or poor sanitation) but also make it harder to access health care, which is concentrated in rich areas or subject to fees that are not affordable for some. These unequal outcomes then translate into unequal life chances for the next generation, and inequity is sustained.

These considerations provide powerful arguments for **redistribution** in order to promote equity. Other arguments for redistribution can be drawn directly from the principles of the state's responsibility for equitably addressing needs. The more money or land a person has, the less they need it, and vice versa. This gives a strong reason to give money to the poor and weak. Also, in terms of economic rewards being proportional to efforts and ability, the intuitive argument that many would make is that the vast inequalities in wealth could not possibly be the result of a similar gulf in how much these people 'merit', and hence some proportion of unequal outcomes is not deserved and should be redistributed to the less fortunate. One example of the effect of such redistribution can be seen in Vietnam's progress as one of the 'Asian tigers': both China and Vietnam saw rapid economic growth and reductions in poverty rates, but Vietnam has managed to sustain this without any increase in inequality. This has been put down to land reform and redistribution prior to growth, which meant that agriculture could be an important pillar in the economic takeoff and redistributing resources and directing public spending towards poorer regions (Green, 2008a).

First, in general an **increase in taxation revenues** and government expenditure, without necessarily increasing the progressivity of tax, has the effect of improving the distribution of income (Anderson and O'Neil, 2006). Increasing collection rates is often crucial, and the World Development Report (World Bank, 2005) suggests that doing this while keeping taxes broad is sufficient to enhance equity while balancing other goals. However, many argue that more explicit redistribution of income is necessary (e.g. Green, 2008a). This will involve progressive expenditure (suggestions for this are outlined in the two subsections preceding this) in parallel with **progressive taxation**, relating to income tax and other different tax credits. This will further reduce differences in net income, which will in turn help to improve equity. Of course, the richer a country becomes the more there is to redistribute. However, there is a significant amount of nuance behind this: a recent study (Ravallion, 2009) suggests that progressive taxation should be a priority for achieving poverty reduction in middle-income countries (e.g. Brazil) but is more difficult in poorer countries. However, strengthening a government's tax base can contribute to improving equity by building the social contract between state and citizens, as well as directly through the redistribution (CPRC, 2008).

As well as more direct redistribution through income tax, indirect approaches put in place universal policies whose application will favour particular groups. One important policy is lowering or eliminating taxes on (inferior) staple goods, basic foodstuffs and other necessities, and increasing them on luxury goods (Anderson and O'Neil, 2006). Property taxes are also crucial, and fiscal policies and macroeconomic policies can work towards restructuring the economy to benefit deprived groups relative to privileged ones through imposing higher taxes in sectors where privileged groups are concentrated (such as the commercial trading sector). These measures have the positive feature of improving equity without labelling people according to groups, but can work quite slowly and require very careful monitoring and evaluation (Stewart, 2007).

**Inheritance taxes** are another important point of entry for improving equity (e.g. Anderson and O'Neil, 2006; Cling et al., 2005; World Bank, 2005). There is a 'blurring' between opportunities and outcomes, because parents' outcomes are circumstances that affect their children's opportunities (Cling et al., 2005), so large inequalities in wealth and income translate into significantly unequal life chances for the next generation. As well as taxation, altering the rules on material inheritance of land and assets will be an important focus for improving equity, for example stopping inheritance practices that discriminate against women such as wives being unable to inherit their husband's possessions.

Access to productive assets is central and **land reform** has been shown to be crucial for supporting the development of more equitable societies. Land is a crucial asset from which individuals (particularly in rural areas) build their livelihoods. There are very strong equity and efficiency reasons for addressing inequalities in land distribution (World Bank, 2005). This could involve liberalisation of land markets and taxes on land ownership, but in many situations only redistribution will suffice to address historical inequities and stave off violence (Anderson and O'Neil, 2006). To be effective, land redistribution must provide complementary training and credit, transparent rules for electing beneficiaries and clear ownership rights to those who gain access to redistributed land. Other



measures include strengthening property rights for land, improving registration and inheritance policies for clear tenure and transparent land markets and institutions and considering taxes on land ownership (Anderson and O'Neil, 2006; Bird and Busse, 2006).

### 5.1.5 Challenging embedded power imbalances

The existing relationships and structures of power and politics are at the root of inequities. Power relations – coercive and non-coercive, visible and hidden, agreed and imposed – cause and sustain inequalities and poverty (Moncrieffe, 2008). These relationships work to the disadvantage of those at the bottom of the hierarchy, while the more powerful benefit from the unequal relationships, sustaining their positions of advantage. This creates an apparent dilemma: to deal with inequity, societies must deal with relationships of unequal power, yet the scope for doing so is restricted because of the unequal power relationships (Bebbington et al., 2008). Attempting to shift these imbalances is likely to be a long-term process, and making decisive differences may be beyond the control of government and external actors such as donors, which are likely to hold only a minimal influence. However, it is nonetheless important to discuss the changes that may need to take place in order to secure the foundations of an equitable society.

As touched on above, one key aspect is strengthening and **empowering actors** in the political sphere: empowering disadvantaged people to participate in decision making at a number of levels is one goal necessary (but not sufficient) for improving the situation. Participation in development programming is important; to ensure participation is more than a cosmetic label, and to avoid simply strengthening existing power imbalances, it may be necessary to adopt a 'transformative' approach to participation, one which emphasises increased political agency, awareness and competency to foster a participatory citizenship (Hickey and Mohan, 2005). In contexts where it is feasible, facilitating disadvantaged groups to register to vote is worthwhile. As well as strengthening communities and individuals, it is important to strengthen the organisations that represent them (as mentioned above) and support their engagement with policy at all levels. Producer organisations, social movements, trade unions and other CSOs are all of potential significance. For example, one study found that trade union membership was the 'most important single factor' in defining the levels of equity in rich countries in the 1980s and 1990s (Wilkinson and Pickett, 2009).

The political context and various **institutions** that make up the political sphere will affect power imbalances by shaping the formal and informal 'rules of the game' in policy development and discourse (Jones, 2009). **Accountability mechanisms** play a major role. The state of democracy is a major force, and it is important to stimulate social participation and political inclusion at all levels. Democratisation has been shown to have a substantive causative influence on decisions to expand the range of social programmes (Lindert, 2004). Political institutions must create effective constraints on power-holders, and governments' commitment to pursuing pro-equity policies may depend heavily on the degree to which organised demand from civil society holds political leaders accountable and on the independence of the media (WHO, 2008). Also, equitable implementation requires relatively few rents to be captured by power-holders; to avoid distortion by corruption with street-level bureaucrats, processes of downward accountability, promoting transparency in the management of public finances and participatory budgetary planning and monitoring can all be effective.

Political inclusivity is not an automatic result of democracy, and majority rule can lead to permanent domination of particular socio-ethnic groups. Stewart (2001) argues that democracy in strongly divided countries needs to be a form of 'constrained democracy', designed to ensure an inclusive system through: strong human rights provisions and anti-discrimination legislation; alternative voting systems such as proportional representation; quotas on group participation in government; job allocations to different groups; decentralisation of government and power sharing; and members of the major groups being included at all levels of the civil service, army and police.

As well as political actors and institutions, tackling underlying values, beliefs and attitudes will be crucial in order to empower the disadvantaged and contribute to a more inclusive policy discourse.

Cultural and psychological issues are an important but controversial area, as a focus on ‘cultures of poverty’ (Lewis, 1969) can seemingly blame poor people for their poverty. Aspirations are influenced by early life experiences and play a strong role in the extent to which an individual is able to extract maximum benefit from opportunities; their effectiveness is also strongly influenced by degree of meritocracy, discrimination and stigma. Inequalities and statistical chances of success or failure are internalised as a limiting of their expectations on life, or embodied in relationships between social and ethnic groups. These ‘taken for granted’ assumptions help sustain inequality. It appears that such problems can be addressed only through sustained and intensive interventions in **popular education** and through **psychological support** (Bebbington et al., 2008).

The level of social cohesion and integration is also important. Pro-equity policies will often need support from the rich and/or the middle classes, especially where policies require redistribution; alliances within the political elite and technocrats are also important in order to affect change (Bebbington et al., 2008). However, these ‘vertical alliances’ may rely on social cohesion (in particular ‘vertical cohesion’). This can be fostered by building trust and solidarity around national or religious identities that reduce the power of group identities. Such **integrationist policies** aim to reduce overt group boundaries through, for example, bringing groups together (such as in schools, the workplace, social clubs), and raising national consciousness while reducing group consciousness (Stewart, 2007).

This is related to building a **social contract** between the state and citizens. The nature of the social contract in a particular country has an important connection with national discourse around equity and the ability to implement pro-equity policies such as progressive taxation – a recent analysis argues that, in the long term, having such agreed core values embedded and maintained in public institutions is the best way to eradicate chronic poverty (for a comprehensive and detailed analysis of their idea of a ‘social compact’, see CPRC, 2008). It has been found that taxation is particularly important for building states and fostering government capacity as well as consent of the population (Brautigam et al., 2008).

In more polarised contexts with more entrenched inequality, fostering integration between groups may not be feasible. Relationships may be justified by the dominant based on ‘naturalising’ the situation in the underlying belief that there is some kind of natural human hierarchy, or that relationships of marginalisation, exclusion or dominance are natural, inevitable or ‘just’. While it is debatable to what extent all parties truly believe this, the public affirmation of moral equality is an important event in such situations and these beliefs should be challenged (Scott, 1990).

## 5.2 Barriers and challenges to promoting equity

Promoting equity is not easy. There are a number of challenges and obstacles in implementing pro-equity policies, relating to: the power structures involved; the politics surrounding inequity; the complexity of diagnosing and achieving equity; and the interplay of cultural factors.

### 5.2.1 Power

As argued in this paper, unequal power relationships are central causes of inequity. This is challenging: power dynamics can result in political resistance to change because those controlling policies often benefit from inequitable institutions, while the unequal power relationships also mean that the poor and marginalised are less willing and able to demand change (Bebbington et al., 2008; Bird et al., 2004). So, dealing with inequity is itself restricted by inequity. Taking a political economy perspective, Bird (2008) highlights the ways in which elites can resist pro-equity reforms, such as through indifference to pro-poor policies or through political agendas being dominated by more powerful constituencies. The non-poor may be more likely to capture the benefits of policies intended for the worst off, owing to institutional weaknesses. In order to negotiate these difficulties, policies should be based first on a thorough understanding of the power and politics surrounding the intervention, and may need to be supplemented with attempts to shift the power structures in order to lead to sustainable changes.

### 5.2.2 Politics

Some of the attributes of equity mean that there will be political obstacles to pushing for pro-equity policies. Policies such as redistribution often have clear ‘winners’ and clear ‘losers’, with such ‘zero sum’ issues often avoided by politicians. As a result, redistribution can be the source of a great deal of partisan politics, and it may be difficult to effect change (Pontusson and Rueda, 2008). Programmes such as unconditional cash transfers may also be difficult in some contexts, where they might be cast as being ‘hand-outs’ or creating ‘dependency’.

This may serve to politicise interventions. Donors and governments tend to prefer more ‘technical’ or ‘apolitical’ goals, and tend to shy away from more overtly normative, political or power-laden conceptualisations of the aim of development interventions. The tendency for politicians to prefer simple, unified and quantitative indicators has already been mentioned.

Worse, an acknowledgement of the international dimensions of equity would entail more explicitly recognising underlying international power dynamics, i.e. the fact that Northern countries are partly responsible for and benefiting from (and/or have benefited from) the relative deprivation in the South. However, these are not new topics: they have been raised in a number of arenas for a number of years. Donors adopting an equity-focused approach may be seen as a step in the direction of acknowledging these facts.

### 5.2.3 Difficulty of diagnosis

Partly related to this complexity is the difficulty of measuring equity. Cling et al. (2005) point out that, as it involves multiple dimensions and complex *processes*, equity is not well suited to rankings or simple, standardised, quantified indicators. This comes at a time when factions of the development community are ‘firming up’ in favour of such things. For example, equality of opportunity entails measuring distributions and comparing these with a number of other variables – economists have only just started doing this kind of analysis in a few countries, so national-level data are rare. Worse, many of these large-scale quantitative surveys may miss precisely those who are worst off, as social exclusion, discrimination and adverse incorporation may be hidden. A major difficulty in promoting equity is locating poor and marginalised groups and ensuring that assistance reaches those in need. As well as focusing on developing tools to quantify overall inequity, it is important to use a broad range of research methods that can count as ‘rigorous’ (rather than just quantitative statistical studies), and combining methods in order to build up a multifaceted picture of the situation with regard to equity in a country.

### 5.2.4 Complexity

Equity is a system-wide, multidimensional property, involving interdependent processes and forces and not controllable by any one actor. Cling et al. (2005) argue that a potential difficulty surrounds the open question of whether the aid system can deal with the complex processes and outcomes that increasing equity would involve. However, while it may be the case that development has a track record of ignoring complexity (Ramalingam and Jones, 2008), the issue of how to approach such interconnected, multidimensional processes is (at least) moving up the agenda. It is increasingly recognised that tackling this complexity is crucial if development is to achieve its aims, and work is going on to understand the barriers to dealing with such messy realities (ibid). However, factors such as the demands on policymakers for unrealistically high levels of certainty and predictability in the changes they promise, and the need for bureaucracies to neatly ‘box off’ problems, are among the barriers to addressing such complex problems.

### 5.2.5 Culture

It is quite possible that cultural barriers will exist to promoting equity. Hofstede (1991) argues that there are five key dimensions of cultural variability: power distance, individualism vs. collectivism, masculinity vs. femininity, uncertainty avoidance and long-term vs. short-term orientation. Clearly,

some of these have important bearings on how equitable a country might be, and what deep-seated ideas may need to be challenged to promote equity. First, the cultural balance between masculinity and femininity is highly relevant for equity, and the distribution of roles between genders may be an important area of inequity. However, other dimensions might also be highly important in determining the scope for change: for example, power distance is the extent to which the less powerful members of a society accept and expect that power is distributed unequally. If they are very accepting, a large amount of work may be needed to begin to work towards equity, while a natural low power distance might serve as a spur for pro-equity reforms. The impact of the individualism vs. collectivism dimension could go either way: in many situations it will be crucial for solidarity among disadvantaged groups, or between the disadvantaged and other members of society, so more collectivist societies would present greater opportunities for change here. On the other hand, a strong sense of collectivism among powerful groups may be precisely what is helping to marginalise groups. Also, equity and the importance of everyone having a fair chance in life could resonate with more individualistic societies where personal achievement is more highly valued.

Looking at another angle, studies into aspects of African culture relevant for power and politics reveal that there are deep-seated ideas about the importance of family and kin, and of the 'big man' who holds important distributive powers; these may serve as barriers to promoting equity. However, the resonant metaphor of distributing food among a family may serve as a good way to carry the message of equity within some such contexts (Kelsall, 2008). These examples show how culture may serve as a barrier to promoting equity, but also may be something to harness to assist change. In the situations where they are more of a barrier, it may be important to work to challenge commonly held beliefs.

### **5.3 The role of donors and external actors**

International development agencies such as donors, international organisations and INGOs can play important roles in promoting equity within a country. The effect of external forces and events in general will not necessarily enhance equity within a country and can just as much pull in the opposite direction (Bebbington et al., 2008). However, there are a number of different roles that development actors can play in order to promote equity within a country, and what is feasible and desirable will differ from context to context. In this section, we look at three: providing services; influencing government policies; and embedding equity in decision making. We explain what this would involve, why it is an important way to promote equity and why external development actors are well placed to play this role.

#### **5.3.1 Providing services**

Development actors can promote equity through providing services and financing pro-equity policies. Various actions highlighted by our equity policy agenda can be provided by interventions from outside actors. In particular, donors can improve equity by using policies that target disadvantaged groups, use transfers to help protect people from falling below a minimum level of wellbeing and also contribute towards shifting power structures. For example, basic health and education services can be provided for the worst off in a society; programmes can target assistance towards marginalised groups of the population; intergenerational transmission of poverty can be attacked through ECCD; and communities can be empowered through building confidence, awareness and skills.

The role that these actions have in promoting equity has already been highlighted. The importance of these kinds of policies is heightened by the 'reflexivity' of equity: the scope for addressing inequities is limited by inequity itself. This may mean that the most urgent basic needs of the worst off in a country are not met. By being somewhat separated from these webs of power and politics, external actors may be able to provide assistance to groups that are in most need in a country, even where they are neglected by their own government. This sort of activity can sneak in 'under the radar' politically: their cost is shouldered in an 'invisible' fashion without any clear losers (Corrales, 1999) and, by operating more in the mode of distribution than redistribution, they can escape the push and pull of major interest groups and political forces (Weyland, 2008).

### 5.3.2 Influencing government policies

Development agencies can influence developing country governments towards designing and implementing pro-equity policies. External actors can use ‘carrot and stick’ approaches, creating incentives for institutional changes and tying the costs to access to new loans of markets (Bebbington et al., 2008). As well as working using political pressure and economic incentives, international actors can promote the uptake of equitable principles in policymaking through the ‘normative appeal’ of their recommendations, or as workable solutions to existing recognised problems (Weyland, 2008).

Changes in government policies are crucial in order to make long-term and sustainable inroads on inequity. This route is the crucial entry point to help promote equity through ensuring that quality public services are provided, funded by redistribution and progressive taxation. Shifts will be required in power structures and political institutions, the causal processes that sustain inequity will continue to differentiate groups in society unless mitigation is put in place and policies must provide goods and services to the needy areas of a country. External actors are important in influencing the uptake of such policies, owing (again) to being separated from the problem of ‘reflexivity’, but in addition there is evidence that they may play important roles in influencing the uptake of equitable policies. International organisations can play the role of reshaping the way that governments perceive their problems and interests, and influence them to put in place equitable policies in order to increase their legitimacy (ibid). One example of this can be seen in the way that the WHO and the UN Children’s Fund (UNICEF) were strong forces in influencing the uptake of pro-equity reforms in the health sector in Latin America throughout the 1980s and 1990s. Transnational advocacy groups of NGOs and civil society have also shown a track record of pressing for reforms based on shared values (Keck and Sikkink, 1998). Actors can press for reforms not just based on ‘moral suasion’: instrumental arguments can persuade governments that pro-equity reforms will provide solutions to existing recognised problems promoting recognised interests, and provide information such as credible policy models in order to strengthen the hand of pro-equity reformers (Weyland, 2008).

### 5.3.3 Incorporating equity into decision-making

Equity should be a key principle guiding policymaking. Donors and other external development actors should more consistently and coherently take equity as a goal for their work, incorporating an understanding of the pressing inequities within countries and informed assessment of the potential ramifications for equity of their work. This would be an important step towards promoting equity. Development agencies carry out a wide variety of policies and programmes within developing countries, which will have a number of direct and indirect effects. Embedding equity-inspired principles and practices in decision making is likely to help ensure that policies are better at promoting equity, avoid causing inequity or at least make decision makers more aware of the trade-offs they face.

As well as overt and explicit equity analyses, efforts should be made to institutionalise and embed equity in decisions over policy and programming at various levels. This would involve incorporating equity-inspired principles into the various tools and practices that guide and contribute to decisions, and otherwise tend to be dominated by more ‘aggregative’ principles. Some possible routes for this include:

- **Make a disaggregated analysis for a differentiated response:** The categories of ‘poor’ and ‘very poor’ are insufficient for properly addressing the problems faced by those in need. What is needed is an understanding of the different dimensions of identity that, through social differentiation, affect people’s life chances. This means that data need to be collected by various social, political and cultural categories, in order to understand the dynamics at play. Decisions on targeting policies should then be based on this disaggregated understanding. Particular attention should be paid to groups where several inequalities coincide: for example, where particular groups are on the wrong end of both political and economic inequalities (Stewart, 2001).
- **Inform distributional decisions with concerns over the social meaning of goods:** Policymakers will often make decisions that shape or influence the distribution of goods and

services among the population. In order to guide these decisions, methods inspired by distributional justice concerns could be incorporated: analysing the nature of the goods, what they mean to different people and what features of people serve as relevant reasons for being allocated them (or not). Lavis (2006) has constructed such a tool for programming in the health sector, for example.

- **Incorporate weightings based on the levels of need of recipients:** The decision over the value of distributing goods and services to people should be weighted according to higher levels of need. For example, cost benefit analysis and other such decision criteria could be weighted to place greater value on helping those in greater need (Anderson and O'Neil, 2006). Explicitly incorporating this into poverty and social impact analysis (PSIA) could be one priority. Policies such as capitation payments are a step in this direction, ensuring that at least a certain level of funding is directed towards every citizen, but they could be improved by altering the allocation based on the level of need of the individuals.
- **Alter the processes sustaining inequity:** Understanding how one form of disadvantage causes another should help actors target interventions to reduce the 'gradient' between low income and deprivation in other dimensions of wellbeing. This involves understanding the social context; the causal chains; the social, economic and political processes; the multiple interacting dimensions of wellbeing (income and non-income); and how these interact with the practicalities of people's lives (work, education and so on) at each stage in the lifecourse. An example of approaching these problems in the health sector is seen in the WHO Commission for Social Determinants of Health report (2008), which focuses on addressing the 'health gradient', the association between socioeconomic position and health across the whole population.
- **Understand and work with political economy and power structures:** Pro-equity policies, especially redistribution, may often be politically difficult: in the short run they appear to have clear, identifiable (and often powerful) 'losers' who may block the reform (Medeiros, 2007). More generally, almost by definition pro-equity reform will be working 'uphill' against the prevailing balance of power. It is therefore important at least to conduct power analyses or political economy analyses to inform policy design. More than this, it may well be necessary to build a stake for the whole of a society in pro-equity reforms, building support among the middle classes and the elite. Many studies also show the important role that enlightened technocrats have in communicating the required intellectual arguments and identifying appropriate policy frameworks needed to carry reforms forward. Such 'vertical alliances' are viewed by some as being more important than horizontal ones (Moncrieffe, 2008), and may depend on the levels of 'bridging' social capital between different groups.

## 6. The added value of equity

This section attempts to assess the potential consequences of development agencies more explicitly and comprehensively adopting equity as a core goal of their work. Since few development agencies have comprehensively adopted equity, this section is necessarily exploratory. We explore the added value that the concept of equity could bring, split into two parts: we first assess the practical benefits for development programming brought by a focus on equity, and then turn to assess the more political, symbolic and normative dimensions. We will rely on a number of theories to draw out tentative hypotheses that represent an initial examination of this issue.

### 6.1 The practical value of the equity concept

The nature of equity would be likely to confer a number of practical advantages for guiding development work. There are a number of differences between equity and poverty reduction: equity takes a more system-wide view, has normative content, is process-oriented and is more explicitly bound up with politics and power relations. As a result of these, in turn: equity can bring coherence to development activities, help with prioritisation between them, embrace the complex nature of change and offer hope for deeper and more sustainable impacts.

#### 6.1.1 Coherence

Equity relates to processes and properties at a system-wide level. This underlying logic brings out important features of how various areas relate to each other in development work and where they interrelate, contribute to and complement each other. This provides a unifying principle for how different elements should link up and how diverse activities contribute to each other (or not), and make clearer possible entry points for development interventions.

This 'big picture' frames our understanding of our work, and is particularly beneficial as the importance of the coherence in development work becomes clearer, and the difficulties of providing such coherence is increasingly recognised. Ramalingam and Jones (2008) argue that development activities are interdependent, and agencies must understand how their different priorities co-evolve with each other and with the efforts of other actors. Understanding the connections and interactions between these different priorities is a crucial task in order to better design interventions, giving information appropriate for context-specific approaches. Also, organising development programming around a principle that can be seen as the 'source' of development (Cling et al., 2005; World Bank, 2005) is likely to bring further coherence.

#### 6.1.2 Prioritisation

Equity is quite different to poverty reduction: as an explicitly normative concept it more naturally denotes an end rather than a means. Since equity is a good in itself, and inequity and inequitable distribution are themselves an injustice, it needs no further investigation and is self-evidently worth addressing. If accepted, this would provide guidance for identifying issues that need addressing in any particular context.

Moreover, the concept is explicitly concerned with issues of who is doing better or worse than others; whose needs are prioritised and whose are less urgent; and which problems require more or fewer resources directed towards them. This is in contrast with measures such as those supporting economic growth and poverty reduction, which rely on aggregative moral principles (see Section 2): these tend to involve assuming a homogenous level of need within particular groups,<sup>16</sup> so equity provides stronger guidance in prioritising within a country as well as for differentiated responses among the poor. By

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<sup>16</sup> Roemer (2006) even argues that these are based on a contentious philosophical standpoint that no needs are more urgent than others.

incorporating the whole system in analysing equity, it should also help when making decisions between a number of different policy areas, sectors or nations.

### **6.1.3 Complexity**

The concept of equity has to do with processes, intrinsically concerned with what lies behind distributions rather than the distributions themselves. This is in contrast with the way that poverty can sometimes be used by donors, which have in the past been criticised for taking a ‘snapshot’ view or a ‘headcount’ (CPRC, 2007). Orienting development interventions towards equity means looking at the way that people are treated by the various political, economic and social institutions. It is likely that by focusing on putting in place equitable processes, development policies and interventions may have a more sustainable impact in the complex, ever-changing world of development and social change (Ramalingam and Jones, 2008).

Also, equity is critically concerned with the way in which goods are distributed in a wide variety of fields, sectors or dimensions, which may combat the tendency of some development agencies to put undue attention on the economic and monetary aspects of problems (Green, 2008a). An equity orientation is suited to addressing the complex nature of change by drawing on the analysis of the multiple dimensions of poverty. To do this means examining how people are treated in a number of different spheres, such as politics, health, markets and the social sphere. Also, examining the roots of inequity means looking at the interaction between these spheres and investigating complex systems (Ramalingam and Jones, 2008).

### **6.1.4 Deep and sustainable change**

Analysis of equity and inequity and the related inequalities could be seen as requiring more deep-rooted and fundamental aspects of a country’s make-up than either poverty or growth analysis. This is related to the system-wide focus of equity: focusing on a particular subset of society can potentially result (when applied without proper consideration) in missing the wider trends that frame that group’s situation and ignoring important factors on which their wellbeing is dependent (Ramalingam and Jones, 2008). By adopting system-wide analysis, it is more likely that the deep-seated relationships and processes that permeate a society or between societies will be understood.

Also, focusing on opportunities and life chances encourages an understanding of what keeps the poor at the bottom of the pile. In this way, working to improve equality of opportunity is likely to instigate long-lasting poverty reduction, as people get improved chances to lift themselves out of poverty.

## **6.2 The political, symbolic and normative value of the equity concept**

The choice of goal for development policy has ramifications for the political economy of policymaking. Concepts of equity differ from those connected with poverty and growth analysis as they unavoidably address structures of power and normative values. Adopting an equity approach would prompt a shift in development discourse and policies, with various implications.<sup>17</sup>

### **6.2.1 Promoting the recognition of important dimensions**

An equity approach identifies power relationships as a crucial determinant of poverty and encourages a political interpretation of their fate (or at least ours does – see Box 10 for a discussion of the World Bank’s definition). Incorporating a focus on inequality makes it impossible to avoid the political dimensions of pro-poor goals (Green, 2008a): the relative poverty of the poor contrasts with the experiences of those who benefit from inequitable relationships, and the state is held explicitly

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<sup>17</sup> In this way, equity is quite similar or complementary to rights-based approaches to development. One commentator (Gready, 2006) has argued that the ‘value added’ of a rights-based approach is: redefining development work as based on rights and solidarity (rather than benevolence or charity); repoliticising key (process) terms of development; addressing root structural causes; and speaking truth to power.



responsible for working to address such unequal relationships. The moral aspect is also crucial: whether or not they are explicitly acknowledged, norms and values play a significant role in development policy and practice (Scholtes, 2008). Unlike more technical concepts, equity appeals explicitly to the values of common humanity and fairness and builds on the work of Sen (1999) and others in resurfacing the normative dimension to development. It has been argued that, historically, development has proved more successful when based on such notions (as opposed to more ‘technical’ approaches and when motivated by self-interest) (Therien, 2002).

This breaks with the view of poor people as a mere statistical category, or poverty as a neutral or apolitical phenomenon: while a substantial body of research emphasises these aspects of poverty analysis (e.g. CPRC, 2008), multilateral and bilateral development programming has often been cast as functioning as an ‘anti-politics machine’ (Ferguson, 1994). Rather than ignoring political and historical realities, programming for equity locates development interventions within these dimensions. Similarly, at the international level, locating the plight of poor people in wider systems of politics and power is likely to highlight questions of what potential aid has done to influence change in relation to other Northern foreign policies.<sup>18</sup>

This may lead to more effective interventions being based on a better understanding of local circumstances, and also to more sustained impact, where the political dimensions of change are recognised. This is a more open mode of operating, which might entail political conflict and may be unfeasible in some contexts. For example, studies into the politics of inequality and redistribution (e.g. Pontusson and Rueda, 2008) show that political situations can become highly partisan. However, it is unlikely that inequity will be rectified without this kind of political action.

#### **Box 10: The World Bank definition of equity**

In the 2006 World Development Report (World Bank, 2005), a precise definition of equity was offered, for the first time in development discourse (Anderson and O’Neil, 2006). Although this is a step forward, it is generally seen as quite a ‘minimal’ conception of equity, and one which maybe sidesteps the more political dimensions of the concept. The nature of the World Bank’s concept, and the relationship between their definition and ours, is discussed below.

The World Bank’s definition of equity includes two elements: equality of opportunity and ‘avoidance of absolute deprivation’. The equality of opportunity used seems to be quite close to the ‘formal equality of opportunity’ definition discussed in Section 3, and it has been argued that it represents a fairly libertarian interpretation of the concept (Anderson and O’Neil, 2006).

The additional inclusion of a minimum level of avoidance of absolute deprivation does go beyond this, but can be drawn as a corollary of our Principle 2 (see Section 2.2), which has broader implications than the World Bank principle has. The avoidance of absolute deprivation is a result of Principle 2 through the following line of argument: all people share certain (absolute) needs as human beings, and these needs should be treated equally by the state. It would be unfair for one group to have far more than just their basic needs addressed while others struggled without the barest of necessities. Hence, in the likely situation that available resources would be enough to provide for people’s needs if resources were spread more evenly (rather than directed towards preferred or more convenient or richer groups), resources should be redistributed to ensure that nobody is allowed to fall below this threshold of need into absolute deprivation. In this way, the principle outlined above goes further than that outlined by the Bank, as it specifies the way in which needs should be met.

#### **6.2.2 Resonating with key stakeholders**

First, an equity approach is likely to resonate with stakeholders in the South, such as intended beneficiaries, partners, governments and the general public. Adopting an equity approach is likely to help persuade these stakeholders of the value of development interventions because equity is valued by societies worldwide: most societies share a concern for equity and social justice, and it is integral to legal traditions as well as being a major concern of many religions (World Bank, 2006).

<sup>18</sup> This points towards global power structures and relationships of exploitation and dominance, and responsibility, that may not be palatable to many career-minded policymakers.

Equity and fairness are not Eurocentric ideals to be foisted on the South – international surveys indicate that fairness in the distribution of resources is valued in a full variety of cultural contexts (CPRC, 2008). For example, they are shown to be highly valued by African and Latin American city dwellers, the majority of whom support the importance of basic needs being met, as well as individual merit and efforts being recognised and inequalities reduced (Cling et al., 2005). Also, by explicitly stating norms and values, an equity approach will stand out as a more honest and understandable representation of development policy to people who may not be familiar with the language of technocratic policymaking (Jones et al., 2008).

This would provide a sound philosophical and political basis for building projects with distant strangers (CPRC, 2008). Moral values are frequently used in development policy and practice as ‘boundary concepts’, flexible enough to embrace different rationales and interests, improving communication between groups and fostering unity and agreement (Scholtes, 2008). Placing such a widespread value as a central focus of development would help bring groups and external agencies together in a ‘shared project’ of ‘justice’, which has been shown to be a key factor for success in projects aimed at reducing chronic poverty (Hickey and Bracking, 2005).

Moreover, equity might help better justify international development to powerful stakeholders external to the process. Putting equity as a central principle driving international development would offer benefits when dealing with the public in developed countries, politics and politicians in developed countries, and in international political contexts. The World Development Report and Human Development Report both open with evidence of vast global inequities; it is implicit that equity is the underlying motivation for development-related activities and in this way these reports place the idea of equity as the ‘source’ of development (Cling et al., 2005). The sentiment is that country of birth, just like gender, ethnicity, religion and other forms of social difference, should not determine someone’s life chances. This makes a compelling argument for prioritising development among other activities, and is likely to resonate with Northern publics: there are clues to suggest that a focus on justice and fairness dimensions may be particularly important in making the case for development.

For example, Oxfam campaigns explicitly focus on the injustice of poverty, and the nature of equity makes for useful ‘killer facts’ – punchy statistics that are picked up by the media and politicians and have immediate impact (Green, 2008b): evidence of inequities can be presented as striking or outrageous comparisons or league tables, can be easily related to the human scale and can bring an understanding of the ‘big picture’. Another indication can be gleaned from the recently published UK Department for International Development (DFID) strategy for targeting the UK public: the analysis suggests a balance of efforts aiming messages at those who already believe in a moral need for the government to reduce poverty overseas (DFID, 2008).<sup>19</sup> Of course, the case for equity can also be made instrumentally within a country (for example, based on nationalism or fear among elites of losing power) or internationally (such as halting the spread of disease or terrorism). However, equity adds an extra dimension to the argument.

### **6.2.3 Empowering affect of norms and values**

Development actors promoting values of equity and fairness may help to empower disadvantaged groups and others in society. Framing problems in terms of equity may lessen ‘political mortification’, the suppression by individuals of a political understanding of their personal or collective fate, and contribute to the empowerment of the poor. The study of social movements shows that giving issues a political edge in this way helps to mobilise action for change (CPRC, 2008). An increasing sense of injustice about poverty can be an important ingredient in mobilising many sections of society to support equitable change. For example, McAdam’s (1982) political process model of the emergence and success of social movements highlights as one of three key categories the collective realisation that change is both imperative and viable; this involves an emotional involvement and moral

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<sup>19</sup> The strategy emphasises targeting people who are ‘concerned about poverty in other countries’ and ‘believe they have a responsibility to help’ and that ‘society should change for the better’.

incitement. Such collective realisation tends to come about when people begin to interpret their situation (or the situation of others) as involving injustice and unfairness, values strongly related to inequity. Moreover, in some contexts, the public statement or recognition of entrenched inequities, challenging underlying beliefs about 'naturalised' inequalities and power imbalances, is a significant act and can play a role in galvanising and bringing together key actors (Scott, 1990).

Lessons can also be drawn from experiences of faith-based organisations, for whom the norms and values underpinning their work serves better to mobilise human and capital resources, draws individuals and communities into global discourses of development and social justice and ultimately aids them in tackling the root causes of poverty and marginalisation (Clark and Jennings, 2008). As another example, Keck and Sikkink's (1998) model of transnational advocacy networks highlights the power of coalitions based on shared values in producing change nationally and internationally on issues such as gender and human rights.

Embedding such common values in a country's public institutions is a major driver for long-term pro-poor change. Recent research shows that this creation and maintenance of a 'social compact' confers responsibilities on the state to provide certain entitlements through policy, and is crucial to ensuring the arrangement of public goods and services that contributes to eradicating chronic poverty (CRPC, 2008).

#### **6.2.4 Achieving better outcomes**

Finally, more explicitly prioritising equity will help development interventions achieve more valuable outcomes, by working towards an intrinsically valuable goal. Moral norms and values function in development policy and practice as a framework that frames action, allowing for certain actions as good or just while prohibiting others, guiding decision making by giving actors moral orientation (Scholtes 2008). All this would work towards making more explicit the moral framework within which development work is situated, which in turn would hopefully lead to more desirable outcomes through a broader and deeper engagement with the way that organisations attempt to promote equity and combat inequity.

This might also make it easier to discern the way forward where different values conflict. For example, a more explicit concern with equity would back up those who suggest that some contexts require moderating in demands for good governance. Where a government shows a momentum for equitable policies, it is better to engage with such projects; it is argued that in order to better realise development goals an emphasis on process should be tempered with an analysis of the degree to which the elite project is grounded in concepts of justice and fairness (for more on this principle of 'good enough governance' see Grindle, 2007).

## 7. Conclusion

Equity is a very important matter for development, but so far has been underrepresented in policy and practice. This paper has explained the concept of equity, discussed causes and levels of inequities in developing countries, made the case for focusing on equity and outlined priorities for promoting equity through government policy and donor interventions. Knowledge on what the problem is, what drives it and priorities for addressing it has been presented.

The benefits of action are also clear: promoting equity is valuable in itself, is likely to contribute significantly to positive processes of social change, has the potential to improve development programming and may add value by marshalling involvement, enthusiasm and political support for development efforts. The key question is whether there is the political will.

A policy agenda for equity would involve focusing on the following:

- Redistribution and progressive taxation;
- Welfare and social protection;
- Affirmative action policies;
- Intergenerational concerns; and
- Shifting power imbalances to have sustained impact.

This policy agenda would also recognise the normative and political dimensions of action and the need to shift underlying power imbalances. This is not to say that promoting equity is hopelessly ideologically driven: it is no more value laden an enterprise than aiming for growth is, and there are clear empirical data that equity is instrumentally important for delivering poverty reduction, as well as other crucial goals. Moreover, from an equity perspective, donors can play a particularly important role by virtue of being external actors potentially able to avoid the extreme 'reflexivity' of the problem (whereby the existence of inequities makes it less likely that pro-equity policies will be put in place).

So, the central argument of this paper is that development agencies should incorporate a more systematic understanding of equity and inequity into their policy decisions and, more than this, should implement pro-equity policies and influence developing country governments to do so themselves. This paper is an effort at addressing an important gap in the literature: there are few analyses that present the concept of equity along with related empirical phenomena and possible policy responses (WHO, 2008 is a notable exception). There are also relatively few analyses giving an overview of equity in development as a whole rather than in one particular sector. These are areas that do need more work, and this paper is intended to stimulate debate in these new and relatively unexplored areas, rather than to end it. However, it should be clear that lack of knowledge is not a viable reason for inaction.

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