



Putting inequality in the post-2015 picture

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There's a growing consensus among the countries, UN agencies and civil society organisations involved in discussions on the post-2015 development agenda that equity, or inequality, needs to be somehow integrated into any new framework. Equality is one of the core values of the UN's [Millennium Declaration](#)ⁱ, the statement of principles underlying the MDGs. Many people agree that the current set of MDGs, which focus on average progress measured at the country and global level, have masked the inequalities that lie behind these averages. There's a sense that another method of measuring progress is needed, which will provide more information about how that progress is distributed, and also provide incentives to focus on those groups which are being left behind.

Inequality has been on the fringes of the development policy agenda for a long time, but until now there has been no clear policy agenda to tackle it. The process of developing and negotiating a post-2015 global framework for development offers a chance to think about what that policy agenda should be, how to incentivise governments and other actors to act on it, and how to measure progress.

This paper considers some current proposals for integrating inequality into a post-2015 framework.

Inequalities in MDG achievements

MDG indicators are consistently worse for disadvantaged groups in every regionⁱⁱ:

Latin America

- In **Peru**, the national average years of schooling for young adults is just under 10 years. For indigenous people the figure is 7 years, while for poor, indigenous women the figure is 5 years.
- In **Brazil**, 74 per cent of households in the bottom 10 per cent by income are of African descent.

Asia

- In **China**, the percentage of underweight children in the richer Eastern provinces (5.8 per cent) is less than half that of the poorer Western provinces (12.5 per cent).
- Ethnic minorities comprised 46 per cent of **Chinese** living in extreme poverty in 2003.
- In **Nepal**, under five mortality rates among Dalit communities (90 per 1000 live births) are more than double those of the Newar caste (43 per 1000 live births).
- In **Vietnam**, only 7 per cent of ethnic minority households have access to improved sanitation, while the figure for the majority Kinh and Chinese groups is 43 per cent.

Africa

- In **Nigeria**, the Southwest region has a childhood mortality rate of 32 per 1000 live births, while the Northwest region has 139 deaths per 1000 live births.
- In **South Africa**, black African incomes are around 13 per cent of white incomes.
- In **Kenya**, among the Mijikenda/Swahili ethnic groups, 27 per cent of women giving birth have a skilled attendant with them, while for Kikuyu women the figure is 71 per cent.

While the exact dimensions of inequalities vary from country to country, depending on the ethnic, regional and religious picture, a systematic picture of inequalities between rural and urban populations, between social or ethnic groups, and between the poorest and the rest is quite clear for almost all regions. While gender inequalities have often received the most attention, the data shows that gender inequalities vary considerably between goals: while young women in Africa are 2-4 times more likely than their male contemporaries to be infected with HIV, globally girl children are no more likely than boys to be underweight. While in most regions gender parity in primary education has largely been achieved, the same is not always true of secondary educationⁱⁱⁱ.

Why care about inequalities?

Two reasons tend to be put forward for concern about inequalities in MDG achievement, linked to different assumptions about what a post-2015 agreement would be for.

For some, this is part of a concern for inequality and its impact more generally. They cite the [evidence](#) of the harm that (usually income-based) inequality can do to poverty reduction and to societies as a whole^{iv}. High levels of inequality not only harm economic growth, but also in some cases contribute to high crime rates, political unrest and even mental illness, making societies less stable and worsening individual lives. High inequalities are also linked to less social mobility, and to people being trapped in poverty across generations. If a post-2015 agreement is about the development of whole societies, this would be a strong rationale for addressing inequality within such a framework.

For others, inequalities in achievement of the MDGs is more narrowly linked to a concern with extremes of poverty, and a fear that inequalities will erode progress on poverty eradication^v. Higher inequalities make poverty reduction slower, and persistent inequalities can prove a barrier for poverty reduction for some groups. Without an equity focus, the concern is that governments have little incentive to focus attention on the hardest to reach groups. If a post-2015 agreement is to focus mainly on providing incentives to tackle extremes of poverty, then there are also compelling reasons to tackle distributional issues within a new framework. The two, not contradictory but slightly different, rationales have led to somewhat different proposals for how to integrate inequalities into a new development framework after 2015.

Tackling inequality through a post-2015 framework

Rising inequality was cited by the World Economic Forum as one of its top 'global risks' for 2012^{vi}. Political concern for inequality has increased markedly since the financial crisis of 2008 and the resulting rise in political activism on the issue. Responding both to this heightened awareness of the general problems of high inequality, and to the evidence about inequalities in MDG achievement, a number of proposals have been made for how this could be integrated within a post-2015 framework:

- [Have a target for the Gini coefficient of income inequality](#)^{vii}

The most superficially simple way of directly focusing on equity would be to have a target for each country's Gini coefficient, which would measure income inequality. The target could either be for a specific level or for a direction of travel – reducing the Gini until it got to within a specified range.

The advantages to this would be the simplicity and the universality of the Gini – at least in theory. In practice, what this would actually measure would depend, as always, on the quality of the data – and income data is notoriously poor in many countries. There are also technical issues with the Gini coefficient which could make it an unreliable indicator: it is very sensitive to changes at the top and middle of the income distribution, so that reductions could come about through reductions in the income of the richest, for example during a period of economic crisis, without reflecting any actual improvements in the lives of the poorest. Also, like any summary statistic, similar Ginis can mask very different distributions and the overall figure does not necessarily reveal much about where the concentration of wealth lies.

While Gini coefficients can be calculated for different inequalities, it is most commonly associated with income. There are some advantages to focusing on income; the simplicity of an income measure makes it as useful as well as an easily understood indicator. Income can also vary more widely than, for example, access to education (where the maximum value cannot go over 100%), so it can provide a more nuanced picture of inequalities.

However, the extent to which incomes are a decent proxy for a wider understanding of poverty can vary considerably. Income inequality is not necessarily always the most important indicator to know about if the aim is to measure inequalities in development progress overall. Other aspects of inequality, in health outcomes or in educational attainment, may actually be more important.

- [Weight progress on all indicators using equity criteria](#)^{viii}

Moving away from income inequality, this proposal is to weight all the indicators of progress so that progress among the poorest counts for more than progress in richer groups. Countries whose progress on a given indicator was more equally distributed would therefore rank higher than those whose average achievement was the same but where the distribution of the progress was less equal. This idea would address a general concern about inequalities but would also provide specific incentives for focusing attention on the poorest, as in the ideas below.

As long as the information is available, progress on different indicators can be disaggregated by income group. A formula can then be applied to 'weight' progress among the poorest more highly, so that each country's rate of progress is raised if that progress is concentrated in the poorest groups, and lowered if it is mainly richer households who benefit. The advantage to this method would be that it provides clear incentives for governments (or at least those governments who care about how they are performing according to these indicators) to focus attention on the poorest, while also addressing disparities between whole populations.

However, if the focus is entirely on disaggregation by income some uncomfortable issues would arise – can we really say, for example, that the death of a child in a very poor household should somehow count for more than the death of a child in a richer household. Making such judgements explicit through this methodology might seem to go against the universal spirit of the Millennium Declaration.

One solution would be to drop the income focus and instead look at the most appropriate disaggregation for each indicator: which might include income, but also gender, ethnicity, or geography. If, for example, child deaths are concentrated mainly among the population from a certain ethnic group, then progress in that group could be weighted higher than other groups, providing more specific incentives for governments to focus on the hardest to reach and to curb widening inequalities between groups. This would however add to the complexity and the data requirements of the exercise. In addition, weightings, and the explicit value judgements they embody, are often politically difficult to implement, so while technically appealing, the politics of this proposal may be more challenging.

Reaching the poorest in a post-2015 framework

Inequalities are also a problem if the focus is less on a framework which addresses progress across whole societies and more on one designed to tackle extremes of poverty. The poorest are not randomly distributed within countries – they tend to be from ethnic minorities, and/or to live in remote areas, and/or to be from religious groups who are discriminated against. Unless action is taken to deliberately address the inequalities these groups face, then it is possible that progress on global poverty reduction will slow and perhaps even stall. A number of proposals have been made which are designed to provide incentives for governments to focus on these excluded groups:

- [Have specific targets for progress among the poorest](#)^{ix}

This is a slightly different version of the idea above, where instead of being collapsed into one indicator through weighting, progress among the poorest groups is measured and reported separately, to ensure that they are benefitting from overall progress.

While this responds to the concern that the poorest are being left behind by progress on the MDGs in some cases, it does not actually tackle inequality in its different dimensions per se, since progress for the poorest could go hand in hand with even faster progress among wealthier groups and therefore increases in inequality. The question is whether this matters.

- [Universal targets](#)^x

In response to the concern that it is the use of averages which allows for inequalities in MDG attainment to go unnoticed, one suggestion is to make future targets universal, so that there is no possibility of any group being 'left behind'. The current target on education, for 100 per cent enrolment, already takes this approach. While it has very clearly not eradicated inequalities in enrolment (children from certain groups are still much less likely than others to go to school), it does mean that such inequalities will prevent achievement of the MDG target and perhaps increase incentives to tackle those inequalities.

This approach would have the advantages of [reducing some of the difficult politics involved in tackling inequality directly](#), and creating broader constituencies around progress. It could also provide a compelling new public narrative around 'ending poverty'^{xi}. However, as with the option of specific targets for the poorest, it could lead to universal progress but rising inequality if improvements at the top outstripped progress at the bottom.

All of these proposals assume that the MDGs remain within the terrain of social and economic development. Incorporating an inequality approach becomes more difficult if a wider range of new issues were to be included, particularly in relation to sustainability. While some components of a sustainable development approach – like access to clean energy – could easily be included, it would be more challenging to set down inequality goals at the individual level for, for example, commitments to cut air pollution. It may be that for these issues, inequality is more properly dealt with at the level of whole countries.

All of these proposals also implicitly assume that the focus should be on inequalities within countries. Given what we know about the importance of national level policy making for development that would seem to be appropriate. But in some ways it goes against the spirit of the original Millennium Declaration, which called for global challenges to be 'managed in a way that distributes the costs and burdens fairly in accordance with basic principles of equity and social justice' and argued that 'those who suffer or who benefit least deserve help from those who benefit most'. This implies a more global approach to managing inequalities – one that might go beyond the limited redistributive powers of foreign aid budgets.

[Which way now?](#)

The debate on any specific proposal to address particular inequalities in a post-2015 framework is linked to the broader question over whether a new agreement would primarily be about tackling extremes of poverty, or whether it would be about defining, measuring and incentivising progress on development in a broader sense which encompasses all countries and people.

Ensuring that the poorest are not left behind would be very much in the spirit of the current MDGs, and would fit easily into a post-2015 agenda which was also focused on extreme poverty. It would lend itself to technical solutions, to a greater focus on social protection, educational opportunities and, possibly, universal health care systems. All of these are very consistent with [current trends](#) in development policy thinking and with policy developments in emerging and low-income countries^{xii}.

Focusing on inequality for its own sake would take the MDGs into new territory. This would probably be welcomed by those who want to see a new development framework that more

closely reflects the reality of poverty and the factors that drive it. Addressing particular inequalities directly would be more likely to lead to a greater focus on the dynamics of power and exclusion which underlie poverty. It could provide a rallying call for civil society groups who want to tackle issues of redistribution and participation. It would, however, be a more politically difficult framework to agree and then to implement, and could risk making agreement impossible, or reducing the political commitment to implementation even if an agreement were achieved.

One solution could be an agreement which, in the spirit of the current MDGs, focused on extremes of absolute poverty, perhaps through universal targets, in countries where this is still the dominant poverty problem, but which also, in the spirit of the Millennium Declaration, contained an aspiration to tackle relative poverty in countries where universal minimums were less relevant.

A focus on universal targets would encourage national and local level analysis and monitoring of which groups were currently excluded from progress in different dimensions. In countries where the targets became part of the context for policy making, it could promote a technical and political dialogue around the causes of and solutions to the exclusion of particular groups, and be a focus for advocacy and monitoring by excluded groups themselves. It would also be possible to combine this with national or even local level targets for progress among specific groups, along the lines of some of the proposals described above.

In countries where the universal targets had been reached, an agreement could extend to addressing broader inequalities and relative poverty. Targets could, for example, focus on narrowing gaps in educational attainment or health outcomes between groups, or ensuring that all individuals were able to participate effectively in social and political life. Bringing the absolute and relative poverty agendas together in this way could create a more universally relevant framework, but one which did not lose the moral power and clarity of the MDGs' focus on absolute poverty. The bigger question of course would be how to achieve this.

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