

Equity: downplayed, but crucial for development



Harry Jones

'The biggest challenge in promoting equity in developing countries is addressing the political economy of change'

Equity should be at the very heart of development. Instead, it is often seen as less relevant than other issues such as efficiency, economic growth, conflict and cohesion. Equity is low on the agenda for many governments in the developing world, and for multilateral and bilateral development agencies. Despite some notable exceptions, there is, in general, a superficial recognition of the importance of improving equity but this is rarely backed by coherent and sustained strategies.

The lack of focus on equity cannot be explained by conceptual or analytical difficulties, or the lack of policy-relevant knowledge. There is plenty of evidence of the wide-ranging long-term benefits of promoting equity. Recent research at the ODI has brought together current understanding of why it is important, and how to achieve it (Jones 2009). In my view, this lack of political will to address equity stems from embedded power imbalances.

Understanding equity

Equity is discussed widely in public policy debates. It relates to distributive justice: 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. As well as being integral to many religions and legal traditions, most societies are concerned about equity. Extensive research shows strong support for equity in, for example, sub-Saharan Africa and Latin America (Cling et al 2006).

Some people think that equity is a confused concept. Some believe that that equity is an undesirable goal or that, if achieved, it would produce societies in which everyone is the same, and nobody is rewarded for effort. These objections are poorly founded. Equity does not imply that everything must be distributed equally, and it is not linked to the 'politics of envy', as fairness includes recognition of effort. Some see equity as unimportant, when research suggests that it is as important a concern as attempting to increase aggregate wellbeing through economic growth.

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. Distribution can be based on the following:

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

Applying these ideas in a specific country context involves hard choices. Two leading thinkers, Michael Sandel and Amartya Sen have argued recently that embedding discussions of distributive justice in political and policy debate is central to national development. This is not just a conceptual or academic question: it is grounded in the reality of people's daily lives. Evidence from around the world confirms the importance of family circumstances. They determine people's chances of success, influence access to services and entrench inequalities in income and opportunity. Equity that ensures that each person has a fair chance is, therefore, one of the building blocks of development.

The knowledge for tackling inequity

The limited attention focus on equity in developing countries cannot be excused by a lack of knowledge about either the causes of inequity or how best to tackle it. We know that levels of equity in a society are shaped by people's different access to, and interaction with, key institutions and that such access is shaped by who holds power and how that power is exercised in the political, economic and social spheres (CPRC, 2008). If there are patterns of inequality, these will reinforce each other, resulting in entrenched inequality among groups of people and among regions, and embedding chronic poverty that is passed from one generation to the next. These inequities can, however, be tackled, as shown in Box 1 overleaf.

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Box 1: Policies that promote equity

There is a wealth of knowledge on policies that promote equity (e.g. CPRC, 2008), which can be focused around five priorities at national level:

- 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. Strong anti-discrimination policies may be required. Law and order are crucial, and infrastructure may need to be improved. 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. Redistributive measures.** '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, discrimination and exclusion 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.

The payoff

The interventions in Box 1 reduce poverty, address inequity and build human development. Rich countries have invested heavily in public services and social protection, and some developing countries, such as Vietnam, have used wide-ranging and coherent strategies to tackle inequity. These have promoted long-term and sustainable change in terms of economic growth, as well as reducing poverty and inequality. There is clear evidence of short- and long-term benefits as a result of improved equity. As well as being central to poverty reduction, and being valuable in its own right, equity is vital to sustain progress and change in the social, economic and political spheres.

The political challenge

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 limited focus on equity must be 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 in promoting equity in developing countries is addressing the political

economy of change. It is crucial to strengthen political movements and coalitions, challenge prevailing beliefs and misconceptions around equity, and encourage representative public debate on practical issues of distributive justice.

While 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 international NGOs 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 commitment at the top levels.

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ISSN 1756-7629