

INEQUALITY POLICY MIX TOOLKIT

Concise Version

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The **Centre for Analysis of Social Exclusion (CASE)** was established at the London School of Economics and Political Science in 1997. It is a multi-disciplinary research centre exploring disadvantage and inequality from a multidimensional perspective.

The **Centre of Latin American Studies (CLAS)** was founded in 1966 and is one of the leading centres of Latin American Studies in the UK, with strong ties to institutions and scholars in Latin America. It is part of the Department of Politics and International Studies, which also includes the Centre of Development Studies, the Centre for Gender Studies and other Regional Studies Centres.



1. INTRODUCTION

Over recent decades there has been a general upward trend in economic inequality, and although this trend is not universal, more than two-thirds of the world population live in countries where inequality has increased (Salverda et al., 2014; OECD, 2008; UN, 2019). There is a growing recognition that deep divisions are harmful to societies and that there are equity, welfare and efficiency gains to reducing inequality (OECD, 2015; Berg et al., 2018), and that poverty cannot be addressed in isolation due to a co-relationship between poverty and inequality (Hills et al., 2019). As a result, the attention of many large, influential organisations and policy makers has shifted not just to measuring inequalities but also identifying and implementing the most effective inequality-reduction policies.

A limitation of much of the progress is the fairly narrow view of inequality considered. For example, much of the focus has been on economic inequalities and, to some extent, education and health inequalities. In addition, the central concern is not clearly identified.

Among social scientists there is a growing consensus that the key aspect of interest is the quality of people's lives, something which cannot be measured simply in terms of economic outcomes or subjective measures of well-being (Sen, 1985; 1999). Quality of life is inherently multidimensional – we value many aspects of our lives which together determine its overall quality. It is logical then to view inequality through a multidimensional, quality-of-life perspective. It is important that such an approach is not arbitrary but theoretically grounded, so that both the understanding of well-being is coherent and the treatment of inequalities systematic. This led to the development of the Multidimensional Inequality Framework (MIF), which is grounded in Amartya Sen's capability approach and identifies inequalities in the capability for people to live a good life, one they have reason to value and would choose for themselves (McKnight et al., 2019). Seven key life domains and inequalities in these domains are identified by the MIF.

The COVID-19 pandemic, which emerged during the development of this toolkit, has thrown into sharp relief the need to understand and tackle inequalities, and to do so multi-dimensionally. There are at least three key reasons for this. First, it is clear that the pandemic is affecting people very differently in all countries: there is ample evidence that chances of infection, hospitalisation and, ultimately, death, are highly variable. The pandemic is no great equaliser, but rather highly unequal. Second, these differences are related not only to standard health characteristics such as the presence of other infirmities, although these figure prominently, but include one's income, ethnicity, access to water and sanitation, housing conditions, and diverse factors belonging to other life domains. The impacts of the pandemic and their inequalities can thus only be understood and fought by incorporating a multidimensional perspective. Third, the legacy of the pandemic will shape inequalities in many dimensions for the foreseeable future, including economic inequalities. An agenda to tackle, say, income and wealth inequalities, must more than ever incorporate other life domains if it is to be successful. In sum, the pandemic has highlighted the interconnection of privilege and deprivation across dimensions.

The Inequality Policy Mix Toolkit has been designed to help users develop an informed policy approach to tackling inequalities in low- and middle-income countries. It draws on the MIF and this multidimensional approach is used to identify a series of inequality-reduction policies which address key quality-of-life inequalities. In total, the toolkit contains 16 inequality-reduction policies. The selection process involved identifying an original long list of policies, drawn from the MIF toolkit and based on prior expertise, and then selecting the final 16 policies through a consultation process with experts (including practitioners). Clearly this pragmatic list of policies is not exhaustive.

In the toolkit, policies are organised according to the seven domains of the Multidimensional Inequality Framework and the Sustainable Development Goals (SDGs) of the 2030 Agenda. Each of the 16 policies is reviewed and the toolkit summarises information on inequalities that they seek to reduce, evidence of their effectiveness (based on a review of the literature), potential challenges to introducing the policies and facilitating factors, along with a broad assessment of potential costs.

An important and novel feature of this toolkit is the identification of ‘policy mixes’, which are combinations of policies likely to be more effective than introducing isolated policies. In total four policy mixes are assessed.

The toolkit is structured as follows: *Section 2 describes the Multidimensional Inequality Framework; Section 3 a mapping of the policies to the SDGs and MIF Domains; Section 4 policies review summaries for 16 policies; Section 5 policy mixes.*



2. THE MULTIDIMENSIONAL INEQUALITY FRAMEWORK

The building blocks of the Inequality Policy Mix Toolkit derive from the Multidimensional Inequality Framework (MIF). The MIF was developed through a collaboration of academics and practitioners and is theoretically grounded in Amartya Sen's capability approach to well-being. This is the same theoretical basis as the Human Development Index. The capability approach instructs us to look beyond simple average outcomes and economic measures to consider how people differ in terms of the capabilities they have to live a good life; one they have reason to value and one they would choose for themselves. The MIF is organised around seven key life domains:



DOMAIN 1 LIFE AND HEALTH: Inequality in the capability to be alive and to live a healthy life

The life and health domain covers the capability to be alive, to enjoy longevity and to live a healthy life. The domain captures differences in mortality risks and key health inequalities across physical and mental health including objective measures of health and individuals own subjective assessment of their health status.



DOMAIN 2 PHYSICAL AND LEGAL SECURITY: Inequality in the capability to live in physical safety and legal security

People need to be physically safe and enjoy legal security to live the life they have reason to value. Domain 2 covers the key elements of physical security highlighting absence of physical security (for example, the experience of violence) as well as subjective measures reporting individuals' sense of physical security and safety. This domain also covers inequalities in treatment before the law and within criminal or administrative systems.



DOMAIN 3 EDUCATION AND LEARNING: Inequality in the capability to be knowledgeable, to understand and reason, and to have the skills to participate in society

Inequalities in the capability to be knowledgeable, to understand and reason, and to have the skills to participate in society are covered in domain 3. The capability to be a knowledgeable learner is both important in its own right but also contributes to capabilities in other spheres of life. Inequalities in education capabilities over the life-course include measures of educational attainment and unequal access to elite education opportunities. The domain also includes measures of critical thinking, awareness of rights and treatment within learning establishments.



DOMAIN 4 FINANCIAL SECURITY AND DIGNIFIED WORK: Inequality in the capability to achieve financial independence and security, enjoy dignified and fair work, and recognition of unpaid work and care

The capability to be financially secure and enjoy financial independence is a key element of well-being. In addition, economic inequalities shape inequalities in other domains. Measures include income and wealth inequality, poverty and material deprivation, income insecurity and financial resilience, designed to capture advantage as well as disadvantage. This domain also covers aspects of work, such as differences in working conditions and unequal access to the top jobs.



DOMAIN 5 COMFORTABLE, INDEPENDENT AND SECURE LIVING CONDITIONS:

Inequality in the capability to enjoy comfortable, independent and secure living conditions

Inequalities in the capability to enjoy comfortable, independent and secure living conditions are covered in domain 5. *Measures* capture inequalities in the capability to meet basic needs (food, safe water, sanitation and shelter), access to good quality and secure housing, access transport infrastructure, the ability to live in environments that promote dignity and respect, the quality of the local environment, and the ability to enjoy leisure time alongside employment or caring responsibilities.



DOMAIN 6 PARTICIPATION, INFLUENCE AND VOICE:

Inequality in the capability to participate in decision-making, have a voice and influence

The capability to participate in decision-making, have a voice and influence, affects many spheres of life. Different forms of participation covered in this domain, include participation in democratic processes, the ability to join workplace associations and community action groups, as well as involvement in decision-making within the family. It is recognised that it is possible for some individuals to have ‘too much’ influence as well as ‘too little’. The domain includes measures designed to capture evidence of political elites, political revolving doors and corruption.



DOMAIN 7 INDIVIDUAL, FAMILY AND SOCIAL LIFE:

Inequality in the capability to enjoy individual, family and social life, to express yourself and to have self-respect

The capability to enjoy individual, family and social life, to express yourself, have self-respect, avoid loneliness and social isolation is fundamental for people to achieve a good quality of life. The freedom to develop as a person, form intimate relationships and to enjoy equality within these relationships are important aspects of individuals’ personal lives. Inequality measures include perceptions of freedom of choice and control over the way life turns out, ability to practice religion or beliefs without facing hostility. The domain includes inequality measures in relation to loneliness, self-confidence, self-respect and self-esteem.



3. MAPPING OF POLICIES TO SDGS AND MIF DOMAINS

POLICY 1.1:
Universal Health
Care

3 GOOD HEALTH
AND WELL-BEING



POLICY 1.2:
WASH

6 CLEAN WATER
AND SANITATION



POLICY 2.1:
Equal Access
to Justice

16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



POLICY 2.2:
'Fast Track'
Services
for the Rich

10 REDUCED
INEQUALITIES



POLICY 3.1:
Basic Education

4 QUALITY
EDUCATION



POLICY 3.2:
Early Years
Education and
Care

4 QUALITY
EDUCATION



POLICY 3.3:
Vocational
Education

4 QUALITY
EDUCATION



POLICY 4.1:
Wealth Taxes

10 REDUCED
INEQUALITIES



POLICY 4.2:
Universal Social
Protection

10 REDUCED
INEQUALITIES



POLICY 4.3:
Minimum Wages
and LMIs



POLICY 5.1:
Malnutrition



POLICY 5.2:
Slum upgrading



POLICY 6.1:
Accountability



POLICY 6.2:
Civic Oversight



POLICY 7.1:
Discrimination



POLICY 7.2:
Child Marriage





4. POLICY REVIEWS

Information on each policy reviewed is summarised as follows:

TITLE OF POLICY

Relationship to Inequality and Poverty	Ways in which this policy could be effective at reducing poverty and inequality (double dividend)				
Key Actors	Key actors, such as government, NGOs, etc.				
Level of Intervention	Level of intervention – national, local, etc.				
Domain/SDG	MIF Domain/SDG				
Evidence of Effectiveness	Key points of evidence of effectiveness established from a review of the literature				
Challenges and Facilitating Factors	<table><tr><td>Challenges</td><td>Facilitating Factors</td></tr><tr><td><ul style="list-style-type: none">Key challenges to introducing the policy and for its effectiveness at reducing inequalities</td><td><ul style="list-style-type: none">Key factors that are likely to facilitate the success of the policy or aid its introduction</td></tr></table>	Challenges	Facilitating Factors	<ul style="list-style-type: none">Key challenges to introducing the policy and for its effectiveness at reducing inequalities	<ul style="list-style-type: none">Key factors that are likely to facilitate the success of the policy or aid its introduction
Challenges	Facilitating Factors				
<ul style="list-style-type: none">Key challenges to introducing the policy and for its effectiveness at reducing inequalities	<ul style="list-style-type: none">Key factors that are likely to facilitate the success of the policy or aid its introduction				
Costs	Broad estimate of cost to government of introducing policy – classified as high/medium/low				

POLICY 1.1 UNIVERSAL HEALTH CARE

Policies that deliver universal, free at the point of use high-quality healthcare, removing all user fees and funded through general public expenditure.

<p>Relationship to Inequality and Poverty</p>	<p>By eliminating user fees and financial constraints to access, free universal healthcare benefits the whole population and increases average health levels, but particularly those of income- and health-poor individuals, and thus reduces health inequality</p> <p>By reducing out-of-pocket expenditures on health, universal healthcare decreases the risk of catastrophic and impoverishing health expenditures, and thus the link between income- and health-poverty</p> <p>Funding a single universal healthcare through general government expenditure can decrease segmentation in the health system, reducing inequalities in health outcomes and access</p>
<p>Key Actors</p>	<p>Government (national and sub-national); potentially, donors too</p>
<p>Level of Intervention</p>	<p>National and sub-national</p>
<p>Domain/SDG</p>	<p>MIF Domain 1 SDG 3, Target 3.8</p>
<p>Evidence of Effectiveness</p>	<p>Universal health coverage increases average health outcomes, reduces inequality in health outcomes, and decreases social gradients in access to health services</p> <p>The poorer population in poorer countries generally gain the most from universal health coverage, particularly if financed through general government expenditure</p> <p>Health care that is free at the point of service and adapted to users' needs helps guarantee that access is available, affordable and culturally acceptable</p> <p>Public expenditure on health financed through taxes and mandatory contributions are the most effective way of reducing catastrophic and impoverishing health spending (compared to e.g. private health insurance)</p> <p>Universal healthcare is effective in improving maternal, child, and neonatal health and life expectancy</p>

Challenges and Facilitating Factors	<p>Challenges</p> <ul style="list-style-type: none"> • Fiscal: High-quality health services are some of the most expensive policies • Administrative: High-quality health services require extensive training and coordination with different government spheres, health professionals, users, and potentially donors • Political: There is the risk that richer groups will capture public health services, creating top inequalities • Social: Effective and efficient decrease of health inequalities requires addressing the social determinants of health 	<p>Facilitating Factors</p> <ul style="list-style-type: none"> • Fiscal: Universal health services funded through general public expenditure tend to be cost-efficient, even if they have overall high costs • Political: Broad political movements focusing on guaranteeing social rights can foreground demands for universal health coverage • Social: Transparency, accountability and democracy can improve the governance of health systems and their responsiveness to the population
Costs	Very high (at the very least, 5% of GDP)	

This Policy is part of

POLICY 1.2 WASH

Policies related to increasing service coverage of clean water supply and sanitation systems, promoting better hygiene practices, improving water quality and guaranteeing affordability of water and sanitation services for people living in poverty, especially in rural areas.

<p>Relationship to Inequality and Poverty</p>	<p>Lack of adequate water, sanitation and hygiene (WASH) conditions are key drivers of poor health conditions for people living in poverty and in rural areas</p> <p>Reducing WASH-poverty decreases the incidence of a series of diseases, including many neglected tropical diseases (NTDs), diarrhoea and environmental enteric dysfunction, which affect children in particular and especially those in poor households</p> <p>Reducing WASH-poverty reduces the likelihood of childhood stunting, which mostly affects poor households</p> <p>Better WASH conditions have broader socioeconomic gains, including security, time-savings and dignity, with large gains for women and girls</p> <p>Successful WASH interventions can reduce the intergenerational transmission of poverty and inequalities, in the health and other domains</p>
<p>Key Actors</p>	<p>Government (national and sub-national); donors</p>
<p>Level of Intervention</p>	<p>National and especially sub-national</p>
<p>Domain/SDG</p>	<div style="display: flex; align-items: center;">  <p>MIF Domain 1 SDG 6, Targets 6.1 and 6.2</p> </div>
<p>Evidence of Effectiveness</p>	<p>The poor and those in rural areas are the most deprived of adequate WASH conditions</p> <p>WASH-poverty might account for up to 6.6% of the global burden of disease, concentrated in children in poor countries</p> <p>Handwashing reduces the risk of diarrhoeal disease by around 30%-40%</p> <p>WASH interventions can successfully reduce the incidence of NTDs (such as <i>Ascaris lumbricoides</i>, <i>Trichuris trichiura</i>, hookworm, and trachoma)</p> <p>Reducing WASH-poverty reduces maternal mortality, improves the education of children (especially girls), saves time that is redirected to productive activities, and generates cash income that is spent on food</p>

Challenges and Facilitating Factors	Challenges <ul style="list-style-type: none"> • Fiscal: The more effective forms of WASH interventions are costly • Administrative: Requires effective coordination of different sectors and scales of intervention • Social: Changes in hygiene practices can be individually costly in low-income spaces with deficient infrastructure • Social: Hygiene habits are hard to change and require repeated, sustained interventions • Cultural: WASH conditions need to be culturally adequate (e.g. deliver water considered palatable by consumers) 	Facilitating Factors <ul style="list-style-type: none"> • Administrative: Community participation, especially of women, can raise effectiveness and develop solutions that are culturally more appropriate • Administrative: Extended and frequent contact with healthcare professionals improves hygiene interventions • Social: Interventions that have low-cost for the users (e.g. household-level access to safe, reliable, adequate water) have higher uptake • Cultural: Developing interventions that are adequate to local practices increases adherence
Costs	From low to high, depending on the implementation of ‘basic’ or ‘transformational’ WASH	

This Policy is part of

POLICY 2.1 EQUAL ACCESS TO JUSTICE

Policies to ensure equal access to justice.

<p>Relationship to Inequality and Poverty</p>	<p>Inequality and poverty are both a driver and a consequence of lack of effective access to justice</p> <p>Income and wealth inequalities are a major factor shaping unequal access to justice through determining who can afford to pay and who can afford to pay for the highest-quality legal services</p> <p>Lack of access to justice disproportionately affects the economically disadvantaged who are most vulnerable to legal problems</p> <p>Disadvantaged individuals are most vulnerable to legal problems</p> <p>The ‘inability to resolve legal problems may diminish access to economic opportunity, reinforce the poverty trap and undermine human potential’ (OECD, 2019: 35)</p>
<p>Key Actors</p>	<p>Governments and NGOs</p>
<p>Level of Intervention</p>	<p>National and local</p>
<p>Domain/SDG</p>	<div style="display: flex; align-items: center;">  <div style="margin-left: 10px;"> <p>MIF Domain 2 SDG 16, Target 16.3</p> </div> </div>
<p>Evidence of Effectiveness</p>	<p>Access to justice is important for economic growth, equity and social justice</p> <p>Legal problems are ubiquitous and flow from everyday life</p> <p>Failure to resolve even trivial legal matters can lead to a cycle of decline and potentially create poverty traps.</p> <p>Typically, there exists ‘legal pluralism’ and disputes are resolved in informal as well as formal institutions. Dual systems can hinder as well as help to address inequalities in access to justice.</p> <p>Latest estimates suggest that globally there is a justice gap for 5.1 billion people</p> <p>A range of costs are associated with unmet legal needs – social, economic, health, employment, etc.</p> <p>Demand for legal aid for civil cases is largely unmet</p>

Challenges and Facilitating Factors	Challenges <ul style="list-style-type: none"> • Economic: Cost of resolving legal problems and be high and in many countries there is limited legal aid • Implementation: Low levels of legal capability and knowledge • Implementation: Legal pluralism and the role of informal structures • Political: Corruption is not only harmful to individuals but can deter donors • Economic: A large funding gap has been identified in this sector • Political: Politicisation of Justice system 	Facilitating Factors <ul style="list-style-type: none"> • Political: Focus of Sustainable Development Goals – targets and indicators have established an international consensus • Political: Collaboration among NGOs has helped to establish facts and identify evidence-based policies
Costs	Medium	

POLICY 2.2 'FAST TRACK' SERVICES FOR THE RICH

Policies to address 'fast track' immigration services for the rich.

<p>Relationship to Inequality and Poverty</p>	<p>'Fast track' immigration services for the rich can result in lower tax revenues in the 'origin' countries and a wealth drain, leaving governments with less revenue to spend on poverty reduction policies</p> <p>Through a 'race to the bottom' overall taxation of high net worth individuals falls and, as a result, they keep more of their wealth and global economic inequality increases</p> <p>'Destination' countries may benefit in the short-term through an increase in capital inflow, tax revenue and investments, at very little cost to governments</p>
<p>Key Actors</p>	<p>Governments and international bodies</p>
<p>Level of Intervention</p>	<p>National and international</p>
<p>Domain/SDG</p>	<div style="display: flex; align-items: center; justify-content: center;">  <div> <p>MIF Domain 2 SDG 10, Target 10.3</p> </div> </div>
<p>Evidence of Effectiveness</p>	<p>These 'fast track' immigration services are attractive to high net worth individuals. Pull factors include lower taxes, protection of property rights, safe havens, visa free access to clubs of countries, permanent residence and low 'entry fees'. Push factors include political instability, corruption, high rates of crime, relatively high tax rates and low wealth protection</p> <p>Since the 1990s, as capital became more mobile, millionaire and billionaire migration increased with a range of investor programmes on offer. From a lower income country perspective there are risks of a wealth drain and capital/rich flight, leaving these countries with lower revenues to invest.</p> <p>The motive for 'fast track' immigration services for the rich is to attract wealthy individuals in exchange for various investments (typically set in terms of capital transfers, or purchase of government bonds, or creation of jobs or the purchase of real estate) but the long-term benefits of 'cash for citizenship' for destination countries have not been established</p> <p>In many cases individuals taking advantage of 'golden visas' don't even need to live in the destination countries and only spend a limited number of days there each year if any</p>

Challenges and Facilitating Factors	Challenges <ul style="list-style-type: none"> • Political: Eradicating ‘golden visas’ requires international collaboration but there are clear incentives to cheat • Implementation: Ease of capital mobility • Economic: Very powerful group of individuals who can influence policy • Political: Corruption 	Facilitating Factors <ul style="list-style-type: none"> • Political: Moves to establish co-ordinated international tax policy for the very rich • Political: Some ‘clubs’ are recognising the risks and are taking steps to clamp down on (e.g. the European Union)
Costs	Variable	

POLICY 3.1 BASIC EDUCATION

Policies to deliver free, universal, high-quality primary and secondary education, that seek to improve and equalise school quality


<p>Relationship to Inequality and Poverty</p>	<p>These types of policies are aimed at equalising opportunities and addressing the pre-distribution of income</p> <p>Education inequalities relate to a range of other social and economic outcomes with important intergenerational effects</p> <p>Inclusive education has the potential to be an important driver of inclusive growth, with effects both on economic inequality and poverty</p> <p>While education system can reduce educational inequalities, they can also exacerbate them. To reduce education inequalities requires a focus not just on access but also on quality</p>
<p>Key Actors</p>	<p>Governments, NGOs, service providers</p>
<p>Level of Intervention</p>	<p>National and local</p>
<p>Domain/SDG</p>	<div style="display: flex; align-items: center;">  <div style="margin-left: 10px;"> <p>MIF Domain 3 SDG 4, Target 4.1</p> </div> </div>
<p>Evidence of Effectiveness</p>	<p>Education expansion reduces inequalities in educational attainment, particularly in developing countries. Sequencing is important because different educational levels have the greater effects in different countries (e.g. primary in low-income countries and secondary in middle-income countries)</p> <p>Any difference between coverage and actual usage and learning bears on effectiveness. This places issues of quality at the centre of the policy agenda</p> <p>In relation to quality, the literature evidences the importance of a variety of factors (such as pedagogy, supply-side side interventions, management interventions) as well as their complementarity</p>

<p>Challenges and Facilitating Factors</p>	<p>Challenges</p> <ul style="list-style-type: none"> • Fiscal: Budgetary constraints and limited resources • Institutional: Growth of private sector can create new barriers in achieving an equitable system • Political: Political agendas and priorities conflicting with equity goals • Implementation: Teacher quality and absenteeism • Economic/Social: Demand-side barriers such hidden costs, norms and attitudes can limit access for the poor 	<p>Facilitating Factors</p> <ul style="list-style-type: none"> • Administrative: Appropriate planning in terms of sequencing, targeting investment in priority educational areas, groups and regions and sustainability strategies • Regulatory: Development of robust accountability mechanisms, including bottom-up solutions and greater role to be played by civil society organisations • Social: Parental attitudes towards schooling can change through sensitisation activities and pre-school attendance • Economic: Cash transfers (including financial incentives) can reduce direct and indirect costs and affect enrolment and drop-out rates
<p>Costs</p>	<p>High</p>	

This Policy is part of

POLICY 3.2 EARLY YEARS EDUCATION AND CARE

Policies for the provision of high quality early years education for all children (urban and rural) including those with special educational needs and disabilities, and children who have been displaced due to disasters or war


<p>Relationship to Inequality and Poverty</p>	<p>Early childhood education and care (ECEC) can help level the playing field by compensating for disadvantages at home and mediating their transmission</p> <p>ECEC is both a right in itself and a major contributor to development and poverty reduction, building on the idea that human capital formation is a dynamic life-cycle process</p> <p>ECEC is of growing importance due to a variety of phenomena such as urbanisation, displacement, migration and changing household structures that disrupt traditional models of care</p>
<p>Key Actors</p>	<p>Governments, NGOs, service providers</p>
<p>Level of Intervention</p>	<p>National, Local</p>
<p>Domain/SDG</p>	<div style="display: flex; align-items: center;">  <div style="margin-left: 10px;"> <p>MIF Domain 3 SDG 4, Target 4.2</p> </div> </div>
<p>Evidence of Effectiveness</p>	<p>There is strong evidence that ECEC can improve cognitive and socio-emotional development, help create a foundation for lifelong learning, make child outcomes more equitable, increase intergenerational social mobility</p> <p>However, there is a stark socio-economic gradient in children's access and participation in ECEC services and those more likely to benefit from ECEC are less likely to participate</p> <p>Lessons from both advanced economies and low- and middle-income countries stress that quality is essential for programmes to be effective</p> <p>Development of ECEC requires a holistic approach that considers the integration and coordination of interventions across sectors and understands how contextual factors such as economic inequality, poverty and social exclusion mediate and constrain the effectiveness of ECEC services</p>

Challenges and Facilitating Factors	Challenges <ul style="list-style-type: none"> • Political: Lack of policy attention by national governments. Political influence also shapes priorities and ECEC delivery with potential adverse consequences for equity • Administrative: Planning and governance challenges • Implementation: Limited financial and human resources • Social: Public and parental attitudes towards ECEC • Economic: Household resources and economic inequality 	Facilitating factors <ul style="list-style-type: none"> • Political: International consensus around ECEC can support its development • Institutional: Horizontal and vertical coordination and integration with clearly defined responsibilities and communication channel • Regulatory: Careful monitoring is needed to promote quality and equity, especially in light of the role of private providers in many contexts • Implementation: Improved career pathways that are linked to both financial and non-financial recognition can support human resource development • Social: Participatory engagement, broad stakeholder involvement and development of context-relevant approaches help promote public support for ECEC
Costs	High – while the costs of some interventions are low, efforts of scaling up successful programmes and increase public investment would involve high costs	

This Policy is part of

POLICY 3.3 VOCATIONAL EDUCATION

Policies that deliver affordable, quality technical and vocational education and training which ensure equal access for women, low-income and minority groups

<p>Relationship to Inequality and Poverty</p>	<p>Vocational education and technical training play an important role in reducing skills and income inequality</p> <p>Technical and vocational education and training (TVET) fosters skill development and can improve employment prospects and outcomes</p> <p>TVET fosters broader skills that bear on several aspects of people’s lives, for instance by improving literacy, numeracy, health, communication, civic and financial capabilities</p> <p>Informal vocational education and training can ameliorate opportunities for those excluded from formal education</p>
<p>Key Actors</p>	<p>Governments, business associations and employers, NGOs</p>
<p>Level of Intervention</p>	<p>National, Local</p>
<p>Domain/SDG</p>	<div style="display: flex; align-items: center;">  <p>MIF Domain 3 SDG 4, Targets 4.3 and 4.4</p> </div>
<p>Evidence of Effectiveness</p>	<p>There is good evidence of effectiveness of TVET programmes on a range of employment outcomes, particularly for certain disadvantaged groups</p> <p>Weak programme evaluation hampers the ability to draw firm conclusions in relation to different types of TVET intervention. Some rigorously evaluated effective programmes are small scale, and scaling issues undermine their potential for large poverty and inequality reduction</p> <p>Education and training can facilitate moving from the informal to the formal sector, from the lower to the upper tier of informal employment and increasing wages for informal workers. However, informal TVET has a limited impact on poverty and inequality reduction</p>

Challenges and Facilitating Factors	Challenges <ul style="list-style-type: none"> • Economic/Social: Participation of the most disadvantaged is hampered by direct, indirect and opportunity costs as well as linguistic and cultural barriers, requiring complex interventions • Fiscal: Limited public investment and budgetary resources impact both the size of the sector and quality of provision • Political: Undervaluing of TVET and the adoption of ‘productivist frameworks’ can hinder the development of inclusive and holistic approaches • Regulatory: Weak evaluation, monitoring and regulatory mechanisms, particularly in face of growing private provision 	Facilitating Factors <ul style="list-style-type: none"> • Political: Growing international consensus around the role of TVET can support its development • Political: Clear political vision and leadership focused on devising a comprehensive sector-wide strategy • Implementation: Design and implementation are supported by: <ul style="list-style-type: none"> • Institutional support through the involvement of all stakeholders • Close cooperation with local communities • Employer engagement • Recognition of the needs of the informal economy and of informal training
Costs	High	

This policy is part of

POLICY 4.1 WEALTH TAXES

Redistributive tax policies – specifically policies related to wealth and assets

<p>Relationship to Inequality and Poverty</p>	<p>Taxes on wealth are a progressive policy instrument to raise revenue, and, depending on how revenue is spent, can hence contribute to any initiative to tackle poverty and inequality</p> <p>Wealth inequality is considerably higher than income inequality and the absence of progressive taxation reinforces processes of wealth accumulation and transmission</p> <p>Income taxes alone are unlikely to reduce wealth inequality</p> <p>Wealth plays a key role in the transmission of advantage across generations shaping opportunity and affecting social mobility</p>
<p>Key Actors</p>	<p>Governments (national or sub-national), international bodies</p>
<p>Level of Intervention</p>	<p>Global/National/Local (especially for property taxes)</p>
<p>Domain/SDG</p>	<div style="display: flex; align-items: center; justify-content: center;">  <div style="margin-left: 10px;"> <p>MIF Domain 4 SDG 10, Target 10.4</p> </div> </div>
<p>Evidence of Effectiveness</p>	<p>Taxes on net wealth, property and inheritances can improve the progressivity of the fiscal system and they represent an untapped or underutilised fiscal resource</p> <p>Tax exemptions, avoidance and evasion limit revenue raising and progressivity of wealth taxes</p>

Challenges and Facilitating Factors	Challenges <ul style="list-style-type: none"> • Fiscal: Tax avoidance and evasion • Political: Pressure from elites against wealth taxes and corruption create barriers to reform, affect design and implementation • Political/social: Lack of trust in government and lack of perceived legitimacy of taxation affect support and compliance • Administrative: Lack of technical and administrative capacity hinders implementation • Institutional: Fragmentation across levels of government and international ‘race to the bottom’ 	Facilitating Factors <ul style="list-style-type: none"> • Political: International cooperation, regional cooperation and information-sharing • Political: More equal political participation • Institutional: Strong checks and balances • Legal: Improved tax-payers protection (e.g. strengthening property rights) increases support and incentives to reform • Social/Political: Sensitisation activities, transparent public investment and spending decisions increase support and compliance • Administrative: Investment in building administrative capacity • Fiscal: Tax simplification • Institutional: Improved cooperation and long-term partnerships
Costs	Revenue raising	

This Policy is part of

POLICY 4.2 UNIVERSAL SOCIAL PROTECTION

Universalistic social protection policies that are gender-sensitive


Relationship to Inequality and Poverty	<p>Cash transfers are primarily granted to vulnerable or low-income households, and thus tackle poverty and bottom-end inequalities by design</p> <p>Well-designed social protection policies can reach populations with particular needs, e.g. children, the elderly and the unemployed</p> <p>A comprehensive social protection system addresses both chronic vulnerabilities and cushions against financial shocks, that might create poverty traps</p>
Key Actors	<p>Government (national or sub-national), NGOs, donors</p>
Level of Intervention	<p>National and sub-national</p>
Domain/SDG	<div style="display: flex; align-items: center; justify-content: center;">  <div style="margin-left: 10px;"> <p>MIF Domain 4 SDG 10, Target 10.4</p> </div> </div>
Evidence of Effectiveness	<p>There is ample evidence that cash transfers reduce poverty and, to a smaller extent, inequality (although the latter depends strongly on how they are financed)</p> <p>Whether conditional or not, cash transfers stimulate the achievement of capabilities in other domains, particularly health and education</p> <p>Non-contributory pensions (also known as social pensions or elderly benefits) are highly effective in reducing old-age poverty and overall inequality, especially in systems with high labour informality</p> <p>There is very little evidence of perverse incentives (e.g. labour disincentives, rising informality) arising from cash transfers</p> <p>The overall impact on inequality of cash transfers can be constrained by their small values (this does not hold for pensions)</p>

<p>Challenges and Facilitating Factors</p>	<p>Challenges</p> <ul style="list-style-type: none"> • Administrative: Managing conditional or targeted policies can be costly and requires state capacities • Administrative: Delivering social protection to those in the informal sector is a key challenge in developing countries • Fiscal: The more effective schemes in combating inequality (e.g. non-contributory pensions) are expensive • Political: Cash transfers can be a politically polarising issue • Political: The management of conditionalities and targeting can lead to corrupt and patrimonialistic practices • Social: Receiving targeted benefits can lead to stigmatisation 	<p>Facilitating Factors</p> <ul style="list-style-type: none"> • Administrative: Having national registries of benefits-eligibility • Fiscal: Targeted conditional cash transfers are inexpensive and can stimulate local economies • Political: Successful implementation of social protection policies can build ‘developmental coalitions’ • Political: There is an ample international consensus pushing for some forms of social protection
<p>Costs</p>	<p>Effective social protection is high cost</p>	

This Policy is part of

POLICY 4.3 MINIMUM WAGES AND LABOUR MARKET INSTITUTIONS

Policies that promote collective bargaining, protect the rights of workers to unionise and strike, adequate and enforced minimum wages set through collective wage setting agreements or national statutory minimum rates covering all types of workers.


<p>Relationship to Inequality and Poverty</p>	<p>Earnings are the main source of household income in the working age population and due to the relationship between earnings over the working life and retirement pensions, earnings continue to influence living standards into retirement</p> <p>Collective wage bargaining and minimum wages can be key to reducing wage inequality and improving the quality of jobs at the lower end of the labour market</p> <p>So much of people's lives are spent working, the quality of jobs such as the terms and conditions of work plays an import role in determining the capability for people to live a good quality of life</p>
<p>Key Actors</p>	<p>Government, employers, labour market institutions</p>
<p>Level of Intervention</p>	<p>National</p>
<p>Domain/SDG</p>	<div style="display: flex; align-items: center;">  <div style="margin-left: 10px;"> <p>MIF Domain 4 SDG 10, Targets 10.3 and 10.4</p> </div> </div>
<p>Evidence of Effectiveness</p>	<p>Unions help compress the wage distribution and improve the terms and conditions of employment through redressing the imbalance of power between employers and individual workers. Collective wage bargaining systems have been shown to be associated with lower earnings inequality</p> <p>Minimum wages can reduce wage inequality through compressing the wage distribution below the median but to do this a significant share of workers must benefit, spill-over effects need to be present and minimum wages must not be set too high or unemployment could rise or hours of work could fall</p> <p>Minimum wages have been successfully introduced in many countries without significant negative effects on employment</p> <p>In low-income countries low paid workers are more concentrated in low-income households and therefore higher minimum wages can be effective at reducing poverty and income inequality</p>

<p>Challenges and Facilitating Factors</p>	<p>Challenges</p> <ul style="list-style-type: none"> • Regulatory: Potential trade-off between higher union density, lower wage dispersion and higher unemployment, and lower union density, higher wage dispersion and lower unemployment • Implementation: Setting the right minimum wage rate(s): generous enough to improve pay and reduce inequality without having a big impact on employment • Regulatory: Compliance and enforcement can be challenging in countries with less advanced administrative systems • Implementation: Weak enforcement and a vast informal sector could reduce the effects of minimum wages in many developing countries • Economic: Public sector wage bill can increase 	<p>Facilitating Factors</p> <ul style="list-style-type: none"> • Fiscal: Costs are low • Political: There is a growing consensus on the positive impacts of minimum wages • Implementation: Guidance and advice available from international organisations such as the ILO • Economic: As more low-wage workers are concentrated in poor households in low-income countries, minimum wages are likely to be effective at reducing income inequality and poverty
<p>Costs</p>	<p>Low but costs associated with the need to pay public sector employees at minimum wage</p>	

This policy is part of

POLICY 5.1 MALNUTRITION

Policies to combat malnutrition including nutrition-specific interventions that avert maternal and child under-nutrition combined with direct cash transfer programmes


<p>Relationship to Inequality and Poverty</p>	<p>Malnutrition, especially under-nutrition, disproportionately affects poor individuals in low-income countries</p> <p>Interventions that combat maternal and child under-nutrition directly, especially at an early age, are cost-effective ways of addressing multi-dimensional deprivations that will burden individuals over the long-term</p> <p>Nutrition-specific interventions reduce inequalities in nutritional achievements/outcomes, whilst nutrition-sensitive interventions reduce differences in conversion rates between resources and nutritional outcomes</p> <p>Cash transfers increase food consumption and security and improve the social determinants of health for the poorest</p>
<p>Key Actors</p>	<p>Government (national and sub-national); donors</p>
<p>Level of Intervention</p>	<p>National and sub-national</p>
<p>Domain/SDG</p>	<div style="display: flex; align-items: center; justify-content: center;">  <div style="margin-left: 10px;"> <p>MIF Domain 5 and 1 SDG 2, Target 2.2</p> </div> </div>
<p>Evidence of Effectiveness</p>	<p>Scaling up ten nutrition-specific interventions to 90% would save one million lives per year, reduce stunting by 20% and reduce severe wasting by 60%</p> <p>These interventions are cost-effective (\$370 per life-year saved) and cost-beneficial (median cost-benefit estimate of 18)</p> <p>Nutrition interventions benefit the poorest households approximately six to ten times more than the richest households</p> <p>Nutrition interventions increase the education, developmental quotients, cognitive abilities and future income of recipients, reducing economic inequalities over the long term</p> <p>Cash transfers increase food consumption, but have inconclusive results on nutritional achievements of children</p>

Challenges and Facilitating Factors	<p>Challenges</p> <ul style="list-style-type: none"> • Administrative: Interventions need to reach mothers and children at an early age • Social: Interventions to combat under-nutrition need to avoid the risk of stimulating obesity • Administrative: Coordination between nutrition-specific and nutrition-sensitive interventions is challenging • Administrative: Scaling up interventions requires building government capacities <p>Facilitating Factors</p> <ul style="list-style-type: none"> • Administrative: Properly coordinated, nutrition-specific and nutrition-sensitive interventions have strong synergies • Social: Community-based interventions increase uptake, adapt programmes to local needs and preferences, and are better able to reach those most in need • Political: Strong leadership that frames reducing nutritional inequalities as a central political goal is a key success factor
Costs	<p>Medium: scaling up ten nutrition interventions would cost \$10 billion globally, or \$370 per life-year saved; cost-benefit analysis is highly positive</p>

This Policy is part of

POLICY 5.2 SLUM UPGRADING

Policies designed to upgrade slums in terms of quality of housing, water, sewerage, drainage, street lighting, paving, recreation areas, access to social services, land titling and property regularisation

<p>Relationship to Inequality and Poverty</p>	<p>The number of poor people living in slums has been growing continuously, and they are some of the most deprived groups across the globe</p> <p>Slum upgrading decreases the prevalence of ill health, health hazards, and inadequate housing</p> <p>Slum upgrading initiatives can create tenure security for slum residents through different means, with direct benefits and unlocking greater investment in infrastructure</p> <p>Large-scale slum upgrading initiatives can improve physical security, particularly for women, and equalise access to open or communal spaces</p> <p>Slum upgrading initiatives can break multidimensional poverty traps by reducing the prevalence of multiple, overlapping deprivations</p> <p>Slum upgrading promotes gains in dignity and wellbeing for residents</p>
<p>Key Actors</p>	<p>Government (particularly sub-national); local communities</p>
<p>Level of Intervention</p>	<p>Mostly sub-national/local, but also national</p>
<p>Domain/SDG</p>	<div style="display: flex; align-items: center; justify-content: center;">  <div> <p>MIF Domain 5 and 1 SDG 11, Target 11.1</p> </div> </div>
<p>Evidence of Effectiveness</p>	<p>Despite clear theoretical backing, the evidence for slum upgrading is deeply mixed and, given the variability of initiatives, hard to generalise</p> <p>Slum upgrading <i>can</i> decrease the prevalence of ill health and health hazards</p> <p>Slum upgrading initiatives <i>can</i> create tenure security for slum residents, which increases investment in housing</p> <p>Large-scale slum upgrading initiatives <i>can</i> improve security, particularly for women</p> <p>The evidence on poverty traps is mixed</p> <p>Slum upgrading promotes consistent gains in dignity and wellbeing for residents</p>

Challenges and Facilitating Factors	Challenges <ul style="list-style-type: none"> • Administrative: Local conditions in slums are highly variable making it harder to design national interventions • Political: Elites are prone to ‘capture’ upgrading initiatives for their benefit • Social: Slum upgrading initiatives run the risk of promoting ‘gentrification’ • Social: Ensuring adequate community participation is a complex and drawn-out process • Cultural: Upgrading initiatives must deliver culturally appropriate housing 	Facilitating Factors <ul style="list-style-type: none"> • Administrative: Choosing the right mix of focuses (infrastructure, tenure, housing units, and neighbourhood) and scale • Political: Leadership at several levels (local to national) promotes the continuity and effectiveness of interventions • Social: Effective community participation can help deliver adequate, culturally appropriate solutions
Costs	Usually high	

This policy is part of

POLICY 6.1 ACCOUNTABILITY

Policies that cap political donations, disclose public financing and lobbying activities, and act against ‘revolving door’ arrangements

<p>Relationship to Inequality and Poverty</p>	<p>Economic and political inequality are mutually reinforcing</p> <p>High inequality can generate concentrations of political power among the well-off, influencing the political agenda in ways that disregard the interests of the poor</p> <p>Political, economic and social inequalities also affect participation among the most disadvantaged and decrease trust in government institutions</p> <p>The proposed measures can help break the cycle through which inequalities of political opportunity shape inequalities of outcomes, and unequal outcomes allow the powerful more scope to restrict opportunities</p>
<p>Key Actors</p>	<p>Governments, political parties, social movements</p>
<p>Level of Intervention</p>	<p>National</p>
<p>Domain/SDG</p>	<div style="display: flex; align-items: center;">  <div style="margin-left: 10px;"> <p>MIF Domain 6 SDG 16, Targets 16.5 and 16.6</p> </div> </div>
<p>Evidence of Effectiveness</p>	<p>Empirical evidence is limited by the fact that a) while their number is growing, just a few countries have adopted measures regulating these activities; b) implementation and levels of enforcement remain generally weak and hard to assess</p> <p>However, there is good evidence of the widespread incidence of these phenomena and their negative consequences</p> <p>Transparency and accountability do not automatically tackle inequalities and more pro-active measures to engage groups with lower capacity and create new partnerships might be necessary</p> <p>There is some evidence that measures capping spending on election campaigns and political donations can be effective, while looser contribution limits produce negative effects</p>

Challenges and Facilitating Factors	Challenges <ul style="list-style-type: none"> • Political: Low political will influenced by the reciprocal relationship between political and economic inequality • Administrative/Fiscal: Limited state capacity restricts the range of instruments available, and increases the vulnerability to external pressures • Institutional: Coordination dilemmas across levels of government (exacerbated in contexts of extensive decentralisation) 	Facilitating Factors <ul style="list-style-type: none"> • Political: Emerging international consensus increases the saliency and urgency of these issues • Administrative: Improved data collection to strengthen implementation • Administrative: Adoption of wider integrity frameworks capable of addressing evolving and emerging risks • Political: Increased political competition and engagement of social movements • Political: Proactive measures foster more inclusive participation
Costs	Low	

This Policy is part of

POLICY 6.2 CIVIC OVERSIGHT

Policies that enable formal citizen participation and oversight, including inclusive and transparent budgeting processes at national and local levels, citizen satisfaction surveys, public consultations and participatory planning initiatives, and the involvement of civil society in formal advisory groups of the government.

<p>Relationship to Inequality and Poverty</p>	<p>Inequalities in voice and influence perpetuate and entrench social and economic inequalities – a key driver of this is the lack of institutions that promote inclusion and participation</p> <p>Civic engagement can positively influence other outcomes: Increase state effectiveness, ameliorate knowledge inequalities, contribute to building social capital and improve social cohesion and trust in government</p>
<p>Key Actors</p>	<p>Local governments, civil society, NGOs</p>
<p>Level of Intervention</p>	<p>Mostly local</p>
<p>Domain/SDG</p>	<div data-bbox="630 922 766 1059" data-label="Image"> </div> <p>MIF Domain 6 SDG 16, Target 16.7</p>
<p>Evidence of Effectiveness</p>	<p>Amongst a variety of participatory governance approaches, participatory budgeting has seen a growing popularity across the globe. Outside Latin America results of Participatory Budgeting have been less transformative</p> <p>Participatory Budgeting programmes are unlikely to be a silver bullet to address stark and underlying economic inequalities on their own, because of the policy areas which they prioritise, the level of resources available and limitations of localized programmes</p> <p>The risk of tokenism and of developing empty forms of participation is something that affects participatory approaches to governance and hinders their effectiveness</p> <p>Evidence of the impact of citizen engagement and participatory programmes is generally mixed, both in terms of their effects on inclusion and participation and in relation to how, even when achieved, these translate into improved social and economic outcomes</p>

Challenges and Facilitating Factors	Challenges <ul style="list-style-type: none"> • Social/Economic: Social and economic inequalities might hamper the capability of individuals to participate • Political: Elite capture can perpetuate the status quo • Political/Implementation: weak political will and technical capacity at the local level • Implementation: Weak capacity for participation because of individual and collective expertise and resources 	Facilitating Factors <ul style="list-style-type: none"> • Institutional: Institutionalised legal frameworks and functional and strong institutions at the centre enable civic engagement • Political: International consensus and donor support • Political: Central state support is required to sustain and scale-up programmes and achieve lasting change • Implementation: Support within civil society enhances capacity for collective action
Costs	Low	

This Policy is part of

POLICY 7.1 DISCRIMINATION

Comprehensive anti-discrimination laws, implementation and enforcement

<p>Relationship to Inequality and Poverty</p>	<p>Discrimination can be an important factor shaping differences in the well-being of individuals and increasing the risk of multidimensional poverty for those discriminated against</p> <p>Some individuals face intersectional discrimination (e.g. ethnicity and gender) and, as a result, experience even greater disadvantage</p> <p>Discrimination in the labour force can affect the chance of being in work and the types of jobs people hold leading to income and earnings inequality and exposing some to greater risks of poverty</p> <p>Negative impacts on non-economic aspects of people's lives also arise from discrimination. E.g., in relation to health, justice, family life, independence, voice and influence, negatively affecting the capability for individuals to have a good quality of life</p> <p>Comprehensive anti-discrimination laws, their implementation and enforcement can both reduce inequalities and poverty risks</p>
<p>Key Actors</p>	<p>Governments and NGOs</p>
<p>Level of Intervention</p>	<p>National and local</p>
<p>Domain/SDG</p>	<div style="display: flex; align-items: center; justify-content: center;">  <div> <p>MIF Domain 7 SDGs 10 and 5, Targets 10.3 and 5.1</p> </div> </div>
<p>Evidence of Effectiveness</p>	<p>International legal frameworks have set strong standards since the middle of the 20th Century, starting with the 1948 Universal Declaration of Human Rights. In many cases these have been translated into national (and regional) laws prohibiting discrimination</p> <p>Some progress is starting to be made in considering the nature of intersectional discrimination but more needs to be done in this area</p> <p>Forms of discrimination are still legal in some countries (for example, against homosexuals in Uganda)</p> <p>National Human Rights Institutions (Equality Commissions) play an important role in helping to develop and enforce Human Rights legislation</p> <p>Root causes of discrimination need to be tackled, such as the causes of stigma and patriarchal social and political structures</p> <p>Positive discrimination and affirmative action may be necessary to address cycles of disadvantage brought about by entrenched discrimination</p>

Challenges and Facilitating Factors	Challenges <ul style="list-style-type: none"> • Regulatory: Even where discrimination is illegal enforcement and legal challenges are difficult • Political: Existence of dual legal system. • Political: Forms of discrimination are still legal in some countries • Political/social: Objections to positive discrimination • Implementation: Lack of good evidence on what works best in tackling causes of discrimination 	Facilitating Factors <ul style="list-style-type: none"> • Regulatory: International human rights framework providing a standard approach • Regulatory: SDGs with goals and targets focused on ending discrimination • Political: Progress in taking an intersectional approach to addressing discrimination • Social: Growing intolerance to discrimination and an appetite for social change
Costs	Low	

This policy is part of

POLICY 7.2 CHILD MARRIAGE

Policies designed to eliminate child marriage

<p>Relationship to Inequality and Poverty</p>	<p>Early marriage denies people, particularly girls and young women, the right to choose who and when they marry. It is a violation of their human rights</p> <p>Early marriage has a negative impact on educational attainment, financial independence and limits future prospects</p> <p>It leaves girls and young women vulnerable to sexual abuse, domestic violence, sexually transmitted diseases and complications associated with early pregnancy and birth and limits their capability to enjoy a good quality of life</p> <p>It exacerbates gender inequality and is more prevalent among lower income families</p>
<p>Key Actors</p>	<p>Governments, community and religious leaders, schools and NGOs</p>
<p>Level of Intervention</p>	<p>National and local</p>
<p>Domain/SDG</p>	<div style="display: flex; align-items: center;">  <p>MIF Domain 7 SDG 5, Target 5.3</p> </div>
<p>Evidence of Effectiveness</p>	<p>A wide range of factors drive child marriage, some of which are context-specific but others are more general. They include social, cultural, religious and economic factors. Some of the traditions and gender-discriminatory norms are seen to be rooted in patriarchal values and ideologies, many of which are centre around the control of girls' sexuality</p> <p>Financial transactions between families associated with marriage of daughters and sons (dowries and bride price) can also affect the incentives for child marriage</p> <p>Policies to tackle child marriage include those designed to increase retention of girls in school, empowering girls economically through vocational training, enforcing laws on child marriage, tailored advocacy programmes, and policies designed to address harmful socio-cultural norms and practices</p> <p>The inclusion of a target to eliminate child marriage in the SDGs has helped focus efforts. However, the evaluation evidence on 'what works' is still very limited</p>

<p>Challenges and Facilitating Factors</p>	<p>Challenges</p> <ul style="list-style-type: none"> • Social: Entrenched, gendered social and cultural norms • Economic: Poverty and its relationship to incentives associated with child marriage and investment in girls' education • Economic: Dowries/bride price • Implementation: Non-legal/informal unions • Regulatory: Bribery and corruption. • Regulatory: No universal definition of a 'child' (age of maturity) • Regulatory: Legal exceptions can include parental consent • Implementation: Limited evidence on 'What Works' 	<p>Facilitating Factors</p> <ul style="list-style-type: none"> • Political: The growing focus of a number of large, influential international organisations • Political: The inclusion of a target to eliminate child marriage by 2030 in the UN's Sustainable Development Goals. Joint work of UNFPA-UNICEF in assisting to meet this target through the Global Programme to Accelerate Action to End Child Marriage • Implementation: Data improvements in the measurement of child marriage and the availability of these data • Implementation: Body of evaluation evidence is growing
<p>Costs</p>	<p>Medium – the United Nations Population Fund estimate the total cost of ending child marriage across 68 countries is \$35 billion. \$600 to avert one case of child marriage.</p>	



5. POLICY MIXES

INTRODUCTION AND LITERATURE OVERVIEW

To-date, little research has been done on the interaction between inequalities and how best to address them. Whilst there is ample evidence on multidimensional poverty, less is known about how different life domains associate to each other along the whole distribution of relevant outcomes and capabilities. As such, designing policy mixes to combat multidimensional inequalities is a promising but still preliminary field. Rather than discuss often-patchy evidence bases, in what follows this document focuses on the rationale and guiding principles to design context-specific policy mixes to combat inequalities. In the next section, this toolkit uses this framework to explore the potential of five policy mixes, drawing on the individual policies reviewed in section 5.

5.1 Basic elements of policy mixes

Drawing on the more general literature on policy design, there are some key principles in developing effective policy mixes. Regardless of the particular domain of intervention, the objective of combining a set of measures is, ultimately, to maximise their effectiveness. This might relate to the expected change in outcomes of interest, i.e. to the efficacy of one or more policies, or to the cost-effectiveness of the interventions, i.e. the overall costs associated to a given level of change.

In the context of multidimensional inequalities, we are thus interested in designing policy mixes that, compared to individual initiatives, are better able to do one or more of the following. First, to reduce inequalities in a single dimension (e.g. educational inequalities). Second, to reduce the association between two inequalities (e.g. low/high income and bad/good health). And, third, to promote these changes at lower costs.

A useful framework to analyse the relationship between individual policies has been proposed by Nilsson et al. (2016), in the context of the SDGs. Figure 0.1 adapts this framework to the study of inequalities, associating policies along a scale of complementarity.

Table 1 also highlights that synergies between policies exist at different point of the design and implementation cycle. The most obvious form of synergy is that of outcomes, represented in the extremes of Figure 0.1. A clear example is the combination of progressive taxation and income-supporting policies: If taxes are more regressive than the resources distributed, income inequality will increase as the result of these measures. Administrative or strategic synergies, however, can be just as important. Mostly represented in

Figure 0.1: Framework to evaluate the scale of interaction (most negative = -3; most positive = +3)

Interaction rating	-3	-2	-1	0	+1	+2	+3
Interaction type	Cancelling	Counteracting	Constraining	Consistent	Enabling	Reinforcing	Indivisible
Explanation	Makes it impossible to reach another goal.	Clashes with another goal	Limits options on another goal.	No significant positive or negative interactions.	Creates conditions that further another goal.	Aids the achievement of another goal.	Inextricably linked to the achievement of another goal.

Source: Adapted from Nilsson et al. (2016).

points +/-1 of figure 0.1, this refers to policies that improve or constrain the conditions of possibility for another policy. A good example would be two policies that develop shared government capacities and information, facilitating their implementation and monitoring.

5.2 Guiding principles in combining policies

The following considerations, adapted from Howlett (2018), are a useful guide to the design of policy mixes.

Aiming for coherence, consistency and congruence as measures of design quality and integrity. The various parts of a mix to be integrated and co-ordinated for maximum effectiveness. ‘Consistency’ refers to the ability of different policies to reinforce rather than undermine each other; ‘coherence’ is the ability to coexist with each other and with the norms of instruments, and ‘congruence’ is the ability of goals and instruments to work together in a mutually supportive fashion.

Maximising complementarity effects and minimising counter-productive ones. Interactions are hard to predict and can lead to potential negative conflicts (‘one plus one is less than two’) or promising synergies (‘one plus one is more than two’). The goal is to maximise the latter.

Understanding and incorporating the context of policy into policy designs. It is important to consider institutional, spatial and temporal dimensions, as mixes change over time when new instruments appear, and old ones evolve or are eliminated. Suboptimal situations are very common in many existing mixes which have developed haphazardly through processes of policy layering, creating a mixture that often becomes inconsistent.

Considering degrees of freedom in policy designs. In designing all mixes, it is paramount to consider the feasibility of policy tools, often a function of existing trajectories of policy development. In order to be effectively adopted and implemented, policy mixes need to be congruent with the governance modes or styles practiced in particular jurisdictions and sectors, which in turn require different capabilities on the part of state and societal actors.

Ensuring transparent governance structures for implementation and monitoring. This involves both evaluating the effectiveness of existing mechanisms as well as creating effective horizontal and vertical coordination mechanisms (i.e. within the same level of government and across levels) if these mechanisms are insufficient.

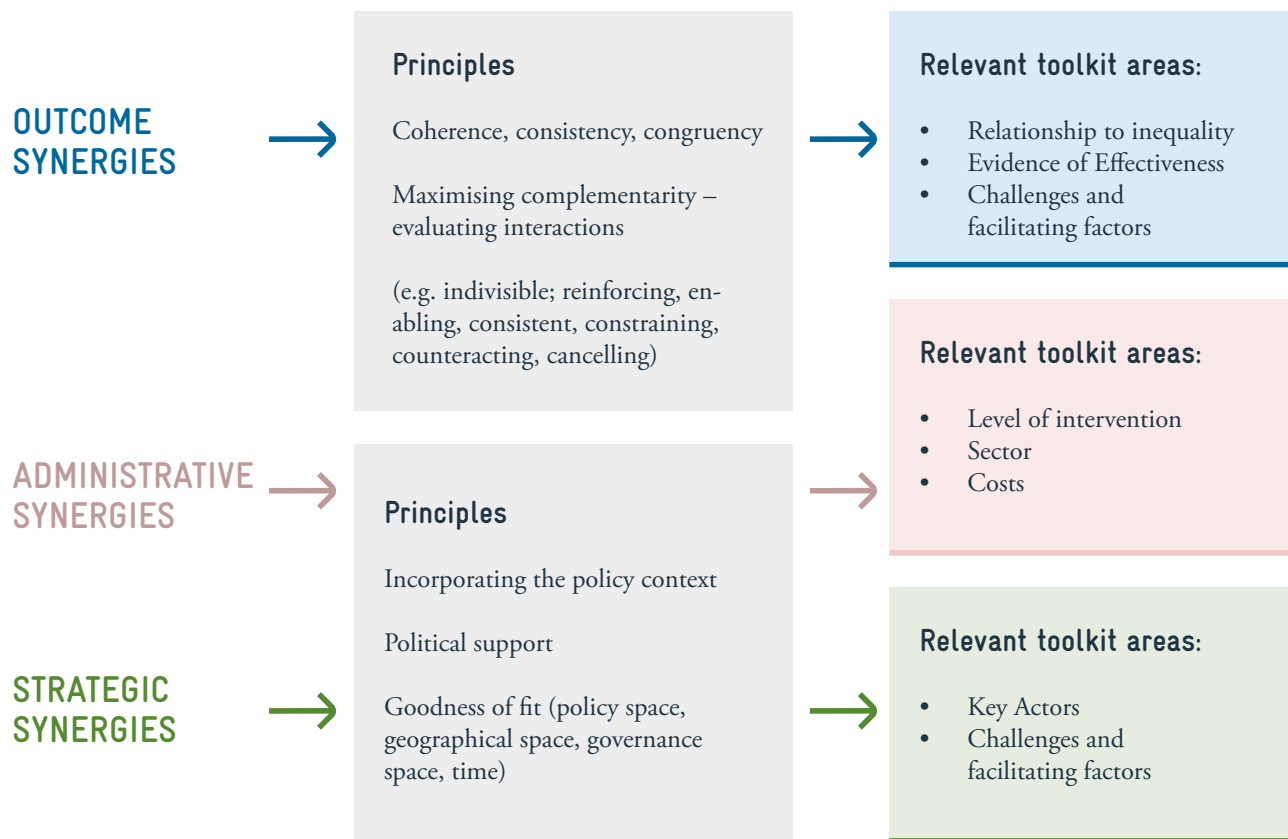
Assessing gaps between desired outcomes and existing instruments. This is the basis of any policy mix, drawing upon existing practices and an assessment of their suitability.

Highlighting and aligning actors’ agendas. Policies can often be constrained or boosted depending on the alignment between (hidden) agendas of key actors.

6.3 A framework for assessing policy mixes

Figure 0.1 summarises this discussion in terms of different types of synergies, which can guide the development and assessment of policy mixes. While Outcome Synergies identify relationships of complementarity and coherence in terms of how policies relate to inequality-reduction goals, Administrative and Strategic Synergies focus more on contextual elements that need to be identified to develop a promising mix. The figure also captures how relevant policy toolkit areas can be used to inform our understanding of these synergies. Importantly, the toolkit is not restricted to a specific context, but should rather be used to identify potentially relevant aspects that need to be considered in their specific settings.

Figure 0.2. Framework for inequality-reducing policy mixes



Source: Prepared by the authors.

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POLICY MIX 1: REDISTRIBUTION POLICY MIX



Policies included:

POLICY 4.1:
Redistributive tax policies – specifically policies related to wealth and assets

POLICY 4.2:
Universalistic social protection policies

POLICY 6.1:
Policies that cap political donations, disclose public financing, lobbying activities and act against 'revolving door' arrangements

POLICY 6.2:
Policies that enable formal citizen participation and oversight

Relevant SDGs:

Target 10.4

Targets 16.5, 16.6 and 16.7

Additional policies which could potentially be considered

- Other redistributive tax policies including increasing marginal tax rates for high earners, effective personal income taxation (including of the self-employed), effective corporate income taxation (Domain 4)
- Redistribution of land ownership, including possible caps on land sizes and high land value taxation for large (and unused) landholdings (Domain 4)
- Policies that support the formation of stakeholder groups in society and their ability to participate in decision-making processes (Domain 6)

Find out more about these policies and connected drivers of inequalities [here](#).

Outcome synergies

From the standpoint of the policy mix approach (outlined in the introduction to the policy mixes), the first step in addressing the rationale of a specific policy mix is considering the scale of interaction of different elements. If **social protection** is financed through regressive forms of **taxation**, the benefits in relation to poverty and inequality may not materialise. On the other hand, an effective social protection system can ensure that revenue is spent progressively: tackling inequality and ameliorating disadvantage at the bottom end depends on how the money raised is spent. This means adopting an approach that moves away from evaluating anti-poverty strategies in isolation from the taxes used to pay for them. Revenue-raising instruments can include higher tax burdens on the poor (e.g. through no-exemption value added taxes), which are sometimes justified in virtue of their use to finance pro-poor expenditures with a net poverty-reducing effect (Ebrill et al., 2001). However, the problem with this approach is that it can produce a system that, while poverty-reducing for a range of poverty lines and poverty measures, still makes a substantial proportion of the poor worse off: i.e. it improves the condition of the poorest households, but negatively impacts those who are still poor but just above a lowest levels (Higgins and Lustig, 2016). Differences in the combination of policies characterising the tax and transfer system thus make a substantial difference to their net impact: for instance, Brazil and Ecuador are found to have overall similar levels of fiscal gains for the poor, but

fiscal impoverishment (the proportion of the poor who pay more in taxes than they receive in transfers) is much higher in Brazil than in Ecuador. This can be attributed to the multiple consumption taxes levied in Brazil, with almost no exemptions, compared to the Ecuadorian system that exempts food, basic necessities, and medicine (Llerena Pinto et al., 2015). In this example, no-exemption consumption taxes can be seen as having a counteracting effect that diminishes the coherence of the system in relation to outcomes – consumption taxes are shown to play a similar role in many other low- and middle-income countries (Lustig et al., 2020). Instead, 4.1 (Redistributive tax policies) and 4.2 (Universalistic social protection) should have congruent goals and a reinforcing type of interaction (Figure 1.1).

There is a growing literature evaluating the potential effects of different fiscal instruments to counter the fiscal impoverishment that characterises many systems (Lustig et al., 2020). These instruments – from increases to progressive direct taxes to proportional increases in indirect taxes – present different challenges in terms of economic and political feasibility. This toolkit focused on the potential of different forms of wealth taxation, including the reduction of exemptions and deductions (4.1). These taxes present an often-untapped potential that can raise additional revenue in a progressive manner to be used for social protection spending, while revenue lost due to base erosion and profit-shifting has also been shown to be significant. These resources might not suffice to ameliorate the incidence of fiscal impoverishment (Lustig et al., 2020) and the distortions of different elements of the tax and transfer system would need to be evaluated in specific contexts.

The **outcome synergies between asset-based taxation and universalistic social policies are promising** because, on the one hand, cash transfers are primarily granted to vulnerable or low-income households, and thus tackle poverty and bottom-end inequalities. They are shown to be effective in reducing poverty, despite varying degrees of exclusion, and inequality, albeit to a smaller extent, due to their small values. In this regard, non-contributory pensions have emerged as more effective in reducing inequalities, because of their larger values, and can thus complement other forms of cash transfers. On the other hand, wealth is much more unequally distributed than income – capital income plays a particularly key role at the very top of the distribution – and wealth taxes are particularly progressive (as those at the bottom and the middle of the wealth distribution tend to have negative

Figure 1.1 Scale of interaction



Source: Adapted from Nilsson et al. (2016).

or very low net assets). Moreover, both can have consistent and potentially complementary broader effects – wealth plays a key role in people’s life trajectories and in the transmission of advantage and disadvantage across generations, while cash transfers stimulate the achievement of capabilities in other domains, particularly health and education.

At the same time, the interaction with MIF Domain 6 policies is essential. **Economic and political inequality are mutually reinforcing.** Poverty, economic and social inequalities themselves undermine political mobilization and participation among poorer citizens, while high inequality can generate concentrations of political power among the well-off, constraining resource allocation and making progressive and pro-poor policies difficult. Indeed, political barriers emerge as a key challenge in relation to both 4.1 and 4.2. Policies explored under 6.1 would attempt to tackle these barriers, by reducing risks of government capture and reducing the influence of the affluent through the disclosure of lobbying activities and political funding, caps on donations, and policies against revolving door arrangements. Meanwhile, because of the vicious circle of the reciprocal relationship between economic and political inequality, tackling inequality and poverty is necessary to decrease political inequalities – making the outcome synergies between 4.1, 4.2 and 6.1 reinforcing (Figure 1.1). Policies covered under 6.2 would facilitate these goals by ensuring citizens’ and civil society participation. While 6.2 is unlikely on its own to produce radical changes, it is one of the proactive strategies that can support 6.1 goals and equalise political influence; moreover, while there is currently little experience in using 6.2 policies in relation to fiscal reform, there is evidence that they can shape 4.2. progressively. At the same time, worries about corruption and lack of transparency in how taxes are spent are barriers to tax compliance – 6.1 and 6.2 would complement each other and attempt to ameliorate these challenges and there is some evidence that 6.2 has indeed achieved positive results in this sense.

Strategic and administrative synergies

Administrative and strategic synergies are contextual so the policy mix overview only aspires to highlight key issues, which must then be evaluated at the implementation stage in specific contexts. Table 1.1 summarises different elements that contribute to this analysis in relation to the four policies comprising the policy mix: first, the identification of key actors, as well as common barriers and facilitating factors, can support the development of effective strategies; second, overlaps in areas of intervention and costs suggest administrative synergies and increase the feasibility of adopting some of these policies together.

Table 1.1 Aspects relevant to strategic and administrative synergies

	4.1	4.2	6.1	6.2
Key actors	Governments (national or sub-national), taxpayers, tax intermediaries	Government (national or sub-national), NGOs, donors	Government (national or sub-national), civil society, international and regional organisations	Local Governments, civil society, donors, Citizens
Level of intervention	Global/National/Local (especially for property taxes)	National and sub-national	National, Sub-national, local	Local
Challenges and facilitating factors	<p>Administrative: Lack of technical and administrative capacity hinders implementation</p> <p>Institutional: Fragmentation across levels of government</p> <p>Institutional: Complementarities between fiscal and legal capacity building</p> <p>Political: Lack of trust in government and lack of perceived legitimacy of taxation affect support and compliance</p> <p>Political: Need for international cooperation, regional cooperation and information-sharing</p> <p>Political: Pressure from elites and corruption create barriers to reform, affect design and implementation</p>	<p>Administrative: Lack of technical and administrative capacity hinders implementation</p> <p>Institutional: Contribution to state capacity building and the creation of wider social policy planning capacity</p> <p>Fiscal: The more effective schemes in combating inequality are expensive</p> <p>Political: Management of conditionalities and targeting can lead to corrupt and patrimonialistic practices</p> <p>Political: International consensus pushing for some forms of social protection</p> <p>Political: Cash transfers can be politically polarising issues</p>	<p>Administrative: Need to develop monitoring and assessment system supported by improved data collection and wider integrity frameworks</p> <p>Institutional: Coordination dilemmas across levels of government</p> <p>Institutional: Limited state capacity restricting the range of instruments available, and increasing the vulnerability to external pressures</p> <p>Political: Need to develop proactive measures fostering more inclusive participation</p> <p>Political: International consensus increasing the saliency and urgency of reform</p> <p>Political: Increased political competition and engagement of social movements</p> <p>Economic and social: Reforms facilitated by low and decreasing levels of inequality and poverty</p>	<p>Implementation: Weak commitment and technical capacity at the local level of government.</p> <p>Institutional: Institutionalised legal frameworks and functional and strong institutions at the centre enable civic engagement</p> <p>Political/Institutional: Lack of central state support hinders the capacity to sustain and scale-up programmes and achieve lasting change.</p> <p>Implementation: Weak capacity for participation because of individual and collective expertise and resources</p> <p>Political: International consensus and donor support</p> <p>Political: Elite capture can perpetuate status quo.</p> <p>Economic and Social: Social and economic inequalities hamper the actual ability of individuals to participate.</p>
Costs	Revenue-raising but with medium-high administrative costs	Low conditional cash transfers, high for universal schemes	Low but requiring investment in building administrative capacity	Low

■ Challenging factor ■ Facilitating factor ■ Can be both

Source: Prepared by the authors.

In relation to strategic synergies we can see how these policies face common or related challenges.

All policy reviews highlight the challenge posed by **lack of technical or administrative capacities** and the need to develop these in the respective policy areas in order to successfully bring about effective reforms. There are important complementarities to consider here.

- **The development of administrative capacities does not proceed in isolation in different policy areas.** While specialized skills, knowledge and structures are needed for some functions, administration requirements also involve some general skills and techniques that are not unique to the specific areas – e.g. in terms of human resource practices or resource development (particularly information technology). Monitoring and evaluation are not, for instance, unique to a specific area of administration, although suitable performance indicators for different functions must be developed (Calder, 2014).
- **This challenge is compounded by institutional fragmentation across levels of government, posing coordination dilemmas and hindering implementation** (e.g. in relation to 4.1 and 6.1, but also because of potential disconnect between national and local levels in 6.2). Technical constraints are often greater at sub-national levels of government and effective strategies need to align with the reality of these limited capacities, reforming or avoiding excessively complex administrative practices. Fragmented administration also hampers capacity-building through the inefficient use of human resources and the duplication of functions. These technical difficulties intersect with political challenges experienced at different levels which remain often overlooked.

Administrative capacity intertwines and interplays with state capacity and addressing this interdependence is key to designing reform strategies in which enhancement of capacity elements is complementary (El-Taliawi and Van Der Wal, 2019).

- For instance, as noted in relation to transfer programmes, while programme evaluation is a key challenge, meeting it has led many countries to develop valuable state capacities that might be employed in other areas (Fiszbein and Schady 2009). The development of these programmes can contribute to wider social-policy planning capacities, such as through the creation of national eligibility registries.
- Fiscal reforms can be supported by structures that contribute to building state capacity, for instance by developing clear laws and regulations that embody strong taxpayer-protection, whilst the creation of credit and land registries can improve property-rights, shifting away from more damaging forms of extraction.

- Administrative capacity depends on overarching system-wide institutions: for instance, on regulatory and oversight systems that function with autonomy and impartiality. In this sense, the development of transparency and accountability mechanisms under 6.1 can be considered as part of a strategy supporting a stronger system of checks and balances, and this has been shown to have a positive effect on the ability of states to design, implement and monitor the budget (Ricciuti et al., 2019). The importance of well-functioning, higher-level institutions of accountability is also essential for mechanisms under 6.2 to operate at the local level.

International actors play an important role in relation to all these policies. On the one hand, rising international consensus can be seen as one of the key supporting factors underpinning the development of strategies around 6.1, 6.2, and 4.2, while there is a growing acknowledgement within the international community of the need for international and regional collaboration essential for 4.1.

All these policies face **related political challenges**. Some of these are directly connected: fiscal reform is affected by political pressures from elites and, as already noted, 6.1 contributes to tackle some aspects of these. 4.1 and 4.2 also face issues concerning the lack of trust in governments and corruption which are also related to transparency and regulatory measures addressed in 6.1, while 6.2 can also contribute to ameliorate these by creating more inclusive and transparent budgeting practices. At the same time, challenges such as the politically polarising potential of cash transfers refers to how targeted programmes benefit those who do not have to pay for them at the expense of those who do and can thus alienate middle classes. On the one hand, this challenge must be understood within the broader discussion of universalism and targeting; on the other hand, adopting a policy-mix perspective connects the issue to the revenue raising instruments that can be adopted to finance these programmes: in this sense progressive financing approaches (as 4.1) need to focus on tackling poor targeting of exemptions and preferential fiscal treatments that often benefit the most advantaged in society. The political challenges, however, can potentially be turned on their head and unfold into a virtuous cycle of reduced income inequalities and greater political participation. Reduced income inequalities, delivered through progressive taxation and expenditures, might leverage existing government capacities and open space for political reform, in turn increasing popular participation, accountability and engagement, hence leading to further policies reducing income inequalities.

In terms of administrative synergies, 4.1, 4.2, 6.1 and 6.2 all require a focus on the relationships between different levels of government – as they all envisage interventions not just at national level, but at sub-national and sometimes local level. As noted above, this requires assessing current communication and coordination challenges. At the same time, the policy mix envisages costs with a good degree of

complementarity: not just because it includes revenue raising instruments necessary to fund spending in social protection, but also because of the potential for coordination and inter-dependency of administrative capacities highlighted above.

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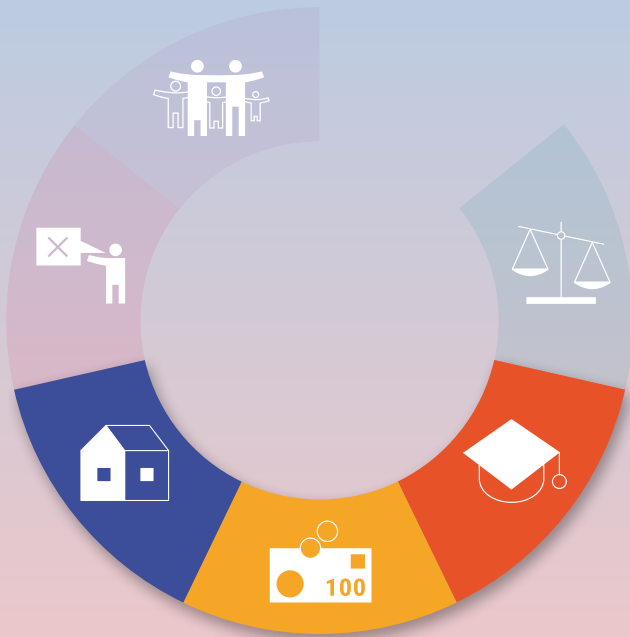
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POLICY MIX 2: TARGETING CHILDHOOD INEQUALITIES POLICY MIX



Policies included:

POLICY 1.1:
Free, high-quality, universal healthcare

POLICY 1.2:
Policies improving water, sanitation and hygiene (WASH) conditions and guaranteeing affordability

POLICY 3.1:
Free, high-quality, universal primary and secondary education

POLICY 3.2:
Provisions of early years education and care

POLICY 4.2:
Universalistic social protection policies

POLICY 5.1:
Policies to combat malnutrition

Relevant SDGs:

Target 2.2

Target 3.8

Targets 4.1 and 4.2

Targets 6.1 and 6.2

Target 10.4

Additional policies which could potentially be considered

- Other redistributive tax policies including increasing marginal tax rates for high earners, effective personal income taxation (including of the self-employed), effective corporate income taxation (Domain 4)
- Redistribution of land ownership, including possible caps on land sizes and high land value taxation for large (and unused) landholdings (Domain 4)
- Policies that support the formation of stakeholder groups in society and their ability to participate in decision-making processes (Domain 6)

Find out more about these policies and connected drivers of inequalities [here](#).

Childhood inequalities can shape opportunities and differences in adult lives. Children largely lack autonomy and are dependent on parents and state interventions. Early interventions that reduce inequalities have long term benefits. This mix considers how a number of distinct policies can be effectively combined to reduce childhood inequalities.

Outcome synergies

Physical, cognitive, psychosocial developmental trajectories interact and shape children's social, economic, educational and health outcomes. Interactions across different development systems have cumulative consequences for development –sometimes referred to as 'developmental cascades' (Masten and Cicchetti, 2010). **Because of the striking similarities and connections between the factors shaping children's lives, an integrated perspective, rather than one approaching policy sectors (e.g. education, health, social protection) in isolation, allows to understand how positive developments in one area can translate to improvements in another.** Moreover, while early circumstances matter considerably, they are not all that is important for children's subsequent development. There are other 'windows of opportunity' and 'critical junctures', and remedial strategies at different stages of children's lives should not be overlooked. This means that even within one distinct policy domains we need to focus on the interaction between policies relevant to different stages of children's lives as well as on their families and preventive factors.

Differences in children's well-being have common roots and the same children often experience multiple disadvantages or advantages. Nutrition affects physical growth, other domains of development and has long-term health effects – malnutrition is a key driver of inequalities in health (Akombi et al., 2017). Nutrition also strongly impacts on cognition, and nutritional status is predictive of both later learning and psychosocial well-being (Dornan and Woodhead, 2015). At the same time, household resources greatly impact children's opportunities. **Economic disadvantage** is strongly associated with undernutrition (Dornan and Woodhead, 2015), and plays a key role in relation to both health and educational inequalities, acting as an important barrier to reducing inequalities in these domains. Lack of resources exposes households to more risks (food security, drought, economic pressures etc.) and makes them more vulnerable to external shocks, narrowing the range of possible coping strategies open to them, with the result that shocks have persistent consequences and their impacts are magnified. Social protection measures can buffer these shocks and enable more effective coping strategies, making them an important foundation for supporting holistic development (Woodhead, 2014). Cash transfers in particular are an integral element of approaches aiming to increase food consumption and security and improve the social determinants of health for the poorest. Income has been shown to have a causal impact on a wide range of children's outcomes, from health to cognitive development and educational attainment (Cooper and Stewart, 2017). **In a policy mix aimed at reducing childhood inequalities, policies covered under 5.1 (nutrition-specific interventions) and 4.2 (universalistic social protection) are essentially indivisible from those pursued in the areas of education and health** (Figure 2.1).

Figure 2.1 Scale of interaction



Note: *refers to families and mothers in particular
Source: Adapted from Nilsson et al. (2016).

Moreover, understanding policies 3.1. (free, high-quality, universal primary and secondary education), **3.2.** (early years education and care), **1.1.** (free, high quality, universal health care) **and 1.2** (WASH policies) **in isolation would overlook the reinforcing relationships that underpin their interactions** (Figure 2.1). On the one hand, recent years have stressed the importance of early interventions, because of the dynamic relationship between early accumulation of experiences and later outcomes. Much attention, therefore, has been placed on how 5.1., 1.2. and 3.2. impact children's life at an early age. Early childhood education and care (3.2.) helps level the playing field for all children by compensating for disadvantages at home and mediating their transmission. 3.2 policies improve cognitive and socio-emotional development, create a foundation for lifelong learning and increase intergenerational social mobility. They can support participation in later schooling (3.1.), because they have been shown to produce changes in children's and parents' attitudes and motivation, making children more ready to go to school and making parents perceive and support them as learners. However, the substantial cognitive, behavioural, health and schooling benefits from early childhood interventions emerge particularly when these encompass different components (e.g. education and stimulation with nutrition interventions and cash transfers – rather than nutrition-only or income support-only interventions). Meanwhile, WASH interventions (1.2), particularly if implemented alongside other policies, can reduce childhood stunting and undernutrition, improve overall health capabilities and educational outcomes – especially for girls – and reduce the financial burden of households by freeing up time for mothers and for other members of the household who can then engage in productive activities. Without these interventions, the impact of 3.1 and 3.2 are severely curtailed, as children will enter (and exit) school with substantial cognitive disadvantages driven by health and other conditions during the first years of life. Universal health care (1.1.) mitigates socioeconomic gradients of access to healthcare and health outcomes. It disproportionately benefits the poor and is effective to improve child and neonatal health and life expectancy. Childhood health inequalities bear on educational inequalities and economic inequalities in the longer run – as better health supports educational attendance, learning and achievement. At the same time, the education inequalities that can be ameliorated by free, universal, high-quality primary and secondary education (3.1.) relate to a range of other social and economic outcomes – income and standard of living, unemployment risks, health and mortality risks.

It is important to understand how childhood inequalities emerge from intergenerational cycles of advantage and disadvantage. In this sense, **synergies between policies in these different domains for families and mothers – 1.1., 3.1., 5.1. – function as enabling factors for approaches targeting children** (Figure 2.1). This is the case, for instance, because maternal malnutrition before and during pregnancy contributes to child stunting and wasting and is a key driver of long-term inequalities, which are likely to be

passed on to their own children. Moreover, there is a synergy between health, hygiene and maternal education, which can be seen, for instance, in how intersectoral and multi-scalar cooperation increases the effectiveness of WASH interventions. 3.1 and 1.1. can play an important enabling role here. Extended and frequent contact with healthcare professionals, with adequate participation of the community, is key to raise awareness, promote necessary skills and sustain habit-changes. Relatedly, women's education in particular has been shown to influence domestic hygiene practices and use of health care services (Barrett and Browne, 1996). Parental, and particularly maternal, education is also an important determinant of a variety of child health outcomes (Breierova and Dufflo, 2004; Andriano and Monden, 2019; Mensch et al., 2019; Dornan and Woodhead, 2015). Meanwhile, as 1.1. has been shown to mitigate socioeconomic gradients in health outcomes, it also affects household risks and shocks that affect both child poverty and participation in education. The advantaged, conversely, can use their wealth, knowledge and influence to secure the best opportunities that are available for their children (e.g., in the education system, and later in the labour market). This 'opportunity hoarding' can limit the progress of children from less advantaged backgrounds (where, e.g., places are limited in good schools, for health treatments or securing the best jobs) and lead to inefficient and inequitable outcomes.

Strategic and administrative synergies

Recent years have seen a growing literature addressing the challenges of developing a multi-dimensional and multi-sectoral approach to early childhood development interventions (ECD). This literature (Britto et al., 2014; Woodhead, 2014; WB, 2017; Sayre et al., 2015) offers useful background framework to explore the administrative and strategic synergies that characterise a policy mix targeting childhood inequalities. Table 2.1 offers an overview of the different elements employed for this analysis.

All of the policies considered face challenges in relation to financing. Some of the most effective social protection schemes (4.2.) and high-quality services in health, education or WASH (1.1., 3.1., 1.2) are expensive, while the scaling up of programmes in nutrition and early childhood education and care (3.2, 5.1) also requires substantial investment.

At the same time, **all these policies also promise to be cost-efficient** in light of the substantial gains resulting from a healthier, more productive population. The case for the cost-effectiveness of these strategies is stronger when considering their integration (Sayre et al., 2015). For instance, alongside 1.1. the policies proposed promise to address other determinants of health statuses, maximising the effects of each intervention. These policies also have in common the fact that **they involve a variety of local/national/international actors** and, especially in low-capacity contexts and at initial intervention stages, they often rely greatly on support by external financing. This leads to a **common issue in establishing governance mechanisms that prevent a**

trade-off arising between foreign resources and government spending. Moreover, innovative forms of finance (e.g. new taxes with earmarked proceeds; consumer donations, and impact bonds) are unlikely to solve under-investment problems and risk instead relegating funding for these services to a ‘special category’. Instead, these forms of financing can function as a springboard to jumpstart investment and support. This, in practice, requires a) evaluating existing structures in order to take pragmatic steps towards ‘joined up’ services and b) understanding the potential of integrating financing of underfunded services (e.g. 3.2) into existing mainstreamed financing of core education, health or social protection services (Putcha et al., 2016). Finally, focusing on childhood inequalities and the deprivations experienced by the most disadvantaged can structure financing strategies supporting the development of a holistic and sustainable approach – from the gradual expansion of social protection to understanding how to adequately sequence (e.g. in relation to 3.1.) and target service investment towards priority areas, regions and groups.

Table 2.1 Aspects relevant to strategic and administrative synergies

	1.1	1.2	3.1
Key actors	Government (national and sub-national); potentially, donors	Government (national and sub-national); donors	Governments, international agencies, service providers
Challenges and facilitating factors: administrative and capacity-building	<p>Fiscal: high-quality health services are some of the most expensive policies</p> <p>Administrative: high-quality health services require extensive training and coordination with different government spheres, health professionals, users and potential donors</p> <p>Implementation: supply-side constraints, such as lack of skilled health professionals compounded by absenteeism</p>	<p>Fiscal: the most effective forms of WASH interventions are costly</p> <p>Administrative: effective coordination of different sectors and scales of intervention is challenging</p> <p>Implementation: extended and frequent contact with healthcare professionals improves hygiene interventions</p>	<p>Fiscal: budgetary constraints and limited resources</p> <p>Institutional: growth of private sector can create new barriers in achieving equitable system</p> <p>Implementation: supply-side constraints in terms of physical and human resources, compounded by widespread absenteeism hinder effective delivery and quality</p>
Challenges and facilitating factors: political	<p>Political: there is the risk that richer groups will capture public health services, creating top-end inequalities</p> <p>Political: broad political movements focusing on guaranteeing social rights can foreground demands for universal health coverage</p> <p>Social: transparency, accountability and democracy can improve the governance of health systems and their responsiveness to the population.</p>	<p>Political: widespread political consensus and support</p>	<p>Political: Political agendas and priorities conflict with equity goals.</p> <p>Regulatory: Development of robust accountability mechanisms, including bottom-up solutions and greater role to be played by civil society organisations</p>
Challenges and facilitating factors: social, economic and cultural	<p>Social: effective and efficient decrease of health inequalities requires addressing the social determinants of health</p>	<p>Economic: changes in hygiene practices can be individually costly in low-income spaces with deficient infrastructure</p> <p>Social/Cultural: hygiene habits are hard to change and require repeated, sustained interventions and WASH conditions need to be culturally adequate (e.g. deliver water palatable by consumers)</p> <p>Administrative: community participation, especially of women, can raise effectiveness and develop solutions that are culturally more appropriate</p>	<p>Economic/Social: demand-side barriers such as hidden costs, norms and attitudes can limit access for poor families</p> <p>Economic: cash transfers reduce direct and indirect costs and affect enrolment and drop-out rates</p> <p>Social: parental attitudes towards schooling can change through sensitisation activities and pre-school attendance</p>
Costs	Very high (at the very least, 5% of GDP)	From low to high, depending on the implementation of 'basic' or 'transformational' WASH	High

Source: Prepared by the authors.

	3.2	4.2	5.1
Key actors	Governments, international agencies, service providers	Government (national or sub-national); NGOs; donors	Government (national and sub-national), communities; donors
Challenges and facilitating factors: administrative and capacity-building	<p>Fiscal: investment in ECEC remains very low; while scaling-up successful programmes comes at a high cost</p> <p>Administrative: there are significant planning and governance challenges both in terms of horizontal coordination (across policy sectors) and vertical coordination (across levels of government)</p> <p>Regulatory: clear allocation of responsibilities and careful monitoring are needed to promote quality and equity, especially in light of the role of private providers in many contexts</p> <p>Implementation: supply-side constraints in terms of physical and human resources</p> <p>Implementation: improved career pathways that are linked to both financial and non-financial recognition can support human resource development</p>	<p>Fiscal: the most effective schemes in combatting inequality are expensive</p> <p>Administrative: lack of technical and administrative capacity hinders implementation</p> <p>Institutional: contribution to state capacity building and the creation of wider social policy planning capacity</p>	<p>Financial/administrative: scaling-up interventions requires building up financial and government capacities, but investments are favourable from a cost-benefit analysis standpoint</p> <p>Administrative: vertical coordination (across levels of government) and horizontal coordination (between nutrition-specific and nutrition-sensitive interventions) is challenging</p> <p>Administrative: scaling-up interventions requires building government capacities</p>
Challenges and facilitating factors: political	<p>Political: Lack of policy attention by national governments</p> <p>Political: political influence shapes priorities and ECEC delivery with potential adverse consequences for equity</p>	<p>Political: management of conditionalities and targeting can lead to corrupt and patrimonialistic practices</p> <p>Political: cash transfers can be a politically polarising issue</p> <p>Political: international consensus pushing for some forms of social protection</p> <p>Political: successful implementation of social protection policies can build development coalitions</p>	<p>Political: strong leadership that frames reducing nutritional inequalities as a central political goal is a key success factor</p>
Challenges and fac. factors: social, economic and cultural	<p>Economic: poverty and inequality constrain access</p> <p>Social: public and parental attitude towards ECEC</p> <p>Administrative/social: participatory engagement, broad stakeholder involvement and development of context-relevant help promoting public support for ECEC</p>	<p>Social: receiving targeted benefits can lead to stigmatisation</p>	<p>Social: community-based interventions increase uptake, adapt programmes to local needs and preferences, and are better able to reach those most in need</p>
Costs	High – while the cost of some interventions are low, efforts of scaling up successful programmes and increase public investment would envisage high costs	Highly variable – low for targeted conditional cash transfers, high for universal scheme	Scaling up ten nutrition interventions would cost \$10 billion globally, or \$370 per life-year saved; cost-benefit analyses are highly positive

Source: Prepared by the authors.

All these policies face administrative capacity challenges and, in particular, vertical coordination (across levels of governments) and horizontal coordination (within sectors and across sectors). These coordination challenges are compounded by reliance on a variety of actors, from NGOs to the private sector (e.g. 1.1., 3.1., 3.2), which introduces **ambiguities in the allocation of responsibility but also has the potential to undermine equity goals.** In each sector typically there are complex and multi-layered systems of governance and financing, that often also involve programme delivery via non-state actors or community-based services.

It is important to understand that there is a spectrum of possible levels of integration (see Table 2.2) and operationalizing an integrated system requires assessing current structures – as integrated systems are unlikely to start from a blank canvas. It is also unlikely that there will be a ‘one size fits all’ solution and full integration might be both unrealistic and undesirable depending on the particular circumstance. This entails evaluating current needs and cost-effective strategies.

Table 2.2 Integration ladder

5	Full integration of governance, finance, service delivery, training etc.; at all levels through to service users, led by national policy and/or lead ministry
4	Partial integration, joint policies and/or combined services, including national, municipal or community-based initiatives
3	Active inter-sectoral collaboration e.g. via joint planning office, shared training, quality standards, inspections, etc.
2	Basic coordination of roles, goals and delivery, with effective inter-sectoral communication at ministry and municipal levels
1	Sector based services with minimal connection between policies, services, professionals, etc.
0	Fragmentation amongst sectors and providers at all levels

Source: Adapted from Woodhead (2014).

At the same time, a few general lessons can be drawn from the commonalities these different policies present.

Most contexts, especially in low-income countries, are characterized by weak monitoring and evaluation mechanisms. As noted in policy mix 1, the development of these capacities presents substantial overlaps. **Training and monitoring** have proven to be crucial for the success of many early childhood development programmes in different contexts (WB,

2017). The development of instruments such as standardized costing tools (Gustafsson-Wright et al., 2017) can ensure methodological consistency and be used across a range of interventions, contributing to capacity building. **Regulatory and accountability mechanisms** for equity are particularly important where service provision has seen an expanding role of private providers.

A key to integration is often the identification of an institutional anchor – often the Ministry of Finance, Education or Health (Britto et al., 2014; Sayre et al., 2015). This is also particularly central to scaling-up, budgeting and more generally ensuring national commitment to the multi-faceted approach. At the same time, intermediate levels of government (namely, provincial/regional and district) are often found to be the bottleneck presenting the weakest horizontal coordination (Britto et al., 2014). At this level within-sector vertical compliance is often a major preoccupation.

Finally, as stressed also in relation to Policy Mix 1, the **development of administrative capacities does not proceed in isolation in different policy areas.** For instance, the gradual expansion of social protection in many countries provides one important foundation for supporting holistic development and administrative capacity, while development coordinated models at the level of service delivery provides another.

1.1., 1.2., 3.1. and 3.2. **face supply-side constraints, particularly in relation to human resources,** which are often compounded by high rates of absenteeism in many contexts. This often hinders the effective implementation of these policies, particularly in relation to quality of service delivery – which in turn has demand-side consequences as it contributes to undermine public trust, engagement and access. While service professionals in these different fields require specialized skillsets, training and support, these challenges raise broader questions around background structures (e.g. human, legal and regulatory). Human resource development can thus entail boosting monitoring mechanisms, assessing possible incentives (monetary or non-monetary and delivered on an individual or a group basis), improving work environments or promoting professional development (e.g. through career pathways that are linked to both financial and non-financial recognition). Different sectors can learn from one another and contextual analysis can help identifying further commonalities: for instance, in contexts where absenteeism challenges are tied to political relationships, the development of monitoring, including bottom-up accountability, can be especially important.

While **all these policies enjoy strong international political support,** national governments have tended to prioritise some (e.g. 3.1, 1.1.) and show little commitment towards others (e.g. 3.2.), often leading to the adoption of approaches that fail to be bold and transformative (e.g. in 1.2.). Successes in some of these areas have shown that **strong leadership that frames reducing inequalities as a central**

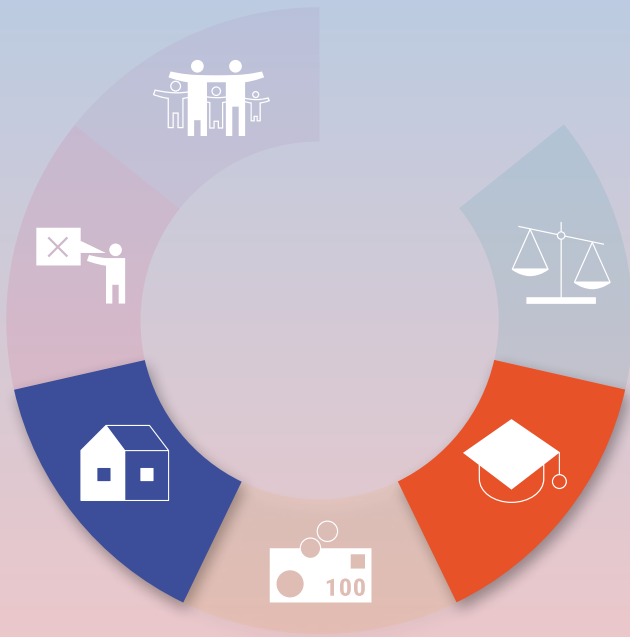
political goal is a key success factor (e.g. 5.1). Central to a multi-dimensional and intersectoral approach is the idea that the framing of these political priorities in terms of trade-offs fails to account for the fact that children live multi-dimensional lives, and experience multi-dimensional advantages and disadvantage that hinders development and entrenches inequalities in later life. Many of these policies (1.1; 3.1; 3.2; 4.2) face the **risk of capture** by wealthier groups (opportunity hoarding), and the extent to which equity is a key concern in the design of these policies influences budgeting decision and choices in delivery. Elite capture can lead to exacerbating, instead of ameliorating, inequalities. Successful experiences, such as the expansion of healthcare systems in Latin American countries, show how reforms can be bolstered by large political movements focusing on securing social rights and creating the political conditions for extended coverage. Transparency, accountability and democracy can improve governance and **civil society organizations play an important role in relation to accountability**, through legal mechanisms but also through research, coalition building, collective action and media campaign.

Demand-side barriers, both economic (e.g. hidden direct costs, indirect opportunity costs) **and social** (e.g. concerning parental attitudes, cultural norms and practices), affect several of the policies considered here (1.1., 1.2., 3.1, 3.2, 5.1). On the one hand, this emphasizes the importance of including social protection measures (4.2) that are essential to ameliorate these barriers to access and engagement – which often also present stark gender differences. On the other hand, **community participation and broad stakeholder engagement** is also a common facilitating factor that sustains habit and preference change, allowing for greater local ownership, cultural sensitivity, alignment with local needs and improved reach of those most in need. In approaching childhood inequalities from a multi-dimensional standpoint this is essential as care-giving traditions within local cultures mediate the engagement with all these policies.

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POLICY MIX 3: SPATIAL INEQUALITIES POLICY MIX



Policies included:

POLICY 1.1:
Free, high-quality,
universal healthcare

POLICY 3.1:
Free, high-quality,
universal primary
and secondary
education

POLICY 5.2:
Policies to upgrade
slums

Relevant SDGs:

Target 3.8

Targets 4.1

Target 11.1

Additional policies which could potentially be considered

- Job-creation policies, which can benefit disadvantaged areas of a country, and policies that limit top-earnings, which are usually concentrated in richer regions (Domain 4)
- Income-supporting and productive policies for rural households (Domain 5)
- Policies to combat malnutrition (5.1)
- Policies to ensure freedom of speech, assembly and protest, particularly in deprived areas (Domain 6)

Find out more about these policies and connected drivers of inequalities [here](#).

Outcome synergies

If inequalities are ultimately about how people are positioned in the distribution of the diverse capabilities, they are nevertheless structured across – and reinforced or even caused by – spatial dimensions. This policy mix thus addresses multidimensional spatial inequalities, combining three sets of policies. It comprises: in the domain of Life and Health, policies that deliver **universal, free at the point of use high-quality healthcare, removing all user fees and funded through general public expenditure**; in the domain of Education and Learning, policies to deliver **free, universal, high-quality primary and secondary education, that seek to improve and equalise school quality**; and, in the domain of Comfortable, Independent and Secure Living Conditions, policies designed to **upgrade slums in terms of quality of housing, water, sewerage, drainage, street lighting, paving, recreation areas, access to social services, land titling and property regularisation**.

Only one of the policies included in this mix is inherently spatial (slum upgrading), the two others being universal in nature (healthcare and education), but **their interaction has the effect of reducing spatial inequalities**. In the case of healthcare, providing a high-quality, free service throughout the whole territory assures a base level of healthcare which everyone can access, reducing disparities in access and health outcomes (Andrade et al., 2015, Cotlear et al., 2015, Frenk 2015).¹ In the case of education, both the presence and the quality of primary and secondary schools tend to vary greatly between localities, whether between rural and urban

spaces or between different neighbourhoods of the same city. Equalising access and quality, therefore, is a crucial element in the overall plan to reduce educational inequalities across different vectors (Goldthorpe, 2013; McKnight, 2017), but with a clear spatial element.² Finally, slum upgrading initiatives focus on pockets of multi-dimensional deprivation in urban centres, which include but are not restricted to precarious access to healthcare and education, and thus directly address some of the most spatially concentrated inequalities.

Individually, these policies are already expected to have inequality-reducing effects in dimensions other than their primary domain of intervention (see the individual reviews for details). For example, improved access to free health-care will reduce inequalities not only in health outcomes themselves, but also in their economic gradient (i.e. the association between income or wealth and health outcomes) and in economic inequalities, as it reduces the risk of impoverishing out-of-pocket health expenditures (Bloom et al., 2018; Somkotra and Lagrada, 2008; Wagstaff et al., 2018). These policies thus stimulate what is known in the literature as ‘**fertile capabilities**’ (see Nussbaum, 2011), i.e. those that are expected to drive multi-dimensional gains (and, conversely, the deprivation of which increases the chances of individuals being caught in multidimensional poverty traps).

This policy mix, combining the inequality-reducing impact of the three individual policies and their spillover effects, **creates further synergies capable of addressing inequalities across several domains**. At its most essential, this mix guarantees the basic aspects of the rights to health, education and housing, thus reducing spatialised bottom-end inequalities in some of the most important life domains. And, as each of these rights are secured, capabilities in the other two flourish as well.

Three key outcome synergies are, first, that **maternal education increases health outcomes for children**, such as through higher usage of prenatal care and children vaccination rates (UNICEF, 2012). This requires, in turn, the supply-side element of there being available, accessible and acceptable healthcare provided. For the spatial element of the mix, this requires that both healthcare and education be provided in slums.

Second, extensive **slum upgrading projects** often involve the upgrading of water, sanitation and hygiene (WASH) conditions, which **improve the health and the education of residents, particularly women and girls** (Corburn, 2017; Corburn and Sverdlik, 2017; Gulyani and Bassett, 2007). Adequate WASH conditions in slums increase the efficacy and efficiency of healthcare, as they prevent the spread of

1 This does not imply that the same level and complexity of services will be available in all localities, as more specialised treatments and facilities tend to be used less often and as such as available in fewer, more central spaces. What this implies is that there is an integrated, free service that can tend to all individuals in all spaces, either through direct, in-place treatment, or through referrals and similar procedures.

2 Similar to the note above, higher education, as a more specialised service that fewer people access, need not be as spatially ubiquitous as primary and secondary education.

Figure 3.1 Scale of interaction



Source: Adapted from Nilsson et al. (2016).

waterborne diseases and other health hazards (including the risks of sexual assault). Furthermore, they free up the time of female members of the household to study and undertake productive activities, which would otherwise be spent collecting water and fuel (Turley et al., 2013). Conversely, without access to high-quality healthcare and education, slum residents are unlikely to be able to escape the multi-dimensional poverty traps that often characterise these spaces (Marx et al., 2013).

Third, all **the three policies have an element of risk-reduction, financial and otherwise, that is strengthened when combined.** Universal healthcare greatly reduces the risks of catastrophic or impoverishing health expenditures, directly attenuating the link between health- and income-poverty (Knaul et al., 2012; Wagstaff et al., 2018); slum upgrading initiatives increase productive capabilities, with positive effects on expected income, and reduce the risks of housing-related hazards (e.g. landslides and flooding), which carry large health and financial risks (Corburn and Sverdlik, 2017); and access to high-quality primary and secondary education gives individuals greater skills and employment opportunities, reducing their long-term vulnerability to economic poverty.

As such, these policies mostly reinforce each other by **stimulating complementary capabilities**, but in some dimensions they can furthermore be considered **almost indivisible**. In particular, slums are usually characterised by a lack of adequate services and infrastructure, not only in individual households (e.g. inadequate sanitation) but also for the neighbourhood as a whole. The latter include infrastructural aspects, such as inadequate public lighting and unsafe roads, but also the provision of services – especially primary and secondary schools and health centres. Or, if these services are present, they often are of lower quality than those available in other regions. Therefore, depending on local characteristics, **slum upgrading projects might involve health- and education-provision as constitutive elements**, whilst, conversely, **the universalisation of high-quality healthcare and education might need to occur through their provision in slums**.

Another key feature of this policy mix is **to address the long-term, inter-generational reproduction of inequalities**. Health and education are some of the key capabilities individuals need to be productive, earn higher wages and, more generally, to flourish throughout their whole lives. Primary and secondary education are central to full development of children and adolescents, generating lasting returns over the long term, whilst high-quality, free health services

are in different ways important throughout the whole life cycle. Antenatal care and adequate child health and nutrition, in particular, have irreversible effects (Ngure et al., 2014). Slums in turn are often the spaces most deprived of these services, so upgrading them will allow for their residents to access such services regardless of financial constraints, whilst still maintaining access to the greater productive and leisure opportunities urban centres provide (Corburn and Sverdlik, 2017). This policy mix can thus help **increase social mobility over an individual's lifecycle and across generations**.

Strategic and administrative synergies

Beyond synergistic gains in outcomes, these policies, if implemented together, are likely to produce underlying conditions that increase their joint likelihood of being successful. A key element in the success of all three policies, especially universal healthcare and primary and secondary education, is **the development of adequate administrative and planning capacities across national and sub-national spheres of government** (Bloom et al., 2018). The expansion of health and education systems often runs across 'supply-side' constraints, which range from the presence of trained professionals to logistical issues and, importantly, coordination across areas and scales of governments. Whilst some elements of the latter are specific to each policy, there is a more general issue of administrative capacities, including the establishment of communication channels between government departments, common information-gathering institutes, and coordination and accountability mechanisms linking national and local governments. Focusing specifically on spatial inequalities, these administrative capacities are essential to reap increasing returns to scale, as they can allow for the sharing of 'best practices' between regions and coordinate different local initiatives into a larger plan. The latter point has been emphasised in the literature on slum upgrading, which highlights that **a consistent plan must combine local demands, community participation, and an overall – usually national – programme to upgrade all slums**, with due financial backing (Gulyani and Bassett, 2007; Marx et al., 2013; Mitra et al., 2017). Similarly, absenteeism of professionals is a challenge to the provision of high-quality healthcare and education (Chaudhury et al., 2006), which can be partially tackled through common mechanisms. The scaling up of these three policies can thus benefit from each other, as past experiences and administrative capacities are shared between them.

Table 3.1 Aspects relevant to strategic and administrative synergies

	1.1	3.1	5.2
Key actors	Government (national and sub-national); potentially, donors too	Governments (especially sub-national), international agencies, service providers	Government (especially sub-national); communities
Challenges and facilitating factors: administrative and capacity-building	<p>Fiscal: High-quality health services are some of the most expensive policies</p> <p>Administrative: High-quality health services require extensive training and coordination with different government spheres, health professionals, users, and potentially donors</p> <p>Fiscal: Universal health services funded through general public expenditure tend to be cost-efficient, even if they have overall high costs</p>	<p>Fiscal: Budgetary constraints and limited resources</p> <p>Implementation: Teacher quality and absenteeism</p> <p>Administrative: Appropriate planning in terms of sequencing, targeting investment in priority educational areas, groups and regions and sustainability strategies</p> <p>Regulatory: Development of robust accountability mechanisms, including bottom-up solutions and greater role to be played by civil society organisations</p>	<p>Administrative: Local conditions in slums are highly variable</p> <p>Administrative: Choosing the right mix of focuses (infrastructure, tenure, housing units, and neighbourhood) and scale</p>
Challenges and facilitating factors: political	<p>Political: There is the risk that richer groups will capture public health services, creating top inequalities</p> <p>Political: Broad political movements focusing on guaranteeing social rights can foreground demands for universal health coverage</p>	<p>Political: Political agendas and priorities conflicting with equity goals</p> <p>Institutional: Growth of private sector can create new barriers in achieving an equitable system</p>	<p>Political: Elites are prone to ‘capture’ upgrading initiatives for their benefit</p> <p>Political: Leadership at several levels (local to national) promotes the continuity and effectiveness of interventions</p>
Challenges and facilitating factors: social, economic and cultural	<p>Social: Effective and efficient decrease of health inequalities requires addressing the social determinants of health</p> <p>Social: Transparency, accountability and democracy can improve the governance of health systems and their responsiveness to the population</p>	<p>Economic/Social: Demand-side barriers, such as hidden costs, norms and attitudes, can limit access for the poor</p> <p>Economic: Cash transfers (including financial incentives) can reduce direct and indirect costs and affect enrolment and drop-out rates</p> <p>Social: Parental attitudes towards schooling can change through sensitisation activities and pre-school attendance</p>	<p>Social: Slum upgrading initiatives run the risk of promoting ‘gentrification’</p> <p>Social: Ensuring adequate community participation is a complex and drawn-out process</p> <p>Cultural: Upgrading initiatives must deliver culturally appropriate housing</p> <p>Social: Effective community participation can help deliver adequate, culturally appropriate solutions</p>
Costs	Very high: at least 5% of GDP	High	Variable, but usually high

■ Challenging factor ■ Facilitating factor

Source: Prepared by the authors.

Another feature that has been consistently associated to successful transformations in these three areas is **having a strong leadership that champions change** (Gilson and McIntyre, 2005; Hwang and Feng, 2019). If there are indeed relevant supply-side constraints, it is often political aspects that prevent transformations from taking hold – and a leadership that advocates change and sets goals and priorities is key to overcome both of these elements. Indeed, as observed in the case of fighting undernutrition but with a more general remit, ‘political calculations are at the basis of effective coordination between sectors, national and subnational levels, private sector engagement, resource mobilisation, and state accountability to its citizens’ (Gillespie et al., 2013: 553), which requires strong leadership at different levels. A programme of change that straddles these three areas does present its challenges, as goals multiply and priorities might become blurred, but it also offers a unique opportunity for developing an equality-led leadership centred on guaranteeing rights for individuals in all areas of a country.

A risk that is common to all of these policies is that **elites of one kind or another might capture their benefits for themselves**, thus reducing or eliminating their inequality-reducing effect (Ferraz, 2009; Ferraz, 2018; Gulyani and Bassett, 2007). Whilst there is no magic bullet to prevent this from happening, there are indeed conditions associated to a higher chance of progressive outcomes – conditions which, importantly, are shared across the three policies. From the side of the government and service providers, transparency and accountability are key requirements. But, more broadly, successful processes of universalising healthcare and education and of upgrading slums have been associated to **broad political movements demanding rights and strong community participation** (Atun et al., 2015; Muchadenyika and Waiswa, 2018; Santoro Lamelas, 2020). As discussed in the individual policy reviews (see also 6.2), community-participation initiatives are far from guaranteed to succeed, but they do tend to be necessary conditions for adequate, culturally appropriate interventions. And, as initial successes occur, they can generate ‘cultures of participation’ that are inherently multi-dimensional, reaping benefits for all three policies in this mix.

Community participation has the further benefit of **promoting adaptation to local conditions**, which is a key element for the success of these policies – particularly in the case of slum upgrading (Brown-Luthango et al., 2017; De Geest and De Nys-Ketels, 2019; McIntyre et al., 2009). As conditions in slums are highly variable, in the absence of strong inputs and leadership from the affected communities it is likely that interventions will reproduce regional or spatial inequalities. The same is valid, if to a lower degree, for healthcare and education, as the needs and capacities of different spaces in a country also vary. Therefore, there are synergistic gains to be had from **building upon existing community institutions and fora, which can participate in the design, implementation and monitoring of policies in the three domains**.

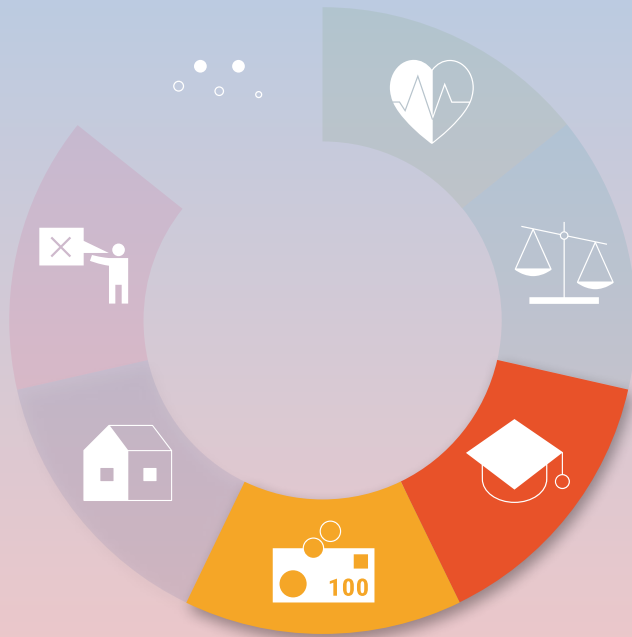
As these policies cover some of the very key human capabilities, **partial successes in each one can fuel the progressive development of a rights-based agenda that maintains social momentum for the transformations**. It has been argued, for example, that the transition towards a universal healthcare system should occur through ‘progressive universalism’, i.e. based on ‘a determination to ensure that people who are poor gain at least as much as those who are better off at every step of the way toward universal coverage, rather than having to wait and catch up as that goal is eventually approached’ (Gwatkin and Ergo, 2011: 2161). This requires leadership at a high level, committed to reaching universal healthcare, but also community participation to ensure that local conditions are met at all steps. And, as these movements towards universalisation reduce inequalities and deprivation, they can further stoke the political and social conditions pushing not only for healthcare, but also for the right to high-quality education and housing for everyone. Taking into account the outcome synergies described above, which further reinforce gains in these three dimensions as the individual policies are implemented, this mix can form the basis of a ‘big push’ in a social-rights agenda.

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POLICY MIX 4: EMPLOYMENT INEQUALITIES POLICY MIX



Policies included:

POLICY 3.3:
Affordable, quality technical and vocational education and training

POLICY 4.3:
Policies that promote collective bargaining, protect the rights of workers to unionise and strike, adequate and enforced minimum wages

POLICY 7.1:
Comprehensive anti-discrimination laws, implementation and enforcement

Relevant SDGs:

Targets 4.3 and 4.4

Target 5.1

Targets 10.3 and 10.4

Additional policies which could potentially be considered

- Job-creation policies, which can benefit disadvantaged areas of a country, and policies that limit top-earnings, which are usually concentrated in richer regions (Domain 4)
- Policies to deliver free, universal, high-quality primary and secondary education, that seek to improve and equalise school quality (Domain 3)
- Social protection policies (Domain 4)
- Free, high-quality, universal healthcare (Domain 1)

Find out more about these policies and connected drivers of inequalities [here](#).

Outcome synergies

This policy mix addresses multidimensional employment inequalities, combining three main policies. These are: in MIF domain 3 Education and Learning, policies that deliver **affordable, quality technical and vocational education and training which ensure equal access for women, low-income and minority groups**; in MIF domain 4 Financial Independence and Security, policies that **promote collective bargaining, protect the rights of workers to unionise and strike, adequate and enforced minimum wages set through collective wage setting agreements or national statutory minimum rates covering all types of workers**; and, in MIF domain 7 Individual, Family and Social Life, **comprehensive anti-discrimination laws, their implementation and enforcement**.

All three policies included in this policy mix have a direct effect on reducing employment inequalities. Increasing skills and enhancing employability through affordable, quality technical and vocational education and training, particularly for individuals at risk of disadvantage in the labour market, results in lower employment inequalities as higher levels of skills expand workers' capabilities, productivity and wages and reduces the risk of unemployment (Kluve et al., 2017; OECD, 2018; Nilsson, 2010; Eichhorst et al., 2012). Especially in developing countries, where the most disadvantaged often don't benefit fully from secondary and tertiary education, vocational education and training offer opportunities to improve the employment prospects. **Policies that promote collective bargaining, protect the rights of workers to unionise, and adequate and enforced minimum wages help to redress power imbalances between employers and employees. These policies improve the wages of the lowest paid, have a positive impact on employment relations and conditions and reduce inequality** (Blau and Kahn, 2012; Checchi and García-Peñalosa, 2008; Piketty, 2014; Neumark and Wascher, 2007; Lemos, 2009). **Comprehensive anti-discrimination laws, their imple-**

mentation and enforcement act to reduce discrimination in the labour market (as well as more broadly) which can affect who is employed, who secures the best jobs and earnings inequality. As such, they can also contribute to redress power imbalances between employers and employees and amongst employees. Such policies can be particularly important for addressing labour market discrimination against women, ethnic minority groups, lower class/caste or people with disabilities.

These policies don't just act to reduce inequalities in a single domain but have cross-domain inequality reducing effects. For example, discrimination has a negative effect on the capability for individuals to convert their resources (for example, skills) into valuable things they can do or be (for example, being financially secure) and, therefore, policies addressing discrimination can have wide ranging benefits. **Increasing skills and knowledge through TVET, can play an important role in empowering people not just by acquiring marketable skills but also by fostering broader capabilities relevant to several aspects of their lives.** In this way we can think of vocational skills and knowledge as 'fertile capabilities' (see, for example, Nussbaum, 2011). Through combining the inequality-reducing impact of the three policies in this policy mix, **not only are employment inequalities addressed, but collectively there are likely to be even greater returns through the way in which they enhance a range of outcomes particularly those most at risk of disadvantage.** The most disadvantaged groups are most likely to be discriminated against, benefit from minimum wages and experience the greatest gains from TVET (OECD, 2018; Kluve et al., 2017). Given the wide-ranging and long-lasting improvements in capabilities that these policies can promote, they are also capable of contributing to decrease the inter-generational reproduction of multidimensional inequalities, including in terms of employment.

An effective articulation of these policies is also, intrinsically, an intersectional approach to reducing inequalities.

This mix highlights which groups are discriminated against and how to overcome this, the acquisition of relevant skills through access to education, and a significant dimension of individuals' wellbeing by focusing on their insertion in the labour market. Particular groups might be disadvantaged or enjoy privileges in these three dimensions, configuring patterns of inequality that can be addressed more effectively through a combined effort. In order to maximise this policy mix's capacity of addressing intersectional forms of inequality, attention must be paid to the specificities of how each group is restricted in their capability of acquiring skills, the forms of discrimination they experience, and their position in the labour market. The precise mechanisms will vary in each case, but it might be relevant to establish, say, specific training routes for ethnic minorities, or to focus attention on particular barriers in the labour market for certain groups (such as being over-represented in informal jobs or being unable to progress towards mid- or upper-level positions over time).

Figure 4.1 Scale of interaction



Source: Adapted from Nilsson et al. (2016).

Three key outcome synergies are, first, that **access to affordable, quality vocational education and training** is likely to increase wages and reduce the risk of being out of work and in a minimum wage job. More knowledgeable workers are in a better position to engage with collective bargaining and have a better understanding of their rights and anti-discrimination laws.

Second, **tackling discrimination through comprehensive anti-discrimination laws reinforces the role of labour market institutions** such as unions, and inequalities in relation to who is able to participate in vocational education and training programmes. **Gender segregation in formal TVET is endemic in developing countries** (OECD, 2018; ILO, 2011): this means that women face barriers in accessing TVET courses and often also self-select into less lucrative TVET programmes. Combined with gender-biased labour market practices, this can lead to slower school-to-work transitions for female TVET graduates, lower employment rates and wage levels and employment in poorer-quality and lower-paid positions. Anti-discrimination policies aided by labour market institutions can work to reduce this form of gender inequality.

Finally, all **three policies work together to improve employment outcomes for individuals in the most disadvantaged groups**. Reducing discrimination equalises access to vocational education and training programmes and strengthens the role and impact of labour market institutions, and with greater knowledge workers are able to understand and exercise their rights. Also, as certain individuals in disadvantaged groups experience social mobility, particularly if as part of a broader process including progressive labour market institutions, this can lead to dynamic effects. Through this, successful individuals can act as mentors or role models for others, more opportunities might be created for these groups and, overall, there might be an equalising feedback process which helps break multidimensional poverty traps.

Policy 3.3 has an enabling type of interaction within this policy mix while policies 4.3 and 7.1 have a reinforcing interaction (Figure 4.1)

Employment plays a central role in people's lives, not just through economic returns, although important, but also the impact on broader measures of well-being that are influenced by relations and conditions of work. Earnings largely determine standards of living not just during the working life but over the lifecycle through their impact on retirement

pensions, and the resources parents have to spend on their children. This means that **employment inequalities have far reaching repercussions and reducing them should be a key priority for policy makers**.

Strategic and administrative synergies

Where these policies are implemented together, **labour market institutions can play a pivotal role in addressing discrimination** in the labour market and can act as an important intermediary helping workers bring cases of discrimination to the courts. Workers acting collectively through labour market institutions are more powerful and this increases their chance of success in resolving disputes with employers, particularly in the case of more disadvantaged workers. **The introduction of higher minimum wages can require employers to increase the productivity of their lower paid workers and one way this can be achieved is through TVET**. Labour market institutions can work with employers in helping to identify the most effective TVET programmes. Some trade unions are directly involved in skills development at national, sectoral and enterprise level and recent calls have been made for this role to be strengthened (Bridgford, 2017; World Economic Forum, 2014). Evidence suggests that **engagement with the private sector** in programme design and implementation leads to more positive impacts than those with little private sector involvement (OECD, 2018; Kingombe, 2011). Labour market institutions through building sectoral knowledge on skill shortages and effective TVET programmes can contribute positively to the development of these programmes.

Another strategic synergy might arise in terms of the political conditions of implementing these policies. Specifically, **combatting discrimination might be politically easier if it is not done in a 'zero-sum' situation**, in which gains for the previously discriminated against come at the expense of other groups. Although strictly zero-sum scenarios are rare, a broad progressive environment in which wide-ranging inequalities are reduced, including but not restricted to discrimination-based ones, can increase support for the relevant policies. As such, TVET can help create the conditions for social mobility by increasing individuals' skills, whilst labour market institutions such as broad union membership and higher minimum wages can reduce broad inequalities in employment and pay. Anti-discrimination laws, in this scenario, can contribute to both processes by **addressing the conditions of marginalised groups under conditions of shared prosperity and reduced inequalities**, which can raise political support for the whole policy mix.

Table 4.1 Aspects relevant to strategic and administrative synergies

	3.3	4.3	7.1
Key actors	Governments, business associations and employers, NGOs	Governments, employers, labour market institutions	Government and NGOs
Challenges and facilitating factors: administrative and capacity-building	<p>Fiscal: High-quality vocational and technical education is costly</p> <p>Fiscal: Limited public investment and budgetary resources impact both the size of the sector and quality or provision</p> <p>Regulatory: Weak evaluation, monitoring and regulatory mechanisms, particularly in face of growing private position</p> <p>Implementation: Design and implementation are supported by:</p> <ul style="list-style-type: none"> • Institutional support through the involvement of all stakeholders • Close cooperation with local communities <p>Employer engagement</p>	<p>Fiscal: Public sector wage bill can increase</p> <p>Regulatory: Potential trade-off between union density, wage and unemployment</p> <p>Regulatory: Compliance and enforcement can be challenging in countries with less advanced administrative systems</p> <p>Implementation: Setting the right minimum wage rate(s): generous enough to improve pay and reduce inequality without having a big impact on employment</p> <p>Fiscal: Costs are low</p> <p>Implementation: Guidance and advice available from international organisations such as the ILO</p>	<p>Regulatory: Even where discrimination is illegal, enforcement and legal challenges are difficult</p> <p>Implementation: Lack of good evidence on what works best in tackling causes of discrimination</p> <p>Regulatory: International human rights framework providing a standard approach</p> <p>Regulatory: SDGs with goals and targets focused on ending discrimination</p>
Challenges and facilitating factors: political	<p>Political: Undervaluing of TVET and the adoption of ‘productivist frameworks’ can hinder the development of inclusive and holistic approaches</p> <p>Political: Growing international consensus around the role of TVET can support its development</p> <p>Political: Clear political vision and leadership focused on devising a comprehensive sector-wide strategy</p>	<p>Political: There is a growing consensus on the positive impacts of minimum wages</p>	<p>Political: Existence of dual legal systems</p> <p>Political: Forms of discrimination are still legal in some countries</p> <p>Political: Progress in taking an intersectional approach to addressing discrimination</p>

Challenges and facilitating factors: social, economic and cultural	Economic/Social: Participation of the most disadvantaged is hampered by direct, indirect and opportunity costs as well as linguistic and cultural barriers, requiring complex interventions	Economic: Increase in employers' wage bill, including in the public sector	Social: Objections to positive discrimination
	Recognition of the needs of the informal economy and of informal training	Economic: As low-wage workers are concentrated in poor households in low-income countries, minimum wages are likely to be effective at reducing income inequality and poverty	Social: Growing intolerance to discrimination and an appetite for social change
Costs	High	Low, but costs associated to paying public sector employees minimum wages	Low

■ **Challenging factor** ■ **Facilitating factor**

Source: Prepared by the authors.

There remain challenges particularly in relation to helping workers in the informal sector who are least likely to benefit from anti-discrimination laws (due to poor enforcement), high quality TVET programmes and labour market institutions. It is clearly the case that informal sector workers would benefit from trade union support even more than formal sector workers. They lack protection, recognition, minimum wages, have the least training and many are unaware of their rights or are unable to exercise them even if they are. Informal workers associations, sometimes called 'informal unions' are quite common in lower income countries with large informal sectors (Nanfosso, 2016). With a growing recognition that large informal sectors are set to be a feature of many economies for some time, many trade unions are working to understand how they can be involved in organising the informal economy, which is seen both as a challenge and an opportunity (ILO, 2019). The rise of the so-called 'gig economy' presents another challenge and opportunity in this regard, with new unions being formed to address the specificity of these workers' conditions and existing unions attempting to adapt their practices.

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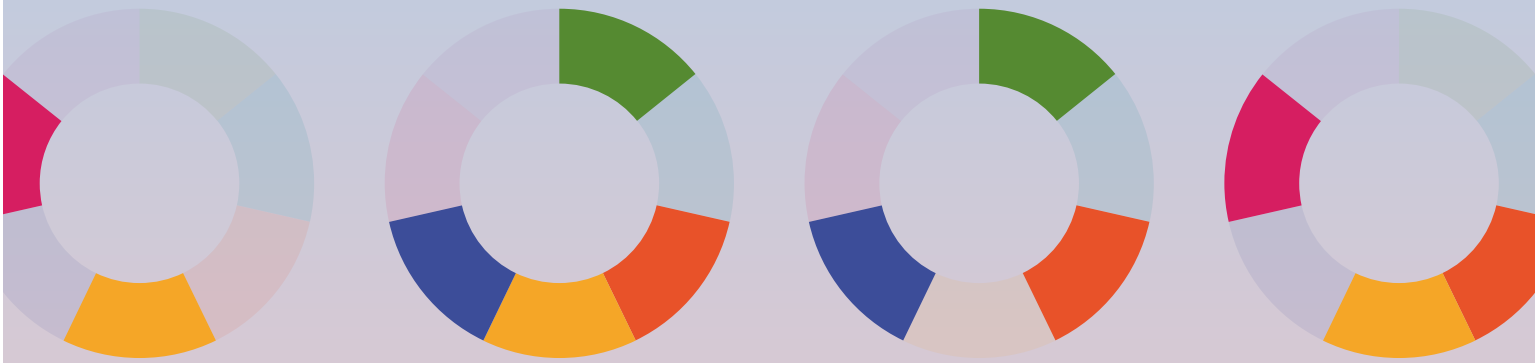
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