Leaving no-one behind: an equity agenda for the post-2015 goals

Think piece by Kevin Watkins

When the going gets complex it helps to reach for a simple guiding principle. One of my personal favourites comes from Mahatma Gandhi. 'Recall the face of the poorest and weakest person you have seen', he wrote shortly before his death, 'and ask if the step you contemplate is going to be any use to them'. As a guide to international cooperation on development, that's tough to top.

Something of Gandhi's ethos underpinned the report of the High-Level Panel (HLP) established by the UN Secretary-General to make recommendations on the post-2015 international development goals. Recognising that inequality is holding back human development around the world, the report made a powerful case for a focus on the poorest and most marginalised.

Yet since the report's publication, political momentum behind the development of a bold post-2015 framework has faded. The 'leave no-one behind' principle, proposed as the first of five core principles for the post-2015 Millennium Development Goals (MDG) framework, has not been championed by the civil-society groups and governments that might have been expected to step up to the plate. There is now a real and present danger that the HLP's recommendations will be forgotten.

That would be a tragedy.

You can quibble about detail, but the authors of the HLP report[1] did an extraordinary job under taxing conditions. The 27-person panel convened four meetings, consulted widely with governments and reviewed thousands of submissions by non-government organisations, the business sector and others. Producing any report, let alone a compelling agenda for action from a dialogue process of such Byzantine complexity, is an achievement in its own right. And as ODI's lead analyst on the post-2015 agenda has argued, the HLP report combines a strong narrative with a credible framework for action.[2]

The HLP report provides a narrative and an opportunity to address the unjust and unnecessary social injustices that hold back development around the world. 'Leave no-one behind' puts social justice and equity at the heart of the wider agenda for eradicating extreme poverty by 2030. One of the failings of the MDGs was the lack of attention paid to social disparities,[3] as distinct from national average progress towards the 2015 targets. Some countries have progressed towards the goals despite growing inequalities – an outcome that violates the spirit of the MDGs, if not the letter. While the past decade has been a good one for human development, social disparities linked to wealth, gender, ethnicity and other markers for disadvantage have acted as a brake on progress towards the MDGs. Being born to a poor household in much of Africa elevates the

1 http://www.post2015hlp.org/wp-content/uploads/2013/05/UN-Report.pdf

2 http://www.theguardian.com/global-development/poverty-matters/2013/may/30/un-development-report

3 http://www.odi.org.uk/publications/6340-inequality-post-2015-mdgs/

risk of early death by a factor of five. And being a poor rural girl in Pakistan more than triples the risk of being out of school. These are the type of disparities that the post-2015 framework has to address.

More broadly, at a time when inequality is a source of growing public concern and political mobilisation around the world, the 'leave no-one behind' agenda provides an opportunity to ground the post-2015 framework in a wider social justice agenda.[4] While the contexts vary across countries, that agenda is at the heart of growing public concerns and political mobilisation to counter what are seen as unjust inequalities. At a time when multilateral cooperation on development is weakening, poverty is slipping down the global agenda and – to put it bluntly – public interest in international development is waning in rich countries, the post-2015 goals could reinvigorate a Millennium Development Goals (MDG) project that is running out of steam and lacking public appeal.

'Leaving no-one behind' is not quite a vision – but it's a big step in the right direction. The challenge now is to ground the vision in a practical post-2015 framework that might, in a small way, support efforts to accelerate poverty reduction and reduce the extreme inequalities holding back progress in many countries. Few governments would turn up at an international meeting and actively oppose a development strategy based on 'leave no-one behind' principles, just as few would contest 'pro-poor growth' or 'shared prosperity'. These are the motherhood-and-apple-pie staples that have launched a thousand summits. But converting principle into practice is an elusive quest – and we lack a roadmap for converting equity principles into measurable targets.

My view is that we could provide such as road-map through equity benchmarks geared towards ambitious goals set for 2030. These benchmarks could be thought of as stepping stones. Set on a rolling basis over a three-to-five year period, they would focus on narrowing disparities between social groups, thereby acting as a catalyst for accelerated progress towards the 2030 goals. The design of the goals and the metrics would have to be elaborated through a process of dialogue. For reasons explained below, there are compelling grounds for avoiding equity targets related to income and monetary wealth (though far more should be done to monitor and report on outcomes in this area). The focus should be on narrowing and eliminating disparities in basic life chances, including the chance to survive childhood and flourish through education regardless of circumstances such as wealth, gender, race and other markers for disadvantage.

Reinforced by equity stepping stone targets, the 'leave no-one behind' agenda could do for equity what the MDGs did for poverty reduction. Governments signing up for the framework could commit to benchmarks for reducing social disparities and to monitoring performance. They could commit also to reporting on outcomes to their own citizens, as well as the international community. Aid donors could refocus their programmes on the most marginalised people. As stepping stones, the targets in question would supplement, not displace, the 2030 goals for eradicating extreme deprivation.

Rising tides and widening inequalities

Why has the 'leave no-one behind' agenda failed to generate the traction that might have been anticipated? Several reasons stand out. The HLP report is one of the inputs being processed through UN Open Working Groups that will report back to the Secretary General. There are legitimate concerns that what is now a UN huddle will become a black-hole, as bureaucracy and inter-governmental horse-trading take over the post-2015 process. Many of the governments involved in the post-2015 dialogue are overtly hostile to a focus on inequality, especially if it involves reporting on progress in cutting social disparities. There is now a real and present danger that the HLP's focus on inequality will either disappear without trace, or get diluted into the type of instantly forgettable, content-free consensus document associated with the UN's intergovernmental machinery.

Another problem is that efforts to translate the 'no-one left behind' idea into the type of tangible benchmarks needed to underpin a meaningful post-2015 framework are stuck in the equivalent of intellectual quicksand.

Inequality remains a tricky development issue. Governments, international financial institutions, aid agencies and NGOs recognise that it is a problem, but what's the solution – and what should be equal? Should the post-2015 agenda focus on income or some measure of wealth – and if so, which one? Or should the measurable outcome of equity be geared towards the idea of 'equal opportunity' and the narrowing of disparities in areas such as health and education?

These questions go to the heart of wider debates about human development and globalisation. These debates often tend to focus on wealth-related metrics. As Oxfam's Ricardo Fuentes has argued, the past decade has been kind to the super-rich.[5] That is especially true for the OECD countries, where there has been a near-universal drift towards rising inequality. In the United States the wealth gap between rich and poor is now at the widest point since records began. New research by Emmanuel Saez, an economist at University of California, Berkeley, shows that the richest 1% has captured an astonishing 95% of the

4 http://www.odi.org.uk/publications/7415-equity-inequality-human-development-post-2015-framework/

5 http://www.thebrokeronline.eu/Blogs/Inequality-debate/Keeping-an-eye-on-the-have-mores/

wealth generated through economic recovery since 2009.[6] Evidence on underlying economic, technological and political drivers of rising inequality are neatly summarised in a compelling book by Kemal Dervis and others.[7]

Inequality trends in developing countries have been more ambiguous than in the rich world. The have-mores have certainly not been left behind by their counterparts in the rich world. According to *Ventures Africa* magazine, Africa is now home to 55 billionaires (combined wealth US$143bn),[8] which is more than double the number a decade ago. In India, billionaire wealth is now equivalent to 10% of GDP compared to 1% in the mid-1990s.[9] Data on wider inequality patterns in developing countries is far more partial. Wealth disparities are unambiguously on the increase in large-population countries such as India and China. But in some two-thirds of the countries for which data is available they are declining, in some cases from very high levels (Latin America and parts of sub-Saharan Africa). *For which data is available* is the operative phrase: few low-income countries have robust data available across two surveys. Another concern, as highlighted by Miguel Szekeley, is that surveys almost certainly understate true inequality as they do not capture the real wealth of the super-rich.[10]

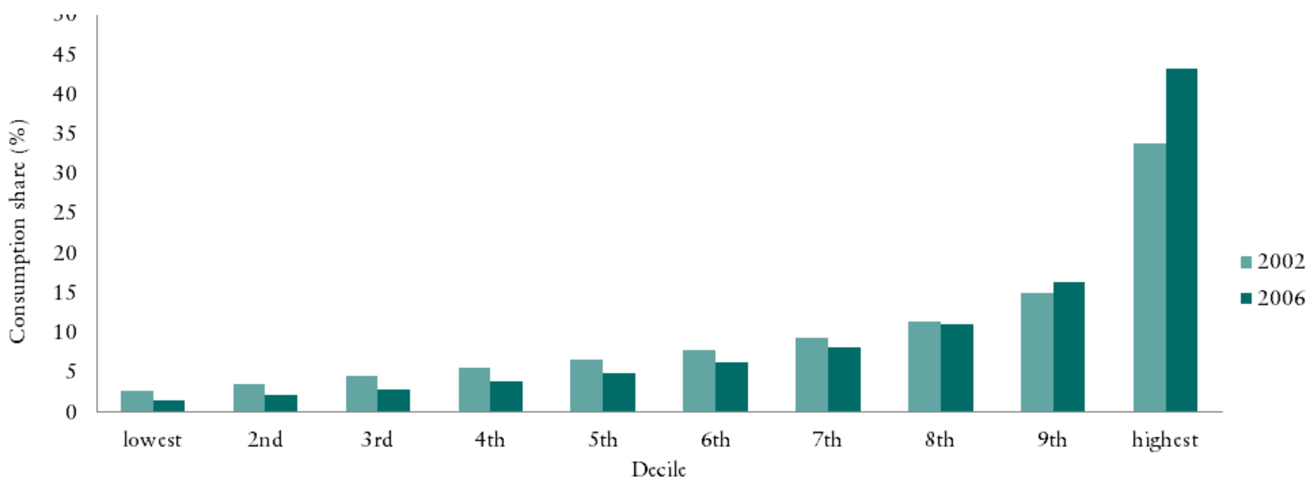
Leaving aside the ethical considerations raised by extreme concentrations of wealth, rising inequality is hampering poverty-reduction efforts. Estimates presented in the *2013 Africa Progress Report* noted that Africa's growth surge has produced only modest returns for poverty reduction. That's partly because the benefits have been so heavily skewed. In Zambia, already a very unequal country, the richest 10% saw their share of consumption rise from 33% to 43% between 2000 and 2005 (Figure 1). Without rising inequality, economic growth would have lifted another 700,000 people out of poverty in Tanzania.[11] Unsurprisingly, one recent Afrobarometer survey of public opinion registered a widespread belief among African people that the benefits of growth are being skewed towards national elites.[12]

The assumption that progress can be sustained without a strengthened focus on equity is fatally flawed. Today, an African person living below the US$1.25 poverty line has an average consumption level of around 70 US cents. They will not be lifted above that line by 2030 through growth alone. In other areas too, going the next mile will be tougher than the last mile. For example, sustaining progress in education will require measures to reach children denied opportunities as a result of child labour, forced marriage, and disability,[13] or because they are living in urban slums, speak a minority language or happen to be girls. Sustained progress in child and maternal health will require strategies that tackle malnutrition, extend basic health services to remote areas, and – critically – empower people to hold governments and service providers to account.

Income inequality is just part of the problem. Some

6 http://elsa.berkeley.edu/~saez/saez-UStopincomes-2012.pdf
7 http://www.brookings.edu/research/books/2012/inequalityinamerica
8 http://www.ventures-africa.com/2013/10/richest-people-africa-2013/
9 http://www.michaelwalton.info/wp-content/uploads/2012/10/Where-Do-Indias-Billionaires-Get-Their-Wealth-Aditi-Walton.pdf
10 http://www.iadb.org/res/publications/pubfiles/pubWP-409.pdf
11 http://www.africaprogresspanel.org/wp-content/uploads/2013/08/2013_APR_Equity_in_Extractives_25062013_ENG_HR.pdf
12 http://www.afrobarometer-online-analysis.com/aj/AJDataAB.jsp
13 http://www.odi.org.uk/publications/7394-old-age-disability-mental-health-post-2015/

Figure 1: Change in share of national consumption by decile in Zambia (2002 - 2006)



Source: Africa Progress Panel Report, 2012 commentators, including Stefan Klasen[14] and Martin Ravallion,[15] both of whom have impeccable credentials as advocates for greater equity, have argued that the post-2015 goals framework should set ambitious goals for eradicating child mortality, hunger and illiteracy, but steer clear of equity targets. When countries meet these absolute targets, so the argument runs, the disparities will, by definition, be eliminated.

That's technically correct, but nonetheless shaky logic. Over the medium term national progress towards absolute goals is entirely compatible with rising inequality. For example, as shown in Figure 2, countries such as Burkina Faso, Cameroon and Ghana are cutting child death rates more rapidly for the richest 20% than for the poorest 20%. In the case of education, countries such as Ethiopia, Mozambique and Uganda have increased primary school enrolment, while the gap in years of schooling between children from the richest and poorest homes has widened (Figure 3).

Narrowing these equity deficits is not just an ethical imperative but a condition for accelerated progress towards the ambitious 2030 targets. There are no policy blueprints. However, the toolkit for governments actively seeking to narrow disparities in health and education has to include some key elements. Identifying who is being left behind and why is an obvious starting point. That's why improvements to the quality of data available to policy-makers is an equity issue in its own right.[16]

Another priority is more equitable public spending, with resources allocated on the basis of need to counteract the disadvantages associated with parental wealth, nutritional status, gender and location. And narrowing gaps in health or education outcomes requires that inequalities in access to decent quality essential services are reduced.

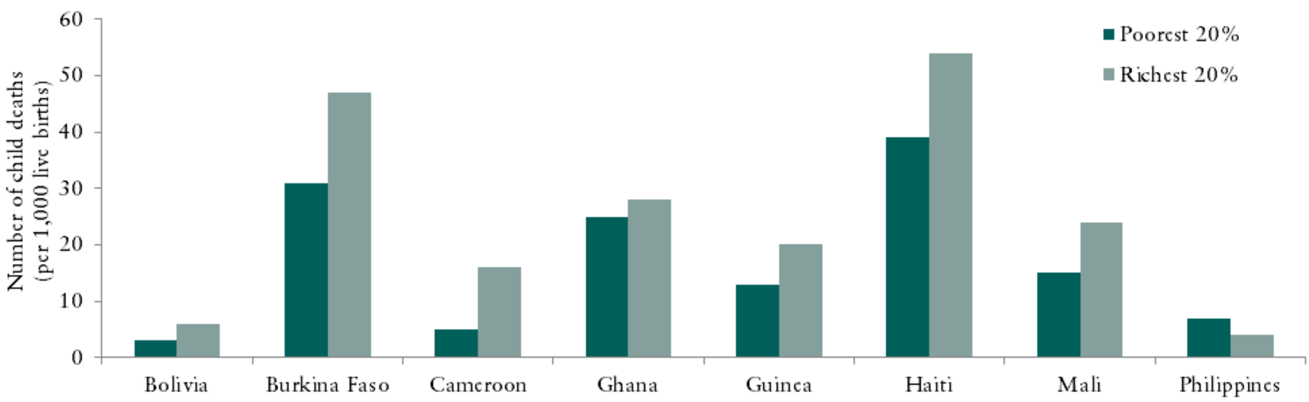
There are wider reasons for making enhanced equity a policy priority. Apart from slowing the pace of poverty reduction, limiting the development of markets and, according to the International Monetary Fund (IMF), contributing to economic instability,[17] extreme wealth disparities create political conditions that perpetuate social disparities. Political science research in the United States has documented that the rise in wealth inequality has gone together with legislation favouring the rich and disadvantaging the poor.[18] Similarly, one of the reasons that Pakistan has been unable to finance the public health and education systems needed to extend opportunities for the poor is that the tax system is designed by the wealthy to facilitate evasion rather than revenue collection. Providing leadership by bad example, some 60% of the last cabinet paid no tax.[19]

Fuzzy thinking on income inequality

Constructive debate on equity and the post-2015 goals has been hampered by competing visions and analytical

14 http://www.thebrokeronline.eu/Blogs/Inequality-debate/No-we-don-t-need-an-MDG-for-inequality/
15 http://www.thebrokeronline.eu/Blogs/Inequality-debate/Let-s-avoid-creating-a-dog-s-breakfast-of-MDGs/
16 http://www.theguardian.com/global-development-professionals-network/2013/jun/10/mdgs-household-surveys-data-revolution/
17 http://www.imf.org/external/pubs/ft/wp/2010/wp10268.pdf
18 http://faculty.wcas.northwestern.edu/~jnd260/cab/CAB2012%20-%20Page1.pdf
19 https://www.facebook.com/notes/freedom-movement/report-unmasks-tax-evasion-among-pakistan-leaders/516450051713617/

Figure 2: Reduction in under-5 deaths across two post-2003 Demographic and Health Survey (DHS) periods – richest and poorest households



Source: Calculations based on DHS database confusion. Much of the dialogue has been dominated by consideration of metrics for measuring inequalities in wealth, with rival schools pointing to the merits and demerits of their favoured indicator.

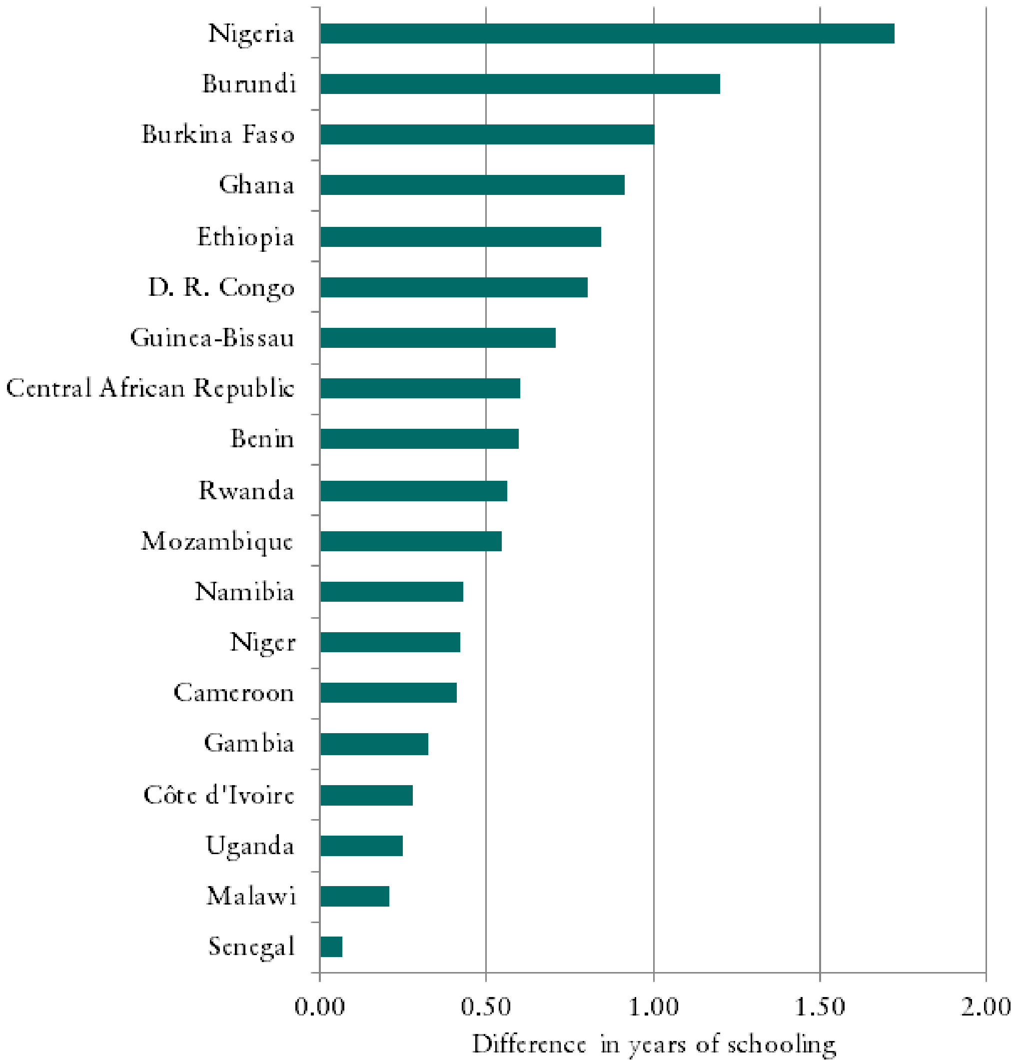
There are plenty of reasons for high-inequality countries to make the reduction of wealth disparity a public policy goal – and for the post-2015 framework to institutionalise more robust and systematic monitoring of wealth disparities. However, there is no credible post-2015 wealth disparity target. The pursuit of such a target will doubtless continue, creating new opportunities for academic seminars and workshops. However, if the aim is to use the post-2015 framework to strengthen moves towards greater equity, then the primary target should be targets for more equal opportunity.

Efforts to forge a global consensus on wealth-related equity goals have gone nowhere fast. Consider the World Bank's promotion of shared prosperity. One of its two strategic goals (the other being the eradication of US$1.25 poverty), this is defined in terms of income growth among the poorest 40% not falling below the national average. Chief Economist Kaushik Basu has argued that the shared prosperity agenda puts equity at the core of the Bank's strategic agenda.[20] In an interesting and thoughtful blog piece, Jaime Saavedra, a Vice President at the World Bank, underscores this proposition by claiming that the shared prosperity goal reflects a commitment to reduced inequality.[21]

20 http://beta.project-syndicate.org/commentary/kaushik-basuthe-logical-flaw-that-keeps-people-poor/

21 http://blogs.worldbank.org/developmenttalk/why-didn-t-world-bank-make-reducing-inequality-one-its-goals

Figure 3: Gap in years of schooling between children from richest and poorest 20 per cent – two post-2003 survey periods (selected countries, 17-22 age group)



Source: UNESCO World Inequality Database on Education

But does it? Basic arithmetic dictates that, on the World Bank's definition, shared prosperity is compatible with a range of outcomes, including no change in inequality and rising disparities between, say, the richest and poorest 20%. In making the case, rightly in my view, against an inequality target, Jaime makes the fair point that lower inequality is not an automatic route to poverty reduction (compare and contrast China with less unequal Tanzania). On the other hand, rising inequality from high initial levels is a pretty much guaranteed route to slower poverty reduction.

In a recent paper, David Dollar and others have attempted to provide an empirical underpinning for the World Bank's shared prosperity agenda.[22] Drawing on data from 118 countries, they reach the conclusion that 'growth is good for the poor' in the sense that, on average, the income of the poorest 40% rises with average income. For those of you experiencing a Groundhog Day moment, that's because you have heard it all before. The paper reprises the central theme of a World Bank paper written a decade ago[23] – and it leaves the same questions unanswered.

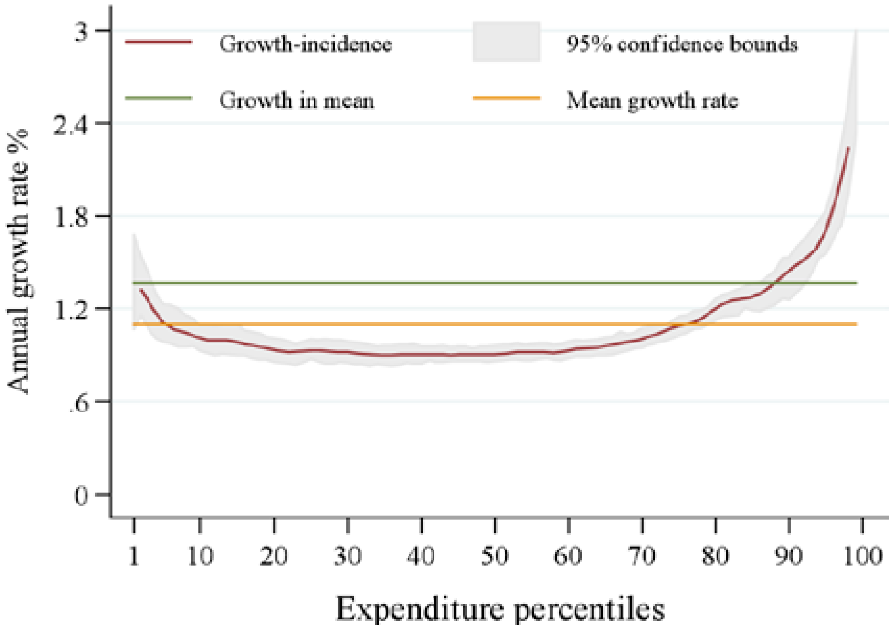
To the best of my knowledge, nobody down here on planet earth questions the fact that growth is good for the poor. It certainly beats the alternative. Economic growth has been the main driver of poverty reduction over the past two decades, accounting for around two thirds of the total in the David Dollar estimates. Yet distribution and the quality of growth also matters.

This is underlined by an excellent analysis of growth and poverty-reduction scenarios developed by the World Bank's Africa Pulse team.[24] The scenarios – for Nigeria, Zambia and Uganda – draw on surveys to highlight the potential for more equitable growth to accelerate poverty reduction. Reducing Zambia's (very high) Gini coefficient by 10% under a constant growth scenario would reduce poverty incidence by 7 percentage points. Moreover, in another paper by Jaime Saavedra and others, modelling results indicate that relative to inequality the role of growth as a motor of poverty reduction may diminish over time. More specifically, the results suggest that, as poverty falls, the inequality elasticity of poverty reduction increases faster than growth elasticity.[25]

These are not just abstract modelling exercises. Country experience powerfully demonstrates that equity matters. In countries as diverse as Brazil and Rwanda, a combination of strong growth and falling inequality has acted as a powerful catalyst for poverty reduction. While Brazil has posted lower growth rates than India, every percentage point increase in income has reduced poverty at five times the rate in India. The reason: a far larger proportion of growth has been captured below the poverty line (Figures 4 and 5). On one estimate between 50 and 60% of the decline in extreme poverty in Brazil can be attributed to the

22 http://elibrary.worldbank.org/docserver/download/6568.pdf
23 http://elibrary.worldbank.org/content/workingpaper/10.1596/1813-9450-2587/
24 http://www.worldbank.org/en/region/afr/publication/africa-s-ample-resources-provide-an-opportunity-for-inclusive-growth/
25 http://www.iariw.org/papers/2013/OlintoPaper.pdf

Figure 4: Pattern of growth in per capita expenditure in India (1994-2005)



Source: National Sample Survey (taken from Walton, Michael 'Inequality, rents and the long-run transformation of India' (Draft, April 201) reduction in inequality,[26] with social transfers and labour market effects contributing to around two-thirds and social transfers one-third of the reduction.

All of this matters for the post-2015 goals. Laurence Chandy and his colleagues at the Brookings Institution have explored the impact of small distributional shifts on global US$1.25 poverty levels in 2030[27] (see also the brilliant interactive graphics[28]). The shifts involve the annual redistribution of 0.25% of income in favour of either the poorest 40% or the richest 10%. In the first case, poverty incidence falls to 3%, while in the latter it rises to 9% – a difference of 470 million people in headcount terms.

None of this amounts to a case for adopting a post-2015 target for reducing income inequality. As Francisco Ferreira has persuasively argued, while the proper degree of tolerance for extreme destitution should be zero, there is no optimal level of inequality.[29] By the same token, the World Bank should surely join up its two strategic priorities – shared prosperity and poverty eradication – by monitoring the share of increments to growth captured by people living below US$1.25 a day. More generally, the post-2015 framework should include a commitment on the part of governments to rigorously monitor and report on a range of wealth inequality indicators – including the Gini coefficient and various ratios of poor-to-rich distribution – as well as indicators of wealth accumulation at the top of the distribution.

Perhaps there is a case for combining the new strategy with ideas of an older vintage. Almost four decades ago, the World Bank published a book by its then Vice President, Hollis Chenery, making the case for *Redistribution with Growth*: the central idea being that the poor should capture a larger share of increments to growth than their current share.[30] That idea has even more resonance today. It should be emphasised that redistribution is not just about social transfers, critical as these may be. It is also about ensuring that growth occurs in sectors with high concentrations of poor people (agriculture and informal employment), and about structural transformation in the economy to facilitate the transfer of the workforce from lower to higher productivity jobs.

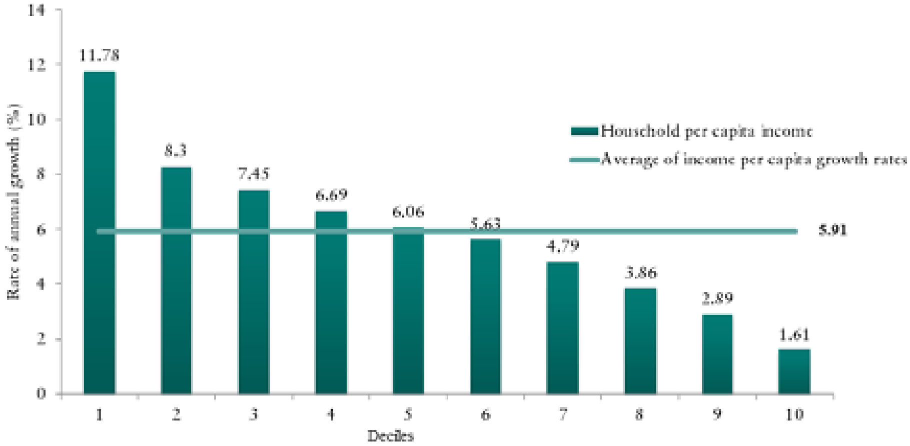
The case for equity 'stepping stones'

While I would reject the case for a post-2015 income-inequality goal, there are compelling grounds for equity-related targets in other areas. As noted above, these could be framed as 'stepping stones' towards ambitious 2030 goals for eradicating avoidable child deaths, getting all children into school, and extending access to essential services to all citizens.

Take child mortality as an example. In pursuing the elimination of unnecessary child deaths, governments could set 3-5-year targets, such as halving the death-rate gap between the richest and the poorest, between the best-performing and worst-performing region, and between, say, ethnic minorities and the national average. In education, they could target the elimination of school attendance gaps between rural girls and urban boys or the progressive reduction in learning disparities across districts.

26 http://www.ipc-undp.org/pub/IPCWorkingPaper87.pdf
27 http://www.brookings.edu/research/reports/2013/04/ending-extreme-poverty-chandy/
28 http://www.brookings.edu/research/interactives/2013/ending-extreme-poverty/
29 http://www.thebrokeronline.eu/Blogs/Inequality-debate/A-post-2015-development-goal-for-inequality#comment_9673
30 http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/EXTARCHIVES/0,,contentMDK:64055293~menuPK:64319213~pagePK:36726~piPK:36092~theSitePK:29506,00.html

Figure 5: Growth incidence for Brazil – household income by decile (2001-2009)



Source: CEDLAS and World Bank; World Bank 2012

These are just illustrative cases. In practice, there are a wide range of metrics and targets that would have to be considered. Child survival and primary school attendance are important but somewhat minimalist indicators. Countries at higher levels of development might want to consider a wider range of health outcomes and post-primary education indicators. Qualitative indicators are also important. For example, reducing learning disparities between the best and worst performing schools and districts; or reducing quality of life gaps in health could be considered. Similarly, there needs to be a debate about the metrics: should equity targets focus on rich-poor divides or the gap between the bottom of the distribution and the median or average?

Of course, data consideration will determine possible answers to these questions. Where data constraints limit the scope for monitoring, the proper response is to improve the data, not to lower the ambition. The metrics would have to be debated, and the targets calibrated in the light of national dialogue. But the principle of tracking the elimination of unfair and unjust disparities in life chances should not be open to compromise.

There are a number of advantages to the equity stepping-stone approach. Unlike goals set for 2030, which are too remote to inform policy, near-term equity targets have the potential to turn the public-policy spotlight on the strategies needed to reach those who are being left behind. In the case of education, they might prompt policy-makers to look beyond building classrooms and hiring teachers to the challenges posed by reaching child labourers, girls trapped in early marriage, slum dwellers and the disabled, for example.

This would imply a marked shift in policy beyond the silos that the MDG framework may inadvertently have reinforced. For example, one of the reasons that progress towards universal primary school enrolment has stalled with 57 million children still out of school is that governments have failed to target the most marginalised.[31] The low hanging fruit in terms of accelerated progress was collected through the elimination of user-fees and classroom construction programmes. Today, over one-quarter of out-of-school children are denied an education because they are forced by poverty into labour markets.[32] Changing this picture will require policies that look beyond the education system to the regulatory, employment, and wider poverty interventions needed to combat child labour.

Without stretching the point, well-framed stepping-stone targets under the post-2015 framework could do for equity what the MDGs did for poverty. The MDGs were one element in a wider current that shifted the locus of international cooperation. That current was reflected in the development of policy tools like the Poverty Reduction Strategy Papers (PRSPs), sector-wide approaches to health and education and medium-term expenditure frameworks that grounded poverty goals in the wider public policy environment. The World Bank's Comprehensive Development Framework was, in part, traceable to the MDGs. Equity goals enshrined in the post-2015 framework could help to underpin similar innovations. For example, how about every country signing-up for the post-2015 goals preparing a National Equity Strategy Paper setting out the benchmarks for measuring progress towards more equal opportunity, and the policies for delivery?

Equity targets also tick two additional boxes. The first is flexibility. Rather than impose a top-down straitjacket, equity targets could be calibrated on a country-by-country basis in the light of data availability, and informed by national dialogue and the perspectives of civil-society groups working with the poor.

The second box is marked universality. For too long, the MDGs have been viewed through the lens of an old-world North-South filter, with poor citizens in poor countries the primary target. If 'leaving no-one behind' is the litmus test of commitment to social justice and equity, surely it must also be applied to rich countries. Countries like the United States could signal a commitment to the spirit of the post-2015 goals by embracing targets for, say, halving the infant mortality gap between African American people and the rest of society. Similarly, the United Kingdom could use the post-2015 process to report on progress in narrowing national inequalities in health and education.

Of course, equity-based targets will not be universally popular with governments. Then again, the ultimate litmus test of the post-2015 framework is not whether it assuages governmental sensibilities. As Gandhi would have agreed, the ultimate test is whether or not it delivers something useful for the poorest and most marginalised people.

31 http://www.unesco.org/new/en/education/themes/leading-the-international-agenda/efareport/reports/2010-marginalization/

32 http://educationenvoy.org/child_labour_and_education_UK.pdf

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