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INEQUALITIES

A STATE OF EMERGENCY

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THE FIGHT AGAINST INEQUALITIES

A STATE OF EMERGENCY

by RÉMY RIOUX, AFD CEO

Between 1980 and 2016, worldwide, the richest 1% benefited twice as much from growth as the poorest 50%. Inequality is increasing within societies. It's a burden on growth and social ties, it leads to political instability, reduces the effectiveness of public policies and hinders development. It is estimated that the growth rate of OECD countries fell by about 5% due to inequality between 1985 and 2005.

In September 2018, I listened to the French President Emmanuel Macron as he addressed the United Nations General Assembly. He forcefully brought up the urgent need to "tackle the root causes of the social inequalities that we have been unable to resolve and for which we are paying the price." In 2019, inequality will be the priority of the French G7 Presidency.

Agence Française de Développement (AFD) has been fighting poverty for over 75 years, by assisting its partners in the implementation of public policies targeting the most disadvantaged populations. But what about the impact of our actions on the reduction of inequality? How can we make these actions more effective? These questions are central to the reflection of the international community, in particular since the adoption in 2015 of Sustainable Development Goal 10 on the fight against inequality.

The first thing we need to do is analyze the scale and nature of the inequalities our partners are facing, so that we can come up with the most suitable levers to tackle them in the fields of

education, health, gender, labor, tax reforms, territorial dynamics, etc. To that effect, we launched with European Commission financing 4 million euros' worth of research grants in 2017. This should help us gain a better understanding of inequality in developing and emerging countries. Some twenty research projects are already underway.

At the same time, we have made addressing inequality and social ties operational priorities in our strategic plan for 2018-2022. We aim to be both "100% Paris Agreement" to preserve environmental common goods and "100% social ties" to strengthen social cohesion. The issues of justice and social ties between generations, territories, individuals and social groups in communities are key factors to an economically and socially balanced development. AFD is the French platform for shared sustainable development. A financing platform, of course, but also a platform for research and expertise, active in the debate of ideas and the dialogue between experts and citizens, in particular via iD4D. Poverty, gender, access to education, social protection, taxation, etc., the development specialists who voice their opinions in these pages address all the aspects of inequality. And their conclusions are unequivocal: only by reducing inequality, both worldwide and within each society, will we be able to address the demographic, economic, technological and climate challenges that put our century in a state of emergency.

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Could fiscal policies designed to reduce inequality increase poverty?

AN INTERVIEW WITH



NORA LUSTIG

Samuel Z. Stone
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Economics, Director
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Dialogue.

Giving access to free services in education and health is one of the fundamental tools that governments have to combat inequality, especially inequality of opportunity. However, particularly in low-income countries, financing education and health spending through taxes can leave the poor worse off, with less cash to buy food and other essential goods. If the majority of the population is poor, it is difficult to tax it, even if it is with the aim of helping it. In trying to combat inequality with spending on education, infrastructure and health, governments may leave the poor worse off, at least in the short-term. The Argentinian economist Nora Lustig takes a closer look at the paradoxical relationship that can take shape between poverty and policies designed to address inequality.

Your research shows that in developing countries, fiscal policy can increase poverty instead of reducing it. How is this possible?

At the Commitment to Equity Institute we have analyzed the impact of social spending (cash transfers, food and energy subsidies, and spending on

public education and health) and taxes (personal and consumption taxes) on income inequality and poverty in more than thirty low and middle-income countries across all continents, ranging from Brazil to Guatemala, from Ethiopia to South Africa, from Indonesia to Sri Lanka, and from Russia to Georgia.

In order to analyze the impact of fiscal policy on income distribution it is useful to separate the “cash portion” of the system. The cash portion includes direct taxes, direct transfers, indirect taxes, and indirect subsidies. The noncash or “in kind” portion includes the monetized value of, for instance, government education

and health services. The results of our research show that fiscal policy always reduces inequality. However, by calculating income levels at the bottom of the social ladder before and after taxation and transfers, we have found that poor people can be made poorer by fiscal policy. In Ethiopia, Ghana, Guatemala, Nicaragua, Tanzania and Uganda, for instance, the headcount ratio for the poor is higher after direct and indirect taxes net of transfers than for prefiscal income. In these countries,



fiscal policy increases poverty, meaning that a larger number of the market income poor and vulnerable are made poorer by taxes and transfers than the number of people who escape poverty. That is, if we leave aside the efforts made by governments in the sectors of health or education, the poorest would have a higher income level if there were no taxation or transfers. In other words, especially in low-income countries, the poor can often be net payers: they pay more in taxes than what they receive in cash transfers. This is one of the main results from our research. We call this fiscal impoverishment.

Is the fact that the poor may be net payers into the fiscal system acceptable from an ethical point of view?

Some may argue that it is, as the poor will in time benefit from the growth effect of public spending on infrastructure and education, for example. However, the poor, especially the extreme poor, cannot necessarily afford to wait for the growth effects to kick in. We are speaking of highly vulnerable people, who live below the threshold of USD 1.9 a day—the current global poverty line according to the World Bank. For such a

group, a reduction in their income—however small—can have significant consequences. For example, if incomes are lower, malnutrition may worsen and, thus, the ability to benefit from access to education be compromised. Consequently, one may want to rectify the system in order not to impoverish the poor to the extent possible. The goal should be for the poorest segments of societies to be net beneficiaries—not net payers—of the fiscal system.

What is the mechanism that makes the poor pay more in taxes than they receive in transfers?

It is primarily consumption taxes that tend to impoverish the poor. Poor people pay indirect taxes such as VAT, customs duties on the imported goods they buy and taxes on tobacco and alcohol. These levies can place a significant burden on their meager resources. One can argue, of course, that levies on cigarettes and drinks are intended to improve the health status of the population. But we still need to accurately measure the

Thanks to the work of the CEQ in Ethiopia, the tax threshold was increased and the social protection coverage extended so that the poorest would no longer be net contributors of the fiscal system.



impacts of all these policies and be clear about the impacts we as a society are willing to accept and tolerate. It is a question of making an informed decision.

Are these adverse effects of tax systems due to mistakes made by policymakers?

The fact that fiscal policy may impoverish the poor, when it happens, is not the result of a “diabolical” plan. Governments are not intent on making the poor poorer on purpose. Until the results of the CEQ Institute came about, this result was largely unknown. With the information in front of us, now we can assess in which cases this counterproductive outcome is a result of inadvertent mistakes or an inevitable consequence of a conscious broader policy choice.

Have developing countries changed their tax and transfer policies after finding out about your research?

Yes, in Ethiopia, for example, the government was surprised by the result that a nontrivial portion of the poor were net payers into the system, which convinced it to take action. In this country, direct taxes were paid by pretty much the entire population, including poor people. The fact that many poor were left worse off was a consequence of two factors: due to past high inflation the threshold of income at which people were liable to start paying taxes was low and the Productive Safety Net Program (PNSP)—Ethiopia’s flagship cash transfer—was well-targeted but both the coverage and benefit per household were small. In 2016, the government expanded the coverage of the PNSP to include households living in urban areas and raised the threshold of taxable personal income. While these changes may not have been enough to completely

“Tax systems need to significantly curb tax evasion and tax elusion by the countries’ elites.”

eliminate the problem, it was an important policy change to reduce the extent to which fiscal impoverishment occurred.

Do developed countries also face this difficulty?

There is no research on this issue for developed countries. However, the greater reliance on progressive direct taxes than indirect taxes which is present in developed countries may make finding the fiscal system impoverishing the poor less common.

What should be the main takeaway for policymakers?

First, policymakers should be fully aware that fiscal policy can have exactly opposite effects on inequality and poverty: inequality can decline but poverty may increase after taxes and cash transfers. In fact, some of the policies designed to tackle inequality such as spending on education and health can be poverty-increasing if this spending requires poor people to be net payers into the fiscal system. Second, governments need to undertake a comprehensive analysis of who bears the burden of taxes and who benefits from transfers and subsidies, and to raise domestic resources in ways that minimize the impoverishment of the poor. In particular, tax systems need to significantly curb tax evasion and tax elusion by the countries’ elites, refrain from subsidizing multinational corporations and goods disproportionately consumed by the better-off, and keep consumption taxes on basic goods, if not exempt, as low as possible. Cash transfers will need to benefit the poor and the vulnerable first.

If raising resources to fund education and health spending in low-income countries may inevitably leave the poor worse off, what are the alternatives?

At the UN General Assembly of September 2015, countries around the world committed to achieve the Sustainable Development Goals (SDGs) by 2030. The proposals have shied away from acknowledging that goals have trade-offs, in particular, that raising

FISCAL SYSTEM PAYERS OR BENEFICIARIES

Net payers to the fiscal system by income groups

| | Social categories by daily income (R) | | | | | |
|--------------------|---------------------------------------|--------------------|-----------------|----------------|-----------------|----------|
| | R < \$1.25 | \$1.25 < R < \$2.5 | \$2.5 < R < \$4 | \$4 < R < \$10 | \$10 < R < \$50 | R > \$50 |
| Iran | | | | | | |
| Indonesia | | | | | | |
| Jordan | | | | | | |
| Ecuador | | | | | | |
| Venezuela | | | | | | |
| Uruguay | | | | | | |
| Tunisia | | | | | | |
| South Africa | | | | | | |
| Russia | | | | | | |
| Mexico | | | | | | |
| Georgia | | | | | | |
| Costa Rica | | | | | | |
| Colombia | | | | | | |
| Chile | | | | | | |
| Brazil | | | | | | |
| Argentina | | | | | | |
| Sri Lanka | | | | | | |
| Peru | | | | | | |
| Honduras | | | | | | |
| El Salvador | | | | | | |
| Dominican Republic | | | | | | |
| Bolivia | | | | | | |
| Guatemala | | | | | | |
| Ethiopia | | | | | | |
| Armenia | | | | | | |
| Uganda | | | | | | |
| Tanzania | | | | | | |
| Nicaragua | | | | | | |
| Ghana | | | | | | |

Net receivers Net payers

This table shows which groups of individuals, depending on their incomes, become net payers to the system. This calculation only takes into account the incomes of individuals and excludes transfer mechanisms, such as free schooling or healthcare.

Example of analysis: In Ghana, Nicaragua, Tanzania and Uganda, the “ultra-poor” who earn between USD 0 and USD 1.25 a day are already net payers to the system.

Source: Nora Lustig (editor). 2018. *Commitment to Equity Handbook. Estimating the Impact of Fiscal Policy on Inequality and Poverty*. CEQ Institute and Brookings Institution Press, Chapter 10.

additional revenues domestically to reach the goals in, for example, education and health in especially low-income countries may leave a significant portion of the poor with less cash to buy food and other essential goods. In such contexts, resources will need to come from elsewhere. Advanced countries and the multilateral system will need to

ensure that resources (through aid and capital flows) and opportunities (through trade and migration policies) are made available to the poor, especially those living in the poorer countries in the world. •

“There is nothing inevitable about inequality”

AN INTERVIEW WITH



CÉCILE DUFLOT

Executive Director of Oxfam France, former minister.

Since 2015, despite the adoption of the Millennium Development Goals by the Member States of the United Nations and the commitments made to the fight against inequality, inequalities are increasing. Cécile Duflot takes a look at the dynamics of wealth distribution around the world and the importance of the fight against inequality, in both emerging and developing countries and in “rich” countries.

Oxfam has just published a ranking of countries on the basis of their Commitment to Reducing Inequality (CRI). What can you say about the results? What are the current trends in the fight against inequality, both in the North and the South?

Inequality is increasing dramatically. According to our calculations, 82% of the wealth created last year was monopolized by 1% of the world’s population, while nothing has changed for the poorest half of humanity. The strength of our CRI index, which was developed with Development Finance International Group (DFI), lies in the fact that it measures the effectiveness of public policies.

On a case-by-case basis, we see a wide range of results and sometimes

changes in the wrong direction. For example, Denmark has a long tradition of equality, but the country’s situation is deteriorating, showing that political decisions have real impacts. This is the crux of the matter. It is always possible to take action, change things, reverse the trend, as we saw, for example, in South America in the 2000s. There is nothing inevitable about inequality. But the fact remains that the performance of 112 countries out of the 157 we studied stands today at half the performance of the countries with the best results.

In your opinion, what are the most glaring inequalities today which need to be tackled as a matter of priority?

We need to realize that there is a combination of several types of inequality. But gender is a factor which overdetermines all the others. Gender inequality is reflected in a number of fields, in access to skilled work, forced labor or part-time work, for example.

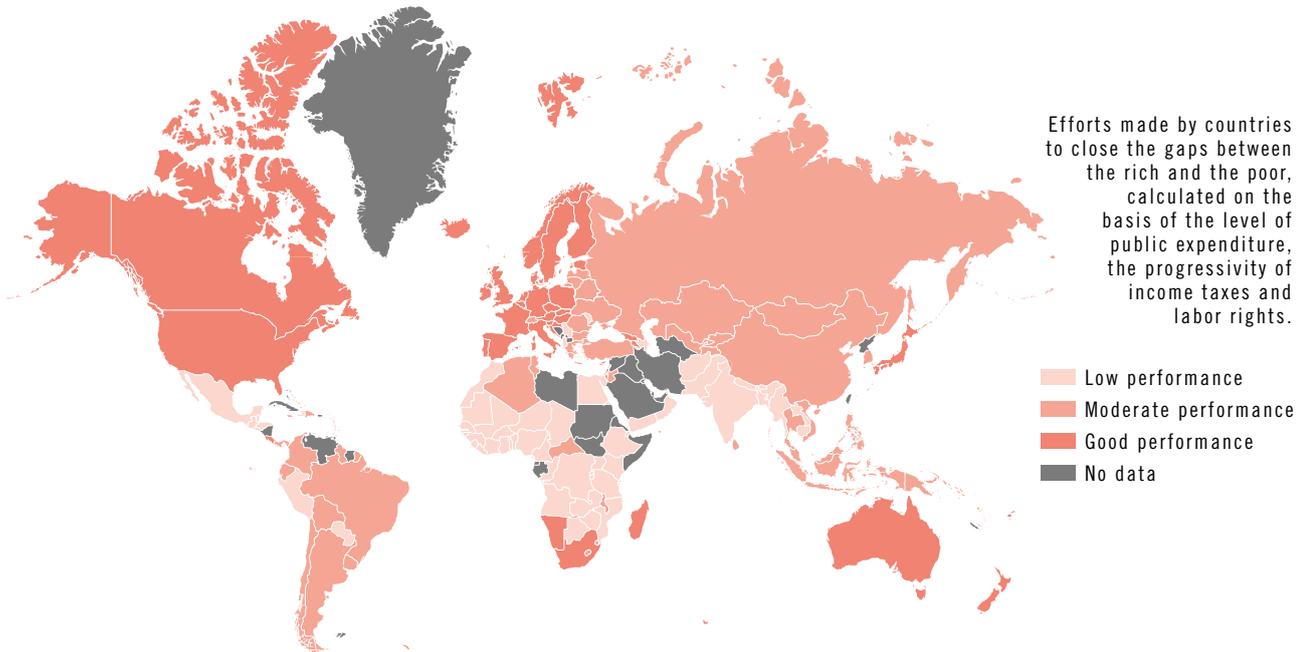
You take social public expenditure into account in the calculation of the Commitment to Reducing Inequality index. But how can financial levers against poverty and inequality be activated in countries where resources are scarce?

One of the reasons for poverty is tax evasion, which cuts a significant quantity of resources from national budgets. It may take place within countries in the South, via an underreporting of income by the more affluent. It is also organized beyond borders, via multinational enterprises which appropriate natural resources without paying for them at their fair value and therefore do not generate the tax revenues which should

“Triangular trade no longer exists today, but the grabbing of local resources continues. The North does not pay for what it takes at the normal price.”

COMMITMENT TO REDUCING INEQUALITY OF COUNTRIES

According to Oxfam's index



be due. Triangular trade no longer exists today, but the seizing of local resources continues. The North does not pay for what it takes at the normal price. Oxfam has shown in the report on the agrifood industry "Behind the Barcodes" that workers in the South produce foods we eat—without themselves eating their fill. We therefore need to indicate how the products we buy here are made in order to make the entire chain accountable, from the central buying offices of supermarkets to consumers. Furthermore, the role of developed countries is also to create a just solidarity through development aid.

What role does Oxfam want to play in the fight against inequality?

Oxfam has two objectives. Firstly, take immediate action in the field to implement and support development policies. When we help women farmers in the Sahel region implement an

agroecological project which allows them to feed their families, we are fighting inequality. Secondly, we want to change the rules through our expertise, by producing reports and recommendations in a committed way. In other words, to say things and talk about them. Oxfam is a non-partisan NGO, willing to dialogue with everyone, business leaders and government leaders alike. We are transparent and we accept controversy.



In another vein, what impact does climate change have on inequality?

The 10% of the richest countries are responsible for 50% of greenhouse gas (GHG) emissions. At some point, everyone will be a victim of global warming, but for the time being its impacts are a new form of inequality: Southeast Asia and Africa, which are not the main GHG emitters, are more affected by the consequences. Climate change has a stronger and more immediate impact in



80% of Madagascar's population is rural. For several years, it has been suffering from the effects of climate change. Agroecological practices allow family farms to increase their yields durably.

developing countries. For example, there has been a decline in hunger around the world for 15 years. For the past three years, it has increased again because of droughts in the South, which are longer and more frequent than in the past and cause agricultural crises. Climate change is happening today for a large part of the world.

In your opinion, why do the commitments to address inequality and the climate take so long to take effect, whereas the Paris Agreement has been signed and the SDGs adopted three years ago? In other words, why are countries not taking swifter action on these two fronts?

It is not even slow. It is often not even done. There is a serious inconsistency between rhetoric and actions. We are not seeing the development of green investment funds, energy savings, energy transition measures, changes in transport... The signatory countries are not living up to their commitments. The Climate Action network, which mobilizes French associations involved in the fight against climate change, has defined nine monitoring indicators for



these commitments to the climate. For France, eight of them are still in the red! No one is impressed by rhetoric today. Effective policies are what make a real impression. But there is perhaps concern among political leaders, who fear that they may become unpopular, and an element of denial. Yet political consensus on the need to take action was reached twenty years ago. At the time, we thought that our children would face climate change. But we are the ones who have to face it. The latest IPCC report recommends major decisions. It is technologically possible to contain the temperate increase to 1.5°C, but we need radical and immediate choices. At Oxfam, we remain convinced that citizens are ready, that they share a sense of the urgent need for action.

Are you optimistic?

I am optimistic because I observe the human race, which does not have many biological advantages. We have no shell, no claws, we do not dig a den, we do not climb trees well, we can be quite powerless... Human beings use other intellectual skills, based on a rationale for cooperation, which has always ensured their survival in the face of major challenges. When we ask whether we have the cognitive resources, the answer is yes, and whether we have the technical skills, without a doubt—which was not the case twenty years ago. So

we have solutions for humankind. This makes me optimistic and even more determined!

What does the notion of social ties mean to you, from an international perspective?

It is simply a matter of recognizing that we are human beings, that we need interactions, relationships, that we are not only living in a world focused on efficiency or simply satisfying basic needs. Social ties mean the ability to be more intelligent together than alone, and to share common objectives. They are essential to achieving these objectives, just as they are to achieving a better life. They are fundamentally a global issue.

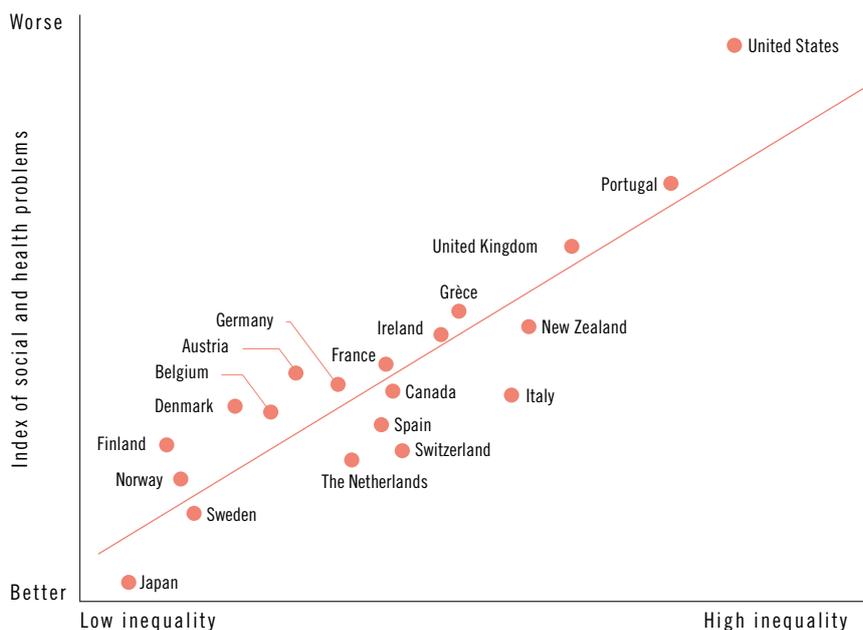
It involves saying how we identify with otherness, with the relationship with people who live on the other side of the Mediterranean, for example. When we know that those "others" have children like us, sorrows like us, laugh and want to be happy too, we consider them as equals. It is fundamental. This is the essence of what makes us human

beings. In contrast, dehumanization is always a way to avoid solidarity.

Does advocating for social ties mean fighting inequality?

Yes, it does, as it means acknowledging the fact that we live in the same society, where we are able to forge ties which do good. Inequalities, for their part, do harm. Wilkinson, an epidemiologist, has proven that the most unequal societies have poorer results than others in terms of health. The same rich person in an unequal society is in poorer health than in an equal society. The level of stress experienced or potential violence feared deteriorate the health of everyone, not only of the most poor. That gives a sense of the extent to which inequalities are a burden, even in rich countries. •

SOCIAL AND HEALTH PROBLEMS ARE WORSE IN THE MOST UNEQUAL COUNTRIES



The index takes into account: life expectancy, education levels, infant mortality, the homicide rate, teenage pregnancies, confidence, obesity, mental illnesses, social mobility.

Source: Wilkinson and Pickett, *The Spirit Level* (2009).

“Inequality hinders economic growth”

AN INTERVIEW WITH



**MURRAY
LEIBBRANDT**

Professor at the School of Economics of the University of Cape Town and Director of the South African Labour and Development Research Unit.

South Africa is one of the most unequal countries in the world. Despite a period of high hopes in 1994 with the end of apartheid and the arrival of democracy under Nelson Mandela, the country has struggled to fight economic inequality between ethnic groups. Murray Leibbrandt takes a look at persistent inequalities and at the role of those whom he believes are the solution for a new social balance: public authorities.

Economic growth is often considered the most effective driver for reducing poverty and inequality. Have you observed this in South Africa, a country where growth is relatively high?

South Africa is a very concrete case study to illustrate the complexities of this link between growth, poverty and inequality. In the post-apartheid period, the country has experienced an average annual increase in its GDP of close to 3%. This rate is far from those seen in China or Mozambique, but, in periods when it has been closer to 5%, it has created a number of jobs and allowed parts of the population to get rich. A black middle class has begun to emerge and the State has earned additional tax revenues which have allowed it to take

“There is quite a widespread feeling of not taking part in the construction of this ‘new South Africa’ described by those who think that everything is better.”

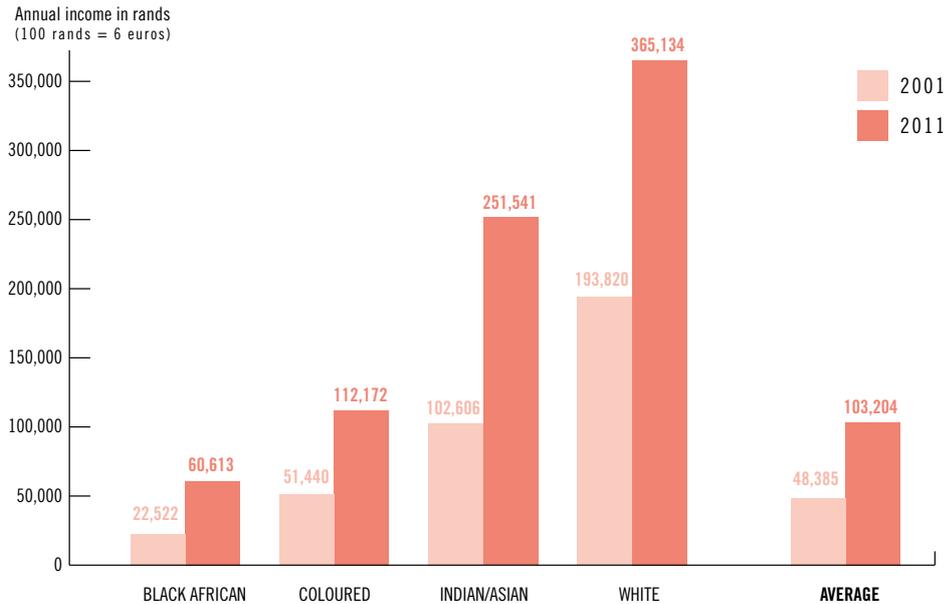
action against poverty and inequality. But, progress has been disappointing. We expected better! This growth has not substantially changed South African society. On the contrary, many inequalities have increased. Whites who have the human capital and skills have seen their standard of living increase faster than the growth rate of the economy. But for the middle classes, earning more is still a struggle. Companies demand an increasingly skilled labor force, like in France or the USA, while at the bottom of the ladder, needs for unskilled staff are not increasing. It is always the same groups who have access to quality education, it is always the same groups who find good jobs and, then, it is always the same groups who stay unemployed.

In your opinion, is the persistence of inequalities due to poor political choices or social relations?

The Government has done a lot for education and health, but not enough to involve black South Africans in the labor market in a more inclusive manner. Alongside this, we are still living with a psychosocial legacy which we have ignored. Economic growth is useful and necessary, but it has been too low to be transformative and it does not automatically strengthen social cohesion. Relations between individuals in companies, government or communities are the main area of concern. Racial privileges and racial disadvantages remain, despite the freedom and political rights acquired in 1994. 90% of South African society is black and only 10 to 15% of this group has benefited from economic growth. The others, the majority, remain

PERSISTENT INEQUALITY BETWEEN ETHNIC GROUPS IN SOUTH AFRICA

Based on annual income and the ethnic group of the household breadwinner



Source: Census 2011, Statistics South Africa

highly vulnerable.

In the context of a project on social cohesion implemented with AFD, we have interviewed people from different socio-economic groups, living in cities, rural areas, etc. Everyone told us about the wide gap between the popular discourse on the construction of a miracle nation and the reality of daily life.

Is this situation taken into account by the economic and political elites?

In the social dialogues that we have been part of over the last few years it has been clear that captains of industry are fully aware of the dangers of this wide gap. They know that we lose an enormous

* 1994 effectively marked the end of apartheid in South Africa and the start of reconciliation. The first election in which all citizens were allowed to vote was organized and some 20 million people voted, against 2 million in 1989. Nelson Mandela was elected and decided to form a Government of National Unity.

amount of productivity because of the lack of trust and effective interpersonal relations in companies. It is the crux of the problem: people still live far apart, do not interact outside of the workplace, do not access the same levels of responsibility in companies but are expected to interact very well in the workplace. There is quite a widespread feeling of not taking part in the construction of this "new South Africa" described at the top of the ladder, by those who think that everything is better. And this is a burden on the economy as a whole.

Do you mean that economic growth would be stronger if there was more solidarity in society?

That is exactly what I mean! Our economy is constantly constrained by the lack of transformation in our social relations. This distorts who speaks to whom in nearly

every situation. As a result, the spirit of initiative is not well developed. I am not talking about entrepreneurial spirit strictly speaking, but about individual commitment to a group, company or society. We do not form a nation where we encourage each other to resolve problems or do better. This prevents us from reaching a growth rate of beyond 4%. This is not just a South African problem. Here we are touching on the frontiers of contemporary social analysis: the link between growth, inequality and poverty is a key contemporary issue in sociology, economics and political science. Unfortunately, there is no magic formula in economics. But at the political level, we need a vision which turns voters into citizens. There may be a need for another "1994" for the country to say: "Now, we must change in a way that includes all of our people and addresses our inequality."

So, the successive governments have not transformed the benefits of growth into tools to fight inequality and poverty.

In the 1990s, the State reduced its budget deficit, repaid high public debts and, at the same time, increased health and education expenditure. Tax revenues were invested in the social sector. The redistributive system worked well, for both direct aid and the tax structure. But the provision of quality public services has not followed and we are seeing the consequences of this today. People do not have confidence in the administration. It is a huge job for the Government. It needs a clear vision of what it wants to do. Yet there is uncertainty among the population over its intentions and public service officials are demotivated: they are vilified by

users, but they do not know what their managers want because of a lack of a clear vision.

Does the fight against inequality involve public sector management?

In my opinion, this goes without saying. If we take an example of a poor Kwazulu-Natal region, in the east of the country, the educational outcomes of children in one neighborhood were appalling. Relations between residents and the school's administrators and teachers were also very bad: families felt that the school was not serving their children and that the only thing teachers thought about was getting better salaries thanks to their unions. The Government called on mediators to understand the whys and wherefores of this situation. In the end, money was invested in both infrastructure and better mutual understanding.

Through communication, teachers felt understood and were also encouraged to work overtime, to show their commitment to students.

This story has a positive outcome, but this takes a long time. Our nurses and doctors in our clinics are also functioning with bad, dysfunctional relations with their communities. We all want a better education system and better healthcare system, but we need to start by taking the prevailing realities into account and building better relations at the local level. At the same time, as I said earlier, this is all speeded up if it is part of a national vision of building a new, productive, inclusive society.

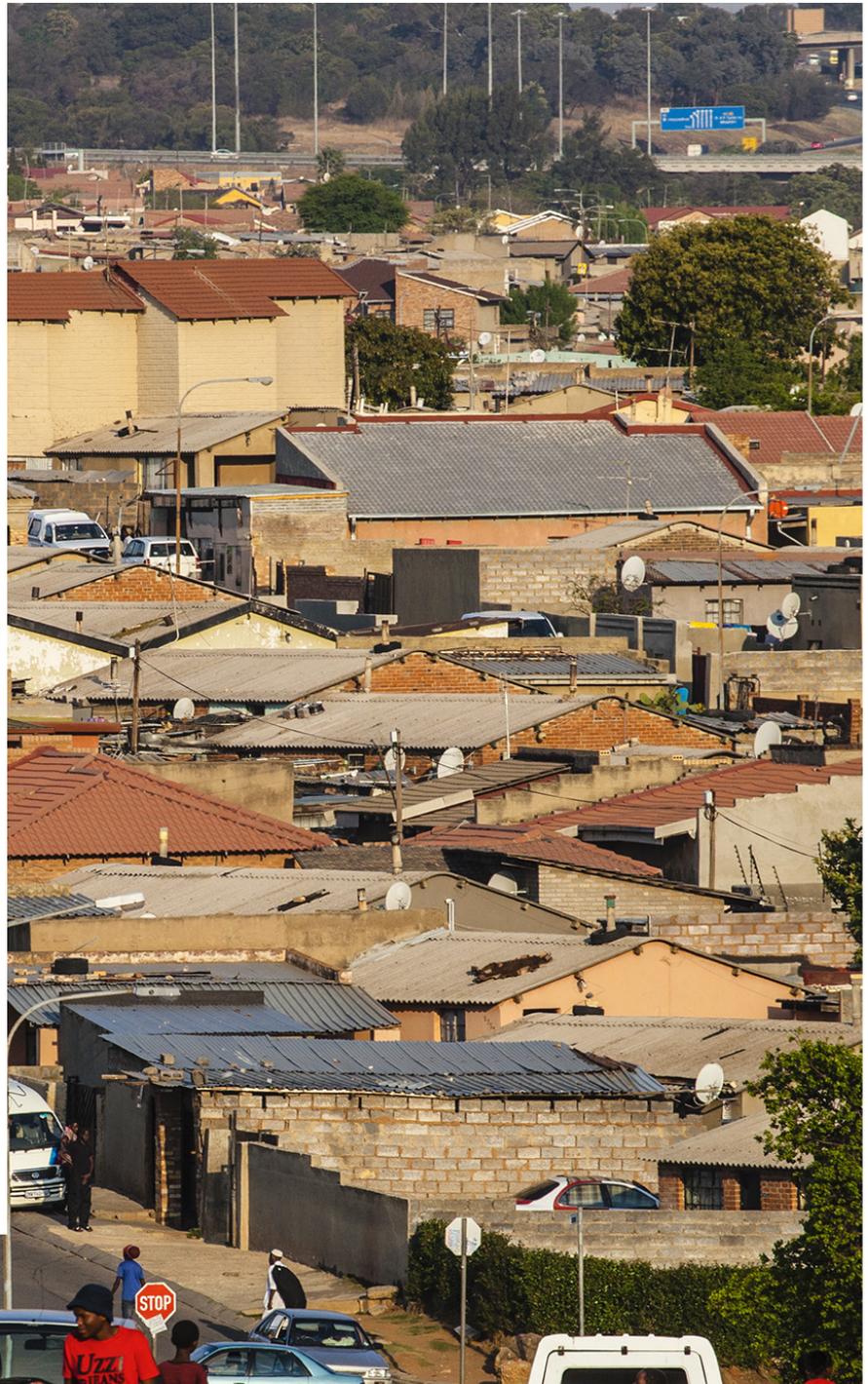
I will give you another positive example. Civil servants from the government's labour offices have been remotivated by making them aware that they have the power to change the lives of the young



jobseekers who come into their offices. This intervention has been based on a similar intervention in France! Officials have been trained to use the results of an online writing and math test to identify the abilities of jobseekers and to credential them. This package of officials being more motivated and doing a little more has, in turn, given the jobseekers a fuller and more accurate vision of their abilities. The intervention has achieved good results in terms of the employment rate.

South Africa has just introduced a minimum wage. Is it a good thing?

From 1997, there were minimum wages in certain sectors. The national minimum wage will be set across all sectors, but at a level that primarily concerns the most vulnerable workers. This work has been fascinating and difficult. I was a member of the commission which advised the Government on this project. We supported the establishment of a minimum wage nationwide, carefully set to maximise support from wages for vulnerable workers but not so high as to threaten their jobs. For the unions, the amount of the minimum wage is too low. It is far below their bargained wages. But these wages are not threatened by the minimum wage. It stands at ZAR 20 an hour (about EUR 1.15). That may sound low, but it is the best we were able to do. And, above all, 47% of the labor force is covered! Symbolically, it is also a sign that society is changing to care about our most vulnerable. •



Soweto, in the suburbs of Johannesburg. Since 1951, this township is the symbol of social and racial inequalities in South Africa. Today, over 1.2 million people still live there in precarious conditions.

Climate change impacts the fight against inequality

AN INTERVIEW WITH



**CÉLINE
GUIVARCH**

Civil engineer,
Senior researcher at
CIRED (International
Research Center on
Environment and
Development).

The issue of the fight against climate change is not sufficiently correlated with the economic reality.

Céline Guivarch specialized in the economic implications of climate change. According to her, the fight against climate change is linked to the fight against inequality.

How are the climate and global inequality linked?

Climate change and inequalities are linked in two ways. Generally speaking, both at the level of countries and individuals, the less wealthy are the most vulnerable to climate change, whereas the wealthiest are responsible for the bulk of GHG emissions. Consequently, there is a sort of “double penalty”: those who bear the brunt of—and will bear the brunt of—the impacts of climate change are those who contribute the least to the

problem, even if the impacts of climate change (heatwaves, droughts, rising sea levels...) also affect rich countries. “Rich” or “developed” countries are responsible for some 70% of the build-up of GHGs since the industrial revolution. In addition, emissions today remain closely linked to the GDP of countries: as a proportion of the population, the emissions of the USA reach some 20 tCO₂eq per person per year, those of the European Union and China are close to 8 tCO₂eq per person per year, those of India just over 2 tCO₂eq per person per year and those of Senegal or Burkina Faso, for example, are between 1 and 2 tCO₂eq per person per year.

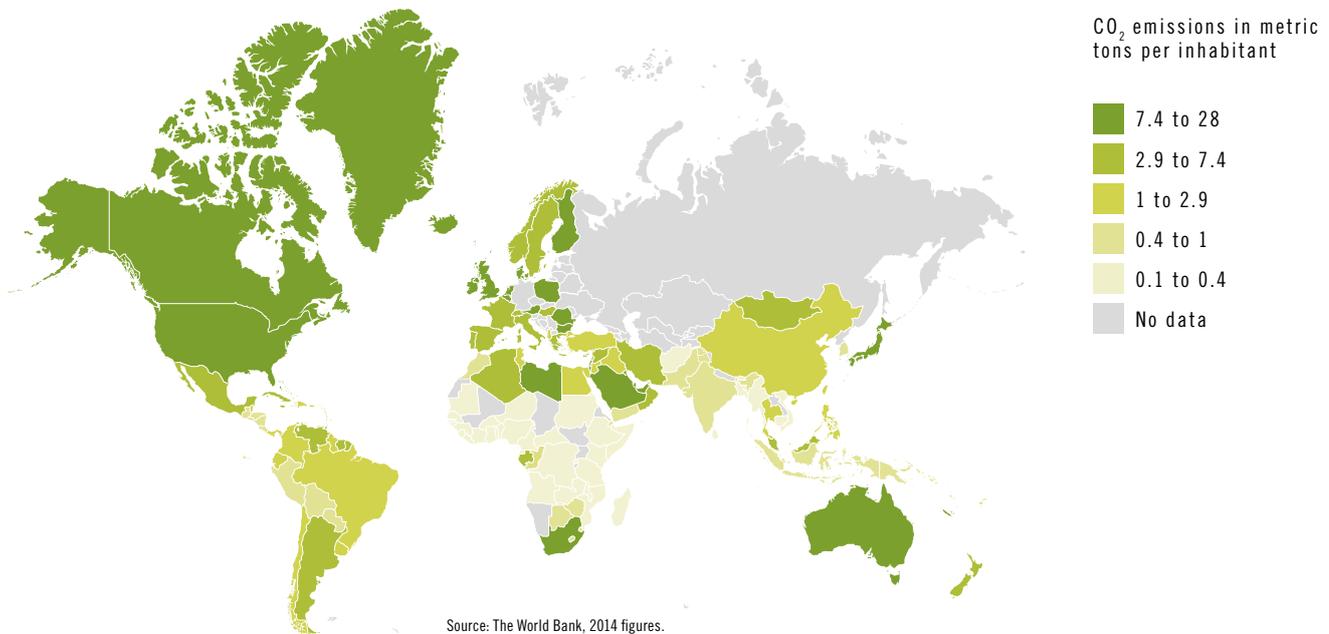
Are inequalities also visible within countries?

Yes, they are. We find this same dynamic within countries: the poorest households are generally the most exposed and

The poor district of la Barquita in Santo Domingo is particularly vulnerable to the effects of climate change.



THE RICHEST COUNTRIES EMIT THE MOST CARBON



the most vulnerable to the impacts of climate change. The level of wealth of an individual is not the sole determinant of their carbon emissions. But it remains the first, ahead of all the other determinants, such as their urban/rural location, their age, etc.

Consequently, today, worldwide, the richest 10% are responsible for some 50% of greenhouse gas emissions, while the poorest 50% only account for 10% of emissions.

Furthermore, the adaptation capacities of less developed countries are weaker and climate change exacerbates pre-existing tensions and difficulties. The distribution of the damage therefore closely links climate change to the issues of inequality, which are highly prevalent today.

Are these inequalities resulting from climate change taken into account in the economic analysis?

The economic calculation tools used often take little account of these issues

of damage distribution. Let's imagine two projects with the same cost which reduce the damage caused by climate change for a neighborhood, for example, two investment projects in protection infrastructure: one would avoid EUR 100,000 of damage for middle-class households, the other would avoid EUR 50,000 of damage for poorer households. If we have enough to finance just one of these projects, which one should we choose? The simplest cost-benefit analysis tools would give priority to the first because it provides more benefits. But there are also tools from welfare economics or social choice economics which take into account the impact of damage on well-being and could give priority to the second project. These tools exist, but they need to be implemented in practical cases.

Another significant implication of inequality in the distribution of damage concerns the models used to calculate the mitigation value, i.e. the value of projects which reduce GHG emissions.

This value corresponds to the value of the damage avoided. It can vary between 1 and 10, depending on the way in which inequalities are represented. It is important, as this value is used in the choice of public investments and is taken into account to decide on the scale of public policies such as carbon taxation. Climate change is consequently a multiplier of inequalities, whereas they have already reached intolerable levels today. If there is no swift action to reduce GHG emissions, climate change will have an amplifying effect between countries and within countries.

“If there is no swift action to reduce GHG emissions, climate change will have an amplifying effect between countries and within countries.”

Yet actions to reduce GHG emissions must not neglect their own impact on inequalities and on poverty and precariousness. Indeed, we need to ensure that policies to reduce emissions do not exacerbate situations of energy insecurity or prevent access to energy. In this respect, carbon taxation is interesting, as part of the revenues it generates can be used in the fight against energy insecurity.

Are economic growth and raising living standards compatible with controlling global warming, particularly in developing countries?

If there is no action to mitigate climate change, its impacts could undermine development and poverty eradication. Controlling global warming is therefore a prerequisite for sustainably raising living standards. Furthermore, studies show that both the way out of poverty

and universal access to energy can be achieved without leading to a significant increase in GHG emissions. In addition, a number of co-benefits are related to actions to reduce these emissions. For example, the use of efficient stoves reduces them, but above all improves air quality and therefore health. Similarly, reducing CO₂ emissions caused by motor vehicles in cities also reduces emissions of fine particles and other pollutants, which suffocate large cities and their inhabitants.

Yet it would be naive to think that there are only co-benefits and synergies between climate change mitigation and development. There are also conflicts which will need to be managed and losers in the transition which will need to be protected and supported. For example, certain mitigation solutions which use bioenergies are more likely to exacerbate tensions over land and water use, and push up food prices, thereby making the poorest households more vulnerable.

Finally, emissions are so low in the least developed countries that it is unrealistic to think that they will be able to develop without increasing their emissions. This means that the all-powerful “GDP growth” indicator must therefore be called into question and that very strong action to reduce emissions in developed countries is necessary. •

“Most Arab countries are marked by **substantial income disparities**”

AN INTERVIEW WITH



SAMIR AITA

Franco-Syrian
economist, President
of the Arab
Economists Circle.

The lack of job prospects for young people largely triggered the “Arab Spring” movements in 2010 and 2011. Eight years on, the labor market continues to pose problems in the Arab world, along with poverty and inequality. Samir Aita takes a look at the causes, consequences and potential ways of addressing the unequal distribution of wealth in the Maghreb and Mashreq regions.

What are the terms of the debate on inequality in the Arab world?

Traditional approaches focus on poverty rates and the Gini Index or the rate of access to education, or on “discrimination in results” as it is called. However useful these approaches may be, they suffer from a lack of available data in the Arab countries; studies on the incomes and on household expenditure for example. Furthermore, these surveys also do not include the non-national share of the population. Yet Gulf countries, such as Lebanon and Jordan, today have an immigrant population which is sometimes higher than the number of nationals. Consequently, what does the

“Every year, out of the three million people gaining access to first-time employment in the Arab world, two million only find an informal job.”

measurement of poverty or of the rate of access to university mean if migrants are not taken into account? Most jobs are informal and so are most of the revenues used to pay them. Thus, it is impossible to measure inequalities in the Arab world. Faced with the lack of data, quantitative approaches are replaced by notions such as “discrimination in autonomy.” They are based on opinion surveys and focus on the role of individual initiatives in reducing inequality, with public authorities simply being a repressive barrier to this individual will. There is consequently a change of register in the perception of inequality. However, when we discuss these observations, potential solutions are not put into proper perspective. In all these debates, there is very little talk about causes, which stem in particular from public policies and failure to respect economic and social rights.

What might the solutions be?

Let us take the example of poverty. Employment and social security are the main solutions to poverty. A poor person can only get out of his or her situation by accessing the labor market and obtaining a decent income, and by being protected in case of illness. But the question then arises of informal employment which, by definition, does not give access to social protection. Every year, out of the three million people gaining access to first-time employment in the Arab world, two million only find an informal job, meaning that inequalities are increasing! Furthermore, the study on informal employment, which I conducted in

13 Arab countries in 2016, shows that the bulk of informal employment is wage work—and not self-entrepreneurship. In Lebanon, for example, 37% of workers are migrants, most are informal workers: 18% are Syrian and 6% Palestinian and 13% are domestic employees from Asia. In Bahrain, migrants account for 73% of workers. Most do not benefit from social protection, despite their legal status. 60% of them have been in the country for less than a year. Yet a year of residence is required before being entitled to these rights.

The issue of inequality cannot be addressed without talking about equal

“In the Arab world, a minority of the population lives in conditions similar to those in Western Europe, while the majority resides in informal urban housing or in deprived rural areas.”

rights, redistribution and therefore taxes. Most Arab countries are marked by substantial income disparities between property owners or executives from international companies and all those who are paid “under the table”, which includes an increasing share of immigrants and refugees who have a meagre wage. It is not only a question of income inequality, but of inequality in ownership.

Is the lack of formal employment due to the post-colonial structure of Arab economies?

The post-colonial structure is already in the distant past and had certain aspects that were better, whatever one might think about the industrialization policies via the public sector. In the 1950s, and up until the 1980s, productive employment was created, in a context where we did not yet know that there would be a massive

influx of young people in the labor market. Growth rates in the workforce were similar to population growth (around 3%, excluding Gulf countries). Today, there are growth rates in the urban workforce of 6 to 8% in certain countries, due to the baby boom in the 1990s and rural exodus. The decline in public investment has not been replaced by at least equivalent growth in private investment. In a schematic view, there is work, but no capital invested. Furthermore, the Arabic term for “capital”, *raas mal*, which is literally translated by “head of money”, is joked about among Arab economists. We talk about *mal* without *raas*, “money without a head”, to discuss the problems of our economies.

Are there major differences in the structure of inequality in the Arab world?

According to Thomas Piketty in *The Economics of Inequality*, “There is no doubt that income inequality is extremely large at the level of the Middle East taken as whole.” The 1% of the highest incomes receive over 25% of the regional total, against 20% in the USA, 11% in Western Europe and 17% in South Africa. This is without mentioning inequalities in property ownership. Massive inequality rates concern both the national level and regional level.

Even if national data do not allow disparities to be really measured, we can see with the naked eye, intuitively, that they are similar in all countries in the Arab world. A minority of the population lives in conditions similar to those in Western Europe, while the majority resides in informal urban housing or in rural areas whose development is comparable to the most deprived regions in India.

Does inequality particularly affect women?

In the Arab world more than elsewhere, women are indeed doubly penalized in terms of access to employment and property ownership.



Asian workers in Dubai. In the United Arab Emirates, 88% of the population is immigrant. 50% come from Asian countries (Nepal, Pakistan, Bangladesh, Malaysia...).

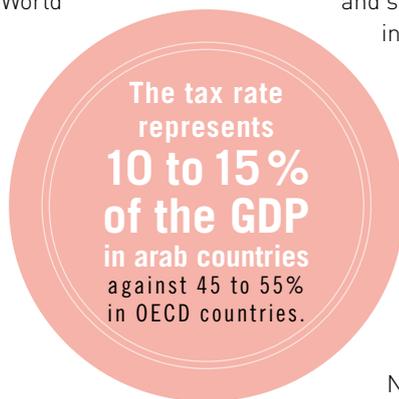
In the 1990s, they still had work in agricultural economies or access to urban work, especially if they had a secondary or tertiary education. The rural exodus changed things. As soon as there was a mass influx of rural women in cities, they found themselves in a precarious and informal situation. The majority of men already had informal jobs, activities which they did not want to do, as they are regarded as being part of a masculine and precarious world. It is the main reason for their lower level of participation in economic activity. In most Arab countries, women mainly work in the public sector, which offers real contracts and social protection. The idea that public employment needs to be reduced, upheld first and foremost by donors, the World Bank and International Monetary Fund (IMF), is disastrous for women. What other alternative do they have, bearing in mind that the participation of Arab women in the labor market is the lowest in the world? Rather than addressing the objective reasons for this situation, religious or cultural reasons are most often mentioned, as if Muslim women did not want to work. The fact is that they work, but mainly in the formal sector or in family businesses. However, the question of inequality in inheritance is clearly a cultural issue. But it is not specific to Islam.

Which public policies to fight inequality work in the Arab world?

The horizontal generalization of social security in its various forms is an exemplary policy of redistribution to reduce inequalities. Tunisia is the only country to have partly applied it. Following Independence, Arab countries conducted excellent policies to fight

inequality: free education for all, health for all, electricity for all, territorial development, etc. There was a significant reduction in national inequalities and inequalities between regions. But after the oil shock in the 1970s, there was a fall in public investment. Today, subsidies and the debt service consume a large part of State budgets. Consequently, education, health, etc. are re-privatized and inequalities have grown significantly again.

The basic problem is that tax revenues (excluding the rents from natural resources) are insufficient. However, the State can only address inequality by redistributing wealth between the regions in the country and the social categories of the population via taxes



and social contributions. Yet in most Arab countries, the level of taxation is low—10 to 15% of GDP at best, excluding natural resources, against 45 to 55% in OECD countries. In Iraq, for example, total non-oil tax revenues stand at less than 3% of GDP.

Nothing can be done in Arab countries without collecting taxes and broadening the tax base. Natural resources are useful, but oil and rents cannot act as a stopgap for taxes. This is especially the case considering that a generation does not have the right to use the bulk of revenues from natural resources for its own benefit, without thinking of future generations.

The issue of taxes needs to be addressed holistically, in terms of “total social contributions”, including direct and indirect taxes and social contributions. The real issues involve, firstly, taxing fortunes (accumulated assets and capital gains from property) and, secondly, extending social contributions and coverage.

Is there a clear political awareness in the Arab world of the issues related to inequality?

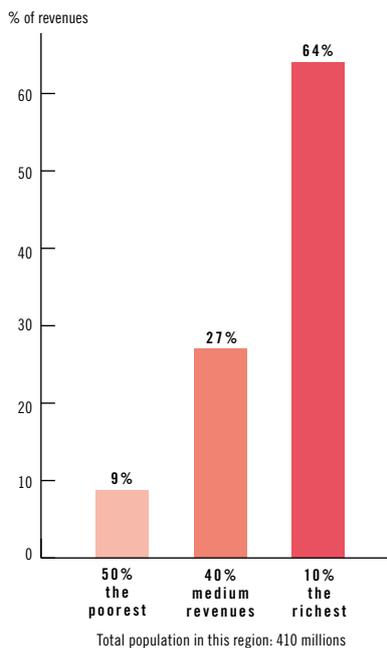
Yes, there is. Populations in all these countries are extremely aware of this, hence the Arab Spring, which even took place in oil-producing countries. But is this awareness really “political”? There is the perception of national and territorial inequalities, strongly felt by young people in particular, who do not see a future for themselves. Then, there is the perception of inequalities between countries in the Arab world, especially vis-

à-vis Gulf countries. These perceptions have led to a return of religious conservatism and the strengthening of community networks. When the Arab Spring broke out, we mainly saw demands over issues of civil liberties and the will to overthrow regimes. The social movements to demand better working conditions and salaries came up against considerable hostility.

These uprisings did not really have a political “framework” and rapidly revealed divisions between conservatives and modernists, between the social categories of the “labor market” and between communities. Tunisia was the only country where strong trade unionism managed to channel the uprising “politically” in order to bring about a democratic transition of the State.

In addition, lucidity towards inequalities and the awareness of inhabitants about them are clouded on the issue of migrants and refugees. A citizen in the Gulf often does not necessarily consider that migrant workers have the same rights as him. The same goes for Lebanese people towards Palestinian or Syrian refugees and domestic workers. Yet migrations have become one of the main realities in all countries in the region. •

INCOME DISTRIBUTION IN THE MIDDLE EAST



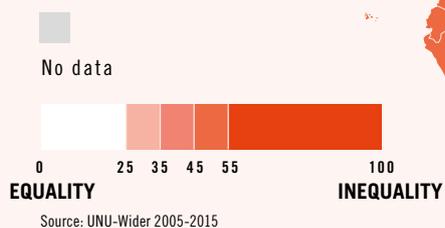
The study concerns Bahrain, Egypt, Iran, Iraq, Jordan, Kuwait, Lebanon, Oman, Palestine, Qatar, Saudi Arabia, Syria, Turkey, United Arab Emirates, Yemen.

In the Middle East, the poorest 50% share approximately 9% of incomes and the richest 10% recuperate 64% of incomes. Yet these countries (often oil-producing) are not the poorest in the MENA region.

Source: *Measuring Inequality in the Middle East 1990-2016: The World's Most Unequal Region?*, F. Alvaredo, L. Assouad, T. Piketty.

INEQUALITY IN THE WORLD

Based on the Gini coefficient (2005-2015 average)

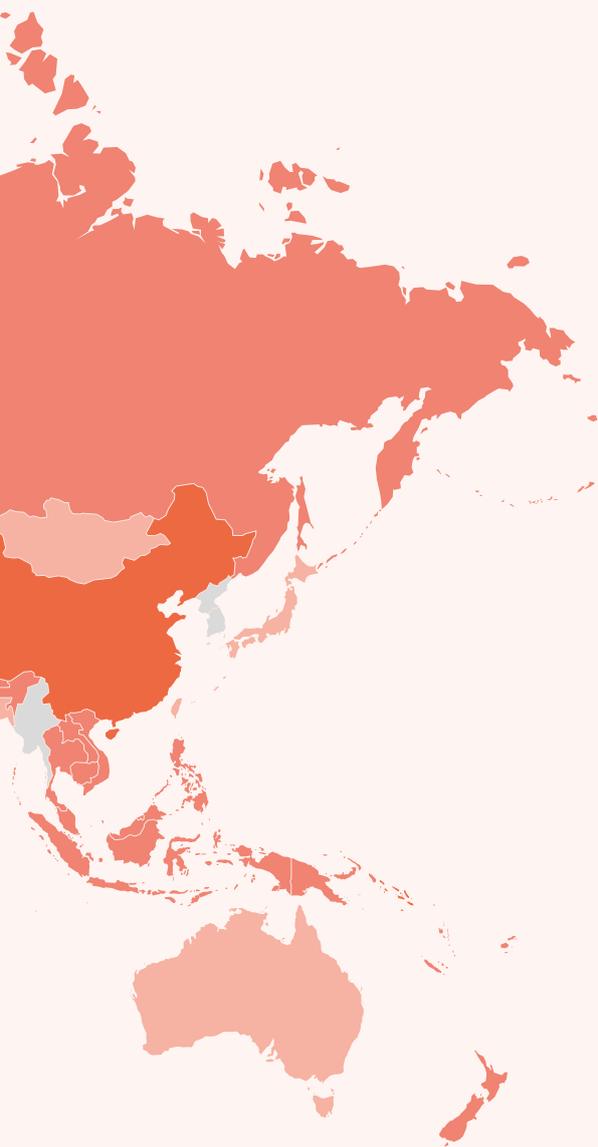


SOCIAL PROTECTION COVERAGE IS LIMITED IN MOST AFRICAN COUNTRIES

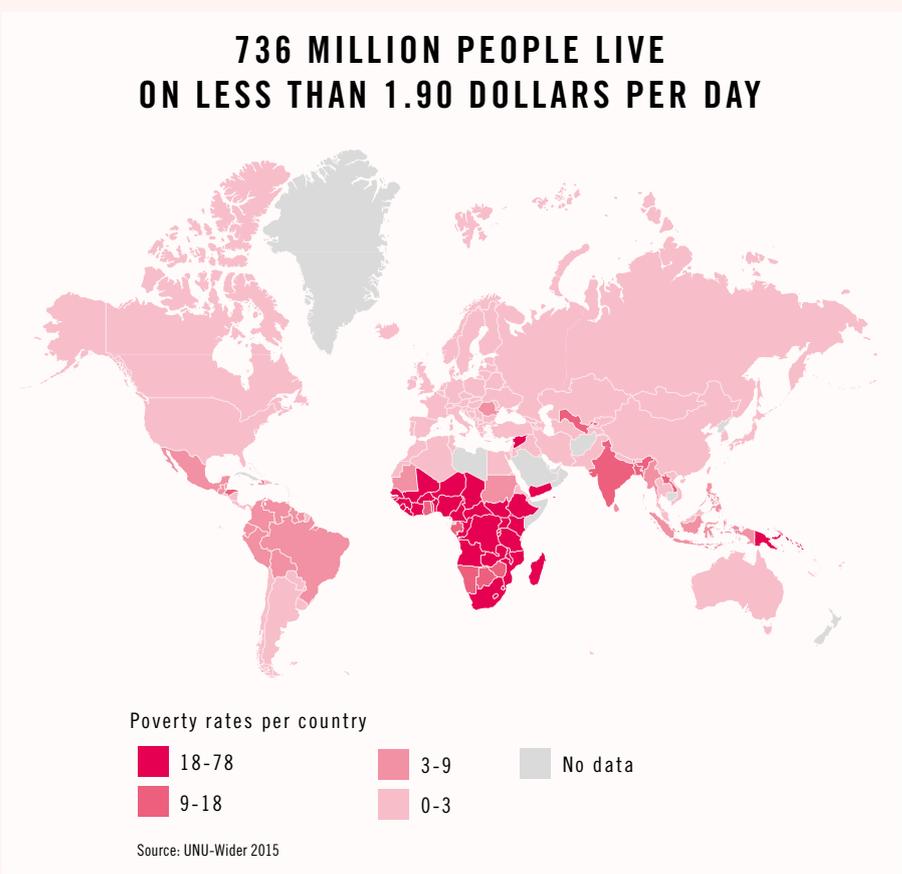
Amplitude of the legal social protection programmes in 2015



The following areas are taken into consideration: sickness benefits, unemployment benefits, old-age benefits, employment injury benefits, family/child benefits, maternity benefits, invalidity/disability benefits and survivors' benefits.

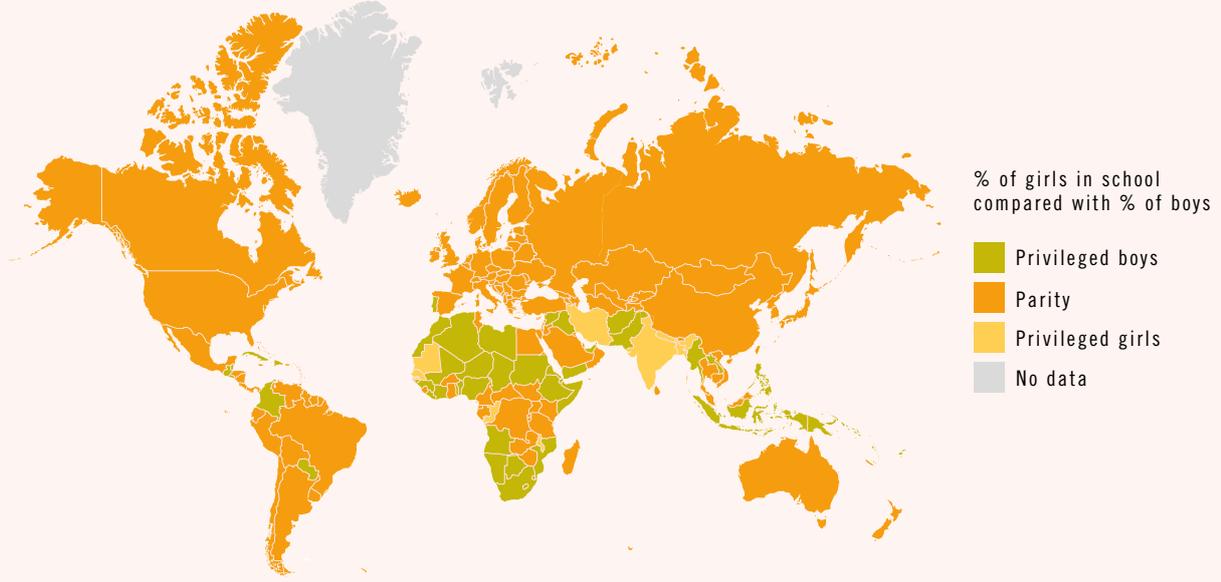


736 MILLION PEOPLE LIVE ON LESS THAN 1.90 DOLLARS PER DAY



THERE ARE MORE BOYS THAN GIRLS IN SCHOOL IN ONE OUT OF THREE COUNTRIES

Girl-boy parity index in primary education



“The root cause of gender inequality is the role society assigns to women”

AN INTERVIEW WITH



RACHA RAMADAN

Lecturer at the Faculty of Economics and Political Science of Cairo University.

Difficulties in accessing the labor market, violated inheritance rights, limited political weight... In countries in North Africa and the Middle East, there are glaring inequalities between women and men in both the private and public spheres. Racha Ramadan, 2016 winner of the “Women of the future in the Mediterranean” program, conducts research on the issues of gender, poverty, food security and social protection. She is taking a look here at the case of Egypt, which she knows very well, and says that she is optimistic despite the barriers to equality.

*With the support of the French ministry of Europe and Foreign Affairs, and the inter-ministerial delegation for the Mediterranean, this program at Sciences-Po Paris aims at helping a network of women implicated in the promotion of gender equality in countries around the Mediterranean gain skills.

What is the best analytical framework for measuring trends in inequalities in countries in the Arab world and Middle East? What is your assessment of inequality, particularly in Egypt?

There is what we call the paradox of inequality in Arab countries. If we use the Gini Index, the most well-known indicator for measuring inequalities, we see that they are generally declining. But if we refine the analysis with a study of small groups, inequality increases between residents of rural areas and residents of urban areas, between those who have an education and those who do not. Certain factors increase inequalities. If we want to be optimistic, we can use the Gini Index. But if we really want to be able to conduct effective policies to reduce poverty, we need to determine which social groups are vulnerable and target them precisely.

Gender issues are one of your areas of research. To what extent does inequality affect women particularly?

I can really only speak about the situation in Egypt, which is the one I am the most familiar with. Generally speaking, women



Countries of the Middle East and North Africa have reduced the gap between women and men as regards the access to education and health, but the political emancipation of women is still slow in coming.

participate less in the labor market than men. They have trouble finding a job and when they do find one, it is often an informal or precarious job, or a position at a lower level and with a lower salary than a man's. One would think that a more educated woman would find it easier to access employment or credit. But here again, there is a paradox: the most educated women do not accept informal or precarious jobs. In this case, education is not the main factor which influences inequality. The root cause of gender inequality is the role and place which society assigns to women. It is not simply a question of social classes, but of culture. Throughout countries in the Middle East and North Africa, labor market participation rates for women are among the lowest in the world, whereas access to primary and secondary education is almost the same for boys and girls.

But you yourself are in a position of responsibility at Cairo University...

Becoming a lecturer was a choice. The academic environment allows me to work on my research issues and be in contact with new generations, those who are the future of this country. Like other women, I've achieved a position of responsibility. This is essential so that the following generations have models. But I would like to draw attention to the fact that certain sectors are more attractive than others for women. In reality, society accepts that certain positions are held by women, in education in particular. Furthermore, many women prefer to work in the public sector (university, administration, government...), as they benefit from favorable social measures and more flexible hours to manage their family life. In the 1960s and

1970s, the public sector was much larger and there were more women working in it. It has since grown smaller, which has affected the employment rate of women.

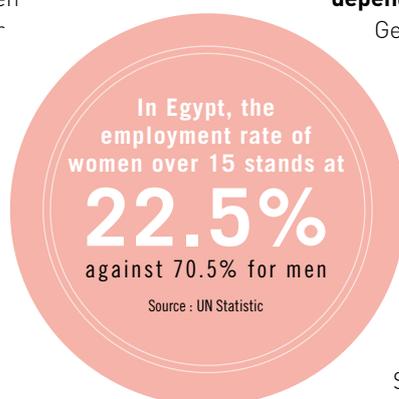
You write* that a female head of household is often a contributing factor to impoverishment. In what way does the standard of living of the household depend on the family structure?

Generally speaking, a female head of household is more vulnerable to poverty, because she has limited access to the labor market and resources such as land and credit. However, she can profit from social benefits or transfers.

Studies have shown that with equivalent income and power, a female head of household focuses more on the health and education of her children. The man, who is often less concerned about these issues, will tend to spend money on himself, or in certain Middle Eastern countries, on supporting another wife. For this reason, social assistance programs always prefer to entrust money to women.

Is there growing awareness at the political level and in civil society of issues related to gender inequality? Has the Arab Spring broken down barriers?

Since the revolution, there has been greater participation by women in committees to define economic or political measures by the government. Many administrations and ministries are seeking to integrate the dimensions of gender and take women's views into account in policies. Eight of thirty-three ministers in the current government are



* Ramadan, Racha & Hlasny, Vladimir & Intini, Vito. (2018). *Inter-Group Expenditure Gaps In The Arab Region And Their Determinants: Application To Egypt, Jordan, Palestine And Tunisia: Review of Income and Wealth.*

women, i.e. almost 25%. This is a record for Egypt!

Civil society is mobilizing on certain subjects, like harassment, as this has an influence on the participation of women in the labor market. There is more demand for child care services in companies to allow women to work. The gender issue is also increasingly addressed in the media. This is important, not only for women, but for everyone, as their emancipation is a potential factor for the development of the household economy and society. In reality, there have been some improvements, but much remains to be done.

How do you feel about the progress achieved in women's rights in Tunisia?

Tunisia is a model in the region for women's rights, particularly for rights related to marriage and children. But I am not sure that it can be replicated in Egypt, a conservative country where men hold considerable power in society, especially concerning these issues.

How can we make progress towards equality?

We need to work on everything that can change the culture and stereotypes on women, in the media, in schools and universities. Young girls need to be informed of their rights very early on. But it's not only women who need to be engaged: it's essential to include men and encourage them on this subject. There's a need for everyone concerned to work together: government, universities, civil society, but also the Muslim and Christian religions. Religion is not directly at issue: to my knowledge, religion does not prohibit women from working or impose fewer rights and more duties on them than on men. People often do not make a difference between tradition and religion. But tradition and culture carry a huge weight. For example, in Egypt, depending on the religion, women can inherit land, but preference is traditionally given to

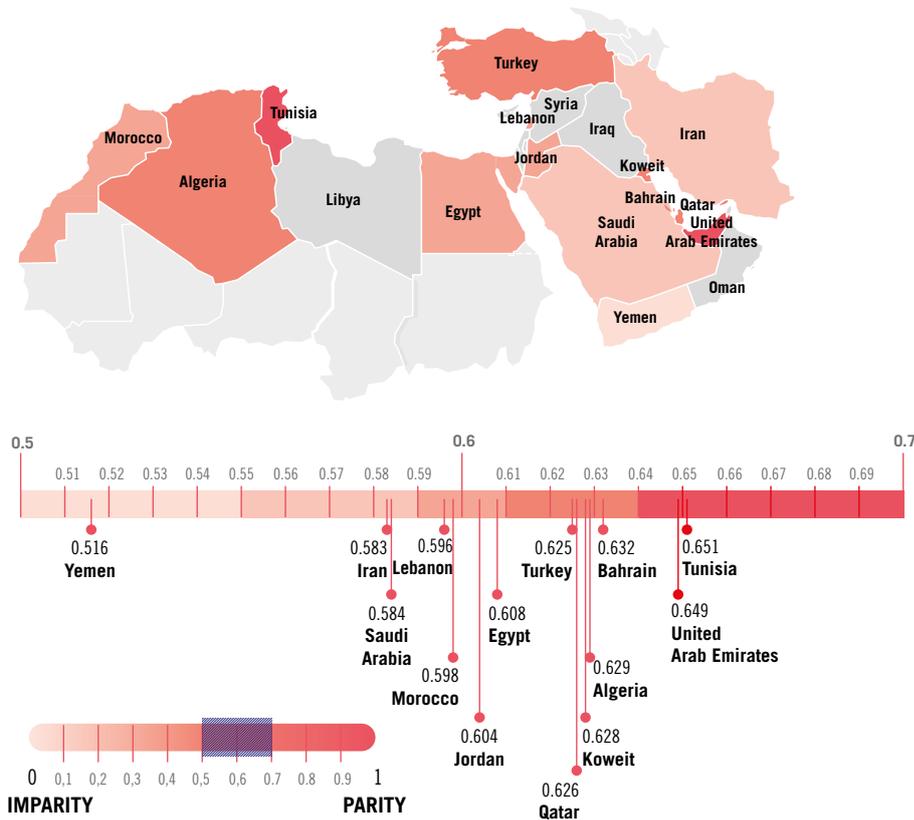
“Much needs to be done at the legislative level, but the most difficult thing is to change mentalities.”



In Morocco, with equal work, a woman earns an average of 3,295 dollars per year, whereas a man earns an average of 12,471 dollars.

PARITY IN THE ARAB WORLD

Based on the gender equality indicator established by the World Economic Forum



Index calculated on the basis of various indicators, such as differences in pay or representation in parliaments. The overall score is given on a scale of 0 to 1, 1 being absolute parity.

Source: The Global Gender Gap Report 2017, World Economic Forum.

bequeathing it to a male relative, who will pay her financial compensation. Tradition often takes precedence over laws. Much needs to be done at the legislative level, but the most difficult thing is to change mentalities.

Are you optimistic about changes in society on these issues?

I am optimistic when I count the number of female ministers or when I see my female and male students getting involved in these subjects and trying to influence the life of their community. I attend ministerial and high-level meetings on these subjects: recommendations from research can be taken up by politicians. I also work with international

organizations on mainstreaming gender issues into access to water and food security. International cooperation is extremely important. From 9 to 11 October (2018), in the context of its 10th anniversary, the Union for the Mediterranean organized a conference on "The role of women in building inclusive societies in the Mediterranean". Three generations of women from the Sciences-Po Women of the Future Program met to discuss gender issues and talk about the participation of women in public, economic and civic life. This exchange of experiences among Tunisian, Lebanese, Jordanian and Turkish women motivates us to take into account the specific social context of each of our countries. •

“How can we reduce poverty and inequality?”

AN INTERVIEW WITH



GAËL GIRAUD

AFD's Chief
Economist

AND WITH



GABRIELA RAMOS

Chief of Staff at the
OECD.

*This interview was conducted and
initially published by the newspaper
La Croix.*

Rethinking the role of the State in promoting inclusive growth, and giving the most disadvantaged the means to succeed on their own—two experts discuss ways to reduce poverty and inequalities.

The eradication of poverty and reduction of inequalities are among the Sustainable Development Goals adopted by the international community in 2016. Where do we stand?

G. R. – Poverty has been reduced over the past decade, but this result is mainly related to Chinese growth, which has allowed 300 million people to increase their standard of living. However, in Africa and a number of emerging countries, the situation has not improved. The issue of inequality does not only arise in developing countries, but also in advanced countries. Inequalities are increasing, despite the fact that the crisis is behind us: 57% of the world's wealth is owned by the richest 10% of G7 countries. In addition, income inequalities are the main cause of inequalities in opportunity and the lack of social mobility.

G. G. – The Gini Index is one of the measures to understand income distribution: the higher it is, the greater the inequalities. The economists Anand and Segal established that the index,

excluding China, stood at 50 in 1988 and 58 in 2005. This shows that inequalities have increased everywhere else. Similarly, still according to the World Bank, a billion people are living under the poverty line—set at USD 1.90 (EUR 1.63) a day. The same number as in the 1980s. This threshold is also called into question: if the bar is set at USD 5 a day—a minimum of dignity for countries in the South—, the number of poor stands at 4.3 billion: 60% of the world's population!

How do you account for the increase in the two phenomena?

G. R. – Globalization does not explain everything, but it has fostered the concentration of wealth and power. This has been exacerbated by the financial crisis and technological changes. I also notice that we come up against resistance when we start talking about progressive taxation, when we touch on financial assets, successions, when we ask multinational enterprises to pay their share of taxes.

G. G. – In developed countries, the causes of the increase in inequality are clear: the hypertrophy of the financial sphere, the real estate bubbles and wage bargaining that is disadvantageous to employees. It is more complicated in the South. The development of the informal sector encloses people in poverty traps, while depriving them of the means to have their rights recognized. Financial speculation on agricultural products has disastrous consequences for producers in the South, who have lost control over prices.

Another factor is the tax optimization of

“Income inequalities are the main cause of inequalities in opportunity and the lack of social mobility.”

multinational enterprises, which drains meager tax revenues. The shortfall for States is assessed at USD 800bn (EUR 690bn) a year at least, hence the importance of making these practices illegal.

Is the situation sustainable?

G. R. – The level of inequality is so high that it leads to fragmented societies. This social malaise gives rise to election results which make it difficult to govern. It is for this reason that there is a pressing need to redefine the terms of growth and rethink the role of the State: place the individual at the center so that growth is built with the participation of all and benefits all.

G. G. – I share this view about the democratic risks related to excessive inequalities. An Indian essayist, Pankaj Mishra, has clearly shown that market globalization has created the conditions for greater inequality between countries and within countries, which generates frustrations. This leads either to anti-democratic votes, including in our own country, or to religious extremism, particularly in the Middle East and India. According to certain economists, inequality also hampers growth.

What is the link between the two?

G. R. – Fighting inequality makes it possible to improve productivity and growth. The idea that we must first ensure growth then redistribute does not work. When young people from disadvantaged backgrounds are unable to access good training, we lose talent. Other examples are the migrants who are not given the opportunities to realize their potential, or the low level of female participation in the labor market. All this put together means less growth.

G. G. – The trickle-down theory, according to which it is the rich who drive the economy and society upwards, is not supported by any analytical demonstration. The research of the International Monetary Fund (IMF) shows that it does not stand up to the facts. There is an urgent need to do away with this myth.

“4.3 billion people, i.e. 60% of the world’s population, live on less than USD 5 a day.”

Have political leaders sufficiently taken on board the need to reduce inequality?

G. R. – Generally speaking, they have become aware of the problem. But the winners of the current system retain a power of influence which makes it difficult to implement reforms.

G. G. – In most countries in the North, GDP growth too often remains the main indicator guiding public policies. In contrast, many leaders in the South have made reducing inequality a priority. At AFD, for example, we are working with the Ivorian and Tunisian governments on the definition of inclusive policies, in particular for the benefit of women in rural areas.



Are the traditional tools of the welfare state still effective?

G. R. – In Europe, market inequalities are relatively well corrected by social redistribution. But there is a need to take things further by giving the most disadvantaged the means to succeed by themselves. We talk about the

Social protection is an efficient mechanism to fight inequality. AFD is financing a plan in Congo that should improve the living conditions of 10,000 households.



Empowerment State: the State does not simply reduce inequalities, but prevents them by promoting the empowerment of citizens. For example, by sending the best teachers to schools in disadvantaged neighborhoods, by promoting a more dynamic labor market, which is not segmented between those who have a stable job and those who do not, by investing in disadvantaged territories.

G. G. – It should be remembered that the welfare state does not exist everywhere, in particular in Africa. It is for this reason that AFD helps these countries establish a State worthy of the name. In the Congo, we are experimenting a social protection system for 10,000 households. In Nigeria, we are participating in financing social housing to prevent people from ending up in appalling slums.

You both stress the importance of equal opportunities...

G. R. – At the OECD, we have calculated that it will take five generations for children from member countries from the least privileged groups to catch up with the average. It is a sign that the social ladder is totally blocked. Income inequality leads to inequality in the opportunities offered to individuals to move forward socially.

G. G. – Equal opportunity has had a lot of success in Europe with the Liberal Democrat “third way” of Blair and Schröder. But it is built on an individualistic vision: every man for himself, as long as everyone has the same opportunities at the start. At AFD, we think that reducing inequality involves rebuilding social ties and solidarity. In Johannesburg, for example, we are participating in the construction of common goods—sports fields, swimming pools, public gardens—so that residents from different neighborhoods can meet. It is a way of going further than the redistributive welfare state towards a welfare state that creates ties and develops “Commons”.

Should we expect everything from public authorities?

G. R. – We will not build a more harmonious world if companies do not take greater account of their social and environmental responsibility, if they do not participate more in the fight against discrimination—particularly on gender issues. The debate on the purpose of companies is crucial: it must no longer be confined to maximizing profits for shareholders.

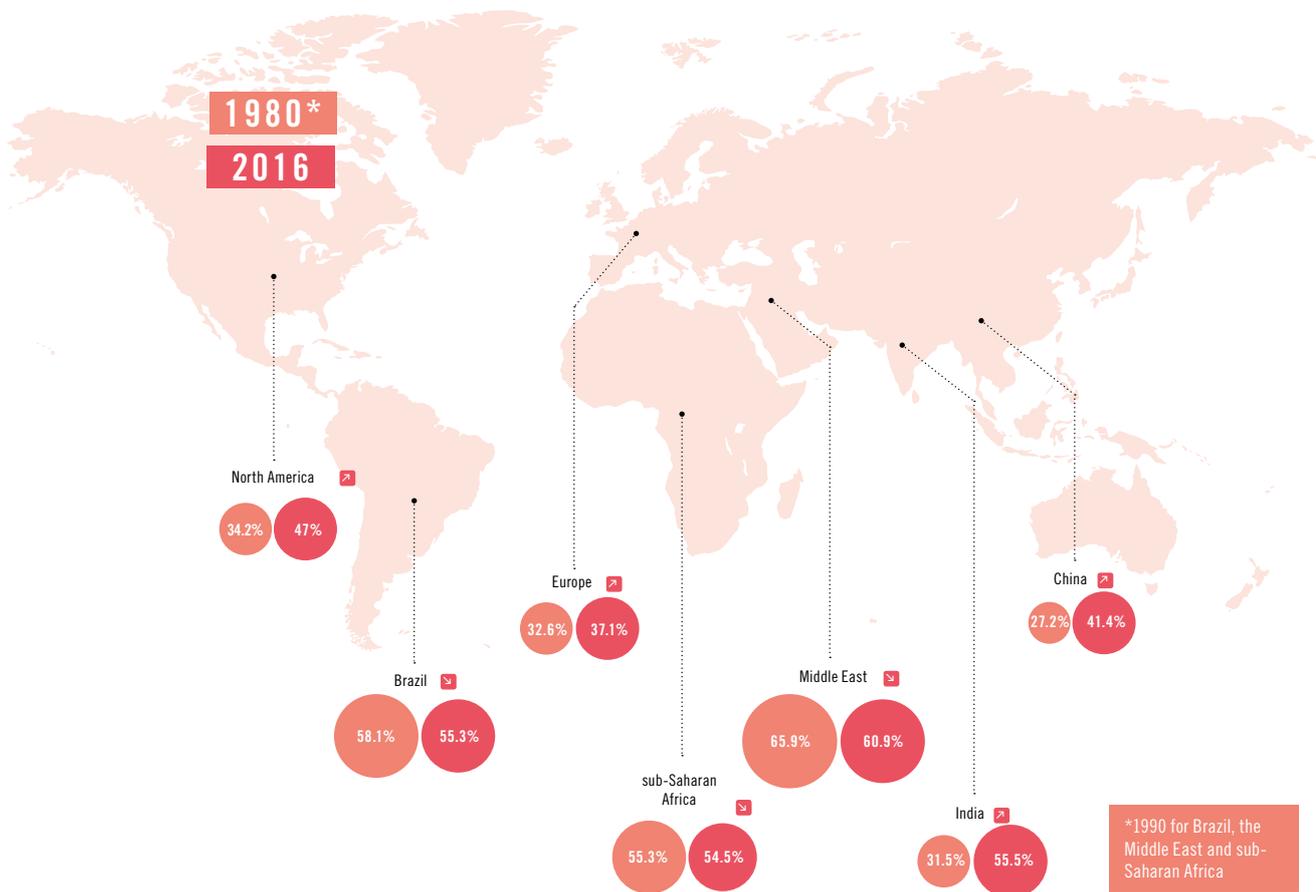
G. G. – I see an increasing number of young graduates who want to work in the social economy and solidarity sector, and for ecology. This is very promising! Everyone can do their bit at their level.

Are we doing enough for Africa?

G. R. – Certain countries have undertaken a real transition and others are not taking off. At the OECD, we see that aid has

WORLD INEQUALITY SINCE 1980

Part of the national revenue of the richest 10%



Source: *World Inequality Lab*, 2018 report on world inequalities

trouble arriving in the countries which need it the most.

G. G. – We have been focusing half of our operations in Africa for over a decade. That being said, at global level, Official Development Assistance remains highly insufficient and its effectiveness varies depending on the sectors. There is real success in the health sector. In contrast, the failure is obvious for primary education.

It is a real problem, since the continent will have a population of over 2 billion inhabitants by 2050. Similarly, malnutrition and hunger continue to increase, which is scandalous, as we produce enough to feed the entire planet.

Isn't there a risk that the reduction of inequality—and therefore the increase in living standards for the poorest—will

exacerbate the ecological crisis?

G. G. – Quite the contrary! It must be repeated that the world's richest 10% cause 50% of greenhouse gas (GHG) emissions, while the poorest 50% only emit 10% of GHGs. But, reducing inequality will not, unfortunately, be enough to reduce our emissions in the proportions required by the Paris Agreement. The rich need to convert to a low-carbon economy.

G. R. – It should be added that the poorest populations are the first victims of climate change. This is yet another reason to change economic models by integrating the issue of environmental impact even before political decision-making. •

Urban-rural and North-South divides in West Africa

For the Beninese economist and political scientist Gilles Yabi, fighting poverty does not mean fighting inequality, and inequalities are not reduced by themselves. He takes stock of the evolution of inequality in West Africa, the third most unequal region in Africa, and advocates for more inclusive growth.



GILLES YABI

Economist and founder-director of the West African Think Tank

For the Beninese economist and political scientist, Gilles Yabi, fighting poverty does not mean fighting inequality, and inequalities are not reduced by themselves. He takes stock of the evolution of inequality in West Africa, the third most unequal region in Africa, and advocates for more inclusive growth. West Africa is the third most unequal region in Africa, after Southern Africa and Central Africa. However, the scale and trends in inequality vary across countries. Certain countries such as Benin, Côte d'Ivoire, Ghana, Nigeria and Togo experienced an increase in income disparities between 2000 and 2011, while others, such as Senegal, Mali and Niger saw a slight decline.

The African continent has 23 billionaires, 200 million have a daily income varying between 2.2 and 4 dollars and 500 million people live with less than 2.2 dollars a day.

West Africa: Multifaceted inequality

In West Africa, inequality is of a multifaceted nature: marked income disparities in cities, issues of access to basic services—health, education—particularly in rural areas. Very different worlds coexist in cities in West Africa: some are both the poorest and most expensive in Africa (Lagos, Dakar, Conakry...). Real slums are to be found in poor urban neighborhoods, where living conditions are extremely difficult, in the peri-urban areas of Nouakchott or Abidjan, for example. There is a stark contrast with affluent neighborhoods, where luxury villas and external signs of wealth are clearly visible.

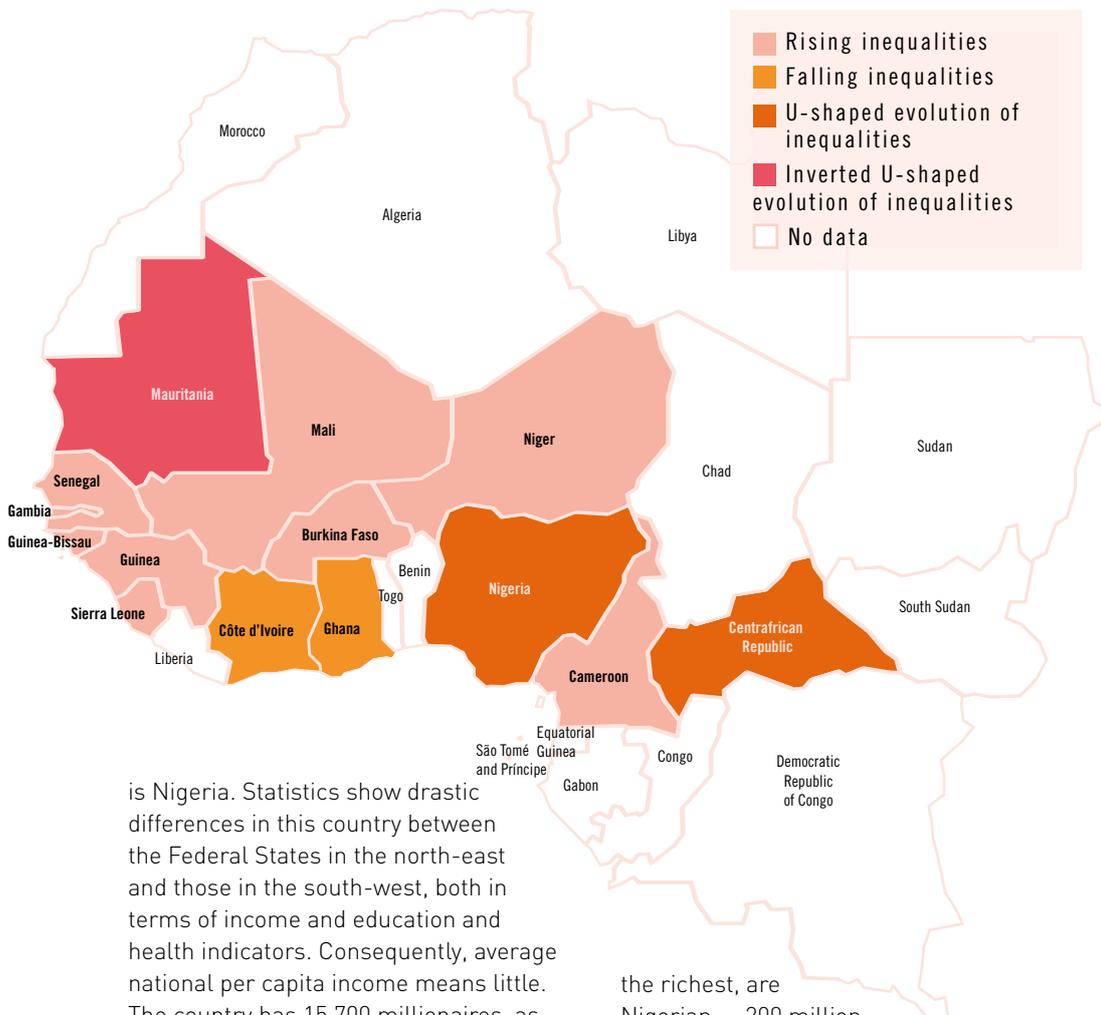
In the region, the greatest inequalities are, however, first and foremost spatial: they exist between cities and rural areas. In urban areas, the money of the rich is used in part for goods and services supplied by the less well-off (janitors, housekeepers, drivers, stallholders on markets, etc.). In villages, however, the poor are far from areas where money circulates. Daily lives are marked by material deprivation and the absence of basic public services.

Furthermore, for geographical and historical reasons related to colonization and trade via ports, coastal cities are more developed than internal regions, hence the persistence of a divide, even within West African countries, between the North and the South.

The North-South “divide” in West Africa

This divide poses problems everywhere between the far north and south of the subregion. The most striking example

INCOME INEQUALITY TRENDS IN WEST AFRICA



is Nigeria. Statistics show drastic differences in this country between the Federal States in the north-east and those in the south-west, both in terms of income and education and health indicators. Consequently, average national per capita income means little. The country has 15,700 millionaires, as well as a handful of billionaires, with over 60% living in Lagos. It is true that Nigeria is perceived as a land of excesses in West Africa. Yet its recent path, due to economic growth (prior to the collapse of oil prices), with an increase in inequality, the trivialization of violence and the disconnection between extremely dynamic regions and dying peripheral areas, illustrates the realities of the entire subregion.

In this respect, West Africa is not out of sync with the rest of Africa, or the world. Absurd levels of wealth exist alongside the most unacceptable poverty in sub-Saharan Africa: the continent had 23 billionaires in 2018—three, including

the richest, are Nigerian—, 200 million had a daily income varying between 2.2 and 4 dollars and 500 million people lived on less than 2.2 dollars a day.

Political repercussions of inequality

Not everything hinges on the North-South divide in West Africa. This is an important factor in Mali, especially when we see the current crisis in the north regions. But the Sikasso region, in the south of the country, remains one of the poorest in the country in terms of economic indicators. As a result, a number of Malians from the south challenge or relativize the legitimacy of the demands of populations in the north, pointing out that all the regions are poor.

TRADITIONAL CAUSES OF INCOME INEQUALITY

- ▶ Output structure
- ▶ Smallholder and estate agriculture
- ▶ Rural modernization, food production and threat of climate change
- ▶ Expansion of mining enclaves
- ▶ Urban formal and informal sector
- ▶ Tax policy and social transfers
- ▶ Impact of democratization on ethnicity and horizontal and vertical inequality

NON-TRADITIONAL FACTORS AFFECTING INCOME INEQUALITY

- ▶ Terms of trade gains
- ▶ Growing remittances
- ▶ Aid flows, FDI and debt relief
- ▶ Growth acceleration, but with low poverty alleviation elasticity of growth

OTHER FACTORS

- ▶ Negligible decline in total fertility rate and stable population growth
- ▶ Distributive impact of HIV/AIDS
- ▶ Technological shocks, including the existence of low-cost and highly divisible communication technologies

Source: Income Inequality Trends in sub-Saharan Africa, UNDP.

Behind the North-South issue there is also a more general political problem relating to the concern that the elites—wherever they come from—have for the general interest. This question is just as relevant in Mali as it is in Nigeria, where the governors of the Federal States in the north carry a heavy responsibility for the current political and security situation. The latter are extremely powerful and have monopolized resources for decades, without investing in local economies and essential social services. Finally, we must not forget that the challenges are very different in Ghana, Benin, Côte d'Ivoire and Senegal, countries which have a coast and a more manageable size than Mali and Niger. These two huge countries are largely made up of deserts and are much more difficult to manage for authorities. The perception of inequalities and injustices by specific population groups is often put forward when accounting for the political crises in West Africa. Yet the collapse of States and societies are still the main cause of conflicts and crises. The poorest regions and populations have paid a high price for years of conflict which have led to States' collapse, whereas both the leaders of rebellions and political leaders and their families have maintained their revenues. Everything that undermines the legitimacy of political authorities and has a negative impact on the consolidation of public institutions contributes to deepening inequalities.

“Behind the North-South issue there is a more general political problem relating to the concern that the elites have for the general interest.”

The issue of inclusive growth

Public authorities' lack of involvement exacerbates inequality. The main international rhetorical declarations on the issue are, admittedly, set out in national policy programs. But there is rarely any real conviction on the part of government leaders and few projects demonstrate their will to address the most important problems in their countries.

In this respect, the need for inclusive growth is no new discovery. The first way to reduce inequality is, of course, to ensure that wealth creation involves all segments of the population. If growth is based on sectors which make little use of unskilled labor, as in certain extractive industries, it mainly benefits capital owners. Limiting capital owners' impact on inequality will necessarily require redistribution mechanisms organized by the State.

Work is required on two fronts. Firstly, African countries must promote balanced growth between the various sectors of activity: there is a need for incentive policies to support industries with the greatest potential for job creation, both in large cities and in regional centers near rural areas. Secondly, public action must also correct spatial inequalities, which correspond to inequality at birth. Nationwide access to education and health for children from poor households is a powerful way of fighting inequality and unleashing potential for economic production. This requires having public resources and, therefore, a tax system which works.

But here's the rub: tax pressure rates remain low and the tax base at the start is very limited. The State levies taxes on the formal sector and a few large companies, but this only accounts for a small part of the economy, which generally remains informal. In addition, the system which fuels inequality is both complex and vicious: the very high level of collusion between political power and private interests

generates tax benefits for the most privileged. Yet the latter already have the resources and influence required to take advantage of the most elaborate tax optimization systems, or even tax fraud. The capacity to levy taxes on the highest assets remains low.

The case of Nigeria, presented in an Oxfam report, clearly illustrates how political factors, such as corruption and poor governance, are determinants of the concentration of wealth. To make up for the shortcomings of the State, informal redistribution systems like urban or international migrant remittances and family solidarity are widespread in West Africa. However, they are not sufficient and do not have a decisive impact on reducing inequality.

Some promising headway

In terms of the fight against inequality, it all starts with public action and, consequently, the effectiveness of States. West Africa needs serious public authorities that are present and have high-quality human resources, in both centralized and decentralized administrations. The picture is bleak, but headway is being made: before 2012, only two countries, Ghana and Côte d'Ivoire, had decided to establish a universal health insurance scheme. The experimental component of this project was launched in Côte d'Ivoire in February 2017. Since then, most countries in the subregion have been working on setting up universal health coverage. •

In Lagos, worlds stand alongside one another without mixing. The capital of Nigeria has 15 to 17 million inhabitants, 70% of which live in slums. The city is what we call a megalopolis, a gigantic city marked by a high population density, a constant influx of newcomers (200,000 per year in Lagos alone) and the absence of urban policies.



20 years of declining inequality in Latin America

AN INTERVIEW WITH



STEPHAN KLASEN

Professor of Development Economics at the University of Göttingen (Germany).

Latin America is no longer the most unequal region in the world. While inequality remains high, it has seen a marked decline over the last 20 years. For Stephan Klasen, there are two main reasons for this phenomenon: favorable economic conditions and public policies that are proactive in redistributing wealth and improving tax collection.

What is the most salient feature of inequality in Latin America?

The Latin American subcontinent for a long time had the highest income inequality in the world. Since the mid-1990s, inequality has fallen in all Latin American countries, making sub-Saharan Africa the most unequal region in the world.

Several factors account for this progress: economic growth, but also the establishment of proactive public policies for collecting taxes and duties on exported raw materials, which have improved the fundamentals of macroeconomic management. In Brazil, this improved management resulted in monetary stabilization and control over inflation from 1994 onwards, two key factors in the fight against inequality. Indeed, inflation contributes to increasing inequalities: the savings of the better

“Since the mid-1990s, inequality has fallen in all Latin American countries.”

off are protected with banks, while the poorest cannot renegotiate their salaries every day as prices rise.

In Brazil, this context has been conducive to the implementation of social programs combined with cash transfers to the poorest, such as the Bolsa Familia (family fund). This system of allowances for mothers who ensure that their children go to school has made a major difference in the fight against inequality.

The labor market reform was also a driver: the minimum wage went from EUR 84 in 2005 to EUR 207 in 2016 and was extended to the informal sector. The minimum wage was introduced in Brazil in 1936 and is defined by the Constitution as a floor: it is the lowest pay that workers can receive, whether or not their activities are formal. It must allow all workers, whether formal or not, to meet their basic needs (food, accommodation, education, transport and social security) and it was ratified in all the Brazilian States in 1988.

This minimum wage is also used to calculate pensions (70% of them have exactly the same value as the minimum wage) and the allowances for elderly and sick people. This re-valuation raised the quality of life of these aid recipients and makes inequality decline.

How do you account for the disparity of inequality and situations among the Latin American countries?

The way inequality is fought varies with the type of government in place. For example, in Venezuela, Bolivia and Argentina, the populist governments have tended to want to fight inequality through



the nationalization of large corporations. In Bolivia, a certain economic stability has been maintained; unlike Venezuela, which is going through a deep crisis, and Argentina, where the government has been rejected in the elections. In democratic countries like Brazil, Peru, Ecuador or Chile, more moderate policies have not undermined economic stability and they have managed to undertake decisive reforms. And conservative governments such as the Honduran one have not taken much action to reduce inequality.

What can African leaders learn from the evolution of inequality in Latin America?

In Africa, States are weaker and do not have the same capacities to collect taxes as in Latin America. They have even fewer means to finance wealth redistribution programs. Thus, they need to be strengthened in order to increase and widen the tax base, in particular by taxing in a more proactive manner, targeting the

exporting sectors for raw materials. This could generate much higher tax revenues than their present level. There are also social assistance schemes which are conditional in South Africa. However, they are not combined with the same macroeconomic reforms as in Latin America. The persistent massive unemployment—some 27% of the working population—prevents inequality from being reduced in the country.

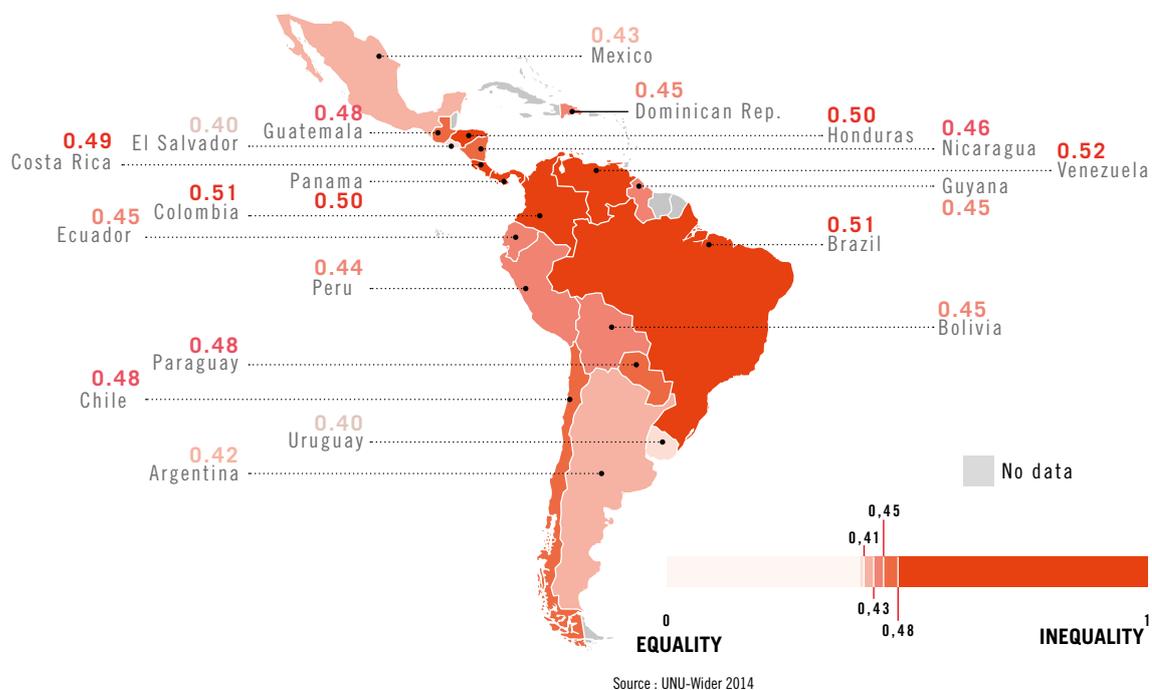
How have Latin American countries overcome the international financial crisis of 2008?

In reality, it is frequently said but few countries were affected as much as Mexico, due to its level of trade with the US. The growth of other countries' economic relations with China has largely offset the fall in trade with Europe and the USA.

According to the International Labor Organization, the share of non-agricultural labor in the global economy in Latin America and the Caribbean varies from 39.8% in Uruguay to 75.1% in Bolivia.

INEQUALITY IN LATIN AMERICA

Based on the Gini coefficient



“The first thing to do is to analyze the scale and nature of inequalities in order to examine which drivers would be likely to counter them.”

What advice would you give to donors on how to effectively fight inequality in the countries developing?

Inequality is a multi-sectoral problem that a single type of action cannot solve alone. The first thing to do is to analyze the scale and nature of inequalities in order to examine which drivers would be likely to counter them, in the fields of education, the labor market, tax reforms, etc. In this respect, it is important to look at not only the Gini coefficient, but also at disaggregated statistics, for instance to compare the standards of living of the richest 10% and the poorest 10%. As they already do through budget or sectoral support, donors can help with the implementation of important reforms for education and social protection. •

EDUCATION

“If there is a fair way to curb inequality, it’s through school”

AN INTERVIEW WITH



FRANCIS AKINDÈS

Professor of Sociology at Alassane Ouattara University in Bouaké (Côte d'Ivoire).

Many African countries with diversified economies and political pluralism have high growth rates. One example is Côte d'Ivoire, a champion with an expected 8.5% in 2016 and 8.3% in 2017. The only problem is that as this growth is not inclusive, its benefits are slow in changing the daily lives of a majority of the population, despite the growth of middle classes. How can we overcome the inequality which undermines the society in Côte d'Ivoire? According to Francis Akindès, education is a key issue now more than ever.

What are the main markers of inequality in Côte d'Ivoire?

In 2017, the World Bank released a study on the economic situation in Côte d'Ivoire, stressing the “skills challenge” faced by the economic policy. A striking indicator figures in this report: the school life expectancy of a child, adjusted by the repetition rate, averages only 7.7 years in Côte d'Ivoire, whereas it stands at 9.7 years in Africa and 12 years in middle-income countries. In short, the human capitalization threshold, the key factor for a sustainable growth policy, cannot be achieved with such a low level of schooling.

In addition, the difference between the public education system and private

schools means that the public system no longer acts as a social ladder for children in rural areas or from poor families. Yet if there is a fair way to curb inequality, it's through school. In Côte d'Ivoire, it not only no longer plays its role but actually contributes to reproducing or even increasing inequality, as the provision of quality education is increasingly shifting to the private sector.

Public school is increasingly disqualified: many strikes punctuate school years and the certificates delivered no longer correspond to real skills. These uneven qualities in training and education provision contribute to increasing inequality in Côte d'Ivoire.

The school life expectancy of a child is **10 years** in sub-Saharan Africa

Is the mismatch between training and demand on the labor market the subject of debate?

No, it isn't, and this is where the problem lies. Everyone talks about it in their own circle. But groups of stakeholders (business leaders, policymakers, members of the education system from all levels, students and pupils) who are supposed to be partners and to elaborate the reform of the Ivorian educational system do not discuss it. Companies want well-trained students, but how can quality be achieved for the masses? A comprehensive reform is required in order to improve education.

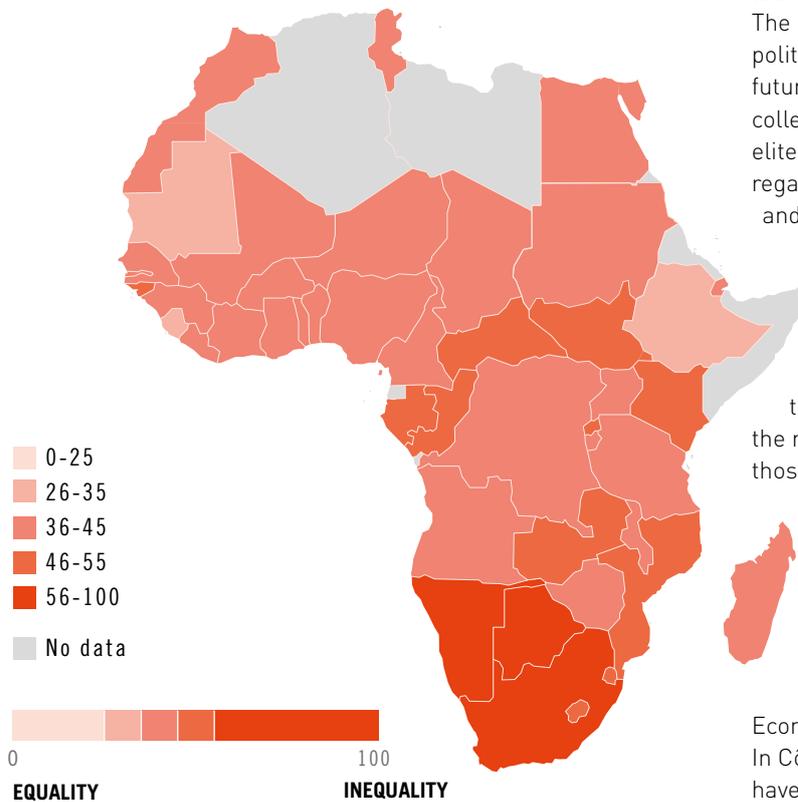
The World Bank's study focused on



In the Ivory Coast, 2% of children from the poorest families and 59% of children from the richest families have graduated from middle school (Unesco, 2011).

INEQUALITY IN AFRICA

Based on the Gini coefficient (UNU-Wider 2005-2015)



primary and secondary education, at the risk of omitting the systemic dimension of education: to have competent primary school teachers, you need to start by reforming higher education, which trains teachers!

The efforts that need to be made require political leaders who have a vision of the future and at least some sense of the collective interest. But the small Ivorian elite benefiting from economic growth is regarded with a great deal of resentment and frustration.

This situation is not specific to Côte d'Ivoire...

Inequality is to be found everywhere. But in Côte d'Ivoire, the gap between those who receive the rewards of economic growth and those who have nothing is becoming unsustainable. The Gini coefficient stood at 41.5 in Côte d'Ivoire in 2013. It is well below South Africa rate (63.1), a highly unequal country. But Côte d'Ivoire's GDP is equivalent to 40% of the GDP of the eight countries of the West African Economic and Monetary Union (WAEMU). In Côte d'Ivoire, some people obviously have large financial means, given the



development of a luxury product offer or the opening of French supermarkets. These are largely seen as being for the affluent middle class which is becoming a more interesting target for major brands as it grows. Moreover, the headquarters of several international organizations are located in Abidjan, which inflates purchasing power with well-paid officials who drive up prices.

Does the growth of the middle class contribute to reducing inequality?

This growth is essentially correlated with corruption. This Ivorian middle class is mainly made up of people of private means from both the public administration and the private sector. These privileged classes do not want to share. Parliamentarians showed it in 2014, rejecting a bill which aimed to increase the minimum income of domestic workers to FCFA 60,000 (i.e. just under EUR 100). So their wage still ranges between FCFA 25,000 and FCFA 40,000 (i.e. between EUR 38 and EUR 61). I would like anyone to tell me what can one do with less than EUR 100 in Abidjan. A lumpenproletariat or underclass is voluntarily maintained.

What needs to be done to improve the distribution of the benefits of Ivorian growth?

The redistribution needs to be organized and the social ladder needs to be repaired, with better social coverage, a reform of the Ivorian education system, and real employment policies. This is the only way to obtain a multiplier effect from growth opportunities. We need to get all the stakeholders around the table and talk about this. But things need to be done properly. In 2014, we launched a major project to revise curricula. The reform involved switching to Bachelor, Master and Doctorate (BMD) programs in order to come up with more appropriate and professional training. Teachers took their old lessons, changed the lessons' names, took up the new imposed standards, and arranged the same subjects without defining training targets for each program. This reform is a failure.

What about the challenges imposed by the ongoing demographic transition?

Everyone is talking about it, with neither a structured vision nor the courage needed to launch real projects. There is a sort of fear of change.

The problem lies in getting out of the short cycles of political decision-making, paced by elections. The objectives of policies should not be quantitative anymore, like the number of students who have taken their baccalaureate examination, but must be qualitative indicators. We need to move towards reflection on longer periods of time, and the society must take control of its future. And for that to happen, the quality of education remains a key issue for the future of Côte d'Ivoire. •

SOCIAL PROTECTION

Social protection is central to the fight against inequality

AN INTERVIEW WITH



NADINE POUPART

Social Protection
Expert at AFD.

Social protection is essential to the well-being of populations and to social cohesion. It is central to the fight against inequality. Since 2015, AFD has been developing its operations to address the challenges of more inclusive growth by mobilizing recognized French expertise. Nadine Poupart takes a look at the link between the extension of social protection and the reduction of inequality.

Social protection is one of the flagship public policies for the fight against inequality. Why, and what are its limits?

Social protection protects populations against life risks, thereby reducing poverty and fighting inequality.

A social protection system includes the coverage of health expenditure, replacement income (pensions, maternity benefit, unemployment benefits...), as well as minimum income schemes. These schemes contribute to fighting inequality in living conditions.

For these reasons, in OECD countries, social protection is central to State intervention in the fight against income inequality. In France, social transfers allow for reduced inequality between the better-off and the poor by lowering the poverty rate by 8 percentage points (DRESS, 2018). Depending on the progressivity of social transfers and social contributions, the

redistributive effect of social protection is more or less important.

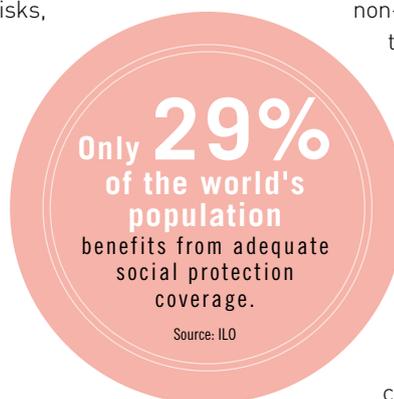
Where does the establishment of social protection in developing countries stand?

To help households manage life risks, most of these countries strengthen their social protection system. In places where informal labor concerns up to 80% of the working population, contributory social protection schemes, i.e. those financed by social contributions, often benefit the better-off. Their impact on reducing inequality therefore remains limited.

Developing countries also implement non-contributory programs for the poorest, financed by the State budget. However, the transfer amounts are often limited and only a small number of people benefit, although this number is definitely increasing. Examples include social pensions, free healthcare services, and conditional cash transfers.

The latter have the dual objective of improving the redistribution of incomes and modifying a structural source of inequality by promoting access to education, health, nutrition...

The OECD Development Center and AFD are currently focusing on the impact that financing social protection has on inequality. In support of the Government of Egypt, we are collaborating on a study on financing health insurance for informal sector workers.



Is AFD working on the implementation of this type of program?

AFD is participating in the extension of universal coverage for social protection around the world in different ways. First of all, we are supporting the establishment of contributory schemes (health insurance, pensions...) in several countries. In Cambodia, we have contributed to the extension of health coverage to textile workers—mostly women, and are expanding these efforts to domestic workers and tuk tuk drivers. We are also supporting the implementation of non-contributory programs for the most vulnerable in Congo Brazzaville and in the Sahel region, for example. Finally, our activities include a component to optimize institutional arrangements. We firmly believe in strengthening and extending social protection systems to fight inequality. AFD has already supported more than fifteen countries and we are stepping up the pace of our

“We firmly believe in strengthening and extending social protection systems to fight inequality.”

operations. The French expertise that we mobilize is appreciated precisely because of the values of equality and inclusiveness embedded in our system. •



In Cambodia, employees in the textile sector like Yi Laysak, a weaver in Banteay Meanchey, now benefit from social protection. AFD will also contribute to its extension to tuk tuk drivers.

THE EXPERTS

Read the full biographies on ideas4development.org



FRANCIS AKINDES

Beninese/Ivorian Professor of Sociology at Alassane Ouattara University (Bouaké, Côte d'Ivoire), he is the author of several political science essays, including *Côte d'Ivoire : la réinvention de soi dans la violence* (Codesria, Dakar, 2011) and *Les Racines de la crise militaro-politique en Côte d'Ivoire* (Codesria, Dakar, 2006).



SAMIR AITA

Syrian economist and Chair of the Arab Economists Circle, he is an alumnus of the Ecole Polytechnique and Ecole Nationale des Ponts et Chaussées. He started his career at the Atomic Energy Commission (CEA). From 2005 to 2013, he was Editor-in-Chief and Managing Director of *Le Monde Diplomatique* Arabic Editions.



CÉCILE DUFLLOT

Former minister of Housing and Equality of Territories, she is Executive director of Oxfam France since June 2018. Oxfam is a development organization, part of an international confederation that rallies citizen power in the fight against poverty.



STEPHAN KLASEN

Professor of Development Economics at the University of Göttingen, he received his Ph.D. from Harvard University. His research focuses on the measurement, causes and political implications of poverty and inequality in developing countries. He advises institutions such as the World Bank, UNDP, OECD and African Development Bank (AfDB).



GAËL GIRAUD

French economist specialized in general equilibrium theory, game theory, finance and energy issues, he is Chief Economist at the Agence Française de Développement. He earned his Ph.D. at the Laboratoire d'Econométrie de l'Ecole Polytechnique in 1998. In 2009, he was nominated as Best Young French economist by *Le Monde/Le Cercle des économistes*.



CÉLINE GUIVARCH

Economist at CIRED (International Research Center on Environment and Development), she is interested in the economic implications of climate change, the links between energy and development, the transition to low-carbon economies, the assessment of policies to reduce greenhouse gas emissions and international climate negotiations. She is part of the team of authors of IPCC 6th assessment report.



MURRAY LEIBBRANDT

Professor in the School of Economics at the University of Cape Town, he holds the National Research Foundation Chair in Poverty and Inequality Research and is the Director of the Southern Africa Labour and Development Research Unit. His research uses these and other longitudinal survey data to analyse South Africa's poverty, inequality and labour market dynamics.



NORA LUSTIG

Samuel Z. Stone Professor of Latin American Economics and Director of the Commitment to Equity Institute (CEQ) at Tulane University, her current research is centered on assessing the impact of taxation and social spending on inequality and poverty in low- and middle-income countries, and on the determinants of income distribution in Latin America.



NADINE POUPART

Social Protection Coordinator and Task Team Leader at AFD, she joined the organization in 2015. Former Human Development Coordinator and Senior Economist at the World Bank, she conducted policy dialogue and managed projects, technical assistance programs and analytical work in the fields of social protection, labor, poverty, health, education and community development.



RACHA RAMADAN

Assistant professor at the Economics Department, Cairo University, she got her Ph.D. from Toulouse School of Economics in 2010. She worked as an economic consultant for the UNDP, World Bank, UN-ESCWA, UN-FAO, IFAD and UNESCO. Her research interests include applied micro-econometrics on poverty, food security, and gender and human development.



GABRIELA RAMOS

OECD Chief of Staff and Sherpa to the G20, she is responsible for the contributions of the Organisation to the global agenda, including the G20 and the G7. She leads the Inclusive Growth Initiative and the New Approaches to Economic Challenges and also oversees the work on Education, Employment and Social Affairs (including gender).



GILLES YABI

Beninese political analyst and economist, he is the author of a blog. In 2014, he founded WATHI, a multidisciplinary think tank on West African dynamics fueled by citizen participation. He holds a Ph.D. in Development Economics and was formerly a journalist at the weekly newspaper *Jeune Afrique*. For seven years, he was Senior Political Analyst then Director of the West Africa Office of International Crisis Group.

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A platform coordinated by Agence française de développement

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