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## **Connections that matter:**

HOW THE QUALITY OF GOVERNANCE INSTITUTIONS  
MAY BE THE BOOSTER SHOT WE NEED TO REDUCE  
POVERTY AND INEQUALITY



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HOW THE QUALITY OF GOVERNANCE INSTITUTIONS  
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A Systematic Literature Review on SDG 16 Interlinkages  
with SDG 1 and SDG 10

JANUARY 2022



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# FOREWORD

Time is running out. This Decade of Action is the international community's chance to hit, or miss, its global goals. It has never been more acute: true transformation must start now and happen fast.

Current global crises are complex. Tackling issues separately or in sequence will be futile. **Transformation can happen only when multiple issues are tackled at the same time.** The blueprint for the international community's response to current challenges is the Agenda 2030 and its Sustainable Development Goals. To implement the SDGs in an integrated manner, and in a manner that most quickly produces results, **we must know how action on one goal impacts other goals.** The study you are reading does exactly this by offering transformative insight into the connection between three critical global goals.

While there is research on connections between the SDGs, little of it looks at SDG 16. To help fill this knowledge gap on "SDG 16 interlinkages", UNDP's Oslo Governance Centre and the German Development Institute (DIE) partnered on a systematic literature review. Concretely, we investigated how aspects of **SDG 16** that we consider critical features of governance institutions – transparency, accountability and inclusion – help or hinder progress on dimensions of **SDG 1 on poverty and SDG 10 on inequality.**

Our study is **unique** because it is the first attempt to consolidate evidence on this link. Its results are **verifiable** because they are based on peer-reviewed, quantitative and qualitative research.

Our study offers

- Empirical **evidence** from across the globe that **investing in accountable, transparent and inclusive governance boosts the reduction of poverty and inequality.**
- Specific **examples**: On **accountability** – in election years, social benefits are better targeted to those with low incomes; on **transparency** – reducing corruption is positively correlated with access to education and improved literacy rates; on **inclusion** – civil society engagement enables the provision of health care access. For instance, early evidence indicates that civic engagement may be associated with lower levels of COVID-19 mortality.
- Some **policy insights** on why, how and with whom national actors can use the employed methodology to identify, prioritize and sequence governance policies with 'booster effects' in their own country.

Now, insight is not itself transformation. Only the **application** of insight can lead to transformative change. So, we want to **learn from you**: Whether you are a policymaker, researcher or practitioner – which insights from this study stand out for you? And what tools and methodologies do you need to apply them? Thank you for picking up this study and giving it your valuable attention.



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# ABBREVIATIONS / ACRONYMS

<b>ATI</b>	Access to Information
<b>CESR</b>	Center for Economic and Social Rights
<b>DIE</b>	German Development Institute
<b>GDP</b>	Gross Domestic Product
<b>HLPF</b>	High-level Political Forum
<b>ICCPR</b>	International Covenant on Civil and Political Rights
<b>ICESCR</b>	International Covenant on Economic, Social and Cultural Rights
<b>ILO</b>	International Labour Organization
<b>LAC</b>	Latin America and the Caribbean
<b>LNOB</b>	Leave no one behind
<b>MGNREGA</b>	Mahatma Gandhi National Rural Employment Guarantee Act
<b>NGO</b>	Non-governmental organization
<b>ODI</b>	Overseas Development Institute
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OHCHR</b>	United Nations High Commissioner for Human Rights
<b>RQ</b>	Research Question
<b>SDG</b>	Sustainable Development Goals
<b>SSA</b>	Sub-Saharan Africa
<b>UN</b>	United Nations
<b>UNDESA</b>	United Nations Department of Economic and Social Affairs
<b>UNDP</b>	United Nations Development Programme
<b>OGC</b>	UNDP's Oslo Governance Centre
<b>UNDG</b>	United Nations Development Group
<b>UNECOSOC</b>	United Nations Economic and Social Council
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organization
<b>UNGA</b>	United Nations General Assembly
<b>UNISDR</b>	United Nations International Strategy for Disaster Reduction (today: UNDRR – United Nations Office for Disaster Risk Reduction)
<b>WoS</b>	Web of Science
<b>WGI</b>	World Bank's Worldwide Governance Indicators



# 1. BACKGROUND

In adopting the *2030 Agenda* (UNGA, 2015), countries acknowledged the integrated nature and indivisibility of the Sustainable Development Goals (SDGs). The SDGs are characterized by complex **interlinkages across economic, social and environmental targets**, and successful implementation will require understanding these interactions to foster policy coherence, maximize synergies and minimize trade-offs between the goals and targets (Stafford-Smith et al., 2018; McGowan et al., 2019; Breuer et al., 2019).

A broad range of recent studies have developed and applied different **methods to evaluate interlinkages between the SDGs**, including studies at global and regional scales (International Council for Science, 2017; Institute for Global Environmental Strategies, 2017; Pham-Truffert et al., 2020; Allen et al., 2019; Miola et al., 2019). Given the very broad scope of the SDGs, these studies have tended to focus on a reduced set of priority targets of research interest. Methodological approaches for evaluating interlinkages also vary, ranging from qualitative approaches based on literature review and expert opinion to quantitative analysis of statistical correlations and dynamic modelling (Allen et al., 2021).

Recognizing that responsive and effective governance is a critical means to achieve sustainable development, the SDGs include a stand-alone Goal 16 on peaceful, just and inclusive societies, which comprises 12 targets and 24 indicators. Although achieving SDG 16 is a goal in itself, several of its targets and concepts are seen as key enablers for other SDGs (UNDESA, 2019). Despite their systemic importance, recent global **studies on SDG interlinkages have either excluded or provided limited coverage of SDG 16 targets** in their analyses (International Council for Science, 2017; Pham-Truffert et al., 2020; Messerli et al., 2019). The reasons for this may relate to the limited availability of empirical literature on the impacts of SDG 16 on other goals and targets.

In this context, UNDP's Oslo Governance Centre and the German Development Institute/Deutsches Institut für Entwicklungspolitik (DIE) commissioned a study to undertake a **systematic scoping review of the literature** and synthesize evidence relating to interlinkages between SDG 16 and two other goals (SDG 1 – No Poverty, and SDG 10 – Reduced Inequalities). The study was undertaken over the period January to May 2021. To ensure rigour, transparency and replicability, the method and approach were guided by good practice guidelines for evidence-based literature reviews in international development and policy research (ODI, 2013; Waddington et al., 2012).

This report presents the findings from the review. **Section 2** first outlines the study scope and methods, including the query protocol and approach for evaluating interlinkages. **Section 3** then presents an overview of the results from the review, including a synthesis of the interlinkages identified in the literature. **Section 4** interprets and discusses the results of the review in more detail and explores causal relationships between the goals. Finally, **Section 5** provides some concluding remarks on main findings, policy implications and future work.

## 2. RESEARCH DESIGN

Many previous assessments of interlinkages between the SDGs rely on the evaluation of SDG target-to-target interlinkages (e.g. 16.6 to 1.1). A common evaluation question used is, “if progress is made on target *x*, how does this influence progress on target *y*?” (Weitz et al., 2017). Important initial steps in SDG interlinkage assessments that rely on literature and expert judgement include the identification of SDG targets that are of interest for the analysis as well as the directionality of the impacts being evaluated.

*This study provides a systematic overview of published evidence on how progress on SDG 16 affects both SDG 1 on eliminating poverty and SDG 10 on reducing inequalities.*

A similar approach was taken for this study, with the scope focused on reviewing published evidence on how progress on SDG 16 (entry goal) affects both SDG 1 on eliminating poverty and SDG 10 on reducing inequalities (impact goals). Based on this, the **research question** (RQ) for the review was defined as:

*“What is the evidence that progress (or lack thereof) on governance aspects of SDG 16 impacts upon the achievement of poverty reduction (SDG 1) and reduced inequalities (SDG 10)?”*

Within these goals, the selection of targets and key concepts of interest was guided by UNDP/DIE priorities and an initial review of key concepts and definitions.

### 2.1 Rationale for selecting targets and concepts for SDG 16

SDG 16 is an amalgam of targets covering dimensions relating to peace, justice and inclusive institutions. While they do not include the term itself, they relate to many aspects of what is often referred to as “governance” (see section 2.3). To conduct the research in the given time frame, the research team decided not to include targets on violence and peace, as this would have required the review of a large body of literature very specific to these issues. It was decided to focus on **principles that aim to improve the quality of institutions of governance**, specifically: participation and inclusion, accountability and transparency. These principles or qualities are reflected in several targets, namely 16.5, 16.6, 16.7, 16.9 and 16.10 (see **Box 1** below). They are also key principles of the United Nation’s (UN) Human Rights-Based Approach to Development Cooperation (UNDG, 2003), and they are a subset of the broad set of principles for effective governance for sustainable development (UNECOSOC, 2018). However, these are broad concepts and as such are subject to differing interpretations in the literature, which poses challenges in terms of identifying and evaluating evidence.

For example, transparency and accountability are often mentioned in tandem in the literature: some authors even subsume transparency into accountability, while others underscore their distinctness; access to information is now often considered one aspect of transparency (UNDESA, 2019). For conceptual clarity, key concepts of interest are identified (in bold) in **Box 1**, introduced in section 2.3 and further defined in **Appendix 1**. Further, while these concepts cover multiple scales, for the purpose of this review, the primary scale of interest relates to the national and subnational level and public institutions and decision-making. Definitions are provided through this lens.



## BOX 1: PRIORITY SDG 16 ENTRY TARGETS AND CONCEPTS

### SDG-16 Targets:



**16.6** Develop effective, **accountable** and **transparent** institutions at all levels



**16.9** By 2030, provide **legal identity** for all, including birth registration



**16.7** Ensure responsive, **inclusive, participatory** and representative decision-making at all levels



**16.10** Ensure public **access to information** and protect fundamental freedoms, in accordance with national legislation and international agreements

## 2.2 Rationale for selecting targets and concepts for SDGs 1 and 10

In terms of evaluating the impacts of SDG 16 on other SDGs, the reasons for selecting SDG 1 and SDG 10 as the “impact goals” were the fact that these SDGs were being reviewed at the High-level Political Forum (HLPF) for Sustainable Development in 2021 and for their relevance to the mandate and research focus of both UNDP and DIE, including their importance for the principle of “leave no one behind” (LNOB). Furthermore, SDG 1 and SDG 10 were selected as they have been **particularly impacted by the COVID-19 pandemic** (UNDESA, 2020, Oxfam, 2021), and they are of particular relevance for pandemic recovery and resilience strategies.

Key concepts of interest for this review correspond to nine targets across both goals (**Box 2**, key concepts from targets highlighted in bold). These targets encompass a range of concepts from desirable outcomes (eradicating poverty; increasing resilience of the poor) to specific interventions (implementing social protection policies; eliminating discriminatory laws). As with SDG 16, some of these concepts are vague and overlap across the goals and targets. For conceptual clarity, key terms are introduced in section 2.3, and detailed definitions are also included in **Appendix 1**.

## 2.3 Framework for evaluating interlinkages between SDGs 16, 1 and 10

In line with the research question, the review evaluated evidence from the peer-reviewed literature and extracted information on interlinkages between SDG 16 and SDGs 1 and 10. Relevant literature was identified using a query protocol (see **Section 2.4**). In terms of assessing interlinkages, many previous studies explore target-to-target interactions and use a qualitative evaluation framework to describe these interactions (e.g. as synergies or trade-offs using positive or negative classifiers or scores) (Pham-Truffert et al., 2020; Miola et al., 2019). A common approach is applying the seven-point scale developed by the International Council for Science (2017) to evaluate interlinkages between an “entry” goal/target and other goals/targets, including negative interlinkages or trade-offs (constraining, counteracting, cancelling) and positive interlinkages or synergies (enabling, reinforcing, indivisible).

*For SDG 16, our methodology focuses on principles that aim to improve the quality of institutions of governance, namely participation and inclusion, accountability and transparency. For SDG 1 and 10, it focuses on aspects that are particularly impacted by the COVID-19 pandemic and are of particular relevance for pandemic recovery and resilience strategies, namely social protection, equal opportunity and poverty reduction.*

## BOX 2: PRIORITY IMPACT GOALS AND TARGETS: SDG 1 AND SDG 10

### SDG 1 No Poverty:



**1.1** By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than US \$1.25 a day.



**1.2** By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.



**1.3** Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.



**1.4** By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.



**1.5** By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters (16.7, 16.10).

### SDG 10 Reduced Inequalities:



**10.1** By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average.



**10.2** By 2030, empower and promote the social and economic (and political) inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.



**10.3** Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.



**10.4** Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.

The analysis above highlights that adopting a **target-to-target approach for this review was problematic** given that individual targets of interest either combine multiple principles or include overlapping concepts across multiple targets. For example, target 16.6 includes distinct concepts of accountability and transparency, the latter of which is closely associated with access to information in target 16.10. Similarly, many of the key concepts in targets for SDGs 1 and 10 are also closely related, with considerable overlap across targets (e.g. 1.3 on social protection systems overlaps with 10.4 on social protection policies). Further, several of these concepts are very specific or difficult to define as singular keywords (e.g. “sustain income growth of the bottom 40 per cent”). This generated challenges for both the analysis of interlinkages as well as the development of a workable query string.



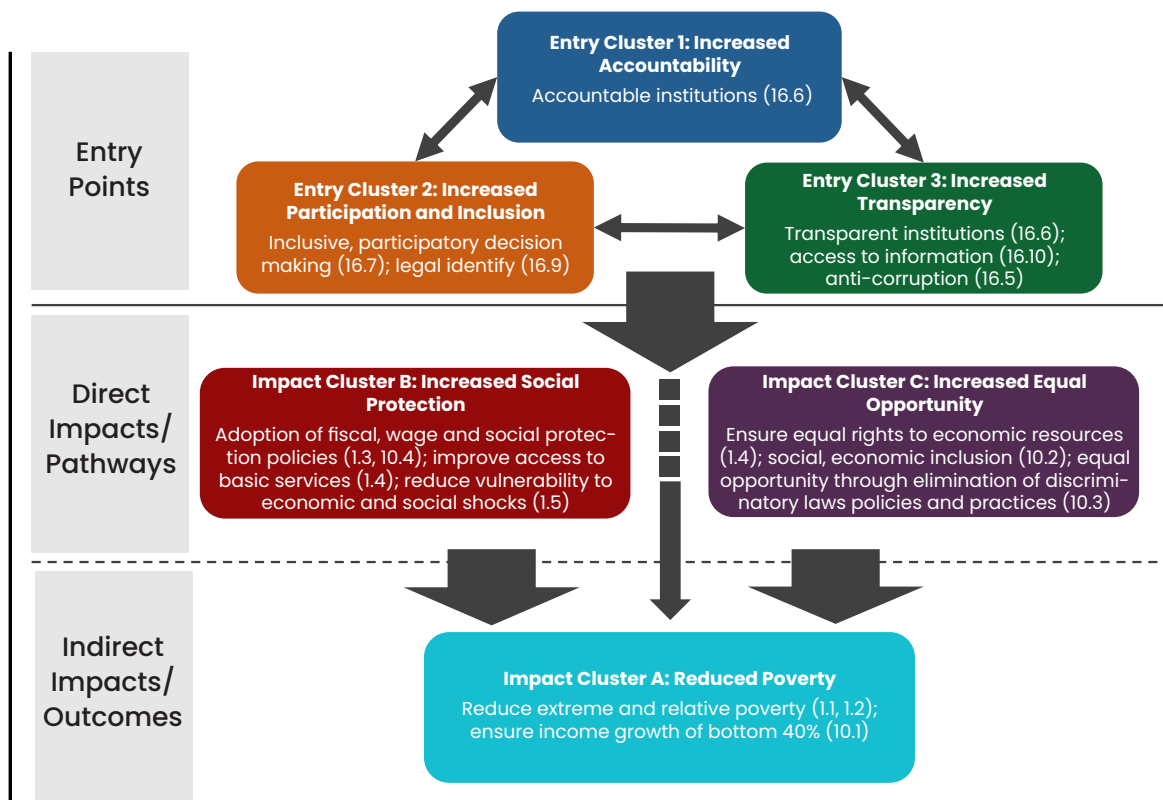
To provide clarity for the evaluation of interlinkages, the study therefore adopted a **clustering approach**, which separates distinct concepts and groups closely related concepts.

The logic for the clustering for SDG 16 (**entry clusters**) and for SDGs 1 and 10 (**impact clusters**) is presented in **Figure 2-1**. The rationale for the selection of targets and their clustering is explained afterwards.

*The study puts forward a clustering approach. Better than in a 'target-to-target' approach, this allows to separate distinct concepts and to group closely related ones.*

**FIGURE 2-1**

**Framework for evaluating interlinkages between SDG 16 and SDGs 1 and 10 by clustering key concepts into three entry clusters and three impact clusters**



Based on the selected, substantive focus on principles that aim to improve institutions of governance outlined above (section 2.1), three **entry clusters** were created:

- *Increased Accountability* (16.6),
- *Increased Participation and Inclusion*, which requires among other things inclusive decision-making (16.7) and legal identity (16.9), e.g. to participate in elections,
- *Increased Transparency* (16.7), which requires among other things public access to information (16.10) and reducing corruption and bribery (16.5).

Below, we introduce the concepts of accountability, participatory and inclusive decision-making, legal identity, transparency and access to information, as we understand them in this paper. These are further defined in Appendix I. They do not represent official definitions of these terms by either UNDP or DIE, unless referenced as such.

**Accountability:** This refers to a rule-based system that stimulates or constrains behaviour by holding actors responsible for their actions. It entails three elements, namely information, answerability and sanction.

**Participation / Participatory decision-making:** (Civil) participation refers to the engagement of individuals, NGOs and civil society in decision-making processes by public authorities and is based on human rights standards such as the right to take part in the conduct of public affairs (as specified in Art 25a of the International Covenant on Civil and Political Rights).

**Inclusiveness / inclusive decision-making:** Inclusiveness refers to the practice of providing equal access to opportunities and resources for everybody, especially for people who might otherwise be excluded or marginalized, such as vulnerable and minority population groups.

**Legal Identity:** Legal identity comprises the basic characteristics of an individual's identity, e.g. name, sex, place and date of birth conferred through registration and the issuance of a certificate by an authorized civil registration authority following the occurrence of birth.

**Transparency:** Transparency represents the quality of being open, communicative and accountable, implying that governments and other agencies have a duty to act visibly and understandably.

**Access to information:** This concept aims at enabling citizens to contribute to the policy-making process, thereby effectively collaborating with government, by giving them access to relevant public information.

The above-mentioned concepts are mentioned in SDG 16 (see **Box 1**) and are usually all regarded as elements of governance which, according to a common definition (Fukuyama, 2013), relates to the ability of a state to make and enforce rules and to deliver services irrespective of the kind of regime that is in place, i.e. whether it is democratic or authoritarian or a hybrid that combines features of both. There are other aspects of SDG 16 (and of what may be considered as governance) that are not investigated in this study (see section 2.1).

On the impact side, there were also many overlapping targets and indicators across SDGs 1 and 10. For example, reducing absolute extreme poverty (SDG 1.1) and raising the incomes of the bottom 40% (SDG 10.1) are interlinked targets that require being pursued simultaneously (Bourguignon, 2003; Klasen, 2008). Therefore, as with the entry clusters, we conceptualized the targets for SDG 1 (reducing poverty) and SDG 10 (reducing inequalities) that we had selected (see section 2.2) into three **impact clusters**:

- *Reduced Poverty*, including relative and extreme poverty (SDGs 1.1 and 1.2), which requires among other things ensuring income growth of the bottom 40% (SDG 10.1),
- *Increased Social Protection*, which requires actions such as adopting fiscal, wage and social protection policies (SDGs 1.3 and 10.4), ensuring access to basic services for all (SDG 1.4) and reducing vulnerability to economic and social shocks (SDG 1.5),



- *Increased Equal Opportunity*, which requires equal rights to economic resources (SDG 1.4), social, economic and political inclusion (10.2) and eliminating discriminatory laws, policies and practices (10.3).

Below, we introduce the concepts of extreme and relative poverty, income inequality, social protection, fiscal policies, social and economic vulnerability, and inclusion. More detailed definitions can be found in **Appendix 1**.

**Extreme, absolute and relative poverty:** There are different approaches to conceptualize and measure poverty, some differing in their point of reference (absolute vs relative), while others distinguish between the different aspects of poverty (income vs non-income).

**Fiscal policies:** Fiscal policy is the use of government spending and taxation to influence the economy.

**Income inequality:** Different measures have been developed to measure income inequality, some focusing on overall income distribution, and others on comparing the top and bottom ends of the income distribution or on inequality within and between groups.

**Social inclusion:** The process of improving terms of participation in society for people who are disadvantaged based on age, sex, disability, race, ethnicity, origin, religion or economic or other status, through enhancing their opportunities, access to resources, voice and respect for their rights.

**Social and economic vulnerability:** Vulnerability can be understood as the cause of chronic poverty as well as a symptom and constituent part of it.

**Social protection:** Social protection is based on human rights standards such as the right to social security (Art 9 ICESCR) and can be achieved through a set of policies and programmes designed to reduce and prevent poverty, vulnerability and social exclusion throughout the life cycle by a mix of contributory schemes (social insurance) and non-contributory tax-financed benefits (including social assistance).

**Figure 2-1** illustrates the theory of change that underpins our conceptual framework to evaluate interlinkages between SDG 16 and SDGs 1 and 10.

Our assumption is that all three entry clusters (and the SDG targets within them) are necessary conditions to improve the quality of institutions of governance. More importantly, for this study, we assume that there is a link between the entry clusters (increased accountability, increased participation and inclusion and increased transparency) and the impact clusters (increased social protection, increased equal opportunity and reduced poverty). We assume that the association between the entry clusters and the impact cluster of reduced poverty may be both direct (e.g. having to pay fewer bribes will reduce the outflow from the poorest and thus boost their income) as well as indirect, through greater social protection and increased equal opportunities (e.g. more accountable institutions will provide more equal access to basic services and to food, health care, education, etc., which, in turn will increase people's ability to achieve higher incomes).

On the basis of this framework, we used a **simple evaluation approach** to classify interlinkages from an entry cluster to an impact cluster as either positive (synergy/enabling), negative (trade-off/constraining), neutral (no impact) or inconclusive (mixed impact or unclear). Given the diversity of the literature and the evidence base provided, a more nuanced framework

with additional categories or scoring was not considered appropriate. However, the research team extracted additional qualitative and quantitative information on causal pathways from the literature and, while not using this to classify the interlinkages, did draw on it for the discussion (see section 4).

## 2.4 Query protocol, inclusion/exclusion criteria and literature retrieval

To identify relevant literature, a review protocol was used based on a standardized set of inclusion/exclusion criteria, including query terms and conditions. The key terms used in the query protocol are provided in **Table 1**, and include priority concepts relating to SDGs 16, 1 and 10 from **Box 1** and **2** as well as other important terms that help to refine the scope of the review (e.g. public administration, institutions, government, etc.). Some of these concepts were further refined or shortened to ensure their workability in a database query string.

*Interlinkages we identified between SDG 16 on one hand and SDG 1 and SDG 10 on the other were classified as either positive, negative, neutral or inconclusive.*

**TABLE 1.**

Query terms to be used in the protocol

Key Concepts	Query terms
1. Accountability	"accountable institutions"; "accountability"; "accountable governance"
2. Participation and inclusion	"inclusive decision-making"; "participatory decision-making"; "inclusive institutions"; "participatory institutions"; "political inclusion"; "public participation"; "public consultation"; "public engagement"; "legal identity"; "civil registration"; "participatory governance"; "inclusive governance"; "civic engagement"; "democratic governance"
3. Transparency	"transparent institutions"; "transparency"; "access to information"; "freedom of information"; "right to information"; "open government data"; "transparent governance"; "anti-corruption"
	<b>AND</b>
A. Poverty	"poverty"; "income equality"; "income inequality"
B. Social protection	"social protection"; "access to services"; "access to basic services"; "economic vulnerability"; "social vulnerability"; "vulnerability to shocks"
C. Equal opportunity	"social inclusion"; "economic inclusion"; "equal opportunity"; "discriminatory laws"; "discriminatory policies"; "social inequality"; "political inequality"
	<b>AND</b>
Additional key terms	"institutions"; "public sector"; "government"; "public administration"; "governance"

To ensure that the scope of literature was manageable and scientifically sound, only peer-reviewed articles published since 2015 (i.e. since the adoption of the 2030 Agenda) were included. Articles were required to include at least one keyword corresponding to the SDG 16 entry points, plus at least one keyword corresponding to the SDG 1 and SDG 10 impact goals, plus at least one relating to the additional scoping terms.

The primary method of resource retrieval was based on a database search of the academic literature using a query string.<sup>1</sup> The Web of Science (WoS) database was used, as it includes 24,000+ journals across 254 subject disciplines and is curated by expert in-house editors to include only journals that demonstrate high levels of editorial rigour and best practice. The review targeted literature that was published in the English language and included the query terms in their title, abstract or keywords. In addition, “snowballing”, i.e. using the reference lists of highly relevant or highly cited papers to identify additional literature, was also used. Grey literature, i.e. research that is either unpublished or has been published in non-commercial form such as government reports or policy statements, was excluded from the review.

The final WoS query was conducted in March 2021 and returned a total of 426 articles. These were subsequently **screened for relevance** and prioritized for review based on a set of screening criteria that aimed to identify articles of greater relevance based on their title, keywords and abstract. Higher priority articles were those that explicitly included key terms from the entry and impact clusters in their title and keywords, that provided quantitative evidence, and that directly corresponded to the core research question for the study.

The results from the screening were reviewed for consistency by a single author. Based on the screening exercise, a total of 61 papers were selected for more detailed review. During the review process, six articles were disregarded due to limited relevance, and an additional three highly relevant articles were identified through snowballing. These snowballed articles were also required to meet the same screening process and inclusion/exclusion criteria. In total, **58 articles were included in the detailed review** of interlinkages.

## 2.5 Approach for reviewing interlinkages

The review process extracted and compiled relevant information from the 58 papers using a standardized template. The key categories included in the template and additional guidance for completing the template are provided in **Appendix 2**. This included descriptive information for each article (aim/purpose, type of study/evidence, country/region, etc.), as well as the extraction of information regarding interlinkages (entry clusters, impact clusters, causal pathways, etc.). The guiding question for the evaluation of interlinkages was:

*“Based on the evidence in the paper, does an increase/improvement in entry cluster X have an enabling/constraining/neutral/inconclusive impact on impact cluster y?”*

During the evaluation, additional information on the specific key terms or sub-categories for each entry and exit cluster was collected (e.g. specifically relating to poverty or income inequality within the “A. Reduce Poverty” cluster), along with explanations provided in the paper regarding the causal factors and pathways for impacts. The review of interlinkages focused on

<sup>1</sup> ((TS=(„accountable institution\*\* OR “accountability” OR “accountable governance”) OR TS=(„inclusive decision\*\* OR „participatory decision\*\* OR „inclusive institution\*\* OR „participatory institution\*\* OR „political inclusion” OR „public participation” OR „public engagement” OR „legal identity” OR „civil registration” OR “participatory governance” OR “inclusive governance” OR “civic engagement” OR “democratic governance”) OR TS=(„transparent institution\*\* OR “transparency” OR „access to information” OR „freedom of information” OR “right to information” OR “open government data” OR “transparent governance” OR “anti-corruption”) AND (TS=(“poverty” OR „income equality” OR „income inequality”) OR TS=(„social protection” OR „access to services” OR „access to basic services” OR „economic vulnerability” OR „social vulnerability” OR „vulnerability to shocks”) OR TS=(„social inclusion” OR „economic inclusion” OR „equal opportunity” OR „discriminatory law\*\* OR „discriminatory policies” OR “social inequality” OR “political inequality”)) AND (TS=(“institution\*\* OR “public sector” OR “government” OR “public administration” OR “governance”))) AND LANGUAGE: (English) AND DOCUMENT TYPES: (Article OR Book OR Book Chapter).



identifying directional interlinkages from each of the three entry clusters to the three impact clusters. However, interlinkages with reverse causality (i.e. from impact clusters to entry clusters) were also captured for future research during the review, but these are not featured in the results. The intention was to capture as much information as possible that may be of relevance for interpreting the results, for understanding interactions and causal relationships, or for indicating the need for further research.

The review process revealed that a number of the studies investigated the effects of institutional qualities that were often subsumed under the term “good governance” but, strictly speaking, fell outside the scope of our three entry clusters: Accountability, Transparency and Participation and Inclusion (e.g. “government effectiveness”, “political stability”, “regulatory quality”). Since these interlinkages were nevertheless considered of interest, especially to understand causal pathways between SDG 16 and SDGs 1 and 10, they were captured by allocating them to an additional entry cluster “4. Other qualities of governance institutions” and by using them for the discussion of results.

The review also captured information on the study methods and the type of evidence (e.g. quantitative, qualitative, etc.) as well as the geographic scale or scope of the analysis (multi-country, national, subnational) and the number of countries included in the sample for each study. This information was used to provide an indication of the type and coverage of evidence supporting the interlinkages identified in the studies.

### BOX 3: OVERVIEW – METHODOLOGY AND PROCESS

- A limited number of aspects of SDG 16 targets (**Entry Level**) and of SDG 1 and 10 targets (**Impact Level**) were selected and clustered (see Figure 1). With this approach, a Web of Science query yielded 426 academic papers. Through screen-ing, around 60 papers were identified as most relevant for in-depth analysis.
- Articles were considered **most relevant** if they explicitly included key terms from entry and impact clusters in title and keywords, provided quantitative evidence and corresponded directly to the research question.
- Of the approximately 60 papers, 70 percent were considered **quantitative** analyses (mostly relying on panel data) and 30 percent **qualitative** (mostly drawing on comparative case studies). About half of the reviewed articles focused at the **national or subnational** scale while the remainder were **multi-country** studies covering between three and over 170 countries, from all regions. Around half of the studies reviewed were based on a sample of 20+ countries.
- The **review** was undertaken between December 2020 and June 2021. Screening the initial 426 papers was supported by 19 colleagues, including through *pro bono* support by the law firm White & Case. In-depth analysis of the 60 most relevant papers was conducted by five expert researchers.
- UNDP OGC convened an **Advisory Group** of experts on SDG interlinkages from academia, civil society and the UN to pro-vide methodological feedback and interpret the results.

## 3. RESULTS

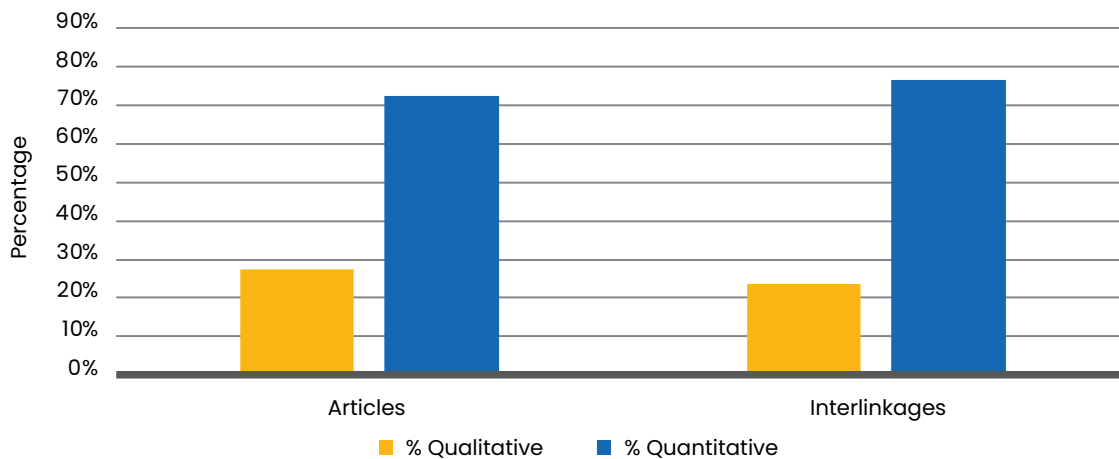
### 3.1 Overview of literature characteristics – type of evidence, geographic scope, research areas

Of the studies reviewed, 42 (72%) were considered quantitative analyses (relying mostly on panel data), while 16 (28%) were considered qualitative (drawing mostly on comparative case studies). These studies identified a total of 122 interlinkages between entry and impact clusters, of which 94 (77%) were identified from quantitative studies (**Figure 3-1**).

*Over 70% of the reviewed studies were quantitative. About half focused at the national or subnational level, the remainder were multi-country studies ranging from three countries to over 170 countries. Most common were studies with a sample of 20+ countries.*

**FIGURE 3-1.**

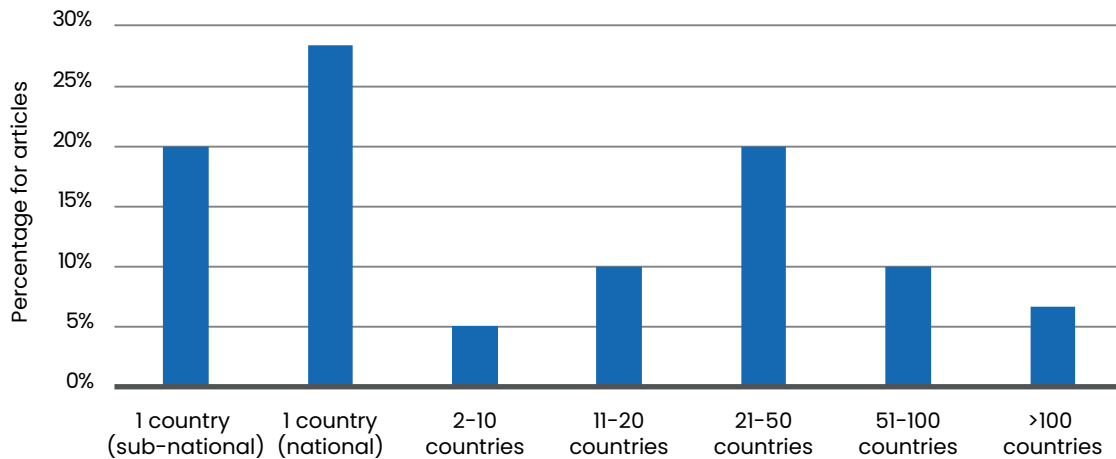
Proportion of articles and interlinkages supported by quantitative evidence



In terms of the level of the analysis, close to half of the articles reviewed focused at the national or subnational scale, while the remainder were multi-country studies ranging from three countries included in the analysis through to 176 countries in the largest multi-country study (**Figure 3-2**). Studies using a larger sample of 20+ countries comprised around 47% of the literature reviewed.

**FIGURE 3-2.**

**Level of analysis – number of countries reviewed in each article**

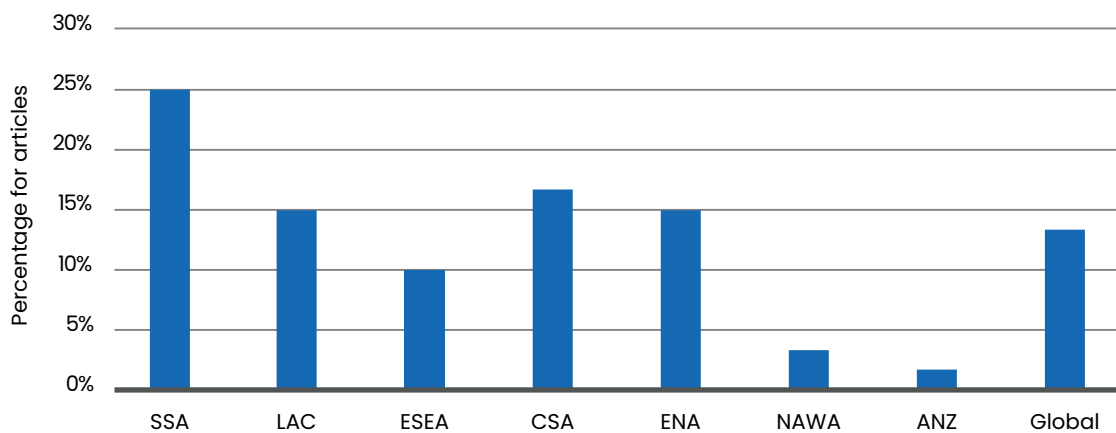


In terms of geographic scope, there was a reasonable spread of articles across the different world regions.<sup>2</sup> The majority of the studies focused on lower income countries in sub-Saharan Africa (25%) and Central and Southern Asia (17%), as well as countries in Europe and North America (15%), Latin America and the Caribbean (15%) and East and Southeast Asia (10%) (Figure 3-3). Around 13% of the studies were considered global in scope in that they included a large number of countries from multiple regions.

*Most studies focused on lower income countries in sub-Saharan Africa (25%) and Central and Southern Asia (17%), as well as countries in Europe and North America (15%), Latin America and the Caribbean (15%) and East and Southeast Asia (10%).*

**FIGURE 3-3.**

**Geographic region of analysis**



(SSA: SUB-SAHARAN AFRICA; LAC: LATIN AMERICA AND THE CARIBBEAN; ESEA: EAST AND SOUTHEAST ASIA; CSA: CENTRAL AND SOUTH ASIA; ENA: EUROPE AND NORTH AMERICA; NAWA: NORTH AFRICA AND WEST ASIA; AND ANZ: AUSTRALIA AND NEW ZEALAND).

<sup>2</sup> Regional groups correspond to those used by the UN Statistics Division for the Sustainable Development Goals Report: <https://unstats.un.org/sdgs/report/2019/regional-groups/>



Based on the “research area” codes identified for each article in the WoS database, a broad range of research disciplines were identified (**Figure 3-4**). The dominant research areas included business and economics, development studies, public administration, government and law, and environmental sciences.

### FIGURE 3-4.

Research areas corresponding to the articles reviewed



### 3.2 Evaluation of interlinkages between entry and impact clusters

The focus of the review was on identifying interlinkages between the three primary entry clusters and three impact clusters; however, additional interlinkages of supplementary interest were also captured during the analysis. **A total of 83 interlinkages were identified between the three primary entry clusters (1. Increased Accountability; 2. Increased Participation and Inclusion; 3. Increased Transparency) and three impact clusters (A. Reduced Poverty; B. Increased Social Protection; C. Increased Equal Opportunity).** In addition, a further 39 interlinkages were identified, corresponding to other qualities of governance institutions (e.g. “government effectiveness”, “political stability”, “good quality governance”, etc.) and to the three impact clusters. Of these, 88% were interlinkages from entry to impact clusters, while the remainder were reverse interlinkages from impact to entry clusters.

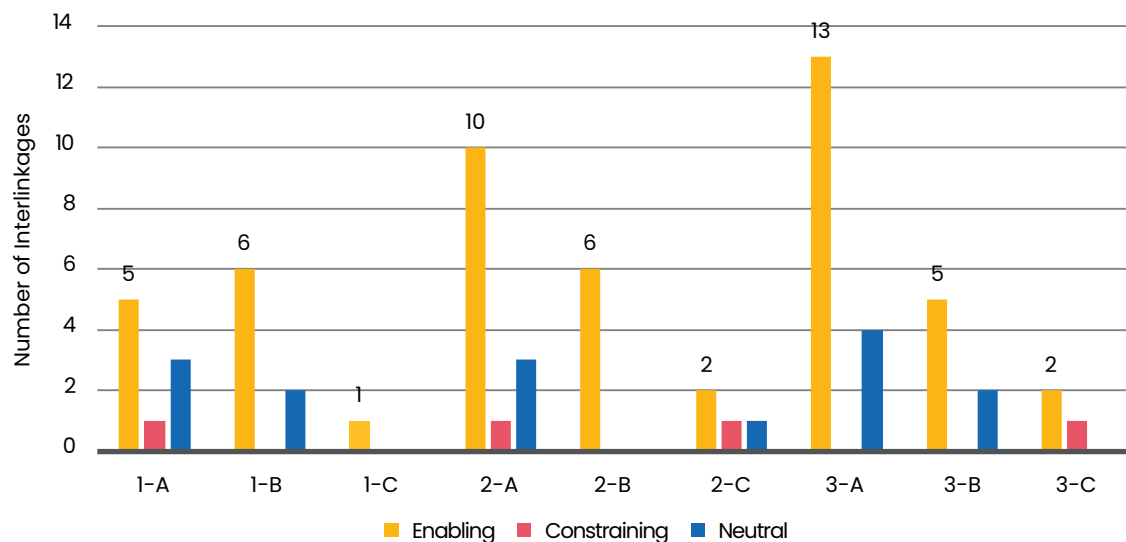
Of primary interest for the analysis was evidence of enabling (synergy) or constraining (trade-off) effects from the three main entry clusters upon the three impact clusters. **Overall, the evidence from the literature identified many more enabling effects (50 enabling interlinkages) than constraining effects (4 constraining interlinkages), while 15 interlinkages were identified as neutral (little or no impact).** The most common enabling effects identified were from “3. Increased Transparency” to “A. Reduced Poverty” (13 enabling interlinkages), followed by “2. Increased Participation and Inclusion” to “A. Reduced Poverty” (10 enabling interlinkages)

(Figure 3-5). Enabling effects were also high for “1. Increased Accountability” on “B. Increased Social Protection” and for “2. Increased Participation and Inclusion” on “B. Increased Social Protection” (each with 6 enabling interlinkages). The results were mixed (both enabling and constraining) for the effects of increasing accountability and increasing transparency on equal opportunity (1 to C, 3 to C). Overall, only four studies identified constraining effects.

*The review identified many more enabling effects (50 interlinkages) than constraining effects (4 interlinkages), while 15 interlinkages were identified as neutral (little or no impact).*

**FIGURE 3-5.**

**Number of enabling, constraining and neutral interlinkages identified between the three primary entry clusters and three impact clusters**



1. INCREASED ACCOUNTABILITY; 2. GREATER PARTICIPATION AND INCLUSION; AND 3. INCREASED TRANSPARENCY AND A. REDUCED POVERTY; B. INCREASED SOCIAL PROTECTION; AND C. INCREASED EQUAL OPPORTUNITY.

### 3.3 Evaluation of interlinkages at the cluster and sub-cluster levels

As per the analytical framework in Figure 2-1, most of the entry and impact clusters encompassed multiple SDGs targets or “sub-clusters”. For example, the entry cluster “A. Reduced Poverty” included both poverty reduction (SDGs 1.1 and 1.2) and the reduction of income inequality (SDG 10.1). These sub-clusters were also identified and captured during the review to provide more depth to the analysis. Figure 3-6 provides a summary of these more detailed interlinkages, where the width of the “flows” corresponds to the number of enabling interlinkages identified. Each interlinkage also corresponds to an individual article, so the values or flows can also be interpreted as the number of articles.

For the first entry cluster on increasing accountability, no sub-clusters were identified, as this cluster incorporates a single SDG target (16.6). Of the 12 enabling interlinkages, most of these enabled increased access either to basic services (5 enabling interlinkages) or to reduced poverty

(4 enabling interlinkages) (**Figure 3-6**). Single enabling interlinkages were also identified for increasing social protection and equal opportunity and reducing income inequality. Overall, positive enabling effects were identified between increasing accountability and all three impact clusters, but primarily “A. Reduced Poverty” and “B. Increased Social Protection”. Accountability was also the only entry cluster that had an identified enabling effect specifically on the “social protection” sub-cluster (1 enabling interlinkage).

In relation to entry cluster “2. Increased Participation and Inclusion”, a total of 18 enabling interlinkages were identified across three sub-clusters, as depicted in **Figure 3-6**. For the “participation” sub-cluster, 12 interlinkages were identified, which enabled access to basic services (5), poverty reduction (4), equal opportunity (2) and reduced income inequality (1). For the sub-cluster “democracy”, three interlinkages were identified, which enabled the reduction of income inequality and poverty as well as greater access to basic services. Finally, for the “inclusion” sub-cluster, the three interlinkages identified enabled poverty reduction and reduced income inequality. Again, positive enabling effects were identified between greater participation and inclusion and all impact clusters, but in particular impact clusters A and B.

For entry cluster “3. Increased Transparency”, a further 20 enabling interlinkages were identified across two sub-clusters. Most of these related to anti-corruption or corruption control (12 interlinkages), which enabled all the impact clusters to varying degrees. In particular, enabling effects were evident between anti-corruption and reducing income inequality (6) and poverty (3), as well as improving access to basic services (2) and equal opportunity (1). For the “transparency” sub-cluster, enabling effects corresponded to reducing poverty (4) as well as improving access to basic services (1) and equal opportunity (1). Finally, for the “access to information” sub-cluster, enabling effects were evident for access to basic services (2).

**Accountability:** Twelve out of 60 papers, with evidence from more than 130 countries, highlighted that increased accountability has positive effects on poverty reduction and social protection.

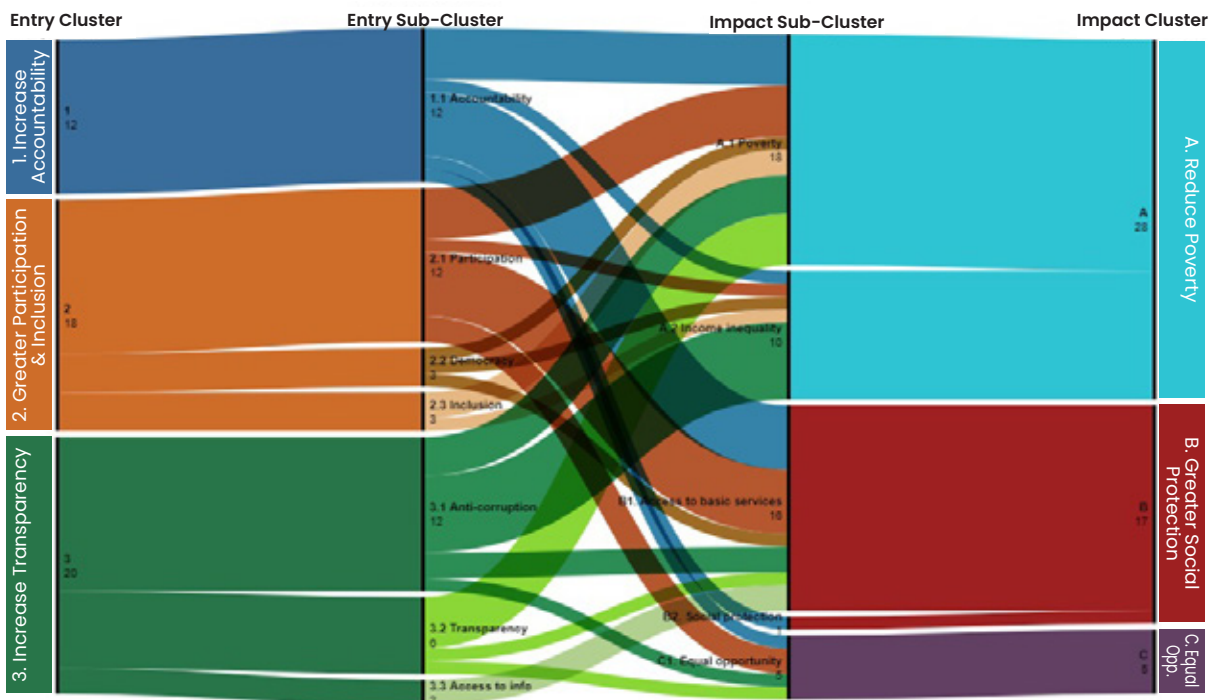
**Participation & Inclusion:** 18 of 60 studies, with evidence from more than 130 countries, identified enabling interlinkages between increased participation and inclusion and SDG 1 and SDG 10 aspects.

**Transparency:** 20 out of 60 reviewed papers, with evidence from more than 145 countries, provided evidence that increased transparency has positive effects on SDG 1 and SDG 10.



**FIGURE 3-6.**

Alluvial chart of enabling interlinkages between the three entry clusters and entry subcategories (left) and the impact subcategories and impact clusters (right). Width of the flows (and numbers inserted) represent the number of positive/enabling interlinkages



In addition to the three primary entry clusters used in the analysis, a number of studies also included other qualities of governance institutions that were captured during the review. This resulted in the identification of an additional 23 enabling and 15 neutral interlinkages, which were also incorporated into the analysis in terms of their effects on the impact clusters. These corresponded to indicators commonly referred to as “good governance”, including from the World Bank’s Worldwide Governance Indicators (WGIs) (Kaufmann et al., 2011), e.g. “government effectiveness”, “rule of law”, “regulatory quality” and “political stability”, as well as more general references to “good governance” or “good quality governance”. These were bundled as sub-clusters into the additional entry cluster “4. Other qualities of governance institutions”.

While the interlinkages identified were primarily enabling in nature, four studies also identified constraining effects. These studies suggest that an increase in judicial accountability corresponds to an increase in income inequality, increased transparency corresponds to inequality in opportunities, democracy increases income inequality, and participation constrains political equality. These differences are explored further in the discussion in Section 4.

### 3.4 Evaluation of the strength of evidence

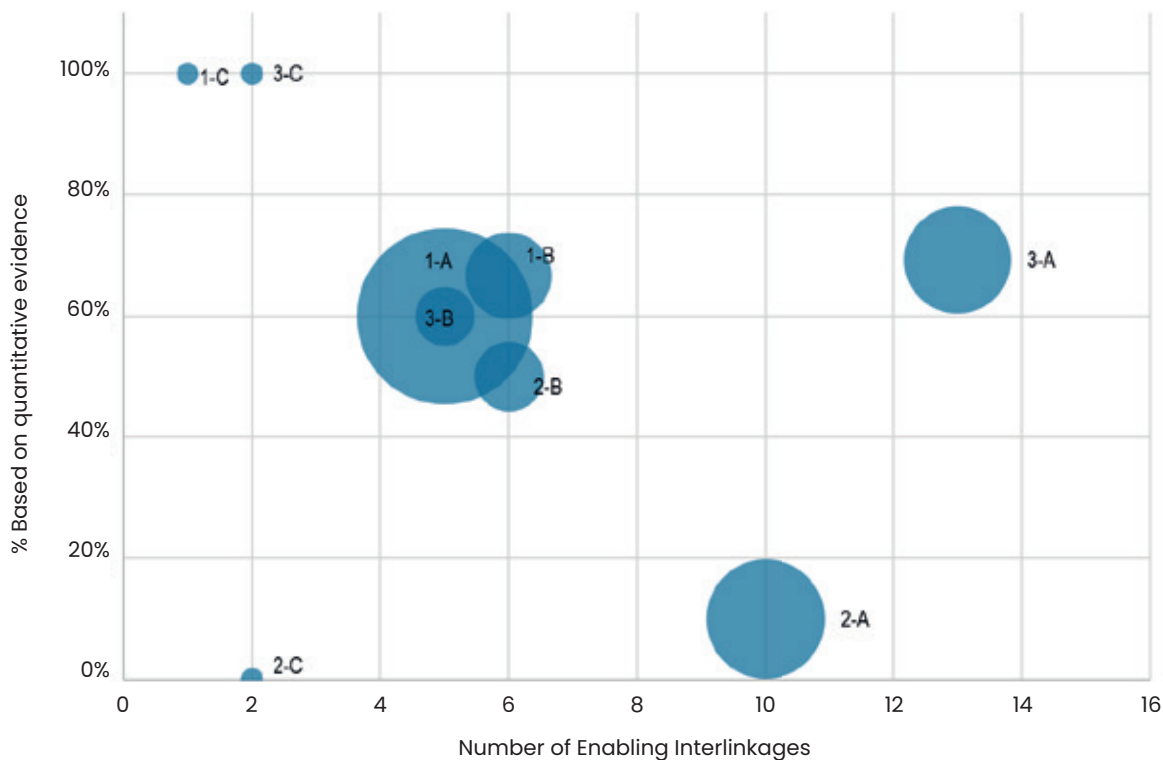
All the studies reviewed were from peer-reviewed journals to ensure academic rigour. However, not all articles were considered equal in terms of the quantity and quality of evidence. While it is beyond the scope of this study to critically evaluate the various methods deployed in each article, it was feasible to extract general information on the nature of the evidence provided (quantitative or qualitative) as well as the size of the country samples used in the analyses. The

experience from the review revealed that a combination of both quantitative and qualitative analyses provided complementary insights into both statistical correlations and relationships as well as causal explanations of key pathways to impact.

**Figure 3-7** provides a brief summary of the type, strength and coverage of the evidence underlying the results on enabling interlinkages between the three main entry clusters and impact clusters. This includes the number of enabling interlinkages identified (x-axis, which also reflects the number of studies), the proportion of these enabling interlinkages that are based on quantitative evidence (y-axis), as well as the average number of countries included in the studies (size of spheres). This analysis suggests that the evidence base is broader for enabling interlinkages between “3. Increased Transparency” and “A. Reduced Poverty” as well as “1. Increased Accountability” and “A. Reduced Poverty”. Evidence of interlinkages from all three entry clusters to “B. Increased Social Protection” included a moderate number of studies with a fairly balanced mix of quantitative and qualitative information and coverage of multiple countries. Most of the studies identifying enabling interlinkages between “2. Increased Participation and Inclusion” and “A. Reduced Poverty” and “C. Increased Equal Opportunity” were based on qualitative evidence, while the enabling interlinkages from “1. Increased Accountability” and “3. Increased Transparency” to “C. Increased Equal Opportunity” were quantitative but based on few studies and limited country coverage.

### FIGURE 3-7.

#### Type and geographical coverage of evidence for interlinkages between entry and impact clusters



THE SIZE OF THE SPHERES REPRESENTS THE AVERAGE NUMBER OF COUNTRIES INCLUDED IN THE STUDIES (MIN=1, MAX=62). LABELS REFER TO THE ENTRY AND IMPACT CLUSTERS: 1. INCREASED ACCOUNTABILITY; 2. GREATER PARTICIPATION AND INCLUSION; AND 3. INCREASED TRANSPARENCY AND A. REDUCED POVERTY; B. INCREASED SOCIAL PROTECTION; AND C. INCREASED EQUAL OPPORTUNITY.

## 4. DISCUSSION

The **results** from the review show that a broad range of studies have been published since 2015 identifying enabling effects of the three entry clusters from SDG 16 on the impact clusters associated with SDGs 1 and 10. This includes both quantitative and qualitative articles covering a broad range of countries from different world regions, ranging from subnational through to global studies. Overall, **enabling interlinkages were identified between all three entry and impact clusters**, though evidence was strongest for the enabling effects of “3. Increased Transparency” and “2. Increased Participation and Inclusion” on impact cluster “A. Reduced Poverty”. At the sub-cluster level, the results highlight that enabling effects were more commonly identified for reducing poverty (18 studies), reducing income inequality (10 studies) and increasing access to basic services (10 studies). The majority of these were associated with the enabling effects of increased accountability, anti-corruption and increased participation. The geographic focus and the country sample size varied considerably across the different studies; however, these enabling effects are supported by evidence from a comparatively large number of quantitative and qualitative analyses with large sample sizes.

The results highlight that there is clear evidence of the enabling effects of SDG 16 on SDGs 1 and 10. It is also important to understand the key **mechanisms and pathways** for the beneficial (or constraining) effects identified in the literature. While many of the articles reviewed provided evidence of these effects, explanations on the causal relationships and pathways that produce these effects were not always provided or discussed. The concepts and terminology used vary across the different studies, and quantitative evidence is often based on correlation rather than causation. As such, it is challenging to unpack these relationships and gain a clear and complete understanding of causality. The studies that do attempt to explain and interpret their findings often draw on existing literature. This provides useful insights into the potential causal relationships and pathways that deliver enabling (or constraining) effects from SDG 16 clusters through to SDG 1 and 10 clusters.

Like any other method, this systematic scoping review has its **caveats**. One key challenge experienced during the study design was that **concepts included in SDGs 16, 1 and 10 were sometimes vague and overlapped** across different goals and targets. Pragmatic choices were therefore made to ensure both conceptual clarity and a manageable scope for the review. When designing the conceptual framework, priority was given to key governance principles relating to participation and inclusion, accountability and transparency as well as to their effects on reducing poverty and increasing social protection and equal opportunity (see section 2.2). This ensured a focused and manageable analysis. It is important to note that relationships between these issues are highly complex and incorporate a myriad of factors that are likely to correspond with many other goals and targets within the SDGs framework. It is further acknowledged that the decision to consider only **literature published since 2015** also resulted in the exclusion of relevant literature published prior to this date. This was partly ameliorated by the inclusion of some of the snowballed literature in the discussion section. Extending the time frame back to 2000

*Enabling interlinkages exist between all three entry and impact clusters, though evidence was strongest for enabling effects of “Increased Transparency” and “Increased Participation and Inclusion” on “Reduced Poverty”. The majority of these were associated with the enabling effects of increased accountability, anti-corruption and increased participation.*



would certainly yield a richer literature base but would require more time and human and financial resources than were available for this study.

In the study, the strength of the evidence was considered greater where there was a larger **number of studies**. However, this should be interpreted with some caution, as it may be a reflection of research trends – i.e. particular topics have received **greater attention** from the research community. Within the clusters used for this study, some topics were not addressed by the literature reviewed, including legal identity (target 16.9) and vulnerability to shocks (target 1.5). These topics may represent a gap in the current literature and may warrant further attention.

Against this background, this section first discusses the results of the review in more detail, before synthesizing evidence on key causal relationships in the form of a “causal diagram”.

*One caveat relates to possible information gaps: The review is a reflection of existing research. In other words, some connections may exist but, for different reasons, may be understudied and, therefore, they do not feature in the review.*

## 4.1 Entry Cluster I: Increased Accountability

### 4.1.1 Accountability effects on reducing poverty and income inequality



Five papers identified an enabling link between increased accountability and reducing poverty and income inequality (Workneh, 2020; Ramanujam et al., 2019; Hill et al., 2016; Akobeng, 2016; Chan, 2018), while one identified constraining effects (Berggren and Bjørnskov, 2020). This included quantitative studies with a global scope or a focus on the sub-Saharan Africa (SSA) region, as well as single-country qualitative studies in India and Mexico.

Of particular interest is the study by Akobeng (2016), which uses panel data to explore the relationship between economic growth, poverty and institutions in 41 countries in SSA. The study aimed to establish whether the growth-poverty link can be strengthened by institutions. The WGIs (Kaufmann et al., 2011) are used as a proxy for voice and accountability and other good governance attributes. Akobeng finds that growth in GDP per capita is an important instrument of poverty reduction (a one per cent increase in GDP per capita growth is associated with a 0.3 per cent decline in the poverty headcount ratio), and that accountable governments and democracy (as well as other good governance attributes) are important ingredients for sustaining the growth-poverty link in SSA. In other words, accountable institutions increase the poverty-reduction effects of GDP growth. The authors highlight that their findings are also supported by previous empirical studies, which show that an economy with a system of accountable government and peaceful political terrain provides a conducive environment for poverty reduction (Tebaldi and Mohan, 2010; Chong and Calderón, 2000). In particular, they find that growth in the services and agricultural sectors have been significant for poverty reduction by increasing demand for unskilled labour. The growth-poverty relationship may be enhanced by accountability (and transparency) through strengthening economic, property and other rights, including respect for contracts, which provides security and predictability of government decision-making.

*Accountable institutions increase the poverty-reduction effects of GDP growth in sub-Saharan Africa.*

Workneh (2020) again use the WGIs and panel data for 34 countries in SSA to investigate the combined effects of gender inequality and governance (including voice and accountability)

on poverty. Workneh finds that gender inequality resulting from weak governance contributes to high poverty and argues that both government accountability and effectiveness play a vital role in improving government service provision and reducing poverty. Government capacity to decrease poverty depends on the quality and quantity of government expenditure, including through infrastructure development, schools, health centres and social security institutions. Workneh also finds that improvements in accountability will have a limited effect on poverty if gender inequality remains high.

Other studies suggest that institutions aimed at providing distributive justice will enhance accountability and reduce poverty and inequality (Ramanujam et al., 2019) and that a lack of accountability in the governance of resource use leads to the persistence of social inequality (Hill et al., 2016).

Contrary to the findings of other studies on the enabling effects of accountability, the global study by Berggren and Bjørnskov (2020) finds that as judicial accountability increases, so does income and consumption inequality. They suggest that judicial quality appears to protect the consumption shares of the economic elite, indicating that having accountable judiciaries may serve to fossilize an unequal distribution of consumption in society.

#### 4.1.2 Accountability effects on access to basic services, social protection and equal opportunity

A further seven papers identified enabling effects between increased accountability and increased access to basic services (Sukati et al., 2018; Khan et al., 2017; Andersson and Palacio Chaverra, 2017; Guimarães et al., 2016), social protection (Fossati, 2016) and equal opportunity (Jones et al., 2016; Hill et al., 2016). Again, these included a mix of quantitative and qualitative studies but covered a smaller selection of countries.

The study by Sukati et al. (2018) on Swaziland suggests that poor management, lack of accountability, poor monitoring and evaluation mechanisms, weak coordination and ineffective public-private sector regulations are factors that lead to poor access to health services. They find that increasing accountability is expected to improve health system functioning and enable increased access to health care (specifically eye care). Andersson and Palacio Chaverra (2017) suggest that increasing accountability improves countries' ability to prioritize spending to uphold the social contract with its people, and will ultimately increase social spending and access to basic services. Guimarães et al. (2016) argue that accountability facilitates durable universal access to water and sanitation services for vulnerable populations (slum dwellers) in Brazil.

*In Indonesia, in election years, social health insurance programmes and benefits are more accurately targeted to low-income recipients, provided that local elections are competitive.*

The study by Khan et al. (2017) uses evidence from Ethiopia's programme to promote basic services and finds that accountability (both upwards to donors and downwards to citizens) improves the equity outcomes associated with these grant programmes. First, decentralization encourages greater downward accountability by reorienting incentives from public officials to local voters. This increases the overall responsiveness of the state to its citizens. The imposition of upward accountability from countries to donors may also see reductions in inequality, where programmes are designed for this purpose. In the study, "citizen engagement" is interpreted as improving the accountability of local governments to citizens by boosting citizen participation in local decision-making, improving the financial transparency of districts, and implementing tools of structured social accountability.

Fossati (2016) studies democratic accountability using district-level data in more than 400 districts of Indonesia with an analysis of the local-level implementation of a social health insurance programme. The study finds that in election years, social health insurance programmes and benefits are more accurately targeted to low-income recipients provided that local elections are competitive. The results suggest that accountability ensuing from electoral democracy at the local level plays a crucial role in the implementation of effective national social protection programmes.

Jones et al. (2016) use mixed methods to explore the political economy factors shaping governance and social accountability processes in three established unconditional cash transfer programmes in conflict-affected contexts (Mozambique, Palestine and Yemen). They find that social accountability improves stakeholder perceptions of the effectiveness of cash transfer programs, greater programme buy-in and legitimacy, and the provision of feedback on what works well and what doesn't. Participants in all countries were consistent in calling for greater beneficiary involvement in programme governance and oversight.

## 4.2 Entry Cluster 2: Increased Participation and Inclusion

### 4.2.1 Effects of participation and inclusion on poverty and income inequality



A selection of primarily qualitative studies provided evidence of enabling interlinkages between greater participation and inclusion and the reduction of poverty and income inequality (Anyanwu et al., 2016; Akobeng, 2016; Jianu et al., 2020; Andersson and Palacio Chaverra, 2017; Fan et al., 2020; Nieto-Aleman et al., 2019; Hill et al., 2016). This includes global studies; regional studies on West Africa, SSA and the European Union; and national and subnational studies.

Focusing on 17 countries in West Africa, Anyanwu et al. (2016) empirically assess the impact of key domestic and external drivers of income inequality. The study firstly finds evidence of the existence of the Kuznets curve (Kuznets, 1955) in the region, whereby inequality rises with an initial increase in per capita income but subsequently declines. The study finds that democracy, access to secondary education, and social globalization strongly and significantly equalize income in West Africa. As a measure of democracy, the study uses the Polity IV dataset, and the Gini index is used for income inequality. Specifically, Anyanwu et al. find that a one percentage point increase in the democracy index is associated with a 0.05 percentage point reduction in income inequality. They also find that increasing institutional development (including democracy) also increases the marginal effect of GDP per capita growth on reducing poverty. The authors highlight that their findings support the median voter hypothesis, whereby democratization should lead to greater income redistribution and a reduction in inequality, which is also supported by previous empirical studies (Gradstein and Milanovic, 2004; Milanovic, 2000). They suggest that countries in the region should embrace and guarantee equal citizenship, political pluralism, freedom, rule of law, political rights, general respect for others, and socio-political and economic inclusion. They also explore the link between income equality, growth and poverty, whereby high levels of income inequality lead to rent-seeking, social tensions, political instability and imperfect capital markets, which reduce investment, thereby resulting in lower growth. Additionally, income inequality leads to poor median voters who push for more redistribution. This increases the tax rates and hampers economic growth (Nissanke and Thorbecke, 2007).

*In Europe, social policy instruments and social spending are more effective in countries with inclusive institutions.*



The study by Akobeng (2016) discussed previously also finds enabling interlinkages between democracy and inclusion on the one hand and poverty reduction on the other through empirical research in SSA. In the quantitative analysis, the study uses the World Bank institutional democracy and polity scores and the poverty head count and poverty gap indicators. The study finds that increasing both institutional democracy and polity also increases the poverty reduction effect of GDP per capita growth.

Jianu et al. (2020) estimate the impact of institutional quality on income inequality (Gini coefficient) in the European Union, starting from the hypothesis used by Robinson and Acemoglu (2012) that the quality of the institutions is a relevant determinant of the level of prosperity or poverty/inequality. They find that inequality is less persistent in countries with inclusive institutions, and that social policy instruments and social spending are more effective in countries with inclusive institutions. In terms of policy recommendations, the authors propose a suite of measures: intensifying the punishment for corruption; improving the efficiency of government spending; reducing the burden of government regulation; adopting a progressive tax system; improving transparency; strengthening auditing and reporting standards; and reinforcing labour market institutions (minimum wage-setting policies, employment security policies, employment protection legislation) and anti-discrimination institutions.

The global study by Andersson and Palacio Chaverra (2017) also identifies enabling interlinkages between increasing inclusion and reducing poverty, while the study by Hill et al. (2016) on Mexico highlights that the failure to include participatory processes in the payment schemes for ecosystem services has led to the persistence of poverty by failing to sustain social and economic improvements at the local level.

Contrary to other studies, Hicks et al. (2016) suggest that democratic voting increases income inequality in advanced democracies, up to a point. They find no indication that non-rich voters punish rising inequality as well as substantial evidence that electorates positively reward the concentration of aggregate income growth at the top. At the same time, they find that the electorate's tolerance of rising inequality has its limits.

#### *4.2.2 Effects of participation and inclusion on access to basic services and equal opportunity*

A further eight studies identify enabling interlinkages between increased participation and inclusion with access to basic services and equal opportunity. This includes one global study (Elgar et al., 2020), a multi-country study (Wickremasinghe et al., 2018) and national and subnational studies (Nwobashi and Itumo, 2017; Lindström, 2020; Das and Das, 2018; Guimarães et al., 2016; Ye and Yang, 2020; Hill et al., 2016).

A number of the studies focus on access to health services. For example, Wickremasinghe et al. (2018) find that civil society engagement and participation enable the provision of health care access in Ethiopia, Nigeria and India. Nwobashi and Itumo (2017) find that democratic governance has enhanced the provision of health facilities and promoted health programmes in rural communities in Nigeria. Guimarães et al. (2016) argue that social participation facilitates durable universal access to water and sanitation services in Brazil. The global study by Elgar et al. (2020) finds that social capital derived from civic engagement is associated with lower levels of mortality from COVID-19.

***Participation enables the provision of health care in Ethiopia, Nigeria and India, and durable universal access to water and sanitation services in Brazil.***

The study by Das and Das (2018) uses data from 30 local communities in India to show that political participation in grassroots democratic institutions enables access to public social benefits. Participants in such institutions are likely to receive 19% more of public benefits compared with their nonparticipant counterparts. Participation was also found to be an instrument for minimizing anti-poor biases in rural resource allocation. They conclude that greater access to information and awareness leads to higher political participation and that respondents with access to media are more likely to cast their votes in local elections. The existence of independent media and the participation of educated women in political processes are important factors that support this relationship. The authors highlight that the results support previous findings that grassroots democracy, decentralization and participation amplify the voice of citizens in policy making, which helps in the efficient distribution of the benefits of public welfare schemes and programmes (Bardhan and Mookherjee, 2006; Bardhan et al., 2011; Galasso and Ravallion, 2005).

The study by Ye and Yang (2020) explores the role of mobile platforms as a means to bridge the digital divide in the rural areas of China, thereby increasing participation and social inclusion. Through a qualitative case study approach, the authors suggest that reducing the digital divide increases structural, psychological and resource empowerment, which also increases political participation and social inclusion.

### 4.3 Entry Cluster 3: Increased Transparency

#### 4.3.1 Effects of transparency on reducing poverty and income inequality



The largest share of studies in this cluster (13) corresponded to the enabling interlinkage between increased transparency and reducing poverty and income inequality; these were predominantly quantitative studies and on average covered a comparatively large sample of countries. These included global studies (Berggren and Bjørnskov, 2020; Chan, 2018); regional studies on SSA (Kunawotor et al., 2020; Adams and Klobodu, 2016; Adeleye et al., 2017), Asia (Warf, 2019) and Latin America (Warf and Stewart, 2016); and national and subnational studies on Mexico (Hill et al., 2016), India (Daoud, 2015), Colombia (Bustos and Estupiñán, 2019; Nieto-Aleman et al., 2019), Egypt (Bremer, 2018) and Nigeria (Suleiman and Aminul Karim, 2015).

A key focus of the studies reviewed is on the relationship between corruption and income inequality, in particular in SSA. Kunawotor et al. (2020) examine the role institutional quality plays amongst the empirical drivers of income inequality in 40 countries in Africa. For institutional quality, the study again uses the six WGI (Kaufmann et al., 2011) as well as democracy from the Polity IV dataset, and the Gini coefficient is used as a measure of income inequality. Using panel data over the period 1990–2017, they find the control of corruption and the rule of law to be statistically significant factors in reducing income inequality. They cite several other studies with similar findings (Adams and Klobodu, 2016; Batabyal and Chowdhury, 2015; Dincer and Gunalp, 2012). Citing Furceri and Ostry (2019), the authors propose that corruption can affect income inequality in several ways. Corruption reduces economic growth and public spending on education, health and other essential social services, creates a biased tax

***Social capital derived from civic engagement is associated with lower levels of mortality from COVID-19.***

***Corruption can affect income inequality in several ways: It reduces economic growth and public spending on education, health and other essential social services, creates a biased tax system and results in high levels of tax evasion – making it harder to fairly distribute wealth.***

system and results in high levels of tax evasion. This undermines the capacity of government to collect taxes and fairly distribute wealth. Conversely, inequality motivates corrupt behaviour to protect the interests of the affluent and their privileges. The rich are also more able to pay bribes to consolidate their positions. The authors suggest that government efforts in Africa should be directed at enhancing contract enforcement and property rights and also at preventing the exploitation of the poor by wealthy elites in the economic bargaining process so as to ensure a fairer distribution of the national cake and reduce economic disparities.

Adams and Klobodu (2016) examine the effect of financial development on income inequality in 21 countries in SSA and find that the control of corruption and transparency in governance are crucial for ensuring that financial development reduces income inequality in SSA. This finding supports previous studies (Law et al., 2014; Rajan and Ramcharan, 2011), which emphasize that institutional quality is important in determining the effect of financial development on income distribution. The study by Adeleye et al. (2017) in 42 countries in SSA also finds that if corruption is controlled while domestic credit and finance increase, then income inequality will decrease.

Other studies on the link between corruption and inequality include a global study by Chan (2018) on the role of governance in enhancing tax systems to reduce income inequality, and one by Warf (2019), who provides an analysis of the spatial variability of government corruption and the implications for economic growth, globalization and inequality in Asia. Both studies find that increasing levels of corruption are associated with increasing levels of income inequality.

Warf and Stewart (2016) explore the spatiality of corruption in Latin America. They suggest that corruption is most likely to occur when the likelihood of being caught or exposed – and subjected to the associated penalties – is relatively low, which in turn is largely derivative of the transparency of government transactions, the nature and severity of administrative oversight, and the channels of accountability. Citing other studies, the authors suggest a number of other factors that may enhance corruption, including low salaries of public employees, low literacy rates and the lack of independent media (Brunetti and Weder, 2003). Democratic societies generate mechanisms for accountability and the enforcement of laws that make corruption more difficult and dangerous (Moreno, 2002).

A range of national and subnational studies explore the impacts of corruption on poverty. Hill et al. (2016) suggest that ineffective and corrupt governance leads to the increased persistence of poverty in their case study analysis of Mexico. Daoud (2015) finds that higher levels of corruption in Indian states result in a higher prevalence of absolute child poverty. Suleiman and Aminul Karim (2015) find that corruption in Nigeria reduces government revenue and subsequent expenditure on social security, which increases poverty and unemployment. Bustos and Estupiñán (2019) analyse data on the multidimensional poverty index and the Index of Government Transparency in 23 cities in Colombia over two years and find that increasing government transparency results in poverty reduction.

In another study on Colombia, Nieto-Aleman et al. (2019) examine the institutional conditions for success and failure in reducing poverty in Colombian regions over the period 2003 to 2014, identifying the changes in regional conditions that reduce poverty over time. They find that improvements in institutional transparency (monitoring of corruption) and personal safety have been decisive factors for reducing poverty in some regional clusters in Colombia.

#### *4.3.2 Effects of transparency on access to basic services and equal opportunity*

A further seven studies identified enabling interlinkages between increased transparency and access to basic services (Bhat et al., 2018; Pinzón-Flórez et al., 2016; Sukati et al., 2018; Warf and



Stewart, 2016; Wickremasinghe et al., 2018) and equal opportunity (Hill et al., 2016; Ye and Yang, 2020). These were largely qualitative studies focused on one or a smaller selection of countries.

In terms of access to basic services, the focus again was primarily on health services. For example, Wickremasinghe et al. (2018) find that increasing access to information helps to scale up health interventions in Ethiopia, while Sukati et al. (2018) find that improving the control of corruption is expected to increase access to health-care services. The study by Warf and Stewart (2016) in LAC suggests that reducing corruption is positively correlated with access to education and improved literacy rates. Ye and Yang (2020) suggest that increasing transparency supports equal opportunity in China, and Hill et al. (2016) find that corrupt governance leads to greater social inequality in Mexico.

*In Latin America and the Caribbean, reducing corruption is positively correlated with access to education and improved literacy rates.*

Bhat et al. (2018) review the approaches of different national and state primary health care and health insurance schemes in India, including their awareness-raising strategies. They find that enhancing access to information increases access to public health services. They also find that one of the major challenges in expanding health insurance coverage of the urban poor is to ensure that the process of reaching the target population and distributing the product is cost-effective. Some of the strategies that have proven useful in raising awareness about public health schemes and thus increasing access to these services include focusing on micro-enterprises, engaging cooperatives and migrant communities, and using technologies to integrate communities.

Contrary to other studies, Masiero and Maiorano (2018) suggest that the uptake of e-governance aimed at increasing accountability in anti-poverty programmes in India has reinforced existing power structures that result in unequal access to opportunities. The authors analyse a programme that provides a legal guarantee of 100 days of employment in public works to rural households who demand it. They find that the programme design relegates wage seekers to a non-participatory role and makes it impossible for illiterate wage-seekers to access information without intermediaries, which increases the risk of capture of program benefits by elites.



#### 4.4 Entry Cluster 4: Other qualities of governance institutions

A number of the studies reviewed also identified interlinkages with other qualities of governance institutions that, strictly speaking, were not captured by the three initial entry clusters. This included several studies that identified a positive feedback between what was often referred to as “good governance” and poverty reduction. The main mechanisms identified included more effective resource mobilization through decentralization in the Philippines (Canare and Francisco, 2019) and improving institutional and political quality and impartiality in Europe (Peiró-Palomino et al., 2020), amongst others. Improving the quality of government was found to enhance access to broadband services, education, employment and housing in Europe (Peiró-Palomino et al., 2020) as well as access to education in SSA (Asongu et al., 2021).

As noted, a range of studies use the WGIs dataset, which cover a broader set of governance attributes. Positive or enabling interlinkages were identified between government effectiveness and reducing poverty in SSA (Workneh, 2020) and LAC (Bustos and Estupiñán, 2019) as well as providing access to basic services in Sri Lanka (Ramamamy, 2020) and in 80 countries in a global

study (Wehrmeister et al., 2017). Increased political stability was shown to reduce income inequality in two global studies (Chan, 2018; Wehrmeister et al., 2017), to reduce poverty in Colombia (Nieto-Aleman et al., 2019) and to increase access to health services in 80 countries in a global study (Wehrmeister et al., 2017). Regulatory quality was shown to increase the poverty-reduction effect of GDP growth in SSA (Akobeng, 2016). Improving the rule of law was found to decrease income inequality in a global study of 105 countries (Chan, 2018) and in Colombia (Nieto-Aleman et al., 2019) and to reduce poverty in two studies on SSA (Workneh, 2020; Akobeng, 2016).

*Improving the rule of law was found to decrease income inequality in a global study of 105 countries.*

#### 4.5 Unpacking the causal dynamics between SDG 16 and SDGs 1 and 10

The studies reviewed above identify a complex array of causal relationships and dynamics between the SDG 16 entry clusters and the impact clusters from SDGs 1 and 10. These are often indirect or act in complement with or via a range of other enablers and drivers. In some cases, the effects appear to be conditional upon progress in other areas (e.g. gender equality, GDP growth). **Figure 4-1** attempts to capture the relationships identified from the literature in a causal framework. To interpret the diagram, all blue arrows (+) represent a positive polarity or enabling effect, which can be read as, “Increasing and/or improving variable *x* results in an increase and/or improvement in variable *y*”. In contrast, red arrows (-) represent a negative polarity and should be read as, “Increasing/improving variable *x* results in a decrease/decline in variable *y*”.

All the linkages identified are backed by the literature reviewed previously in this section. While this results in a very complex diagram, it is still unlikely to be complete in terms of capturing all the complex dynamics at play. Nevertheless, it does include some key dynamics and pathways supported by the literature, which can assist in developing an understanding of the overall theory of change. Further development and refinement of the framework could be undertaken using subject-matter expertise and knowledge, or a broader review of the literature to bring in additional SDG targets or important missing elements.

The diagram was developed in three stages, starting with the literature relating to “1. Increased Accountability” (black variables in **Figure 4-1**), then adding additional elements from the literature on “2. Increased Participation and Inclusion” (pink variables) and finishing with additional elements from the literature relating to “3. Increased Transparency” (blue variables). The colours and shading of variables in the diagram therefore reflect the three entry clusters used in the conceptual framework for the analysis; however, there was some overlap between the relationships and pathways identified in the literature for each cluster. Note that all of the entry and impact clusters are included in the diagram (in bold and darker shading).

With regard to entry cluster “**1. Increased Accountability**”, a total of 12 papers reviewed identified enabling effects with SDGs 1 and 10; however, the causal relationships or pathways for these effects were not always explored. In brief, the papers reviewed highlighted that increasing accountability results in an increase in the “poverty reduction effects” of per capita GDP growth. This was reportedly due to increased security of economic and property rights, respect for contracts, predictability of government decision-making, as well as improvements to gender equality and to equitable access to resources. However, the direct mechanisms for these impacts were not always established. Increased social accountability was reported to have an enabling effect on social protection, through improved public perceptions of programme effectiveness, legitimacy and buy-in. Increased electoral accountability (such as through decentralization) resulted in increased citizen engagement and



political competition, which in turn resulted in the prioritization and better targeting of social expenditure and increased access to basic services. A range of measures were identified that increased accountability, including financial transparency, redress mechanisms, citizen engagement and involvement in governance and oversight. However, increasing judicial accountability was also seen to protect the elite and entrench inequalities in income and consumption.

For **“2. Increased Participation and Inclusion”**, a total of 18 studies identified enabling interlinkages with the impact clusters from SDGs 1 and 10. Building on the previous dynamics, this incorporates additional linkages and causal pathways (highlighted in pink in **Figure 4-1**). In particular, the literature highlighted that democratization results in greater political participation and inclusion, which in turn reduces income inequality through a pro-poor bias in resource allocation and greater income redistribution. Greater income equality results in greater political stability and investment in human and physical capital and more optimal use of human resources. Increased participation implies greater citizen engagement and more inclusive institutions, which in turn deliver more effective social spending and policy instruments. Democracy and political inclusion are also found to increase the “poverty reduction effects” of GDP growth. An independent media as well as education support greater access to information and awareness, which leads to higher political participation. This amplifies the voice of citizens in policy making and enables a more efficient and equitable distribution of benefits. A constraining effect is also identified, whereby voters in advanced democracies fail to punish incumbents for rising income inequality.



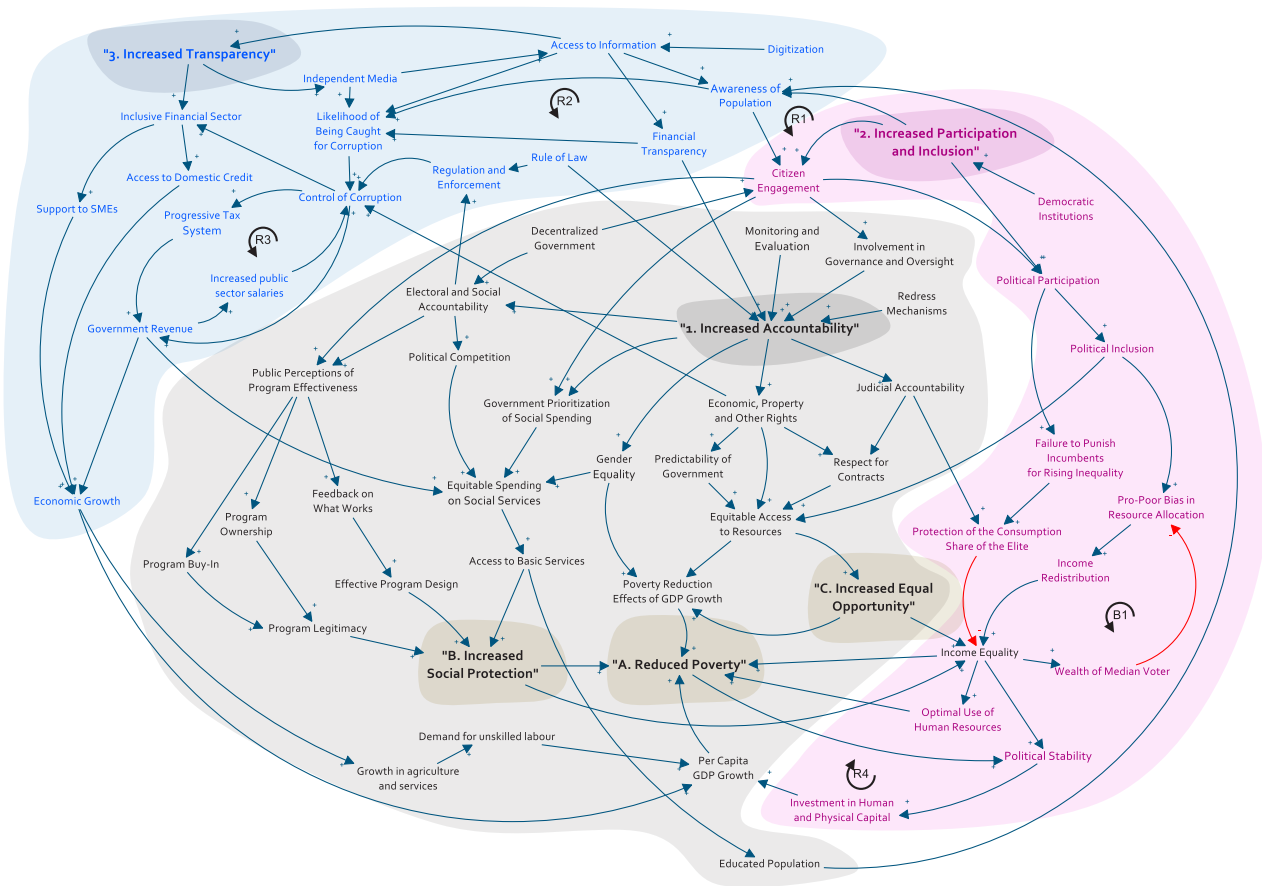
Finally, for **“3. Increased Transparency”**, evidence on enabling interlinkages with SDGs 1 and 10 was identified across 20 different studies. A key focus for the studies related to the relationship between corruption and inequality and poverty. A range of casual pathways are explored in the literature and are incorporated into the diagram (blue variables in **Figure 4-1**). Corruption creates a biased tax system and supports tax evasion, which reduces revenue and undermines the capacity of governments both to fairly redistribute wealth and to spend on social services that reduce poverty. Conversely, inequality motivates corrupt behaviour, and the rich are more able to pay bribes. Enhancing contract enforcement and economic and property rights can help to control corruption and ensure fairer distribution. Increased transparency in governance and the control of corruption are crucial for inclusive financial development, which in turn reduces income inequality. If corruption is controlled while domestic credit and finance increases, then income inequality will decrease. Corruption is less likely to occur when the likelihood of being caught and punished is relatively high, which largely depends on financial transparency, oversight, regulation and enforcement, together with access to information. Factors such as education and awareness, an independent media and higher salaries also inhibit corruption. Controlling corruption results in greater access to health and education services. Increasing access to information also raises the awareness of target populations and improves social protection programmes.





**FIGURE 4-1.**

**Causal Diagram: Causal pathways from SDG 16 Entry Clusters to SDG 1 and 10 Impact Clusters**



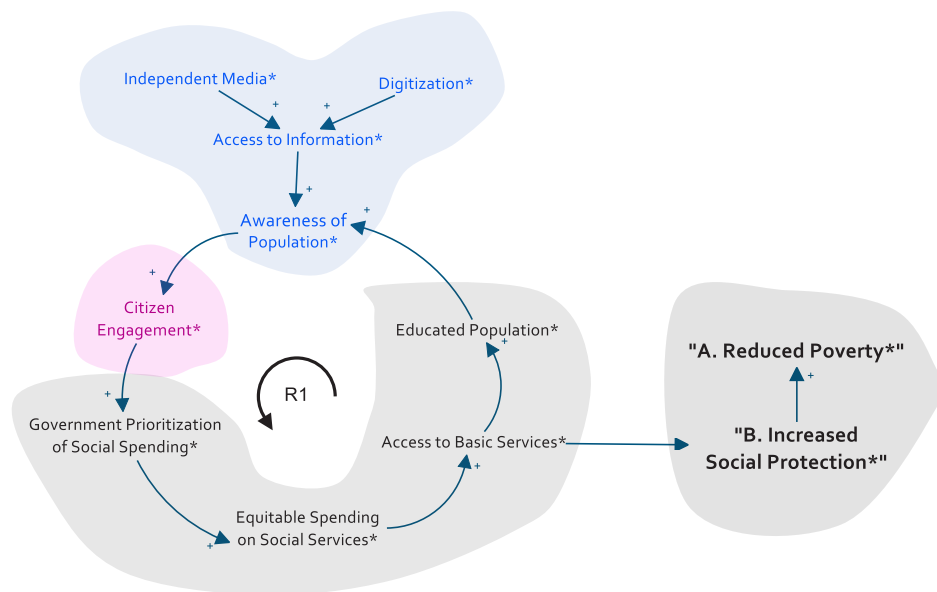
[GREY = INCREASED ACCOUNTABILITY; PINK = INCREASED PARTICIPATION AND INCLUSION; BLUE = INCREASED TRANSPARENCY]

**Figure 4-1** also identifies a number of example feedback loops (🔄) within the causal diagram. Such feedback loops are a well-known characteristic of complex systems, representing important reinforcing or balancing dynamics that can lead to complex non-linear behaviour over time (Meadows, 2008). They are important for identifying key entry points, interventions and accelerators that can deliver (or undermine) desirable outcomes. However, it's important to note that the causal diagram is based only on the relationships identified in the literature reviewed, and, given the focus on a limited selection of goals, it is unlikely to be a complete representation of all the relevant dynamics. Nevertheless, it provides insights into some of the important feedbacks associated with the entry and impact clusters addressed in this study. The following examples serve to highlight some of the complex system dynamics and feedbacks at play between the three entry clusters and three impact clusters. However, given limitations to the scope of the review and the completeness of the evidence base, they do not attempt to capture all feedbacks.

First, **Figure 4-2** presents a simplified version of "Reinforcing Loop 1" (also labelled R1 in **Figure 4-1**). This suggests that raising the awareness of the population leads to increased citizen engagement, which improves government prioritization of social spending and results in more equitable spending on social services. This in turn increases access to basic services, including education, which results in a more educated and aware population, continuing the loop around

again to citizen engagement. Interventions aimed at the different entry points in this feedback loop would reinforce progress, for example through increased access to information as a result of an independent media and digitization. Increased access to basic services also increases social protection, which reduces poverty. Again, the colours reflect the three main entry clusters used in the study (as per **Figure 4-1**).

**FIGURE 4-2.**  
**Reinforcing Feedback Loop R1 “Raising Awareness”**

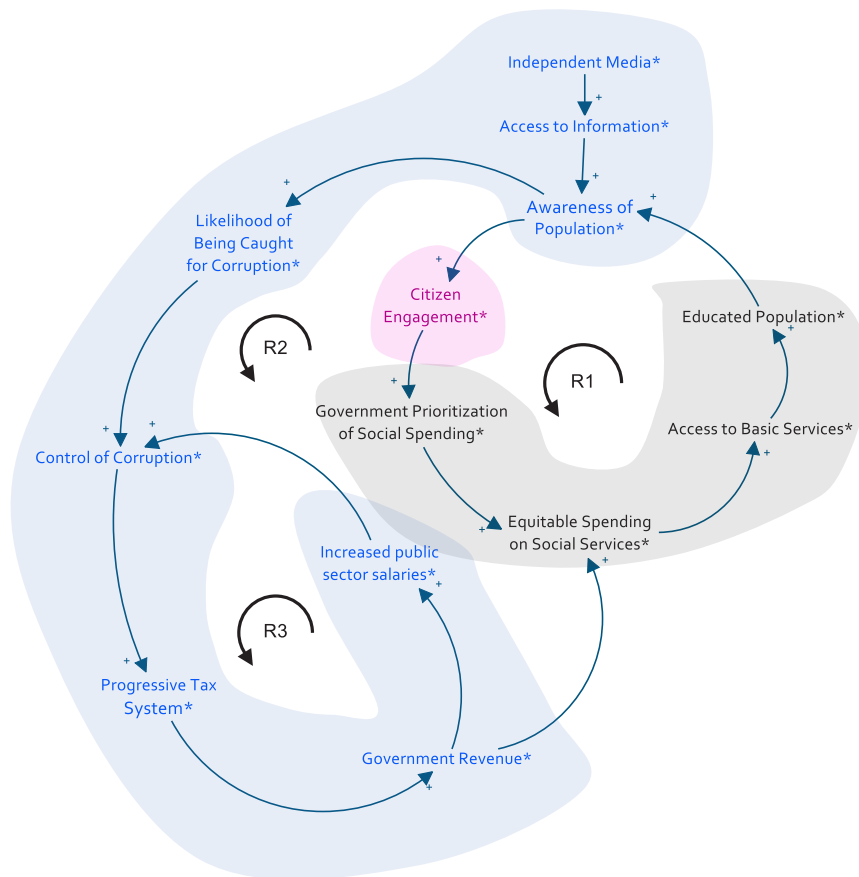


[GREY = INCREASED ACCOUNTABILITY; PINK = INCREASED PARTICIPATION AND INCLUSION; BLUE = INCREASED TRANSPARENCY]

Second, building on the R1 loop, additional reinforcing loops can be identified from **Figure 4-1** that are also associated with raising awareness. Reinforcing feedback loops R2 and R3 highlight additional positive effects of raising awareness on control of corruption, which further reinforces equitable government spending on social services (**Figure 4-3**).

**FIGURE 4-3.**

**Reinforcing Feedback Loop R2 and R3: “Control of Corruption”**



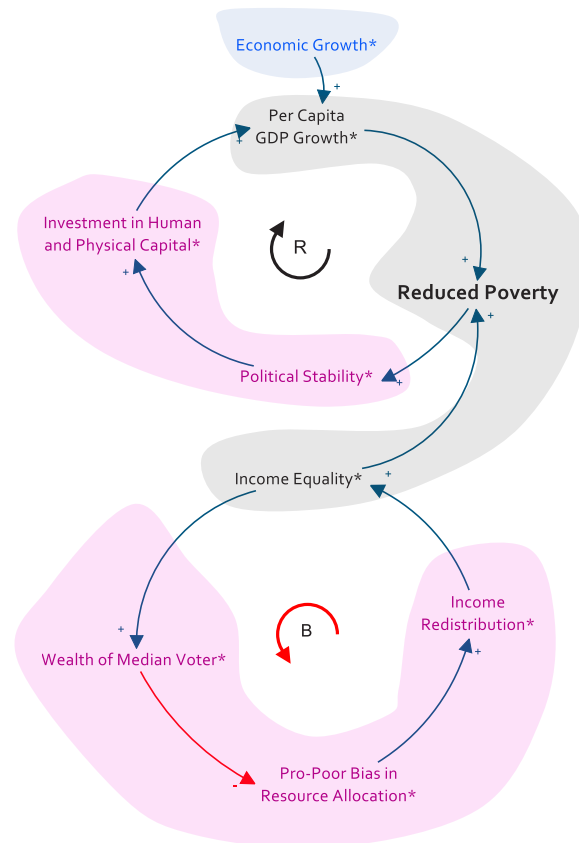
[GREY = INCREASED ACCOUNTABILITY; PINK = INCREASED PARTICIPATION AND INCLUSION; BLUE = INCREASED TRANSPARENCY]

Finally, other feedback loops identified in **Figure 4-1** include Reinforcing Loop R4 and Balancing Loop B1. Contrary to reinforcing loops that have a positive polarity, balancing loops have a negative polarity (i.e. positive linkages are balanced by a negative link). These loops are represented in **Figure 4-4**, whereby per capita GDP growth has an enabling effect on poverty reduction, which increases political stability, increasing investment in human capital and, in turn, increasing per capita GDP growth. This feedback loop is balanced to some degree by Balancing Loop B1, whereby income redistribution is reduced as increasing income equality raises the wealth of the median voter and reduces the pro-poor bias in resource allocation. This implies that income equality would stabilize over time, also limiting poverty reduction. It would also be possible to link to the other feedback loops (R1, R2 and R3) through variables relating to government revenue and increased social protection.



**FIGURE 4-4.**

**Reinforcing Loop R4 “Growth and Stability: and Balancing Loop B1 “Median Wealth”**



[GREY = INCREASED ACCOUNTABILITY; PINK = INCREASED PARTICIPATION AND INCLUSION; BLUE = INCREASED TRANSPARENCY]

## 5. CONCLUSIONS: MAIN FINDINGS, POLICY IMPLICATIONS AND FUTURE WORK

Sustaining life on Earth requires transformation at all levels. As current global threats such as climate change are complex and urgent, transformation can happen only when multiple issues – many reflected in the SDGs – are tackled at the same time. To implement the SDGs in such an integrated manner, we need to know how they influence each other. While there is increasing research on “SDG interlinkages”, this research rarely looks at SDG 16, i.e. how Peace, Justice and Inclusion affects other goals (and vice versa). The purpose of this study is to help fill the knowledge gap on “SDG 16 interlinkages”.

We undertook a systematic literature review, a method that allows both capturing large amounts of information and choosing a manageable focus. We clustered relevant SDG targets to:

- focus on **three key aspects of SDG 16** that represent qualities of governance institutions – accountability, transparency and inclusion (“entry clusters”) – and
- see how these enable or constrain **three key aspects of SDG 1 (poverty reduction) and SDG 10 (reducing inequalities)** that are affected by and critical for recovery from the current pandemic: reduced poverty, increased social protection and increased equal opportunity (“impact clusters”).

Following this approach, we identified and screened over 400 scholarly articles published since 2015. Out of those, around 60 quantitative and qualitative studies were assessed as most relevant and were evaluated in depth. These studies covered between three and over 170 countries from all regions.

### Main findings

- Overall, we find **clear evidence that the institutional qualities accountability, transparency and inclusion (as reflected in SDG 16) enable the reduction of key aspects of poverty and inequality (SDGs 1 and 10)** at the national and subnational levels.
- More specifically, while we identify positive (“enabling”) interlinkages between all three institutional qualities and our selected aspects of reducing poverty and inequality, some relationships stand out: Our findings show that **higher levels of transparency and inclusion are robust enablers for poverty reduction and reducing inequality**. In addition, our empirical evidence suggests that greater accountability and inclusion have positive effects on social protection (especially access to basic services). In terms of the SDG framework, these entry points correspond to targets 16.5 (reducing corruption), 16.6 (accountable institutions) and 16.7 (participatory decision-making). While exact causal links will vary from context to context, this indicates that the mentioned targets will be critical for countries seeking to harness the enabling effects of SDG 16.
- We also analyse **causal links** that bring about these synergies, according to the reviewed papers. Through this, we identify important dynamics that advance the **theory of change associated with SDG 16 and SDGs 1 and 10**. In particular, we offer a detailed diagram or

“systems map” (Figure 4-1) of causal links and feedback loops, as identified from the literature. Such feedbacks are a well-known characteristic of complex systems and are important for identifying key entry points, interventions and accelerators that can deliver desirable outcomes. For instance, one reinforcing feedback loop seems to show that raising the population’s access to information and awareness leads to increased citizen engagement, including in local elections, which improves government prioritization of social spending and results in more equitable spending on social services. This, in turn, can increase access to basic services, including education, which, in closing the feedback loop, can result in a population that is more aware and engaged.

- While we have derived these effects from a large number of studies, it is important to reiterate that **exact effects will depend highly on the context**. Despite its complexity, the diagram is also likely incomplete in terms of capturing all the dynamics and feedbacks at play. This is partly due to the deliberately focused scope of our literature review, which focused on a selection of SDG goals and targets. The inclusion of additional elements in future reviews could enable a more complete picture. Importantly, the aim of this paper is not to provide a complete “causal map” of interlinkages between (aspects of) SDG 16 and (aspects of) SDG 1 and SDG 10. What the paper shows is that methodologies exist to zoom in on and illustrate complex SDG interlinkages, including around less explored SDGs such as SDG 16.

### Policy implications

We consider the findings of our study useful for policy makers and practitioners in the field of sustainable development in at least three ways:

#### Investing in SDG 16 makes interventions on SDG 1 and SDG 10 more effective:

Trends on SDG 16 are regressive across regions. In some countries, this trend has been exacerbated by the Covid-19 pandemic. Qualities of governance institutions such as accountability, inclusive participation and transparency are sometimes being portrayed as less relevant, or even as obstacles, that would stand in the way of a swift pandemic response and recovery. Against this background, this paper allows policy makers to draw on **empirical evidence** to argue why, to the contrary, **investing in accountability, participation and transparency makes interventions** on social protection, poverty reduction and reducing inequalities **more effective**. This “booster” argument is highly relevant at a time when funding for anti-poverty and social-protection measures needs to be used as efficiently as possible to cushion the additional social shocks caused by the pandemic.

THE  
“WHY”

### TO ILLUSTRATE ...

There is comparatively strong evidence from a wide range of countries that the implementation of **measures that increase electoral and social accountability, control corruption, and increase participation and citizen engagement have an enabling effect in reducing inequality and poverty**. However, these synergistic effects are generally indirect or manifest as complements to a range of other enablers or drivers. For example, “good governance” attributes, including accountable, transparent and democratic governments, have been shown to increase and sustain the poverty-reduction effects of GDP growth. These enabling effects may also be conditional upon progress in other areas, such as gender equality. Where documented in the literature, these dynamics are captured in the causal analysis and diagrams in this paper.



## TO ILLUSTRATE ...

Several of the articles included in the review make specific policy recommendations to improve different qualities of governance institutions. Although it is difficult to untangle the exact effects of the recommended measures, the studies reviewed indicate that, for example, accountability can be improved by measures including **redress mechanisms, monitoring and evaluation, decentralized government, competitive elections, citizen engagement in governance and oversight, legislating economic and property rights, and contract enforcement.**

### **Policymakers can and should draw on existing tools to identify SDG 16 interlinkages:**

Our findings show that SDG 16 can be considered an enabler and accelerator to achieve progress on SDGs 1 and 10. The exact **causal links will vary** between countries and require further investigation. The present paper offers a **methodology on how to identify enabling SDG 16 interlinkages** in specific contexts: A systematic literature review can be used to analyse a large body of academic or other literature and our clustering approach allows to focus on SDG targets and issues that are considered particularly relevant in a given context. When conducted during the early stages of policy or programme development, the **results of such analysis can help policymakers prioritize or refocus, adjust budgets and mobilize the funding** needed to implement related policies and programmes. During a pandemic that proves how social, economic, environmental and governance issues are tightly interlinked, policymakers will need tools like the present methodology to help break down complexity, illustrate synergies and use this evidence to design policies.

## THE "HOW"

### **To leverage SDG 16 interlinkages, we need to connect knowledge across institutions and sectors:**

Our findings underline that SDG 16 deserves special attention, not just as a goal in itself but also to facilitate the achievement of other SDGs. This means that governance issues need to be considered by those who develop sectoral and cross-sectoral strategies to achieve all SDGs. To do so, governance specialists and experts from other disciplines need to work together, across mandates and institutional boundaries. This can happen through coordination mechanisms between different government departments, through multidisciplinary research, or through close collaboration between government, researchers and civil society stakeholders. While collaboration makes theoretical sense to most actors, connecting knowledge across institutions and sectors often remains a practical challenge, as it is not planned for or rewarded. It is therefore critical to **ensure time, space and incentives for knowledge exchange and learning**, e.g. as a standard step in the policy-making process.

## THE "WHO"

### **Future work**

We suggest two main ways to further explore SDG 16 interlinkages:

- **Broaden the research** with the methodology developed for this study:
  - **Including additional aspects of SDG 16:** To reduce the volume of literature for the present paper, terms were in some instances qualified (for example, “democratic governance” instead of democracy and “anti-corruption” instead of corruption). Given that the results from the review highlight important feedbacks between corruption, democracy and poverty and inequality, the literature query could be extended to explicitly incorporate these terms. Alternatively, to add to the depth of the causal analysis, other SDG 16 targets and terms could be incorporated into “entry clusters”. This could include aspects that

appeared complementary in some of the papers reviewed here, such as peace and political stability, government effectiveness, the rule of law and regulatory quality.

- **Looking at the effects of SDG 16 on other SDGs:** The discussion of causal dynamics in this paper highlighted many interlinkages between the selected aspects of SDG 16 and other SDGs and targets, including gender (SDG 5), economic growth (SDG 8), health (SDG 3) and education (SDG 4). While references to these issues are captured where they emerged in relation to multidimensional poverty, they were not considered in detail during the review. Other SDGs such as those related to the environment (e.g. SDGs 13, 14, 15) would be another option. Choosing “impact clusters” related to different SDGs would enable the development of a more comprehensive theory of change and fill key gaps in the causal dynamics of SDG 16 interlinkages.

*Looking at effects of SDG 16 on other SDGs would help develop a more comprehensive theory of change for SDG 16 Interlinkages.*

– **Facilitate use at country level** by “grounding” the methodology

Building on the above-described policy implications, adjustments could be made to help national partners identify and leverage SDG 16 interlinkages at the country level:

- *Check for practical challenges and priorities:* Typical application challenges could be identified and solutions proposed, e.g. the use of “grey literature”, as not the same amount of peer-reviewed literature is available for all countries. Priorities of policymakers and other stakeholders at country level could be explored, e.g. the use of artificial intelligence to process data, the filtering out of spurious effects or in-depth analysis of country-specific trade-offs.
- *Complement with process guidance:* A step-by-step guide could help practitioners consider some of our practical suggestions, including on connecting knowledge across institutions and sectors.
- *Map other relevant methodologies:* An overview of other methodologies that have been developed to identify SDG interlinkages at country level (e.g. correlations analysis or systems thinking approaches) could be compiled to show how they can complement each other.

*Developing a methodology to identify SDG 16 interlinkages at country level would help national partners develop governance policies with “booster” effects.*

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# APPENDICES

## Appendix I: Definitions of key terms and concepts

The below definitions describe concepts as understood in the context of this paper. They do not represent official definitions of these concepts by either UNDP or DIE, unless referenced as such.

### SDG 16 Entry Clusters

**Access to information (ATI):** This concept aims at enabling citizens to contribute to the policy-making process, and thereby effectively collaborate with government, by giving them access to relevant public information. It is widely assumed that ATI, if well implemented, can enhance government accountability and efficiency as well as encourage civic participation (Fumega and Scrollini, 2014). The right of ATI gives any individual the power to request access to public information and entails the corresponding obligation of bodies to release that information. Normatively speaking, ATI is part of the fundamental human right to information as laid down in Article 19 of the United Nations' Universal Declaration of Human Rights. Access to information is not only about promoting and protecting rights to information but is equally concerned with promoting and protecting communication (use of information) to voice one's views, to participate in democratic processes that take place at all levels (community, national, regional and global) and to set priorities for action (UNDP, 2003).

**Accountability / accountable institutions:** Accountability refers to a rule-based system that stimulates or constrains behaviour by holding actors responsible for their actions. This entails three elements, namely information, answerability and sanction (Breuer and Leininger, 2021). According to O'Donnell (2007), in the realm of national politics, three types of accountability can be discerned: (1) vertical accountability, which can be understood as a principal-agent relation in which principals (voters) hold agents (governments) to account through elections; (2) horizontal accountability, which is exercised both by the different branches of power that engage in mutual control and by the network of independent state institutions that specialize in oversight; (3) social accountability, which refers to the control that civil society and independent media exercise over public officials (Peruzzotti and Smulovitz, 2000). Accountability relations are characterized by two dimensions: answerability and enforcement (Schedler et al., 2009). Answerability relates to the obligation of an agent to provide information on (and explain) what they are doing. Some authors distinguish between responsibility – referring to the substantive obligations of state actors – and answerability – referring to the process-related rights needed to monitor state actions (OHCHR and CESR, 2013). Enforcement refers to the capacity of a principal, either an individual citizen or a collective force such as mass media or civil society, to impose sanctions on power holders who have violated their public duties, as well as the capacity to reward desirable behaviour (Schedler, 2009).

**Governance:** Governance relates to the ability of a state to make and enforce rules and to deliver services irrespective of the kind of political regime that is in place. Governance hence refers to the ability of actors to make progress towards objectives and ambitions that derive from the dynamic interaction and power relations among actors of state and society irrespective of what those objectives might be (Fukuyama, 2013).

### **Inclusion / Inclusive decision-making:**

The extent to which governance is inclusive is related to the extent to which people and groups that have been traditionally marginalised (e.g. women; young people; racial, ethnic and religious groups; persons with disabilities; transient and migrant populations; etc.) are able to participate and exert influence in political processes (OECD, 2020; Stonewall et al., 2019; Joshi, Hughes and Sisk, 2015).

In the context of the SDGs, inclusive decision-making is defined as decision-making processes that provide people with an opportunity to “have a say”, that is, to voice their demands, opinions and/or preferences to decision makers, and responsive decision-making as decision-making processes where politicians and/or political institutions listen to and act on people’s stated demands, opinions and/or preferences (see official metadata for indicator SDG 16.7.2, <https://unstats.un.org/sdgs/metadata/files/Metadata-16-07-02.pdf>).

**Legal identity:** Legal identity is defined as the basic characteristics of an individual’s identity, e.g. name, sex, place and date of birth conferred through registration and the issuance of a certificate by an authorized civil registration authority following the occurrence of birth. In the absence of birth registration, legal identity may be conferred by a legally recognized identification authority; this system should be linked to the civil registration system to ensure a holistic approach to legal identity from birth to death. Legal identity is retired by the issuance of a death certificate by the civil registration authority upon registration of death. See: <https://unstats.un.org/legal-identity-agenda/>

**Participation / Participatory decision-making:** (Civil) participation refers to the engagement of individuals, NGOs and civil society in decision-making processes by public authorities (Centre of Expertise for Good Governance, 2020) and is based on human rights standards such as the right to take part in the conduct of public affairs (as specified in Art 25a of the International Covenant on Civil and Political Rights).

Engagement in different forms of participatory decision-making extends the role of citizens beyond their indirect involvement in governmental affairs through voting and representation (Heinelt, 2010).

Among the proclaimed benefits of participatory decision-making is its potential to strengthen both the input- and output-legitimation of politics (Scharpf, 1999).

The range of tools to facilitate participatory decision-making is broad and includes tools to help citizens learn about and discuss issues of priority public concern (e.g. public forums, town hall meetings); tools to help citizens to publicly express their opinions and put issues onto the political agenda (e.g. through referenda and citizen initiatives); tools to influence decisions about the allocation of public resources (e.g. participatory budgeting or community-led procurement); and finally, tools that enable citizens to contribute to processes of public planning (e.g. participatory development planning) (CIVICUS, 2020).

**Transparency / transparent institutions:** Transparency represents the quality of being open, communicative and accountable, implying that governments and other agencies

have a duty to act visibly and understandably (U4 Anti-corruption resource centre, 2018). It comprises all means of facilitating citizens' access to information and their understanding of decision-making mechanisms. Transparency is built on the free flow of information: processes, institutions and information should be directly accessible to those concerned, and enough information should be provided about these to understand and monitor them. Public sector transparency begins with the clear application of standards and access to information (UNDP, 2008).

### SDG 1 and 10 Impact Clusters

**Extreme, absolute and relative poverty:** There are different approaches to conceptualize and measure poverty, some differing in their point of reference (absolute vs relative), while others distinguish between the different aspects of poverty (income vs non-income). A person is considered to be in extreme poverty if they live on less than US \$1.90 per day. This poverty measure is based on the monetary value of a household's economic welfare. A poverty line is defined based on the same monetary value, and all households below this threshold are deemed poor. The term is defined as a state in which a person lacks access to all, or several, of the goods needed to meet basic needs, such as food, water, shelter, basic education and medical care (Ravallion, 2010). By contrast, relative poverty lines are set in constant proportion, usually 40% to 60% of a country-specific or time-specific mean or median income. Initially postulated by Sen (1983; 1985), extreme absolute poverty should be seen from the viewpoint of capabilities (non-income measures) and relative poverty with respect to the income space (or a set of commodities).

**Fiscal policy:** Fiscal policy is the use of government spending and taxation to influence the economy. When the government decides on the purchase of goods and services or the distribution of transfer payments or tax collection, it is engaging in fiscal policy. When the revenue that the government earns, primarily from tax collections, is higher than its spending, i.e. the government budget is in surplus, it is said to be implementing a contractionary fiscal policy, and policy is expansionary when spending is higher than revenue, i.e. a budget deficit (Concise Encyclopaedia of Economics).

**Income inequality:** Different measures have been developed to measure income inequality, some focusing on the overall income distribution, and others on comparing the top and bottom ends of the income distribution or on inequality within and between groups. The most common measure is the Gini coefficient, which is based on the comparison of the cumulative proportions of the population against the cumulative proportions of the income they receive; it ranges between 0 (perfect equality) and 1 (perfect inequality).

Another important measure to understand income inequality is the Palma ratio, which is the share of all income received by the 10% of people with the highest disposable income divided by the share of all income received by the 40% of people with the lowest disposable income (OECD, 2021). Since income inequality is also largely influenced by inequality across identity groups (or horizontal inequality), the Theil Index is an important indicator that measures the decomposition of inequality into within-group and between-group inequality.

**Social and economic vulnerability:** Vulnerability can be understood as the cause of chronic poverty and a symptom and constituent part of it. Another way of conceptualizing



vulnerability is to view it as a composite of exposure to hazard (or shock) and resilience, i.e. the ability to withstand or manage the hazard. Social vulnerability refers to the characteristics of a person or group or community in terms of their capacity to anticipate, cope, resist and recover from the impact of a hazard (Wisner et al., 2004). Similarly, economic vulnerability refers to the susceptibility of a system (e.g. countries, firms, households) to an exogenous hazard and the ability of this system to resist and recover in a timely and efficient manner (UNISDR, 2009). Although economic vulnerability is discussed in the context of a country's macroeconomic system, even at the micro level groups that are socially vulnerable also tend to experience economic vulnerability.

**Social inclusion:** This concerns the process of improving the terms of participation in society for people who are disadvantaged based on age, sex, disability, race, ethnicity, origin, religion or economic or other status, through enhanced opportunities, access to resources, voice and respect for rights (United Nations, 2010). In order to measure social inclusion, Kabeer (2010) included the concept of intersecting inequalities, which suggests that groups of individuals are discriminated against and excluded based not only on income but also on their social identities at birth. Therefore, to expand social inclusion, both vertical inequalities (based on income) and horizontal inequalities (based on identities) must be considered simultaneously.

**Social protection:** Social protection is based on human rights standards, such as the right to social security (Art 9 ICESCR), and can be achieved through a set of policies and programmes designed to reduce and prevent poverty, vulnerability and social exclusion throughout the life cycle by a mix of contributory schemes (social insurance) and non-contributory tax-financed benefits (including social assistance) (ILO, 2017). Social assistance includes non-contributory social protection programmes in the form of in-kind transfers, cash or conditional cash transfers and subsidies that aim to reduce chronic and extreme poverty (Barrientos & Hulme, 2009). Since social assistance is based on a human rights approach, it is not just a policy option but also an obligation for states and international governance to ensure a social protection floor whereby all those in need must have access to all the basic necessities, particularly income and food security as well as access to essential health care (ILO, 2017). Social insurance schemes are based on a principle of solidarity and are funded by contributions from beneficiaries and their employers or subsidized by the government or sometimes by both the beneficiaries and the government (ILO, 2017). The objective of social insurance schemes is to protect individuals from risks related to income, health and climate shocks, particularly people who are poor and vulnerable. More recently, micro-insurance has been promoted widely as a complementary social protection tool for people who are excluded from formal social insurance schemes.

## Appendix 2. Categories and coding used for the review of articles

Category	Sub-Categories	Description
1. Article Details	ID#	Unique identifier (starting at 1, 2, 3...)
	Author	Author details (from screening template)
	Year	Publication year (from screening template)
	Title	Publication title (from screening template)
	Research Areas	WoS Research Areas (from screening template)
	DOI/link	Publication DOI (from screening template)
	Source	WoS database query or snowball
2. Description	Type of Study	Empirical, LitReview, Comment, Other
	Aim/purpose/brief description	Briefly describe the stated aim or purpose of the study and a brief description of the approach/scope
	Type of Evidence	Quantitative, Comparative Qualitative, Single Case Qualitative, Anecdotal
	Level of Analysis	Global, Multi-Country (large/small sample), National, Sub-national
	Region/country	List region/countries included
3. Classification of Interlinkages	Entry Cluster (see also our diagram)	1. Accountability 2. Participation and Inclusion 3. Transparency
	Key terms used in paper for Entry Cluster	Note the specific key terms used in the paper – e.g. corresponding to our query terms for each cluster
	Impact Cluster (see also Figure 2-1)	A. Poverty B. Social Protection C. Equal Opportunity
	Key terms used in paper for Impact Cluster	Note the specific key terms used in the paper – e.g. corresponding to our query terms for each cluster
	Reverse causality	Yes/no response  Cite as “yes” if the causality is reversed – i.e. from the Impact Cluster to the Entry Cluster

Category	Sub-Categories	Description
3. Classification of Interlinkages, cont.	Type of Interaction	To allocate these, interpret as “an increase/decrease in x results in positive (increase) /negative (decrease) /neutral (no change) impact on y”:  P = positive (synergy/enabling)  N = negative (trade-off/constraining)  O = neutral  I = inconclusive
	Interpret the direction of interaction	Interpret the type of interaction – e.g. increasing transparency decreases poverty (positive interaction)
4. Evaluation of interlinkages	Explanation/ Causal Linkage(s)	Briefly describe/explain the interlinkage and any causal relationships identified or theory of change associated with the interlinkage
	Quantitative/ Qualitative Evidence	Summarize quantitative or qualitative evidence that was used to characterize the interlinkage
5. Additional Information	Data/facts/figures/policy implications	Include any additional data, facts or figures or policy implications cited in the study that are of interest for the review
	Notes/comments	Additional notes/comments – e.g. on the quality of the paper, or information of use for preparation of the report
	Name of reviewer	Insert name of the reviewer
	Cited literature for snowballing	List any key articles that are likely to be highly relevant for the review. These could be snowballed, time permitting



