



# The Dynamics of Horizontal Inequalities

*By Frances Stewart*



**Frances Stewart** is Emeritus Professor of Development Economics at the University of Oxford. She has an honorary doctorate from the University of Sussex. In 2009, she received the UN Mahbub ul Haq award for lifetime services to human development, and in 2013 was awarded the Leontief Prize for Advancing the Frontiers of Economic Thought. Her books include *Technology and Underdevelopment* (1976) and *Planning to Meet Basic Needs* (1985). She was a co-author of UNICEF's influential study *Adjustment with a Human Face* (1987) and *War and Underdevelopment* (2001), and lead author and editor of *Horizontal Inequalities and Conflict: Understanding Group Violence in Multiethnic Societies* (2008).

#### ABSTRACT

Horizontal inequalities, or inequalities among identity groups, tend to be very persistent. Yet much depends on the nature of the groups and on the dimensions of inequality. Horizontal inequalities across some groups may enlarge and others may diminish; equally there can be reductions in some dimensions, yet widening or persistence in others. This paper explores what lies behind these changes, and, in particular, the role of policy in generating change, drawing on historical examples. Finally, it considers possible future changes in the context of geo-political shifts, technology change, the growing power of global corporations, migration, climate change and identity politics.

Horizontal inequalities, or inequalities among identity groups, tend to be very persistent. Yet much depends on the nature of the groups and on the dimensions of inequality. HIs across some groups may enlarge and others may diminish; equally there can be reductions in some dimensions, yet widening or persistence in others. This paper explores what lies behind these changes, and, in particular, the role of policy, drawing on historical examples. Finally, it considers possible future changes.

People can be categorized into groups in many ways: by ethnicity, religion, race, region, gender, or age-group, for example, with frequent overlaps in group membership. Significant categories are those which appear to be important to people (both inside and outside the group). The salience of a particular identity is likely to be accentuated by large inequalities and discrimination across the groups. Where there is broad equality, group identities may be less likely to be regarded as of importance, since the identity is not a source of exclusion or inclusion. Dimensions of inequality include economic elements (income, employment, wealth), social elements (access to education and health and social networks), political elements (notably power at many levels, central government and local government, the bureaucracy, the army and the police), and cultural elements (recognition and respect for language, religion, dress and mores). Given this range of identity groups and of dimensions of inequality, it is clearly possible for inequalities to be increasing between some groups but not others, and similarly for some dimensions but not others.

## The persistence of horizontal inequalities

Many HIs persist over a very long time, even centuries, and it these which are most intractable and most resented. (Barone and Mocetti 2016) show some persistence in inequality among families in Florence over as much as six centuries by tracing the income and wealth of people with the same family name. Well known examples of persistent inequalities are the position of blacks in the US and South Africa, the situation of indigenous people in numerous countries such as Canada, Australia, New Zealand, the US and many Latin American countries; Catholics in Northern Ireland; Muslims and lower castes in India; some ethnic groups in African countries, like the Somalis in northern Kenya, and northerners generally in West Africa (Ruane and Todd 1996, Thorp and Paredes 2010, Langer and Stewart 2016). Moreover, in each of these examples, the deprivation is across every one of the dimensions noted above.

There are number of reasons why such inequalities tend to be so persistent:

- Any group that starts poorer will have a lower surplus and thus be less able to accumulate financial or human assets; consequently, they are likely to be poorer in subsequent periods, and this effect is cumulative. This makes catching up, without

especial policy support, very difficult. There is much evidence that poor people and poor groups save less and their children have less education than richer people or richer groups (Hertz, Jayasundera et al. 2007). Poorer groups also have worse nutrition and health. Consequently, their incomes remain lower than those of members of richer groups even though aggregate incomes rise.

- Social capital is asymmetric, in the sense that people tend to have more contacts with members of their own group and less contacts with members of other groups. Indeed, Blau defined group membership in this way (Blau 1977). This asymmetry is particularly marked where group members have a different religion or speak a different language from others. The asymmetry means that members of poorer groups will be relatively handicapped in terms of job opportunities, access to good schools and so on (Datcher 1982, Mogues and Carter 2005, Durlauf 2006, Sampson and Morenoff 2006, Nicodemo and García 2015).
- Different types of capital are complementary, so that the productivity of one type of capital is greater, the more a person has of another type of capital. For example, financial capital is likely to be more productive for a more educated person, and the returns to education may be greater if a person also has some financial capital to enable her to start a business. Equally, any business activity is likely to be enhanced by good social contacts (Cole 1988, Carter and Barrett 2006). (Figuroa 2010) shows the different returns to education, at each level, across groups in Peru, with the worst-off group (indigenous people) getting the lowest returns.
- Discrimination, formal or informal, governmental or private, is almost invariably present such that members of a poorer group find it more difficult to get into good schools, to do well when there, to get a good job etc. Even if formal discrimination is outlawed informal discrimination may persist and the historic legacy of past discrimination remains. For example, experiments have shown that if a person send out a cv for a job in France with a Muslim name they are much less likely to be called for interview than if they submit the same cv with a traditional French name. (EUMC 2007)
- Finally, political inequalities reinforce the others, as the advantaged group which dominates government gives privileged access to government resources to its own members. Kenya and Burundi are among many examples (Posner 2005, Stewart 2010, Nkurunziza 2012).

Given this powerful set of reasons for persistence in horizontal inequalities, it is not surprising that such inequalities are rarely completely overcome. However, there are examples where

inequalities have been substantially narrowed, or even reversed. In some cases, it is a matter of the dynamism of the group itself; in others, the change is due to policy.

## Overcoming horizontal inequalities

Two main reasons for reduced inequalities are changing economic opportunities and the dynamism of some poor groups; and policies.

### INTERNAL DYNAMISM

Some immigrant groups have shown a dynamism which has allowed them to overcome their initial disadvantage. An example, is that of East Asians in the US. In 1940, the proportion of Chinese with more than 4 years of high school, among the over 25s, was less than half that of whites, but by 2000 the ratio was 1.1; the Filipino ratio was 0.71 in 1940 and had reached 1.05 by 2000. An even more dramatic change was shown by the proportion with College education, rising from 0.61 among Chinese in 1940 to 2.31 in 2000, while Filipinos rose from 0.55 to 1.24 (Stewart and Langer 2008). This was partly due to immigration policy itself, which disproportionately favoured the more educated. But it was also due to the ambition and hard work of these groups, common to many immigrant groups<sup>1</sup>. In the UK, white children are currently lagging behind Indian, Bangladeshi, Black African and Chinese origin immigrants in educational achievements showing a reversal of historic HIs (Exley 2016). However, traveller groups (Irish heritage and Romany) continued to experience persistent deprivation in Britain, as do the Romany people throughout Europe (Milcher 2010).

### POLICY-RELATED CHANGES

It is helpful to distinguish between direct or *targeted* policies (affirmative action) aiming to improve the position of specific groups, and indirect or *universal* policies covering the entire population, which have the effect of narrowing group differences. In quite a few cases a combination of targeting and universal policies is adopted. Direct approaches involve targeting groups explicitly, positively (for the deprived) and negatively (for the privileged). Examples are quotas for educational access or for employment; differential subsidies according to the group. This type of policy unavoidably increases the salience of identity difference, since individuals receive benefits *because of their*

---

<sup>1</sup> An Iraqi born Swedish citizen commented on recent Syrian immigrants: ‘They’re a little different. They have ambition. After just a few months in Sweden they already want to set up something’ (Observer, 22 May 2016).

*membership of particular groups.* However, an advantage of direct policies is that they can be very effective, and in some circumstances may get more political support than indirect approaches.

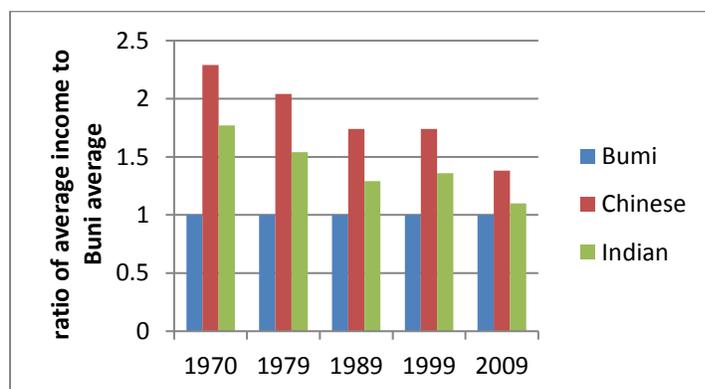
Indirect policies aim to achieve the same HI-reducing impact indirectly via general policies, which, because of their design in relation to the circumstances of the various cultural groups, result in a reduction in horizontal inequalities. Examples are progressive taxation and public expenditure which benefit poorer groups disproportionately. Another universal policy is anti-discrimination legislation. This is an essential component of policies to reduce group inequalities, but requires a well working judiciary to be effective. In contrast to direct targeting, Indirect approaches do not increase the salience of ethnic categories.

Countries which have been most effective in combating HIs have adopted a combination of direct and universal policies. Four illuminating examples are presented below.

*Malaysia.* In 1970, the New Economic Policy was introduced, aimed at correcting the severe disadvantage of the majority Bumiputera (Malays) relative to the Chinese and Indian populations as well as eliminating poverty. Direct policies included quotas and targets towards education, land and company ownership, and public service employment. These were combined with the universal policies towards education, health and poverty reduction. Universal primary education was achieved and considerable progress on secondary and tertiary education, as well as health care and other services.

The policies were effective in reducing horizontal inequalities. As recorded in the 10<sup>th</sup> Malaysia Plan, average income disparities fell quite sharply, from a bumiputera to Chinese ratio of 1:2.29 in 1970 to 1:1.38 in 2009, while the bumiputera to Indian disparity almost disappeared. Moreover, this reduction in disparities appears to have occurred throughout the distribution with a sharp reduction in bumiputera poverty rates.

**Figure 1. Average incomes by group**



Source: 10th National Plan.

The bumiputera share of share capital rose dramatically, from 2.4% to 21.9 according to the 10<sup>th</sup> Malaysia Plan (though precisely how this should be measured is disputed). The share of management and professional positions also rose to more than 50% of the total (still less than the population share but a radical improvement compared with the early 1970s). The number of bumiputera registered professionals was just 225 or 4.9% of the total in 1970 and had risen to over 35,000 (or 37.2%) by 2002 (Jomo: 2004). The policies undoubtedly contributed greatly to one of the main aims of the NEP—the elimination of the ‘identification of race with economic function’.

An important feature of the Malaysian policies is their *comprehensiveness*, i.e. covering financial as well as human assets, and employment. Moreover, they were accompanied by pro-growth anti-poverty policies, such that poverty fell dramatically. However, the policies are now much criticized, especially by Chinese Malaysians, and the society continues to be highly stratified with little social contact between the communities.

*South Africa.* Since the end of apartheid South Africa has introduced several policies to overcome the sharp inequalities between blacks and whites left by the apartheid regime. Two important elements were the Employment Equity Act of 1998 which included requirements on employers to eliminate unfair discrimination and to take positive affirmative action to ‘attract, develop and retain individuals from previously disadvantaged groups’. The second major element was the Black Economic Empowerment (BEE) Act of 2003 aimed at achieving the ‘economic empowerment of all black people, including women, workers, youth, people with disabilities and people living in rural areas’. Score cards were devised to identify how far companies were complying with these requirements, and the scorecard was then to be used for government procurement, public-private partnerships, sale of state owned enterprises etc..

The BEE has been widely criticized as benefitting a small black elite (Beall, Gelb et al. 2005, Mbeki 2009). This was probably essential for political stability in the context of an unequalizing and slow-growth development path (Southall 2007). However, it has been argued that since 2003, the beneficiaries have also included employees, communities and NGOs, and this broad-based proportion accounted for a rising proportion of the deals, though still only 14% in 2006 (Patel and Graham 2012). Moreover, besides the BEE, since the end of Apartheid, South Africa has introduced some universal policies assisting poorer people, including expanding educational access, improving health services and extensive cash transfers to the poor. These have benefited the black population much more than whites and contributed to reducing differentials.

On most criteria, inequalities between blacks and others have fallen since the end of Apartheid. From 1997 to 2006, African men and women both experienced a fall in the rate of unemployment while other groups saw a rise; and there was some narrowing of skill gap between 2003 and 2006; the difference in likelihood of getting a job between blacks and whites fell somewhat, as did the

‘discrimination’ element (i.e., the proportion of this difference not accounted for by education/skills). However, black Africans’ average wage rates fell relative to whites; and the difference in returns to education rose, possibly due to differences in the quality of educational quality (Burger and Jafta 2012). In terms of aggregate changes in income distribution, there was a small reduction in HIs in post-apartheid years, with average black African income being 11.6% of that of whites in 1993 rising to 13% in 2008. Within group inequality rose in every group, and was highest among black Africans in both years (Leibbrandt, Finn et al. 2012).

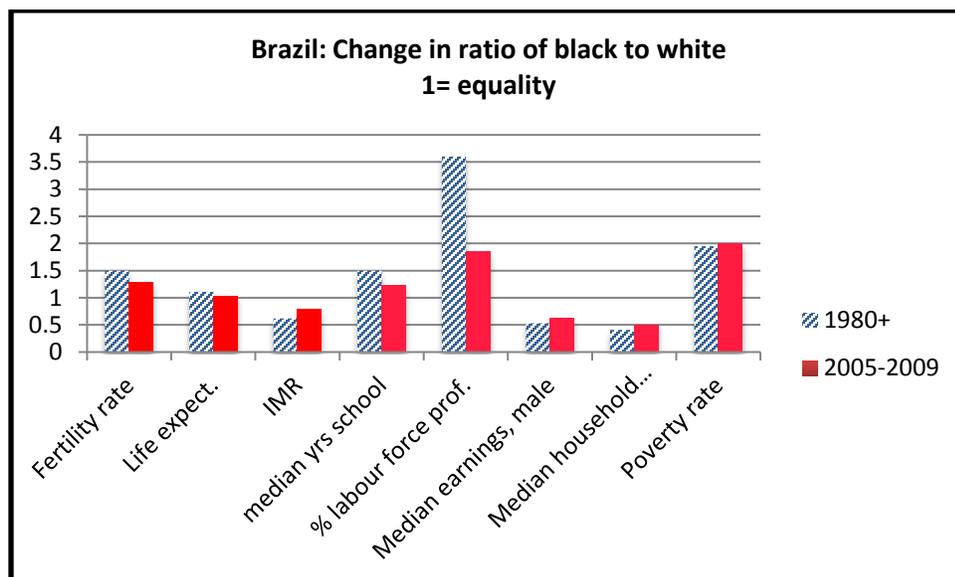
In both Malaysia and South Africa, the political space for action was provided by the transition to a democratic system. The policies were adopted after the deprived, who formed the majority of the population, gained political power.

*Northern Ireland* experienced deep seated and comprehensive inequalities, with Catholics deprived relative to Protestants, from when the province was separated from the rest of Ireland, and before that in the country as a whole (Cormack and Osborne 1983, Ruane and Todd 1996). From around 1980, after over a decade of violence, the British government introduced policies that effectively reduced inequalities and set the scene for peace. Strong anti-discrimination employment legislation was an important component, backed up by only permitting government contracts with companies that met the anti-discrimination requirements (McCrudden, Ford et al. 2004). In addition, extra resources were given to Catholic schools, and inequalities in housing were addressed. Between 1980 and 2000, there was major change in the extent of inequalities: educational and inequalities were eliminated, and indeed Catholics currently outdo Protestants in education, while income and employment gaps were greatly reduced. Peace has been sustained, partly due to these policies as well as political power-sharing arrangements, but, in a similar way to Malaysia, relationships between the communities remain limited and sometimes uneasy.

In *Brazil* inequalities between the black and white population were high, and if anything, rising, between 1976 and 1996, as a result of the intergenerational transmission of inequalities. A black social movement, involving a march of tens of thousands ‘Marchi Zumbi dos palamares’ in 1995 influenced President Cardoso who became the first President to recognise there was a problem. His Human Rights Plan (1996) and the Durban Declaration (2001), which gave international support to the claims of the black social movement, led to the introduction of a few measures of affirmative action. These actions were reinforced and extended by Lula’s administration, the most effective being quotas in universities (Osorio 2012). In addition to direct affirmative action, many of Lula’s universal policies also contributed to reducing black-white inequalities, including cash transfers (bolsa familia), extending secondary education and raising the minimum wage (Andrews 2014, Cornia 2014). There was a marked narrowing in black-white differentials in education, infant mortality rates, professional occupation, and earnings between 1980 and 2009, summarized in Figure 2.

Poverty rates fell greatly—by 21 percentage points among blacks and 11 percentage points among whites—but the black poverty rate remained twice that of the whites. In the case of Brazil, it appears that universal policies were the main instrument of improvement, rather than direct policies.

**Figure 2. Changing horizontal inequalities in Brazil**



Source: Andrews 2014.

In the cases of Northern Ireland and Brazil, action occurred despite the fact that the deprived group was not a majority and did not have political power. In Northern Ireland, international influences were important, including from an Irish-American campaign (the MacBride Principles Campaign directed at US investments in Northern Ireland) as well as EU policies against discrimination, while the British government operated outside the local political system, motivated largely by the objective of ending the violence. In Brazil, in contrast, the policies were home-made, responsive to social movements in the country and taken up by progressive governments, but they were also influenced by external pressures.

These are four cases where there has been substantial progress in reducing horizontal inequalities. There are many other countries which have adopted both direct and universal policies with some success, particularly in some dimensions. For example, both Peru and Guatemala, following violent conflict, made efforts to include indigenous peoples in social services and some economic developments. Gaps narrowed in education and health but economic inequalities were sustained and may have widened (Caumartin and Sanchez-Ancochea 2012, Orihuela 2012). In India, affirmative actions towards scheduled castes and scheduled tribes were first adopted in the 1920s. A 'creamy layer' of privileged members of these groups emerged, but there has been only modest

reduction in overall inequalities, and the policies are being diluted by constant pressure to widen the categories entitled to them (Heyer and Gopal Jayal 2012). In India, the policies were the outcome both of pressures from movements of scheduled castes and scheduled tribes, and of paternalistic motives of progressive governments.

## DIRECT VERSUS INDIRECT ACTION?

Which of these types of action are most likely to be taken up and to reduce HIs depends on several factors, including the numbers in each group and the political context.

*Demography:* where a deprived group is small in numbers relative to the total population, targeted actions are particularly appropriate since universal policies are likely to involve large leakages benefitting many people outside the group. But where the deprived group is large, universal policies involve smaller leakages and these leakages may be desirable, meeting the needs of poor members of privileged groups. Effective targeting by group identity also requires that group membership is unambiguous and uncontroversial. This makes it difficult to apply when there are many cross-group marriages and a big ‘mixed’ population as in many Latin American cases.

*Politics.* If there are strong felt grievances—leading to political protests and/or violence—some symbolic actions may be needed to reduce the grievances. Affirmative action is an effective symbolic action of this sort. Most cases of affirmative action were introduced in order to show a public commitment to reducing inequalities in response to political pressures. However, such a public commitment can lead to resistance by the more privileged group—especially the less well-off members who are sometimes poorer than the recipients of affirmative action. Experience in Malaysia, India and the US suggests that such resentments worsen over time. It is therefore desirable to put time limits on this type of action. There may be cases where the deprived group is also a ‘despised’ (by the majority) and politically weak group: possible examples are the Roma people in Europe, or some indigenous and immigrant groups. In these cases, it may be difficult to get majority political support for targeted action, and universal policies—e.g. enforcing human rights—may be easier to implement.

## INTEGRATION OR LACK OF IT

Reducing material and political inequalities is important for achieving a just society and one in which violent conflicts are unlikely. But true inclusion requires more than that. It requires good relations across the groups, respect, trust, and social contacts. Both Northern Ireland and Malaysia made much less progress on this than on material inequalities. In the case of Northern Ireland, evidence suggests there was progress between 1989 and 2012 but for over 60% all or most of their friends

were still from their own religion (Morrow, Robinson et al. 2013). In Malaysia, a survey found that only 2% of marriages were interethnic, compared with 30% in Indonesia.<sup>2</sup> According to former Malaysian Prime Minister, Sri Mohd Najib Tun Haji Abdul Razak: ‘In recent decades.... Our communities seem to have grown apart. Our schools become less diverse and our communities more polarised.’<sup>3</sup> It is particularly difficult to achieve social integration where groups are of different religions and consequently have different behaviours, holidays etc. It seems the situation in Brazil and South Africa is better in this respect. In general, besides inequality reducing policies, efforts are needed to improve social integration.

## Space for action

It is apparent from this account, that there are a variety of situations which give rise to space for effective action towards group inequalities:

Where the deprived group is a demographic majority, democratic institutions are liable to lead to comprehensive policies to reduce socio-economic inequalities as exemplified by Malaysia and South Africa. Conversely, majorities can sometimes adopt policies which worsen the position of minorities.

Another situation which can give rise to action is after or during violence, particularly if group inequalities have been a major element causing the violence. In Guatemala and Peru, part of the motivation for policies to improve the condition of indigenous groups was fear of recurrence of violence. US affirmative action was taken in response to riots in major US cities, and the Malaysian NEP was also motivated by 1969 riots. Post-conflict settlements often involve political power-sharing and sometimes economic redistribution (Hartzell and Hoddie 2003). The Northern Ireland case is an example, while the Nigerian federal constitution and its Federal Character Commission were a reaction to the Biafran war (Mustapha 2007), in this case confined to political power-sharing.

Progressive governments, aiming to reduce poverty and inequality, are responsive to such movements (sometimes themselves the product of these movements) and prepared to adopt both universal and targeted programmes. Where the deprived groups are a minority, most actions—other than those in reaction to violence—emanate from such governments. More market-oriented governments, opposed to state interventions generally, are unlikely to initiate or support affirmative action.

---

<sup>2</sup> CRISE Perceptions surveys carried out in 7 countries. Malaysia showed the lowest proportion of mixed marriages and friendships across groups.

<sup>3</sup> Speech 20 November 2009, quoted in Malaysian Government transformation programme: 66.

International pressures are helpful. Universal Human Rights, the MDGs and the SDGs require comprehensive service coverage and inclusive growth. They are helpful points of reference for local groups. International pressures, from example from NGOs or the diasporas, also can make a contribution, especially in the context of active local movements and responsive governments. In Nepal, large aid financed redistributive programmes, targeted at the deprived castes and regions but this was exceptional, and many post-conflict reconstruction programmes take little action on this issue (Brown 2012, Langer, Stewart et al. 2012). To date, the International Financial Institutions have mostly not included monitoring or correcting horizontal inequalities in their programmes.

## Current conditions and new inequalities

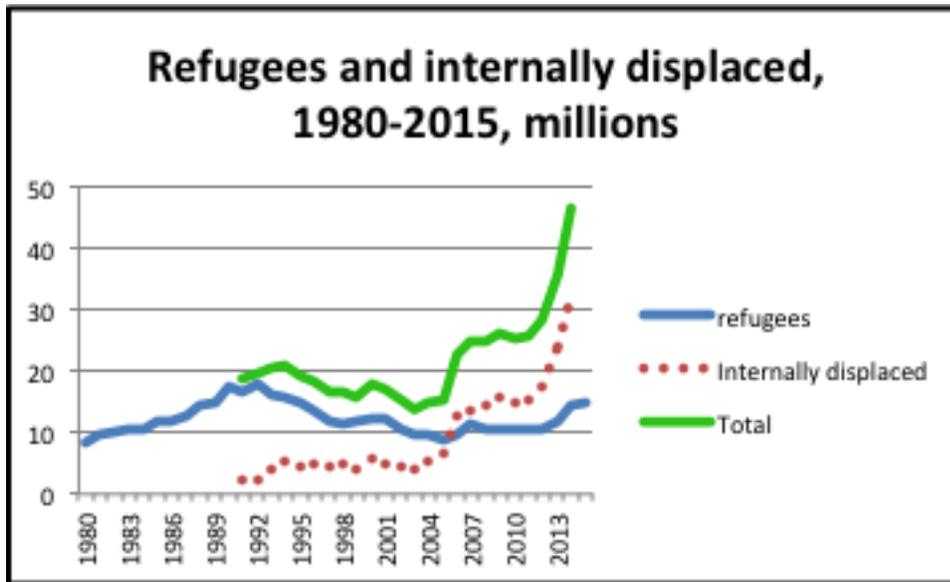
There are many global changes occurring which may have bearing on these issues: some may change the nature of the inequalities; and some may change the political conditions informing policy. Major changes include the increasing role of some Southern countries (the ‘Rise of the South’), technology change, including roboticization, the growing power of global corporations, and climate change, leading to more natural disasters and making conditions in some areas difficult or impossible for human survival. Politically, identity movement and politics seem to becoming more important, and class movements and politics less so.

Technology change over the past decades has favoured more educated and trained people as against the unskilled. This tends to worsen HIs since the poorer groups generally have lower levels of human capital. But this could be reversed by the introduction of robots, which seem as likely to replace skilled as unskilled workers. Consequently, it is not clear that prospective technology change will worsen HIs. Yet it seems probable that those with more education will be better able to adapt to new circumstances.

Rising flows of international migration are likely to be the biggest source of new horizontal inequalities. These flows arise because of political catastrophes (notably civil wars) and natural catastrophes including those resulting from climate change, as well as for economic motives. While the number of conflicts fell from a peak level in 1995 to 2011, from 2011 they have increased as a result of events in the Middle East and forced migration has climbed to a global high; international migration has risen but the majority of forced migrants involve internal migration (Figure 3). For the first decade, at least, the new immigrants almost always have lower resources than the majority population of the host area or country. International migrants are often barred from taking employment, and rely on handouts for survival. Once integrated, however, immigrants can be dynamic and the second generation can overcome handicaps and catch up or even surpass the local population, but this itself creates new group inequalities, particularly resented as the local

population believes it has rights that immigrants do not<sup>4</sup>. In some cases, the migrants continue to be significantly worse off than the local population—for example, Philippine migrants in Malaysia. Since the international immigrants often lack political rights, they find it very difficult to gain political support to improve their situation.

Figure 3



Source: UNHCR.

Climate refugees are likely to be another source of mass migration, creating new horizontal inequalities. People from low-lying areas across the world may be forced to migrate to survive. In addition, as temperatures rise and rainfall patterns change, we can expect survival migration, some within countries and some international, also creating new sources of group deprivation. As noted above, international migration poses particular problems because international migrants rarely have political rights, at least in the short-term, and sometimes are not allowed to work.

The flows of forced migrants are disproportionately within and to Southern countries, while the North is increasingly attracting economic migrants. New horizontal inequalities are likely to emerge in both areas, as a result of these flows. In so far as Human Rights are recognized and anti-discrimination laws established, the conditions of the new migrants may be protected. But the new

<sup>4</sup> A classic example is the disputes and sometimes violent conflict between indigenous and settler populations in Nigeria Higazi, A. (2009). *Interpreting religious conflict in Nigeria*, CRISE, Oxford Department of International Development. Fearon and Laitin call these 'sons of the soil' conflicts: Fearon, J. D. and D. D. Laitin (2011). "Sons of the soil, migrants and civil war." *World Development* 39(2): 199-211.

identity politics tends to work against this, encouraging restrictions on immigrant flows and bad treatment of those that do succeed in entering other countries.

In this context, the increasing power of global corporations poses a particular problem, as the corporations, and the global elite connected to them, are able to avoid or reduce their tax payments, and to influence political decisions towards favouring low taxation and market solutions. These make governments less able to meet the needs of newcomers or to correct old horizontal inequalities. Global corporations also press for a restricted role for workers' organizations.

Migration, leading to cultural diverse populations, technology change leading to a more heterogeneous workforce, and the increasing power of global corporations makes class-based politics less likely, giving space to identity politics. This is likely to encourage particularist solutions to horizontal inequalities rather than universal ones. The policies adopted may be positive (affirmative actions) or negative (restricting the rights of particular groups). While the SDGs go in the opposite direction, towards universal protection, the big question is how far they will influence actual political decisions. Those countries that are dependent on aid will need to monitor and support SDGs to guarantee continued external support. But here the rise of the South is relevant. The large new powers, much more autonomous, may pay less attention to the SDGs and the protection of Human Rights. They are extending (and will continue to extend) universal programmes—including health, education, employment, cash transfers and pensions. But unless pushed by internal movements, they are less likely to give priority to providing special assistance to deprived minorities. Rapid growth is also likely to create or accentuate new regional inequalities.

## Conclusion

The dynamics of horizontal inequalities is complex. Some old inequalities are massively persistent, reflecting deep-seated historic disadvantage in many dimensions. These can be overcome by policy, as exemplified here. Yet new inequalities emerge with global economic and political developments. Today, migration is the most powerful source of new inequalities. Fortunately, migrants are resilient and adaptable and can overcome their disadvantaged position, but only if host populations permit it.

## REFERENCES

- Andrews, G. R. (2014). "Racial Inequality in Brazil and the United States, 1990-2010." *Journal of Social History* 47(4): 829-854.
- Barone, G. and S. Mocetti (2016). Intergenerational mobility in the very long run: Florence 1427-2011. Bank of Italy Working Paper 1060.
- Beall, J., S. Gelb and S. Hassim (2005). "Fragile stability: state and society in democratic South Africa." *Journal of Southern African Studies* 31(4): 681-700.
- Blau, P. (1977). *Inequality and heterogeneity : a primitive theory of social structure*. New York, Free Press.
- Brown, G. (2012). Nepal: first steps towards redressing HIs? *Horizontal Inequalities and Post-Conflict Development*. A. Langer, F. Stewart and R. Venugopal. London, Palgrave: 256-296.
- Burger, R. P. and R. Jafta (2012). Affirmative action in South Africa: an empirical assessment of the impact on labour market outcomes. *Affirmative Action in Plural Societies: International Experiences*. G. Brown, A. Langer and F. Stewart. London, Palgrave.
- Carter, M. and C. B. Barrett (2006). "The economics of poverty traps and persistent poverty: an asset based approach." *Journal of Development Studies*.
- Caumartin, C. and D. Sanchez-Ancochea (2012). Explaining a contradictory record: the case of Guatemala. *Horizontal Inequalities in a Post-conflict Context*. A. Langer, F. Stewart and R. Venugopal. London, Palgrave.
- Cole, J. S. (1988). "Social capital in the creation of human capital." *American Journal of Sociology Supplement*: S95-S120.
- Cormack, R. J. and R. D. Osborne (1983). *Religion, education and employment : aspects of equal opportunity in Northern Ireland*. Belfast, Appletree.
- Cornia, G. A. (2014). *Falling Inequality in Latin America: Policy Changes and Lessons*. Oxford, OUP.
- Datcher, L. (1982). "Effects of community and family background on achievement." *Review of Economics and Statistics* 64(1): 32-41.
- Durlauf, S. N. (2006). Groups, social influences and inequality. *Poverty Traps*. S. Bowles, S. N. Durlauf and K. R. Hoff. Princeton, Russell Sage Foundation and Princeton University Press: 141-175.
- EUMC (2007). European Monitoring Centre on Racism and Xenophobia
- Exley, S. (2016). Education and learning. *Social Advantage and Disadvantage*. H. Dean and L. Plat, OUP.
- Fearon, J. D. and D. D. Laitin (2011). "Sons of the soil, migrants and civil war." *World Development* 39(2): 199-211.
- Figueroa, A. (2010). Persistent inequalities in education. *Ethnicity and the Persistence of Inequality The Case of Peru*. R. Thorp and M. Paredes. London, Palgrave.
- Hartzell, C. and M. Hoddie (2003). "Institutionalizing Peace: Power Sharing and Post-Civil War Conflict Management." *American Journal of Political Science* 47: 318-332.
- Hertz, T., T. Jayasundera, P. Piraino, S. Selcuk, N. Smith and A. Verashchagina (2007). "Intergenerational economic mobility around the world." *The B.E. Journal of Economic Analysis and Policy* 7(2): 1-46.
- Heyer, J. and N. Gopal Jayal (2012). The Challenge of Positive Discrimination in India. *Affirmative Action in Plural Societies: International Experiences*. G. Brown, A. Langer and F. Stewart. London, Palgrave.
- Higazi, A. (2009). Interpreting religious conflict in Nigeria, CRISE, Oxford Department of International Development.
- Langer, A. and F. Stewart (2016). Regional Imbalances, Horizontal Inequalities, and Violent Conflicts: Insights from Four West African Countries. Working Paper. Washington DC, World Bank.

- Langer, A., F. Stewart and R. Venugopal (2012). *Horizontal Inequalities and Post-Conflict Development*. London, Palgrave.
- Leibbrandt, M., A. Finn and I. Woolard (2012). "Describing and decomposing post-apartheid income inequality in South Africa." *Development Southern Africa* 29(1): 19-34.
- Mbeki, M. (2009). *Architects of Poverty*. South Africa Pan Macmillan.
- McCrudden, C., R. Ford and A. Heath (2004). "Legal regulation of affirmative action in Northern Ireland: an empirical assessment." *Oxford Journal of Legal Studies* 24(3): 363-415.
- Milcher, S. (2010). "Household vulnerability estimates of Roma in Southeast Europe." *Cambridge Journal of Economics* 34(4).
- Mogues, T. and M. Carter (2005). "Social capital and the reproduction of economic inequality in polarised societies." *Journal of Economic Inequality* 3: 193-219.
- Morrow, D., G. Robinson and L. Dowds (2013). The Long View of Community Relations in Northern Ireland: 1989-2012. <http://www.ark.ac.uk/publications/research-reports/>.
- Mustapha, A. R. W. P. (2007). Institutionalising ethnic representation: How effective is the Federal Character Commission in Nigeria? CRISE Working Paper. Oxford, Centre for Research on Human Security, Ethnicity and Inequality.
- Nicodemo, C. and G. A. García (2015). "Job Search Channels, Neighborhood Effects, and Wages Inequality in Developing Countries: The Colombian Case." *The Developing Economies* 53(2): 75-99.
- Nkurunziza, J. (2012). Inequality and post-conflict fiscal policies in Burundi. *Horizontal Inequalities in a Post-conflict Context*. A. Langer, F. Stewart and R. Venugopal. London, Palgrave.
- Orihuela, J. C. (2012). Post-conflict economic policy and group inequalities in Peru. *Horizontal Inequalities in a Post-conflict Context*. A. Langer, F. Stewart and R. Venugopal. London, Palgrave: 186-208.
- Osorio, R. G. (2012). The persistence of black-white income differentials in Brazil. *Affirmative Action in Plural Societies*. G. Brown, A. Langer and F. Stewart. London, Palgrave: 100-137.
- Patel, L. and L. Graham (2012). "How broad-based is broad-based black economic empowerment?" *Development Southern Africa* 29(2): 193-207.
- Posner, D. N. (2005). *Institutions and ethnic politics in Africa*. New York, Cambridge University Press.
- Ruane, J. and J. Todd (1996). *The dynamics of conflict in Northern Ireland : power, conflict, and emancipation*. Cambridge, Cambridge University Press.
- Sampson, R. J. and J. D. Morenoff (2006). Durable inequality. Spatial dynamics, social processes and the persistence of poverty in Chicago neighbourhoods. *Poverty Traps*. S. Bowles, S. N. Durlauf and K. R. Hoff. Princeton, Sage Russell Foundation and Princeton University Press: 176-203.
- Southall, R. (2007). "Ten Propositions about Black Economic Empowerment in South Africa." *Review of African Political Economy* 34(111): 67-84.
- Stewart, F. (2010). "Horizontal Inequalities in Kenya and the Political Disturbances of 2008: Some Implications for Aid Policy." *Conflict, Security and Development* 10.(1): 133-159.
- Stewart, F. and A. Langer (2008). Horizontal Inequalities: explaining persistence and change. *Horizontal Inequalities and Conflict: Understanding Group Violence in Multiethnic Societies*. F. Stewart. London, Palgrave: 54-78.
- Thorp, R. and M. Paredes (2010). Ethnicity and the persistence of inequality the case of Peru. *Conflict, inequality and ethnicity*. Houndmills, Basingstoke, Hampshire ; New York, Palgrave Macmillan.

UNDP Human Development Report Office  
304 E. 45th Street, 12th Floor  
New York, NY 10017, USA  
Tel: +1 212-906-3661  
Fax: +1 212-906-5161  
<http://hdr.undp.org/>

Copyright © 2017  
by the United Nations Development Programme  
1 UN Plaza, New York, NY 10017, USA

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise without prior permission. This paper does not represent the official views of the United Nations Development Programme, and any errors or omissions are the authors' own.