Chapter 1.

Pursuing inclusive growth: The Governance Underpinnings

This chapter explains the role that public governance can play not only in increasing economic growth but also in sharing the benefits among different groups of society, including the neediest. Such Inclusive Growth has a multidimensional nature: it requires that all policy-making tools and processes support and reinforce each other. To achieve Inclusive Growth, governments must address integration, societal needs and inequalities. New approaches are necessary to ensure sustainable policy making; the authors of this chapter present, in particular, an integrated governance approach. They conclude by presenting drivers of reform that align with incentives for the political economy and government priorities.

A shift towards inclusive growth

The OECD defines inclusive growth as "economic growth that creates opportunity for all segments of the population and distributes the dividends of increased prosperity, both in monetary and non-monetary terms, fairly across society".

Growing attention to inclusive growth[1] is motivated to a large extent by rising inequalities in many parts of the world.

Indeed, income inequality has grown rapidly in OECD countries over the last three decades: the income of the top 10% of earners is now around ten times that of the bottom 10% on average in OECD countries, up from seven times three decades ago (Figure 1.1) (OECD, 2015a).[2] The incomes of the poor and the middle class have risen less rapidly than that of the better-off, and income gaps have actually widened since the onset of the global crisis (Figure 1.2).

Outside the OECD area, in many countries, including China, India and Indonesia, increased prosperity as a result of strong growth in gross domestic product (GDP) has been accompanied by a concentration of income among the well-off, despite drastic reductions in poverty (OECD, 2014a). Moreover, from the mid-1970s to the period immediately preceding the crisis, the top 1% of earners accumulated 47% of total income growth in the United States, 37% in Canada and about 20% in Australia and the United Kingdom (OECD, 2014b).

Figure 1.1. A shift towards inclusive growth

Gini coefficients of income inequality, 1985 and 2013, or latest date available

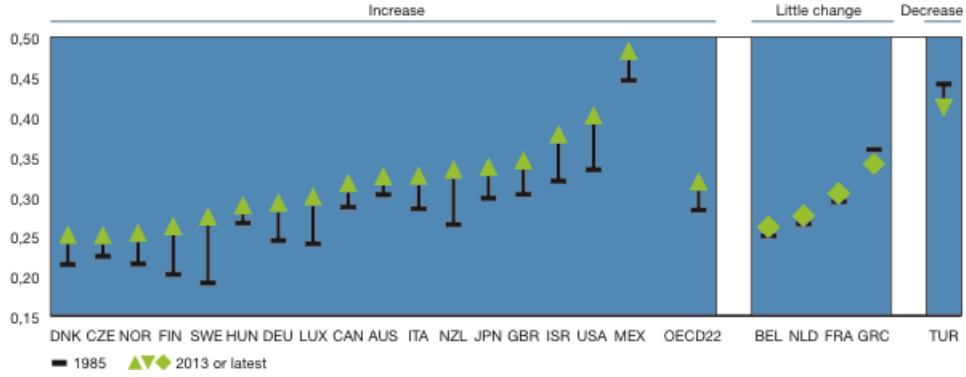
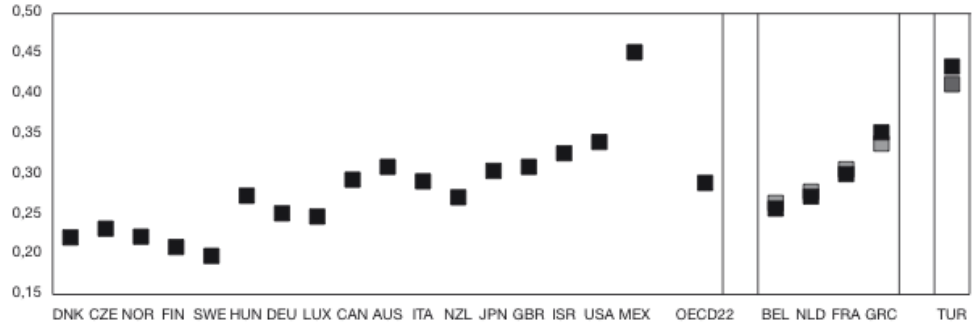


Figure 1.1. A shift towards inclusive growth *(continued)*



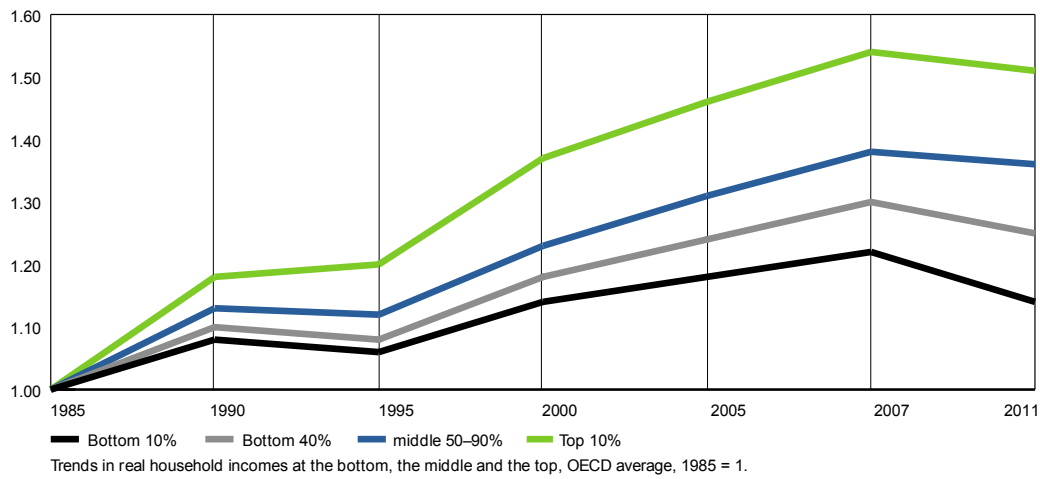
Note: "Little change" in inequality refers to changes of less than 1.5 percentage points. Data for some OECD countries are not available or comparable. Grey squares refer to 2013 or latest dates available. Income is based on the distribution of the equivalised disposable (i.e. after transfers and taxes) household income. Income refers to cash income – excluding imputed components such as home production and imputed rents – regularly received over the year. The analysis refers to the distribution among individuals, while keeping the household as the unit within which income sources are pooled and equally shared. This implies that the income of the household is attributed to each of its members, irrespectively of who in the household receives that income. Data for the Czech Republic and Hungary refer to 1991 instead of 1985.

Source: OECD Income Distribution Database.

In addition to rising income inequality, the crisis has also led to a marked increase in poverty in many OECD countries.

Between 2007 and 2011, anchored poverty (calculated by fixing the real low income benchmark at pre-crisis levels) more than doubled in Greece, to 27% of the population, and in Spain, to 18% of the population. There has also been a shift in the age profile of the poor, with rising poverty rates among children and especially youth (OECD, 2015a).

Figure 1.2. Income growth for selected social groups



Note: Income refers to disposable household income, corrected for household size. OECD is the unweighted average of 17 countries (Canada, Denmark, Finland, France, Germany, Greece, Israel, Italy, Japan, Luxembourg, Mexico, Netherlands, Norway, New Zealand, Sweden, United Kingdom and United States).

Source: OECD (2015a).

Inclusive growth can be a question of life and death. Better-educated individuals live on average 6 years more than their poorly educated peers.

But inequality is a multidimensional phenomenon that goes far beyond income.

Employment, job satisfaction, health outcomes and educational opportunities matter for people's well-being and are heavily conditioned by socio-economic status or even place-based considerations. In the wake of the crisis, disadvantaged groups, such as the young, have borne the brunt of increased unemployment, non-standard working arrangements have proliferated and around 8% of the working-age population in OECD countries is currently affected by in-work poverty. Within countries[3] a difference in unemployment rate of 32 percentage points can be found between regions in the OECD area, almost twice as high as the difference between the best and worst performing OECD countries. Moreover, the most disadvantaged often live shorter lives and find it difficult to break away from a vicious circle of educational underachievement, low skills and poor employment prospects. By contrast, better educated individuals live longer, on average six years more than their poorly educated peers (OECD, 2013a). Likewise, self-reported health status is higher among the top 20% of income earners than for the bottom 20%,[4] and low-income individuals are more likely to report unmet health care needs (OECD, 2014a).

Inequality is costly and can undermine growth. The increase in income inequality observed in most OECD countries may have thwarted economic growth in those countries.

High levels of inequality can entail large costs.

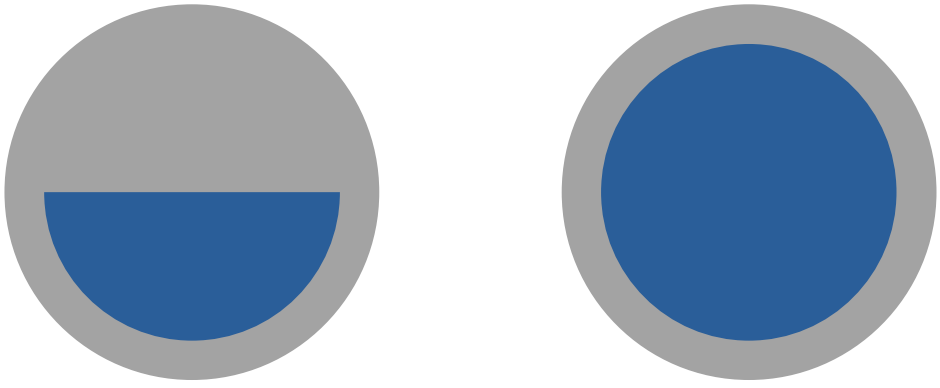
The relationship between growth and income inequality is complex: growth in material living standards affects income inequality, but the reverse is also true, so that the distribution of the benefits of growth affects future prosperity. Indeed, the increase in income inequality that has taken place in most OECD countries over the last few decades may have thwarted economic growth in those countries (OECD, 2014c)[5] In addition, high levels of inequality can have large social costs, including those due to reduced social cohesion. Just as importantly, rising inequalities can erode confidence in public institutions and in democratic processes and values. Indeed, levels of trust in government have declined in recent years across many OECD countries, posing a challenge for policy in the years to come (OECD, 2013b).

To address these challenges, a shift is needed, as reflected in ongoing OECD work.

Conventionally, policy analysis and advice have focused on improving the population's income and consumption possibilities as a standard gauge of performance, and have measured progress at the level of an "average" individual or household. In other words, emphasising "average economic growth" (such as GDP per capita) as a measure of performance relies on the assumption that the benefits of growth will necessarily trickle down to all social groups and deliver higher welfare to people. Recent research has challenged this assumption, calling for a shift from the traditional binary approach of either growth or redistribution toward "win-win" policies where growth and equity go hand in hand (Figure 1.3). Moreover, this shift is not only conceptual but also has

practical implications for every aspect of public policy, as will be outlined in the following chapters. Finally, it is in line with the Sustainable Development Goals that will drive development outcomes for the coming years. These goals include to "promote sustained, inclusive and sustainable economic growth" and to "promote peaceful and inclusive societies for sustainable development".

Figure 1.3. A shift towards inclusive growth



The OECD work on inclusive growth

Working on the trends and policy drivers of inclusive growth.

The OECD approach to inclusive growth has three main aspects: multidimensionality, a focus on distributional considerations and policy impact. In particular:

- What kind of growth? Multidimensionality recognises the importance, when assessing policy impact, of going beyond income to include dimensions that also matter for people's well-being and for their productive participation in the economy and society, such as jobs and health. Indeed, growth in income and material living standards may not lead to improvements in all dimensions of well-being. In other words, increased material prosperity as a result of economic growth may not necessarily translate into better non-income outcomes, such as greater job satisfaction and higher life expectancy.[6]
- Whose growth? Performance is most commonly gauged on the basis of "average" outcomes, or those that are measured for "representative" individuals or households, rather than looking at the full distribution of outcomes across social groups and regions or cities within countries. Instead, inclusive growth stresses the need to assess policy impacts (on income and other dimensions of well-being) not only at the mean, but also along the distribution, including the median household (the "middle class"), the poor and the well-off.
- What outcomes? Conventional analysis looks at the effects of policies on selected outcomes separately. Instead, attention to multidimensionality and distributional considerations requires a broader approach to the evaluation of policy impacts. A better understanding of the causal links between policies and outcomes in various areas can help policy makers identify and exploit synergies among mutually-reinforcing policy levers and to take compensatory action when trade-offs are identified.

How you define growth is essential. When focusing on growth, policy makers must ask themselves: what kind of growth, growth for whom and what are the desired outcomes?

The governance underpinnings of inclusive growth

Public governance plays an essential role in achieving economic growth and narrowing inequality, both directly and indirectly.

Public governance can be thought of as the system of strategic processes and tools, as well as institutions, rules and interactions for effective policy making. Governance failures can lead to widespread informality in the labour market, as well as to limited access to education or to formal safety nets, such as unemployment and health insurance, all of which are drivers of inequalities. Also, government capacity and quality have strong effects on almost all standard measures of well-being, as well as social trust and political legitimacy (Box 1). Moreover, through its impact on the quality of public spending and investment and the efficiency of service delivery, public governance can strengthen or undermine the impact of economic policies aimed at inclusive growth.

The notion of well-being is important in measuring the quality of growth. Multidimensional growth criteria include dimensions that matter to people's well-being such as jobs, job quality, educational quality and health.

Box 1.1. Governance matters for achieving inclusive growth

There is a broad consensus, supported by evidence, that good governance is vital for a number of key outcomes at the national and subnational levels, including social cohesion, public expenditure efficiency and control of corruption. In addition, governance matters for achieving sustainable, inclusive economic growth. Coase (1960) argues that good institutions, such as strong property rights, reduce transaction costs and consequently support economic development. Similarly, North (1991) contends that institutions that strengthen contract enforcement are necessary to economic development. More recently, Rodrik, Subramanian and Trebbi (2004) empirically find that the quality of institutions is more important for growth than geography or trade. Other scholars (e.g. Acemoglu and Robinson, 2008) argue that institutions, including an efficient public sector and absence of corruption, are the fundamental drivers of economic growth.

Governance also matters for inclusiveness. Inclusive institutions ensure that markets are functional and open to competition, and allow for broad citizen participation, pluralism and an effective system of checks and balances, leading to better access to services and opportunity. In that respect, cross-country evidence shows that inclusive governance can improve development outcomes, such as better literacy and health, or lower infant mortality (e.g. Halperin, Siegle and Weinstein, 2010: Evans and Ferguson, 2013). Rajkumar and Swaroop (2002) also find that, for example, corruption disproportionately denies the poor access to education and health services.

Public governance is an essential lever for high-impact public spending, which in turn enhances the potential of economic policies aimed at inclusive growth. For example, stakeholder engagement and consultation can help identify needs and preferences, better targeting government programmes and increasing efficiency. Public governance also affects the quality and efficiency of public investment. In this respect, strengthening inclusive institutions has a great potential to enhance citizen participation, provide better public services, reduce transaction costs, and – ultimately – reduce inequalities while promoting economic growth.

Box 1.1. Governance matters for achieving inclusive growth *(continued)*

Last, but not least, governance matters for well-being. People are more satisfied with their lives in countries having better governance quality. More importantly, actual changes in governance quality (understood as the way in which policies are designed and delivered) lead to large changes in the quality of life. Changes in average life evaluations in 157 countries over the 2005-12 period can be explained just as much by changes in governance quality as by changes in GDP, even though some of the well-being benefits of better governance are delivered through increases in economic efficiency and hence GDP per capita. The well-being payoff of improved governance in that period can be compared to a 40% increase in per capita incomes (OECD, 2014d).

Good governance is needed. Fragmented systems of public governance hinder inclusiveness, facilitating avoidable trade-offs and co-ordination failures.

Public governance is important throughout the policy-making cycle, not only the design, but also the implementation and evaluation of inclusive growth policies.

A defining feature of inclusive growth is multidimensionality, meaning that both income and non-income considerations are taken into account in defining intended outcomes. This requires that governments have the capacity to deal with complexity in policy making, assess policy impacts from broader viewpoints, and identify complementarities and trade-offs among and within policies and policy objectives. Fragmented systems of public governance hinder inclusiveness, facilitating otherwise avoidable trade-offs and co-ordination failures within and across administrative boundaries. In order to ensure that policies are aligned, governments need a range of tools and processes that improve co-ordination across sectors and levels of government. Last but not least, achieving inclusive growth starts with the right definition of needs and expectations, anchored in an inclusive policy-making process (Figure 1.4).

Achieving inclusive growth requires a focus on multidimensional factors, integrated policies and an emphasis on impacts on different social groups.

Figure 1.4. Governance implications of inclusive growth policies

Inclusive Growth policies	Governance implications
Focus on multidimensional policy impacts: material living and non-material living standards	• Shaping a vision for Inclusive Growth: guiding the definition of Inclusive Growth goals with reliable, timely multidimensional data • Enhanced policy coherence: assess and address trade-offs and complementarities between multidimensional policy objectives
Focus on integrated policies: growth and redistribution	• Sustained implementation efforts: anticipating broader socio economic changes that may inform Inclusive Growth (IG) targets, and aligning short, medium and longer-term resource and priority considerations • Assessing multidimensional impact: using ex ante evaluation to assess distributional impact along with economic impact • Assessing impact and strengthening feedback: reinforcing accountability and evaluation mechanisms to capture Inclusive Growth targets
Focus on outcomes that reflect the needs of societies (health, education, jobs)	• Whole-of-government approach: targeting joined-up outcomes beyond administrative silos, encouraging policies to reinforce each other, and a strong co-ordinating role for the centre of government • Quality decision making: promoting balanced participation through stakeholder engagement and mechanisms to prevent capture in decision-making, and encouraging inclusive problem identification • Multilevel governance: aligning outcomes at higher and lower levels of government to improve coherence of public policy
Focus on inequalities (income and well-being) and on different social groups and scales beyond the average	• Inclusive service delivery: implementation that seeks to maximise access, use and responsiveness across social groups and locations • Inclusive engagement: feedback and engagement mechanisms to promote an inclusive policy implementation process • Access to redress: providing the possibility of enforcing a right or redressing a wrong to enable opportunity • Multilevel analysis: including place-based considerations that may drive inequalities

Policy making for inclusive growth: an integrated governance approach

Pursuing inclusive growth calls for a whole-of-government approach that leverages informed decision-making and aligns vision, incentives and delivery mechanisms across the policy-making cycle.

The public governance underpinnings of inclusive growth can be tackled from a double perspective: policy making, where public sector strategies, tools and processes are

strengthened and aligned towards inclusive growth outcomes across the policy-making cycle, and policy-shaping, where openness, accountability and inclusion are brought to bear in problem definition, delivery and implementation (Figure 1.5).

Inclusive growth outcomes require coherent action across the policy cycle, from design and implementation to evaluation.

Figure 1.5. Policy making and policy shaping for inclusive growth

Once the vision for inclusive growth is defined, specific institutions and tools can be leveraged to design, implement and evaluate inclusive growth policies.

Aligning objectives and facilitating their delivery through improved coherence and co-ordination across policy areas and levels of government must be part of this process. This includes, for example:

- Better understanding and forecasting demand.
- Facilitating the assessment of policy trade-offs and complementarities through evidence-based decision-making (e.g. ex ante regulatory impact assessment and ex post evaluation).
- Enabling the required co-ordination and alignment across sectors and administrative organisations (e.g. centre of government) to deliver joined-up outcomes.
- Anchoring implementation with built-in incentives (e.g. budget)
- Capacities to support implementation of inclusive growth policies (e.g. civil service skills, information sharing systems).

These tools and institutions need to be anchored in an enabling political and institutional environment that can shape intended outcomes.

Policies to promote inclusive growth with the needed depth and consistency come from strong, inclusive institutions. By embracing openness and accountability in decision-making, governments can ensure that the needs and concerns of underserved populations are reflected in policy decisions, particularly in relation to powerful, well-organised interest groups. In addition, meaningful stakeholder engagement can lead to better targeted, more effective policies and policy implementation. A policy-making process that is informed, inclusive and designed to aggregate competing interests can help ensure that citizens' well-being is a central factor ineconomic policy making.

By embracing openness and accountability, governments can ensure that the needs of underserved populations are reflected in policy decisions.

Public governance mechanisms and processes can enhance the capacity of policy makers to design, implement and evaluate inclusive growth policy packages, as well as the underlying institutional delivery frameworks.

Embedding both the right tools and processes, together with the principles of openness and inclusion across the policy cycle, from policy design to implementation and evaluation, can provide an essential foundation for more inclusive institutions that deliver more inclusive policy outcomes (Annex I). In particular:

- Renewed attention to policy design can help address the complexities of targeting multidimensional outcomes and assessing trade-offs and complementarities. A whole-of-government approach to inclusive growth begins with a strong, compelling vision of what the challenges and opportunities are, and what the desired outcomes should be. For this, policy makers require a good understanding of needs and expectations across different societal groups and place-based considerations and access to timely, evidence-based information to objectively frame inclusive growth challenges and prioritise policy actions. Governments can use a variety of instruments to strengthen the evidence base for inclusive growth policy making, including regulatory impact assessments (RIA), forecasting or cost-benefit analysis, and short- and longer-term goals, including sectorial and/or regional strategies and medium- term expenditure frameworks. These tools clarify the effects and the trade-offs of government actions for decision-makers and stakeholders alike and, when used systematically, provide strong levers for governments to identify and target social inclusiveness goals.
- Aligning vision with resources and capacities through effective policy implementation is essential for delivering joined-up outcomes. Mainstreaming an inclusive growth perspective that cuts across administrative silos and levels of government can be supported by ad hoc monitoring and accountability mechanisms (e.g. sector-wide accountability frameworks), measures to promote and reward progress, as well as horizontal co-ordination and co-operation. In addition, in a context where governments must maximise the impact, reach and quality of public services, new approaches to service delivery hold a number of opportunities. New forms of partnership and alternative service provision mechanisms, as long as they are anchored in transparency and accountability, can help deliver better results for citizens at a reduced cost for government, while digital innovation can improve accessibility and evidence-based decision making.

- A focus on multidimensional policy evaluation is essential for assessing and communicating progress in delivering inclusive growth outcomes. In a context of high expectations but limited resources, evaluation is an important part of refining public policies, particularly in areas of heavy public spending and those closely associated with inclusiveness. Together with performance information, a solid ex post evaluation system focused on social outcomes can provide invaluable feedback to inform budget decisions and overall policy priorities. Underlying these tools is the need for reliable, timely data, including on beneficiaries and intermediaries, and for independent institutions (e.g. productivity commissions, national evaluation agencies or supreme audit institutions).

Inclusive institutions can boost the impact of these tools and processes as enablers of inclusive growth policy making.

Stakeholder engagement can increases the likelihood of policy outcomes that deliver for the many, not just the few. Similarly, actively engaging stakeholders in monitoring service delivery, regulatory outcomes and budget execution can help guide and ensure effective implementation. There is increasing evidence that collaboration with citizens and service users can help tackle service failure and drive innovation. Likewise, accountability and evaluation can be strengthened through engagement and participatory mechanisms. For example, participatory evaluation places stakeholders at the centre of assessing the success of policies and programmes; it can improve the usefulness of evaluation results, as it increases the likelihood that the outcomes of an evaluation will be relevant for stakeholders and used as a basis for future actions. In addition, an inclusive public sector workforce can leverage talent, promote innovation and improve service delivery, particularly at the front-line. The implications of inclusiveness for processes, institutions, and issues of culture and capacity within public administration and policy making are important elements of public governance for inclusive growth.

Stakeholder engagement increases the likelihood of policy outcomes that deliver for the many, not just the few.

Parliaments can also provide valuable input into the policy-making process.

As elected representatives of the people, parliaments can add legitimacy and authenticity in raising the concerns of citizens and marginalised social groups in ways that transcend the role of other bodies. The role of parliaments in policy making for inclusive growth can be further enhanced with good information flows and dialogue between elected representatives and civil society.

Finally, improving access to justice is increasingly recognised as an important means to tackle inequality and contribute to inclusive growth.[7]

The inability to access justice services can be both a result and a cause of disadvantage. Further, legal problems tend to occur in combination, creating clusters of legal needs (housing, employment) and compounding legal issues. Lack of their resolution can, in turn, reinforce social exclusion and inequalities for those who have neither the means nor the ability to effectively solve their legal problems. In addition, the inability to resolve legal problems can deny access to economic opportunity and undermine human potential.[8,9] Indeed, there is increasing evidence that unresolved legal problems and inadequate access to justice can be costly for both the individual and

society at large. Costs of inaccessible justice may stem from stress and health effects, loss of income and loss of employment.[10] While principally an issue for lower-income groups, there is also concern that an adequate access to justice increasingly affects middle income households.[11] Providing suitable access to legal and justice services can play a crucial role in helping people move out of social exclusion and enable equal access to economic opportunities.

The political economy of inclusive growth: Reform does not happen passively, it depends on the legitimacy, leadership and impetus of government for its success.

OECD analysis on the drivers of successful reform (OECD, 2010) provides grounds for optimism that the agenda of inclusive growth – as elaborated in subsequent chapters – aligns well with the political economy incentives and priorities of government. In particular:

The 6 habits of highly successful reforms

OECD analysis has established a list of criteria for successful reform that are directly applicable to Inclusive growth objectives.

Pursuing inclusive growth: The governance underpinnings

1. A clear popular mandate for reform. The dimensions of Inclusive growth – the various aspects of well-being, notably quality of education, health care and the environment, as well as household income – correspond directly with the substance of economic and social discourse. In other words, Inclusive growth is concerned with what really matters to people, and in turn to their public representatives.
2. An evidence-based and analytically sound case for reform. Persuading and convincing citizens – and indeed politicians and the policy-making community more generally – of the case for Inclusive growth reform is greatly facilitated through access to evidence and analysis that demonstrates the benefits (Chapter 2).
3. Strong leadership. Inclusive growth objectives – which by their nature have a multidimensional nature and a whole-of-government character – are naturally within the leadership domain of the centre of government, which is best placed both to articulate and to oversee delivery of these goals (Chapter 2).
4. Clear communication of reform objectives and inclusive, consultative processes. The articulation of medium-term well-being objectives, via Key National Indicators and National Performance Frameworks, allows for open and consultative engagement with societal stakeholders to build a vision of Inclusive growth (Chapter 3).
5. Demonstrate continual progress over time. Inclusive growth is a substantive, medium- and longer-term policy objective that has the potential to transform citizen's experiences for the better. Tracking these medium-term objectives over time, within a responsive multi-annual policy cycle, underpins the government's seriousness-of-purpose in pursuing an Inclusive growth agenda.

6. Keeping stakeholders on board over time. In a similar vein, multi-annual outcome tracking allows for the views, insights and critiques of stakeholders to be continually sought and assessed throughout the policy cycle, with feedback and accountability regarding the impacts of the Inclusive growth programme (Chapter 3).

Country experience is instructive.

For example, Finland's experience in carrying forward various reform agendas – now proposed to be streamlined within a "Blueprint for Reform" (OECD, 2015b) – illustrates how these various elements can be brought together to forge a consensus on national reform and its delivery. Notable features of Finland's case include strong leadership from the centre of government (overcoming the potential challenges of a multiparty coalition), a strong focus on "strategic implementation" (with various sectors, projects and measures grouped under three overarching policy objectives) and close attention to evidence- based analysis.

Ultimately, inclusive growth will only gain traction if it commands the attention of the public and of policy makers as an appropriate frame of reference for designing policies for the betterment of society.

The following chapters will elaborate on why, and how inclusive growth can serve such a role.

Notes

1 The OECD considers inclusive growth as "economic growth that creates opportunity for all segments of the population and distributes the dividends of increased prosperity, both in monetary and non-monetary terms, fairly across society" (OECD, 2014a).

2 OECD Income Distribution Database: www.oecd.org/els/soc/income-distribution-database.htm.

3 OECD Regional Wellbeing Database: www.oecdregionalwellbeing.org/.

4 OECD Statistical Database: http://stats.oecd.org.

5 For example, between 1990 and 2010, rising inequality is estimated to have knocked more than ten percentage points off growth in Mexico, nearly nine points in Finland, Norway and the United Kingdom, and between six and seven points in Italy, Sweden and the United States (OECD, 2014e).

6 Indeed, the cross-country correlation between growth rates of GDP per capita and multidimensional living standards is positive but with large variance across countries. For example, France and Germany have registered almost the same per capita GDP growth during 1995-2007, but living standards grew 1.7 times faster in France. Of this variance in multidimensional living standards, only 38% can be statistically explained by GDP growth. One element that shapes these differences is the divergence between GDP growth and the growth of average household income,

influenced by structural factors such as the fiscal stance or the respective roles of the private and public sectors (OECD, 2014a).

7 OECD (2014a); see also US Department of Justice (2014), "Interagency Legal Aid Roundtable Toolkit" www.justice.gov/atj/legal-aid-interagency-roundtable-toolkit; remarks of Director Lisa Foster, US Access to Justice Initiative, Equal Justice Conference May 2015; Gargarella, R. "Too far removed from the people", Access to Justice for the Poor: The Case of Latin America; Canadian Forum on Civil Justice (2006) Social, Economic and Health Problems Associated with a Lack of Access to the Courts, A special report from the Civil Justice System and the Public Project, Commissioned by the Research and Statistics Division, Department of Justice Canada. March; Currie A., The Legal Problems of Everyday Life, The Nature, Extent and Consequences of Justiciable Problems Experienced by Canadians, Department of Justice Canada; Indiana Legal Services, Inc., the Indiana Bar Foundation, and the Pro Bono Committee of the Indiana State Bar Association (Indiana Legal Services & al.) (2008), Unequal Access to Justice: A Comprehensive Study of the Civil Legal Needs of the Poor in Indiana.

8 Beqiraj J., McNamara L. (2014), International Access to Justice: Barriers and Solutions (Bingham Centre for the Rule of Law Report 02/2014), International Bar Association; Sharon Matthews, Making the case for the economic value of legal aid, Briefing note (Canadian Bar Association, British Colombian branch); Canadian Forum on Civil Justice (2006) Social, Economic and Health Problems Associated with a Lack of Access to the Courts, A special report from the Civil Justice System and the Public Project, Commissioned by the Research and Statistics Division, Department of Justice Canada.

9 OECD (2006), "Chapter 5. Enhancing Women's Market Access and Promoting Pro-Poor Growth", Promoting Pro-Poor Growth: Guidance for Donors, DAC Guidelines and Reference Series, OECD Publishing, Paris.

10 Some estimates show that, for example in the United Kingdom, each legal problem reported to cause physical illness may ultimately cost the healthcare system between 113-528 GBP and between 195-2 224 GBP per patient in stress-related effects. Estimates from England and Wales indicate that unresolved legal problems cost individuals and the public 13 billion GBP over a 3.5 year period. On the impact of legal aid, studies point out that it can save public funds by reducing evictions and alleviating homelessness, protecting patient health and helping low-income people participate in federal safety-net programmes. Legal aid can also contribute to economic growth by increasing jobs, reducing work days missed due to legal problems, creating more stable housing, resolving debt issues and stimulating business activity. For example, a 2009 Texas study found that for every direct dollar in legal aid, the annual gains to the economy were found to be reduction of 7.42 USD in total spending and gains of 3.52 USD in output, and 2.20 USD in personal income. See amongst others, Pleasence, Buck and Balmer, 2006; Stratton and Anderson, 2008; Abel, 2012; The Perryman Group, 2009.

11 There is no agreed on methodological approach for measuring citizen legal needs and costs of accessing justice.

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