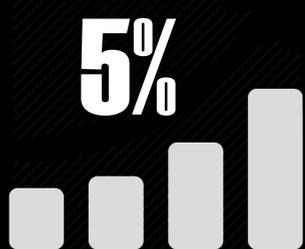


Growth, **Income Inequality**, and **Policies** Low-Income Developing Countries, LIDCs

Despite Strong Growth, **Income Inequality** Remains Stubbornly High in LIDCs



Average GDP growth in LIDCs, 1996-13



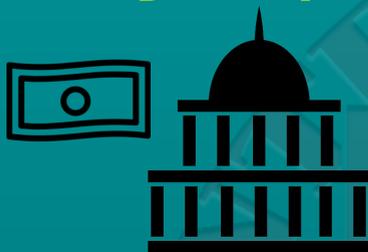
Slight decline in **Income Inequality** in LIDCs, 1996-13

Getting the **Policies** Right

No one size fits all. But policy packages can be designed to be both pro-growth and inclusive.

Examples of pro-growth policies/reforms:

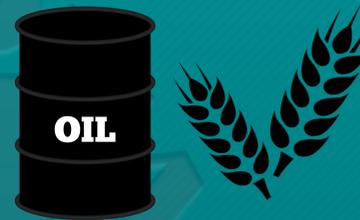
Tax Reform for Financing Development



Financial Sector Reform



Reduce Inefficient Subsidies



Possible measures for more inclusive policy packages:

Boost Efficient Infrastructure Investment



Increase Financial Access



(average adult population with a bank account in LIDCs)

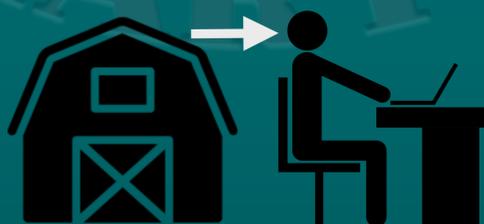
Invest in Agricultural Infrastructure and R&D



Expand Social Assistance (Cash Transfers)



Increase Labor Mobility



Reduce Informality (median)

