

# UNU-WIDER 2024–27 Work Programme

Inequality, Conflict, and Fiscal Space:  
Addressing Three Key Development  
Challenges of Our Times

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# 1. Introduction

UNU-WIDER is a unique blend of think tank, research institute, and UN agency which provides economic analysis and policy advice to promote sustainable and equitable development for all.

The Institute, based in Helsinki, Finland, operates globally through partnerships with a network of experts and within the United Nations system. UNU-WIDER aims to produce knowledge that responds to the needs of people affected by poverty, inequality, and vulnerability, and to support better policymaking and implementation at the local, national, regional, and international levels.

UNU-WIDER's 2024–27 work programme is designed to advance the frontiers of knowledge around three key development challenges facing the world today: persistent **inequalities**, intensifying **conflicts**, and the lack of **fiscal space** to invest in development. Addressing these challenges forms the three core research areas of the work programme, with major knowledge advancements on the cross-cutting themes of **climate change**, **gender equality**, and **data for development**. The 2024–27 work programme follows the spirit of past research programmes in its ambition to address some of the most pressing challenges in international development. The research areas of the work programme are central to the 2030 Agenda for Sustainable Development, the 2015 Addis Ababa Agreement on Finance for Development, the 2016 Paris Climate Agreement, and the UN Secretary-General's **Our Common Agenda**. UNU-WIDER's work programme responds to the Agenda's 'call for increased support for strengthening data collection and capacity-building in member states' and its emphasis on 'renewed solidarity between peoples and future generations, a new social contract anchored in human rights, better management of critical global commons, and global public goods that deliver equitably and sustainably for all'.

This will be achieved through three core activities that form the mission statement of UNU-WIDER:

- Creating knowledge, research, data, and policy analysis on the most pressing concerns affecting the living conditions of the world's poorest people
- Offering capacity development and training for researchers and decision-makers in economics and social development
- Providing a forum for knowledge-sharing, discussion, and debate between researchers and development professionals on how to achieve equitable, gender-balanced, and environmentally sustainable policies

UNU-WIDER's Theory of Change is outlined in **Annex I**.

A final unique feature and distinct comparative advantage of UNU-WIDER is the combination of high-level research in its core programme with in-depth in-country programme engagements. Our country programmes are designed and implemented with key stakeholders in Global South governments, are demand driven, and address the key policy priorities in those countries.

## 2. Tackling today's development challenges

The world is at a crossroads. Over the last decade, the gap between the poorest and the wealthiest continues to increase and shows no signs of subsiding. Today, around 2,000 billionaires have the same wealth as the world's poorest 60%. High and persistent inequality has been shown to reduce human development index (HDI) scores, meaning harmful impacts on societal levels of health and longevity, education, and economic growth and resilience. Inequality also diminishes social cohesion, undermines democratic systems, and increases the risk of conflict. As such, inequalities are a major barrier to development.

In addition to the wars in the Middle East and Ukraine, almost 30 violent conflicts are active today. Armed conflicts affect more than one-fifth of the world's population and are a leading cause of poverty, food insecurity, and deprivation. By 2030, two-thirds of the world's poorest are predicted to live in fragile and conflict-affected countries. As a result of conflict, forced migration has reached unprecedented levels. UNHCR estimates that over 100 million people were affected by forced migration in 2022. Without a stable peace, the opportunities for sustainable development are greatly constrained.

Similarly, the COVID-19 pandemic and the acceleration of climate change have aggravated global and national economic conditions, increasing debt burdens for the poorest countries in particular. Increased debt and inflationary pressures are further deepening social and economic inequalities and shrinking the fiscal space required by low- and middle-income countries to address the needs of their populations.

High levels of commercial borrowing by governments and state-owned enterprises, along with elevated levels of world interest rates, have led to an explosion of global debt, which hit a record of USD 307.4 trillion in the third quarter of 2023. Over 100 countries will have to cut education, health, and social protection spending to meet current debt repayment obligations. According to the UNDP report **No Soft Landing for Developing Economies** (February 2024), the number of countries with external debt-servicing costs that exceed 20% of public revenue will reach 22% this year; the highest this century.

Mobilizing domestic revenues to finance investments in necessary public goods is a major challenge in the best of times. Low-income countries already collect less than half the GDP share of revenues than high-income countries do. As debt-servicing costs and economic pressures rise, the potential to increase domestic revenue collection to provide a local source for investments in development goals will be greatly restricted without a strong global response. The wellbeing of current and future generations and the achievement of global common goals are at serious risk if these trends are not understood and reversed.

These three development challenges are profoundly interconnected. Fiscal space is needed to finance the types of public actions that can reduce persistent inequalities. More resilient public budgets and strengthened tax and benefit systems support domestic resource mobilization and public investments in economic development and social wellbeing, while enabling the redistribution of wealth and income to reduce inequality. In turn, reducing persistent inequalities is essential to addressing grievances, fostering stronger social cohesion, and strengthening democratic processes and trust in governments, factors that can reduce or overcome conflict and sustain peace. In turn, a sustainable and just peace is the critical precondition to ensuring human wellbeing and creating states that can fulfill their social contracts.

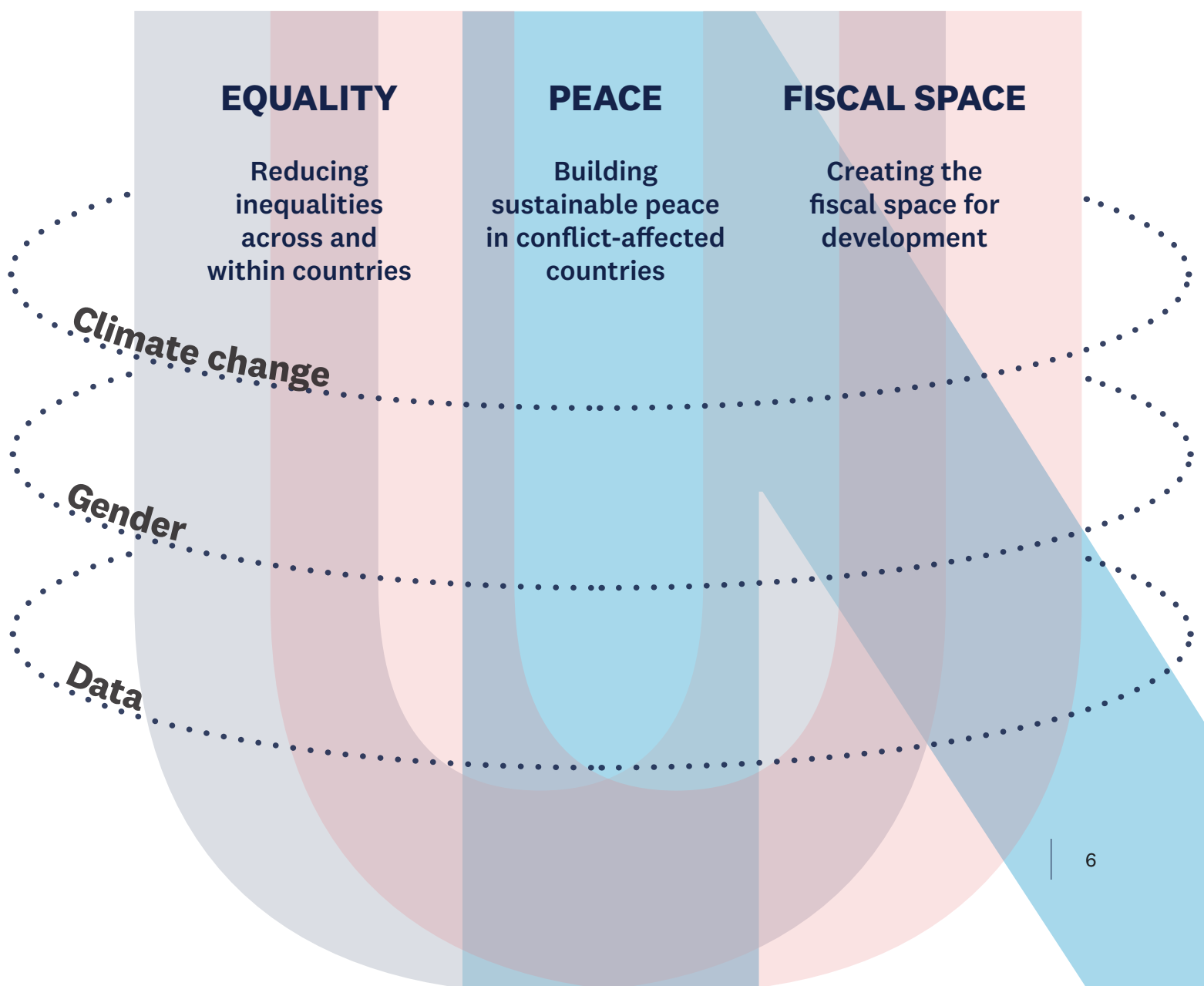
The work programme's three cross-cutting themes are also closely interlinked to these development challenges. The devastating impacts of climate change are felt disproportionately across populations and nations, with major primary and secondary effects on inequalities and the potential to destabilize regions and aggravate the drivers of conflict. Securing a just transition when addressing climate change has major implications for both inequality and fiscal space. The call to end gender-based inequalities requires that gender be considered in every aspect of development research and development policy.

Overcoming data limitations is critical to the formation of evidence-based policies in local, national, and global responses.

For the cross-cutting theme on **climate change**, we will study the impact of climate change on labour markets in Global South countries, how it may exacerbate poverty and inequality, and how governments can mitigate the effects through concrete policy actions. We will address how the increasing frequency and severity of extreme weather events may contribute to resource scarcity and fuel conflict. Finally, we will assess the potential promise of environmental taxation, such as carbon taxes and the removal of fuel subsidies, to reduce greenhouse gas emissions and bring about the net-zero transition in low- and middle-income countries, while estimating the associated effects of these policies on poverty, inequality, and budget balances.

With respect to **gender equality**, we will examine the drivers of persistent inequalities which are observed in the labour market outcomes of women versus men, how conflicts impact women and children, and how tax and benefit policies have gendered effects.

An important objective of all the three research areas will be to support expanded quality and access to **data for development** and to position UNU-WIDER as a key provider of both macro and micro data in an accessible format for research and policy analysis, and building on the reputation we have built through developing and hosting important public goods, such as the World Income Inequality Database (WIID) and the Government Revenue Dataset (GRD).



### 3. The research areas of the UNU-WIDER 2024–27 work programme

#### 3.1 Reducing inequalities across and within countries

The first challenge is to reduce persistent inequalities across and within countries in material and non-material dimensions. While cross-country inequalities have fallen in recent decades, much of the world, especially in sub-Saharan Africa, has not followed this trend, as the reduction is mostly attributable to China's rapid economic growth. At the same time, within-country inequalities continue to increase, especially after the COVID-19 pandemic. Intra- and inter-generational inequalities are growing due to rises in living costs and unemployment and underemployment, especially among younger generations. Inequalities are also observed across gender, race, ethnicities, and space. Digital and technological divides, and the accumulating costs of climate change also contribute to growing inequalities. Overall, global income inequality stabilized at extremely high levels between 1980–2020. Reducing inequality is a major goal of the 2030 Agenda for Sustainable Development.

In recent years, there has been considerable progress in the measurement of global income inequality, including UNU-WIDER's own contribution to considerable advances in data coverage and the comparability of inequality measures in the **World Income Inequality Database** (WIID). However, there has been limited progress in reducing global inequalities. In addition, the COVID-19 pandemic has greatly exacerbated existing inequalities within and across countries. Inequality is manifest not only in the material dimensions (as in income or wealth), but also in important non-material dimensions, such as in health and education, as well as across social groups (gender, race, class, age, ethnicity) and space (e.g., rural and urban), inequalities that often overlap and interact with each other.

The analysis of inequality requires a better understanding of the dynamics that drive between- and within-country inequalities and inter-generational inequalities. Regarding cross-country inequality, low-income countries have fallen further behind middle- and high-income countries in income levels since the COVID-19 pandemic. Economic growth is crucial to improving the living standards of the poor; however, lower-income countries need to follow growth strategies that are not too damaging to global environmental health. How to accelerate economic growth and meet net zero emission targets at the same time is a pressing challenge.

Regarding within-country inequality, despite the increasing importance that top incomes or capital incomes have been given in recent academic and public debates, most people still make their living through work, whether in a subsistence economy or by participating in formal or informal labour markets. Thus, understanding what drives earnings inequality, particularly in Global South countries undergoing diverse patterns of structural transformation, is essential. So, too, is understanding how technological changes, new digital economies, weak social security systems, and the growth of informal and casual work affects intergenerational inequalities.

Inequalities in labour market outcomes (in terms of earnings or income inequality) also have roots in unequal access to public goods and opportunities, in health and education, for example, or in discrimination and systemic injustice. But why inequalities persist, particularly in the Global South, sometimes even after root causes are addressed, remains poorly understood. Similarly, there is limited knowledge about which policies are most effective in breaking intergenerational poverty and inequality traps.

Key questions driving this research area:

- How can we support lower-income countries to catch-up to higher-income countries while maintaining global efforts to achieve the net-zero transition by 2050?
- Which factors determine the levels and trends of inequalities within countries and which policies support long-term reductions of these inequalities?
- What is the role of redistribution through policies such as taxation, public spending, and affirmative action in redressing existing inequalities?
- How do demand-side factors (e.g., education, family background, peer effects, etc.) and supply-side factors (e.g., informality, unions, etc.) affect inequalities of income and other labour market outcomes?
- What supports nations to achieve higher levels of social mobility and what constraints reduce prospects for increased levels of inter-generational mobility?

### 3.2 Building sustainable peace in conflict-affected societies

The second challenge is to build sustainable peace in conflict-affected societies. While peace and stability are central to the prosperity and security of countries and their citizens, we currently have limited understanding of how and why violent conflicts persist, how and why their legacies endure across time, and what can be done to reduce the risk and impact of violence. The ongoing wars in Ukraine and the Middle East further emphasize how conflicts can spill over borders through interconnected economic, social, and political processes, resulting in increasing insecurity, economic vulnerability, and uncertainty across the globe.

More than half of the world's extreme poor live in countries classified as fragile by the OECD. By 2030, it is estimated that this concentration will be more pronounced with 80% of the extreme poor living in fragile states, especially those affected by violent conflict or under the threat of violent conflict.

Even though the absolute number of people living in extreme poverty worldwide is expected to fall in the next decade, these gains will be largely concentrated in peaceful contexts. Conflicts give rise to humanitarian crises. UNHCR estimates that at the end of 2022 there were over 100 million people in the world who were forcibly displaced, the highest number on record. More than 85% of refugees are hosted in Global South countries, adding considerable strain to their economies and societies.

Conflicts and humanitarian crises are not contained by borders, nor limited to where they happen. Wars kill and injure people; destroy infrastructure, institutions, markets, and assets; break up communities and networks; and damage social cohesion and trust. These effects are felt locally, but also spread to neighbouring countries and often well beyond through social, economic, and political networks, with legacies that can persist across generations. The ongoing Ukraine war and the refugee, food, and energy crises it has generated are clear examples of how the legacies of conflicts spread across borders and create global uncertainty. While the international community is largely focused on ending the war in Ukraine and reconstructing the country, the cross-border effects must not be ignored, given their potential impacts on the world's most vulnerable populations.

Given the enormous global human and economic costs of wars, significant efforts and resources are deployed to prevent conflicts from arising in the first place, and to bring countries affected by conflict into rapid recovery when wars end. Conflict prevention is largely done via diplomatic means and bilateral and multilateral negotiations, whereas peacekeeping is a key tool used to avoid the reignition of conflict in post-conflict settings. There has also been a large increase in the share of aid budgets earmarked to support stability, peacebuilding, and statebuilding in conflict-affected countries in response to **UN Sustainable Development Goal 16**. These conflict prevention mechanisms have had, at



best, mixed results. This is illustrated, for example, by the fallout from the withdrawal of US and NATO forces from Afghanistan.

Part of the problem is that interventions implemented in post-war contexts implicitly assume a blank slate, where new institutions can be built from scratch. This is rarely the case. UNU-WIDER research on the institutional legacies of violent conflict shows that conflict induces important institutional transformations that can be harnessed to shape post-war statebuilding and economic development trajectories. A lot more work is needed to better understand how these forms of institutional change can be used to strengthen state capacity and its bureaucratic reach and build social contracts and trust in post-conflict settings. More progress is also needed in the design of more effective policies to reduce the threat of violence in fragile states and spillovers across regions. Moreover, much of what is known about the long-term legacies of armed conflicts is also usually based on populations that can be easily observed in surveys. Less is known (and limited data exists) on more hidden populations, such as refugees (especially children) who cross borders and vulnerable populations who remain in conflict zones.

The main aim of the 2024–27 UNU-WIDER work programme under the conflict area is to provide new analysis and evidence to (i) better understand and address the complex reasons underlying the increasing divergence in development outcomes between peaceful and conflict-affected states, including those under humanitarian emergencies and (ii) identify how the effects of wars and political instability shape national state formation, as well as global economic, social, and political outcomes due to interdependencies between countries. To this effect, the programme will focus on three key areas of inquiry: (a) conflict prevention, (b) legacies and their implications for peace, and (c) socioeconomic recovery and statebuilding.

Key questions driving this research area:

- What is the poverty gap between conflict-affected and peaceful countries and how is this gap projected to evolve over the next 20 years?
- How can countries emerging from violent conflicts strengthen the social contract between state and citizens, as well as more cohesive and inclusive bureaucracies and institutions?
- What role can social protection policies and interventions to protect livelihoods among conflict-affected communities play in supporting sustainable and inclusive peace?
- How can international aid be better leveraged to protect the most vulnerable populations in the world?

### 3.3 Creating the fiscal space for development

The third challenge is to create fiscal space for development. How can economies and tax systems be strengthened to increase domestic revenues and support the provision of crucial public goods and services, such as universal education, public health systems, and an effective administration of justice? How can public spending, through social protection programmes, for example, be more effective in reducing poverty and inequality? What are the potential impacts of different policy changes on poverty, inequality, and government revenues, and how does it differ by gender? How can the global system and the international financial architecture (IFA) be reformed—in the face of reduced aid budgets, economic and political volatility across the world, and the need to scale up development and climate financing—to support the necessary fiscal space for development?

Almost 40% of countries in the Global South suffer from severe public debt burdens. These countries account for around 40% of the world's population living in extreme poverty. Unlike the previous debt crises, the lion's share of the external debts of most of these countries are owed to private creditors (chiefly, bondholders) and commercial creditors from China, rather than to other nations or multilaterals. This makes debt renegotiation, resettlement, and resolution more challenging. The current global sovereign debt architecture—the Debt Service Suspension Initiative and the Common Framework for Debt Treatments—are principally targeted to Paris Club and G20 bilateral creditors. This framework is not fit for purpose in today's context.

There is an urgent need for practical solutions that can address the multilayered nature of the current debt crisis and can meet the varied interests of both private and official creditors and debtor countries. Moreover, any debt restructuring initiative needs to be linked to climate action, such as ambitious debt for climate swaps that ensure that countries can catch-up on a pathway that leads to greater climate resilience alongside inclusive economic growth to promote inequality reduction.

This is why UNU-WIDER will work with country partners to support the voices of the Global South in ongoing global policy debates on reform of the IFA. The Institute also aims to outline a set of actionable policy recommendations to reform global monetary and financial systems to support greater fairness in the system and in ways that address the needs and ambitions of Global South governments hoping to gain the fiscal space to invest in the achievement of the Sustainable Development Goals.

The COVID-19 pandemic caused a decrease in nearly all sources of finance for development, amounting to a 17% drop in official development assistance (ODA) over 2019–20. This has left the most aid-dependent countries with an increasing budgetary shortfall. Improving the ability of national governments to generate fiscal resources for development spending is perhaps even more critical today than it has previously been for the achievement of the SDGs.

The 2024–27 work programme also supports the strengthening of tax and benefit systems in the Global South, not only to achieve the fiscal space necessary for development spending but also in support of reduced inequalities. Inequality can be mitigated through redistributive policies implemented by governments, through progressive taxation and universal or well-targeted benefits and social protection programmes. However, even rich countries with well-consolidated welfare states face serious limits to their redistributive capacity, particularly in a globalizing world. This raises important questions about the design and financing of social security systems in countries with limited state capacity to mobilize internal resources, increasingly young populations, and large shares of informal employment.

Reimagining new redistributive systems that address these challenges requires increases in national resource mobilization capacity that UNU-WIDER can support through its efforts to improve data and the analytical skills of researchers and policymakers in the Global South. UNU-WIDER will build on the research and capacity development undertaken in the country programmes (SA-TIED and IGM) and in previous work programmes, such as in the projects **Building up efficient and fair tax systems – lessons based on administrative tax data** and **SOUTHMOD**.

In this previous work, we built a series of long-term partnerships with revenue authorities in sub-Saharan Africa and, in SOUTHMOD, with national teams around the world. The 2024–27 work programme continues and deepens our important work developing, updating, and providing free tax-benefit microsimulation models to support better policymaking by simulating the effects of policy reform options on national poverty rates, inequality levels, and government revenues.

Key questions driving this research area:

- What actions must Global South governments take to increase domestic revenue mobilization, reduce debt-servicing costs, and finance public budgets effectively?
- What measures are necessary to enhance fiscal space, and how can the international tax architecture be reformed to support these measures?
- How can the design of tax and social protection policies be improved to reduce poverty and inequality cost-effectively?
- What are the distributional and budgetary effects of indirect taxes, environmental taxes, and fuel subsidies, particularly when considering behavioural effects?
- Does taxation improve governance? Which forms of taxes—on labour or capital—are more likely to yield a governance dividend?

### **3.4 Cross-cutting themes: Climate change, gender equality, and data for development**

The 2024–27 work programme has climate change, gender equality, and data for development as cross-cutting themes. These themes are incorporated into all the research areas given their importance to sustainable development.

#### **Climate change**

Ensuring a just transition to a net-zero future is one of the critical challenges facing the world today. The impacts of the net zero transition on households are both direct and indirect. Direct impacts include the generation of new jobs in the green economy (e.g., in building wind and solar power infrastructure and the loss of jobs in the old fossil fuel economy). The net employment impact depends on the scale of investment (in the net zero economy) and disinvestment (in the fossil fuel economy) and their relative labour intensities.

The distributional impact of job creation in the green economy depends on the skills and ability of different income groups and their ability to access new green jobs, which has a spatial dimension—some new green investments may be very concentrated (e.g., hydrogen plants), while others are geographically diffuse (e.g., community solar). As old industries shut down, many communities will lose out and require substantial public assistance to avoid severe local unemployment impacts. Such public assistance will need rigorous evaluation of its effectiveness and distributional effects. Moreover, there are likely to be strong gender and inter-generational dimensions to these outcomes, given strong gender and age differences in access to employment opportunities.

Without good analysis, there is a real risk that governments will waste public money on schemes that are of little help to those adversely affected, while failing to capitalize on the opportunities offered by green growth trajectories. The expansion of access to energy supplied by wind and solar could support the SDG goal of ending energy poverty. Currently, nearly 800 million people live without electricity and further millions have unreliable access to it. Ending energy poverty will boost productivity and incomes—potentially lifting millions out of absolute poverty.

These indirect benefits are potentially very large, but analysis is needed to understand how best to capture them—not least how to finance the very large costs of expanding and reconfiguring the necessary energy infrastructure. One goal of this cross-cutting theme is to get a better handle on the scale of these benefits and the policy steps and investments required to take advantage of them.

A just energy transition is not merely about the distribution of benefits and losses related to jobs and livelihoods. Very important indirect impacts are transmitted through prices, and thereby to the cost of living, as well as to the costs of production. Specifically, net zero likely requires the removal of fossil fuel subsidies, which the IMF estimates at an annual USD 6 trillion globally. Reductions to fuel subsidies are especially contentious and UNU-WIDER research has already shown that 41 countries experienced fuel riots between 2005–18, leading in many cases to reinstatement of the subsidy.

Governments generally have a weak track record in managing subsidy reform and subsidies are often reduced without first building an adequate social protection system that can then be adjusted, using the fiscal savings from subsidy reform, to offset the cost-of-living increases for poorer households. Evidence-based research can play a valuable policy role in showing how this can be done in a cost-effective manner.

Another specific interest in the cross-cutting theme of climate change will be to examine the developmental consequences of carbon taxation. A shift to carbon taxation implies strong price adjustments, as the effect of the tax works its way through the value chain. Policymakers will need detailed analysis of the welfare effects of carbon taxes (and other forms of carbon pricing), both the immediate impacts and the longer-term behavioural responses. Most research on carbon taxation to date is on high-income economies, with relatively little knowledge being produced for lower-income countries; an important gap we aim to fill.

## Gender equality

While there has been considerable commitment to reducing gender inequality in education and health, overall progress towards achieving SDG5: Gender Equality has been slow. Gender barriers, intersecting with other forms of disadvantage such as race, ethnicity, and class, continue to pose significant challenges in low- and middle-income countries. UNU-WIDER will facilitate a systematic and consistent integration of gender and inclusion in all dimensions of the 2024–27 work programme.

In each of the three core research areas, there will be an emphasis on identifying barriers to women's economic and social empowerment. A particular focus of our research is on mother–daughter social mobility in lower-income countries and understanding the country-level drivers of gender inequalities in labour markets. Other focus areas are on gender responsive policy approaches to sustaining peace and the gendered impacts of tax and benefit policies.

Further, in our work on capacity development we will ensure that women who are early-career researchers from Global South countries are given substantial representation in our activities, including workshops, conferences, co-authorship of research outputs, and trainings (see Box 1). A core aim of UNU-WIDER is to support the broadening and diversifying of voices and perspectives in development research. We see several synergies between this objective, gender equality, and the ongoing movement around the world to decolonize knowledge and to address inequities in relations and collaboration between researchers in the Global North and South.

## Data for development

The availability of accurate and timely data is essential for sound policymaking across the three research areas of UNU-WIDER's 2024–27 work programme. UNU-WIDER hosts, updates, and maintains as a public good two of the world's most extensive databases in their areas: the **Government Revenue Dataset** (GRD) and the **World Income Inequality Database** (WIID). In partnership with the Groningen Growth and Development Centre, UNU-WIDER also brought out a dataset on sectoral employment and production for several low- and middle-income countries, the **Economic Transformation Database** (ETD).

The production and analysis of quality data is key to research, analysis, and the formulation of development policy. UNU-WIDER has been at the vanguard of data advancement, producing and making available key datasets as public goods and supporting governments and policy partners to strengthen

their data capacity through targeted projects. For example, we have made significant and ongoing investments to support access to administrative data from national government agencies, especially data from revenue authorities, for research and policy analysis. By improving access to and the quality of tax administrative microdata for analysis, UNU-WIDER has positioned itself at the forefront of big data research for development. This work began with our partnership with the National Treasury of South Africa and the South African Revenue Service in our South Africa country programme (**SA-TIED**) and has expanded to collaborations with several other revenue authorities in sub-Saharan Africa under the Domestic Revenue Mobilization (DRM) programme. A related project is SOUTHMOD, which builds, updates, and maintains tax-benefit microsimulation models for Global South countries in partnership with national teams. These freely available models enable cost-benefit analysis of national policy reforms, specifically by measuring the impact of a policy measure on household welfare, national inequality, and the government budget.

Under this cross-cutting theme, UNU-WIDER plans to continue this work, deepening and extending our contributions to the 'data revolution for sustainable development'. The Institute plans include updating and expanding the scope of the WIID database with new measures of national social mobility and microdata on demographic characteristics of national populations, which will enable empirical analysis of group-based inequalities. We will also carry on working with revenue authorities in sub-Saharan Africa to build data infrastructure and capacity in the region and support access to additional administrative data sources, such as enterprise registers, social protection databases (including in humanitarian contexts), refugee registration systems and government procurement data, which could be used for research purposes. We will seek to collaborate with national statistical offices, the World Bank, and other UN agencies in this endeavour.

## 4. Mainstreaming capacity development

UNU-WIDER is engaged in capacity development through four broad avenues:

- prioritizing and mainstreaming the involvement of academics from the Global South and early-career researchers in knowledge creation
- co-creating research via partnerships with individual researchers and policy analysts, as well as academic and policy institutions across the globe
- professional development activities to strengthen the capacity of individuals
- short-term training courses

Capacity development is not a one-way street. It takes place through knowledge exchange between people with different expertise, skills, and backgrounds, who are purposefully brought together as part of UNU-WIDER's projects. Building on the Institute's track record in this area, a key objective of the 2024–27 work programme is to prioritize and mainstream the involvement of academics from the Global South and early-career researchers in UNU-WIDER's research projects. Particular attention will be paid to researchers who are not only nationals of Global South countries, but also based in Global South institutions, particularly in least developed countries (LDCs) (see **Box 1**).

A key point to note about UNU-WIDER's mainstreaming approach is that often the Institute does not explicitly label these efforts 'capacity development'. For instance, all participating researchers are invited to engage in a project in the same way, with no explicit capacity development label for some. A key reason for this, which is tied to our overall objectives, is that 'capacity development' is often interpreted to imply a one-way directional exchange of knowledge, often from the Global North to the Global South, rather than the co-creation and diverse exchange of knowledge that we aim for in all our research activities.

Prioritizing support for diverse capacity in research can have obvious implications for the quality of research outputs and for publication-related metrics. One key concern for UNU-WIDER is to find the right balance between these two core objectives. UNU-WIDER's mainstreaming approach to capacity development also means that the Institute's in-house researchers are expected to devote greater attention to support and mentorship to project collaborators beyond what might elsewhere be provided to a consultant or commissioned author.

### **Box 1: The WIDER network and inclusion of researchers from the Global South**

As in previous UNU-WIDER work programmes, the Institute's projects and activities are coordinated by a core group of **UNU-WIDER resident and non-resident researchers**—with support by the Institute's programme, administrative, and communications personnel—and are being implemented through various collaborations with individual researchers and institutional partners in Africa, Asia, and Latin America. It is the strength of this network of researchers that creates evidence on the three key development challenges discussed in this document and provides the Institute with an important voice on development.

The share of external researchers who contributed to the 2019–23 work programme from the Global South was over 60%, and nearly half of all these researchers were living in a Global South country. Furthermore, more than half of UNU-WIDER's publications were co-authored by women. In 2022 alone, 383 external researchers participated in the Institute's projects. Of these, 214 were nationals of developing countries, and 165 lived in the Global South. Among them, 70 were female researchers, with 53 based in developing countries. These statistics highlight UNU-WIDER's robust engagement with researchers from developing regions and underscore the Institute's strong presence in the Global South. Moving forward, the 2024–27 activities aim to further enhance this network, increasing engagement and impact within these communities.

## 4.1 Knowledge co-creation

In line with the mainstreaming approach, which allows researchers with different backgrounds to collaborate and discuss methodologies and country experiences in the context of a UNU-WIDER project, the Institute puts emphasis on co-creation of knowledge between researchers and people involved in policy processes. Providing the platform for such engagement between researchers and policy analysts contributes to mutual learning and increased understanding. Often these collaborations are embedded in long-term partnerships between academic institutions and government departments, in which UNU-WIDER plays a convening role. Examples in this regard are our in-depth country engagements in South Africa and Mozambique or the collaborations with revenue authorities in sub-Saharan Africa.

## 4.2 Professional development

To support the long-term professional development of Global South and early-career researchers, and to broaden their inclusion in development research and UNU-WIDER projects, the Institute will implement two major initiatives during the 2024–27 work programme:

### Visiting programmes

UNU-WIDER's Visiting PhD Fellowship Programme has been running for more than two decades alongside the Institute's Visiting Scholar Programme, with more than 330 researchers hosted in the two programmes since 2001.

The **Visiting PhD Fellowship Programme** provides doctoral students from across the globe with the opportunity to utilize the resources and facilities at UNU-WIDER for their PhD dissertations (typically focused on Global South economies) and to work with our researchers in areas of mutual interest.

The **Visiting Scholar Programme** enables qualified scholars to spend time at UNU-WIDER free of normal academic obligations in order to research topics related to development and global economic issues and to participate in UNU-WIDER activities. Both programmes are implemented through a competitive call, whereby selected researchers spend up to three months at the Institute's premises in Helsinki.

In both programmes, special attention is given to the inclusion of female and Global South researchers and participants are selected to ensure their research topics align with the broad thematic priorities of UNU-WIDER's work programme. These two programmes have been very successful, with several past participants in the PhD fellowship programme moving on to senior university positions and policy roles in government and international organizations and they continue to engage with the Institute in these new roles. Participants in the Visiting Scholar Programme often remain as collaborators in UNU-WIDER projects and activities.

### Summer and Winter School

UNU-WIDER has organized its first two summer/winter schools during the 2019–23 work programme on key focus areas of the Institute's work (on **applied labour economics and on tax policy research**). Both courses provided early-career scholars and policy analysts in the Global South with a toolkit in these respective areas and avenues to engage with UNU-WIDER's project work as future collaborators. During the 2024–27 work programme, UNU-WIDER will organize a summer school under the research areas to increase the capacity of Global South researchers to engage in the Institute's work.

### Trainees in country programmes

Within the context of UNU-WIDER's country-level engagements—where UNU-WIDER has outposted researchers based in local organizations—UNU-WIDER directly supports the capacity development of early-career researchers, thus building the next generation of economists in these countries. Within local trainee programmes, promising national researchers work alongside UNU-WIDER researchers to implement the research activities of those country programmes.

## Training courses

UNU-WIDER will continue to organize a range of short-term, capacity-strengthening activities. These training courses are fully embedded in UNU-WIDER research projects and are key investments in delivering on the desired project outcomes around changes in the use of research and policy analysis skills of the projects' stakeholders.

Following the experience with its previous **Massive Open Online Courses** (MOOC) and the **SOUTHMOD online training course**, UNU-WIDER continues to invest in e-learning experiences during the 2024-27 work programme to allow for increased research uptake among its target audiences and thus contribute to their skills development.



## 5. Knowledge mobilization for impact

UNU-WIDER has an impressive track record in research communications to its target audiences. Those audiences continue to be (i) decision-makers in Global South countries, (ii) their development partners (bilateral and multilateral), and (iii) the global research community. The Institute produces tailored knowledge products for these target audiences. They are then communicated through the right outreach channels to reach the right audiences. Furthermore, knowledge exchange requires strengthening partnerships and connecting people at the interface between research and policy to allow for research uptake and policy impact.

UNU-WIDER has proven to be an excellent **host of research** and **producer of materials translating** research findings for a broader audience. The working papers and peer-reviewed outputs are translated into different formats to facilitate stakeholder engagement at many conjunctions. The Institute has hosted seminars and public events for priority target audiences, where research and policy briefs are available as takeaways. The website hosts a blog series and we regularly publish op-eds in global media outlets, both of which can translate the knowledge created by research into a digestible format. This approach holds the potential to lead stakeholders globally to engage with a piece of research. Many of these outputs are available on open access. Social media is used actively by the Institute to amplify the reach of the research and connect with ongoing conversations. UNU-WIDER produces mini-documentaries and video interviews to present the stories of original, high-quality research in an accessible and engaging format.

Effective communication is a two-way process. UNU-WIDER values the insights and experiences of people involved in development policy processes across the world and aims to embed their knowledge into the creation and implementation of the Institute's research projects. Hence, the Institute's experts engage in various fora and present the Institute's research findings on numerous occasions throughout the year. In addition, UNU-WIDER convenes a series of different events. This includes two annual flagship events—the WIDER Development Conference and WIDER Annual Lecture.

The series of **WIDER Development Conferences** that have taken place since 2001 are a particularly valuable avenue for the development research and policy communities to exchange knowledge and experiences around the world. UNU-WIDER uses its resources to ensure participation from across the Global South. During the 2024–27 work programme, UNU-WIDER will organize an annual WIDER Development Conference on the research areas outlined in this document. The conferences will bring together researchers, practitioners, and policymakers to present and discuss the latest research, findings, and policy recommendations to feed into the broader international debates on these topics. It is planned that some of these conference over the coming four years will be organized in the Global South, providing an opportunity for the increased engagement of the local academic and policy community and additional South-South and North-South exchange.

The prestigious series of **WIDER Annual Lectures** will also continue during the next four years, and will be delivered by an eminent scholar or policymaker who has made a significant contribution in the field of development economics. The key findings and policy recommendations from lectures are always summarized in a publication and shared with policymakers and practitioners in the developing world, across the UN, and in the international community more broadly.

In addition to these two flagship series, UNU-WIDER will continue to organize policy workshops, research seminars, project workshops, technical trainings, and presentations across the Institute's thematic and country level engagements drawing on UNU-WIDER's truly global network of researchers and policymakers. A special emphasis will be put on engaging and involving developing country researchers, especially female researchers, in these events, both large and small.

## 6. Conclusion – using our comparative advantage to deliver results

UNU-WIDER is uniquely placed to undertake research and policy analysis on the three major contemporary development challenges:

- Reducing inequalities across and within countries
- Building sustainable peace in conflict-affected states
- Creating fiscal space for development

The 2024–27 work programme will focus on the synergies across these challenges, and priority will be given to studies which contribute to addressing more than one of the research areas. Examples include projects that address the interaction between climate, conflict, and food insecurity, focus on promoting sustainable growth and inclusive governance in conflict-affected countries, or propose new social contracts for provisioning finance to debt-distressed public budgets.

This focus on interactions between the challenges builds on a longstanding tradition of UNU-WIDER research on big-thinking questions in international development that cut across academic silos.

As an organization whose network spans the regions of the world, UNU-WIDER has a well-established track record in furthering the exchange of knowledge between Africa, Asia, and Latin America. Through its mainstreaming approaching to capacity development and its training and country programmes, UNU-WIDER is well-positioned to address the capacity needs of researchers and development professionals to advance knowledge and impactful research on some of the most pressing development challenges of our times.

Finally, as a UN agency and one of the most respected research institutes in development economics, UNU-WIDER can provide thought leadership to these core development challenges within the UN system and beyond. Together with its partners in the Global South, UNU-WIDER will support and amplify the voices of the Global South in international and multilateral forums for knowledge sharing and policy formulation.

## Annex I: Theory of Change

As outlined in this document, UNU-WIDER will implement programmes and projects that are centered around key partnerships with academic and policy institutions and that are engaging a large network of researchers from around the globe. Inclusiveness and diversity are key in the composition of these networks to understand better the three mega-challenges of building sustainable peace, reducing inequalities, and creating the fiscal space for development.

Under the umbrella of its 2024–27 work programme, UNU-WIDER will implement the following seven broad set of activities as elaborated above:

1. Undertaking research and policy analysis of highest quality
2. creating and providing new data sources and tools for new research and effective policy
3. facilitating new research partnerships and co-creation of research
4. creating policy demand for evidence
5. strengthening research and policy skills through partnership and training
6. effectively translating and communicating knowledge
7. providing a platform for diverse knowledge exchanges

Through the engagement with the Institute’s immediate stakeholders of researchers, multi- and bilateral development partners, international development organizations and NGOs, and people involved in policy processes in the Global South, three broad sets of outputs emerge for these stakeholders:

1. New knowledge and data: new data for research and policy analysis is made available and high-quality, policy-relevant evidence in development economics is made freely available globally
2. New skills and capacities: a solid foundation for future research and evidence-based policy-making is built through improved capacity of researchers and policy analysts
3. Enhanced understanding of research-policy links and impact: Tailored and easy-accessible knowledge products are being communicated through effective channels and strengthened partnerships are built that connect research and policy

Recognizing the importance of conducting agenda-setting research at the global level, while simultaneously fostering change at the local level, six programmatic pathways are applied that accompany the Institute’s stakeholders to lead to the changes envisaged under the 2024-27 work programme. These six pathways include (i) setting agendas and informing policy with up-to-date, independent, rigorous evidence and data on the three mega-challenges, (ii) linking up stakeholders engaged on these challenges across research and policy communities to build combined capacities, (iii) facilitating dynamic knowledge exchanges on the latest knowledge on these themes between national and international researchers and policy analysts, (iv) acting as a thought-partner and advisor to the Institute’s stakeholders to help them navigate these complex policy problems and tailor approaches to address them for their specific settings, (v) contributing to building the next generation of development economists in the Global South working on these topics, and (vi) supporting local actors to apply their analytical capabilities to their local policy challenges.

Through these pathways, we believe UNU-WIDER can make a significant contribution to:

- Changes of understanding and problem recognition around the three mega-challenges of the Institute's stakeholders.
- An extended 'toolbox' of policy analysis, evidence, and data that is being used by the stakeholders to improve policies on the three mega-challenges.
- The stakeholders' use of their expanded capacities and skills for research and policy analysis in their own respective settings.
- How the stakeholders contribute forward-looking ideas and thought-leadership for positive influence and change in their settings.

Over time, these immediate outcomes of the envisaged 2024–27 work programme will lead to the adoption and implementation of more social inclusive development policies and programmes at international, national, and local levels, taking into account the effects of the three mega-challenges on the economy, state, and societies, and thus increasing the wellbeing of current and future generations.

The following graph illustrates UNU-WIDER's Theory of change for its 2024-27 work programme.

# UNU-WIDER 2024-27 Work Programme

## Theory of Change

