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Wealth Tax as an Alternative Fiscal Instrument: A Systematic Literature Review of Its Potential to Reduce the Gini Coefficient and Increase the Taxto-GDP Ratio Toward Indonesia Emas 2045

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Abstract
This study aimed to analyze the potential of wealth tax as an alternative fiscal instrument to support reductions in the Gini coefficient and increases in the tax ratio within the context of the Indonesia Emas 2045 agenda. The study employed a qualitative approach through a systematic literature review using the Scopus database as the primary source. Searches conducted for the 2015–2025 period yielded 599 initial records. After removing duplicates and conducting screening based on publication year, journal quality, abstract completeness, relevance, and full-text accessibility, a total of 117 studies from Scopus and seven supporting studies from other sources were included in the final synthesis. Data were analyzed descriptively and thematically, focusing on distributional impacts, revenue capacity, behavioral responses, administrative challenges, asset valuation, and political considerations. The synthesis results indicated that wealth taxes have the potential to reduce wealth concentration and strengthen fiscal system progressivity; however, their effects on the Gini coefficient depend on the scope of the tax base, thresholds, tax rates, exemptions, revenue utilization, and taxpayer responses. Their contribution to the tax ratio is also not automatic, as it is influenced by administrative costs, capital mobility, tax avoidance practices, and the ability of authorities to identify and assess taxable assets. The literature emphasized the importance of asset registries, third-party reporting, information exchange mechanisms, beneficial ownership identification, valuation guidelines, and risk-based supervision. For Indonesia, wealth taxes are more appropriately positioned as part of a broader fiscal reform strategy rather than as a standalone instrument. This study did not calculate tax rates, thresholds, or revenue projections but developed a policy prerequisite framework to assess the feasibility of future wealth tax implementation.

INTRODUCTION

Economic inequality is reflected not only in differences in income but also in the concentration of asset ownership accumulated and transferred over the long term. Since wealth represents a stock of economic resources, its concentration can increase through capital returns, asset appreciation, and intergenerational transfers. The literature suggests that changes in taxation, transfers, and technological development influence the evolution of wealth distribution, while increasing wealth concentration continues to drive debates regarding taxes directly imposed on asset ownership (Kaymak & Poschke, 2016; Piketty et al., 2023).

In public policy discourse, wealth taxes are considered because annual income taxes do not necessarily capture the full economic capacity of taxpayers. Individuals may possess substantial assets, obtain economic benefits from asset appreciation, and maintain significant financial capacity without reporting equivalent levels of taxable income. From the perspective of vertical equity, this condition raises questions regarding whether the tax burden reflects the

taxpayer's ability to pay. Public support for wealth taxes also tends to increase when wealth is perceived as carrying social responsibility and when taxation is directed toward individuals with the highest economic capacity (Rowlingson et al., 2021; Schechtl & Tisch, 2024; Whillans et al., 2016).

However, normative arguments alone do not demonstrate that wealth taxes will be effective. International experiences show considerable variation. Some jurisdictions continue to maintain wealth taxes, some modify or abolish them, and others introduce alternative instruments targeting high-net-worth individuals. Differences in outcomes are associated with tax base design, thresholds, exemptions, asset valuation methods, data integration, administrative capacity, and behavioral responses, including portfolio adjustments, ownership transfers, relocation, and asset concealment (Advani & Tarrant, 2021; Mas-Montserrat et al., 2025; Perret, 2021).

For Indonesia, the wealth tax debate is relevant to efforts to build sustainable fiscal capacity and strengthen distributive fairness toward Indonesia Emas 2045. However, this relevance should not lead to the assumption that wealth tax implementation will automatically reduce the Gini coefficient and increase the tax ratio. The Gini coefficient is influenced by the distribution of pre-tax and post-tax income, as well as transfer mechanisms, while the tax ratio is determined by broader factors, including economic structure, compliance, administrative capacity, and the overall tax policy mix. Therefore, the relationship between wealth taxes and these two indicators must be examined through their underlying mechanisms, prerequisites, and limitations.

Previous studies have examined the effects of wealth taxes on wealth accumulation, taxpayer behavior, revenue generation, and equity. However, existing literature remains fragmented across fields such as public economics, political economy, fiscal sociology, tax administration, and asset valuation. Studies that simultaneously integrate inequality reduction and revenue capacity outcomes within the Indonesian policy context remain limited. This article addresses this gap by synthesizing cross-jurisdictional evidence and identifying the conditions that determine whether wealth taxes can function as an alternative fiscal instrument.

The novelty of this article lies in three aspects. First, the study connects distributional and revenue mechanisms within a single analytical framework, ensuring that the effects on the Gini coefficient and tax ratio are not treated as independent direct outcomes. Second, the study incorporates behavioral responses, administrative capacity, and asset valuation as conditional factors that may strengthen or weaken policy outcomes. Third, the study translates international evidence into analytical prerequisites for Indonesia without proposing definitive tax rates, thresholds, or policy designs.

Based on this background, this study aimed to analyze the potential of wealth tax as an alternative fiscal instrument to support reductions in the Gini coefficient and increases in the tax ratio within the context of the Indonesia Emas 2045 agenda, while identifying the policy and administrative prerequisites required for its implementation. The findings provide several practical benefits. This study offers a comprehensive synthesis of international evidence regarding wealth tax effectiveness, enabling policymakers to understand the conditions under which such instruments may contribute to inequality reduction and revenue mobilization. The identification of key determinants—including tax base design, thresholds, asset valuation, behavioral responses, and administrative capacity—provides practical guidance for developing

wealth tax policies that are both effective and administratively feasible. Furthermore, the prerequisite framework developed in this study serves as a practical tool for assessing Indonesia's readiness for wealth tax implementation by highlighting critical areas, such as asset registry integration, third-party data availability, and valuation guidelines, that require strengthening before policy adoption. This research also contributes to broader fiscal reform discussions by positioning wealth tax not as a standalone solution but as part of an integrated fiscal strategy, offering a balanced perspective that considers both potential benefits and significant implementation challenges. Ultimately, this study provides a foundation for evidence-based policy discussions on wealth taxation in Indonesia, supporting long-term fiscal sustainability and equity objectives toward Indonesia Emas 2045.

METHOD

Research Design

This study employed a qualitative approach using the systematic literature review (SLR) method. The SLR method was selected to enable a transparent and traceable process of literature identification, selection, evaluation, and synthesis. The reporting process followed the PRISMA framework to minimize unsystematic source selection and document the reasons for record exclusion at each stage.

The unit of analysis consisted of scientific articles discussing wealth tax, taxes on wealth, inequality, redistribution, revenue, tax ratio, behavioral responses, tax administration, or implementation aspects relevant to the research objectives. The primary focus was directed toward annual net worth taxes. Studies examining property taxes, inheritance taxes, or taxes targeting high-net-worth individuals were included selectively when they provided relevant evidence regarding distributional effects, revenue generation, compliance, or administrative mechanisms.

Search Strategy and Selection Criteria

Scopus is used as the primary database. The search covers the 2015–2025 publication period with a combination of keywords: "wealth tax", "net wealth tax", "wealth tax", "annual wealth tax", "one-time wealth tax", "wealth tax Gini ratio", "wealth tax tax-to-GDP", "wealth tax Gini coefficient", "Golden Indonesia 2045", and "tax the rich". Keyword combinations are adjusted to the title, abstract, and keyword fields to ensure that the search has an adequate level of affordability.

The inclusion criteria include articles that: (1) were published in the period 2015–2025; (2) available in scientific journals with Q1–Q4 classification; (3) have an abstract; (4) relevant to the research question; and (5) the full text can be obtained. An article is removed if it is duplicated, out of date, irrelevant, does not meet quality criteria, does not have an abstract, or cannot obtain the full text. Seven supporting studies from other sources were included after being assessed as having direct relevance to the context or mechanism being analyzed.

Literature Selection Process

An initial search yielded 599 records. A total of 44 duplicate recordings, 174 out-of-period recordings, 42 recordings that did not meet the journal ranking criteria, and 20 recordings without abstracts were released before screening. A total of 319 recordings were then filtered by title and abstract; 147 recordings were removed because they were irrelevant. Of the 172

reports searched for full text, 55 could not be obtained. With an additional seven supporting studies, the final synthesis includes 124 studies.

Table 1. Summary of the literature selection process

Stages	Quantity	Remarks
Early identification	599	Footage from Scopus
Duplicates removed	44	Double recording
Issued by year	174	Beyond the period 2015–2025
Issued based on journal quality	42	Not meeting the Q1–Q4 criteria
Without abstract	20	Cannot be adequately filtered
Filtered by title and abstract	319	Records after initial deletion
Ejected during screening	147	Irrelevant to the focus of the research
Full text searched	172	Potentially eligible reports
Full text not obtained	55	Unavailable or inaccessible
Studies from Scopus	117	Synthesis
Supporting studies from other sources	7	Login after relevance assessment
Final synthesis total	124	Final corpus of research

Source: processed from research selection data in the Watase Uake Report file.

Data Extraction and Analysis

The data is extracted into a matrix that contains authors, years, countries or contexts, objectives, methods, data sources, theories, themes, findings, limitations, and implications. Extraction also noted whether studies assessed distributional effects, acceptance, behavioral responses, administrative costs, valuations, or political acceptance. The use of matrices aims to maintain consistency when comparing studies with different designs and contexts.

The analysis was carried out through four stages. First, descriptive analysis to identify trends in years, regions, methods, and journals. Second, thematic coding to group findings into the themes of inequality, acceptance, behavioral response, administration, valuation, and legitimacy. Third, cross-study synthesis to identify suitability, differences, and conditions that explain the variation in outcomes. Fourth, policy interpretation to assess the relevance of findings to Indonesia.

This study did not conduct meta-analysis, tariff simulation, or econometric estimation of Indonesian data. Therefore, the results are not intended to indicate the amount of change in the Gini ratio or the tax ratio that will occur if the wealth tax is applied. Conclusions are analytical in nature regarding potential, mechanisms, prerequisites, and risks.

RESULTS AND DISCUSSION

General Characteristics of Literature

The wealth tax literature develops through several discipline groups. Public economics examines optimal design, distribution, savings, investment, and revenue. Political economy examines public support, policy coalitions, and the reasons for states to maintain or abolish wealth taxes. Accounting and tax administration highlight asset identification, valuation, reporting, and supervision. Such diversity suggests that the effectiveness of wealth taxes cannot be judged solely from rates or economic models, but must be seen as the result of interactions between design, institutions, behaviors, and information.

Methodologically, quantitative research dominates, mainly using administrative data, household surveys, regressions, *difference-in-differences*, microsimulations, and equilibrium models. Qualitative research and political economy enrich the analysis by explaining the legitimacy, institutional barriers, and social constructs regarding who is eligible for taxation. The dominance of the developed country context suggests that the transfer of findings to Indonesia needs to be done carefully because the availability of data, asset structure, administrative capacity, and compliance levels are different.

The most consistent themes are wealth inequality, fiscal justice, optimal tax design, taxpayer behavior, and implementation. The literature on direct tax ratios is relatively more limited than the literature on receipts or distributions. This condition is important because an increase in revenue from one instrument is not synonymous with a continuous increase in the tax ratio.

The Potential of Wealth Tax in Reducing Inequality

The results of the synthesis show that wealth taxes have distributional potential through a reduction in the rate of wealth accumulation after taxes. Danish evidence suggests that wealth taxes have an impact on the trajectory of wealth accumulation, particularly in wealthy groups, although responses differ according to household characteristics (Zucman et al., 2020). Evidence from Switzerland suggests that progressive wealth tax changes may be related to reduced concentration of wealth in the top group (Marti et al., 2023). The findings support the argument that wealth stocks can be the basis for redistribution, not just income streams.

However, the relationship to the Gini ratio is not always straightforward. Some studies measure the concentration of wealth, while the Gini ratio used in Indonesian policies often refers to the distribution of expenditure or income. Wealth taxes can affect the Gini ratio through changes in after-tax income, changes in asset ownership, as well as the use of revenues. If revenues are used for progressive transfers and public services, the distributional effect can be greater. Conversely, if the revenue is small or not directed at low-income groups, the effect on the Gini ratio may be limited.

Distributional effects are also determined by thresholds and exceptions. The high threshold directs taxes to the very wealthy group and reduces the administrative burden, but results in a smaller number of taxpayers as well as a smaller base. Low thresholds expand the base, but can increase compliance costs and liquidity risk. Exclusions for residential homes, retirement assets, or business ownership may protect social goals and productive activities, but excessive exclusions create opportunities for portfolio shifts and reduce horizontal fairness (Chamberlain, 2021; Rotberg, 2021).

Thus, a more appropriate conclusion is not that wealth taxes necessarily lower the Gini ratio, but that such instruments can strengthen progressivity and reduce wealth concentration if the basis is sufficiently comprehensive, avoidance is controlled, and revenues are used redistributively.

The Potential of Wealth Tax in Increasing the Tax Ratio

Wealth taxes can increase revenue by reaching wealth stocks that are not fully reflected in income taxes. The acceptance model suggests that these instruments can generate additional revenue, especially in systems with high concentrations of wealth. However, the magnitude of receipts is highly sensitive to thresholds, rates, asset coverage, exclusions, deductible debt, and behavioral responses (Advani et al., 2021) .

Gross receipts must be distinguished from net receipts. The administration of liquid assets at a relatively low market price, while special properties, closed companies, collections, offshore assets, and indirect ownership require more complex valuations and oversight. Administrative costs increase when assessments have to be done individually and are often disputed (Burgherr, 2021; Daly et al., 2021). If the tax base is eroded through exclusion, undervaluation, and avoidance, net receipts can be much lower than potential static.

The contribution to the tax ratio is also influenced by the size of the economy and the performance of other taxes. Because wealth taxes typically target small groups, their revenues may be distributionally important but not macrofiscally dominant. This instrument can increase the tax ratio if it generates recurring net revenue and does not replace or significantly reduce other tax revenues. Conversely, if taxes encourage relocation, changes in forms of income, or asset transfers, the increase in revenue can be offset by a decrease in other tax bases.

The implication is that wealth taxes need to be analyzed as part of the capital tax system. Coordination with income taxes, capital gains, property, inheritance, and dividends is necessary to reduce arbitrage. This systemic approach is more consistent with optimal tax theory than assessing wealth taxes as a separate instrument (Bastani & Waldenström, 2023; Piketty et al., 2023).

Behavioral Response and Risk of Tax Base Erosion

Taxpayer responses are a major source of uncertainty. Empirical studies show that wealth taxes can be responded to through reporting changes, reduced ownership of taxable assets, increased debt, migration, and corporate restructuring. Advani and Tarrant (2021) found large variations in responses due to different enforcement, design, and context. Mas-Montserrat et al. (2025) show that avoidance can materially affect the tax base, while Baselgia and Martínez (2025) show that special regimes can affect the mobility of very wealthy groups.

Not all responses are economic losses. Some changes reflect legal portfolio adjustments, and some responses can be minimized through design. The greatest risk arises when assets are easily moved or ownership can be disguised. Therefore, the tax base must be accompanied by rules on beneficial ownership, related party transactions, trusts, passive entities, and foreign assets. Debt reduction restrictions are also important to prevent the formation of liabilities whose main purpose is to reduce fiscal net wealth.

Enforcement can reduce reporting responses. Saez and Seim (2025) point out the importance of reporting obligations and notification letters supported by third-party data. Londoño-Vélez and Tortarolo (2025) show that information exchange and disclosure policies can reveal large amounts of hidden assets. The evidence confirms that administrative design is a substantial part of policy, not just the implementation stage after the law is issued.

Asset Valuation as a Critical Point

Wealth tax requires determining the value of assets on a specific date. For cash and securities traded, face value or market price is relatively easy to use. Difficulties increase on property, shares of closed companies, family businesses, intangible assets, artwork, and cross-jurisdictional ownership. Inaccuracies in valuations can create horizontal injustices, disputes, and avoidance opportunities.

The literature shows that there is no one method that fits all assets. Observed market prices can be used for liquid assets; administrative values or bulk models can be used for properties; *Net asset value*, revenue approaches, comparator transactions, and formulas can be used for

closed companies; while individual appraisals are required for unique assets (Bjerksund & Schjelderup, 2021; Daly et al., 2021). The choice of method should consider accuracy, cost, data availability, and consistency.

The valuation also needs to be updated regularly. Rarely updated values result in inequality between taxpayers and delays in following the market. In contrast, an annual valuation of the entire asset can incur high costs. Therefore, the administration can use a hierarchy of values: market prices for liquid assets, model values for homogeneous assets, adjusted financial statement values for business ownership, and appraisals for specific assets. An objection and appeal mechanism is needed to safeguard the rights of taxpayers.

Political Legitimacy and Public Acceptance

The success of wealth taxes does not depend only on economic calculations. Public attitudes are influenced by perceptions of the origin of wealth, the level of taxes that have been paid by the wealthy, the use of revenue, and trust in the government. Fisman et al. (2020) showed that there is public support for wealth taxes in the United States survey, but support may change by design and information. Schechtl and Tisch (2024) show that tax principles, self-interest, and policy feedback influence cross-country preferences.

Legitimacy increases when tax targets are clear, thresholds protect middle groups, transparent assessments, and revenues are linked to public purposes. Conversely, the perception that taxes are easily evaded, selectively applied, or inconsistent assessments can reduce voluntary compliance. The findings of Campos-Vazquez et al. (2023) suggest that avoidance by wealthy groups can decrease people's willingness to pay taxes. Thus, procedural fairness and equal enforcement are part of fiscal effectiveness.

Implications for Indonesia Towards a Golden Indonesia 2045

The results of the synthesis provide several implications for Indonesia. First, the purpose of wealth taxes must be explicitly defined. Instruments geared primarily toward redistribution may use high thresholds and bases that target the concentration of wealth. Instruments geared towards greater receipts may require a broader base, but administrative and liquidity consequences are also increasing. Unclear goals will result in inconsistent designs.

Second, feasibility cannot be separated from information readiness. Indonesia requires the integration of asset data, including land, buildings, vehicles, financial accounts, securities, business ownership, foreign assets, and beneficial owners. International experience shows that surveillance of wealthy groups is more effective when authorities have third-party data and analytical capacity. Saputro (2025) provides evidence on the importance of supervision of high-net-worth individuals in the Indonesian context, while showing that the design of administrative interventions needs to pay attention to the response of taxpayers.

Third, fiscal valuation guidelines need to be established before taxes are implemented. Values used for reporting or other purposes are not always appropriate as a tax base. The guidelines should establish the valuation date, value source, method hierarchy, frequency of renewal, liquidity and control discount treatment, independent appraiser, and objection process. Without these guidelines, wealth taxes have the potential to generate disputes and injustice.

Fourth, the design must anticipate capital mobility and tax planning. Rules on beneficial ownership, anti-avoidance, related party transactions, debts, trusts, foreign entities, and changes of domicile need to be designed in an integrated manner. At the same time, legal

certainty must be maintained so that taxes do not create excessive uncertainty on productive investments.

Fifth, the relationship between wealth taxes and Gini ratios and tax ratios must be evaluated realistically. Wealth taxes can be a complementary instrument, but not a substitute for broader tax reform. The impact on inequality depends on the use of receipts and the design of spending; The impact on the tax ratio depends on net receipts and interactions with other taxes. Therefore, policy testing should be preceded by database studies, microsimulations, administrative tests, and public consultation.

Table 2. Synthesis of prerequisites for wealth tax development in Indonesia

Dimensions	Key prerequisites	Contribution to outcomes	Risks when not met
Policy objectives	Prioritization between redistribution, acceptance, and wealth transparency	Maintain consistency in design and evaluation	The instrument is not focused and the outcome is difficult to measure
Basis dan threshold	Definition of subjects, assets, obligations, exclusions, and thresholds	Determining the progressivity and potential of acceptance	Narrow base, arbitration, or burden on an inappropriate group
Valuation	Hierarchy of values, assessment dates, updates, appraisals, objections	Maintaining horizontal fairness and auditability	Undervaluation, disputes, and high compliance fees
Data and verification	Asset registry, third-party data, beneficial ownership, system integration	Reduce unreported assets and strengthen receipts	Taxes only reach transparent assets
Administration	Rich taxpayer units, risk analytics, appraiser and auditor capacity	Increase compliance and net acceptance	Administrative costs outweigh benefits
Anti-avoidance	Debt rules, related parties, trusts, foreign entities, migration	Prevents base erosion	Aggressive relocation and restructuring
Use of receipts	Links to progressive spending or transfers	Increase the impact on the Gini ratio	Limited distributional impact
Evaluation	Microsimulations, indicators of net acceptance, compliance, and distribution	Assess effectiveness on a regular basis	Policy is maintained without sufficient evidence

Source: Authors' synthesis based on literature review, 2026

Synthesis of Findings

Overall, the literature does not support the simple conclusion that wealth taxes are always effective or always detrimental. The results depend on the policy configuration. A broad base with the right thresholds can strengthen progressivity, but it requires adequate data and valuation. Higher rates can result in large static revenues, but they also increase the incentive to avoid. Exceptions can protect social and productivity goals, but they can shift portfolios. Strong enforcement can broaden the base, but it must be balanced with legal certainty and the right to object.

The findings can be formulated in two propositions. First, the potential for inequality reduction is determined by the interaction between base coverage, effective progressivity,

behavioral response, and acceptance utilization. Second, the potential increase in the tax ratio is determined by net receipts after accounting for administrative costs, base erosion, and interactions with other taxes. Both outcomes cannot be achieved through the setting of tariffs alone.

Table 3. The path of the influence of wealth taxes on the Gini ratio and the tax ratio

Pathway	Expected influence	Reinforcing factors	Weakening factors
Wealth accumulation	Reduce the growth of wealth after taxes in the upper group	Comprehensive basis and consistent enforcement	Broad exclusions, relocations, and avoidance
Redistribution of revenue	Increase revenue or services for the lower group	Progressive shopping and transfers	Receipts are not directed at redistribution
Expansion of the fiscal base	Increase revenue from wealth stocks	Third-party data, valuation, and compliance	Undervaluation and hidden assets
Tax interactions	Strengthening the progressivity of the tax system on capital	Coordination with income, property, and inheritance taxes	Arbitration between tax types
Legitimacy	Increase compliance and voluntary acceptance	Transparency, fairness, and equal enforcement	Distrust and perception of unfair treatment

Source: Authors' synthesis based on literature review, 2026

CONCLUSION

This systematic review showed that wealth taxes have the potential to strengthen fiscal progressivity, reduce wealth concentration, and increase government revenue. However, international evidence does not support the assumption that their implementation automatically reduces the Gini coefficient or increases the tax ratio. Distributional impacts depend on the tax base, thresholds, tax rates, exemptions, liability deductions, taxpayer responses, and revenue utilization. Fiscal impacts depend on net revenue after accounting for administrative costs, asset undervaluation, tax avoidance, capital mobility, and interactions with other tax instruments. The reliability of asset valuation and the quality of tax administration are critical determinants of policy effectiveness. Wealth taxes can only capture economic capacity fairly if asset ownership is properly identified, valuation methods are consistently applied, offshore assets can be verified, and liability deductions are appropriately regulated. Third-party reporting, asset registries, beneficial ownership identification, data integration, and risk-based supervision are essential prerequisites alongside tax rate provisions. In the context of Indonesia Emas 2045, wealth tax is more appropriately positioned as one component of a broader fiscal reform strategy rather than as a standalone instrument for reducing the Gini coefficient and increasing the tax ratio. Before implementation is considered, further assessments are required, including wealth base studies, microsimulation analyses, administrative readiness assessments, cost-benefit analyses, and evaluations of potential interactions with other taxes. This study does not propose a final policy design but provides a prerequisite framework for assessing implementation feasibility more responsibly.

For policymakers, the findings direct attention toward the sequencing of reforms. The initial stage should focus on strengthening asset ownership databases and valuation systems.

The subsequent stage should assess the potential tax base, determine distributional objectives, and develop a design that aligns with existing income and capital taxation frameworks. Implementation should be accompanied by evaluations of net revenue outcomes, compliance changes, disputes, capital mobility effects, and wealth distribution impacts. A phased approach can reduce the risk of implementing instruments that are normatively attractive but not yet supported by sufficient administrative capacity. This study was limited to literature primarily derived from Scopus and covering the 2015–2025 period. The predominance of studies from developed countries limits the direct generalizability of findings to Indonesia. Differences in wealth tax definitions, inequality measurements, estimation methods, and reported outcomes prevent the results from being consolidated into a single effect estimate. The study also did not conduct meta-analysis, microsimulation using Indonesian data, or causal testing. Future research should develop a comprehensive map of Indonesian household wealth, evaluate the quality of asset and liability data, and conduct microsimulation analyses using various thresholds, tax rates, exemptions, and behavioral response scenarios. Further studies should also compare wealth taxes with alternative instruments, including strengthened property taxes, inheritance taxes, capital gains taxes, and enhanced supervision of high-net-worth individuals. Therefore, future policy recommendations can be based on comparative effectiveness rather than solely on the normative attractiveness of a particular instrument.

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