



Economic and Social Commission for Asia and the Pacific**Seventy-fifth session**

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“Empowering people and ensuring inclusiveness and equality”: general debate on the theme topic**Closing the Gap: Empowerment and Inclusion in Asia and the Pacific****Note by the secretariat***Summary*

The present document contains an executive summary of the theme study of the Economic and Social Commission for Asia and the Pacific (ESCAP) for 2019, *Closing the Gap: Empowerment and Inclusion in Asia and the Pacific*, which is aligned with the theme of the high-level political forum on sustainable development for 2019 and focuses on three of the six Sustainable Development Goals under review, namely, Goal 4 on quality education, Goal 8 on decent work and Goal 10 on reducing inequality. Drawing on data analysis from 27 ESCAP developing member States, the theme study finds few indications of underlying empowerment among disadvantaged groups. In countries where such indications are found, they are more prominent in education compared with employment and income. The study also finds that strong institutions and legal frameworks are essential for promoting inclusion and empowerment, whereas the level of economic development does not necessarily determine a country's potential to achieve equality for all.

The Commission is invited to review the findings in the present document and provide the secretariat with guidance and recommendations for its future work on inequality.

I. Inclusion and empowerment for equality

1. The 2030 Agenda for Sustainable Development is a call to leave no one behind, placing equality at the centre of national policymaking. Equality requires that everyone be included in and benefit from development outcomes. The Sustainable Development Goals emphasize universality, so that all people have access to basic services and opportunities, irrespective of their background. The 2030 Agenda also specifically recognizes the role of empowerment for achieving equality, particularly among disadvantaged

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groups and women. Inclusion is only effective if people are empowered to take advantage of opportunities and reach their full potential.

2. The average achievements the region has seen in education, employment and income reflect the role economic growth can play in helping people to realize their potential. However, these achievements represent only that: an average. Income inequality has been increasing in many Asia-Pacific countries, including in the region's most populous countries: China, India and Indonesia.¹ Inequality of opportunity is also high, especially in educational attainment and in full-time employment, a proxy for decent work.² The result is a growing divide between those who have and those who have not.

3. Women, rural residents, younger people, persons with disabilities, or those above the age of 50 are the most disadvantaged, while intersections of these characteristics, for example being a woman and a rural resident, further marginalize certain groups.³

4. Low levels of public investment in people in the region, particularly in education, health and social protection, exacerbate these gaps.⁴ Despite a modest increase in recent years, most countries in the Asia-Pacific region spend, on average, less than one third of the global average of 11.2 per cent of gross domestic product (GDP) on social protection.⁵ Expenditures on education and on health care are closer to, but still below, global averages.⁶ These findings do not bode well for the realization of the 2030 Agenda for Sustainable Development.

II. Unpacking inclusion and empowerment

5. Four years after the adoption of the Sustainable Development Goals in 2015, the high-level political forum on sustainable development has selected the topic of empowerment as the common thread for reviewing progress in Sustainable Development Goals 4, 8, 10, 13, 16 and 17. The call for action to advance empowerment, inclusion and equality is spread through the 2030 Agenda: from Goal 5, focusing on empowerment of all women and girls, to Goals 4, 8, 10, 11 and 16.⁷ Sustainable Development Goal target 10.2 specifically refers to reducing inequalities through empowerment and calls for social, economic and political inclusion of all people.

6. Social and economic inclusion, as understood in this brief summary, is the provision of services and opportunities to all members of society, irrespective of their age, gender, race, religion and ethnicity, and also of their location and class. System-level institutional reforms and policy changes

¹ *Inequality in Asia and the Pacific in the Era of the 2030 Agenda for Sustainable Development* (United Nations publication, Sales No. E.18.II.F.13).

² Ibid.

³ Ibid.

⁴ *Social Outlook for Asia and the Pacific: Poorly Protected* (United Nations publication, Sales No. E.19.II.F.2).

⁵ Ibid.

⁶ Ibid.

⁷ ESCAP, Asian Development Bank and United Nations Development Programme, *Accelerating progress: An empowered, inclusive and equal Asia and the Pacific* (forthcoming).

contribute to building inclusive societies and spur equality. Inclusive infrastructure also contributes to making equality a realistic aspiration.

7. For inclusion to be effective and meaningful, however, people also need to have the freedom to make choices and take advantage of available opportunities. Empowerment is the ability to make strategic choices about one's life and future.⁸ Empowerment requires an enabling environment for individuals and groups to voice their choices and act on their decisions. The conditions that should be in place are adequate material, human and social resources as well as agency – the ability to act on what one values. Resources and agency are the essence of capabilities, the potential that people have for living the life they want.⁹

8. In line with target 10.2, inclusion and empowerment can lead to equality, but only provided that an enabling environment is in place. For example, a policy may mandate the inclusion of a child with a disability in mainstream education, but without removing all barriers to access and attendance, the child will not be able to complete education. Similarly, there could be anti-discrimination legislation in the labour market, preventing employers from discriminating based on sex, yet women might not be paid an equal salary to men.

9. In reviewing progress towards equality, the theme study attempts to unpack inclusion and empowerment. It makes a distinction between, on the one hand, processes that bring disadvantaged groups significantly closer to the average or to advantaged groups and, on the other hand, processes that are inclusive, but not sufficiently so to close the gaps and lead to equality. The report makes the assumption that in cases where the gaps have significantly closed in at least one development outcome, the disadvantaged groups have benefited from underlying empowerment. Similarly, where advantaged and disadvantaged groups have benefited from development gains at a similar rate (development has moved in parallel), the disadvantaged groups have been included. Any progress for disadvantaged groups is noteworthy; narrowing the gaps among population groups marks a clear movement towards equality.

10. The analysis focuses on trends and directions of the gaps between disadvantaged and advantaged groups in three key areas of socioeconomic development: education (measured by secondary education completion), decent work (measured by full-time employment) and income (measured by annualized, real household income).¹⁰ These three indicators are selected because they have been extensively used in research publications to measure empowerment, in its various forms, and also because they reflect achievements in three of the six Sustainable Development Goals that will be under review by the high-level political forum in 2019 (Goals 4, 8 and 10).¹¹

⁸ Naila Kabeer, "Resources, agency, achievements: reflections on the measurement of women's empowerment", *Development and Change*, vol. 30, No. 3 (July 1999), pp. 435–464.

⁹ Amartya Sen, *Commodities and Capabilities* (New Delhi, Oxford University Press, 1999).

¹⁰ Owing to the data limitations and sample size restrictions, the analysis does not report on specific rates of individual groups.

¹¹ Ruth Alsop and Nina Heinsohn, "Measuring empowerment in practice: structuring analysis and framing indicators", Policy Research Working Paper, No. 3510 (Washington, D.C., World Bank, 2005).

11. The study also tracks progress of the furthest behind: groups of people where intersections of disadvantage limit opportunities. Focusing on education, the study shows that four circumstances shape the groups of people who are least likely to finish secondary education: low household wealth, being a woman, rural residence and ethnic or minority status. Over time, gender and belonging to the bottom 40 per cent of national wealth distribution are the two factors that have most increased in prominence. In most cases, this change has been the result of the diminishing importance of rural residence as a disadvantage.

12. Restricting the analysis is a dearth of data that would otherwise allow for disaggregation of relevant indicators by advantaged or disadvantaged groups over time. As a result, the policy debate runs up against a vacuum of evidence, based on which Governments could prioritize groups or areas upon which to focus. The ESCAP theme study uses a combination of data from Demographic and Health Surveys and multiple indicator cluster surveys for 16 ESCAP developing countries and the Gallup World Poll for 27 ESCAP developing countries. The latter data set has been used extensively in analysis carried out by various United Nations agencies and independent researchers. The data set enables disaggregation by population groups of interest (including women, rural residents, youth, mature workers), although relatively small sample sizes may at times limit the interpretations. By triangulating trends, wherever possible, with official Sustainable Development Goal statistics, this limitation has been somewhat addressed.

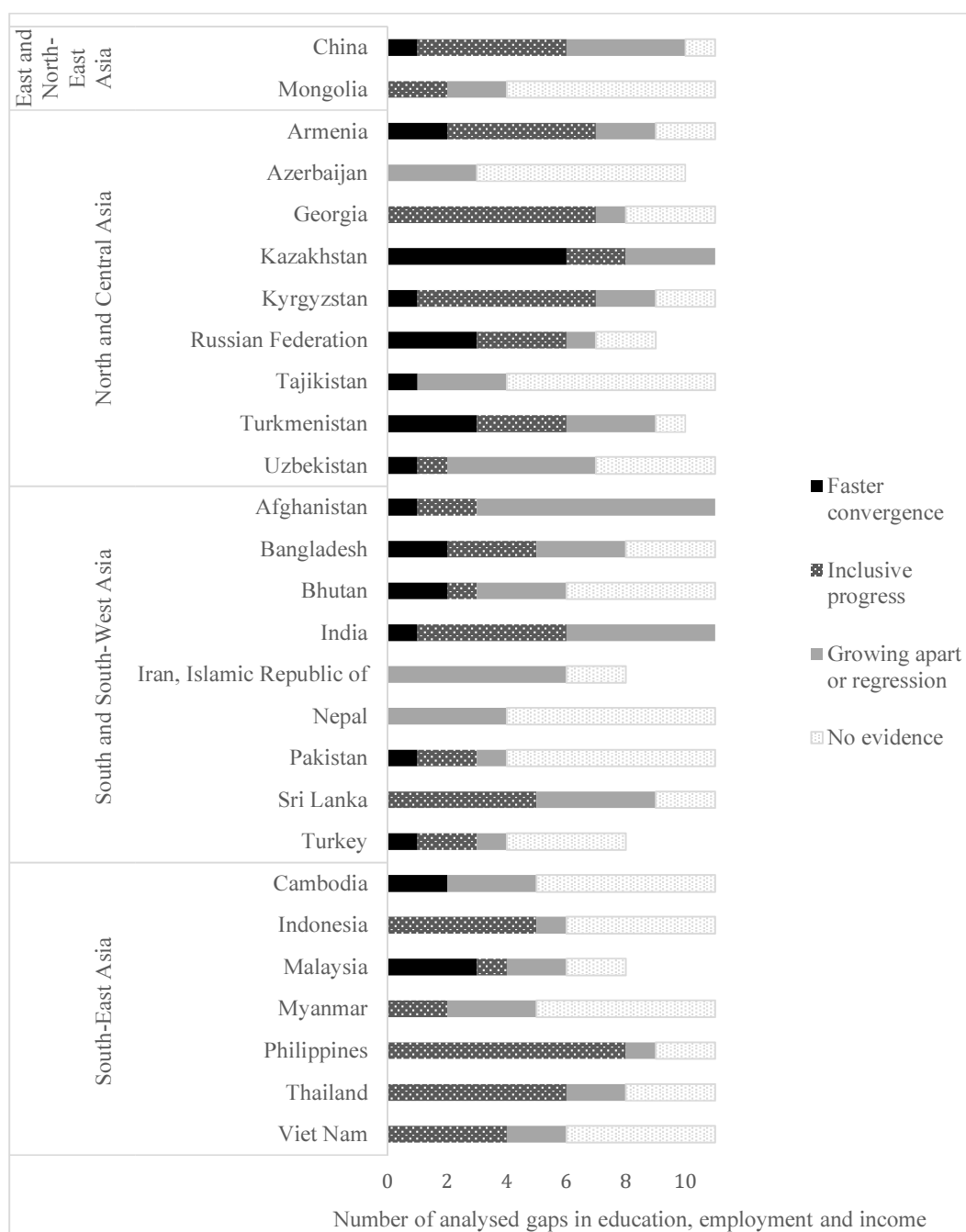
13. The analysis does not distinguish between the relative impact of resources and the role of agency in bringing about equality. Observing more equal outcomes says very little about the reasons behind the convergence: has equality come about because more resources are available, or because of increased agency among disadvantaged groups? Similarly, inclusion in development, even without convergence, could have taken place due to increased agency, against the face of limited resources.¹²

14. Instead, the study draws on the direction of change over time. By tracking the gaps between groups over time, rather than specific levels of achievement of individual groups, the focus shifts towards the goal of equality.¹³ The results are grouped in cases of “faster convergence” towards equality, “inclusive progress”, cases where groups are “growing apart or regressing”, and those where data are inconclusive or inadequate (see figure).

¹² Making the distinction between the relative contribution of resources and capabilities requires significant additional microdata collection that is beyond the scope of the theme study.

¹³ To present levels of development outcomes for different groups, it would be important to rely on official statistics and the use of official Sustainable Development Goal indicators. Unfortunately, this level of disaggregation is not available for several of the distinct disadvantaged groups upon which the study focuses (women, rural residents, persons with disabilities, and young, mature and low-educated workers), although official data are reported where possible.

Progress towards equality for disadvantaged groups in Asia and the Pacific in three areas: education, employment and income



Source: ESCAP calculations based on data from Gallup World Poll 2006–2016. The International Labour Organization provided support related to microdata.

Note: This figure presents the number of cases where women, rural residents, persons with disabilities, persons with low education, young workers (15–24 age group) and mature workers (over 50 age group) are converging with their comparison groups, attaining inclusive progress, growing further apart from their comparison groups or regressing with respect to three indicators: secondary education completion, full-time employment and income.

15. The patterns observed also confirm findings from earlier ESCAP work on inequality of opportunity in Asia-Pacific countries.¹⁴ There is a strong negative correlation between countries that have seen more groups converge faster with advantaged groups or attain inclusive progress, and those countries that record higher inequality of opportunity in secondary education and in full-time employment, as measured by the dissimilarity index. Together with these trends, three new findings to inform policymaking are observed.

III. Key findings to drive policy

A. Finding 1: only few signs of underlying empowerment have been observed

16. In most countries, disadvantaged groups have been included in overall progress in education, employment and income. They have, however, rarely benefited from underlying empowerment. As a result, gaps between groups have generally not narrowed and existing inequality persists.

17. In some countries, one or two of the three disadvantaged groups: either rural dwellers, women or persons with disabilities have seen the gaps towards advantaged groups close in secondary education as well as in full-time employment. Most of these cases are found in North and Central Asian countries. In East and North-East Asia and in South-East Asia, cases of closing the gaps are less frequent. Similarly, in South and South-West Asia, trends are not consistent and do not paint a picture of empowerment (see also finding 2 and figure).

18. Only one country, Kazakhstan, has seen two groups, rural residents and women, close the gaps with urban residents and men in both education and employment. While underlying empowerment of these groups may have played a role, Kazakhstan's rates of secondary education and full-time employment were already high in 2006, suggesting that socioeconomic equality may take years to achieve.

19. Despite average progress in secondary education throughout the region, gaps between the furthest behind and the average person increased. In Indonesia and Thailand, the rate of secondary education completion among the furthest behind doubled between the mid-2000s and the mid-2010s. In Viet Nam, it quadrupled; in India, it increased seven times; and in Pakistan, it increased 24 times. Nevertheless, only three countries saw the furthest behind edging closer to the average secondary completion rate: India, Kazakhstan and Thailand.

B. Finding 2: education gaps have narrowed more than employment and income gaps

20. Secondary education completion rates of rural residents in Afghanistan, Armenia, China, Kazakhstan and the Russian Federation have been catching up with those of urban residents. Women have also seen convergence with male secondary education completion rates in most Central Asian countries and in Malaysia.

21. However, a disconnect between equality patterns in education and employment appears. For example, rural residents in Bangladesh, Bhutan and India have significantly closed the gaps to their urban counterparts, despite a

¹⁴ *Inequality in Asia and the Pacific.*

lack of convergence in education. Women in Cambodia and Pakistan have also closed employment gaps compared with men, a development not seen in secondary education outcomes. These unexpected results hint that jobs may not require higher levels of education. This assumption is confirmed in Bangladesh and Bhutan, where full-time employment rates of primary-educated workers converged with those of more educated ones.

22. Income gaps between the bottom 40 per cent of income distribution and the average population, as well as between rural and urban households, appear unbridgeable in most countries, irrespective of progress in education and full-time employment. Absolute income gaps remain stubbornly high or continue to increase, even in countries where incomes grew at a faster pace for rural residents and for those in the bottom 40 per cent.

C. Finding 3: to achieve equality for all, strong institutions and legal frameworks are more important than the country's level of economic development

23. Trends in empowerment and inclusion do not bode well for socioeconomic development in the region and may restrict efforts to achieve the 2030 Agenda. By 2030, only six countries are projected to close the gaps in secondary education. For full-time employment, there is no country where all disadvantaged groups will catch up with the advantaged groups even by 2050.

24. The level of income of a country does not determine its potential to achieve equality for all, if strong institutions and legislative frameworks are in place. For example, enforced comprehensive non-discriminatory legal and policy frameworks and gender equality strategies are central to fostering women's equal access to full-time employment. Guided by strong political commitment, public investment in education, social protection and employment opportunities in rural areas can also unlock the potential of marginalized and excluded populations.