

## **REDUCING INEQUALITY IN FEALAC MEMBER COUNTRIES – INNOVATIVE POLICYMAKING THAT LEAVES NO ONE BEHIND**

### I. Background

Despite unprecedented economic growth in Asia and the Pacific over the past decades, gaps between the rich and poor, including but not limited to unequal access to health care, education, clean energy, and water and sanitation, have not closed. In most countries of the region, the richest 10 per cent are earning at least 10 times the income of the poorest 10 per cent. These gaps disproportionately affect women and the most vulnerable segments of society.

Tackling high levels of multidimensional inequality requires sufficient investment in the social sector coupled with labour market policies, strong legislative frameworks as well as an effective tax system to support these investments. However, most countries in the region spend, on average, less than one third of the global average of 11.2 per cent of GDP on social protection; expenditures on education and health care are closer to, but still below, the global averages. Importantly, spending more per se is insufficient. For inequalities to be levelled out, social policies need to be well designed and implemented.

### II. Project Summary

With the objective of strengthening national capacities to design and implement policies that effectively reduce inequality, the project will develop the following analytical products:

- a) In-depth studies of two national policies in the social sector that have proven to effectively reduce inequality;
- b) An interactive online tool that assesses the trends and drivers of multidimensional inequality in all FEALAC member countries for which data is available;
- c) A database of good practices, including policies at the national, subnational and local levels as well as private sector initiatives that have reduced multidimensional inequality;
- d) A network of experts and organizations within FEALAC member countries that work on inequality.

### III. Technical Support to FEALAC Member Countries

A core output of the project is the in-depth study of two good social policy practices from FEALAC Member Countries that have effectively reduced inequality – leading specifically to (1) more equitable income or wealth distribution; and/or (2) improved equitable access to decent jobs.

The research study seeks to achieve the following:

- Identify and analyse the success factors and challenges of the selected national policy, both in terms of design and implementation;
- Recommend policy options to further enhance policy effectiveness as well as improved sustainability and scale up (where relevant);

- Showcase the selected policy as a good practice for peer learning, knowledge transfer and south-south cooperation among FEALAC and Asia-Pacific countries.

The two national case studies will be selected based on the following criteria:

Policy purpose	<ul style="list-style-type: none"> <li>• Has the policy been motivated and implemented specifically with the purpose of tackling inequality (direct policies)?</li> </ul>
Impact	<ul style="list-style-type: none"> <li>• To what extent has there been a measurable impact of inequality reduction among target beneficiaries?</li> <li>• Has there been a perception of inequality reduction among beneficiaries?</li> </ul>
Sustainability and replicability	<ul style="list-style-type: none"> <li>• Is the initiative financially sustainable?</li> <li>• Is the initiative replicable and/or scalable?</li> </ul>

Upon selection of the two national cases, the project team will utilize a multi-stage, mixed-methods approach - involving desk review, primary data collection (quantitative surveys and in-depth individual interviews) and modelling – to conduct a comprehensive diagnostic study of the policy.

#### IV. Project Management

The project is funded by the Forum for East Asia-Latin America Cooperation (FEALAC), an inter-regional multilateral forum consisting of 36 member-countries from East Asia and Latin America. FEALAC aims to promote better understanding, political and economic dialogue and cooperation in all areas and thereby achieve more effective and fruitful relations and closer cooperation between the two regions.

This project is managed by the Sustainable Socioeconomic Transformation Section of ESCAP’s Social Development Division, which works on the cross-cutting issues of inequality and social protection. The Section’s research on inequality has a strong focus on the inequality of opportunities in access to basic services, while its products on social protection emphasize the need for a universal approach to social protection and its effectiveness as a policy response to poverty, inequality and other social development challenges, integral to the achievement of all Sustainable Development Goals.

#### V. Contact Information

Under the auspices of the “Reducing Inequality in FEALAC Member Countries” project, UNESCAP stands ready to provide technical assistance and capacity building support to FEALAC member countries.

For further information, please contact:

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