

# INEQUALITY

in Asia and the Pacific in the  
era of the 2030 Agenda for  
Sustainable Development

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SUSTAINABLE DEVELOPMENT



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## FOREWORD

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The Asia-Pacific region has experienced a remarkable economic transformation over the past two decades. Entirely new cities have sprouted from fields and forests, linked to each other and the rest of the world by gleaming high-speed rail lines, internet connections, cavernous airports and sprawling industrial zones. Hundreds of millions of people have also had unprecedented opportunities to improve their standard of living. Yet, the proceeds of this progress have not been spread evenly. Indeed, inequality is on the rise across the region, including in countries that have been held up as models of dynamism and prosperity. Market-led growth alone, it seems, is simply not able to deliver a prosperous, sustainable future for all.

Between the 1990s and 2010s, the market income Gini coefficient increased in four of the five most populous countries in the region, representing over 70 per cent of the Asia-Pacific population. China, for example, saw its income inequality soar by close to 10 percentage points, Indonesia's rose by over 8 percentage points, and Bangladesh and India saw their levels increase by 4 and 5 percentage points respectively.

ESCAP research shows that these increases come with enormous costs. In fact, estimates suggest that a 1 percentage point increase in the Gini coefficient reduces GDP per capita by, on average, US\$154 for countries in the Asia-Pacific region.

While the aggregate costs of inequality of outcome can be high, the impact of inequality is perhaps more corrosive at the individual or the household level. In fact, close to 153 million more people could have been lifted out of poverty in the Asia-Pacific region had inequality not increased in 10 countries in the past decade. More women could have been given the opportunity to attend school. It is striking to note that in many countries only 5 out of every 100 women from poor, rural households complete secondary education, compared with one out of two women in richer urban households.

Indoor air pollution causes more than 4 million deaths per year globally, of which more than half occur in China and India alone. A strong contributor for this is that close to half of all people in Asia and the Pacific still rely on traditional and inefficient fuels for cooking and heating. Meanwhile, less than 40 per cent of all people in the region have access to health-care services.

Increasingly, authorities are recognizing just how pernicious sharp differences in income and opportunity can be for society. Inequality causes a weakening of social bonds and an erosion of public trust in institutions, which can raise social and political tensions and even lead to radicalization and crime. Unequal patterns of land ownership in turn lead to worsening environmental conditions for people who live there – the poor farmers or miners, for example, who are all too often left behind from both socioeconomic development gains and technological progress.

Dovetailing into the 2030 Agenda for Sustainable Development, and its powerful pledge to “leave no one behind”, this report explores the impact that inequality is having on people and communities across the region. It examines why inequalities of income and wealth can be so persistent and analyses how new digital technologies may affect people's employment prospects in the future.

It concludes with powerful evidence that investment in education, social protection, urban planning and conservation of the environment are effective instruments for reducing inequalities.

I am confident that the analysis, findings and the policy agenda contained in this publication will provide member States and other stakeholders with a solid foundation to pursue evidence-based policies that reduce social vulnerabilities, build resilience, promote more inclusive and equitable societies in Asia and the Pacific.

I am happy to commend it to ESCAP member States, policymakers and development practitioners in the region and beyond.



**Shamshad Akhtar**

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Executive Secretary, United Nations Economic and  
Social Commission for Asia and the Pacific

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## EXPLANATORY NOTES

### ESCAP groupings of countries

**South and South-West Asia (SSWA):** Afghanistan; Bangladesh; Bhutan; India; Iran (Islamic Republic of); Maldives; Nepal; Pakistan; Sri Lanka; Turkey

**North and Central Asia (NCA):** Armenia; Azerbaijan; Georgia; Kazakhstan; Kyrgyzstan; Russian Federation; Tajikistan; Turkmenistan; Uzbekistan

**South-East Asia (SEA):** Brunei Darussalam; Cambodia; Indonesia; Lao People's Democratic Republic; Malaysia; Myanmar; Philippines; Singapore; Thailand; Timor-Leste; Viet Nam

**East and North-East Asia (ENEA):** China; Democratic People's Republic of Korea; Hong Kong, China; Japan; Macao, China; Mongolia; and the Republic of Korea

**Pacific:** American Samoa; Australia; Cook Islands; Fiji; French Polynesia; Guam; Kiribati; Marshall Islands; Micronesia (Federated States of); Nauru; New Caledonia; New Zealand; Niue; Northern Mariana Islands; Palau; Papua New Guinea; Samoa; Solomon Islands; Tonga; Tuvalu; Vanuatu

### Country abbreviations

Afghanistan	AFG
Armenia	ARM
Australia	AUS
Azerbaijan	AZE
Bangladesh	BGD
Bhutan	BTN
Brunei Darussalam	BRN
Cambodia	KHM
China	CHN
Fiji	FJI
French Polynesia	PYF
Georgia	GEO
Guam	GUM
Hong Kong, China	HKG
India	IND
Indonesia	IDN
Iran (Islamic Republic of)	IRN
Japan	JPN
Kazakhstan	KAZ
Korea, Democratic People's Republic of	PRK
Republic of Korea	KOR
Kyrgyzstan	KGZ
Lao PDR	LAO
Macao, China	MAC

Malaysia	MYS
Maldives	MDV
Mongolia	MNG
Myanmar	MMR
Nepal	NPL
New Caledonia	NCL
New Zealand	NZL
Pakistan	PAK
Papua New Guinea	PNG
Philippines	PHL
Russian Federation	RUS
Samoa	WSM
Singapore	SGP
Solomon Islands	SLB
Sri Lanka	LKA
Tajikistan	TJK
Thailand	THA
Timor-Leste	TLS
Tonga	TON
Turkey	TUR
Turkmenistan	TKM
Uzbekistan	UZB
Vanuatu	VUT
Viet Nam	VNM



## ACRONYMS

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ADB	Asian Development Bank
AI	artificial intelligence
AP-IS	Asia-Pacific Information Superhighway
DESA	Department of Economic and Social Affairs
DHS	Demographic and Health Surveys
D-index	Dissimilarity index
ESCAP	Economic and Social Commission for Asia and the Pacific
ETR	effective tax rate
FDI	foreign direct investment
GDP	gross domestic product
GII	Global Innovation Index
GNI	gross national income
G7	Group of Seven
G20	Group of Twenty
ICT	information and communication technology
IHL	institutes of higher learning
ILO	International Labour Organization
IMF	International Monetary Fund
IoT	internet of things
IP	intellectual property
IPCC	Intergovernmental Panel on Climate Change
ITU	International Telecommunications Union
LDC	least developed country
MAS	marker-assisted selection
MICS	Multiple Indicator Cluster Surveys
MHT	medium- and high-technology
MNC	multinational corporation
MOOCs	massive open online courses
PM	particulate matter
OECD	Organisation for Economic Co-operation and Development
R&D	research and development
RESAP	Regional Space Applications Programme
SDGs	Sustainable Development Goals
SMEs	small and medium-sized enterprises
TFP	total factor productivity
TVET	technical and vocational education and training
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations Industrial Development Organization
V20	The Vulnerable 20 Group
WTO	World Trade Organization

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