

Unequal incomes in Asia a “particular worry” when aligned with political or ethnic divisions

Income disparities undermine social and political stability, say experts

Tokyo, 17 January 2006 – The unequal distribution of income, wealth, power and resources between peoples in different locations (“spatial disparities”) are a potential cause of conflict and can undermine social and political stability, according to forthcoming book published by United Nations University Press.

“Spatial Disparities in Human Development” provides a series of perspectives from Asia – home to two thirds of the world’s poorest people – and describes how this crucial problem will impact on the Millennium Development Goals.

The book is based on a research project launched by the World Institute for Development Economics Research of the United Nations University (UNU-WIDER).

A worldwide group of experts analyzed evidence on the extent of spatial inequalities and the resulting book has been edited by Ravi Kanbur, an economics professor at Cornell University, New York, Anthony J. Venables, the Chief Economist in the UK Department for International Development (DFID) and a professor of Economics at the London School of Economics, and Guanghua Wan, a Senior Research Fellow at UNU-WIDER in Finland.

The gaps in living standards within developing and transition economies are a growing source of concern. “The topic takes on added significance when spatial and regional divisions align with political and ethnic tensions to undermine social and political stability,” says Professor Anthony Shorrocks, the Director of UNU-WIDER, in the Foreword to the book. “Whatever the original source, there is a widespread perception that spatial disparities in human development have become more visible and that they are increasing over time,” he says.

There are many potential causes including discrimination, impediments to labour migration, geographical remoteness and unfavourable agricultural conditions. “Increasing spatial variations are very often though to be linked in some way to greater openness of economies and to globalization in general,” says Professor Shorrocks.

The authors apply the latest research techniques including regression-based inequality decomposition, poverty decomposition and computable general equilibrium models. The book has already drawn strong praise from experts in the field:

“The great value of this book comes from comparing, through detailed analysis, the problems of regional inequality and poverty in different Asian countries. With contributions from leading regional scientists and economists, this book also examines the policy experience of Asian countries in closing regional gaps and the effectiveness of public interventions in this field,” said Jussi Pakkasvirta, Director and Professor at the Institute of Development Studies, University of Helsinki, Finland.

“Kanbur, Venables and Wan make an important contribution by bringing together a collection of articles that discuss not only methodological issues in measuring regional disparities but also empirical evidence from small and large countries of Asia. Of interest are the varied explanations on what causes these inequalities that will no doubt be useful for policymakers and practitioners dealing with development issues,” said Brinda Viswanathan, Associate Professor at the Institute for Social and Economic Change, Bangalore, India.

“The papers in this volume represent economists’ great efforts to achieve a better understanding and measurement of rising regional disparities facing Asian economies. Its theoretical and methodological contents make this book of much value to both students of economics and to policymakers in developing Asia,” said Zhang Jun, Director and Professor at the China Centre for Economic Studies, Fudan University, Shanghai, China.

About the book

“Spatial Disparities in Human Development: Perspectives from Asia”

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