

Equity and Well-Being: Measurement and Policy Practice

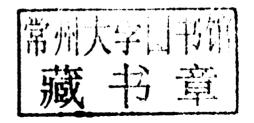
Hyun Hwa Son



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Equity and Well-Being

Equity is an abstract concept covering philosophical issues such as fairness and social justice, making its definition and measurement complex. This volume tackles these complexities head-on. The book is enriched with many empirical analyses and provides a comprehensive analysis of equity ranging from concepts and measurements to empirical illustrations and policy implications.

After an extensive discussion on equity in the introduction, this volume begins with a chapter on well-being, where the concepts of functioning and capability are discussed. This is followed by a few chapters on what an equitable distribution is and how equity can be measured. The volume then provides a definition and a methodology to measure equitable growth, examining the relationship between growth, inequality, and poverty. It also presents various empirical illustrations and country-specific experiences with three country case studies, which assess whether health and education services are equitable in developing Asia, examining the extent to which these social services favor the poor as well as the policy challenges to a more equitable delivery of these services. Finally, these country studies provide evidence-based policy recommendations to improve equity in social service delivery in developing countries.

Achieving social equity has long been an important policy goal. There are relatively few studies on equity. This book aims to help fill this gap with an in-depth analysis of the issues associated with equity, covering its concept, measurement, and policy practices and implications.

Dr Hyun Hwa Son is currently a senior economist in the Economics and Research Department of the Asian Development Bank (ADB). Before joining ADB in March 2007, she was a poverty specialist/economist at the United Nations Development Programme. She also worked for the World Bank in Washington D.C., and held an academic position at Macquarie University in Sydney, Australia. She has worked and published extensively on poverty, inequality, pro-poor growth, inclusive growth, health and education, and public policies.

Preface

Even though equity has long been an important policy goal, inequity persists globally. In the 1980s, governments were typically more interested in addressing cost constraints and improving efficiency than in promoting equity. The situation had improved by the end of the 1990s, when many governments and international organizations prioritized equity in their development agenda. And this emphasis has continued into the new millennium, as governments increasingly focus on policies and programs to reduce inequity.

But despite the renewed attention, there are still few studies on the subject. This book aims to help fill this gap with an in-depth analysis of the issues associated with equity, including its concept and measurement, policy practices, and implications. As is widely acknowledged, equity is an abstract concept covering philosophical issues such as fairness and social justice, making its definition and measurement complex. This book tackles the complexity. Aside from discussing the conceptual issues surrounding equity, the text is enriched with many empirical analyses that reveal clear policy implications. As such, its comprehensive analysis ranges from concepts and measurements to empirical illustrations and policy implications.

This book was born out of work done for the Asian Development Bank's regional technical assistance (RETA) project on Equity in the Delivery of Public Services in Selected Developing Member Countries, its chapters presenting several of the background papers produced under the RETA project. It is hoped the book can benefit those working in the development field, including academics, practitioners, and policymakers.

There are a number of people I would like to acknowledge. I owe Dr Ifzal Ali, former Chief Economist of the Asian Development Bank, considerable thanks for encouraging me to become the leader of the RETA project and thus steering me onto the path to writing this book. I am grateful for his insights and inspirations on development issues, and I benefitted enormously from numerous discussions with him during his tenure as the Chief Economist in the Economics and Research Department. To the same extent, I am grateful to Dr Juzhong Zhuang, Deputy Chief Economist of the Asian Development Bank, for encouraging me to write the book, and I am thankful for his overall guidance.

I have also benefitted greatly from the many discussions I had about the issues surrounding equity and public service delivery with many government

officials in Nepal, the Philippines, Sri Lanka, Lao People's Democratic Republic, and Indonesia before the launch of the project. These discussions deepened my understanding of economic development in Asia. I would like to express my particular gratitude to Dr Lava Deo Awasthi of Nepal, who was Joint Secretary at the Ministry of Education, for his support. My passion for this project was ignited by his enthusiasm about development issues in Nepal.

Many scholars in this field have helped me in various stages of manuscript preparation: some read a few chapters and provided me with insightful comments and suggestions, while others helped me clarify the many conceptual and practical issues related to equity. Among those, I would like to acknowledge Professors Nanak Kakwani, Jacques Silber, and Ernesto Pernia for sharing their in-depth knowledge on the subject and also for their tolerance of my ignorance.

In addition, I am grateful to the authors who prepared the country chapters—Chapters 9, 10, and 11—for their patience and hard work in going through many rounds of revisions. Finally, I would like to thank Emmanuel San Andres and Eric Van Zant for providing excellent research assistance and editing of the manuscripts.

Abbreviations

APIS annual poverty indicators survey

BESRA Basic Education Sector Reform Agenda

BHS Barangay health station

CBMS community-based monitoring system

CBS Central Bureau of Statistics CCT conditional cash transfer

CFS Consumer Finance and Socioeconomic Survey

DCS Department of Census and Statistics
DHS Demographic and Health Survey

DOE Department of Education
DOH Department of Health
EIO equity index of opportunity
FGT Foster—Greer—Thorbecke
GDP gross domestic product
GNP gross national product
HDI human development index

HIES Household Income and Expenditure Survey

HPI human poverty indicator
MDG Millenium Development Goal

MOE Ministry of Education

MOHP Ministry of Health and Population

NCR National Capital Region

NDHS National Demographic and Health Survey

OI opportunity index

PEGR poverty equivalent growth rate
PME Provincial Ministry of Education
PMOH Provincial Ministry of Health
PPP Pantawid Pamilyang Pilpino

PPP purchasing power parity/pro-poor policy

RHU rural health unit
SBA skilled birth attendant

Abbreviations xvii

SEF School Education Fund SES socioeconomic survey

UNDP United Nations Development Programme

VAT value added tax

WDR World Development Report

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