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INTRODUCTION

Inequality and Exclusion in Southeast Asia

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A PRESSING AND DEFINING ISSUE

Inequality and exclusion are defining problems of our times globally, regionally, nationally. In introducing this book's impetus and formation, it is helpful to passage through these geographic and academic layers. Inequalities of opportunity, well-being, income and wealth have existed in all societies, but the past decade has seen heightened perceptions that globalized capitalist systems enrich the few at the expense of the many. Tellingly, the Millennium Development Goals 2015 specified gender equality while generally focusing on poverty and basic needs, while the Sustainable Development Goals 2030 inscribed reduction of inequality within and among countries as one of the various new goals pursuing equitable distribution of socio-economic benefits.

Alongside burgeoning prosperity, uncertainty and precarity are also growing, fuelling public sentiments and popular discourses surrounding these phenomena. Social discontent arises from local, lived experiences.

Social movements, voters and the general public around the world are signalling for more policies that foster equitable outcomes and bolster incomes at the bottom and middle of the distribution, and that protect the vulnerable and disadvantaged. The COVID-19 pandemic and its economic aftermath have further revealed the ways that existing inequalities can be compounded in crisis times.

The focus has decidedly fallen on disparities within countries. Inequality between countries remains salient; national income persists at low levels in many countries. Nonetheless, inequality is acknowledged as a problem all countries need to address; even if poverty alleviation takes relative precedence, rich-poor disparities and structural exclusion can undermine sustainable growth. Empirical evidence, based on increasingly widespread household income surveys, also find that within-country inequality accounts for the bulk of global household income inequality (Milanovic 2016; Bourguignon 2017). Widening inequality has been recognized as a precursor to the global financial crisis, especially in advanced economies that from the 1990s reversed the inequality reduction achieved from the 1950s through to the 1980s (Piketty 2014; Milanovic 2016; Christiansen and Jensen 2019). The general public also views the problem with increasing gravity. The World Values Survey, which has repeated the inquiry in a consistent sample of countries representing 40 per cent of the world's population, reports a rising share in the past decade that regard inequality as a significant problem warranting policy attention (UNDP 2019).

Global tides of rising inequality, notably in major economies, have momentarily shifted attention to the problem, with attendant interest in the comparative experience of countries in managing the distribution of income, wealth, capability and opportunity (Deaton 2017). The zeitgeist has also shone the light on dimensions of inequality beyond summary indicators and survey datasets. Even in countries where income or expenditure inequality has shown an overall decline in survey-based estimates, there may be increased concentration at the top in ways that elude data capture, broadly breeding grievance toward a system perceivably skewed against the masses. UNCTAD's 2012 *Trade and Development Report: Inclusive and Balanced Growth* showed rising income inequality, based on the Gini coefficient, was the dominant trend in most regions of the world in the 1980s to the mid-1990s (for which data are available). However, the subsequent period, roughly 1995–2010, saw inequality fall in more Latin American and African countries than the number that registered

rising inequality. In developed countries and Eastern Europe and the Commonwealth of Independent States (CIS), inequality increased in the majority but stabilized or declined in a substantial proportion of these areas. In Asia, reported separately according to two expanses—South and West, and Southeast and East—the number of countries experiencing rising inequality and falling income or consumption inequality were even. The problem of skewed wealth distribution—“trickle-up” economics privileging the rich and marginalizing the poor—is globally consequential, but also more difficult to estimate.

Inequality is important and timely as a subject of empirical study, international advocacy and public policy. The next section surveys some of the more influential works of academic scholars and publications of global bodies, and discusses major themes regarding the causes and consequences of inequality. Asia has increasingly been in the spotlight, with Southeast Asia sharing the stage, albeit not in the main glare. A succession of Asian Development Bank publications highlighted how the major economies, containing almost 3 billion people today, recorded rising income inequality from the early 1990s to the late 2000s (ADB 2012; Kanbur, Rhee and Zhuang 2014; Huang, Morgan and Yoshino 2018). Southeast Asian countries appeared in these volumes, most saliently Indonesia due to the concurrence of its size and the increase in inequality across the time period being observed. Mild changes in other regional countries may partly account for their obscurity in these volumes.

Regardless of the magnitude of time trends, inequality and exclusion have been paramount in social, economic and political contexts in Southeast Asia. Indeed, discrepancies between official measurement of income or consumption inequality and perceptions of wealth or income concentration at the top, social exclusion of the masses and oligarchy-dominated systems, reinforce the relevance of studying inequality. At the same time, there remains a scarcity of studies on inequality in Southeast Asia, particularly works engaged in country-focused, in-depth accounting of the distinctive patterns, contexts and policy responses. The lack of coverage of the 2010s renders the subject in need of an update. This book aims to fill these gaps.

VIEWS OF INEQUALITY: GLOBAL AND CONCEPTUAL

Inquiry into inequality has addressed its incidence, causes and consequences. A proliferation of inequality-themed reports by influential

international bodies testifies to the currency of the issue (UNCTAD 2012; UNDESA 2014; UNDP 2019). Inequality has featured in policy discourses for decades, particularly in the context of inequality between nations and the extent to which lower income but faster-growing economies are catching up with the high-income economies (UNCTAD 1997). However, the discourse has come to acknowledge the gravity of inequality and its domestic policy implications.

Income and expenditure have been, and continue to be, the primary lenses for examining inequality and exclusion. The places and times this can be studied depend on the availability of data. National household surveys, conducted for the express purpose of gauging the distribution of income, expenditure or living conditions, provide the most direct information source and enable computation of inequality indicators. Many countries lack a long series of national income and expenditure surveys, but such datasets are increasingly prioritized. Household income surveys strive to capture various source of income, enabling estimation of the distribution of market income or private income from wages, self-employment, interest, private property and private transfers, as well as social income from public transfers and social assistance. Gross income and disposable income, correspondingly representing income before and after taxation and transfers, add further layers. Expenditure arguably encapsulates material welfare more directly; such values represent the amount of goods that households are actually consuming.

However, household surveys are also known to under-enumerate incomes at the two tails of the income distribution (Atkinson 2015), resulting in income inequality being understated. New approaches have been introduced to use tax administrative data to estimate top shares (Jenkins 2017) or harmonize both tax administrative data and household surveys to account for missing incomes (Bourguignon 2018; Lustig 2019; Atkinson and Jenkins 2020). The scope of such research, initially circumscribed within advanced economies with more comprehensive and accessible tax returns data, is expanding beyond those circles, to middle-income countries.

Human development is a multidimensional process, encompassing income, health, education, and other aspects related to the enlargement of capabilities and choices. In line with this acknowledgement, which has engendered multidimensional poverty estimation, inequality is also conceived and computed in terms of education and health (UNDESA

2014; UNDP 2019). An interdisciplinary team from the London School of Economics and Political Science, and the School of Oriental and African Studies, University of London and Oxfam has developed a multidimensional inequality framework that is theoretically grounded in Sen's capability approach, extending to domains of participation, influence and voice as well as physical and legal security (AFSEE 2019).

More ground-breaking contemporary research has probed the distribution of wealth, which has momentous and durable effects—but is also much harder to calculate than income and expenditure. The assiduous efforts of Piketty, with notable collaboration of Saez and Zucman, have established wealth inequality as an important and impactful subject of rigorous academic study (Piketty, Saez and Zucman 2018). The methods they introduced revolve around the construction of distributional national accounts, adjusting national accounts with tax administrative data and household surveys. Oxfam's annual spotlight on global wealth concentration, adopting estimations by Credit Suisse, have further projected the issue in the public domain.

Theories addressing the causes of inequality—primarily income and consumption, but also wealth—are vast, but warrant a brief overview here, from three perspectives: economic structure; capability and participation; and ownership and power.

Inequalities derive from differences in productivity and earnings across economic sectors; such structural factors interact with spatial factors, such as urban-rural or regional disparities, or the location of particular resources, including minerals and arable land. Simon Kuznets' seminal work focused on industrialization and urbanization. The concurrence of these developments, and higher productivity and higher wage of industry relative to agriculture, corresponded with rising national inequality for a phase as intersectoral and urban-rural gaps widened, followed by falling inequality due to narrowing gaps within an urbanized and industrialized society. These observations, while not meant to present a predictive model of how inequality unfolds, remain pertinent. New and more complex waves of structural change, differentiating industries by technological level or stratifying service sectors by market power, may generate new dimensions of inequality.

A second set of explanations for inequality draws in socio-economic factors: disparities in capability stratify economic participation, which impact on income potential and can in turn set different households on

diverging trajectories, even across generations. Under this broad banner we can subsume schooling, skills and knowledge acquisition, nutrition and healthcare services, and living environments conducive for learning in general. Education positively correlates with employment and earnings, and the distribution of educational attainment translates into the distribution of income. Scarcity of highly educated workers raises the earnings premium that they command and can widen overall income inequality; expansion of the high-skilled and professionally or technically qualified attenuates this earnings premium and narrows income inequality. Beyond enrolment and formal qualifications, quality of schooling also matters—and can be a factor that reproduces or accentuates income inequality, where rich and privileged households which can afford private schooling, supplementary classes, and higher education while poor households have to contend with overcrowded classes, deficient learning environments and lack of access to higher education. Social norms can also weigh in, in the form of prejudice or stigma impeding certain groups' educational advancement, gender biases influencing women's participation in the labour force, or other manifestations.

Third, disparities in socio-economic outcomes stem from disparities in ownership and power. Wealth inequality is invariably larger than income inequality, due to the concurrent characteristics of wealth at both extremes: as an owned stock, it can be accumulated and inherited; unlike income, which cannot be zero for subsistence, it is possible for households to hold no wealth at all. Ownership also provides the means to control commercial decisions and influence public policy. Economic elites typically gain proximity to political power, which they can leverage to their advantage, for instance, by influencing taxation and public spending towards boosting profits rather than providing more and better education and health services. "Power" encompasses other aspects, mainly related to its deficit. Politically disempowered communities lack the capacity to demand more and better schools, health services, infrastructure and connectivity, thus compounding their disadvantage. In wage negotiation, lack of worker representation and bargaining power curtail wage gains, particularly for lower-skilled workers more dependent on collective processes. Legal protection supposedly steps in to mitigate inordinate or immoral exercise of power. The establishment of laws safeguarding equality and fairness, and prohibiting discrimination and exploitation, contribute to reduction of inequality. Lack of such laws can perpetuate inequality and exclusion.

Inequality provokes strong reactions deriving from normative positions, but its consequences warrant a systematic overview as well. We briefly consider three perspectives. First, from a social justice standpoint, inequality undermines fairness in the economic system, particularly if there are structures that entrench privilege, power and wealth, and perpetuate exclusion, disadvantage and poverty. Normatively, this argument in favour of reducing inequality is premised on a view that ability and talent are distributed throughout the population regardless of socio-economic strata, but the privileged enjoy advantages that sustain their status. This perspective confronts a diametrically opposed, market fundamentalist view, which holds that market outcomes reflect marginal product of labour, which in turn derive from ability and effort. Low income thus equates with less ability or less effort. A sense of systemic unfairness and social injustice is underscored by the reality that swathes of a population, despite their strenuous labour, can be inhibited in their opportunity to complete education, attain higher-level qualifications, receive referrals for employment, access credit, and generally enjoy upwardly mobile trajectories. The potential social destabilizing effects of inequality are growing sources of concern, induced by our witness of mass discontent, demoralization or emigration triggered by persistently high inequality and the reproduction of disadvantage across generations.

A second perspective on the ramifications of inequality pertains to power. Problems surrounding “state capture”, whether by a political-business interests or oligarchic or dynastic cabals, or systemically through financialization, delinks the real, productive economy from vested interests that prevail on government policy. The concentration of power also allows plutocrats to shape society’s perceptions and behaviours, manifestly through the monopolized control of media and technology, which in turn influence electoral outcomes, or contribute to populist incursions (Deaton 2017). Although the zeitgeist of the global elite is to embrace global development, this is often not without expediency, promulgating philanthropy while sustaining free-flowing global finance and clandestine offshore tax havens, thus perpetuating structures of violence and inequality harmful to peripheral countries.

A third perspective broadly encompasses growth and development implications of inequality, particularly viewed through the lens of economic and social sustainability. Multicountry empirical studies find lower inequality associated with *sustained* economic growth (Berg, Ostry and

Zettelmeyer 2012; Berg et al. 2018). This acknowledgement that inequality has adverse effects on growth confounds mainstream views linking lower inequality with lower growth, resting on the argument that redistributive policies, notably progressive taxation, minimum wage and social protection, will imperil growth. Even the International Monetary Fund, however belatedly compared to other international financial institutions, has come to recognize the productive effects of reducing inequality (IMF 2017). Other economic detriments of inequality include aggregate demand deficiency and macroeconomic instability (UNCTAD 2017). Added to these problems are political economic issues expounded by Stiglitz (2013, 2016), including the big business–political establishment nexus that skews the system to favour the rich and suppresses real wage growth, and breakdown of fairness and trust in the system. Inequality also has “pernicious effects” on society, “eroding trust, increasing anxiety and illness, (and) encouraging excessive consumption”, according to Wilkinson and Pickett (2009), whose work shows that, among all the social well-being indicators used, the outcomes are worse in more unequal rich countries.

Emphatically, the complexity and multidimensionality of inequality presage a wide and integrated range of policy responses, which merit a brief mention. One salient aspect of reducing inequality pertains to boosting wages and self-employment earnings of workers and households at the bottom and middle of the income distribution, through direct measures such as minimum wage and indirect measures such as skills development, wage bargaining mechanisms, and access to credit. Measures to curb inordinate influence and entrenched privilege of power elites, while exceedingly difficult to execute, are also exceptionally important, particularly to foster more equitable wealth distribution. Disparities in human development, capability and well-being, particularly education and health, demand some form of public mandate and delivery, such that these provisions are accessible to all. As basic access and participation become more universal, differences in quality impact on socio-economic status, and will need increasing attention. Inequality and exclusion framed by space—whether by region or urban-rural setting—or by population group—race, ethnicity, gender, religion, etc.—elicit a wide array of possible actions, from investment and public expenditure allocations, to legislative safeguards for equality, proactive measures targeting population groups, and redistribution across regions and geographic locations. Various policies such as these have been implemented across Southeast Asia.

ASIA AND SOUTHEAST ASIA: FLOURISHES AND GAPS IN THE LITERATURE

Interest in inequality has been mounting in Asia. Empirical evidence of rising inequality jives with the attention in public domains towards upwardly skewed distribution of economic gains and the meteoric rise of Asian millionaires and billionaires. Disparities in economic opportunity and entrenchment of privilege, mirrored in concentration of wealth and influence in the top 1 per cent, particularly resonate in these times, globally and regionally. Southeast Asian nations have broadened access to schooling and maintained relatively low unemployment, but inclusion in the growth process for a majority of the population increasingly depends on quality of education, skills and jobs. Governments across the region are acutely mindful of social expectations that the economic system must deliver benefits to the lower- and middle-income segments, and improve the livelihoods of successive generations. Introduction of minimum wage laws, or upward revision of minimum wage rates, in numerous countries reflected the underlying problem of slow wage growth at the bottom and the increasing expectations on government to respond. These discourses and policy decisions bear emotive resonance, even political expediency, but also derive from realities on the ground.

International and regional bodies took up the issue, notably the Asian Development Bank, World Bank and UNESCAP. The Asian Development Bank's 2012 *Development Outlook*, themed "Confronting Rising Inequality in Asia", and the recently published *Demystifying Rising Inequality in Asia* (Huang, Morgan and Yoshino 2019), have highlighted phenomena in all regions of the continent, including Southeast Asia. These reports, covering the 1990s into the 2000s, find rising inequality in the major developing economies—especially China, India, and Indonesia—which add weight to the subject. The World Bank's 2018 *East Asia and Pacific Regional Report, Riding the Wave: An East Asian Miracle for the 21st Century*, probed questions of inclusive growth and upward mobility, also with reference to most Southeast Asian economies. UNESCAP's 2018 report, *Inequality in Asia and the Pacific*, addressed issues and problems in the context of the 2030 Sustainable Development Goals. Both documents cover important issues—structural change, technology, education, employment, skills premiums, social protection, gender gaps and urban-rural divides—that deserve to be followed up in country-specific detail.

International agencies report the information that national governments provide, which in turn hinges on each country's engagement with national household surveys, the primary source for calculating inequality. Disparities in data availability partly account for the dearth of past research on inequality spanning the region. Some countries have a longer track record of research on poverty and inequality, with the Philippines quite extensively covered even in the 1950s until the 1980s, while Malaysia has consistently published official calculations of the poverty headcount ratio and Gini coefficient in its planning documents since the 1970s (Booth 2019). Flaws in methodology and estimation, as well as different approaches in computing poverty and inequality measures have not only posed problems for country-level analysis but also made cross-country comparisons challenging. However, more data have become available in the past decades, evidenced in the inequality reports.

Southeast Asia shows a mix of trends. By ADB's (2012) account, from the mid-1990s to the late 2000s, income or expenditure inequality grew in Indonesia, along with Lao PDR, while other regional neighbours registered either mildly decreasing inequality (Malaysia, Thailand), or a barely noticeable difference (Cambodia, the Philippines, Vietnam). The report argues for inequality to be confronted vigorously. Left unaddressed and unabated, inequality not only undermines the poverty-reducing impact of economic growth, but also threatens the basis of growth itself. Southeast Asia countries' experiences of moderate changes in inequality were rather overshadowed by the spotlight falling on countries recording rising inequality until about 2010.

Post-2010, the region continues to receive relatively scant attention, despite standing out in some ways. The 2010s have seen most countries in the region steadily reduce income and expenditure disparities. More recent reports, notably UNESCAP (2018), have captured this new unfolding situation. Nonetheless, while inequality has declined, levels remain high, especially in the middle-income to high-income countries, and there appears to be a growing disconnect between the macro data and realities on the ground. Widespread discontent and economic anxiety prevail, even while macroeconomic indicators paint a more buoyant picture.

PROJECT IMPETUS AND APPROACH

Southeast Asia is worth studying not just because of the gaps in the literature; the region distinguishes itself in particular ways leading to

potentially fruitful inquiry. Countries of Southeast Asia display a range of income levels and income growth, economic diversification, population size and urbanization rates (Table 1.1). The region's variation in political regimes, with single party states, constitutional monarchies and democracies of various forms, add to the potential mix of insights that can be drawn.

The structural underpinnings of inequality and exclusion, and the relative policy importance of inequality reduction and poverty alleviation, will correspond significantly with economic conditions distinctive to each country. Poverty alleviation is a relatively higher priority in the lower income countries, where swathes of the population lack basic needs (Figure 1.1). The incidence of poverty is higher in lower income countries, as shown by the figures for Cambodia, Myanmar, the Philippines and Vietnam. These figures are based on the poverty headcount ratio, or the proportion of households with income below the national poverty line—which varies by methodology across countries. Across the region, the incidence of poverty has continuously declined.

Lower-income economies, concomitantly experiencing more rapid population growth, face paramount challenges of industrialization and employment growth—with implications on income distribution. The middle- and high-income countries, with urban areas constituting close to or in excess of the population majority, are confronted with a different set of problems, notably deindustrialization, expansion of services, increased demand for social services, and economic growth which has slowed down and must increasingly be productivity-driven. Southeast Asian countries encompass this range of conditions and challenges, and their interconnections with inequality and exclusion.

The relationships between inequality and income/economic development level are less linear and more complex. The Gini index—from 0 to 1, respectively, representing perfect equality and terminal inequality—remains the most widely used general snapshot. However, we can also refer to other indices, or the shares of total income received by particular segments—such as the top 10 per cent or bottom 40 per cent which show, respectively, extent of income concentration in the richest strata, and the share of the poorest masses in national income.

Southeast Asian countries compute inequality based on household surveys of expenditure or income, or both. Among those reporting the Gini coefficient of expenditure, Indonesia traces out an upward trend in inequality from 2000 to 2011, then a plateauing followed by a slight downward movement (Figure 1.2). Among other countries with a longer

TABLE 1.1
Southeast Asian Countries: Economic and Demographic Profile, 2019

	GDP per capita ^a		Share of Total GDP (%) ^b				Population (million)	Urban Population (% total)
	Constant \$ PPP (2019)	Annual Growth % (2010–19)	Agri- culture	Industry: manu- facturing	Industry: non-manuf.	Services		
Cambodia	4,389	5.5	20.7	16.3	17.9	38.8	16.5	23.8
Myanmar ^c	5,142	5.7	21.4	24.8	13.2	40.7	53.7	30.6
Lao PDR	7,826	5.5	15.3	7.5	23.4	42.7	7.2	35.6
Vietnam	8,041	5.2	14.0	16.5	18.0	41.6	96.5	36.6
Philippines	8,908	4.6	8.8	18.5	11.7	61.0	108.1	47.1
Indonesia	11,812	4.0	12.7	19.7	19.2	44.2	270.6	56.0
Thailand	18,463	2.8	8.0	25.3	8.1	58.6	69.6	50.7
Malaysia	28,351	3.6	7.3	21.5	16.0	54.2	31.9	76.6
Brunei	62,100	-1.0	1.0	13.6	48.9	38.2	0.4	77.9
Singapore	97,341	2.5	0.0	19.8	4.7	70.4	5.7	100.0

Notes:

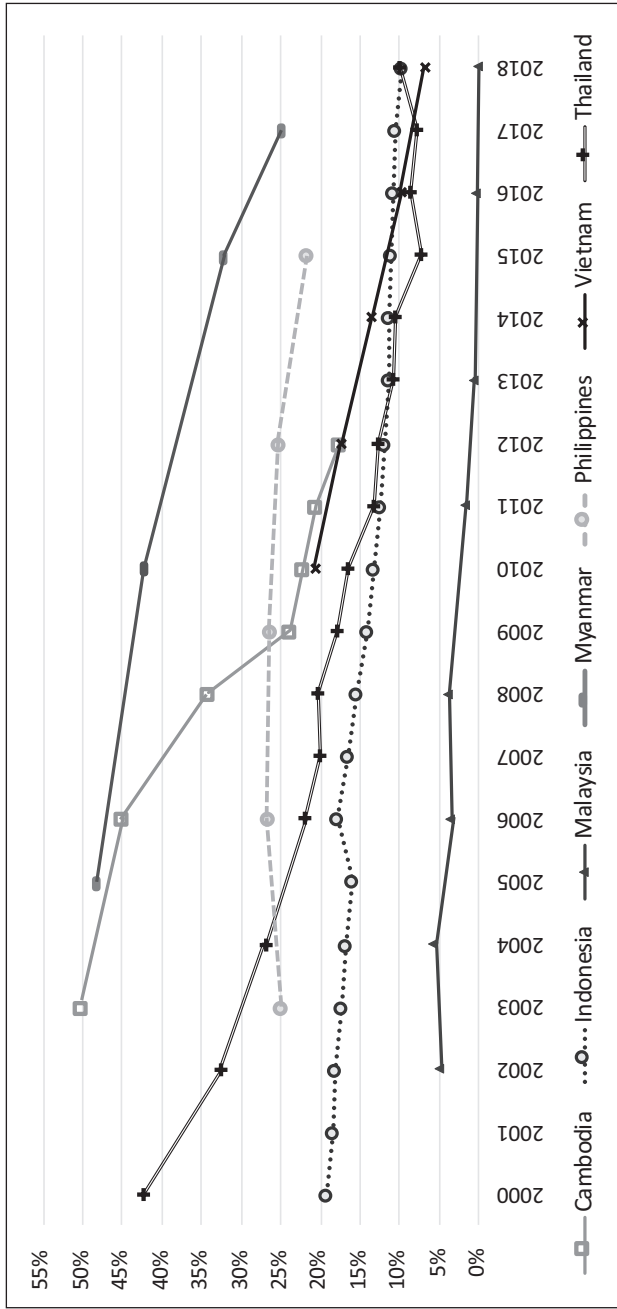
a \$2017 international dollars purchasing power parity (PPP);

b Sectoral shares of GDP do not necessarily total 100, due to differences in categorization;

c GDP shares for 2018

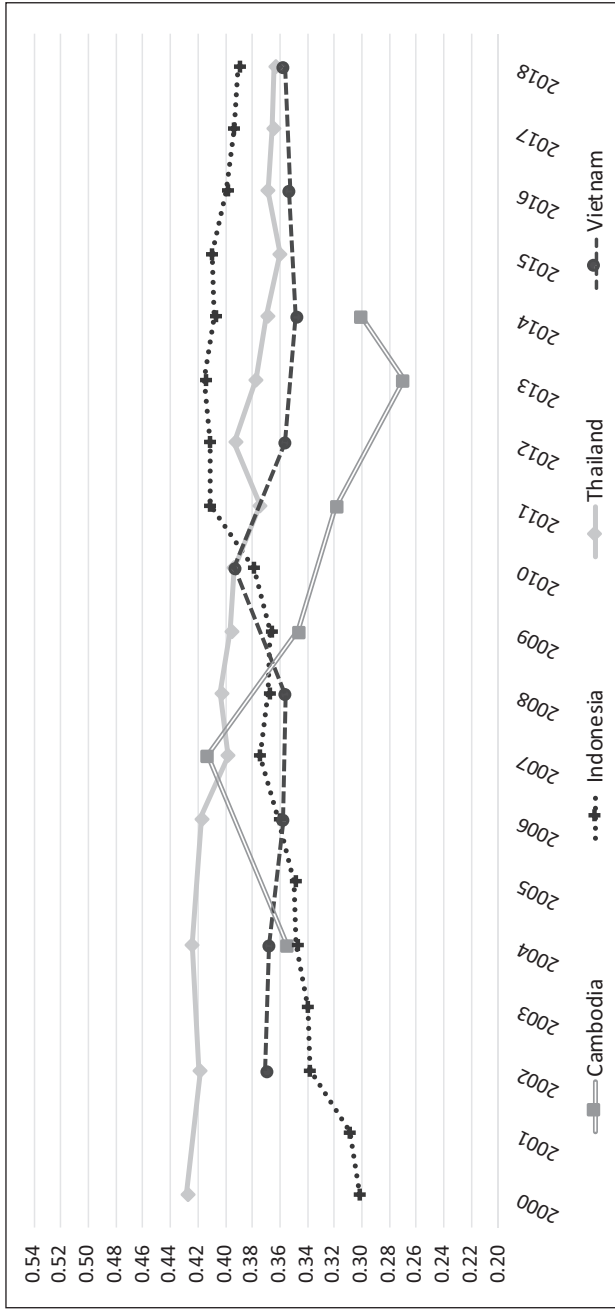
Source: World Development Indicators.

FIGURE 1.1
Poverty Rate: Headcount Ratio, Based on National Poverty Line Income



Source: World Development Indicators.

FIGURE 1.2
Gini Coefficient of Household Expenditure



Source: Cambodia (chapter in this volume); Indonesia, Thailand, Vietnam (World Development Indicators).

inequality series, Thailand's shows sustained decline, while Vietnam holds steady. National survey data remain sparse in Cambodia; while the available Gini coefficients are inadequate to draw conclusions about trends, the level is markedly lowest among the four countries. Gini coefficients of household income reflect inequality in Malaysia, the Philippines and Thailand declining over the course of the 2000s until the most recent estimate (Figure 1.3). Singapore records a rising Gini from 2000 to 2007, then a marginal decline and a flatlining. Myanmar's survey data and estimated inequality, like Cambodia's, are rare, insufficient for observing trends, and lower in magnitude. These variations in inequality levels and trends set the stage for a regional country-based volume.

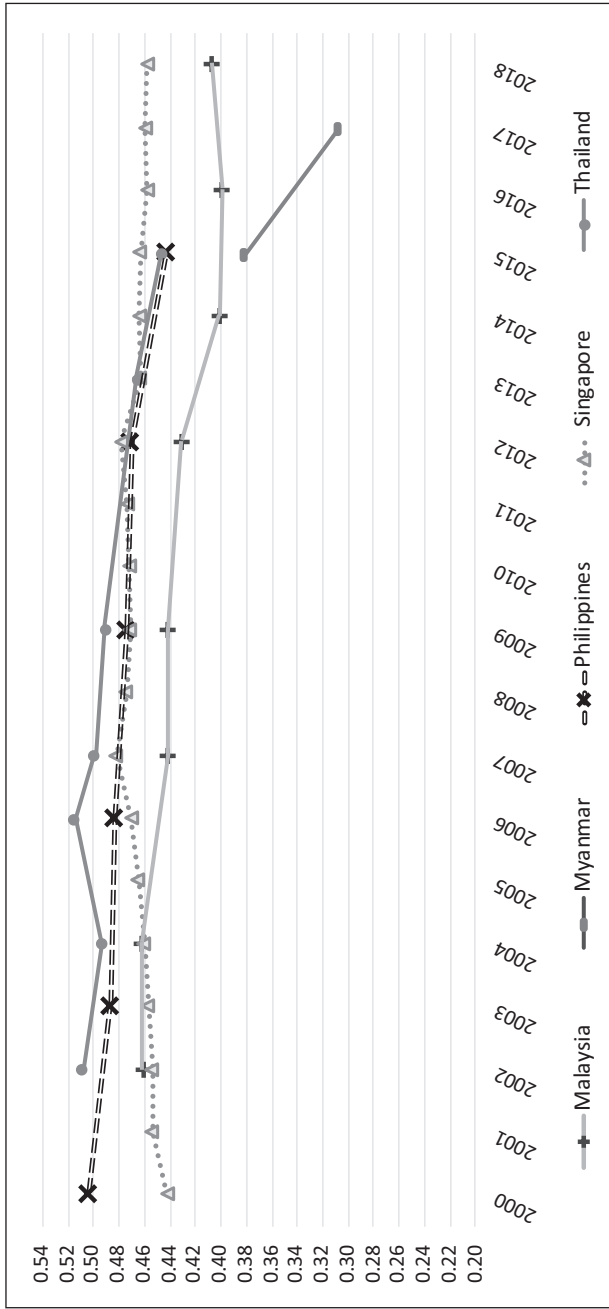
This book is the culmination of a project that started in late 2018. We assembled a team of researchers to contribute case studies on eight Southeast Asian countries: Cambodia, Indonesia, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam. To optimize our ability to tap into local knowledge, and to access data and possibly documentation in the national language, we selected contributors who are citizens and/or home-based. In recognition of the multidimensionality of inequality and the diverse social science backgrounds of chapter contributors, this book takes a multidisciplinary approach.

The chapters capture differences in level of economic development, differing political imperatives of poverty and inequality, as well as availability of data, across Southeast Asia. Papers were presented and critiqued at an in-house workshop in March 2019, and a public conference in July 2019. A selection of these papers was published in a December 2019 special issue of the *Journal of Southeast Asian Economies*. Paper drafts and the journal articles have been revised for incorporation into this book.

CHAPTER OUTLINES AND THEMES

Each chapter provides an overview—as up to date as possible—of inequality levels and trends. Our primary objective is big picture, empirical analysis of inequality outcomes, rather than narrowly focused and sophisticated statistical exercises. While each paper has been given broad latitude, the scope of each country case is limited by data availability, access and quality. Happily, household surveys have been conducted in all Southeast Asian countries, although as Booth (2019) points out, the quality of these datasets

FIGURE 1.3
Gini Coefficient of Household Income



Sources: Malaysia, Philippines, Singapore, Myanmar (respective chapters in this volume); Thailand (World Development Indicators).

varies.¹ In general, we attribute more weight to trends across time within countries than comparisons across countries.

Our inquiry is open to exploring various forms of inequality, although the primary interest and dominant practice references income and expenditure. As it turns out, income or expenditure inequality is covered in all eight countries. In line with economic conditions and policy priorities, the record of poverty alleviation features in the Cambodia, Myanmar, Vietnam and Philippines chapters. Wealth distribution is a nascent field in the region; the Thailand and Singapore chapters shed light on this aspect of inequality. Socio-economic indicators provide some means for assessing the distribution of capability development and more granular details of well-being; education and health inequalities are reported for Thailand, the Philippines, Singapore and Indonesia, and information based on electricity usage supplement our view of Vietnam. Labour participation constitutes a further dimension, and receive some treatment, particularly from the gender angle, in the Malaysia, Myanmar, Indonesia and Philippines chapters.

While examining the state of inequality is our primary objective, we also aspired to engage with the underlying context and causes of inequality, and policy responses.

The authors also discuss salient themes of inequality based on country-specific conditions, contributing authors' interest and expertise, and data availability, such as structural changes and public policies to redress inequality and exclusion, labour market developments, population groups (ethnicity, gender), regional dynamics, and informal economies.

To guide the research and writing of chapters in this volume beyond the documentation of inequality trends, we sought to establish some common ground and broad themes, and remained open to emergent ideas as drafts were written, presented and discussed. The thematic dimensions of inequality can be sorted into four clusters. First, economic structure appears to some extent in all chapters, whether characterized by industrialization and regional agglomeration (Vietnam, Cambodia, Myanmar) or deindustrialization and expansion of services, which also entails linkages across industry and services and stratification within services (Indonesia, Malaysia, Thailand, Singapore). Also pertinent to economic structure are questions surrounding informality and consequent effects on exclusion, which are explored in Cambodia and Myanmar. The second set of inequality dimensions concern spatial inequality and exclusion of geographic areas from the socio-economic mainstream,

which are manifest in regional or provincial inequality (Indonesia, the Philippines, Thailand, Vietnam) and urban-rural disparities which are prevalent everywhere but especially taken up in the Cambodia chapter.

Southeast Asia's ethnic diversity and gender dynamics, as well as enduring or emerging class-based inequality and oligarchic power, prompt decisive focus on these dimensions. Our third thematic cluster considers intergroup disparities, related to ethnicity and race in Vietnam and Malaysia, and to gender in Indonesia, Malaysia, Myanmar and Cambodia. With regard to class and power, questions of social stratification and intergenerational transmission of privilege are unpacked in the Philippines and Singapore. The overhanging and contentious issue of oligarchy, or dynastic political power, feature in the Philippines, Indonesia, and Thailand.

As noted earlier, we consider the conditions and contexts of inequality, while generally omitting empirical research on the consequences and applying a light touch on policy responses. Our investigations have enough to handle in focusing on inequality levels and trends. Furthermore, exploration of the consequences of inequality require expanded and more complex methodologies. The wider effects of inequality on society undeniably warrant empirical study but such efforts lie beyond our scope. We do take the cue from the fact that all countries have taken decisive stances to redress inequality, clearly responding to public demands and a general sense that persistent inequality entails considerable social costs. Within the constraints of this project, we deem it reasonable and to proceed into discussion of public policy without delving extensively into the further ramifications on society, but with due acknowledgement of our limited analysis.

National strategies and policies generally correspond with the salient dimensions of inequality that emerge in this book's country studies. All Southeast Asian governments are committed to reducing inequality, whether through a grand policy declaration or measures introduced that clearly aim to foster more equitable distribution. A few specific policy aspects are worth mentioning here. Governance capacity enters the frame in a generic sense, but the immense tasks of promoting equity perhaps demand policy implementation that, more than other policies, demonstrates efficacy and accountability. The chapters on the Philippines and Singapore engage with this issue more substantively. Within country spatial inequalities weigh heavily on most governments in the region, but with different challenges, from the unparalleled redistribution challenges

of archipelagic Indonesia and the Philippines, to the perennial problem of overconcentration of wealth and power in Bangkok, and the disparities between regions and states in Malaysia and Vietnam, which partly overlap with ethnicity. For lower-income, industrializing Cambodia and Myanmar, core policy objectives seek to marry employment generation in labour-intensive manufacturing with promotion of agricultural productivity, and to negotiate disparities between formal and informal economies.

Note

1. One way to assess such survey data is to compare the total household income—both wage and profit components—with national accounts, which tally consumption, investment, government expenditure and net exports. In 2013–15, total income from surveys as a percentage of national accounts ranged from 42–43 per cent in Indonesia to 53 per cent in the Philippines, 65–59 per cent in Thailand, 77 per cent in Vietnam, and 126 per cent in Cambodia (Booth 2019).

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