



Republic of Kenya



United Nations
Economic Commission for Africa

20th MEETING OF THE INTERGOVERNMENTAL COMMITTEE OF EXPERTS (ICE)

*Nairobi, Kenya
8-11 February 2016*

Theme: Institutions, Decentralization and Structural Transformation in Eastern Africa

Social and Economic Inequality in Eastern Africa

Ad-hoc Experts Group Meeting (AEGM 2)

Concept Note

Nairobi, Kenya, 8-11 February 2016

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1. Background

The Sub-Regional Office for Eastern Africa (SRO-EA) will hold the 20th Session of the Intergovernmental Committee of Experts (ICE) in February 2016. The ICE is the statutory organ of the SRO-EA. It includes representatives of the 14 Member States served by the office, as well as Regional Economic Communities (RECs), Inter-governmental Organisations (IGOs), development partners, research centres, and other stakeholders. It meets annually to define and monitor the implementation of the work programme of the SRO-EA and to discuss key issues and challenges pertaining to the economic and social development of the sub-region with a view to making appropriate recommendations to address them. In addition, the ICE is a forum to cement partnerships and define modalities of cooperation between and among stakeholders aimed at sustaining regional integration and accelerating the pace of development in the sub-region.

The 20th ICE will focus on the theme of 'Institutions, Decentralisation and Structural Transformation in Eastern Africa'. It will examine the role of institutions in promoting growth and structural transformation in Eastern Africa. This will include a review of processes and mechanisms to ensure the formulation of shared visions, promote effective leadership, manage expectations, enshrine good governance, strengthen public participation in decision-making, and build social capital and cohesive pacts for transformational change. It will assess the relevance and effectiveness of decentralised political systems of governance as a means to building strong institutions, balancing national and local interests, enhancing social equity and national unity for development, legitimising markets and generating a 'fair deal' for all. Incentive schemes and capacity requirements for effective decentralisation will be analysed. Case studies from Africa and beyond will expose the limitations and potential of decentralisation processes in the context of strategic planning, decision making, management and allocation of resources, delivery of services, and programme implementation.

In this context, spatial inequalities are a very pertinent issue to consider. Although most countries in Eastern Africa have experienced strong economic growth and are broadly improving the living standards of their citizens, national averages often mask uneven progress and rising disparities at the sub-national level. Inequality is a growing global concern and there is robust evidence that (income and non-income) inequality undermines economic and social development. For instance, income inequality is associated with lower and less sustained economic growth, while unequal societies tend to do worse in most measures of human development than more equal societies. Inequality of opportunity hampers social mobility and threatens social cohesion, fuelling social tensions that can lead to civil unrest and political instability. In turn, economic and social instability dampens investment and economic growth. Large income disparities can also undermine democratic values, if wealthy individuals influence political agendas or try to shape social perceptions.

Mapping inequality and understanding its root causes is critical to design and implement policies that promote inclusive and transformative development. The underlying sources of inequality can be grouped into individual, national and global factors. Individual factors often include innate abilities, parent's income, and education levels. National factors usually include the strength of social institutions (such as labour unions), group-based discrimination (gender, ethnicity, religion, residence) and government policies (such as fiscal policy and labour market regulations). Global factors include globalisation (increasing their turns to capital viz-a-viz wages) and technological progress (increasing the skill premium). A greater focus on equity does not mean eradicating inequality of outcomes, but rather ensuring that inequality of opportunities is

minimised. A thorough assessment of national and sub-national data will be crucial to uncover current levels of inequality and recent trends, thus providing fresh perspectives for policy-makers in Eastern Africa, both at the national and regional levels.

This AEGM is in line with a special request from African member states to support the monitoring of exclusion within their countries – with a view to devise more equitable policy options. ECA’s response to this request included the development of the African Social Development Index (ASDI) by the Social Development Policy Division (SDPD). The ASDI follows a life-cycle approach, thus recognising that people can face different forms of exclusion at different stages of their lives.¹ The ASDI has been piloted in Cameroon, Kenya, Morocco, Senegal and Zambia through national implementation teams.

2. Objectives

The overall objective of the Ad-hoc Expert Group Meeting (AEGM) is to provide a platform to evaluate current trends in socio-economic inequalities in the sub-region, and to generate policy insights and recommendations to connect them to the region's economic transformation policy agenda.

The specific objectives of this AEGM are:

- a. Assess the current state of social and economic inequalities in Eastern Africa – at the national and sub-national levels – with a particular focus on the ASDI;
- b. Discuss the impact of inequalities on the socio-economic prospects of the sub-region (including on structural transformation);
- c. Discuss social and economic policies that can promote inclusive and transformative development.

3. Expected outcomes

The expected outcomes of this AEGM are to provide a better understanding of the scale and impact of socio-economic inequalities in Eastern Africa and share regional experiences to inform policy action at the national and sub-national levels. In particular, the ASDI will be presented as a tool to uncover and address the various forms of exclusion.²

4. Participants

Expected participants include delegates from Eastern African member states (such as senior staff in relevant government ministries), experts, practitioners, representatives of RECs and IGOs, civil society, private sector, media and other stakeholders.

¹The ASDI tracks exclusion in six key dimensions: survival, nutrition, education, employment, means of subsistence, and decent life for the elderly. Depending on data availability, the ASDI can be estimated across time and disaggregated by gender and geographical locations to help assess the inequalities between and within countries and population groups.

²Two ASDI sub-regional reports will be commissioned at the event.

5. Provisional programme

The AEGM will take place in Nairobi (Kenya) at the Safari Park Hotel from 9-10 February 2016. The event will be conducted in English.

Tuesday, 09 February 2016

14.30 – 17.30 Session 1: The African Social Development Index (ASDI)
TBD (ECA/SDPD)

Wednesday, 10 February 2016

09.00 – 13.00 Session 2: Socio-economic inequalities in Eastern Africa
Pedro Martins (ECA/SRO-EA). Mapping inequality in Eastern Africa.
Abebe Shimeles (AfDB). Why is inequality high in Africa?
Farzana Sharmin (ECA/SRO-EA). Asset inequality in Eastern Africa.

14.00 – 17.30 Session 3: Policies for inclusive and transformative development
Wilmot Reeves (UNDP Kenya). Kenya's National Human Development Report (NHDR)
Henri-Bernard Solignac-Lecomte (OECD). Policies for spatial inclusion.

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