III. How inclusive growth can improve quality of life in Asia

- More and more developing Asian countries are placing inclusive growth at the heart of their development policy: India, PRC, and many in Southeast Asia.
- Inclusive growth is one of ADB's three strategic agendas.
- What is inclusive growth
 - Ensuring every citizen can participate in and benefit from growth process on an equitable basis.
 - Growth coupled with equality of opportunity.
- ADB's framework of inclusive growth has three policy pillars.

Figure 1 Policy Pillars of Inclusive Growth

Inclusive Growth



High, efficient, and sustained growth to create productive jobs and economic opportunity Social inclusion to ensure equal access to economic opportunity

- Investing in education, health, and other social services to expand human capacity
- Eliminating market and institutional failures and social exclusion to level the playing field

Social safety nets to protect the chronically poor and to mitigate the effects of transitory livelihood shocks



Good Governance and Institutions

Source: Adapted from Zhuang (2010).

Policy agenda

- Broad-based growth to create productive jobs
- Empowering people through investment in education, health, and human capital
- Institutional and governance reform to level playing field and eliminate social exclusion
- Social safety nets to protect vulnerable groups
- Green growth to conserve resources and protect environment

Take-away messages

- Income growth alone is not sufficient to improve QoL.
- Comparing with middle income countries, developing Asia
 - performs poorly in per capita income, subjective measure of happiness, quality of employment, reducing income poverty and malnutrition, health and education indicators, air quality, access to improved sanitation facilities, and some governance indicators.
 - Performs favorably in employment rate, physical security, and income inequality.
- Inclusive growth—growth coupled with equal access to opportunity—is an effective means toward better QoL in Asia and the Pacific.
- Need for timely, reliable and good quality statistics to develop appropriate QoL indicators.

Thank you!

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