

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



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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