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ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC

ESCAP Launch

ECONOMIC AND SOCIAL SURVEY OF ASIA AND THE PACIFIC 2022

Building Forward Fairer – Economic Policies for an Inclusive Recovery and Development

Tuesday, 12 April 2022

14:00 to 15:00 hours (Bangkok time)

The rapid development of Asia-Pacific economies over the past few decades has lifted millions out of poverty – but it did not come without a cost. High economic growth has often masked key social issues, particularly inequality, and the global financial crisis and COVID-19 pandemic have forced such issues into the mainstream. Asia-Pacific economies must prioritise *inclusive* growth – whereby citizens of *all* socio-economic groups are able to improve their livelihoods, incomes, health and education levels. An important opportunity to shift the paradigm was missed in 2009, so it is vital that Asia-Pacific economies make full use of this post-COVID-19 rebuilding process.

This will not be easy – the *Survey 2022* estimates that 85 million individuals could have been pushed into extreme poverty. Moreover, the strong recovery that was made in the first half of 2021 was curtailed largely by the impact of the virus’ Delta variant. The more pressing issue, however, is the “K-shaped” nature of the recovery. Women were disproportionately affected by the pandemic, given that a large percentage of them are employed by the informal sector. Widespread school closures also placed greater strain on women for caregiving and educational responsibilities, not to mention the fact that rural children with less internet connectivity lost out on schooling harder than their wealthier and/or urban counterparts. Recovery is thus difficult not only due to the unequal devastation of the pandemic, but also because of many economies’ constrained fiscal and monetary policy spaces.

However, a robust and inclusive recovery is very much possible, and this is where the *Survey 2022* hopes to help:

Spending Smart and taxing fairly amid fiscal constraints: Greater fiscal efficiency is particularly important for those countries whose fiscal spaces have been diminished, in addition to collection of greater revenues through the improvement of taxation systems. In particular, “spending smart” should focus on healthcare, education, and social protection – expenditure in these 3 areas should not be cut, given their inequality reducing effects. Additionally, it is recommended that revenues be mobilized by improving the progressivity of personal income taxes and by bringing newer revenue sources, such as the digital and the informal economy, under the tax purview.

Conducting central banking for a fairer future: inflation stability has long been the principal focus of Central Banks; however, the *Survey 2022* argues that they can and should be more geared towards inclusiveness. First, through a greater consideration of the potential inequality-increasing impacts of monetary policy. Next, through greater allocation of the vast reserves Central Banks possess to social-



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oriented investment. Third, through greater digital currency inclusion, while considering legal and risk-related issues. Lastly, central banks can encourage and support use of innovative financial instruments.

Guiding, shaping, and managing structural transformation to build inclusive economies:

Recent evidence shows that “pre-distributive” policies – those taking place *before* taxes and transfers unlike *redistribution* – are more effective in promoting inclusive development. Rapid urbanization and industrialization can cause inequality levels to soar, as has been the case with some Asia-Pacific economies, but this need not happen. Inclusive growth and development can be encouraged through faster job creation, greater access to public goods and labour skill-enhancing initiatives. Meanwhile, technological changes that shift economies to become more capital intensive rather than labour intensive must be harnessed carefully to prevent further rises in inequality, and to allow citizens to take advantage of improvements in technology.

Event programme

14.00-14.02 (2 mins)	Introduction to the launch <i>Mr. Mitch Hsieh</i> , Chief, Communications and Knowledge Management Section
14.02-14.10 (8 mins)	Opening remarks <i>Ms. Armida Salsiah Alisjahbana</i> , ESCAP Executive Secretary
14.10-14.25 (15 mins)	Keynote address <i>Prof. Lant Pritchett</i> , Research Director at Oxford’s Blavatnik School of Government Fellow at the London School of Economics <i>Can Asia-Pacific region be the cradle of inclusive structural transformation?</i>
14.25-14.40 (15 mins)	Presentation on the 2022 Economic and Social Survey of Asia and the Pacific <i>Ms. Sweta C. Saxena</i> , Chief, Macroeconomic Policy and Analysis Section, Macroeconomic Policy and Financing for Development Division <i>Mr. Hamza Ali Malik</i> , Director, Macroeconomic Policy and Financing for Development Division
14.40-15.00 (20 mins)	Q&A session Moderated by <i>Mr. Mitch Hsieh</i>