



# ESCAP Multilateral Forum for SDGs implementation in North and Central Asia

## Approaches to inclusive economic growth assessment: EEC-UNCTAD joint research outcomes

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Strategic focus on **GDP growth** is inevitably accompanied by:



Aggravated economic and social stratification



Deteriorating living standards of the most vulnerable



Environment pollution, etc.



**Inclusive growth –**

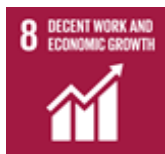
**convergence and improvement of the quality of life**

of all population groups achieved largely due to the creation of

**favorable non-discriminatory economic conditions**

allowing each population group to enhance self-sufficiently the

quality of life comparable to other groups



**Promote inclusive economic growth**



Ensure just societies



Bridge economic gaps within and across nations



Reduce gaps between men and women



Protect vulnerable groups



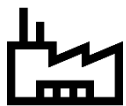
End all forms of malnutrition



**Develop measurement of progress on sustainable development that complement GDP**

Characteristics  
of inclusivity

## 3 pillars of inclusive economic growth:



### Economy

employment, labour productivity, trade



### Living conditions

health, logistics, finance, ecology



### Inequality

employment, education, decision-making

## Composite index of inclusive growth

Pillar 1 Economy	Pillar 2 Living conditions	Pillar 3 Inequality
<ol style="list-style-type: none"> <li>1. GDP per capita</li> <li>2. National income per capita</li> <li>3. Labor productivity</li> <li>4. Electric power consumption</li> <li>5. Employment rate</li> <li>6. Exports, % GDP</li> </ol>	<ol style="list-style-type: none"> <li>1. Under-5 mortality rate</li> <li>2. Access to safe water services</li> <li>3. School enrollment, secondary</li> <li>4. Coverage of essential health services</li> <li>5. Logistics performance index</li> <li>6. Fixed Internet broadband subscriptions</li> <li>7. Access to bank account or mobile-money services</li> <li>8. CO2 emissions</li> </ol>	<ol style="list-style-type: none"> <li>1. Employment: youth / adult</li> <li>2. Employment: male / female</li> <li>3. Labor force: male / female</li> <li>4. Income concentration ratio</li> <li>5. Poverty headcount ratio</li> <li>6. School enrollment: boys / girls</li> <li>7. Number of seats in national parliaments: male / female</li> </ol>

## Composite index of inclusive growth

Pillars weights are equal  
according to Principal  
Components Analysis



Pillar 1:  
Economy

Pillar 2:  
Living conditions

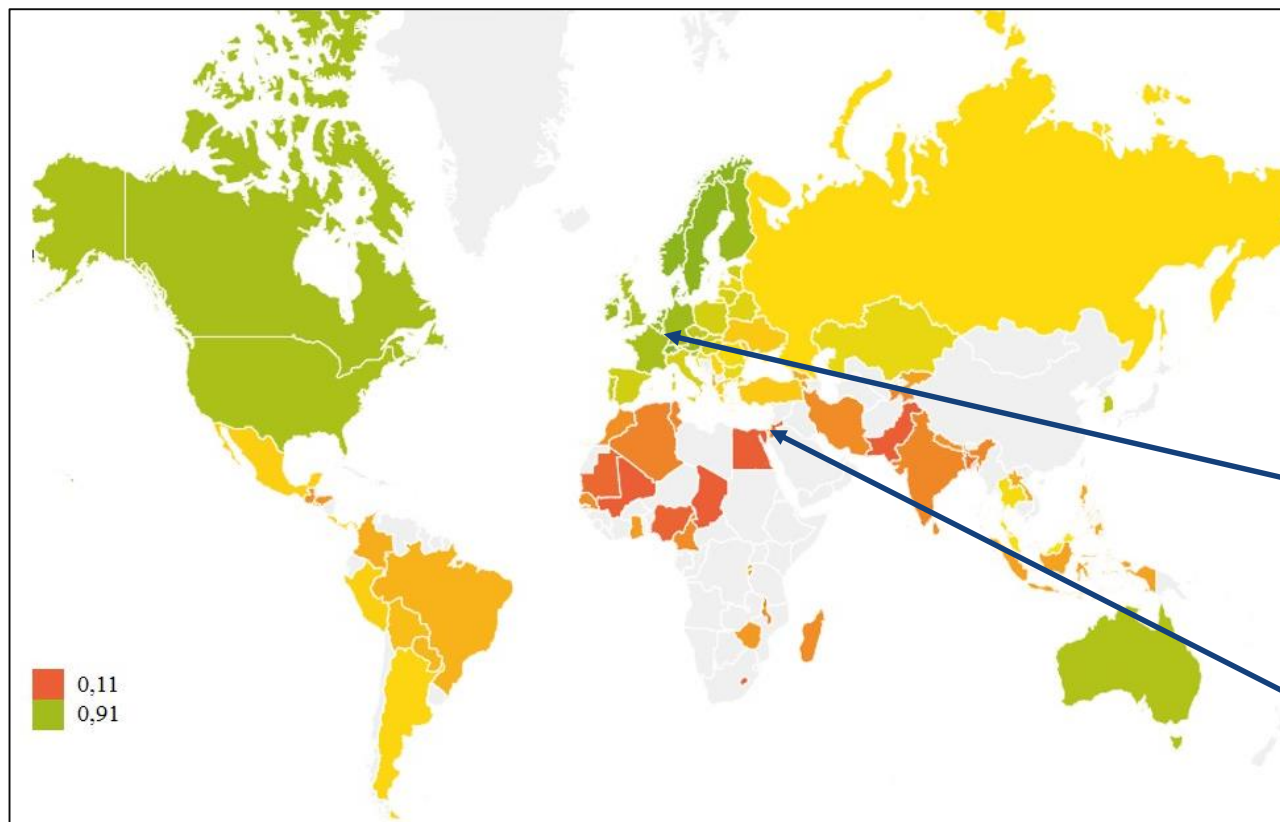
Pillar 3:  
Inequality



Indicator weights are proportional  
to their impact on inclusivity  
(Calculations based on  
Principal Components Analysis)

21 original indicator

## The world composite inclusive growth index “heat map”

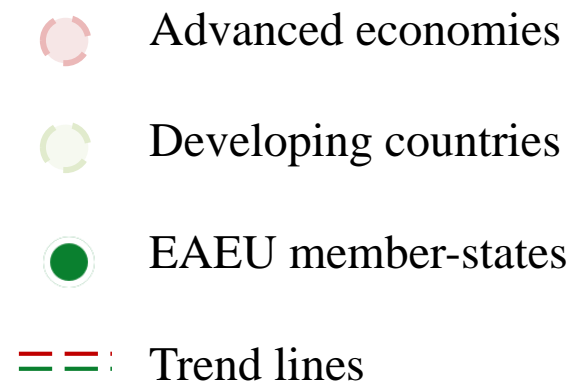
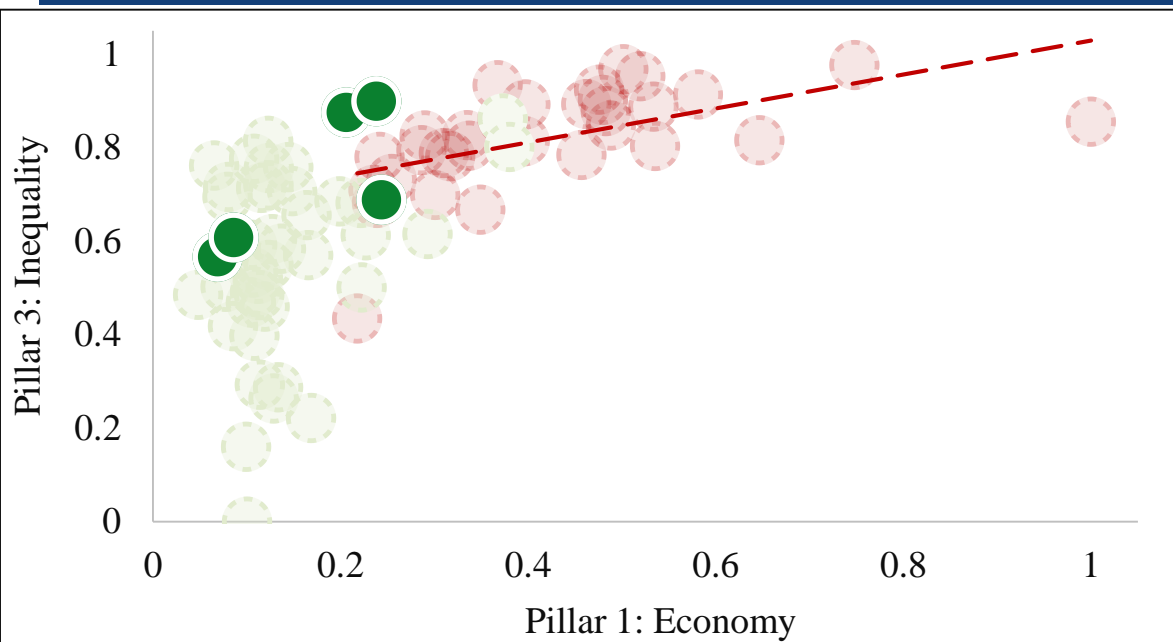


Ranking has been established for **86 states**

**Luxembourg**  
(top-advanced economy)

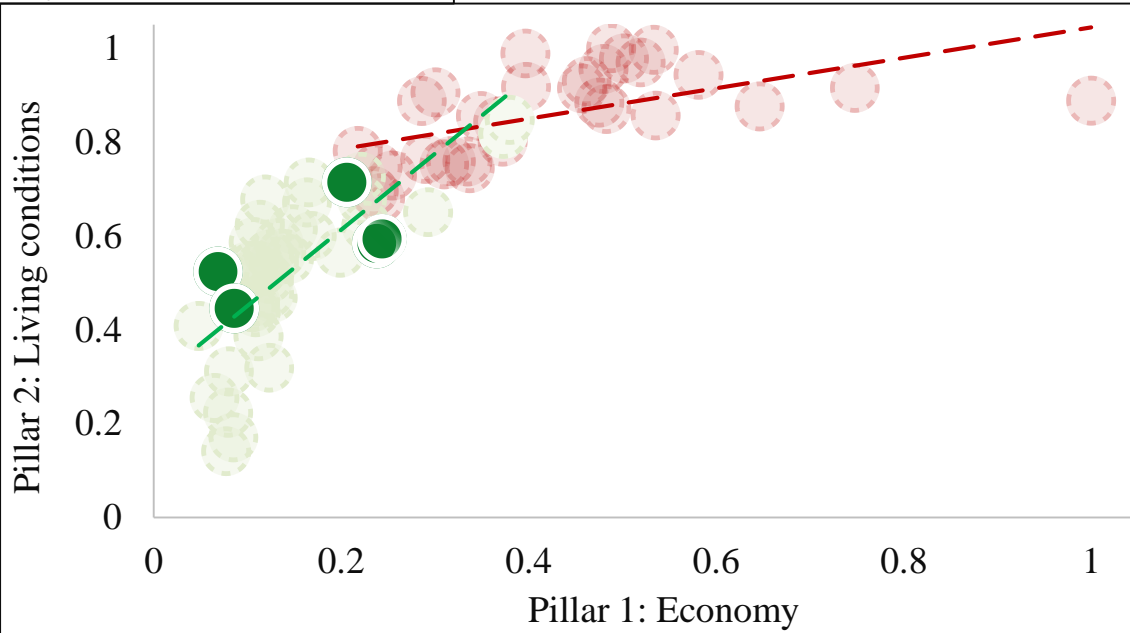
**Israel**  
(top-developing economy)

red color – least inclusive growth  
green – most inclusive

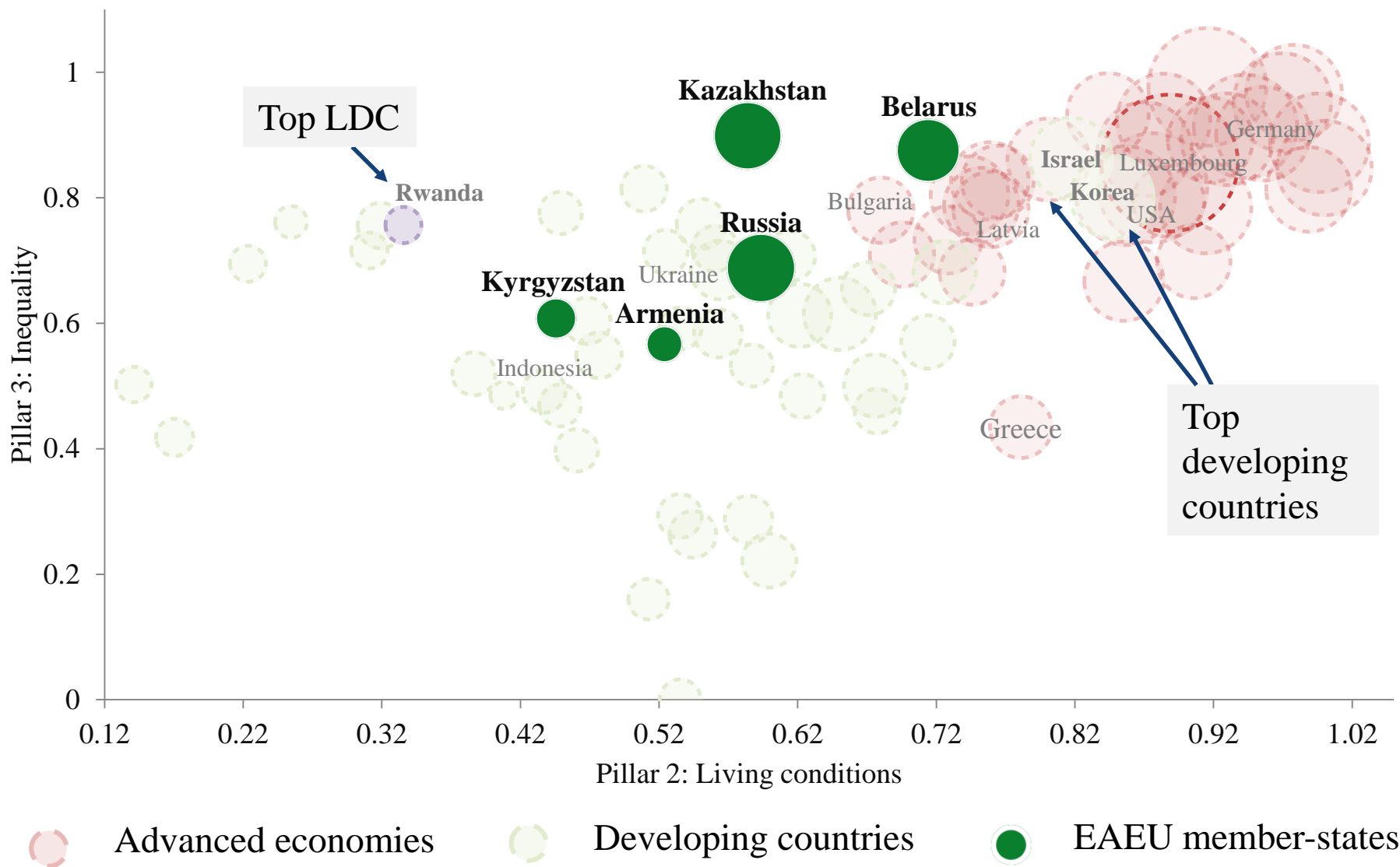


Economic development clearly impacts:

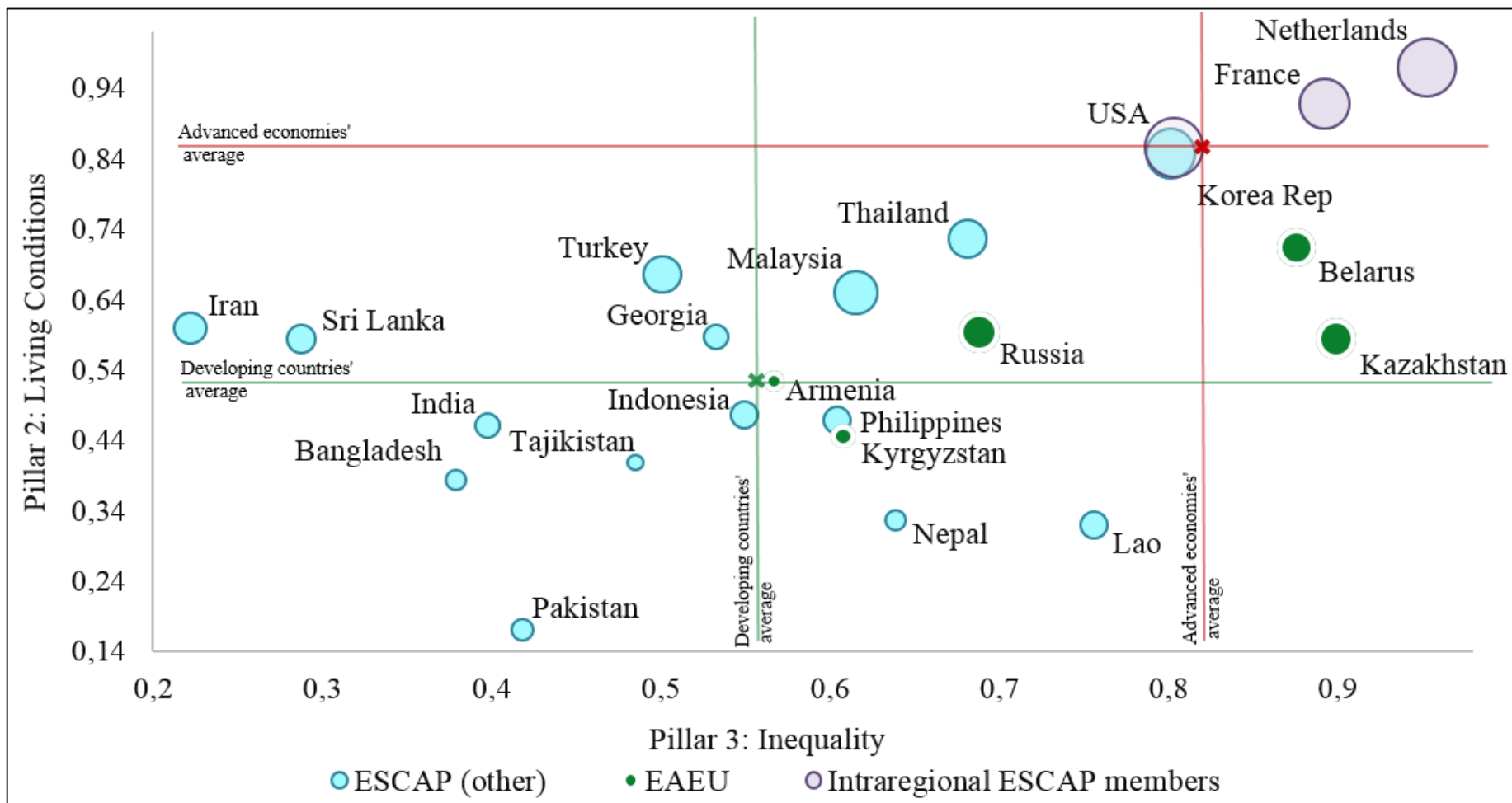
- inequality in advanced economies;
- living conditions in developing countries.







Note: size of the bubble – economic performance (Pillar 1)



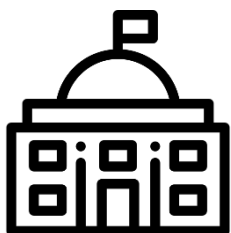
Note: size of the bubble – economic performance (Pillar 1)

	Armenia	Belarus	Kazakhstan	Kyrgyzstan	Russia
<b>Composite index</b>	<b>59</b>	<b>30</b>	<b>31</b>	<b>61</b>	<b>38</b>
<b>Pillar 1: Economy</b>	<b>149</b>	<b>58</b>	<b>50</b>	<b>126</b>	<b>47</b>
GDP per capita	98	64	51	134	49
National income per capita	108	85	69	143	65
Labour productivity	100	78	58	133	55
Electric power consumption	82	59	35	85	29
Exports, % GDP	78	24	91	85	120
Employment rate	157	90	76	108	74
<b>Pillar 2: Living Conditions</b>	<b>78</b>	<b>40</b>	<b>67</b>	<b>89</b>	<b>64</b>
Under-5 mortality rate	63	19	58	80	44
Access to safe water services	88	37	46	84	71
School enrollment, secondary	75	39	18	54	34
Coverage of essential health services	66	45	53	70	82
Fixed Internet broadband subscriptions	65	19	57	83	44
Logistics performance index	83	91	66	95	70
Access to bank account or mobile-money services	80	46	68	100	52
CO2 emissions	74	111	126	122	121
<b>Pillar 3: Inequality</b>	<b>67</b>	<b>14</b>	<b>9</b>	<b>61</b>	<b>51</b>
Employment: youth / adult	86	21	2	55	58
Employment: male / female	22	76	53	73	20
Labour force: male / female	57	34	25	71	46
Income concentration ratio	46	12	16	39	73
Poverty headcount ratio	63	15	40	71	24
School enrollment: boys / girls	59	23	17	1	20
Number of seats in national parliaments: male / female	66	21	40	60	71

*red color – lower rankings, green color – higher rankings*



The methodology on inclusive growth index calculation is now being included in the EAEU panel recommendations



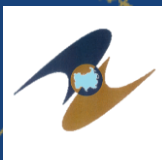
Further research outcomes are to be translated into member-states strategic development planning

**eec**

EURASIAN ECONOMIC  
COMMISSION



**Thank you for attention!**



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