



## PREFACE

The *Economic and Social Survey of Asia and the Pacific* monitors regional progress, providing cutting-edge analyses and guiding policy discussion on the current and emerging socioeconomic issues and development challenges in the region since 1947. Its 2009 edition argued that the global economic and financial crisis could be turned into an opportunity to jump-start a regional reorientation towards a more inclusive, equitable and sustainable development path. While many Asian and Pacific countries started to take steps towards that goal, the recovery of economic growth since 2010, even if it is below the pre-crisis period, may dampen the sense of urgency about the need to reorient the region's development pattern.

The 2013 *Survey* reminds us that this is no time for complacency, as the need for a more inclusive and sustainable pattern of economic and social development continues to be critical. The *Survey* comes at a crossroad for Asia and the Pacific because of the tensions within the current development pattern of the region exposed by the ongoing crisis in the global economy, environmental fragilities, rapid demographic shifts and resource constraints.

As much as the region anchors the global economy, it is still home to more than 800 million people living in extreme poverty, 563 million people undernourished and more than 1 billion workers in vulnerable employment, while income and social inequality and economic insecurity continue to increase in many countries. In addition, the high resource-intensity of economic growth has caused a rapid rise in emissions of greenhouse gases and made countries increasingly vulnerable to commodity price shocks. The hundreds of millions left behind, along with the unsustainable pressures on natural resources, call – loud and clear – for a fundamental shift in the region's development journey.

The good news is that Asia and the Pacific has already started to rethink and reinvent itself. It is doing so by looking for new drivers of economic growth, closing development gaps and seeking to rebalance export-led growth with a greater reliance on domestic demand. It is also increasing spending on health, education, social protection and disaster management and it is addressing deficits in infrastructure and sustainability, including through low carbon and green economy policies. These

efforts should be supported, enhanced and propagated throughout all countries in the region. However, a major concern of policymakers about implementing a new, bold agenda is how much will it cost.

The main contribution of this edition of the *Survey* is to provide an answer to that important concern. It does so by estimating the required public expenditures for an illustrative package of policies to promote inclusive and sustainable development in a number of Asia-Pacific countries. The package includes the provision of an employment guarantee for 100 days a year, basic social services in education and health, income security to older persons and persons with disabilities and ensuring efficient energy for all.

The results are highly encouraging. They show that most countries can finance such a package without jeopardizing macroeconomic stability, although least developed countries would also require global partnership and development cooperation. To be sure, the package proposed in the 2013 *Survey* is just an illustrative example, and the details of the calculations deserve to be further discussed and refined. The purpose of this exercise is to move forward the regional development agenda from the discussion of the future we *want* to the means of implementation and financing to *realize* that future.

The package of policies discussed in this edition of the *Survey* not only illustrates the feasibility of taking decisive action towards inclusive and sustainable development in Asia and the Pacific but also highlights the importance of macroeconomic policies for this purpose. The dominant macroeconomic policy paradigm since the early 1980s has been too restrictive and not geared towards a great leap forward to inclusive and sustainable development. In the light of the region's high degree of economic insecurity, large development and infrastructure gaps and heightened environmental fragility along with extreme exposure to climate change-related risks, it is necessary to better balance the stabilization and developmental roles of macroeconomic policies. Macroeconomic policies could and should be forward-looking in order to play a key role in the region's next great transition to inclusive, resilient, equitable and sustainable development.

We hope that this document will stimulate policy debates among government officials, researchers, development partners and the general public of Asia and the Pacific, and that it will contribute to fostering a more inclusive and sustainable development in the region.



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