

How much recalibration is needed for inclusive and sustainable growth?

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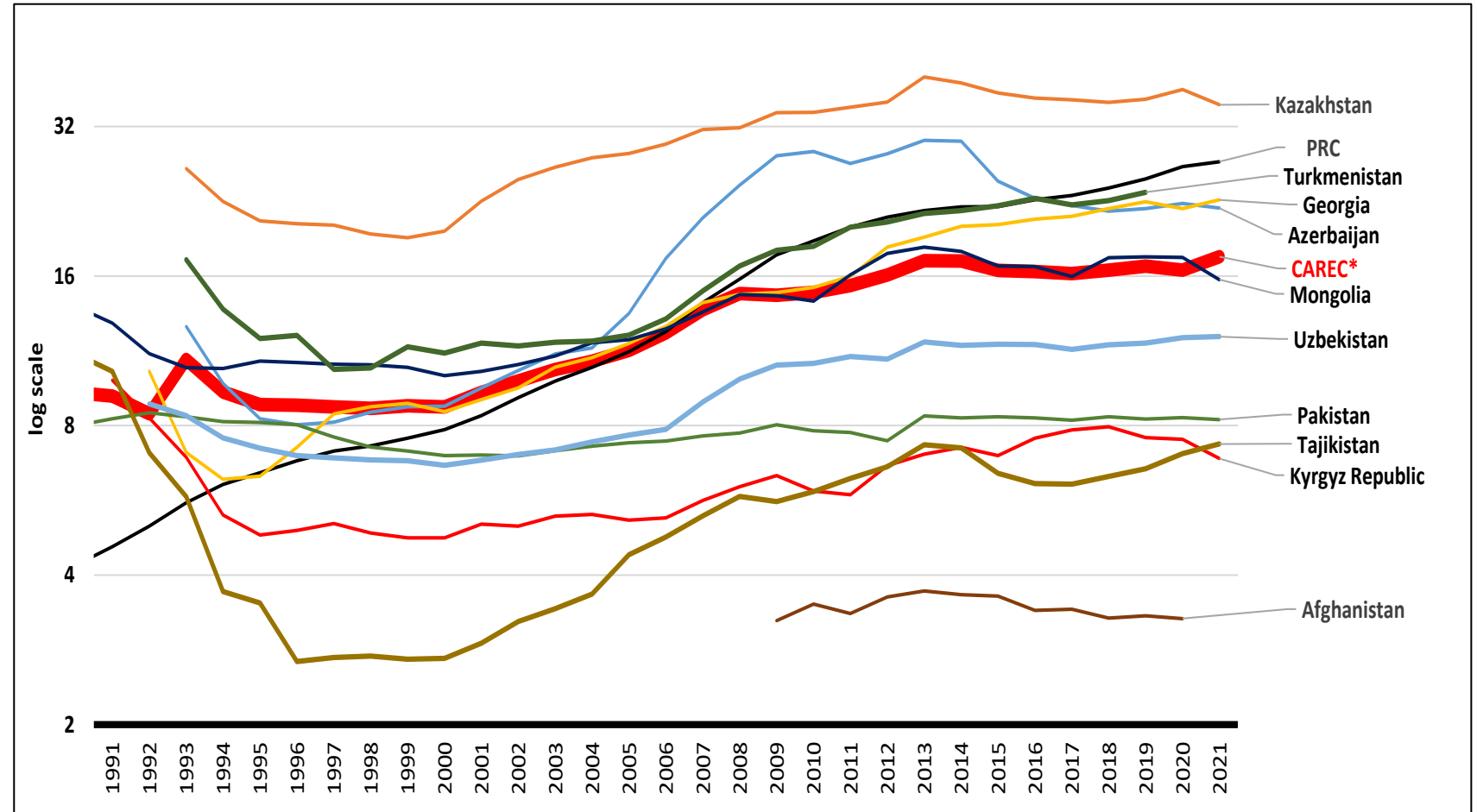


Knowledge for Prosperity

Catching up with developed economies has slowed.

A new productivity push is needed.

Gross National Income (GNI) per capita, PPP (current international US\$), in % of US GNI per capita



* Simple CAREC average

Source: World Bank, World Development Indicators, authors' calculations

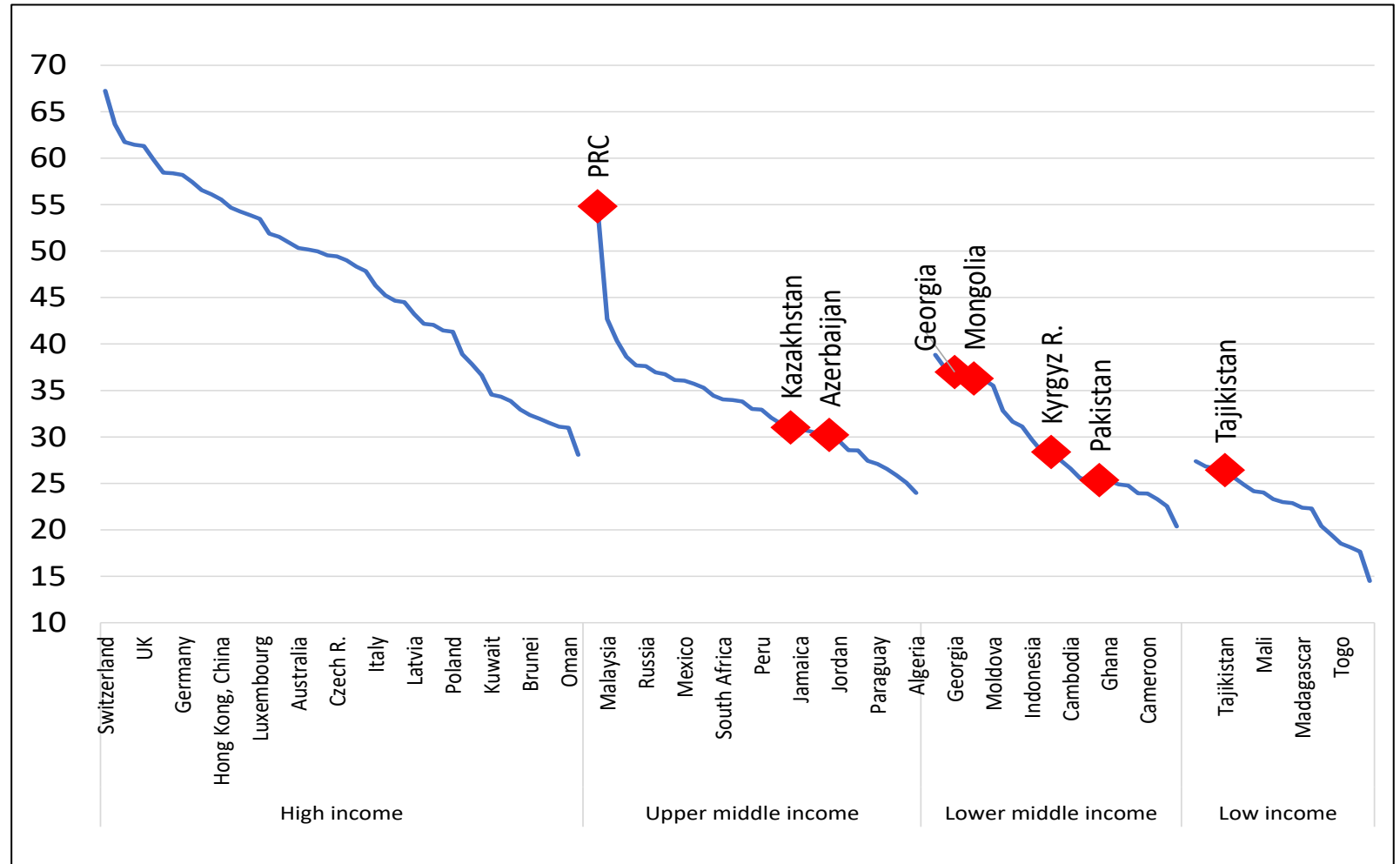
Where is the productivity to come from?

Innovation, digitalization, technology

foreign trade and utilizing comparative advantages,

FDI, technology and management transfer, economies of scale

Global Innovation Index 2019



Source: Cornell University, INSEAD, WIPO, Global Innovation Index

Knowledge for Prosperity

The CAREC Digital Strategy 2030:

“ ...**digitalization** will not only help COVID-19 recovery but also allow member countries to develop robust solutions in important areas such as health care, education, agriculture, finance, trade, and tourism.”

Digital Adoption Index (DAI)

Country	Digital Adoption Index (Rank)*	Digital Adoption Index
Kazakhstan	45	0.671
Georgia	68	0.599
Azerbaijan	71	0.594
PRC	74	0.586
Mongolia	84	0.538
Kyrgyz Rep.	<i>96</i>	<i>0.499</i>
Uzbekistan	<i>121</i>	<i>0.401</i>
Pakistan	<i>122</i>	<i>0.400</i>
Afghanistan	<i>134</i>	<i>0.343</i>
Tajikistan	<i>141</i>	<i>0.323</i>
Turkmenistan	<i>154</i>	<i>0.272</i>
Average of 180 countries	90.5	0.516

* Among 180 countries;

Blue italics indicate scores below global average (assigned by the authors)

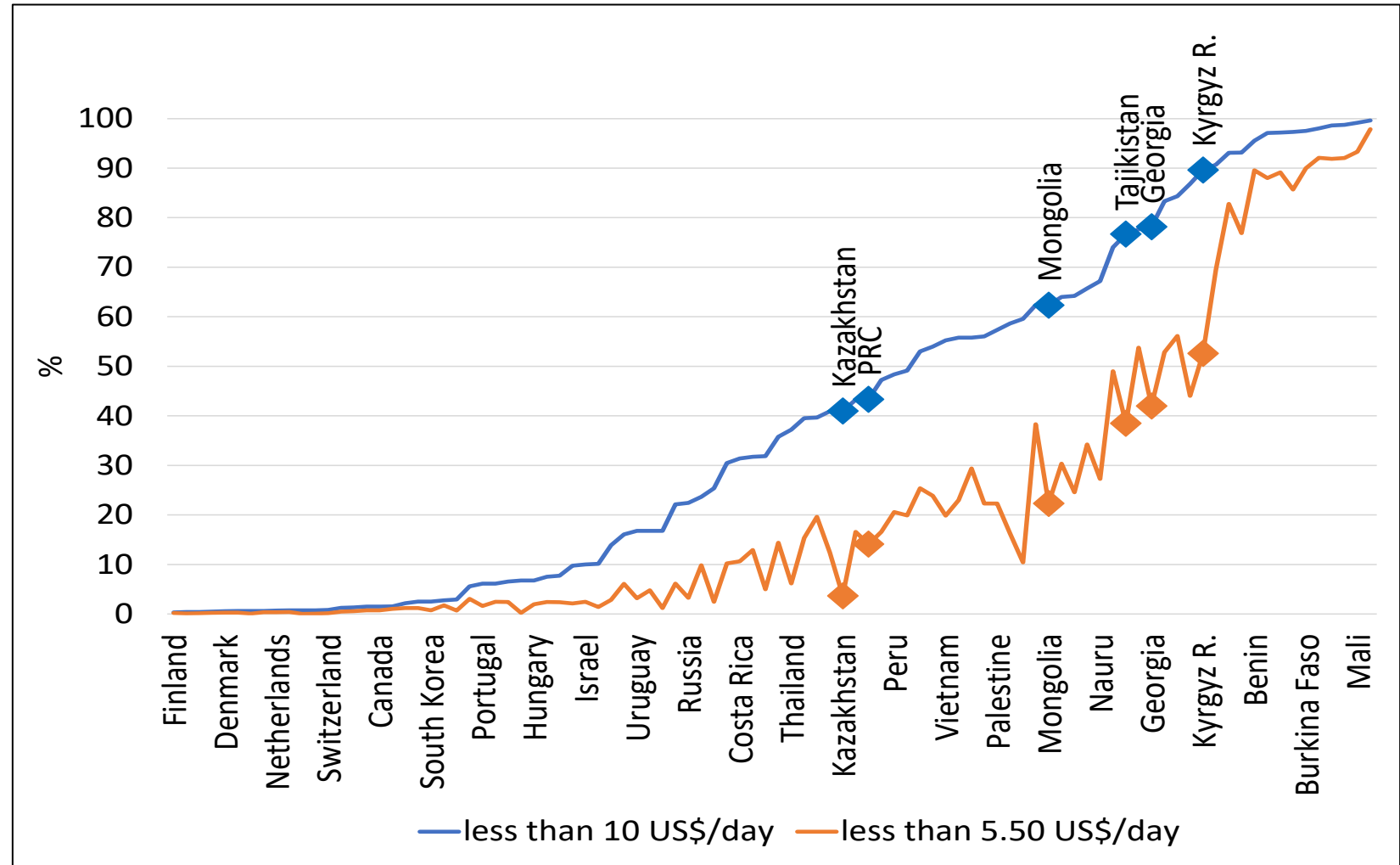
Source: Digital adoption index 2016

Productivity is not an end by itself but should serve to benefit the people.

Low income and poverty, though generally improved, remain a serious issue.

COVID-19 has re-aggravated the situation.

Share of population below US\$ xx daily income (in 2019 or 2018)



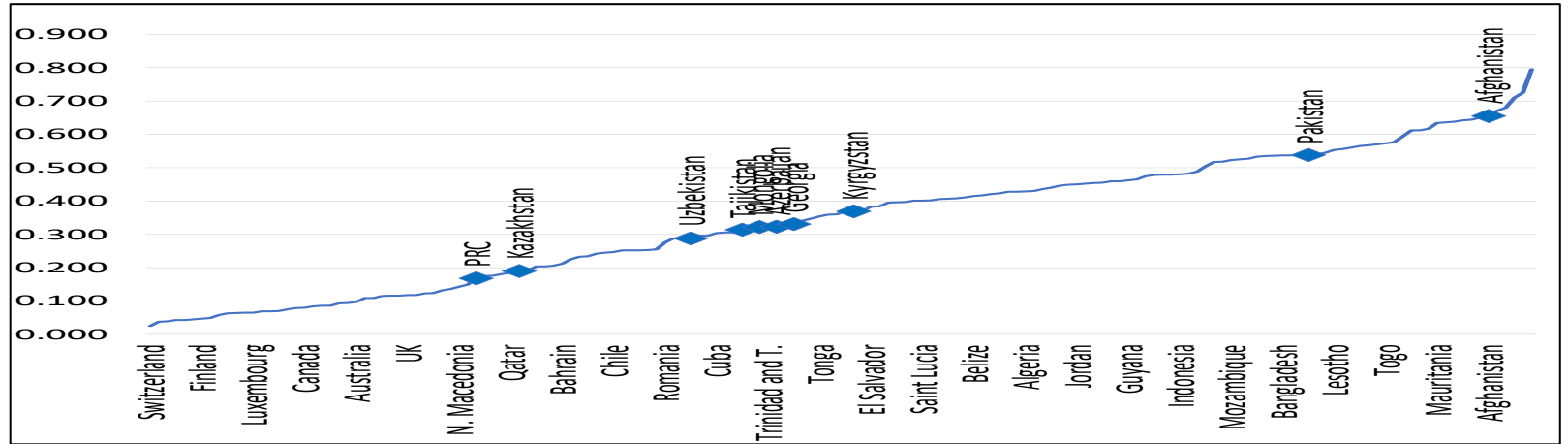
Source: WB Worldpopulationreview, author's calculations.

COVID-19 has worsened gender-inequality

- starting from female work-force participation,
- to schooling
- to domestic violence.

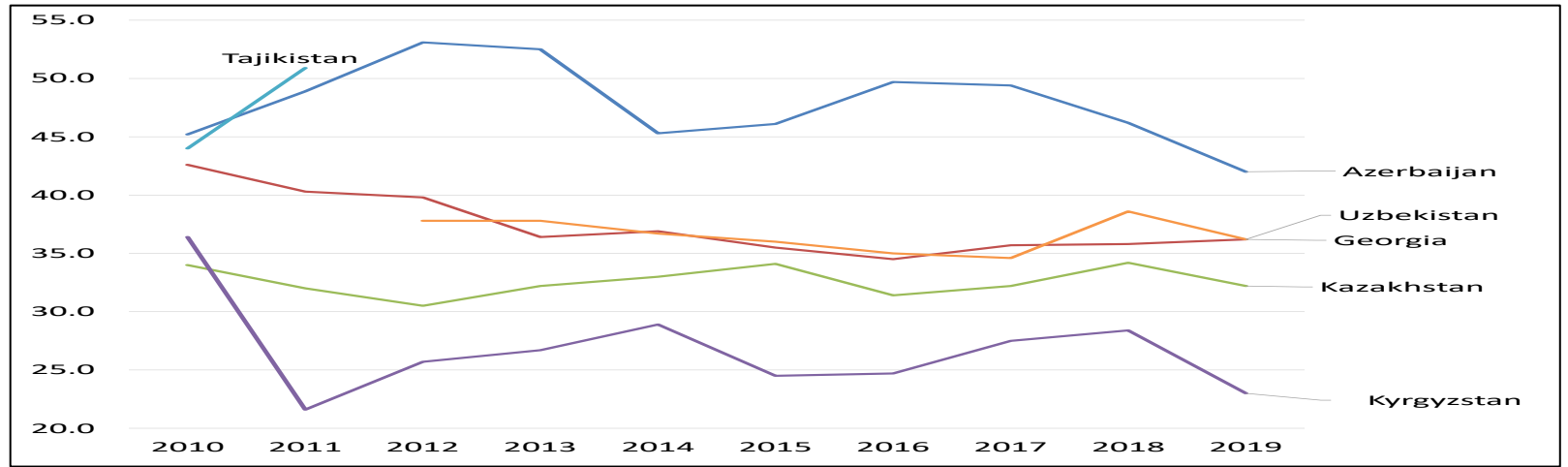
Progress in narrowing the gender pay gap looks limited.

Gender Inequality Index, data for 2019



Source: UNDP Gender Inequality Index

Difference between men's and women's earnings in % of men's earnings



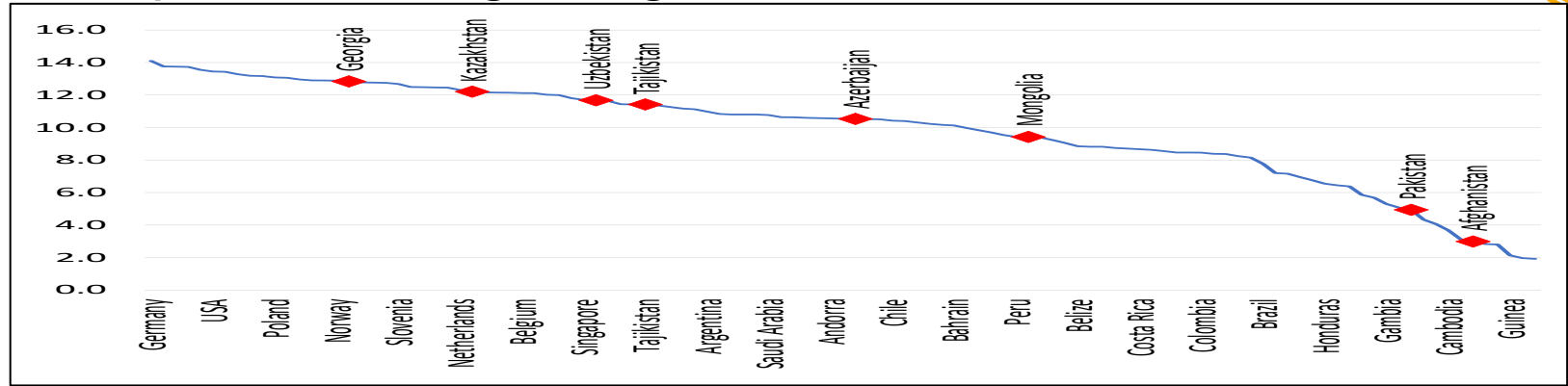
Source: UNECE Statistical Database

Some CAREC members need faster improvement in education (PISA).

Social barriers remain.

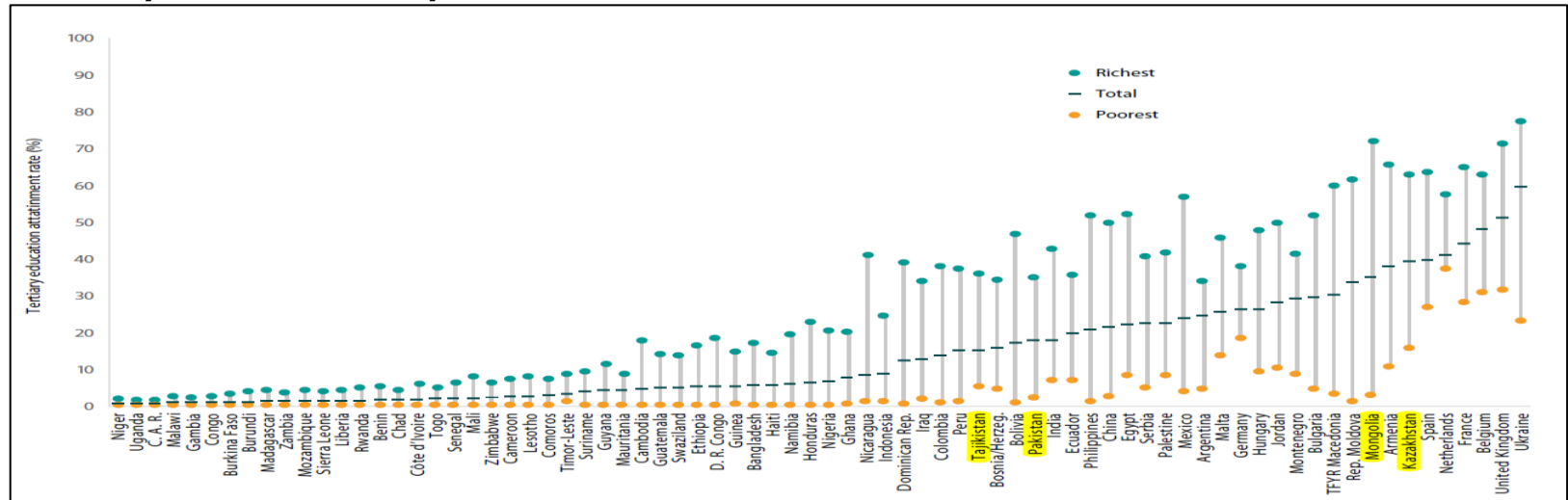
For raising productivity higher technical education and vocational education and training (TVET) are essential.

Mean years of schooling (average 2015-2021)



Source: UNESCO, <http://data.uis.unesco.org/#>, authors' calculations

Percentage of 25-29 year-olds who have completed at least four years of tertiary education, by wealth, selected countries, 2008-2014

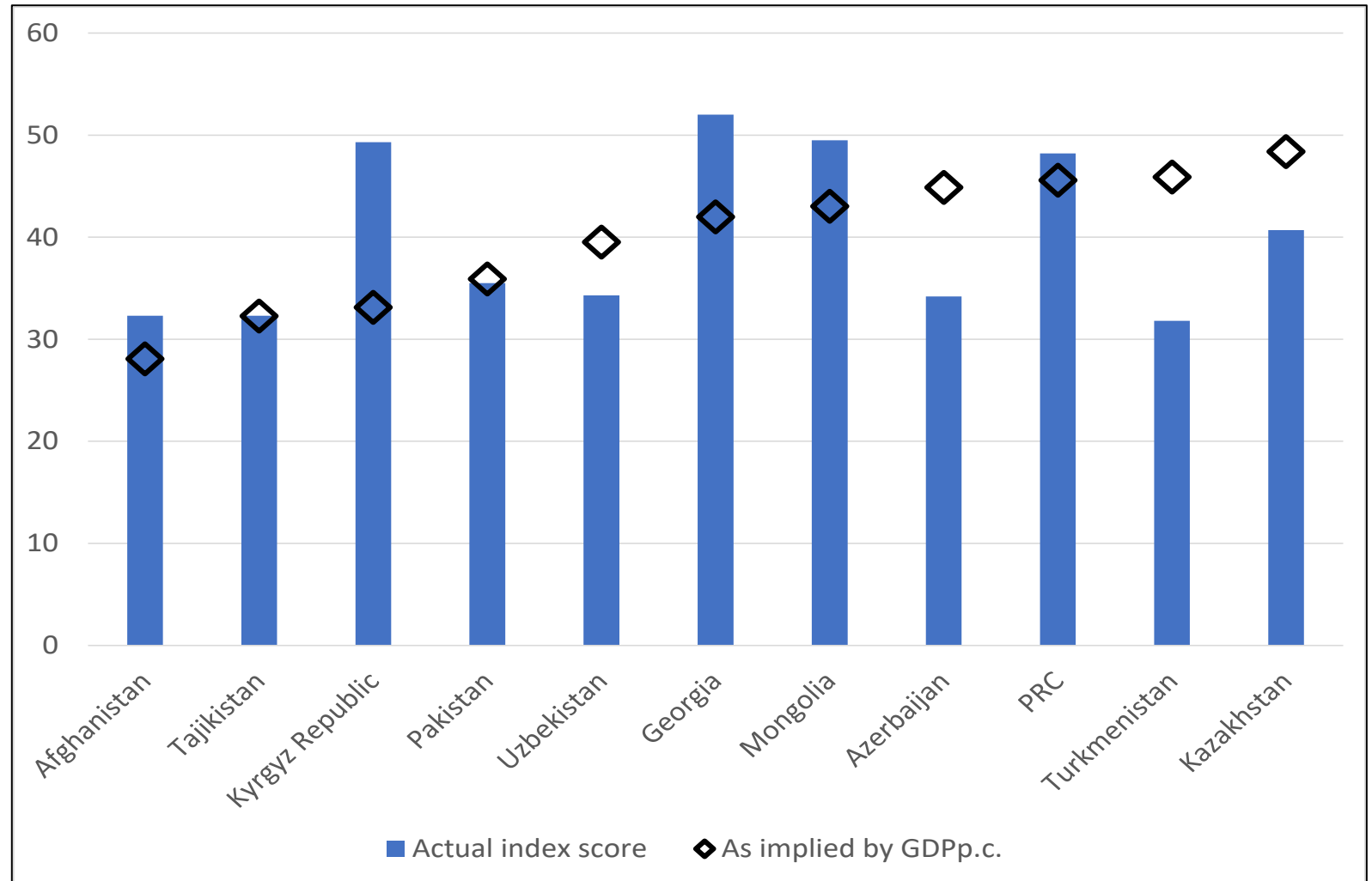


Source: UNESCO 2017, Six ways to ensure higher education leaves no one behind, highlights by the authors

The quality of **health systems** is roughly in line with GDP per capita but should be further upgraded.

And, for **countering pandemics** also a strong political resolve, skilled governance, and preparation are required.

The Global Health Security Index and GDP per capita



Source: Global Health Security Index, WB World Development Indicators, author's calculations

Answer to the
initial
question:

(How much
recalibration is
needed?)

Quite a lot!

**Looking forward to
a fruitful exchange of views!**

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