

INTERNATIONAL MONETARY FUND

SOUTH ASIA'S PATH TO RESILIENT GROWTH



**ASIA AND PACIFIC
DEPARTMENT**

Determinants of Sustainable, Inclusive and Climate-Friendly Growth

JARKKO TURUNEN

SESSION 3: BASED ON CHAPTERS 2-7

JANUARY 6, 2023

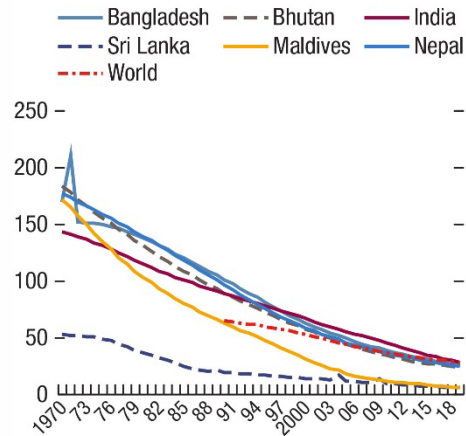


PART I. FOSTERING SUSTAINABLE AND INCLUSIVE GROWTH

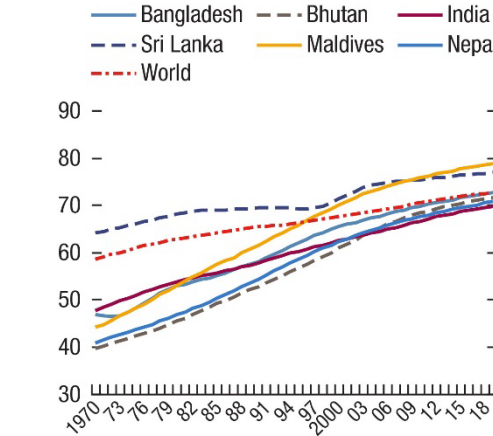
- 2 The Spending Challenge of Achieving the SDGs in South Asia: Lessons from India**
Mercedes Garcia-Escribano, Tewodaj Mogues, Mariano Moszoro, and Mauricio Soto
- 3 Labor Market Reforms for Job-Rich Growth Recoveries in South Asia**
Ruchir Agarwal, Andrew Hodge, Racha Moussa, Piyaporn Sodswiwiboon, and Jarkko Turunen
- 4 Social Protection Reforms in South Asia**
Bazlul Haque Khondker and Emmanouil Kitsios
- 5 Improving Gender Equality with Digitalization**
Piyaporn Sodswiwiboon
- 6 Digitalization and Public Finance Efficiency**
Emmanouil Kitsios and Sanghamitra Mukherjee
- 7 Climate Change in South Asia: Further Need for Mitigation and Adaptation**
Ruchir Agarwal, Vybhavi Balasundharam, Patrick Blaggrave, Eugenio Cerutti, Ragnar Gudmundsson, and Racha Moussa

Fostering Sustainable and Inclusive Growth

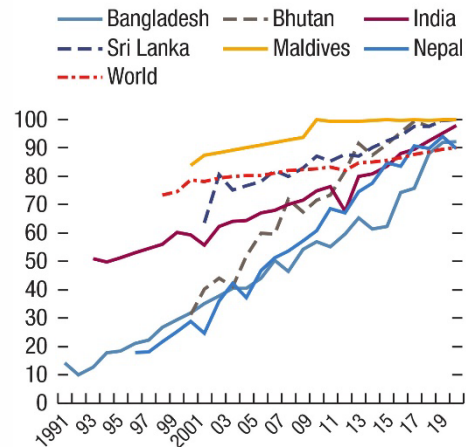
1. Infant Mortality Per 1,000 Live Births



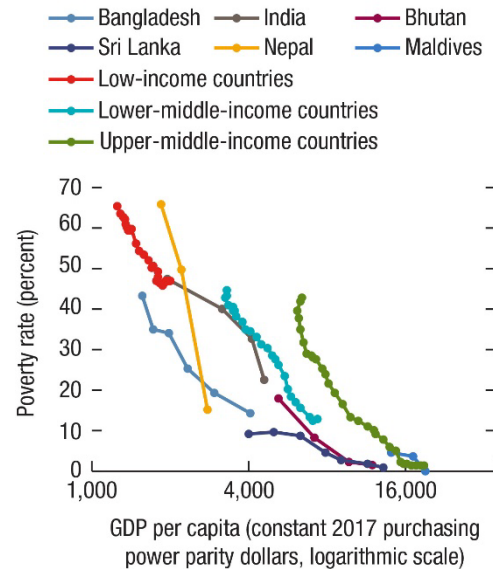
2. Life Expectancy at Birth (Years)



3. Access to Electricity (Percent of population)



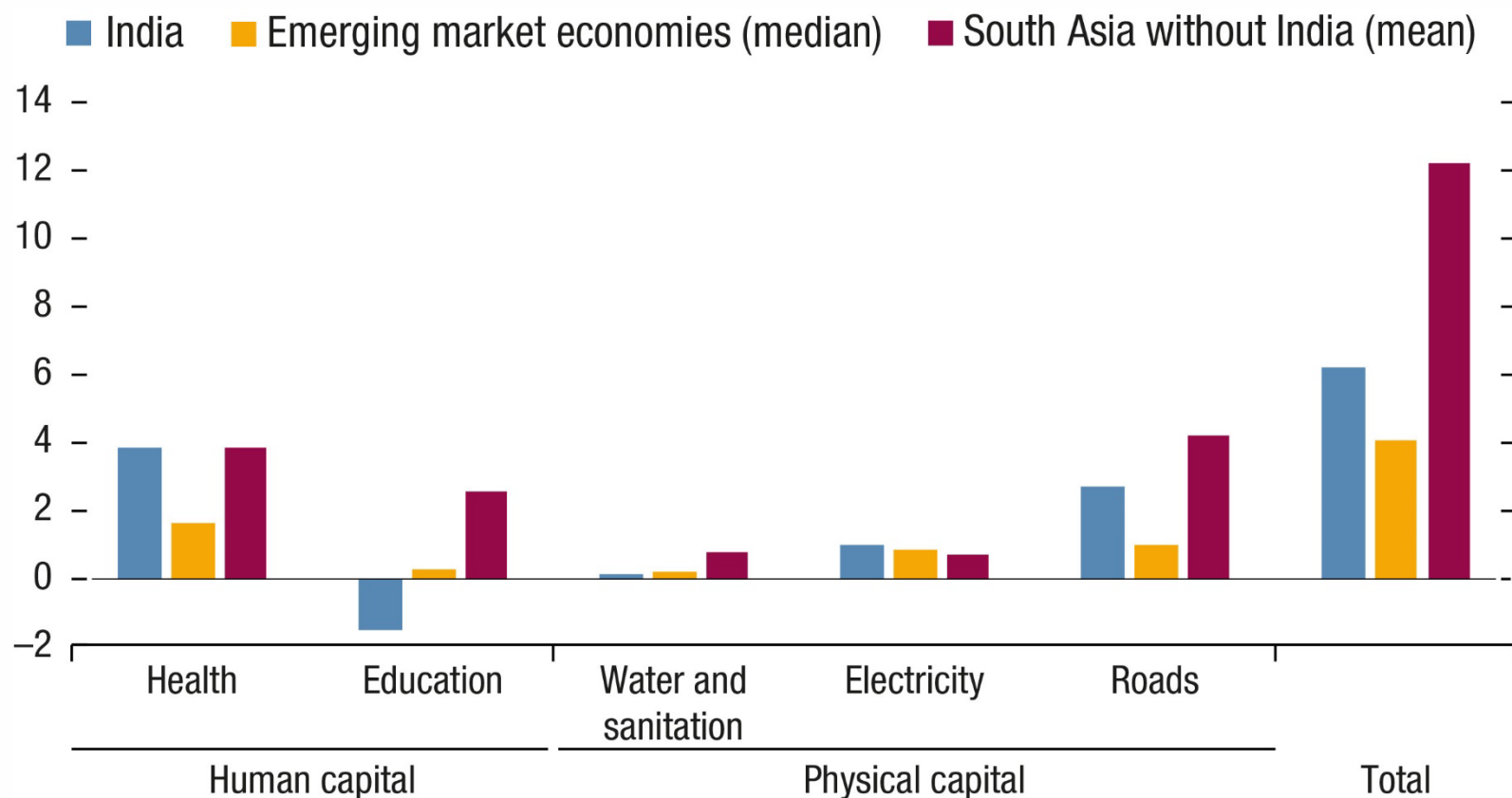
4. Poverty Rate (Percent of population)



Source: World Bank's World Development Indicators; and IMF staff calculations.

Achieving Sustainable Development Goals (SDGs)

Spending in 2030 Selected SDG Sectors
(Percent of 2030 GDP)

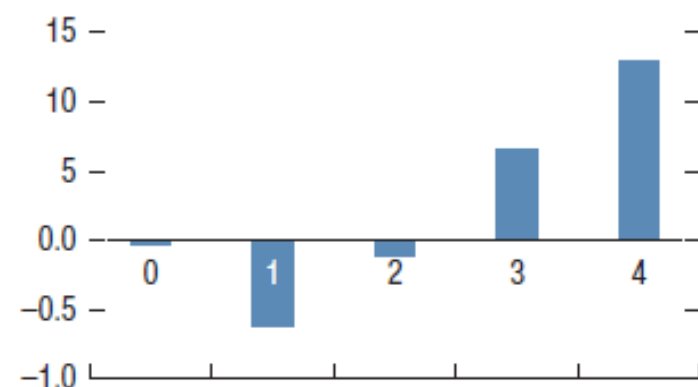


Source: Gaspar (2019) and others; and IMF staff calculations

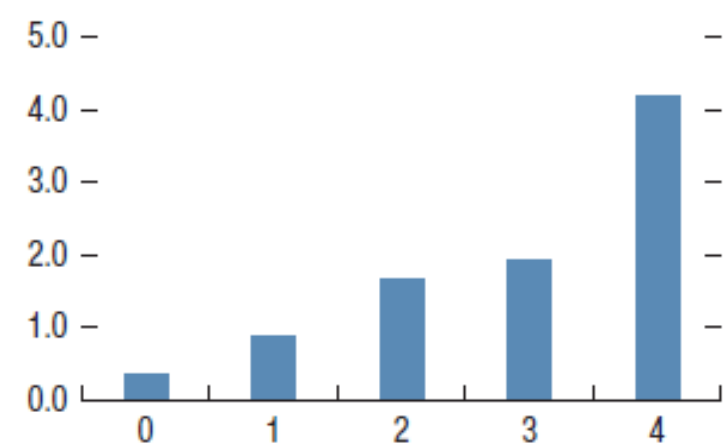
Labor Market Reforms for Job-Rich Growth Recoveries

Impact of EPL Reforms

1. Total Employment

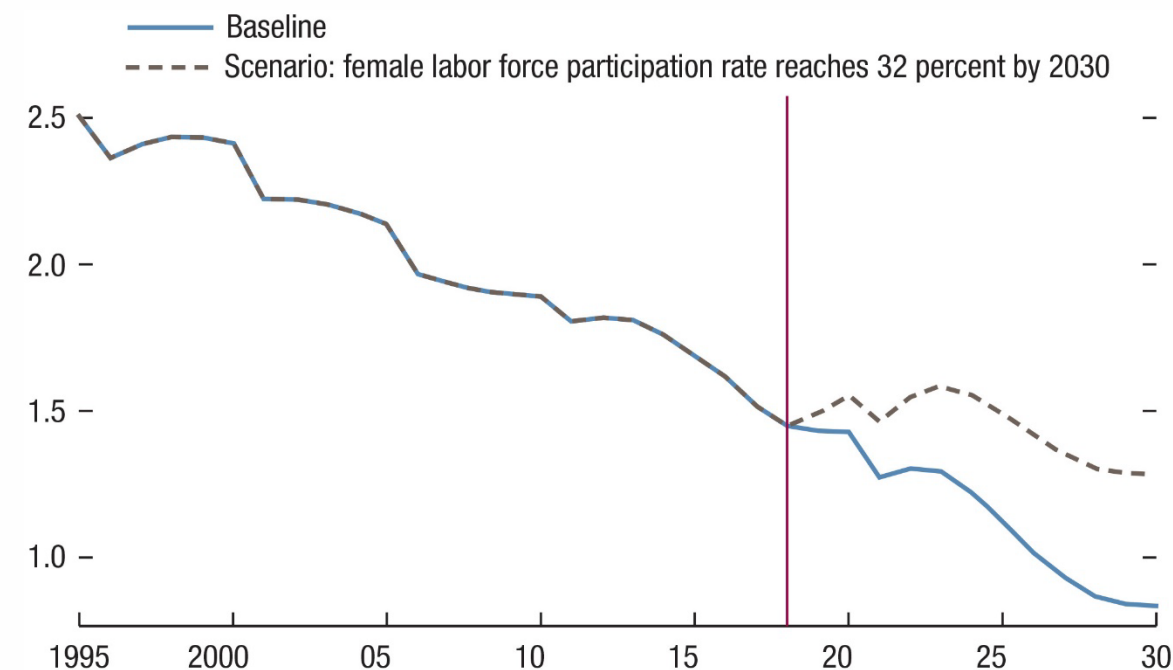


5. Female Employment



Source: IMF staff calculations

Illustrative Simulation: Job Creation Rates

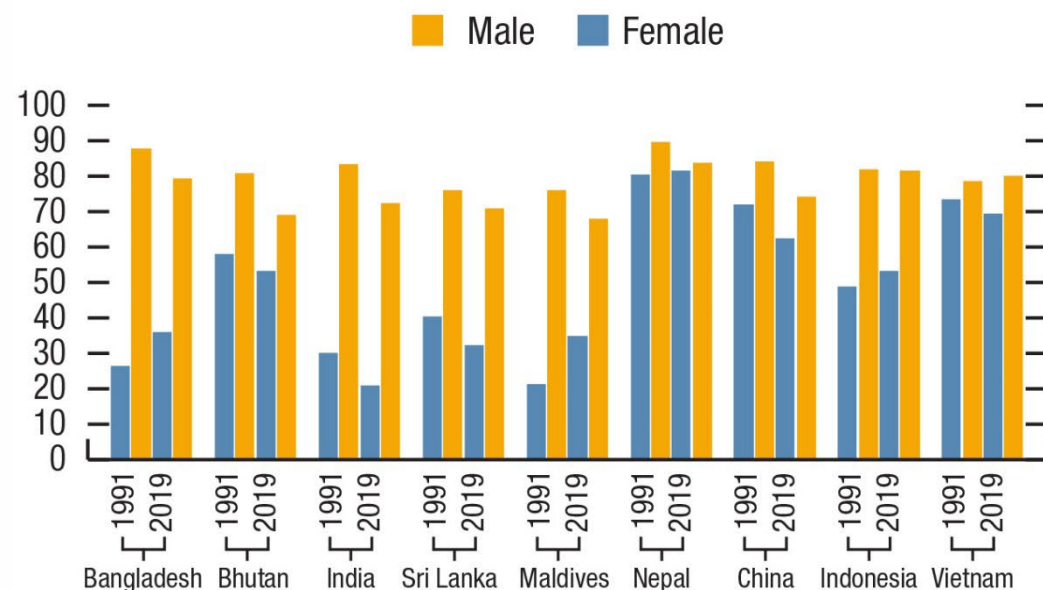


Source: ILO; and IMF staff calculations

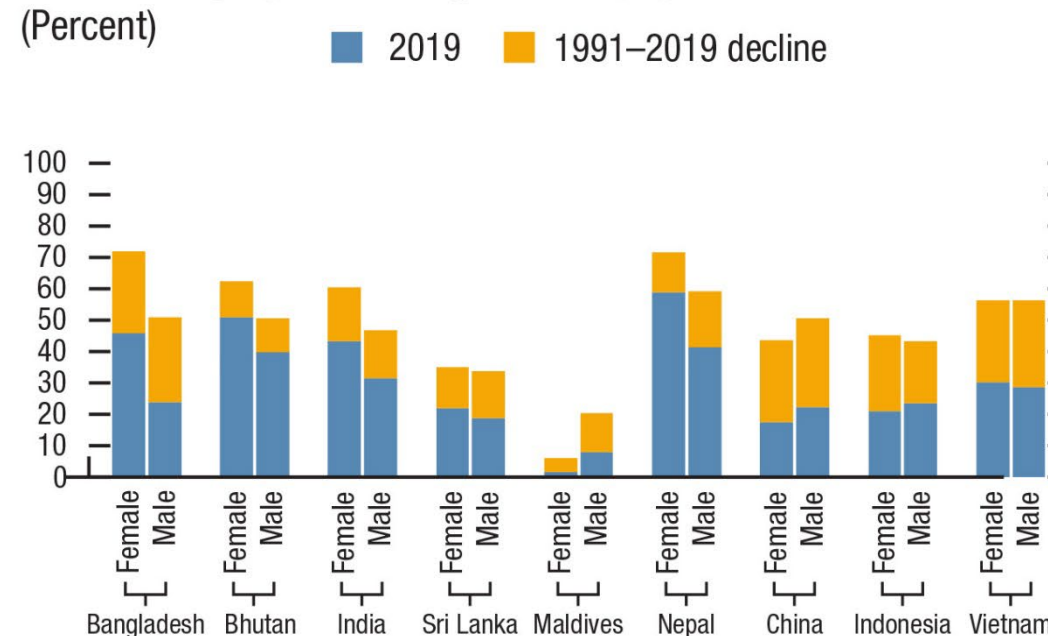
Labor Market Reforms for Job-Rich Growth Recoveries

Labor Market Indicators, By Gender

1. Labor Force Participation Rate, by Gender



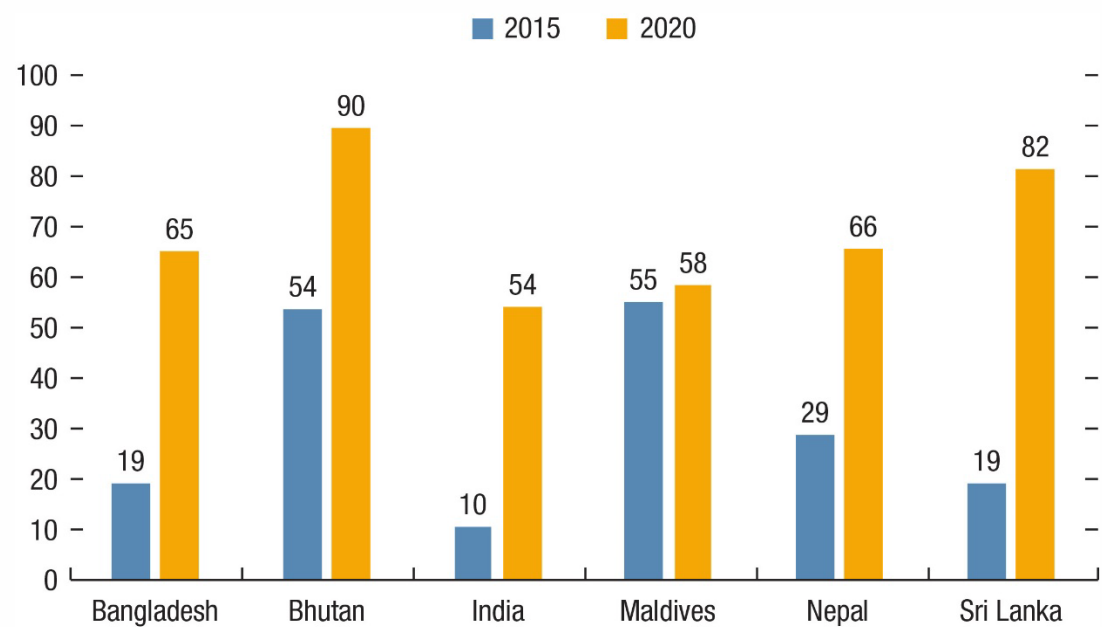
2. Total Employment in Agriculture, by Gender (Percent)



Source: World Bank Development Indicators; and IMF staff calculations

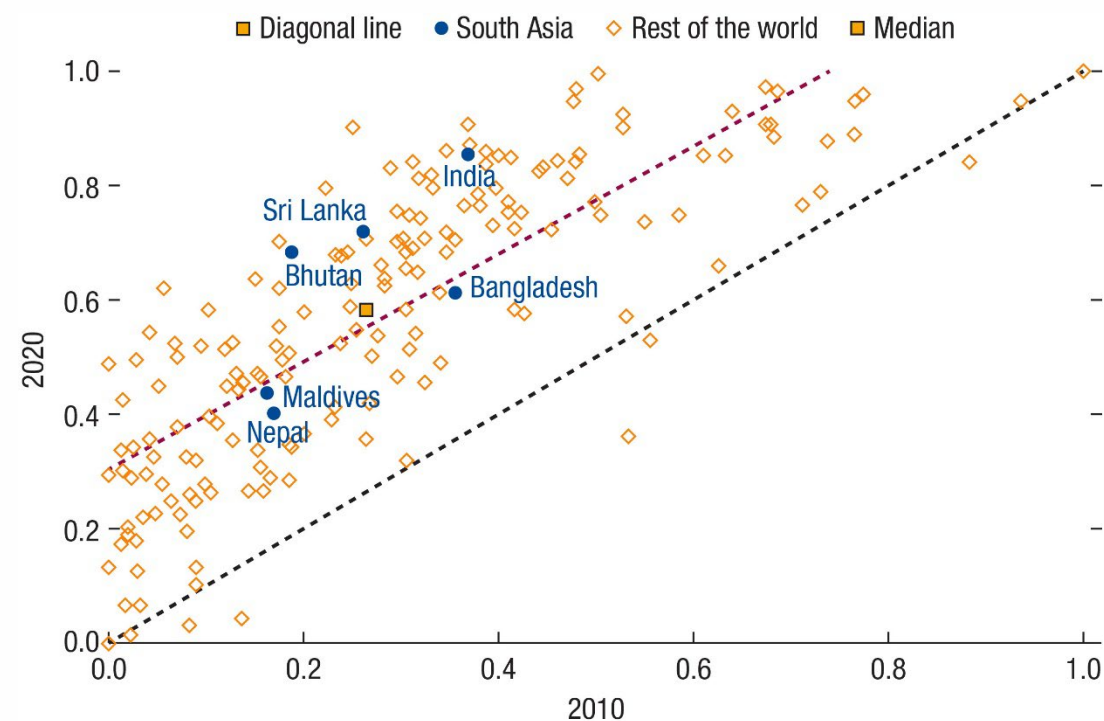
Leveraging Digitalization: Improving Efficiency and Equity

Fixed and Mobile Internet Subscriptions Per Capita



Source: International Telecommunications Union

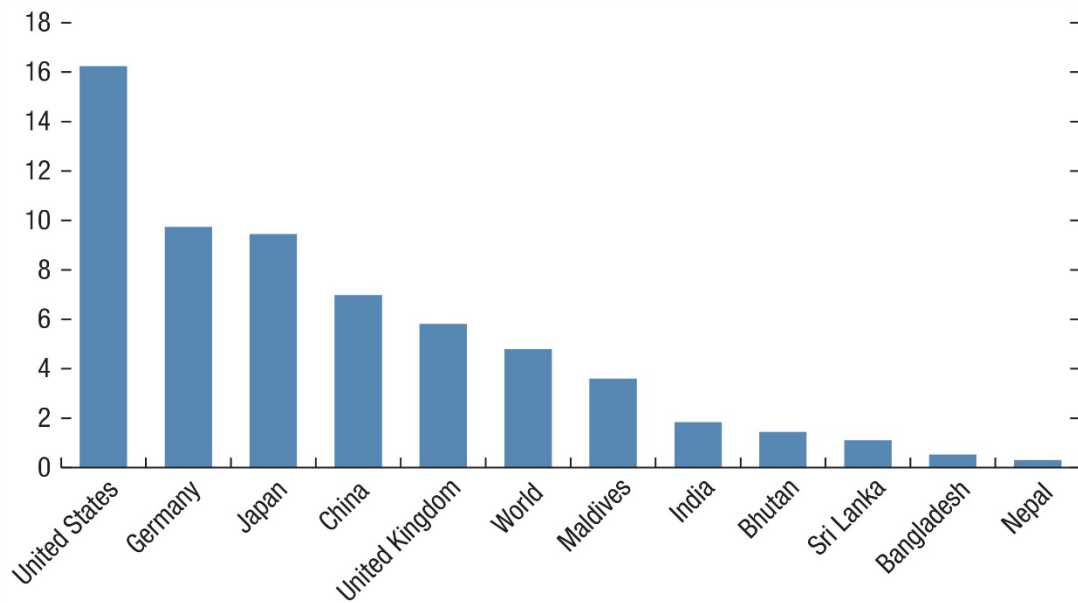
Government Online Services Index



Source: UN e-government survey; IMF staff calculations

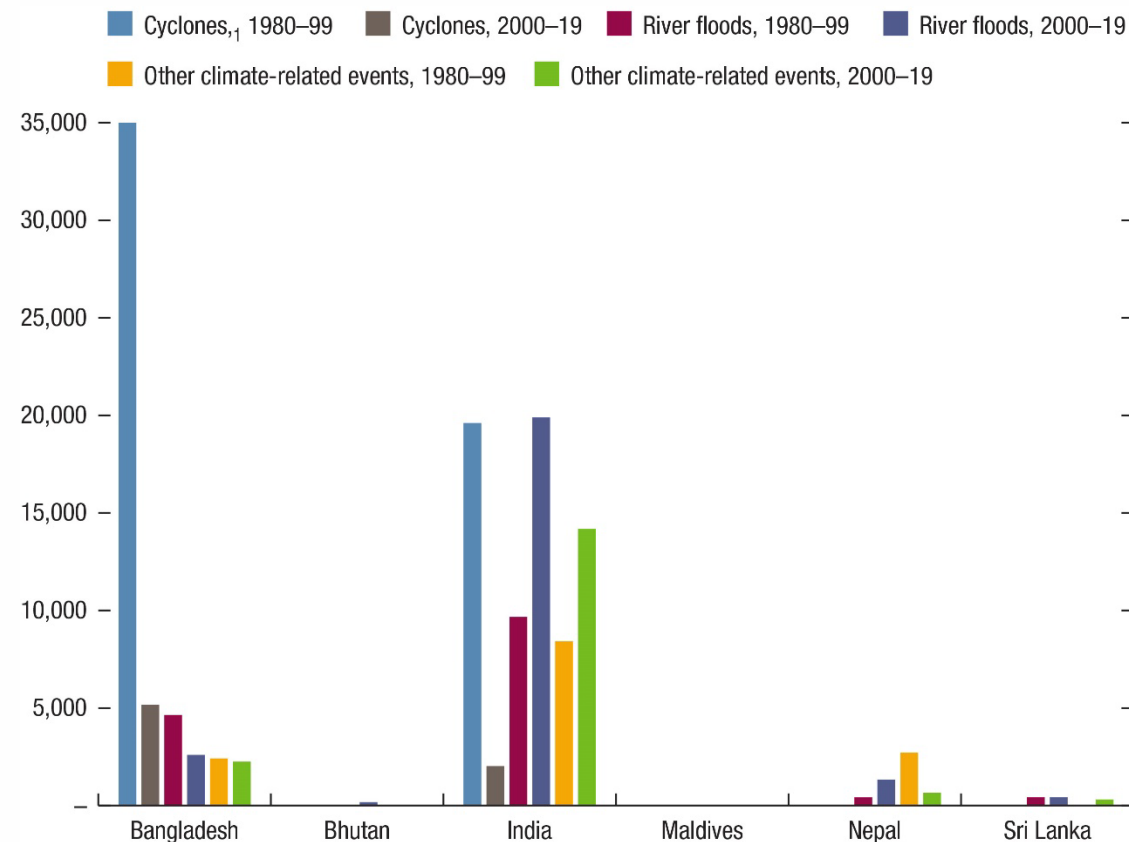
Climate Change in South Asia

CO2 Emissions Per Capita
(Tonnes)



Source: Our World in Data (<https://ourworldindata.org>)

Deaths, by Climate Related Disaster



Source: EM-DAT 2020

Questions

- How can South Asia return to the growth rates of the past two decades and resume the momentum of poverty reduction in the post-COVID era?
- How can higher growth be achieved in an equitable and climate-friendly way and without a buildup of macroeconomic vulnerabilities?
- What reforms are needed to improve the functioning of labor markets, to protect the poor and other vulnerable groups, and to make progress towards gender equality?
- How can South Asia reap the benefits of advances in digitalization to increase public finance efficiency and improve financial inclusion?

Thank you!