

Inclusion and Development

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Independent
Evaluation 

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Impact and Policy Conference: Evidence in Governance,
Financial Inclusion, and Entrepreneurship

Risks to sustainable growth

- Economic and financial shocks
- Rising climate-related disasters
- Rising inequalities



Inclusion as key to sustainable growth

- Facilitates greater sharing of the gains
- Draws on all segments as sources of growth



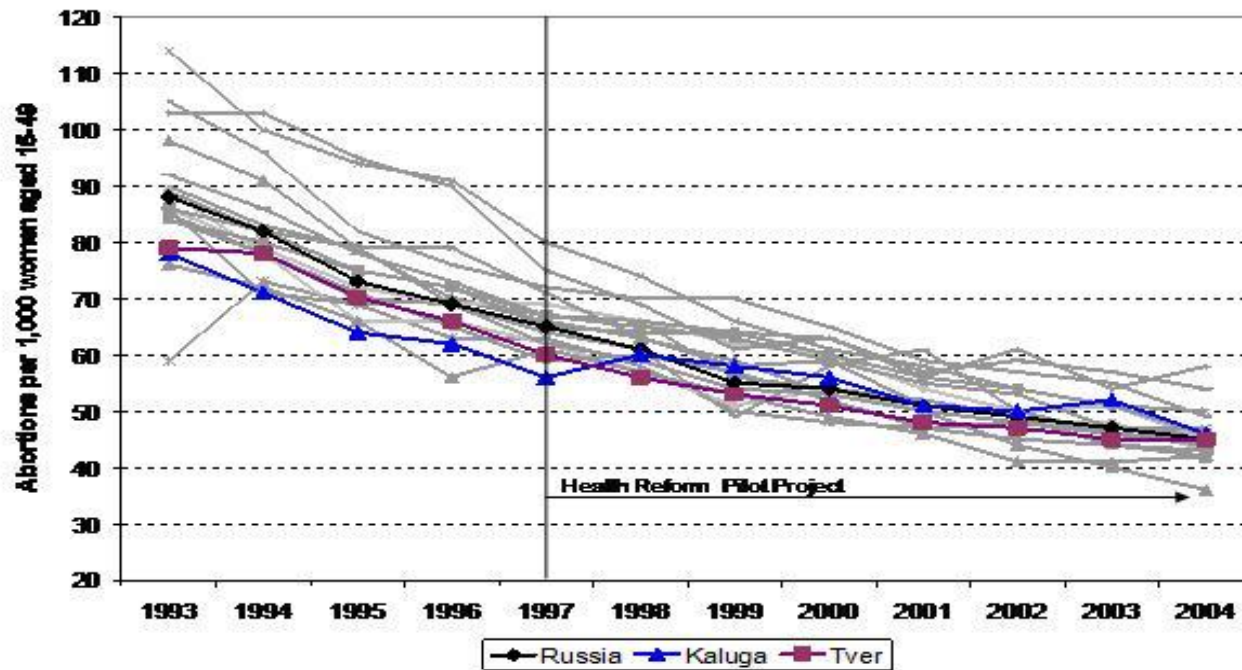
Three Ingredients of Inclusion

- Entrepreneurship
- Innovation
- Governance



Need for careful analysis

Example: Health Reform Project in Tver and Kaluga in Russia



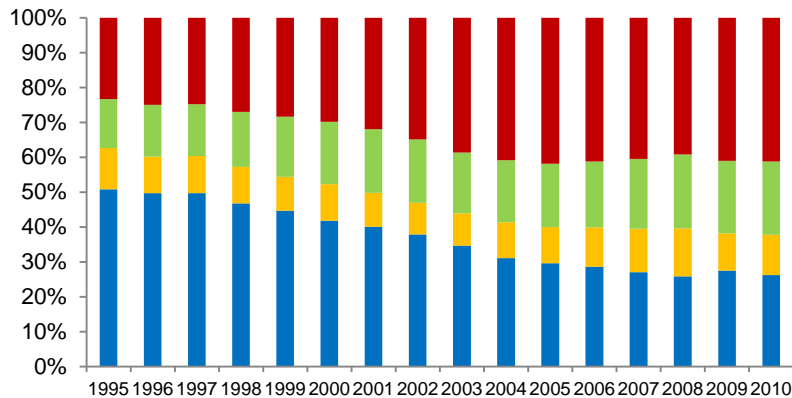
Entrepreneurship

- Human capital and growth
- Education inequality
- Access versus quality
- Markets, relevance, skills



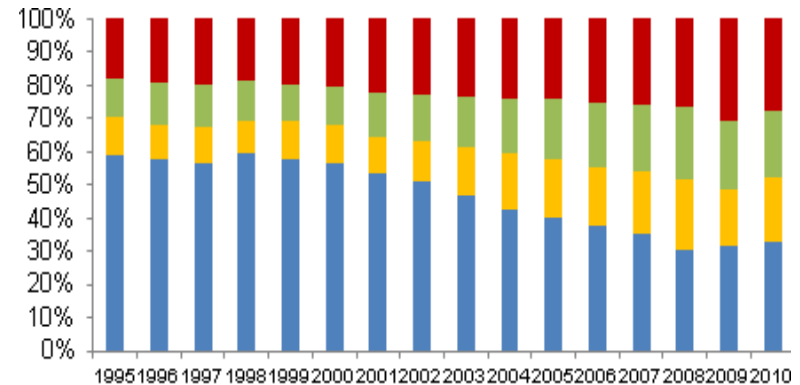
Skill Intensive Exports: in China and India

Composition of PRC's manufacture exports to ROW



- Manufactures with high skill and technology intensity
- Manufactures with low skill and technology intensity

Composition of India's manufacture exports to ROW



- Manufactures with medium skill and technology intensity
- Labor-intensive and resource-based manufactures

Note: PRC = People's Rep. of China, ROW = rest of the world

Source: UNCTADStat, <http://unctadstat.unctad.org>



Entrepreneurship: Skills training

Market-aligned and industry-matched training

India: Anudip Program



- IT-based training
- Provides assistance for start-up microenterprises
 - equipment on lease
 - startup financing
 - mentoring and monitoring
- 4000+ graduates with 70% placement (as of 2010)
- 60+ startup businesses (as of 2010)



Innovation

- Productivity gains
- Changing constraints
- Lessons of experience
- Scaling up



Innovation: Raising capital

Access to finance

Vanuatu: Sandalwood Program of Vanuatu Women's Development Scheme (VANWODS)

- Sandalwood trees used as collateral (sandalwood seedlings are provided)



Photo Credit: VANWODS Microfinance: Impact Assessment December 2010.



Governance

- Right incentives
- Accountability
- Transparency
- Participation
- Targeting and leakages



Governance: Transparency in Service Delivery

Citizen participation and monitoring

Philippine textbooks

- Costs were substantially reduced
- Production time was cut in half
- \$3.6 million savings from books that did not disappear in transit



Photo Credit: Dondon Parafina. Regional Networking for Social Responsibility. Presented at Good Practices in Corruption Prevention, Macao, 2009.



Governance: Outcomes of Microfinance

Pakistan

- Average loan amount: \$195
- Percentage of clients below poverty line: 14%
- Impact: hardly any positive welfare effects on the poor

Viet Nam

- Average loan amount: \$1,972
- Percentage of clients below poverty line: 1.3%
- Impact: yielded positive direct effects on welfare of non-poor borrowers



Conclusion

- Tie human capital development to entrepreneurship
- Place a premium on innovation
- See better governance as crucial for results



Thank You!



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