



ministry of finance, trade and investment

Seychelles Conference

FROM STABILIZATION TO SUSTAINED GROWTH:
FIVE YEARS OF SUCCESSFUL REFORMS AND THE CHALLENGES AHEAD

Sources of inclusive growth

Elizabeth Agathine

Outline

- What is inclusive growth
- The importance of Human Capital
- Tourism and inclusive growth
- Inclusive growth and diversification

What is inclusive growth

- Concept encompassing equity, equality of opportunity
- Inclusive growth allows people to contribute to and benefit from economic growth
- Refers to both pattern and pace of growth
- Broad based across sectors
- Inclusive of the large part of the country's labour force
- A direct link between the macro and micro determinants of growth
- Sources= capital, labour, productivity change

What is inclusive growth

- Policies for inclusive growth are an important component of most government strategies for sustainable growth
- Development policy-country specific
- Productive employment
- Ability to be productively employed depends on the opportunities to make full use of available resources as the economy evolves over time

The importance of human capital

- Moving up the value chain to efficient and inclusive economies requires investment in human capital
- Human capital=job creating growth
- Education system must be linked to labor markets and country's strategic plan for economic and social development
- Investment in higher education

Tourism and Inclusive growth

- IG relative to tourism requires long term development
- 'Other benefits' = non income factors
- Poor uptake of jobs=need to diversify training and experience
- Full understanding of national assets (other than sun, sea, sand)
- Policy changes may be necessary

Inclusive Growth and Diversification

- Economic dependence on tourism
- Economic diversification a must for inclusive growth
- Diversification=improving quantity and quality of infrastructure or essential business services

Thank you