



Growth and Inclusion in the GMS Countries: An Assessment

By

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Global Development Network Meeting

Asian Development Bank (ADB),

Manila, Philippines, 20 June, 2013

**(This presentation is based on a
forthcoming paper on the same subject
co-authored with Jayant Menon, Lead
Economist, ADB)**

Two key questions addressed

- How inclusive has growth and development been in the GMS countries?
- What are the key patterns of development inclusiveness emerging across the GMS countries?
- What lessons for making development more inclusive in the future

(The empirical evidences are examined against the backdrop of an analytical framework – not presented here - that defines inclusiveness, explains its many dimensions, and reasons out why it should be the overarching development goal)

GMS, GMS countries, and the coverage of this study

- GMS – Cambodia, Laos, Myanmar, Vietnam, Thailand, China's Yunan Province and Guangxi Zhuang autonomous region
 - A natural geographic and economic area linked by the Mekong River
 - 2.6 million square kilometers About 326 million people
 - An Average per capita income of about \$1500 (at current exchange rates)
- GMS countries - Cambodia, Laos, Myanmar, Vietnam, Thailand, China – 6 countries
- **This study covers the GMS countries (except Myanmar), rather than the GMS per se**

Looks mainly at the economic, social, and governance dimensions of inclusiveness

- **Economic dimensions - growth inclusiveness :**
 - Growth and structural changes
 - poverty (national, \$1.25-a-day and \$2-a-day)
 - income/consumption inequality
 - income/consumption polarization
- **Social dimensions:**
 - Health
 - Education
 - Social protection, gender equity, and vulnerabilities
- **Governance dimensions:**
 - Governance
 - Democratization

Catching up/income convergence - per capita income (PPP\$ at 2005 prices)

Country	1995	2011	Multiples (2011/1995)
Cambodia	811	2083	2.6
Laos	1114	2464	2.2
Vietnam	1231	3013	2.4
Thailand	5691	7635	1.3
China	1849	7418	4.0

Structural convergence ? (% of GDP – agri./ ind./ service)

Country	Initial year	Latest year
Cam (1993-2011)	46/13/35	25/27/41 (L)
Laos (19995-2010)	54/21/25	28/33/39 (L)
Vietnam	NA	NA
Thai (1995-2009)	10/40/50	10/40/50 (H)
China(1993-2010)	20/46/34	10/47/43 (H)
Yunan (2000-2010)	20/43/37	15/43/42

Structural convergence ? (% of employment –agri./ ind./ service)

Country	Initial year	Latest year
Cam (1993-2011)	80/2/17	59/15/25
Laos (19995-2011)	85/4/11	72/8/20 (LD)
Vietnam	NA	NA
Thai	NA	NA
China(1993-2010)	56/23/21	36/28/36 (MD)
Yunan (2000-2011)	74/9/17	59/13/28

Progress in poverty reduction - headcount % (National)

Country	Initial yr.	Final yr.	pp. per yr.
Cambodia (1993-2009)	45	22.9	-1.38
Laos (1993-2008)	46	27.6	-1.23
Vietnam (1998-2010)	37.4	14.2	-1.93
Thailand (1988-2010)	42.2	7.8	-1.56
China (2003-2010)	6.6	2	-0.66
Yunnan, China (2003-2008)	8.2	5.6	-0.52

Progress in poverty reduction - headcount % (\$1.25-a-day)

Country	Initial yr.	Final yr.	pp. per yr.
Cambodia (1994-2008)	48.6	22.8	-1.84
Laos (1992-2008)	55.7	33.9	-1.36
Vietnam (1993-2008)	63.7	16.9	-3.12
Thailand (1990-2009)	11.6	2	-0.51
China (1990-2008)	60.2	13.1	-2.62

Progress in poverty reduction headcount (\$2-a-day)

Country	Initial yr.	Final yr.	pp. per yr.
Cambodia (2004-2008)	68.2	53.3	-3.73
Laos (2002-2008)	76.9	66	-1.82
Vietnam (2006-2008)	48.4	43.4	-2.50
Thailand (2004-2009)	11.5	4.6	-1.38
China (1990-2008)	84.6	29.8	-3.04
China (2002-2008)	51.2	29.8	-3.57

Trends in economic inequality – consumption GINI

Country	Initial yr.	Final yr.	Change
Cambodia (1994-2008)*	38.3	37.9	-0.4
Cambodia (2004-2011)**	38.7	36	-2.7
Laos (1992-2008)*	30.4	36.7	6.3
Vietnam (1992-2008)*	35.7	35.6	-0.1
Vietnam (1993-2010)**	33	37.8	4.8
Thailand (1990-2009)*	45.3	40	-5.3
Thailand (1990-2010)**	44	39	-5.0
China (1990-2008)*	32.4	43.4	11.0

*Note: * data from International source; ** data from GMS-DAN country papers 2013*

Trends in economic polarization - consumption share of top 20% over bottom 20% (Ratio)

Country	Initial yr.	Final yr.	Change
Cambodia (1994-2008)	5.8	6.1	0.3
Laos (1992-2008)	4.3	5.9	1.6
Vietnam (1992-2008)	5.6	5.9	0.3
Thailand (1990-2009)	8.8	7.1	-1.7
China (1990-2008)	5.1	9.6	4.5

Trends in economic polarization – income GINI (based on GMS-DAN country papers)

Country	Initial yr.	Final yr.	Change
Cambodia (2004-2011)	47.1	41.1	-6.0
Thailand (1990-2009)	52	49	-3.0
China (2000-2010)	39.5	43.8	4.3

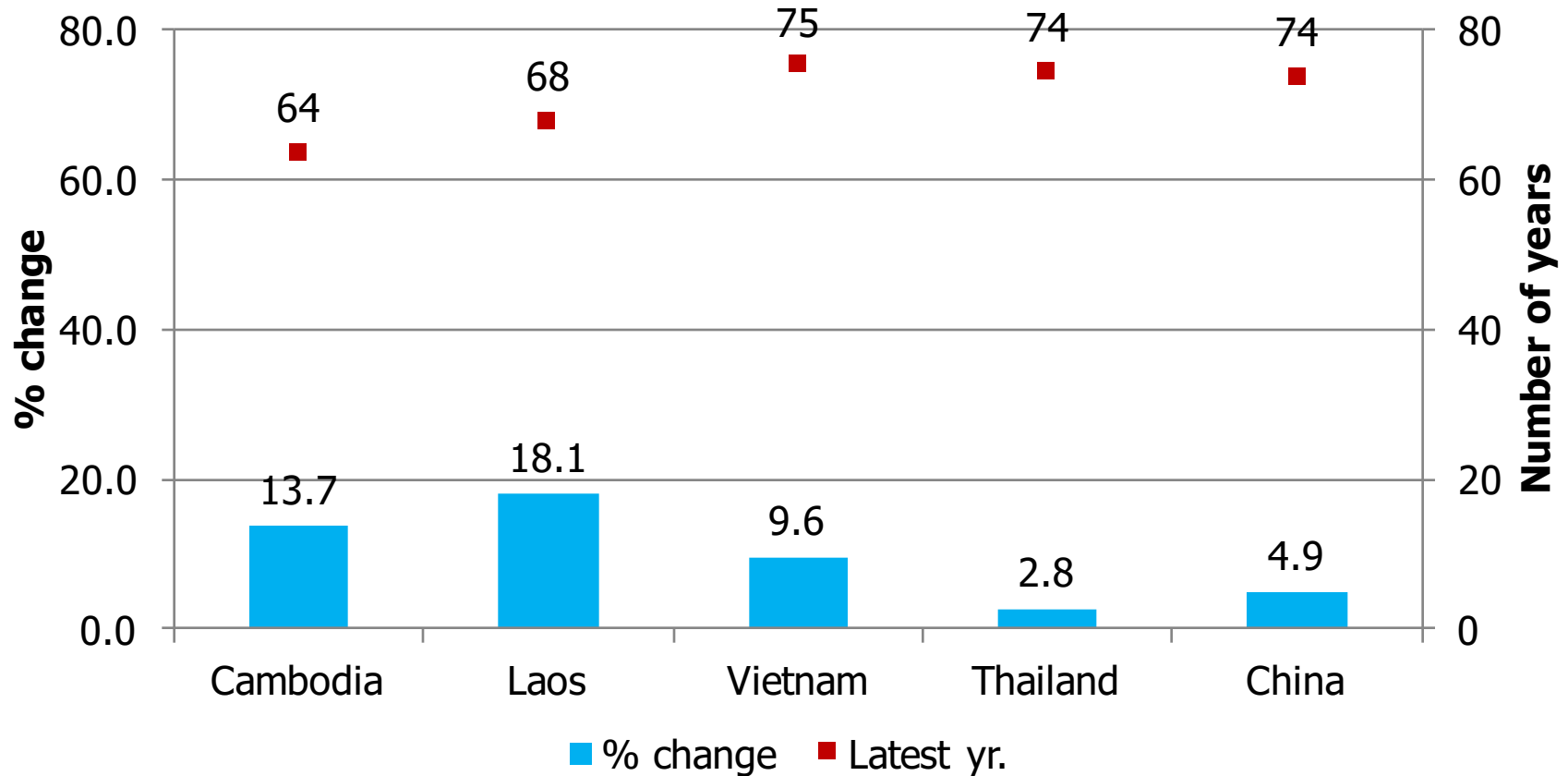
Trends in human development (HDI)

Country	1995	2012	% Change in HDI 1995-2012
Cambodia	0.385	0.543	41.04
Laos	0.388	0.543	39.95
Vietnam	0.457	0.617	35.01
Thailand	0.581	0.690	18.76
China	0.518	0.699	35.02

Human development (Non-income HDI)

Country	Nonincome HDI 2012
Cambodia	0.597
Laos	0.584
Vietnam	0.686
Thailand	0.715
China	0.728

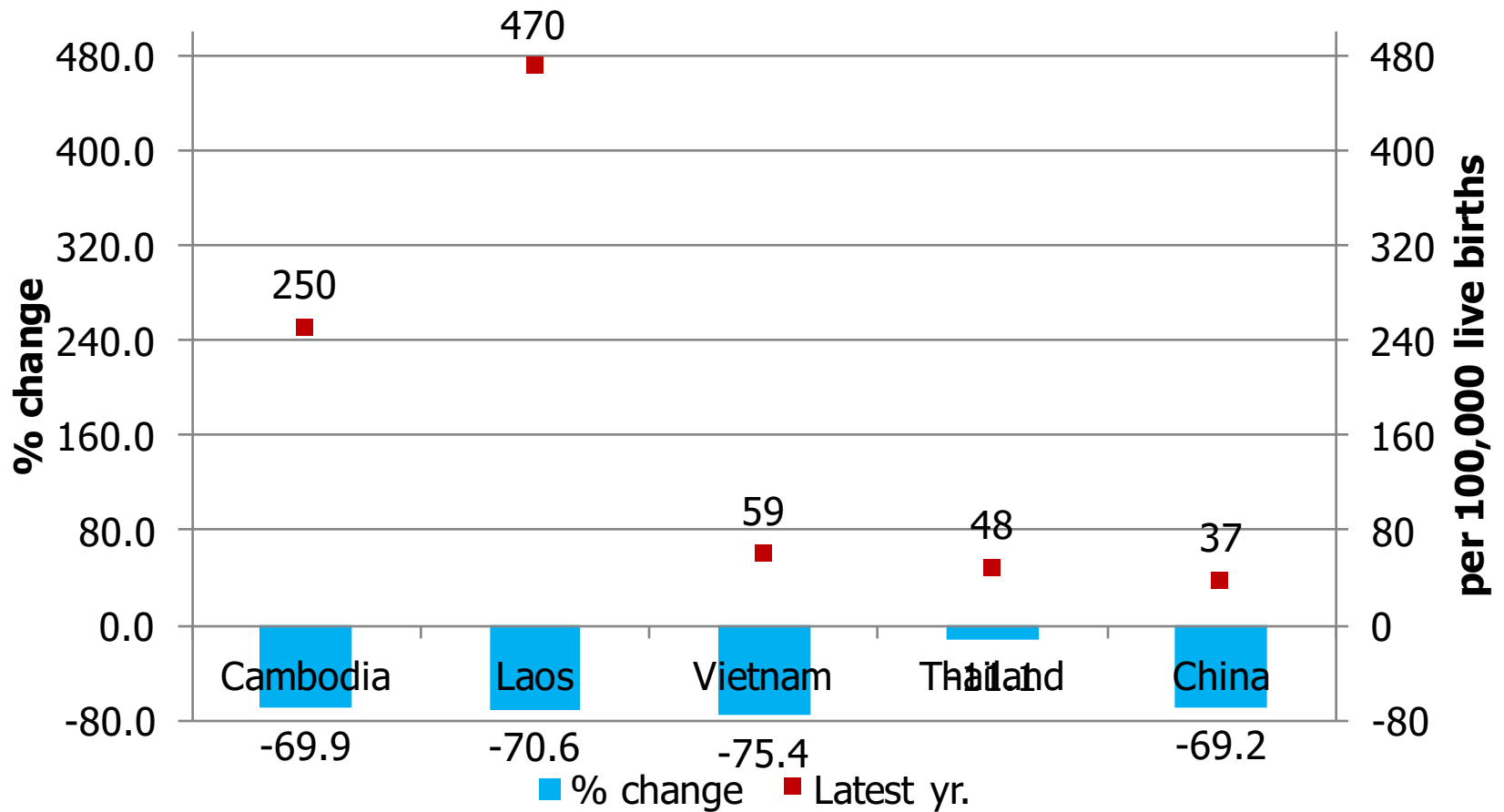
Trends in life expectancy at birth, 1994-2012



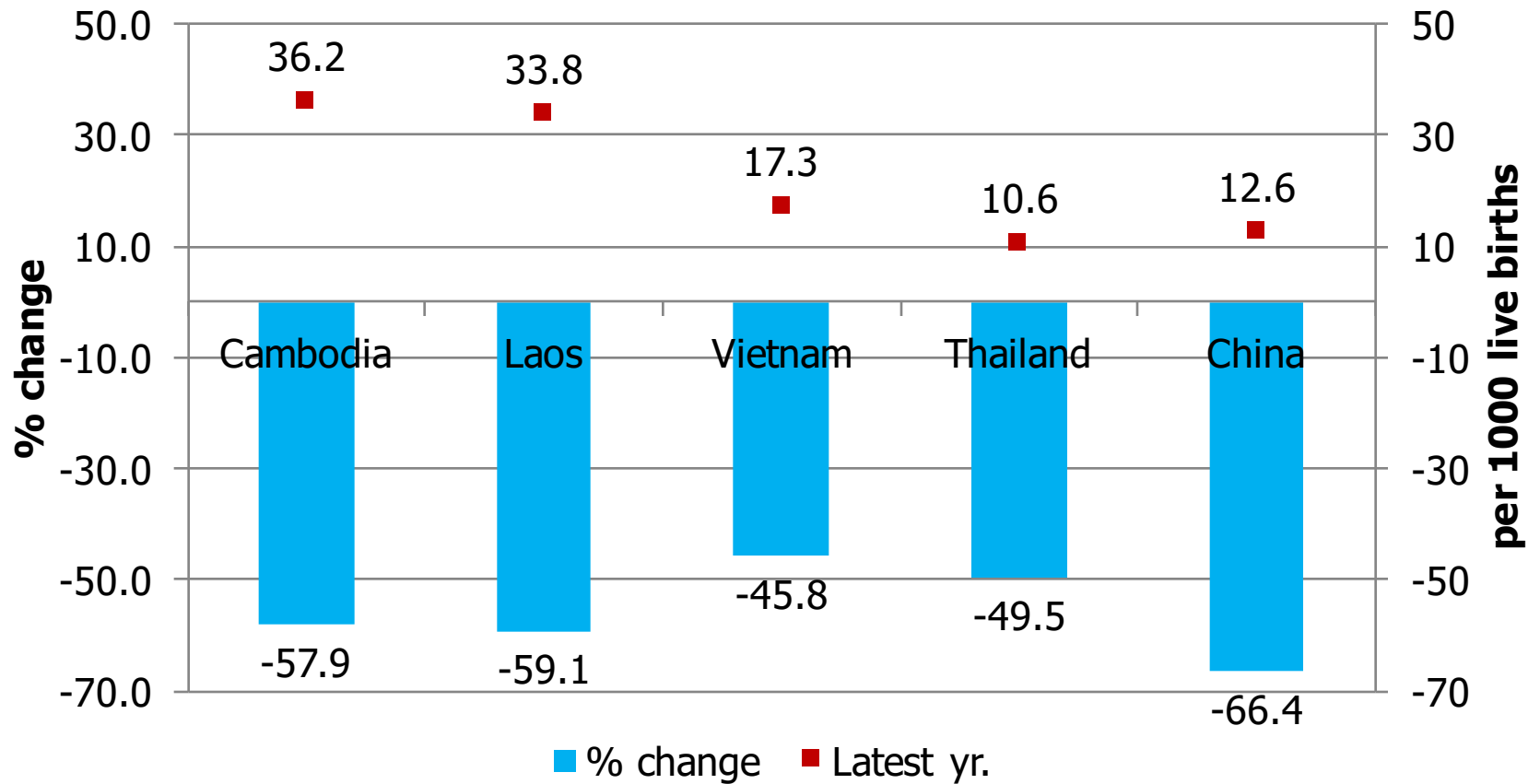
Trends in healthy life expectancy, years

Country	1990	2010	% Change 1990-2010
Cambodia	50.0	58.0	16.0
Laos	48.4	56.0	15.7
Vietnam	59.5	65.9	10.8
Thailand	63.2	65.3	3.3
China	61.8	68	10.0

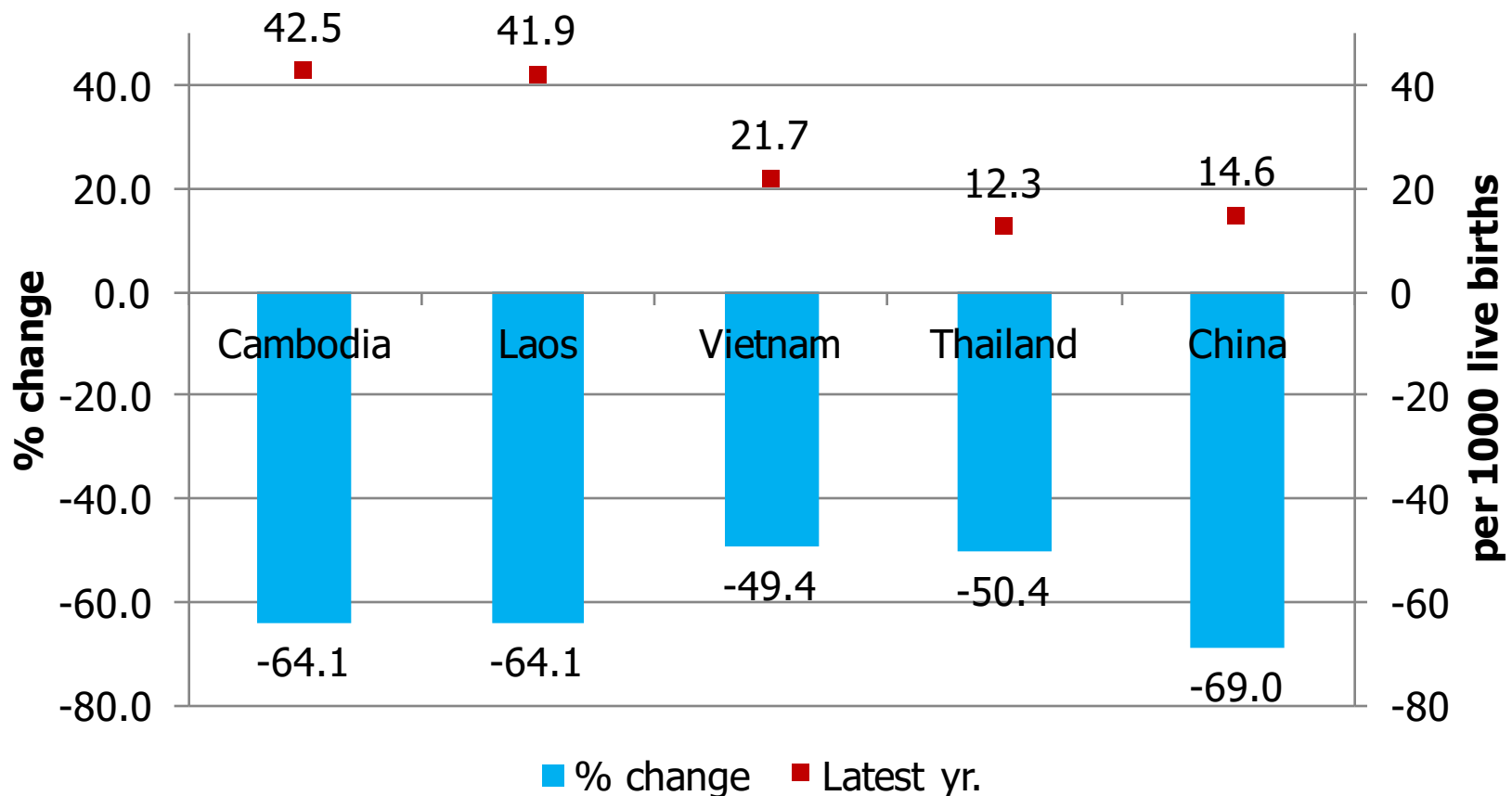
Trends in maternal mortality rate (per 100,000 live births), 1990-2010



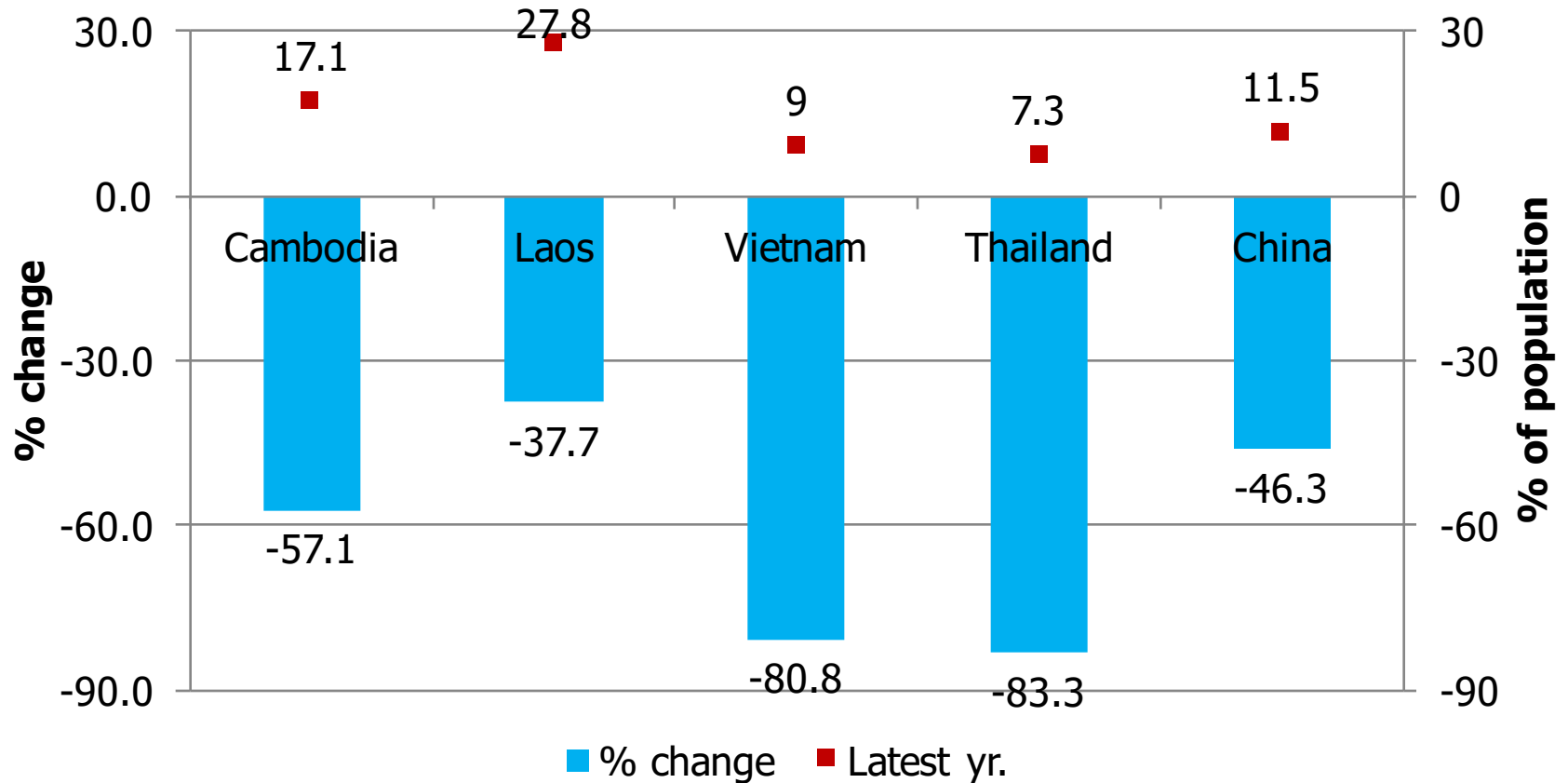
Trends in infant mortality (per 1000 live births), 1994-2011



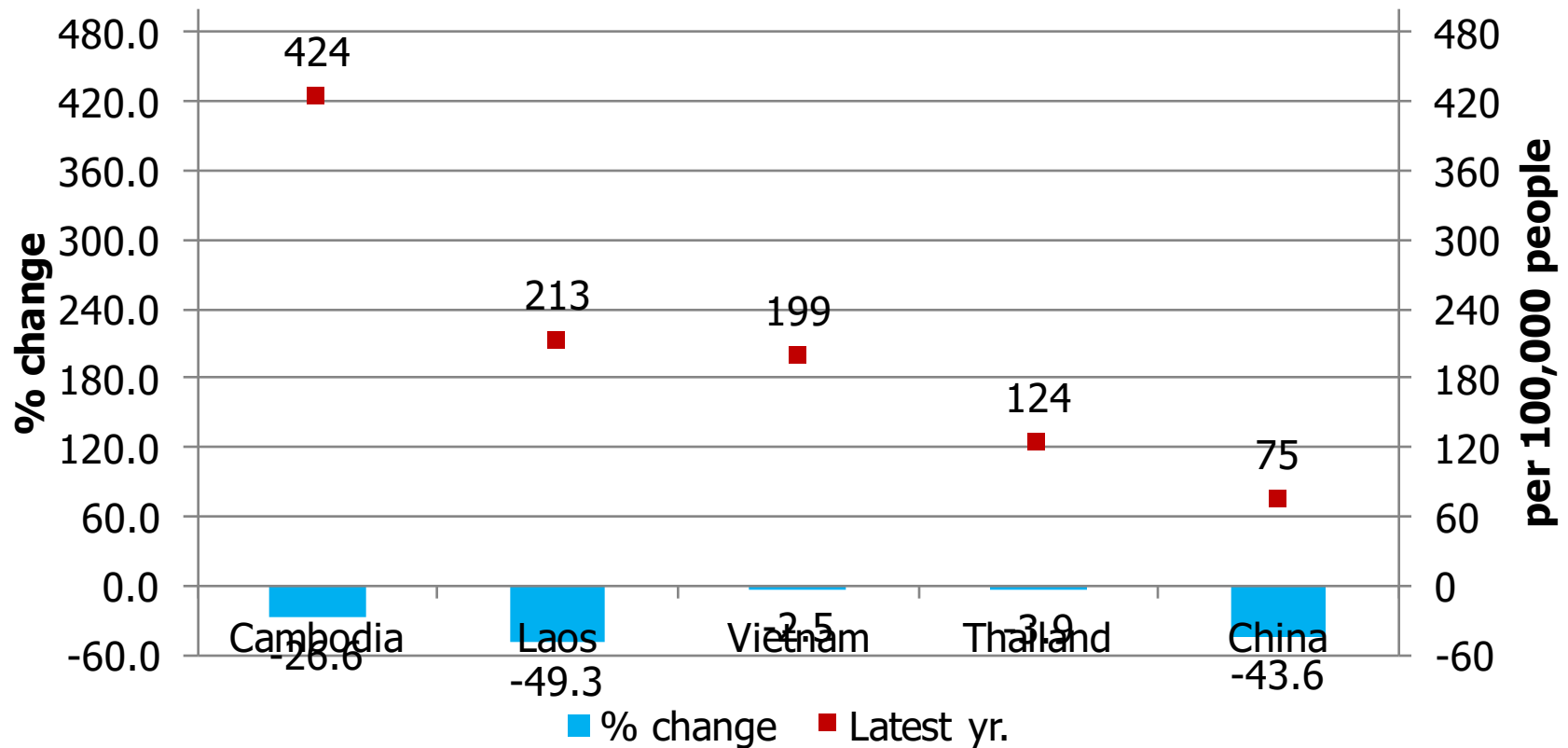
Trends in under-five mortality, (per 1000 live births), 1994-2011



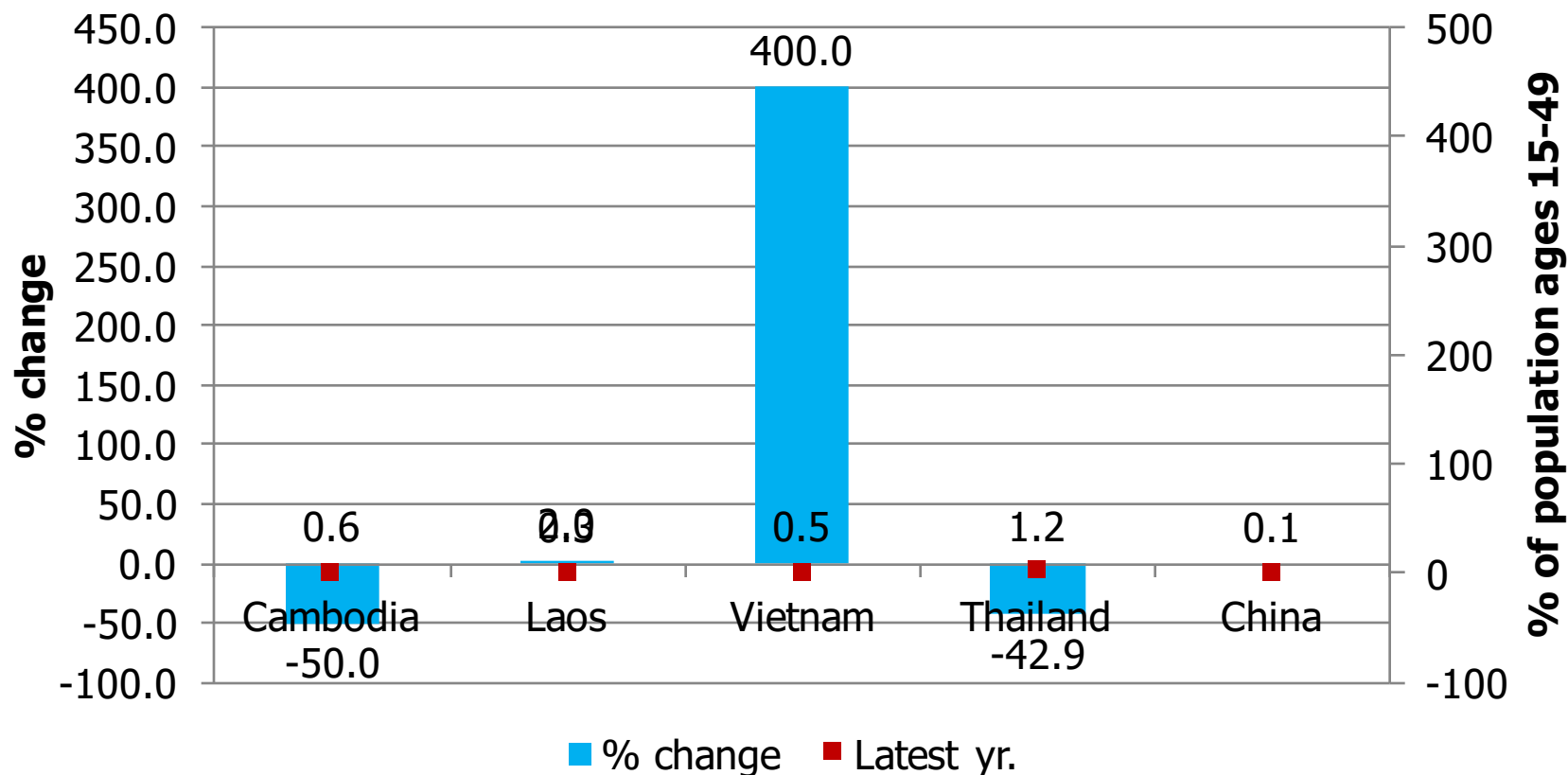
Trends in undernourishment (% of population), 1991-2011



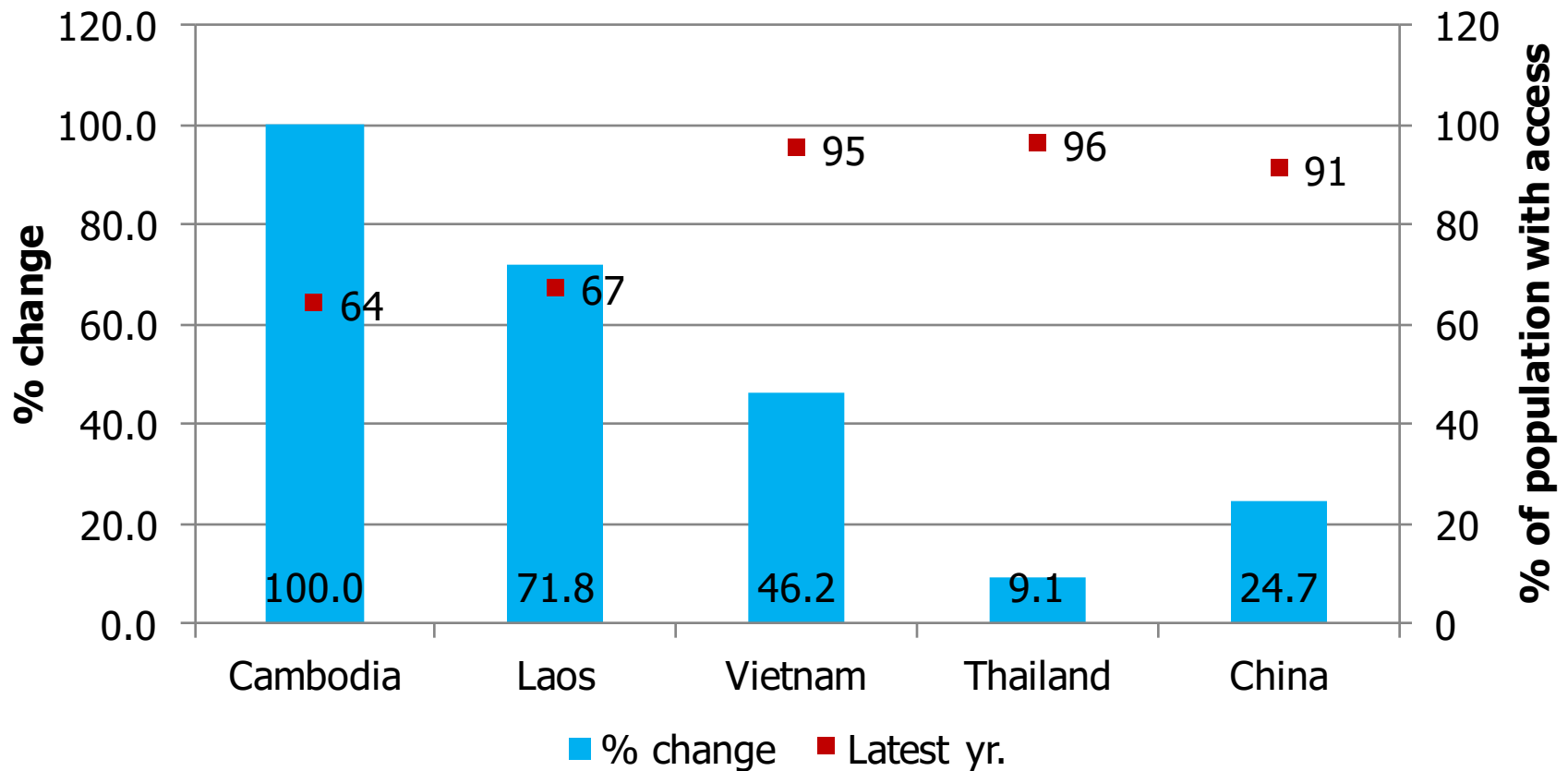
Trends in the incidence of tuberculosis (per 100,000 people), 1994-2011



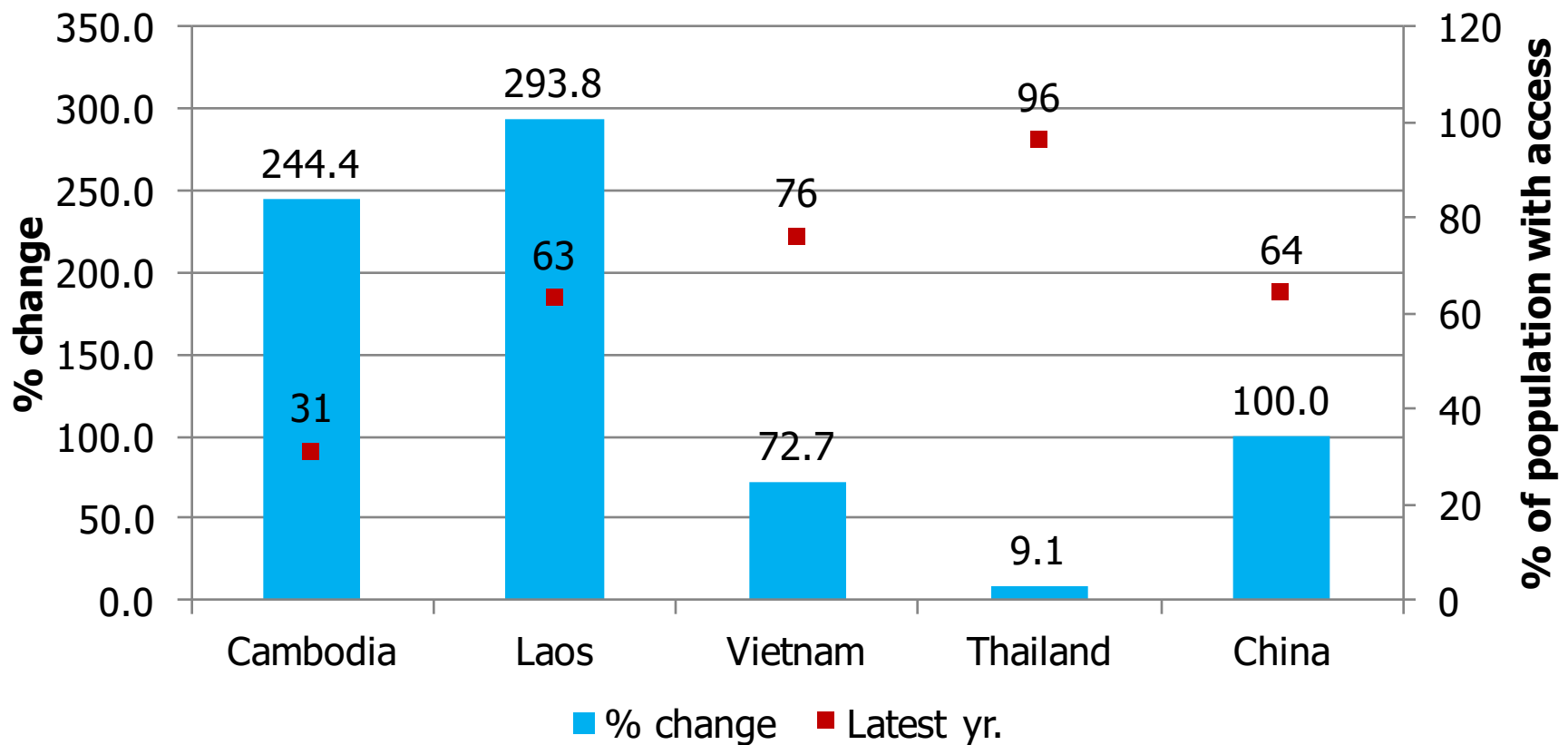
Trends in the prevalence of HIV, total (% of population ages 15-49), 1994-2011



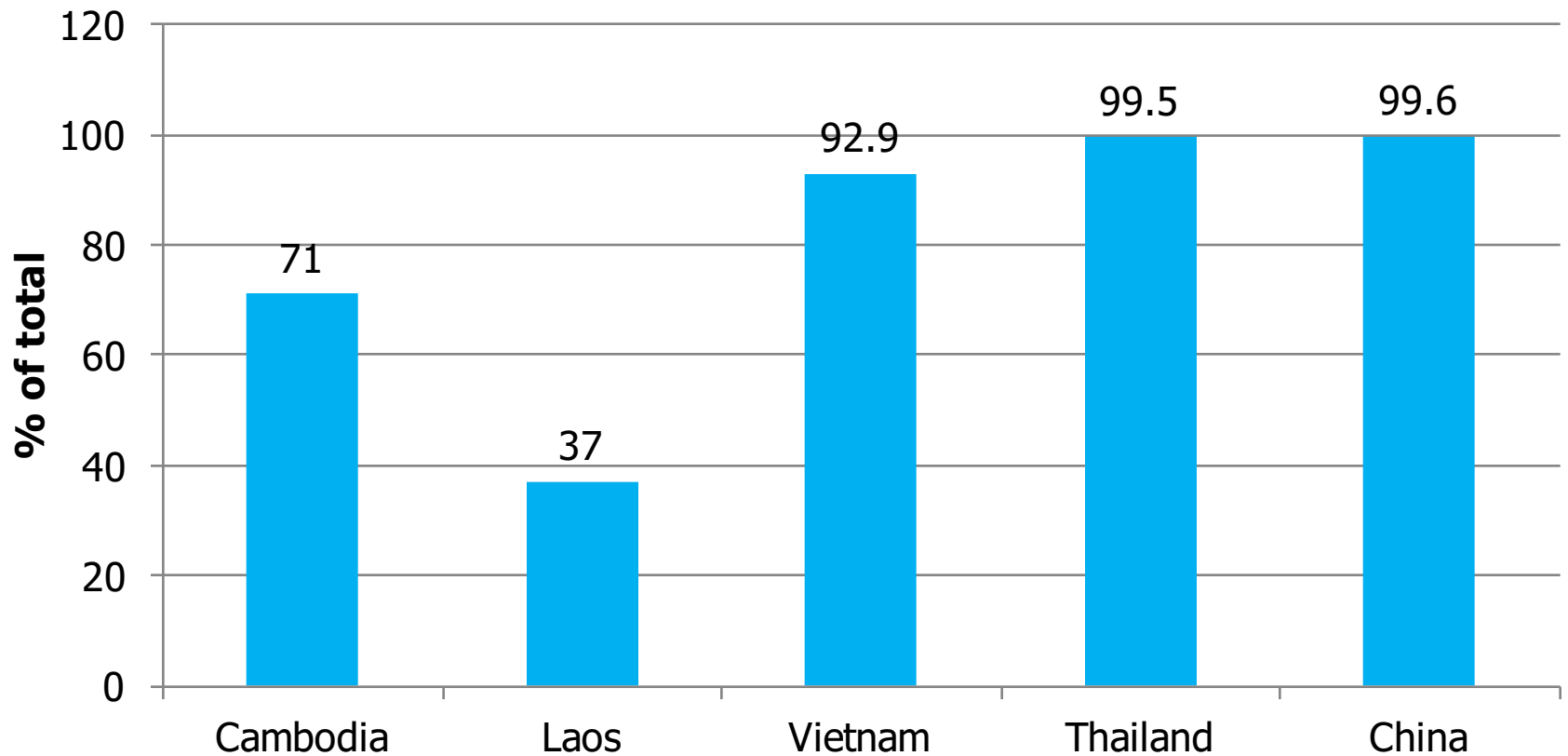
Trends in access to improved water source (% of population with access), 1994-2010



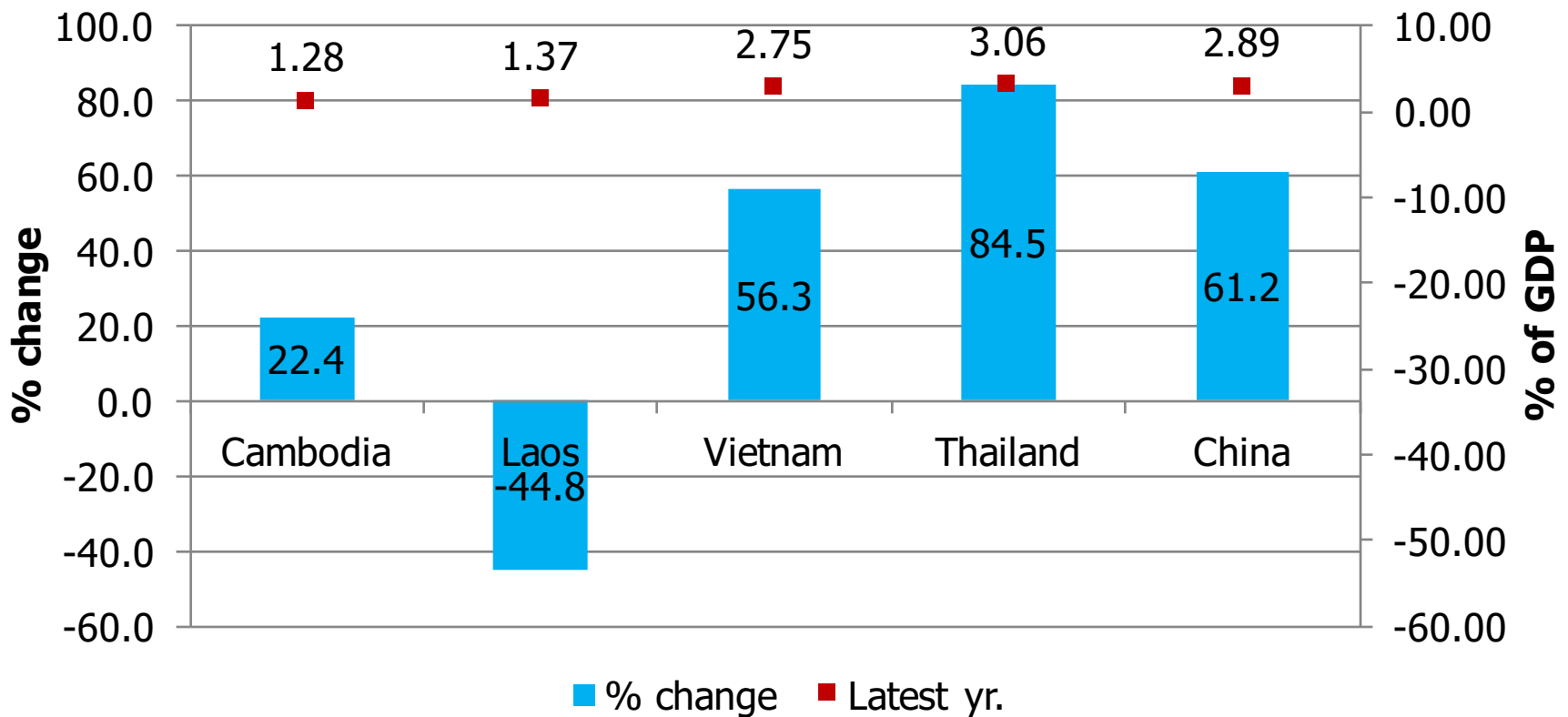
Trends in improved sanitation facilities (% of population with access), 1994- 2010



Births attended by skilled health staff (% of total), 2006-2011



Trends in public expenditure on health (% of GDP), 1995-2011

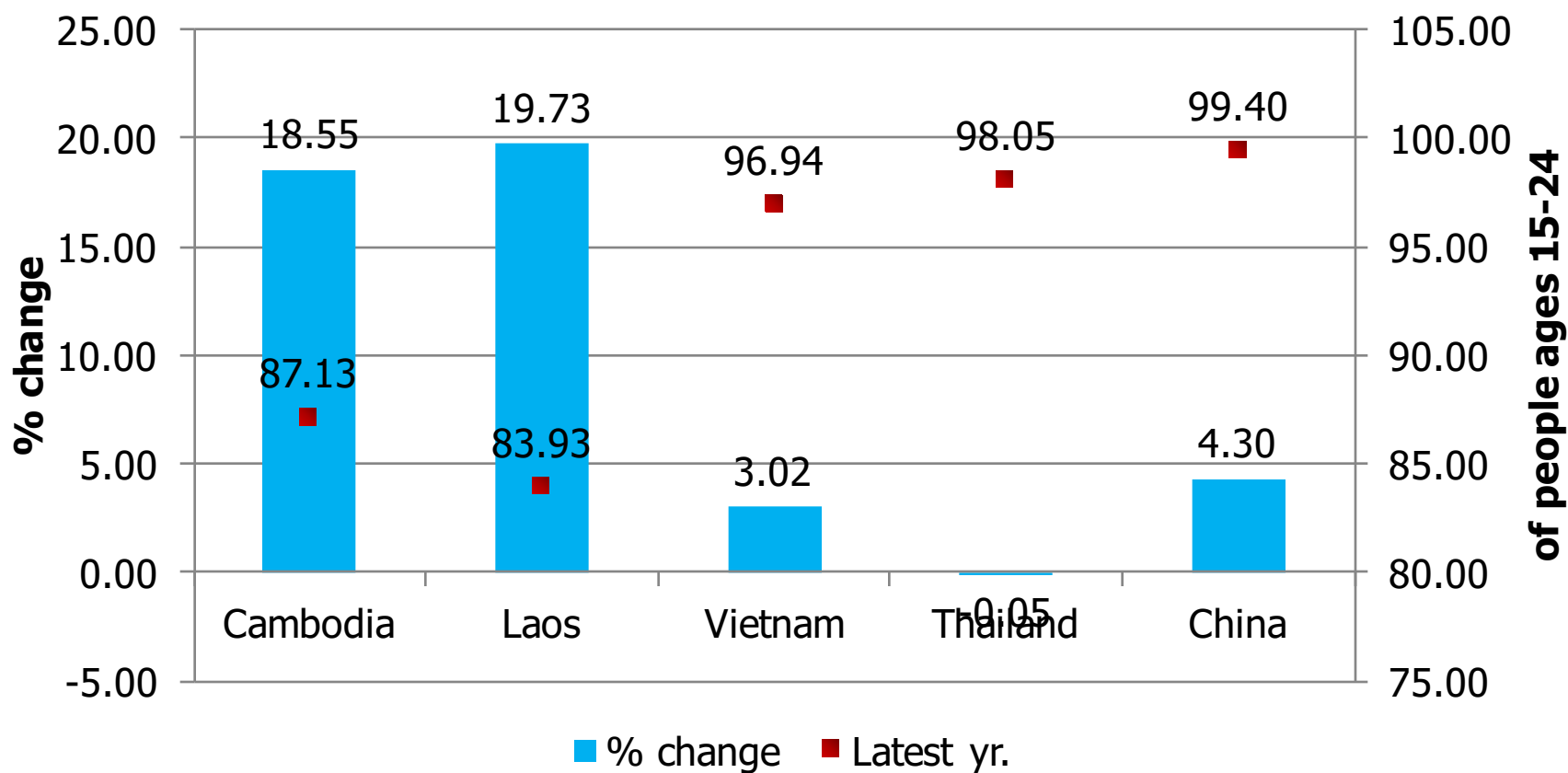


Health inequity – data gap?

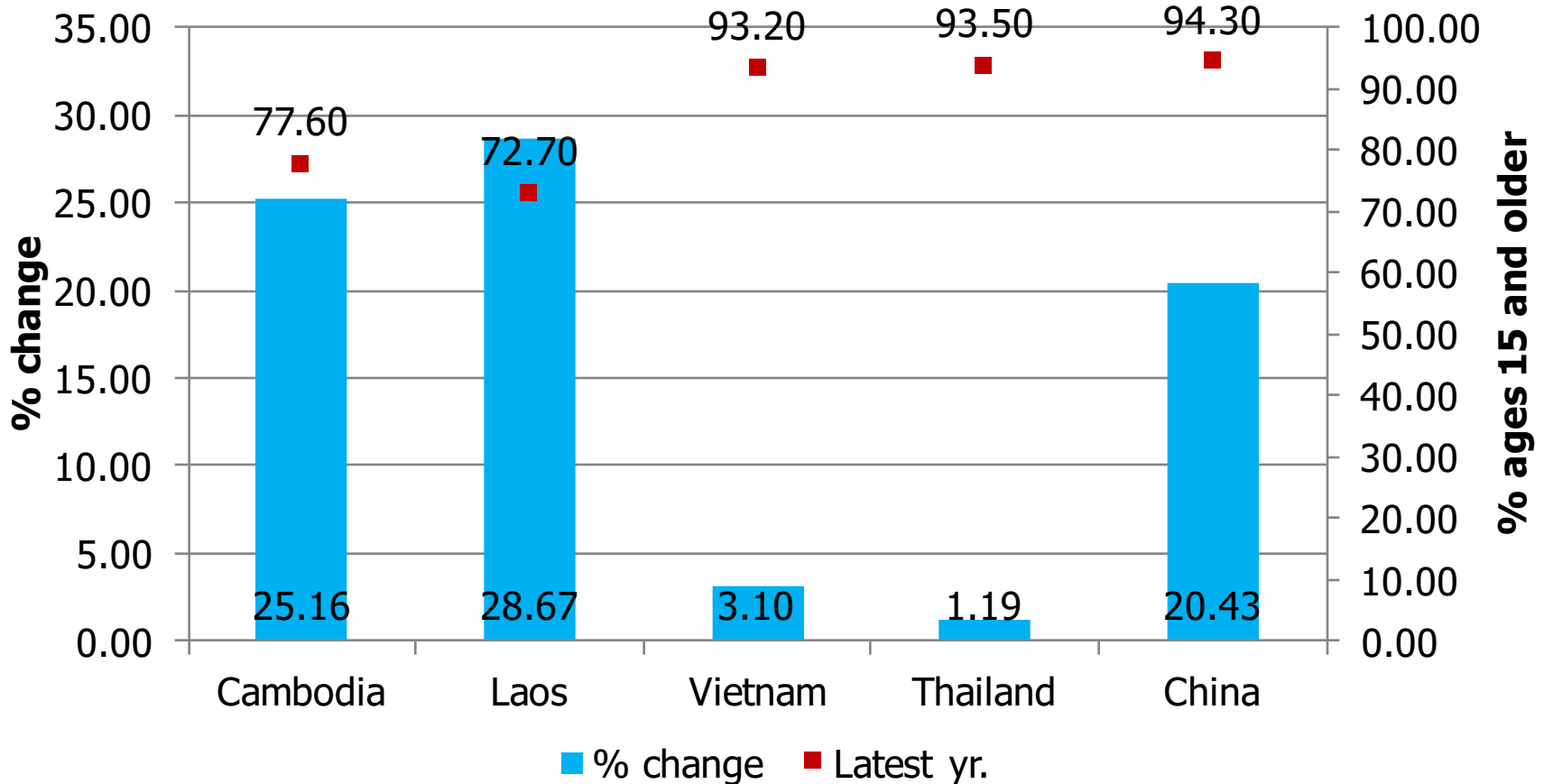
Country	Infant mortality rate	Under-5 mortality rate	Diarrhea* (% of children under age 5)	Acute Respiratory Infection (ARI)**	Prevalence of child malnutrition (underweight) ***	Pregnant women receiving prenatal care	Births attended by skilled health staff
Cambodia (2010)	3.3	3.0	1.6	2.4	2.2	0.8	0.5
Laos (2006)	NA	NA	1.9	2.3	2.4	0.2	0.0
Vietnam (2006)	NA	NA	NA	NA	NA	0.7	0.5
Thailand (2006)	NA	NA	1.7	2.1	3.8	1.0	0.9
China	NA	NA	NA	NA	NA	NA	NA

*Note: *Percentage of children under five who had diarrhea in the two weeks preceding the survey; **Percentage of children under five with symptoms of ARI; ***for Cambodia, it is the percentage below -2 standard deviation (SD) from the WHO Child Growth Standards population median. It includes children who are below -3 SD.*

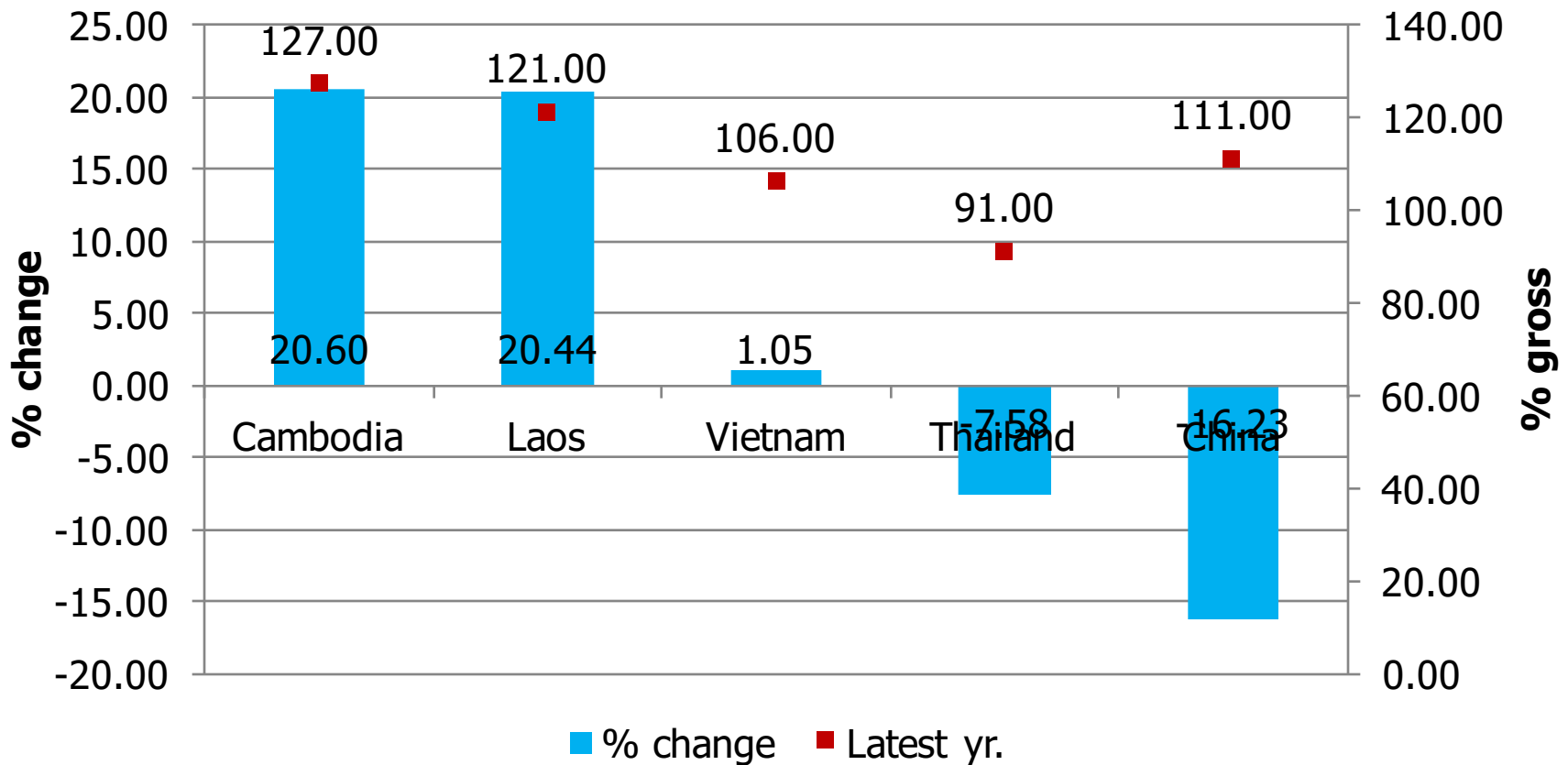
Trends in youth literacy rate, total (of people ages 15-24), 1990 - 2005/2010



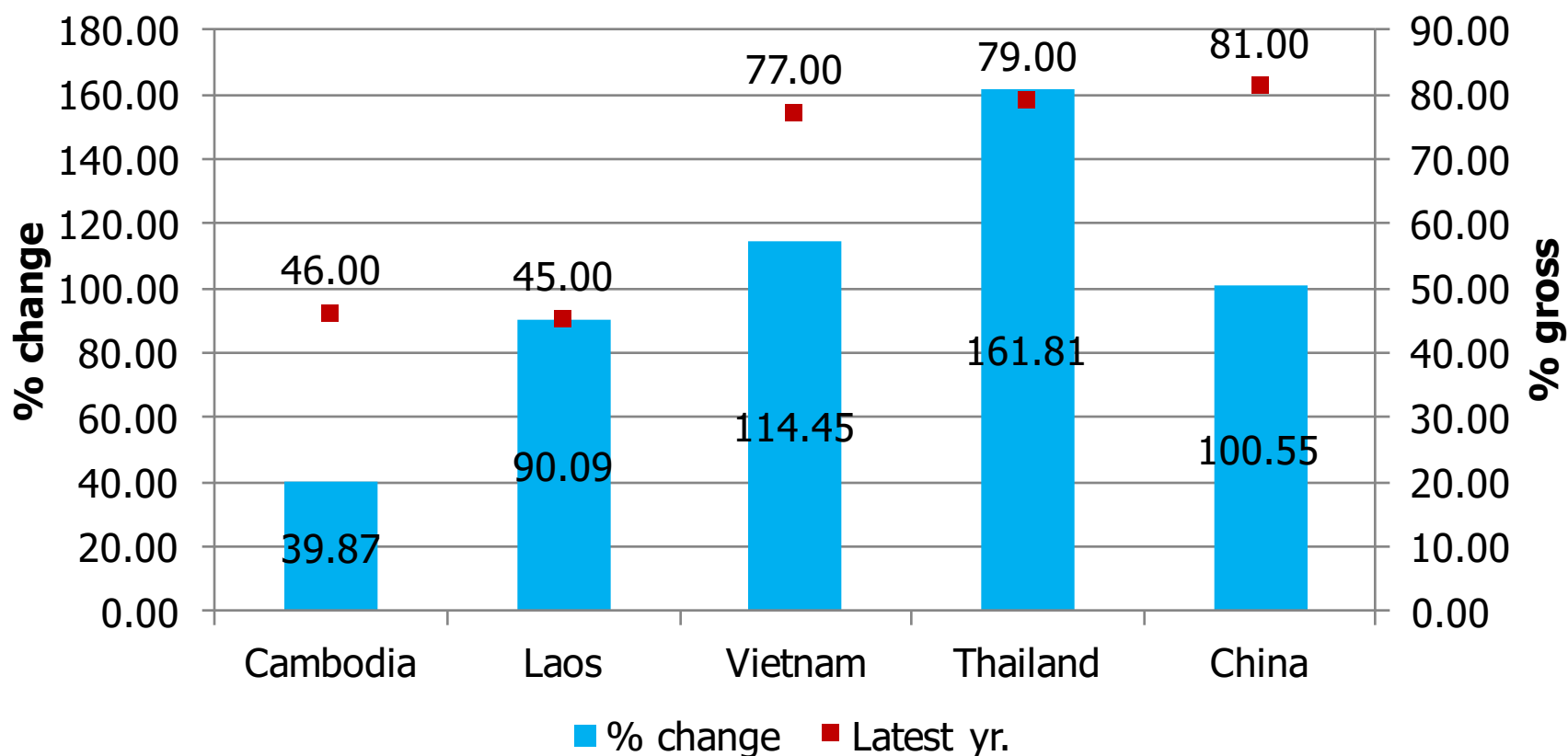
Trends in adult literacy rate, total (% ages 15 and older), 1990 - 2005/2010



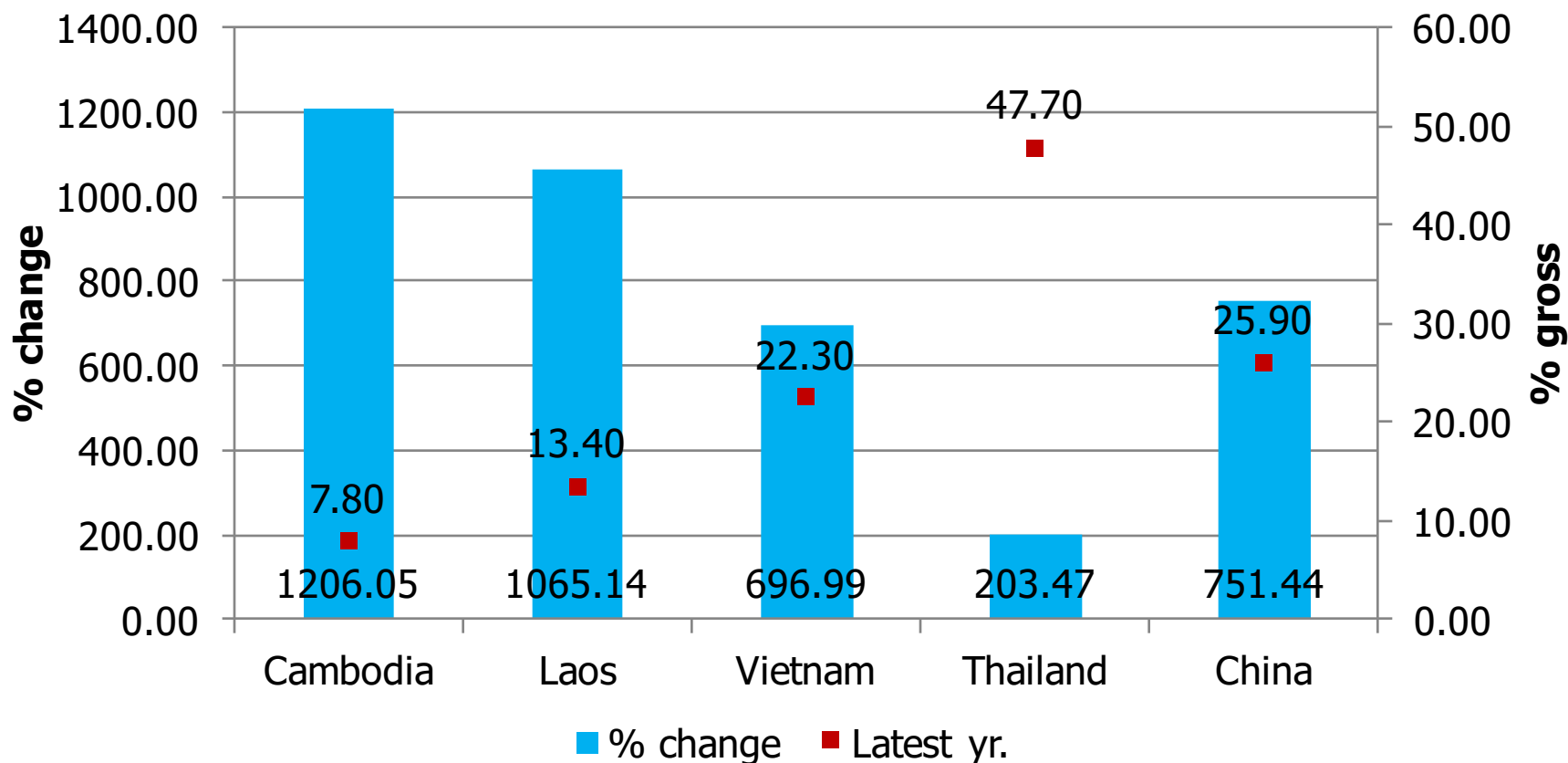
Trends in primary school enrollment (% gross), 1990 - 2002/2011



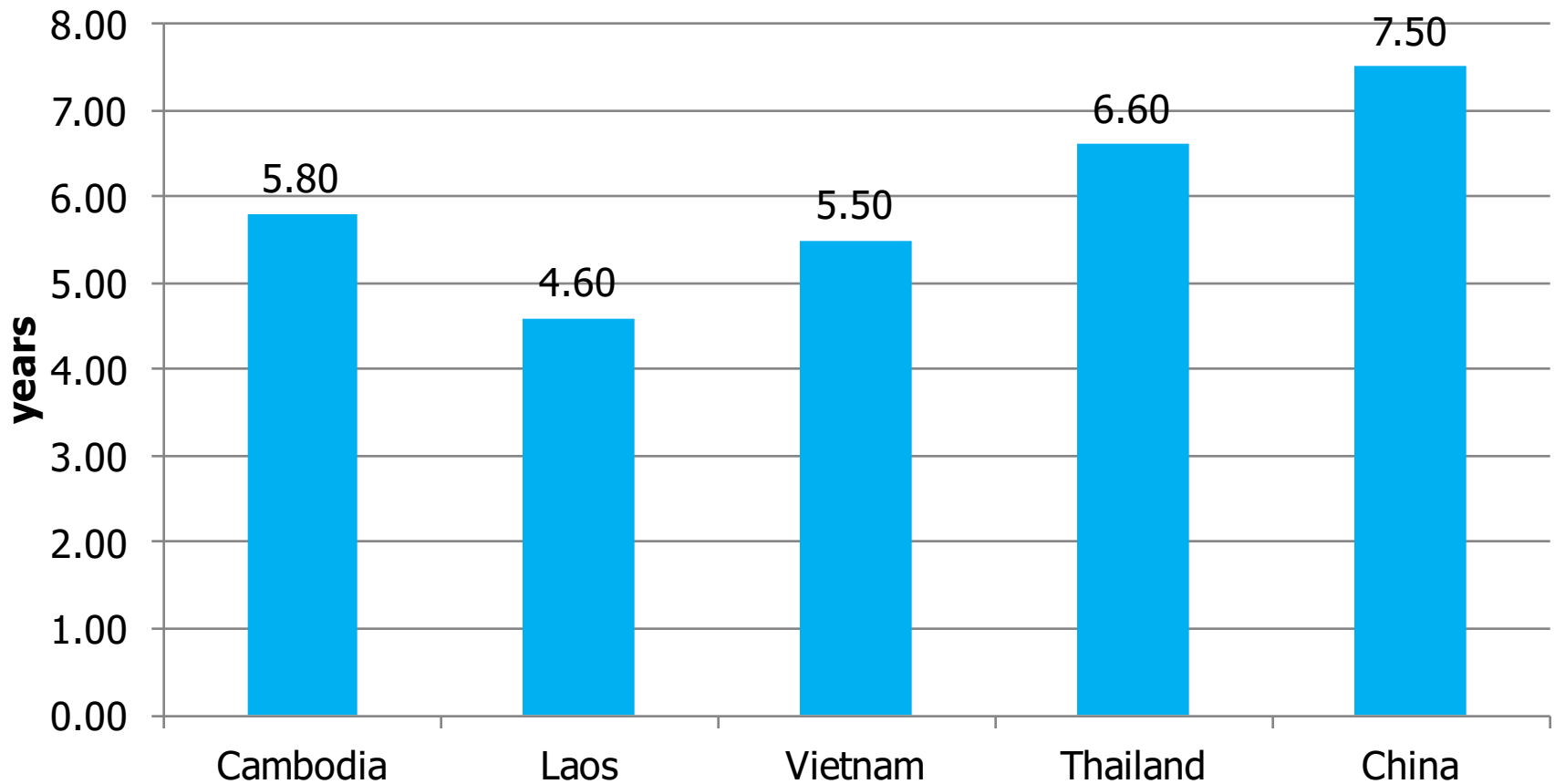
Trends in secondary school enrollment (% gross), 1990/1991 - 2002/2011



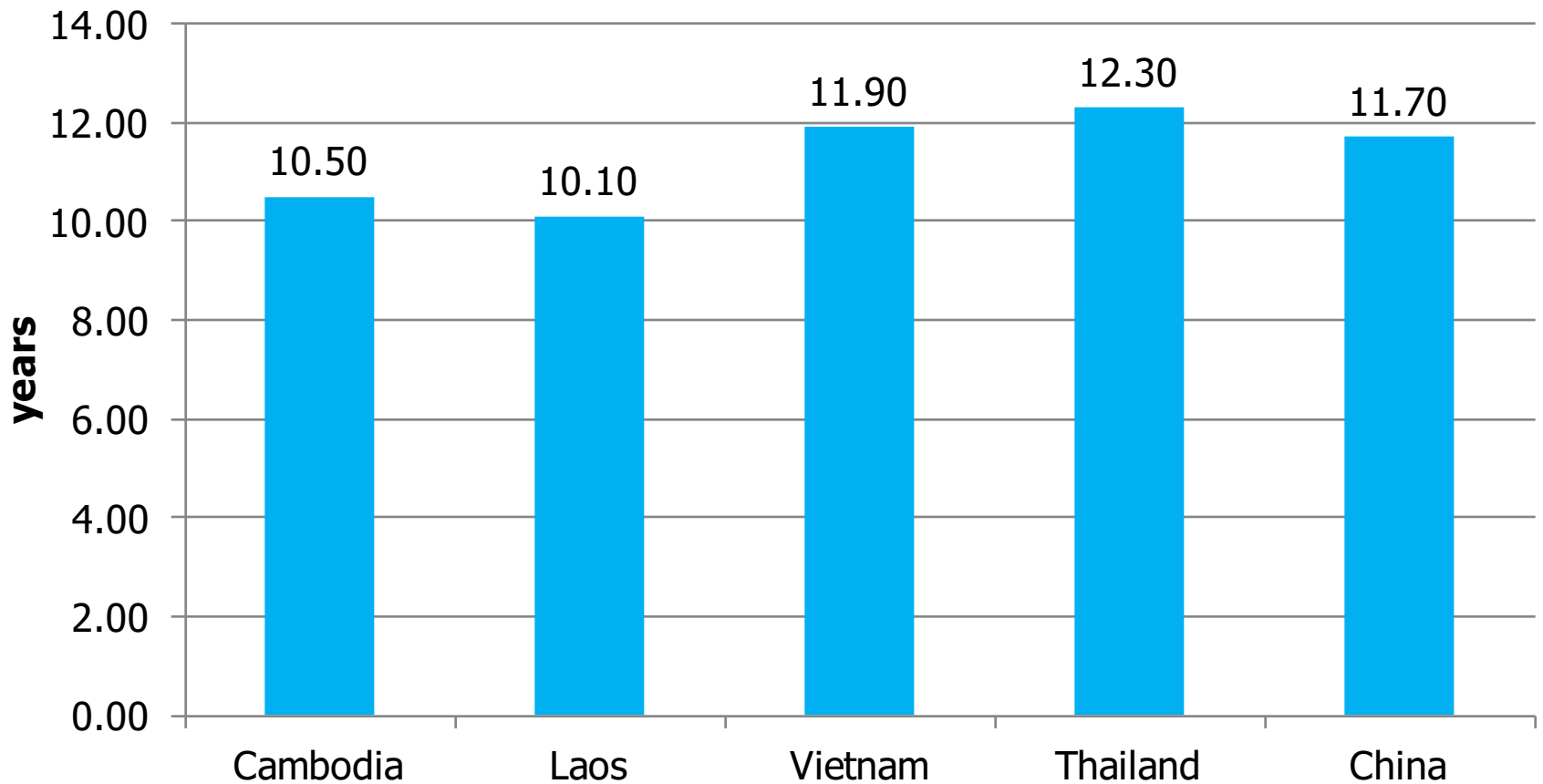
Trends in tertiary education enrollment (% gross), 1990 - 2002/2011



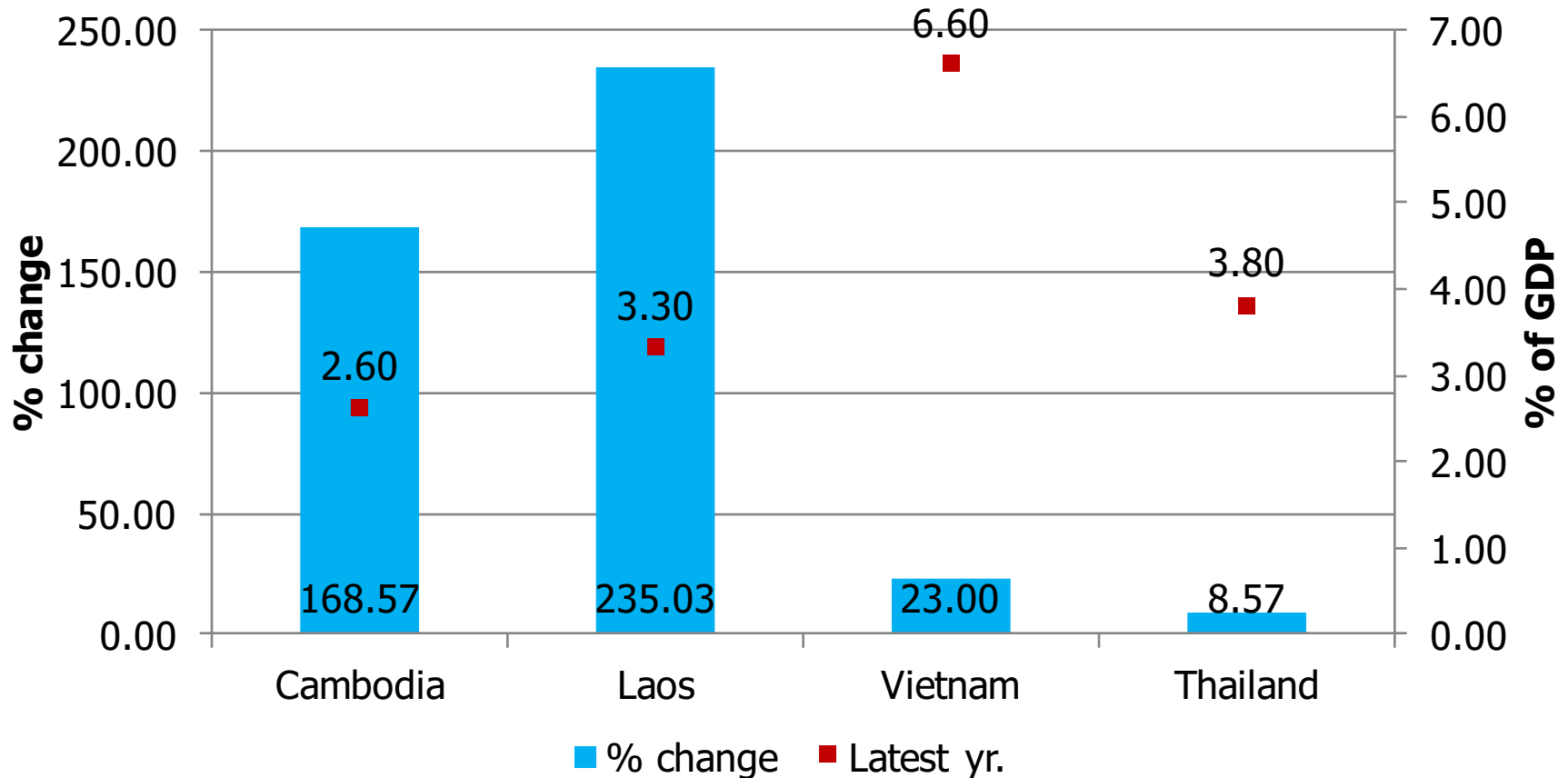
Mean years of schooling (years), 2010



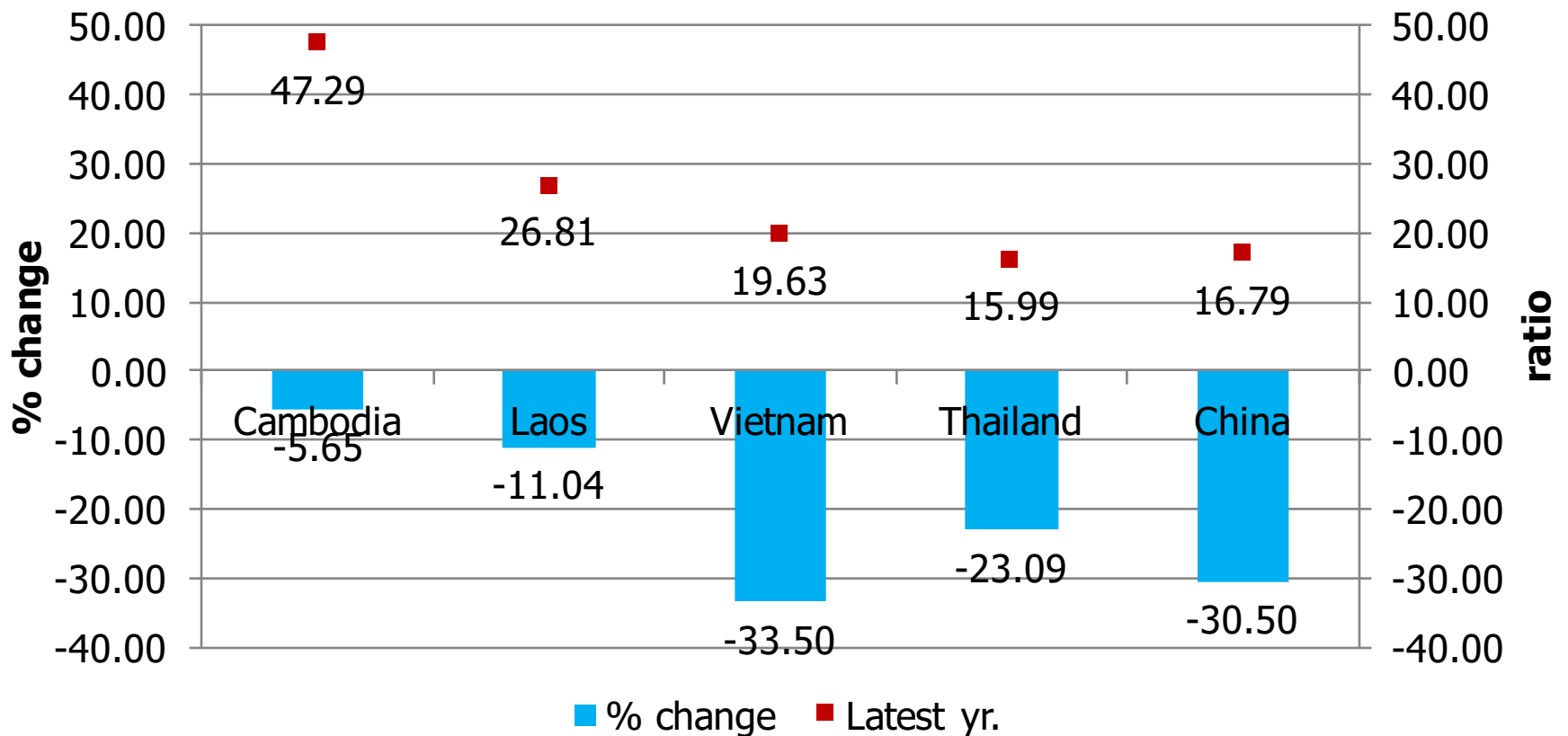
Expected years of schooling (years), 2011



Public expenditure on education, total (% of GDP), 1990/1999 - 2011



Pupil-teacher ratio, primary, 1997/2000 - 2008/2011



Education inequity –big data gaps

Country	Average years of schooling	Primary completion rate	Children out of school*
Cambodia (2010)	0.2	0.8	3.4
Laos	-	-	-
Vietnam (2006)	0.7	1.0	1.5
Thailand	-	-	-
China	-	-	-

Source: CDHS 2010; World Bank – WDI 2012, 2013

Social protection (index), 2009

Country	SPI	SPIP	SPINP	SPIPFI
Cambodia	0.017	0.012	0.005	1.99
Laos	0.019	0.009	0.010	1.20
Vietnam	0.095	0.017	0.079	0.89
Thailand	0.119	0.030	0.089	1.01
China	0.139	0.008	0.130	0.79

Source: ADB, 2011, except for Thailand (ADB, 2012)

Gender equity

Country	Gender Inequality Index, 2012 ¹		Gender Gap Index, 2012 ²		Discrimination against Women, 2012 ³	
	Rank	Value*	Rank	Score**	Rank out of 86 countries	SIGI score***
Cambodia	96	0.473	103	0.6457	13	0.1213
Laos	100	0.483	NA	NA	49	0.2599
Vietnam	48	0.299	66	0.6867	43	0.2393
Thailand	66	0.360	65	0.6893	25	0.1475
China	35	0.213	69	0.6853	42	0.2388

Note: * 0=when women and men fare equally and 1=where one gender fares as poorly as possible in all measured dimensions; ** the highest possible score is 1 (equality) and the lowest possible score is 0 (inequality); *** 0 = low discrimination, 1 = high discrimination

Vulnerabilities (environmental) and multi-dimensional poverty index (MDPI)

Country	% Pop living on degraded land	Deaths due to water pollution (no. per million people)	Deaths due to indoor air pollution (no. per million people)	Deaths due to outdoor air pollution (no. per million people)	MDPI (Year)
Year	2010	2004	2004	2004	-
Cambodia	39	826	500	23	0.212 (2010)
Laos	4	406	459	0	0.267 (2006)
Vietnam	8	72	289	81	0.017 (2010/2011)
Thailand	17	121	159	61	0.006 (2005/2006)
China	9	42	422	230	0.056 (2002)

Governance indicators - 2011

Governance Indicator	Cambodia		Laos		Vietnam		Thailand		China	
	2011		2011		2011		2011		2011	
Voice and Accountability	24.9		5.6		8.5		33.3		4.7	
Political Stability/Absence of Violence	33		47.2		52.8		16.5		25	
Government Effectiveness	25.6		17.1		45		59.7		60.7	
Regulatory Quality	35.1		19.4		29.4		56.4		45.5	
Rule of Law	15.5		18.3		39.9		48.8		41.8	
Control of Corruption	12.8		13.7		33.6		43.6		30.3	

Source: http://info.worldbank.org/governance/wgi/sc_country.asp, accessed June 1, 2013

Democratization – Indices 2011

Country	Rank	Overall score	Electoral process and pluralism	Functioning of government	Political participation	Political culture	Civil liberties
Cambodia	101	4.87	6.08	6.07	2.78	5	4.41
Laos	156	2.1	0	3.21	1.11	5	1.18
Vietnam	143	2.96	0	4.29	2.78	6.25	1.47
Thailand	58	6.55	7.83	6.07	5.56	6.25	7.06
China	141	3.14	0	5	3.89	5.63	1.18



Thank you

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