BUILDING FORWARD FAIRER SHOULD BE AT THE CENTER OF INCLUSIVE RECOVERY AND DEVELOPMENT

SPEND SMART on health care, education and social protection
TAX FAIR ensuring all pay their share

GUIDE labour-friendly technology
SHAPE the market distribution of economic rewards
MANAGE the labour market turbulences

PROMOTE inequality-minded monetary policy
INVEST official reserves with social gains
FOSTER financial inclusion through central bank digital currencies
SUPPORT innovative social-oriented financial instruments
A NASCENT AND UNEVEN RECOVERY IN ASIA AND THE PACIFIC

K-shaped recovery

UNEVEN RECOVERY
- Unfolded K-shaped recovery
- Uneven recovery across sectors
  - Informal workers, women, youth suffer
- 85 million people pushed into extreme poverty since the beginning of the pandemic

RISKS TO RECOVERY
- New variants of COVID-19
- High food & oil prices, pandemic induced disruptions, currency depreciation
- Shrinking fiscal space
- Geopolitical tensions

INCLUSIVE DEVELOPMENT
- Co-exist with pandemic
- Counter adverse impacts of financial tightening
  - Reduce inequality and minimize scarring
  - Ensure targeted spendings

reduce inequality
HEALTHCARE
- Universal health coverage
- Flexibility in budget allocation
- Reduce wasteful and inefficient spending
- Deploy digital health technologies

EDUCATION
- Strengthen early age education for all
- Close digital divide
- Eliminate socio-economic barriers at all levels of education
- Inclusive tertiary education

SOCIAL PROTECTION
- Universal basic social protection
- Improve efficiency via digital technologies

PAY FAIR SHARE
- Ensure all individuals and companies comply with existing tax regulations
- Close loopholes
- Fight illicit financial flows

EXPAND TAX BASE
- Formalize business activities
- Expand taxation of digital economy

SHIFT TAX BURDEN
- Take tax burden off from lowest-income households
- Make corporate and personal income taxes more progressive
CENTRAL BANKS SHOULD AND CAN PROMOTE INCLUSIVE DEVELOPMENT

1. PRICE STABILITY
   - 1.1 MONETARY POLICY MINDFUL OF INCOME AND WEALTH DISTRIBUTION
   - 1.2 RESERVE ALLOCATION WITH SOCIAL GAINS

2. SAFETY AND LIQUIDITY
   - 2.1 ADEQUATE CASH IN CIRCULATION
   - 2.2 RESERVE ALLOCATION WITH SOCIAL GAINS

3. INCLUSIVE DEVELOPMENT
   - 3.1 RESERVE MANAGEMENT
   - 3.2 CURRENCY ISSUANCE
   - 3.3 FINANCIAL REGULATION
   - 3.4 ROBUST FINANCIAL SECTOR
   - 3.5 INNOVATIVE SOCIAL-ORIENTED FINANCIAL INSTRUMENTS

4. MONETARY POLICY CONDUCT
   - 4.1 PRICE STABILITY
   - 4.2 INCLUSIVE DEVELOPMENT
Gear structural transformation towards a job-rich path
Support job-friendly technological upgrading and innovation
Establish correct market signals for private sector technological choices

Empower labour in the job market
Empower labour in corporate decision making
Prioritize education for skill supply and ensure inclusive access

Establish broad-based social protection as a first line of defense against future structural disruptions
Strengthen public and private support for on-the-job training, lifelong learning and vocational education
Keep technological changes at a more manageable pace