



Economic and Social Survey of Asia and the Pacific 2024

Boosting affordable and longer-term financing for governments

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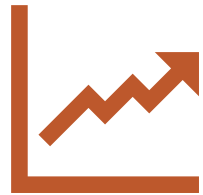
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**What makes for the good
society is a sound economy.
Without it, all the rest falls apart.**

Llewellyn Rockwell

What's in it for you?

Three areas of discussion



1. Macroeconomic prospects
and challenges



2. Ways to increase affordable
long-term financing



3. Global megatrends

Macroeconomic prospects and challenges



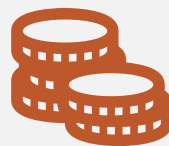
1. Post-pandemic challenge most economies encountered

Rocky economic growth due to revenge spending, high inflation, high interest rates



2. Some observations:

Inflation for most economies have been cost-push than demand-pull
Core inflation is increasing faster than headline inflation



Two arguments by economists:

Higher-for-longer stance by monetary authorities impedes faster economic growth
Lower policy rate alone cannot generate faster and higher quality economic growth. (e.g., India)

Three key implications (1/3): **REFORMS in the BETTER NORMAL**



Importance of how reforms can create meaningful impacts on resource allocation and distribution



Leverage on both capacities of fiscal and monetary sector in stabilizing the economy (goal: meet goals of the macroeconomy)



EMDEs can develop its agriculture sector in the same manner it developed its manufacturing and services sector (goal: improve food security)




Improve investment climate by guaranteeing ease of doing business, minimize corruption, reasonable tax policy, reduce red tape, among others

Importance of global peace, geopolitical stability, and economic cooperation



End war and conflict (i.e., peace is a global public good; political risk generates economic risk)



FTAs should not be limited to economic (e.g., RCEP)



Economic diplomacy is the use of government recourses to promote the growth of an economy by increasing trade, promoting investments, collaboration on bilateral and multilateral trade agreements, among others.

Three key implications (2/3):
REFORMS in the BETTER NORMAL

Three key implications (3/3): **REFORMS** in the **BETTER NORMAL**



PROMOTING EQUALITY
AND REPRESENTATION
FOR ALL AND BUILDING
RESILIENCE ARE KEYS TO
ALLEVIATING GLOBAL
POVERTY



INCREASE ACCESS TO
QUALITY EDUCATION AND
HEALTH



BUILD CLIMATE
RESILIENCE; PURSUE
SUSTAINABILITY; SUPPORT
ENVIRONMENTAL
PROGRAMS



ACCESSIBLE FINANCING

Three ways to increase affordable long-term financing: **FISCAL CREDIBILITY IS KEY**



Efficient tax collection and prudent spending of taxpayers' money on PAPs that are productive and value-adding.



Ensure an economic environment that is conducive for real and financial investment



A new set of financing metrics to be used by the international community

Create bandwagon effect in reducing reliance on traditional GDP and national income levels to be used by the international community in determining both the provision and allocation of concessional development financing in the form of grants, loans and debt relief. Sustainability metrics and stakeholder-driven indicators can also be used.



Global megatrends affecting fiscal policy: **EVOLVING LANDSCAPE OF SOCIETY, ECONOMY, POLITICS**

Three key implications:



Governments must be adept with the evolving landscape of society, economy, and politics for new policy solutions and policy synergies – need to create fiscal space; explore new ways of measuring fiscal performance; fiscal reforms; tax reforms



Better reforms in the better normal are required; mitigate political risks to minimize economic and market risks.



Governments and international development partners acting as investors must go beyond simply providing funding – requires investment in both the cultivation of citizen capabilities, and hard and soft resources and infrastructure to enable citizens to be successful at scale.