

Science, Technology and Innovation for Equitable Economic Growth

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Being in the lower middle-income category, the South Asian countries have experienced relatively high economic growth in the recent past as a result of pro-growth policies. This has significantly contributed to a reduction in unemployment and poverty. Nevertheless, 40 percent of the world's extremely poor people (around 400 million) live in South Asia. Widening income inequality also remains a major socioeconomic problem in the region. This reflects unequal distribution of the benefits emanated from economic growth among different income groups. Acceleration of equitable or inclusive economic growth is essential to reduce poverty and income inequality. In this regard, science, technology and innovation (STI) could play a major role as evident from the economic success of East Asian countries. The objective of this study is to analyze the prospects and challenges in harnessing STI for equitable economic growth in the region. The high economic growth achieved so far has been largely driven by cost-effective factor inputs and production efficiencies. However, in the context of intense global competition, countries cannot rely any longer on low production costs and efficiency improvements as drivers of economic growth. Uplifting the economies to a higher growth trajectory and thereby to escape the 'middle-income trap' inevitably requires 'innovation-driven' growth with greater knowledge inputs. Following the unprecedented global advancements in STI, particularly in the field of information and communication technology, knowledge has become the key driver of economic growth. Knowledge economy has been the major source of rapid socioeconomic progress achieved by several countries in the East Asian region. South Asia, however, is handicapped by poor knowledge economy attributes. Improvements are necessary specifically in the areas of human resources, science and technology, innovation, business environment, economic regimes and institutional structures. Therefore, it is essential that STI be integrated into public policies as a major national goal so as to ensure sustainable and equitable growth in the region.