SOUTH ASIA

In South Asia, growth slowed to a still strong 6.5 percent in 2017, below the June forecast, in part reflecting adjustment in India to the new Goods and Services Tax and the adverse impact of natural disasters across the region. Growth is expected to stabilize around 7 percent a year over 2018-2020, with private consumption remaining strong and investment recovered by infrastructure projects and reforms. Main risks to the outlook include setbacks in reviving investment, fiscal slippages, and disruptions to activity resulting from natural disasters.

Recent developments

In South Asia, growth slowed to an estimated 6.5 percent in 2017, marginally below the June 2017 forecast owing to temporary disruptions from adverse weather conditions across the region and, in India, businesses' adjustment to the newly introduced Goods and Services Tax (GST). Domestic demand continued to drive growth, with strong private consumption and a public infrastructure spending push in India while net exports subtracted slightly from GDP growth. Elevated credit growth continued to support investment in some countries (e.g., Bangladesh, Pakistan).

In India, growth slowed for the fifth consecutive quarter to 5.7 percent (year-on-year) in the first quarter of FY2017/18 (April-June 2017), partly reflecting adjustments by businesses to the prospective introduction of the GST in July 2017. In addition, protracted balance sheet weaknesses—in particular, a corporate debt overhang and elevated non-performing loans in the banking sector—continued to weigh on already weak private investment (World Bank 2017y). Weak private investment was only partly mitigated by a public infrastructure investment push and a surge in current expenditures after recent public pay hikes. In the second quarter of FY2017/18 (July-September 2017), the slowdown in economic activity bottomed out by a still weak 6.3 percent (year-on-year) growth. The manufacturing Purchasing Managers' Index (PMI) and industrial production growth remained broadly expansionary after they temporarily weakened as producers reduced inventories amid uncertainty relating to the implementation of the GST (Figure 2.5.1). Despite a recent uptick, inflation remained within the Reserve Bank of India's (RBI) target band of 2-6 percent, following a steady decline over the past year to 1.3 percent in July amid weak food prices. Fiscal consolidation has continued in the central government, but subnational fiscal deficits have risen, partly reflecting debt payments taken over through Ujwal Discom Assurance Yojana (UDAY) and a broader shift in public expenditures from central to state governments, and recent public pay hikes.[1]

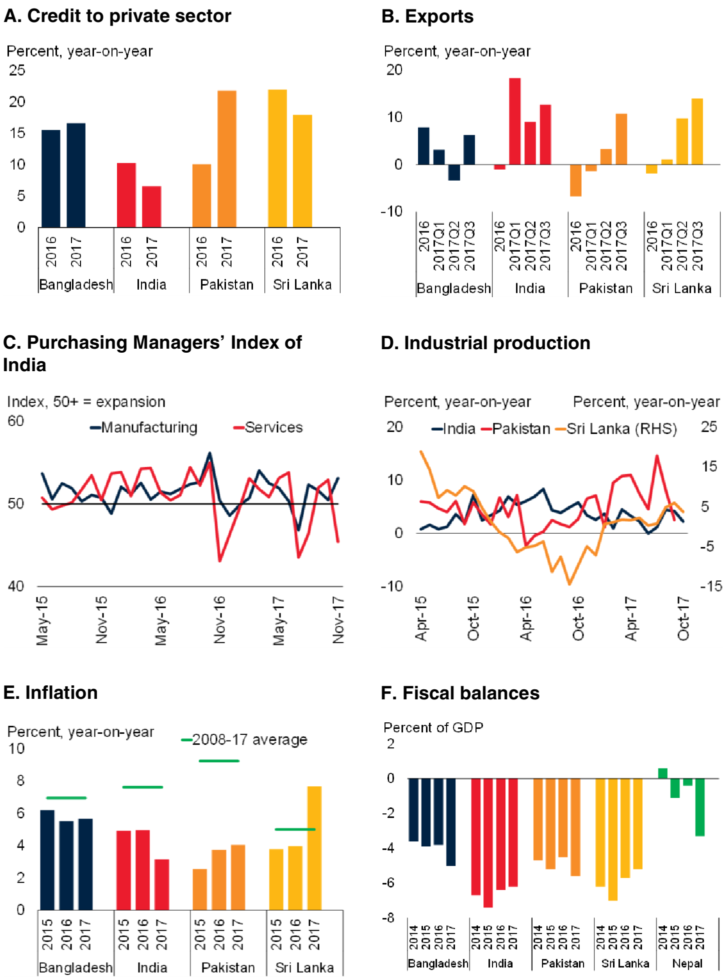
In Pakistan, growth continued to accelerate in FY2016/17 (July-June) to 5.3 percent, somewhat below the government's target of 5.7 percent as industrial sector growth was slower than expected. Activity was strong in construction and services, and there was a recovery in agricultural production with a return of normal monsoon rains. In the first half of FY2017/18, activity has continued to expand, driven by robust domestic demand supported by strong credit growth and investment

Note: This section was prepared by Temel Taskin. Research assistance was provided by Anh Mai Bui, Ishita Dugar, and Jinxin Wu.

[1] UDAY is a financial turnaround and operational improvement program for power sector in India. It was approved by the Government of India on November 5, 2015.

FIGURE 2.5.1 SAR: Recent developments

Credit growth has remained broadly robust and has supported investment in the region. Exports have picked up amid stronger global demand. Purchasing Manager Surveys suggest strengthening activity, especially in manufacturing. Inflation rates are below historical averages. Progress in fiscal consolidation has been mixed.



Sources: Haver Analytics, World Bank.

A. 2017 data represent average year-on-year growth. Last observation is October 2017 for Bangladesh, India and Pakistan, and November 2017 for Sri Lanka.

B. Last observation is Q3 2017.

C. Index values higher than 50 indicate expansion. Last observation is November 2017.

D. Last observation is October 2017 for India and Sri Lanka, and September 2017 for Pakistan.

E. Last observation is November 2017 for India and Pakistan, and October 2017 for Bangladesh and Sri Lanka. Due to lack of data, average for Bangladesh is 2009-17 and average for Sri Lanka is 2015-17.

F. 2017 data are estimated values.

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projects related to the China-Pakistan Economic Corridor. Meanwhile, the current account deficit widened to 4.1 percent of GDP compared to 1.7 percent last year, amid weak exports and buoyant imports.

Bangladesh's growth in FY2016/17 (July-June) was 7.2 percent, exceeding the June forecast owing to higher-than-expected outturns in the manufacturing and services sectors. Robust private consumption was complemented by strong public investment growth.

In Sri Lanka, activity expanded at an estimated 4.1 percent in 2017, below the June forecast as a result of disruptions from droughts and floods. Despite monetary policy tightening to ease inflationary pressures in the first half of 2017, credit growth remained strong, supporting private consumption and investment.

Elsewhere in the region, activity in 2017 was underpinned by strong construction in Bhutan and the Maldives as large-scale infrastructure projects were implemented. In Nepal, floods in more than one-third of the country disrupted the strong post-earthquake recovery in the second half of 2017. Security concerns continued to weigh on activity in Afghanistan, with the number of civilian casualties and displaced people reaching record levels in 2017.

Inflation has been well below its historical average in the region, except for a drought-related temporary rise in 2017 in Sri Lanka. Outside India, fiscal consolidation slowed in 2017 as a result of revenue shortfalls and increased government spending (e.g., Maldives, Pakistan). Current account deficits gradually widened across the region (e.g., India, Bangladesh, Pakistan). Balance sheet weakness for corporates (e.g., India) and financial sectors (e.g., Bangladesh, India) continued to weigh on private investment. In particular, non-performing loan ratios remained high, at around 10 percent, despite progress in some countries (e.g., Maldives, Pakistan, Afghanistan).

Outlook

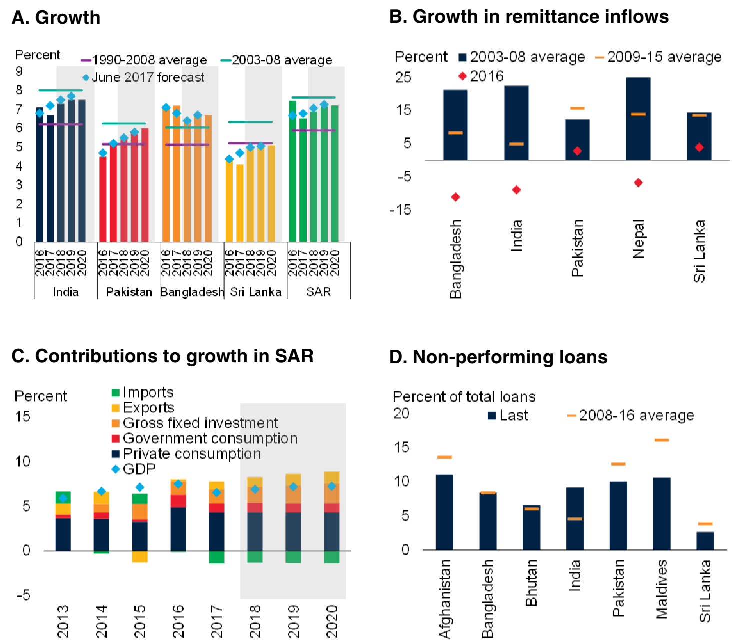
The region's growth prospects appear robust, with household consumption expected to remain strong, exports expected to recover, and investment projected to revive with the support of policy reforms and infrastructure improvements (Figure 2.5.2). Growth in the region is expected to pick up to 6.9 percent in 2018, and stabilize around 7.2 percent over the medium term, but remain slightly below June projections due to the weaker-than-expected recovery in domestic demand (World Bank 2017e). The forecast assumes strengthening external demand as the recovery firms in advanced economies, and supportive global financing conditions. Monetary policy is assumed to remain accommodative as modest fiscal consolidation proceeds in some countries (e.g., India).

India's GDP is forecast to grow 6.7 percent in FY2017/18, below June projections due to short-term disruptions from the newly introduced GST. Growth will pick up to 7.3 percent in 2018/19, and to 7.5 percent a year in the medium term. Strong private consumption and services are expected to continue to support economic activity. Private investment is expected to revive as the corporate sector adjusts to the GST; infrastructure spending increases, partly to improve public services and internet connectivity; and private sector balance sheet weaknesses are mitigated with the help of the efforts of the government and the Reserve Bank of India (RBI 2017). Over the medium term, the GST is expected to benefit economic activity and fiscal sustainability by reducing the cost of complying with multiple state tax systems, drawing informal activity into the formal sector, and expanding the tax base.[2] The recent recapitalization package for public sector banks announced by the Government of India is expected to help resolve banking sector balance sheets, support credit to the private sector, and lift investment.[3] The global trade recovery is expected to lift exports.

Growth in the region excluding India is expected to remain stable at an average 5.9 percent a year over the medium term, broadly consistent with the June projections, as domestic demand remains robust and exports recover. In Pakistan, growth is forecast to pick up to 5.5 percent in FY2017/18, and reach at an average 5.9 percent a year over the medium term on the back of continued robust domestic consumption, rising investment, and a recovery in exports. Activity in Bangladesh will

FIGURE 2.5.2 SAR: Outlook and risks

Growth in the region is forecast to pick up to 6.9 percent in 2018, and stabilize around 7 percent a year over the medium term. Domestic demand will continue to be the main driver of the growth in the region. Non-performing loans remain high in South Asia.



Sources: Haver Analytics, International Monetary Fund, World Bank.
A. Shaded area indicates forecasts.
B. Last observation is 2016.
C. SAR = South Asia Region. Shaded area indicates forecasts.
D. Last observation is 2015 for Bhutan and Bangladesh, and 2016 for the others.
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grow at an average of 6.7 percent a year over FY2018-2020, benefiting from strong domestic demand and strengthening exports. Low interest rates and improved infrastructure are expected to lift investment. Remittances are expected to rebound as the growth firms in Gulf Cooperation Council (GCC) countries and support private consumption.

Growth in Sri Lanka is forecast to average 5.1 percent a year over 2018-2020, mainly reflecting strong private consumption and investment growth. Exports will be supported by the reinstatement of the Generalised Scheme of Preferences (GSP+) with the European Union.

Elsewhere in the region, Bhutan's GDP is expected to expand 6.7 percent in FY2017/18 and reach an average 7.6 percent a year toward 2020, supported by hydropower-related construction and policies supporting the private sector, such as

[2] A more detailed discussion on the policies to lift growth over the medium-to-long-term growth is provided in Box 2.5.1 and Chapter 3.

[3] The Government of India announced a large recapitalization program ($ 32 billon) for public sector banks in October. The program is expected to be implemented within two years and planned to be financed by recapitalization bonds and budget support.

improving the ease of doing business, supporting research and development, promoting public-private partnerships in infrastructure projects, and improving access to skilled labor (RGOB 2016). Activity in Maldives is forecast to expand by 4.9 percent a year, on average, over the medium term, mainly driven by strong construction, tourism, and FDI inflows. In Nepal, growth is expected to settle at 4.5 percent a year, on average, in the medium term as post-earthquake reconstruction winds down. Growth in Afghanistan is forecast at 3.4 percent in 2018 to and average around 3.1 percent a year over the medium term, assuming no further deterioration in the security situation.

Risks

The main risks to the outlook are domestic, including fiscal slippages (e.g., Bangladesh, Maldives, Pakistan), setbacks to reforms to resolve corporate and financial sector balance sheet deterioration (e.g. Bangladesh, India), disruptions due to natural disasters, and persistent security challenges weakening domestic demand (e.g., Afghanistan). As an external risk, an abrupt tightening of global financing conditions or a sudden rise in financial market volatility could set back regional growth. On the other hand, stronger -than-expected global growth could benefit the more open economies in the region in the near term (Chapter 1).

Increasing contingent liabilities related to infrastructure projects (e.g., Pakistan), debt write-offs for farmers (e.g., India), and slippages relating to upcoming elections and weak tax revenues (e.g., Bangladesh, Nepal, Pakistan) could derail fiscal consolidation efforts. Weaker debt sustainability could weigh on confidence, financial markets and already-weak investment (World Bank 2017z).

Corporate debt overhangs and high levels of non-performing loans have been long-standing concerns in some countries (e.g. Bangladesh, India). Setbacks in efforts to resolve these domestic bottlenecks would continue to weigh on investment, and more broadly on medium-term growth prospects in the region.

Recent adverse weather conditions have reduced agricultural output in some cases (e.g. Nepal, Sri Lanka). Such developments continue to pose risks to regional growth (World Bank 2017e, 2017ac).

Recently, remittance inflows have been subdued due to fiscal consolidation and growth slowdowns in the Middle East, which constitutes roughly half of remittances to South Asia. A protracted slowdown in remittance inflows would weigh on domestic consumption (e.g., Bangladesh, Sri Lanka; World Bank 2017ac).

TABLE 2.5.1 South Asia forecast summary

(Real GDP growth at market prices in percent, unless indicated otherwise)

Percentage point differences from June 2017 projections

	2015	2016	2017e	2018f	2019f	2020f	2017e	2018f	2019f
EMDE South Asia, GDP[1, 2]	**7.1**	**7.5**	**6.5**	**6.9**	**7.2**	**7.2**	**-0.3**	**-0.2**	**-0.1**
(Average including countries with full national accounts and balance of payments data only)[3]									
EMDE South Asia, GDP[3]	7.1	7.5	6.6	6.9	7.1	7.2	-0.2	-0.2	-0.2
GDP per capita (U.S. dollars)	5.8	6.2	5.3	5.7	5.9	6.0	-0.2	-0.1	-0.1
PPP GDP	7.1	7.5	6.6	6.9	7.1	7.2	-0.2	-0.2	-0.2
Private consumption	5.4	8.4	7.3	7.1	7.0	6.9	0.6	0.2	-0.1
Public consumption	2.6	13.8	12.0	11.3	9.5	9.6	-0.3	-0.5	-0.7
Fixed investment	5.5	4.7	5.9	7.5	8.5	9.1	0.0	0.2	0.5
Exports, GNFS[4]	-5.2	1.2	5.0	5.8	6.6	6.7	-1.0	-0.5	0.4
Imports, GNFS[4]	-4.0	0.3	5.3	5.1	5.7	5.8	0.9	-0.8	-0.6
Net exports, contribution to growth	-0.1	0.2	-0.3	-0.1	0.0	0.0	-0.5	0.1	0.3
Memo items: GDP[2]	**15/16**	**16/17**	**17/18e**	**18/19f**	**19/20f**	**20/21f**	**17/18e**	**18/19f**	**19/20f**
South Asia excluding India	5.4	5.7	5.7	5.8	5.9	6.0	0.0	0.0	-0.1
India	8.0	7.1	6.7	7.3	7.5	7.5	-0.5	-0.1	-0.2
Pakistan (factor cost)	4.5	5.3	5.5	5.8	6.0	6.0	0.0	0.0	0.0
Bangladesh	7.1	7.2	6.4	6.7	6.7	6.7	0.0	0.0	-0.3

Source: World Bank.

Notes: e = estimate; f = forecast. EMDE = emerging market and developing economy. World Bank forecasts are frequently updated based on new information and changing (global) circumstances. Consequently, projections presented here may differ from those contained in other Bank documents, even if basic assessments of countries' prospects do not differ at any given moment in time.

1. GDP at market prices and expenditure components are measured in constant 2010 U.S. dollars.

2. National income and product account data refer to fiscal years (FY) for the South Asian countries, while aggregates are presented in calendar year (CY) terms. The fiscal year runs from July 1 through June 30 in Bangladesh, Bhutan, and Pakistan, from July 16 through July 15 in Nepal, and April 1 through March 31 in India.

3. Sub-region aggregate excludes Afghanistan, Bhutan, and Maldives, for which data limitations prevent the forecasting of GDP components.

4. Exports and imports of goods and non-factor services (GNFS).

For additional information, please see www.worldbank.org/gep.

TABLE 2.5.2 South Asia country forecasts

(Real GDP growth at market prices in percent, unless indicated otherwise)

Percentage point differences from June 2017 projections

	2015	2016	2017e	2018f	2019f	2020f	2017e	2018f	2019f
Calendar year basis[1]									
Afghanistan	1.1	2.2	2.6	3.4	3.1	3.1	0.0	0.0	0.0
Maldives	3.3	4.7	4.8	4.9	5.0	5.0	0.3	0.3	0.4
Sri Lanka	4.8	4.4	4.1	5.0	5.1	5.1	-0.6	0.0	0.0
Fiscal year basis[1]	**15/16**	**16/17**	**17/18e**	**18/19f**	**19/20f**	**20/21f**	**17/18f**	**18/19f**	**19/20f**
Bangladesh	7.1	7.2	6.4	6.7	6.7	6.7	0.0	0.0	-0.3
Bhutan	6.6	8.0	6.7	6.9	7.6	7.6	-0.1	-0.8	-2.9
India	8.0	7.1	6.7	7.3	7.5	7.5	-0.5	-0.1	-0.2
Nepal	0.4	7.5	4.6	4.5	4.5	4.5	-0.9	0.0	0.0
Pakistan (factor cost)	4.5	5.3	5.5	5.8	6.0	6.0	0.0	0.0	0.0

Source: World Bank.

Notes: e = estimate; f = forecast. World Bank forecasts are frequently updated based on new information and changing (global) circumstances. Consequently, projections presented here may differ from those contained in other Bank documents, even if basic assessments of countries' prospects do not differ at any given moment in time.

1. Historical data is reported on a market price basis. National income and product account data refer to fiscal years (FY) for the South Asian countries with the exception of Afghanistan, Maldives, and Sri Lanka, which report in calendar year (CY). The fiscal year runs from July 1 through June 30 in Bangladesh, Bhutan, and Pakistan, from July 16 through July 15 in Nepal, and April 1 through March 31 in India.

For additional information, please see www.worldbank.org/gep.

BOX 2.5.1 Potential growth in South Asia

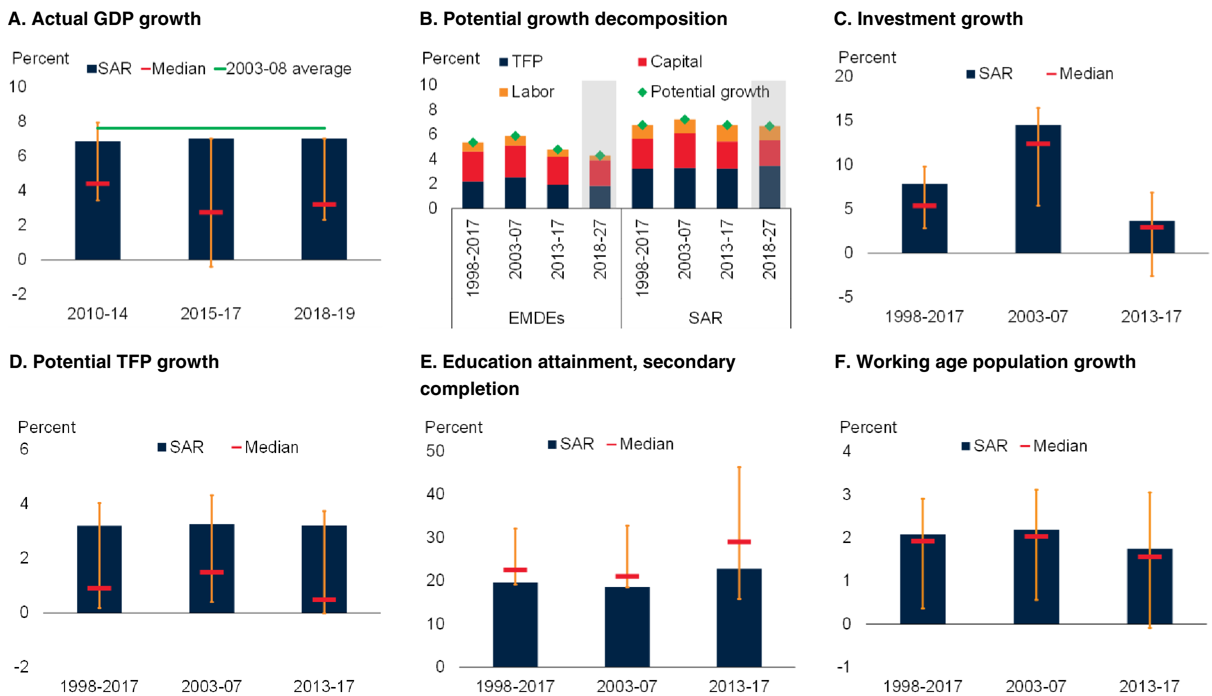
Potential growth in South Asia has slowed from around 7.2 percent just prior to the global financial crisis to an average of 6.8 percent in recent years, reflecting the effects of a sharp investment slowdown. Over the medium-term, South Asia's potential growth is expected to stabilize around 6.7 percent. Achieving faster sustained growth will require structural reforms such as improving human capital, enhancing female labor force participation, strengthening corporate and banking sector balance sheets, and promoting greater integration of the region into global and regional value chains.

Introduction

Although South Asia was the fastest growing emerging market and developing economy (EMDE) region in recent years, it still slowed compared with the rapid pace set prior to the global financial crisis (Figure 2.5.1.1). This slowdown was mainly driven by stalled investment in India, and it appears also to reflect a more broad-based easing of potential growth within the region, from 7.2 percent pre-crisis to around 6.8 percent. Other studies have estimated potential growth in the region. In the case of India, potential growth is estimated within the range of 6-8 percent in the post-crisis period (Bhoi and Behera 2016; Mishra 2013; Blagrave et al. 2015). Similarly, Ding et al. (2014) estimate Sri Lanka's potential growth between 6 and 8 percent after the global financial crisis.[1] Looking forward, achieving faster sustained growth in the region, with a corresponding improvement in living standards,

FIGURE 2.5.1.1 Regional growth

The slowdown of regional GDP growth in recent years has coincided with a decline in potential growth, which has mainly reflected weak investment.



Sources: Haver Analytics, Penn World Tables, World Bank Estimates, and World Development Indicators.

A. C.-F. Blue bars show GDP-weighted average of SAR countries. Markers show median GDP-weighted averages of the six EMDE regions and vertical lines denote range of regional GDP-weighted averages.

B. Potential growth estimates based on production function approach for India and Sri Lanka. See Annex 3.1 for more details.

Click here to download data and charts.

Note: This box was prepared by Temel Taskin, Sinem Kilic Celik, and Yirbehogre Modeste Some. Anh Mai Bui, Jinxin Wu, and Ishita Dugar provided research assistance.

[1] This estimate does not reflect the GDP revision of 2015, and might be biased upward.

BOX 2.5.1 Potential growth in South Asia *(continued)*

will require identifying and addressing the structural factors that are constraining the region's potential.

Against this backdrop, this Box will discuss the following questions:

- How has potential growth evolved in South Asia and what were its main drivers?
- What are prospects for potential growth?
- What are the policy options to lift potential growth?

This Box concludes that, in the absence of policy action, South Asia's potential growth is likely to remain broadly steady at its current rate. However, there is scope to boost the region's potential growth significantly through product and labor market reforms as well as through investment in human capital.

Evolution of potential growth and its drivers

Estimates based on the analysis in Chapter 3 suggest that the decline in potential growth in South Asia reflected slowing capital accumulation which outweighed the acceleration in TFP growth and improved educational attainment. A number of factors appear to have been at work, including heightened regulatory and policy uncertainties, delayed project approvals and implementation, continued bottlenecks in the energy sector, as well as reform setbacks (Anand et al. 2014). Large corporate debt overhang and non-performing assets in the banking sector further weighed on credit growth and investment within the region.

Potential growth prospects

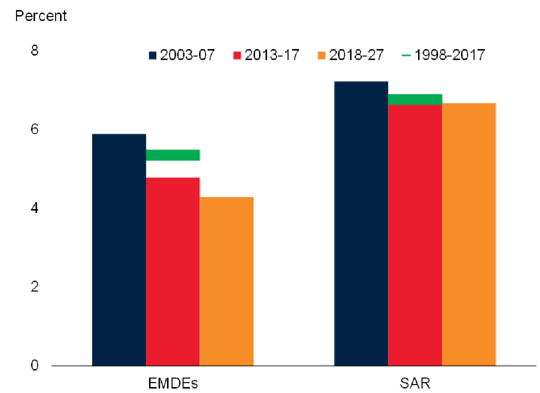
Over the medium-term, potential growth in South Asia is expected to average around 6.7 percent in the next decade. Although this would be well below the high rates achieved just before the global financial crisis, it compares favorably with other EMDEs, where potential growth is expected to slow even further (Figure 2.5.1.2).

Potential growth in South Asia will be underpinned mainly by a recovery in Total Factor Productivity (TFP)—in part owing to the effects of improvements in educational attainment, which will help offset a moderation in the growth of the working age population, similar to other EMDEs where aging already weighs heavily on potential growth.

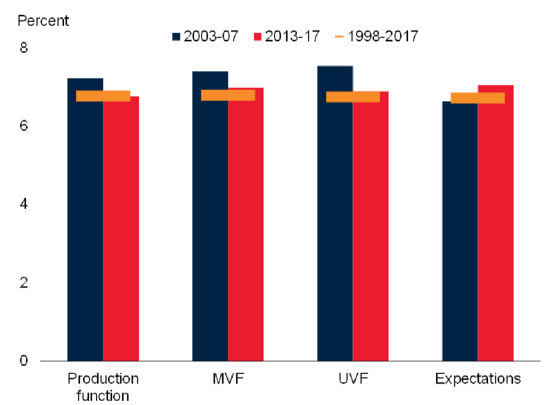
FIGURE 2.5.1.2 Regional potential growth estimates

South Asia's potential growth has slowed from around 7.2 percent just prior to the global financial crisis to an average of 6.8 percent in recent years, according to the baseline measure (production function).

A. Potential growth



B. Regional potential growth by different estimates



Source: World Bank estimates.
Notes: Lines and bars denote averages of different periods.
A. Based on the production function approach for India and Sri Lanka, as defined in Annex 3.1.
B. MVF stands for multivariate filter-based potential growth estimates; UVF stands for univariate filter-based potential growth estimates (specifically, the Hodrick-Prescott filter); Expectations stands for potential growth proxied by five-year-ahead *World Economic Outlook* growth forecasts. Sample includes India and Sri Lanka in the PF estimates, India in the MVF and UVF estimates and India, Pakistan, Bangladesh, Sri Lanka, Nepal, Maldives, Bhutan, and Afghanistan in the Expectations.
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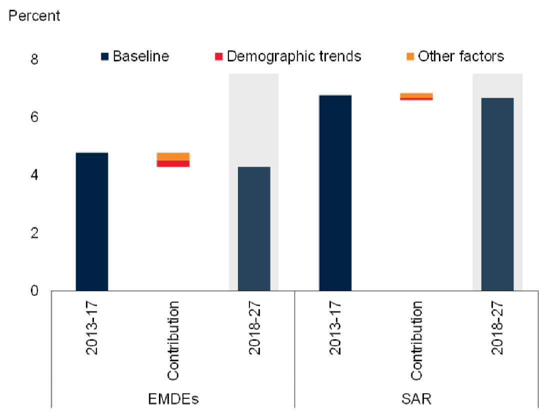
BOX 2.5.1 Potential growth in South Asia *(continued)*

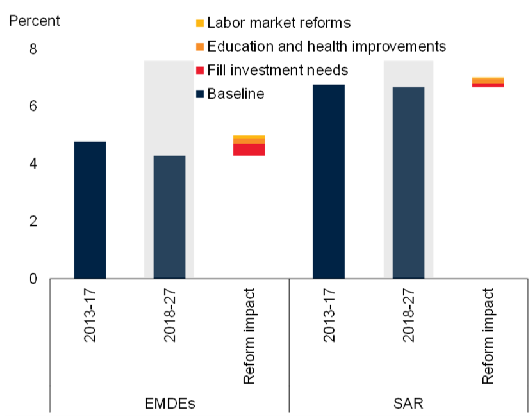
FIGURE 2.5.1.3 Policies to stem declining potential growth

Potential growth in South Asia is expected to average around 6.7 percent between 2018-27, slightly below its recent average rate. Labor market, education, and health reforms, along with investment, could boost the region's potential growth by 0.4 percentage points.

A. Baseline potential growth



B. Potential growth under reform scenarios



Source: World Bank estimates.

Notes: GDP weighted averages. Derived using the production function approach for India and Sri Lanka. Details are described in Annex 3.1.

A. "Other factors" reflects declining population growth, trend improvements in human capital, and a slowdown in investment growth to output growth.

B. Policy scenarios are described in Annex 3.1.

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India's recent reforms, such as the "Make in India" initiative and demonetization, are expected to encourage formal sector activity, broaden the tax base, and improve long-term growth prospects despite short term disruptions in the case of demonetization. For instance, the "Make in India" initiative, which began in late-2014, aims to improve investment and innovation as well as develop skills to meet the demand for skilled labor. To achieve these goals, the government has taken various steps to improve the business climate, such as shortening approval times for trademarks and patents to enhance property right protection, lowering restrictions on foreign direct investment (including foreign ownership restrictions) in various sectors, and accelerating investment in energy and transport infrastructure, which helped improve the ease of doing business (World Bank 2017l).

The July 2017 introduction of the Goods and Services Tax (GST) in India has caused temporary disruptions in manufacturing, and is linked to the recent weakness in the Purchasing Managers' Index and industrial production growth. However, eventually, it is expected to simplify tax compliance, deepen economic linkages between Indian states, broaden the tax base and improve revenue collections. In turn, this is expected to enhance the broader business environment and help foster investment and employment (IMF 2017).

Significant vulnerabilities have been recognized in the Indian banking and corporate sectors that may weigh on medium-to-long-term growth prospects unless they are addressed. Encouragingly, several steps have been taken on this front. For example, the Asset Quality Review initiated by the RBI in 2015 has led to an increase in the recognition of non-performing assets on financial sector balance sheets. More recently, the government announced a large recapitalization package ($ 32 billion) for public sector banks to be implemented over two years. Over the medium to long term, these measures are expected to help resolve private sector balance sheet weaknesses and unlock lending for private investment. Infrastructure spending in recent years partly addressed supply side bottlenecks. However, weaknesses on corporate balance sheets remain as firms are highly indebted. As corporate lending still accounts for a significant part of banks' assets, their ability to finance future business investments will require the restructuring of this debt, as well as a broader deleveraging in the corporate sector.

Sri Lanka's economic reform agenda, supported by World Bank and IMF programs, is expected to sustain

BOX 2.5.1 Potential growth in South Asia *(concluded)*

macroeconomic stability and support potential growth over the medium term (World Bank 2017ab). Public debt is expected to decline amid ongoing fiscal consolidation, which will open fiscal space and enable the country to allocate public spending toward human capital investments that support potential growth. The government recently adopted the new Inland Revenue Act, which aims to simplify tax compliance, but which could also mobilize additional revenue that could support growth-enhancing spending, including infrastructure investment.

Policy options to lift potential growth

As illustrated in Chapter 3, structural reforms can provide a significant boost to productivity, employment, and potential growth. Indeed, this analysis illustrates that steps to reform labor markets, as well as education and health systems, and policies to encourage private sector investment could boost potential growth. (Figure 2.5.1.3).

One area that could encourage higher private investment in South Asia would be steps to enhance its integration in global value chains. Studies show that this has been associated with higher growth, but South Asia region lags behind other EMDE regions in terms of the integration of its trade and investment flows, both globally and within the region (Farole and Pathikonda 2016). Closer trade and investment ties could be supported by closing infrastructure gaps, removing regulatory and other impediments to businesses, as well as by promoting a shift towards higher-value added manufacturing industries (Lopez Acevedo and Robertson 2016).

Addressing corporate and banking sector balance sheet issues could lift investment and potential growth prospects in the region. Recent steps taken by the government such as the recapitalization package for public sector banks are expected to support credit growth and investment.

Investment in human capital may also help lift productivity, labor incomes, and potential output, including by fostering a shift toward higher-value added and innovative industries (Aturupane et al. 2014). Policies that can help facilitate this shift include steps to improve the share the participation of women in the workforce, increase access to higher and better education, and investing in vocational training programs (World Bank 2017p).