

Let's Talk Goals

Inclusive Growth Index Framework (IGIF)

What is the 2030 Agenda for Sustainable Development? Why does it matter? What does it mean for us as Jamaicans? This is the third in a series of articles on topical issues related to development in Jamaica, written by sector specialists on inclusive growth, social protection, community development, trade and investment. In this week's article we explore the topic of inclusive growth and its relevance to improving well-being and leaving no one behind.



Amidst the traditional emphasis on Gross Domestic Product (GDP) as a measure of economic growth and welfare, there is an increasing recognition of the need for supplementary indicators that account for inclusivity and sustainability. This shift gained momentum with the United Nations' adoption of the Sustainable Development Goals (SDGs) in 2015. Building on the achievements and lessons of the Millennium

Development Goals (MDGs), the SDGs were introduced with a broader and more ambitious mandate, highlighting the balance between economic, social, and environmental aspects of development. Unlike the MDGs, which focused primarily on poverty reduction, the SDGs advocate for a holistic and inclusive approach to sustainable development, prioritizing global equity, environmental sustainability, and inclusive economic growth that ensures no one is left behind. Reflecting this global shift, Jamaica has incorporated the concept of inclusive growth into its development strategy toolbox with the launch of the Inclusive Growth Index Framework (IGIF) by the Planning Institute of Jamaica (PIOJ) on February 8, 2024. Globally, inclusive growth lacks a fixed definition, however the IGIF, is defined for Jamaica as:

the condition where an economy expands, and all segments of society have equal opportunity to contribute to and benefit from economic growth, with managed and responsible impact on the environment.

The IGIF represents a ground-breaking approach for Jamaica, aiming to bridge the gap between economic growth and broader development outcomes. It comprises three essential components:

1. *Inclusive Growth Index (IGI)*: At the core of the IGIF lies the Inclusive Growth Index, encompassing seven key pillars: Health, Human Capital, Environmental Quality, Wealth, Equality and Equity, Safety and Security, and Poverty Reduction. These pillars align with 16 of the 17 Sustainable Development Goals (SDGs), while the 17th SDG—focused on strengthening partnerships and cooperation—is integrated into the IGIF through cross-cutting factors and stakeholder relationship building. Each of these pillars is supported by specific outcome indicators, which are combined into a composite index. This index provides a comprehensive, yearly assessment of Jamaica's development progress, capturing both the breadth and depth of inclusive growth.



A distinguishing feature of the IGI is its two unique analytical viewpoints:

- i. The IGI(J) comprises 44 outcome indicators, customized to Jamaica's specific context
- ii. The IGI(X) comprises 22 outcome indicators, facilitating comparisons across 10 Caribbean Community and Common Market (CARICOM) countries.

Both perspectives are essential for comprehensive growth diagnostics and regional benchmarking. Although the number of indicators is smaller than the 247 used for the SDGs, they focus on essential and available metrics that should aid in assessing performance of the SDGs annually. They should also provide insights into potential shortfalls and offer recommendations for meeting interim and final targets.

2. *Statistical Relationships*: By employing econometric and statistical tools, the IGIF offers a detailed analysis of Jamaica's development landscape, examining interactions within and between the seven key pillars. This method provides empirical insights into the relationships among various

indicators, revealing trade-offs and synergies that are critical for formulating effective inclusive growth strategies. This comprehensive analysis should enhance the assessment and implementation of the SDGs in Jamaica by identifying areas of alignment and conflict, thereby guiding targeted policy actions to advance sustainable development goals.

3. *Supporting Operating Framework*: To promote efficiency and sustainability, the IGIF utilizes a tailored IT framework that optimizes data processing and analysis. A key output of this framework is the Analytical Report, which allows for a thorough examination of issues identified through the index and statistical analysis. This framework should help to expedite the delivery of relevant insights, facilitating timely and effective support for the SDGs.

By providing a bird's-eye view of Jamaica's development priorities and challenges, once operationalized, the IGIF should equip policymakers with actionable insights to guide decision making. Moreover, it should serve as a tool for fostering informed dialogue and collaboration among stakeholders from government, civil society and the private sector.

Despite challenges related to data availability and quality for the IGIF, the PIOJ has implemented robust methodologies, such as comprehensive literature reviews and the use of global indices, to address these issues. Ongoing efforts to advocate for data improvements are crucial for enhancing the effectiveness of the IGIF. This approach is expected to benefit the SDGs for Jamaica, which face similar data challenges, by improving the quality and reliability of the information used for assessment and implementation.

Looking ahead, it is anticipated that the IGIF will assist in steering Jamaica towards sustainable and inclusive growth, aligning with the objectives of the 2030 Agenda for Sustainable Development and the SDGs. With ongoing stakeholder engagement and commitment to evidence-based policymaking, Jamaica aims to become an example of inclusive development, offering its citizens a high quality of life.