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**Innovation and Equity in the Asia-Pacific Region**

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Welcome to this late afternoon session. Our topic is **Innovation and Equity in the Asia-Pacific Region** and we have five distinguished speakers.

The distribution of income and wealth is a major problem. Especially in China and India there is a growing concern that globalisation and technology are making societies richer and many people poorer at the same time.

Even in Japan there is a feeling that the country is developing into a society where the rich suppress the less well off and that confrontation between communities is unavoidable.

This might indicate that innovation and equity are contrasts, but they are not. Nor are they determinants of one another.

It takes good policies to ensure growth and development, but even better politics to make sure that it does not lead to social imbalance and perhaps instability.

The stock markets in the Asia-Pacific region are, as elsewhere, hovering around record highs these days.

The demand for equities could be seen as an expression of growth, talent and innovation in corporations and in global markets.

But this does not necessarily lead to broader equity in itself in the social sphere.

There are no regions where this dilemma is more evident than in the Asia-Pacific region. Even though we have seen tremendous growth for several decades, India and China together account for more people below the UN's poverty line than in the entire continent of Africa.

In the worldwide movement against globalisation, which in itself is an oddly contradictory concept, the globalisation process is frequently portrayed as a process that creates mostly losers.

Innovation and international integration are the instruments for transforming this perception. Innovation is paramount to sustained growth, broader equity and stability in the long run. Integration, free trade and sensible government policy can limit the negative impact of globalisation if those who attack globalisation from a position of self-interest accept that painful adjustments are needed.

The threat to regional stability is the combination of remote political elites and the tensions created by rapid but uneven growth. The rich-poor divides are evident in many parts of Asia. But we cannot neglect or deny the fact that the AsiaPacific region will change the global economic landscape over the next decades.