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Introduction

Asia and Pacific's growing importance to the rest of the world is widely acknowledged today. The dynamics of Asian economic development have tremendously impacted global trade relationships and regional cooperation. Thus, it is with great pleasure that we deliver another volume of Research Papers on Asia-Pacific economic issues.

This year we present 19 papers by various authors who examine the Asia-Pacific region from different perspectives. We decided to group them into 3 Chapters:

- Cooperation and trade
- Economy and policy
- Risks & challenges

Papers grouped in the First Chapter describe newly emerging regional trade architecture. You will find there a few analyses of general nature and regional scope (J. Dudziński, A. H. Jankowiak, E. Majchrowska) and some studies on specific trade agreements (A. Klimek writes about Shanghai Free Trade Zone, A. McCaleb and G. Heiduk try to find out what motivates China's cities to establish partner agreements with cities in Asia, B. Michalski analysing U.S.-Republic of Korea Free Trade Agreement, while M. Maciejewski and W. Zysk look for opportunities for Polish exports in the trade agreement between EU and Vietnam).

The Second Chapter is the most diverse one. It is devoted mostly to economic policy issues (including financial sector). S. Bobowski, L. Zyblikiewicz and K. Żukrowska look at the main threads in Asian regionalism. P. Pasierbiak and K. Łopacińska analyse the movements of Chinese capital. M. Dziembała and S. Mazurek deal with the subject of innovation supporting growth and development.

Articles in the Third Chapter are focused on extraordinary events influencing economies and development of the Asia-Pacific region. J. Pera prepared an assessment of risk of APEC countries, based on the country risk classification method and selected indexes of internal stability. A. Kukułka and B. Totleben analyse the impact of natural disasters on gross capital formation in Southeastern Asia. Finally, T. Serwach and M. Grabowski and S. Wyciślak deal with synchronization of business cycles and contagion of crises.

We sincerely hope that all the articles will be of great value to those who want to understand the role of Asia-Pacific economies in the global economy. Through various interests of authors, our volume provides a valuable insight into the problems of this region.

All the papers were submitted for the 8th international scientific conference "Dimensions of Regional Processes in the Asia-Pacific Region" which took place in

November 2015 at Wrocław University of Economics, under the patronage of Polish Ministry of Foreign Affairs, Ministry of Science and Higher Education and the Ministry of Economy.

We appreciate your time and consideration, and we look forward to the submission of your own good work. We also appreciate the time and effort of our peer reviewers. Thank you!

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THE SIGNIFICANCE OF SOCIAL INNOVATION IN PROMOTING INCLUSIVE GROWTH IN ASIAN COUNTRIES

ZNACZENIE INNOWACJI SPOŁECZNYCH W PROMOWANIU ROZWOJU SPRZYJAJĄCEGO WŁĄCZENIU SPOŁECZNEMU W KRAJACH AZJI

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Summary: The Asian countries over the last decades experienced an unusually dynamic economic growth. However, they still face different social problems, despite the continuous improvement of poverty and social exclusion rates. Therefore, the undertaken measures within the economic and social policies must promote inclusive growth in those countries. The innovations can contribute to solving or mitigating the different social problems. However, the complex set of factors, including cultural factors, level of social identity and participation of inhabitants in social life, determine the way of promoting social innovations and instruments which are used in order to implement them. The aim of the paper is to discuss the role of social innovations in promoting inclusive growth in selected Asian countries and to indicate the factors influencing the scope and characteristics of social innovation which is implemented in the discussed countries.

Keywords: innovativeness, inclusive growth, social innovations.

Streszczenie: Kraje azjatyckie w ostatnich kilkudziesięciu latach doświadczyły niezwykle dynamicznego rozwoju gospodarczego. Jednakże wciąż borykają się ze zróżnicowanymi problemami społecznymi, pomimo postępującej poprawy wskaźników dotyczących ubóstwa i wykluczenia społecznego. W związku z tym podejmowane działania w ramach polityki gospodarczej muszą promować rozwój sprzyjający włączeniu społecznemu. Jednym z ważnych kierunków działań na rzecz jego wspierania powinno stanowić promowanie innowacji. Jednakowoż złożony zestaw czynników, włączając kulturowe, uczestnictwo mieszkańców w życiu społecznym determinuje sposób promowania innowacji społecznych i instrumenty, które są wykorzystywane w celu ich wdrażania. Celem artykułu jest przedstawienie roli innowacji społecznych w promowaniu rozwoju sprzyjającego włączeniu społecznemu w wybranych krajach azjatyckich i zidentyfikowanie czynników oddziałujących na rodzaje innowacji społecznych wdrażanych w analizowanych krajach.

Słowa kluczowe: innowacyjność, rozwój inkluzywny, innowacje społeczne.

1. Introduction

Along with the ongoing positive changes in the economies of the respective countries of Asia, transformations also occur in the social domain. However, poverty and social exclusion are only a few of the social problems which are continuously experienced by these countries. In the Asian countries which recorded an extremely intensive dynamic economic growth, among others, in China, India, it is emphasized that the benefits resulting thereof not always spread equally to all the social groups, thus attention is drawn to the multidimensional nature of growth.

Increasing attention is paid to supportive inclusive growth. By promoting inclusive growth and actions aimed at achieving it, not only should we take such aspects as poverty and the distribution of income between entities and households which should be alleviated into consideration, but we should also ensure well-being and equal participation in the social or political life. This also covers the issue of even distribution of the benefits within a given country and thus the implementation of such a policy which would eliminate the so-called narrow spectrum e.g. the insufficient development of the infrastructure. Promoting inclusive growth also covers the actions aimed at achieving a more sustainable growth across the sectors [Dutz, de Mello (eds.) 2012, pp. 9-10].

The measures to promote inclusive growth are implemented within different policies, including social policy. However, the progress of activities and the type of the instruments used differ, which also results from the specificity of the political and economic life in Asia that is internally highly diversified. It seems that consideration should be given to the role of social innovations in the promotion of the inclusive growth in the Asian countries.

Supporting innovation may foster inclusive growth in Asian countries. Innovations play a very important role in the economic development of countries and their regions, affecting structural changes, creating modern solutions and, consequently, improving the competitiveness of the respective economies. Therefore, discussions were undertaken regarding the role of innovation in settling or alleviating problems concerning the social domain and thus their significance in promoting inclusive growth.

The aim of the paper is, not only to discuss the role of social innovations in promoting inclusive growth in selected Asian countries, but also to indicate the factors that influence the scope and characteristics of social innovations which are implemented in the discussed countries. A lot of complex conditions influence the extent to which they are promoted and the role they play in the promotion of sustainable development.

2. Role of social innovation in promoting inclusive growth

Inclusive growth which can be interpreted as “growth that is both sustainable and broad-based in terms of employment opportunities” [Kahn 2012, p.16]. Taking a different, broader approach, inclusive development is perceived as “economic

growth that creates opportunity for all segments of the population and distributes the dividends of increased prosperity, both in monetary and non-monetary terms, fairly across society”¹[OECD 2014, p. 80]. Inclusive growth should include such aspects as multidimensionality, economic well-being and also other dimensions of well-being, such as: workplaces, skills, education, environment, etc. It is emphasized that the same opportunities should be created for the population, so that it could make a contribution to the development, as well as, equally share the benefits resulting thereof. When determining inclusive growth, its relevance for policy should be taken into consideration, i.e. the impact of the policy and institutions on the different aspects of inclusive growth – both monetary, as well as, non-monetary ones [OECD 2014, pp. 80-81].

A lot of different factors influence inclusive growth, including innovation. While it is difficult to dispute the fact that innovation contributes to economic growth in developing countries, also by productivity improvement, its impact on inclusive growth cannot be explicitly assessed. Innovation may have an impact on unequal income redistribution, if the benefits of its implementation are accrued to the employees of certain qualifications, usually high or rare qualifications. However, the demand for the employees possessing average qualifications can change. The incorporation of new technologies may entail a shift in demand for the employees with given qualifications, as well as, bring about the consequences which are difficult to be determined explicitly. Rich countries may offshore the tasks which do not require intensive qualifications to the poorer countries. However, potential positive effects concerning inclusive growth may become visible.

New technologies provide the access to work and facilitate work, support the development of entrepreneurship, facilitate the access of people to education, etc. The innovation adaptation and diffusion policy and its outlined trends have an impact on the final benefits achieved by respective persons. Nonetheless, the innovations and policies which should support inclusive growth can have an asymmetric effect on the activity of companies, especially in developing countries, due to the emergence of the “islands of excellence”, i.e. groups of the most innovative enterprises, and such a policy may not always affect the entities for which it was intended. Additionally, innovations have their own geographic dimensions, as the innovative activity is concentrated in a few regions, usually metropolitan areas, which affects the business distribution between the urban and rural areas and workplaces. Therefore, the issues of the so-called “territorial inclusiveness” are very significant [OECD 2012, pp. 190-191; Samans et al. 2015, p. 15; OECD 2014, pp. 124-127].

Due to the difficulty in explicitly formulating the conclusions as to the impact of innovation on national and regional economies, it can be stated that “there are optional trade-offs between the positive impact of innovation on growth and the distribution of its benefits” [OECD 2014, p.127]. This dilemma can partially be mitigated by promoting social innovation.

¹ Definitions concerning inclusive growth were reviewed in: [OECD 2014, p. 80].

Not only the developing countries, but also the developed ones, experience diverse social problems and have to overcome new challenges. The instruments contributing to their reduction are the social innovations constituting the “new ideas that work in meeting social goals” [Mulgan et al. 2007, p. 8], which distinguishes them from the notion of innovation that has been functioning until now. The aim of social innovation is to work out certain solutions for solving a wide range of problems, such as exclusion and alienation. Such innovation promotes inclusion and welfare, what is evidenced in the improvement of social relations, not only in the micro scale between entities, but also between social groups, and trigger the process of empowerment [Moulaert et al. 2013, p. 16]. Another viewpoint treats social innovation in a contextual way which is path-dependent, associating it with changes and certain institutions capable of reintroducing different groups to social life [p. 17].

It is possible to identify three following characteristic features of social innovation, distinguishing it from technological innovation. Social innovation usually constitutes a new configuration consisting of the already existing elements. Implementing social innovation also involves cutting across boundaries in different dimensions, e.g. the organizational dimension. It should be emphasized that social innovation boosts new social links among the entities which have not cooperated until now, which should also foster innovation diffusion.

In such an innovation system a significant role is assigned to connectors: brokers, entrepreneurs and institutions [Mulgan et al. 2007, pp. 34-35]. A lot of different types of innovation comprise social innovation and relate to new products, new processes, new markets, etc. Social innovation occurs in different areas, also at market levels. The process of creating this type of innovation is a step-by-step process, since enthusiasts create a product, then with the growth of markets, an enterprise is built, also supported by the customers’ investment or investment which is to fulfil a specific mission. Only then is the interest of investors wanting to achieve profit focused on such an enterprise functioning in a niche, however, in the final phase, the enterprise is integrated into the mainstream [p. 31]. Fair trade is an example of such a social innovation and its products are available in a lot of shops [p. 44].

Supporting social innovation can be recognised as one of many activities undertaken in the Asian countries for inclusive growth, the support of which is still important, especially in light of still existing various economic and social problems.

3. Social-economic changes in the Asian countries – towards the inclusive growth?

Social-economic changes proceed very dynamically in Asian countries. In 2013 they recorded, in general, a high dynamic economic growth, among them: Kirgizstan, Turkmenistan, Mongolia – where the GDP growth exceeded 8%. With the improvement of the economic situation in this group of countries and a growing

affluent society, the indicators concerning the social domain also improved (Table 1). The share of the countries of Asia and the Pacific in the global GDP in 2013 amounted to 38.3%, while China and India together had a $\frac{3}{4}$ share in this percentage [ADB 2014, pp. 162-163]. In the years 2000-2013, the GDP per capita kept increasing in the countries of Asia. In 2013, among the Asian countries, the highest GDP per capita was achieved by Singapore 78 744 current dollars, PPP) and then Brunei (73 806 current international dollars, PPP), whereas the lowest GDP per capita was noted by Nepal (2 282 current international dollars, PPP) [p. 172].

The countries of Asia and the Pacific noted an extreme poverty drop, measured as a proportion of persons whose income does not exceed 1.25 USD per day. Still in 1990, the proportion of persons obtaining such income amounted to 54.7%, which represents 1.48 billion people living in extreme poverty, whereas in 2010, it decreased to 20.7%, yet, the biggest drop of this ratio occurred in East Asia (a drop by 48.6 percentage points). In particular, this phenomenon was noted in China [ADB 2014, p. XXXI; p. 3].

However, despite these positive changes taking place in the social domain, poverty, destitution and social exclusion still pose problems which the Asian countries face. In Pakistan about 60% of the population live on less than 2 USD a day, in Bangladesh over 76% of the population, in India over 68% of the population and in Laos 66% of the population do not even obtain such a daily income. The existing resources are not evenly distributed, as exemplified by the income inequality. According to the inter-quintile ratio of the income diversification, whose higher value indicates greater inequality [EAPN 2014, p. 22], the greatest income inequality was present in China, Singapore and Malaysia. The index value for this group of countries exceeded 10. The HDI (Human Development Index), which is very diversified in the analyzed group of countries, is a synthetic measure presenting the socio-economic development and, at the same time, living conditions. Its best results were reported for Singapore, Hong Kong and the Republic of Korea. However, such countries as Nepal, Pakistan, Myanmar, Afghanistan were classified as countries of low human development [ADB 2014, p. 143].

The existing inequalities point to the significance of the problems, which should be solved and counteracted in these countries. These also include food insecurity and susceptibility of this group of countries to diversified phenomena, disasters, crisis situations and other shocks which accompany their dynamic economic growth. This is why it is important to use adequate instruments to counteract such phenomena and to support the poorest groups of people [ADB 2014, pp. 37-45]. The undertaken measures should not only reduce the existing income inequality, but also the inequality of opportunities. In order to improve the opportunities of the excluded population, access to health care, clean water, better sanitary conditions, education etc., all become essential. This is all the more important, as respective deprivations grow in strength [Akhtar 2015].

Table 1. Socio-economic situation in Asian countries in view of the chosen indices

Countries	GDP per capita at PPP (current international dollars)	Growth rates of the real GDP (in %)			The proportion of population living below 2 USD (PPP) a day (in %)		Income ratio: income received by 20% of population with the highest income to 20% of population obtaining the lowest income	HDI development index 2013 (ranking)*
	2013	2011	2012	2013	1995	Latest year	Latest year	
Central and Western Asia								
Afghanistan	2 329	8.7	10.9	-	-	-	4.0 (2008)	169
Armenia	7 651	4.7	7.2	3.5	38.9 (1996)	19.9 (2010)	4.6 (2010)	87
Azerbaijan	17 133	0.1	2.2	5.8	39.1	2.8 (2008)	5.3 (2008)	76
Georgia	7 154	7.2	6.2	3.2	14.0 (1996)	36.6 (2010)	9.5 (2010)	79
Kazakhstan	23 218	7.5	5.0	6.0	18.8 (1996)	1.1 (2009)	4.2 (2009)	70
Kyrgyz Republic	3 244	6.0	-0.9	12.8	30.1 (1993)	21.6 (2011)	5.4 (2011)	125
Pakistan	4 624	3.6	3.8	3.7	83.3 (1997)	60.2 (2008)	4.2 (2008)	146
Tajikistan	2 528	2.4	7.5	7.4	83.7 (1999)	27.7 (2011)	4.7 (2009)	133
Turkmenistan	13 587	14.7	11.1	10.2	85.7 (1993)	49.7 (1998)	7.7 (1998)	103
Uzbekistan	4 499	8.3	8.2	8.0	-	-	6.2 (2003)	116
Eastern Asia								
China	11 874	9.3	7.7	7.7	74.1	27.2 (2009)	10.1 (2009)	91
Hong Kong	53 199	4.8	1.5	2.9	-	-	9.6 (1996)	15
Republic of Korea	33 140	3.7	2.3	3.0	-	-	5.5 (2012)	15
Mongolia	9 238	17.5	12.4	11.7	-	-	6.2 (2008)	103
Taiwan	41 537	4.2	1.5	2.1	-	-	6.1 (2012)	-
Southern Asia								
Bangladesh	2 990	6.5	6.5	6.0	85.5 (1996)	76.5 (2010)	4.7 (2010)	142
Bhutan	8 383	8.6	4.6	-	49.5 (2003)	12.6 (2012)	6.8 (2012)	136
India	5 496	6.7	4.5	4.9	81.7 (1994)	68.8 (2010)	5.0 (2010)	135
Maldives	9 254	6.5	1.3	3.7	37.0 (1998)	12.2 (2004)	6.8 (2004)	103
Nepal	2 282	3.4	4.8	3.9	89.0 (1996)	57.3 (2010)	5.0 (2010)	145
Sri Lanka	9 728	8.2	6.3	7.3	46.7 (1996)	23.9 (2010)	5.8 (2010)	73
South-Eastern Asia								
Brunei	73 806	3.4	0.9	-1.8	-	-	-	30
Cambodia	3 069	7.1	7.3	7.5	75.2 (1994)	49.5 (2009)	5.6 (2009)	136
Indonesia	9 599	6.5	6.2	5.8	77.0 (1996)	43.3 (2011)	6.3 (2011)	108
Laos	4 630	8.0	7.9	8.0	79.9 (1997)	66.0 (2008)	5.9 (2008)	139
Malaysia	23 118	5.1	5.6	4.7	11.0	2.3 (2009)	11.3 (2009)	62
Myanmar	3 542 (2012)	5.6	7.6	-	-	-	-	150
The Philippines	6 600	3.7	6.8	7.2	52.6 (1994)	41.5 (2009)	8.3 (2009)	117
Singapore	78 744	6.1	2.5	3.9	-	-	14.5 (2008)	9
Thailand	15 519	0.6	7.1	2.9	20.5 (1996)	4.1 (2010)	6.9 (2010)	89
Vietnam	5 293	6.2	5.2	5.4	85.7 (1993)	43.4 (2008)	5.9 (2010)	121

Note: *187 countries in total were ranked with respect to HDI.

Source: Own study, based on data in [ADB, 2014, p. 172, p. 179, p. 153] and [UNDP 2014, p. 159].

However, existing income inequalities result from, inter alia, low-wage jobs in the unofficial sector, insufficient access to education, big disparities and insufficient development of the social care system. In the Asian countries, policies supporting it are often little effective, e.g. social policy is insufficient, which is the result of the still developing pension scheme, just as in China. The education system is being modernised. Promoting inclusive growth may only occur with an active promotion of changes taking place in these countries, supported by appropriate solutions adopted within the social and economic policy [OECD 2014].

4. Promoting the development of social innovation in the countries of Asia

In the strategic documents, also those relating to innovativeness, adopted in the Asian countries, attention was drawn to the necessity to cover the social dimension of development e.g. in China. In 2007 the president of the Republic of China – Hu Jintao issued a proclamation in which he emphasized the significance of social development for the welfare of the residents. This resulted in working out a lot of initiatives in favour of promoting the social dimension [Rebel 2012].

However, various social groups which identify social problems and actively participate in their solution are engaged in the process of creating innovations and in the process of making changes. Therefore, public and private sectors, as well as institutions whose aim is to satisfy various needs of groups, play an important role. Such institutions have different legal and organizational forms depending on the country, including, inter alia, associations, foundations, social cooperatives, thus encompassing different organizations of the third sector, including non-public organizations that are non-profit or are not oriented at profit maximization [Leś 2008, pp. 361-364]. The third sector performs various functions in the scope of the representation of interests and rights, redistribution and production, and it satisfies various local needs [p. 365]. This posits a question concerning the significance of specific market institutions, national administration and third sector organizations in Asia in the promotion of social innovation, and the participation of the residents in the activities undertaken by them.

In China, in the 1980s, the activity of the civil society was gradually increasing as the transformation towards the market economy was progressing and the state withdrew from specific areas being its exclusive domain, such as education, health etc. As a result of the increasingly bigger scale of various problems, including social problems, grassroots initiatives have been developed since the mid 1990s. However, restrictive regulations introduced by the state prevented them from developing and bringing about important social change. The following regulations should be indicated: lack of possibility of applying for financial funds by non-profit organizations without the certification by the government (sources of subsidies and grants

monitored by the state), limitations as to the scope of activity of NGOs and their extent.

In China, there are two types of non-profit organizations: those initiated and supported by the government (their effective functioning is blocked by the bureaucracy) and those arising out of the grassroots initiatives which are, however, treated with a great deal of suspicion and controlled by the Chinese government. In view of such restrictive policies, some NGOs are simply not registered. Therefore, the concept of social enterprises was promoted [Zhao 2012, pp. 31-32; Marquis et al., 2016]. In 2007, agencies supporting social enterprises were founded: China Social Entrepreneur Foundation, Non-Profit Incubator. The Chinese government took action to create a more favourable environment for the development of non-profit organizations as the changes were introduced [Zhao 2012, pp. 34-35]. In 2011, an important change was to indicate that „charity, social welfare, and social service organisations would be permitted to register directly at local civil affairs agencies” [p. 34]. However, the government still plays a leading role in social initiatives which also have a nature of social innovation.

The project of eco-village Dong Tan located near Shanghai, which is a part of *the Carbon Neutral Urban Development Plan* and which is to be transformed into a sustainable city, is an example of social innovation implemented with the participation of the public sector and a private company. A British company specializing in green urban planning supports the implementation of this project through the transfer of knowledge [Edwall, Beanland (eds.) 2008, p. 27].

Initiatives for social innovation taken in Bangladesh are conditioned by the social and economic situation and problems of this country. Bangladesh is one of the poorest countries in the world, with a low level of economic development. Islam is a dominant religion. There is a caste social system: the class status determines the level of education or occupation; in rural areas the amount of land indicates the social status. The contribution of agriculture to the state economy is relatively high, thanks to favourable natural conditions existing there. However, the existing potential of agriculture was not sufficient to satisfy the needs of the population which was increasing. This resulted in high poverty and social exclusion [Gałecki, Głowacki 2012, pp. 99-101]. Therefore, social innovation should play an important role in the reduction of poverty there.

Entities and social enterprises which implement such innovation are set up, as for example *Waste Concern* from Bangladesh. This country struggles with low soil quality in rural areas, there are problems connected with the waste management in urban areas, the greenhouse gas emissions also increase. In order to solve these problems, a new technology was worked out for converting organic waste into manure. The enterprise functions on the basis of an established network of 60 plants dealing with recycling and composting, and also creates jobs. It achieves income related to the sale of the obtained fertilizers and the sales of carbon credits. The

adopted solution was implemented in 10 cities in Asia and in 10 cities in Africa [WEF 2015a,b].

The existing exclusion also results from the lack of financial resources for starting a business. Microfinance is the tool which is to solve the problems of the people subject to financial exclusion and experiencing poverty. This type of financial mechanism supports entrepreneurship among the people excluded from the traditional financial system, mostly poor people, by promoting their self-employment and contributes to the development of the local economy in which these groups function, and to the construction of lasting social relationships. Microfinance covers such financial services as, among others: microcredit, savings accounts, micro-guarantees, micro-insurance. Due to problems connected with rendering financial services for this group of people on commercial principles (low transaction value and high transaction costs, these people are often illiterate and are unable to use technological innovation), microfinance institutions offering different products, which can be defined as social innovation, were set up. Among this type of micro-finance instruments, the most developed are: microcredit, whose approval is not conditioned upon a traditional security required by banks [Ashta et al. 2014, pp. 1-3].

Microfinance institutions in the world provide micro-funding to 203 million people, out of which 74.9% are women. The number of poor people using the microcredit totals ca. 115.6 million. It should be stressed that 83.3% of the poor population using this type of instruments were women as on the 31st December, 2012 [Reed et al. 2014, p. 60]. However, in a regional aspect, microloans were mostly granted to the poor people from the countries of Asia and the Pacific, as this region is considered to be the place where microfinance originated. As much as 88.79% of loans were granted to the poor people in the region of Asia and the Pacific (i.e. 102.6 million poor clients, out of which 87.13 million borrowers were women). Such financial services are particularly relevant for the poor people of India, there was as much as 56.6% of poor borrowers from India, 16.83% of poor borrowers were reported from Bangladesh – these figures refer to the total number of borrowers in the world [Reed et al. 2014, p. 62].

Microcredit is granted for creating jobs for people who do not have access to the traditional loan banking system in order to boost their activity, which should bring income to people using this instrument. The loans are repaid on a weekly or monthly basis and the innovativeness of the instrument results from the fact that its mechanism is based on social capital [Ashta et al. 2014, pp. 4-6]. The pioneer of microcredit and the founder of Grammen Bank in Bangladesh – Muhammad Yunus indicates that the idea of such activity is, first of all, to lift people out of poverty by granting small amounts of money and not only by creating jobs [Reed et al. 2014, p. 24]. The fight against poverty and the contribution to the development of social capital can be distinguished among his actions. The funds are delivered to home; it is important that at least 5 other borrowers must join a given borrower to form a so-called support group to have confidence in one another. This also constitutes a non-formal way of

securing the loan [Galecki, Głowacki 2012, pp. 102-104]. Currently, the group of products is tailored to the needs of local society and includes, inter alia, the loans for residential properties, telecommunications, micro enterprises, scholarships, educational loans, loans for the homeless [pp. 104-105].

Assessments relating to the effectiveness of this instrument for the improvement of the social-economic situation of poor people are not conclusive [Ashta et al. 2014, pp. 8-10]. The study covering the 20-year period carried out by the World Bank shows the positive effects of granting microcredit in Bangladesh, what was reflected in the improvement of household wealth, including consumption per capita, improving income and increasing expenditure. The number of both working men, as well as, working women increased. Microcredit contributes to the reduction of poverty and destitution, and especially when granted to women, children participation in education (girls and boys enrollment rate) increases. It is worth mentioning that it has a bigger significance for women [Khandker, Samad 2014]. It is also emphasized that the microfinance institutions functioning in this country exert a positive impact on the situation of both poor people, as well as, not so poor people [Soetan 2014]. It should be mentioned that the implementation of this instrument was possible among the poorest people, having specific abilities, by supporting societies in conducting increased activities [Galecki, Głowacki 2012, pp. 106-107]. The implementation of this instrument showed that poor people can also be active entrepreneurs.

5. Conclusion

The Asian countries experiencing a dynamic economic growth face a lot of problems, including social ones. That is why it is important to promote inclusive growth within the framework of the economic policy objectives. However, supporting economic growth and competitiveness, and simultaneously promoting social inclusion does not always imply the occurrence of a trade-off effect, as effective measures can be undertaken to achieve both goals [Samans et al. 2015 p. 17].

It seems that drawing greater attention to innovation, including social innovation, should contribute to inclusive development. Adopting such a trend will be very important, because such issues as education, health and care are going to be key sectors generating growth in the OECD countries within the next 20 years and, therefore, the traditional innovation models have a limited practical use [Mulgan et al. 2007, p.12].

However, the implementation of social innovation is different in each of the Asian countries and several factors influence the type and the scope of this innovation. Nowadays, in China, it is possible to create social enterprises officially and to implement social innovation; nevertheless, the government plays the leading role in the promotion of social solutions to some problems. The development of microfinance instruments in Bangladesh in such an efficient way was possible due to the highly organized labour force of women and strong communities which promote this idea.

Still, there are a lot of barriers impeding the development of this type of innovation [Hubert 2010, pp. 71-83]. Thus, the specific situation of the particular Asian country should be taken into account when formulating specific instruments of social innovation.

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