

Part I

ASSESSING SOCIO-ECONOMIC DEVELOPMENT: MAJOR TRENDS

1. At the beginning of the millennium, “new” trends have structurally affected the way people live, communicate, produce and trade. One major trend is demographic, as the rate of growth of the world population continues to slowdown and ageing becomes a global phenomenon. Another important trend is represented by major information and communication innovations that have the potential to create opportunities for both developing countries and disadvantaged and weaker sections of society everywhere. Further, the world has attained a high degree of integration and interconnectedness that has been propelled by the globalization of international transactions at all levels and incessant flows of people and capital across nations and continents. These trends have had profound repercussions on productivity, labour compensation, income disparities, and in general, on equity and economic growth.

2. Against this background, the debate on whether neo-liberal macroeconomic policy-making was a fundamental determinant of the rise in inequality within and across countries is quite heated. Structural reforms in most countries of the world have raised the exposure of national economies and societies to the ups and downs of the market. As part I illustrates, the magnitude of the “divides” between poor and rich has steadily increased, thus putting into question the effectiveness of globalization and liberalization policies for the eradication of poverty and reduction of inequality.