

ECONOMIC AND SOCIAL COUNCIL HIGH-LEVEL SEGMENT



Panel discussion

“Promoting sustained, inclusive and equitable economic growth for accelerating poverty eradication and achievement of the MDGs”

Wednesday, 6 July 2011

10:00 am – 12:00 pm

Background

In its resolution 65/10 of November 2010, the United Nations General Assembly requested the Economic and Social Council (ECOSOC) to hold a panel discussion during its 2011 substantive session on sustained, inclusive and equitable economic growth for accelerating poverty eradication and achievement of the Millennium Development Goals (MDGs). The General Assembly also invited civil society, the private sector and other relevant stakeholders to contribute to the discussion. ECOSOC will hold this panel discussion at its High-level Segment during the morning session of 6 July 2011, at the Palais des Nations in Geneva, Switzerland.

Since the adoption of the Millennium Declaration in 2000, many countries have made impressive gains in reaching the MDGs. Progress towards the Goals, however, has been uneven. Without additional efforts, many countries are likely to miss the Millennium Development Goal 1. Last September, at the General Assembly High-level Plenary Meeting on the MDGs, Governments voiced their concern that many countries have not experienced growth that was sufficiently sustained or inclusive to be able to meet the poverty target, as well as the other MDGs, by 2015.

Governments also expressed concern regarding persistent inequality within and among countries and the lack of equity in the gains from growth. Among those countries that have been able to have periods of sustained growth, the distribution of wealth from this growth often goes more toward those who are already relatively wealthier and does not necessarily benefit all segments of society evenly, causing the gap between the rich and the poor to continue to widen.

The panel discussion will focus on key elements and policy recommendations in promoting “sustained, inclusive and equitable growth for accelerating poverty eradication and the achievement of the MDGs”. The Panel will examine the conceptual framework of sustained, inclusive and equitable economic growth and their interlinkages with, and impact on, poverty eradication and the MDGs. The Panel will also highlight and emphasize practical examples of measures that have been successful in enabling growth with equity while reducing poverty, as well as examine measures to provide for a more enabling international environment.

Introduction

World inequality, by many measures, is high and rising.¹ The main reason behind this is that in the industrialized world the income level for the last five decades has grown steadily, while it has failed to do so in many developing countries. Period of growth for developing countries have alternated with prolonged periods of stagnation and volatility, especially since the mid-1970s. Only a few developing countries have been growing at sustained rates in recent decades, including, most notably, the world’s two most populous

¹ This and the following paragraph are drawn from “Chapter I: Growth and Development Trends, 1960-2006”, of *Uneven Economic Development*, edited by José Antonio Ocampo and Rob Vos, 2008.

countries, China and India. Considering that these two countries alone account for almost half of world population, inequality across the globe is beginning to decline. However, when these countries are left out, global inequality has continued to rise strongly from already high levels.

Inequality matters, especially within developing countries. It not only signals injustice, but also unequal opportunities make it so much more difficult, as economic potential stays unutilized, to achieve human development objectives, such as the major internationally agreed development goals, particularly the MDG. Inequality makes it more difficult for those who already lack assets, such as wealth and education, to grow out of poverty, and thus inequality breeds more inequality. Further, it is now also more broadly maintained that wide income disparities within countries tend to impair the pursuit of sustainable long-term prosperity.

Achieving high and sustained growth is a difficult challenge. It does not happen spontaneously or automatically. Some countries struggle to obtain positive growth rates while others experience periods of growth but fail to sustain them. Yet again, other countries grow quickly, but later arrive at a middle-income plateau. The policy underpinnings of sustained, high growth should ideally create an environment for high levels of investment and job creation, the efficient and sustainable use of resources, as well as social protection, inclusiveness and equity. There is also a need for an enabling international environment that is conducive to growth among developing countries.

In addition to achieving sustained growth, the issues of inclusive and equitable growth underscore a significant social challenge. An uneven distribution of the benefits of growth that does not deliver gains to all social classes and groups or where the gains are significantly or primarily skewed toward those who are already wealthy can lead to social tensions. On the other hand, there are several countries once characterized with high levels of inequality that are now making substantial progress in reducing these inequalities. It is important to examine the policies they have enacted to analyze how they are managing this issue.

An examination of the current global economic situation under the objective of eliminating poverty, distributing the gains from growth, increasing equity and achieving the MDGs also points towards addressing the global scourge of unemployment and stagnating real wages. The recent financial and economic crisis threw over 30 million people out of work, and in the coming decade more than 400 million young people will be looking for their first job. Economic growth also needs to be supported at the international level by an enabling economic environment that provides a productive response to questions of market access and trade capacity.

Objective

The objective of the panel discussion is to stimulate dialogue on the issue of inclusive, sustained and equitable growth and propose relevant policy recommendations.

The panel will engage distinguished experts and key development actors to present their views and policy recommendations. The involvement of panelists from academia, government and civil society will provide an opportunity to draw from different perspectives and experiences to identify the challenges in achieving the desired economic growth and to formulate key policies that can be implemented to overcome these challenges. In their responses, panelists will be encouraged to provide examples of country experiences and of successful policies that promoted growth while reducing inequality and strengthening social stability.

Proposed questions

Panelists could be asked to address some of the following key questions:

- *How can policymakers address the issue of growing inequality between and within countries? How can the international policy environment promote high, sustained growth with greater equity?*
- *What are successful approaches and key policies for achieving sustained, inclusive and equitable economic growth that accelerate poverty reduction and promote the achievement of the MDGs?*
- *What is the effect of trade liberalization on income inequality and how can benefits from trade liberalization be shared equally and accelerate poverty eradication? What will be the likely effects of green growth policies on economic growth, inequality and poverty eradication?*
- *Must developing countries focus on achieving sustained growth or on policies to promote equity, inclusion and social protection? How can the gains from growth be shared in an inclusive way, reaching all people in society, particularly the most marginalized?*
- *Are there specific education policies that promote sustained, inclusive and equitable economic growth and accelerate poverty eradication? Which approaches at the county-level could ensure that economic growth is equitable?*

Format of the panel discussion

The panel will be chaired by the President of ECOSOC. The panel discussion will be comprised of 4-5 panelists and a moderator. The session will consist of a discussion, with no formal statements or presentations, led by the moderator, who will address questions to the panelists to initiate and guide the discussion.

A lead discussant will be identified for each question. The moderator will present the first question and request the lead discussant to respond, giving her/his perspectives on the issue. The remaining panelists will then be given 2-3 minutes to give additional perspectives. The moderator will give a brief (one-minute) summary, and then proceed to the next questions. After all the questions have been addressed by the panelists, the audience is then invited to pose questions to the panelists. The moderator will be responsible for channeling questions and managing the interactive process. The moderator concludes the discussion by presenting a brief summary.