



**POVERTY AND INCOME INEQUALITY IN DEVELOPING COUNTRIES:  
A Policy Dialogue on the Effects of Globalisation  
organised by the OECD Development Centre**

**Paris, 30 November-1 December 2000**

**SUMMARY**

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**Summary of Poverty and Income Inequality in Developing Countries:  
A Policy Dialogue on the Effects of Globalisation**

1. The OECD Development Centre, with financial support from the Ford Foundation (United States), the Government of Switzerland and the World Bank Institute, organised a policy dialogue to discuss the impact of globalisation on poverty and inequality in developing countries. The dialogue was an effective means for the Centre to extend even further its commitment to inclusion and diversity, by giving voice to those who have had little opportunity to participate actively in international fora. Fifty civil society representatives from trade unions, agricultural interests, small businesses, women entrepreneurs, and NGO coalitions, from twenty developing countries in Africa, Asia and Latin America participated. Over one-third were women. Other important stakeholders from OECD Development Centre Member and non-member countries also participated: current and former policy makers, including from Chile and Uganda; members of the diplomatic corps, including from China; OECD Directorates (DCD, ELS, ECH); leading experts on poverty and globalisation; journalists; and staff from the World Health Organisation, the International Monetary Fund, the Asian and Inter-American Development Banks, UN ECLAC and the World Bank.

2. During the opening session four analytical papers reviewing recent developments in poverty and inequality in both OECD and developing countries were presented. The discussions focused on the fact that inequality has been, on the whole, rising in both groups of countries over the last 15 years, and, in contrast to the internationally-recognised goal of eliminating absolute poverty by the year 2010, that progress on fighting poverty is slowing down. It was noted that poverty and inequality in developing countries predated globalisation and was largely attributable to other, mostly domestic, causes. However, at the same time there are a number of characteristics of the current period which suggest that globalisation is making matters worse, with the particular mechanisms by which this is happening varying across regions and countries.

3. The subsequent sessions were devoted to an exchange of views. Participants from developing countries listed examples of what was, in their view, the detrimental effects of globalisation. They emphasised that globalisation was taking place without appropriate attention to preparing domestic economies for greater competition; and that domestic liberalisation was compounding this problem. They felt that as a result, the most negatively affected were the vulnerable and the poor (e.g. agricultural workers, workers, small businesses and particularly women in all of those groups). Three areas were identified as needing domestic policy intervention in the form of better governance and appropriate institutions: capacity building such as education and training; providing access to markets (through infrastructure, particularly communication), and better redistributive policy through social safety nets. On the international front, civil society participants pointed to a number of international organisations where the process was not inclusive and which resulted in policies seen as serving the interests of developed countries. They called for inclusion of all stakeholders in these institutions and for the organisations to adopt explicitly pro-poor, pro-development policies. Most of these proposals were consistent with the opinions of experts and were seconded by policy makers from developing countries. The need for further research on how to better manage globalisation was underlined, particularly with regard to governance issues, rule of law, corruption, trade capacity building, education and the effects on women and rural sectors.

4. The meeting was viewed as an important first step in a process of increasing inclusion and participants recognised the importance of having realistic expectations as to the pace and extent of change. All strongly supported the need for additional dialogue and agreed to pursue the possibility of dialogues at regional level in Africa, Asia and Latin America, as well as on particular topics and sectors. Several participants pointed to the meeting as a model of confidence-building dialogue and announced proposals for similar types of meetings. The proceedings of the dialogue are being prepared for publication by the Centre.