

International Workshop
Inclusive Growth: what is it and what does it take?
8-10 December 2010, Foz do Iguaçu, PR, Brazil

CONCEPT NOTE

The International Policy Centre for Inclusive Growth of the United Nations Development Programme (IPC-IG/UNDP) is organizing an International Workshop on ***Inclusive Growth: what is it and what does it take?***, to take place on 8-10 December 2010, in Foz do Iguaçu, PR, Brazil.

This workshop aims to bring policy makers and experts from emerging developing economies with similar characteristics to engage in a fruitful exchange of ideas, so as to contribute to the elaboration of guidelines for a sustainable Inclusive Growth model.

Based on the experiences of governments of Brazil, China, India, and South Africa, discussions will focus on development challenges and priorities in the medium to long-term. In this perspective, the concept of Inclusive Growth appears as a common thread in these countries' national development strategies, in so far as social inclusion is not dismissed as a compensatory measure or as a mere by-product of growth, but is considered as both its driving force and its principal goal.

The international workshop will be divided into three sections:

- I. Long-Term Strategies for Inclusive Growth**
- II. Three pillars of Inclusive Growth:**
 - (a) Social Protection and Promotion;**
 - (b) Productive Inclusion and Generation of Opportunities;**
 - (c) Territorial Development and Systemic Competitiveness.**

III. Contributions for an Inclusive Growth agenda of the Global South.

At the conclusion of the workshop, a systematization of the issues discussed will result in a workplan that will guide the actions and studies to be undertaken by the IPC-IG, in partnerships with all countries involved. To this end, a series of comparative studies will analyze the factors deemed to be most relevant in building strategies for Inclusive Growth for the emerging countries present at the event. These analyses may also provide valuable policy instruments for other developing countries, and thus qualify further South-South cooperation initiatives.

1. Long-Term Strategies for Inclusive Growth

The first day of the workshop will be devoted to discussions on theoretical and empirical underpinnings of Inclusive Growth in Brazil, China, India, and South Africa with a long-term planning perspective. We would kindly request that presentations on national Inclusive Growth strategies address the following issues:

- How would you define Inclusive Growth?
- What are the main national economic issues, strategies and challenges at stake in the promotion of Inclusive Growth in your country?
- What are the fundamental drivers of an Inclusive Growth strategy, both in degree and in terms of sustainability?
- What existing policy gaps must be overcome for growth to be more inclusive? How may these gaps be translated into public policies and programmes in the short to medium term? How may a long-term vision for national development have a decisive impact in fostering sustainable Inclusive Growth?

This first section will be composed of government representatives from the aforementioned countries. Each representative will have 20 minutes for his/her presentation. Henceforth, a debate shall be conducted among all participants to

discuss what should be the main components of national long-term visions in contemporary emerging countries, in order to consolidate an Inclusive Growth paradigm. This discussion will lead to the 2nd session, beginning on the second day of the workshop, which will break down the concept of Inclusive Growth in three main levers, namely the construction of national social security systems, the generation of employment and entrepreneurship opportunities, and the systemic articulation of complementarities between different regions in a given territory.

2. Three pillars of Inclusive Growth

2.1 Social Protection and Promotion

The recent economic and financial crisis has confronted societies around the globe with a crossroad: while it has put pressure on social protection, promotion and security systems through expenditure increases, it has also reaffirmed the necessity and legitimacy of such systems. Such legitimacy takes root not only in the need to guarantee a minimum level of income and access to basic services to large sectors of the population who are entitled to these by principle, but also in the strategic nature of social policies which have been shown to contribute to the expansion of the domestic market, by increasing economic resilience and softening the effects of the present crisis. Ensuring the quality and sustainability of such policies, as well as guaranteeing that their effects will reach those who most need them, is an arduous task that requires strong institutional commitment.

This panel will seek to delve into the debate on social security policies (welfare, health and social assistance), and explore possible synergies with policies geared towards full employment. Drawing on national experiences in this field, speakers will be asked to focus on overall social protection and promotion mechanisms as part of interconnected national systems, and to suggest possible steps to consolidate a coherent, just and sustainable framework of policies (universal or targeted, contributory or non-contributory), in a long-term strategy perspective .

The presentation of experiences from several emerging countries will allow for a comparative learning process, which will help understand the specificities of each model and identify possible ways of building fairer and more progressive social protection and promotion systems.

2.2 Productive Inclusion and Generation of Opportunities

Trends in certain emerging countries point to a gradual decline of Fordist organizational production models, giving way to the rise of a broad and dynamic base of highly adaptable and innovative micro, small and medium-sized producers.

The central importance of this agenda lies in the strengthening of micro and small-sized enterprises and encouraging individual and cooperative entrepreneurship. In several emerging countries, there is evidence of the existence of an entrepreneurial sector which, despite its low income, has proven to be dynamic and has been strengthened by a greater circulation of capital fostered by cash transfer programmes, as well as greater access to credit, rising real wages, and inflation stabilization in recent years.

This sector is still primarily informal, which poses challenges to bring its members into the formal market and ensure that they have access to training and safety nets. These challenges run parallel with the decline of the twentieth century social-democratic model based on Fordist wage-paying societies, with institutionalized levies on labour funding universal systems that provide services considered to be public goods, such as education, health, and retirement pensions. The transition from a society composed largely of wage-earners to one largely driven by micro and small-sized entrepreneurs and an emerging rural middle class makes it essential to reflect upon how access to these public goods can be expanded and universalized through various innovative mechanisms.

This panel will aim to discuss public policies geared towards enhancing processes of economic emancipation and social integration of individuals and community organizations and thus reducing their dependence on government programmes and

benefits, through the creation of jobs and income. It shall also address existing and possible measures to transfer and generate local knowledge, thus enabling a more decentralised definition of innovation priorities. Such measures may be coupled with the establishment of production and work fronts compatible with the vocations of distinct territories and their respective populations, thereby contributing to the dynamization and restructuring of economic activities in less-developed regions of a given country.

2.3 Territorial Development and Systemic Competitiveness

The lack of active national territorial planning policies has resulted in geographically concentrated development processes in developing countries. Their growth trajectories have been characterized by a series of policies and programs aimed at attracting productive enterprises to regional centres, in order to boost these regions' economies and generate employment. However, these policies have not considered the territorial imbalances generated both by the saturation of these centres' urban peripheries, and by the stagnation or impoverishment of neglected rural regions. This situation highlights the perverse relationship between economic centres and their peripheries, especially within the territories of middle-income countries. Transborder economic and social interactions and varying degrees of regional development bring further complexity to these territorial inequities. For example, although a city in the state of Acre may be peripheral in relation to industrialized mid-southern Brazil, it may also be an important centre in relation to its Bolivian and Peruvian neighbouring areas.

In this sense, the concept of systemic competitiveness incorporates the notion that territories that are considered peripheral have forged relations not only with the main regional centres, but also with a set of many other territories of varied dimension and importance. Understanding the characteristics and idiosyncrasies of each area of a given territory – national or transborder - is essential in establishing public policies that encourage equitable regional development.

This panel shall examine sets of policies that may be conducive to a greater interdependence between peripheral areas and a decrease of their reliance on traditional centres of economic activity. These territorial reconfigurations may thus enable once peripheral areas to become regional centres in their own right. The transition towards a more polycentric territorial development pattern should enable to ensure a more balanced occupation of national territories, turning peripheral areas into more prosperous and competitive regions, with mutually complementing economic activities and a more active participation in the global economy.

These policy objectives may be achieved by strengthening and enriching networks of territorial and urban systems with critical economic and demographic mass, in order to enable and sustain local economic development processes and disseminate their effects across surrounding territories. The current wave of infrastructure investments in emerging countries is also an opportunity to reflect on the elaboration of medium to long-term planning methodologies that should contemplate both sectoral and regional dimensions in an integrated fashion, without losing sight of short-term cost-benefit concerns.

3. Contributions for an Inclusive Growth agenda of the Global South

This session will compile and summarize the main discussions of the previous thematic sessions and relate them to the initial goal of contributing to a prospective Inclusive Growth paradigm.

4. Additional information about the workshop:

This international workshop will bring together intellectuals and policy makers from the governments of Argentina, Brazil, China, India, and South Africa to discuss Inclusive Growth strategies and their impacts in emerging economies.

Participation will be supported by the submission of a workshop paper related to the specific thematic session of attendance, which is expected to address questions and issues as outlined in the abovementioned panels. For workshop papers, the organizers strongly encourage participants to follow the guidelines described below:

- Abstract: 200-250 words, Times 12pt font, 1.5 line spacing and centred on the page;
- Main text: 5-10 pages, Times 12pt font, 1.5 line spacing and justified on the page (references included);
- Submissions via e-mail to karla.correa@ipc-undp.org;
- Deadline for submissions: 01 December 2010.

All workshop papers and keynote speeches are expected to be published by IPC-IG at www.ipc-undp.org.

All presentations are expected to last 20 minutes.

Panel rapporteurs are expected to systematize and organize the results of the workshop in an article format, in order to summarize presentations and highlight connections among the various topics discussed. The main findings should serve as basic guidelines for a prospective long-term Inclusive Growth paradigm.

For workshop logistics, please contact:

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