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Summary of interactive thematic round table 1

Globalization, development and poverty reduction: their social and gender dimensions

1. Round table 1 was held as part of the debate under sub-theme 1 of the Conference: “Enhancing coherence at all levels for sustainable economic development and poverty reduction in global policymaking, including the contribution of regional approaches”. It was chaired by H.E. Mr. Joe Baidoo-Ansah, Minister of Trade, Ghana. Mr. Danny Leipziger, Vice-President for Poverty Reduction and Economic Management, the World Bank, acted as the moderator of the debate. The panellists included H.E. Mrs. Tarja Halonen, President of Finland; Ms. Patricia R. Francis, Executive Director, International Trade Centre; H.E. Mr. Albert Koenders, Minister for Development Cooperation, the Netherlands; Ms. Rachel Mayanja, Assistant Secretary-General of the United Nations, Special Adviser on Gender Issues and the Advancement of Women; and Mr. Bader Al-Dafa, Executive Secretary, United Nations Economic and Social Commission for Western Asia. An introductory statement was made by Dr. Supachai Panitchpakdi, Secretary-General of UNCTAD. The lead discussants were H.E. Mr. Joao Gomes Cravinho, Secretary of State for Foreign Affairs and Development Cooperation, Portugal; and Mr. G.L. Peiris, Minister for Export Development and International Trade for Sri Lanka.

2. There was general agreement that the issue of income distribution had become central to the globalization debate, and that social acceptance of globalization was essential for its sustainability. Although globalization brought overall net benefits and was also contributing to poverty reduction, its growth effects were unequally distributed, and so far it had contributed little to greater gender equality. As a result, progress towards the Millennium Development Goals differed considerably across regions and countries.

3. Several speakers observed that, while more than two decades of market-oriented reforms in developing countries had helped to “get the prices right”, these reforms mostly had not reduced, and in some cases had even increased, social disparities. Policies geared towards attracting foreign direct investment had often lacked social inclusiveness in terms of providing new possibilities of economic activity for the poorer parts of the population. Another aspect that was highlighted

in this context was the impact of increasing youth emigration from a number of developing countries on the social tissue in the home countries; it was suggested that potential benefits of such migration in terms of workers' remittances also had to be weighed against the losses resulting from the brain drain.

4. In this context, there was general support for the proposition that growth was a necessary condition for correcting social disparities, but that it did not automatically lead to poverty reduction and social progress. The latter had to be pursued as additional policy objectives. Not only the quantity of growth mattered, but also its quality: it was considered necessary to shift the focus to investment that provided additional employment opportunities with decent pay and that was compatible with social and environmental objectives. Ensuring stability and what one panellist called "human security" in the growth process was also considered important since, in the absence of effective social security systems, the poorest parts of the population and women were often the most seriously affected by cuts in government budgets and deteriorating social and health conditions. The problems that had recently arisen from the sharp increase in food prices illustrated the fragility of the progress in poverty reduction.

5. A specific element of the round table was its gender perspective. One panellist underlined that it was the first time gender issues were taking a central place in the deliberations of UNCTAD. It was suggested that, while globalization in some instances had helped to create jobs for women and also strengthen their voice, it had often reinforced gender inequality, and one panellist estimated that 75 per cent of the world's poor were women. In most developing countries, jobs for female workers were even less secure than those of their male colleagues, as the female workforce served as "shock absorbers" in times of economic slowdown or crisis, and women were often not covered by social security systems. They continued to be discriminated against in terms of recruitment and labour rights, and a considerable gender wage gap persisted. Moreover, several speakers in the interactive debate pointed to the continuing problem of different forms of violence against women, which required increased attention from policymakers.

6. The round table recognized that improving gender balance and enhancing the social situation of women were not only objectives in their own right, but were also an economic imperative, given the economic potential of female labour and entrepreneurship. As a consequence, removing the legal, cultural and structural barriers to female participation in economic activity and political decision-making should be made a central element of development policy and good governance. In this context, the question of quotas in favour of female participation in public life was discussed, and while some speakers pointed to positive results in applying such quotas, others found them less useful under the their countries' conditions.

7. There was agreement among participants that, with the right policies and governance structures in place, achieving both competitiveness in the globalizing world and social justice were not in contradiction, but could support each other. Several speakers made it clear that better managed globalization required a practical blend of market mechanism and government direction at the various layers of governance. In order to achieve that, they called for strengthening the role of the State in the development process in general and in the fields of income distribution, job creation, and social and gender balance in particular.

8. Some participants suggested that, in order to address market imperfections, national policies had to be complemented by a stronger institutional framework for global economic governance, with increased participation of developing countries in international decision-making. It was, however, considered necessary that countries retain sufficient policy space at the national level to pursue country-specific

strategies to accelerate socially inclusive development, taking into account country-specific economic and cultural circumstances. One discussant pointed out that, in the past, policy prescriptions of major international organizations had often not achieved their objectives whereas, among the most successful developing countries, there were many that had not followed these prescriptions.

9. Strengthened efforts to improve education were considered by all participants to be of key importance to reduce social disparities, to remedy the educational gap between women and men, and to prepare the next generation for the challenges and opportunities of globalization.

10. Several speakers underlined the important role that small and medium-sized enterprises were playing in job creation and income generation for women and the poorer parts of the population. One speaker drew attention to the fact that such enterprises often grew out of the informal sector, which – albeit outside the regulatory scope of the State – should also be recognized as a source of growth and employment for the population, and deserved more attention from policymakers. Looking at Africa in particular, one panellist suggested that the food processing sector might offer a great potential for new economic activity that so far had not been fully used.

11. Cooperation and dialogue between policymakers and the private sector in the design of development strategies and socially acceptable policies for structural change was considered not only as an important element of good governance, but also as essential for the success of government policies, especially from the point of view of their social impact.

12. Several speakers also pointed to the need to strengthen South–South cooperation and integration, in particular at the regional level, against the background that trade among developing countries contained a relatively high share of labour-intensive goods. Scandinavia was singled out by one panellist as an example of particularly successful regional cooperation.
