UN trade & development | 60 years

Global Leaders Forum

Charting a New Development Course in a Changing World

60th Anniversary of UN Trade and Development (UNCTAD)

High-level session

Palais des Nations, Geneva, Switzerland

13 June 2024

CONCEPT NOTE

Catching up is hard to do: Development strategies in a world of cascading crises

In the early 1960s, concerns about the way that international economic forces were undermining developing country efforts to lift their rate of growth on a sustained basis, correct structural distortions inherited from the colonial era and close socio-economic gaps with advanced economies led to the first UN conference explicitly designed to address these problems and identify appropriate multilateral actions. That conference, held in 1964, marked the birth of UN Trade and Development (UNCTAD). Sixty years later, the same fundamental concerns continue to challenge policy makers across much of the developing world. However, as developing countries seek to navigate the asymmetries and biases of the contemporary global landscape and to chart a new course to a sustainable and inclusive future, their efforts to "catch up" faces new obstacles and an even greater urgency.

Even before the Covid-19 pandemic hit, many developing countries were facing the possibility of a lost decade due to a series of compounding threats and cascading shocks that had been gaining intensity since the 2008 global financial crisis. The pandemic, and its aftermath, has amplified those threats in a "polycrisis". This cluster of interrelated and mutually compounding threats—high indebtedness and rising interest rates, growing food insecurity and a cost-of-living crisis, heightened inequality and rising geo-political tensions, as well as an onrushing climate catastrophe and biodiversity loss—is fostering economic fragmentation and threatening the integrity of the multilateral system. It is also making catching-up and economic convergence more difficult than ever before.

The path ahead for many developing countries is narrowing at the very moment the scope of domestic policy needs to expand and fraying social contracts need to be repaired. At the domestic level, addressing this challenge requires a break with the restrictive macro-financial policies of recent decades, a big investment push into new energy and transport systems, and the adoption of targeted and selective industrial policies that could help shift the production structure away from processes and products that no longer seem able to deliver the transformative outcomes implied by the sustainable development goals.

Reviving domestic resource mobilization, strengthening social protection systems and resetting national regulatory and policy agendas is crucial. But it is not enough. The financing implications of this transition are enormous, both at the domestic and international levels. Reforming global governance and building the financial and institutional capacity to support domestic resource mobilization and provide global public goods (and stop producing public bads) appear even more important for closing socio-economic gaps across countries today than was the case 60 years ago.

While the challenges are enormous, there is a lot that has been learned over the last 6 decades and much that can be done to shape the future trajectory. This session will discuss some of the most pressing perils, impasses and distractions, and to shed light on positive and promising solutions. It will discuss the main obstacles to development and convergence that lie ahead, and to propose national and international policy actions to overcome the stalemate and relaunch our global race to reach the SDGs.

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