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Conference on

Redistribution for Growth? Income Inequality and Demand-led Economic Growth in Emerging Economies

Shanghai, 10-11 May 2011

Venue: SASS, Room 101
7/622 Central Huai Hai Rd., Shanghai

Draft Programme

Background

In the last 2-3 decades reports and studies on income distribution in many countries pointed to stagnating or declining wages, growing rural-urban income differentials, increasing Gini coefficients and other indicators of worsening income disparities. At the same time, discussions were full on the need to provide a decent living for the poor segments of society. In recent years, we have seen new policies and projects targeting income inequality. These include minimum wages policies, cash transfers to poor families, public works for basic employment, micro credit schemes for micro enterprises and others.

We appear to live in times, where the justice based criticism on widening of income disparities is joined by macro-economic arguments calling for a new growth model.

Since the global finance crisis of 2008/09, the debate on global imbalances in the world economy and the need for reducing current account surplus and deficits has linked the controversy on income inequality within societies into a macro-economic perspective. Studies argue, that in some countries, increasing current account surplus are linked to declining real wages and less social welfare benefits (e.g. Germany and Japan). In order to push for a more balanced growth increases in the wage level and expenses in social security may be one of the ways forward.

The current debate in China on the way forward during the 12th 5-Year Plan carries similar connotations. Income inequality should be reduced; the wage share in GDP lifted; rural income to grow faster than urban income and above all, progress be made in establishing a general social security system (e.g. health insurance and pension insurance). All these interventions, it is hoped, may assist in moving the Chinese economy from an export and infrastructure oriented model to a more inward looking, domestic demand based growth model.

Conference focus on emerging economies

The Shanghai Academy for Social Sciences (SASS) and the Friedrich-Ebert-Stiftung (FES, Shanghai office) are organizing an international conference to look into new approaches and political concepts of linking income redistribution policies with a macro-economic approach which pushes for domestic demand growth. The focus of the conference will be laid on emerging economies. In calling for country and sector presentations, the conference will organize an exchange to establish the extent to which the Chinese debate on reducing income inequality is paralleled in other emerging economies and how China can learn from social policy achievements there.

Logistical Framework:

- International Conference, Chinese and Foreign Speakers, 12-15 presentations, 1,5 days;
- Language: English and Chinese with simultaneous translation;
- The organizers will cover travel costs of speakers, including air ticket (economy), local transportation, accommodation and meals;
- All speakers are advised to use **PowerPoint** for presentation and sent their PPP to the organizers (rudolftraub@feschina.net) till 15th April, 2011 latest for translation;
- All speakers are kindly asked to send a **2-3 page Executive Summary** of their presentation to the organizers. These summaries will be distributed to the media.

DRAFT PROGRAMME

Monday, 9th May 2011 – Arrival Day

All day	Arrival of participants
18:00	Welcome Dinner – hosted by FES <i>Venue: to be advised</i>

Tuesday, 10th May 2011 – Day One

09:00–10:00	<u>Opening</u> Welcome by SASS Welcome by FES Keynote Speech – NN
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10:00–12:30	<u>Session I: Income Distribution, Economic Growth and Development – A General Perspective</u>
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15 min presentation and 10 min Q&A

Issues to be discussed

- Economic growth and inequality as trade-off
- The role of the state in balancing growth and inequality
- Redistribution: a response to social conflict or a condition to consumption-led economic growth

Moderator: NN

15 min+10	<ul style="list-style-type: none"> • Jan Nederveen Pieterse, Mellichamp Professor of Global Studies and Sociology, University of California (conf.) <i>“Economic Growth and Inequality – A global Perspective”</i>
15 min+10	<ul style="list-style-type: none"> • Prof. Ky Won KIM, Department of Economics, Korea National Open University (conf.) <i>“Income distribution and Growth – Korean Experiences”</i>
15 min+10	<ul style="list-style-type: none"> • NN: German experiences (IMK-HBS)
15 min+10	<ul style="list-style-type: none"> • John Schmitt, Senior Economist, Center for Economic and Policy Research (CEPR), Washington, DC (conf.) <i>“Income distribution and growth - US experiences”</i>
15 min+10	<ul style="list-style-type: none"> • NN: Chinese experiences
15 min	Tea Break
30 min	General Discussion

12:30–14:00	Lunch Break
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14:00–17:15	<u>Session II: Emerging Economies – Rebalancing Economic growth through reducing income inequality</u>
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15 min presentation and 10 min Q&A

Issues to be discussed

- Dominant growth paradigm
- How does the current growth model impact on income inequality?
- Is there a debate on new economic policy which includes calls for reducing income inequality? How is the linkage argued?

Moderator:

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| 15 min+10 | • China – 12th Development Plan |
| 15 min+10 | • Prof Quan Heng , SASS (conf.)
<i>“Comparing Income distribution: China and India”</i> |
| 15 min+10 | • Prof. Arun Kumar , Centre for Economic Studies and Planning, JNU, Dehli (conf.)
<i>“Income distribution and economic growth: a macroeconomic perspective”</i> |
| 15 min+10 | • Mexico: Rogelio Ramirez de la O (tbc.) |
| 15 min+10 | • Josephilda Hlope , National Planning Commission, The Presidency, South Africa (conf.) |
| 15 min | Break |
| 30 min | General Discussion |
| 17:15 | End of Day One |
| 18:00 | Reception – Dinner : hosted by SASS
<i>Venue: tba</i> |

Wednesday, 11th May 2011 - Day Two

09:00-12:15 **Session III : Linking Income Re-distribution and Economic Growth – Social Policies, Wage policies, Taxation**

15 min presentation and 10 min Q&A

Issues to be discussed

- Reforming the Social Security system
- Income policy for the rural sector
- Wage policies – Minimum wage policies, collective bargaining and central government wage regulations
- Taxation policies for income redistribution
- Social Floor for all – The relevance of the ILO-Initiative

Moderator:

- | | |
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| 15 min+10 | • China – Dr. Zuo Xuejin , Executive Vice-President, SASS (tbc.)
<i>“Reforming the Social Security System in China”</i> |
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15 min+10	• China - NN
15 min+10	• Marcelo Cortes Neri , Fundacao Getulio Vargas, Brazil (conf.) “The Bolsa Familia programme and further instruments for re-distribution – Effects on Economic Growth”
15 min+10	• Dr. Himanshu , Assistant Professor, Jawaharlal Nehru University, New Delhi (conf.) <i>“The rural public employment programme and further instruments of social security and redistribution for rural areas – Effects on Economic Growth”</i>
15 min+10	• Veronika Wodsak , Social Security Dept., ILO (conf.) – Social Basic Floor Concept
15 min	Tea Break
30 min	General Discussion

12:15-12:30	<u>Closing</u>
	• FES
	• SASS

12:30-14:00	Lunch
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End of Symposium

Afternoon	Excursion for participants
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Thursday, 12th May, 2011 - Departure DAY

Departure of foreign participants
