

Inequality, Development and Development Aid

Tuesday, 5 April 2011, 13.00-16.00, DIIS, Main Auditorium
Strandgade 71, ground floor, 1401 Copenhagen K

Background

The Human Development Report (HDR) 2010 notes that despite much progress, inequality both within and across countries is growing. On average per capita income in rich countries grows consistently more than in poor countries creating a widening gap between countries. HDR 2010 provides the following example:

“A person born in Niger can expect to live 26 fewer years, to have 9 fewer years of education and to consume 53 times fewer goods than a person born in Denmark. While the Danes have elected their parliament in free and open elections since 1849, Niger's president dissolved parliament and Supreme Court in 2009 – and was then ousted in a military coup. More than 7 of 10 people surveyed in Niger say there were times in the past year when they did not have enough money to buy food for their families. Very few Danes would be in such straits.”

Also within countries, inequality is so significant that it severely affects human development. Sub-Saharan Africa suffers particularly from inequalities with respect to income, health and education. If the Human Development Index (HDI) is adjusted for these inequalities, human development decreases even further in many Sub-Saharan countries. For instance in Mozambique, the decrease amounts to 45 per cent after an adjustment of HDI for inequality.

Inequality is in itself a problem as it is an expression of poverty and lack of human development. However, it also constitutes a barrier to development in the sense that it reduces the impact of economic growth on poverty. The more unequal a society, the less economic growth reduces poverty.

Internationally and in Denmark, development aid is increasingly supposed to stimulate pro-poor economic growth. There is a sense that aid has focussed too much on health and education and too little on productive sectors and growth. The specific content of pro-poor economic growth, however, is not clear. Given the increasing significance of inequality and its detrimental impact on poverty reduction, redistribution may be a significant element of pro-poor economic growth. This raises the question whether aid should start focussing on the reduction of inequality.

The series “Kapuscinski Lectures”, named for Ryszard Kapuscinski, a Polish reporter and writer who covered developing countries, is organized jointly by the European Commission, the United Nations Development Programme (UNDP) and partner universities and development think-tanks. The series consists of distinguished speakers delivering lectures in countries in the European Union on development-related issues.

Speakers

Francois Bourguignon, Professor and Director of the Paris School of Economics
Giorgia Giovannetti, Professor of Economics, University of Florence
Henrik Hansen, Professor of International Economics and Policy, University of Copenhagen
Poul Engberg-Pedersen, former Director General, Norad
Kamel Qureshi, Member of the Folketing, Socialist People's Party
Lars Engberg-Pedersen, Senior Researcher, DIIS
Jakob Simonsen, Director, Nordic Office, UNDP

Programme

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| 13.00-13.10 | Introduction
Lars Engberg-Pedersen , Senior Researcher, DIIS |
| 13.10-14.10 | Inequality, Development and Development Aid
Francois Bourguignon , Professor and Director, Paris School of Economics |
| 14.10-14.30 | Coffee Break |

14.30-15.50 Panel Debate
[Giorgia Giovannetti](#), Professor of Economics, University of Florence
[Henrik Hansen](#), Professor of International Economics and Policy,
University of Copenhagen
Poul Engberg-Pedersen, former Director General, Norad
[Kamal Qureshi](#), Member of the Folketing, Socialist People's Party

15.50-16.00 Closing Remarks
Jakob Simonsen, Director, Nordic Office, UNDP

Chair: Lars Engberg-Pedersen, Senior Researcher, DIIS