

DEVELOPMENT AT A CROSSROAD?

Some preliminary reflections on development ideas and practices of international co-operation

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3 points to contribute to the debate

1. Development is back in national and international agendas
 - Megatrends are making development a very “topical” issue
 - Shifting wealth- growing interconnectedness & Digital +
2. But what does “development” mean?
 - Variety of approaches to development theory and practices
 - “Detachment” between progress in development thinking and criteria for orienting international cooperation
3. Development in a fast changing, growingly complex world
 - Actors
 - Needs
 - Tools

1. Development is back in national and international agendas

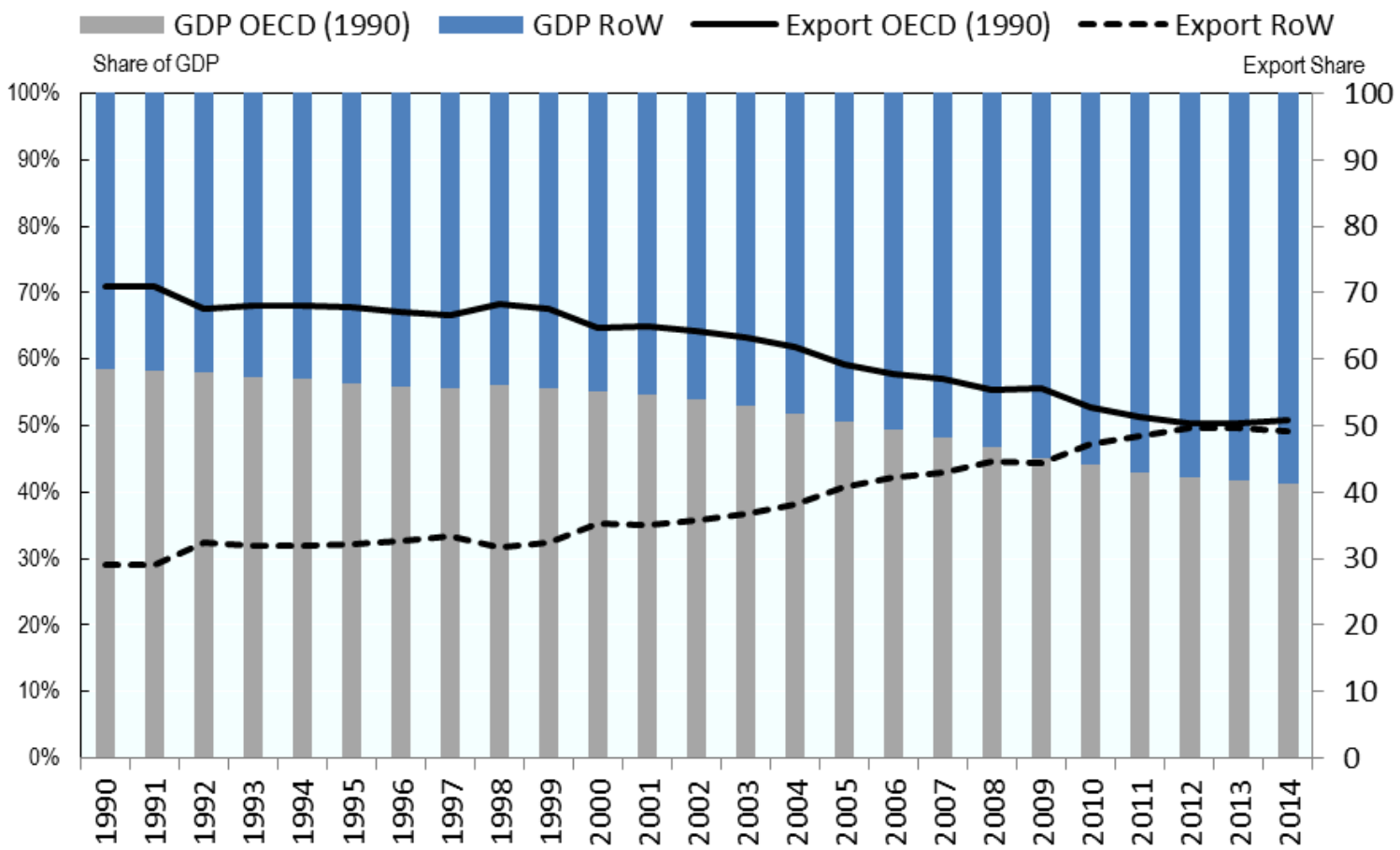
Megatrends reshaping the development debate

- **The rise of emerging powers**
- A world struggling to translate growth into opportunities for all
- Disruptive technologies (Digital⁺)
- Demography (& migration)
- Environmental limits to business as usual
- Multiple societal aspirations (that if frustrated can lead to unrest and conflicts)

 an UNSUSTAINABLE BALANCE

1. Development is back in national and international agendas

The centre of economic gravity has shifted...



Source: OECD Development Centre/UNCTAD/ECA/ECLAC/ESCAP, (forthcoming), Transforming Economies Report 2018: GVCs in Transition, OECD Publishing- based on World Bank World Development Indicators, 2016.

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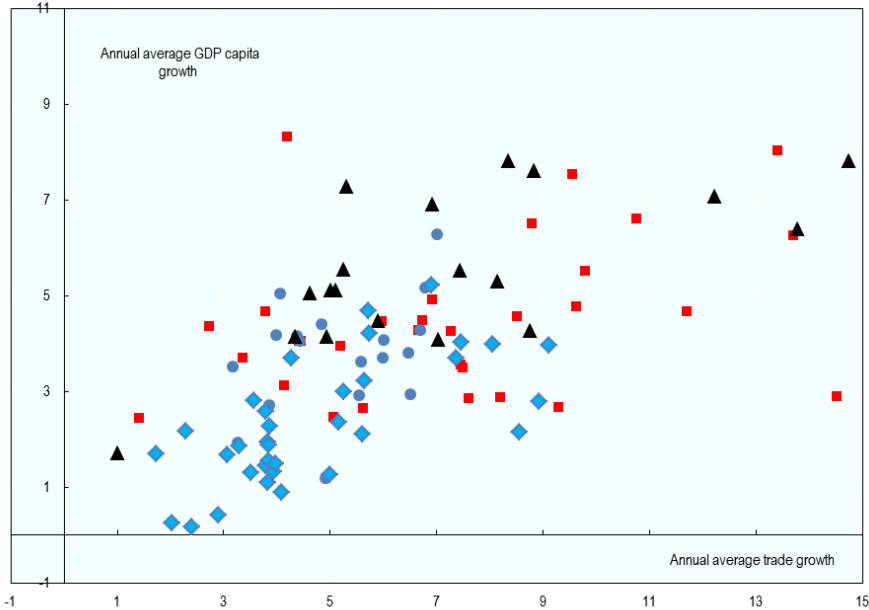
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Annual average trade growth and Annual average GDP per capita growth

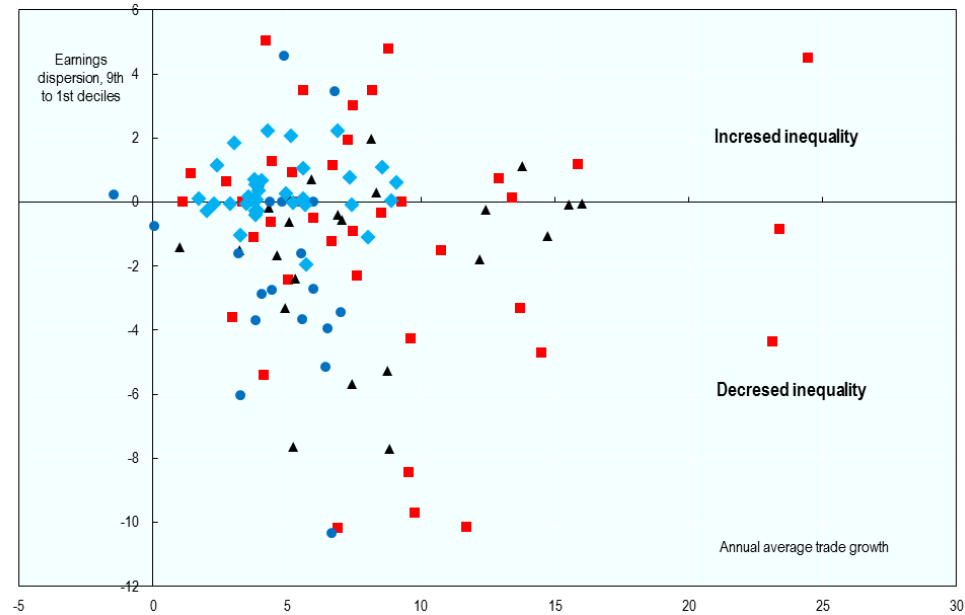
■ Africa ● LAC ▲ Asia and Pacific ◆ OECD



...and brings uncertainty and increasing inequality with it...

Annual average trade growth and change in earnings ratio between 9th and 1st decile

■ Africa ▲ Asia and Pacific ● LAC ◆ OECD



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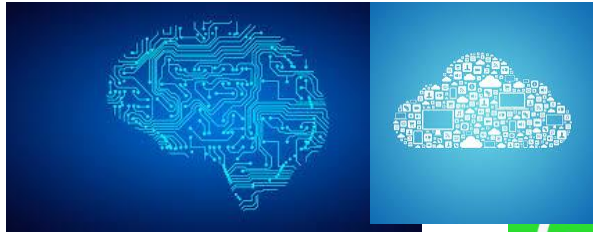
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 an UNSUSTAINABLE BALANCE

1. Development is back in national and international agendas

Disruptive technologies (Digital+) & new materials will deeply reconfigure economic opportunities in the future

Data & AI Cloud



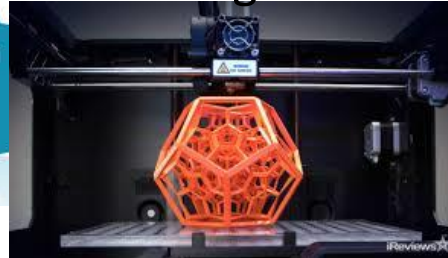
BlockChain



Platforms



3D Printing



MULTIPLE SCENARIOS
(FROM “THE WINNER TAKES
IT ALL” TO “INDIVIDUAL
EMPOWERMENT”)

Major **bottlenecks** in
developing economies:
quality, security, regulations
and **access** to Internet

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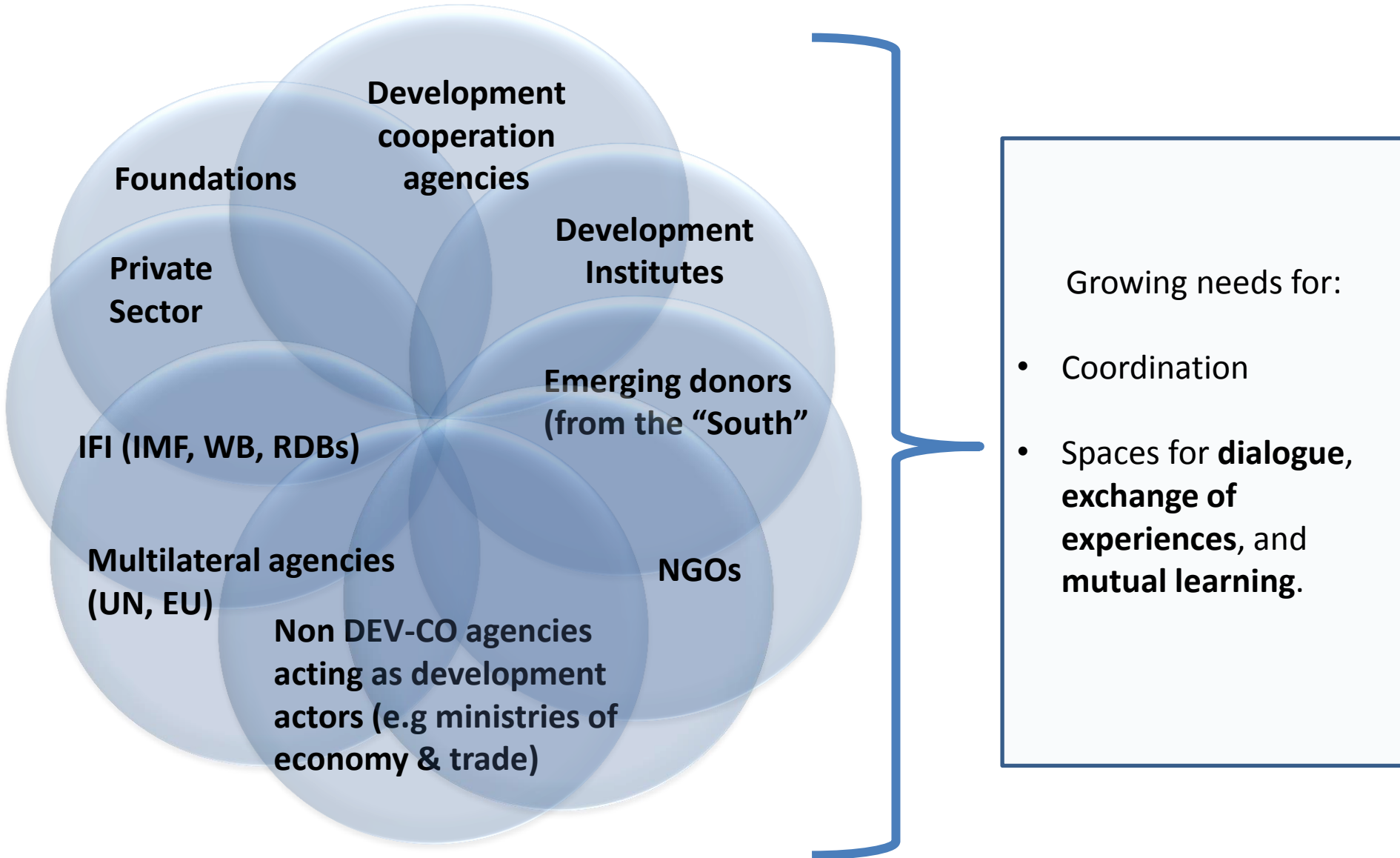
an UNSUSTAINABLE BALANCE

2. But what does “development” mean?

	Theories & ideas	National strategies	International cooperation
'50-'60s	Development as a process of socio-economic transformation (capital accumulation and industrialisation as key drivers of change). State action is needed to counterbalance market incentives	Variety of approaches to ISI (long term, selective approach)	Focus on infrastructure building, including S&T, compensation for inequalities, poverty reduction
'80s-'90s	Development as a linear process . Washington consensus (Mono-causality: get your prices right!)	The best policy is “no policy”	Trade not aid
2000s	Multidimensionality in measurement: HDI & MDGs (focus on capabilities of individuals & poverty) Mono-causality in policies: Poor governance, institutions & corruption as causes of underdevelopment	Governments need to intervene but they do fail; (horizontal policies, mostly short/medium term)	Governance (get your institutions right!) Poverty reduction Closing the ICT gap South –South cooperation
2008's onward	Return of industrialisation in the development agenda. SDGs : development as a responsibility and a challenge for all	Return of long-term, strategic approaches & industrialisation as a priority	Social cohesion & migration Infrastructure development PSD, aid for trade Emergence of new donors

3. Development in a fast changing, growingly unequal world

Supporting development: **who?**



3. Development in a fast changing world : **practical implication**

Needs

- Development is a moving target
- Development is highly context specific
- Individual and national aspirations matter > **Ownership**
- Graduation? > **Development in transition**

Actions and tools

- Knowledge sharing
- More “homegrown” country-specific analysis & approaches to orient bilateral and international cooperation
- Multilateral dialogue

Conclusions

Shared prosperity could be reached, but a change in paradigm is needed.

As development is multidimensional & context specific an update of development cooperation practices is needed to transform actions into impact.

Revamping multilateralism is important to avoid fragmentation and excessively costly implementation

A **forum** of high-level representatives from Ministries of Industry, Trade, Investment, Economy, Finance and Competitiveness

An **Advisory Board** of Experts from 11 International Organisations and overall OECD expertise

A **Business Consultative Platform** (BCP) for open consultations with the production sector

A **Research Consultative Platform** (RCP) for collaboration with academic institutions and think tanks



2 Plenary Meetings Per Year

- 1st in Paris, France, 2nd in a hosting country

4 Complementary Streams of Work

- Production Transformation Policy Reviews (PTPRs)
- Drivers of production transformation and upgrading
- **Sectoral Trends and Dynamics**
- **Measurement, statistics and methodologies for data analysis**

Biennial report on *Transforming Economies*

First report to be launched in 2018



Thank you very much

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