



# Inclusive Development & Global Policy Coordination

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## Global coordination

**Leadership vacuum: USA, EU, Japan and China**

**History of collaboration in the developing world**

Bandung Conference 1955

Non-aligned movement

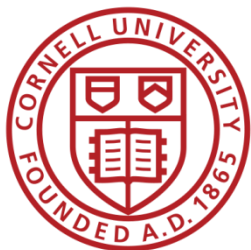
Arusha Declaration 1967

**The need for a new consensus:**

Washington Consensus 1989

Stockholm Statement 2016

A Dar es Salaam Initiative ?



# Progress on Extreme Poverty: Country Level

Headcount Extreme Poverty Rates for Selected Countries (%)  
(\$1.90 day PPP)\*

	c1980	c1990	c2000	c2012
<b>Congo, Dem. Rep.</b>				77.2
<b>Ethiopia</b>			55.2	33.5
<b>Nigeria</b>	46.0	57.0	53.5	53.5
<b>South Africa</b>		31.9	35.2	16.6
<b>Tanzania</b>		72.1		49.1
<b>China</b>	88.3	66.6	32.0	11.2
<b>India</b>	52.6	46.1		21.2
<b>Indonesia</b>	72.0	57.3	23.4	15.9
<b>Brazil</b>	24.0	20.6	13.6	4.9
<b>Chile</b>		7.9	3.1	1.3
<b>Colombia</b>		8.1	15.9	6.1
<b>Mexico</b>	27.4	9.7	11.0	2.7
<b>World</b>	43.9	37.0	29.1	12.7

Source: World Bank (PovcalNet), \*Except Bangladesh where \$1.25 is used

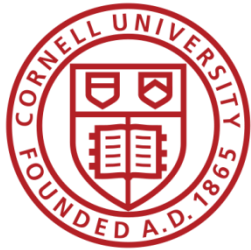


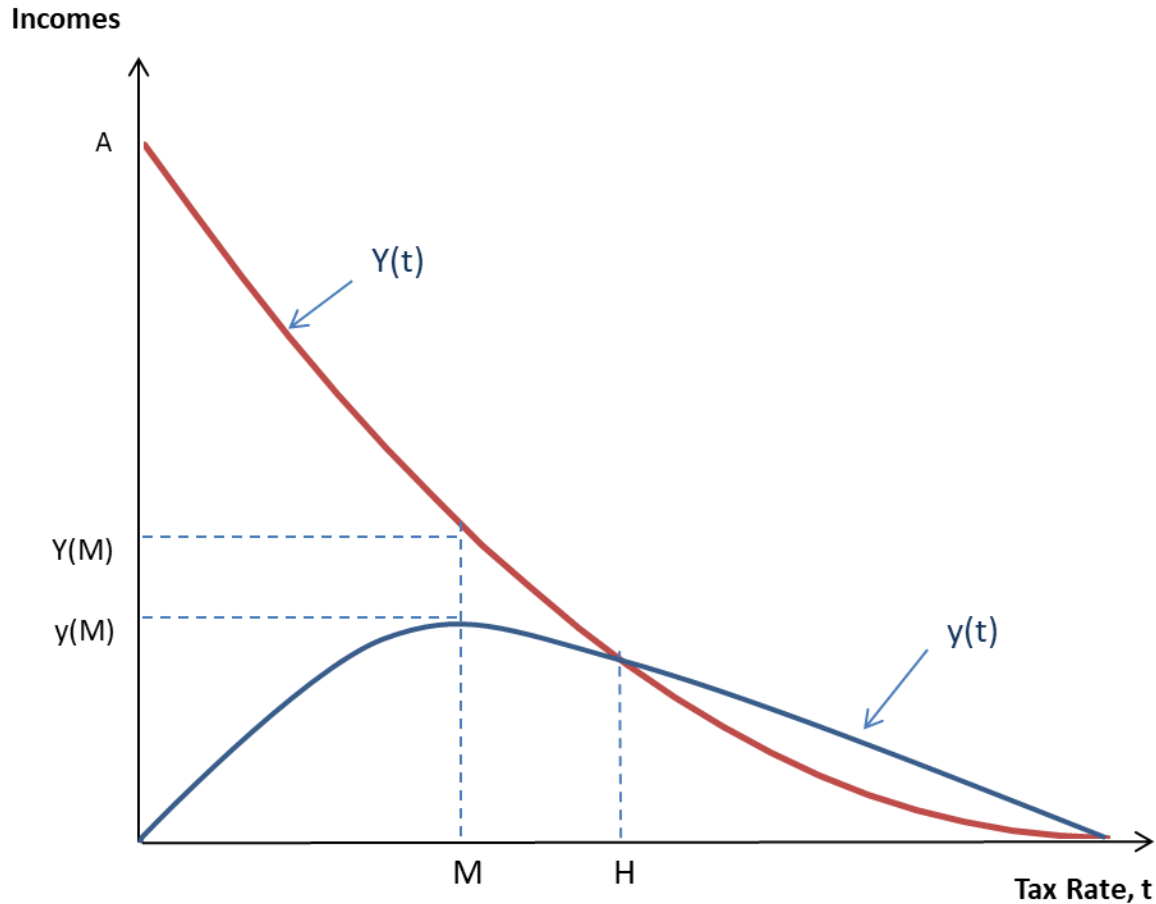
Figure 1: Eurozone government bond yields.

Source: International Financial Statistics. Note: "Other Eurozone" is a simple average of the bond yields of Austria, Belgium, Finland, France, Germany, Luxembourg, Malta, Netherlands, Slovak Republic, and Slovenia. Data for Estonia and Latvia are not available.



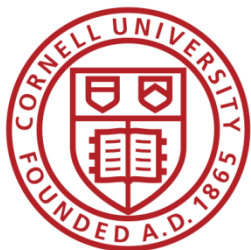
# Challenges of Policymaking:

## Potential trade-off between inequality and poverty reduction



"Globalization, poverty, and inequality: What is the relationship? What can be done?"

World Development Volume 34, Issue 8, 2006, pages 1361 - 1373

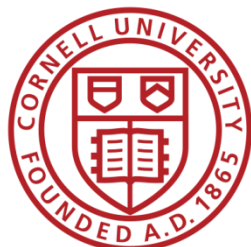


# Challenges of Policymaking and Globalization:

## Tax Rate Coordination Game

		Country B (Tax Rates)		
		N	L	M
Country A (Tax Rates)	N	1, 1	3, $\frac{1}{2}$	3, 0
	L	$\frac{1}{2}$ , 3	2, 2	4, 1
	M	0, 3	1, 4	3, 3

N = Negligible, L = Low, M = Moderate



## Wage as a Share of GDP

	1975	1995	2015
<i>High income countries</i>			
Australia	66.5%	58.0%	54.2%
Canada	60.6%	57.0%	55.4%
European Union (15 countries)	66.0%	57.6%	56.7%
Japan	77.3%	67.3%	59.8%
New Zealand	..	45.8%	47.2%
United States	61.4%	59.8%	57.1%
<i>Emerging Economies</i>			
China	..	52.8%	47.0%
Mexico	..	38.7%	34.5%
Russia Federation	..	40.8%	42.1%
Turkey	..	43.06%	33.4%

*Notes: Wage Bill is the adjusted labor income as a share of GDP at current price. The unadjusted labor income only includes compensation of employees, whereas the adjusted labor income share makes an adjustment to account for the self-employed as well. For China, the share is unadjusted. The Russian Federation's share excludes hidden wages and mixed income. Source: ILO (2014).*