UNU-WIDER Project

The Impact of Globalisation on the Poor in Asia

A Call for Papers for the Second Project Conference

UNU, Tokyo, 25-26 April 2005

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UNU-WIDER/JICA Conference on the Impact of Globalisation on the Poor in Asia, Tokyo, April 25-26, 2005 Call for Papers

The United Nations University (UNU) World Institute for Development Economics Research (WIDER) in collaboration with the Japanese International Cooperation Agency (JICA) are co-sponsoring this conference.

Researchers focusing on one or more parts of Asia (South Asia, South East Asia, China and East Asia) are encouraged to submit proposals for papers to be presented at this conference. The organisers are looking particularly for empirical and conceptual studies exploring the impact of globalisation on the poor in Asia through one or more of its various manifestations. Examples of the possible manifestations of and channels through which the poor might be affected by globalisation are outlined below under possible topics. The setting and context of these studies can be at the community (village) level, at the regional level, at the national level or even at supra-national level within Asia. Proposals by researchers from developed and developing countries are welcome. The intent is to publish the conference papers in a volume and/or special issue of a journal under UNU/WIDER copyright.

Background

A greater integration of the world economy, known as the globalisation process, could potentially offer participating countries new opportunities for accelerating growth and development. However, it also imposes challenges and constraints on policy makers in the management of their national, regional and global economic systems. A question that is often raised is whether the actual distribution of gains is fair, in particular, whether the poor benefit less than proportionately from globalisation – and under some circumstances may actually be hurt by it.
Whereas the potential gains from globalisation can be large—particularly when it encourages a pro-poor structural pattern of growth, it is now well recognized that the risks and costs brought about by globalisation can be significant for fragile developing economies and the world’s poor. The downside of globalisation is most vividly epitomised at times of periodic global financial and economic crises. The costs of the repeated crises associated with economic and financial globalisation appear to have been borne overwhelmingly by the developing world, and often disproportionately so by the poor who are more vulnerable. On the other hand, benefits from globalisation in booming times are not necessarily shared widely and equally in the global community.

Indeed, there is some empirical evidence, pointing to an increasing inequality in the world income distribution and a divergence in the trend of incomes, as globalisation has proceeded. A number of recent empirical studies suggest that global inequality, both in terms of ‘between-countries’ and ‘within-countries’ is high and possibly increasing. These studies have raised growing concerns that the globalisation process, as it has proceeded so far, may have had some adverse effects on the world’s poor. This has generated a passionate debate worldwide as well as a powerful anti-globalisation movement. However, the precise nature of the various mechanisms through which the ongoing process of globalisation has altered the pattern of income distribution and the conditions facing the world’s poor is yet to be carefully analysed. This is because the globalisation-poverty relationship is complex and heterogeneous, involving multifaceted channels. It therefore poses a challenging task for economists, both theoretically and intellectually.

Globalisation could affect poverty indirectly through the ‘growth effects’ as well as directly through changes in relative goods prices in favour of (or against) wage goods or changes in relative factor prices, induced by trade or factor mobility—particularly capital movements. Likewise the nature of technological progress—that is at least to some extent exogenously determined—can have important implications for poverty. While it has become a truism that growth reduces the incidence of poverty, the key issue is what structure and pattern of growth contributes most to the alleviation of poverty. The resulting distributional effects of globalisation are known to produce winners and losers both between and within countries. In particular, the losers (among whom are some poor socio-economic groups) are often extremely vulnerable to changes in absolute and relative prices of wage goods. In some instances this calls for effective re-distributonal policies to be in place at both national and global levels. Further, it is highly probable that globalisation-poverty relationships may be non-linear in many aspects, involving several thresholds effects. It may be futile to attempt to establish theoretically, on an a priori basis, the effects of globalisation on poverty as universally observable conditions. Indeed, each sub-set of links embedded in the globalisation (openness)-growth-income distribution-poverty nexus can be contentious and controversial. As noted by many, the net effects of globalisation on the poor can only be judged on the basis of rigorous empirical studies.

While a number of studies have emerged to investigate the globalisation-poverty relationships by cross-country regressions, a deeper insight into this critical nexus cannot
be obtained by regression studies alone, as it requires detailed empirical research in a country- and region-specific context.

Building on earlier research projects, UNU-WIDER has initiated a new project on The Impact of Globalisation on the World’s Poor. The co-directors of this project are Machiko Nissanke (School of Oriental and African Studies) and Erik Thorbecke (Cornell University). The project aims at producing a set of rigorous theoretical and empirical economic analyses, which could allow us: a) to deepen our understanding into how conditions facing the world’s poor have been evolving under globalisation; and b) provide a framework yielding the elements of a strategy for ‘pro-poor globalisation’.

We plan to organize four project meetings (conferences) in connection with this project. The objective of the first conference which will be held at WIDER in Helsinki on October 29-30, 2004 is to produce a set of conceptual and methodological papers, which help discern and clarify the main causal links between globalisation and poverty and the various mechanisms through which different aspects of globalisation ultimately influence poverty. The present call for papers advertises the first of the regional conferences on Asia to be followed subsequently by regional conferences covering Africa and Latin America, respectively.

Possible Topics for Studies

The wide range of topics to be covered by the studies may include but is not limited by:

a) Globalisation and the chronic poor, in particular the effects of globalisation on:

- The conditions of those trapped in absolute poverty (monetary and non-monetary effects on the poor through the effects of globalisation on market and non-market institutions)
- Absolute gains/losses and relative positions of the poor (an issue of distinguishing relative and absolute inequality)
- Price dynamics of wage goods
- Risks and vulnerability facing the poor
- Limited access of the poor to technology, information, innovation and markets
- Ecological and environmental concerns/conditions of the poor

b) ‘Corporate globalisation’ and the poor. This could cover issues such as:

- How globalisation affects the market structure and market power of different industries and goods produced by those industries (both domestically and globally)
- How globalisation affects labour market conditions and labour standards (changes in the elasticity of labour demand with respect to wages by skill level and their effects on the real wages of the poor and issues of labour conditions, including child labour)
- How globalisation affects the nature and operation of world commodity markets (TNCs and market arrangements)
- Outsourcing and footloose investment by TNCs and the poor
c) Threshold and externality effects of globalisation and dynamics of ‘between-country inequality’
   - Mechanisms of the international poverty trap for low-income countries under globalisation (primary commodity prices, terms of trade effects)
   - Skill- and technology- divide, dynamic scale economies and low-income countries

d) Factor mobility and factor price dynamics
   - International labour mobility and wage dynamics
   - Capital mobility, de facto labour mobility and poverty dynamics
   - Worker remittances and poverty dynamics

e) Global economic cycles, financial crisis and poverty
   - Risks and vulnerability of the poor to economic crises emanating from the global economy
   - Transitory poverty and safety net provisions for the poor confronting global economic crises (by local community, governments and the global community)

f) WTO rules and other international governance mechanisms and the poor
   - TRIPs and the poor
   - TRIMs and the poor
   - Farm subsidies in the North and the poor in the South
   - Market access issues
   - Policies followed by other multilateral institutions and the poor

g) Technology changes/diffusion and the poor
   - The nature of technological changes and the poor
   - Technology transfer/diffusion to the poor, e.g. impact of bio-technological revolution on small farmers

h) Re-distributational policy and other public policies and the poor
   - The capacity of nation states to provide the poor with safety nets/compensation and public goods or redistribute gains from globalisation
   - Global re-distributational mechanisms and the poor (the capacity of the global community to tackle chronic and temporary poverty as well as to provide global public goods)
   - Other public policies which affect conditions facing the poor

i) Globalisation as a Development Strategy
   - Greater integration (e.g. through trade and financial liberalization) may reduce the scope for, and in some cases act as a substitute, for national development strategies
   - For example, over-reliance on foreign capital flows as a source of foreign savings can act as an obstacle to encouraging a greater flow of domestic savings and leads to greater macroeconomic volatility
Role of national development strategies in the context of globalisation

The conference will be held at UNU Centre in Tokyo on 25-26 April 2005. This is a call for papers for that conference. Interested researchers are requested to submit abstracts of papers (not to exceed 3 to 4 pages) together with short CVs by 20 November 2004. Authors of accepted papers will be notified by e-mail by 20 December 2004 and the deadline for receipt of completed papers is 20 March 2005. Abstracts and CVs should be sent by e-mail to impact2@wider.unu.edu.

The travel and accommodation costs of authors of accepted and completed papers (one author per paper for multi-authored papers) will be funded by UNU-WIDER and other collaborating institutions, subject to UN procedures.