Shaping an inclusive and comprehensive approach to development:
Towards a new OECD Strategy on Development

Lunch with distinguished development experts
Thursday 22 September, Brookings Institution, Washington, D.C.

Purpose

To explore ideas for shaping the future OECD Strategy on Development together with distinguished development experts as well as the OECD Secretary-General, the DAC Chair and a group of Senior OECD officials working on development.

Questions for discussion

Some of the key questions to be addressed will include:

- What kind of development are we talking about in the current context of a rapidly-changing global economic landscape?
- What are the key medium-term challenges in developing countries? What have we learnt from the more recent development experiences?
- What are the gaps in international responses – and in developing countries themselves – to address these challenges and get on a pathway to long term, sustainable growth? Where can a collective response make a difference?
- What is the OECD niche on policy advice in developing countries? How can we work more effectively and enhance impact?

Rationale for a new approach

Development is multidimensional in nature. To understand its prospects requires approaches that cut across multiple disciplines and build on the knowledge of diverse stakeholders. Development requires fundamental structural transformations in economy and society. Comprehensive approaches are crucial to identify growth bottlenecks and design effective solutions that foster enabling factors and address structural conditions that hamper development.

Comprehensive approaches can also be instrumental to create new opportunities for growth and development in a rapidly changing global economic landscape. OECD analyses have highlighted the structural transformations taking place in which the world’s economic centre of gravity has been shifting. Trade and investment links are growing exponentially, particularly between developing countries. Emerging economies, as well as a growing number of developing countries, are becoming a vital source of trade, investment, development cooperation and knowledge. What we call “Shifting Wealth” is associated with lifting more than 500 million people out of poverty in the developing world.

Enhanced knowledge sharing with a wider range of developing countries as well as key stakeholders is fundamental in this new context to tap into their experiences with rapid growth, development, and poverty reduction. There is a need to move away from the conventional labels such as “North-South”, “rich-poor”, “donor-recipient”, and go beyond aid to build an inclusive approach to development. This approach can bring new perspectives for addressing inequality and poverty and identifying pathways to social and economic well-being.
The OECD has developed a wealth of expertise that is usually applied to advanced economies. It is now time to review that experience and assess how relevant it is for countries at different stages of development. The substance and scope of our work need to take into account the diverse needs, contexts and institutional settings in developing countries, relating to market failures, the large informal sector in many developing countries, inadequate property rights, unequal access to resources, etc. This approach should consider the comparative advantages of OECD’s work vis-à-vis the work of other actors to avoid overlapping efforts. It can contribute to strengthen partnerships with international and regional organisations which have field presence, and by working more closely with Members’ field-based experts and other local actors from the private sector and civil society.

This approach will contribute to ensure greater inclusiveness and relevance as well as enhance our contributions to international efforts to achieve the Millennium Development Goals (MDGs) looking also beyond 2015; to the work of international conferences and summits such as the upcoming IV High Level Forum on Aid Effectiveness in Busan; the Istanbul Action Plan emanating from the IV United Nations Conference on the Least Developed Countries; the Earth Summit 2012 (Rio+ 20); and to international development initiatives such as the G20 Multiyear Action Plan on Development. Many of them rely on knowledge sharing.

Background

At the OECD 50th Anniversary Ministerial Council Meeting (MCM), Ministers endorsed a new OECD vision Statement which looks ahead OECD’s important role contributing to better policies for better lives, implementing a new paradigm for development, and moving toward a global policy network.

In this context, Ministers also endorsed the Framework for an OECD Strategy on Development [C/MIN(2011)8]. The Goal of this initiative is to achieve higher, more inclusive, sustainable growth for the broadest array of countries. This will be accomplished by greater collaboration and knowledge sharing on policy successes and failures, engagement in mutual learning, and a deepening of partnerships with developing countries, other international organisations and key stakeholders.

The OECD Strategy on Development will make use of OECD’s inter-disciplinary expertise and its longstanding experience on development as well as its unique working methods. This will entail ensuring that OECD’s broader policy conclusions are tested in countries having different levels of development and policy settings. In doing so, the OECD will ensure that the broader policies pursued by its members are coherent with the goal to promote worldwide development. A proactive approach is critical in light of the growing demand from developing countries for OECD expertise, practices, and experiences in a wide range of public policies beyond development co-operation. Strategic areas where the OECD could add value include innovative and sustainable sources of growth; mobilisation of resources for development; good governance; and measuring progress for development.

The Strategy will fulfill three key and complementary objectives: (i) strengthening OECD mechanisms for knowledge sharing and policy dialogue with developing countries as well as with other international organisations and key stakeholders; (ii) applying a comprehensive approach to development to address the multidimensionality of poverty and development, by leveraging our inter-disciplinary expertise and mainstreaming development in all public policy areas of OECD work; and (iii) strengthening policy coherence for development (PCD).