

Program of the AFD/EUDN conference

Poverty, Inequality and Growth :

What's at stake for development aid?

Paris, November 13th, 2003

Location: Ministry of Economy, Finance and Industry
Centre de conférences Pierre Mendès-France
139 Rue de Bercy , 75012 Paris

9:00 Introduction : **Jan Willem Gunning** (EUDN, Free University, Amsterdam)
Pierre Jacquet (AFD)

9:10 François Bourguignon (Chief Economist, World Bank) : ***The Growth-Inequality-Poverty triangle***

This presentation tries to clarify the debate about development policy by providing a rigorous analysis of the relationships that do exist among the three vertices of the Growth-Inequality-Poverty (GIP) triangle. It then considers rotations of the triangle, such as positioning inequality or even growth rather than poverty at the top, and discusses justifications for these alternative choices in terms of development objectives.

Chair : *Patrick Guillaumont (CERDI)*

Discussants : *Denis Cogneau (DIAL), Pierre-Noël Giraud (Université Paris IX-Dauphine)*

10:55 Pause

11:15 Stefan Dercon (Oxford University): ***The Microeconomics of Poverty and Inequality***

This paper asks what we now know about the causes of poverty and inequality, drawing on the empirical literature. It focuses on the economic environment facing individual households and firms in developing countries. The paper's central concern is that poorly functioning markets and institutions may limit the impact of aggregate growth on poverty. It aims to identify the type of policy responses that may be most conducive to increase this poverty responsiveness.

Chair : *Pierre Jacquet (Chief Economist, AFD)*

Discussants : *Sylvie Lambert (INRA), Daniel Cohen (ENS ULM)*

13:00 Lunch

14:00 Orazio Attanasio (University College London) : ***Redistribution Policy: Theoretical motivation and Empirical Evidence***

The paper starts with discussing the core issue for redistribution policy, namely the impact of inequality on growth. It then considers different kinds of redistribution policies (short term oriented vs. long term oriented), as well as their modes of intervention. Experiences from both recent programs (using conditionality to better target the poor) and from early years (nutrition interventions) are also being examined. The paper eventually stresses the importance of evaluating and adapting the programs in order to enhance their efficiency.

Chair : *Jay Naidoo (DBSA, Chairman)*

Discussants : *Christian Morrisson (Université Paris I Panthéon Sorbonne), Erik Thorbecke (Cornell University)*

15:45 Jean-Philippe Platteau (Université de Namur): *Effect of Aid on Inequality*

The paper focuses on the donors' current strategy to fight world poverty, which has been put into practice through participatory or so-called community-driven development (CDD) interventions. The presentation brings into light the existence of a trade-off between informational advantages typically ascribed to communities and risks of elite capture. It also assesses the danger of massive CDD aid flows corrupting endogenous community development. Finally, the paper examines possible mechanisms to mitigate the elite capture problem and discusses the pros and cons of decentralized development programs based on local communities versus programs based on local governments.

Chair : Alain Henry (AFD)

Discussants: Finn Tarp (University of Copenhagen), Tony Addison (WIDER Helsinki)

17:15 Pause

17:35 Roundtable

Participants : To be defined

18:35 Concluding remarks: **Jean-Michel Severino, CEO (AFD)**

19:00 Departure to the AfD headquarters

Location : Agence Française de Développement
5, rue Roland Barthes
75012 Paris

19:30 Cocktail at the AfD
