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Evaluation of Flagship Reports of the Department of
Economic and Social Affairs

Stephany Griffith-Jones and Richard Jolly¹
INSTITUTE OF DEVELOPMENT STUDIES

Institute of Development Studies
University of Sussex
Brighton BN1 9RE
Email: s.griffith-jones@ids.ac.uk and r.jolly@ids.ac.uk

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Introduction

In the first part of this Report, we evaluate the five flagship reports of DESA: (1) World Economic and Social Survey (WESS) (2) World Economic Situation and Prospects (WESP) (3) Report on the World Social Situation (4) World Survey on the Role of Women in Development and (5) World Public Sector Report. We also examine more briefly, comparable Flagship Reports of other institutions eg the World Bank.

In our analysis, we examine, amongst others, the rigor, originality, length and policy relevance of these reports. We attempt to assess the extent to which these reports add value and provide alternative views (from a development and developing country perspective) to reports from other institutions.

The second part summarises our main conclusions and overall gives recommendations on how these five reports could be improved and made more policy relevant and how their dissemination could be bettered.

I Analysis and critique of publications

a) World Economic and Social Survey 2001, 2002 and 2003

These publications consist of three parts (1) Preface and Foreword (2) State of the World Economy (3) Special Thematic issue.

(1) The first part of each Report consists of the Preface, signed by the Secretary General and a Foreword, signed by the Under-Secretary-General for Economic and Social Affairs. Overall, both – and especially the Preface – are excellent, and bring out very clearly and pedagogically, some of the key issues in the Report, as well as making calls for action. Overall, both the Preface and the Forward clearly stress the perspective of developing countries and of the poor. An important question is whether they receive sufficient attention and whether their dissemination could not be improved? Would it, for example, be feasible to publish these also separately, highlight them more on the web, send to key policy-makers?

Two problems were found. In the 2002 WESS, the Preface by the Secretary General actually has a rather unfortunate typo, in the paragraph before last; it mentions private sector when clearly it means public sector. Quite a difference! More substantively, we found the tone of the 2002 WESS Preface seemed a bit too defensive on the role of the State. Also, the 2003 Preface rightly praises India and China's growth, but attributes China and India's success in growth to their pro-growth and market friendly reforms, and calls for them to be emulated in other regions. But is it only market-friendly reforms that should be highlighted? Should other crucial factors such as more prudent capital account liberalisation, high savings rates etc., not also be mentioned here? (They are mentioned in the body of the report).

(2) State of the World Economy

This part covers overall analysis of the world economy, globally and by regions, (as well as key countries), and has a section on international trade and finance, the latter including very useful sections on policy areas, such as the Doha agenda and progress on international financial reform. This whole section is very long eg over 110 pages in WESS 2001, over 120 pages in WESS 2002 and almost 100 pages in WESS 2003. There are a great deal of Statistical Tables and Figures, both in the text and in the Annexes. Some of these Tables are valuable, and bring together important features, (see below), whilst others are too detailed (the WESS 2001 has six Tables on different aspects of Armenia, Kyrgyzstan and Mongolia, clearly of interest but to a sub-set of readers only. Some of the more detailed data could be placed on the website, helping to produce a slimmer volume, more attractive to readers. As the WESS itself says in relation to Codes and Standards “less can be more”, and this would apply also to the WESS!”

Overall, we found the content of this part rather good, interesting and informative. We particularly welcome the analysis - and there is a good deal of it which emphasises and adds value to what is done in other reports (eg by the IMF, World Bank, BIS). The more descriptive parts, and those which overlap with other international reports are far less valuable, even if they are competently done. Besides the issue of overlap with reports by other organisations, to which we return later, there is also, very crucially, the issue of excessive length. (This was highlighted already in the previous report written by one of us, but has not been addressed). Very good analysis (see below) often gets lost because the Report is frankly too long.

The section on the World Economy takes a broad interactive view of all the world's regions, with reasonable balance of the different regions and, on the whole, an appropriate weighting for different regions.

The Report clearly stresses significant facts, clearly eg p3 2002 WESS, starts with "In 2001, the world economy suffered its' largest setback in a decade ...". It raises good and important analytical points, such as the increased synchronicity of the 2001 global economic downturn, and rightly emphasises that the US has international, as well as domestic responsibilities (p5). It highlights at a somewhat general level, the need for "international consistency and coordination, common global economic monitoring, ...". However, it could be far stronger here on what role this Report, different groups of countries and the UN itself could play in helping to achieve these aims. Perhaps this could be a section in a future WESS.

The analysis often brings out interesting and important facts (eg p6, WESS 2002, describes how "low US interest rates enabled automobile manufacturers to offer special incentives to consumers, strengthening demand in a major industry that usually behaves in a counter-cyclical way"). The analysis on why (p11, WESS 2002), in early 2002, there was limited contagion from the Argentine crisis, is clear and accurate – whereas many observers, including some IFIs did not clearly perceive these factors. Furthermore, in p10 and p12, WESS 2002, the link between the heavy dependence of countries on external capital, the risk of crises, and the need for over-prudent policies eg on the fiscal side, that constrain national development, is clearly highlighted. Perhaps here the need for reform of the IFA (international financial architecture) could be highlighted.

There are some clear and important contributions to an analysis of the world economy, from the perspective of developing countries and poor people. More generally, there is somewhat greater emphasis on the real economy, eg employment, than for example in a typical IMF report. Table I.2, WESS 2002, is one example of this, which shows, for developing countries; frequency of high and low growth of GDP per capita, as well as shares of population, (distinguishing between developing countries with GDP per capita that falls and those whose growth exceeds 3% and showing the



percentage of the population). We feel that the type of information provided by this Table is very valuable, and it could be expanded, with other Tables being created. Hans Singer, suggests for example, an additional analysis, of "deviations" or "dispersion" from the average, emphasising also worst and best performing countries. An important addition would be to show a table with the same breakdown between countries, (fall in GDP per capita, and growth over 3%) but over longer periods eg 5 years. Another expansion (if feasible) could be to provide a preliminary estimate on impact on poverty of yearly changes, to help monitoring of evolution towards meeting the Millennium Development Goals.

Another important table and concept, where the WESS and the UN are making a unique contribution is that which highlights net transfers of financial resources to (or often from!) developing countries (see, for example, Table II.2 in WESS 2002, but also in WESS 2003). This is very significant, and the numbers were highlighted in the speech of the Secretary General to the General Assembly in October 2003 on the evaluation of Monterrey. The point that emerges very clearly, is that in spite of recovery of private flows and increased aid, negative net transfers have been increasing in 2001 and 2002. This is an important economic and political point, which perhaps the UN (and DESA in particular) could highlight even more in the international discussion. Before using the important concept of net transfers more widely, it would be important to make more explicit the methodology of calculation, which is at present a bit unclear – (Does this figure include all official flows? Does it include increases in foreign exchange reserves? Are there possible critiques of this concept, and how would they be addressed?).

Some of the forecasts presented have proved to be quite accurate eg on the future evolution of the US economy and on that of private capital flows. Other forecasts have been less precise. For example, the 2002 WESS (on p79) emphasises spillover from Argentina (relevant at the time) but did not foresee problems in Brazil. Similarly, the significant strengthening of the euro (p92)

was not forecast. However, forecasting is a difficult task, and easy to criticise with the benefits of hindsight.

The use of the LINK modelling system provides valuable inputs for forecasting, but perhaps it could be done more openly and systematically, with an appendix on technical details.

Also, on the positive side, overall the boxes are excellent. In several cases they choose very interesting subjects and are highly informative (eg boxes I.1 and III.3 in WESS 2001; boxes II.1, II.2, III.1 and III.2 in WESS 2002). However, as there is a very large number of these boxes, some of these are less good. Perhaps greater selectivity would be desirable. However, boxes do serve a useful purpose, in breaking up what are otherwise very long sections of text, which become tiring for the reader.

On the positive side, the sections on International Trade and Finance also contain very good parts on trade policy (WESS 2003 on the Doha agenda) and in WESS 2002 on Continuing Reform of the International Financial Architecture. As regards the latter, we analyse it in more detail. Overall, this latter section (pp50-62 of WESS 2003) is very good. It is well informed, rather complete, surveys the literature well, and makes most of the relevant points from a development and developing country perspective. It is positive that it stresses need not to further expand IMF surveillance of developing countries ("less but better" is a good line introduced), it stresses the role of industrial country policies in recent financial crises, and it is rightly critical on the limited role implementing codes and standards can have in preventing crises and the need for greater technical assistance for C and S. On the Basel 2 Capital Accord, it provides a useful analysis of the issues, including inherent pro-cyclicality of financial markets, but omits one of the key unintended negative consequences of Basle 2, for developing countries: the likely decline (and increase in cost) in international bank lending to developing countries. The analysis is informative and very up to date on most other issues of the IFA, such as IMF facilities and SDRM.

Amongst the problems of this section, which are also to a certain extent problems more broadly of these reports, is excessive optimism in its' assessment eg talks on p50, WESS 2003, about "considerable reforms of the international financial architecture", in fact, a careful reading of the WESS itself suggests progress has been rather limited; it also does not examine enough the political economy of what could be done, for example to get developed countries to listen more to the Fund (though this is a difficult challenge!) It omits some issues that are important from a development perspective, such as the prolonged drought of private flows to emerging markets, and does not sufficiently present alternative policy proposals from a developing country perspective. But these are relatively minor problems, compared to a high quality, well-informed outline of the main issues, with very useful references for further reading, which emphasises a development perspective on IFA.

The above mentioned timidity, in the WESS, to be critical of developed countries policies is more clearly illustrated in other areas. For example, as regards the tight monetary policy at the European Central Bank (p9, WESS 2002), there could be a far stronger critique and the proposal for a more relaxed policy which could lead to higher growth in Europe, globally, and therefore, in the developing countries. Similarly, on p91, WESS 2002 and p9 and p74, WESS 2003, an opinion about the Maastricht criteria (their excessive rigidity, for example, and the lack of counter-cyclicity, which gives an anti-growth bias), would have been interesting – does therefore Maastricht need modifying?. Rather than just describing and explaining, it would be valuable if the WESS more often proposes clear policy alternatives, which would imply higher growth globally and for developing countries, better world income distribution etc.

It is surprising, and to some extent a source of quite serious concern, that the UN WESS Reports are considerably less critical of European monetary policy and the Maastricht criteria than the

IMF WEO 2003, with the latter taking a more counter-cyclical and expansionary line. For example, the IMF WEO 2003 clearly states on p16 that “further easing of monetary policy in Europe will be needed if inflation threatens to undershoot significantly; for instance, if activity fails to pick up quickly ...”. It also clearly challenges Maastricht, by saying “Automatic stabilizers should be allowed to operate fully around the consolidation path, even if that results in breaches of the 3 percent of GDP deficit limit.” More assertive critical statements of this type about developed countries’ policies would be valuable in the WESS, as well as proposals for alternative policies.

(3) Special Themes

Each one of the WESS reports we examined had a special theme. We found it very positive that, unlike in the past, there was a unified theme in each report. Furthermore, as the 2001 WESS points out, several WESS have adopted a major unifying theme, globalisation, from a different perspective. Again this seems very positive, and follows suggestions made in an earlier evaluation. It also seems very positive that a distinguished academic, J Bhagwati has acted as adviser on this special theme.

The three themes adopted were all of clear interest: vulnerability in a globalising world (2001), private-public interaction (2002) and economic policy and poverty (2003). On each of these themes it seems very important to have a UN view, particularly one that stresses the development perspective.

In what follows, we will first examine some of the sections, and then offer a more general assessment.

WESS 2001, Chapter IV (pp133 - 151)

Financial vulnerability in a Globalising World

A careful reading of this chapter was very interesting and enjoyable. It is reasonably short, very good in setting out the main issues, at presenting clearly very complex matters, incorporating in a balanced way very up to date literature; this chapter emphasises impact of financial crises on people and on the poor. It challenges conventional wisdom in a number of parts, eg on p141, "It is possible that more transparency and information can lead to a crisis rather than prevent it." It incorporates critiques of mistaken policies by the IMF, eg in its' fiscal policy recommendations during the Asian crisis. In several aspects, it is on the frontier of discussions (eg how to regulate direct international lending to corporates (p144), or on the need to adopt counter-cyclical regulations (p145).

It also pinpoints, with some foresight, that a currency board makes a banking crisis more likely (p147). Perhaps the only critique is that the conclusion (p151) appears as too optimistic and positive about consensus reached and policy progress made, though it does emphasise that "there is no room for complacency".

Therefore, overall, an excellent, well-written, well-balanced, up to date chapter on an important issue.

The WESS 2003 also has very good sections on Delivering on the New Development Commitment, quite useful analysis on progress (or lack of) on trade, emphasising eg TRIPS and agricultural trade, the perspective of poor countries and people. There is a good and strong critique of increased politicisation of aid flows and of excessive conditionality, (which IFI reports do not make). Further along (p92, WESS 2003), the important risk of aid diversion to Iraq and Afghanistan is rightly stressed.

The WESS 2003 analysis on International Trade and Finance is also good. The analysis (already starting earlier on p7) highlights interesting long-term trends, such as that not only have both world trade and capital reduced their dynamism, but that "the ratio of growth of merchandise trade to the growth of output, that had grown from 2 to 3, as a result of globalisation, reverted to the lower figure." The more descriptive sections of International Trade and Finance (eg on commodity prices and

markets) are useful, informative and competently written, but are too long, and have too much weight within the overall Report. Again, part of these could be summarised, with the remaining material – where relevant – placed on the web, with references in the Report.

Equally, the section on The current situation in the world's economies (pp63 – 101 in WESS 2003 and pp79 – 125 in WESS 2002) are good, informative, but seem far too descriptive and long. There is also some repetition with the first section, The World Economy, and of course some overlap with analysis of publications such as the IMF WEO. The greater emphasis in the WESS than in the IMF WEO on variables linked more to people, such as unemployment and poverty, is interesting and valuable, and perhaps could be strengthened. Again, there is the occasional rather conservative tone (eg p74, WESS 2003, where labour-market flexibility is assumed to be a clear virtue, without discussing pros and cons). Also, on p92, the emphasis is on good governance, corruption as pre-conditions for growth in Africa, without mention of equally important factors such as investment in education and infrastructure.

The key problem in these two sections (International Trade and Finance, and especially The current situation in the world's economies) remains their excessive length. Efforts to streamline these parts, and to focus far more on the more analytical, the different (from other reports), and the more interesting from a broader development angle, would seem very important to make the Report more readable and more read! The Global Financial Stability Report from the IMF is an example of an attractively focused report. Maybe WESS could move towards developing a niche of its own, eg emphasising more international development and alternative perspectives.

Chapter IV Growth and Poverty: a framework for evaluating poverty.

This is a longish chapter – 25 pages – beginning with a good quote from Adam Smith. It covers a most important theme, central for the Millennium Development Goals, central for economic strategy in developing countries and central to debate between the World Bank and its critics. Though the chapter usefully and explicitly recognizes some of these debates, it poses the debate primarily between “the two extremes of a wide policy spectrum –anti-globalization groups and naïve market liberalization.” This misses out many of the more serious debates between these extremes, in particular the debates about whether the required growth should be built

up from the specific changes and actions required for meeting the millennium development goals or from a macro analysis of growth with or without some modest element of redistribution. The focus of the argument on macro issues is reinforced by analysis which almost entirely ignores country examples by concentrating on regional or global relationships. Though these are important, the focus on macro relationships sets up the chapter to rely heavily – in my view too heavily - on World Bank data and World Bank analytical approaches as opposed to multi-disciplinary approaches more common to the UN and its specialized agencies and funds – for instance, views of poverty and deprivation developed and documented by the WHO, FAO, UNICEF and UNDP.

The main definition of poverty used is that of income poverty, in contrast to multi-dimensional measures, though these are mentioned and somewhat analyzed on pages 120-123. It is interesting that the World Bank report of 2003 includes a box which is stronger and more self-critical than that of the World Bank's own poverty estimates in the UN WESS Survey of the same year.

The Survey's analytical frame for assessing the extent to which growth is "generally desirable for poverty reduction" emphasises three points: the definition of poverty, the social and geographical aggregation of poverty and the time horizon employed for the assessment. These are certainly important, but there are others, more directly linked to the discipline or paradigm used for analytical framework. A focus on gender poverty or on the lack of empowerment among the poor would surely emphasize a larger range of issues than is found in this chapter.

In fact, the chapter relies too much on World Bank data, World Bank arguments, even World Bank framing of issues – even when, as it does in places, the chapter disagrees with World Bank interpretations or policy priorities. This is disappointing given the long traditions of the UN, DESA and the Economic and Social Survey. In the 1950s and even later, the Survey set the frame for others. Indeed, WESS was the pioneer of international flagship reports, as it was launched before the IMF and the World Bank started doing theirs. In this chapter, several tables carry the footnote that World Bank regional classifications are used because the data is not available using UN classifications.

The section on poverty, growth and distribution in our view must be counted particularly weak. It concentrates too much on analysis as a detached level of theory,

with far too little reference to country examples. Too much attention is given to the Kuznets curve analysis, failing to emphasize that Kuznets' work, however distinguished and pioneering, was done decades ago and largely based on data from an earlier era. We would have been much happier had the report attempted to synthesize – or even just present with contrasts – the views and analysis of poverty and growth by IFAD, ILO, FAO, UNICEF and UNDP.

WESS 2003, Chapter V (pp143-161)

Macroeconomic Policy and Poverty

Overall, this is a good chapter, written on a very important subject, in a clear way, with quite important policy recommendations. It rightly emphasises the need for prudent (counter-cyclical) policies in good times, to help avoid crises, which as it shows are very damaging for the poor. It highlights that shocks are a major issue facing developing countries and a challenge for macro-economic policy. In some ways, it pioneered some work that the IMF has started to do this year (2003) on this subject. However, it seems to be somewhat orthodox in places, both in its analysis, its references and, in some aspects, in its policy prescriptions.

From the point of view of presentation, the chapter starts in a rather descriptive way, with the possible links between macro-economic policy and poverty following to an important extent Romer and Romer (1998). It would have been better to start by stating what the main issues for developing countries are in this field (for a useful presentation, see for example, Gottschalk, R, "Inequality and macro-economies in Latin America", IDS 2003).

The chapter rightly defines "good" macro policies as growth enhancing, poverty alleviating and emphasises the importance of stability during growth to have greater freedom of manoeuvre in times of crisis, to be able to protect the vulnerable (p143). In its analysis of monetary policy however, it emphasises too much the risk of inflation – which certainly has been a serious problem in some developing countries in the past! But is practically silent on the dangers of an excessively tight monetary policy, which contributes to stifling growth, (as has been more common recently eg Chile, late 90s and Brazil, this year). The importance of a monetary policy that encourages growth is not sufficiently stressed, nor are the dilemmas faced today by

countries like Brazil this year (need to avoid inflation and/or collapse of currencies, need to show “credibility” to the markets, but also need to support growth).

There is altogether too much focus on inflation (at a time when worldwide there is, and should be, more concern with deflation). This is curious, particularly because the first part of the 2003 WESS mentions the risk of deflation. Also, the first constraint for an excessively expansionary monetary policy for a developing country is not so much inflation, but the current account deficit.

On fiscal policy, the chapter rightly distinguishes impact on poverty at the aggregate level and by composition.

The Box on PRSP (p147) seems to take too uncritically the IMF – WB line, and is overall too positive and uncritical of PRSPs. For example, it praises the role of civil society in the process, without emphasising – as many developing countries do – that this has been far from universal and equally important is that representative democratic institutions, such as Parliaments, should play a larger role, as they do in developed countries. In any case, it seems unclear how large a role civil society really plays in formulating macro-economic policy.

The Box on PRSP states “The PRSPs have strengthened the reform efforts of developing countries.” What does that mean? Then it says that poverty reduction is a goal of all policies, including macro-economic areas. This is not clear at all. The macro-economic policy frameworks of the PRSPs have not been designed to support poverty reduction, but only to ensure stability. Finally, it states that various areas should be strengthened, particularly poverty diagnosis. This may be true, but what is really essential is that the macro-economic framework needs to be modified, genuinely to support growth *and poverty reduction*. This is the key challenge.

The chapter then examines macro-economic policies in times of crises, clearly an important subject, as crises are often associated with sharp increases in poverty. The point is clearly made that capital account liberalisation has meant an increase in vulnerability to crisis.

The chapter emphasises the need to review different experiences, to give policy-makers hints on the relationship between policy and poverty, but also calls for a more systematic and comprehensive analysis. The chapter seems to follow more the

former path. There is useful information on East Asian and Latin American responses to crises, and interesting comparisons. An important contrast (p151) relates to the fact that Asian countries were able to follow fiscal and monetary policies that limited decline of output, which Latin American governments did far less, thus delaying restoring growth. It would have been valuable to explore more the reasons for this important difference.

The chapter then briefly examines the impact of crises on poverty, highlighting that the single most important cause of short-term increases in urban poverty are economic shocks, whereas rural sectors seem more sheltered from such crises. The following section on direct measures to address urban poverty highlights clearly the value of counter-cyclical fiscal policies in good times, a pre-requisite for fiscal expansion in times of crisis, and the ability to help protect the poor. Sound useful distinctions are made such as between the “new poor” and the “chronic poor” and the different policy responses to both types of poverty, in Asia and Latin America.

The chapter finishes with a good section on policy implications and recommendations both at the macro and the social protection level, with a valuable emphasis on the need for counter-cyclical policies. The need for preventative and curative measures within a social protection scheme to be in place at all times is also rightly highlighted, though the difficulty of funding in crises is not fully addressed. The only important omission is on how to achieve rapid recovery of growth after crises.

Chapter VII Market Based Approaches to Rural Development in sub-Saharan Africa.

This chapter is also too much an echo of the World Bank – in sources, structure and even in focus of analysis. It would have gained if it had drawn much more on UN approaches and evidence and quoted more UN sources – FAO, ILO, UNRISD as well as IFAD which is rightly quoted. As one example from DESA itself, the sections on the employment effects of globalization on agriculture and on rural women's work in the 1999 World Survey on the Role of Women in Development report would have added considerably to the interest of the chapter.

There are other points of criticism of this chapter.

- It is somewhat long winded and academic in style, the chapter being almost as long as the whole of Global economic prospects.

- While it is good to see land reform being taken on – it is mostly in the form of market approaches to land distribution with most concern for efficiency and production, little on distribution and emphasising weaknesses of government led redistribution experiences. Again, there are interesting contradictions with some of the evidence cited in the 1999 World Survey on the Role of Women in Development (compare pages 40-42 of WSRWD with chapter VII, pages xx)
- Perhaps the most important weakness is that the chapter is almost totally concentrated on internal issues – virtually none on the international context and its impact on agriculture and rural development in SSA. This is in marked contrast with recent World Bank and IMF reports which emphasise and give figures for the enormous agricultural subsidies in developed countries. The WESS also gives only lip service to the weaknesses of international policy on adjustment, tending almost always to focus on SSA internal failures of governance and policy.

b) **World Economic Prospects, 2002 and 2003**

There are a number of virtues to these reports:

- They are jointly produced by DESA and UNCTAD, thereby ensuring a strong and clear UN voice to the report, responsible but not ultra-orthodox, giving careful attention to the situation and prospects in all regions of the world, on an equal basis
- The reports come out at the beginning of the year, completed as they indicate by November 30th, ensuring a good press at the time when many commentators are looking ahead to the new year
- They are admirably brief and well focused.
- Though clearly concerned with the situation in developing countries, this concern is expressed with a steady analytical style, not preaching about the inadequacies of governance in the poorer countries, but at the same time bringing in references to important political factors such as the way “tensions between India and Pakistan, if heightened, will depress investor confidence”, or “GDP in Zimbabwe contracted by 12 per cent amidst continuing controversy over its land redistribution policy, widening fiscal deficits, excessive money supply growth, rising

inflation, widespread drought and famine, severe fuel shortages, inadequate foreign exchange for essential food and fuel imports and growing isolation from donors and international financial institutions.”

- Like the WESS, there is clear emphasis on the influence of international trends on national developing economies; similarly to the WESS, there is monitoring of changes in trade (eg Doha) and finance. Though good, these are quite brief, and therefore it is valuable that these subjects are explored more in depth in the WESS.
- There is some overlap with the WESS, but this is not a significant problem.
- Sometimes, the data are quite different (see WESS 2002, Table I.2 and equivalent in WESP.. This is probably due to different dates of publication, but an explanation of the differences would be useful.

The brevity and focus is indicated by the structure, common to the reports:

- The global outlook, taking just 10 pages, with a first page summary, tables setting prospects for world output and trade in the context of the last ten years. This is followed by a presentation of GDP performance for 95 developing countries, indicating the number of developing countries showing high or low growth (above 3 per cent per capita per annum or declining per capita growth) over the last three years with a projection for the year to come (similar to WESS, as above). The outlook for 2003 also included a box on the “profoundly negative” economic consequences of possible military action in Western Asia – bold and to the point, with the opening line “In all respects, including from the point of view of the global economy and the region itself, the most beneficial outcome of the political tensions pertaining to Western Asia would be a prompt, definitive and peaceful solution. Another good box in the 2003 Report is that on Poverty in Argentina today.
- International Trade and Finance, taking 23 pages, again with a brief summary at the beginning. The 2003 Prospects begins by emphasizing the reversal of the 2001 decline in international trade but points out that recovery has been uneven, modest in international

commodity prices and is still providing too little impetus to the multilateral trade negotiations. The chapter notes the many implementation issues arising from the Doha Decisions, the preparations for participation in the Doha Work Programme and the burgeoning of regional arrangements – in other words, it is a chapter in which analysis is openly linked to international negotiation. There is a useful box on TRIPS and public Health. The second half of the chapter on finance summarises official flows and then moves to some key policy issues: implementing HIPC, which has a good update on the figures; reduced Foreign Direct Investment Flows, also with useful figures; and a final section on International Financial Cooperation, dealing with two themes – strengthening crisis prevention and crisis resolution policy and combating money laundering and the financing of terrorism, both extremely topical but the latter, with only two paragraphs, too short perhaps to be meaningful.

- Regional Developments and Outlook, takes 17 pages to give an overview of recent performance and short run prospects for the main regions of both the developed and the developing countries. This is followed by 8 final tables containing basic economic for the developed countries, economies in transition and developing countries together with two tables on trade and commodity prices.

c) **Comparisons with flagship publications of the World Bank and the IMF**

It is revealing to make some comparisons with several of the other flagship reports of the international institutions. One of the main World Bank reports, *Global Development Finance – striving for stability in development finance*, begins with an overview of economics prospects and policy issues, a section of 64 pages, but without any executive summary. In 2002, this was followed by two thematic chapters, entitled essays, which in 2002 dealt with “trade and finance” (43 pages) and “trade and financial integration” (37 pages). Then followed a 5 page statement by the Head of the Institution.

The World Bank’s report, *Global Economic Prospects and the Developing countries: investing to unlock global opportunities 2003* is released about September. This also is considerably shorter than the World Economic and Social Survey. The World

Bank's 2003 report begins with a summary of 6 pages, followed by about 150 pages of text, boxes, tables and references.

These include some original chapters – perhaps somewhat more innovative than the chapters in the World Economic and Social Survey.

Chapter 1 – with population projections showing how the youth and elderly population ratios are changing.

Chapter 2 on Changes in Global Business Organization – showing how intra firm trade has been increasing worldwide. But also some themes where the Bank's ideological bias shows through – for instance a graph of very weak correlation purporting to show that “strong rule of law attracts foreign investors”.

Chapter 3 Domestic Policies to Unlock Global Opportunities, with lots of examples of foolish and counterproductive restrictions.

Chapter 4 International agreements to improve investment and competition for development. Table 4.2 in this chapter shows that since 1990 cartel arrangements have led to overcharging and fines in 6 product areas, in ways which also add to overcharging of developing countries to between \$ 4b and \$6.5 billion each year.

The report ends with 3 annexes: the first of 22 pages summarising regional prospects; the second on commodity price trends and projections. This includes an interesting and outspoken box A.21 on the US Farm Bill, and a third annexe, containing 18 pages of global economic indicators and other tables.

The text in both the World Bank reports is strong and analytical, well written and readable. Both include many references to research results, with references which summarize conclusions and occasionally the methodological approach – but never the details – an important contrast with some of the longer chapters of the World Economic and Social Survey. Although the World Bank documents stick close to Bretton Woods doctrine, with a preaching tone being only too clear in a number of places, they also contain striking findings with quotable ammunition, of the sort which perhaps could appear a bit more often in DESA documents. For instance:

The World Bank report argues “that the investment climate for developing countries, has both a global dimension and a national dimension” p ix It continues: “Restrictions on competition on the global market place that most hurt development take three forms....Particularly harmful are the \$311 billion in agricultural subsidies and textile quotas...In addition...[p]rivate restraints on competition – for example, cartel practices among companies based on high income countries taxed consumers in developing countries by up to \$7 billion in the 1990s. Anti-trust exemptions in high-income countries, permitting the cartelisation of exports, price fixing in ocean transport, [etc] are estimated to cost developing countries more than \$2 billion per year. (pp xviii-xix)

The IMF World Economic Outlook, 2002 also contains some outspoken analysis, focusing on agricultural subsidies in chapter II. This notes that “agricultural support in industrial countries amounts to 30% of agricultural output!” –note the exclamation mark which ends the sentence. It goes on, “Quantitatively, the largest burden of these subsidies falls on consumers and taxpayers in industrialized countries, but unfortunately the effects also fall heavily on the rest of the world, including many poor countries, most notably in sub-Saharan Africa. The essay documents these costs, which are particularly large for certain commodities such as cotton. It argues that industrial countries should be in the vanguard of multi-lateral efforts to get rid of farm subsidies, given the large resources at their disposal and the small size of their farming sectors. In addition to the direct benefits, such an initiative would promote similar reforms in developing countries. This is of particular importance as the adverse effects of developing countries own trade restrictions are significantly larger than the costs imposed by industrial country protection, not just on agriculture but also on manufactures and services.” (ppx-xi)

The IMF report then presents estimates of the benefits from eliminating agricultural subsidies in developed countries, based on simulations using an IMF model. Again, these produce highly quotable results: Static benefits would increase GDP in industrial countries by 0.4% or \$92 billion. Developing countries would also gain – by 0.1% of their GDP at 1997 prices, but much more in Latin America (0.3% of their GDP) and by 0.6% of GDP in sub-Saharan Africa. Dynamic benefits over the longer run could amount to three times as much, some \$ 99 billion compared to \$ 31 static benefits (pages 89-90).

Less controversial but noteworthy, the World Bank report provides estimates of the number and proportion of people living in income poverty (below the \$1 and \$2 dollar a day) in 1990 and 1999 with projections for 2015. This is backed up with a provocative (if also slightly conservative) box by Bhalla entitled, Is the World Bank over-estimating global poverty, which concludes with a plea for greater transparency in methodology and data for poverty calculations. (p31)

d) **Report on the World Social Situation 2001**

The interest of this series is that it deals with a wide range of issues from a perspective not taken in any other mainstream international report, "global development seen from a social perspective." The series of reports was first issued in 1952 and has been issued every three or four years since. Unlike most of the other international reports, those on the World Social Situation have refrained from offering policy recommendations. Ten of the 15 reports issued have included in depth discussion of a special theme:

- Social problems of urbanization in economically under-developed regions (197-57)
- The inter-relationship of social and economic development and the problem of "balance" (1961)
- Practical methods of promoting social change at local level (1965)
- Patterns of government expenditure on social services (1978, supplement)
- Removing obstacles to social progress (1982)
- Forces of social change (1985)
- Critical social situation in Africa (1989 annexe)
- Major issues and dilemmas (1993)
- Poverty, unemployment and discrimination (1997)
- Equity, as a theme throughout the whole report (2001)

The 2001 shows very clearly its wide scope. After a 5 page introduction dealing specifically with the meaning and concepts of equity, equality, inequality and fairness, the report moves to an overview, summarizing the report's main points in its six main sections:

Part one: Assessing the major trends in recent socio-economic development. This deals with recent demographic developments, new patterns of economic development and social interaction and globalization and equity. Though much of this first part is fairly basic, two aspects are worth noting. The section on the demographic landscape brings out many recent developments, underemphasized if not entirely new, for instance the dramatic declines in fertility since 1960 and that 44% of world population today live in countries where fertility is below replacement level. The globalization section is strong, good and noteworthy for its careful refusal to take over simple and over dogmatic positions on either the positive virtues or the dangerous evils of globalization.

Part two on continuity and change in the institutional framework is more interesting and much more original, especially the chapters dealing with the family and the changing generational balance and some section of the three chapters dealing with the market, the state and civil society.

On the family, the Report notes that “in the span of a single generation, the number of children in a typical family has fallen to 3 in developing and 1.6 in more developed countries, as against 6 and 2.7 a generation earlier. The section continues: “One consequence of such a rapid transformation is that in the future the number of close relatives in more families will fall with each generation, so that progressively fewer persons will have close living relatives. This will be further reinforced where there has been massive desertion by fathers of their families, or where the incidence of single parenthood is large or where HIV/AIDS is prevalent. At the same time, with life expectancy continuing to increase, there will be more three-, four- and even five-generation families. The world has little experience in such a simultaneous rise in the number of persons living alone with no close relatives and in the number of multi-generational families and how to cope with their varied needs.” (p 10)

The section on generations takes up this theme. It can be argued that age-graded institutions have been used structurally in industrialize societies as majo pillars of it productivity to achieve first economies of scale, by grouping together individuals of like developmental mentality and functional capacity, and second as a means to colonize time: resorting to age-based institutions has enabled societies to capture the working generation, commanding it for the 8 working hours of the day on the 5 working days of the week for about 50 weeks of the year., relegating schools, families, the elderly and communities to the peripheries of evening, week-end and

vacation time. It remains to be seen, however, whether age-segmented institutions will be sustained into a post-industrial and ageing world." (p11)

These sections give a feel for the interest and originality of the sections. This continues in Part three on Living Condition and the mixed record of achievement. The sections on education and the informal sector are competent but less striking but the text on quality of life and inequality is forthright, including its sections on the class structure of societies, continued somewhat in the sections on shelter and education. However, the education chapter cites many interesting tables and statistics showing how low social status is linked with low rates of entry, performance and completion in secondary and higher education.

Parts four, five and six deal with social protection in a changing world, social disruptions and new challenges. Chapters deal with measures to reduce vulnerability as well as enhancing social protection, discrimination as well as with armed conflict, corruption and crime. The part dealing with new challenges concentrates on privacy, corporate social responsibility and the new issues of ethics and equity in bio-medical developments.

e) **1999 World Survey on the Role of Women in Development:**
Globalization, Gender and Work.

This report was produced with the help of a high level panel, which included many distinguished gender specialists. The report is noteworthy for carefully citing a broad range of references to the literature – broader than WESS and certainly going far beyond the orthodoxy of the Bretton Woods, though including references to some of the more orthodox writers and sources. The introductory note is brilliant, with a methodological/ conceptual note, setting out the changing frames of analysis used in writing about women and gender, tracing the shifts from welfare for women approaches of the 1970s, women in development (WID) in the 1980s to gender and development (GAD) and gender mainstreaming in the 1990s.

This said, a rather narrow economic concept of globalization is used in the first chapter on globalization of trade, capital and finance and subsequently. The analysis of capital and FDI flows is overall very good, but has had some minor imprecisions, such as saying that FDI surged in the 1970's when FDI started to surge really in the

1960's. Nor do I find the tables and diagrams in chapter 1 to be either clear or helpful.

Chapter II is an interesting analysis of the employment and labour displacement effects of globalization. Most of this is empirical, drawing attention to some interesting trends and unanticipated contrasts with what had been expected. The latter in part is the result of the conceptual framework used for analyzing what is to be expected. Here page 13 explains how assessing the employment effects of globalization depends enormously on what is assumed about the position of women in the household. It reads, page 13, "Depending on how the household is conceptualized, economists offer alternative accounts of how paid employment enhances women's status. According to one, the head of the household is a benevolent male who makes rational decisions in investing for human capital. Women's paid employment alters his perception of women's value and makes him aware of the returns to be had from investing in female human capital. The head of the household then modifies the expenditure patterns of the household accordingly, choosing to spend more on women's and girl's health and education. In this conception, the social position of women ultimately depends on men's appreciation of women's earning capacity."

.. "Alternatively, the household is seen (Sen, 1990) as a co-operative but, at the same time, a conflictual arena where bargains are struck between men and women. Increase in women's paid employment is thought to modify the balance of power within the household. By bringing home cash income, women attain greater say in household expenditure decisions with respect to both consumption and human capital investment. As a result, a greater proportion of household expenditures than before goes to support women's (and girls) well-being and income-earning capacity. According to this view, the greater material possibilities women have for leaving their husbands and living on their own, the stronger is their bargaining power in the household."

Chapter III deals with the internationalization of production, the reorganization of work and the flexibilization of labour. It argues that work has been transformed in three major ways which have an impact on gender: i) changes in the structure of output lead to concomitant change in the gender composition of the labour force ii) flexibilization and casualization of labour and iii) changing patterns of labour mobility also have impacts on women's employment. Each of these changes is carefully but briefly analyzed. The chapter includes some interesting points about how the informal sector has grown in size over the 1970s and 1980s, in contrast it points out to what

had been expected in the 1970s, when the concept of the informal sector had first been developed by the ILO. Similarly, the section on migration emphasizes how over the last two decades, the process of relocation of labour intensive production from high to low wage countries has stimulated a rural exodus of female labour to urban centres within as well as beyond national boundaries in many developing countries. (p34)

Chapter IV deals with the changing patterns of rural women's work, also over the last two decades or so, though set in an even longer time frame. The gender points are full of interest. For instance, how improved methods in maize production in Kenya raised yields by 56% on plots controlled by women but only by 15% on plots where women worked but men controlled the revenue from the sale of crops. Incentives are sensitive to gender biases in control and distribution. There are also interesting and important points about the gender and land reform, highly relevant to the sections of the World Economic and Social Survey 2003 but not mentioned there. For instance, state led land reform in the 1960s and 1970s mainly overlooked women. In contrast women seem to have fared better under the more recent schemes that gave joint titles to both spouses, or made attempts to individually target women in some [parts of South Asia.

Some counterintuitive points about market led reforms are also made. The chapter cites references which show that "[t]he inefficiencies generally attributed to traditional land reform are found not only to be exaggerated, but also to some extent common to the market system based on individual private ownership (Dujon)"Such points would have made the DESA analysis in the WESS report of 2003 more interesting.

Chapter V deals with the transformation of the public policy environment. The chapter begins, like much of the whole report, in a somewhat timeless essay style but comes into its own when it turns to a case study of risk and volatility in the Asian financial crisis, which it uses as a frame for analyzing the impact on gender. This is followed by an analysis of how state expenditures in developing countries have often decreased over the last two decades, just as the need for state expenditure to support social protection has risen with the increased volatility and uncertainties brought to countries through globalization. State expenditure on education is also vital, if countries are to compete effectively in the globalized markets. Yet state expenditures have been squeezed by the conditionalities of adjustment, even though the share of public expenditures in developing countries is on average barely half

what it is in developed countries. Again this is a point deserving of more emphasis in the WESS analysis of globalization and poverty in 2003.

Chapter VI ends with a short section of policy conclusions dealing with state and international policy to strengthen the gender components of labour policy, adjustment, investment in human resources and macro economic policy. Some international measures are also proposed to help create a more enabling environment for gender sensitive policies.

The virtues of this report are several, as we have indicated. The report is well and carefully analyzed, almost every page with interesting findings, well referenced. The focus is systematic on key issues of central gender concern. And the report is admirably succinct – 61 pages of text with 14 of references and a conceptual preface of 6.

This said, the report is not entirely satisfactory. It reads too much like a general analytical publication on gender, not clearly enough as the fourth report in a series issued every five years or so. Indeed, as the preface indicates, the previous three report (which we have not reviewed as part of this assignment) each had a broader compass. This fourth report focused on a single theme – “the changing world of work in the context of globalization from a gender perspective.” The report was intended to serve as a basic document for the Special Session of the General Assembly, 2000 on “Women 2000: Gender equality, Development and Peace for the twenty-first century.” This also suggests that the document might have provided a broader overview of recent development as they had impacted on gender and covered a wider set of themes, rather than only one. This would certainly be the major question we would ask in relation to this report.

f) **Review of UN World Public Sector Reports 2001 and 2003**

We reviewed the only two publications so far to have appeared in this series: *World Public Sector Report 2001, 'Globalization and the State'* (henceforth '*Globalization*'); and *World Public Sector Report 2003, 'E-Government at the Crossroads'* (henceforth '*E-Government*'). The first point to make is that these two reports are different in quality. '*Globalization*' is a professional product of high quality. It is authoritative in the sense that (a) it is based on solid, insightful research, and, in our view, cannot be faulted in any major way for the accuracy or relevance of the contents; and (b) it is

well-written in every sense of the term. Regrettably, this is less true of 'E-Government'.

While a number of factors may contribute to this difference in the worth of these two Reports, there is one which is particularly relevant to future decisions about this series: the extent to which, with the (limited) resources that DESA has available for producing these Reports, it can mobilize the expertise needed to ensure quality products. It is possible to find public administration and economic experts on 'globalization and the state' within the UN system or among its regular consultants, and there is a great deal of good published research to draw on. By contrast, the type of expert knowledge needed to write usefully on e-government is less easily available, and more expensive. And, partly because this is a fast-moving field, there is less good published research. The availability of the right kinds of resources should be a central concern when making future decisions about focusing of specific themes. If there is not a good prospect of producing a respected product on any suggested theme, it may be better to leave it alone. It is important not to harm the image of DESA.

Notwithstanding our favourable general impression of 'Globalization', there is considerable scope for improving the presentation. At a minimum, the key messages could be spelled out more clearly, in a form that could be immediately picked up by journalists and others who produce for the worldwide media. For example, the Report clearly makes an important argument which, while not being strictly new, is not widely appreciated and runs contrary to much 'popular wisdom': globalization much of the time is actually associated with, and may even help produce, larger and more competent states - and not the enfeebled states of popular imagination. It is true that the Introduction does provide a rather clear and coherent summary of the Report. But that Introduction is not in any sense head-line grabbing. In this as in other aspects of presentation and 'quotability', the World Bank's World Development Reports and the UNDP's Human Development Reports could provide many useful lessons. For example, there is probably more scope for using boxes and tables, and otherwise breaking up what will appear to many potential readers as an excessively 'academic' style, notably the long sections of unbroken text. There may be more scope to produce clear and attention-grabbing messages. For example, there could be sections on (a) 'myths on this topic', (b) 'six very practical implications', or (c) 'six areas where we really do not know what is going on'. The 'E-Government' report is somewhat badly organised and could be written better. For example, there are near-

contradictions in successive pages; the same topic deal with in different chapters, with no integration; and avoidable textual deviations of all kinds - to give one example, an unnecessary use of the term Luddite, that then generates a footnote explaining the history of the term (p.26). 'E-Government' reads as if it did not receive sufficient professional editing.

Both of these reports are too long. The length is not justified by the content. Not even 'Globalization' contains sufficient original material that would justify its length. In particular, Chapters 3 and 4 are too long, especially relative to Chapter 2. There are also tendencies - much less marked in 'Globalization' than in 'E-Government' - to (a) 'preachiness' (telling governments what they should do in general, with little regards for what they might be able to do in practical circumstances); and (b) excessive use of abstract, intangible concepts that do not bear in any realistic way on the topic at hand.

Neither report scores highly in terms of practical policy guidance. There are two dimensions to this. First, there is little 'how-to-do-it' content at all (beyond the 'preaching' mentioned above). Second, little effort is made to categorize countries according to their situations, and adapt policy lessons or conclusions to those contexts. This problem is especially acute in the case of 'E-Government'. The differences between UN member countries in their ability to provide or use any kind of e-government are extreme, and are likely to remain so for some time. Nearly all the evidence and examples in 'E-Government' come from a small number of the 'advanced' countries. There is no attempt to provide any kind of strategy guidance to very poor countries that lack ICT facilities - and sometimes lack a supportive electricity infrastructure. Some readers might expect that strategies for dealing with this scenario would be a major purpose of a Report on this topic coming from DESA. 'Globalization' pays more attention to this issue. But even here there are gaps. For example, one might have expected attention to be drawn to one of the biggest practical challenges posed by globalization to many of the poorer member countries: the need for individual governments to manage a portfolio of development assistance that each year comes from a growing number and range of aid donors and aid agencies. (See the World Development Report, 2004, Chapter 11 on this topic).

The main single question about these Reports, reflected in different forms in the three previous paragraphs, is whether they are sufficiently influenced by the demands and needs of potential readers, and not too much supply-driven.

We also have some important more specific concerns about the content - as opposed to the presentation of - 'E-Government':

(i) The lack of a basic definition: Many readers will be seeking some understanding of what e-government actually is. What are the different components and applications? How do they relate to one another? The discussion of these issues (pp.29-32) is not very clear. Three main types of applications are listed - *customer interface, functions optimizing, and platform*. However, (a) there is too little detail - or many examples - on each category, (b) the concept of *platform applications* is not clearly explained, and (c) this list is then followed by the statement that *financial management applications* - possibly the most widespread ICT applications in then public sector, cannot be fitted into this schema at all. We have in mind here the likely reader for a Report of this kind: someone from a relatively 'laggard' country in ICT terms, who knows little about ICTs or their use in government, and wants some guidance about the main types of applications and their uses and problems. This Report does not provide such readers enough guidance.

(ii) Probably the biggest set of practical problems in the field of e-governance derive from the fact that most public sector ICT projects run into major design, budgetary, procurement and set-up problems. A high proportion are failures. It is to the credit of the authors of 'E-Government' that they deal explicitly with this fact, and at least mention that part of the problem lies in ICT industry lobbies promoting their own business. However, the manner in which they deal with it is not very satisfactory. There is no clear explanation of the set of interacting factors behind this set of problems. I have read better accounts of this in publications like The Economist. There is no guidance about how best to deal with these problems. And no discussion of whether factors such as the degree of development of local ICT hardware or software industries significantly affects the capacity of governments to cope with them.

(iii) There is no mention of the issue, which is at least surfaced in 'Globalization', of whether recent changes in the structure of governments in the rich countries ('New Public Management') derive in part from the opportunities opened by ICTs.

(iv) Aside from the occasional warning, including a brief reference to the use of ICTs for military purposes, the general tenor of the report is one of enthusiasm for the

potential benefits of ICTs that is not matched by adequate reference to some of the limitations, problems and dangers. We could not find any reference to the recent but now-widespread realization that the Internet is not a 'liberty zone' that will almost inevitably undermine authoritarian rule and state control of access to information, but is now influenced or controlled by national governments in various ways - and in the future is likely to be more controlled. Similarly, there is little or no mention of the use of ICTs for criminal purposes in ways that undermine good governance, or of the problems that all kinds of agents have in dealing with the information overload that can come from use of ICTs. '*Globalization*' deals only briefly with the impact of ICTs on government, but in some respects present a picture of the situatio