



Inequality: What has been happening, why does it matter, and what can be done?

**Jointly organized by
Hitotsubashi University and
the IMF Regional Office for Asia and the Pacific**

**March 12-13, 2015
Tokyo, Japan**

(Concept Note and Annotated Agenda)

While inequality has often attracted attention in economic debates in advanced economies, attention in developing countries has tended to focus on poverty rather than income inequality. Indeed, income inequality was often equated with poverty to the extent that greater inequality would raise the incidence of poverty. As recently as a decade ago, much of the discussion on inequality— including that within the IMF - related to inequality across countries and its relationship with globalization, rather than inequality within a country.

Eradicating poverty remains a crucial policy goal, but with the success in poverty reduction in emerging market economies and the growing body of studies that point to the negative impact of inequality on a country's growth prospects, the issue of inequality is attracting greater attention in policy circles.

The 2015 Hitotsubashi – IMF Seminar on Macroeconomic and Financial Issues will look at the issue of inequality. It will review the recent trends in inequality, particularly in Asian emerging economies, as well as the results from recent studies on the relationship between inequality and growth. It will discuss the linkages between policies and inequality, the policies that address inequality, and share the experience from Asian economies. While inequality is a multi-faceted phenomenon with social, political and economic dimensions, this seminar will focus mostly on its economic aspects, and the economic policies which can be used to address it.

As in previous seminars, this will be a one and half day event to be held in Tokyo, starting in the morning of Thursday, March 12, 2015, and concluding with lunch on the following day, Friday, March 13. The agenda is as follows.

AGENDA

Thursday, March 12, 2015

8:30 am **Registration** [*Akebono Room, 1F, Main Building*]

9:00 am **Welcome Remarks**
Prof. Akira Ariyoshi, Professor and APPP Program Director, Hitotsubashi University

9:10 am **Welcome Speech**
Mr. Masatsugu Asakawa, Director-General of the International Bureau, Ministry of Finance, Japan

9:20 am **Session 1: Review of recent trends and thinking on inequality**

Chair: **Prof. Akira Ariyoshi**, Professor and APPP Program Director, Hitotsubashi University

Presentation 1-1: Recent trends in inequality

This presentation will outline the developments in the state of income (and wealth) inequality within Asian emerging and developing market economies. To what extent has inequality increased in Asia? What are the drivers of inequality in Asia? How does the state of inequality compare with other regions?

Presenter: **Dr. Juzhong Zhuang**, Deputy Chief Economist and Deputy Director General, Asian Development Bank

Presentation 1-2: Inequality: why it matters

This presentation will discuss the effects of inequality on economic performance, focusing on the recent findings on the relationship between inequality and growth.

Presenter: **Dr. Jonathan D. Ostry**, Deputy Director, Research Department, IMF

Supplementary Discussion and Comments:

1. Social dimension of inequality

Beyond moral issues, inequality has a social impact that has direct and indirect influence on economic performance. While our focus will be on macroeconomic issues, a brief reminder of the social consequences is in order.

Mr. Tetsuo Kondo, Director, UNDP Representation Office in Tokyo

2. Comments on the presentations

Prof. Takashi Kurosaki, Professor, Institute of Economic Research, Hitotsubashi University

Dr. Giovanni Ganelli, Senior Economist, Regional Office for Asia and the Pacific, IMF

Open Floor Discussions

11:10 am **Coffee Break**

11:30 am **Session 2: Policies and Inequality**

This session will undertake an overview of the policies to address inequality as well as the juncture between policies and inequality. There are a wide range of policies, including structural policies, that have a bearing on inequality. However, given the focus of the seminar on macroeconomic and financial aspects, the discussions will center on fiscal policy, while also touching on monetary, financial and labor market policies.

Chair: **Mr. Muneo Kurauchi**, Managing Director, Institute for International Monetary Affairs

Presentation 2-1: Fiscal policies to address inequality

This presentation will discuss mainly fiscal policies aimed at addressing inequality, and their effectiveness. The focus will be on redistributive policies, including tax and expenditure policies. It will also discuss how fiscal prudence and consolidation may be made compatible with policies to address inequality.

Presenter: **Dr. Sanjeev Gupta**, Deputy Director, Fiscal Affairs Department, IMF

Supplementary Discussion and Comments:

1. Fiscal policies, a rejoinder

Mr. Thang Nhu Vu, President, National Institute for Finance, Ministry of Finance, Vietnam

2. Monetary and Financial Policies

How do monetary policies impact inequality? Do financial inclusion and other financial sector policies help? What is the central bank's role?

Dr. Veronica Batallones Bayangos, Deputy Director, Center for Monetary and Financial Policy, Bangko Sentral ng Pilipinas

3. **Mr. Muhammad Abdul Mannan**, Minister of State, Ministry of Finance & Ministry of Planning, Government of Bangladesh

Open Floor Discussions

12:50 pm **Photo Session**

1:00 pm **Lunch** [*Akebono Room, 1F, Main Building*]

2:30 pm **Session 3: Country Experiences**

This session will hear the experiences of a number of countries participating in the seminar. How they see their current state of income inequality, to what extent they see this as a problem that needs to be addressed, and what policies are being taken in order to address these perceived problems. We will take a mix of upper-middle, lower-middle and low income countries with different backgrounds to discuss their challenges and policies. Ideally, we would like to hear experience of both tax and expenditure side policies. Each country presentation will be followed by a discussion

from other country participants, followed by open floor discussions.

Chair: **Mr. Odd Per Brekk**, Director, Regional Office for Asia and the Pacific, IMF

Presenter: **Dr. Biru Paksha Paul**, Chief Economist, Governor's Secretariat,
Bangladesh Bank

Lead discussants:

Mrs. Siyout Srey, Inspector General, Inspector Directorate,
National Bank of Cambodia

Dr. P. Nandalal Weerasinghe, Deputy Governor,
Central Bank of Sri Lanka

Presenter: **Ms. Junghyun Park**, Senior Deputy Director, Socio-Economic Policy
Division, Ministry of Strategy and Finance, Korea

Lead discussants:

Ms. Ying Wang, Director, International Economic and Financial
Cooperation, Ministry of Finance, People's Republic of China

Dr. Ekniti Nitithanprapas, Deputy Director-General, Fiscal Policy
Office, Ministry of Finance, Thailand

Presenter: **Mr. Mateo Gelito Montano**, Undersecretary, Department of Social
Welfare and Development, The Philippines

Lead discussants:

Mrs. Thippakone Chantavongsa, Vice Minister of Finance for
International Affairs, Ministry of Finance, Lao PDR

Dr. Otgontugs Banzragch, Dean (member of MPC of the BOM),
Graduate School, National University of Mongolia

3:45 pm	Coffee Break
4:00 pm	Session 3 (continued):
5:15 pm	End of first day seminars
6:30 pm	Cocktail [<i>Atlantic Room, 1F Main Building</i>]
7:00 pm	Keynote Speech Mr. Kiyoshi Kodera , Vice-President, Japan International Cooperation Agency Dinner following the Keynote Address [<i>Atlantic Room, 1F Main Building</i>]

Friday, March 13, 2015

10:00 am **Panel Discussion**

Moderator: **Prof. Shinji Asanuma**, Professor, Hitotsubashi University

Panelists: **Dr. Sanjeev Gupta**, Deputy Director, Fiscal Affairs Department, IMF
Dr. Jonathan D. Ostry, Deputy Director, Research Department, IMF
Dr. Juzhong Zhuang, Deputy Chief Economist and Deputy Director General, Asian Development Bank
Dr. Biru Paksha Paul, Chief Economist, Governor's Secretariat, Bangladesh Bank
Mr. Mateo Gelito Montano, Undersecretary, Department of Social Welfare and Development, The Philippines

12:00 pm **Concluding Remarks**

Mr. Odd Per Brekk, Director, Regional Office for Asia and the Pacific, IMF

12:15 pm **Lunch** [*Oak Room, 2F, Main Building*]

2:00 pm **End of Seminar**

This seminar is funded by the Government of Japan through its JSA trust fund at the IMF.