

**Dilemmas of Contemporary Capitalism:  
Political Representation and Economic Transformation in the Emerging Economies**

International Development Institute, King's College, London &  
The European Association of Development Teaching and Research Institutes

6<sup>th</sup> June (Open and Keynote I) and 7<sup>th</sup> June (Conference and Keynote II), 2016

**Conference theme**

Over the course of the 1990s into the 2000s, emerging economies grew rapidly, sparking extraordinary social, economic and political changes. In some cases, notably in Asia and Africa, growth involved large-scale industrialization for the first time. In others, especially where industry was already well established, it entailed expansion of industrial production and insertion into global supply chains. Some countries looked for ways to deepen their industrialization process by increasing value-added production and moving up the 'knowledge economy' ladder. But, the reality is that by the mid 2000s many rapidly growing middle-income countries depended heavily on commodity export revenues and relied on them to finance further economic and social investment.

The most dramatic manifestation of this rapid change was the rise of the so-called 'new middle classes' -- whose incomes raised them above poverty levels and opened the door to imagining greater prosperity and social mobility. It is not clear what it means to call this emergent group 'middle class' and arguably the only distinguishing marker is that they are newly consumers of durable goods. But, consumption patterns that separate them from the poor is not enough to secure their new found prosperity and is far from what is commonly thought of as 'middle class' in Western, developed countries.

The problem is that this new middle class has made important advances, but many if not most of these newly middle class citizens still lack the hallmarks of middle class existence in developed countries (or even of the small upper middle classes of the developing world). This includes basic protections such as pensions or adequate access to affordable health care as well as critical elements necessary to sustain continued social mobility such as access to affordable, quality education. An even greater concern is that many of the gains for this new class rest on wage increases and social policy spending financed by the commodity boom and therefore may not be sustainable. Finally, in many parts of the emerging world, rising incomes has also meant rising inequality (with Latin America an important exception). In these areas, pockets of persistent poverty stand in sharp contrast to the areas that have benefited most from the period of rapid growth.

All of these limitations to the rise of the new middle classes have considerable political implications. Perhaps first and foremost, it is not clear that the economic growth of the past 20 years or so has helped overcome the middle-income trap. More specifically, it is not clear that the emerging economies are producing the kind of high value added jobs that can yield both household incomes and a tax base to support ongoing social mobility. Pensions, healthcare, education, basic infrastructure such as transportation are all key to providing the new middle classes protection against risk as well as the basis for further gains. Many emerging economies invested in expansions and improvements in all these areas, in addition to a wide array of anti-poverty programs drawing on commodity export revenues. The end of the commodity boom, however, calls into question the capacity of governments to deepen or even maintain these commitments. One serious risk is that the boom period heightened expectations for millions of new middle class members who may now find the door to continued prosperity shutting. As a result, governments across the emerging world face at least two kinds of dangerous political conflicts: one conflict over unequal distribution of the benefits of growth; and a second over the frustrations of the emerging middle class.

## Programme

### Monday 6<sup>th</sup> June 2016

- 17:00-17:15 **Welcome** – Room 2.31 (2<sup>nd</sup> floor King's Building)  
Peter Kingstone & Andy Sumner (Co-Directors IDI)  
Juergen Wiemann (Vice-President EADI)
- 17.15-18.30 **Keynote** - Room 2.31 (2<sup>nd</sup> floor King's Building)  
Robert Kaufman (Rutgers University) ~ *The crisis of rich democracies: emerging economies in a global context*
- 18:30-19:30 **Wine Reception** - Somerset Café (2<sup>nd</sup> floor King's Building)
- 20:00-22:00 **Conference Dinner** - Chapters (2<sup>nd</sup> floor King's Building)

### Tuesday 7<sup>th</sup> June 2016

In The River Room

- 9:30-11:00 **Plenary I**  
*Core, Peripheries, Growth and Structural Change: Are the emerging economies really emerging?*
- Chair**  
Andy Sumner (KCL)
- Speakers**  
Ray Kiely (QMUL)  
Alfredo Saad-Filho (SOAS)  
Adnan Naseemullah (KCL)
- 11:00-11:30 Break
- 11:30-13:00 **Plenary II**  
*Growth, Social Change and Protest*
- Chair**  
Jelke Boesten (KCL)
- Speakers**  
Helen Scanlon (UCT)  
Kalpana Wilson (LSE)  
Annelou Ypeij (UvA)
- Discussant**  
Ruth Pearson (Leeds)
- 13:00-14:30 **Lunch and Keynote**  
Nora Lustig (Tulane University) ~ *Fiscal Redistribution, Inequality and Poverty in the Developing World*

- 14:30-16:00 **Plenary III**  
*Distributing and redistributing the benefits of growth*
- Chair**  
Paul Segal (KCL)
- Speakers**  
Francisco Ferreira (World Bank)  
Armando Barrientos (University of Manchester)  
Li Shi (Beijing Normal University)
- 16:00-16:30 Break
- 16:30-18:00 **Plenary IV**  
*The future: Managing the winners and losers of economic change in emerging economies.*
- Chair**  
Peter Kingstone (KCL)
- Speakers**  
Kun Chin Lin (University of Cambridge)  
Laurence Whitehead (University of Oxford)  
Matt Singer (University of Connecticut)  
Meredith Weiss (SUNY Albany)
- 18.30-21:00 **Wine reception and close**