What should the EC do to support developing countries during the crisis?

2 more pledges

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Poverty estimates of the crisis

• Various poverty estimates:
  – 43 or 33 countries;
  – 46, 53, 90 million new poor;
  – US$46 per poor African;
  – 200-400,000 more infant deaths.

• Depends on growth/poverty assumptions;
### Latest estimates of lost growth

<table>
<thead>
<tr>
<th>GDP growth (%)</th>
<th>2009</th>
<th>2010</th>
<th>Lost growth 2009-2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>All developing countries</td>
<td>2.1</td>
<td>4.4</td>
<td>-3.9</td>
</tr>
<tr>
<td>Minus China and India</td>
<td>0.0</td>
<td>2.7</td>
<td>-5.0</td>
</tr>
</tbody>
</table>
Evidence from previous crises

- GDP contracts 8% and poverty headcount rises 7% (rising 50% proportionally) but variations;
- **Nutrition/health** worsen; **schooling** usually;
- Uneven impacts gender and children;
- Five channels: **labour demand; prices; public spending; asset values** - economic and non-economic; **long-term capabilities** (of malnutrition, schooling drop-outs, etc).
What should the EC do?

• **Rapid real-time poverty tracking**: link the MDGs with vulnerability indicators; and do rapid appraisal including people’s own crisis indicators;

• **Social Protection beyond a paragraph** (p.8): Make SP objective-led *then* plan instruments (not vice-versa); go beyond transfers to EC aspirations of transformative SP; build local ownership (via dialogue, CSP review, design).