

# The Making of a Seoul Development Consensus

The essential development agenda for the G20

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*When the G20 meets in Seoul in November 2010, it has a big choice to make. It can either retreat into a narrow focus on its own interests, or it can prove it is capable of genuine global leadership in the face of the interlinked economic, food, and climate change crises. The G20 must adopt a Seoul 'development consensus' that confronts the challenges of the 21st century: reducing inequality and tackling global poverty through sustainable, equitable growth that gives poor women and men, and their governments, the tools they need to overcome poverty.*

## 1 The making of a Seoul development consensus

Two years after the collapse of Lehman Brothers – the event that kick-started a crisis that threatened to bring the global economy to a standstill – the prospects for a sustained economic recovery remain extremely fragile. In advanced economies, the recession and the introduction of fiscal austerity measures have led to very substantial job losses and cuts in social spending, and the risk of a double-dip recession remains very real. In developing countries, people and governments are still reeling from the repercussions of the global economic crisis. It has hit employment, trade, and government revenues in the South, causing real hardship and setting back social investment and efforts to tackle poverty and inequality.<sup>1</sup>

The establishment of the G20<sup>2</sup> was an extraordinary achievement, but its record so far has been mixed. There is still no clear evidence that it can develop and deliver lasting global solutions to global problems. But if the G20 is the pre-eminent global economic body – which is how its members like to describe it – then it has to act on issues beyond the immediate pre-occupations of its members.

Action on global poverty is a critical part of a credible and effective G20 agenda. To be effective, it must step up and provide the leadership that the world needs to overcome the continued interlinked threats of economic, food, and climate crises. Addressing these global challenges

is in the interest of *all* citizens around the world, and would give the G20 much-needed credibility. There is, of course, also an unquestionable moral imperative for doing so.

The G20 has talked about development since the 2009 London Summit, but has failed so far to establish a coherent agenda. As the G20 meets in Seoul in 2010, it is time to commit to a new and comprehensive development consensus to deliver results in the poorest countries, empowering poor men and women and enabling them to cope with external shocks, whether economic or climatic. Seoul is the key test of the G20's willingness and ability to make this commitment.

At the Millennium Development Goal Review Summit in New York in September 2010, world leaders declared again their commitment to a people-centered vision of development. To make this a reality, the G20 must champion an inclusive, effective, and sustainable path to development that recognizes the multiple determinants of well-being.<sup>3</sup> The challenges facing the global community have changed in the 21st century. The responses must change too.

The G20 has the opportunity and responsibility of building a new Seoul development consensus. To make this a reality, leaders must agree a consensus that:

- delivers sustainable and equitable growth, reducing inequality and tackling poverty and hunger head-on;
- makes full use of all the tools that will be needed to deliver this pro-poor growth agenda – on trade, regulation, and finance;
- is a main agenda item at subsequent G20 meetings;
- sets up a new G20 development working group – and invites low-income countries (LICs) to form half its membership – tasked with developing a strategic implementation plan to be presented at the French G20 summit in 2011;
- ensures that the G20 reports annually against specific indicators and timetables;
- takes account of previous development pledges made by the G8 and ensures that its agenda reflects the ongoing commitment of its constituent members to meet their obligations on aid;
- is genuinely transparent, and engages with civil society. All G20 working groups should be required to consult with civil society organizations;
- widens representation on the G20 to include, at a minimum, the African Union and Asian and Latin American regional bodies; and
- commits to investigating new sources of sustainable financing for reducing inequality and poverty and tackling climate change, including a tax on the financial sector.

## 2 The critical role for active states

*The benefits of globalization and reform have yet to reach many of the poor. Many see the economic policy prescriptions of the Washington Consensus as incomplete -- lacking attention to institutional, environmental or social issues, or simply lacking as a guiding philosophy.*

Robert B. Zoellick, President, The World Bank<sup>4</sup>

There is no one-size fits-all path for poor countries to achieve equitable and sustainable growth. In the 21st century, while global linkages mean that many countries face similar challenges, each country experiences those difficulties in different ways and needs to develop solutions that work in their national context. Policies driven by the Washington Consensus were imposed top-down, and focused too much on growth through liberalisation and limiting the role of the state, failing to recognize the need to invest in reducing inequality and poverty. The results were often disastrous.<sup>5</sup> This approach not only failed to deliver on its promised economic returns, but often acted as a brake on growth in developing countries, perpetuating inequality and undermining social cohesion. In 2009, the G20 itself went on record as recognizing the danger of pursuing this cluster of policies.<sup>6</sup> The time is now ripe for a new development consensus that breaks with the failed policies of the past, allowing for active citizens, and active states. The G20 development consensus must allow governments to proactively manage their own economic and social policies to deliver development that is sustainable, builds resilience, reduces inequality, and closes the gap between rich and poor people.

Indeed, it was just this kind of active management that enabled South Korea to become the thriving economy it is today (see Box 1). A number of factors were central: the state had a firm hand in managing inward financial flows; there was substantial investment in education, health, and agriculture; an early (1995) Women's Development Act; and vulnerable sectors were protected from the volatility of the international market.

### Box 1: Can the G20 preach what it has practised?

Over the past 50 years, South Korea, along with many other East Asian countries, has transformed its economy. Half a century ago, its annual per capita income was just \$82, less than half that of Ghana at the time. Today, it stands at \$19,000 – an astonishing 200-fold increase. But ironically, some crucial policies that allowed the Asian 'tigers' to roar are missing from those now being prescribed by the G20, including South Korea.

While the Development Issue Paper issued by South Korea's G20 Committee acknowledges the role of human capital, it does not recognise the importance of heavy state investment in health, education, and infrastructure; and it ignores the need for equitable land reform, and crucially, for a hands-on role for the state in steering and upgrading the economy.

In the words of Korean economist Ha-Joon Chang, the danger is that the G20, by imposing more liberal policy prescriptions on poor countries than they themselves have followed, is 'kicking away the ladder' from today's developing countries.<sup>7</sup>

Source: D. Green (2008) *From Poverty to Power: How Active Citizens and Effective States Can Change the World*

Today, other emerging economies within the G20 provide examples of how successful state action can deliver the right sort of development.

For example, China's progress is enabling millions of people to move out of poverty, and it is investing heavily in low-carbon and green development projects.<sup>8</sup> Indonesia has reduced inequality over an extended period through government-led redistribution and generation of employment. Countries which invest in providing public services are also more likely to achieve healthy and educated populations which play a key part in leveraging long-term growth. The Indonesian government, for example, massively expanded public education in the 1970s;<sup>9</sup> over 90 per cent of the Indonesian population is now literate.<sup>10</sup> Brazil has made rapid progress in recent years in reducing hunger and tackling levels of inequality (see Box 2), and its investment in public health care means that more than 97 per cent of women now have access to a skilled birth attendant during childbirth.<sup>11</sup>

#### Box 2: Brazil: a state policy of wiping out hunger

Between 1990–92 and 2004–06, Brazil reduced the proportion of people going hungry from 10 per cent (15.8 million people) to 6 per cent (11.9 million), while malnutrition was reduced by 73 per cent. The proportion of underweight children has already been halved.

Under President Lula, the government has intended to completely eradicate hunger before the end of its mandate. To achieve this, it started the ambitious Zero Hunger programme, which already covers a third of the population.

A cornerstone of this programme is the *Bolsa Familia* (family grant). Mothers of families below the poverty line receive up to \$80 per month on the condition that their children are vaccinated and attend school regularly. It has benefited more than a quarter of the population.

Brazil is also strengthening smallholder agriculture, which produces 70 per cent of domestic food consumption.

Together with agricultural reform programmes, access to financial services, insurance, and technical assistance, this has made the nation much less vulnerable in the face of the food price crisis and the global economic crisis.

Source: Oxfam (2010) 'Halving Hunger: Still Possible?', Oxfam International Briefing Paper.

## 3 Governance and representation: who does the G20 speak for?

The creation of the G20 was a long-overdue acknowledgement of the economic and political importance of the emerging economies. But as constituted, it lacks the global legitimacy required to play an effective leadership role.

To be more credible, the G20 must open its doors to low-income countries (LICs). The African Union (AU) has already called for a seat at the G20. For the G20 to become a more legitimate body, it must offer,

at a minimum, full and permanent seats to the AU, and to Latin American and Asian regional bodies. These seats should guarantee full participation in all preparatory meetings, working groups, and assessments of the impact of G20 policies on LICs.

It is critical that a new G20 development working group is set up – with low-income countries (LICs) forming half its membership. This group needs to be tasked with developing a strategic implementation plan to be presented at the French G20 summit in 2011.

In addition, meetings of the G20 must supplement rather than undermine the UN General Assembly and other UN processes.

Crucially, the G20 should ensure that its processes are transparent, so that civil society organizations can engage in its work, influence its decisions, and ensure that it delivers on its commitments. To do this, the G20 should report annually against specific indicators and timetables. The poor track record of the G8 in keeping its promises demonstrates the critical importance of this.

## 4 Key challenges for the development consensus

*Economic policies that simply focus on average growth rates could be dangerously naïve, especially in countries with high existing levels of inequality.*

Rodney Ramcharan, Senior Economist at the IMF's African Department, 2010<sup>12</sup>

The world faces a new set of interlinked challenges that the G20 must address if it is to pursue a global development agenda that is truly effective. A focus on economic growth alone will not deliver in the short or long term, unless it is accompanied, from the outset, by action to reduce the inequality that can limit growth and perpetuate poverty; and tackles the climate and food crises that are so closely connected and which will undermine the foundations of equitable growth and development. These are global issues, with major implications for global policy, for the national policies of the G20 countries, and for developing countries. The G20's Development Working Group must grasp them all if it is to succeed.

### Growth that reduces inequality

There is a real danger that the G20's development agenda will focus narrowly on growth. But globally, pursuing growth alone has had a negligible impact on most countries: from 1981 to 2001, global gross domestic product (GDP) increased by \$19,000bn. But only a fraction of this – 1.5 per cent – went to men and women living in extreme poverty of under \$1 dollar a day, even though they accounted for one in three of the global population at the start of this period.<sup>13</sup> Today, the poorest 40 per cent of the world's population accounts for just 5 per cent of global income, while the richest 20 per cent accounts for three-quarters of world income.<sup>14</sup> The costs of such inequality can drastically limit the prospects of growth.<sup>15</sup>

Growth is, of course, necessary for development.<sup>16</sup> However, the past 50 years show that growth alone is not sufficient to cut poverty across the board. Poverty falls fastest when growth takes place where poor

people live, and in the sectors in which they work. Poor people also benefit more when they have more human capital, land, and political power; but policy choices make a difference, as a recent World Bank paper shows.<sup>17</sup>

What is needed is growth that explicitly targets women and men living in poverty: in other words, growth that is sustainable and resilient, and reduces inequality. Positive impacts do not trickle down by themselves, but need to be directed down by careful government management.<sup>18</sup>

While growth has successfully lifted millions of people out of poverty in China, and to a lesser extent in India, both countries have realised that social unrest (as well as unsustainable burdens on the environment) are the likely result of growth whose benefits are unevenly distributed.

A more enlightened approach to growth recognises that social sectors are also productive sectors, and that failing to invest in human capital undermines GDP growth.<sup>19</sup> For this reason, the Seoul development consensus needs to grapple with the challenge of providing universal access to education and health care, including the issue of training and retaining teachers and nurses. Significant progress towards universal access to essential services is, however, only possible once user fees for health and education are removed: when the President of Sierra Leone made health care free for all pregnant women and children under five in April 2010, the number of children visiting health centres rose by 179 per cent,<sup>20</sup> and antenatal clinics in the capital Freetown saw seven times more women than they had before. The knock-on economic effects that can be generated by provision of universal services like these are striking (see Box 3). The G20 should encourage the International Monetary Fund (IMF) to ensure that governments increase spending on productive sectors – including social sectors. This must mean an end to overly conservative macro-economic policy positions.<sup>21</sup>

#### Box 3: Essential public services are central to growth

Free public services such as health care and education are the bedrock of equitable development and efficient growth. People are reduced to economic inactivity not out of choice, but out of poor health and lack of access to education, training, and jobs in the formal economy.<sup>22</sup> Research shows that malaria alone costs Africa \$12bn each year in lost revenue, due to the millions of days and lives lost to sickness.<sup>23</sup> By contrast, the average rate of return for investment in primary education is 18.9 per cent,<sup>24</sup> while increasing average male secondary schooling by just over half a year raises annual GDP growth by 1.1 per cent.<sup>25</sup> The rates of return for investing in education that benefits females are even higher.<sup>26</sup>

Providing essential public services has to be part of any long-term growth strategy in a resource-limited world. It not only results in direct improved outcomes, but also carries a multiplier effect, by improving the tax base and conditions for investment – crucial elements for ensuring long-term, sustainable growth. In Taiwan, access to education and health combined with a major redistribution of land was critical for reducing income inequalities. In 1940, 80 per cent of Taiwan's population were illiterate, yet by the mid-1980s, illiteracy had been almost completely eradicated.<sup>27</sup>

A Seoul development consensus must take account of the essential social development inputs that allow developing countries to put in place the necessary conditions for growth.

In addition, volatility needs to be tackled. While economists prefer to talk about stocks and average flows, it is vulnerability and shocks that can inflict sudden catastrophe on countries, particularly where communities are not prepared for them. Escaping monetary poverty is not just about increasing average incomes. This is of particular importance to women, who are responsible for putting food on the table for their families each day.

#### Box 4: The coming of age of social protection

The global economic crisis has marked the political coming of age of social protection as a development issue, and, more widely, has highlighted the importance of managing risk and volatility at all levels. Poor people need to be able to protect themselves, and the provision of social protection – together with other tools to strengthen their resilience, such as climate change adaptation and disaster risk reduction – is vital.

Many G20 countries are already providing social protection, such as India's Mahatma Gandhi National Rural Employment Guarantee Scheme. However, recent research by the Overseas Development Institute (ODI) across 10 low-income countries found that social protection provision is currently 'piecemeal and fragmented', with low coverage, benefiting only a small proportion of people living in poverty.

The Seoul development consensus should ensure that properly targeted social protection is provided in low-income countries.<sup>28</sup>

Source: Oxfam (2010) 'The Global Economic Crisis and Developing Countries', Oxfam International Research Report.

## The climate crisis

Climate change is an imminent threat to the current and future security and prosperity of both G20 and low-income countries. G20 members are already suffering from the human and economic impacts of the climate change that we cannot now avoid, and will be increasingly affected by the economic and social devastation that climate change will cause if the world fails to act. The world's poorest people are least responsible for climate change, but without decisive action in the next decade, they will suffer most from its effects.

The G20 can play two significant roles. First, it can and must raise the current level of ambition, strengthening the global political commitment to action and securing the binding treaty we urgently need. As part of this, it should examine the compelling economic, security, and human case for a more ambitious approach. The bitterly disappointing outcome of negotiations at the UNFCCC 2009 Copenhagen climate change conference was a major failure of international leadership – caused, above all, by differences between G20 members. This impasse can only be overcome through a consensus between developed and developing country members of the G20,

agreed in a binding deal through the UNFCCC.

Second, the G20 is uniquely positioned to lead the way on low-carbon development. G20 members were responsible for almost 77.3 per cent of global emissions in 2006.<sup>29</sup> They must take swift action to secure low-carbon investment and to ensure that climate change is limited to a global average of 1.5 degrees.

All G20 countries have a role to play. But developed countries must lead in reducing emissions, providing the \$30bn in fast-start finance pledged for 2010–12, and accelerating technology transfer to developing countries.

## Hunger and lack of access to resources

The current crisis of hunger and the challenge of securing the right to food for all is the third major challenge that the G20 must address. These three challenges are already closely linked, and will become increasingly so. For poor people, hunger is often the result of global pressures like economic volatility, resource competition, and climate change. The combined food and fuel price spike that peaked in 2008 increased the number of undernourished people from 854 million to more than a billion for the first time in history. Today, 925 million people still do not have enough food to eat.<sup>30</sup> The challenge will only grow in the future: by 2030, demand for food will rise by 50 per cent, demand for water by 30 per cent, and demand for energy by 50 per cent.<sup>31</sup> Climate change will exacerbate the challenge of providing access to food for all, reducing crop yields in developing countries through increased temperatures and diminished availability of water.

The G20 has a critical role to play in ensuring that the world uses its agricultural resources to produce food and prosperity for all. G20 members grow 72 per cent of the world's cereal crops, and consume 63 per cent of them; they are also home to half the world's undernourished people. They also have the power and resources to secure – or block – the global action we need to tackle the root causes of the food crisis. The G8 made an important start on tackling global food security at L'Aquila in 2009; now the baton is passed to the G20.

The challenge is threefold. First, it must invest in small-scale farmers and ensure that a global agricultural renaissance not only produces more food but does so in a way that is more sustainable, more resilient, and more equitable for the world's poor people – three-quarters of whom live in rural areas, and the large majority of whom depend on small-scale farming for their livelihoods – particularly women. Second, it must tackle the global causes of hunger by actions including the development of mechanisms to avert global food price crises and ensure greater stability in global food markets; and long-overdue reforms of OECD (Organisation for Economic Co-operation and Development) farm subsidies. Third, the G20 must ensure global action on international land acquisitions to ensure that they do not seize the land and water poor women and men depend upon for their food.

## 5 The tools: how to deliver this new development consensus

Delivering a Seoul development consensus will depend on helping developing countries access all the financial tools available. This means political will on a spectrum of issues from tackling tax inequality and negotiating fairer trade agreements, to ensuring there is sufficient external innovative financing and that the international community lives up to its existing promises on aid commitments.

### Tackling tax inequality

All countries should be able to generate their own income by promoting fair taxation. Yet currently, many countries are constrained in their attempts to raise resources domestically or to apply appropriate tariffs because of problems in the international system.

At the G20 London Summit in 2009, leaders promised to stand together against tax evasion and avoidance. The G20 should honour its commitments to tackle the tax havens that illegally deprive developing countries of desperately needed resources.

Sadly, tax co-operation conventions signed after the London Summit have already proved to be weak. The G20 needs to guarantee that in any monitoring exercise, all information requested on secrecy jurisdictions is made available, and can be shared on a multilateral and automatic exchange basis. The G20 must also take overdue action on transparency,<sup>32</sup> by delivering an exhaustive and objective list of non-cooperative jurisdictions, backed up with the promised sanctions.

Companies registered within the G20's own borders continue to use tax havens in illicit and illegal ways to reduce their global tax liabilities. These practices deprive developing countries of around \$160bn every year.<sup>33</sup> To end these harmful practices, the G20 should agree a global standard against which transnational companies must report their activities in their annual accounts, on a country-by-country basis.

### Trade

Well-managed trade has the potential to lift millions of people out of poverty. But increased trade alone is not an automatic guarantee of poverty reduction. Fair trade rules are essential to guarantee development, and yet the multilateral trading system continues to be deeply biased against the interests of developing countries. The G20 constitutes the world's largest trading blocs, and as such, has the means to re-engineer the Doha negotiations to put fair rules in place.

The G20 must signal its leadership by playing an active part in finalising a Doha Development Round that will support development and long-term sustainable growth for all, and which includes a special package for the Least Developed Countries (LDCs). To make this

happen, the G20 should give credible signals on the deadlines and commitments needed to conclude the Doha Round. The G20 must also agree to revise or abolish unfair trade agreements and bilateral investment treaties such as those that restrict the ability of developing country governments to apply sensible conditions on foreign investment,<sup>34</sup> as well as the unfair conditions on the Intellectual Property chapter.

In some areas, the G20 has made a start: the Toronto Summit committed to support the future development of LIC capacity, infrastructure and economic reforms to better ensure that developing countries benefit from trade.<sup>35, 36</sup> The G20 should now also agree new and binding financial commitments on aid for trade that build the capacity and infrastructure of developing countries to trade fairly, and in ways that lift people out of poverty.

## External finance

Innovative financing solutions could provide new sources of revenue for development, tackling climate change and promoting equitable growth in developing countries. There are a variety of options for innovative finance that the G20 should consider. But a tax on the financial sector – of around 0.05 per cent on all transactions – is the most prominent of these, and would have wider benefits in dampening damaging speculation.

However, aid promises also need to be met. In Toronto, the G20 recognised the importance of the Millennium Development Goals (MDGs) and signalled its intention to close the development gap. To make this a reality, it is vital that the G8 members of the G20 put the missing money on the table. The failure to deliver on aid commitments will fundamentally compromise the G20's agenda to deliver growth in poor countries. Unless these financial commitments are met, many developing countries, already steeped in increasing levels of pre- and post-crisis debt,<sup>37</sup> and with poorly resourced health care and education systems and under-funded productive sectors, will not be in a position to pursue effective growth paths that benefit the majority of their citizens.

Even before the crisis broke, placing even greater pressure on budgets, donor countries were beginning to renege on their commitments, leaving a gap of around \$20bn against their original commitment to provide \$50bn a year to developing countries by 2010.<sup>38</sup> Crucial to delivering an effective Seoul development consensus will be the G20's willingness to take account of previous development pledges made by the G8 and to ensure that its agenda reflects the ongoing commitment of its constituent members to meet their obligations on aid. G8 members of the G20 should hold up their end of the bargain by adopting an emergency plan to deliver the US\$20bn shortfall against original commitments by 2012.

## Financial regulation

A tough new regulatory framework aimed at preventing future financial crises and protecting the most vulnerable people needs to be created urgently. This should limit exchange rate fluctuation to protect weak economies from the impacts of stronger economic powers, putting capital controls back onto the international agenda. The G20 should also ensure that there is increased participation, transparency and accountability in the Financial Stability Board (FSB) and the Bank of International Settlements (BIS). Ultimately, the United States and other G20 countries that host significant international financial institutions must vigorously press for the adoption of domestic financial regulation that will guard against future financial crises.

Meanwhile, the IMF and the World Bank persist in perpetuating global inequalities by cutting developing countries out of their right to full representation. The G20 has already raised the issue of IMF governance, requesting at its last meeting in Toronto that the IMF is able to demonstrate progress at the summit in Seoul. Yet discussions on IMF governance continue to be inadequate for addressing reform that will deliver real and positive shifts in the representation of low-income countries at the IMF. The G20 should take leadership on this issue by urgently committing to deeper reform of both the IMF and the Bank.

## 6 Conclusion

The G20 is no longer the new kid on the block. It is high time that it made an unequivocal commitment to its global responsibilities. The Seoul Summit must commit the G20 to a long-term development agenda that puts the interests of the poorest people and countries at the centre of its work. A Seoul development consensus can establish a foundation for decisive action in South Korea and in future G20 summits in France, Mexico, and beyond. It would mark a turning point for the G20's role, from crisis response to that of providing long-term leadership to overcome the biggest challenges facing the global community today.

# Notes

- <sup>1</sup> 'K. Kyrili and M. Martin (2010) 'The Impact of the Global Economic Crisis on the Budgets of Low-Income Countries', a report for Oxfam by Development Finance International, available at: [www.oxfam.org/sites/www.oxfam.org/files/impact-global-economic-crisis-lic-budgets-0710.pdf](http://www.oxfam.org/sites/www.oxfam.org/files/impact-global-economic-crisis-lic-budgets-0710.pdf) (accessed September 2010).
- <sup>2</sup> G20 members are: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, Republic of Korea, Turkey, United Kingdom, United States of America. The European Union is the 20th member of the G-20. (Source: [http://www.g20.org/about\\_what\\_is\\_g20.aspx](http://www.g20.org/about_what_is_g20.aspx) accessed 24 Sep 2010).
- <sup>3</sup> There is significant literature on the need to assess a wider range of components beyond GDP for measuring development and well-being, including A. Sen (1993) *The Quality of Life*, which along with the United Nations' Human Development Reports, played a part in the development of the Human Development Index. A commission on the measurement of economic performance and social progress was also set up in 2008 by the French President Nicolas Sarkozy, to respond to questions around the adequacy of current measures of economic performance following the crisis. See <http://www.stiglitz-sen-fitoussi.fr/en/index.htm>
- <sup>4</sup> 'Democratising Development Economics', a speech by Robert Zoellick, President of the World Bank; given on 29 September 2010, Georgetown University; cited on Dani Rodrik's weblog [http://rodrik.typepad.com/dani\\_rodriks\\_weblog/2010/09/zoellick-wants-to-remake-development-economics.html](http://rodrik.typepad.com/dani_rodriks_weblog/2010/09/zoellick-wants-to-remake-development-economics.html)
- <sup>5</sup> 'Social Investment and economic growth: a strategy to eradicate poverty'; Patrick Watt; 2000.
- <sup>6</sup> 'The Washington Consensus is Dead'; Anthony Painter; *The Guardian*; Friday 10 April 2009.
- <sup>7</sup> H.-J. Chang (2001) *Kicking Away the Ladder*, London: Anthem Press.
- <sup>8</sup> China's National Development and Reform Commission (NDRC) has chosen five provinces (Guangdong, Liaoning, Hubei, Shanxi, and Yunnan) and eight cities (Tianjin, Chongqi, Shenzhen, Xiameng, Hangzhou, Nanchang, Guiyang, Baoding) to pilot low-carbon construction. The pilot provinces and cities will compile the plan for low-carbon development, make related policies supporting low-carbon and green development, accelerate the construction of industrial systems featuring low-carbon emissions, build up statistics and a management system for greenhouse gas emissions, and actively promote low-carbon consumption and lifestyles.  
[www.sdpc.gov.cn/zcfb/zcfbtz/2010tz/t20100810\\_365264.htm](http://www.sdpc.gov.cn/zcfb/zcfbtz/2010tz/t20100810_365264.htm), (accessed September 2010). Only in Chinese
- <sup>9</sup> Oxfam International and WaterAid (2007) 'In the Public Interest: Health, education, and water and sanitation for all'; p32.
- <sup>10</sup> World Bank (2009) 'Indonesia at a glance', see [http://devdata.worldbank.org/AAG/idn\\_aag.pdf](http://devdata.worldbank.org/AAG/idn_aag.pdf)
- <sup>11</sup> <http://www.countdown2015mnch.org/documents/2010report/Profile-Brazil.pdf>
- <sup>12</sup> R. Ramcharan (2010) 'Inequality is untenable', *Finance and Development*, September 2010, International Monetary Fund, pp24–5.
- <sup>13</sup> 'Growth Isn't Working' (2006) New Economics Foundation, p14; cited in D. Green (2008) *From Poverty to Power: How Active Citizens and Effective States can Change the World*, Oxford: Oxfam International, p180.
- <sup>14</sup> 2007/2008 *Human Development Report*, 'Fighting Climate Change: Human Solidarity in a Divided World', UNDP, p25
- <sup>15</sup> R. Ramcharan, *op. cit.*
- <sup>16</sup> According to the Commission on Growth and Development, in very poor countries, growth is the main route to poverty reduction, but, as a country develops, redistribution becomes more important as a way to reduce poverty. Cited in Green *op. cit.*, p180.
- <sup>17</sup> For a full discussion of this, see F. Ferreira (2010) 'Distributions in Motion: Economic Growth, Inequality and Poverty Dynamics', World Bank Policy Research Working Paper, Washington DC.
- <sup>18</sup> For a full discussion of this, see Green *op. cit.*

- <sup>19</sup> WHO (2002) 'Health, Economic Growth, and Poverty Reduction', The Report of Working Group 1 of the Commission on Macroeconomics and Health, Geneva: World Health Organization, available at: <http://whqlibdoc.who.int/publications/9241590092.pdf> (accessed September 2010).
- <sup>20</sup> Data provided by government of Sierra Leone, 2010.
- <sup>21</sup> For a rigorous analysis of the extent of IMF conservatism in setting the macro framework, see: D. Goldsbrough (2007) 'Does the IMF Constrain Health Spending in Poor Countries? Evidence and an Agenda for Action', Center for Global Development, Washington DC.
- <sup>22</sup> J. Burnley (2010) '21<sup>st</sup> Century Aid: Recognising success and tackling failure', Oxfam Briefing Paper.
- <sup>23</sup> 'Report of the All Party Parliamentary Group', 2006; cited in J. Burnley (2010) *op. cit.*
- <sup>24</sup> G. Psacharopoulos & H. A. Patrinos (2002) 'Returns to investment in education: A further update', *Education Economics*; Vol. 12; No. 2; pp114.
- <sup>25</sup> Robert J Barro and Xavier Sala-i-Martin (1995). *Economic Growth*. New York: McGraw-Hill cited in D. Bloom, D. Canning, K. Chan (2005) *Higher education and economic growth in Africa*, World Bank p18.
- <sup>26</sup> G. Psacharopoulos and H. A. Patrinos *op. cit.* pp 111–34.
- <sup>27</sup> Patrick Watt (2000) *op. cit.*, p46
- <sup>28</sup> The same ODI study also found that people in employment, especially government employees, received a disproportionate level of support, often to the exclusion of women, whose employment is frequently limited to informal and unprotected sectors.
- <sup>29</sup> 'Climate Analysis Indicators Tool' (CAIT) Version 7.0. (Washington, DC: World Resources Institute, 2010).
- <sup>30</sup> [www.fao.org/news/story/en/item/45210/icode/](http://www.fao.org/news/story/en/item/45210/icode/), (accessed September 2010).
- <sup>31</sup> Professor Sir John Beddington's Speech at SDUK 09 [www.govnet.co.uk/news/govnet/professor-sir-john-beddingtons-speech-at-sduk-09](http://www.govnet.co.uk/news/govnet/professor-sir-john-beddingtons-speech-at-sduk-09), (accessed September 2010).
- <sup>32</sup> This was a commitment made at the G20 London Summit.
- <sup>33</sup> Christian Aid (2008) 'Death and Taxes: The True Toll of Tax Dodging', available at: [www.christianaid.org.uk/images/deathandtaxes.pdf](http://www.christianaid.org.uk/images/deathandtaxes.pdf) (accessed September 2010).
- <sup>34</sup> This should include a renegotiation of bilateral investment agreements which favour foreign investment possibilities over national investment, and ending the use of the International Centre for Settlement of Investment Disputes, formulated by the World Bank.
- <sup>35</sup> 'Development Issue Paper', Presidential Committee for the G20 Summit, 17 June 2010.
- <sup>36</sup> The G20 Toronto Summit Declaration, 26–27 June 2010.
- <sup>37</sup> K. Kyrili and M. Martin (2010) *op. cit.*
- <sup>38</sup> Africa fared particularly badly: just \$11bn of the promised \$25bn annual increase in aid to Africa by 2010 has been delivered, with drastic implications for Africa's ability to achieve the MDGs. Source: 'Gleneagles Aid Promises are Due: G8 Leaders must cover \$20bn bounced check', June 2010.

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This paper was written by Jasmine Burnley and Elizabeth Stuart. Oxfam acknowledges the assistance of Duncan Green, Kirsty Hughes, Maylis Labusquiere, Isabel Mazzei, Kate Raworth, Stephen Hale and Richard King in its production. It is part of a series of papers written to inform public debate on development and humanitarian policy issues.

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The information in this publication is correct at the time of going to press.

Published by Oxfam GB for Oxfam International under ISBN 978-1-84814-747-8 in October 2010. Oxfam GB, Oxfam House, John Smith Drive, Cowley, Oxford, OX4 2JY, UK.

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