

**Chapter 1 : Global Financial Crisis – Global Issues**

*Global Economic Crisis and Local Economic Development seeks routes for economic development in a post-crisis world. The roles of innovation, entrepreneurship, knowledge infrastructures, public policies, business strategies and responses, as well as global contexts and positioning are explored as investigative themes which run throughout the.*

British debate on economic policy is getting nowhere. The coalition government keeps repeating that it has to cut spending in order to cut deficits, no matter what. The opposition has been at pains to explain – that trying to cut deficits by cutting spending in a stagnant economy is a largely self-defeating exercise, as it reduces growth and thus tax revenue. It is sticking to its plan A because spending cuts are not about deficits but about rolling back the welfare state. So no amount of evidence is going to change its position on cuts. Ha Joon Chang, Britain: Or maybe put another way, it has typically worked for the elite looking to maintain a system from which they benefit. And as manufacturing shows mixed signals, luxury goods show a general healthy sign and exports of raw resources are doing better than finished manufacturing products, these all hint to growing inequality and potential growing poverty and stagnation. Or as Chang puts it, putting all this in context, since the crisis the British economy has been moving backwards in terms of its sophistication as a producer. In the middle of , the United Nations also warned that the problems in European were bad not just for Europe, but for the world economy too. The policy of austerity was criticized by the UN as heading in the. The fiscal austerity programs implemented in several European countries are ineffective to help the economy emerge from crisis, it said, according to Inter Press Service. A few are now suggesting that some European countries may be facing a lost decade or a lost youth generation. A Nobel laureate in economics, Joseph Stiglitz, writes, It will take 10 years or more to recover the losses incurred in this austerity process. The problem is that the prescriptions imposed are leading to massive under-utilisation of these resources. Given – recent [reform] changes in the IMF, it is ironic to see the European governments inflicting an old-IMF-style program on their own populations. It is one thing to tell the citizens of some faraway country to go to hell but it is another to do the same to your own citizens, who are supposedly your ultimate sovereigns. Indeed, the European governments are out-IMF-ing the IMF in its austerity drive so much that now the fund itself frequently issues the warning that Europe is going too far, too fast. Democracy is neutered in the process and the protests against the cuts are dismissed. The danger is not only that these austerity measures are killing the European economies but also that they threaten the very legitimacy of European democracies – not just directly by threatening the livelihoods of so many people and pushing the economy into a downward spiral, but also indirectly by undermining the legitimacy of the political system through this backdoor rewriting of the social contract. It is not because people condoned defaulting per se that they came to introduce the corporate bankruptcy law. It was because they recognized that in the long run, creditors – and the broader economy, too – are likely to benefit more from reducing the debt burdens of companies in trouble, so that they can get a fresh start, than by letting them disintegrate in a disorderly way. It is high time that we applied the same principles to countries and introduced a sovereign bankruptcy law. Back to top

The financial crisis and the developing world For the developing world, the rise in food prices as well as the knock-on effects from the financial instability and uncertainty in industrialized nations are having a compounding effect. High fuel costs, soaring commodity prices together with fears of global recession are worrying many developing country analysts. Summarizing a United Nations Conference on Trade and Development report, the Third World Network notes the impacts the crisis could have around the world, especially on developing countries that are dependent on commodities for import or export: Uncertainty and instability in international financial, currency and commodity markets, coupled with doubts about the direction of monetary policy in some major developed countries, are contributing to a gloomy outlook for the world economy and could present considerable risks for the developing world, the UN Conference on Trade and Development UNCTAD said Thursday. Market liberalization and privatization in the commodity sector have not resulted in greater stability of international commodity prices. There is widespread dissatisfaction with the outcomes of unregulated financial and commodity markets, which fail to transmit reliable price signals for commodity producers. In recent years, the

global economic policy environment seems to have become more favorable to fresh thinking about the need for multilateral actions against the negative impacts of large commodity price fluctuations on development and macroeconomic stability in the world economy. A number of nations urged the US to provide meaningful assurances and bailout packages for the US economy, as that would have a knock-on effect of reassuring foreign investors and helping ease concerns in other parts of the world. Many believed Asia was sufficiently decoupled from the Western financial systems. Asia has not had a subprime mortgage crisis like many nations in the West have, for example. Many Asian nations have witnessed rapid growth and wealth creation in recent years. This led to enormous investment in Western countries. In addition, there was increased foreign investment in Asia, mostly from the West. However, this crisis has shown that in an increasingly inter-connected world means there are always knock-on effects and as a result, Asia has had more exposure to problems stemming from the West. Many Asian countries have seen their stock markets suffer and currency values going on a downward trend. Asian products and services are also global, and a slowdown in wealthy countries means increased chances of a slowdown in Asia and the risk of job losses and associated problems such as social unrest. Much of it is fueled by its domestic market. Although this is a very impressive growth figure even in good times, the speed at which it has dropped—the sharp slowdown—is what is concerning. However, China also has a growing crisis of unrest over job losses. Both have poured billions into recovery packages. With China concerned about its economy, it has been trying to encourage its companies to invest more overseas, hoping it will reduce the upward pressure on its currency, the Yuan. China has also raised concerns about the world relying on mostly one foreign currency reserve, and called for the dollar to be replaced by a world reserve currency run by the IMF. Of course, the US has defended the dollar as a global currency reserve, which is to be expected given it is one of its main sources of global economic dominance. Whether a change like this would actually happen remains to be seen, but it is likely the US and its allies will be very resistant to the idea. Japan, which has suffered its own crisis in the s also faces trouble now. While their banks seem more secure compared to their Western counterparts, it is very dependent on exports. A rise in industrial output in April was expected, but was positively more than initially estimated. However, with high unemployment and general lack of confidence, optimism for recovery has been dampened. Towards the end of October, a major meeting between the EU and a number of Asian nations resulted in a joint statement pledging a coordinated response to the global financial crisis. However, as Inter Press Service This is very significant because Asian and other developing countries have often been treated as second-class citizens when it comes to international trade, finance and investment talks. This time, however, Asian countries are potentially trying to flex their muscle, maybe because they see an opportunity in this crisis, which at the moment mostly affects the rich West. Asian leaders had called for effective and comprehensive reform of the international monetary and financial systems. For example, as IPS also noted in the same report, one of the Chinese state-controlled media outlets demanded that We want the U. Whether this will happen is hard to know. Similar calls by other developing countries and civil society around the world, for years, have come to no avail. This time however, the financial crisis could mean the US is less influential than before. A side-story of the emerging Chinese superpower versus the declining US superpower will be interesting to watch. It would of course be too early to see China somehow using this opportunity to decimate the US, economically, as it has its own internal issues. China has, however, used this opportunity to attempt to attract neighboring nations into its orbit by attempting to foster better economic ties. According to an IPS analysis, this has been a goal for a while, but the recent financial crisis has provided more opportunities for China to step up to this. An improved investment deal between China and Taiwan maybe one example of this improving engagement in the region. The economic crisis may also be encouraging greater ties in this manner, as it would be important for Taiwan in particular as it has been in recession since the end of Asian nations are mulling over the creation of an alternative Asia foreign exchange fund, but market shocks are making some Asian countries nervous and it is not clear if all will be able to commit. What seems to be emerging is that Asian nations may have an opportunity to demand more fairness in the international arena, which would be good for other developing regions, too. The wealthier ones who do have some exposure to the rest of the world, however, may face some problems. In recent years, there has been more interest in Africa from Asian countries such as

China. As the financial crisis is hitting the Western nations the hardest, Africa may yet enjoy increased trade for a while. These earlier hopes for Africa, above, may be short lived, unfortunately. The IMF has promised more aid to the region, importantly with looser conditions, which in the past have been very detrimental to Africa. Many will likely remain skeptical of IMF loans given this past, as Stiglitz and others have already voiced concerns about see further below. In the long run, it can be expected that foreign investment in Africa will reduce as the credit squeeze takes hold. Furthermore, foreign aid, which is important for a number of African countries, is likely to diminish. Effectiveness of aid is a separate issue which the previous link details. African countries could face increasing pressure for debt repayment, however. As the crisis gets deeper and the international institutions and western banks that have lent money to Africa need to shore up their reserves more, one way could be to demand debt repayment. This could cause further cuts in social services such as health and education, which have already been reduced due to crises and policies from previous eras. Much of the debts owed by African nations are odious, or unjust debts, as detailed further below, which would make any more aggressive demands of repayment all the more worrisome. Some African countries have already started to cut their health and HIV budgets due to the economic crisis. Their health budgets and resources have been constrained for many years already, so this crisis makes a bad situation worse. As IPS reports, Already, large percentages of households in Sub-Saharan Africa are poor, and the large number of people on treatment means ever-increasing treatment program costs. Yet, Sub-Saharan Africa only accounts for one percent of global health expenditure and two percent of the global health workforce. IPS adds that even international donor organizations have started to feel the financial crunch: As such Latin America will also feel the effect of the US financial crisis and slower growth in Latin America is expected. Due to its proximity to the US and its close relationship via the NAFTA and other agreements, Mexico is expected to have one of the lowest growth rates for the region next year at 1. A number of countries in the region have come together in the form of the Latin American Pacific Arc and are hoping to improve trade and investment with Asia. Diversifying in this way might be good for the region and help provide some stability against future crises. For the moment, the integration is going ahead, despite concerns about the financial crisis. However, the problems of a regional blocs, Mercosur the Southern Common Market, shows that not all is well. While Mercosur is its relevance being questioned, an IPS overview of its recent challenges also highlights that a number of South American countries are raising trade barriers against their neighbors as the crisis starts to bite more. Rather than regional integration and a unified position to present to the rest of the world, concerns of fragmentation are increasing. This also affects Brazil, as the regional economic superpower; more bickering within its sphere means distraction from the global scene. Back to top

**A crisis in context** While much mainstream media attention is on the details of the financial crisis, and some of its causes, it also needs to be put into context though not diminishing its severity. Taxpayers will be bailing out their banks and financial institutions with large amounts of money. Even the high military spending figures are dwarfed by the bailout plans to date. A crisis of poverty for much of humanity Almost daily, some half of humanity or more, suffer a daily financial, social and emotional, crisis of poverty. Deep Sea slum in Kenya.

**Chapter 2 : Goal 8: Decent work and economic growth | UNDP**

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Since the late s, the international community has been well aware of the severe impact that large scale refugee populations can have on the social, economic and political life of host developing countries. The recent Rwanda emergency has highlighted this. It also brought into sharp relief the uneven response of the international community to such impacts. The International Response to Conflict and Genocide: Lessons from the Rwanda Experience. Joint Evaluation of Emergency Assistance to Rwanda. Humanitarian Aid and Effects. This paper looks more closely at these impacts and reviews the varied success of the international community in response to them. The highest refugee concentrations are in some of the poorest countries in the world. The presence of refugees compounds the already prevailing economic, environmental, social and, at times, political difficulties in these countries. Often such countries are confronted by a combination of all four of these factors. Nearly always their impact is substantial. Moreover, in many refugee situations, problems are aggravated when refugees are a substantial proportion of the local, if not national population. For example, in Nepal, in the district of Jhapa, 90, refugees represent over 13 per cent of the local population; in Ngara, in the United Republic of Tanzania, the recent refugee influxes meant that the local population was outnumbered by a ratio of approximately 4: In Malawi, a refugee influx which began in , had led, by , to one million Mozambican refugees in the country, some 10 per cent of the national population. The presence of refugees, and demands on the already severely strained economy, services and infrastructure add to the extreme hardship affecting the local populations. In many instances, refugees become an added impediment to, or risk jeopardizing, the development efforts of the host country. Their negative aspects may be felt long after a refugee problem is solved; for example, the damage to environment is a process and does not end with the repatriation of refugees. While the international emergency aid in response to such an emergency does have some positive effects on the host society, this hardly compensates for the negative consequences of such large concentrations of refugees. The Economic Impact 3. From the moment of arrival, refugees compete with the local citizens for scarce resources such as land, water, housing, food and medical services. Over time, their presence leads to more substantial demands on natural resources, education and health facilities, energy, transportation, social services and employment. They may cause inflationary pressures on prices and depress wages. One example of market disturbances would be the need to rent accommodation for office and residential purposes, not just for expatriates, but also for locally engaged staff, in response to a refugee situation. Increased construction activity results, but this is usually accompanied by increases in rent, benefiting those who are property owners, but adversely affecting the poor and those on fixed incomes, such as government officers. Purchase of large quantities of building material may make them scarce or unobtainable for local people, while also generating inflationary effects. Likewise, increased demand for food and other commodities can lead to price rises in the market which will stimulate local economic activity, although, again, not benefiting the poorest. The presence of a large refugee population in rural areas inevitably also means a strain on the local administration. Host country national and regional authorities divert considerable resources and manpower from the pressing demands of their own development to the urgent task of keeping refugees alive, alleviating their sufferings and ensuring the security of the whole community. While most host governments generally have demonstrated a willingness to bear many of these costs, they are understandably reluctant to pay, as a price for giving asylum, the cost of additional infrastructure that may be needed to accommodate refugees. Host governments expect, at the very least, that the international community will help compensate for the costs incurred in providing asylum for the refugees. No government of a low income country is prepared to contract loans or reallocate its previous development funds to programmes designed for, or required because of, large numbers of refugees on their land. According to a systematic analysis of public expenditures, this was the amount, after deduction of international aid provided through

UNHCR, invested in refugee related government assistance and administration during the preceding two years. Other refugee hosting countries could cite comparable experiences. The economic impact of refugees on host areas, however, is not necessarily negative. An economic stimulus may be generated by the presence of refugees and can lead to the opening and development of the host regions. This stimulus takes place, inter alia, through the local purchase of food, non-food items, shelter materials by agencies supplying relief items, disbursements made by aid workers, the assets brought by refugees themselves, as well as employment and income accrued to local population, directly or indirectly, through assistance projects for refugee areas. The presence of refugees also contributes to the creation of employment benefiting the local population, directly or indirectly. Moreover, relevant line departments involved in refugee work as counterparts to UNHCR, both at central and local levels, also benefit from UNHCR assistance aimed at strengthening their coping and management capacities. Such assistance may include equipment supply, capacity building and related training components. The presence of refugees, as a focus of attention, can also attract development agencies to the host areas. While it is recognized that there may be some "positive" aspects to the impact of a refugee influx on the economic life of a host country, the large-scale presence of refugees invariably constitutes a heavy burden for receiving countries, particularly LDCs.

**Impact on Local Ecology and Infrastructure**

9. Modifications of eco-systems can be controlled or uncontrolled. If a modification of one or more factors is carried out to serve a special goal, such as land clearance for crop cultivation or land levelling for irrigation, and if this modification is based on sound planning, taking into account the impact on environmental conditions, the newly established eco-system is not necessarily inferior to the old one. The development of the new system can, in this instance, be called a controlled development. But, if a sudden and unplanned change takes place, it may lead to a serious, uncontrolled imbalance with an impact on the whole eco-system, both in the directly affected area and beyond. The mass movement of refugees is an example of a situation where the impact on the ecology is not fully under control, because the emergency character of the movement normally does not allow for early and proper planning of the new habitat. The addition of a sizable group of refugees to an existing population creates a sudden and massive demand for scarce natural resources such as land, fuel, water, food and shelter materials, with long-term implications on their sustainable re-generation. Other longer term problems relate to erosion, decreased soil fertility and landslides. Problems related to rural wood consumption are invariably serious. Estimates of rural wood consumption in Somalia indicate that the wood requirement for a family of five, for hut construction, is 2. Assuming that the wood consumption of refugees would be modest, say half the normal consumption, a camp of four thousand refugees would consume approximately 10,m of wood a year for cooking. The standard volume of wood in the savanna-type woodlands of Somalia was estimated to be about 50 m per hectare, which means that the average refugee camp would deplete hectares land in the first year of its establishment and hectares for every year thereafter. In and around refugee camps, entire settlements have been completely cleared of all trees and shrubs. Inhabitants of years old camps had to walk for several hours to find trees and shrubs to cut. Supplementary food gathering through hunting, foraging and collecting local food stocks adds to the pressure on the environment. Additionally, human waste disposal can contaminate local ground water and cause the spread of disease. Roads in host areas undergo heavy deterioration from increased use to deliver food supplies and other commodities, while public services, such as health, education and water facilities, are also heavily impacted. Examples of the devastating impact of large refugee populations on the eco-systems and on the infra-structure of a host countries can be found in the experiences of the Islamic Republics of Iran and Pakistan in hosting Afghan refugees. For instance, in Pakistan, over two million refugees contributed to accelerated wear and tear of roads and canals, and a significant increase in the consumption of fuel and fodder resources. Wood resources were further depleted as tented camps were converted into villages and the need for roofing timber put even more pressure on woodland resources. Many families brought livestock which grazed near camps, adding to the perennial problems of over-grazing and the consequential acceleration in soil erosion. Fuel and fodder removal also posed a serious threat to the capacity of the environment to renew its groundwater resources.

**The Social Impact**

If refugees are from the same cultural and linguistic group as the local population, there is often identification with and sympathy for their situation. Over , refugees have been housed with family or friends

in the Federal Republic of Yugoslavia. Different ethnicity, however, can be a basis for problems. Traditional animosities may exist between groups. In some cases, the presence of one ethnic group of refugees may affect ethnic balances within the local population and exacerbate conflicts. There are commonly complaints that refugees have added to security problems in general and crime rates, theft, murder etc. Concomitantly, other social problems such as prostitution and alcoholism are also claimed to rise in the refugee areas. On the one hand, enforced idleness and poverty within a refugee camp may cause an escalation of such tendencies, particularly if there are groups of young men who are not meaningfully occupied. On the other hand, refugees, as an "out" group, can be blamed for all untoward activities. Incidence of crime may rise no more than would be expected in a population group of the new size, but in a remote and previously quiet area, this would not go unnoticed. If the area has become a hub of economic activity, as the presence of large scale aid would indicate, it may have attracted a group of people who will profit from the current situation and may not be constrained by the social and legal safeguards of the region. In a border area, this could include cross border problems. A common source of discontent for a local population, especially one that is poor, is to see refugees receiving services or entitlements which are not available to them. Refugees may have access to services such as education and health while local people do not, although UNHCR, as a matter of principle, strives to promote an integrated approach to human services which respect the local policies. For example, a review of the impact of refugee health services in eastern Kivu, Zaire, identified several problems, not the least of which was a failure of agencies to consult and coordinate with local health authorities. The provision of free health services for refugees undermined the local cost recovery approach. Higher salaries offered by NGOs encouraged staff to leave local clinics. Ironically, some of these staff were former refugees who had contributed to the development of those very services. On the other hand, refugees can bring assets to the hosting area. Refugees indeed bring skills and knowledge with them that can be utilized to the benefit of local people. These skills vary, but do often include those of the more educated group, such as health professionals and teachers, who, even in limited numbers, can make a significant contribution in remote areas. An additional range of skills that can be brought by refugees may include an enterprise culture which can stimulate the local economy or offer innovative agricultural techniques previously unknown to the host areas. For example, refugees have introduced swamp land rice in Guinea, making use of previously vacant land and introducing new agricultural techniques. Refugees in Nepal have introduced new techniques of cultivating cardamom, an important cash crop in the south-east of the country. The response of the international community to the impact of large refugee populations on host countries has been uneven, and characterized by different conceptual underpinnings and motivations. Within the conceptual framework which UNHCR sought to organize a response there was a facet of broader thinking on the relationship of refugee aid and development assistance, and their relationship, in turn, to durable solutions to refugee situations. As developments took place over time in relation to each of these three components, so did the emphasis on readdressing the impact of refugees on host countries also change. Starting in the 1980s, the response was through what has become known as the "refugee aid and development" strategy. This approach stressed the need for relief to be development-oriented from the outset. The goal was to move refugees towards self-sufficiency and a durable solution to their situation. A durable solution often envisaged at the time was local integration. In addition, the strategy sought to compensate for some of the adverse economic and social impacts of refugees on the host country. A significant event in the effort to develop the concept of refugee aid and development was the Pan-African Conference on the Situation of Refugees in Africa held in Arusha, United Republic of Tanzania, in 1984. The perspective, as reflected therein, is that all assistance, be it developmental or relief, is subordinate to the search for durable solutions.

*Korea's Economic Development & Economic Crisis Management â...j. Overview of the Role of Government 2 The Market-Friendly View The appropriate role of the government in the market-friendly strategy.*

Development aid to Africa negligible in comparison to illicit outflows July 16, And yet another report on how development aid to Africa serves as a mere smokescreen to cover up illicit financial flows, unfair trade policies and costs of adapting to climate change that drain the continent of its resources. Health Poverty Action Mozambican Civil Society Mobilizes for Defending Resources and Land August 2, More than 30 Mozambican civil society organizations have committed to take concerted action against privatization of land and looting of natural resources. According to the organizations, this is a result of corruption and concentration of wealth and power in the hands of few. The campaign will include various activities ranging from protests and resistance to complaints and education campaigns. These illegal labor unions sprung up following the weakening of the formal union, NUS, which is legally protected by collective bargaining agreements. The event triggered strikes in other platinum and gold mines, transport sector and disruptions to its agricultural sector. Wages in South Africa are set by the public sector, and a recent wage agreement could create future unemployment for mine workers if the industry cannot keep up with rising wages. YaleGlobal Insuring a Healthier Future July 2, The growing urban middle class in Africa is driving the expansion in the private insurance market. The market has been traditionally limited to domestic national health insurance programs and top-end private insurance for expatriates, but nothing in between. Many people have no access to health insurance; out-of-pocket payments in hospitals cripple families and damage the economy. This Is Africa David Cameron: In making his case for free-trade, the PM points to the successes of South Korea - a country that he argues thrived on inter-Asian free trade - and presses for an array of national macroeconomic policies that support free-trade and entrepreneurship. Drawing on regional models such as the mobile telecommunications revolution, which empowered local industries and created a more equitable work force, is a good place to start. Poor Excluded from Benefits of High Economic Growth June 20, The African Economic Outlook report has found that African states experienced high economic growth during the s due to good macroeconomic management, growth in trade, and foreign investment into oil-rich states. However, this growth did not coincide with poverty elimination, because it was not linked to activities and economic sectors that affect the poor. Further development plans must make economic opportunities available for a greater portion of the population, by creating jobs and supporting local production. Diverting scarce resources for universal access to high-definition YouTube videos is not a solution to global poverty. Foreign Policy Tunisia: Western governments consider Tunisia a "progressive North African Muslim Nation," and the present condition of the country is underreported in the western media. Expenses are expected to surpass original estimates by percent. The expected growth in infrastructure and small local businesses has not come close to offsetting the funds that have been diverted from long-term priorities such as healthcare and education. AlterNet Renewing the Promise of Education for All June 15, The adoption of universal education programs has increased the number of African children attending school. However, there are still 43 million children in sub-Saharan Africa who do not have access to education. As the number of children in school is increasing, there is a widening gap in quality. Policies must address the inequalities that reserve the best resources and education for the wealthiest and leave other children with ill-equipped and poorly financed schools. The article proposes that progress will not come from outside aid "but from what the Congolese do for themselves" and from "long-term investment by businesses - foreign and local. However, future investments in the mining sector may cause even more problems. With an escalating and increasingly young population the continent will face a range of new challenges. Against prevalent pessimism, this article documents the hope that with investment in education, healthcare and professional training, the emergent African population will know a better future. Guardian China Praised for African Links October 11, Rwandan President Paul Kagame criticized Western countries for not making any industrial investment in the continent and limiting their contributions to humanitarian aid. Admitting the need for aid, Kagame added that the aid should be

"implemented in such a way as to enable trade and build up companies. To support his opinion, Kufuor gives the example of a school feeding project, funded by the Netherlands, which provided one hot meal a day for more than , children. The ex-president worries that development aid in the region will decrease due to the financial crisis. The experiment is taking place in Otjivero, Namibia, in a settlement of inhabitants. The money is distributed without expecting anything in return. The experiment has proven to be a success in lifting the citizens out of poverty. Many villagers have started their own firms and are now able to sustain their own livelihood. This suggests that people can find a way out of poverty, provided they get the right kind of help. DRC needs new institutional solutions to reduce the violence and the corruption in the country. Policy Innovations Africa Becoming a Biofuel Battleground September 5, The food crisis intensifies as Western biofuel companies are acquiring large amounts of land in Africa " sometimes free of charge. By removing farm land from food production to produce energy crops, the companies increase African dependency on food imports and drive up food prices. The biofuel companies promise to invest in infrastructure and education in return for using the land. But, say local farmers, the companies have acted in secrecy and failed to pay resettlement compensation to the people who have been forced to leave their homes. However, Chinese investments in oil and mining are not necessarily different from those of France, South Africa or the US, says Pambazuka. According to the World Bank, this growth rate is high enough to have a significant impact on poverty reduction on the continent. However, the countries still face constraints in infrastructure and high indirect costs in their production, which could reduce their competitiveness on global markets. Due to the high demand for raw materials, economic growth in the continent is up by 5 percent for the fifth year in a row. Despite the growth, the author warns that rich countries must continue to help African countries by supplying money and technology, and ensuring a fair trading system. The author also calls on African countries to invest more in health, education and infrastructure to allow for further economic growth. In addition, the author argues that the African countries should shift away from integration with the world economy and focus on creating internal links between domestic economic sectors, and between urban and rural economic activities. Agreeing with this idea, some economists suggest that the African economies "are more competitive than complimentary" and that they would benefit from diversifying production and reducing their dependency on primary product exports. To increase mutual trade, the countries should engage in greater monetary cooperation and in developing a common African currency. Inter Press Service Africa: They recognize, however, that the infrastructure for large scale industry and trade is not in place in most African countries and consequently call for "Aid for Trade" to finance investments in infrastructure. The two authors argue that the standard of living in Africa will increase simply by increasing trade. These trade agreements have not encouraged countries to add value to their exports, so many countries remain dependent on unrefined primary product trade, such as coffee and sugar. They also face further barriers as the EU increasingly hinders imports of industrialized products from outside the Union. The African countries are also concerned that their industries will not be able to out-compete Asian imports. Inter Press Service New Multilateral Push Aims to Cut African Poverty September 15, In spite of their promises at the G8 summit in Gleneagles in , rich countries have failed to double development aid and relieve poor countries of their debt. Africa, in particular, has suffered from the lack of resource inflow. Economic growth rates are increasing in many countries and poverty is falling among African farmers. However, further improvements are dependent on the rich countries keeping their promises and raising the funds needed for development. August 23, Tanzanian journalist Ayub Rioba argues that since gaining independence, Africa has received billions of dollars in aid, yet the number of poor Africans has doubled. Different schools of thought exist to explain this. The "governance first" group argues that African people, not outsiders, have a responsibility to improve the quality of their own governments. The "poverty first" group, represented by economist Jeffrey D. Finally, a third group argues that current aid flows are sufficient, but that donor countries must reform the way aid is distributed and administered. Across Africa industries such as textile factories have closed down as cheap Chinese goods flood the world market. He also stated that rich countries have not lived up to their promises in terms of economic aid. China has increased its aid and loans to Africa in exchange for access to oil and other resources and to secure new markets for its exports. Development advocates have criticized this policy of "tying aid" to

purchasing goods and services from the donor country and accuse Beijing of supporting authoritarian regimes in Africa. Associated Press Foreword to Escaping the Resource Curse June In the foreword to the book "Escaping the Resource Curse", George Soros describes how countries rich in resources have failed to benefit from their natural prosperity. In Africa many countries rich in natural resources are often poorer than those with fewer natural resources. The author argues that NGO initiatives such as "Publish What You Pay," could provide a solution to the resource curse by requiring oil companies to disclose their payments to governments for extracting natural resources. The author argues that some African regions have improved their education, healthcare and agricultural productivity but that poverty is not decreasing at the same rate as before. This BCI report finds that at the current rate of progress, "a minimum set of social services" will not be universally accessible in Sub-Saharan Africa until "almost a century beyond the Millennium Development Goals target date of Hunger Exacerbating Child Mortality May 24, Inter Press Service highlights the link between extreme poverty and rising infant mortality in Zimbabwe. Health care workers have called for increased international aid to provide basic food and necessities to "vulnerable groups such as newborn babies. This Gulf Times article says that while the responsibility of managing oil resources lies with governments, foreign oil companies, the World Bank, the International Monetary Fund, the US and other governments should do their part by demanding transparency from African governments. The New Green Revolution in Africa: Trojan Horse for GMOs? The Centre fears such agribusiness will undercut traditional agriculture, create dependency on expensive inputs like GM seeds, and weaken African biodiversity. This "Green Revolution" could worsen, rather than address, the structural problems that undermine African farmers. International aid groups such as Oxfam estimate that amending this law to allow cash donations to the WFP could "feed at least a million more people" and "save 50, more lives. Although some of the ministers claim that the G8 members have made substantial progress toward "democratization, social reforms and economic growth" in developing countries, experts argue that more aid money and increased cooperation between North and South are necessary to reach those goals. The IEO congratulates the IMF on its success in "improving performance" in Sub-Saharan African countries, and blames any perceived shortcomings on "ambiguous" IMF communications that gave "the external impression that the Fund committed to do more" to reduce poverty than it had actually intended. Meat imports frequently thaw in transit due to an unreliable supply of electricity and substandard technology, allowing food-borne illnesses like salmonella "to flourish. When a United Nations representative in Gambia questioned the "cure" "which also requires that patients stop taking anti-viral medication" Jammeh promptly "branded [her] persona non grata" and gave her 48 hours to leave the country. However, this Der Spiegel article reports, "hardly anyone in the country dares challenge him and, unfortunately, many actually believe him. The failure of donor countries to fully fund the WFP "which currently assists 4. Christian Science Monitor Africa Shifts to "Whole Village" Approach for Orphans March 1, The "overwhelming number of orphans" in southern Africa due to war, hunger and AIDS has led many governments and aid groups to direct resources away from traditional orphanages and toward "community-based care. Organizations such as UNICEF argue this solution is "healthier and more culturally appropriate" than moving the children into institutions. Christian Science Monitor "Vulture" Feeds on Zambia February 15, "Vulture funds" buy debt cheaply from developing countries and then sue the governments for the full value of the debt plus interest. Shadow G-8 February 9, Joseph Stiglitz summarizes a discussion on "global growth with responsibility" by "a diverse group of concerned citizens from around the world," including leading economists and former government officials. The resulting consensus calls for a reformed G8 process which would enable participation from all countries "to discuss informally the major issues facing the world," with a focus on the four immediate problems of climate change, global imbalances, global governance, and poverty, especially in Africa. This Inter Press Service article reports that, without unconditional debt cancellation, impoverished countries will not meet the Millennium Development Goals by A year later, however, African nations such as Liberia, "one of the poorest places on the face of the earth," are facing diminishing international aid flows. Liberia had failed to meet the condition of "good governance" at the time of the Gleneagles summit, and therefore did not qualify for debt cancellation. President Ellen Johnson-Sirleaf fears the aid shortage will further destabilize the already volatile country as it struggles to recover from civil war.

**Chapter 4 : Poverty and Development in Africa**

*The United Nations Conference on Sustainable Development (Rio+20) reaffirmed commitment to sustainable development and adopted a framework for action and comprehensive follow-up. The World Economic and Social Survey serves as a valuable resource as we look towards translating the outcome of Rio+20 into concrete actions.*

Should the government give signing bonuses to unemployed people who accept job offers? Would a commuter loyalty program similar to the airlines get more workers to use public transportation? Could cities solve their problems by cutting property tax rates in half? Harebrained, brilliant, or somewhere in between, here are seven radical solutions suggested recently to address common problems in the U. Cut property tax rates in half over the course of a few years. A debate on this suggestion rages in Baltimore , the only municipality in Maryland to have lost residents over the last decade. Soaring property tax ratesâ€”more than double the rate of surrounding countiesâ€”have been blamed as a main reason for the population decrease. A Stanford computer scientist tells The Atlantic that such a program, which is being tested in Bangalore and Singapore , would give commuters more incentive to use public transportation rather than their cars, easing congestion on roads. If higher reward points were given for riding public transit during off-peak hours, as is suggested, the program could also ease congestion on buses and trains as well. Award signing bonuses for unemployed who find work sooner rather than later. In a Washington Post op-ed , Todd G. Buchholz, an economic adviser to President George H. Bush, suggests that the government lure the unemployed back to the workforce by paying out signing bonuses on a sliding scale, with a better payoff for those who find work quicker. The economy, in theory, would be better off with more people back at work, and the proposal would only be in effect while unemployment rates remain over 7. Give less-serious offenders the option of being flogged as a substitute for jail time. Consistently high jobless rates in the U. Lower the minimum wage, or kill it altogether. From BusinessWeek to the Wall Street Journal , the idea seems to be coming up more and more that minimum wage requirements are keeping unemployment rates high. Some economists are suggesting that the minimum wage laws disappear, at least for teenagers, who suffer a much-lower rate of employment than the general public. Turn the poop abundant at dog parks into energy that lights street lamps. After cleaning up after their dogs, owners would place poop-filled biodegradable bags into the digester and turn a hand crank. The machine converts the waste into methane gas, which would be the energy source for park lamps.

**Chapter 5 : UNHCR - Social and economic impact of large refugee populations on host developing countries**

*2 The impact of the financial crisis on the health system and health in Greece What is needed now is a clearer, more integrated and better-designed health reform plan that accounts more fully for population health needs and adopts.*

**Bank run** When a bank suffers a sudden rush of withdrawals by depositors, this is called a bank run. Since banks lend out most of the cash they receive in deposits see fractional-reserve banking , it is difficult for them to quickly pay back all deposits if these are suddenly demanded, so a run renders the bank insolvent, causing customers to lose their deposits, to the extent that they are not covered by deposit insurance. An event in which bank runs are widespread is called a systemic banking crisis or banking panic. In general, a currency crisis can be defined as a situation when the participants in an exchange market come to recognize that a pegged exchange rate is about to fail, causing speculation against the peg that hastens the failure and forces a devaluation. **Stock market crash and Bubble economics** A speculative bubble exists in the event of large, sustained overpricing of some class of assets. If there is a bubble, there is also a risk of a crash in asset prices: Some economists insist that bubbles never or almost never occur. The Panic of and Long Depression followed. Well-known examples of bubbles or purported bubbles and crashes in stock prices and other asset prices include the 17th century Dutch tulip mania , the 18th century South Sea Bubble , the Wall Street Crash of , the Japanese property bubble of the s, the crash of the dot-com bubble in “, and the now-deflating United States housing bubble. **Currency crisis and Sovereign default** When a country that maintains a fixed exchange rate is suddenly forced to devalue its currency due to accruing an unsustainable current account deficit, this is called a currency crisis or balance of payments crisis. When a country fails to pay back its sovereign debt , this is called a sovereign default. While devaluation and default could both be voluntary decisions of the government, they are often perceived to be the involuntary results of a change in investor sentiment that leads to a sudden stop in capital inflows or a sudden increase in capital flight. Several currencies that formed part of the European Exchange Rate Mechanism suffered crises in “93 and were forced to devalue or withdraw from the mechanism. Another round of currency crises took place in Asia in “ Many Latin American countries defaulted on their debt in the early s. The Russian financial crisis resulted in a devaluation of the ruble and default on Russian government bonds. **Wider economic crisis**[ edit ] **Main articles: Recession and Depression** **economics** Negative GDP growth lasting two or more quarters is called a recession. An especially prolonged or severe recession may be called a depression, while a long period of slow but not necessarily negative growth is sometimes called economic stagnation. Some economists argue that many recessions have been caused in large part by financial crises. One important example is the Great Depression , which was preceded in many countries by bank runs and stock market crashes. The subprime mortgage crisis and the bursting of other real estate bubbles around the world also led to recession in the U. Some economists argue that financial crises are caused by recessions instead of the other way around, and that even where a financial crisis is the initial shock that sets off a recession, other factors may be more important in prolonging the recession. In particular, Milton Friedman and Anna Schwartz argued that the initial economic decline associated with the crash of and the bank panics of the s would not have turned into a prolonged depression if it had not been reinforced by monetary policy mistakes on the part of the Federal Reserve, [12] a position supported by Ben Bernanke. **Strategic complementarity and Self-fulfilling prophecy** It is often observed that successful investment requires each investor in a financial market to guess what other investors will do. For example, someone who thinks other investors want to buy lots of Japanese yen may expect the yen to rise in value, and therefore has an incentive to buy yen too. Likewise, a depositor in IndyMac Bank who expects other depositors to withdraw their funds may expect the bank to fail, and therefore has an incentive to withdraw too. Economists call an incentive to mimic the strategies of others strategic complementarity. **Leverage finance** Leverage, which means borrowing to finance investments, is frequently cited as a contributor to financial crises. But when it borrows in order to invest more, it can potentially earn more from its investment, but it can also lose more than all it has. Therefore, leverage magnifies the potential returns from investment, but also creates a risk of bankruptcy. The average degree of leverage in the economy often rises prior to a financial

crisis. In addition, some scholars have argued that financial institutions can contribute to fragility by hiding leverage, and thereby contributing to underpricing of risk. For example, commercial banks offer deposit accounts which can be withdrawn at any time and they use the proceeds to make long-term loans to businesses and homeowners. In an international context, many emerging market governments are unable to sell bonds denominated in their own currencies, and therefore sell bonds denominated in US dollars instead. This generates a mismatch between the currency denomination of their liabilities their bonds and their assets their local tax revenues , so that they run a risk of sovereign default due to fluctuations in exchange rates.

**Economic psychology and Herd behavior** Many analyses of financial crises emphasize the role of investment mistakes caused by lack of knowledge or the imperfections of human reasoning. Behavioural finance studies errors in economic and quantitative reasoning. Also, if the first investors in a new class of assets for example, stock in "dot com" companies profit from rising asset values as other investors learn about the innovation in our example, as others learn about the potential of the Internet , then still more others may follow their example, driving the price even higher as they rush to buy in hopes of similar profits. If such "herd behaviour" causes prices to spiral up far above the true value of the assets, a crash may become inevitable. If for any reason the price briefly falls, so that investors realize that further gains are not assured, then the spiral may go into reverse, with price decreases causing a rush of sales, reinforcing the decrease in prices.

**Financial regulation and Bank regulation** Governments have attempted to eliminate or mitigate financial crises by regulating the financial sector. One major goal of regulation is transparency: Another goal of regulation is making sure institutions have sufficient assets to meet their contractual obligations, through reserve requirements , capital requirements , and other limits on leverage. Some financial crises have been blamed on insufficient regulation, and have led to changes in regulation in order to avoid a repeat. In particular, the Basel II Accord has been criticized for requiring banks to increase their capital when risks rise, which might cause them to decrease lending precisely when capital is scarce, potentially aggravating a financial crisis.

**Fraud** has played a role in the collapse of some financial institutions, when companies have attracted depositors with misleading claims about their investment strategies, or have embezzled the resulting income. Many rogue traders that have caused large losses at financial institutions have been accused of acting fraudulently in order to hide their trades. Fraud in mortgage financing has also been cited as one possible cause of the subprime mortgage crisis ; government officials stated on 23 September that the FBI was looking into possible fraud by mortgage financing companies Fannie Mae and Freddie Mac , Lehman Brothers , and insurer American International Group.

**Financial contagion and Systemic risk** Contagion refers to the idea that financial crises may spread from one institution to another, as when a bank run spreads from a few banks to many others, or from one country to another, as when currency crises, sovereign defaults, or stock market crashes spread across countries. When the failure of one particular financial institution threatens the stability of many other institutions, this is called systemic risk. However, economists often debate whether observing crises in many countries around the same time is truly caused by contagion from one market to another, or whether it is instead caused by similar underlying problems that would have affected each country individually even in the absence of international linkages.

**Recessionary effects**[ edit ] Some financial crises have little effect outside of the financial sector, like the Wall Street crash of , but other crises are believed to have played a role in decreasing growth in the rest of the economy. There are many theories why a financial crisis could have a recessionary effect on the rest of the economy.

**Chapter 6 : Financial crisis - Wikipedia**

*2. Causes and features of past economic crises From the Second World War until the economic crisis, Turkey's economic catching-up with the developed economies was weak and volatile.*

This book offers a collaborative investigation of the policies and practices which have redeveloped local and national economies in the aftermath of the global economic crisis which erupted in 2008. The roles of innovation, entrepreneurship, knowledge infrastructures, public policies, business strategies and responses, as well as global contexts and positioning are explored as investigative themes which run throughout the collection as a whole. This text brings together a range of international disciplinary experts from economics, geography, history, business and management, politics and sociology. Its coverage is comparative and global, with contributions focusing on the U.S. This book is of value both for the intrinsic quality of its individual studies and for the contrasts and comparisons enabled by the collection when viewed as a whole. It has an accessible but rigorous style, making it ideal for a range of users including academics, researchers and students who study economic development and regional development.

Etienne Louis Nel Language: Over the last two decades the concept and practice of Local Economic Development LED has gained widespread acceptance around the world as a locally-based response to the challenges posed by globalization, devolution, local-level opportunities, and economic crises. Support for local economic development is now firmly on the agenda of many national governments and key international agencies. This volume examines the debates about Local Economic Development and examines some of the unfolding experiences of LED in the developing world. The focus is upon the region of southern Africa, and more especially upon post-apartheid South Africa. LED emerged in South Africa as one of the more significant post-apartheid development options being pursued by empowered localities with the overt encouragement of national government. Elsewhere in the developing world, much interest surrounds the experience of LED in post-apartheid South Africa, which is seen as a laboratory for experimentation, innovation, and learning. The seventeen chapters in this book examine the range of LED interventions that have been the basis for experimentation in the last decade, including both pro-market as well as pro-poor interventions. Key themes include debates about the most appropriate policy directions for LED, its contribution towards sustainable development, the role of social capital, cluster support, public procurement, eco-development, good governance and tourism-led LED. The book also contains a series of detailed case studies on the implementation of LED in South Africa and the wider region of southern Africa, including analyses of LED undertaken at a variety of scales from the provincial, metropolitan, and small-town level. Until now, most research on local economic development has focused on the developed world. This volume breaks new ground in applying LED policy and practices to problems specific to the developing world. It will be of interest to scholars of development studies, urban and regional planning, human geography, and urban studies. The Experience of Southern Africa] are among the very best scholars in the field. The chapters in this timely volume contain many valuable lessons for both the developing and the developed world. Of particular importance is the policy focus of Nel and Rogerson on investing in and empowering low-income workers, entrepreneurs, families, and neighborhoods. Because of the special emphasis on inclusive economic development strategies, this book is a very useful guide to what the Prague Institute calls "Treating People and Communities as Assets."

**Chapter 7 : 7 Odd Solutions for 7 Common Economic Problems | [blog.quintoapp.com](http://blog.quintoapp.com)**

*Most analyses of the financial and subsequent economic crisis, including those by leading international institutions like the International Monetary Fund, have focused on OECD countries.*