

Ms. Isabel Ortiz, Associate Director UNICEF, *A Recovery for All - There are Alternatives*

The world's financial and economic crisis has taken a toll on children and poor households. High food and commodity prices, unemployment and austerity measures have aggravated persistent inequalities and contributed to a substantial rise in hunger and social tensions. [A Recovery for All](#) presents useful data for advocacy on 158 countries. While the world remains fixated on austerity in high-income economies, developing countries are also contracting public expenditures. In 2012, 133 countries are expected to reduce spending by an average of 1.6% of GDP, with 30% of governments undergoing excessive contraction, defined as cutting expenditures to below their pre-crisis levels.

Now, more than ever, investments for the world's poor are needed to recover lost ground in pursuit of development objectives. [There are alternatives](#), fiscal space for social and economic development exists even in the poorest countries. There are six broad methods – all supported by United Nations policy statements – by which governments could find additional fiscal space: re-allocating expenditures; increasing tax revenues; lobbying for aid/transfers; tapping into fiscal and foreign-exchange reserves; borrowing and restructuring existing debt; and adopting a more accommodative macroeconomic framework. These should be accompanied by adequate regulation of the financial sector; countries need a far smaller, simpler, more transparent and accountable financial sector, focused on lending to the real economy, not on making exorbitant profits and salaries for outrageously overpaid bankers. Global problems require global solutions; international coordination is critical to address world inequalities and promote a recovery for all to expand employment opportunities, social protection and social services as a matter of social and economic justice.