SOCIAL AND ECONOMIC POLICY
WORKING PAPER

# AUSTERITY MEASURES THREATEN CHILDREN AND POOR HOUSEHOLDS

Recent Evidence in Public Expenditures from 128 Developing Countries

**Isabel Ortiz**

**Jingqing Chai**

**Matthew Cummins**

SEPTEMBER 2011
UNICEF POLICY AND PRACTICE

unicef
unite for children

Austerity Measures Threaten Children and Poor Households: Recent Evidence in Public Expenditures from 128 Developing Countries

Policy, Advocacy and Knowledge Management, Division of Policy and Practice
UNICEF
3 UN Plaza, New York, NY 10017
September 2011



The editors of the series are Isabel Ortiz, Jingqing Chai and David Anthony of UNICEF Policy and Practice Division. For more information on the series, or to submit a working paper, please contact iortiz@unicef.org, jchai@unicef.org or danthony@unicef.org.

UNICEF SOCIAL AND
ECONOMIC POLICY
WORKING PAPER

SEPTEMBER 2011

# AUSTERITY MEASURES THREATEN CHILDREN AND POOR HOUSEHOLDS

Recent Evidence in Public Expenditures from 128 Developing Countries

**Isabel Ortiz**
Associate Director, Policy and Practice, UNICEF

**Jingqing Chai**
Chief, Social and Economic Analysis, UNICEF

**Matthew Cummins**
Social Policy Specialist, Policy and Practice, UNICEF

**JEL Classification:** H5, H12, O23, H5, I3, J3
**Keywords:** fiscal consolidation, fiscal contraction, austerity measures, public expenditures, social spending, crisis recovery, poverty, wage bill, food and energy subsidies, pension reform, social protection

Comments may be addressed by email to the authors iortiz@unicef.org, jchai@unicef.org and mcummins@unicef.org, cc: socialpolicy@unicef.org

## ACKNOWLEDGEMENTS

This publication updates and expands on an earlier UNICEF Working Paper: "Prioritizing Expenditures for a Recovery for All: A Rapid Review of Public Expenditures in 135 Countries." It utilizes new data published by the IMF over the past twelve months. We would like to thank partners worldwide who provided substantive comments and contributions on the methodologies used in our earlier paper, which are applied in the current paper: International Monetary Fund staff led by Sanjeev Gupta (Deputy Director of Fiscal Affairs Department, IMF); Rob Vos (Director of Development Policy and Analysis Division, United Nations Department of Economic and Social Affairs, UNDESA); Shari Spiegel (Senior Economic Affairs Officer, UNDESA); Anisuzzaman Chowdhury (Senior Economic Affairs Officer, UNDESA); Oliver Paddison (Economic Affairs Officer, UNDESA); Moazam Mahmood (Director of Economic and Labour Market Analysis Department, International Labour Organization, ILO); Michael Cichon (Director of Social Security Department, ILO); Rolph van der Hoeven (Professor of Employment and Development Economics, Erasmus University; former Manager of the World Commission on the Social Dimensions of Globalization); Alice Amsden (Barton L. Weller Professor of Development Economics, Massachusetts Institute of Technology, USA); Anne Jellema (Director of Policy, Action Aid International); and Sebastian Levine (Senior Economist, United Nations Development Programme, UNDP Uganda).

Special thanks to Richard Morgan, Director of Policy and Practice, UNICEF, for his support and comments.

# Table of Contents

## Executive Summary

In the wake of the food, fuel and financial shocks, a fourth wave of the global economic crisis began to sweep across developing countries in 2010: fiscal austerity. Serving as an update of earlier research by UNICEF, this working paper: (i) examines the latest IMF government spending projections for 128 developing countries, comparing the three periods of 2005-07 (pre-crisis), 2008-09 (crisis phase I: fiscal expansion) and 2010-12 (crisis phase II: fiscal contraction); (ii) discusses the possible risks for social expenditures; (iii) assesses the most common adjustment measures being considered by developing countries in 2010-11 and their potentially adverse impacts on vulnerable populations; and (iv) summarizes a series of alternative policy options that are available to governments to expand fiscal space and ensure a Recovery for All, including children and poor households.

While most governments introduced fiscal stimuli to buffer their populations from the impacts of the crisis during 2008-09, premature expenditure contraction became widespread beginning in 2010 despite vulnerable populations' urgent and significant need of public assistance. Our analysis confirms that the scope of austerity is severe and widening quickly, with 70 developing countries (or 55 percent of the sample) reducing total expenditures by nearly three percent of GDP, on average, during 2010, and 91 developing countries (or more than 70 percent of the sample) expected to reduce annual expenditures in 2012. Moreover, comparing the 2010-12 and 2005-07 periods suggests that nearly one-quarter of developing countries appears to be undergoing excessive contraction, defined as cutting expenditures below pre-crisis levels in terms of GDP.

Regarding austerity measures, the scope of options under consideration in developing countries seems to have widened considerably since a pioneer expenditure analysis was carried out by UNICEF in October 2010 ("Prioritizing Expenditures for a Recovery for All"). An updated review of the latest IMF country reports shows that governments are weighing various cost-saving policies, including: (i) wage bill cuts/caps, including salaries of education, health and other public sector workers; (ii) elimination or reduction of subsidies, including for basic food items; and (iii) rationalizing social protection schemes by reforming pensions or further targeting social safety nets. Also widely discussed is the introduction or broadening of taxes, such as VATs, on basic products consumed by vulnerable populations.

The paper questions if the projected fiscal contraction trajectory—in terms of timing, scope and magnitude—as well as the specific austerity measures considered are conducive to the objective of adequately protecting children and poor households and the achievement of development goals such as the MDGs. The paper encourages policymakers and development partners to evaluate the potential human and development costs of foregone social expenditures and to consider alternative policy measures to ensure a Recovery for All.

## Résumé Analytique

Dans le sillage des chocs alimentaire, énergétique et financier, une quatrième vague de la crise économique mondiale a commencé à balayer les pays en développement en 2010: l'austérité budgétaire. Afin de servir de mise à jour des recherches antérieures de l'UNICEF, ce document de travail: (i) examine les dernières projections de dépenses de gouvernement dans 128 pays en développement en utilisant les données publiées par le FMI, la comparaison des trois périodes de 2005-07 (avant la crise), 2008-09 (phase de crise I: l'expansion budgétaire) et 2010-12 (crise de la phase II: contraction budgétaire), (ii) examine les risques possibles pour les dépenses sociales, (iii) évalue les ajustements généralement envisagés par les gouvernements en 2010-11 et leur impacts potentiellement néfastes sur les populations vulnérables, et (iv) résume une série d'options politiques alternatives disponibles pour les gouvernements afin d'élargir l'espace budgétaire et assurer une reprise pour tous.

Alors que la plupart des gouvernements ont introduit des stimuli fiscaux pour atténuer les impacts de la crise en 2008-09 sur leur population, les gouvernements ont commencé à entreprendre la contraction des dépenses prématurément au cours de 2010-12, malgré le besoin important et urgent d'assistance publique des populations vulnérables. Notre analyse confirme que la portée de l'austérité est sévère et son expansion rapide, avec 70 pays en développement (ou 55 pour cent de l'échantillon) qui ont réduit leurs dépenses totales de près de trois pour cent du PIB, en moyenne, au cours de 2010, et 91 pays en développement (ou plus de 70 pour cent de l'échantillon) qui devrait également réduire leurs dépenses annuelles en 2012. Par ailleurs, si on compare les périodes 2010-12 et 2005-07 on se rend compte que bien que la majorité des gouvernements devraient maintenir des niveaux de dépenses nettement plus élevés, près d'un quart des pays en développement semble être l'objet d'une contraction excessive, et sont définis comme pratiquant une réduction des dépenses en dessous des niveaux d'avant la crise en termes de PIB.

En termes de politique, la portée des mesures d'austérité dans les pays en développement semble avoir augmenté considérablement depuis l'analyse pionnière des dépenses réalisée par l'UNICEF en Octobre 2010 ("hiérarchisant les dépenses pour une reprise pour tous»). Une étude actualisée sur les derniers rapports de pays du FMI montre que les gouvernements envisagent différentes options pour réduire leurs depenses: (i) des réductions de salaires, y compris dans l'éducation, la santé et autres secteur public, (ii) l'élimination ou la réduction des subventions, y compris pour les produits alimentaires de base, et (iii) la rationalisation des systèmes de protection sociale par la réforme des retraites ou le ciblage des filets de sécurité sociale.

Le rapport pose la question de savoir si la trajectoire prévue des contractions budgétaires - en termes de calendrier, de portée et d'ampleur - ainsi que les mesures d'austérité spécifiques considérées sont propices à la protection des enfants et des ménages pauvres ainsi qu'à la réalisation des objectifs de développement tels que les OMD. Le document encourage les décideurs politiques et les partenaires au développement à évaluer les potentialités humaines et les coûts de développement des dépenses sociales et suggère des mesures politiques alternatives pour assurer une reprise pour tous.

## Resumen Ejecutivo

Tras las tres olas de crisis en 2008—crisis alimentaria, energética y financiera—una cuarta ola de la crisis económica mundial comenzó a extenderse en 2010: la consolidación fiscal. Este informe es una actualización de la investigación anterior de UNICEF sobre el tema. El documento: (i) examina las últimas proyecciones del gasto público en 128 países en desarrollo con datos publicados por el FMI, comparando los períodos 2005-07 (pre-crisis), 2008-09 (fase I de la crisis: expansión fiscal) y 2010-12 (fase II de la crisis: contracción fiscal); (ii) analiza los posibles riesgos para el gasto social; (iii) identifica las medidas de ajuste más comunes consideradas por gobiernos en 2010-11 y sus impactos potencialmente adversos en las poblaciones vulnerables; y (iv) presenta opciones alternativas disponibles para ampliar el espacio fiscal y asegurar una Recuperación para Todos, incluidos los niños y las familias humildes.

En 2008-09 la mayoría de los gobiernos introdujeron planes de estímulo fiscal para amortiguar los impactos negativos de la crisis. En 2010-12, los gobiernos han revertido la tendencia y han comenzado a contraer el gasto, a pesar del desempleo y de la gran urgencia de la asistencia pública para la población. Nuestro análisis confirma la severidad y la aceleración de los programas austeridad, con 70 países en desarrollo (o el 55 por ciento de la muestra) reduciendo el gasto total en casi un tres por ciento del PIB, en promedio, durante el año 2010, y 91 países en desarrollo (o más de 70 por ciento de la muestra) que proyecta reducir el presupuesto en 2012. La comparación entre los períodos 2010-12 y 2005-07 sugiere que casi una cuarta parte de los países en desarrollo parece estar experimentando una contracción excesiva, definida como la reducción del gasto público por debajo de niveles pre-crisis.

Las medidas de austeridad han aumentado considerablemente en países en desarrollo desde el análisis del gasto llevado a cabo por UNICEF en octubre de 2010 (Ortiz et al 2010). Una revisión actualizada de los últimos informes de país del FMI muestra que los gobiernos están considerando las siguientes medidas de ajuste: (i) el recorte o freno a los salarios del sector público, (ii) la reducción de subsidios, incluidos los de los alimentos básicos (iii) una mayor focalización de los programas de la seguridad social y la racionalización/reforma de las pensiones. Otra medida comúnmente considerada es el aumento de impuestos sobre los productos básicos consumidos por los hogares humildes, tales como IVA.

El informe cuestiona si la trayectoria de ajuste fiscal, en términos de su magnitud y de la velocidad de implementación, es adecuada para proteger a los hogares vulnerables y a los niños, así como para alcanzar objetivos nacionales de desarrollo tales como son los ODMs. El documento discute opciones para financiar el gasto social, alienta a gobiernos y organizaciones de desarrollo a evaluar los costos humanos de la contracción fiscal y a considerar políticas alternativas que respondan a las necesidades sociales para asegurar una “Recuperación para Todos.”

## 1. Introduction

In the wake of the food, fuel and financial shocks, a fourth wave of the global economic crisis began to sweep across developing countries in 2010: fiscal austerity. This was the conclusion reached by a UNICEF working paper in October 2010—"Prioritizing Expenditures for a Recovery for All"—which examined spending projections in 126 developing countries and found that nearly half of the sample was expected to reduce total government expenditures in 2010-11 when compared to 2008-09. In addition to questioning the timing and scope of spending cuts given the fragile and uneven economic recovery, UNICEF's earlier paper highlighted the dangers of spending cuts, especially since vulnerable populations were still coping with multiple shocks.

One year on, the situation has deteriorated considerably. Aspirations of a quick and robust economic recovery were laid to rest due to various factors, including weak global demand from high-income countries, feeble credit markets and the phasing out of fiscal stimuli. On the consumption side, food prices have been rising unabatedly since mid-2010 placing ever-increasing pressure on the limited resources of governments and vulnerable households (Ortiz et al. 2011). And energy prices are not far behind. In terms of jobs, hundreds of millions remain unemployed across the globe (IMF 2011a and United Nations 2011). Children and poor households have been hard hit, in particular, and their coping capacities have likely been exhausted. At a time when their need for public support remains urgent and great, a widening scope of fiscal austerity raises the risk of threatening their survival, nutritional growth and other rights. To what extent have governments in developing countries undertaken fiscal austerity prematurely (contracting during 2010-12 even as the crisis lingers on) and/or even excessively (cutting expenditure below pre-crisis levels)?

Serving as an update of our earlier research (Ortiz et al. 2010), this working paper: (i) examines the latest IMF government spending projections for 128 developing countries, comparing the three periods of 2005-07 (pre-crisis), 2008-09 (crisis phase I: fiscal expansion) and 2010-12 (crisis phase II: fiscal contraction); (ii) discusses the possible risks for social expenditures; (iii) assesses the most common adjustment measures being considered by developing countries in 2010-11 and their potentially adverse impacts on vulnerable populations; and (iv) summarizes a series of alternative policy options that are available to governments to expand fiscal space and ensure a Recovery for All, including children and poor households (UNICEF 2010a).

Our review is based on information published by the IMF. The fiscal trend analysis uses country-level fiscal indicators extracted from the April 2011 World Economic Outlook. To serve as a general reference, the projected changes in total government expenditures—both in terms of GDP as well as in real growth—for all developing countries are provided in Annex 1. Regarding the analysis of adjustment measures, the identification of different options considered by governments is inferred from policy discussions and other information contained in IMF country reports (which cover Article IV consultations, reviews conducted under lending arrangements and consultations under non-lending arrangements), published between January 2010 and September 2011. Annex 2 presents the complete list of country reports reviewed.

## 2. Expenditure Trends

Analysis of fiscal projection data published by the IMF verifies two very different phases of government spending patterns since the onset of the global economic crisis. During the first phase, most developing countries moved swiftly to introduce fiscal stimulus packages and boost spending, which largely characterizes 2008-09. Beginning in 2010, however, in a second phase of the crisis, most governments started to scale back stimulus programs and slash budgets, a trend that appears likely to gain pace in 2011 and 2012. This section describes the evolution of expenditures since the start of the crisis and concludes by contrasting the unique stages to better gauge the overall breadth and depth of fiscal consolidation.

### 2.1. Crisis Phase I: Expansion, 2008-09

The vast majority of governments boosted public expenditures significantly to buffer the impact of the different global shocks on their populations in what could be described as the expansionary phase of the crisis (Table 1). When comparing pre-crisis spending levels to this first phase, nearly three-fourths of developing countries (94 out of 128) ramped up public expenditures, with the average expansion amounting to 3.7 percent of GDP. Developing countries in Sub-Saharan Africa undertook the largest spending increases, with 26 of the 41 countries expanding by 4.4 percent of GDP, on average. Also noteworthy, nearly all countries in Eastern Europe and Central Asia (20 of 22) raised spending by more than four percent of GDP, on average.

**Table 1. Changes in Total Government Spending by Region, 2008-09 avg. over 2005-07 avg.[1]**

(in percent of GDP)

| Region / Income Group | Total Sample | | Expanded | | Contracted | |
|---|---|---|---|---|---|---|
| | # of countries | Avg. spending Δ | % of countries | Avg. spending Δ | % of countries | Avg. spending Δ |
| East Asia and Pacific | 17 | 2.5 | 76.5 | 3.4 | 23.5 | -0.5 |
| Eastern Europe and Central Asia | 22 | 3.6 | 90.9 | 4.2 | 9.1 | -1.9 |
| Latin America and Caribbean | 29 | 2.0 | 75.9 | 3.2 | 24.1 | -1.5 |
| Middle East and North Africa | 11 | 1.3 | 54.5 | 3.8 | 45.5 | -1.6 |
| South Asia | 8 | 2.1 | 87.5 | 2.4 | 12.5 | -0.1 |
| Sub-Saharan Africa | 41 | 1.7 | 63.4 | 4.4 | 36.6 | -3.0 |
| **All Developing Countries** | **128** | **2.2** | **73.4** | **3.7** | **26.6** | **-2.0** |
| Low | 35 | 1.9 | 68.6 | 3.8 | 31.4 | -2.3 |
| Lower-middle | 50 | 2.1 | 70.0 | 3.8 | 30.0 | -1.7 |
| Upper-middle | 43 | 2.6 | 81.4 | 3.7 | 18.6 | -2.2 |
| High | 49 | 3.1 | 85.7 | 3.8 | 14.3 | -0.9 |
| All Countries | 177 | 2.5 | 76.8 | 3.8 | 23.2 | -1.8 |

Source: Authors' calculations based on IMF World Economic Outlook (April 2011)

[1] All empirical analyses in this paper exclude Côte d'Ivoire, Liberia, Libya, Mauritania, Timor-Leste, Tuvalu and Zimbabwe due to lack of data and/or peculiar fiscal circumstances. Also, median values were obtained for all analyses but show similar patterns and are, therefore, not reported in any tables.

Positive trends are also evidenced in terms of real government spending (Table 2). More than 90 percent of developing countries increased real expenditures, with the average growth equaling nearly 25 percent when comparing 2008-09 and 2005-07 spending levels. Expansions were largest in Eastern Europe and Central Asia along with East Asia and the Pacific, with real expenditure growth amounting to roughly 30 percent, on average, in both of these regions.

**Table 2. Growth of Real Government Spending by Region, 2008-09 avg. over 2005-07 avg.**
(as a percentage)

| Region / Income Group | Total Sample | | Expanded | | Contracted | |
|---|---|---|---|---|---|---|
| | # of countries | Avg. spending Δ | % of countries | Avg. spending Δ | % of countries | Avg. spending Δ |
| East Asia and Pacific | 17 | 23.7 | 88.2 | 27.9 | 11.8 | -7.8 |
| Eastern Europe and Central Asia | 22 | 33.9 | 100.0 | 33.9 | 0.0 | na |
| Latin America and Caribbean | 29 | 17.1 | 86.2 | 20.2 | 13.8 | -2.5 |
| Middle East and North Africa | 11 | 16.9 | 90.9 | 19.2 | 9.1 | -6.2 |
| South Asia | 8 | 26.8 | 100.0 | 26.8 | 0.0 | na |
| Sub-Saharan Africa | 41 | 19.3 | 92.7 | 22.4 | 7.3 | -20.2 |
| **All Developing Countries** | **128** | **22.1** | **92.2** | **24.8** | **7.8** | **-9.2** |
| Low | 35 | 23.7 | 94.3 | 26.3 | 5.7 | -20.6 |
| Lower-middle | 50 | 22.4 | 94.0 | 24.1 | 6.0 | -3.3 |
| Upper-middle | 43 | 20.6 | 88.4 | 24.4 | 11.6 | -8.2 |
| High | 49 | 15.4 | 95.9 | 16.2 | 4.1 | -5.2 |
| All Countries | 177 | 20.3 | 93.2 | 22.4 | 6.8 | -8.6 |

Source: Authors' calculations based on IMF World Economic Outlook (April 2011)

### 2.2. Crisis Phase II: Contraction, 2010-12

Beginning in 2010, however, in a second phase of the crisis, most governments started to withdraw fiscal stimulus programs and scale back public spending. Overall, an estimated 70 developing country governments (or 55 percent of the sample) reduced total expenditures by 2.6 percent of GDP, on average, between 2009 and 2010 (Table 3). This shift was most acute in the Middle East and North Africa, both in terms of breadth—more than 80 percent of countries in the region contracted—as well as depth—4.0 percent of GDP, on average.

The outlook for 2011 and 2012 is equally troubling. In 2011, 62 developing countries (roughly half of the sample) are expected to contract government expenditures by an average of 2.2 percent of GDP, while 91 (more than 70 percent of the sample) are forecasted to adopt further austerity measures during 2012 to the tune of 1.5 percent of GDP, on average. For both years, Eastern Europe and Central Asia has the largest percentage of countries expected to reduce aggregate spending—13 of 22 countries (or 59 percent) in 2011 and 19 of 22 countries (or 86 percent) in 2012. Sub-Saharan Africa, on the other hand, is the region with the biggest anticipated expenditure contractions—3.4 percent, on average, for 19 of the 41 countries in 2011, and 27 of the 41 countries reducing spending by about 2.0 percent, on average, in 2012.

Perhaps most alarming is the growing number of countries that are projected to cut spending in 2012. Overall, an additional 29 countries are forecasted to undergo expenditure reductions between 2011 and 2012, with the biggest changes occurring in Latin America and the Caribbean (from 14 to 22 countries), the Middle East and North Africa (from 3 to 9 countries), and Sub-Saharan Africa (from 19 to 27 countries). It is also worth mentioning that the number of high-income countries that are expected to undergo fiscal contraction reaches 41 of 49 countries in 2012, up from 38 countries the year before.

**Table 3. Projected Total Government Spending Trends by Region, 2010-12**

| Region / Income Group (# of countries) | Indicator | (A) Change in Spending (year on year, in % of GDP) | | | (B) Growth of Real Spending (year on year, as a %) | | |
|---|---|---|---|---|---|---|---|
| | | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 |
| East Asia and the Pacific (17) | Overall average change | 0.0 | 0.1 | -0.7 | 5.6 | 5.3 | 1.9 |
| | Average contraction | -1.5 | -1.7 | -1.6 | -5.3 | -4.5 | -5.4 |
| | % of countries contracting | 58.8 | 47.1 | 64.7 | 23.5 | 23.5 | 29.4 |
| Eastern Europe and Central Asia (22) | Overall average change | -1.2 | -0.5 | -0.9 | 3.1 | 4.6 | 2.2 |
| | Average contraction | -2.5 | -1.6 | -1.0 | -3.4 | -3.1 | -2.4 |
| | % of countries contracting | 63.6 | 59.1 | 86.4 | 36.4 | 31.8 | 13.6 |
| Latin America and Caribbean (29) | Overall average change | -0.7 | 0.1 | -0.7 | 3.5 | 5.3 | 1.8 |
| | Average contraction | -2.6 | -1.4 | -1.1 | -9.9 | -4.5 | -2.8 |
| | % of countries contracting | 55.2 | 48.3 | 75.9 | 27.6 | 24.1 | 31.0 |
| Middle East and North Africa (11) | Overall average change | -3.3 | 0.6 | -1.3 | -0.2 | 9.9 | 1.3 |
| | Average contraction | -4.0 | -2.8 | -2.0 | -5.5 | -3.9 | -3.3 |
| | % of countries contracting | 81.8 | 27.3 | 81.8 | 45.5 | 9.1 | 45.5 |
| South Asia (8) | Overall average change | -0.1 | 0.6 | -0.1 | 5.9 | 7.8 | 5.6 |
| | Average contraction | -2.9 | -1.5 | -1.8 | -14.0 | -4.1 | -2.7 |
| | % of countries contracting | 50.0 | 50.0 | 37.5 | 12.5 | 25.0 | 25.0 |
| Sub-Saharan Africa (41) | Overall average change | 0.1 | -0.5 | -0.8 | 8.4 | 5.7 | 4.1 |
| | Average contraction | -2.6 | -3.4 | -1.9 | -6.8 | -8.2 | -5.8 |
| | % of countries contracting | 41.5 | 46.3 | 65.9 | 24.4 | 31.7 | 29.3 |
| **All Developing Countries (128)** | **Overall average change** | **-0.6** | **-0.1** | **-0.8** | **5.1** | **5.9** | **2.8** |
| | **Average contraction** | **-2.6** | **-2.2** | **-1.5** | **-6.6** | **-5.6** | **-4.2** |
| | **% of countries** | **54.7** | **48.4** | **71.1** | **28.1** | **26.6** | **28.1** |
| Low Income (35) | Overall average change | 1.0 | 0.1 | -0.4 | 9.8 | 7.2 | 5.8 |
| | Average contraction | -1.8 | -3.2 | -1.5 | -8.5 | -8.9 | -3.6 |
| | % of countries contracting | 31.4 | 40.0 | 62.9 | 17.1 | 28.6 | 25.7 |
| Lower-middle Income (50) | Overall average change | -1.2 | 0.2 | -1.0 | 4.1 | 7.2 | 1.8 |
| | Average contraction | -3.1 | -2.4 | -1.8 | -5.4 | -5.0 | -5.1 |
| | % of countries contracting | 62.0 | 36.0 | 70.0 | 28.0 | 20.0 | 32.0 |
| Upper-middle Income (43) | Overall average change | -1.2 | -0.7 | -0.8 | 2.5 | 3.2 | 1.6 |
| | Average contraction | -2.5 | -1.6 | -1.2 | -6.9 | -3.6 | -3.3 |
| | % of countries contracting | 65.1 | 69.8 | 79.1 | 37.2 | 32.6 | 25.6 |
| High Income (49) | Overall average change | -0.7 | -1.5 | -0.7 | 1.7 | 1.2 | 0.5 |
| | Average contraction | -1.7 | -2.2 | -1.0 | -4.2 | -3.5 | -2.2 |
| | % of countries contracting | 71.4 | 77.6 | 83.7 | 40.8 | 42.9 | 38.8 |
| All Countries (177) | Overall average change | -0.6 | -0.5 | -0.8 | 4.2 | 4.6 | 2.2 |
| | Average contraction | -2.3 | -2.2 | -1.3 | -5.7 | -4.8 | -3.5 |
| | % of countries contracting | 59.3 | 56.5 | 74.6 | 31.6 | 31.1 | 31.1 |

Source: Authors' calculations based on IMF World Economic Outlook (April 2011)

Although less severe, fiscal contraction is also evidenced in terms of changes in real spending patterns. About 30 percent of all developing countries is anticipated to experience negative growth in real government expenditures during 2010-12, on average, a number which remains constant throughout the time period. While spending growth is forecast to remain positive for the sample as a whole, there is a downward trend from around 5.5 percent during 2010-11 to 2.8 percent in 2012, on average. For those countries that are projected to experience negative growth, real declines amount to 5.5 percent annually, on average, over the three-year period. Regionally, Sub-Saharan Africa appears to be the hardest hit, as approximately one-third of countries is expected to decrease real spending by 8.2 percent in 2011, which only slightly tapers off in 2012. Estimates also suggest that the Middle East and North Africa is increasingly tightening real expenditures, with declining spending growth affecting just a single country in 2011 but jumping to five in 2012.

### 2.3. Contrasting the Crisis Phases

To better understand the breadth and depth of ongoing spending contractions among the cohort of developing countries, it is also useful to compare the expansionary and contractionary phases of the crisis. When taking the average spending values of the stimulus phase (2008-09) and contrasting those against the forecast expenditures of the ongoing austerity phase (2010-12), 55 out of 128 developing countries (or 43 percent) are expected to contract total government expenditure by an average of 2.9 percent of GDP (Table 4). In real terms, just over 20 percent of developing countries is projected to undergo negative spending growth when comparing the unique time periods (Table 5). This finding, particularly that of the significant cuts already undertaken in 2010, raises concerns about premature fiscal tightening as the hope for recovery has largely dissipated and the need for public spending remains significant.

**Table 4. Changes in Total Government Spending by Region, 2010-12 avg. over 2008-09 avg.**
(in percent of GDP)

| Region / Income Group | Total Sample | | Expanded | | Contracted | |
|---|---|---|---|---|---|---|
| | # of countries | Avg. spending Δ | % of countries | Avg. spending Δ | % of countries | Avg. spending Δ |
| East Asia and Pacific | 17 | 1.2 | 64.7 | 2.2 | 35.3 | -0.8 |
| Eastern Europe and Central Asia | 22 | -0.6 | 36.4 | 2.5 | 63.6 | -2.3 |
| Latin America and Caribbean | 29 | 0.4 | 69.0 | 2.3 | 31.0 | -3.7 |
| Middle East and North Africa | 11 | -2.7 | 18.2 | 2.2 | 81.8 | -3.8 |
| South Asia | 8 | 0.8 | 50.0 | 3.4 | 50.0 | -1.8 |
| Sub-Saharan Africa | 41 | 0.4 | 68.3 | 2.2 | 31.7 | -3.6 |
| **All Developing Countries** | **128** | **0.1** | **57.0** | **2.3** | **43.0** | **-2.9** |
| Low | 35 | 1.5 | 74.3 | 2.9 | 25.7 | -2.5 |
| Lower-middle | 50 | -0.3 | 50.0 | 2.3 | 50.0 | -3.0 |
| Upper-middle | 43 | -0.6 | 51.2 | 1.6 | 48.8 | -2.9 |
| High | 49 | 0.3 | 57.1 | 1.7 | 42.9 | -1.5 |
| All Countries | 177 | 0.1 | 57.1 | 2.1 | 42.9 | -2.5 |

Source: Authors' calculations based on IMF World Economic Outlook (April 2011)

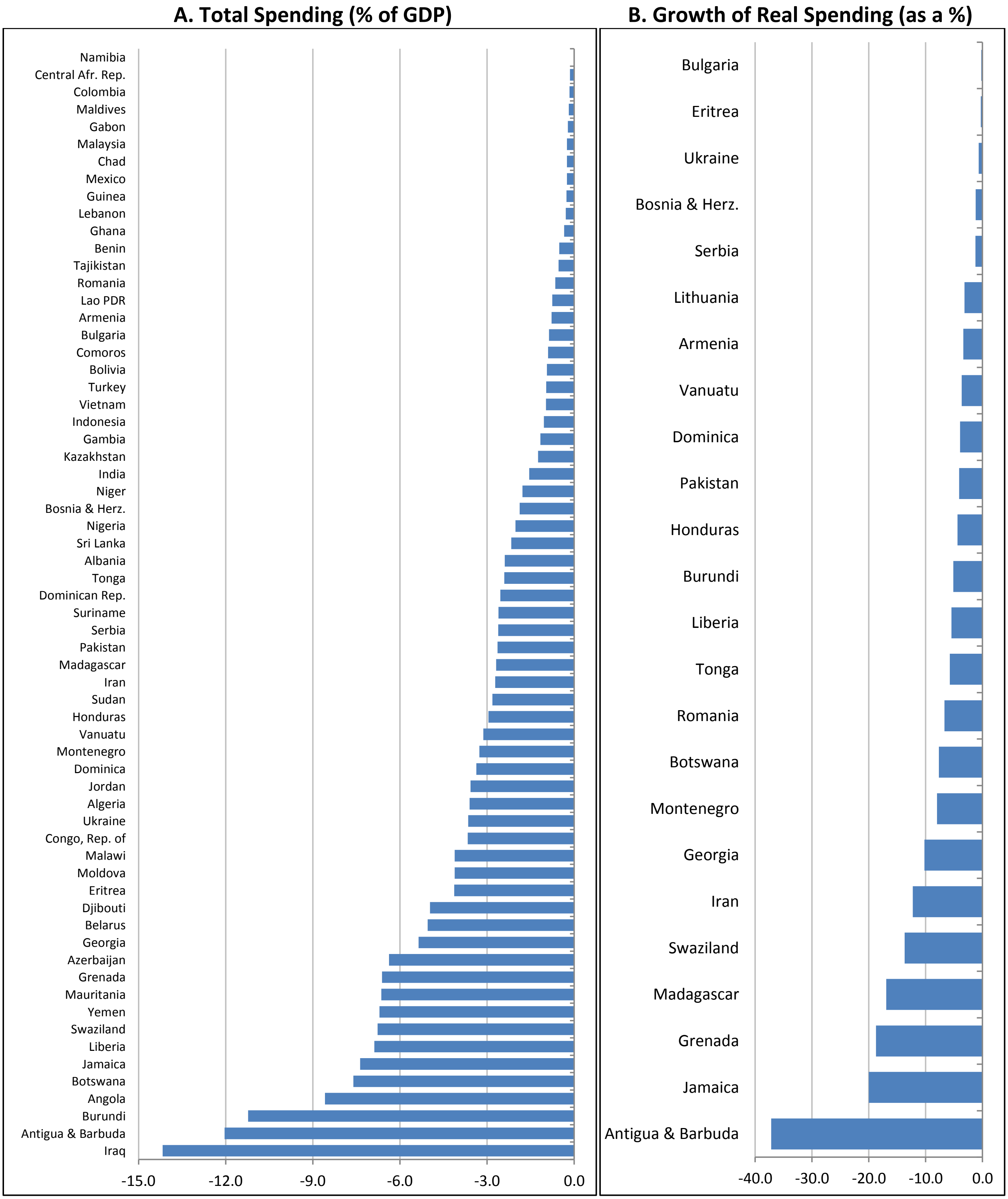
**Table 5. Growth of Real Government Spending by Region, 2010-12 avg. over 2008-09 avg.**
(as a percentage)

| Region / Income Group | Total Sample | | Expanded | | Contracted | |
|---|---|---|---|---|---|---|
| | # of countries | Avg. spending Δ | % of countries | Avg. spending Δ | % of countries | Avg. spending Δ |
| East Asia and Pacific | 17 | 15.1 | 88.2 | 17.3 | 11.8 | -1.1 |
| Eastern Europe and Central Asia | 22 | 9.8 | 54.5 | 20.5 | 45.5 | -3.1 |
| Latin America and Caribbean | 29 | 11.6 | 82.8 | 17.2 | 17.2 | -15.2 |
| Middle East and North Africa | 11 | 6.7 | 72.7 | 11.0 | 27.3 | -4.6 |
| South Asia | 8 | 19.4 | 75.0 | 26.4 | 25.0 | -1.7 |
| Sub-Saharan Africa | 41 | 16.3 | 85.4 | 20.2 | 14.6 | -6.7 |
| **All Developing Countries** | **128** | **13.3** | **78.1** | **18.7** | **21.9** | **-6.0** |
| Low | 35 | 22.4 | 91.4 | 25.3 | 8.6 | -7.9 |
| Lower-middle | 50 | 12.2 | 76.0 | 17.0 | 24.0 | -2.9 |
| Upper-middle | 43 | 7.2 | 69.8 | 13.9 | 30.2 | -8.4 |
| High | 49 | 4.5 | 79.6 | 7.6 | 20.4 | -7.7 |
| All Countries | 177 | 10.9 | 78.5 | 15.6 | 21.5 | -6.4 |

Source: Authors' calculations based on IMF World Economic Outlook (April 2011)

At the country level, a number of governments are projected to undergo significant spending cuts in terms of GDP when comparing the expansionary and contractionary phases of the crisis (Figure 1A). In particular, large contractions (4-12 percent of GDP) are expected in 13 countries, including Angola, Antigua and Barbuda, Azerbaijan, Belarus, Botswana, Burundi, Djibouti, Georgia, Grenada, Iraq, Jamaica, Swaziland and Yemen. In terms of real spending growth, Antigua and Barbuda, Georgia, Grenada, Iran, Jamaica, Madagascar and Swaziland are projected to reduce real total government expenditure by more than ten percent when comparing the average spending values over the two time periods (Figure 1B). Given that this picture reflects the combined effects of reduced spending along with an eroding real value of expenditures due to higher local prices, Georgia and Iran stand out as having dangerous levels of inflation during 2011-12.

**Figure 1. Projected Change in Government Spending, 2011-12 avg. over 2008-09 avg.**




Source: Authors' calculations based on IMF World Economic Outlook (April 2011)

## 2.4. Are Some Countries Undertaking Excessive Consolidation?

Fiscal stimulus programmes cannot be maintained indefinitely. However, as is discussed in the following sections, there are significant risks related to premature as well as excessive consolidation. In this context, we define excessive fiscal austerity as reducing government expenditure below pre-crisis (2005-07) levels in terms of GDP.

Comparing the 2010-12 and 2005-07 periods suggests that the majority of developing countries has maintained total expenditures far above pre-crisis levels (Table 6). Overall, average spending levels in the contractionary phase of the crisis are about 4.0 percent higher in GDP terms than those in the pre-crisis in more than three-fourths of developing countries; in real terms, public expenditures are 43 percent above earlier levels in more than 90 percent of the sample (Table 7). These findings indicate that most governments have maintained considerably higher levels of public assistance since the start of the global economic crisis.

**Table 6. Changes in Total Government Spending by Region, 2010-12 avg. over 2005-07 avg.**
(in percent of GDP)

| Region / Income Group | Total Sample | | Expanded | | Contracted | |
|---|---|---|---|---|---|---|
| | # of countries | Avg. spending Δ | % of countries | Avg. spending Δ | % of countries | Avg. spending Δ |
| East Asia and Pacific | 17 | 3.7 | 94.1 | 4.0 | 5.9 | -1.4 |
| Eastern Europe and Central Asia | 22 | 3.1 | 86.4 | 3.9 | 13.6 | -2.3 |
| Latin America and Caribbean | 29 | 2.5 | 82.8 | 3.8 | 17.2 | -4.0 |
| Middle East and North Africa | 11 | -1.4 | 27.3 | 4.7 | 72.7 | -3.6 |
| South Asia | 8 | 2.9 | 87.5 | 3.6 | 12.5 | -1.9 |
| Sub-Saharan Africa | 41 | 2.1 | 73.2 | 4.4 | 26.8 | -4.2 |
| **All Developing Countries** | **128** | **2.3** | **77.3** | **4.0** | **22.7** | **-3.6** |
| Low | 35 | 3.4 | 82.9 | 4.9 | 17.1 | -4.0 |
| Lower-middle | 50 | 1.8 | 72.0 | 3.8 | 28.0 | -3.3 |
| Upper-middle | 43 | 2.0 | 79.1 | 3.5 | 20.9 | -3.9 |
| High | 49 | 3.4 | 83.7 | 4.5 | 16.3 | -2.2 |
| All Countries | 177 | 2.6 | 79.1 | 4.2 | 20.9 | -3.3 |

Source: Authors' calculations based on IMF World Economic Outlook (April 2011)

**Table 7. Growth of Real Government Spending by Region, 2010-12 avg. over 2005-07 avg.**
(as a percentage)

| Region / Income Group | Total Sample | | Expanded | | Contracted | |
|---|---|---|---|---|---|---|
| | # of countries | Avg. spending Δ | % of countries | Avg. spending Δ | % of countries | Avg. spending Δ |
| East Asia and Pacific | 17 | 42.7 | 94.1 | 45.5 | 5.9 | -2.9 |
| Eastern Europe and Central Asia | 22 | 48.3 | 100 | 48.3 | 0.0 | na |
| Latin America and Caribbean | 29 | 32.0 | 89.7 | 37.7 | 10.3 | -17.0 |
| Middle East and North Africa | 11 | 25.2 | 90.9 | 29.3 | 9.1 | -15.8 |
| South Asia | 8 | 51.6 | 100 | 51.6 | 0.0 | na |
| Sub-Saharan Africa | 41 | 39.0 | 92.7 | 43.8 | 7.3 | -21.8 |
| **All Developing Countries** | **128** | **39.1** | **93.7** | **42.9** | **6.3** | **-16.9** |

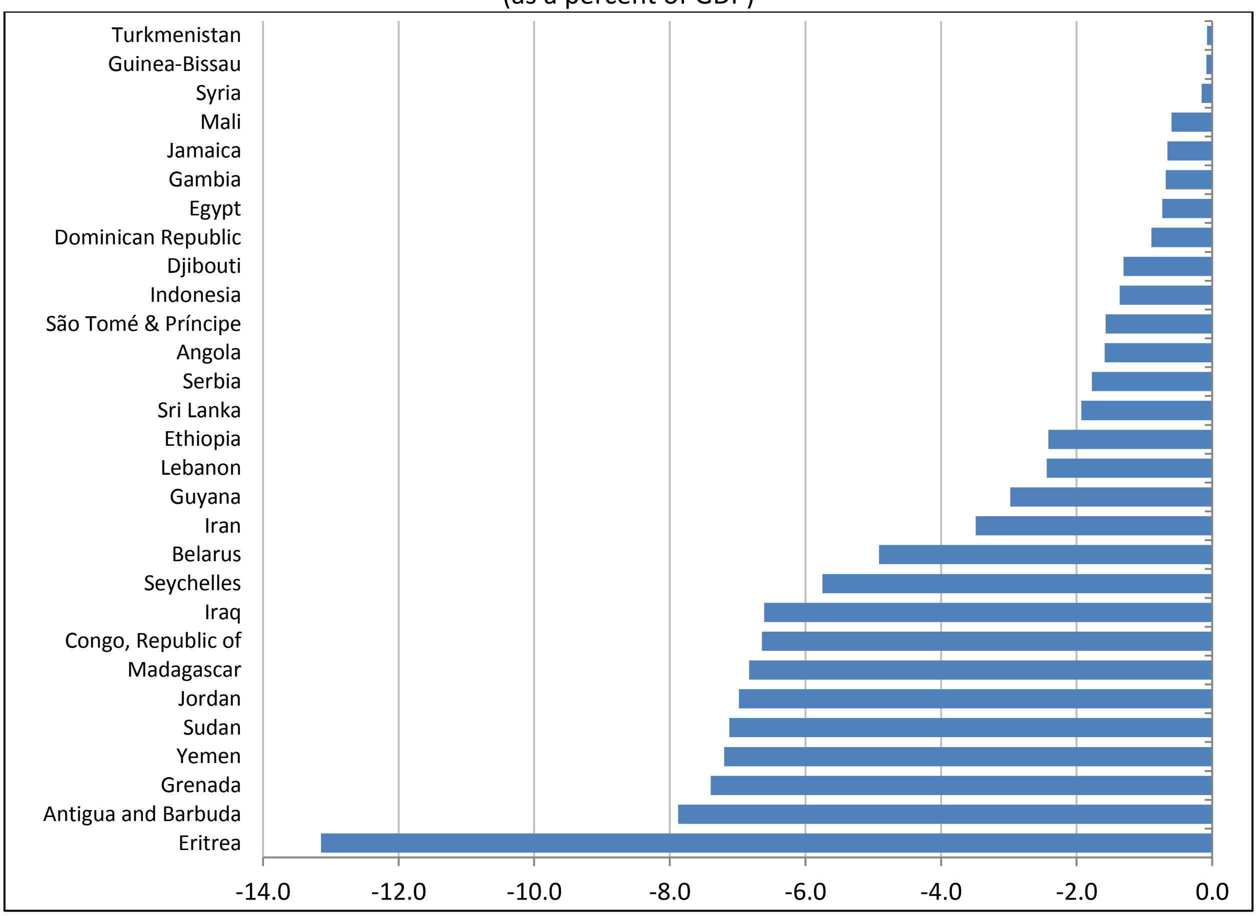
| Region / Income Group | Total Sample | | Expanded | | Contracted | |
|---|---|---|---|---|---|---|
| | # of countries | Avg. spending Δ | % of countries | Avg. spending Δ | % of countries | Avg. spending Δ |
| Low | 35 | 52.3 | 94.3 | 57.3 | 5.7 | -30.3 |
| Lower-middle | 50 | 38.0 | 100 | 38.0 | 0.0 | na |
| Upper-middle | 43 | 29.7 | 86.0 | 36.5 | 14.0 | -12.5 |
| High | 49 | 20.9 | 95.9 | 22.3 | 4.1 | -13.9 |
| All Countries | 177 | 34.1 | 94.4 | 37.1 | 5.6 | -16.3 |

Source: Authors' calculations based on IMF World Economic Outlook (April 2011)

Although these are, indeed, positive signs on the aggregate, there is also a sizable number of countries that appear to be undergoing excessive contraction. In terms of GDP, analysis of fiscal data reveals that at least 29 developing countries can be characterized as having adopted excessive reductions in government spending (Figure 2). Eleven of those countries are projected to be spending more than 5.0 percent less, on average, during the second phase of the crisis than during the pre-crisis period (Antigua and Barbuda, Belarus, Eritrea, Grenada, Iraq, Jordan, Madagascar, Republic of Congo, Seychelles, Sudan and Yemen). In terms of real spending, eight countries are estimated to be spending less in 2010-12 than during 2005-07 (Antigua and Barbuda, Eritrea, Fiji, Grenada, Iran, Jamaica, Madagascar and Seychelles).

**Figure 2. Projected Change in Government Spending, 2011-12 avg. over 2005-07 avg.**

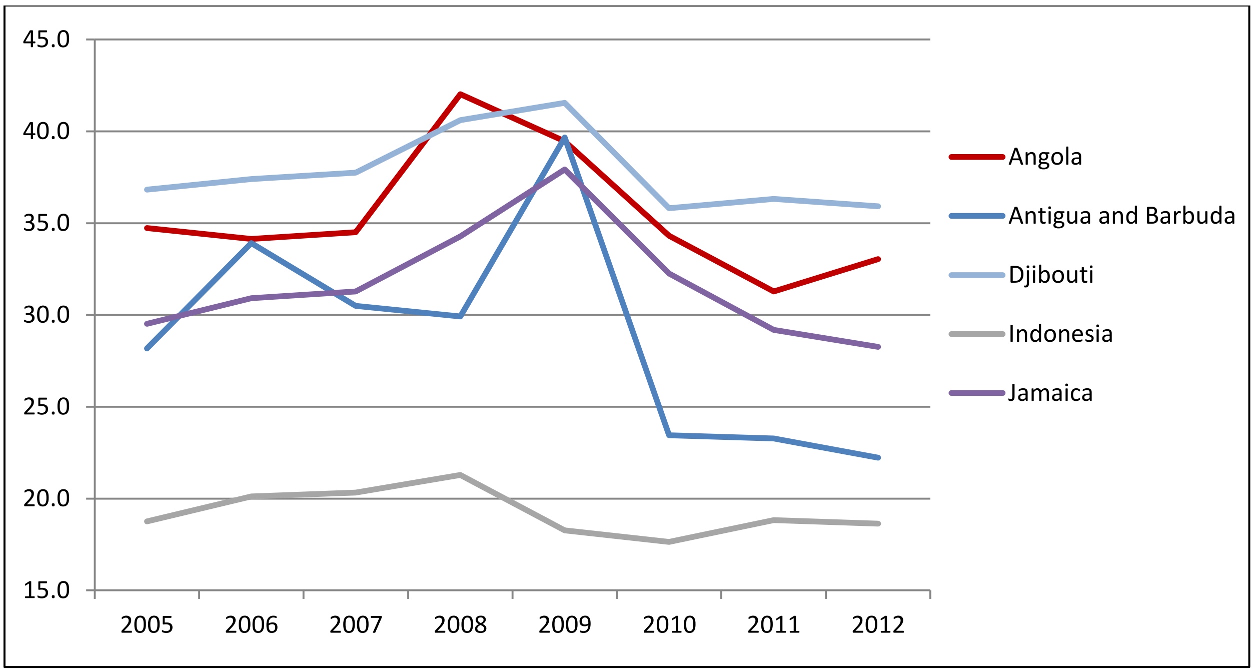
(as a percent of GDP)




Source: Authors' calculations based on IMF World Economic Outlook (April 2011)

Excessive contraction is perhaps best illustrated by several examples. Figure 3 presents cases from different regions (Angola from Sub-Saharan Africa, Djibouti from the Middle East and North Africa, Indonesia from Asia, and Jamaica from Latina America and the Caribbean) along with one of the more extreme cases (Antigua and Barbuda). It is clear that each of these countries moved to bolster expenditures in the face of the global shocks during the 2008-09 period, but have since undergone steep spending cuts, so much that projected levels are far below pre-crisis levels. The implications of these trends, both in terms of the overall impact on levels of social assistance, as well as the potentially adverse impacts associated with policy choices taken to achieve the steep contractions, are discussed in the following sections.

**Figure 3. Total Government Expenditures in Selected Countries, 2005-12**
(as a percent of GDP)



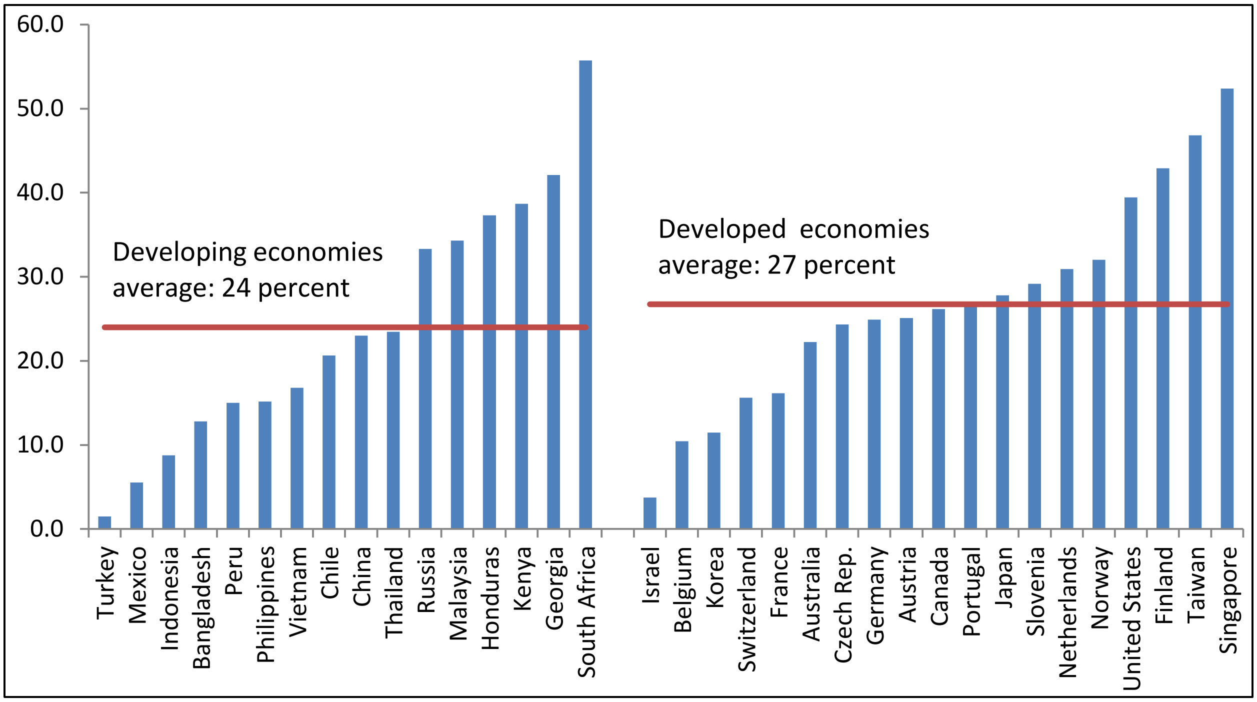

Source: IMF World Economic Outlook (April 2011)

## 3. So What Happens to Social Expenditures from 2010 onwards?

### 3.1. Crisis Phase I: Expansion, 2008-09

General increases in social spending during 2008-09 were largely facilitated by an overall expansionary fiscal stance and reflected a greater policy emphasis on protecting vulnerable populations from the negative shocks of the crisis (Zhang et al. 2010 and Clements et al. 2011). For example, on average about 24 percent of the total announced fiscal stimulus amounts by developing countries was directed at social protection programmes (Figure 4).

**Figure 4. Size of Social Protection Component of Stimulus Packages**
(in percent of total announced amount)




Sources: Authors' calculations based on Zhang et. al. (2010) and IMF country reports for Chile and Peru

### 3.2. Crisis Phase II: Contraction, 2010-12

Data shortcomings make it difficult to assess the actual levels of social spending during the contraction phase of the crisis. Although the IMF publishes current and projected fiscal data, there are no near real-time data series on social expenditures. Similarly, the World Bank compiles expenditures by sectors as part of the World Development Indicators, but the latest figures are two years old.

Turning to other sources, recent surveys suggest a bleak outlook for social expenditures in some developing countries. Kyrili and Martin (2010) find that two-thirds of 56 low-income countries surveyed are cutting budget allocations in 2010 to one or more pro-poor sectors, which include education, health, agriculture and social protection. They further confirm that while expenditures on infrastructure, health and agriculture rose in 2009, they fell in 2010, with social protection allocations contracting in 2009-10 and ending the period more than 0.2 percent of GDP lower than in 2008, on average.

On the other hand, policy discussions described in recent IMF country reports indicate a greater emphasis on safeguarding "pro-poor spending" than in the past, most notably in low-income countries supported under the IMF's new lending framework. However, there are major problems associated with definitions of "pro-poor spending" (Box 1).

**Box 1. Problems of Data and Definitions for Pro-poor Social Spending**

There are different approaches to budgeting. For instance, public expenditures are often presented using a ***functional classification***, which is the amount allocated to different sector ministries (education, health, social security/welfare, agriculture, transport, energy, defense, etc.). In general, social spending includes education, health, social security and labour, and, in some instances, housing and water. However, updated and accurate information on sector expenditures is not easily available in many countries.

IMF reports, on the other hand, contain timely information on public expenditures using an ***economic classification***, which is based on aggregates across ministries (e.g. wage bill, transfers, goods and services, and investments). According to this classification, the wage bill (payroll of civil servants) is usually the largest component of public expenditures in low income countries and, accordingly, is one of the first items to be considered for cuts during adjustment periods. These classifications do not take into account distributional impacts.

National plans and policy discussions often identify the need to protect **"priority" pro-poor social expenditures**. Pro-poor indicates some consideration of distributional impacts. However, there is no universally accepted definition of pro-poor social expenditures, and the definition changes from country to country.

In practice, primary education and basic health are common elements of "priority" pro-poor social expenditures, but other investments with positive distributional impacts on vulnerable children and poor households may not be included if they are not viewed as priority by the government, such as social protection, water supply and sanitation, or public housing. Our reading of recent IMF country reports also suggests that a wide variety of spending categories—such as electricity, judiciary and, in some cases, defense-related—were included in "priority" social spending to be protected under country programmes. These approaches raise some questions about the effectiveness of priority setting in safeguarding those areas of social spending that are most essential for directly supporting vulnerable populations.

UNICEF, and the United Nations as a whole, uses a multidimensional approach to child wellbeing. The Convention of the Rights of the Child (1990), which has been ratified by 193 countries, clearly states the obligation to invest in eradicating all child deprivations. Children have a right not only to basic education and health, but also to food, clean drinking water, sanitation, shelter and other necessary investments for their families, including those related to basic livelihoods.

Source: Adapted from Ortiz et al. (2010)

Social spending cuts remain a major concern for many developing countries in a climate of fiscal contraction. And our assessment is that even in countries with a policy intention of safeguarding "priority pro-poor spending," there is a heightened risk of social spending and service delivery falling below the levels needed to adequately support vulnerable populations. Given the lack of real-time international data on social spending for the period 2010 onwards, the next section presents an analysis of policy discussions on social expenditures as described in the most recent IMF country reports.

## 4. Adjustment Measures and their Potential Risks to the Poor

The adjustment measures that countries choose in order to achieve expenditure consolidation have direct implications for economic and social spending, children and the poor. This is clearest in cases of scaling down targeted benefits, such as cash transfers or subsidies on which vulnerable groups depend to meet basic consumption needs. Other measures, however, involve tradeoffs that can also adversely impact poor households. For example, public sector wage cuts can affect private spending, reduce overall aggregate demand and, ultimately, hinder economic recovery, with slower growth weighing most heavily on the poor.

To identify the different adjustment options considered by governments, we reviewed policy discussions and other information contained in IMF country reports, which include Article IV consultations, reviews conducted under lending arrangements (e.g. Stand-by Arrangements and Extended Credit Facility) and consultations under non-lending arrangements (e.g. Staff Monitored Programs), published between January 2010 and September 2011 (see Annex 2 for a complete list of the 124 reports reviewed).

Five general adjustment policies emerge: (i) cutting or capping the wage bill (in 56 countries), (ii) phasing out or removing subsidies (predominately fuel, but also electricity and food items) (in 56 countries), (iii) rationalizing or further targeting social protection programmes (in 34 countries), (iv) reforming old-age pensions (in 28 countries), and (v) increasing consumption taxes on basic goods (e.g. value added taxes) that the poor tend to consume (in 53 countries).

Compared to our previous review of the reports available as of September 2010, a significantly larger number of countries is now considering these austerity measures (Table 8). Overall, at least one policy option is being discussed in 106 developing countries, with two or more options being considered in 69 countries and four or more options in ten countries (Antigua and Barbuda, Belarus, Egypt, Fiji, India, Jordan, Nicaragua, Romania, St. Kitts and Nevis, and Tunisia). Although fewer, a number of countries are also contemplating or planning alternative options by expanding wages, subsidies, social transfers or pension benefits and/or lowering taxes on basic goods, despite fiscal constraints.

Two caveats are warranted. First, to the extent that measures eventually adopted by governments may differ from those under consideration, the countries shown in Table 8 are only indicative, and actual outcomes require verification. Second, this exercise does not assess adjustment policies but rather highlights their potential to adversely impact children and poor families. While there may be good reasons for governments to consider the measures listed here, it is important that policymakers are aware of the potential dangers for vulnerable populations, which is the aim of this section. What follows is a description of each of the most common austerity measures being considered by governments in developing countries, along with a brief analysis of the specific dangers to children and poor households.

## Table 8. Selected Adjustment Measures Commonly Considered, 2010-11

| Wage Bill Cuts or Caps | Reduce or Eliminate Subsidies | Further Target Social Protection | Old-Age Pension Reform | Increase Consumption Taxes |
|---|---|---|---|---|
| Algeria | Algeria | Algeria | Albania | Antigua and Barbuda |
| Antigua and Barbuda | Angola | Antigua and Barbuda | Antigua and Barbuda | Armenia |
| Belarus | Belarus | Belarus | Belarus | Belize |
| Belize | Bolivia | Bolivia | Belize | Bhutan |
| Benin | Burkina Faso | Bosnia and Herzegovina | Benin | Botswana |
| Bosnia and Herzegovina | Burundi | Bulgaria | Bosnia and Herzegovina | Colombia |
| Botswana | Cameroon | Cambodia | Bulgaria | Costa Rica |
| Bulgaria | Cape Verde | Dominica | Egypt | Djibouti |
| Burkina Faso | Central African Republic | Egypt | Guyana | Dominican Republic |
| Burundi | Congo, Dem. Rep. of | El Salvador | Honduras | Egypt |
| Cambodia | Dominican Republic | Fiji | India | Ethiopia |
| Chad | Egypt | Grenada | Jamaica | Fiji |
| Chile | El Salvador | India | Jordan | Gambia |
| Costa Rica | Fiji | Indonesia | Lebanon | Ghana |
| Côte d'Ivoire | Gabon | Jordan | Lithuania | Guatemala |
| Djibouti | Ghana | Kazakhstan | Mali | Guinea-Bissau |
| Fiji | Grenada | Lebanon | Mexico | Guyana |
| Gabon | Guinea-Bissau | Malaysia | Micronesia | India |
| Grenada | Haiti | Mauritania | Montenegro | Iran |
| Guinea-Bissau | Honduras | Mauritius | Nicaragua | Jamaica |
| Haiti | India | Moldova | Romania | Jordan |
| Honduras | Indonesia | Mongolia | Russia | Kenya |
| India | Iran | Mozambique | Serbia | Kiribati |
| Jamaica | Iraq | Nepal | St. Kitts and Nevis | Kyrgyz Republic |
| Jordan | Jordan | Nicaragua | St. Lucia | Liberia |
| Kazakhstan | Kiribati | Paraguay | Tunisia | Lithuania |
| Kiribati | Kosovo | Peru | Turkey | Malaysia |
| Lebanon | Lesotho | Philippines | Ukraine | Mali |
| Lithuania | Liberia | Romania | | Mexico |
| Macedonia | Macedonia | Russia | | Micronesia |
| Maldives | Malaysia | St. Kitts and Nevis | | Moldova |
| Marshall Islands | Maldives | Sudan | | Montenegro |
| Micronesia | Mali | Timor-Leste | | Nicaragua |
| Moldova | Mauritius | Tunisia | | Pakistan |
| Montenegro | Mexico | | | Panama |
| Mozambique | Mozambique | | | Romania |
| Nicaragua | Nepal | | | Russia |
| Nigeria | Nicaragua | | | Seychelles |
| Palau | Nigeria | | | Sri Lanka |
| Romania | Pakistan | | | St. Kitts and Nevis |
| Samoa | Palau | | | St. Lucia |
| Serbia | Philippines | | | Sudan |
| Solomon Islands | Romania | | | Suriname |
| South Africa | Serbia | | | Swaziland |
| St. Kitts and Nevis | Sierra Leone | | | Tanzania |
| St. Lucia | St. Kitts and Nevis | | | Thailand |
| Swaziland | Sudan | | | Togo |
| Tajikistan | Suriname | | | Tunisia |
| Tanzania | Tanzania | | | Turkey |
| Timor-Leste | Thailand | | | Uruguay |
| Tonga | Timor-Leste | | | Vanuatu |
| Tunisia | Togo | | | Vietnam |
| Tuvalu | Tunisia | | | Yemen |
| Ukraine | Tuvalu | | | |
| Vanuatu | Ukraine | | | |
| Yemen | Yemen | | | |

Source: Authors' analysis of 124 IMF country reports published from January 2010 to September 2011 (see Annex 2 for details)

**Table 8 (continued). Selected Adjustment Measures Commonly Considered, 2010-11**

| Increase Wage Bill | Increase or Introduce Subsidies | Expand Social Protection | Introduce/Expand Old-Age Pensions | Lower Consumption Taxes |
|---|---|---|---|---|
| Benin | Bangladesh | Antigua and Barbuda | Bolivia | Antigua and Barbuda |
| Bhutan | Georgia | Armenia | China | Colombia |
| Bolivia | Liberia | Bolivia | El Salvador | Haiti |
| Cameroon | Mali | Burundi | Georgia | Kenya |
| Central African Republic | Mauritania | China | Guyana | Liberia |
| China | Mozambique | Dominican Republic | Kosovo | Mongolia |
| Dominican Republic | Nicaragua | Fiji | Kyrgyz Republic | Senegal |
| El Salvador | South Africa | Guyana | Macedonia | Solomon Islands |
| Equatorial Guinea | Togo | Haiti | Mongolia | Ukraine |
| Haiti | Zambia | Indonesia | Mozambique | Uruguay |
| Kosovo | | Iran | Panama | |
| Kyrgyz Republic | | Iraq | Seychelles | |
| Lao PDR | | Kenya | Sudan | |
| Lesotho | | Kyrgyz Republic | Tajikistan | |
| Mongolia | | Mauritania | Turkey | |
| Namibia | | Mozambique | Zimbabwe | |
| Niger | | Panama | | |
| Panama | | Philippines | | |
| Philippines | | Senegal | | |
| Russia | | St. Kitts and Nevis | | |
| Suriname | | Sudan | | |
| Uruguay | | Ukraine | | |
| Zimbabwe | | | | |

Source: Authors' analysis of 124 IMF country reports published from January 2010 to September 2011 (see Annex 2 for details)

## 4.1. Wage Bill Cuts or Caps

As recurrent expenditures like salaries tend to be the largest component of national budgets, an estimated 56 countries are looking to cut or cap their wage bill to achieve planned fiscal consolidation, often as a part of civil service reforms. If well designed and executed, fiscal savings can be generated and used for raising low wages for essential public service providers and/or for expanding essential posts required to meet the MDGs.[2] For instance, wage and employment reforms in Gabon, which include freezing public sector salaries and cutting annual hiring by half, are being complemented by increasing health and education personnel. Similarly, Burundi is expected to maintain a hiring freeze, which was enacted on civil servants in 2010, but will expand recruitment for priority sectors, including health, education and justice.

However, at least in the short term, there are risks that wage bill cuts or caps may translate into salaries being reduced or eroded in real value, payments in arrears, hiring freezes and/or employment retrenchment, which can adversely impact the delivery of basic social services, particularly in high poverty areas. UNICEF (2010b) analysis of salary information for primary teachers and nurses shows that their pay in real terms was significantly diminished by increases in local prices during 2009. The data also suggest that teachers and nurses are not adequately

[2] For example, according to UNESCO (2010), the rate at which teaching posts are created will need to increase if universal primary education is to be achieved by 2015.

compensated in many developing countries when comparing their pay with at least one income or cost of living benchmark.

As low pay is a key factor behind absenteeism, informal fees and brain drain, it is imperative that the number of positions and level of compensation of essential public sector employees are protected, including teachers, medical staff and social welfare/child protection workers. Decisions on wage bills must therefore ensure that the pay, employment and retention of priority social sector staff are safeguarded to protect child-related services—and enhanced when fiscal situations improve—in order to support human capital development for long-term growth and the achievement of the MDGs.

### 4.2. Limiting Subsidies

Overall, 56 developing countries appear to be considering reducing or removing subsidies as part of fiscal consolidation efforts. Such policy changes are often accompanied by the development of more targeted social safety nets as a way to compensate the poor. This is largely driven by the logic that generalized subsidies can be ineffective, costly and inequitable, while replacing them with targeted transfers can remove market distortions and more effectively support vulnerable groups (Coady et al. 2010). However, governments must carefully assess the human development and economic impacts of lowering or altogether removing food or fuel subsidies and ensure that any such policy change is accompanied by measures that adequately safeguard the access and well-being of vulnerable populations and overall recovery prospects.

Some countries have removed subsidies at a time when there is still a high level of need for public food and nutrition assistance. Ortiz et al. (2011a) find that domestic food prices rose steadily during the second half of 2010 in a sample of 58 developing countries, a trend which has likely persisted given that global food prices have remained at record levels through August 2011.[3] Until a tested, well-functioning social safety net is in place, there is a strong case for extending general consumer subsidies, which can be possibly modified to encourage pro-poor self-selection (e.g. providing subsidies on food items that the poor tend to consume disproportionately more) as a short-term measure to protect children and poor households from unaffordable food costs. Moreover, while subsidies are often withdrawn quickly, a functioning targeting mechanism takes a considerable amount of time to design and roll out. This means that any timing mismatch immediately threatens the most vulnerable groups, especially infants and young children who can experience irreversible, long-term adverse effects from nutritional shortfalls.

Our review of the latest IMF country reports also shows that many countries are contemplating reducing fuel and energy subsidies in order to taper public expenditures. This policy stance appears particularly dominant in Sub-Saharan Africa impacting an estimated 14 developing countries in the region. Indeed, the wide fluctuations in international oil prices can make fuel

---

[3] See FAO's Food Price Index.

and energy subsidies costly and, therefore, an obvious target during fiscal austerity. However, the negative ripple effects of reversing this policy should be carefully examined. First, cutting fuel subsidies can have a disproportionate negative impact on vulnerable groups, whose already limited incomes are further eroded by any of the resulting inflationary effects on basic goods and services. Second, removing fuel subsidies can hinder overall economic growth, since higher costs of goods and services drag down aggregate demand. And third, any slowdown in economic growth will lower tax receipts and create new budgetary pressures—which is ironically the original impetus of the policy reversal.

### 4.3. Further Targeting Social Protection

As a way to reconcile poverty reduction with fiscal austerity, economists often advise governments to better target their spending when cuts are called for (Ravallion 1999). Our review indicates that 34 governments are considering rationalizing and further targeting their spending as a way to contain overall expenditures and achieve cost-savings. This includes some developing countries that are under tight fiscal pressures, such as the Philippines, as well as those that have a legacy of extensive social welfare systems, such as Mongolia. Further targeting can deliver more cost-effective social assistance and yield fiscal savings over the medium term. In the short term, however, there are limitations inherent to designing and implementing new targeting schemes, which can result in the unintended effects of further excluding marginalized children and their families, especially where poverty is widespread. Some of the risks associated with further targeting are discussed below.

One major constraint is that means-tested targeting is often costly and requires a high level of civil service capacity. Many studies document the high administrative costs of accurately identifying the poor (e.g. Coady et al. 2004 and Srivastava 2004). While self-selection and community-based mechanisms can lower overhead, in many cases targeting schemes end up being more expensive than universal ones. Cost concerns are further complicated by overall weak public institutions that characterize many developing countries, which are often unable to manage the detailed administrative requirements of selective policies (Mkandawire 2005).

Another serious danger to targeting reforms is that they can result in large under-coverage. Due to a confluence of budgetary and political economy considerations, the scope of the target often falls short of adequately covering vulnerable populations and, instead, tends to focus only on the extreme poor or the poorest, such as in Moldova (Ortiz et al. 2010:24). This leaves many vulnerable persons excluded from receiving any type of cash benefit at a time when their need for public assistance is fundamental. Thus, a strong case may be made to extend universal transfers (e.g. to families with children) or to carry out some form of geographic targeting to provide immediate support to vulnerable groups facing unexpected and prolonged shocks until administrative capacity is developed to effectively implement more sophisticated systems.

Furthermore, current practices of targeting by income or consumption poverty do not adequately take into account other dimensions of poverty, such as lack of ready access to schools, clean water, health facilities or sanitation systems, among others. As a result, those children whose families meet the minimum consumption criteria but remain vulnerable to dropping out of school, malnutrition and/or mortality due to the deprivations of a safe and enabling environment are at risk of being left out. Several studies (e.g. Alkire and Seth 2008, and Coulombe and Chai 2010) indicate that this exclusion risk could be empirically significant, and this consideration calls for setting targeting criteria beyond consumption or income poverty measures.

### 4.4. Old-Age Pension Reform

In order to scale back public spending, many developing governments (approximately 28) are discussing different reforms to old-age pensions. This mirrors cost-saving pension and healthcare policies being adopted in many high-income countries, which is highly controversial, not least in the light of the large amounts recently spent to bailout the financial sector. The principal options being considered include raising contribution rates, increasing eligibility periods, increasing the retirement age and lowering benefits. This general adjustment measure most commonly appears in policy discussions in middle-income countries, especially in Eastern Europe and Latin America, which had already reformed their pension systems in recent years. Many of the different pension options under consideration are also linked to reforms of the public health sector. The main concern of this policy choice is straightforward: vulnerable groups are either excluded from receiving benefits or critical assistance is diminished at a time when these groups are most in need.

For poor households, having an older person at home who receives a pension is an asset, since it is a source of income to sustain the basic needs for the whole family, including children (Helpage 2004). Additionally, old-age transfers serve as cash injections to rural economies and have a positive impact on local development. As a result, it is imperative that policymakers complement any systematic pension reforms with specific measures that safeguard income support and the delivery of essential services (especially health) to older persons and their families.

### 4.5. Increasing Consumption Taxes on Basic Goods

In response to fiscal pressures, a large number of developing countries is considering altering consumer-oriented taxes on basic goods, either through increasing or expanding value added tax (VAT) rates or sales taxes or, alternatively, by removing exemptions. It is important to note that this approach differs from the others earlier identified because it impacts revenue rather than spending. Nonetheless, it is important to highlight because an estimated 53 governments have adopted or are planning to adopt some form of consumption-based tax change, making this one of the most common adjustment measures under consideration, and there are clear, negative implications for children and poor families.

Above all, tax policies that increase the cost of basic goods have the same effect as removing subsidies. In particular, the review of IMF country reports suggests that a number of countries is considering increasing taxes on basic food items (e.g. Ethiopia, Moldova and Jordan) and/or on fuel and energy products (e.g. Antigua and Barbuda, Belize, Dominican Republic, Guyana, Jordan, Kyrgyz Republic, Mexico, St. Kitts and Nevis and Turkey). The same dangers as described in Section 4.2 remain relevant, with poor families facing grave risks in the absence of effective safety nets and a strong, resilient economic recovery underway.

Increasing consumption-based taxes on basic goods also raises concern because this shifts the tax burden to families in the bottom income quintiles of society. Contrary to progressive taxes, such as taxes on income, taxing goods—especially basic food and household items—can be regressive since it does not discriminate between high-income and low-income consumers. For example, given that poor families spend a higher proportion of their disposable income on food items, applying or increasing consumption taxes on basic food items means that relatively more of their income is subjected to product taxes. Thus, consumption-based taxes can have a disproportionate negative impact on poorer households, reducing their already limited disposable income and further exacerbating existing inequalities.

As in the other adjustment measures, levying or increasing consumption taxes or VATs can be a very prudent policy objective and strengthen fiscal space for ramped up social spending. Different consumption taxes can be progressively designed by allowing exemptions for necessary basic goods that many low-income families depend on while setting higher rates for luxury goods that are principally consumed by wealthier families (see Schenk and Oldman 2001 for discussion). In the current policy environment, examples abound. For instance, it appears that Antigua and Barbuda is introducing sales tax exemptions for basic commodities, that Kenya is lowering taxes on fuel and food staples consumed by vulnerable populations, and that the Solomon Islands is reducing taxes on food and fuel items. Many developing countries also seem to be considering tax increases on luxury items, like vehicles, such as in Ghana and in the Republic of Congo.

## 5. Options to Expand Fiscal Space for Children and Poor Households

It is often argued that social and economic policies that benefit children and poor households are not affordable because of fiscal deficits and other macroeconomic imbalances, and that government spending cuts are inevitable during adjustment periods. But there are alternatives; there is a wide-ranging menu of options available for policymakers to boost social and economic investments and support a recovery for all children and vulnerable households, even among the poorest countries. As vulnerable populations continue to be hard hit by lingering crisis situations, there remains urgent need to provide immediate and adequate public support so that they are not pushed into a poverty trap. Ortiz et al. (2011b) discuss an extensive menu of options for policymakers to choose from to ramp up priority investments, and this is summarized below.

i. *Re-allocating current public expenditures:* this is the most orthodox option, and includes assessing ongoing budget allocations through public expenditure reviews and thematic budgets, replacing high-cost, low-impact investments with those with larger socio-economic impacts, and/or eliminating spending inefficiencies.

ii. *Increasing tax revenue:* this is a main avenue achieved by altering different types of tax rates—e.g. on consumption, corporate profits, financial activities, personal income, property, imports or exports, etc.—or by strengthening the efficiency of tax collection methods.

iii. *Increased aid and transfers:* this requires either engaging with different donor governments in order to ramp up North-South or South-South transfers, or reducing South-North transfers, such as illicit financial flows.

iv. *Using fiscal and foreign exchange reserves:* this involves spending fiscal savings and other state revenues stored in special funds (e.g. sovereign wealth funds) and/or evaluating the rationale of reserve accumulation and the potential uses of excess foreign exchange reserves in the central bank for domestic and regional development.

v. *Borrowing or restructuring existing debt:* new public debt remains an option for some developing countries, either from concessional or commercial lending or through issuing government securities. For those countries that have exorbitant levels of sovereign debt, governments can assess the possibility of restructuring existing obligations.

vi. *Adopting a more accommodating macroeconomic framework:* this entails expansionary fiscal and monetary policies—e.g. allowing for higher budget deficits and levels of inflation, respectively.

The different opportunities to expand fiscal space are, of course, unique to each country. For example, in low-income countries where capacity for domestic resource generation is limited, increasing economic and social expenditures will likely be difficult without donor transfers and/or concessional support, although many governments may have room to re-allocate current expenditures (e.g. away from defense), restructure existing debt obligations and/or adjust monetary policy in order to free up additional fiscal space. In middle-income countries, more viable options may include expanding the tax base and introducing more progressive tax codes, reducing waste and inefficiencies from government operations, issuing new debt either domestically or internationally, and/or adopting expansionary fiscal and monetary policies. And for a large number of developing countries, accessing resources stored in sovereign wealth funds (especially those that export large volumes of natural resources) and/or creatively using excess foreign exchange reserves afford feasible opportunities for ramping up priority economic and social investments today.

Certain risks and trade-offs are naturally associated with each of the different policy options. However, prior to making a decision to implement further spending cuts that could have detrimental impacts on children and poor households, these alternative measures should be carefully explored at the national level and debated in an inclusive dialogue. What is important is to realize that expenditure cuts are not inevitable during adjustment periods, and that social and economic policies that benefit children and poor households are affordable, even among the poorest countries.

## 6. Concluding Remarks

Most developing countries moved swiftly to counter the effects of the global economic crisis by introducing fiscal stimulus packages during 2008-09. In a second phase of the crisis, however, many governments began to cut deficits and reduce fiscal expenditures. Our analysis confirms that the scope of austerity has widened quickly, with 70 developing countries (or 55 percent of the sample) reducing total expenditures by nearly three percent of GDP, on average, during 2010, and 91 developing countries (or more than 70 percent of the sample) expected to reduce annual expenditures in 2012. Moreover, comparing the 2010-12 and 2005-07 periods suggests that nearly one-quarter of developing countries appears to be undergoing excessive contraction, defined as cutting expenditures below pre-crisis levels in terms of GDP.

Regarding specific policies, the scope of the austerity measures in developing countries seems to have widened considerably since our previous analysis (Ortiz. et al 2010) was carried out in October 2010. An updated review of the latest IMF country reports finds that a large number of countries is considering wage bill cuts/caps, subsidy reversals and rationalizing social protection schemes in order to achieve cost-savings; many governments are also considering introducing or increasing consumption taxes on basic products that vulnerable populations consume.

Protecting vulnerable populations is critical to equitably sharing the adjustment costs of the ongoing economic and fiscal crises and avoiding detrimental or even irreversible effects on children. However, macroeconomic and expenditure decisions are often taken without comprehensive assessment of their potential impacts on employment, human development, and inclusive and resilient long-term growth. Current austerity policies may have major impacts on social spending and other expenditures that foster aggregate demand, and therefore recovery. It is therefore imperative that decision makers carefully review the distributional impacts, as well as possible alternative policy options, for economic and social recovery.

Children and poor households are likely to be those most impacted by austerity measures. The limited window of intervention for fetal development and for growth among infants and young children means that deprivations today, if not addressed promptly, can have irreversible impacts on their physical and intellectual capacities, which will, in turn, lower their productivity in adulthood; this is an extraordinary price for a country to pay. Providing immediate and adequate support for children and their families is therefore an urgent imperative. This requires a careful assessment of the risks facing vulnerable populations and balancing policies to restore medium-term macroeconomic sustainability with those to protect and support children and poor households in the immediate term. Both of these are necessary to achieve a country’s sustained growth and human development potential.

The greater emphasis now placed by many developing countries on safeguarding pro-poor spending is a significant and welcome step towards achieving that balance. However, there are many difficulties associated with defining "pro-poor spending." In particular, a wide variety of spending categories such as electricity, judiciary and, in some cases, defense-related services, are commonly included as "priority."

To mitigate the risk of social spending being adversely impacted during expenditure contraction in the short term, it is important to focus policies on preserving and expanding pro-poor expenditures within a framework of medium-term fiscal sustainability.

Some potential questions for policymakers to consider in this regard may include:

- Is the fiscal adjustment trajectory—in terms of scope, pace and magnitude—conducive to achieving the MDGs and equitable long-term economic growth?

- Are indicators for economic recovery, often the basis for fiscal policy decisions, inclusive of economic and social conditions faced by the poor? Are they taking into account the longer-term impacts of high unemployment, rising food and energy prices, and social inequalities on children and poor households?

- To what extent is spending on services and programmes essential to children a part of "priority" spending? What is "non-priority" social spending? Will the protection of "priority" spending still lead to declines in social expenditures?

- What are the social impacts of macroeconomic policy decisions, including the opportunity cost of not scaling up equity-based interventions and social protection programmes, both which are essential for a Recovery for All? Have 'stress tests' been carried out to assess the capacity of social protection systems to withstand ongoing and future shocks?

- Given the limitations and exclusion risks of common targeting practices, are alternative approaches—such as a social protection floor—fully considered in order to better achieve the objectives of protecting the vulnerable, increasing their resilience, and maximizing their human development potential and economic participation?

- Have all possible alternative measures to expand fiscal space been fully explored and discussed in an open, national dialogue in order to support a socially responsive recovery? In particular:

    - Can government expenditures be re-allocated or spending inefficiencies reduced?
    - Have all tax codes and possible modifications been evaluated to maximize public revenue and support equitable outcomes without jeopardizing private investment?
    - Has the government rolled out a strategy to lobby for increased donor transfers?
    - Are there public resources in sovereign wealth funds that could be invested in national development today?

- Could excess levels of foreign exchange reserves be channeled into supporting domestic development initiatives?
- Have all possible options to lower current debt payments been explored? And is there room for issuing new public debt, either domestically, internationally or through concessional loans?
- Is monetary policy supporting economic activity and a jobs-based recovery?

The current wave of fiscal consolidation that is taking hold of developing countries has severe consequences for vulnerable populations. And although recent expenditure data project this trend to further intensify during 2012, spending contractions are not inevitable. In fact, there are a number of areas that governments—even in the poorest countries—can explore to boost investments in economic and social development today. Not only can these viable options counter the intensifying drive toward austerity, but they can provide essential support to children and poor families when they are most in need, thus ensuring that economic recovery is truly a Recovery for All.

# Annex 1: Projected Changes in Total Government Expenditures in Developing Countries, 2005-12

| Country | Change, as a percent of GDP | | | | | | | | | | | Real growth, as a percent* | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Annual | | | | | | | | Period | | | Annual | | | | | | | | Period | | |
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2008-9 vs 2005-7 | 2010-12 vs 2008-9 | 2010-12 vs 2005-7 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2008-9 vs 2005-7 | 2010-12 vs 2008-9 | 2010-12 vs 2005-7 |
| Afghanistan | 1.5 | 4.3 | 0.8 | 0.1 | -0.3 | 1.5 | 2.2 | 1.4 | 1.9 | 3.2 | 5.1 | 20.3 | 34.8 | 11.8 | -4.6 | 33.0 | 14.7 | 18.0 | 13.2 | 30.3 | 53.5 | 100.0 |
| Albania | -1.1 | 0.4 | 0.3 | 2.5 | 1.9 | -4.1 | 0.9 | -0.3 | 3.8 | -2.6 | 1.2 | 2.1 | 7.3 | 7.6 | 18.2 | 9.0 | -9.1 | 5.9 | 2.8 | 32.5 | -0.6 | 31.8 |
| Algeria | -3.6 | 1.6 | 4.7 | 4.7 | 3.6 | -0.1 | -4.3 | -1.9 | 10.1 | -1.8 | 8.2 | 6.7 | 16.9 | 22.5 | 28.3 | -4.7 | 12.5 | 6.0 | -2.4 | 49.6 | 13.2 | 69.3 |
| Angola | -1.0 | -0.6 | 0.4 | 7.5 | -2.6 | -5.2 | -3.0 | 1.7 | 6.3 | -7.9 | -1.6 | 18.5 | 18.4 | 24.3 | 47.5 | -21.7 | -0.6 | 10.3 | 16.6 | 58.8 | -1.4 | 56.6 |
| Antigua and Barbuda | 1.5 | 5.7 | -3.4 | -0.6 | 9.8 | -16.2 | -0.2 | -1.0 | 3.9 | -11.8 | -7.9 | 9.6 | 37.7 | 1.4 | -3.0 | 23.9 | -43.6 | 1.8 | -2.5 | 20.6 | -37.3 | -24.4 |
| Argentina | -0.8 | -0.3 | 2.7 | 0.6 | 5.6 | 0.8 | 1.2 | -0.2 | 5.1 | 4.3 | 9.4 | 5.7 | 10.0 | 24.0 | 19.1 | 21.6 | 16.3 | 23.8 | 13.6 | 55.8 | 55.0 | 141.5 |
| Armenia | … | 0.1 | 2.4 | -0.2 | 6.7 | -3.4 | 0.2 | -1.9 | 4.8 | -0.5 | 4.3 | … | 15.8 | 27.3 | 3.1 | 9.3 | -7.6 | 2.2 | -3.8 | 31.4 | -3.4 | 26.9 |
| Azerbaijan | -3.2 | 4.7 | -1.5 | 5.2 | 3.7 | -4.0 | -4.3 | 0.1 | 7.6 | -5.0 | 2.7 | 17.3 | 66.9 | 22.9 | 33.1 | 0.2 | 5.8 | 0.4 | -1.3 | 73.7 | 5.7 | 83.7 |
| Bangladesh | 0.5 | -0.1 | -0.7 | 2.5 | -1.4 | 0.1 | 2.0 | 1.5 | 1.3 | 1.3 | 2.6 | 8.1 | 4.4 | -0.7 | 25.9 | -2.5 | 4.8 | 18.9 | 15.6 | 25.5 | 22.8 | 54.1 |
| Belarus | 0.9 | 0.2 | -0.2 | 0.0 | -1.2 | -2.3 | -1.8 | -0.7 | -0.6 | -4.3 | -4.9 | 22.4 | 14.4 | 12.6 | 16.4 | -8.5 | 4.6 | 4.6 | 3.8 | 25.5 | 4.3 | 30.9 |
| Belize | -3.2 | 2.1 | -0.8 | -0.6 | -0.1 | 0.9 | 0.2 | 0.3 | -0.5 | 1.0 | 0.5 | -7.9 | 11.4 | 0.3 | -3.7 | -1.9 | 6.5 | 2.7 | 2.8 | -1.1 | 8.4 | 7.2 |
| Benin | 0.8 | -1.8 | 4.0 | -2.0 | 3.6 | -4.6 | 2.4 | -0.2 | 1.8 | -1.3 | 0.5 | 6.5 | -6.0 | 27.7 | -4.8 | 20.0 | -16.5 | 14.7 | 3.0 | 20.1 | 1.1 | 21.4 |
| Bhutan | 5.2 | -2.4 | -0.8 | -0.7 | 4.2 | 8.6 | -3.0 | -3.8 | 0.1 | 7.4 | 7.5 | 24.1 | 1.7 | 9.1 | 4.7 | 14.9 | 27.2 | -2.6 | -4.7 | 19.7 | 31.6 | 57.5 |
| Bolivia | 0.8 | -3.3 | 2.0 | 2.8 | 0.9 | -3.6 | 2.2 | -0.1 | 3.4 | -1.7 | 1.8 | 7.7 | 2.7 | 10.1 | 11.8 | 0.1 | -2.8 | 10.8 | 3.8 | 20.1 | 5.7 | 26.9 |
| Bosnia and Herzegovina | 0.0 | 0.2 | 0.8 | 2.9 | 0.7 | -1.1 | -0.6 | -1.1 | 3.8 | -1.5 | 2.3 | 4.6 | 6.3 | 13.2 | 12.3 | -1.2 | -0.8 | -1.0 | 2.3 | 23.4 | -1.3 | 21.8 |
| Botswana | -4.2 | -2.7 | 2.2 | 8.2 | 6.5 | -4.9 | -5.0 | -2.1 | 12.0 | -5.6 | 6.4 | -6.6 | 0.3 | 17.5 | 25.7 | 3.9 | -4.1 | -6.0 | 0.9 | 42.5 | -5.9 | 34.1 |
| Brazil | 1.6 | 0.2 | -1.1 | -0.6 | 1.0 | 1.6 | -1.7 | 0.1 | -0.8 | 1.0 | 0.2 | 8.0 | 6.4 | 5.2 | 6.1 | 2.9 | 14.3 | 0.1 | 4.6 | 13.5 | 17.8 | 33.7 |
| Bulgaria | -0.6 | -1.5 | 1.3 | 0.2 | 1.0 | 0.1 | -1.0 | -1.0 | 1.1 | -0.4 | 0.7 | 5.8 | 1.4 | 12.2 | 3.5 | -1.0 | 0.5 | -0.2 | 0.1 | 11.5 | -0.1 | 11.4 |
| Burkina Faso | 0.0 | 0.8 | 2.1 | -4.4 | 2.8 | 2.3 | 0.1 | -1.9 | -1.4 | 3.2 | 1.8 | 5.7 | 11.6 | 11.7 | -15.1 | 19.0 | 17.4 | 5.9 | -1.9 | 3.4 | 31.7 | 36.2 |
| Burundi | -3.1 | 1.4 | 15.8 | 2.8 | -6.0 | 0.4 | -7.0 | -3.2 | 10.8 | -8.4 | 2.4 | -4.3 | 11.1 | 46.1 | 10.5 | -4.6 | 6.0 | -7.4 | -2.0 | 40.8 | -2.3 | 37.6 |
| Cambodia | -1.5 | 1.3 | 0.5 | -0.1 | 4.9 | -2.3 | 1.6 | -0.5 | 3.2 | 1.1 | 4.2 | 0.4 | 20.7 | 13.0 | 3.6 | 33.8 | -9.8 | 14.9 | 1.5 | 38.8 | 14.1 | 58.4 |
| Cameroon | -1.4 | -0.1 | 1.2 | 2.8 | -0.1 | -0.1 | 1.1 | 0.2 | 3.5 | 0.6 | 4.1 | -5.8 | 1.8 | 11.6 | 21.1 | -4.7 | 4.0 | 11.0 | 5.9 | 27.8 | 11.2 | 42.1 |
| Cape Verde | 1.8 | -0.4 | -3.7 | 1.3 | 0.4 | 3.6 | 1.5 | -3.7 | -1.0 | 3.6 | 2.5 | 9.7 | 6.6 | -4.9 | 5.9 | 8.2 | 17.5 | 9.2 | -5.4 | 8.9 | 27.2 | 38.5 |
| Central African Republic | 3.1 | -3.0 | -0.7 | 2.9 | -0.1 | 1.1 | -1.5 | 0.6 | 1.4 | 0.2 | 1.7 | 26.1 | -16.4 | -0.6 | 22.2 | 1.0 | 12.1 | -4.5 | 9.4 | 14.8 | 12.6 | 29.3 |
| Chad | -1.3 | -0.3 | 9.7 | 2.3 | 6.7 | 3.4 | -8.4 | 2.8 | 12.0 | 2.1 | 14.1 | 15.0 | -3.8 | 103.6 | 13.8 | 2.8 | 30.0 | -14.3 | 18.8 | 72.9 | 26.3 | 118.4 |
| Chile | … | -1.3 | 0.7 | 2.4 | 3.6 | -0.9 | -0.7 | 0.3 | 4.2 | 0.5 | 4.7 | … | 6.6 | 9.3 | 7.0 | 14.9 | 9.4 | 4.7 | 4.9 | 24.3 | 22.6 | 52.4 |
| China | 0.5 | 0.3 | 0.0 | 1.1 | 3.1 | -0.2 | -0.5 | 0.1 | 2.8 | 1.1 | 3.8 | 16.6 | 17.1 | 17.2 | 18.3 | 26.0 | 12.2 | 6.4 | 9.1 | 55.4 | 34.4 | 108.9 |
| Colombia | -0.3 | 2.3 | 0.1 | -1.8 | 2.9 | -1.9 | 1.1 | -1.6 | 0.5 | -0.2 | 0.2 | 4.0 | 17.7 | 6.7 | -2.8 | 12.1 | -1.9 | 11.2 | -1.7 | 13.1 | 10.8 | 25.3 |
| Comoros | -0.2 | 1.3 | 1.0 | 3.6 | -2.9 | 1.0 | -0.2 | -0.5 | 3.3 | -0.8 | 2.5 | 2.4 | 6.8 | 6.3 | 18.5 | -10.2 | 7.8 | 1.1 | 0.8 | 19.6 | 3.0 | 23.2 |
| Congo, Dem. Rep. of | 4.7 | -0.4 | 0.3 | 3.9 | 4.2 | 2.1 | 5.8 | -1.9 | 6.1 | 7.4 | 13.5 | 40.1 | 5.1 | 9.0 | 27.6 | 11.2 | 14.2 | 29.9 | -0.5 | 44.9 | 44.0 | 108.8 |

| Country | Change, as a percent of GDP | | | | | | | | | | | Real growth, as a percent* | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Annual | | | | | | | | Period | | | Annual | | | | | | | | Period | | |
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2008-9 vs 2005-7 | 2010-12 vs 2008-9 | 2010-12 vs 2005-7 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2008-9 vs 2005-7 | 2010-12 vs 2008-9 | 2010-12 vs 2005-7 |
| Congo, Rep. of | -2.6 | 3.8 | 2.0 | -6.3 | 0.9 | -3.6 | -1.4 | 1.7 | -3.1 | -3.5 | -6.6 | 15.4 | 39.4 | 3.4 | -1.4 | -14.6 | 2.5 | 20.6 | 7.0 | 3.0 | 10.0 | 13.4 |
| Costa Rica | -0.6 | -1.0 | -0.2 | 2.0 | 3.1 | 1.4 | 0.2 | 0.4 | 3.1 | 3.2 | 6.2 | 0.4 | 3.7 | 6.7 | 11.3 | 12.2 | 11.7 | 4.8 | 6.1 | 24.7 | 24.4 | 55.1 |
| Côte d'Ivoire | -0.2 | 1.0 | -0.3 | 0.6 | -0.1 | 1.1 | ... | ... | 0.7 | 1.1 | 1.8 | 0.4 | 7.6 | 1.0 | 7.2 | 2.3 | 7.8 | ... | ... | 11.8 | ... | ... |
| Djibouti | -0.7 | 0.6 | 0.4 | 2.9 | 1.0 | -5.8 | 0.5 | -0.4 | 3.8 | -5.1 | -1.3 | 1.3 | 6.4 | 6.1 | 11.3 | 7.5 | -10.0 | 6.3 | 4.6 | 22.5 | -1.3 | 20.9 |
| Dominica | 0.1 | -1.2 | 5.9 | 2.9 | 2.4 | -0.4 | -2.9 | -2.6 | 7.6 | -2.0 | 5.6 | 4.0 | 0.6 | 20.8 | 3.3 | 6.9 | 0.5 | -6.0 | -3.2 | 21.0 | -1.3 | 19.4 |
| Dominican Republic | -0.7 | 1.0 | -0.5 | 2.3 | -1.7 | -1.3 | -0.7 | 0.5 | 1.5 | -2.4 | -0.9 | 3.3 | 15.2 | 5.0 | 19.1 | -4.4 | -1.3 | 1.7 | 7.9 | 25.8 | 0.2 | 26.0 |
| Ecuador | 0.8 | -0.1 | 3.2 | 7.7 | 0.0 | 1.0 | 2.8 | -0.4 | 9.8 | 2.8 | 12.6 | 14.7 | 8.9 | 21.3 | 41.5 | -8.8 | 12.6 | 15.1 | 1.3 | 57.1 | 18.8 | 86.6 |
| Egypt | -0.6 | 4.5 | -2.5 | 0.3 | -1.0 | -1.2 | 0.4 | 3.0 | -0.4 | -0.4 | -0.7 | 0.2 | 25.1 | 1.5 | 8.6 | -2.7 | 0.2 | 1.8 | 12.1 | 15.9 | 4.1 | 20.6 |
| El Salvador | 0.2 | 0.6 | -0.8 | 0.3 | 2.3 | 0.0 | 0.5 | -1.1 | 1.1 | 1.1 | 2.2 | 5.3 | 8.2 | -0.5 | 2.9 | 6.8 | 1.6 | 5.6 | -3.1 | 8.8 | 7.7 | 17.2 |
| Eritrea | 2.6 | -16.3 | -1.2 | 2.2 | -11.5 | 4.0 | -1.0 | -2.9 | -9.8 | -3.3 | -13.1 | 2.9 | -31.4 | -3.4 | -7.9 | -26.5 | 14.4 | 5.0 | -4.2 | -32.3 | -1.2 | -33.1 |
| Ethiopia | -0.3 | -0.8 | -1.6 | -1.8 | -1.7 | 1.4 | 1.7 | -0.4 | -3.9 | 1.5 | -2.4 | 13.7 | 6.1 | 4.9 | 5.3 | -9.7 | 20.1 | 18.3 | 5.2 | 5.4 | 30.3 | 37.3 |
| Fiji | 0.0 | 1.7 | -2.0 | -1.6 | 3.9 | -1.5 | 1.3 | -0.1 | -0.4 | 1.3 | 1.0 | 2.8 | 9.3 | -9.3 | -9.3 | 12.0 | -5.1 | 6.2 | 1.0 | -7.3 | 4.8 | -2.9 |
| Gabon | 0.1 | -0.2 | -1.6 | -0.6 | 4.9 | -0.4 | -2.3 | 0.1 | 0.6 | 0.5 | 1.2 | 19.7 | 9.8 | -1.9 | 8.0 | -3.2 | 22.5 | 10.0 | 1.3 | 8.2 | 29.2 | 39.8 |
| Gambia | -0.4 | 0.9 | -5.0 | 0.4 | 3.6 | 1.0 | -4.2 | 0.4 | -0.8 | 0.1 | -0.7 | -2.2 | 5.0 | -18.6 | 8.8 | 31.2 | 11.0 | -14.6 | 7.2 | 11.0 | 16.3 | 29.1 |
| Georgia | 2.8 | 1.1 | 5.1 | 4.2 | 3.1 | -2.8 | -3.8 | -0.7 | 9.6 | -4.0 | 5.6 | 25.3 | 14.0 | 37.7 | 17.2 | 1.6 | -0.6 | -10.8 | 0.9 | 50.0 | -6.7 | 39.9 |
| Ghana | -1.1 | 2.0 | 1.3 | 1.4 | -2.3 | 2.9 | -1.4 | -1.3 | 1.8 | 0.3 | 2.2 | -0.5 | 20.0 | 18.5 | 18.8 | -7.3 | 23.1 | 9.8 | 1.2 | 34.8 | 26.7 | 70.8 |
| Grenada | 0.6 | 5.7 | -4.8 | -0.5 | -1.0 | -1.7 | -3.5 | -1.8 | -2.2 | -5.1 | -7.4 | 16.3 | 14.0 | -8.3 | 1.6 | -7.5 | -5.6 | -9.2 | -2.8 | -3.8 | -15.6 | -18.8 |
| Guatemala | 0.3 | 1.0 | -0.4 | -0.6 | 0.6 | 0.3 | 0.4 | -0.5 | -0.3 | 0.6 | 0.3 | 2.3 | 11.0 | 3.8 | -3.1 | 6.3 | 6.6 | 5.6 | -0.1 | 6.0 | 13.9 | 20.7 |
| Guinea | -1.1 | 2.1 | -4.2 | 2.7 | 6.6 | 6.1 | -8.8 | -1.7 | 3.9 | 3.0 | 6.8 | -6.0 | 17.9 | -27.3 | 19.4 | 38.0 | 33.0 | -26.4 | -3.5 | 20.4 | 25.8 | 51.4 |
| Guinea-Bissau | -3.2 | -0.9 | 0.9 | -1.0 | 0.8 | -1.3 | 1.0 | 1.4 | -0.3 | 0.2 | -0.1 | -7.3 | -4.4 | 8.9 | -1.5 | 10.0 | -2.2 | 9.4 | 11.6 | 7.8 | 13.2 | 22.0 |
| Guyana | 5.7 | 0.7 | -5.2 | -1.3 | 1.6 | -1.3 | 2.2 | -0.5 | -3.7 | 0.7 | -3.0 | 16.8 | 6.4 | -7.3 | -1.2 | 7.6 | 1.1 | 9.3 | 2.1 | -0.5 | 12.1 | 11.5 |
| Haiti | 2.7 | 1.2 | 0.7 | 2.3 | 3.9 | 5.2 | 6.0 | -3.3 | 5.1 | 10.1 | 15.2 | 27.3 | 11.7 | 5.2 | 16.6 | 26.0 | 17.4 | 32.5 | -2.3 | 41.1 | 57.9 | 122.9 |
| Honduras | -0.9 | 0.4 | 0.0 | 2.2 | 1.6 | -2.0 | -1.5 | -0.5 | 3.1 | -2.4 | 0.7 | 0.8 | 7.9 | 6.1 | 8.9 | -0.8 | -3.2 | -2.0 | 2.3 | 15.6 | -4.1 | 10.8 |
| India | -0.6 | -0.1 | 0.4 | 2.7 | -0.4 | -0.9 | -0.6 | 0.2 | 2.7 | -1.4 | 1.3 | 7.2 | 8.2 | 10.2 | 15.3 | 4.4 | 1.5 | 5.1 | 6.6 | 28.7 | 9.6 | 41.1 |
| Indonesia | -1.2 | 1.4 | 0.2 | 1.0 | -3.0 | -0.6 | 1.2 | -0.2 | 0.0 | -1.4 | -1.4 | 2.9 | 14.2 | 12.7 | 19.5 | -7.3 | 5.3 | 13.3 | 5.4 | 29.6 | 12.4 | 45.7 |
| Iran | 5.8 | 1.2 | -1.6 | -1.1 | 0.6 | -1.1 | -1.3 | -1.4 | -1.4 | -2.1 | -3.5 | 37.2 | 12.3 | 3.9 | -8.6 | -7.2 | -2.5 | -3.9 | -5.5 | -6.2 | -10.2 | -15.8 |
| Iraq | ... | -28.1 | -0.8 | 8.7 | 13.0 | -13.7 | -3.0 | -8.0 | 5.2 | -11.9 | -6.6 | ... | -32.5 | -18.3 | 57.6 | -11.7 | 2.3 | 21.0 | 0.8 | 10.2 | 9.7 | 21.0 |
| Jamaica | -2.1 | 1.4 | 0.4 | 3.0 | 3.6 | -5.7 | -3.1 | -0.9 | 5.5 | -6.2 | -0.7 | -9.3 | 9.8 | 4.6 | 0.7 | 9.2 | -16.6 | -8.2 | 0.3 | 11.8 | -17.7 | -8.0 |
| Jordan | 1.1 | -3.9 | 0.6 | -2.4 | -0.1 | -4.0 | 0.6 | -0.5 | -3.3 | -3.7 | -7.0 | 9.8 | 5.4 | 10.4 | 4.8 | 11.1 | -8.1 | 4.9 | 2.3 | 20.0 | 0.8 | 20.9 |
| Kazakhstan | 0.2 | -2.1 | 4.3 | 2.3 | -3.0 | 0.2 | 0.0 | 0.1 | 3.0 | -1.3 | 1.7 | 21.1 | 12.2 | 35.6 | 20.1 | -14.7 | 14.4 | 10.3 | 2.9 | 39.4 | 13.7 | 58.5 |
| Kenya | 1.5 | 0.4 | 1.5 | 1.3 | 1.5 | 2.4 | 0.4 | -0.9 | 3.2 | 3.1 | 6.3 | 8.0 | 10.0 | 14.7 | 2.7 | 5.6 | 16.6 | 7.5 | 5.1 | 18.9 | 28.0 | 52.2 |
| Kiribati | -12.5 | -8.8 | -10.1 | 8.4 | 0.7 | 0.0 | 3.8 | 3.5 | -0.9 | 4.1 | 3.2 | -5.6 | -5.5 | -10.5 | 3.1 | -4.2 | 2.1 | 13.2 | 8.8 | -8.2 | 12.0 | 2.8 |

| Country | Change, as a percent of GDP | | | | | | | | | | | Real growth, as a percent* | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Annual | | | | | | | | Period | | | Annual | | | | | | | | Period | | |
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2008-9 vs 2005-7 | 2010-12 vs 2008-9 | 2010-12 vs 2005-7 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2008-9 vs 2005-7 | 2010-12 vs 2008-9 | 2010-12 vs 2005-7 |
| Kosovo | -1.7 | -3.7 | -1.0 | 5.4 | 5.3 | 0.1 | 0.5 | -0.5 | 6.1 | 2.9 | 9.1 | -2.5 | -12.5 | -1.0 | 32.6 | 26.5 | 4.6 | 5.7 | 3.2 | 42.4 | 22.7 | 74.7 |
| Kyrgyz Republic | 0.3 | 0.6 | 1.8 | -2.0 | 4.5 | 4.4 | 4.8 | -2.9 | 1.6 | 8.8 | 10.5 | 3.7 | 9.2 | 20.3 | -0.6 | 15.7 | 10.7 | 9.7 | -2.0 | 24.1 | 25.5 | 55.7 |
| Lao PDR | 1.5 | 0.0 | 0.3 | 1.5 | 4.1 | -2.0 | -1.3 | 0.9 | 3.9 | -0.5 | 3.4 | 17.7 | 14.7 | 12.1 | 14.4 | 26.9 | -3.7 | 0.2 | 10.2 | 45.7 | 11.5 | 62.5 |
| Lebanon | -1.4 | 4.6 | -0.6 | -1.6 | -0.7 | -3.8 | 3.4 | 1.0 | -0.9 | -1.6 | -2.4 | -3.4 | 11.6 | 5.5 | 3.3 | 12.3 | -5.0 | 13.7 | 8.0 | 17.6 | 12.7 | 32.6 |
| Lesotho | 1.8 | 1.0 | 0.3 | 8.7 | 7.2 | -0.5 | 2.8 | -1.0 | 12.8 | 4.7 | 17.5 | 8.5 | 6.9 | 9.3 | 24.8 | 15.7 | 2.3 | 8.4 | 5.3 | 45.8 | 18.0 | 72.0 |
| Liberia | -0.6 | -1.2 | 6.9 | 17.8 | 4.2 | 0.6 | -8.5 | -2.3 | 24.1 | -3.7 | 20.4 | 4.3 | -4.3 | 64.7 | 84.6 | 6.7 | 4.9 | -13.0 | 0.8 | 155.4 | -0.9 | 153.1 |
| Libya | -6.1 | -2.5 | 6.3 | 2.4 | 12.5 | -1.9 | ... | ... | 12.1 | 4.4 | 16.5 | 12.4 | 11.0 | 37.1 | 24.2 | -14.5 | 16.1 | ... | ... | 44.8 | ... | ... |
| Lithuania | 0.3 | 0.2 | 1.1 | 2.5 | 6.6 | -2.2 | -0.7 | -0.4 | 6.6 | 0.5 | 7.1 | 12.9 | 11.5 | 16.5 | 9.0 | -7.5 | -3.0 | 2.5 | 2.6 | 19.8 | -4.3 | 14.6 |
| Macedonia | -1.2 | -1.5 | -0.9 | 1.8 | -0.1 | -0.5 | 1.7 | -0.8 | 0.7 | 0.3 | 1.0 | 4.1 | 0.5 | 8.5 | 10.0 | -0.1 | 0.5 | 7.1 | 3.1 | 16.2 | 6.3 | 23.6 |
| Madagascar | -3.9 | 0.1 | -2.8 | 0.0 | -3.6 | -2.2 | -0.6 | 3.8 | -3.7 | -3.1 | -6.8 | -11.4 | 6.1 | -8.4 | 6.9 | -22.8 | -16.1 | -4.4 | 37.7 | -8.9 | -20.2 | -27.4 |
| Malawi | -1.8 | 1.6 | 3.6 | 1.4 | -1.3 | 0.7 | -5.4 | 2.4 | 3.7 | -2.7 | 1.0 | 0.9 | 12.7 | 23.3 | 10.7 | 4.6 | 9.6 | -7.7 | 13.1 | 34.2 | 10.9 | 48.8 |
| Malaysia | -1.6 | 0.5 | 0.8 | 1.0 | 4.0 | -1.9 | -0.1 | -0.6 | 3.7 | -0.1 | 3.6 | 0.8 | 8.1 | 13.0 | 13.3 | 3.8 | 4.5 | 5.1 | 3.5 | 28.1 | 11.4 | 42.6 |
| Maldives | 17.7 | -2.7 | 0.6 | 2.5 | 4.1 | -8.2 | 5.6 | 0.7 | 4.1 | -2.2 | 1.9 | 49.1 | 18.2 | 9.7 | 10.6 | 3.2 | -14.0 | 17.5 | 3.8 | 25.7 | -1.2 | 24.2 |
| Mali | 0.8 | 0.2 | -0.4 | -3.3 | 4.6 | -2.3 | 1.0 | -0.4 | -1.2 | 0.6 | -0.6 | 7.0 | 10.1 | 3.8 | -9.5 | 29.0 | -2.6 | 12.1 | 2.4 | 9.5 | 19.6 | 31.0 |
| Mauritania | ... | ... | ... | 1.1 | -0.1 | -4.8 | -1.0 | -1.6 | 1.0 | -6.0 | -5.0 | ... | ... | ... | 12.3 | -9.3 | 4.9 | 8.5 | -1.5 | ... | 4.8 | ... |
| Mauritius | 0.5 | -0.9 | -0.6 | 1.0 | 2.4 | -1.2 | 0.6 | -0.6 | 1.5 | 0.2 | 1.7 | 3.0 | -1.3 | 2.4 | 7.0 | 10.9 | -1.9 | 4.3 | 1.7 | 14.2 | 6.7 | 21.8 |
| Mexico | 1.6 | 0.3 | 0.1 | 1.6 | 2.8 | -0.7 | -1.4 | 0.8 | 3.1 | 0.1 | 3.2 | 11.6 | 9.5 | 5.1 | 9.6 | 3.7 | 3.1 | -0.5 | 7.3 | 18.8 | 7.2 | 27.4 |
| Moldova | 2.4 | 2.8 | 2.1 | -0.4 | 3.7 | -4.4 | -1.1 | -0.9 | 3.8 | -3.6 | 0.2 | 12.3 | 13.5 | 11.9 | 3.5 | 4.6 | -0.1 | 3.5 | 2.1 | 18.4 | 5.3 | 24.7 |
| Mongolia | -7.5 | -1.3 | 9.1 | 2.3 | -2.4 | 0.8 | 1.6 | 1.1 | 6.8 | 1.0 | 7.8 | -9.6 | 32.0 | 53.3 | 11.2 | -11.4 | 16.3 | 15.5 | 1.9 | 46.5 | 21.3 | 77.8 |
| Montenegro | -1.5 | 2.8 | 1.1 | 6.7 | 0.8 | -2.9 | -0.3 | -0.9 | 8.7 | -3.0 | 5.7 | 1.0 | 23.6 | 22.9 | 23.1 | -5.0 | -5.1 | -0.8 | 0.6 | 45.7 | -7.8 | 34.3 |
| Morocco | 4.2 | -1.8 | -0.3 | 3.6 | -0.9 | -1.5 | 2.6 | -0.3 | 2.4 | -0.3 | 2.0 | 21.4 | -0.9 | 3.6 | 22.4 | 2.5 | -2.2 | 13.8 | 3.5 | 26.5 | 9.4 | 38.4 |
| Mozambique | -1.9 | 4.1 | 1.2 | -0.3 | 4.4 | -0.3 | 3.8 | -0.2 | 4.0 | 4.3 | 8.3 | 2.5 | 23.7 | 11.1 | 3.7 | 25.6 | 6.8 | 20.4 | 7.3 | 33.5 | 38.5 | 84.9 |
| Myanmar | -0.3 | 1.8 | -0.7 | -1.4 | 1.8 | 1.4 | -0.7 | -0.4 | -0.3 | 1.7 | 1.4 | 18.2 | 32.7 | -3.1 | -14.3 | 28.3 | 18.8 | -2.7 | 0.5 | 4.5 | 31.3 | 37.2 |
| Namibia | -1.6 | -0.8 | -0.3 | 1.5 | 3.0 | 1.8 | -2.5 | -1.6 | 2.6 | 1.1 | 3.7 | 2.1 | 7.4 | 7.5 | 11.0 | 9.7 | 11.9 | -3.3 | -0.6 | 24.9 | 14.3 | 42.8 |
| Nepal | 0.5 | -1.2 | 2.5 | 1.1 | 3.1 | -0.4 | 0.6 | 0.7 | 4.0 | 1.8 | 5.8 | 8.6 | -5.6 | 25.0 | 11.6 | 27.7 | 7.0 | 7.7 | 7.6 | 44.0 | 29.4 | 86.3 |
| Nicaragua | 0.5 | 0.1 | 0.5 | 0.9 | 1.8 | -0.6 | 0.8 | -1.1 | 2.1 | 0.4 | 2.6 | 6.4 | 3.7 | 3.0 | 1.7 | 4.8 | 2.8 | 6.5 | 0.0 | 7.5 | 9.9 | 18.1 |
| Niger | -0.5 | -0.4 | 3.4 | -0.4 | 1.7 | -1.2 | -1.7 | 0.6 | 2.6 | -1.3 | 1.3 | 5.1 | 4.9 | 26.3 | 4.1 | 9.6 | 4.6 | -2.4 | 18.7 | 28.6 | 14.3 | 46.9 |
| Nigeria | 1.5 | -5.5 | 5.5 | -0.5 | 2.1 | 2.3 | -4.1 | -2.5 | 2.4 | -0.2 | 2.2 | 12.9 | -5.0 | 31.0 | 3.6 | -2.4 | 21.7 | -0.2 | -5.8 | 19.6 | 17.8 | 40.9 |
| Pakistan | 0.8 | 1.2 | 0.9 | 2.9 | -2.4 | 0.6 | -1.6 | -0.9 | 2.8 | -1.9 | 0.8 | 10.7 | 16.3 | 10.9 | 21.4 | -8.0 | 6.3 | -5.5 | -0.8 | 30.6 | -2.1 | 27.9 |
| Panama | -1.0 | -0.5 | -0.4 | 1.1 | 1.0 | 1.1 | 2.0 | -1.3 | 1.2 | 2.5 | 3.7 | 1.7 | 6.1 | 9.1 | 12.0 | 6.4 | 12.1 | 14.0 | 2.3 | 24.7 | 27.4 | 58.9 |
| Papua New Guinea | 2.0 | -1.8 | -2.4 | 1.8 | 7.0 | -4.0 | 1.4 | -0.6 | 3.1 | 0.3 | 3.4 | 17.2 | 3.4 | 1.8 | 10.2 | 18.6 | -2.6 | 11.5 | -0.1 | 23.2 | 13.8 | 40.1 |
| Paraguay | 1.0 | 0.4 | -1.4 | -1.7 | 4.8 | -1.1 | 1.9 | 1.0 | -0.1 | 2.9 | 2.8 | 9.5 | 5.2 | 1.8 | -0.7 | 18.6 | 9.0 | 14.0 | 7.4 | 11.6 | 32.6 | 48.1 |

| Country | Change, as a percent of GDP | | | | | | | | | | | Real growth, as a percent* | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Annual | | | | | | | | Period | | | Annual | | | | | | | | Period | | |
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2008-9 vs 2005-7 | 2010-12 vs 2008-9 | 2010-12 vs 2005-7 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2008-9 vs 2005-7 | 2010-12 vs 2008-9 | 2010-12 vs 2005-7 |
| Peru | 0.2 | -0.7 | -0.4 | 1.2 | 2.1 | -0.4 | 0.4 | -0.6 | 1.7 | 0.7 | 2.4 | 9.3 | 8.8 | 6.4 | 11.6 | 11.4 | 9.7 | 9.9 | 2.5 | 26.2 | 24.3 | 56.8 |
| Philippines | -0.6 | -0.4 | -0.3 | -0.2 | 1.4 | -0.7 | 0.1 | 0.4 | 0.2 | 0.2 | 0.5 | 0.2 | 1.9 | 5.7 | 0.9 | 8.9 | 2.8 | 5.4 | 7.4 | 10.0 | 13.8 | 25.2 |
| Romania | -1.3 | 1.6 | 1.7 | 1.6 | 1.7 | 0.7 | -1.7 | -1.0 | 4.1 | 0.1 | 4.2 | 3.1 | 17.5 | 20.9 | 20.0 | -4.1 | -1.1 | -4.8 | 2.6 | 39.3 | -5.5 | 31.6 |
| Russia | 1.1 | -1.7 | 2.0 | 1.2 | 7.1 | -2.5 | -0.1 | -1.2 | 5.5 | 0.6 | 6.1 | 16.4 | 7.8 | 20.4 | 12.7 | 1.5 | 0.9 | 11.8 | 1.6 | 31.0 | 10.2 | 44.5 |
| Rwanda | 2.0 | -1.6 | 1.3 | 1.7 | 1.1 | -0.5 | 0.7 | -0.3 | 2.6 | 0.4 | 3.0 | 19.7 | 1.9 | 16.2 | 16.6 | 9.2 | 6.0 | 11.7 | 5.3 | 35.2 | 21.4 | 64.2 |
| Samoa | 3.8 | -3.7 | 3.5 | -3.0 | 3.2 | 9.5 | -1.6 | -5.8 | -0.4 | 8.0 | 7.6 | 14.9 | -5.5 | 15.8 | -5.0 | -0.1 | 26.2 | 2.1 | -11.5 | 2.5 | 23.0 | 26.1 |
| São Tomé and Príncipe | -8.8 | 6.7 | -10.3 | -6.8 | 18.0 | -10.5 | 9.6 | -12.0 | -2.4 | 0.9 | -1.6 | -19.1 | 20.4 | -15.6 | -14.7 | 60.9 | -16.9 | 26.7 | -19.2 | 5.2 | 12.5 | 18.4 |
| Senegal | 0.9 | 3.0 | 0.9 | -1.0 | 0.2 | 0.5 | 0.9 | -0.2 | 0.7 | 1.2 | 1.8 | 10.5 | 17.5 | 7.9 | 0.2 | 3.7 | 6.2 | 6.5 | 4.1 | 12.7 | 14.4 | 29.0 |
| Serbia | -0.9 | 3.3 | -0.4 | -1.0 | 0.5 | -0.5 | -1.6 | -1.4 | 0.1 | -1.8 | -1.8 | 1.5 | 11.7 | 9.2 | 2.7 | -3.2 | 0.5 | -0.8 | 1.4 | 10.9 | -1.2 | 9.5 |
| Seychelles | -3.0 | 8.8 | -5.2 | -11.3 | 5.9 | 0.4 | 1.7 | -4.1 | -8.8 | 3.1 | -5.8 | -0.9 | 37.3 | 3.1 | -31.7 | 11.2 | 9.0 | 7.9 | -7.5 | -19.2 | 17.7 | -5.0 |
| Sierra Leone | -0.3 | -1.8 | -5.1 | 3.1 | 2.2 | 4.4 | -2.2 | -0.7 | 0.2 | 3.8 | 4.0 | 6.9 | 1.4 | -18.1 | 20.3 | 10.1 | 21.3 | -4.4 | 3.6 | 10.7 | 24.8 | 38.1 |
| Solomon Islands | 8.6 | 3.2 | -0.9 | 4.8 | 4.2 | 1.6 | 3.4 | -3.3 | 7.3 | 4.8 | 12.2 | 35.1 | 9.0 | 17.2 | 6.7 | 9.1 | 10.0 | 11.8 | -2.0 | 26.9 | 22.9 | 56.1 |
| South Africa | 0.2 | -0.2 | 1.3 | 2.5 | 2.7 | 0.9 | 0.1 | -0.5 | 4.6 | 2.1 | 6.7 | 8.7 | 7.8 | 11.0 | 8.7 | 7.7 | 7.1 | 2.9 | 3.1 | 23.7 | 14.4 | 41.5 |
| Sri Lanka | 1.0 | 0.4 | -0.8 | -0.9 | 2.3 | -2.2 | -0.8 | -0.7 | -0.1 | -1.8 | -1.9 | 10.5 | 10.9 | 1.8 | -3.4 | 16.7 | 0.1 | 3.2 | 3.3 | 9.4 | 11.4 | 21.9 |
| St. Kitts and Nevis | 1.4 | 1.2 | -0.5 | -1.9 | 4.3 | 1.6 | -0.4 | -0.6 | 0.3 | 3.3 | 3.6 | 9.7 | 5.1 | -0.2 | 0.7 | -0.2 | 1.8 | 0.7 | 0.1 | 2.1 | 2.2 | 4.4 |
| St. Lucia | -0.4 | 1.1 | -4.2 | 2.6 | 3.7 | 2.4 | 1.0 | -3.7 | 2.0 | 3.7 | 5.7 | 3.6 | 5.2 | -12.4 | 3.5 | 8.1 | 8.6 | 5.2 | -6.7 | 0.1 | 14.1 | 14.2 |
| St. Vincent & Grenadines | 2.3 | -1.2 | 1.4 | 1.3 | 2.9 | 1.2 | 0.0 | -0.7 | 3.3 | 2.4 | 5.7 | 9.2 | 4.5 | 8.5 | -2.3 | 6.2 | 0.5 | 0.6 | 2.2 | 7.7 | 4.7 | 12.8 |
| Sudan | 5.1 | -0.1 | 0.7 | -2.7 | -3.3 | -2.3 | 0.8 | 0.6 | -3.9 | -3.2 | -7.1 | 37.5 | 9.9 | 13.1 | 1.2 | -18.2 | -1.0 | 15.4 | 9.0 | 2.6 | 1.4 | 4.0 |
| Suriname | 1.1 | -3.0 | 2.1 | -2.3 | 7.3 | -3.2 | -2.3 | -1.6 | 1.7 | -1.6 | 0.1 | 14.0 | -3.9 | 15.2 | 1.4 | 36.5 | -4.3 | -0.6 | 0.1 | 29.8 | 10.1 | 42.9 |
| Swaziland | 0.1 | -2.5 | -0.9 | 6.8 | 5.0 | -3.9 | -4.3 | -2.1 | 7.8 | -5.0 | 2.8 | 5.1 | -0.3 | 1.2 | 19.5 | 12.5 | -6.4 | -10.7 | -5.0 | 27.8 | -9.4 | 15.8 |
| Syria | -3.2 | -1.5 | 0.1 | -3.8 | 3.8 | 0.1 | 0.8 | -1.2 | -2.3 | 2.2 | -0.2 | -0.3 | -3.1 | 13.5 | -9.6 | 16.8 | 5.4 | 12.0 | -1.4 | 5.3 | 22.1 | 28.6 |
| Tajikistan | 2.7 | -1.1 | 6.1 | -0.8 | 1.5 | -2.5 | 2.1 | -1.8 | 3.6 | -1.0 | 2.7 | 23.4 | 11.6 | 55.6 | 11.1 | 15.9 | 2.7 | 19.0 | 3.9 | 62.1 | 25.9 | 104.1 |
| Tanzania | 2.3 | 1.1 | 0.2 | -0.2 | 3.3 | 1.3 | 1.6 | -0.4 | 1.9 | 3.9 | 5.8 | 23.1 | 12.9 | 8.7 | 7.5 | 18.4 | 8.9 | 13.7 | 4.8 | 28.9 | 31.0 | 68.8 |
| Thailand | 0.4 | -1.0 | 1.2 | -0.1 | 2.8 | -0.5 | 0.2 | -0.4 | 1.8 | 0.8 | 2.6 | 6.9 | 1.3 | 11.9 | 4.0 | 10.3 | 6.1 | 2.8 | 1.4 | 18.2 | 14.0 | 34.7 |
| Timor-Leste | 5.5 | 5.8 | 33.6 | 57.8 | -16.8 | -5.0 | 23.1 | 4.8 | 73.8 | 3.6 | 77.4 | 31.9 | 13.4 | 100.1 | 113.9 | 8.4 | 2.7 | 30.1 | 11.6 | 244.5 | 33.7 | 360.6 |
| Togo | 2.7 | 1.9 | -0.8 | -2.5 | 3.4 | 0.8 | 2.5 | 0.5 | -0.7 | 4.4 | 3.7 | 18.6 | 11.1 | 0.0 | -5.5 | 23.0 | 6.7 | 13.7 | 6.8 | 9.0 | 31.5 | 43.3 |
| Tonga | 4.5 | 0.2 | -1.7 | 0.4 | 4.0 | 1.7 | -3.9 | -4.4 | 1.4 | -0.4 | 1.0 | 17.3 | 12.4 | -9.8 | 2.4 | 11.3 | 4.1 | -8.1 | -12.9 | 4.8 | -0.6 | 4.2 |
| Tunisia | 0.1 | -0.1 | 0.3 | 1.1 | 0.3 | 0.1 | 4.6 | -2.9 | 1.4 | 2.3 | 3.7 | 5.9 | 4.5 | 6.4 | 9.7 | 3.6 | 3.6 | 17.4 | -4.2 | 17.9 | 15.9 | 36.7 |
| Turkey | -2.7 | 0.3 | 0.7 | 0.5 | 3.5 | -2.4 | -0.2 | -0.1 | 2.8 | -0.9 | 1.9 | -1.0 | 7.6 | 4.3 | 3.6 | 4.0 | 0.7 | 6.7 | 4.0 | 11.2 | 8.8 | 20.9 |
| Turkmenistan | 0.8 | -4.7 | -1.5 | -2.6 | 3.8 | 1.4 | 0.3 | -1.2 | -3.3 | 3.2 | -0.1 | 13.8 | -12.5 | 2.7 | 29.3 | 47.6 | 21.9 | 23.9 | 6.5 | 55.6 | 72.4 | 168.3 |
| Tuvalu | … | … | … | … | … | … | … | … | … | … | … | 1.5 | 18.2 | -2.1 | 0.6 | 10.3 | 1.9 | -1.2 | 7.3 | 10.0 | 8.6 | 19.4 |
| Uganda | 0.4 | -1.5 | -0.4 | 0.2 | -1.1 | 2.4 | 2.9 | -3.9 | -1.1 | 2.5 | 1.4 | -1.4 | -1.4 | 7.0 | 8.8 | 1.3 | 19.4 | 20.4 | -13.7 | 14.0 | 29.9 | 48.1 |

| Country | Change, as a percent of GDP | | | | | | | | | | | Real growth, as a percent* | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Annual | | | | | | | | Period | | | Annual | | | | | | | | Period | | |
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2008-9 vs 2005-7 | 2010-12 vs 2008-9 | 2010-12 vs 2005-7 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2008-9 vs 2005-7 | 2010-12 vs 2008-9 | 2010-12 vs 2005-7 |
| Ukraine | 2.6 | 0.5 | -0.8 | 3.6 | 1.0 | 0.5 | -4.1 | -1.1 | 3.8 | -2.1 | 1.7 | 19.6 | 14.3 | 15.4 | 13.7 | -14.9 | 9.4 | -2.9 | 3.6 | 20.2 | -0.2 | 19.9 |
| Uruguay | -0.5 | 0.3 | -0.7 | -0.4 | 1.8 | 0.4 | -0.3 | 0.0 | 0.1 | 1.1 | 1.3 | 1.6 | 6.3 | 6.2 | 6.7 | 7.2 | 8.5 | 4.8 | 4.7 | 17.3 | 17.6 | 38.0 |
| Uzbekistan | -2.0 | -0.3 | 1.1 | -0.3 | 3.6 | 0.9 | 0.7 | 0.3 | 2.1 | 3.3 | 5.4 | 10.4 | 12.8 | 25.7 | 17.5 | 27.5 | 18.4 | 9.5 | 8.0 | 60.3 | 44.9 | 132.4 |
| Vanuatu | -0.2 | 1.7 | 1.8 | 5.9 | -0.3 | 0.1 | -2.6 | -1.0 | 7.5 | -2.1 | 5.4 | 3.1 | 20.6 | 17.0 | 34.5 | -0.6 | 2.7 | -5.9 | -0.2 | 57.0 | -1.6 | 54.4 |
| Venezuela | 1.6 | 5.6 | -3.0 | -1.8 | -1.3 | 4.1 | -0.8 | -0.9 | -2.6 | 2.7 | 0.1 | 29.5 | 33.1 | -4.0 | 0.0 | -20.6 | 25.7 | -5.1 | -2.6 | -4.7 | 6.6 | 1.6 |
| Vietnam | 2.9 | -1.5 | 1.4 | -0.5 | 5.4 | -1.3 | -2.5 | 0.1 | 2.6 | -0.2 | 2.4 | 20.3 | 2.2 | 13.9 | 3.6 | 24.9 | 5.3 | -1.2 | 7.8 | 27.6 | 19.0 | 51.9 |
| Yemen | 2.6 | 0.6 | 3.0 | 0.9 | -6.0 | -5.4 | 2.3 | -1.2 | 0.1 | -7.3 | -7.2 | 22.6 | 7.4 | 14.7 | 7.2 | -21.9 | 1.8 | 15.8 | -3.1 | 6.7 | -2.3 | 4.2 |
| Zambia | -0.6 | -2.6 | 0.8 | -0.5 | -2.4 | 1.3 | 1.3 | 3.1 | -2.0 | 2.0 | 0.0 | 2.0 | -0.6 | 11.9 | 3.9 | -6.8 | 17.4 | 13.7 | 20.5 | 7.9 | 32.4 | 42.8 |
| Zimbabwe | … | -12.2 | -5.1 | -1.9 | 13.8 | 12.1 | -0.6 | -1.8 | -2.4 | 18.0 | 15.6 | … | … | … | … | 318.4 | 101.0 | 14.0 | -3.1 | … | 251.0 | … |

Source: Authors' calculations using IMF's World Economic Outlook (April 2011)
* in billions of local currency/average consumer prices

## Annex 2: IMF Country Reports Reviewed, 2010-11

A total of 124 countries were analyzed to develop Table 8: Selected Adjustment Measures Commonly Considered, 2010-11. The identification of possible adjustment measures considered by governments is inferred from policy discussions and other information contained in IMF country reports, which cover Article IV consultations, reviews conducted under lending arrangements (e.g. Stand-by Arrangements and Extended Credit Facility) and consultations under non-lending arrangements (e.g. Staff Monitored Programs). All country reports included in the sample were published between January 2010 and September 2011. The complete list, along with the specific report number and date, is provided below.

| Country | Region | Report # | Date Published |
|---|---|---|---|
| Afghanistan | South Asia | 10/22 | January 2010 |
| Albania | Europe & Central Asia | 10/205 | July 2010 |
| Algeria | Middle East & North Africa | 11/39 | February 2011 |
| Angola | Sub-Saharan Africa | 11/51 | February 2011 |
| Antigua and Barbuda | Latin America & Caribbean | 10/279 | September 2010 |
| Armenia | Europe & Central Asia | 11/178 | July 2011 |
| Azerbaijan | Europe & Central Asia | 10/113 | May 2010 |
| Bangladesh | South Asia | 10/55 | February 2010 |
| Belarus | Europe & Central Asia | 11/66 | March 2011 |
| Belize | Latin America & Caribbean | 11/18 | January 2011 |
| Benin | Sub-Saharan Africa | 11/60 | March 2011 |
| Bhutan | South Asia | 11/123 | June 2011 |
| Bolivia | Latin America & Caribbean | 11/124 | June 2011 |
| Bosnia and Herzegovina | Europe & Central Asia | 10/348 | December 2010 |
| Botswana | Sub-Saharan Africa | 11/248 | August 2011 |
| Bulgaria | Europe & Central Asia | 11/179 | July 2011 |
| Burkina Faso | Sub-Saharan Africa | 11/226 | July 2011 |
| Burundi | Sub-Saharan Africa | 11/199 | July 2011 |
| Cambodia | East Asia & Pacific | 11/45 | February 2011 |
| Cameroon | Sub-Saharan Africa | 10/259 | July 2010 |
| Cape Verde | Sub-Saharan Africa | 11/254 | August 2011 |
| Central African Republic | Sub-Saharan Africa | 10/332 | October 2010 |
| Chad | Sub-Saharan Africa | 10/196 | June 2010 |
| Chile | Latin America & Caribbean | 11/260 | August 2011 |
| China | East Asia & Pacific | 11/192 | July 2011 |
| Colombia | Latin America & Caribbean | 11/224 | July 2011 |
| Comoros | Sub-Saharan Africa | 11/72 | March 2011 |
| Congo, Dem. Rep. of | Sub-Saharan Africa | 11/190 | July 2011 |
| Congo, Republic of | Sub-Saharan Africa | 11/255 | August 2011 |
| Costa Rica | Latin America & Caribbean | 11/161 | July 2011 |

| Country | Region | Report # | Date Published |
|---|---|---|---|
| Côte d'Ivoire | Sub-Saharan Africa | 11/194 | July 2011 |
| Djibouti | Middle East & North Africa | 10/277 | September 2010 |
| Dominica | Latin America & Caribbean | 10/261 | August 2010 |
| Dominican Republic | Latin America & Caribbean | 11/177 | July 2011 |
| Egypt | Middle East & North Africa | 10/94 | April 2010 |
| El Salvador | Latin America & Caribbean | 11/90 | April 2011 |
| Equatorial Guinea | Sub-Saharan Africa | 10/103 | May 2010 |
| Ethiopia | Sub-Saharan Africa | 10/339 | November 2010 |
| Fiji | East Asia & Pacific | 11/85 | April 2011 |
| Gabon | Sub-Saharan Africa | 11/97 | May 2011 |
| Gambia | Sub-Saharan Africa | 11/22 | January 2011 |
| Georgia | Europe & Central Asia | 11/146 | June 2011 |
| Ghana | Sub-Saharan Africa | 11/128 | June 2011 |
| Grenada | Latin America & Caribbean | 10/139 | May 2010 |
| Guatemala | Latin America & Caribbean | 10/309 | October 2010 |
| Guinea-Bissau | Sub-Saharan Africa | 11/119 | May 2011 |
| Guyana | Latin America & Caribbean | 11/152 | June 2011 |
| Haiti | Latin America & Caribbean | 11/106 | May 2011 |
| Honduras | Latin America & Caribbean | 11/101 | May 2011 |
| India | South Asia | 11/50 | February 2011 |
| Indonesia | East Asia & Pacific | 10/284 | September 2010 |
| Iran | Middle East & North Africa | 11/241 | August 2011 |
| Iraq | Middle East & North Africa | 11/75 | March 2011 |
| Jamaica | Latin America & Caribbean | 11/49 | February 2011 |
| Jordan | Middle East & North Africa | 10/297 | September 2010 |
| Kazakhstan | Europe & Central Asia | 11/150 | June 2011 |
| Kenya | Sub-Saharan Africa | 11/165 | July 2011 |
| Kiribati | East Asia & Pacific | 11/113 | May 2011 |
| Kosovo | Europe & Central Asia | 11/210 | July 2011 |
| Kyrgyz Republic | Europe & Central Asia | 11/155 | June 2011 |
| Lao PDR | East Asia & Pacific | 11/257 | August 2011 |
| Lebanon | Middle East & North Africa | 10/306 | October 2010 |
| Lesotho | Sub-Saharan Africa | 11/88 | April 2011 |
| Liberia | Sub-Saharan Africa | 11/174 | July 2011 |
| Lithuania | Europe & Central Asia | 10/201 | July 2010 |
| Macedonia | Europe & Central Asia | 11/42 | February 2011 |
| Malaysia | East Asia & Pacific | 10/265 | August 2010 |
| Maldives | South Asia | 10/167 | June 2010 |
| Mali | Sub-Saharan Africa | 11/141 | June 2011 |
| Marshall Islands | East Asia & Pacific | 11/43 | February 2011 |
| Mauritania | Sub-Saharan Africa | 11/189 | June 2011 |

| Country | Region | Report # | Date Published |
|---|---|---|---|
| Mauritius | Sub-Saharan Africa | 11/96 | May 2011 |
| Mexico | Latin America & Caribbean | 11/250 | July 2011 |
| Micronesia | East Asia & Pacific | 11/43 | February 2011 |
| Moldova | Europe & Central Asia | 11/200 | July 2011 |
| Mongolia | East Asia & Pacific | 11/76 | March 2011 |
| Montenegro | Europe & Central Asia | 11/100 | May 2011 |
| Mozambique | Sub-Saharan Africa | 11/149 | June 2011 |
| Namibia | Sub-Saharan Africa | 10/269 | September 2010 |
| Nepal | South Asia | 10/185 | July 2010 |
| Nicaragua | Latin America & Caribbean | 11/118 | May 2011 |
| Niger | Sub-Saharan Africa | 10/146 | May 2010 |
| Nigeria | Sub-Saharan Africa | 11/57 | February 2011 |
| Pakistan | South Asia | 10/384 | December 2010 |
| Palau | East Asia & Pacific | 11/43 | February 2011 |
| Panama | Latin America & Caribbean | 10/314 | October 2010 |
| Papua New Guinea | East Asia & Pacific | 11/117 | May 2011 |
| Paraguay | Latin America & Caribbean | 11/238 | August 2011 |
| Peru | Latin America & Caribbean | 10/98 | April 2010 |
| Philippines | East Asia & Pacific | 11/59 | March 2011 |
| Romania | Europe & Central Asia | 11/158 | June 2011 |
| Russia | Europe & Central Asia | 10/246 | July 2010 |
| Rwanda | Sub-Saharan Africa | 11/19 | January 2011 |
| Samoa | East Asia & Pacific | 10/214 | July 2010 |
| São Tomé and Príncipe | Sub-Saharan Africa | 10/100 | April 2010 |
| Senegal | Sub-Saharan Africa | 11/139 | June 2011 |
| Serbia | Europe & Central Asia | 11/213 | July 2011 |
| Seychelles | Sub-Saharan Africa | 11/134 | June 2011 |
| Sierra Leone | Sub-Saharan Africa | 10/370 | December 2010 |
| Solomon Islands | East Asia & Pacific | 11/180 | July 2011 |
| South Africa | Sub-Saharan Africa | 11/258 | July 2011 |
| Sri Lanka | South Asia | 10/333 | October 2010 |
| St. Kitts and Nevis | Latin America & Caribbean | 11/270 | September 2011 |
| St. Lucia | Latin America & Caribbean | 11/278 | September 2011 |
| Sudan | Sub-Saharan Africa | 11/86 | April 2011 |
| Suriname | Latin America & Caribbean | 11/256 | August 2011 |
| Swaziland | Sub-Saharan Africa | 11/84 | April 2011 |
| Tajikistan | Europe & Central Asia | 11/130 | June 2011 |
| Tanzania | Sub-Saharan Africa | 11/105 | May 2011 |
| Thailand | East Asia & Pacific | 10/344 | December 2010 |
| Timor-Leste | East Asia & Pacific | 11/65 | March 2011 |
| Togo | Sub-Saharan Africa | 11/240 | August 2011 |

| Country | Region | Report # | Date Published |
|---|---|---|---|
| Tonga | East Asia & Pacific | 11/110 | May 2011 |
| Tunisia | Middle East & North Africa | 10/282 | September 2010 |
| Turkey | Europe & Central Asia | 10/278 | September 2010 |
| Tuvalu | East Asia & Pacific | 11/46 | February 2011 |
| Uganda | Sub-Saharan Africa | 10/132 | May 2010 |
| Ukraine | Europe & Central Asia | 11/52 | February 2011 |
| Uruguay | Latin America & Caribbean | 11/62 | March 2011 |
| Vanuatu | East Asia & Pacific | 11/120 | May 2011 |
| Vietnam | East Asia & Pacific | 10/281 | September 2010 |
| Yemen | Middle East & North Africa | 10/300 | September 2010 |
| Zambia | Sub-Saharan Africa | 11/196 | July 2011 |
| Zimbabwe | Sub-Saharan Africa | 11/135 | June 2011 |

## References


Alkire, S., and S. Seth (2008). "Measuring Multidimensional Poverty in India: A New Proposal." OPHI Working Paper 15. Oxford: Oxford Poverty and Human Development Initiative.

Clements, B., Gupta, S. and N. M. Nozaki (2011). "What Happens to Social Spending in IMF-Supported Programs?" IMF Staff Discussion Note SDN/11/15. Washington, D.C.: International Monetary Fund.

Coady, R., Grosh, M., and J. Hoddinott (2004). "Targeting Outcomes Redux." *The World Bank Research Observer*, Vol. 19, No. 1, pp. 61-85.

Coady, D., Gillingham, R., Ossowski, R., Piotrowski, J., Tareq, S. and J. Tyson (2010). "Petroleum Product Subsidies: Costly, Inequitable and Rising." IMF Staff Position Note 10/05. Washington, D.C.: International Monetary Fund.

Coulombe, H. and J. Chai (2010). "Multi-dimensional Poverty Map: An Illustration using Mongolia Census Data." Social and Economic Policy Working Paper. New York: United Nations Children's Fund.

Helpage (2004). "Age and Security: How Social Pensions can Deliver Effective Aid to Poor Older People and their Families." London: Helpage.

IMF (2011a). *World Economic Outlook: Slowing Growth, Rising Risks*, September 2011. Washington, D.C.: International Monetary Fund.

IMF (2011b). *World Economic Outlook: Tensions from the Two-Speed Recovery – Unemployment, Commodities, and Capital Flows*, April 2011. Washington, D.C.: International Monetary Fund. Database accessed on 5 August 2011; Available at: http://www.imf.org/external/pubs/ft/weo/2011/01/weodata/download.aspx.

Kyrili, K. and M. Martin (2010). "The Impact of the Global Economic Crisis on the Budgets of Low-Income Countries." Oxford: Oxfam International.

Mkandawire, T. (2005). "Targeting and Universalism in Poverty Reduction." Social Policy and Development Programme Paper No. 23. Geneva: United Nations Research Institute for Social Development.

Ortiz, I., Chai, J. and M. Cummins (2011a). "Escalating Food Prices: The Threat to Poor Households and Policies to Safeguard a Recovery for All." Social and Economic Policy Working Paper. New York: United Nations Children's Fund.

Ortiz, I., Chai, J. and M. Cummins (2011b). "Identifying Fiscal Space: Options for Social and Economic Development for Children and Poor Households in 182 Countries." Social and Economic Policy Working Paper. New York: United Nations Children's Fund.

Ortiz, I., Chai, J., Cummins, M. and G. Vergara (2010). "Prioritizing Expenditures for a Recovery for All." Social and Economic Policy Working Paper. New York: United Nations Children's Fund.

Ravaillon, M. (1999). "Is More Targeting Consistent with Less Spending?" *International Tax and Public Finance*, (6) 411-419.

Schenk, A. and O. Oldman (2001). *Value Added Tax: A Comparative Approach in Theory and Practice*. New York: Transnational Publishers Inc.

Srivastava, P. (2004). "Poverty Targeting in Asia: Country Experience of India." ADB Institute Discussion Paper No. 5. Tokyo: Asian Development Bank Institute.

UNESCO (2010). *Education for All Report.* Paris: United Nations Educational, Scientific and Cultural Organization.

UNICEF (2010a). “Recovery for All: A Call for Collective Action.” Social and Economic Policy Working Brief. New York: United Nations Children’s Fund.

UNICEF (2010b). “Protecting Salaries of Frontline Teachers and Health Workers.” Social and Economic Policy Working Brief. New York: United Nations Children’s Fund.

United Nations (2011). *World Economic Situation and Prospects 2011*. New York: United Nations Department of Economic and Social Affairs.

Zhang, Y., N. Thelen and A. Rao (2010). “Social Protection in Fiscal Stimulus Packages: Some Evidence.” New York: United Nations Development Programme.