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Austerity: The New Normal

A Renewed Washington Consensus 2010-24

Isabel Ortiz
Matthew Cummins

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Executive Summary

This working paper: (i) examines historical and projected government expenditure trends for 189 countries; (ii) reviews the latest IMF country reports for countries to identify the main channels used by governments to adjust expenditures; (iii) discusses the negative social impacts of austerity measures; (iv) presents the renewed Washington Consensus advised to governments that are left with limited budgets—and the alternative UN Consensus on Development for All; and (v) calls for urgent action by governments to identify fiscal space to accelerate development, human rights, a green recovery with jobs and inclusive growth, and progress towards the Sustainable Development Goals (SDGs).

Analysis of expenditure projections verifies two distinct phases of spending patterns since the onset of the global economic crisis. In a first phase (2008-09), most governments introduced fiscal stimulus programs and ramped up total spending. Overall, 136 countries (more than 70 per cent of the sample reviewed) expanded spending during 2008 and 2009 by an average annual increase of 3.2 per cent of GDP.

In 2010, however, governments started to scale back stimulus programs and reduce spending in a second phase of the crisis that institutionalized austerity as the new norm, which is expected to continue at least until 2024. The fiscal contraction phase (2010-24) is characterized by shocks in which adjustment deepens, the first occurring in 2010-11, the second taking hold during 2016-17 and the third expected to initiate in 2020.

The forthcoming adjustment shock is expected to impact 130 countries in 2021 in terms of GDP. One of the key findings is that the developing world will be the most severely affected; in 2021, 93 developing countries are projected to cut public spending during the forthcoming shock versus 37 high-income countries. Comparing the 2020-24 and pre-crisis 2005-07 periods further suggests that 69 governments may be undergoing excessive contraction, defined as cutting expenditure below pre-crisis levels in terms of GDP. Turning to populations affected by the upcoming shock, projections indicate that austerity will affect approximately 5.8 billion persons by 2021—about 75 per cent of the global population. For billions of persons, the persistence of a long jobs crisis and austerity mean a deterioration of living conditions.

How are governments achieving fiscal adjustment? What are the main adjustment measures that have direct social impacts? This review of 161 IMF country reports in 2018-19 reveals that the most commonly considered adjustment measures are: (i) pension and social security reforms (in 86 countries); (ii) cutting or capping the public sector wage bill, including the number and salaries of teachers, health workers and civil servants delivering public services (in 80 countries); (iii) labor flexibilization reforms (in 79 countries); (iv) reducing or eliminating subsidies (in 78 countries); (v) rationalizing and/or further targeting social assistance or safety nets (in 77 countries); (vi) increasing regressive consumption taxes, such as sales and value-added taxes (VATs) (in 73 countries); (vii) strengthening public-private partnerships (PPPs) (in 60 countries); (viii) privatizing public assets/services (in 59 countries); and (ix) healthcare reforms (in 33 countries). Contrary to public perception, austerity measures are not limited to Europe; in fact, many of the principal adjustment measures feature most prominently in developing countries. All these measures have negative social impacts; the costs of adjustment have been passed to populations, with millions of people being pushed into poverty and lower living standards.

Rather than investing in a robust recovery to bring prosperity to citizens, expenditure projections show that austerity has become the “new normal.” Further, public expenditure adjustment is being used as a trojan horse to induce Washington Consensus policies to cut back on public policies and the welfare state. Once budgets are contracting, governments must look at policies that minimize the public sector and expand PPPs and private sector delivery, often promoted and/or assisted by multilateral development banks. There are clear winners and losers from the renewed Washington Consensus, and countries must effectively assess the impacts and question who benefits from these policies. The worldwide propensity toward fiscal consolidation can be expected to aggravate the growth and employment crisis and diminish public support at a time of high development needs, soaring inequalities and social discontent.

Austerity and the Washington Consensus do not need to be the "new normal." There are alternatives, even in the poorest countries. Countries have agreed to an alternative consensus at the UN, a development agenda for all persons. Much of this centers on governments taking advantage of available opportunities to expand fiscal space. There are at least eight options to generate financing resources: (i) re-allocating public expenditures; (ii) increasing tax revenues; (iii) lobbying for aid and transfers; (iv) eliminating illicit financial flows; (v) using fiscal and foreign exchange reserves; (vi) managing debt by borrowing or restructuring existing debt; (vii) adopting a more accommodative macroeconomic framework; and (viii) expanding social security coverage and contributory revenues—for social protection. Given the importance of public expenditures for national development and the attainment of the SDGs, it is imperative that governments and international financial institutions redress austerity and other policies that benefit few, and instead explore all possible alternatives to expand fiscal space to ensure full employment with universal social protection, inclusive growth, social and green investments, human rights and sustainable development for all.

Acknowledgements

This publication updates and expands on earlier papers, primarily *"The Decade of Adjustment. A review of austerity trends 2010-2020 in 187 countries"* published by the Initiative for Policy Dialogue (IPD) at Columbia University, ILO and the South Centre (2015), and *"The Age of Austerity: A Review of Public Expenditures and Adjustment Measures in 181 Countries"* published by the IPD/Columbia University and the South Centre (2013). The analysis was first developed by the authors in UNICEF in early 2010 in order to sound an alert as fiscal consolidation was just starting ("Prioritizing Expenditures for a Recovery with a Human Face: Results from a Rapid Desk Review of 86 Recent IMF Country Reports"), and has since been updated in late 2010, 2011, 2012, 2013, 2014, 2015 and now in 2019.

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Austerity: The New Normal

A Renewed Washington Consensus 2010-24

Isabel Ortiz and Matthew Cummins[1]

1. Introduction: A Story Worth Telling

This story is about the relationship between fiscal choices and human life and well-being. In perspective, the macroeconomic and fiscal choices made by governments over the last decade are alarming. Trillions of dollars were used to support the financial sector, while the costs of adjustment were thrust upon populations in many countries. Today, austerity and the resulting agenda that minimizes public policies have become a "new normal," inflicted on 75 per cent of the world population. However, it does not need to be this way; there are policy alternatives. It is time for world leaders to abandon the myopic scope of macroeconomic and fiscal policy decisions that benefit few and, instead, embrace policies that achieve full employment and inclusive and sustainable growth to foster a robust global recovery and the achievement of the SDGs.

It all started in 2008 when the global financial crisis unfolded in the North: United Nations (UN) responses. The UN held the 2009 Summit on the World Financial and Economic Crisis and its Impact on Development to urgently get the "G-192" (all world countries) to agree on a legitimate set of policies to respond to the worst global economic downturn since the Great Depression (UN, 2009a). However, this approach was disregarded by world powers, which, instead, preferred to work through the G-20 since it was smaller and easier to influence. In that same year, the UN Secretary General and UN Executive Heads adopted a number of joint crisis initiatives, such as a Global Jobs Pact and a global Social Protection Floor, led by ILO in collaboration with other UN agencies, emphasizing the need to assist countries and the global community to confront the crisis, accelerate recovery, and build a fair and inclusive system of globalization based on sustainable economic and social development that benefits all persons.

The UN Children's Fund (UNICEF) called for collaborative action for *A Recovery for All, with a Human Face*. The name of the initiative was in recognition of UNICEF's earlier work in the 1980s—*Adjustment with a Human Face*—that showed that poverty and infant mortality rates rose as a result of austerity policies that were largely imposed on governments in developing countries. This time around, UNICEF's economists exposed the negative social impacts of the crisis, proposed alternative policies and sources of fiscal space, and initiated a dialogue with the International Monetary Fund (IMF) and other international financial institutions (IFIs) to ensure that children and their families were not treated as collateral damage in the business of austerity and economic adjustment.

UNICEF began to issue warnings of austerity starting in 2010, which was later updated by other organizations. In the process, UNICEF staff uncovered that, contrary to public perception, it was not just governments in Europe that were cutting their budgets as a crisis response mechanism, but also those in developing countries—and often in line with IMF advice. A first alert was released in March 2010

[1] Isabel Ortiz is Director of the Global Social Justice Program, Initiative for Policy Dialogue, Columbia University, and former director at ILO and UNICEF. Matthew Cummins is a senior economist who has worked at UNDP, UNICEF and the World Bank. Comments may be addressed by email to the authors at isabel.ortiz@ymail.com and matthewwcummins@gmail.com.

through a paper entitled, "Prioritizing Expenditures for a Recovery with a Human Face: Results from a Rapid Desk Review of 86 Recent IMF Country Reports."[2] This was followed by successive updates to raise awareness of the wave of "fiscal consolidation"—a new name for budget cuts or austerity measures—that was taking hold of countries worldwide. These updates encouraged governments to recognize the high human and developmental costs of austerity and to consider alternative policies to support a recovery for all.

- 2010: Prioritizing Expenditures for a Recovery for All: A Rapid Review of Public Expenditures in 126 Developing Countries (UNICEF)
- 2011: Austerity Measures Threaten Children and Poor Households: Recent Evidence in Public Expenditures from 128 Developing Countries (UNICEF);
- 2012: *A Recovery for All: Rethinking Socio-Economic Policies for Children and Poor Households* (UNICEF);
- 2013: The Age of Austerity: A Review of Public Expenditures and Adjustment Measures in 181 Countries (Initiative for Policy Dialogue/IPD at Columbia University and the South Centre);
- 2014: *The World Social Protection Report 2014-15* (Chapter 6) (International Labour Organization/ ILO); and
- 2015: The Decade of Adjustment 2010-2020: A Review of Austerity Trends in 187 Countries (ILO, IPD/Columbia University and the South Centre).

This latest analysis shows that a prolonged period of budget cuts is now projected to continue at least until 2024 in high-income and developing countries alike; rather than investing in a robust recovery to bring prosperity to citizens, austerity has become the "new normal." Further, fiscal consolidation has become a trojan horse for labor and social reforms as well as other reforms that minimize public policies and expand private sector delivery, therefore reinvigorating the Washington Consensus agenda. The global trend toward austerity has failed to deliver on growth promises and is expected to worsen the existing employment crisis while further diminishing public support, increasing inequalities and social discontent, eroding democracies and risking the achievement of the SDGs.

This working paper has five objectives: (i) examines historical and projected government expenditure trends for 189 countries; (ii) reviews the latest IMF country reports for countries to identify the main channels used by governments to adjust expenditures; (iii) discusses the negative social impacts of austerity measures; (iv) presents the renewed Washington Consensus advised to governments that are left with limited budgets—and the alternative UN Consensus on Development for All; and (v) calls for urgent action by governments to identify fiscal space to accelerate development, human rights, a green recovery with jobs and inclusive growth, and progress towards the SDGs.

This review is based on information published by the IMF. The analysis of expenditure trends uses country-level indicators extracted from the April 2019 *World Economic Outlook* database. To serve as a general reference, the projected changes in total government expenditure—both in terms of GDP as well as in real growth—for 189 countries are provided in Annex 1. Regarding the analysis of adjustment measures, the identification of different options considered by governments since 2010 is inferred from policy discussions contained in 779 IMF country reports for 187 countries that were published between February 2010 and August 2019. Annex 2 presents the latest adjustment measures identified in 161 countries during 2018-19, while Annex 3 lists the latest country reports reviewed (2018-19).

[2] The IMF complained about this first paper, which was removed from UNICEF's website with all printed copies also disposed.

2. Global Expenditure Trends, 2005-2024

2.1 Data and Methodology

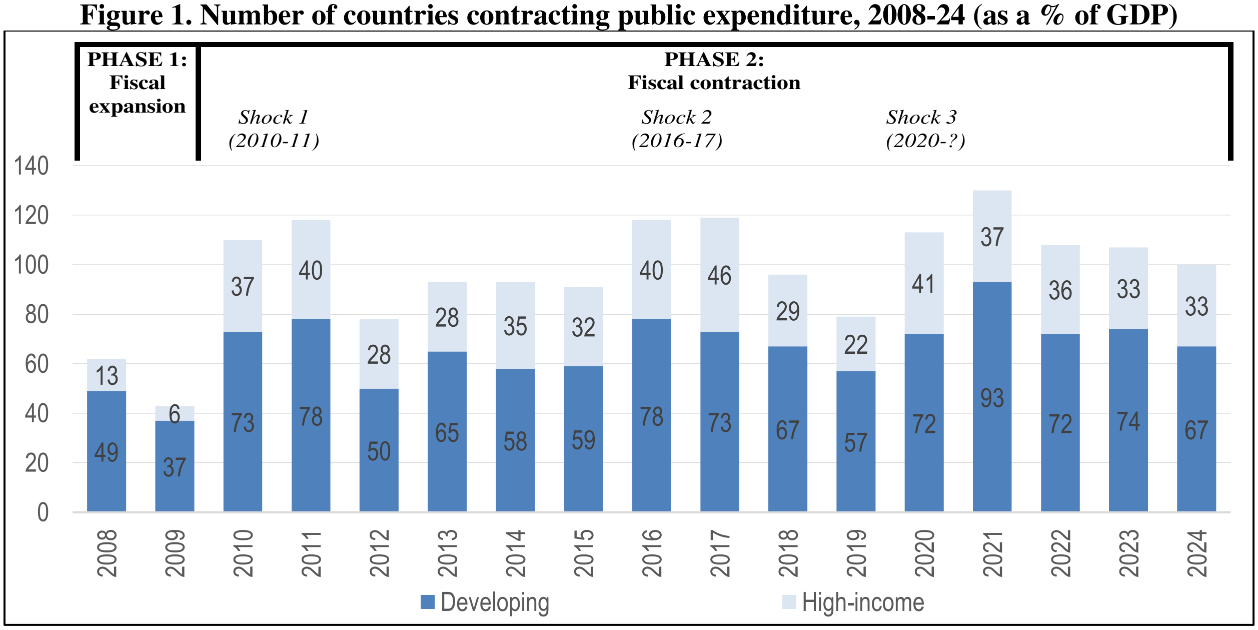
The analysis of government expenditure trends is based on IMF fiscal projections contained in the April 2019 *World Economic Outlook* database. This is the main source of comparable fiscal data for most countries in the world.[3] In terms of the methodology, total government spending is analyzed using two measures: (i) public expenditure as a percentage of GDP; and (ii) the real value of public expenditure (the nominal value adjusted by inflation). Both of these measures are applied to the 189 countries that have estimates during the 2005-24 period, which are examined across three distinct periods: 2005-07 (pre-crisis), 2008-09 (crisis phase I: expenditure expansion), 2010-24 (crisis phase II: expenditure contraction).

2.2 The Two Phases: Fiscal Expansion (2008-09) and Fiscal Contraction (2010-24)

Analysis of expenditure projections verifies two distinct phases of spending patterns since the onset of the global economic crisis. In a first phase (2008-09), most governments introduced fiscal stimulus programs and ramped up total spending. Overall, 136 countries (more than 70 per cent of the sample) expanded spending during 2008 and 2009 by an average annual increase of 3.2 per cent of GDP, with around 50 countries contracting public expenditure (see Annex 1).

In 2010, however, governments started to scale back stimulus programs and reduce spending in a second phase of the crisis that institutionalized austerity as the new norm, which is expected to continue at least until 2024.[4] As depicted in Figure 1, the fiscal contraction phase (2010-24) is characterized by shocks in which adjustment deepens, the first occurring in 2010-11, the second taking hold during 2016-17 and the third projected to initiate in 2020.

Figure 1. Number of countries contracting public expenditure, 2008-24 (as a % of GDP)



[3] Several caveats are worth mentioning. First, the scope of expenditure data varies across countries. While in most instances the data refer to central and local government, for some countries, the data refer to the public sector, which includes public enterprises. Second, total government spending projections may differ from the estimates used in this study as more up-to-date information becomes available. Third, expenditure data from IMF sources may vary from those reported in national budgets due to alternative projection assumptions and methods.

[4] 2024 is the last year in which fiscal projections are made available in the WEO April 2019 edition.

Source: Authors' calculations based on the IMF's *World Economic Outlook* (April 2019)

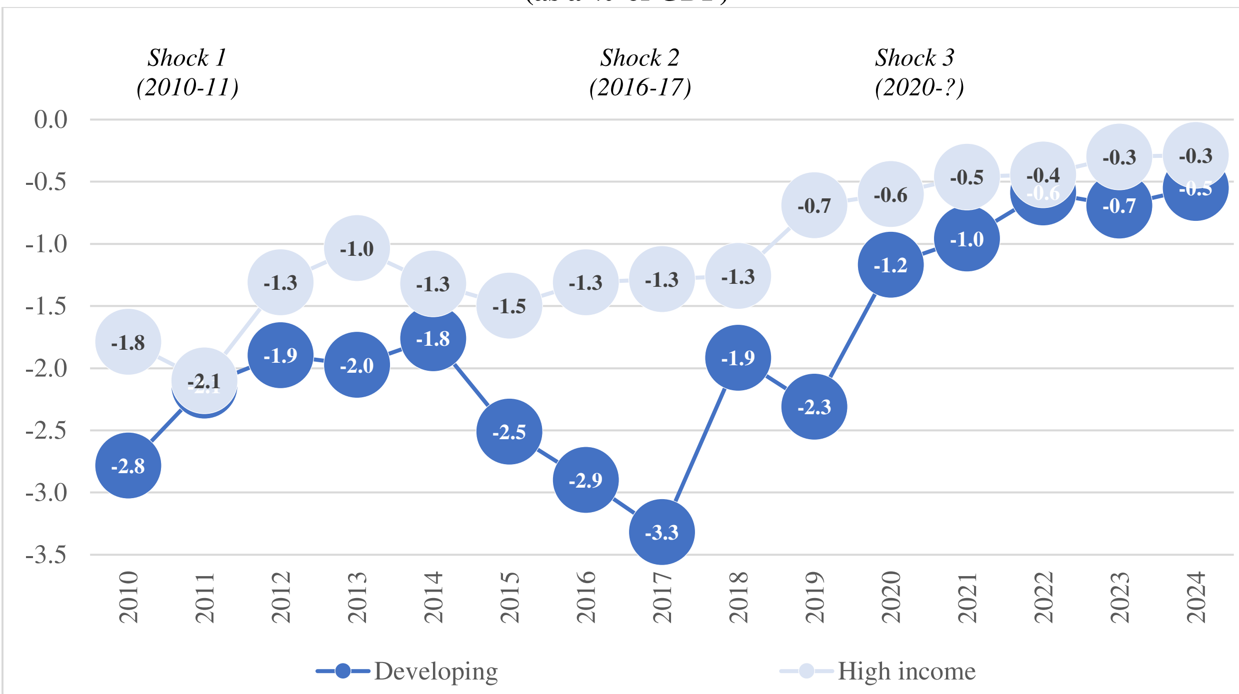
The first shock in 2010 was sudden and severe. The number of countries reducing their budgets as a per cent of GDP mushroomed between 2009 and 2010, impacting 118 countries by 2011 (or more than 60 per cent of the sample). The average contraction size during this period amounted to 2.3 per cent of GDP. The worldwide drive toward austerity then temporality waned beginning in 2012. During the four-year period between 2012 and 2015, a number of countries eased policies in order to boost spending, which likely reflects the realization that prolonged budget cuts were not supporting economic growth and socio-economic recovery; also, austerity cuts were contributing to political and civil unrest. In all, about 89 countries (or just slightly below 50 per cent of the sample), on average, cut their budgets during this phase.

Beginning in 2016, a new expenditure shock emerged, marking the beginning of a second period of global contraction. Overall, budget cuts in terms of GDP impacted approximately 119 countries in 2016 and 2017 to the tune of 2.4 per cent, on average. As in the first shock, the duration of expenditure cuts during the second shock was also relatively short lived, with another period of increased spending projected to characterize the 2018-19 period. In the current year (2019), less than 80 governments are forecast to undergo fiscal contraction, which marks the lowest number since 2012.

Looking forward, projections indicate that the incidence of austerity will re-initiate in 2020 under a third expenditure shock. The forthcoming adjustment shock is expected to impact 130 countries in 2021 in terms of GDP. One of the key findings is that the developing world will be the most severely affected; in 2021, 93 developing countries are projected to cut public spending during the forthcoming shock versus 37 high-income countries. The magnitude of contraction appears to be less intense than in earlier shocks (Figure 2). During 2020-24, the average contraction is forecast to be 0.7 per cent of GDP, on average, compared to the 2.3 per cent and 2.4 per cent of GDP experienced during the 2010-11 and 2016-17 periods, respectively. However, these are averages, and many countries will have hard adjustments, as presented in the following section.

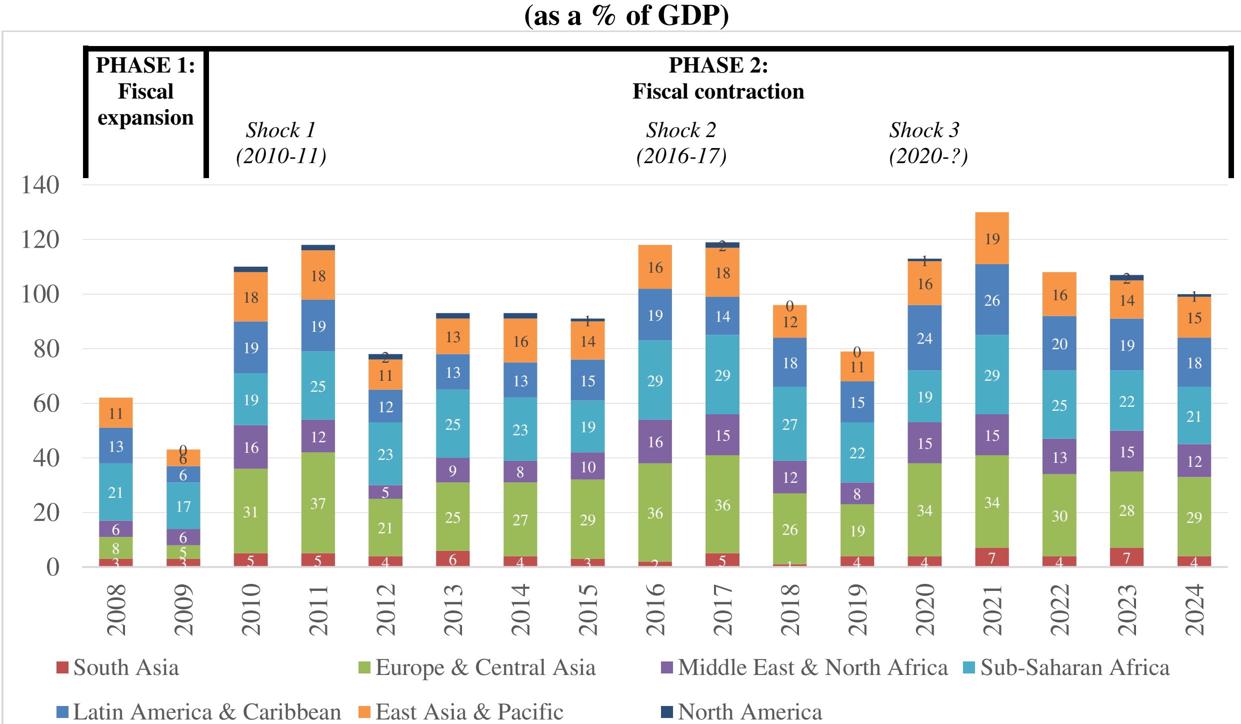
Overall, austerity has become a "new normal," with the majority of countries in the world contracting public expenditures in the period 2010-24. The incidence and depth of fiscal austerity varies across regions and income groups. In terms of regions, for 2020 onwards, the Middle East and North Africa has the highest proportion of countries contracting expenditure during the three shocks (15 out of 20, on average), which is also the region that undergoes the most severe cuts (3.2 per cent of GDP, on average) (Figure 3 and Table 1). For country income groups, 45 per cent of countries classified as low-income experience budget cuts during the three shocks, on average, which increases to 62 per cent of lower middle-income countries, 66 per cent of upper middle-income countries and 69 per cent of high-income countries. However, the deepest contractions occur in middle-income countries. This includes 2.1 and 2.5 per cent of GDP for lower and upper middle-income countries, respectively, on average during the three shocks, compared to 1.8 and 1.3 per cent of GDP for low- and high-income countries, respectively.

Figure 2. Average contraction size in developing and high-income countries, 2010-24 (as a % of GDP)



Source: Authors' calculations based on the IMF's *World Economic Outlook* (April 2019)

Figure 3. Number of countries contracting public expenditure by region, 2008-24 (as a % of GDP)



Source: Authors' calculations based on the IMF's *World Economic Outlook* (April 2019)

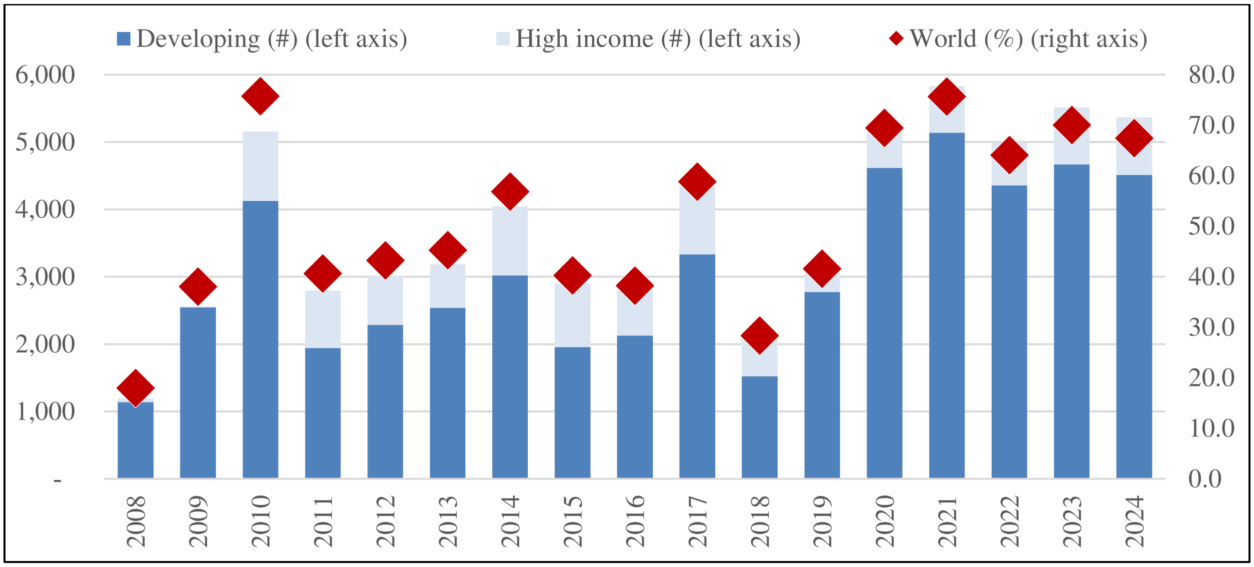
Table 1. Number of countries and population affected by expenditure contraction, 2010-2020 (period average values, as a percentage of GDP)

Geographic Region / Income Group*	Indicator	Expenditure contraction				
		Shock 1		*Shock 2*		*Shock 3*
		2010-11	2012-16	2016-17	2018-2019	2020-2021
East Asia and Pacific (30 countries)	No. of countries contracting	18	14	17	12	18
	Average contraction (% of GDP)	-2.8	-1.7	-2.2	-3.0	-1.9
	% of population affected	54.8	19.4	30.3	13.3	73.5
Europe and Central Asia (49 countries)	No. of countries contracting	34	26	36	23	34
	Average contraction (% of GDP)	-2.1	-1.4	-1.3	-1.0	-0.6
	% of population affected	79.9	50.9	67.6	50.5	65.2
Latin America and Caribbean (33 countries)	No. of countries contracting	19	13	17	17	25
	Average contraction (% of GDP)	-1.7	-1.7	-1.4	-1.7	-0.6
	% of population affected	57.5	34.3	60.0	54.5	93.9
Middle East and North Africa (20 countries)	No. of countries contracting	14	8	16	10	15
	Average contraction (% of GDP)	-2.8	-2.8	-5.7	-2.3	-1.2
	% of population affected	79.1	39.0	84.1	73.2	75.0
North America (2 countries)	No. of countries contracting	2	2	1	0	1
	Average contraction (% of GDP)	-1.1	-0.9	-0.3	…	0.0
	% of population affected	100.0	97.5	50.0	0.0	5.1
South Asia (8 countries)	No. of countries contracting	5	4	4	3	6
	Average contraction (% of GDP)	-1.8	-1.3	-1.1	-2.0	-0.4
	% of population affected	46.8	67.9	44.2	38.9	91.5
Sub-Saharan Africa (47 countries)	No. of countries contracting	22	23	29	25	24
	Average contraction (% of GDP)	-2.5	-2.2	-3.0	-1.6	-0.8
	% of population affected	40.4	60.0	58.2	46.8	54.3
Low income (32 countries)	No. of countries contracting	14	15	17	15	13
	Average contraction (% of GDP)	-1.7	-2.0	-2.9	-1.6	-0.8
	% of population affected	47.8	54.4	56.1	38.3	39.6
Lower middle income (46 countries)	No. of countries contracting	27	23	27	24	31
	Average contraction (% of GDP)	-2.3	-1.9	-2.7	-1.8	-1.2
	% of population affected	49.7	63.0	55.3	42.2	76.2
Upper middle income (53 countries)	No. of countries contracting	35	20	32	24	39
	Average contraction (% of GDP)	-2.8	-2.2	-3.6	-2.8	-1.0
	% of population affected	59.8	15.1	29.7	24.1	86.0
All developing (131 countries)	No. of countries contracting	76	58	76	62	83
	Average contraction (% of GDP)	-2.5	-2.0	-3.1	-2.1	-1.1
	% of population affected	53.8	41.8	44.7	34.3	76.2
High income (58 countries)	No. of countries contracting	39	31	43	26	39
	Average contraction (% of GDP)	-1.9	-1.3	-1.3	-1.0	-0.5
	% of population affected	78.9	68.9	67.5	38.1	54.2
Total sample (189 countries)	No. of countries contracting	114	89	119	88	122
	Average contraction (% of GDP)	-2.3	-1.8	-2.4	-1.8	-0.9
	% of population affected	58.2	46.4	48.5	35.0	72.5

Source: Authors' calculations based on the IMF's *World Economic Outlook* (April 2019) and United Nation's *World Population Prospects: The 2019 Revision.*
* Based on World Bank country classifications.

Turning to populations affected by the upcoming shock, projections indicate that austerity will affect approximately 5.8 billion persons by 2021—or about 75 per cent of the global population (Figure 4). This is close to double the level in 2019, which is estimated at 3.1 billion persons or around 40 per cent of the world population. Importantly, 5.1 billion (or close to 90 per cent) are located in developing countries. Several regions are likely to be hit exceptionally hard, most notably South Asia and Latin America and the Caribbean, where more than 90 per cent of people are expected to be living under conditions of fiscal austerity by 2021. In terms of income groups, upper middle-income countries are forecast to be have the largest percentage of their populations affected (around 86 per cent) followed by lower middle-income (76 per cent).

Figure 4. Population affected by public expenditure contraction, 2008-24 (in millions of persons in developing and high-income countries and as a % of global population)



Source: Authors' calculations based on the IMF's *World Economic Outlook* (April 2019)

2.3 High Levels of Austerity

High levels of austerity can be defined as excess contraction, reducing total government expenditure to below pre-crisis levels, prior to the onset of the global financial crisis.[5] Comparing the average level of public spending during the period of the third expenditure contraction shock (2020-21) with the average level of public spending during the pre-crisis period (2005-07) shows that the vast majority of countries are expected to maintain total expenditure above pre-crisis levels. Projected spending amounts during the third contractionary shock are 6.1 per cent of GDP higher, on average, than those during the pre-crisis phase in more than 60 per cent of the sample (Table 2); in real terms, public expenditure is projected to be almost double pre-crisis spending levels in more than 90 per cent of the world (or 172 countries) (Table 3). These findings indicate that most governments will have considerably higher levels of public support compared to the start of the global financial crisis.

[5] The analysis does not make a judgment about the adequacy or not of pre-crisis spending levels; expenditure in 2005-07 is used to establish some type of reasonable baseline.

Table 2. Changes in total government spending, 2020-21 versus 2005-07 period average values (as % of GDP)

Geographic Region / Income Group	Total Sample		Contracted		Expanded	
	No. of countries	Avg. spending Δ	No. of countries	Avg. spending Δ	No. of countries	Avg. spending Δ
East Asia and Pacific	30	6.4	9	-2.1	21	10.1
Europe and Central Asia	49	0.7	20	-2.5	29	2.9
Latin America and the Caribbean	33	2.2	11	-2.4	22	4.5
Middle East and North Africa	19	2.5	9	-8.2	10	12.2
North America	2	2.2	2	2.2	…	…
South Asia	8	3.0	3	-4.8	5	7.6
Sub-Saharan Africa	46	1.4	17	-5.5	29	5.5
Low income	30	2.8	8	-8.2	22	6.8
Lower middle income	46	2.9	17	-4.1	29	7.1
Upper middle income	53	2.5	23	-3.5	30	7.0
All developing	129	2.7	48	-4.5	81	7.0
High income	58	1.6	21	-2.9	37	4.1
Total	187	2.4	69	-4.0	118	6.1

Source: Authors' calculations based on the IMF's World Economic Outlook (April 2019)

Table 3. Growth of real Government spending, 2020-21 versus 2005-07 period average values (%)

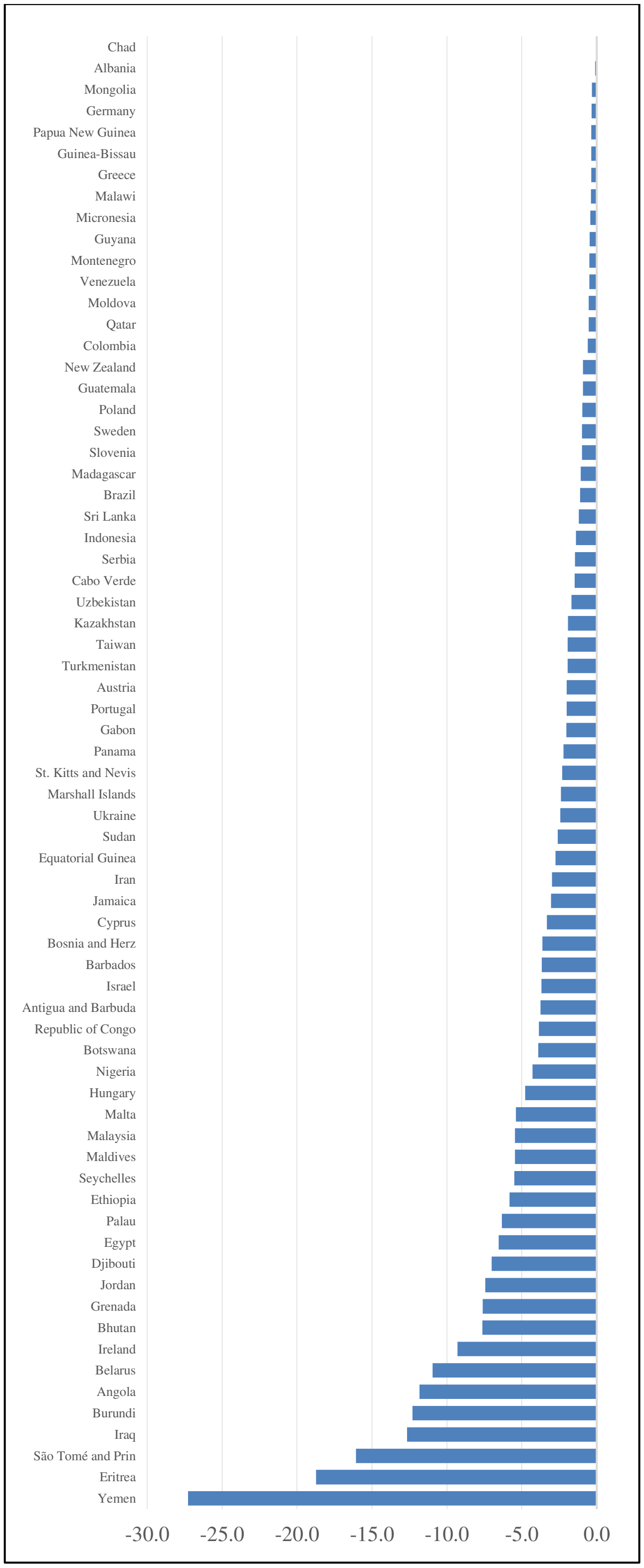
Geographic Region / Income Group	Total Sample		Contracted		Expanded	
	No. of countries	Avg. spending Δ	No. of countries	Avg. spending Δ	No. of countries	Avg. spending Δ
East Asia and Pacific	30	118.0	1	-0.8	29	122.0
Europe and Central Asia	49	64.0	1	-23.5	48	65.8
Latin America and the Caribbean	32	74.7	3	-19.8	29	84.5
Middle East and North Africa	19	58.1	3	-43.8	16	77.3
North America	2	33.1	2	33.1	…	…
South Asia	8	174.0	8	174.0	…	…
Sub-Saharan Africa	46	110.9	6	-15.9	40	129.9
Low income	30	150.2	2	-35.2	28	163.4
Lower middle income	46	118.7	4	-14.6	42	131.4
Upper middle income	52	77.2	4	-25.8	48	85.8
All developing	128	109.2	10	-23.2	118	120.5
High income	58	47.3	4	-19.3	54	52.3
Total	186	89.9	14	-22.1	172	99.1

Source: Authors' calculations based on the IMF's *World Economic Outlook* (April 2019)

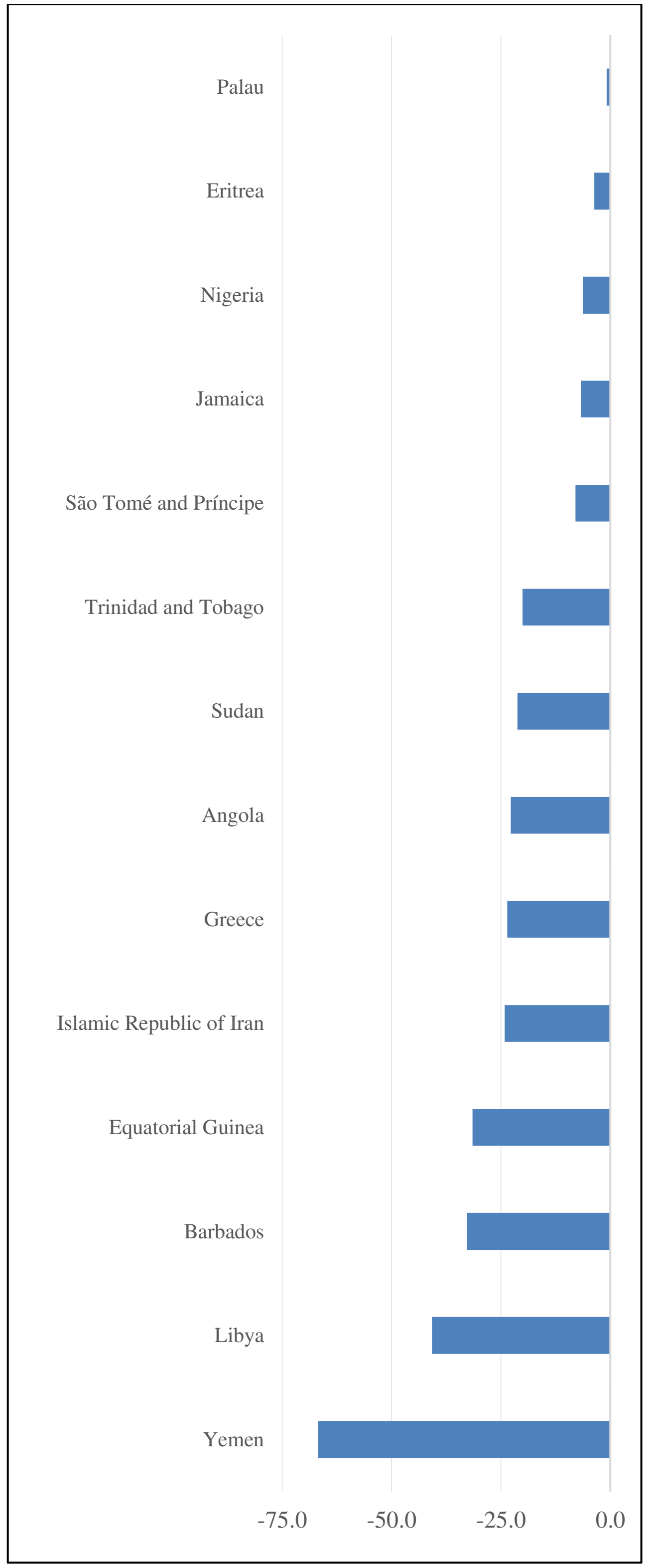
An alarming number of countries appear to be undergoing excessive spending contraction. In terms of GDP, analysis of expenditure estimates reveals that 69 governments may be slashing their budgets excessively during 2020-21 (Figure 5A). Nineteen of these countries are expected to be spending more than 5.0 per cent of GDP less, on average, during the third shock compared to expenditure levels during the pre-crisis period. These countries include: Angola, Belarus, Burundi, Bhutan, Djibouti, Egypt, Eritrea, Ethiopia, Grenada, Iraq, Ireland, Jordan, Maldives, Malaysia, Malta, São Tomé and Príncipe, Seychelles, Palau and Yemen. In real terms, 14 governments are forecasted to have smaller budgets in 2020-21, on average, than during 2005-07 (Figure 5B).

Figure 5. Change in total government spending, 2020-21 versus 2005-07 period average values

A. As a percentage of GDP



B. Real value



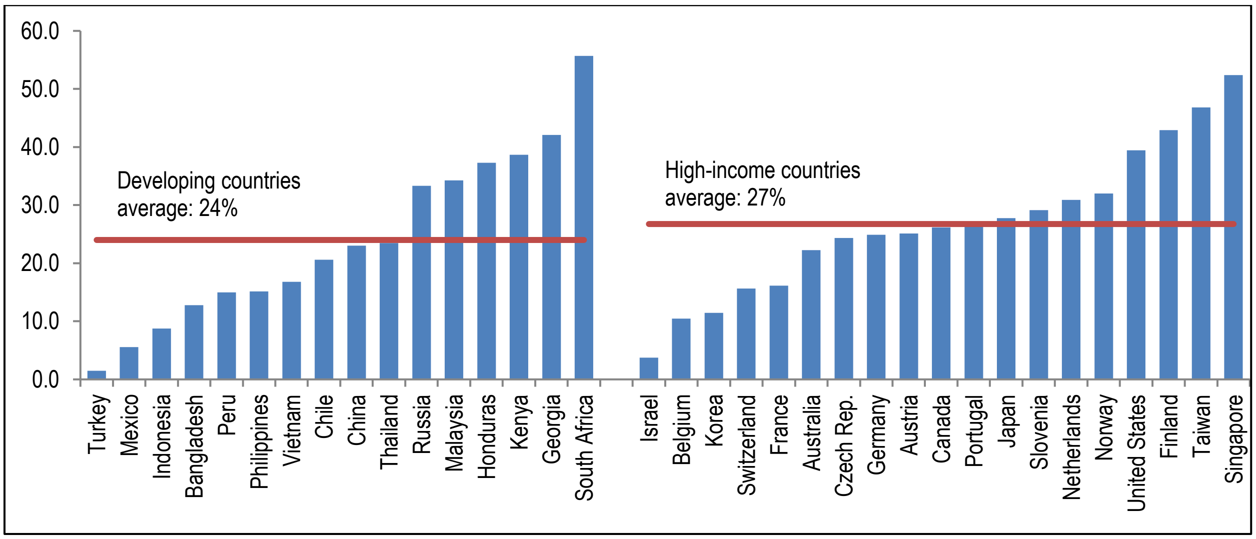
Source: Authors' calculations based on the IMF's World Economic Outlook (April 2019)

3. Unpacking the Move from Fiscal Stimulus to Fiscal Contraction

In 2008-09 there was a global consensus on countercyclical fiscal policies, whereby countries coordinated policies to combat the negative social and economic impacts of the crisis. The IMF spelled out the need for global fiscal stimulus: "In normal times, the Fund would indeed be recommending to many countries that they reduce their budget deficit and their public debt. But these are not normal times… if no fiscal stimulus is implemented, then demand may continue to fall… what is needed is… a commitment by governments that they will follow whatever policies it takes to avoid a repeat of a Great Depression scenario."[6] As noted above, during the first phase of the crisis (2008-09), 137 countries ramped up public expenditure, with the average annual expansion amounting to 3.3 per cent of GDP.

At least 48 countries announced fiscal stimulus packages totaling US$2.4 trillion, of which approximately a quarter was allocated to social protection measures (Figure 6). Social protection played a key role in attenuating the immediate negative effects of the crisis on. One of the key lessons from these initial crisis responses is that social protection can function as an automatic stabilizer most effectively if the relevant schemes and programmes are implemented early (ILO, 2014). In the absence of such social protection measures, the effect of the crisis on unemployment, households' disposable income and poverty rates in 2009-10 would have been much worse (ILO, 2011).

Figure 6. Size of social protection component of stimulus packages, 2009 (as a % of total announced amount)



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

What prompted governments to abandon fiscal expansion in 2010 and embrace expenditure contraction? The conventional answer is to address debt and fiscal deficits. However, this seemingly straightforward explanation deserves further exploration, especially given the fragile state of recovery in 2010 and the clear, negative impacts that fiscal retrenchment would have on economic activity.

Early in 2010, IMF advice underwent a major change, which was later supported by the OECD and the G-20, to support "fiscal consolidation." This called for a rapid end to fiscal stimulus as well as reforming the welfare state. Two IMF Board papers approved in February 2010—"Exiting from crisis intervention policies" and "Strategies for fiscal consolidation in the post-crisis world"—called for

[6] Olivier Blanchard, Economic Counselor and Director, IMF Research Department, *IMF Survey Magazine*, 29 December 2008.

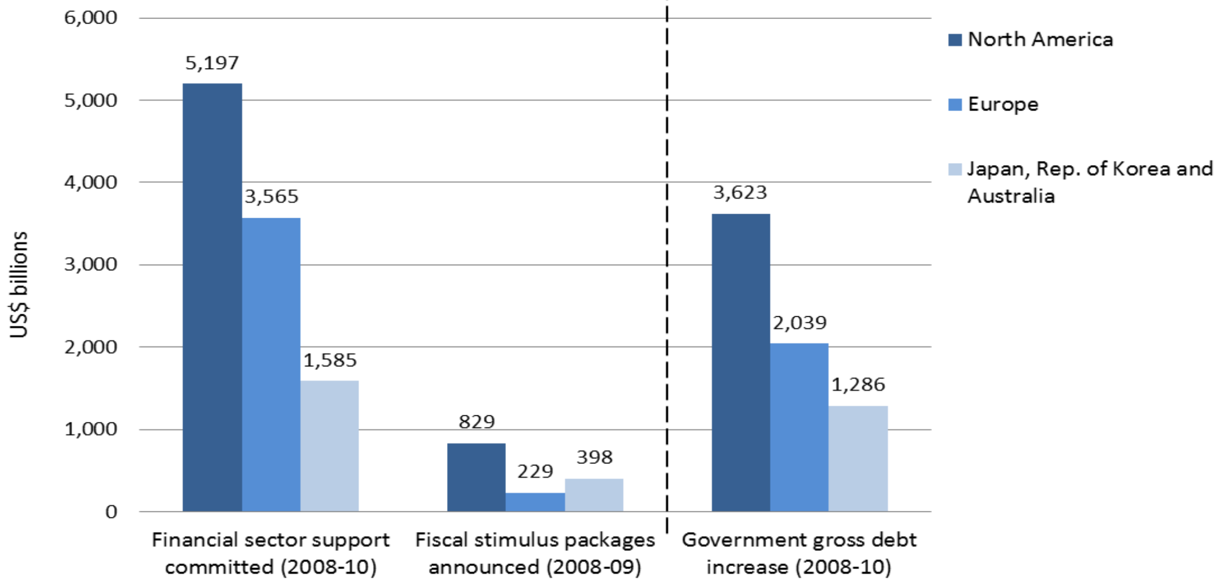
large-scale fiscal adjustment “when the recovery is securely underway” and for structural reforms in public finance to be initiated immediately “even in countries where the recovery is not yet securely underway” (IMF, 2010a; IMF, 2010b). Reforms of pension and health entitlements were called for accompanied by “strengthened safety nets” for the poorest (IMF, 2010a, pp. 15-32). On the composition of fiscal adjustment, it was advised that most of it could come from:

- Unwinding the previously adopted fiscal stimulus packages;
- Reforming pension and health entitlements to reduce the long-term financial obligations of the state by way of avoiding “a rise in spending as a share of GDP” (IMF, 2010a, p. 16);
- Containing other spending, by means such as eliminating subsidies; and
- Increasing tax revenues.

The suggested reforms soon became mainstream policy advice in a number of international organizations and a majority of countries after 2010. Other international institutions also played a role. The Bank of International Settlements (BIS)—the bank for central bankers—joined the IMF in advocating front-loaded fiscal consolidation and structural reforms claiming that the limits to fiscal stimulus had been reached in a number of countries (BIS 2010 and 2011). The OECD 2010 Economic Outlook (OECD, 2010) also focused on the urgent need for fiscal consolidation and structural reforms (e.g. in labor and product markets), pointing out that in both OECD and non-OECD countries the economic slack was disappearing and recovery taking hold rapidly. While these positions generally focused on higher-income countries, they also urged fiscal adjustment in developing countries, given that the risk of debt distress was increasing there as well. However, as the global policy reversal was completed, it became apparent that recovery was not underway in the world’s largest economies. Instead, a pattern of slow growth and persistent unemployment seemed to settle in, partly due to fiscal consolidation itself.

After the financial sector had been bailed out, fiscal consolidation was prescribed to cut back on public policies and the welfare state. The second phase of the crisis, beginning in 2010, saw a total policy reversal—a 180-degree shift in governments’ public expenditure. The sovereign debt crisis in Europe turned public attention to government spending, as if it had caused the crisis. Rising debts and deficits at this point resulted mostly from bank bailouts to rescue the financial sector from bankruptcy, and to a lesser degree by stimulus packages and lower government revenues due to the slowdown in economic activity (Figure 7). In other words, government debt and deficits were symptoms of the crisis, not its cause. Yet fiscal consolidation prescribed to cut back on public policies and downsize state budgets as the main ways to reduce deficits, calm the markets and revive the economy. Following this logic, the welfare state was depicted as unaffordable and a burdensome impediment to competitiveness and output growth (Box 1).

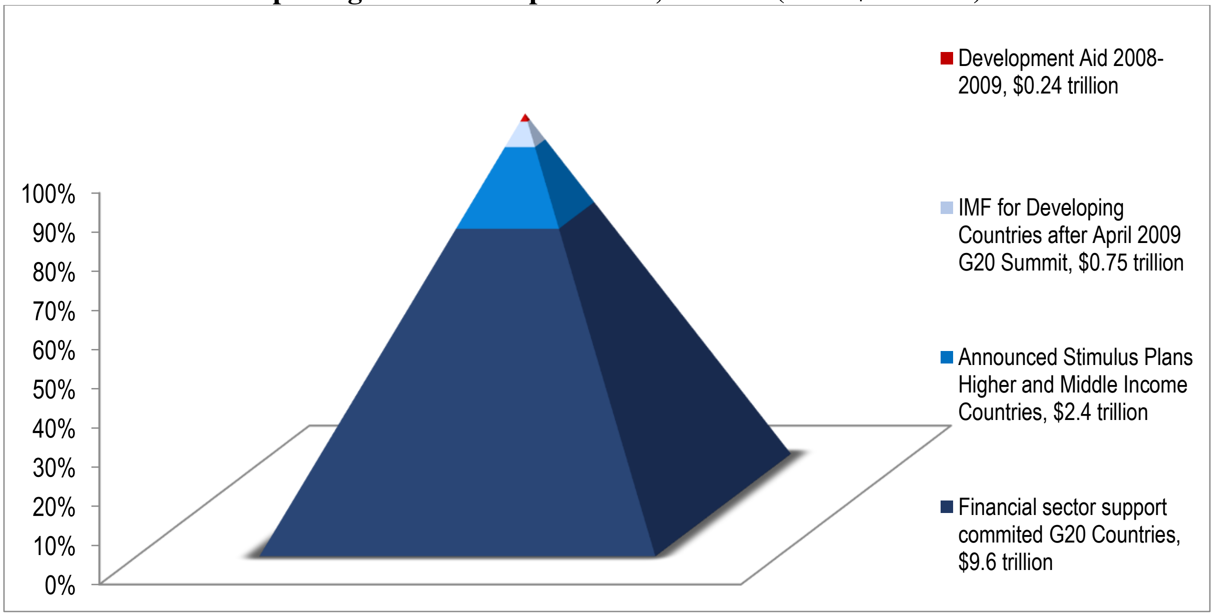
Figure 7. Financial sector support, fiscal stimulus packages and public debt increases in select high-income countries, 2008-10 (in US$ billions)



Note: North America includes United States and Canada; Europe includes Austria, Belgium, Finland, France, Germany, Greece, Ireland, the Netherlands, Poland, Portugal, Spain, Sweden and the United Kingdom
Sources: ILO 2014, based on IMF, 2010c; IMF, 2013; Stolz and Wedow, 2010

The commitments to finance global recovery evince the true priorities of decision makers. During 2008 and 2009, nearly US$10 trillion was given to support (or bail out) the financial sector; around US$2.4 trillion was used for fiscal stimulus plans and just US$0.24 trillion was provided in ODA to help developing countries (Figure 8). At the same time, another US$0.75 trillion—more than triple the amount of ODA—was assigned to the IMF to support/influence developing countries. After having spent trillions to support the financial sector and, to a much lesser extent, to stimulate economies in 2008-09, the IMF was given a central role in shaping the policies that would guide the "recovery" phase (IMF, 2017b). Here, the Fund's fiscal consolidation agenda—which ranged from reforming pensions and health entitlements to cutting subsidies and increasing consumption taxes—thrust the costs of adjustment on populations.

Figure 8. Financing the global recovery: Financial sector support (bank bailouts), fiscal stimulus packages and development aid, 2008-09 (in US$ trillions)



Sources: IMF, 2010c; IMF, 2013; ILO, 2014; OECD DAC database; Stolz and Wedow, 2010

Box 1. The European social model: Eroded by short-term austerity reforms

Since 2010, fiscal consolidation or austerity policies have focused on reforming pension and health entitlements to reduce the long-term financial obligations of the State by way of avoiding "a rise in spending as a share of GDP" (IMF, 2010a, p. 16; see also IMF, 2010b) and containing other spending, despite it being premature to adopt such policies (ILO, 2014). The European social welfare state model came under pressure; it was depicted as unaffordable and burdensome, ultimately reducing competitiveness and discouraging growth. Structural reforms weakened workers' bargaining power. Adjustment measures have contributed to increases in poverty, affecting up to 86.8 million people in the European Union and representing more than 17 per cent of the population in 2017, many of them children, women and persons with disabilities. The number of children at risk of poverty or social exclusion still stood at 22.3 million in 2015, or 26.7 per cent of children up to the age of 16. Some estimates foresee an additional 15–25 million people facing the prospect of living in poverty by 2025 if fiscal consolidation continues (Oxfam, 2013). Higher poverty and inequality are the results not only of the severity of the global recession and low employment rates, but also of specific policy decisions targeting universal policies, curtailing social transfers and limiting access to quality public services. The evisceration of the social protection system in Greece is now an infamous case in demonstrating how cutbacks in the welfare system affect real people; pension and healthcare benefits were downsized so much that officials pointed to an impending public health crisis given increased mortality and morbidity rates (Kentikelinis et al, 2014; Kotsakis, 2018). The long-accepted concept of universal access to decent living conditions for all citizens has been threatened by a widening gulf between more narrowly targeted programs for the poor and a stronger emphasis on individual savings for the middle and upper income groups. The achievements of the European social model, which dramatically reduced poverty and promoted prosperity in the period following the Second World War, have been eroded since the crisis by short-term adjustment reforms.

Sources: ILO, 2014, 2017; IMF, 2010a, 2010b; Oxfam, 2013; Stiglitz et al. 2019; Vaughan-Whitehead, 2014

The reasons for the quick, deep and prolonged cuts to public spending in developing countries are less clear, but IMF influence appears as a central factor. The IMF's role in influencing policy through both surveillance and lending seems a main contributing factor (Islam et al., 2012; Molina, 2010; Van Waeyenbergeet al., 2010; Weisbrot and Montecino, 2010).[7] Lending programs with governments have been increasing in recent years, which have conditions that are more binding than policy advice (Kentikelenis, et al.,2016; Sindzingre, 2017). In 2007, the IMF's global presence was at a low point, where its total outstanding loans amounted to just US$10 billion, down from US$91 billion in 2003. However, in April 2009, G-20 leaders assigned US$750 billion to the Fund to assist developing countries, which soon grew to an unprecedented US$1 trillion (Birdsall and Fukuyama, 2011; Weisbrot, 2015). In short, the G-20's management of the financial crisis in 2008-09 equipped the IMF with more resources and influence than it had ever enjoyed.

The growth slowdown and recession has further caused fiscal positions to deteriorate, global coordination is needed for socio-economic recovery. Starting in 2011, debt sustainability indicators began to steadily worsen, partly as a result of revenue losses in commodity-exporting economies, which heightened following the steep fall in oil prices beginning in 2014. In general, fiscal positions tended to be better in commodity-importing countries, although oil prices started to rebound in 2018 thus equalizing the trend. Nonetheless, in 2019 the world economy continues to suffer from tighter financial conditions, low demand, high levels of private and public debt, and geopolitical tensions (IMF, 2018, 2019a and 2019b; UNCTAD, 2018). There is a strong need to better coordinate global policies, including countercyclical policies and higher public spending; austerity must be averted to revitalize the economy and support jobs and development needs.

Further, the focus on fiscal balances deviates public attention from the unsolved root cause of the crisis, the excessive deregulation of financial markets. The present contractionary policy stances fall short of what is needed for economic recovery and addressing the jobs crisis, higher spending is needed in both high-income and developing countries, as it will explained in later sections. Countries also need a far smaller, simpler, better regulated and taxed financial sector, focused on lending to the real economy. The financial sector, both national and international, should serve the needs of the real economy, and it should mitigate risks; in the last two decades it has done neither, it has not provided sufficient sustainable finance for key sectors like that of small and medium enterprises (SMEs) or infrastructure, and it has also has created risks —it has led to numerous and costly financial crises in Latin America, Asia and now globally. The excessive deregulation of financial markets needs to be addressed with adequate regulation, as well as logical global solutions, like a sovereign debt workout mechanism that deals fairly with both lenders and borrowers (UNCTAD 2011a). The United Nations (2009a, 2009b, 2012 and 2013) has repeatedly called for forceful and concerted policy action at the global level to promote employment-generating growth, financial market stability and support development.

[7] It is important to note that few governments actually have IMF programs, and the IMF's influence of global and national policy debates is mostly through its policy advice and surveillance missions, the so-called "Article IV consultations." These are carried out annually in nearly every country and provide recommendations on a broad range of issues, from fiscal, monetary and exchange rate policies to pensions, healthcare systems, safety nets, labor policies, among others, despite the fact that social policy is not in the IMF's mandate.

4. Global Adjustment Trends, 2010-2019

4.1 Methodology

How are governments achieving fiscal adjustment? And what are the main adjustment measures that have direct social impacts? To answer these questions, this section looks at 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, Extended Credit Facilities), consultations under non-lending arrangements (e.g. Staff Monitored Programs) and other publicly available IMF reports. In total, this section updates the earlier review of 618 reports that appeared between February 2010 and February 2015 covering 185 countries, with a new review of 161 country reports in 2018-19. Two caveats must be kept in mind. First, the findings are solely based on the authors' interpretation of information contained in the reports. Secondly, to the extent that measures eventually adopted by governments may differ from those under consideration in IMF country reports, this analysis is only indicative, and actual outcomes require verification.

4.2 Results

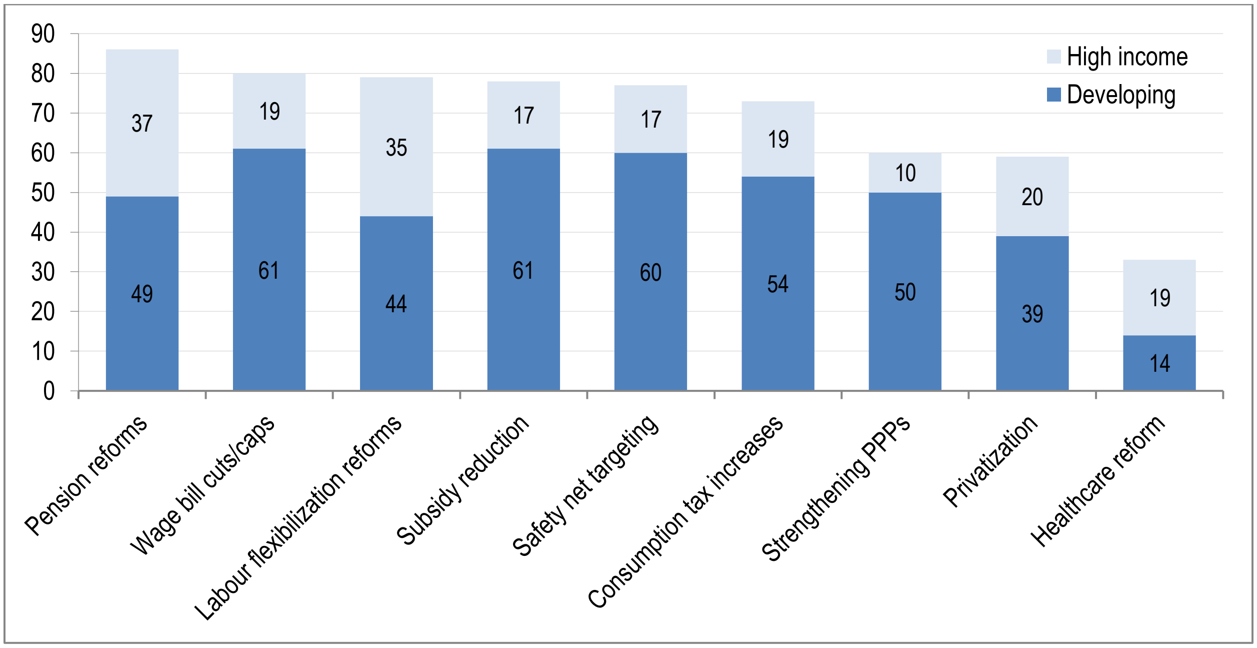
The review of IMF country reports indicates that nine main policies are being considered by governments worldwide to consolidate budgets, which includes two measures to boost revenues. As summarized in Figure 9, the most widely discussed adjustment measures include: (i) pension and social security reforms; (ii) cutting or capping the wage bill; (iii) labor flexibilization reforms; (iv) reducing or eliminating subsidies; (v) rationalizing and/or further targeting social assistance or safety nets; (vi) strengthening public-private partnerships (PPPs); and (vii) healthcare reforms. In parallel, two important measures to raise revenues in the short-term are also prevalent and include: (viii) increasing consumption taxes, such as sales and value-added taxes (VATs); and (ix) privatizing public assets and services. The review of IMF reports shows that additional adjustment measures are being considered, such as increasing user fees on social services (e.g. in Algeria, Armenia, Aruba, Barbados, Bolivia, Botswana, Dominica, Ecuador, Gabon, Gambia, Jamaica, Kenya and Turkey) or curtailing spending on education (e.g. in Botswana, Costa Rica, Dominican Republic, Fiji, Finland, France, Georgia, Kazakhstan, Kyrgyz Republic and Slovenia), but they have not been included since they only appear in a smaller number of countries. A discussion of the main adjustment policy approaches is provided below, while country snapshots are presented in Annex 2.

The most commonly considered fiscal consolidation measures to adjust government expenditure include:

- **Reforming old-age pensions and social security systems:** Approximately 86 governments in 49 developing and 37 high-income countries are discussing different changes to their pension systems, such as tightening contribution requirements, raising workers' contribution rates, decreasing employers' social security contributions, increasing eligibility periods, reducing pension tax exemptions, prolonging the retirement age and/or lowering benefits, and structural reforms. As a result, collective risk pooling of pensions systems is being undermined, future pensioners are expected to receive lower benefits, and inequalities between pension beneficiaries are expected to increase.

- **Cutting or capping the public sector wage bill:** As recurrent expenditure, like salaries of teachers, health workers and local civil servants tend to be the largest component of national budgets, an estimated 80 countries are considering reducing their wage bill, which is often carried out or planned as a part of civil service reforms. In total, 61 developing and 19 high-income countries are considering this policy stance, which can translate into salaries being reduced or eroded in real value, payments in arrears, hiring freezes and/or employment retrenchment, all of which can adversely impact the delivery of public services to the population.

Figure 9. Incidence of austerity measures in 161 countries, 2018-19 (in number of countries)



Source: Authors' analysis of 161 IMF country reports published from January 2018 to August 2019

- **Labor flexibilization reforms:** These generally include restraining the minimum wage, limiting salary adjustments, decentralizing collective bargaining, increasing the ability of enterprises to fire employees and making it easier to hire workers on temporary/atypical contracts. Some 79 governments in 44 developing and 35 high-income countries are considering some form of labor flexibilization. Labour market reforms are aimed at increasing competitiveness and supporting business in the context of recession; however, available evidence suggests that labour market flexibilization will not generate decent jobs; on the contrary, in a context of economic slowdown, it is likely to generate labour market "precarization," depress domestic incomes and ultimately hinder recovery efforts.

- **Eliminating or reducing subsidies:** Overall, 78 governments in 61 developing and 17 high-income countries appear to be limiting subsidies, predominately on fuel, but also on electricity, food and agricultural inputs. This adjustment measure is being implemented at a time when food and energy prices hover near record highs; if basic subsidies are withdrawn, food and transport costs increase and can become unaffordable for many households. Given environmental impacts. energy subsidies must be phased-out, however it is important to note that higher energy prices tend to contract economic activities and lower demand for labor, so adequately compensation needs to be provided to working populations -not just the poor.

- **Rationalizing and/or further targeting social assistance or safety nets:** The review indicates that 77 governments in 60 developing and 17 high-income countries are considering rationalizing spending on safety nets and welfare benefits, often by revising eligibility criteria and targeting to the poorest, which is a *de facto* reduction of social protection coverage. In most developing countries, the so-called middle classes have very low incomes, and targeting to the poor increases their vulnerability. Rather than targeting more and scaling down social assistance to achieve cost savings over the short term, there is a strong case for scaling up and building social protection floors for all persons.

- **Increasing consumption taxes on goods and services:** This can be achieved either through increasing or expanding VAT rates or sales taxes or by removing exemptions. Some 73 governments in 54 developing and 19 high-income countries are employing some form of change to their consumption-based taxes. However, increasing the cost of basic goods and services can erode the already limited incomes of vulnerable households and stifle economic activity; since this policy does not differentiate between consumers, it can be regressive. Alternatively, progressive tax approaches should be considered, such as taxes on personal and corporate income, including the financial sector, inheritance, property and others.

- **Privatization and strengthening PPPs:** Privatization of public assets and services is another option being pursued to increase short-term revenues which, according to IMF reports, is being considered by 59 governments in 39 developing and 20 high-income countries. Additionally, 60 IMF country reports suggested strengthening PPPs as a way forward, which includes 50 developing countries and 10 high-income countries. Sales proceeds produce short-term gains, but also long-term losses given the lack of future revenues. Additional privatization risks include layoffs, tariff increases, and unaffordable and/or low quality basic goods and services.

- **Healthcare reforms:** These are being considered by 33 governments in 14 developing and 19 high-income countries and can include raising fees and co-payments for patients as well as introducing cost-saving measures in public healthcare centers. Here, the main risk is that populations are excluded from receiving critical assistance.

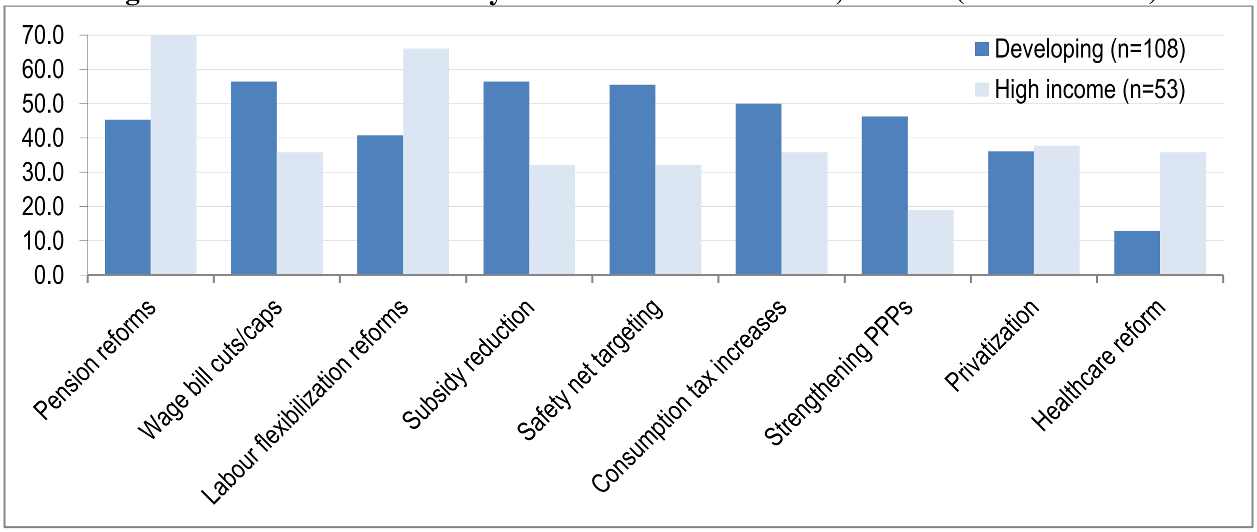
Contrary to public perception, austerity measures are not limited to Europe and other high-income countries but are more prevalent in developing countries. In fact, nearly every adjustment measure emerges more frequently in developing countries, with the lone exception of healthcare reform (Table 4). Moreover, when looking at the incidence of the different policy approaches under consideration across country typologies, cutting or capping the wage bill, eliminating or reducing subsidies, further targeting of social assistance/safety nets, increasing consumption taxes and strengthening PPPs affect a higher percentage of developing countries (Figure 10).

Table 4. Main adjustment measures by region and income group, 2018-19 (in number of countries)

	Pension reform	Wage bill cuts/caps	Labor reform	Subsidy reduction	Safety net targeting	Consumption tax increases	Strengthen-ing PPPs	Privat-ization	Healthcare reform
East Asia and Pacific	5	9	6	6	6	9	6	4	2
Europe and Central Asia	14	10	10	8	12	7	8	11	7
Latin America and Caribbean	15	15	12	11	13	11	10	6	3
Middle East and North Africa	6	4	3	6	6	3	4	2	0
South Asia	3	1	4	4	4	3	4	3	1
Sub Saharan Africa	6	22	9	26	19	21	18	13	1
Developing countries	49	61	44	61	60	54	50	39	14
High-income countries	37	19	35	17	17	19	10	20	19
All countries	**86**	**80**	**79**	**78**	**77**	**73**	**60**	**59**	**33**

Source: Authors' analysis of 161 IMF country reports published from February 2018 to August 2019

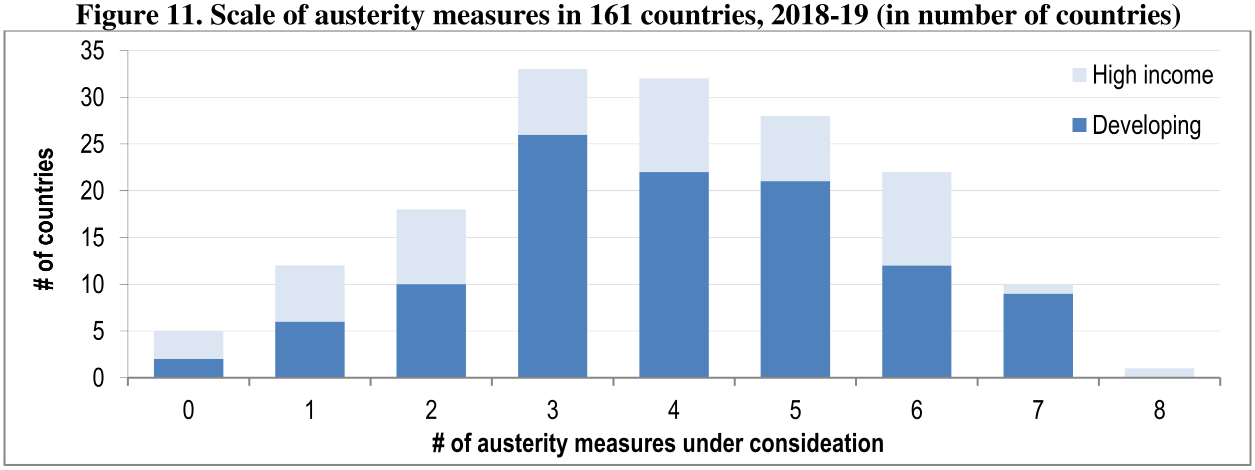
Figure 10. Incidence of austerity measures in 161 countries, 2018-19 (% of countries)



Source: Authors' analysis of 161 IMF country reports published from February 2018 to August 2019

Another interesting finding relates to the scale of austerity measures being considered by individual countries. Overall, at least two policy options are being discussed in 144 countries, three or more in 126 countries, four or more in 93 countries, five or more in 61 countries and six or more in 33 countries (Figure 11). At the same time, seven or more options are being considered in 11 countries (Algeria, Bosnia and Herzegovina, Brazil, Curaçao and Sint Maarten, Ecuador, Kazakhstan, Kosovo, Morocco, Russian Federation and Tunisia), while all eight are being discussed in Kuwait. On the other side of the spectrum, only five countries in the world appear not to be contemplating any type of adjustment measure based on information from their latest IMF country reports. This list includes Australia, New Zealand, Uganda, United States and Vanuatu.

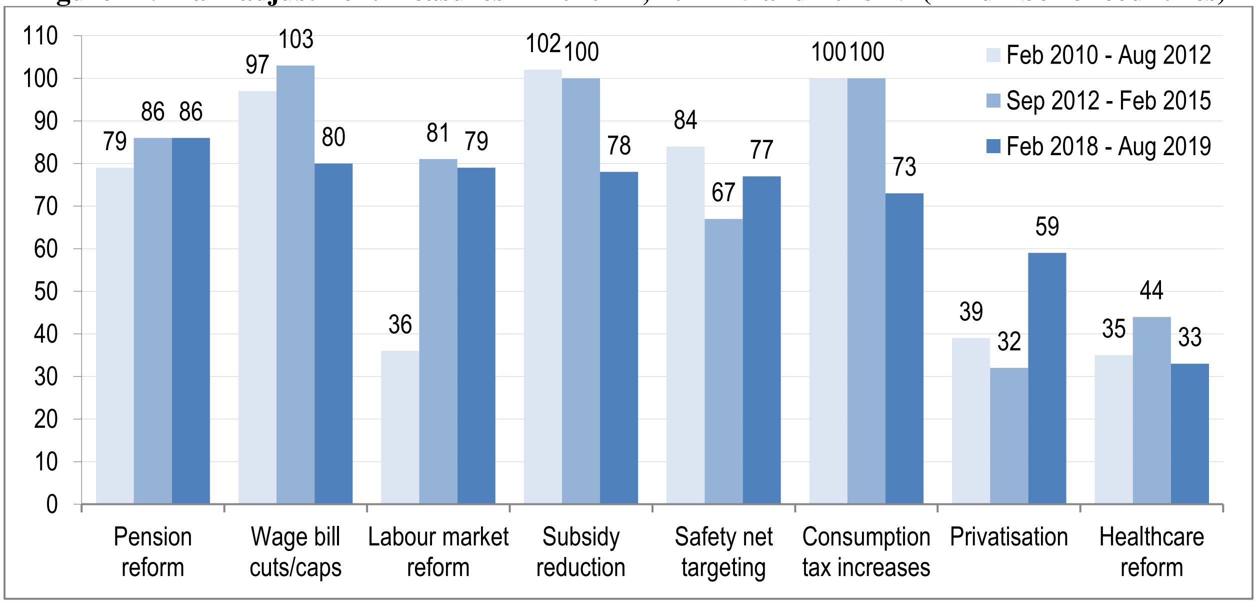
Figure 11. Scale of austerity measures in 161 countries, 2018-19 (in number of countries)



Source: Authors' analysis of 161 IMF country reports published from February 2018 to August 2019

Over the past decade, the number of adjustment measures being considered by governments has remained relatively stable, although the policy choices have changed. When looking at the three review periods of IMF country reports, around 572 options were identified between February 2010 and August 2012, 613 options between September 2012 and February 2015, and 565 options between February 2018 and August 2019. This suggests that there was a slight increase and then decrease over time, but the total volume is almost identical when comparing the first and third review periods. However, there have been important changes in the types of adjustment measures being discussed (Figure 12). For example, the latest review shows that adjustments to the wage bill, subsidies and consumption taxes are relatively less commonly considered than the 2010-12 period (a decline of about 23 countries, on average), while labor reforms and privatization are much more frequently observed (an increase of 43 and 20 countries, respectively); there has also been a slight increase of attention to pension reforms. These trends are also observed when comparing the most recent review periods (2018-19 and 2012-15), with the exception of social assistance targeting, which expanded to 10 additional countries, and health reforms, which decreased in 11 countries.

Figure 12. Main adjustment measures in 2010-12, 2012-15 and 2018-19 (in number of countries)



Source: Authors' analysis of 779 IMF country reports published between February 2010 and August 2019 covering 188 countries

5. The Negative Social Impacts of Austerity: Passing the Cost of Adjustment to Populations

This section briefly describes the adverse social impacts that are associated with austerity. It starts with a short section that explains the overall impacts of austerity on growth and jobs, and why it is important to contain the drive toward fiscal consolidation. It then discusses each of the main adjustment measures that were identified in Section 4. Since 2010, many have documented the negative consequences that poorly-designed austerity measures on sustainable growth and human rights – see, for instance, CESR 2018; ILO, 2014 and 2017; Stiglitz et al. 2019; UNCTAD, 2018. Those who had experienced earlier global crises, such as the 1997-98 Asian financial crisis, knew that an 'economic tsunami' was looming with potentially devastating consequences for vulnerable populations worldwide. The negative impacts of the global financial crisis, along with record-breaking peaks of high food and fuel prices, began to reverberate across households through lower purchasing power, higher unemployment and under-employment, and austerity cuts, affecting 75 per cent of the world's population.

Inequalities grew, and millions were pushed into poverty and lower incomes by a crisis that they did not create and could not understand, which raises arguments for legal responsibility and reparations. The Committee on Economic, Social and Cultural Rights (2016), CESR (2018) and the UN Independent Expert on the Effects of Foreign Debt and Other Related International Financial Obligations of States on the Full Enjoyment of All Human Rights (Bohoslavsky, 2019) argue that, according to standards of international law, both States and international financial institutions may be held responsible for complicity in the imposition of economic reforms that violate human rights.[8] As presented in the following pages, a number of austerity cuts were considered unlawful by European Courts and were subsequently reversed, and citizens compensated.

Box 2. The IMF's New Social Spending Strategy

In 2017, after an IMF internal evaluation on "*The IMF and Social Protection*," the IMF Board approved the elaboration of an IMF Social Protection Strategic Framework that would give the IMF the mandate to work on social protection. This generated a public outcry, and hundreds of letters were sent to the IMF Board of Directors and its Managing Director Ms. Lagarde, including by 90 NGOs and trade unions, more than 50 lead economists, as well as by lawyers such as UN Independent Experts and UN Special Rapporteurs on Human Rights.

Following consultations in 2018, the IMF Board reconsidered, and the policy paper became *A Strategy for IMF Engagement on Social Spending* (June 2019). While the emphasis remained on social protection or social security spending, it also included education and health spending, with a focus on basic services and social assistance or safety nets targeted to the poor. This minimal view of social policy reflects the Washington Consensus, presented later in this paper, it contradicts international conventions, standards and agreements, including human rights and the SDGs, by which all countries have committed to universal social protection at adequate benefit levels and to quality health and education services for all persons.

The IMF advice is led by a fiscal objective. This is inadequate; social policies must carefully balance sustainability, on the one hand, and equity, on the other (adequacy of benefits), as agreed in international standards. To circumvent this, the new Social Spending Strategy suggests looking at policies based on sustainability, adequacy and spending efficiency considerations—by adding the latter, the weight of equity is diminished. In practice, "efficiency" for the

[8] The Committee on Economic, Social and Cultural Rights has highlighted that international financial institutions and other international organizations are "bound by any obligations incumbent upon them under general rules of international law, under their constitutions or under international agreements to which they are parties;" the Committee also specifies that "they are therefore obligated to comply with human rights as listed, in particular in the Universal Declaration of Human Rights, that are part of customary international law or of the general principles of law, both of which are sources of international law" (See UN Committee on Economic, Social and Cultural Rights, 2016, para. 7).

Fund often means cutting existing social programs and replacing them with narrowly targeted ones, as recently seen in Mongolia or Kyrgyztan. The IMF policy constantly refers to the need for social spending to be efficient and sustainably financed, with equity considerations an afterthought.

The IMF should align with international commitments and standards, including the Social Protection Floors Recommendation 202, by which countries agreed to achieve adequate universal social protection coverage by combining public social insurance and social assistance. Instead, in recent years, the Fund created the concept of "social spending floors" as a response to criticism that its lending conditionalities damaged social spending. Social spending "floors" must be defined carefully, including specific targets, to safeguard all social and other priority spending to achieve the SDGs and international commitments.

The IMF social spending strategy implies that private spending is inherently effective (as opposed to public spending) and needs to be protected from crowding out. This view should be redressed—the private sector or non-governmental institutions can complement but never replace core public provision of social services. Specifically, the role of private insurance companies and pension funds should be kept to a supplementary minimum to provide a voluntary savings pillar, but not to replace mandatory pension systems. As documented by the ILO (see Box 4), it is precisely the experience with private mandatory pensions that has led to this conclusion: private mandatory pensions have resulted in very high transition costs and fiscal imbalances, high administrative costs, low pension benefits, and increased gender and income inequalities.

Additionally, by merging the social sectors, it is important not to lead countries to view different kinds of social spending as trade-offs and force them to "choose" between them. Expenditures in one social sector should not displace expenditures in other social sectors: all sectors are an essential part of national development strategies and the SDGs.

It is important to recognize that the IMF does not have expertise on social policy; the Social Spending Strategy recommends consultations with development organizations, but this is insufficient because the Fund will continue looking at social policy with a fiscal objective, where to cut when social policy becomes "macro-critical". Advice to countries on social security and labor reforms should be left to the ILO, the UN agency with the mandate for social protection and labor; to the WHO and UNICEF on health, to UNESCO and UNICEF on education. Additionally, representative trade unions must be consulted and strengthened—not weakened—to ensure collective bargaining processes that ultimately bring prosperity to countries and reduce inequalities.

While the IMF's recognition of the importance of social spending is welcome, much more is needed to achieve the SDGs and other international commitments and standards. What the IMF should support is financing and practical fiscal space options to support universal social protection, health and education.

Sources: Alston, 2018; BWP, 2019b; IMF 2017a and 2019d; ITUC, 2019c; Kidd, 2018; Statement to the IMF on the findings of the evaluation report and the IMF's approach towards social protection by 90 NGOs and trade unions (2017); 53 Economists write to IMF Directors on approach to Social Protection (2017); Open letter to IMF Directors by UN Independent Experts and UN Special Rapporteurs on Human Rights (2017)

5.1 Sustainable Growth and Jobs

More than ten years after the global crisis and Great Recession started, the economy is still not running at full capacity, growth is sluggish and decent work deficits remain massive. Year after year, the IMF lowers its growth forecasts, and the latest World Economic Outlook calls for supportive policies to redress sluggish patterns (IMF, 2019a). At the same time, the ILO's latest figures (ILO, 2019a) show that only about half of global workers are wage and salaried employees, while a staggering two billion are in informal employment—nearly three in five (61 per cent) of the world's workforce—most of which are without social protection (ILO, 2017). Around 700 million workers live in extreme or moderate poverty worldwide,[9] just as labor force participation rates and employment-to-population rates continue to decline across all regions. The ILO also estimates that more than 200 million workers are unemployed across the globe, which is 30 million more than before the onset of the crisis (ILO, 2015; ITUC, 2015). The pattern of job creation in recent years has been characterized by increased labor insecurity, "jobless growth", and segmented labor markets with large wage differentials.

A fundamental challenge is that austerity does not cause employment-generating growth. Numerous studies highlight the fallacious basis of austerity programs (CESR, 2012; ILO 2012 and 2014; Islam and Chowdhury, 2010; Krugman, 2012; Stiglitz, 2012 and 2019; UNCTAD, 2011b and 2018; United Nations 2013; Weisbrot and Jorgensen 2013). In the short term, austerity depresses incomes and hinders domestic demand, harming economic activity and employment and ultimately undermining recovery efforts. In the long term, as unemployment and excess capacity persist, potential output tends to decrease. Even recent research at the IMF acknowledges that fiscal consolidation has adverse effects on both short and long-term unemployment, private demand and GDP growth, with wage-earners hurt disproportionately more than profit- and rent-earners (Guajardo, Leigh and Pescatori 2011; Ball, Leigh and Loungani 2011). Furthermore, IMF Chief Economist Olivier Blanchard and a recent IMF review of program design and conditionality admitted to serious underestimation of these negative effects and over-estimation of growth in calculations used to argue in favor of fiscal contraction (Blanchard and Leigh, 2013; IMF, 2019c), although this has yet to influence Fund operations.

There is growing consensus that it will prove impossible to restore growth and jobs on a sustained basis without stimulating investment and having less austere fiscal policies. Even the latest IMF World Economic Outlook (2019 July update) acknowledges as much: "With subdued final demand and muted inflation, accommodative monetary policy is appropriate in advanced economies, and in emerging market and developing economies where expectations are anchored. Fiscal policy should balance multiple objectives: smoothing demand as needed, protecting populations, bolstering growth potential with spending that supports structural reforms, and ensuring sustainable public finances over the medium term. If growth weakens relative to the baseline, macroeconomic policies will need to turn more accommodative, depending on country circumstances. Priorities across all economies are to enhance inclusion, strengthen resilience, and address constraints on potential output growth." (IMF, 2019b, p.1). But improved monetary and fiscal policies will not be enough to generate decent jobs. The right to work is not only undermined by inadequate economic policies, but also by the erosion of fundamental rights, the absence of minimum living wages, the decline in collective bargaining and the failure to ensure universal social protection (ITUC, 2017). The end effect is a global slump in labor's income share alongside the exacerbation of historic levels of inequality.

Employment creation is associated with a different set of macroeconomic, fiscal and labor policies. These include the promotion of investment in productive capacities and the growth of aggregate demand, coupled with adequate social policies (Epstein, 2009; ILO, 2009a, 2010a, 2010b and 2019a; Ocampo and Jomo, 2007; Pollin et al., 2008; Stiglitz et al., 2019; United Nations 2009a and 2013; UNCTAD 2011b and 2018; Weeks and McKinley, 2007). Given this, governments should consider the following:

- **Reforming monetary policy to prioritize full employment:** Governments have overemphasized low and stable inflation at the expense of full employment and stable output; full employment should become the goal of monetary policy and fiscal policy.

- **Ending austerity and enacting fiscal policies to reinvigorate public investment and development:** combined with industrial policies that boost production in employment-intensive industries and

[9] On less than US$3.20 per day in PPP terms (ILO, 2019a).

services—both private and public and in both large companies and SMEs.

- **Supporting labor and social policies:** Most poor people work long hours but cannot bring their families out of poverty. This means that decent employment is much more than generating jobs; it is also about ensuring an adequate salary and working conditions.

Box 3. Iceland: A socially-responsive solution to the crisis

In Iceland, a national referendum was held in March 2010 that allowed its citizens to vote on whether and how the country should repay a nationalized private debt, claimed by the Netherlands and the United Kingdom, adopting orthodox austerity policies. This was not a sovereign debt issue; private Icelandic banks held €6.7 billion in deposits from British and Dutch banks, and, when they collapsed, the government decided to make public this private debt. According to the IMF, this debt was a result of privatization and deregulation of the banking sector, facilitated by easy access to foreign funding; the growing imbalances were not detected by Iceland's financial sector supervision. In the referendum, Icelandic voters delivered a resounding "no" (more than 90 per cent) to reimburse the Dutch and British banks and the austerity policies that would have accompanied the debt repayment plan. After massive international pressure, a second referendum was called in April 2011; Icelanders again rejected a proposed repayment plan. Despite pressures and threats because of Iceland's heterodox policies -debt repudiation, capital controls, and currency depreciation-, Iceland is recovering well from the crisis. It has regained access to international capital markets while preserving the welfare of its citizens, with support from the IMF – In 2012, Iceland credit rating was much higher than Greece. Iceland preserved a strong welfare state and ensured employment for Icelanders, yearly employment rates have grown solidly since 2010.

Source: ETUI, 2010; IMF country reports; ITUC, 2013; Ortiz et al., 2017; media coverage

5.2 Pension and Social Security Reforms

Reforming old-age pensions with a fiscal objective is the most common adjustment measure, which is being considered by 86 governments in 49 developing and 37 high income countries. Common pension reforms include tightening contribution requirements, raising workers' contribution rates, decreasing employers' social security contributions, increasing eligibility periods, reducing pension tax exemptions, prolonging the retirement age and/or lowering benefits, as well as structural reforms in some countries. As a result, collective risk pooling of pensions systems is being undermined, future pensioners are expected to receive lower benefits, and inequalities between pension beneficiaries are expected to increase (ITUC, 2019a).

Drastic cost-saving measures and reforms taken with a fiscal objective are increasing old-age poverty. Most countries were introducing changes to their pension systems prior to the crisis, in view of the demographic ageing of populations, but fiscal consolidation precipitated the adoption of drastic cost-saving measures without adequate consideration of their social impacts (Box 1). In Europe, simulations show future pensioners receiving lower pensions in 60 per cent of European countries, with a projected decline by more than 10 percentage points in eight countries (ILO, 2017). These inadequate pension reforms are increasing old-age poverty in Europe. For example, in Estonia, the IMF points that "with regards to pensions, additional budget subsidies will be required to avert a rising risk of poverty or social exclusion for older people," which is similarly noted in Latvia and Lithuania.[10] Moreover, since women are more dependent on public support and more likely to face poverty in old-age than men, pension reforms are likely to have a disproportionate negative impact on women and increase gender disparities (UN Women 2015).

[10] IMF Estonia report 18/125.

In some European countries, courts have declared austerity cuts unconstitutional. In 2013, the Portuguese constitutional court ruled that four fiscal consolidation measures in the budget, mainly affecting civil servants and pensioners, were unlawful and in breach of the country's constitution. In Latvia, the 2010 budget proposed new spending cuts and tax increases, including a 10 per cent cut in pensions and a 70 per cent decrease for working pensioners; the constitutional court ruled that the pension cuts were unconstitutional on the grounds that they violated the right to social security, and the cuts had to be reversed. In Romania, 15 per cent pension cuts proposed in May 2010 were also declared unconstitutional (ILO 2014, OHCHR 2013).

A lesser known fact is that governments in 49 developing countries are also considering pension reforms. This includes a number of island nations in the Pacific and Caribbean (Dominica, Grenada, Marshall Islands, St. Lucia, St. Vincent and the Grenadines), Latin America (Belize, Brazil, Colombia, Costa Rica, Dominican Republic, Guyana, Mexico, Paraguay, Peru), South Asia (Afghanistan, Bhutan, Nepal), Eastern European and Central Asian states (Albania, Armenia, Belarus, Bosnia and Herzegovina, Georgia, Kosovo, Moldova, Montenegro, Romania, Russian Federation, Serbia, Turkey, Ukraine), Middle East and North Africa (Algeria, Egypt, Iran, Jordan, Morocco, Tunisia) as well as countries in Sub-Saharan Africa Lesotho, Madagascar, Mauritius, Mozambique, Namibia, Senegal).

Reforms erode contributory public social security systems and often propose to reduce social security contributions ("tax-wedge") as a measure to provide a fiscal stimulus to enterprises and stimulate private savings. Recent proposals to cut employers contributions to social security (IMF 2015 and 2016) would destroy public social security systems and increase inequality. The erosion of contributory social security, with much higher benefits, is accompanied by the expansion of "cheaper" non-contributory social pensions, normally targeted to the poor as part of social assistance, with much lower benefits that are often inadequate to ensure old-age income security.[11].

Pension privatizations failed and private savings are not the solution: what is needed is to strengthen public social security systems balancing equity and sustainability. While the IFIs are not openly suggesting the privatization of mandatory pensions anymore given that privatization failed (Box 4), they are undermining public social security systems and promoting private savings instead. This is regarded as a way to minimize the public sector (and its potential fiscal deficit), support enterprises with lesser social security contributions, and mobilize personal savings towards the financial sector. However, this would be at a high social cost, as it places additional pressures on household incomes. Further, the loss of old-age income pressures families to increase precautionary savings, reducing aggregate demand and delaying economic recovery. As a result, governments should consider strengthening public social insurance, coupled with non-contributory solidarity pensions, as recommended by ILO standards, improving both the financial sustainability and equity of pension systems, making pension entitlements better and more predictable, allowing people to enjoy a better retirement in their older years. The responsibility of States to guarantee income security in old-age is best achieved by strengthening public pension systems.

[11] In Latvia, "due to a significant decline in replacement rates to about 16 percent by 2050 under the existing retirement benefit rules, long-term pension spending costs are projected to fall, offsetting the rise in health and other long-term care spending. The existing pension system thus ensures fiscal sustainability, but raises questions of its social sustainability, especially considering already high poverty rates among the elderly. Balancing social and fiscal sustainability may require policies to expand fiscal space over the long term. Raising replacement rates to the recommended ILO minimum" (IMF Latvia report 19/264). "On pensions, reform has ensured the financial, but not social, sustainability of the system. Low and declining pensions will increase pressures to boost basic pensions, which have been transferred to the budget this year. This represents a fiscal risk over the medium-term" (IMF Lithuania report 19/252).

Box 4. The failure of pension privatization reforms

From 1981 to 2014, thirty countries privatized fully or partially their public mandatory pensions. Fourteen countries were in Latin America, another fourteen countries in Eastern Europe and the former Soviet Union, and two in Africa. Most of the privatizations were supported by the World Bank, the IMF, the OECD, USAID and the Asian or Inter-American Development Banks, against the advice of the ILO. As of 2018, eighteen countries have re-reformed and reversed pension privatization fully or partially: the Bolivarian Republic of Venezuela (2000), Ecuador (2002), Nicaragua (2005), Bulgaria (2007), Argentina (2008), Slovakia (2008), Estonia, Latvia and Lithuania (2009), Bolivia (2009), Hungary (2010), Croatia and Macedonia (2011), Poland (2011), the Russian Federation (2012), Kazakhstan (2013), the Czech Republic (2016) and Romania (2017). The main reasons why governments are revering pension privatizations are:

(a) **Coverage rates stagnated or decreased:** Advocates of pension privatization argued that mandatory individual accounts would earn higher interest and thus improve compliance and willingness to contribute; however, a majority of countries registered a decrease in coverage rates of contributory schemes. In Argentina coverage rates fell by more than 20 per cent. Similar effects were observed in Chile, Hungary, Kazakhstan and Mexico, while in other countries (e.g. Bolivia, Poland, Uruguay) coverage stagnated.

(b) **Pension benefits deteriorated:** The shift from defined benefits to defined contributions had a serious negative impact on pension benefit adequacy, with pension replacement rates often not meeting ILO standards, and resulting in significant social protests, making pension privatization unpopular. In Bolivia, private pension benefits averaged only 20 per cent of the average salary during working life. In Chile, the median future replacement rates average 15 per cent and only 3.8 for low-income workers. The deterioration of benefit levels resulted in increases in old-age poverty, undermining the main purpose of pension systems which is to provide adequate income security in old-age, and requiring significant public support.

(c) **Gender and income inequality increased:** Pension privatization broke the social contract enshrined in social security. Well-designed social insurance schemes are redistributive for two main reasons: (i) they include transfers from employers to workers, and (ii) they are designed to redistribute income from those with higher lifetime earnings to those with lower lifetime earnings, and from the healthy and able to those sick, disabled or unable to work, such as during maternity. The redistributive components of social security systems were eliminated with the introduction of individual accounts. Employer contributions were eliminated. Pensions were a result of personal savings; therefore, those with low incomes or with interrupted careers (e.g. because of maternity or family care) had very small savings and consequently ended with small pensions, thereby increasing inequalities. In Bolivia, for instance, the share of elderly women receiving a pension fell from 23.7 per cent in 1995 to 12.8 per cent in 2007; in Poland, 22.5 percent of older women were poor.

(d) **High transition costs created large fiscal pressures:** The transition costs from the public solidarity based systems to private individual account systems were not properly assessed by the international financial institutions; the costs were seriously underestimated across all reformed countries and created new fiscal pressures. In Bolivia the actual transition costs were 2.5 times the initial projection. Similarly, in Argentina the cost was estimated not to exceed 0.2 per cent of GDP; however the estimation was later adjusted and increased 18 fold, to around 3.6 per cent of GDP. The newly created fiscal distress was unacceptable to many governments, particularly as concerns regarding fiscal pressures and the financial sustainability of public pension systems were the main driver behind privatization reforms in all countries – privatization had been presented as the remedy to avoid a "social security crisis and to ensure more sustainable future financing for pension systems." In Poland, between 1999 and 2012, the cumulative transition costs of the reform were estimated at 14.4 per cent of GDP. In general, transition costs were very high in all countries, a main reason why governments reversed pension privatization and returned to a public system.

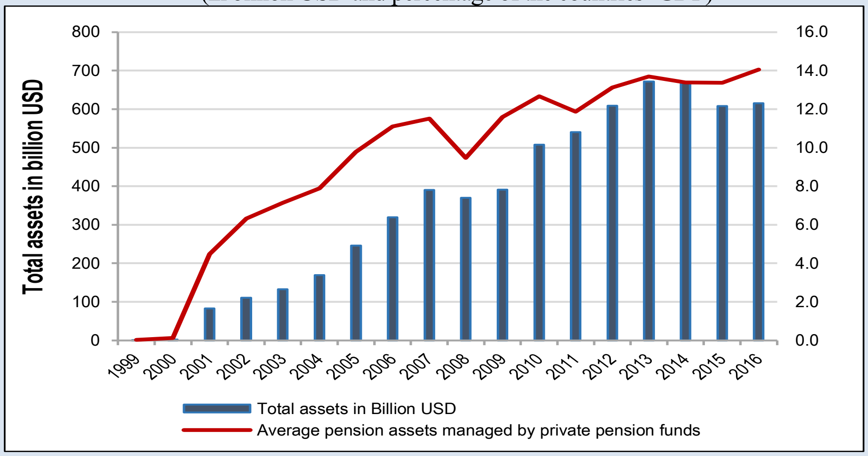
(e) **High administrative costs:** The administrative costs of private pension funds were very high and as a consequence made returns and ultimately pensions lower. Private pension fund administrators need to finance many overhead costs that do not occur in public systems such as administration charges, investment management fees, custodian fees, guarantee fees, audit fees, marketing fees and legal fees, among others, that reduce accumulated assets (or pensions) over a 40 year period by as much as 39 per cent in Latvia, 31 per cent in Estonia and 20 per cent in Bulgaria.

(f) **Weak governance: Capture of regulation and supervision functions:** Regulatory capture is the situation in which a regulatory agency, created to defend the public interest, acts on behalf of certain economic interest groups in the industry which it is required to supervise. In general, the management, supervision and regulation of the private pension funds was weak; close ties between politicians and the financial sector, as well as the scarcity of high-level staff skilled in financial market regulation, contributed to the selection of regulators from the existing industry, accommodating private interests. Furthermore, in many countries like Bolivia and Poland, the involvement of social partners in the supervision of the private pension funds was excluded, thus decreasing the supervisory oversight in place.

(g) **Concentration of the private insurance industry:** A further argument advanced by proponents of the pension privatization was that it was expected to generate competition among many pension administrators and thus improve efficiency and service delivery. Competition between pension funds was low, with some countries (e.g. Bolivia, El Salvador) having only a two major pension administrators, creating oligopolistic markets and thus defeating the benefits of competition. The number of Chilean private pension fund administrators fell from 21 (1994) to 5 (2008) with the biggest three firms holding 86 per cent of assets. Often international financial groups are major shareholders of national pension fund administrators, or the national pension funds are subsidiaries.

(h) **Who benefitted from people's pension savings? The financial sector:** This is an important developmental question. In many countries, the pension reserves in the accumulative phase were used for national development (e.g. Europe). However, the use of pension funds for national public investment was generally lost with "funded" privatized systems, which invested the savings of individual members in capital markets (often oversees) seeking high returns, without prioritizing national development goals. The experience with privatization in developing countries shows that it is the financial sector, the private pension administrators and commercial life insurance companies, who appear to benefit most from people's pension savings – often with international financial groups holding a majority of the invested funds (Figure 13).

Figure 13. Assets in funded and private pension funds in 25 countries that privatized pensions
(in billion USD and percentage of the countries' GDP)



(i) **Limited effect on capital markets in developing countries:** In countries with not very deep and undiversified capital markets, investments could either be heavily concentrated abroad or focused on government bonds. Government bonds were often issued to finance the high transition costs of pension privatization, generating a vicious and costly cycle, where the private pension fund administrators were the only beneficiaries of this cycle, cashing in the administrative costs for the financial transactions. However, in Chile and the high-income economies, there is evidence of positive effects on capital markets.

(j) **Financial market and demographic risks transferred to individuals:** Private individual account schemes shifted the systemic risks burden to the individual, with workers/pensioners bearing the investment, longevity and inflation risks. In Chile in the 2008 crisis, the pension funds lost 60 per cent of all benefits accrued during 1982–2008. In Argentina, the domestic financial crisis of 2001–02 led to a 44 per cent decrease in the values of the pension funds. In Peru, the assets of pension funds dropped by 50 per cent during the 2008 financial crisis as the private funds managers had invested the funds in high-risk instruments. In some countries, the State had to step in to supplement the pensions that should have been provided by the private system. For instance, in 2008 the government of Chile had to provide pension top-ups, and the government of Argentina had to step in to cover in full 77 per cent of the pensions payments to 445,000 private pillar pensioners, as well as additional payments to 179,000 pensioners to maintain the minimum guarantee.

Sources: ILO, 2018; Ortiz et al., 2018; Stiglitz et al. 2019

5.3 Wage Bill Cuts or Caps

Adjustments to the public sector wage bill are widespread across the globe, under consideration by 80 governments in 19 high-income and 61 developing countries. This includes lo and lower middle income countries such as Benin, Bolivia, Burkina Faso, Cameroon, Cote d'Ivoire, Egypt, El Salvador, Ghana, Guinea Bissau, Guyana, Kyrgyz Republic, Lesotho, Liberia, Madagascar, Mauritania, Mongolia, Morocco, Papua New Guinea, Sierra Leone, Togo, Vietnam, Zambia. However, IMF reports show that only a very limited number of low-income countries are expanding the number of health and education workers, such as Chad, Sao Tome and Principe, and Uganda. Elsewhere, policy discussions focus on "necessary" adjustments to the wage bill to achieve cost-savings which can lead to socially detrimental results (Box 5).

This policy stance can translate into salaries being reduced or eroded in real value, payments in arrears, hiring freezes and/or employment retrenchment, all of which can adversely impact the delivery of public services to the population. As recurrent expenditure like the salaries of teachers, health staff and local civil servants tend to be the largest component of the budget, wage caps and employment ceilings are often considered as an adjustment measure despite the fact that social expenditures tend to be low and insufficient to achieve human development objectives (Cornia, Jolly and Stuart 1987; Fedelino, Schwartz and Verhoeven 2006; Marphatia et al 2007). The immediate concern is that reduced availability and/or quality of public services at the local level will impede human development. For example, in rural areas and urban slums where poverty is prevalent, a teacher or a nurse can be the deciding factor to whether or not a child has access to education and health services. As a result, employing and retaining service staff at local levels, and ensuring that they are sufficiently paid to provide for their own families, is key to social progress. For teachers and medical staff, this can mean that their salaries are not adjusted in line with local inflation, paid in arrears or reduced in cases of employment retrenchment. Low pay is also a key factor behind absenteeism, informal fees and brain drain. In sum, decisions on wage bills must ensure that the pay, employment and retention of critical public sector staff are safeguarded at all times (UNICEF, 2010).

Box 5. Cambodia's wage bill cuts

In Cambodia, the number of poor people is estimated to have increased by at least 200,000 in absolute terms as a result of the recent crises, according to the World Bank. Confronted by a growing fiscal deficit, the government announced that it would be reducing the number of contracted and temporary staff in all sector ministries by 50 per cent in fiscal year 2010. However, after discussions with sector ministries and development partners, an exception was granted to the health and education sectors since it would be impossible to deliver social services without necessary staff. Yet it remains enforced for other ministries, some with long-term implications for development. To further contain the wage bill, the government also announced that salary supplementation, allowances and incentive schemes for civil servants would be cancelled and replaced by a new streamlined system. UNICEF site surveys showed increased staff absenteeism and reduced working hours.

Source: Ortiz and Cummins (2012)

5.4 Labor Flexibilization Reforms

Labor flexibilization is being considered by 79 governments worldwide in 44 developing and 35 high-income countries, such as Brazil, Cabo Verde Central African Republic, Costa Rica, Dominican Republic, Gambia, India, Indonesia, Iran, Kazakhstan, Lesotho, Mauritius, Mozambique, Myanmar, Namibia, Peru, Philippines, Samoa, Senegal, South Africa, Sri Lanka, Suriname, Timor Leste, Tunisia and Uzbekistan, among others

Box 6. Examples of recent labor flexibilization reforms

- **Armenia:** Fixed-term (temporal) contracts can now be renewed an unlimited number of times and without restrictions on their maximum duration.
- **Central African Republic:** The requirement to obtain an authorization from the labor inspection has been removed in cases of collective dismissals.
- **Gabon:** Restrictions on renewing fixed-term contracts of short duration have been removed.
- **Greece:** Law 3863 reduced the length of notice period for individual dismissals from five to three months, reduced severance payments for white-collar workers; Law 3899 allows for companies of any size that experience adverse financial and economic conditions to conclude collective agreements containing less favorable conditions than those agreed in the relevant sectoral agreements.
- **Ecuador:** Under a 2019 IMF program, thousands of public sector jobs were cut, wages reduced and regulations undermined to lower labor costs.
- **Hungary:** In 2011, a reform of the labor code compromised the role of social dialogue at the national level and limited the possible motivations for strikes and protests.
- **Italy:** Law 138 allows for company-level agreements to deviate from sectoral agreements.
- **Latvia:** Notice periods in cases of collective dismissals have been reduced from 60 to 45 days.
- **Malawi:** Severance payments in cases of collective dismissals have been reduced from 30 to 25 weeks' pay for employees with ten years of service, and from 80 to 65 weeks' pay for employees with 20 years of service.
- **Mauritius:** The requirement to obtain an authorization from the labor inspection has been removed in cases of collective dismissals.
- **Romania:** The 2011 Law on Social Dialogue abolished collective bargaining at the national level.
- **Rwanda:** The obligation to consult workers' representatives in cases of individual and collective dismissals for economic reasons has been eliminated.
- **Spain:** Individual dismissal notice has been reduced from 30 to 15 days; the employee is now only entitled to 33 days salary per year of service (compared to 45 previously); consultations between employer and workers' representatives in cases of collective dismissals have been reduced.
- **Zimbabwe:** Severance payments in cases of individual dismissals were reduced by two months of pay.

Source: ILO, 2012; ITUC, 2019b; Bretton Woods Project media news.

Labor reforms generally include relaxing dismissal regulations, restraining minimum wages, limiting salary adjustments, decentralizing collective bargaining and making it easier to hire workers on temporary/atypical contracts (Box 6). Labor market reforms are supposed to increase competitiveness and support businesses during recessions—compensating for the underperformance of the financial sector—which is commonly viewed as an easier strategy to boost the supply of credit to firms than introducing financial sector reforms. However, there is limited evidence that labor market flexibilization generates jobs (Howell 2005, Palley 1999, Rodgers 2007, Standing 2011), and women workers are particularly hard hit by such measures (Ghosh 2013). In fact, evidence suggests that, in a context of economic contraction, labor market flexibility is more likely to generate "precarization" and vulnerable employment, as well as depress domestic incomes and, therefore, aggregate demand, ultimately hindering crisis recovery efforts (van der Hoeven 2010). Even in export-led economies, flexibilization policies do not lead to higher income and employment; rather, the end result is contractionary (Capaldo and Izurieta 2012). Further, the ITUC Global Poll (2018) reveals that 84 per cent of the world's people say that the minimum wage is not enough to live on. There is a trend of wage stagnation in many countries, as wage increases have not kept pace with productivity, while wage inequality is also increasing steeply (G20/L20, 2018).

It is imperative that employers, unions and governments dialogue together about how to achieve recovery and a new social contract. Social dialogue can be an effective strategy to articulate labor market policies that have positive synergies between economic and social development; they are especially well-suited to arrive at optimal solutions in macroeconomic policy, in strengthening productivity, job and income security, and in supporting employment-generating enterprises, including addressing the challenges caused by unprecedented transformational change in the world of work (ILO, 2019b). While the level of labor protection, benefits and flexibility will vary from country to country, the key is to identify a balance to ensure sustained economic activity and positive social outcomes, where employers benefit from productivity gains and workers benefit from job and income security.

5.5 Eliminating or Reducing Subsidies

Eliminating or reducing subsidies is currently considered by governments in 78 countries, 44 developing and 35 high-income countries—and is often accompanied by discussions on a targeted safety net 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 deliver more cost-effective support the poorest groups (Coady et al. 2010).

However, governments must carefully assess the human and economic impacts of lowering or removing subsidies. This adjustment measure is being implemented at a time when food and energy prices hover near record highs; if basic subsidies are withdrawn, food and transport costs increase and can become unaffordable for many households; additionally, higher energy prices also tend to contract economic activities. Some of the potential dangers associated with prominent subsidy reforms are summarized below.

- **Food subsidies:** Poor and vulnerable households have been adjusting to high food costs for years, and their resilience to shocks is limited. Food security remains a critical issue in many countries, and families across the globe have reported eating fewer meals, smaller quantities and less nutritious foods.[12] In recent years, protests over food prices have erupted in many countries including Algeria, Bangladesh, Burkina Faso, Egypt, India, Iraq, Jordan, Morocco, Mozambique, Nigeria, Senegal, Syria, Tunisia, Uganda and Yemen. Moreover, some governments have removed food subsidies at a time when food assistance is sorely needed (Box 7).

- **Subsidies to agricultural inputs like seeds, fertilizer and pesticides:** A survey of 98 developing countries policy responses to the food crisis in 2008-10 shows that 40 per cent of governments opted for agricultural input subsidies (Ortiz and Cummins 2012; Demeke et al., 2009). Adequate subsidies and the distribution of productive inputs can bolster local production, and their removal should be carefully weighed given the negative impacts (Khor 2008).

- **Fuel and energy subsidies:** Indeed, fuel and some energy subsidies are not justified from the perspective of climate change and are an obvious target. It is important to recognize, however, that the sudden removal of energy subsidies and consequent increases in prices have sparked protests in many countries e.g. Algeria, Cameroon, Chile, India, Indonesia, Kyrgyzstan, Mexico, Mozambique, Nicaragua, Niger, Nigeria, Peru, Sudan and Uganda (Ortiz et al., 2013; Zaid et al., 2014). As a result, the adverse effects of this policy option should be adequately compensated. First, cutting fuel subsidies can have a disproportionately negative impact on the population (not just the poor) in terms of raising transport costs and the cost of fuel products, like kerosene, which low income households frequently rely upon for heating, cooking and lighting. Second, removing energy subsidies can hinder overall economic growth, since higher costs of goods and services drag down aggregate demand. Third, any slowdown in economic growth will lower tax receipts and create new budgetary pressures—which is ironically the original impetus of the subsidy reversal.

[12] These behavior has been widely reported, such as in India, Pakistan, Nigeria, Peru and Bangladesh (Save the Children 2012), in Bangladesh, Cambodia, the Central African Republic, Ghana, Kazakhstan, Kenya, Mongolia, the Philippines, Serbia, Thailand, Ukraine, Vietnam and Zambia (Heltberg et al. 2012), in Bangladesh, Indonesia, Jamaica, Kenya, Yemen and Zambia (Hossain and Green 2011), and in Bangladesh, Cambodia, Guinea, Kenya, Lesotho Swaziland (Compton et al. 2010).

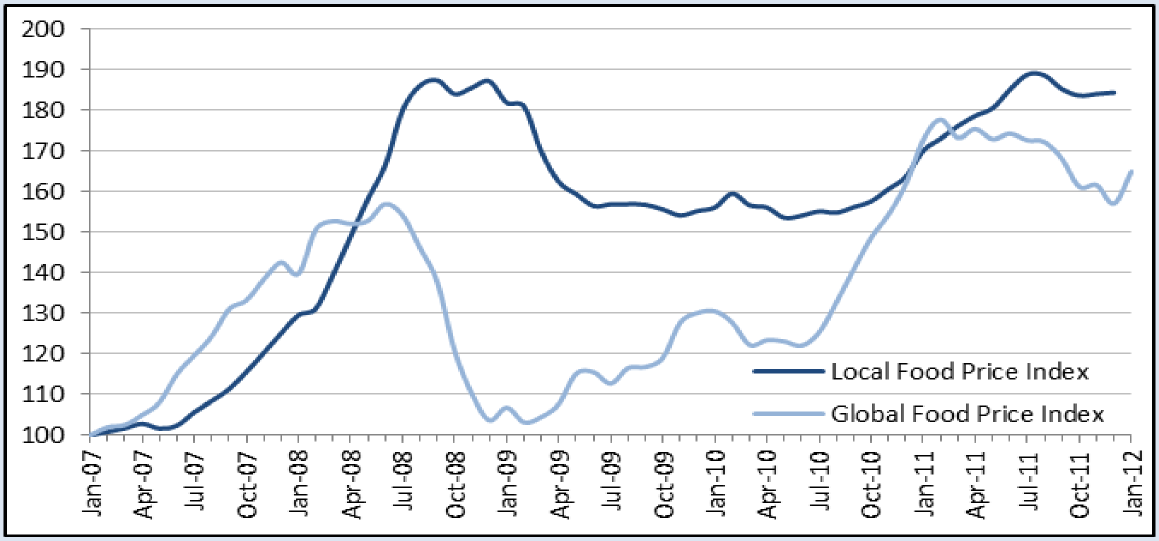
Box 7. Removing food subsidies despite high food prices

During the food and fuel crisis, many developing countries increased subsidies or cut taxes on food and/or fuel between 2006 and 2008 (IMF 2008). However, upon the easing in international commodity prices in late 2008, many countries started to reverse food subsidies, eliminating them despite the lack of a clear indication that local food prices were lowered or that a compensatory social protection floor had successfully been put in place.

In 2012, local food prices were at or near record levels in many countries, especially low-income. After two major international price spikes in 2007-08 and 2010-11, populations in a sample of 55 developing countries were paying 80 per cent more, on average, for basic foodstuffs at the start of 2012 when compared to price levels prior to the 2007-08 crisis (Figure 14). Even more important is the apparent "stickiness" of local food prices once reaching new highs. While the international food price index dropped by more than 50 per cent in 2009 after peaking in early 2008, local food prices fell only minimally and remained elevated. Moreover, after the 2011 peaks, global food prices dropped by 13 per cent, but local food prices retracted by a meager 2 per cent. Careful analysis of the local realities facing low income households, prior to the removal of food subsidies, is thus a key lesson to avoid generating further poverty and jeopardizing long-term human development.

Figure 14. Local and Global Food Price Indices, Jan. 2007 to Jan. 2012

(local food prices in unweighted average index values; Jan. 2007=100 for both metrics)



Source: Ortiz and Cummins (2012)

Given the range of possible adverse consequences, policymakers need to carefully weigh the impacts of removing subsidies as well as compensatory measures to protect the population, not just the poorest. Several key considerations are highlighted below.

- **Timing:** While subsidies can be removed overnight, developing social protection programs takes a long time, particularly in countries where institutional capacity is limited. Thus there is a high risk that subsidies will be withdrawn before populations can be effectively protected. If food, energy and transport costs suddenly unaffordable, the result can be irreversible, long-term impacts on human capital as well as depressed economic output and productivity.

- **Targeting the poor excludes other vulnerable households:** In most developing countries, middle classes survive on very low levels of income and remain vulnerable to price increases. This means that a policy to remove subsidies may lead to adverse developmental outcomes.

- **Allocation of cost savings:** The large cost savings resulting from reductions in energy subsidies should allow countries to develop comprehensive social protection systems: fuel subsidies are large, but compensatory safety nets tend to be small in scope and cost. For example, in Ghana, the eliminated fuel subsidy would have cost over US$1 billion in 2013, whereas the targeted LEAP programme costs about US$20 million per year (where did the savings go?).

- **Social impacts and dialogue:** Reform processes are complex and often move very fast without involving widespread consultation. It is therefore vital that the net welfare effects are clearly understood and discussed within a framework of national dialogue and that complementary reforms are agreed to prior to the scaling back or removal of subsidies.

5.6 Rationalizing and Further Targeting of Social Assistance or Safety Nets

Rationalizing spending on safety nets and welfare benefits is another common policy channel to contain overall expenditure considered by 77 governments. Economists often advise governments to better target their spending when budget cuts are called for, as a way to reconcile poverty reduction with fiscal austerity (Ravallion 1999).

IMF reports generally associate targeting social programs to poverty reduction. Targeting is discussed in 17 high income and 60 developing countries, including low income contexts such as Benin, Comoros, Ethiopia, Gambia, Guinea, Guinea Bissau, Madagascar, Mali and Mozambique, where on average about half of the population is below the national poverty line. In such environments, the rationale to target to the poorest is weak; given the large number of vulnerable households above the poverty line, universal policies may better serve developmental objectives. Moreover, targeting social programs to the extreme poor, like in Moldova (Box 8), excludes most of the poor who are also in need public assistance. In addition, targeting is politically difficult and administratively complicated. For instance, the government of Togo noted in its IMF country report (2011) the lack of capacity to target the poorest segments of the population in rural areas, where as much as 70 per cent of the population lives below the poverty line.

Overall, policymakers should consider that it is important to scale up social protection—not scale down. In most developing countries, as well as in some high income countries, the middle classes have low incomes and are vulnerable to price increases, such as from the removal of subsidies (Cummins et al. 2013). Given the critical importance to support households in times of hardship, as well as to raise people's incomes to encourage demand, a strong case can be made to extend universal transfers (e.g. to families with children, older persons, person with disabilities and others typically included in a social protection floor) or to carry out some form of geographic targeting to provide immediate support to vulnerable populations.

Box 8. Targeting social assistance: The case of Moldova

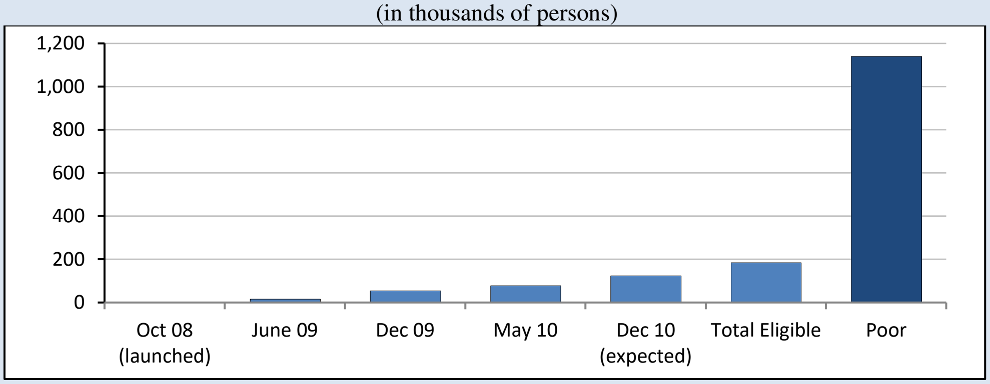
In 2008, Moldova reformed its social assistance system, moving gradually from a system of category-based nominal compensations for individuals (persons with disabilities, pensioners, war veterans, multi-children families, etc.) to poverty-targeted cash benefits for households. Whereas under the previous system benefits were small, the new social assistance system is designed to target the poorest households and increase the benefit provided.

However, extensive delays occurred in implementing the new system, which were compounded by complicated application procedures and confusion among qualified households. As a result, less than half of the eligible beneficiaries had applied for support one year after the launch. Moreover, households that enrolled in the new system were required to re-apply after a period to continue receiving benefits; one-third of eligible households failed to do so. The government has since taken actions to improve the system.

Moldova's experience underscores the risks of targeting-based reforms. Above all, means-testing is complex to implement and often leads to delays and/or under-coverage. In this example, barely 40 per cent of targeted beneficiaries were receiving support 18 months after the launch of the new system, and this was only expected to increase to two-thirds after more than two years (Figure 15). The protracted start-up time also meant that most vulnerable families had to cope with multiple income shocks with little or no assistance.

Figure 15. Beneficiaries under New Social Assistance System in Moldova

(in thousands of persons)



Another major risk of targeting-based reform is not to include, by design, the majority of vulnerable populations. While the scope of the targeted population is often a difficult policy decision for governments, in Moldova the safety net is being targeted to the bottom poorest, compared to 26.4 per cent of the population that are below the poverty line. This means that many poor people are excluded from any type of cash benefit despite their continued need for public assistance.

Source: Ortiz and Cummins (2012)

Moreover, targeting to the poor should not be viewed as a panacea, since there are major problems associated with means-testing (Alston, 2018; Kidd et al., 2017; Mkandawire, 2005; UNRISD, 2010). Some of the key issues are summarized below.

- It is costly—means testing absorbs an average of 15 per cent of total program costs;
- It is administratively complex and requires significant civil service capacity, which is often lacking in lower income countries;
- It can lead to large under-coverage, leaving many vulnerable persons excluded by design from receiving benefits when their need for public assistance is high;
- It generates incentive distortions and moral hazard;
- In many countries, targeting has led to dismantling public service provision for the middle classes and created two-tier systems, generally private services for the upper income groups and public services for low-income groups—and services for the poor tend to be poor services.

- Targeting can backfire politically; middle-income groups may not wish to see their taxes go to the poor while they are required to pay for expensive private services;
- Targeting to the poorest and excluding vulnerable populations by policy design is inconsistent with the United Nations Charter, the Millennium Declaration, the Universal Declaration of Human Rights, and the Convention on the Rights of the Child, among other conventions that have been signed by virtually every government.

All countries, the United Nations and the SDGs have committed to a social protection floors to provide basic social security guarantees that should ensure, as a minimum that, over the life cycle, all have access to essential health care and to basic income security. By facilitating access to essential services and decent living standards, social protection is essential to accelerate progress toward achieving development goals. At this juncture, it is imperative that governments focus on expanding social protection coverage rather than scaling down or improving the targeting of existing programs.

5.7 Increasing Consumption Taxes or VAT

Revising consumption-based taxes is another policy option being discussed extensively, considered by 73 governments in 54 developing and 19 high-income countries. While this is a revenue-side rather than a spending-side approach to adjustment, it is important because increasing the costs of basic goods and services can erode the already limited incomes of populations and stifle economic activity. The primary danger of this approach is that it is regressive, weighing proportionally more on lower income households since they consume a larger share of their income than richer ones. Consumption-based taxes reduce poorer households' disposable income further exacerbating existing inequalities.[13]

It is worrisome that austerity discussions mainly focus on consumption taxes. In contrast, more progressive tax approaches should be explored, including those on luxury goods, the financial sector, personal and corporate income, inheritance, estate, property, etc. These are also powerful instruments against income inequality. Additionally, there has been limited action to curb tax evasion, tax heavens or illicit financial flows, which could potentially capture billions of resources that are effectively "lost" each year.

Tax policy discussions must consider distributional impacts and alternative options to increase fiscal space with equity. In recent history, increasing progressive taxation from the richest income groups to finance social or equitable investments has been uncommon (Table 5). This is largely the result of the wave of liberalization and de-regulation policies that swept across most economies in the 1980s and 1990s. These led both developing and high-income countries to offer tax breaks and subsidies to attract foreign capital, as well as to scale back income taxes applied on wealthier groups and businesses to further encourage domestic investment. The former logic is being questioned in many countries as a result of the crisis, especially regarding the financial sector. Different financial sector tax schemes are being proposed on currency transactions as well as on the profits and remuneration of financial institutions.[14] Discussion

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[13] 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 2007 for discussion). For instance, our review of IMF country reports found that Kenya is lowering taxes on fuel and food staples consumed by vulnerable populations, and Ghana and the Republic of Congo are considering tax increases on luxury items, like vehicles.

[14] For instance, Turkey taxes all receipts of banks and insurance companies (IMF 2010); Brazil introduced a temporary bank debit tax which charged 0.38% on online bill payments and cash withdrawals, before its discontinuation in 2008, it raised an estimated US$20 billion annually and financed healthcare, poverty alleviation and social assistance programs; Argentina operates a 0.6 per cent tax on purchases and sales of equity shares and bonds, which, in 2009 accounted for more than 10 per cent of overall tax revenue for the central government (Beitler 2010).

on raising income taxes, inheritance and property taxes is also starting in several countries, as well as efforts to combat tax evasion. Moreover, many developing countries are taxing natural resources like hydrocarbons and minerals. It is imperative that distributional impacts are at the forefront of tax decisions, and that alternative options to increase fiscal space are considered in policy discussions.

Table 5. Taxation by income groups, 2011-14 average (as a % GDP)

	All	High income: OECD	High income: non-OECD	Upper middle income	Lower middle income	Low income
Government revenue	31.1	40.8	34.4	31.6	28.8	20.6
Income tax	7.2	11.8	6.4	6.2	5.7	4.4
VAT revenue	6.4	6.9	7.5	6.7	5.9	4.4
Trade tax	2.4	0.2	2.3	2.4	3.5	3.0

Source: Ortiz et al. 2019, based on World Revenue Longitudinal Data (WoRLD)

5.8 Privatization of State Assets and Services – and Strengthening PPPs

Despite the many failures recorded in recent years, privatization of public assets and services has returned to the policy debate, considered by 59 governments worldwide in 39 developing and 20 high-income countries. The promotion of the private sector is further evidenced by the rapid growth of PPPs in recent years. The review of IMF country reports shows that strengthening PPPs is being discussed by 60 governments in 50 developing countries and 10 high-income countries.

Debates on privatization and PPPs date back to the decades of structural adjustment. The rapid and massive privatization programs in the 1980s and 1990s were first judged as a great success. However, as more information became available and problems of both performance and fairness began to surface, the consensus shifted sharply towards the negative (Birdsall and Nellis 2005). A general view was that privatization promotes efficiency and short-term fiscal gains, but they also frequently led to job losses and wage cuts for workers as well as higher prices for consumers (Gupta, Schiller and Ma 1999). The emergence of private monopolies, unaffordable and/or low quality goods and services, and high costs of guaranteed revenues agreed under public-private partnerships for private service providers have recently led to partial or full re-nationalization in several countries (Box 9). Furthermore, corruption has been widely documented in privatization processes (Hall 1999, Kaufmann and Siegelbaum 1997). As supporters and detractors continue to bring evidence from earlier experiences, a larger evidence base is now available to policy-makers.

The resurgence of privatization policies should make government officials cautiously assess the likely adverse impacts ex-ante to reconsider privatization. This should be done with the perspective of both the short- and long-term impacts, which are summarized below.

- **Impacts on prices:** Rate hikes are often a result of privatized services and may lead to goods and services being unaffordable for populations—this is particularly important for water, education, health, social security (all human rights), energy, transport and other essential services.
- **Impacts on the quality of public services:** Corporations are ultimately incentivized by profits, which can compromise quality standards. Critical questions become whether adequate regulations are in place and whether national institutions have the capacity to enforce them.
- **Impacts on jobs and wages:** Privatization often leads to layoffs and wage cuts.

- **Impacts on efficiency:** Supporters of privatization claim that private companies are more efficient than the public sector, but the empirical evidence does not confirm it. Private provision requires profit margins, often incurs marketing costs—which do not arise under government provision—and higher administrative costs.
- **Impacts on long-term fiscal revenues:** Sales proceeds produce short-term gains, but also long-term losses given the lack of future revenues.

Box 9. Privatization and recent re-nationalization and re-municipalization experiences in water supply, transport, electricity/power, pensions and postal services

In the 20th century, the role of the government as provider of public services was not questioned until the 1980s-1990s, when the international financial institutions such as the IMF and the World Bank as well as other organizations such as the OECD and USAID started promoting privatization. Despite this policy push, the public sector owns and operates the majority of public services in cities and countries all over the world. In recent years, a number of governments that privatized are renationalizing public services due, among others, to poor performance, reduced services, high user fees leading to affordability issues, regulatory capture, collusions leading to monopoly profits and declines in investment. Some examples:

- **Water supply:** During the last 15 years, 235 cases of water remunicipalization, concentrated in high-income countries, with 184 remunicipalizations compared to 51 in low- and middle-income countries, for example in France, the United States, Spain, Germany and Argentina; perhaps the most known case was Paris (2010) water re-municipalization, which improved delivery and reduced water prices by 8 per cent.
- **Transport:** Private sector failure was common in privatized local public transport, services were reduced dramatically, and prices saw steep increases. Some examples of renationalization: Japan (2010), New Zealand (2008 railways), Argentina (2008 airlines; 2015 railways), United Kingdom (2009 railways), Pakistan (2011, railways).
- **Electricity and power:** Public ownership of electricity companies is common in Europe, United States, Asia including China, India, Indonesia, South Korea; many countries that had privatized reversed privatization, such as France (1982), Germany (in 2005 renationalized electricity distribution networks and created new public municipal renewable energy), Brazil (2007), Argentina (2009), Finland (2011), Bolivia (2012), Japan (in 2012 Tokyo Electric Power Company was nationalized after the Fukushima Daiichi nuclear disaster).
- **Pensions:** From 1981 to 2014, 30 countries privatized fully or partially their public mandatory pensions; as of 2018, 18 countries have re-reformed and reversed pension privatization fully or partially: Venezuela (2000), Ecuador (2002), Nicaragua (2005), Bulgaria (2007), Argentina (2008), Slovakia (2008), Estonia, Latvia and Lithuania (2009), Bolivia (2009), Hungary (2010), Croatia and Macedonia (2011), Poland (2011), the Russian Federation (2012), Kazakhstan (2013), the Czech Republic (2016) and Romania (2017). The large majority of countries turned away from privatization after the 2007-08 global financial crisis, when the drawbacks of the private system became evident and had to be redressed (see Box 4).
- **Other: Postal services and communications** renationalized in France (1982), Argentina (2003), Bolivia (2008); Canada (2008) remunicipalized solid waste collection, snow removal, police and fire to lower costs and improve efficiency; Germany (2008) re-nationalized security, national registration; the United Kingdom (2008) and Finland (2011) stopped urban cleaning private contracts for cost reduction and employment generation.

Sources: Kishimoto, Lobina and Petitjean, 2015; Hall, 2010 and 2012; Ortiz et al. 2018; PSI, 2018

Governments must also carefully assess PPPs and consider the benefits of public infrastructure and services. With regards to PPPs, despite multiple PPPs failures over the last decades, there has been a large push by the multilateral banks and the IMF since the publication of *"From Billions to Trillions: Transforming Development Finance Post-2015*" (2015) and *Maximizing Finance for Development: Leveraging the Private Sector for Growth and Sustainable Development* (2017) While it was presented as a way to leverage private sector investments for development purposes, the agenda has many pitfalls and must be rethought (Attridge and Engen, 2019; EURODAD, 2018; Romero, 2015; PSI, 2015).

- **Negative impacts on public and consumer spending:** PPPs are the most expensive method of financing infrastructure and services. Although PPPs are often promoted as a solution for countries under fiscal constraints, evidence shows that PPPs have a much larger cost to the public budget and citizens end paying more, as private companies add profits, have much larger transaction costs, higher costs of capital, and private operators tend to charger higher prices to users.
- **Higher risks:** Government guarantees may result in very high contingent liabilities for countries, as a number of IMF country reports note.
- **High opportunity costs, crowding-out other investments:** The high costs of PPPs often have adverse impacts on other sector investments (see case of Lesotho in Box 10).
- **Private sector is not more efficient:** Contrary to public perception, most cross-country studies on utilities find no statistically significant difference in efficiency scores between public and private providers, including studies by the World Bank (Estache et al, 2005; Estache and Philippe, 2012).
- **Negative impacts on workers:** PPPs often imply the worsening of employment conditions and collective bargaining.
- **Poor capacity to negotiate PPP contracts:** Give that most governments have very limited experience and capacity to develop terms, negotiations often advantage corporations whose lawyers can deliver a better deal to the detriment of citizens. PPPs also have low transparency and limited public scrutiny.

Governments are turning to PPPs precisely because of austerity and fiscal constraints. Governments are under pressure to fund infrastructure/public services and also under pressure to maintain orthodox fiscal policies, PPPs are a solution given that governments can keep PPPs and their contingent liabilities off balance sheets - the biggest attraction of PPPs for governments is that they can be classified as private not public debt. Austerity generates a perverse incentive: the fiscal constraints imposed by the IFIs' austere fiscal policies mean that governments cannot borrow or spend more: so, in order to develop infrastructure and public services, governments opt for expensive PPPs instead of using cheaper public finance, also advised by the IFIs who had encouraged austerity in the first place.

Governments should resist pressures and consider cost-effective public infrastructure and services. Public money from donor agencies and IFIs is used for marketing PPPs and persuade governments to adopt policies more friendly to PPPs, undermining governments' provision of infrastructure and public services. Despite the massive promotion effort, PPPs only provide a tiny portion of the infrastructure investment and public services in the world.

Box 10. Hospital PPPs Bleed Health Budgets: The Cases of Lesotho and Sweden

Lesotho's Queen Mamohato Memorial Hospital: This PPP contract was signed in 2008 to build a national hospital to replace an old one and to upgrade the network of urban clinics. The World Bank assured that the PPP would bring vast improvements at the same annual cost as the old hospital; this PPP was promoted as a flagship model for Africa's health systems. However, a 2014 report by Oxfam and the Lesotho Consumer Protection Association denounced that the real cost of the PPP was 51 per cent of the total health budget of Lesotho, which amounted to 3 to 4 times the cost of running the old hospital. A 2017 UNICEF-World Bank public expenditure review showed that the annual cost had only minimally declined and still consumed more than one-third of the total health budget. In short, the maintenance of the PPP hospital was at the cost of defunding basic health services. According to Lesotho's Deputy Prime Minister Monyane Moleleki, "*the Queen Mamohato Memorial Hospital is bleeding government coffers*."

Sweden's Nya Karolinska Solna (NKS) Hospital: This PPP contract was signed in 2010 to build and manage the new NKS hospital, which was planned to open in 2015. The European Commission advised to opt for a PPP model based on certainties around efficient delivery on time, cost-savings and value for money. However, at the end of 2018, the hospital was significantly delayed and faced massive cost overruns, which led to a public investigation. Today, the NKS holds the renowned status of being the most expensive hospital in the world.

Sources: EURODAD, 2018; Oxfam, 2014; Romero, 2015; PSI, 2015; UNICEF and World Bank, 2017

5.9 Health Reforms

Healthcare system reforms are being considered by 33 governments in 14 developing and 19 high-income countries, including low and lower middle-income countries such as Kosovo, Moldova, Nigeria and Uzbekistan. Typical health adjustment measures include increased user fees or charges for health services, reductions in medical personnel, discontinuation of allowances and increased copayments for pharmaceuticals.

The risks of reducing health benefits are obvious: populations are excluded from or receive less medical care. Increased out-of-pocket expenditure for health add further pressure on governments to increase pensions and other social protection benefits to cover the additional cost for households to seek necessary health care. Meanwhile, a lower quality of health service provision leads to worse health outcomes (e.g. Karanikolos et al., 2013; Mladovsky et al., 2012). Weakened mental health, increased substance abuse and higher suicide rates have all been linked with fiscal consolidation measures (WHO, 2011; Stuckler and Basu, 2013). The European Centre for Disease Control warned that serious health hazards are emerging because of the fiscal consolidation measures introduced since 2008. More specifically, in Greece, Portugal and Spain, citizens' access to public health services has been seriously constrained to the extent that there are reported increases in mortality and morbidity. The Lancet further speaks of "a Greek public health tragedy" in which citizens are subject to one of the most radical programmes of welfare state retrenchment in recent times (Kentikelenis et al., 2014).

Adjustment reforms and cuts to development assistance also present significant health-related dangers to populations in developing countries. Given that more than half of public health budgets in Sub-Saharan Africa depend on foreign aid, funding shortfalls can increase stress on women who are the predominant caretakers of sick persons (Seguino 2009). Moreover, due to the income losses stemming from the employment crisis, families have consistently reported lower healthcare spending and service utilization. For example, households in Armenia, Bulgaria and Montenegro significantly reduced doctor visits, medical care and prescription drug use (World Bank 2011). A recent study showed that, in the absence of debt relief, a number of African countries struggle to finance health services as rapidly growing debt service costs crowd out health spending. For example, in Chad and Gabon, austerity measures have sparked cuts in the health sector, with out-of-pocket health expenses increasing; in Guinea and Sierra Leone – which are both emerging from the Ebola crisis – the current programs call for wage bill freezes or reductions (EURODAD, 2017). Empirical analysis of data in 137 countries concludes that structural adjustment reforms lower health system access and increase neonatal mortality (Forster et al. 2019a).

6. A Renewed Washington Consensus: Development for Whom?

The term "Washington Consensus" was coined by John Williamson in 1989 to describe a standard set of policy measures prescribed to developing countries at the time by IFIs and the US government. This orthodox agenda has been questioned by many economists, governments and civil society organizations in light of the poor developmental impacts.

There is a consensus on the failures of the Washington Consensus. Today, both defenders and detractors alike agree that the Washington Consensus did not deliver the expected results. Studies abound on negative impacts in developing countries in the 1980s and 1990s. More specifically, structural adjustment, macroeconomic stabilization, liberalization and privatization and other policies that minimize the state and promote free markets were found to contribute to higher infant mortality, greater morbidity and lower education outcomes (e.g. see Cornia, Jolly and Stewart, 1987) as well as slower economic growth (e.g. see Birdsall and Fukuyama, 2011; Rodrik, 2006; Stiglitz, 2008).

The main policies of the Washington Consensus applied during the 1980s-2000s are presented in Table 6. The first ten items are the foundational 1980s policies described by Williamson, while the other ten are more recent or "second generation" additions (Rodrick, 2006). The table also presents a comparison with the IFIs policy advice since 2010. Note that this table refers to policies applied in loan programs and country policy advice and not to research papers produced by IFIs.[15]

Table 6. Comparison of Washington Consensus policies in the 1980s-2000s and policy advice by IFIs since 2010

Washington Consensus 1980s-90s	IFIs since 2010
1. Fiscal discipline and expenditure cuts	Same
2. Redirect public expenditures such as subsidies (except defense and corporate bailouts), to support growth with some targeted pro-poor expenditures	Same
3. Tax reform, expanding broad base consumption taxes (e.g., VAT/GST), lower corporate tax rates, limited income tax, nil/low trade and exercise duties	Generally the same
4. Financial liberalization (e.g. reduction of financial regulations supposedly for efficiency and higher savings, closing/privatization of specialized public development banks, market-based interest rates).	Same
5. Competitive exchange rates	Same
6. Trade liberalization, export-led growth	Same
7. Openness to foreign direct investment	Same, emphasis on PPPs
8. Privatization, promotion of the private sector, characterized as efficient, including through PPPs	Same
9. Deregulation (removal or reduction of public regulations, rules and standards on private sector activities)	Same
10. Secure property rights	Same
11. Corporate governance	Same
12. Minimize the state, epitomized as a source of inefficiency and corruption, crowding-out private sector	Same
13. Flexible labor markets	Same with active labor market programs
14. "Prudent" capital-account opening	Same; but with macro-prudential measures to manage capital flows and

[15] There is a significant divergence between the papers produced by the research departments and staff of the IFIs (often exploring new frontiers), and the official stance in loan programs and country advise, relying on orthodox policy advise – the table is based on the later.

Washington Consensus 1980s-90s	IFIs since 2010
	control as a last resort in the face of large capital flights
15. Independent Central Banks, inflation targeting	Same
16. Minimal social safety nets	Same
17. Targeted poverty reduction, microcredit	Same
18. Pension reform, pension privatization	Pension reforms, reduction tax wedge/social security contributions leading to private saving schemes
19. Commercialization of social services, cost-recovery, user fees – minimal social policies	Same
20. No or limited attention to social groups, inequalities and sources of social conflict	Analysis of inequality, gender and vulnerable populations; some targeted interventions

Sources: Adapted from Williamson, 2004 (1-10); Rodrik, 2006 (11-17), Stiglitz, 2008; UN, 2008

Despite some "second generation" improvements, the Washington Consensus remains alive and well. Some may be inclined to think it is a modernized agenda; indeed, it is a renewed Washington Consensus, a 'Washington Consensus Plus" (Stiglitz, 2008). Some equity dimensions have been added to global and country reports, such as gender, poverty, and an emphasis on targeted safety nets,[16] as well as selected policies such as prudential capital controls. These are very important steps forward, but much remains to be done. While some of these "second generation" policies represent improvements from a developmental perspective, some others have adverse social impacts, such as labor flexibilization, fiscal discipline and expenditure cuts, regressive taxation policies, privatization and commercialization of public services, or pension/social security reforms and reduction of the tax wedge, to mention a few presented in earlier sections of this paper. While women represent half of the world's population, the main bulk of the policies formulated by the IFIs either ignores them or undermines gender equality and women's rights (Alston, 2019; BWP, 2017 and 2019a). Overall, the agenda has not changed much, it remains the Washington Consensus.

So, why is the world still considering the Washington Consensus? Mostly because of austerity and the influence of IFIs: Countries constrained by debt and deficits are told to adopt fiscal consolidation or austerity policies instead of identifying new sources of fiscal space. Once budgets are contracting, governments start looking at policies that minimize the public sector and support the role of the private sector; generally, with the support of the IFIs advise and lending. Due to its governance arrangement, where the US holds majority votes and power, the IFIs are the most important avenue of influence of the US government (and its European allies) in low- and middle-income countries and promoters of its reform agenda and corporate interests (Weisbrot, 2015). This was a main reason why most of the middle-income countries of Asia, Latin America, as well as Russia, had avoided borrowing from the IMF and the IFIs by accumulating large amount of reserves, even during the crisis. However, after a low period, in 2009 the G20 revived IMF influence by providing substantial funds, soon to become about a $1 trillion funding to be on-lent to developing countries (IMF, 2017b).

The IFI's cascading financialization and privatization: Governments are told not to worry about limited funds curbing the public sector, the private sector will deliver. With the publication of *"From Billions to Trillions: Transforming Development Finance Post-2015,"* [17] the IFIs started suggesting

[16] For instance, our review of 161 IMF country reports from January 2018 onwards reveals that about one-third (56 country reports) include some analysis of gender issues.

[17] Prepared jointly by the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank, the Inter-American Development Bank, the International Monetary Fund, and the World Bank Group for the April 18, 2015 Development Committee meeting.

that governments don't need to be concerned about declining aid levels or limited fiscal space, because there is a simple solution: the private sector will invest and deliver public goods and services —whatever decline in public investment, the private sector will pick up. For this, governments need to incentivize the private sector to invest, using public money to leverage private finance. Government guarantees were deemed necessary to 'de-risk' projects, especially for PPPs, as presented in the cascade approach in "*Maximizing Finance for Development: Leveraging the Private Sector for Growth and Sustainable Development.*"[18] Thus, the Bank's and IMF's 'Cascade framework' to 'maximize finance for development' "essentially recommends privatizing everything first; if this cannot be successfully done, try a PPP or blended finance operation, or provide some guarantees for the private sector. And countries should only go for public sector projects if all else fails. In other words, countries should try all possible market finance options to enrich private financiers before considering public options and borrowing" (Jomo and Chowdhury, 2019). This is an unrealistic expectation for many developing countries, with negative impacts on poverty reduction and other development goals (Attridge and Engen, 2019; Kapoor, 2019). Further, under this approach the IFIs increase financial leverage via securitization to catalyze private investment, thus promoting capital markets by transforming bankable projects into liquid securities.

There are clear winners and losers from the renewed Washington Consensus. As shown in Table 7, the biggest beneficiaries of this agenda are international investors, which has been a key factor in the rise of global inequality. Overall, the extreme inequality in the distribution of the world's income should make us question the current development model (development for whom?), which has accrued mostly to the wealthiest (Piketty, 2018; Stiglitz, 2012; Ortiz and Cummins, 2011; Forster et al. 2019b).

[18] The World Bank and IMF Development Committee (2017) explain the cascading approach as follows: "When a project is presented, ask: 'Is there a sustainable private sector solution that limits public debt and contingent liabilities?'. If the answer is 'Yes,' then promote such private solutions. If the answer is 'No', then ask whether it is because of: Policy or regulatory gaps or weaknesses? If so, provide support for policy and regulatory reforms. Risks? If so, assess the risks and see whether Bank instruments can address them. The approach responds to the G20's April 2017 *Principles of multilateral development banks' strategy for crowding-in private sector finance for growth and sustainable development*.

Table 7. Winners and Losers of the Washington Consensus

Policy	International investors	National Private sector	Workers	Non-employed Population
1. Fiscal discipline and expenditure cuts	+	++	--	--
2. Redirect public expenditures such as subsidies (except defense and corporate bailouts), to support economic growth with some targeted pro-poor expenditures	++	++	--	-/+
3. Tax reform, expanding broad base consumption taxes and minimizing others	++	++	--	--
4. Financial liberalization	++	-	--	--
5. Competitive exchange rates	++	--	--	--
6. Trade liberalization, export-led growth	++	--	-/+	--
7. Openness to foreign direct investment	++	--	-/+	--
8. Privatization, promotion of the private sector, characterized as efficient, including through PPPs	++	++	--	--
9. Deregulation	++	+	--	--
10. Secure property rights	++	-/+	--	--
11. Corporate governance	++	--	++	+
12. Minimize the state, epitomized as a source of inefficiency and corruption, crowding-out private sector	++	++	--	--
13. Flexible labor markets	++	++	--	--
14. "Prudent" capital-account opening	--	+	+	0
15. Independent Central Banks, inflation targeting	++	--	--	--
16. Minimal social safety nets	0	-	--	-/+
17. Targeted poverty reduction, microcredit	0	-	-/+	++
18. Pension reform, pension privatization	++	++	--	0
19. Commercialization of social services, cost-recovery, user fees – minimal social policies	+	++	--	--
20. No or limited attention to social groups, inequalities and sources of social conflict	0	0	+	+

Legend: + positive, - negative, 0 neutral

If the global financial crisis put any development model on trial, it was the free-market, neoliberal Washington Consensus model driven by deregulation, private ownership and low taxes. As mentioned above, the main outcomes of slow growth, rising unemployment and working poverty have not improved. Other policies could have been adopted that would have led to significant social and economic progress (Rodrik, 2006; Stiglitz, 2008). With economies running on excess capacity and low interest rates, this is an ideal time for governments to make investments that would help restore full employment and promote long-term growth. Austerity has already repeatedly failed these objectives—from the Great Depression in the 1930s to the lost decade of the 1980s and the ongoing Great Recession—which means that it is now time to steer away from Washington Consensus prescriptions.

In the current crisis context, many countries are now considering these alternative policies, which are supported by the United Nations development agenda following various conferences and summits over the last decade. The agenda encompasses issues ranging from social inclusion and decent employment to sustainable development and finance. It is grounded on country ownership of national development strategies that integrate social, economic and environmental policy, along with enabling frameworks that promote peace and conflict prevention, good governance and human rights; the agenda further addresses systemic issues, such as the differential impact of globalization and inequalities among and within countries. The United Nations development agenda has been shaped by a fundamental concern for equity and for equality of all persons, as human beings and as citizens (UN, 2008). United Nations agencies and other organizations have operationalized this agenda in recent years, including through the SDGs. An indicative summary is presented below in Table 8.

Table 8. The Washington Consensus versus the UN Consensus Development for All

Washington Consensus 1980s-90s	UN Consensus Development for All
1. Fiscal discipline and expenditure cuts	Public economic and social investments for development; expand governments' fiscal space
2. Redirect public expenditures such as subsidies (except for defense and the financial sector) to support economic growth with some targeted pro-poor expenditures	Redirect only regressive expenditures, such as defense or subsidies to large corporations
3. Tax reform, expanding broad-base consumption taxes and minimizing others	Taxation for development purposes, with attention to needed redistribution
4. Financial sector liberalization	Making finance work for real economy growth, adequate regulation, selective capital controls to avoid financial volatility
5. Trade liberalization and export-led growth	Free trade not priority, industrial/technology policy to support growth of employment-generating domestic industry prior to (selective) trade liberalization under adequate global agreements
6. Openness to foreign direct investment	FDI with knowledge transfer, proper taxation and decent working conditions, including global supply chains
7. Privatization and promotion of the private sector, including through PPPs (characterized as efficient)	Public services for all; supplementary private services for those with higher incomes
8. Deregulation	Adequate regulation
9. Secure property rights	Secure Human Rights and other rights and standards
10. Minimize the state (epitomized as a source of inefficiency and corruption, which crowds-out the private sector)	Building state capacity to promote development, growth and equity through active promotion of development policies
11. Flexible labor markets	Decent work agenda
12. Independence of Central Banks and inflation targeting	Accommodating macroeconomic framework; employment targeting instead of exclusive focus on inflation targeting
13. Minimal social safety nets	Social protection systems for all at adequate benefit levels
14. Targeted poverty reduction and microcredit schemes	Universal policies, for all
15. Pension reform, including privatization	Universal social protection, sustainable and equitable pension systems with adequate benefits
16. Commercialization of social services, cost-recovery and user fees (minimal social policies)	The focus needs to be expansion of coverage of quality services, ensuring quality services for all
17. Ad hoc attention to inequality, gender and vulnerable populations	National dialogue with trade unions, employers and representative CSO, Parliaments; ensure that policies respond to all citizens including women and other social groups. Empower people though rights and standards. Building social cohesion and political stability

6. There Are Alternatives: Fiscal Space for the UN Consensus on Development Exists Even in the Poorest Countries

Public expenditure adjustment is being used as a trojan horse to induce Washington Consensus policies, arguing that universal development policies (for all) are not affordable or that government expenditure cuts are inevitable. This is simply not true; there are alternatives, even in the poorest countries. There is a wide variety of options to expand fiscal space and generate resources for the UN Consensus on Development for All (Table 9). These fiscal options are supported by the UN (see for instance, ILO, UNICEF and UNWOMEN in Ortiz et al. 2017) as well as the IFIs. Interestingly, about 90 per cent of IMF country reports reviewed during the 2018-19 period have some discussion on fiscal space; while this is generally a welcome development,[19] more ambition is needed to effectively provide countries with the funding required to deliver on sustainable development and the SDGs.

The following financing options are supported by policy statements of both the UN and the IFIs. Many governments around the world have been applying them for decades, showing a wide variety of revenue choices as well as creativity to address critical investment gaps.

1. **Re-allocating public expenditures:** This is the most orthodox approach, which includes assessing on-going budget allocations through Public Expenditure Reviews (PERs) and other types of thematic budget analyses, replacing high-cost, low-impact investments with those with larger socio-economic impacts, eliminating spending inefficiencies and/or tackling corruption. For example, Egypt created an Economic Justice Unit in the Ministry of Finance to review expenditure priorities, while Costa Rica and Thailand shifted military spending to finance universal health services.

2. **Increasing tax revenues:** This is clearly the principal channel for generating resources, which is achieved by altering different types of tax rates—e.g. on consumption, corporate profits, financial activities, property, imports/exports, natural resources—or by strengthening the efficiency of tax collection methods and overall compliance. Many countries are increasing taxes for social investments, not only on consumption, which is generally regressive and counter to social progress, but also on other areas. For example, Bolivia, Mongolia and Zambia are financing universal pensions, child benefits and other schemes from mining and gas taxes; Ghana, Liberia and the Maldives have introduced taxes on tourism to support social programs; and Brazil introduced a tax on financial transactions to expand social protection coverage.

3. **Lobbying for aid and transfers:** This requires either engaging with different donor governments or international organizations in order to ramp up North-South or South-South transfers. Despite being much smaller than traditional volumes of ODA, bilateral and regional South-South transfers can also support social investments and warrant attention.

4. **Eliminating illicit financial flows:** Estimated at more than ten times the size of all ODA received, a titanic amount of resources illegally escape developing countries each year. To date, little progress has been achieved, but policymakers should devote greater attention to cracking down on money laundering, bribery, tax evasion, trade mispricing and other financial crimes that are both illegal and deprive governments of revenues needed for social and economic development.

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[19] A number of IMF country reports lack ambition and instead of identify new sources of fiscal space to ensure sustainable human development and prosperity for all citizens, they identify fiscal consolidation and austerity measures with potential negative social impacts as a source of increased fiscal space for "priorities", even in countries as poor such as Madagascar (IMF Staff Report 19/262)

5. **Using fiscal and central bank foreign exchange reserves:** This includes drawing down fiscal savings and other state revenues stored in special funds, such as sovereign wealth funds, and/or using excess foreign exchange reserves in the central bank for domestic and regional development. Chile, Norway and Venezuela, among others, are tapping into fiscal reserves for social investments.

6. **Borrowing or restructuring existing debt:** This involves active exploration of domestic and foreign borrowing options at low cost, including concessional, following careful assessment of debt sustainability. For example, South Africa issued municipal bonds to finance basic services and urban infrastructure. For countries under high debt distress, restructuring existing debt may be possible and justifiable if the legitimacy of the debt is questionable and/or the opportunity cost in terms of worsening deprivations of the population is high. In recent years, more than 60 countries have successfully re-negotiated debts, and more than 20 have defaulted/repudiated public debt, such as Ecuador, Iceland and Iraq, directing debt servicing savings to social programs.

7. **Adopting a more accommodating macroeconomic framework:** This entails allowing for higher budget deficit paths and/or higher levels of inflation without jeopardizing macroeconomic stability. A significant number of developing countries have used deficit spending and more accommodative macroeconomic frameworks during the global recession to attend to pressing demands at a time of low growth and to support socio-economic recovery.

8. **For social protection, expanding social security coverage and contributory revenues:** For social insurance, increasing coverage and therefore collection of contributions is a reliable way to finance social protection, freeing fiscal space for other social expenditures; social protection benefits linked to employment-based contributions also encourage formalization of the informal economy, a remarkable example can be found in Uruguay's Monotax. Argentina, Brazil, Tunisia and many others have demonstrated the possibility of broadening both coverage and contributions.

Table 9. Examples of fiscal space strategies adopted in selected countries

Strategy	Bolivia	Botswana	Brazil	Costa Rica	Lesotho	Iceland	Namibia	South Africa	Thailand
Re-allocating public expenditures				X	X	X		X	X
Increasing tax revenues	X	X	X		X	X	X		X
Expanding social security contributions			X	X	X		X	X	X
Reducing debt/debt service	X	X	X	X	X	X		X	X
Curtailing illicit financial flows						X			
Increasing aid							X		
Tapping into fiscal reserves	X	X	X						
More accommodative macro framework	X		X						X

Each country is unique, and all options should be carefully examined, including the potential risks and trade-offs, and considered in national social dialogue. National tripartite dialogue, with government, employers and workers as well as civil society, academics, Parliaments, United Nations agencies and others, is fundamental to generate political will to exploit all possible fiscal space options in a country, and adopt the optimal mix of public policies for inclusive growth and social justice (Box 11). Given the importance of public investments for human rights and inclusive development, it is imperative that governments explore all possible alternatives to expand fiscal space to promote national socio-economic development with jobs and social protection.

Box 11. Social dialogue: The best approach to articulate optimal solutions

National social dialogue is best to articulate optimal solutions in macroeconomic and fiscal policy, the need for job and income security and human rights. While in some countries, national development strategies and their financing sources have been shaped though social dialogue, in many other countries this has not been the case. Public policy decisions have often been taken behind closed doors, as technocratic solutions with limited or no consultation, resulting in reduced social investments, in lack of national ownership, adverse socio-economic impacts and, frequently, civil unrest.

Questions to consider on fiscal space options during national dialogue include:

1. **Reprioritizing Public Spending:** ***Can government expenditures be re-allocated to support social investments that empower vulnerable households?*** Are, for example, current military, infrastructure or commercial sector expenditures justified in light of existing poverty rates? Has a recent study been conducted to identify measures to enhance the efficiency of current investments, including steps to tackle and prevent corruption and the mismanagement of public funds?

2. **Increasing tax revenues:** ***Have all taxes and possible modifications been considered to maximize public revenue without jeopardizing private investment?*** Are personal income and corporate tax rates designed to support equitable development outcomes? What specific collection methods could be strengthened to improve overall revenue streams? Could minor tariff adjustments increase the availability of resources for social investments? Is natural resource extraction adequately taxed? Can tax policies better respond to "boom" and "bust" cycles? Have financial sector taxes been considered to support productive and social sector investments? Has there been any attempt to earmark an existing tax or introduce a new one to finance specific social investments – taxes on property, inheritances, tourism, tobacco, etc.?

3. **Lobbying for increased aid and transfers:** ***Has the government delivered a convincing case to OECD countries for increased aid, including budget support, to support the scaling up of social investments?*** Has there been any formal or informal attempt to lobby neighboring or friendly governments for South-South transfers?

4. **Eliminating illicit financial flows:** ***Has a study been carried out or a policy designed to capture and re-channel illicit financial flows for productive uses?*** What can be done to curb tax evasion, money laundering, bribery, trade mispricing and other financial crimes are illegal and deprive governments of revenues needed for social and economic development?

5. **Using fiscal and foreign exchange reserves:** ***Are there fiscal reserves, for example, sitting in sovereign wealth funds that could be invested in poor households today?*** Are excess foreign exchange reserves being maximized and used to foster local and regional development?

6. **Borrowing or restructuring debt:** ***Have all debt options been thoroughly examined to ramp up social investments?*** What are the distributional impacts of financing government expenditures by additional borrowing? Have different maturity and repayment terms been discussed with creditors? Has a public audit been carried out to examine the legitimacy of existing debts?

7. **Adopting a more accommodating macroeconomic framework:** ***Is the macroeconomic framework too constrictive for national development?*** If so, at what cost macroeconomic stability? Could increasing the fiscal deficit by a percentage point or two create resources that could support essential investments for the population? Are current inflation levels unduly restricting employment growth and socio-economic development?

8. **For social protection, expanding social security coverage and contributory revenues:** ***What is the percentage of workers contributing to social security?*** Can contributions to social security be extended to more workers? Are current contribution rates adequate? Is there scope to introduce innovations (e.g. like Monotax in Latin America) to encourage the formalization of workers in the informal economy?

9. **Lastly,** ***have all options been carefully examined and discussed in an open social dialogue?*** Have all possible fiscal scenarios been fully explored? Is there any assessment missing from the national debate? Are all relevant stakeholders, government, employers, workers, civil society, academics, Parliaments, United Nations agencies and others, being heard and supportive of an agreement that articulates an optimal solution in macroeconomic and fiscal policy, the need for job and income security and human rights?

Sources: Ortiz et al., 2017 and 2019

Crises oblige policymakers to rethink development models. The 1929 financial crash led to a New Deal that radically altered the development model of the day. In another example, at the end of World War II, politicians from advanced economies were determined that unemployment and economic crisis, which fueled the evils of fascism, should never be repeated. They accepted that full employment, political stability and social cohesion must be primary national policy objectives, and, as a result, governments became more involved in education, healthcare, social security and housing assistance, as well as in promoting investment and employment-generating growth. This policy change was highly successful: postwar policies achieved high productivity gains in the workforce, expanded internal markets and increased economic growth, with the populations of Europe, North America, Japan, Australia and New Zealand experiencing unparalleled prosperity.

A policy push similar to the New Deal is needed today. The continued disappointment of the global recovery presents an opportunity to rethink policies to ensure growth, jobs, prosperity, reduced inequalities and address climate change. This requires shedding the myopic scope of macroeconomic and fiscal policy decisions of recent decades and, instead, basing them on their potential to achieve full employment, inclusive and sustainable growth, and human rights. To do so, sustainable social and economic investments must be viewed as priority investments within a flexible, longer-term fiscal policy framework and recognize that there are a variety of financing options available to bolster these much-needed investments today.

The policies outlined in this paper to redress austerity and to achieve social justice are well-known and endorsed by all governments in the UN General Assembly. Whether this remains simply an ideal on paper or is transformed into actual policies and progress, however, depends on global leadership. It is time for global leaders to think about the longer term and to turn the current vicious circle into a virtuous circle that links sustainable economic and human development and ensures social and green investments.

Today, a new social contract for the 21st century is warranted. One that promotes decent work and social justice, that includes all countries—high-income and low-income—and all persons —rich and poor, employers and workers—through increased public investments to boost aggregate demand, catalyze sustainable development and political stability, promote universal labor guarantees and social protection, and achieve long-term global prosperity for all.

Annex 1: Projected Changes in Total Government Expenditure in 189 Countries, 2005-2024

A. Annual change, as a % of GDP

Country	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Afghanistan	0.6	2.6	3.2	-0.6	0.3	-0.4	1.1	3.1	-0.1	0.4	0.5	0.1	-0.1	1.2	-0.3	2.3	1.1	1.2	1.4	0.0
Albania	-1.3	0.3	0.1	2.4	1.0	-3.3	-0.5	-0.7	0.9	2.6	-1.4	-1.3	0.0	-0.2	0.4	-0.2	-0.3	-0.2	-0.3	-0.3
Algeria	-3.7	1.7	4.4	4.7	4.7	-5.3	2.9	3.4	-7.4	4.4	5.2	-4.2	-2.5	-0.7	-2.1	-4.5	-2.2	-2.1	-2.3	1.6
Equatorial Guinea	-1.3	4.0	1.6	0.2	20.0	-8.7	-3.7	7.7	-5.9	2.3	10.1	-13.8	-7.9	-3.7	-0.5	-0.9	-0.5	0.5	0.5	-0.1
Antigua and Barbuda	-0.4	5.2	-2.3	-0.6	9.9	-13.8	1.3	-2.9	2.1	-0.5	3.7	-2.1	-1.7	1.0	0.9	-1.4	0.1	0.2	0.2	0.3
Argentina	1.4	2.2	2.9	1.2	3.8	-1.2	1.5	1.9	0.8	1.3	2.5	0.1	-0.3	-2.2	-1.5	-0.7	-0.5	-0.3	-0.7	-0.3
Armenia		0.1	2.4	-0.2	6.3	-2.4	-1.2	-2.5	1.4	0.2	2.3	0.7	-1.0	-2.8	1.9	-0.3	-0.2	-0.1	0.0	0.1
Aruba	-4.8	0.5	-2.1	3.1	1.2	3.8	-3.1	3.6	-0.6	0.3	-3.5	0.4	-0.2	0.1	-0.5	-0.3	-0.1	-0.1	-0.2	-0.2
Australia	-0.3	0.0	-0.3	0.7	2.7	-0.8	-0.7	0.3	-0.1	0.3	0.5	0.0	-0.9	0.4	0.6	-0.8	-0.9	-0.2	0.0	0.0
Austria	-2.6	-0.8	-1.1	0.6	4.3	-1.3	-1.9	0.3	0.4	0.7	-1.3	-0.8	-1.2	-0.5	-0.7	0.5	0.1	0.1	0.1	0.0
Azerbaijan	-1.7	2.8	0.8	5.4	3.1	-2.5	1.8	2.9	1.1	-1.4	2.3	-3.3	0.3	-1.5	0.2	-2.5	-0.6	-0.1	-1.1	-0.4
Bahrain	-1.1	-0.8	-0.8	0.3	2.0	2.9	-0.8	4.2	2.4	-5.9	8.2	-1.5	-2.7	1.0	-3.7	-0.6	-0.8	-1.1	-0.2	-1.1
Bangladesh	0.5	-0.1	-0.6	2.3	-1.2	0.0	1.3	0.3	0.4	-0.6	-0.2	-0.3	0.1	0.7	0.2	-0.6	-0.2	0.0	-0.1	-0.2
Barbados	0.5	-1.5	1.7	1.2	1.1	0.1	-1.9	1.8	0.6	-2.1	1.9	-1.4	-0.8	-3.0	-1.9	0.3	-0.4	0.2	0.5	1.4
Belarus	1.0	2.3	2.0	11.2	-10.3	-7.4	-4.0	-1.4	1.9	-2.0	2.9	-1.1	-1.6	-1.5	2.0	-1.0	-1.6	0.2	0.1	0.0
Belgium	2.7	-3.2	-0.2	2.0	3.9	-0.8	1.2	1.3	0.0	-0.6	-1.5	-0.7	-0.9	-0.1	-0.2	-0.1	0.0	0.0	0.0	0.1
Belize	-2.0	-1.6	5.1	-3.2	1.3	-0.4	-0.3	-0.8	1.2	2.0	3.3	0.0	0.2	-3.9	0.6	-0.1	-0.1	-0.1	-0.2	0.0
Angola	-3.3	4.1	7.5	14.5	-7.7	-5.6	-2.0	-0.2	-0.2	-0.6	-9.4	-5.0	1.8	-4.1	-0.8	1.1	-0.1	-0.2	-0.3	-0.3
Bhutan	5.5	-2.1	-0.8	-0.7	4.2	6.2	-6.8	-1.0	-2.5	-4.6	-2.5	3.8	-1.0	2.0	-12.2	8.9	-0.1	-3.2	-3.3	2.0
Bolivia	0.8	-2.3	3.1	2.5	1.0	-4.3	4.4	-0.7	2.7	4.2	1.3	-5.0	-1.7	0.5	-0.5	-0.8	-0.9	-1.0	-1.0	-1.0
Bosnia and Herzegovina	0.1	0.0	0.9	2.9	-0.4	0.5	-3.1	0.5	-1.9	1.2	-2.8	-1.2	-1.7	0.1	1.0	0.9	-0.2	-0.4	-0.3	-0.1
Sudan	3.2	-0.9	0.8	0.1	-1.0	-1.4	0.9	-1.8	-1.2	-1.8	-1.3	-0.8	2.3	1.6	-0.3	1.1	1.0	1.9	0.4	0.4
Brazil	1.5	-0.6	-1.6	-0.2	-0.3	1.7	-1.2	-0.4	0.2	0.6	0.6	1.2	-1.2	-0.5	0.2	-0.5	-0.1	-0.4	-0.3	-0.4
Brunei Darussalam	-4.2	-1.1	1.4	-2.2	7.8	1.3	-6.5	1.3	2.6	0.5	4.6	0.7	-2.8	-5.0	1.5	-2.1	-2.1	-1.6	-1.0	-0.2
Bulgaria	-0.6	-1.6	0.4	0.4	0.4	0.7	-2.5	0.7	2.9	1.6	0.5	-4.6	-0.6	2.5	2.0	-1.3	-0.4	0.2	0.0	-0.9
São Tomé and Príncipe	-17.0	-11.2	6.5	-8.5	21.5	-2.0	2.3	-6.0	-14.7	-1.1	4.1	-2.7	-5.4	-1.7	-2.2	-0.2	-0.2	-0.1	0.5	-0.1
Nigeria	-0.5	-5.4	5.7	-3.7	1.1	1.2	0.7	-3.3	-0.7	-0.7	-1.6	-1.6	2.1	0.9	-0.4	-0.2	-0.2	0.1	0.1	0.0
Eritrea	2.6	-16.3	-1.2	2.2	-11.5	4.4	-1.2	-2.8	-0.2	-0.8	-0.4	0.0	-0.4	-0.9	-0.5	-0.1	-0.5	-0.5	-0.4	-0.4
Cambodia	-1.5	0.6	1.5	1.0	5.0	0.5	-0.3	1.1	-0.3	0.4	-0.8	1.3	1.0	1.0	-0.1	0.2	0.0	0.2	0.5	-0.1
Burundi	-7.7	3.3	2.5	2.2	-3.2	2.9	1.3	-4.6	-4.4	-1.4	-4.6	-6.0	0.6	0.5	0.4	0.8	0.8	0.8	1.8	2.1
Canada	-0.6	0.1	-0.1	0.3	4.6	-0.4	-1.5	-0.6	-1.0	-1.6	1.6	0.5	-0.3	0.3	0.2	0.0	0.0	0.1	-0.1	0.0
Republic of Congo	-2.6	3.6	5.9	-6.2	-2.2	-0.7	4.9	10.3	14.6	7.4	-4.3	-2.9	-19.3	-10.1	0.5	-1.1	0.6	1.3	1.2	0.8
Central African Republic	3.5	-3.0	-0.8	3.1	0.2	2.0	-2.9	0.7	-1.4	5.1	-5.1	-2.4	2.3	2.0	1.3	0.3	-0.6	0.0	0.0	-0.3
Chile	-0.6	-1.5	0.6	2.6	3.1	-1.5	-0.5	0.3	0.0	0.7	1.1	0.4	0.1	-0.2	0.3	-0.4	-0.5	-0.3	-0.2	-0.3
China	0.4	0.1	-0.1	4.3	3.1	-0.5	2.1	1.0	0.5	0.4	2.4	0.6	0.2	1.8	0.8	-0.2	-0.5	-0.2	-0.4	-0.3

Country	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Colombia	-0.7	2.6	-0.3	-1.4	2.8	-0.2	-0.7	-0.6	0.7	0.5	0.3	-2.1	0.4	-0.6	1.3	-1.5	-0.4	-0.3	-0.2	-0.4
Gabon	-0.1	0.4	-1.7	-0.5	3.7	0.5	-1.4	2.2	10.7	-10.9	-1.5	-0.4	-3.7	-1.4	0.8	1.1	-0.6	-1.7	0.5	-0.1
Costa Rica	-0.4	-1.0	-0.7	0.8	1.2	1.5	-0.9	0.3	1.3	0.0	0.1	0.1	0.7	-0.3	0.6	-0.2	-0.1	-0.4	-0.4	-0.4
Chad	-1.3	2.4	3.1	1.7	5.3	0.2	-2.0	1.5	-1.1	-0.8	-3.6	-3.8	0.6	-0.6	0.3	-0.6	-0.2	-0.6	0.1	0.1
Croatia	-1.6	-0.2	-0.4	-0.2	2.8	-0.2	1.4	-1.7	0.9	0.0	-0.2	-0.9	-1.0	1.4	-0.3	-0.4	0.1	-0.3	-0.1	-0.4
Cyprus	1.1	-0.6	-1.6	0.7	3.7	0.2	0.3	-0.4	0.0	-1.8	-0.7	-1.6	-0.6	-0.5	0.0	-0.9	-0.4	0.0	-0.1	-0.1
Czech Republic	-0.3	-0.9	-1.0	0.3	3.6	-0.7	-0.5	1.4	-1.9	-0.2	-0.7	-2.2	-0.5	1.6	0.5	0.2	0.2	0.0	0.0	0.0
Eswatini	-1.9	-1.4	2.7	2.9	0.4	-2.7	-5.7	2.1	1.6	3.7	1.4	2.6	-1.3	0.5	-1.0	-2.7	-1.9	0.4	0.3	0.0
Denmark	-1.8	-1.4	-0.2	0.8	6.1	0.1	-0.2	1.5	-2.1	-0.6	-0.7	-1.9	-1.5	1.1	-0.2	-0.3	-0.2	-0.4	-0.3	-0.3
Djibouti	-0.7	-3.3	3.8	3.2	3.1	-6.1	-1.9	1.7	0.5	2.9	18.4	-13.9	-6.7	-3.7	-3.6	-1.3	-1.8	-0.8	-0.5	-0.9
Dominica	0.7	-1.3	4.4	0.7	1.2	3.5	-4.2	0.6	-2.9	-1.2	0.7	11.1	12.0	4.3	-19.3	-3.6	-3.4	-2.3	-2.7	0.0
Dominican Republic	-1.9	1.0	0.1	2.0	-2.0	-0.4	0.1	4.2	-2.4	-0.2	0.0	-0.1	0.7	-0.1	0.3	0.3	0.0	0.0	0.1	-0.1
Ecuador	0.9	-0.2	2.9	11.1	-2.3	1.7	4.8	0.8	3.5	-0.1	-3.9	-1.1	-2.0	0.6	-2.0	-0.7	-2.0	-0.6	-0.3	0.8
Egypt	0.2	4.2	-3.3	1.4	-0.2	-1.2	-0.8	0.3	3.8	1.1	-2.7	-0.2	-0.5	-2.1	-1.3	-2.6	-1.4	-1.0	-0.3	0.1
El Salvador	0.6	0.5	-0.2	1.0	2.2	-0.1	-0.5	-0.3	0.1	-0.7	-0.2	0.2	0.2	0.2	0.3	0.1	-0.6	0.2	0.2	0.0
Liberia	-0.4	-1.0	5.3	5.6	2.1	1.1	4.7	0.9	2.8	-0.7	3.9	-0.7	-2.1	-0.5	2.1	0.7	-0.4	-1.1	0.6	-2.5
Cabo Verde	1.1	-0.2	-3.8	0.7	3.2	5.7	-5.9	1.4	-0.8	-3.4	1.0	-1.8	1.9	-0.6	2.5	-2.4	-0.8	-0.1	-0.2	0.1
Estonia	-0.3	-0.4	0.5	5.7	6.3	-5.5	-3.1	1.9	-0.9	-0.6	1.8	-0.1	-0.4	0.7	0.0	0.0	-0.1	-0.1	-0.3	-0.3
Madagascar	-3.8	0.1	-2.7	-0.8	-3.8	0.0	0.0	-0.6	1.4	-0.2	0.5	0.9	1.1	-0.1	1.3	0.7	0.6	0.0	-0.1	-0.5
Seychelles	-0.9	4.6	-1.7	-14.9	5.1	2.5	1.8	2.3	-0.8	-4.0	-1.4	5.3	-1.6	1.2	0.3	-1.7	0.0	-1.6	0.0	0.1
Fiji	-0.6	1.6	-1.7	-1.0	3.9	-0.8	1.5	-0.8	-1.0	4.4	0.5	-2.5	2.9	2.4	-1.1	-0.3	-0.2	-0.1	-0.1	0.0
Finland	1.0	-0.9	-1.5	1.5	6.5	0.0	-0.4	1.8	1.3	0.6	-1.0	-1.2	-2.0	-1.1	-0.7	-0.4	0.0	0.2	0.0	-0.1
France	0.3	-0.4	-0.3	0.7	3.9	-0.3	-0.6	0.8	0.1	0.0	-0.4	-0.2	-0.1	-0.3	-0.4	-1.3	-0.3	-0.1	0.0	0.0
Botswana	-5.9	-1.1	3.7	11.3	4.2	-9.4	-5.6	-0.6	-3.8	2.6	1.1	-3.2	-0.7	0.1	-0.5	-0.9	-1.0	-1.1	-0.7	-0.1
Georgia	2.8	1.1	5.1	4.2	3.1	-2.8	-4.0	0.5	-0.7	1.1	-0.6	0.5	-0.2	-0.4	0.6	0.0	-0.7	0.2	-0.1	0.0
Germany	-0.1	-1.5	-1.9	0.8	4.0	-0.3	-2.5	-0.4	0.4	-0.7	-0.3	0.2	0.0	-0.1	0.4	0.0	-0.1	0.0	0.0	0.0
Mauritius	-0.2	-1.1	-0.3	2.1	2.1	-0.4	-0.3	-1.2	1.6	-0.9	0.9	0.2	-0.7	1.0	0.0	-0.2	-0.2	-0.1	-0.2	0.1
Greece	-2.1	-0.4	2.0	3.8	3.2	-1.6	1.6	-1.3	-1.2	-1.4	0.4	-1.7	-1.6	1.3	-0.9	-1.7	-0.8	-0.7	0.3	0.0
Grenada	1.8	5.8	-4.7	0.2	-0.3	0.3	0.5	-2.1	1.4	1.0	-3.5	-1.7	-1.4	-1.0	-0.2	-0.4	1.5	2.6	0.3	0.6
Guatemala	0.3	1.0	-0.4	-0.6	0.6	0.3	-0.1	-0.4	-0.2	-0.4	-1.1	-0.2	0.0	0.1	0.8	0.2	0.1	0.1	0.1	0.1
South Africa	2.8	-0.6	-0.4	1.5	3.0	-0.3	-0.6	0.5	0.2	0.3	1.1	-0.3	0.0	0.9	1.0	0.1	-0.1	0.0	0.0	0.0
Lesotho	2.2	2.4	2.9	5.7	10.8	-9.4	4.5	-1.8	0.4	-7.3	1.6	-0.9	-0.6	-0.3	0.8	0.1	-0.2	-0.1	-0.2	0.3
Guyana	5.7	0.7	-5.2	-1.3	1.6	-1.9	-0.3	0.6	-1.1	1.1	-1.9	3.1	2.3	1.6	0.5	-1.0	-1.0	-0.8	-4.5	-3.8
Haiti	2.0	0.6	2.8	0.0	2.3	2.3	1.8	4.1	-0.5	-2.8	-3.5	-3.2	-0.5	1.4	-0.3	-0.6	-0.2	-0.5	-0.3	-0.4
Honduras	-1.9	0.8	0.1	2.0	1.9	-1.9	-0.6	0.4	3.2	-1.9	-1.6	1.4	-0.5	-0.4	-0.9	0.6	-0.3	-0.1	0.1	-0.1
Hong Kong SAR	-2.0	-1.2	-1.1	4.9	-1.5	-0.7	2.0	-0.3	1.7	-2.8	0.8	0.2	-0.9	1.2	0.9	0.0	0.7	0.3	-0.6	0.0
Hungary	0.9	2.1	-1.6	-1.3	1.9	-1.1	0.2	-1.0	0.8	0.1	0.6	-3.2	0.1	0.5	-0.7	-0.7	-1.2	-0.4	-0.4	0.0
Iceland	-1.3	-0.6	-0.1	13.9	-7.1	0.4	-3.6	-0.4	-1.4	1.4	-2.4	3.1	-1.2	-1.6	-0.2	-0.1	-0.3	-0.3	0.0	-0.2
India	-1.5	0.2	-0.2	2.2	-0.6	-0.6	0.2	-0.3	-0.8	-0.4	0.8	0.2	-0.5	0.5	-0.1	-0.2	-0.2	-0.2	-0.1	-0.1
Indonesia	-0.4	1.1	0.2	0.7	-2.4	-0.1	0.8	1.1	0.2	-0.5	-1.1	-0.7	-0.3	0.1	0.1	0.1	0.0	0.0	0.0	0.0

Country	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Iraq	-28.2	-12.9	-4.2	11.1	1.7	-9.4	-6.2	-0.5	5.4	-4.5	-0.3	-1.6	-6.9	-1.6	11.3	-3.2	-1.6	-0.7	-0.4	-0.1
Ireland	0.2	0.5	2.1	5.9	5.2	18.0	-18.5	-4.5	-1.7	-2.9	-8.5	-1.4	-1.2	-0.6	0.1	-0.7	-0.2	-1.0	-0.5	-0.3
Islamic Republic of Iran	2.7	1.8	-3.8	2.4	-1.4	-1.5	-0.1	-4.0	0.1	1.0	2.5	1.7	-0.2	-1.3	-0.6	0.2	0.4	0.3	0.3	0.3
Israel	-0.6	-0.8	-1.5	0.6	0.0	-1.7	-0.7	0.6	-0.1	-1.4	-1.2	0.2	0.9	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Italy	0.3	0.5	-0.8	1.0	3.3	-1.3	-0.5	1.4	0.3	-0.2	-0.6	-1.2	-0.2	-0.3	0.6	0.8	0.2	0.2	0.2	0.2
Jamaica	-2.2	1.6	0.4	3.5	3.9	-5.5	-1.2	-2.2	-2.8	-0.3	0.5	0.9	0.5	1.6	-1.9	-0.5	-0.6	-0.4	-0.5	0.3
Japan	-0.2	-0.5	-0.1	1.0	4.5	-1.0	0.9	0.0	0.1	-0.6	-0.9	-0.1	-0.5	-0.3	-0.2	-0.1	-0.2	-0.1	0.1	0.2
Jordan	1.1	-2.5	1.2	-2.6	0.6	-2.7	3.4	0.8	-3.2	2.1	-2.8	-4.3	0.4	1.5	-0.4	-0.1	-0.4	-1.3	0.0	-0.1
Kazakhstan	0.9	-2.3	3.9	3.4	-3.6	-1.0	-1.2	0.7	-2.1	1.5	1.6	-1.4	3.2	-4.8	0.0	0.2	-0.1	0.1	0.1	0.1
Mauritania	-2.1	-4.2	1.0	0.1	-1.9	-1.2	-0.2	5.4	-2.0	3.7	3.4	-4.3	-0.4	-0.8	1.0	0.2	-0.3	-0.7	-0.3	-0.6
Kiribati	-8.4	-27.3	1.8	5.6	4.9	-0.5	6.6	6.8	-4.0	22.0	-11.0	12.7	4.3	24.3	-5.8	-6.8	-15.2	-7.6	-1.5	-2.0
Korea	-0.3	0.6	0.2	0.4	0.5	-1.8	0.4	0.7	0.3	-0.1	0.1	-0.3	0.2	0.7	0.9	0.6	0.4	0.3	0.0	0.0
Kosovo	-1.7	-3.7	-1.4	5.6	4.3	0.1	0.0	-0.2	-0.9	-1.3	0.5	0.6	-0.1	1.3	3.2	-1.8	-1.1	-0.2	-0.6	-0.3
Kuwait	-6.1	3.8	-1.8	10.3	1.8	2.6	-5.7	-0.2	-0.7	6.1	10.1	-0.7	-1.9	-4.8	3.4	0.2	0.6	0.2	-0.3	-0.5
Kyrgyz Republic	0.6	0.1	0.5	-1.7	4.7	4.6	0.3	3.2	-2.4	0.7	-0.5	1.2	-1.6	-3.8	3.4	-2.0	0.1	-0.2	-0.2	-0.6
Lao P.D.R.	2.5	-0.8	0.8	-0.8	3.4	4.0	-1.5	0.4	4.0	-1.1	-1.1	-2.5	1.5	-1.1	0.1	0.1	-0.1	0.0	0.0	0.0
Latvia	1.0	-0.6	-0.8	3.5	6.2	0.2	-4.2	-1.7	0.1	0.5	0.0	-1.2	-0.2	1.2	-0.9	-0.4	-1.0	-0.1	-0.1	-0.2
Lebanon	-1.9	4.7	-1.0	-0.9	-2.2	-2.8	-0.5	1.4	-1.2	-0.2	-0.4	0.5	1.6	1.3	1.9	0.9	0.3	-0.1	-0.1	0.1
Malawi	-0.3	1.8	3.2	0.7	-1.3	-0.5	-3.9	2.8	5.8	-4.9	1.2	-0.1	1.6	-4.0	-0.7	0.1	-0.1	0.0	-0.6	0.0
Comoros	-0.2	1.4	1.1	3.7	-3.0	-0.9	0.0	3.2	-0.2	-0.8	3.2	3.3	-2.9	2.2	1.0	0.2	0.3	0.6	0.1	0.3
Libya	-13.3	2.1	2.5	14.5	24.0	-14.3	1.8	-14.0	42.4	55.0	39.1	-37.1	-50.3	-17.1	14.6	-2.1	-2.1	-0.3	-4.7	-5.7
Lithuania	0.2	0.3	0.7	2.6	6.6	-2.4	0.3	-6.3	-0.5	-0.7	0.3	-1.0	-1.0	0.7	1.4	0.0	0.0	0.0	-0.1	0.0
Luxembourg	-0.2	-3.9	-1.9	1.9	5.4	-1.0	-1.8	1.7	-0.7	-1.4	0.0	0.0	1.1	0.6	0.5	0.0	0.1	-0.1	0.0	0.1
Benin	1.1	-1.5	3.8	-1.7	3.3	-4.0	0.9	-0.7	0.9	-0.9	5.5	-3.7	3.1	-1.1	-1.3	-0.8	-0.3	-0.3	-0.4	-0.1
Guinea-Bissau	-3.2	-0.8	4.4	-1.7	-1.8	-1.6	-2.3	-4.5	-0.6	11.5	-1.1	-2.0	-2.0	2.1	-0.5	0.9	0.7	0.4	0.4	0.6
Malaysia	-1.4	1.1	0.3	1.0	4.0	-4.3	0.5	1.4	-0.7	-1.8	-1.2	-2.1	-1.2	1.1	0.0	-2.7	-0.1	-0.1	-0.1	0.0
Maldives	14.6	-3.7	-0.1	0.8	1.5	-3.9	-3.1	-0.6	-2.0	6.2	0.3	2.2	-6.4	2.9	-1.7	-0.2	-0.2	-0.3	-0.3	-0.2
Guinea	-2.0	2.2	-4.5	1.4	6.2	4.2	-4.4	4.0	-1.4	1.5	1.5	-5.7	1.3	0.3	0.4	0.2	-0.2	0.3	0.0	-0.2
Malta	-0.2	0.1	-1.2	1.5	-0.8	-0.8	0.2	1.5	-0.8	-0.9	-1.5	-3.1	-0.8	1.6	-0.4	-0.2	-0.4	0.1	-1.0	0.0
Marshall Islands	29.3	-24.2	5.9	-4.9	0.9	-4.9	-1.8	-3.4	1.8	-3.9	7.5	0.9	7.6	-0.1	1.0	0.8	0.1	0.2	0.3	-0.4
Cameroon	-0.9	0.0	0.8	2.5	-1.0	0.2	2.6	-0.8	2.3	0.8	0.1	0.0	-1.1	-1.3	-0.5	-0.5	-0.2	0.0	0.0	0.0
Senegal	0.7	2.4	0.7	-1.0	0.2	0.7	1.6	-0.4	-0.7	1.1	-0.1	1.1	-1.7	-0.2	-0.1	0.4	0.2	0.4	0.3	0.2
Mexico	0.7	0.4	1.0	4.2	0.1	-0.1	0.0	0.5	-0.4	0.2	-0.4	-0.2	-1.6	0.0	-1.4	-0.3	-0.2	0.1	0.0	0.0
Micronesia	0.3	0.8	-1.0	0.1	4.3	3.7	-1.8	-0.1	-5.5	-5.3	1.5	5.9	2.6	-0.9	-3.7	-0.4	-0.3	-0.2	-0.4	-0.2
Moldova	1.9	2.6	2.0	-1.0	3.2	-3.6	-1.5	1.1	-1.2	1.0	-1.5	-1.6	0.3	0.6	2.6	-0.6	-0.9	-0.3	-0.2	-0.2
Mongolia	-2.2	1.1	9.1	2.3	-2.2	-3.9	6.4	1.0	1.2	-1.0	-5.4	6.9	-10.2	-0.9	2.2	-2.0	-2.1	-0.5	-0.3	0.3
Montenegro	-1.7	4.4	1.3	7.2	0.2	-4.7	-1.4	0.4	0.1	-1.6	2.2	1.1	-0.3	0.7	-2.3	-3.9	-1.3	-0.3	0.0	0.0
Morocco	4.5	-2.9	0.5	2.0	-0.2	0.7	2.7	1.4	-2.3	-0.1	-2.2	-0.2	-0.5	-0.2	-0.1	-0.3	-0.1	0.2	0.1	0.2
Zambia	-0.8	-2.8	0.2	-0.5	-1.7	0.3	1.5	2.0	2.3	0.8	3.5	-4.1	1.2	-0.3	-1.8	0.3	-0.6	-1.0	-1.5	-0.8
Myanmar	0.2	1.3	-0.8	-1.6	1.5	0.9	-1.2	5.5	3.9	2.1	-1.0	-2.5	-1.6	0.4	0.6	0.5	0.2	0.2	0.2	0.2

Country	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Kenya	1.3	-0.1	0.7	0.7	0.3	1.1	-0.6	0.6	1.2	1.8	0.0	-0.2	-1.3	-0.1	-1.7	-0.2	-0.6	-0.4	-0.2	0.0
Nepal	0.3	-1.0	2.2	0.3	4.1	-0.6	-0.1	0.7	-1.5	1.0	1.3	1.8	5.6	4.5	2.2	0.2	-2.6	0.0	0.0	0.1
Netherlands	-1.2	0.7	-0.6	0.8	4.4	0.3	-1.1	0.0	-0.2	-0.8	-1.1	-1.0	-0.2	-0.1	0.9	0.1	-0.3	0.1	0.0	0.0
New Zealand	1.0	0.7	-0.8	1.5	1.9	2.6	-0.7	-2.6	-1.1	-0.9	-0.3	-0.8	-0.5	0.8	0.0	-0.4	-0.4	-0.4	0.0	0.0
Nicaragua	0.2	-2.5	0.0	0.3	0.8	-0.1	1.0	0.7	0.1	0.4	1.0	1.3	0.1	1.4	0.7	2.2	-1.8	0.9	1.0	0.5
Mozambique	-1.1	3.6	0.7	-0.2	4.9	1.0	2.3	-1.3	3.3	8.4	-7.3	-2.7	-0.9	-0.3	0.2	0.6	-0.1	0.3	-2.0	-2.7
Namibia	-1.2	-1.3	-0.3	2.7	3.3	1.5	4.0	-3.0	1.7	4.3	1.6	-2.3	-2.4	-0.3	1.3	0.3	0.0	0.1	0.3	0.2
North Macedonia	-1.6	-1.0	0.0	2.3	-0.2	-1.1	-0.7	1.4	-1.6	0.0	0.5	-1.1	0.7	-1.5	2.2	-0.1	-0.2	-0.2	-0.2	-0.2
Norway	-2.9	-1.3	0.6	-1.2	5.8	-1.1	-1.2	-0.9	1.0	1.8	3.0	1.9	-0.8	-1.5	0.1	-0.4	0.3	0.3	0.2	0.2
Oman	-4.1	-0.6	0.9	-5.9	8.9	-3.4	4.5	4.8	0.8	2.5	3.5	0.0	-6.2	-1.7	0.4	-1.7	-0.1	0.1	0.1	-0.3
Pakistan	0.8	1.1	2.4	2.4	-2.6	1.1	-1.0	2.3	0.2	-1.7	-0.3	0.2	1.3	0.5	0.4	1.1	-0.7	-0.1	-0.2	0.1
Palau	-8.9	5.9	3.6	-5.0	-2.2	5.2	-4.0	-0.6	-3.2	-0.3	-5.6	3.3	-2.6	0.8	4.7	-1.2	-0.5	-1.6	-0.1	-0.2
Panama	-1.0	-0.5	-0.4	0.9	0.0	1.4	-0.6	-0.7	0.5	-0.8	-1.3	-0.1	-0.1	-0.2	-0.2	-0.4	-0.4	-0.7	-0.4	-0.2
Papua New Guinea	1.2	-1.1	-1.5	1.7	4.9	-6.3	1.3	2.7	5.2	-0.4	-3.1	-1.3	-2.4	0.5	-1.3	-0.3	-0.2	0.0	0.0	-0.1
Paraguay	-0.9	0.4	-1.1	-1.3	2.4	-0.4	1.1	2.8	-1.1	0.4	2.5	-1.0	0.3	-0.5	0.4	-0.1	0.1	0.0	0.1	0.0
Peru	0.8	-1.1	-0.5	0.9	1.9	-0.5	-1.2	0.6	1.2	1.1	-0.3	-1.3	0.2	0.4	-0.1	-0.3	-0.2	0.0	0.0	0.0
Philippines	-0.6	-0.4	-0.1	-0.3	1.4	-0.9	-1.2	1.0	-0.3	-0.6	0.7	0.7	0.4	1.0	0.4	0.2	0.2	0.2	0.3	0.2
Poland	0.8	0.3	-1.5	1.1	0.7	0.8	-1.9	-1.0	-0.3	-0.2	-0.7	-0.6	0.0	0.4	1.4	0.2	-0.2	-0.2	-0.1	-0.2
Portugal	0.7	-1.6	-0.6	0.8	4.9	1.6	-1.8	-1.5	1.4	1.8	-3.6	-3.3	0.9	-1.9	0.1	-0.4	-0.1	-0.2	0.0	-0.1
Qatar	0.2	-0.6	-0.4	-5.1	9.8	-2.2	-2.1	2.5	-2.7	5.1	8.9	-2.1	-6.7	-4.0	0.4	-1.5	-0.6	-1.2	-0.4	-0.8
Mali	-0.1	0.4	-0.6	-2.5	3.9	-2.6	0.3	-5.0	4.2	0.3	0.9	1.3	0.6	-2.7	3.3	0.4	0.3	0.2	0.2	0.3
Romania	-1.2	1.5	1.1	0.7	1.0	2.0	-1.6	-1.7	-1.1	-0.2	0.4	-2.9	-0.4	1.4	1.6	0.5	0.2	0.2	-0.2	-0.7
Russia	-0.2	-0.4	2.9	0.1	6.6	-3.1	-2.2	0.8	0.6	0.3	0.3	1.2	-1.7	-1.7	0.0	-0.1	0.1	0.3	0.2	0.0
Tanzania	1.5	-0.7	0.2	0.4	1.7	0.1	-1.1	0.4	-0.7	-1.6	-0.1	-0.2	-0.4	0.3	1.2	0.6	0.5	0.3	0.2	0.2
Samoa	3.3	-3.0	3.5	-3.5	4.8	6.7	-3.8	1.3	0.2	5.8	-4.4	-2.5	-1.2	-1.1	0.8	0.4	0.2	0.2	0.3	0.1
Burkina Faso	-0.1	1.9	1.0	-4.8	3.3	0.2	-1.4	2.5	2.9	-4.9	-0.4	2.4	4.5	-2.4	-1.8	0.2	0.3	0.4	0.0	0.0
Saudi Arabia	-2.9	-0.9	2.2	-2.8	10.4	-4.1	-0.2	0.4	2.3	4.7	0.6	-2.1	-5.4	1.8	4.1	-1.1	-0.3	-1.0	-0.9	-0.6
Ethiopia	-0.3	-0.8	-1.5	-1.8	-1.6	1.4	-0.3	-1.6	1.1	-0.3	-0.2	0.9	0.0	-2.2	0.7	-0.6	-0.2	0.0	0.1	0.2
Serbia	-1.0	2.5	-0.2	0.6	0.0	0.1	-1.2	3.5	-2.8	2.5	-2.1	-0.8	-1.7	0.7	-0.5	-0.2	-0.2	-0.2	-0.1	-0.2
The Gambia	0.5	1.5	-2.6	-0.1	2.8	-0.2	2.9	2.3	-1.2	0.8	0.8	0.5	4.7	-3.2	0.9	1.0	-1.0	-0.2	-0.4	-1.4
Côte d'Ivoire	0.1	1.2	0.5	-0.3	-0.3	0.1	-1.8	4.1	-0.4	-0.9	1.8	1.1	0.9	-1.2	-0.6	0.1	0.1	0.0	0.2	-0.1
Singapore	-1.7	0.2	-0.7	4.2	-0.6	-2.3	-0.6	-0.1	0.4	0.9	1.9	-0.4	-0.4	0.6	-0.3	0.8	0.2	0.2	0.2	0.2
Slovak Republic	2.0	-1.0	-2.4	0.6	7.1	-1.9	-1.3	-0.2	0.8	0.6	3.1	-3.6	-1.3	-0.2	-0.8	-0.3	-0.7	-0.1	0.1	-1.0
Slovenia	0.3	-0.1	-2.3	1.1	4.6	0.8	0.1	-1.4	9.7	-7.4	-3.2	-2.8	-1.2	-0.4	0.4	0.4	0.1	0.2	0.3	0.2
Solomon Islands	6.3	3.3	5.7	2.2	6.7	3.0	-8.7	1.1	-2.0	-1.6	2.8	-0.9	-0.5	0.4	-0.4	0.2	-0.4	-0.2	0.1	-0.2
Democratic Republic of the Congo	-0.1	0.4	0.8	2.1	0.7	3.8	-1.9	-0.1	-1.8	5.8	-1.5	-4.3	-0.8	0.8	0.8	0.6	0.6	0.8	0.4	-0.3
Togo	3.6	2.0	-0.5	-2.3	2.9	0.9	4.6	1.2	0.0	0.8	3.1	0.3	-9.3	5.7	-2.0	-0.2	0.0	0.1	0.0	0.0
Spain	-0.4	0.0	0.7	2.1	4.6	-0.2	0.2	2.3	-2.5	-0.7	-1.1	-1.5	-1.2	0.4	-0.3	-0.1	-0.1	0.1	0.1	0.1
Sri Lanka	0.9	0.4	-0.7	-0.8	2.0	-1.8	-0.1	-2.0	-0.6	0.6	2.5	-0.8	-0.3	-0.6	1.0	-0.1	0.0	0.0	0.0	0.0
St. Kitts and Nevis	0.6	-0.9	-1.3	-1.0	2.1	2.2	-3.0	-2.2	1.9	-0.5	0.0	-2.0	0.6	-0.5	0.4	0.7	0.2	0.5	0.0	0.0

Country	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
St. Lucia	3.1	-1.5	-3.3	1.2	1.6	1.1	2.0	1.5	-2.7	-1.9	-0.4	-0.9	-0.3	2.0	1.5	-2.1	0.2	0.1	0.1	0.1
St. Vincent and the Grenadines	1.9	-0.7	2.2	0.1	3.0	0.0	-1.8	-3.2	3.5	1.0	-3.5	-0.1	1.9	-0.8	0.1	0.0	-0.1	-0.1	-0.1	-0.1
Sierra Leone	-0.1	-1.4	-3.7	3.2	1.3	2.7	1.3	-1.2	-4.7	2.0	3.1	2.6	0.0	0.3	-2.7	0.6	0.6	0.0	-0.2	-0.2
Suriname	-1.1	2.0	0.6	-1.0	7.1	-5.1	2.1	3.8	1.3	0.5	-0.5	-6.5	5.3	-0.8	1.6	-0.1	0.0	-0.1	-0.2	0.0
Sweden	-0.1	-1.3	-1.7	0.7	2.7	-1.9	-0.5	1.0	0.7	-0.9	-1.4	0.1	-0.4	0.3	0.2	0.1	-0.1	0.0	0.0	0.0
Switzerland	-0.7	-1.8	-1.2	0.6	1.8	-0.2	-0.1	0.2	0.9	-0.5	0.2	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Syria	-3.2	-1.8	-0.6	-2.8	3.8	1.9														
Taiwan Province of China	-0.3	-1.4	-0.4	0.7	2.8	-2.4	0.1	0.0	-0.7	-1.1	-0.6	0.2	-0.2	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1
Tajikistan	2.7	-1.1	6.1	-0.8	1.5	-2.5	0.9	-2.5	3.3	0.7	3.4	7.0	-3.3	-3.9	0.7	-0.8	0.2	0.1	0.3	0.3
Niger	-0.5	-0.4	3.4	-0.5	1.3	-3.3	-1.2	3.1	4.6	3.9	1.3	-6.0	0.5	-0.5	2.3	-0.5	-0.6	-0.4	-0.1	-0.2
Thailand	0.2	-0.8	1.3	-0.8	2.5	0.3	-0.9	1.1	-0.6	0.6	0.0	-0.8	0.6	-0.4	0.0	0.6	0.1	0.2	0.2	0.1
The Bahamas	0.5	0.4	1.4	0.3	1.5	-0.1	1.5	0.4	-0.4	0.1	0.9	0.2	3.8	-3.1	2.6	-0.6	-0.5	-0.4	-0.3	-0.1
Uganda	-1.5	-1.0	-0.6	-0.4	-1.5	3.6	-1.7	-0.7	0.2	1.4	1.7	-0.2	-0.8	1.5	2.4	1.8	-2.4	0.0	-1.6	1.3
Timor-Leste	-15.4	-4.7	4.1	3.8	9.6	-0.9	-2.3	-2.0	1.3	16.0	10.5	21.6	-22.5	-2.1	2.5	2.7	-5.6	3.0	-6.5	-1.7
Rwanda	2.3	-1.0	2.2	0.1	-0.4	1.7	0.9	-0.5	1.1	1.4	-0.9	-1.6	-0.4	1.3	0.0	0.0	0.4	0.2	0.2	0.1
Tonga	3.2	1.4	-0.9	0.2	2.3	4.2	0.3	1.2	1.2	1.7	4.9	1.3	0.9	7.0	2.7	-5.3	-3.2	-2.3	-1.3	0.5
Trinidad and Tobago	1.9	4.6	-1.6	-0.1	5.2	-1.9	-1.1	0.7	2.3	1.8	1.3	-1.3	-1.9	-1.8	2.8	0.0	-0.8	-0.3	-0.3	-0.3
Tunisia	0.0	-0.2	0.5	0.4	1.0	-0.7	4.1	0.5	2.7	-2.6	-0.6	-0.3	1.4	0.4	1.0	-0.2	-0.9	-0.7	-1.1	-0.1
Turkey	-2.5	2.1	-0.6	0.7	3.8	-2.1	-2.8	1.0	-0.2	-0.9	0.1	1.7	-1.3	1.0	-0.8	0.1	0.0	0.1	-0.2	-0.3
Turkmenistan	0.8	-4.7	-1.5	-2.6	2.5	0.4	0.8	0.0	2.2	0.1	0.3	-3.2	3.6	-4.2	0.9	-0.2	-0.3	0.0	-0.5	-0.2
Tuvalu	8.1	17.9	-10.9	-4.0	13.2	-6.6	-17.1	0.3	4.4	26.0	11.4	9.6	-5.1	28.9	-37.0	-7.4	-1.6	-1.1	-1.5	-0.6
Ghana	-0.9	1.6	2.6	-0.3	-0.1	2.4	-0.4	2.5	-0.4	-0.3	-2.5	1.4	-2.3	3.6	0.2	-2.0	0.2	-0.1	-0.7	-0.6
Ukraine	2.6	0.4	-0.9	3.5	1.5	0.5	-3.5	3.3	-0.9	-3.3	-1.7	-2.5	0.9	2.4	-0.9	-1.0	-0.4	-0.3	-0.2	-0.8
United Arab Emirates	-2.0	-0.1	2.0	4.3	13.0	-2.8	-1.1	-2.0	1.2	2.8	-0.8	-1.5	-0.5	-0.2	1.2	-0.8	-1.3	-0.7	-0.8	-0.8
United Kingdom	0.5	-0.2	0.0	2.5	3.6	0.4	-1.3	0.1	-1.8	-0.9	-0.9	-0.8	-0.4	-0.1	0.1	-0.2	-0.2	-0.2	0.0	0.0
United States	0.2	-0.2	0.9	2.7	4.1	-1.5	-1.0	-1.7	-1.4	-0.6	-0.3	0.4	-0.2	0.3	0.6	0.2	0.0	0.2	-0.1	0.0
Uruguay	-1.0	0.4	-0.2	-0.2	1.0	0.7	-1.3	1.3	1.3	0.5	0.0	0.8	0.1	0.4	-0.1	-0.4	-0.1	0.1	0.0	-0.1
Uzbekistan	-1.7	-4.2	0.1	2.1	1.2	-1.0	-3.0	0.5	0.3	-0.1	-1.2	-1.1	-1.5	3.6	-1.4	1.0	0.5	0.4	0.3	0.3
Vanuatu	-0.2	1.8	1.9	5.0	-0.2	0.3	-2.7	-1.0	-1.7	6.9	12.9	-4.6	1.6	-5.9	1.1	-0.3	-0.6	-0.1	0.1	-0.1
Venezuela	1.6	5.7	-3.3	-1.1	-1.6	-2.2	8.3	0.9	-0.6	10.5	-19.8	-5.2	12.6	-0.1	-1.9	0.0	0.0	-0.3	0.3	0.3
Vietnam	1.5	-0.1	2.0	-1.0	4.5	-1.6	-3.0	2.4	1.1	-2.0	0.7	-0.8	0.0	-0.2	-0.1	-0.3	-0.1	-0.1	0.0	0.0
Yemen	2.6	0.6	3.0	0.9	-6.0	-5.0	-0.4	6.4	-5.4	-3.0	-8.4	-3.4	-7.6	-0.1	0.2	2.8	-0.6	0.1	-0.5	0.7
Zimbabwe		-7.3	-3.3	-1.4	7.6	6.7	5.1	-2.8	0.5	-0.5	0.1	2.8	-0.9	-8.4	-3.2	3.4	0.4	1.5	0.4	0.1
South Sudan								10.6	-6.3	11.1	4.9	15.6	-17.8	5.8	-2.2	12.2	-9.0	3.7	2.1	1.9

Source: Authors' calculations based on IMF's *World Economic Outlook* (April 2019)

B. Year on Year Real Growth, as a% (in billions of local currency/average consumer prices)

Country	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Afghanistan	16.7	23.8	33.5	-6.7	27.4	12.7	10.8	32.5	0.4	2.9	6.6	3.2	-0.9	7.2	1.9	12.2	7.8	8.6	9.7	5.3
Albania	2.0	7.1	7.9	17.3	6.7	-6.0	-0.2	-2.0	2.8	10.5	-3.4	-2.8	3.3	3.6	5.3	3.2	2.9	3.3	3.1	3.2
Algeria	6.9	17.0	22.2	28.6	-4.2	1.2	25.4	10.7	-17.3	12.8	4.4	-10.4	-5.5	6.6	-7.4	-12.3	-7.0	-7.6	-9.5	-4.7
Angola	18.5	33.0	32.0	63.0	-36.9	5.6	14.1	5.0	-1.2	-0.4	-33.8	-26.0	1.8	-7.5	-6.8	8.4	1.1	1.6	1.7	2.3
Antigua and Barbuda	7.1	35.3	3.0	-3.2	23.7	-43.6	1.2	-9.9	7.4	3.6	23.0	-0.3	-5.9	10.5	7.6	-2.7	3.2	2.8	3.0	3.4
Argentina	16.2	20.8	27.8	22.9	14.6	16.5	25.0	16.1	17.2				2.2	-3.5	-7.4	0.5	1.7	2.5	1.8	2.1
Armenia		15.2	27.1	3.1	9.2	-5.8	-3.4	-1.1	7.2	3.8	10.5	4.7	4.7	-5.1	14.5	4.0	3.7	4.0	4.6	4.7
Aruba	-15.3	2.5	-6.3	9.3	-2.7	6.6	-8.0	11.5	2.3	3.3	-10.2	0.6	1.8	1.8	-1.8	-0.2	0.8	0.6	0.5	0.5
Australia	4.2	4.0	5.7	6.8	8.3	2.6	2.2	2.3	0.9	1.4	1.6	2.6	1.5	3.9	3.9	0.0	0.0	1.8	2.7	2.3
Austria	-2.2	2.1	1.4	1.5	6.0	-1.4	-2.5	0.8	0.4	2.7	0.0	0.9	-0.9	1.5	0.5	2.6	1.7	1.7	1.9	1.6
Azerbaijan	24.4	55.6	33.7	41.3	-3.9	4.5	20.2	13.0	7.0	-3.7	-5.8	-9.6	3.8	3.2	-2.2	-5.3	-1.0	0.3	-2.6	-0.1
Bahrain	13.2	9.9	10.1	15.7	-5.9	22.4	9.2	19.6	10.2	-17.3	17.8	-3.2	0.1	9.0	-12.3	-0.9	-1.1	-2.2	1.5	-1.6
Bangladesh	8.1	4.4	-0.7	25.9	-2.0	3.7	13.2	10.6	8.5	0.3	4.5	5.6	8.9	13.1	9.6	3.0	5.3	7.2	6.3	5.3
Barbados	6.1	-1.7	10.1	-3.9	-5.1	-3.6	-12.1	0.6	1.1	-7.1	7.9	-2.9	-3.7	-10.0	-6.3	2.1	0.3	2.4	3.6	6.8
Belarus	20.6	19.5	17.8	41.9	-19.2	-4.6	6.9	8.1	8.6	-3.2	5.7	-8.0	0.8	5.5	7.8	0.1	-1.2	3.1	2.8	1.5
Belgium	7.3	-3.8	3.2	2.4	6.1	0.8	2.7	2.1	-0.1	0.5	-0.7	0.2	-0.6	0.3	0.6	1.3	1.3	1.4	1.5	1.6
Belize	-5.2	-1.1	23.6	-10.5	3.3	2.3	3.7	0.9	6.6	11.1	16.3	1.8	2.7	-8.5	4.6	1.8	1.5	1.3	1.1	-0.2
Benin	6.5	-5.9	27.7	-4.8	22.1	-16.5	8.8	2.2	12.6	2.4	30.6	-10.9	21.2	1.6	0.2	2.7	4.8	4.7	4.3	5.9
Bhutan	24.7	1.6	9.2	6.2	17.4	26.5	-6.9	3.3	-6.9	-12.3	-4.8	18.0	4.3	13.6	-34.8	52.3	4.2	-5.1	-6.9	16.1
Bolivia	7.7	2.7	15.2	11.2	-1.1	-2.8	23.2	9.8	14.2	14.5	-0.9	-11.1	3.9	7.7	1.8	1.7	1.3	1.0	0.9	0.7
Bosnia and Herzegovina	4.0	6.3	13.2	17.9	-1.3	1.1	-6.4	-1.0	-1.9	5.9	-0.7	2.7	-0.1	3.4	5.6	5.3	3.0	2.6	3.2	3.2
Botswana	-6.6	0.3	17.5	25.7	3.9	-9.0	-7.2	-2.0	-3.3	16.0	4.4	0.6	0.5	4.6	2.8	1.5	1.2	1.5	3.4	3.3
Brazil	8.0	5.0	4.6	7.6	1.3	16.0	2.3	3.4	4.9	3.6	-3.3	-0.9	-1.9	-0.9	2.7	1.6	2.4	1.6	1.6	1.5
Brunei Darussalam	3.4	10.5	5.1	0.3	-2.9	12.0	2.2	6.4	2.7	-2.7	-6.5	-9.2	-1.0	-2.3	-1.0	-1.1	-1.1	-1.1	-1.1	-1.0
Bulgaria	5.8	1.4	12.2	3.5	-1.0	1.6	-3.1	1.2	8.1	8.7	8.3	-5.4	4.2	11.8	9.7	-0.1	2.1	3.7	3.4	0.7
Burkina Faso	5.7	11.6	11.7	-15.1	21.0	14.0	4.5	20.4	14.8	-13.9	-2.0	15.7	30.2	-1.1	-0.8	7.0	7.2	7.5	6.0	6.1
Burundi	-14.0	16.1	10.4	10.6	-4.6	15.6	6.3	-10.1	-2.8	4.2	-15.7	-18.9	-0.1	6.5	3.5	3.7	3.9	5.1	10.3	11.0
Cabo Verde	9.7	6.6	-4.9	6.0	10.3	17.1	-13.2	3.3	-1.7	-9.3	5.9	-0.1	10.6	2.6	13.7	-2.7	2.2	4.7	4.5	5.2
Cambodia	0.5	14.7	21.3	2.3	37.0	7.7	3.4	11.3	3.6	7.6	3.7	14.0	12.2	12.4	6.7	7.6	6.6	7.0	8.5	5.4
Cameroon	-5.8	1.9	10.6	23.1	-5.4	5.7	21.1	0.1	18.7	10.2	3.6	4.9	-1.0	-2.6	1.1	1.7	3.4	5.0	4.8	5.5
Canada	2.5	3.6	2.8	3.3	5.9	3.3	-0.1	-0.1	0.7	-1.2	2.9	1.8	3.2	2.1	2.0	1.9	1.9	1.7	1.4	1.5
Central African Republic	29.5	-16.3	-0.2	23.4	3.0	15.8	-12.2	5.3	-42.0	34.9	-20.5	-10.6	22.4	18.5	12.9	6.5	1.4	4.9	4.9	3.4
Chad	16.4	23.9	41.3	13.8	9.9	24.3	-2.1	9.3	-3.4	2.1	-26.8	-26.0	1.2	-0.9	6.2	1.6	3.6	0.7	3.6	5.2
Chile	7.0	6.6	9.1	8.1	15.7	6.8	3.5	4.8	4.1	6.0	7.8	3.9	4.5	3.1	3.8	1.8	0.9	1.5	1.8	1.5
China	16.8	15.7	16.3	37.8	25.4	11.3	21.5	12.6	9.4	7.9	15.2	6.6	8.5	12.6	8.2	5.1	3.8	4.3	3.8	3.7
Colombia	2.4	19.0	5.5	-1.1	11.8	5.1	7.5	2.2	7.5	5.7	1.6	-7.1	3.6	1.3	8.6	-1.8	2.1	2.7	2.7	2.1
Comoros	2.4	6.8	6.3	18.5	-10.2	-1.4	4.6	14.2	4.4	-0.4	12.9	15.9	-6.8	10.9	6.3	3.9	4.3	5.4	4.1	4.5
Costa Rica	0.7	1.9	4.5	8.4	8.6	15.5	-1.0	6.3	8.4	5.0	7.1	6.7	8.0	1.0	7.2	1.8	2.3	0.8	1.0	1.2

Country	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Côte d'Ivoire	-0.2	7.2	5.5	2.9	3.2	6.7	-14.5	36.3	8.1	8.0	20.2	11.4	9.0	2.3	4.0	7.2	6.9	6.2	7.0	5.8
Croatia	0.7	5.2	5.7	1.1	-1.1	-2.1	2.0	-7.3	0.1	0.1	2.4	2.6	0.7	5.8	1.8	1.6	2.6	1.6	1.7	0.8
Cyprus	7.7	4.1	2.8	5.8	7.5	1.1	-0.5	-5.2	-7.4	-6.9	0.6	1.1	4.0	3.3	3.4	1.4	2.5	3.6	2.9	2.7
Czech Republic	4.0	2.7	3.7	-0.8	5.2	-2.2	-1.2	0.7	-4.7	4.5	4.4	-2.4	1.9	6.3	4.2	2.8	2.8	2.4	2.2	2.3
Democratic Republic of the Congo	11.5	10.1	18.0	30.4	-0.2	33.5	-6.8	10.4	2.7	59.3	-2.4	-24.9	-8.9	-2.5	14.7	10.3	7.1	8.5	6.1	3.2
Denmark	0.1	1.2	1.2	1.6	6.1	3.1	-1.1	3.0	-2.4	1.2	1.3	-0.4	-0.3	3.1	1.6	1.4	1.5	1.2	1.3	1.4
Djibouti	1.1	-4.6	16.0	15.8	5.2	-9.3	1.7	9.8	7.7	14.8	56.7	-16.7	-9.2	-2.6	-2.8	3.1	0.8	4.0	4.9	3.5
Dominica	3.6	0.6	20.4	3.3	7.2	8.3	-12.4	1.2	-4.3	-1.9	8.2	36.5	17.1	5.1	-27.2	-3.6	-5.6	-4.3	-6.8	1.5
Dominican Republic	-1.5	15.5	9.7	15.7	-8.5	4.5	3.7	31.3	-7.9	5.6	7.0	5.1	9.0	6.4	8.2	6.4	5.0	5.2	5.4	4.6
Ecuador	16.0	8.2	21.2	63.1	-9.9	13.0	24.2	7.6	14.4	2.9	-14.5	-3.8	-1.4	5.1	-7.0	-1.8	-4.8	0.7	1.3	4.7
Egypt	2.6	25.4	-1.7	12.6	-0.4	-0.1	-0.4	7.9	16.7	7.2	-4.5	-0.1	1.9	-1.0	0.9	-3.7	0.2	1.9	4.7	6.6
El Salvador	5.3	7.0	0.7	2.9	6.7	3.3	2.6	2.5	2.6	-1.3	3.7	3.4	2.9	4.1	4.4	3.5	0.6	3.9	3.9	2.9
Equatorial Guinea	19.0	49.8	25.7	36.3	52.0	-15.5	4.9	40.6	-23.6	2.6	-6.0	-43.7	-23.8	-14.3	-11.4	-10.7	-8.2	-1.0	1.0	0.7
Eritrea	2.9	-31.4	-3.4	-7.9	-26.5	17.4	14.6	1.4	7.2	-0.3	1.4	3.5	5.1	2.9	3.5	-3.9	4.3	5.1	4.4	4.7
Estonia	10.3	13.6	14.3	7.2	-1.0	-10.9	-0.4	8.4	0.0	3.9	7.7	3.9	4.1	6.9	2.8	3.1	3.1	2.9	2.3	2.4
Eswatini	0.1	-0.5	12.3	8.7	4.0	-5.9	-16.5	12.2	10.8	15.5	7.8	8.4	-4.4	1.9	-3.0	-7.4	-4.8	3.5	3.5	2.2
Ethiopia	8.8	4.9	3.6	-8.6	13.5	14.2	-1.2	6.8	14.5	12.2	10.7	17.1	6.0	-5.6	14.3	4.1	6.3	7.3	8.3	8.8
Fiji	2.4	9.7	-8.6	-7.8	11.8	0.4	10.3	-1.3	1.5	26.6	8.3	-7.0	11.7	9.7	-0.4	2.6	2.8	3.0	3.1	3.5
Finland	5.1	1.7	3.0	3.0	4.3	1.6	1.1	1.7	1.9	0.9	0.5	0.5	-0.8	0.7	0.8	1.2	1.4	1.5	1.3	1.0
France	2.3	1.9	2.8	0.9	4.1	0.8	-0.2	0.7	0.6	0.9	1.4	0.7	1.5	-0.2	0.7	-1.0	1.0	1.3	1.5	1.5
Gabon	19.7	9.8	4.1	8.0	-3.2	24.8	12.2	9.6	42.8	-32.2	-11.2	-6.0	-15.7	-3.8	2.9	10.1	0.3	-6.2	6.7	3.5
Georgia	25.3	14.0	37.7	17.3	1.6	-0.6	-4.9	10.3	0.7	9.3	2.7	6.8	4.3	5.0	8.3	5.1	2.6	5.7	4.8	5.0
Germany	-0.8	-1.1	-1.7	1.0	4.6	3.0	-3.3	-1.0	1.7	1.5	2.5	3.7	2.1	1.2	2.0	1.9	1.6	1.5	1.5	1.2
Ghana	-0.5	18.3	27.0	8.3	5.8	33.5	19.8	31.8	7.1	7.3	-12.3	8.8	-5.9	27.1	7.3	-3.5	7.1	6.2	3.8	3.9
Greece	-4.9	4.8	8.2	7.8	3.0	-11.8	-8.5	-10.8	-6.8	-2.4	1.2	-3.8	-2.4	4.9	0.6	-1.7	-0.1	-0.5	1.9	1.1
Grenada	20.1	17.2	-10.3	1.6	-7.5	-2.5	-0.1	-7.0	11.2	13.3	-3.2	-2.4	-0.8	0.0	3.6	0.7	10.3	14.6	4.2	5.2
Guatemala	2.3	11.0	3.8	-3.1	6.3	6.6	4.1	-0.4	0.9	0.9	-3.8	0.8	2.1	4.2	11.4	5.9	4.6	4.3	4.5	4.7
Guinea	-6.0	17.9	-35.2	19.4	54.9	33.0	-25.8	23.9	-6.8	5.2	6.2	-19.5	20.1	7.4	8.2	7.0	4.6	7.2	5.3	3.5
Guinea-Bissau	-6.7	-5.3	24.3	-2.0	-5.1	-1.0	4.2	-27.9	-2.9	91.1	12.2	1.8	1.0	12.9	3.9	9.4	8.7	7.2	7.0	7.7
Guyana	16.8	6.4	-7.3	-1.2	7.6	0.6	8.4	10.8	-0.8	6.6	-1.6	20.2	8.7	7.7	4.1	14.4	11.9	6.0	4.4	-0.2
Haiti	18.6	7.2	21.3	-0.7	16.6	6.7	14.1	18.5	2.3	-7.0	-13.1	-14.4	-2.6	8.5	-0.2	-1.9	0.3	-1.2	-0.3	-1.0
Honduras	-3.4	9.9	6.1	8.9	6.9	-3.2	2.7	4.3	11.2	-3.0	1.3	10.3	3.4	-0.2	-0.3	5.4	1.9	2.8	3.4	2.7
Hong Kong SAR	-4.7	-3.5	0.3	28.7	-7.7	0.7	14.7	-0.4	10.1	-12.5	6.8	3.6	0.4	11.5	7.4	2.8	6.3	4.1	-0.4	2.6
Hungary	5.2	7.8	-5.0	-2.8	-3.2	-3.9	0.5	-5.7	5.1	8.2	7.0	-3.9	5.8	7.7	1.8	1.2	-0.2	1.3	1.4	2.3
Iceland	1.7	5.5	8.2	36.1	-19.8	-1.7	-6.5	-1.3	-0.9	7.2	2.8	14.9	0.4	0.4	1.1	3.5	2.3	1.8	2.7	2.4
India	3.1	9.9	8.6	12.2	0.2	6.4	3.2	2.4	0.4	3.4	8.7	7.6	5.6	9.6	7.2	6.6	6.9	6.8	7.2	7.3
Indonesia	7.0	12.9	12.3	18.9	-7.2	7.7	13.6	12.5	5.5	1.5	-3.7	0.0	3.9	6.2	5.8	5.8	5.3	5.6	5.3	5.1
Iraq	-30.3	-32.5	-18.3	70.3	-12.4	1.9	11.1	9.0	18.8	-11.2	-25.9	-6.9	-5.0	10.9	30.7	-0.3	-1.0	1.2	2.0	2.9
Ireland	7.2	7.5	9.9	7.5	3.6	38.7	-27.9	-9.3	-2.0	0.4	4.0	-0.8	2.6	4.3	5.1	0.8	2.4	-0.9	0.4	1.3
Islamic Republic of Iran	31.3	17.1	-7.7	7.1	-11.8	0.8	4.5	-31.7	1.1	6.1	2.5	14.6	5.1	-9.0	-9.7	1.5	2.7	2.6	2.7	3.5

Country	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Israel	2.6	3.3	2.7	2.5	2.0	0.2	1.9	5.8	4.8	0.8	2.6	6.1	5.9	4.2	3.8	3.4	3.3	3.2	3.2	3.1
Italy	1.3	2.7	0.1	0.2	2.3	-2.1	-1.9	-1.9	-1.2	0.5	0.5	-0.2	0.3	-0.2	1.6	2.4	1.1	1.0	0.9	1.0
Jamaica	-7.9	9.4	4.8	0.7	9.2	-18.1	-3.5	-7.4	-9.5	-2.0	5.9	6.7	5.1	7.0	-3.5	0.3	0.0	0.8	0.5	3.4
Japan	0.4	-1.2	0.6	-0.7	7.7	0.5	0.7	0.7	1.6	-2.1	0.3	0.8	-0.2	-1.2	0.0	-0.1	-0.8	-0.5	0.0	0.4
Jordan	9.8	5.3	12.2	5.1	11.0	-2.2	16.3	5.9	-5.2	10.0	-2.9	-9.4	2.0	4.4	1.1	2.2	1.3	-1.8	2.9	2.8
Kazakhstan	25.2	10.9	36.0	21.8	-14.4	14.7	12.9	7.8	-0.9	10.8	3.9	-5.8	20.8	-16.0	1.5	3.9	2.7	4.1	6.0	6.3
Kenya	9.4	10.3	14.6	3.6	5.7	11.0	0.4	7.2	10.6	13.9	9.3	7.0	0.4	4.7	0.3	5.6	3.6	4.7	5.3	6.2
Kiribati	-2.4	-28.0	7.9	0.3	-2.6	4.1	9.9	16.4	1.5	25.9	2.5	16.3	4.4	23.4	-2.1	-2.7	-10.0	-4.8	0.5	0.1
Korea	0.8	5.9	6.3	2.9	3.9	-2.4	3.3	4.6	4.1	2.1	5.2	2.7	4.2	4.9	7.1	5.8	4.4	4.0	3.0	3.1
Kosovo	-2.5	-12.5	-1.0	32.6	26.4	5.0	1.8	1.7	0.3	-0.7	6.8	6.7	3.7	9.2	14.2	-1.7	0.3	3.3	1.7	2.9
Kuwait	6.4	37.5	-1.2	53.6	-23.2	10.1	6.9	10.4	-3.0	5.5	-11.7	-8.5	4.2	5.8	1.5	2.1	1.1	0.7	1.0	1.0
Kyrgyz Republic	4.7	7.1	14.9	0.2	16.9	15.7	12.0	14.7	0.9	6.8	-0.5	13.6	3.6	-7.0	14.0	-2.2	4.2	4.0	2.7	1.7
Lao P.D.R.	28.5	8.8	15.6	0.3	29.4	29.8	0.6	10.9	28.7	4.3	3.3	-3.5	16.1	1.0	6.7	7.4	6.6	6.8	6.8	6.7
Latvia	18.7	15.8	17.3	3.4	-12.5	-3.0	-2.0	0.9	4.4	4.4	2.7	-0.3	4.4	9.9	0.9	1.9	0.5	2.9	2.8	2.5
Lebanon	-2.7	13.2	5.5	3.3	12.8	-5.1	-2.2	8.5	-2.8	0.5	5.8	5.3	5.2	3.7	7.2	4.3	3.0	2.5	2.7	3.2
Lesotho	13.2	11.5	7.0	17.7	20.1	-8.5	16.9	0.2	7.8	-4.7	9.7	-2.2	-2.3	1.5	5.2	0.9	2.2	2.5	2.0	2.7
Liberia	3.8	-7.2	69.3	32.8	7.7	10.3	30.8	9.3	14.2	-8.6	4.9	-6.8	-16.2	-21.1	-13.7	-15.4	-14.5	-18.1	-16.6	-13.3
Libya	-3.9	23.2	20.2	37.3	3.0	7.4	-60.1	85.5	23.2	-25.8	-10.8	-31.4	-16.4	-5.0	6.6	-4.7	-4.4	-1.6	-5.7	-6.5
Lithuania	12.9	11.5	16.5	8.9	-6.8	-2.9	7.9	-12.3	2.1	2.3	4.0	0.1	1.7	6.7	7.0	2.6	2.8	2.2	2.0	1.9
Luxembourg	3.0	-0.5	2.1	3.4	10.3	3.3	-0.6	3.3	1.9	3.1	3.4	3.2	4.4	4.7	4.2	2.9	2.9	2.3	2.4	2.8
Madagascar	-11.4	6.1	-8.0	2.5	-25.0	-0.3	0.4	-1.7	12.4	2.8	6.1	10.5	11.1	4.8	13.2	9.3	8.5	4.8	4.1	2.3
Malawi	7.4	18.6	22.6	10.4	4.9	8.5	-3.3	9.5	16.7	-9.3	8.5	1.9	12.4	-8.8	0.4	4.1	4.5	5.5	3.8	6.2
Malaysia	1.5	10.4	10.6	14.1	5.6	-5.5	9.5	10.3	0.1	-1.6	-2.2	-4.4	0.5	9.9	4.7	-7.6	4.2	4.3	4.5	5.2
Maldives	49.1	18.1	10.6	10.9	3.0	-7.0	-0.4	-3.4	2.5	35.0	10.1	13.4	-11.3	17.9	0.6	5.0	4.9	4.6	4.6	4.8
Mali	7.0	10.1	3.8	-9.5	29.7	-3.6	14.0	-25.6	34.2	6.9	12.6	16.1	8.6	-7.4	22.8	6.8	5.9	5.8	5.9	6.1
Malta	3.0	2.3	3.2	5.4	-3.4	3.3	1.5	5.2	3.7	8.1	8.0	-2.1	5.5	11.7	4.4	4.1	2.8	4.0	0.7	3.3
Marshall Islands	58.4	-29.1	11.8	-18.8	0.6	-1.7	-4.1	-4.2	5.3	-11.6	14.5	13.4	18.2	2.2	4.1	2.7	1.8	1.0	0.9	-0.3
Mauritania	-0.9	13.2	3.0	3.5	-9.2	11.0	14.0	26.5	-2.5	5.7	6.7	-9.9	2.8	-0.3	11.8	4.2	3.3	6.3	4.3	4.6
Mauritius	2.9	-1.4	2.2	7.0	10.9	-1.9	-0.5	-3.1	9.8	-1.9	10.2	5.4	-1.0	7.4	4.7	2.3	2.4	2.7	2.1	3.5
Mexico	7.5	9.4	8.8	20.1	-6.3	5.1	6.3	5.5	-2.4	3.9	1.7	4.9	-3.4	2.6	-4.2	0.7	1.4	3.0	2.8	2.8
Micronesia	0.8	-1.6	-4.1	-3.7	5.9	8.3	-2.5	-1.3	-13.1	-9.1	1.9	15.9	13.5	-0.3	-5.7	-1.1	-0.7	-1.1	-1.1	-1.1
Moldova	12.1	14.5	12.6	1.5	4.8	0.1	1.6	5.6	4.4	9.4	-4.8	-1.4	5.5	6.1	13.6	1.8	1.1	2.8	3.2	3.2
Mongolia	-9.8	32.1	53.3	11.2	-11.0	19.5	50.6	13.0	9.0	0.0	-15.4	24.0	-16.7	3.9	13.4	-2.0	-3.1	2.6	4.0	6.1
Montenegro	0.7	30.4	23.6	23.4	-6.4	-5.5	-2.0	-5.5	3.7	-0.1	9.2	11.1	5.5	5.2	-1.8	-6.3	-0.4	2.4	3.2	3.0
Morocco	21.1	-4.0	6.9	13.9	2.8	6.0	12.7	6.4	-2.8	2.4	-1.8	0.4	2.5	1.7	2.7	2.6	3.6	4.9	4.5	5.0
Mozambique	2.5	23.7	11.1	-0.1	25.0	5.8	7.1	6.0	18.2	33.9	-11.0	-10.6	-1.1	4.0	5.9	5.9	3.6	4.8	2.5	1.7
Myanmar	24.2	19.5	0.0	-6.6	20.9	12.5	4.0	52.0	29.1	16.8	-2.8	-8.2	0.9	3.5	9.0	9.3	8.7	8.8	8.5	8.5
Namibia	3.3	5.5	5.5	13.6	10.3	9.6	19.4	1.2	13.8	18.9	9.5	-3.2	-6.5	-0.3	5.4	3.1	3.3	3.6	4.2	3.9
Nepal	7.3	-4.7	22.9	7.3	36.4	6.7	3.9	6.8	-6.8	12.4	7.9	5.0	40.8	27.1	13.7	7.0	-3.3	4.6	4.9	5.5
Netherlands	-0.4	6.2	2.8	4.2	5.6	2.0	-3.0	-2.4	-1.9	-0.4	0.0	0.2	2.2	2.9	3.3	1.9	0.9	1.8	1.5	1.6

Country	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
New Zealand	4.7	3.7	3.7	3.5	4.0	9.2	-0.9	-5.0	1.4	1.8	3.0	3.2	2.9	4.7	2.9	2.2	2.1	1.6	2.7	2.7
Nicaragua	5.4	-7.9	3.8	1.9	2.5	4.5	13.1	8.8	2.7	8.8	11.7	11.4	6.3	1.0	-2.6	7.2	-4.8	4.7	5.2	4.8
Niger	5.0	5.0	26.3	3.4	6.7	-1.5	-2.4	35.5	26.0	23.8	8.7	-14.5	4.2	3.1	15.6	4.2	3.3	8.7	6.2	4.7
Nigeria	5.9	-17.3	59.5	-15.5	8.1	18.5	8.0	-17.8	-2.1	-2.7	-15.2	-20.2	17.3	8.4	-3.3	-1.6	-1.9	0.5	0.9	-0.1
North Macedonia	5.2	1.8	8.3	11.1	0.1	0.6	0.1	1.6	-0.4	5.6	8.0	3.0	4.7	0.4	10.8	2.7	2.6	2.8	2.8	2.9
Norway	2.7	5.6	6.9	3.7	4.4	1.6	3.6	3.3	3.9	4.4	3.3	0.5	2.3	1.1	1.9	1.1	2.4	2.3	2.1	2.1
Oman	10.4	14.0	9.5	6.9	0.1	4.0	29.3	22.7	3.4	7.6	-8.7	-5.4	-7.2	10.8	-4.0	-0.1	-0.2	-0.1	0.9	0.6
Pakistan	10.7	16.3	19.1	15.2	-8.4	7.9	2.9	10.6	4.8	-4.7	2.6	3.9	12.7	6.0	3.8	6.7	-0.4	2.5	1.6	3.0
Palau	-12.2	13.0	6.8	-18.1	-12.6	11.2	-7.7	5.6	-6.4	4.6	1.1	15.2	-12.2	2.1	15.2	-0.4	1.1	-2.0	1.0	1.7
Panama	1.6	6.0	10.5	12.9	5.1	11.1	8.6	7.2	10.5	3.2	2.2	6.1	6.2	2.9	4.9	3.7	3.7	2.2	3.4	4.3
Papua New Guinea	17.2	3.4	1.8	10.2	18.6	-14.1	12.8	13.3	26.2	11.5	-16.0	-7.5	-6.9	5.5	-7.2	-0.6	0.2	1.7	1.8	1.6
Paraguay	1.7	7.0	1.7	-1.4	19.5	7.9	8.7	18.3	4.0	4.9	15.5	-0.8	5.3	1.9	5.1	4.0	4.3	3.9	4.0	3.2
Peru	11.2	7.9	6.4	10.7	9.3	10.9	2.0	7.3	10.8	6.9	1.5	-2.3	4.4	6.4	3.4	2.9	3.0	4.2	4.0	4.0
Philippines	-0.2	1.6	6.3	0.6	8.4	2.8	-3.7	11.5	5.0	2.5	8.6	11.5	8.4	10.2	8.7	7.6	7.8	7.6	8.4	7.5
Poland	5.9	7.6	4.8	6.5	4.9	4.4	-0.4	-2.0	0.2	3.4	3.8	2.6	4.8	5.9	7.8	3.4	2.0	2.2	2.5	2.3
Portugal	3.6	-1.7	1.6	1.1	9.7	4.4	-8.7	-9.8	3.6	5.4	-3.9	-4.0	4.7	-1.8	2.7	0.6	1.2	0.9	1.2	0.8
Qatar	29.6	19.7	13.7	2.9	27.4	22.1	22.4	18.9	-5.9	18.5	-2.5	-13.2	-8.7	1.2	1.6	-3.4	-0.2	-1.6	1.2	0.7
Republic of Congo	15.4	39.6	4.3	-1.4	-14.7	33.4	35.1	28.2	29.8	13.2	-34.5	-16.1	-27.3	-16.2	3.5	-5.5	0.4	-0.6	1.7	3.0
Romania	3.2	17.5	20.9	20.0	-4.1	-1.1	-4.0	-2.0	-0.2	3.5	8.5	-0.3	9.0	10.3	8.8	5.3	4.2	4.1	2.9	1.4
Russia	12.0	12.0	24.6	9.0	1.5	2.7	4.7	10.3	2.2	1.3	-8.1	-0.2	-1.5	2.6	1.0	1.3	1.7	2.1	1.7	1.7
Rwanda	22.0	6.1	21.3	10.5	2.5	15.6	13.5	6.5	9.8	14.8	3.3	-0.5	7.0	11.9	8.3	8.0	9.8	8.7	8.2	7.7
Samoa	14.9	-5.5	15.8	-5.1	0.1	17.1	-4.3	1.9	0.6	18.5	-8.0	-1.3	-0.9	-3.0	5.5	5.9	2.8	2.8	3.1	2.5
São Tomé and Príncipe	-21.5	-24.1	19.3	-16.4	60.7	1.8	2.9	-6.2	-26.7	3.9	16.6	-1.7	-14.5	-5.2	-7.3	2.7	3.0	4.0	6.9	4.2
Saudi Arabia	14.2	9.0	13.5	6.8	10.1	5.6	21.9	7.8	4.8	12.2	-13.3	-8.4	-7.3	16.9	9.5	-1.3	0.5	-1.0	-0.4	0.5
Senegal	10.5	17.5	7.9	-0.3	4.2	6.6	9.1	4.6	-1.1	10.6	6.7	11.1	0.0	7.1	7.1	10.1	7.7	14.1	11.3	7.3
Serbia	6.7	13.5	8.7	3.9	-2.9	0.5	-2.9	6.5	-5.8	4.7	-2.6	1.7	-2.3	6.4	3.4	4.6	3.9	3.8	4.0	3.9
Seychelles	6.3	26.4	12.8	-37.9	13.9	12.0	10.4	14.2	3.5	-5.7	-1.4	22.0	0.0	6.7	4.4	-1.1	3.9	-1.0	3.9	4.0
Sierra Leone	6.7	-2.3	-23.2	33.7	11.9	33.2	24.3	14.5	-5.8	14.6	4.8	14.2	-4.0	-0.3	-10.3	8.0	7.6	5.2	4.2	4.0
Singapore	-2.2	11.8	6.5	18.9	5.1	-4.4	-2.8	-1.1	5.6	9.9	18.7	3.4	2.4	7.6	1.1	6.6	4.2	3.6	3.7	0.6
Slovak Republic	11.9	4.3	3.1	6.2	10.5	0.2	-2.7	-1.2	2.6	4.2	11.9	-5.2	-0.1	3.2	2.0	2.8	1.6	2.9	3.3	-0.3
Slovenia	3.7	5.0	1.6	5.0	5.1	0.2	0.1	-7.6	20.1	-10.6	-3.2	-2.7	1.9	3.8	4.5	3.8	2.7	2.7	2.7	2.4
Solomon Islands	34.4	8.9	17.2	6.7	9.0	19.3	2.1	6.1	-4.0	-3.8	12.8	4.7	4.7	7.6	3.8	4.0	-0.2	2.3	3.3	2.0
South Africa	19.1	5.0	5.4	6.8	9.3	4.2	2.9	3.5	3.6	2.2	5.2	0.4	1.3	2.9	4.3	1.9	1.6	1.8	1.8	1.7
South Sudan								-33.3	6.3	42.8	-25.6	-10.7	-42.3	4.0	-4.7	30.3	-11.9	13.0	9.4	7.0
Spain	3.5	4.6	6.3	4.6	7.8	-1.9	-3.6	-0.5	-7.9	-0.3	2.1	0.1	-0.7	2.8	1.6	1.8	1.7	2.0	1.9	1.8
Sri Lanka	10.5	10.9	1.8	8.0	16.7	0.2	4.9	1.0	-0.8	9.1	17.8	0.7	3.4	0.4	9.0	3.4	4.0	4.2	4.1	4.3
St. Kitts and Nevis	7.4	1.9	1.1	0.8	1.2	6.1	-8.1	-10.0	12.1	6.0	4.5	-4.0	5.6	1.6	5.3	6.2	3.9	4.5	2.8	2.7
St. Lucia	16.6	2.5	-6.8	0.1	8.5	8.6	6.8	1.4	-7.0	-5.6	4.9	3.4	4.8	10.4	8.9	-5.1	2.6	1.9	1.8	1.9
St. Vincent and the Grenadines	9.5	5.2	7.9	-2.8	6.4	0.3	-9.2	-10.6	16.4	3.7	-5.8	1.7	6.4	0.1	2.9	2.4	2.1	2.1	2.0	2.0
Sudan	37.5	2.0	10.5	-0.4	-15.3	4.3	8.8	-28.0	-5.3	-9.6	-10.0	-0.9	17.9	12.6	-4.0	6.3	5.5	12.0	3.1	3.8

Country	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Suriname	-0.2	16.3	7.9	0.7	44.0	-12.4	11.0	23.7	5.8	0.1	-12.9	-38.1	15.1	1.5	8.7	3.2	1.6	2.1	2.3	3.0
Sweden	2.6	2.3	1.1	0.8	0.4	1.1	1.4	1.9	3.3	2.5	3.0	3.3	1.7	3.1	1.9	2.4	1.6	2.0	2.0	2.0
Switzerland	0.6	-0.8	1.9	3.5	4.5	1.9	1.6	2.2	5.2	0.4	2.4	1.6	0.8	2.1	1.0	1.8	1.5	1.7	1.6	1.6
Syria	-0.3	-3.0	9.1	-6.2	16.8	13.6														
Taiwan Province of China	0.4	-3.6	1.8	-1.0	13.0	-3.9	0.4	0.9	-1.1	-1.4	1.0	2.6	-0.1	0.1	2.3	1.9	1.9	2.1	1.8	1.9
Tajikistan	23.4	11.6	55.6	11.1	16.0	2.7	12.0	3.2	21.0	8.7	12.3	29.7	-4.4	-3.4	6.1	0.3	4.2	4.1	4.1	4.2
Tanzania	17.8	9.3	8.7	13.4	11.9	8.8	1.0	3.7	4.9	-2.1	7.3	7.7	2.0	9.1	11.6	8.2	7.0	6.8	6.0	5.7
Thailand	6.9	1.2	11.9	0.5	10.4	10.3	-1.1	5.9	4.0	2.7	4.4	1.4	8.5	3.0	4.1	6.5	3.8	4.1	4.2	3.8
The Bahamas	7.5	7.1	11.9	-0.8	5.3	-4.3	6.6	3.2	-0.3	0.3	8.5	5.5	20.2	-12.0	15.4	-1.5	-1.0	-0.4	0.4	1.2
The Gambia	1.3	6.9	-18.5	7.6	32.5	8.0	4.2	20.7	-4.3	4.9	10.2	2.3	25.3	-7.9	9.4	9.4	0.0	3.1	2.4	-2.7
Timor-Leste	-18.7	-4.3	39.4	79.2	12.0	14.8	14.7	-2.6	-18.3	18.7	-3.5	17.9	-24.6	4.2	4.6	11.0	-15.8	-2.8	-7.6	2.6
Togo	18.6	11.1	0.0	-5.5	20.9	10.1	26.8	10.6	5.9	9.0	19.8	7.8	-26.2	34.1	-2.0	5.4	6.3	6.9	6.3	6.5
Tonga	19.8	8.5	-2.9	-4.6	12.5	21.5	0.8	3.0	1.9	8.3	21.6	9.7	0.9	17.0	7.3	-8.5	-5.2	-3.6	-1.9	1.8
Trinidad and Tobago	20.9	27.1	3.2	11.8	-9.6	-13.6	5.9	-3.1	6.5	1.6	-7.5	-15.2	-7.2	-4.9	8.2	0.6	-0.5	0.9	0.9	0.9
Tunisia	5.8	4.1	7.5	7.2	6.7	-1.1	14.9	5.5	9.9	-5.8	-2.2	1.3	7.3	3.0	5.4	2.2	0.7	1.6	0.1	3.6
Turkey	0.2	13.8	0.7	4.4	4.8	1.1	4.1	6.6	6.6	0.9	6.7	8.6	3.3	5.5	-9.5	0.3	1.3	3.0	2.7	2.5
Turkmenistan	13.8	-12.5	2.7	29.3	47.6	10.1	30.3	14.6	20.1	5.6	-4.3	-20.5	21.9	-22.0	7.5	2.7	1.7	4.2	0.6	2.6
Tuvalu	5.3	22.9	-8.3	-3.4	12.8	-6.6	-9.5	-4.7	11.6	34.9	22.8	8.5	-1.0	28.0	-21.1	-2.0	2.0	3.3	3.1	2.2
Uganda	-2.6	2.6	6.6	11.6	2.0	38.9	-4.1	-1.3	4.3	15.0	13.9	3.0	0.0	15.2	18.6	15.1	-4.1	6.0	-1.7	14.1
Ukraine	19.6	14.3	15.4	13.7	-14.9	9.4	3.7	15.1	2.7	-10.1	-19.0	-0.8	11.8	8.2	3.5	5.1	4.6	4.4	4.5	3.0
United Arab Emirates	2.3	11.7	18.0	35.5	26.2	4.3	16.0	-0.8	7.2	10.3	-16.6	-6.4	3.5	7.0	2.4	0.3	-2.1	-0.2	-0.5	-0.5
United Kingdom	4.9	2.6	2.9	5.5	3.7	0.9	-3.6	0.3	-2.9	0.9	0.6	1.1	0.2	0.5	1.4	0.9	0.9	1.1	1.5	1.6
United States	3.9	2.0	4.4	5.8	9.6	-1.6	-2.0	-2.3	-1.8	1.1	2.9	2.5	1.4	3.7	3.8	1.7	1.7	2.2	1.1	1.4
Uruguay	-0.2	5.7	6.9	6.5	8.5	8.7	1.6	8.6	8.8	5.3	0.8	2.0	1.0	2.5	1.0	1.7	2.7	3.7	3.4	3.0
Uzbekistan	12.0	1.5	22.7	26.2	20.0	9.9	2.2	13.1	11.5	10.2	4.5	3.8	7.0	25.9	4.8	10.0	8.1	7.6	7.4	7.3
Vanuatu	3.3	21.3	16.9	33.7	0.4	2.8	-6.8	-3.5	-4.5	36.4	48.4	-7.0	10.0	-12.5	6.3	2.3	1.5	2.8	3.4	2.8
Venezuela	-13.8	76.0	-15.8	-23.9	-22.2	16.2	31.1	15.6	-7.2	5.9	-24.5	-16.5	79.9							
Vietnam	14.8	7.6	16.9	1.4	22.5	3.7	-2.3	16.6	7.4	-1.4	8.4	1.6	7.3	6.2	5.9	4.9	5.7	5.9	6.4	6.5
Yemen	22.6	7.4	14.7	7.2	-21.9	2.7	-14.8	19.8	-12.3	-10.8	-34.1	-14.9	-52.7	-0.2	4.6	55.6	1.1	7.3	0.9	10.3
Zambia	2.0	-0.6	11.9	3.6	-7.0	17.5	16.7	19.1	19.0	5.9	13.9	-14.5	12.0	5.3	-5.6	3.4	-0.3	-2.1	-4.9	-1.9
Zimbabwe		-63.5	113.8	-75.7	308.8	91.6	45.4	2.7	12.5	0.0	5.3	20.6	25.7	9.9	-31.4	32.0	8.1	15.9	7.7	5.8

Source: Authors' calculations based on IMF's *World Economic Outlook* CESRApril 2019)

Annex 2. Main Adjustment Measures in 161 Countries, Feb. 2018 to Aug. 2019

Country	Pension reform	Wage bill cuts/caps	Subsidy reduction	Safety net targeting	Healthcare reform	Labor market	Consump-tion tax	Strengthen-ing PPPs	Privati-sation	Total identified
Afghanistan	1						1	1		3
Albania	1			1	1					3
Algeria	1	1	1	1		1		1	1	7
Angola		1	1	1			1	1	1	6
Argentina	1	1	1	1		1				5
Armenia	1	1		1		1	1	1		6
Aruba		1	1	1	1	1	1			6
Australia										0
Austria	1				1					2
Bahamas	1	1								2
Bangladesh			1	1			1			3
Barbados	1	1				1			1	4
Belarus	1		1	1			1		1	5
Belgium	1	1	1	1		1		1		6
Belize	1	1		1		1				4
Benin		1		1				1	1	4
Bhutan	1					1				2
Bolivia		1	1	1		1				4
Bosnia and Herzegovina	1	1	1	1	1	1			1	7
Botswana		1	1	1			1	1	1	6
Brazil	1	1	1	1		1	1		1	7
Bulgaria	1				1					2
Burkina Faso		1	1					1		3
Cabo Verde			1	1		1	1		1	5
Cambodia							1			1
Cameroon		1	1	1				1		4
Canada						1				1
Central African		1				1	1		1	4
Chad		1	1						1	3
Chile	1					1	1			3
China	1		1			1		1	1	5
Colombia	1		1			1	1		1	5
Comoros				1						1
Costa Rica	1	1		1		1	1	1		6
Côte d'Ivoire		1	1				1	1	1	5
Croatia	1	1		1	1	1			1	6
Curaçao and Sint	1	1	1		1	1	1		1	7
Cyprus	1	1			1				1	4
Czech Republic	1				1	1				3
Denmark	1									1
Dominica	1	1		1		1				4
Dominican Republic	1		1		1	1				4
Ecuador		1	1	1		1	1	1	1	7
Egypt	1	1	1	1						4
El Salvador	1	1	1	1				1		5
Estonia	1				1	1			1	4
Ethiopia			1	1				1	1	4
Fiji		1		1	1					3
Finland	1				1	1			1	4
France	1	1		1	1	1			1	6
Gabon		1	1	1			1		1	5
Gambia			1	1		1		1		4
Georgia	1	1	1	1			1		1	6
Germany	1				1	1				3
Ghana		1					1	1	1	4
Greece	1			1		1			1	4
Grenada	1	1		1	1	1				5
Guatemala				1			1	1		3
Guinea			1	1				1		3
Guinea Bissau		1	1	1					1	4
Guyana	1		1					1	1	4
Honduras		1		1				1		3

Country	Pension reform	Wage bill cuts/caps	Subsidy reduction	Safety net targeting	Healthcare reform	Labor market	Consump-tion tax	Strengthen-ing PPPs	Privati-sation	Total identified
Hungary	1	1	1	1		1	1			**6**
Iceland	1					1			1	**3**
India			1	1		1			1	**4**
Indonesia			1	1		1	1	1		**5**
Iran	1		1	1		1	1			**5**
Ireland	1				1		1			**3**
Israel				1				1		**2**
Italy	1			1		1	1	1	1	**6**
Jamaica	1	1		1	1				1	**5**
Japan	1				1	1	1			**4**
Jordan	1		1	1				1		**4**
Kazakhstan		1	1	1	1	1		1	1	**7**
Kenya			1				1	1		**3**
Kiribati		1	1				1		1	**4**
Korea	1		1	1		1				**4**
Kosovo	1	1		1	1	1		1	1	**7**
Kuwait		1	1	1	1	1	1	1	1	**8**
Kyrgyz Republic		1	1	1						**3**
Lao PDR		1						1		**2**
Latvia				1						**1**
Lesotho	1	1		1		1	1			**5**
Liberia		1	1				1			**3**
Lithuania	1			1	1	1				**4**
Luxembourg	1					1				**2**
Madagascar	1	1	1	1				1		**5**
Malawi			1				1	1		**3**
Malaysia		1	1	1						**3**
Maldives		1	1	1	1				1	**5**
Mali			1	1			1			**3**
Malta	1					1		1		**3**
Marshall Islands	1		1							**2**
Mauritania		1	1	1			1	1		**5**
Mauritius	1		1	1		1				**4**
Mexico	1	1	1	1			1			**5**
Moldova	1	1		1	1				1	**5**
Mongolia	1	1	1	1						**4**
Montenegro	1	1				1		1	1	**5**
Morocco	1	1	1	1			1	1	1	**7**
Mozambique	1	1	1	1		1			1	**6**
Myanmar						1	1	1		**3**
Namibia	1	1		1		1	1	1		**6**
Nepal	1					1		1		**3**
Netherlands	1						1			**2**
New Zealand										**0**
Niger			1				1			**2**
Nigeria			1	1	1					**3**
Norway	1					1	1			**3**
Pakistan			1	1				1	1	**4**
Palau	1		1			1	1	1		**5**
Panama		1	1							**2**
Papua New Guinea		1								**1**
Paraguay	1						1	1		**3**
Peru	1	1				1	1	1		**5**
Philippines				1		1	1			**3**
Poland	1	1	1	1		1	1			**6**
Portugal	1	1			1	1				**4**
Qatar		1	1			1	1		1	**5**
Romania	1					1	1			**3**
Russian Federation	1		1	1		1	1	1	1	**7**
Rwanda							1	1		**2**
Samoa						1				**1**
San Marino	1			1		1	1		1	**5**
São Tomé and Principe							1	1		**2**
Saudi Arabia		1	1			1	1	1	1	**6**
Senegal	1		1			1	1			**4**
Serbia	1	1	1			1		1	1	**6**
Seychelles		1	1	1				1	1	**5**

Country	Pension reform	Wage bill cuts/caps	Subsidy reduction	Safety net targeting	Healthcare reform	Labor market	Consump-tion tax	Strengthen-ing PPPs	Privati-sation	Total identified
Sierra Leone		1	1					1		**3**
Singapore					1					**1**
Slovak Republic	1	1	1				1			**4**
Slovenia	1		1		1	1	1		1	**6**
Solomon Islands		1					1			**2**
Somalia		1								**1**
South Africa		1				1	1			**3**
South Sudan			1							**1**
Spain	1			1		1	1		1	**5**
Sri Lanka						1	1	1		**3**
St. Lucia	1	1	1			1	1		1	**6**
St. Vincent &	1	1	1				1	1		**5**
Suriname		1	1	1		1	1	1		**6**
Sweden						1				**1**
Switzerland	1									**1**
Thailand	1			1			1	1		**4**
Timor Leste						1	1			**2**
Togo		1					1		1	**3**
Trinidad and Tobago			1						1	**2**
Tunisia	1	1	1	1		1	1	1		**7**
Turkey	1	1	1			1	1	1		**6**
Tuvalu		1							1	**2**
Uganda										**0**
Ukraine	1			1	1				1	**4**
United Arab Emirates		1	1			1	1	1	1	**6**
United Kingdom	1				1					**2**
United States										**0**
Uruguay	1				1	1		1	1	**5**
Uzbekistan				1		1	1	1	1	**5**
Vanuatu										**0**
Vietnam	1	1			1		1	1	1	**6**
Zambia		1	1				1			**3**

Annex 3. IMF Country Reports Reviewed, Feb. 2018 to Aug. 2019

A total of 161 country reports were reviewed in this update. 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) and other information publicly available on the IMF website. All country reports included in this latest review were published between February 2018 and August 2019. The complete list, which includes the report number and publication date, is provided below.

Country	Region	Income group*	Report number	Publication date
Afghanistan	South Asia	Low	19/157	Jun-19
Albania	Europe & Central Asia	Upper middle	19/29	Jan-19
Algeria	Middle East & North Africa	Upper middle	18/168	Jun-18
Angola	Sub Saharan Africa	Lower middle	18/156	Jun-18
Argentina	Latin America & Caribbean	High	19/99	Apr-19
Armenia	Europe & Central Asia	Upper middle	19/154	Jun-19
Aruba	Latin America & Caribbean	High	19/148	Jun-19
Australia	East Asia & Pacific	High	19/55	Feb-19
Austria	Europe & Central Asia	High	18/272	Sep-18
Bahamas	Latin America & Caribbean	High	18/118	May-18
Bangladesh	South Asia	Lower middle	18/158	Jun-18
Barbados	Latin America & Caribbean	High	18/133	May-18
Belarus	Europe & Central Asia	Upper middle	19/9	Jan-19
Belgium	Europe & Central Asia	High	19/74	Mar-19
Belize	Latin America & Caribbean	Upper middle	18/327	Nov-18
Benin	Sub Saharan Africa	Low	18/364	Nov-18
Bhutan	South Asia	Lower middle	18/300	Oct-18
Bolivia	Latin America & Caribbean	Lower middle	18/379	Dec-18
Bosnia and Herzegovina	Europe & Central Asia	Upper middle	18/39	Feb-18
Botswana	Sub Saharan Africa	Upper middle	18/268	Sep-18
Brazil	Latin America & Caribbean	Upper middle	18/253	Aug-18
Bulgaria	Europe & Central Asia	Upper middle	19/83	Mar-19
Burkina Faso	Sub Saharan Africa	Low	19/15	Jan-19
Cabo Verde	Sub Saharan Africa	Lower middle	18/104	Apr-18
Cambodia	East Asia & Pacific	Lower middle	18/369	Dec-18
Cameroon	Sub Saharan Africa	Lower middle	18/235	Jul-18
Canada	North America	High	18/221	Jul-18
Central African Republic	Sub Saharan Africa	Low	19/216	Jul-19
Chad	Sub Saharan Africa	Low	19/25	Jan-19
Chile	Latin America & Caribbean	High	18/331	Nov-18
China	East Asia & Pacific	Upper middle	18/240	Jul-18
Colombia	Latin America & Caribbean	Upper middle	19/106	Apr-19
Comoros	Sub Saharan Africa	Low	18/189	Jun-18
Costa Rica	Latin America & Caribbean	Upper middle	19/101	Apr-19
Côte d'Ivoire	Sub Saharan Africa	Lower middle	19/197	Jul-19
Croatia	Europe & Central Asia	High	19/46	Feb-19
Curaçao and Sint	Latin America & Caribbean	High	19/23	Jan-19
Cyprus	Europe & Central Asia	High	18/337	Dec-18
Czech Republic	Europe & Central Asia	High	18/187	Jun-18
Denmark	Europe & Central Asia	High	18/177	Jun-18
Dominica	Latin America & Caribbean	Upper middle	18/265	Sep-18
Dominican Republic	Latin America & Caribbean	Upper middle	18/294	Oct-18
Ecuador	Latin America & Caribbean	Upper middle	19/210	Jul-19
Egypt	Middle East & North Africa	Lower middle	19/98	Apr-19
El Salvador	Latin America & Caribbean	Lower middle	19/143	May-19
Estonia	Europe & Central Asia	High	18/125	May-18
Ethiopia	Sub Saharan Africa	Low	18/354	Dec-18
Fiji	East Asia & Pacific	Upper middle	19/57	Feb-19
Finland	Europe & Central Asia	High	19/7	Jan-19
France	Europe & Central Asia	High	18/243	Jul-18
Gabon	Sub Saharan Africa	Upper middle	19/17	Jan-19
Gambia	Sub Saharan Africa	Low	19/128	Apr-19
Georgia	Europe & Central Asia	Lower middle	19/171	Jun-19

Country	Region	Income group*	Report number	Publication date
Germany	Europe & Central Asia	High	18/208	Jul-18
Ghana	Sub Saharan Africa	Lower middle	19/97	Apr-19
Greece	Europe & Central Asia	High	19/73	Mar-19
Grenada	Latin America & Caribbean	Upper middle	19/192	Jul-19
Guatemala	Latin America & Caribbean	Upper middle	19/168	Jun-19
Guinea	Sub Saharan Africa	Low	19/30	Jan-19
Guinea Bissau	Sub Saharan Africa	Low	18/147	Jun-18
Guyana	Latin America & Caribbean	Upper middle	18/220	Jul-18
Honduras	Latin America & Caribbean	Lower middle	18/206	Jul-18
Hungary	Europe & Central Asia	High	18/252	Aug-18
Iceland	Europe & Central Asia	High	18/318	Nov-18
India	South Asia	Lower middle	18/254	Aug-18
Indonesia	East Asia & Pacific	Lower middle	18/32	Feb-18
Iran	Middle East & North Africa	Upper middle	18/93	Mar-18
Ireland	Europe & Central Asia	High	18/194	Jun-18
Israel	Europe & Central Asia	High	18/111	May-18
Italy	Europe & Central Asia	High	19/40	Feb-19
Jamaica	Latin America & Caribbean	Upper middle	19/105	Apr-19
Japan	East Asia & Pacific	High	18/333	Nov-18
Jordan	Middle East & North Africa	Upper middle	19/127	May-19
Kazakhstan	Europe & Central Asia	Upper middle	18/227	Sep-18
Kenya	Sub Saharan Africa	Lower middle	18/295	Oct-18
Kiribati	East Asia & Pacific	Lower middle	19/26	Jan-19
Korea	East Asia & Pacific	High	19/132	May-19
Kosovo	Europe & Central Asia	Lower middle	18/368	Dec-18
Kuwait	Middle East & North Africa	High	19/95	Apr-19
Kyrgyz Republic	Europe & Central Asia	Lower middle	19/208	Jul-19
Lao PDR	East Asia & Pacific	Lower middle	19/267	Aug-19
Latvia	Europe & Central Asia	High	19/264	Aug-19
Lesotho	Sub Saharan Africa	Lower middle	19/113	Apr-19
Liberia	Sub Saharan Africa	Low	19/169	Jun-19
Lithuania	Europe & Central Asia	High	19/252	Jul-19
Luxembourg	Europe & Central Asia	High	19/130	May-19
Madagascar	Sub Saharan Africa	Low	19/262	Aug-19
Malawi	Sub Saharan Africa	Low	18/336	Nov-18
Malaysia	East Asia & Pacific	Upper middle	19/71	Mar-19
Maldives	South Asia	Upper middle	19/156	Jun-19
Mali	Sub Saharan Africa	Low	18/360	Dec-18
Malta	Middle East & North Africa	High	19/68	Feb-19
Marshall Islands	East Asia & Pacific	Upper middle	18/270	Sep-18
Mauritania	Sub Saharan Africa	Lower middle	19/145	May-19
Mauritius	Sub Saharan Africa	Upper middle	19/108	Apr-19
Mexico	Latin America & Caribbean	Upper middle	18/307	Nov-18
Moldova	Europe & Central Asia	Lower middle	18/205	Jul-18
Mongolia	East Asia & Pacific	Lower middle	18/303	Nov-18
Montenegro	Europe & Central Asia	Upper middle	18/121	May-18
Morocco	Middle East & North Africa	Lower middle	19/230	Jul-19
Mozambique	Sub Saharan Africa	Low	19/166	Jun-19
Myanmar	East Asia & Pacific	Lower middle	19/100	Apr-19
Namibia	Sub Saharan Africa	Upper middle	18/56	Feb-18
Nepal	South Asia	Low	19/60	Feb-19
Netherlands	Europe & Central Asia	High	19/44	Feb-19
New Zealand	East Asia & Pacific	High	18/202	Jul-18
Niger	Sub Saharan Africa	Low	19/239	Jul-19
Nigeria	Sub Saharan Africa	Lower middle	19/92	Apr-19
Norway	Europe & Central Asia	High	19/159	Jun-19
Pakistan	South Asia	Lower middle	19/212	Jul-19
Palau	East Asia & Pacific	High	19/43	Feb-19
Panama	Latin America & Caribbean	High	19/11	Jan-19
Papua New Guinea	East Asia & Pacific	Lower middle	18/352	Dec-18
Paraguay	Latin America & Caribbean	Upper middle	19/111	Apr-19
Peru	Latin America & Caribbean	Upper middle	18/225	Jul-18
Philippines	East Asia & Pacific	Lower middle	18/287	Sep-18
Poland	Europe & Central Asia	High	19/37	Feb-19
Portugal	Europe & Central Asia	High	19/221	Jul-19
Qatar	Middle East & North Africa	High	19/146	Jun-19
Romania	Europe & Central Asia	Upper middle	18/148	Jun-18

Country	Region	Income group*	Report number	Publication date
Russian Federation	Europe & Central Asia	Upper middle	19/260	Aug-19
Rwanda	Sub Saharan Africa	Low	19/211	Jul-19
Samoa	East Asia & Pacific	Upper middle	19/138	May-19
San Marino	Europe & Central Asia	High	19/85	Mar-19
São Tomé and Principe	Sub Saharan Africa	Lower middle	18/251	Aug-18
Saudi Arabia	Middle East & North Africa	High	18/263	Aug-19
Senegal	Sub Saharan Africa	Low	19/27	Jan-19
Serbia	Europe & Central Asia	Upper middle	19/238	Jul-19
Seychelles	Sub Saharan Africa	High	19/194	Jul-19
Sierra Leone	Sub Saharan Africa	Low	19/217	Jul-19
Singapore	East Asia & Pacific	High	19/223	Jul-19
Slovak Republic	Europe & Central Asia	High	19/220	Jul-19
Slovenia	Europe & Central Asia	High	19/58	Feb-19
Solomon Islands	East Asia & Pacific	Lower middle	18/309	Nov-18
Somalia	Sub Saharan Africa	Low	19/256	Aug-19
South Africa	Sub Saharan Africa	Upper middle	18/246	Jul-18
South Sudan	Sub Saharan Africa	Low	19/153	Jun-19
Spain	Europe & Central Asia	High	18/330	Nov-18
Sri Lanka	South Asia	Lower middle	19/135	May-19
St. Lucia	Latin America & Caribbean	Upper middle	18/179	Jun-18
St. Vincent & Grenadines	Latin America & Caribbean	Upper middle	19/66	Feb-19
Suriname	Latin America & Caribbean	Upper middle	18/376	Dec-18
Sweden	Europe & Central Asia	High	19/88	Mar-19
Switzerland	Europe & Central Asia	High	19/180	Jun-19
Thailand	East Asia & Pacific	Upper middle	18/143	Jun-18
Timor Leste	East Asia & Pacific	Lower middle	19/124	May-19
Togo	Sub Saharan Africa	Low	19/205	Jul-19
Trinidad and Tobago	Latin America & Caribbean	High	18/285	Sep-18
Tunisia	Middle East & North Africa	Lower middle	19/223	Jul-19
Turkey	Europe & Central Asia	Upper middle	18/110	Apr-18
Tuvalu	East Asia & Pacific	Upper middle	18/209	Jul-18
Uganda	Sub Saharan Africa	Low	19/125	May-19
Ukraine	Europe & Central Asia	Lower middle	19/3	Jan-19
United Arab Emirates	Middle East & North Africa	High	19/35	Feb-19
United Kingdom	Europe & Central Asia	High	18/316	Nov-18
United States	North America	High	19/174	Jun-19
Uruguay	Latin America & Caribbean	High	19/64	Feb-19
Uzbekistan	Europe & Central Asia	Lower middle	19/129	May-19
Vanuatu	East Asia & Pacific	Lower middle	19/162	Jun-19
Vietnam	East Asia & Pacific	Lower middle	19/235	Jul-19
Zambia	Sub Saharan Africa	Lower middle	19/263	Aug-19

* based on World Bank country classification for fiscal year 2019-20

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