Commentary: 3 billion poor people need world’s help

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The G-20 meeting in London, England, on April 2 will be watched by the entire world with urgency and with a yearning for hope, vision and programmatic clarity.

The preparatory work is not adequate. The G-20 discussions do not move sufficiently beyond financial regulation. I would like to suggest the following main points for G-20 leadership in the global recovery.

The G-20 needs to combine stimulus, economic development and sustainability: stimulus to get the world recession reversed, development to ensure that all of the world (not merely the rich countries or the G-20) shares in the benefits, and sustainability to address the world’s grave risks of climate change, water stress and loss of biodiversity.

The world’s 3 billion poor, especially the 1 billion poorest of the poor, are suffering powerful and destabilizing blows from the crisis, and these will get worse and threaten global security unless there is specific attention and action.

The G-20 cannot limit its focus to regulating the financial sector, reforming the International Monetary Fund and the World Bank, avoiding protectionism and reciting the measures that individual countries are taking. This would leave the world gasping for direction and hope.

The G-20 must offer a vision that is big enough to quell global fears and action bold enough to protect the desperately poor while guiding the cooperative decision-making of the world’s economic authorities.

The G-20 must push forward based on real policy coordination. The world does not have a system of effective cooperation. The United States, for example, does not engage in comprehensive and deep coordination with other countries. The poor countries, with half the world’s population, and the poorest countries, with roughly one-fifth of the world’s population, have not been brought into the equation.

The G-20 package for stimulus should include:

First, fulfillment by all countries of stimulus measures already announced and a commitment to undertake new joint stimulus measures, especially priority public outlays on infrastructure, the social safety net and sustainable energy, as may be needed during the coming years.
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Second, establishment of a high-level G-20 coordination group, backed especially by China, the European Union, Japan and the United States, to work full-time on coordinating monetary, fiscal and financial policies for stimulus and long-term recovery. Such cooperative macroeconomic programming does not now exist.