

"Sometimes it falls upon a generation to be great. You can be that great generation."

Nelson Mandela

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Social Watch

“After the Fall”, the Social Watch Repo



The good news is that the **People First strategy works**. People First was the title of the 2009 annual report of **Social Watch and its main message**. We argued, based on evidence from around the world, that the ethical imperative of investing in people living in poverty, women in particular, was also the best economic strategy to combat the **global economic crisis** after the collapse of Wall Street at the end of 2008.

One year after, this is exactly what happened in places as far apart as **China and Brazil**, two developing countries severely affected by the crisis that took fast and decisive measures to stimulate local consumption by helping its poorest people.

According to the **Brazilian Social Watch coalition** “recovery was achieved on the strengths of domestic demand, fed by policies to raise the minimum wage; social policies, of which **Bolsa Familia** (Family Grant) is the most important; credit expansion policies led by public banks; and, to a lesser extent, fiscal policies under the umbrella known as **Program for Growth Acceleration**.”

Lower income groups were also the target of policies that have been expanding the number of people receiving cash benefits (equal to a one-month minimum wage), such as people with disabilities, poor people over 65 years old, and extended retirement benefits to rural workers (even in the cases where no previous contributions were made).”

Less than **USD 7 billion invested in Bolsa Familia** were not only a success for the reduction of **extreme poverty**, but also “provided important support for domestic demand, particularly for non-durable consumption goods.

Since poor families tend to consume all of their income, these grants (built) a floor under any possible reduction of consumption in the country. **Expenditures based on Bolsa Familia** become somebody else’s income, which will also be spent, giving additional stimulus to other activities.

The decentralized nature of the program allows these stimuli to be directed at local activities, magnifying the impact on employment and on additional consumption.”

The bad news is that around the world most countries directed trillions of dollars to the other end of the economic chain, via tax cuts to the rich or subsidies to banks and big corporations and then those plans, which did not really help to reduce unemployment, were stopped or reduced as soon as the financial sector became profitable again.

This is the case, for example, in **Canada**, where the **local Social Watch coalition** reports that “deficit reduction is being used as a cover to further reduce social spending. While stock markets, corporate profits and GDP rebound from the massive global financial meltdown, it is expected that full recovery for the privileged will be accompanied by further backsliding

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Kenyan Pundit

Ory Okolloh, the Executive Director of Ushahidi, is from Kenya but currently lives in Johannesburg. Her blog is “outlet for her opinions.

While it is primarily focused on Kenya, she reserves to write about whatever she wants.”
www.kenyanpundit.com



Black Looks

Sokari Ekine is a Nigerian social justice activist living in Spain, with a background in technology, gender issues and human rights. She is

interested in creating a community of grassroots African bloggers as a way for Africans to exchange ideas, share experiences and tell their own stories in our own words.

www.blacklooks.org



Africa is a Country

Native of Cape Town, Sean Jacobs lives in Brooklyn, New York and teaches in Manhattan. He obsesses about the relationship

between politics and popular culture, but the main rationale for his blog is to comment on what passes for media coverage of the African continent.

africasacountry.com/



Rosebelle's blog

Rosebelle Kagumir is an experienced Ugandan Journalist. She won the best Journalist blogger English category at the Panos hosted

competition in 2009. Currently she is a

in equality and development levels at home and abroad.”

Even more devastating effects of the crisis are reported by some developing countries. In **Indonesia**, for example, the national Social Watch reports that “the global financial crisis has placed an additional burden on top of “problems as a large foreign debt, **corruption** and a **lack of consistency between macroeconomic policy on the one hand, and concrete actions to reduce poverty on the other.**” The severest effects of the crisis have been felt by workers, since companies lay off their employees as a first option to save their assets.”

According to the estimates by the **World Bank** and the **International Labour Organization**, the number of people around the world losing their jobs or falling below the extreme poverty line is counted by the tens or even hundreds of millions. In many countries, **Slovakia** among them, the national Social Watch reports observe a tendency by politicians to promote “**xenophobia, intolerance and discrimination against minorities**” as a way to govern with double digit unemployment figures.

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By Roberto Bissio, Social Watch International Secretariat

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