

"People will die" in crisis fallout: Egypt finmin

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By Carolyn Cohn

LONDON (Reuters) - People will die in the world's poorest countries if rich nations push them aside in the scramble to escape the global economic crisis, Egypt's finance minister said on Wednesday.

Developed countries are borrowing heavily on international markets to fire up their economies, meaning poorer countries are increasingly unable to do so, said Youssef Boutros-Ghali, who heads the International Monetary Fund's policy committee.

"The stimulus we are creating in developed countries, we are eliminating in emerging countries. We need to resolve that contradiction -- rich countries in the market, poor countries being pushed out," he told a panel discussion at think tank Chatham House.

"In emerging countries, a slowdown means people are going to die, babies are not going to get the proper nourishment. Poverty is at the doorstep, something needs to be done."

Leaders of the world's 20 largest developed and emerging countries meet in London on Thursday to tackle the economic slowdown, but some of their solutions are seen hurting people in the rest of the world.

Development aid from the world's biggest donors rose to a record level in 2008 but donors will need to make substantial efforts to hit targets for 2010 because of the economic crisis, the Organization for Economic Cooperation and Development said this week. At the same time, it predicted a 4.3 percent contraction in its 30 rich members this year.

MILLENNIUM GOALS

At the 2005 Gleneagles G8 summit, major donors pledged to double aid by 2010, amounting to an extra \$50 billion globally, including \$25 billion for Africa. The Millennium Declaration in 2000 set a goal of eradicating extreme poverty by 2015.

Mark Malloch-Brown, Britain's Africa minister, told the discussion that the poverty goal could be hard to meet.

"There is an estimate out there that 90 million more people will be in poverty in 2011 than we would have assumed," he said. "We are trying to finalize a strong package for tomorrow for support for developing countries."

Leaders of the G20, which contribute 85 percent of the world's gross domestic product, are expected to approve at least a doubling in resources for the IMF to \$500 billion, to provide more financial aid to struggling economies.

Boutros-Ghali will attend the summit, along with the prime minister of Thailand, representing ASEAN nations, and Ethiopia, representing Africa along with G20 member South Africa.

U.S. President Barack Obama told reporters: "People are losing their homes, losing their businesses...people around the world who were already desperate before the crisis may find themselves even more desperate afterwards."

Pope Benedict told British Prime Minister Gordon Brown the summit should not forget about Africa.

"This situation must prompt a profound reflection among the summit participants, since those whose voice has least force in the political scene are precisely those who suffer most from the harmful effects of a crisis for which they do not bear responsibility," he said in a letter released by the Vatican.