

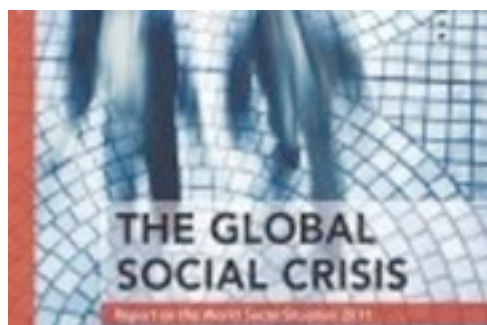


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Social investments deserve priority in economic recovery schemes – UN report



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A new United Nations report [finds](#) that many governments did not pay enough attention to the social implications of the recent global financial crisis and urges that social investments be given priority in recovery programmes.

The Report on the World Social Situation 2011: The Global Social Crisis, published today by the UN Department of Economic and Social Affairs (DESA), explores the ongoing adverse social consequences of the 2008-2009 financial and economic crisis – the worst since the Great Depression of the 1930s.

One consequence of the crisis is that unemployment rose sharply to 205 million people in 2009 from 178 million in 2007. The loss of jobs means not only a loss of incomes but also an increase in vulnerability, especially in developing countries without comprehensive social protection, notes the report.

It adds that various estimates suggest that between 47 million and 84 million more people fell into, or were trapped in, extreme poverty because of the global crisis, which occurred immediately after food and fuel prices had risen sharply. As a result, the number of people living in hunger in the world rose to over a billion in 2009, the highest on record.

The report states that the global economic downturn has had wide-ranging negative social outcomes for individuals, families, communities and societies, and its impact on social progress in areas such as education and health will only become fully evident over time.

“However, initial estimates show that the effects have been sharp, widespread and deep. Given the fragility of the economic recovery and uneven progress in major economies, social conditions are only expected to recover slowly.

“The increased levels of poverty, hunger and unemployment due to the global crisis will continue to affect billions of people in many developed and developing countries for years to come,” the report says.

It is essential, it adds, that governments take into account the likely social implications of their economic policies. Further, economic policies considered in isolation from their social outcomes can have dire consequences for poverty, employment, nutrition, health and education, which, in turn, adversely affect long-term sustainable development.

“There is renewed realization that social policy considerations, especially productive employment, must be given greater importance within economic policy,” said Jomo Kwame Sundaram, Assistant Secretary-General for Economic Development. “The disconnect between economic policies and their social consequences can create a vicious cycle of slow growth and poor social progress.”

The economic crisis is a reminder, he said, that it is essential for people to be healthy, educated, adequately housed and well fed to be more productive and better able to contribute to society.

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