

# CAFOD urges G-20 leaders to help small businesses, farmers

LONDON – A British Catholic aid agency is calling on leaders of the Group of 20 to combat poverty by helping small businesses and small farmers in developing countries.

The Catholic Agency for Overseas Development released a briefing paper Nov. 9 ahead of the Nov. 11-12 summit in Seoul, South Korea, of the G-20 finance ministers and central bank governors.

CAFOD, aid agency of the Bishops' Conference of England and Wales, is hoping to persuade wealthy nations to "think big and act small" in prioritizing the needs of small businesses at a meeting dedicated to the global financial system and world economy.

"The economic crisis is affecting everyone across the world, but it is affecting the poorest the worst," CAFOD Director Chris Bain said in a Nov. 9 statement.

"Even in the most prosperous times, there are millions who live on the margins of existence, finding it difficult to feed themselves," he said. "These men, women and children are being pushed deeper into extreme poverty by the recession, which ripples out even into the most isolated communities.

"The flaws in the present economic systems have been torn open, and the G-20 must look to supporting those least resilient to market fluctuations in order to achieve global sustainable growth," Bain added.

"By thinking big but acting to support small farmers and businesses in the poorest countries, the G-20 leaders will put in place solid foundations for a stronger global economy with poverty reduction at its core," he said.

In its four-page policy paper, CAFOD invited delegates to consider the impact on small businesses of all policies and spending plans that will be considered at the summit.

It asked them to ensure that foreign direct investment and multinational corporations operating in developing countries contribute to, rather than undermine, local development and environmental sustainability.

It also recommended the adoption of an international framework that supports global economic stability, environmental sustainability and works positively toward the trade, finance and investment prospects of developing countries.

Christina Weller, CAFOD economist and author of the document, said in the paper that providing support to poor farmers and micro-businesses “to boost resilience and limit harm to the poorest should be a lesson from the global economic crisis.”

“While social safety nets are an important policy response in times of crisis, the vast majority of poor people affected rely on the agricultural and informal small-scale business sectors to survive,” she wrote in the paper.

“We cannot assume that what works for larger, formal, often urban enterprises will also work for or reflect the priorities of smaller, often informal and rural businesses owned by poor men and women,” she wrote.

Weller said G-20 members could “think big” by working to combat corruption, ensuring a fairer tax take from big businesses, introducing a radical framework of for international banking supervision and promising action against “unhelpful speculation.”

She said members should devise a framework for recovery coherent with the interests of low-income countries.