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Address from Mr. James P. Grant
Executive Director of the United Nations Children's Fund (UNICEF)
for the
International Symposium on
Social Policies During Economic Transition:
Child Health, Basic Education and Social Protection

Beijing, China
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Note: this draft of your 30-minute keynote speech now incorporates comments by Dr. Jolly, Sasha, Rudy and Susi Kessler. As you will see, whole sections can be cut from the delivery version to keep within the time limit.

Address by Mr. James P. Grant
Executive Director of the United Nations Children's Fund (UNICEF)
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As you know, the trade route known as the Silk Road linked the great civilizations of ancient times. Carried across its vast length were not only goods, but also ideas -- ideas and goods that united and transformed the world. We are gathered today in China, where the Silk Road began, and many of you are from countries along that historic route.

Something far more precious than silk has attracted our caravans from neighbouring nations and far-flung geographies -- our children, the greatest treasure of all.

Connections... cooperation... interdependency... transformation -- these are some of the words that come to mind when thinking of the Silk Road, and they capture perfectly the spirit that brings us together this week.

The challenge of this meeting

This meeting is unprecedented. It is the first time such

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high-level representatives of so many countries in transition have come together to share the experiences of transition with a special focus on practical ways of protecting children and other vulnerable groups from the negative impacts of necessary economic reform. The challenge of this symposium is to find our way through the debates on models and rates of transition to the practical, doable measures that can be applied now to bring rapid relief to those who so urgently need it. To date, attention has been focussed almost exclusively on the economic side -- so this meeting is breaking new ground by making human issues central.

High-level meetings for children

But at the same time, in its focus on children, this symposium will be following an innovative lead given by meetings held in recent years by regional organizations, also with the purpose of exchanging experiences on how to improve the lives of children in the context of the different and often difficult economic situations in which countries found themselves in the early 1990s.

The OAU... SAARC... ASEAN... the Asian and Pacific countries... Latin America and the Caribbean... Central and Eastern Europe... the Council of Europe... the Arab League... the Islamic Conference... the Commonwealth... the Francophone countries... the Non-Aligned Movement -- these and others have taken up the plight of children, variously, at summits,

ministerial, parliamentary and expert-level meetings over the past few years. At the meeting of the Economic Cooperation Organization in Teheran in January, I had the pleasure of meeting a number of participants in this symposium.

All of this activity is part of the impressive follow-up that we are seeing to the events of 1990 -- a year that future historians will, I believe, consider an historic turning-point for the world's children -- events which took place in the context of epoch-making political and economic changes in the world. I will describe the growing global momentum for children a bit later, after discussing some of the specific issues and problems that bring us here to Beijing this week.

Countries in transition: key links for global progress

The new countries of Central Asia, and all the countries in transition, constitute a critical link for maintaining and accelerating human progress as we approach the 21st century. Amidst the difficulties and complexities inherited from the past, or those occasioned by rapid change or mistaken policies, we must not forget for an instant what you achieved in the past or minimize what progress you are making today. Generally high social indicators, substantial social infrastructures and a solid knowledge base are some of the key ingredients you have for sustaining historically high levels of well-being and recovering ground lost in the transition.

Nevertheless, the unavoidable but desirable, indispensable but painful economic and social reforms introduced in most of your countries over the past four years are facing severe problems of implementation and involve economic, social and political costs far greater than anticipated. My colleagues will be discussing with you in greater detail the results of the first systematic monitoring efforts in countries in transition. These studies, undertaken by UNICEF's International Child Development Centre in Florence, focus primarily on Central and Eastern Europe but are also valid, we suspect, for the Central Asian Republics and perhaps other countries undergoing major restructuring.

The social crisis

What is clear is that is that many of these countries are experiencing a grave social crisis which, in relative terms, is more acute than some of the most severe crises of the 20th century, including those registered during major political upheavals or wartime.

The picture emerging from the data we have studied reveals:

* first, a massive escalation in mortality in several of the countries in transition -- our tentative estimate is an appalling 1.4 million additional deaths over the four year period 1990-93. In Russia, for example, the 1993 increment

over 1992 alone was greater than the total number of war losses borne by the United States in World War II!

* second, a sharp fall in life expectancy at birth, with men's lives generally being shortened more than women's. Data for Russia and the Ukraine show that life expectancy at birth for males plunged by 5.2 years between 1989 and 1993.

* third, in a number of countries, an increase (or slower declines) in infant mortality, plus upswings in premature births. In most of the new countries in Central Asia, for example, easily treatable respiratory illnesses have once again become the leading cause of infant mortality.

* fourth, a return of a number of infectious diseases after almost 40 years of steady decline -- WHO just reported that some 29,000 people died from tuberculosis last year in Eastern Europe and 2 million others have become infected in the past 5 years. In some of your countries, many children now cannot even receive basic immunization -- something taken for granted only a few years ago -- because of shortages of vaccines and the general weakening of the social safety net. Diphtheria, polio and even cholera are on the rise.

* fifth, a sharp increase in the number of violent deaths

among teenagers, mainly due to accidents and suicide.

Crime, drug and alcohol abuse, and school drop out are on the rise.

While some short-term decline in average living standards may have been largely unavoidable because of the poor economic conditions inherited from the previous regimes, the fall of large and increasing sections of society into absolute poverty in most of the countries we have monitored gives rise to serious concerns. In some of the Central Asian republics, for example, gaps in social safety nets have become so large that over 50 per cent of families are now living below the poverty line. As we see in almost every social crisis, the most vulnerable groups -- children first and foremost -- are the most seriously affected.

The sharp increase in unemployment, the decrease in real incomes, the increase in the prices of basic goods and services, the erosion of cash transfers to families -- especially poor families -- and the decline in real government spending on health and education are affecting negatively -- and perhaps to some extent unavoidably -- the living standards of most families.

Safety nets exist in many cases to deal with these rising social costs, but because of under-funding and their limited scope, they are seriously inadequate, both politically and economically, under present circumstances.

Key questions for this meeting

This meeting should give us an opportunity to examine the great diversity of experiences and approaches to transition represented in this room. It may be particularly useful to review the substantially different "roads to the market" taken by China, on the one hand, and by the Eastern European countries, on the other. It seems to me we must address the following questions, at the very least:

- * In what respects has welfare improved and in what respects and for which social groups is deterioration most severe?
- * Are the changes in living conditions we are seeing primarily due to changes in economic or social policies?
- * What factors are responsible for the substantially different performance in China in relation to the CIS and East European countries?
- * To what extent is this "performance gap" due to differences in policy?
- * More specifically, what can be said about the welfare impact of the policy approaches adopted in the various countries in transition?

* In short, what are the practical lessons to be drawn from the pattern and form of economic and political transitions that will enable us to adopt effective actions to ensure a more humane transition in the short-run and a better life for people in the long run?

Social priorities

Whatever economic policies and social welfare models are eventually adopted by your countries, there are a number of priority measures that even now can help cushion the impact of the transition:

* Assured access to basic health, education and child care services should be retained in all countries. One should avoid the repetition of situations in which the restructuring of agricultural production led to the dismantling of a highly-effective, decentralized system of primary health care, which then took a decade to rebuild. It would be a shame if countries in transition were to dismantle or abandon the better features of their old system of social protection. Resources for basic services can often be obtained from selective social sector restructuring -- a shift in emphasis from high-cost, curative health services to low-cost, preventive care, for example.

* Child and family benefits should be retained and extended to

children of parents who are unemployed or not part of the labour force. To avoid the use of transfers in unintended ways, part of these benefits could be issued in the form of vouchers (food stamps, for instance), valid for the purchase of food, children's clothing and other necessities and redeemable in private or public stores.

- * At least during the initial transition period, public policy should aim at preserving the provision of subsidized school meals -- often a highly efficient and cost-effective way of ensuring that standards of nutrition and child growth are maintained.
- * Measures are also necessary in the housing sector in order to avoid the further spread of homelessness -- ranging from the conversion of abandoned public buildings or vacated barracks into shelters for the homeless, to safeguarding the rights of low-income groups (particularly for families with many children) to remain in the apartments or houses they occupy at rent-controlled prices.
- * In addition, measures aiming at the maintenance of minimum family incomes should be strengthened. Among them, more active labour market policies, targeted income transfers and full indexation of minimum wages, pensions and child allowances.

The transition process at risk

The high social cost of the current pattern of reforms is not only impacting heavily on the most vulnerable, particularly children, but can also endanger the entire transition process, rip apart the social fabric and undermine the popular consensus on which these new, and still struggling, societies are based. In addition, this can give rise to migrations of biblical proportions, as well as to a debilitating brain-drain.

The strengthening of social policies is, therefore, not only an ethical and moral imperative, but also a useful intervention for ensuring political stability, promoting investment in human capital and thus stimulating macroeconomic efficiency and overall growth. There are thus also economic as well as political reasons for more vigorous policy action in the field of distributive issues, social policy and safety nets.

While economic reforms are clearly necessary, their nature and pace are the result of political decisions and conscious choices. Some involve higher social costs than others. Policy-makers must carefully weigh the social costs involved in each of their political and economic decisions and seek to keep their social costs to a minimum.

First call for children

The basic principle applicable to children during such transitions was specifically addressed at the 1990 World Summit for Children. The world leaders declared that:

"...national action and international co-operation must be guided by the principle of a 'first call for children' -- a principle that the essential needs of children should be given high priority in the allocation of resources, in bad times as well as in good times".

This principle has been amply demonstrated over the last 50 years to be not only good humanism but also good economics. If we look at the extraordinary performance of most of the East Asian countries, we see that their phenomenal improvement included from the beginning a "first call" for children.

During the present transition and reform process, there is a danger that this principle of a first call for children is being lost sight of -- with unnecessary and potentially disastrous consequences. In short, the transition needs a human, a child friendly, face.

A time of unprecedented global action for children

As you face the social challenges of the transition period -- in particular those related to children -- it is important to

keep in mind that you are not alone in tackling these problems. We are living in a time of unprecedented global action and concern for children. Your countries have contributed to a momentum of progress never before seen.

The Convention on the Rights of the Child, with its sweeping provisions that translate children's most essential needs into rights, has rapidly been embraced by more States than any other human rights treaty in history. One hundred and sixty-three countries have ratified the Convention to date. Only 27 have yet to ratify, and of those, 11 have already signed their intention to move toward ratification.

I am happy to say that all the countries represented here today have ratified the Convention -- three have ratified at the national level and when they deposit their instruments of ratification with the UN -- soon, I trust -- the global figure will go up to 166. We are hopeful that the goal of universal ratification will be reached by the end of 1995, making the Convention the first law of all humankind.

More relevant to the theme of this symposium is the fact that the Convention can become a powerful instrument for protecting the young and ensuring their rights during the difficult transition and beyond.

The first truly global summit ever held -- the 1990 World Summit for Children -- produced a remarkably specific set of principles and an action plan for reaching 27 ambitious but doable goals by the year 2000.

A total of 157 heads of state and government -- including those of the nations gathered here today -- have now signed the World Summit Declaration and Plan of Action. No other document in history has been signed by so many leaders. Most important, however, are the National Programmes of Action that some 120 countries have issued or drafted for reaching mid-decade and year 2000 goals for children and women. Some have even issued provincial and municipal plans of action.

The Human Rights Commission's Committee on the Rights of the Child has decided to use the World Summit goals and timetable as a yardstick for measuring national compliance with many of the provisions of the Convention relating to children's social and economic rights. For the first time in history, the world is in the process of agreeing on minimum standards for nurturing the young. And this means that global morality is changing, struggling to catch up with our new scientific and technological capacity to extend the basic benefits of progress to all.

Lest you think we are making too much of papers and promises, let me assure you that we are already seeing concrete

results in the field. As we explain at length in the 1994 State of the World's Children report, and our second annual statistical publication, Progress of Nations (copies of which are in your conference packets), many of the traditional enemies of children are now on the run -- vaccine-preventable diseases, malnutrition, ignorance, legally-sanctioned discrimination and neglect, among others. The Child Survival and Development Revolution launched in the mid-1980s has already saved more than 25 million young lives. It is now averting the deaths of about five million children per year.

Prospects have never been better for accelerating this momentum. Thus, most developing countries have agreed to intermediate, mid-decade goals to be reached by end 1995. These goals have been endorsed by the governing bodies of the World Health Organization and UNICEF, and the Administrator of the United Nations Development Programme, Gus Speth, has instructed UN Resident Representatives throughout the world to actively support country-level efforts to reach them.

If successful, our sprint toward the mid-decade goals would do more for the well-being of children, in a shorter period of time, and at lower cost, than any other undertaking in history. In addition to saving an additional two million young lives, achieving the mid-decade goals would virtually eliminate the single greatest causes of preventable mental retardation and

blindness among children. What better gift could we give our children -- the future of all our countries -- in 1995, the year of the 50th anniversary of the United Nations!

The task ahead remains formidable -- but a good start has been made. For the first time ever, there is a concerted, global effort underway for the world's children, with common goals and proven, low-cost strategies.

Children at the cutting-edge of human progress

We at UNICEF believe that the world is on the threshold of being able to make vastly greater progress on many longstanding issues than is generally recognized. I see some analogy here to what happened in the mid-1960s with regard to hunger in Asia. Some of you will recall the early 1960s gloom and doom scenarios of population growth in Asia outrunning food supply, leading to projections of massive famine, chaos and global instability in the last third of this century. But then, quite suddenly, within 4-5 years, there was the Green Revolution in Asia, extending from the Philippines to Turkey. In country after country, grain crops were doubled -- an historically unprecedented achievement.

Why then? The miracle wheat strains had been around for more than 10 years. But it was only by the mid-1960s that the surrounding environment became propitious for rapid expansion, for going to national scale. Only by then had fertilizer and

pesticide use and controlled irrigation become widely practiced and readily available, thanks in large part to earlier aid programmes. And, equally important, the combination of Asian drought and increasing awareness of the population explosion created the political will at the highest levels to drastically restructure price levels for grains and inputs, and to mobilize the several sectors of society required for success.

I would argue that we are in a similar position today on a much broader front -- encompassing basic education, primary health care, water supply and sanitation, family planning, gender equity, as well as food production -- covering a much wider geographical area, now including Latin America and Africa, as well as Asia. The mid-1990s are analogous to the mid-1960s in that concerns for the global environment (including overpopulation) and for progress in meeting basic human needs, are now reaching a critical mass at a time when recent scientific and technological advances, including our revolutionary new capacity to communicate with and mobilize large numbers of people, now enable national and world leaders to produce dramatic results when these various resources are combined and problems are addressed in a multisectoral fashion. The end of the Cold War, combined with the shift toward market systems and greater freedom in so much of the world, have set the political stage for global cooperation to achieve a quantum leap of human progress.

Poverty, population, environment

We at UNICEF argue, in this context, that meeting children's basic needs will help accelerate solutions to the main problems that vex and threaten humankind on the threshold of the 21st century -- the problems of poverty, population, and environmental degradation that feed off of one another in a downward spiral that brings instability and strife in its wake.

* If we can overcome the worst manifestations of poverty early in the lives of young children we'd be going a long way toward eradicating poverty itself. I say this because frequent illness, malnutrition, poor growth, and illiteracy are not only symptoms of poverty, but also some of the most fundamental causes of poverty. We now have a package of simple, low-cost measures that can "outsmart" poverty's worst manifestations during the first fragile months and years of each child's life.

* Accomplishing this, we could anticipate -- from the recent population experiences of such diverse societies as Sri Lanka, Kerala, Costa Rica, China and the Asian NICS -- a far greater reduction in the rate of population growth than most now believe possible. This is so because parents who are confident their first born children will survive, and who have a basic education, tend overwhelmingly to have much smaller families. Slowing population growth would in turn

greatly reduce stress on school systems, jobs and the environment, easing demand for scarce land and natural resources.

* By overcoming many of poverty's worst manifestations and undermining some of its major causes, we'd also be giving a major boost to the countries undergoing economic and political reform that desperately need to provide some early measure of tangible improvement in the lives of their poorer citizens in order to survive.

* And we know from the experience of China, Singapore, South Korea and the other Asian NICS that it would accelerate economic growth. Healthy and well-educated youth are the backbone of productive work forces and economies that can compete in the global marketplace.

In short, we believe that an extraordinary lever for global progress has been found, and its name is children.

Seven critical points for consideration

Before closing, allow me to share with you seven points that we believe are key to the successful implementation of accelerated programmes to reach the goals for children. They can produce rapid, visible results and make a difference to millions of children and families, at very low cost. My colleagues and I

will elaborate on them in the course of our discussions:

1. **Top-level political leadership and multi-sectoral participation are needed today as never before.** Presidents and prime ministers -- and here, deputy prime ministers have a particularly strategic role to play -- need to be high-profile activists and advocates for children, working closely with ministers in all relevant sectors and with leading organizations of the private sector. A number of heads of state or government and their deputies are now meeting with all their cabinet members every six months or so for public evaluations of the progress being made for children. Involvement at the top political level must greatly increase in many countries, as leaders realize that it's good politics to work for children's well-being, and good economics, too!

2. **Action plans need deploying at national, provincial and municipal levels.** As I mentioned earlier, some 120 countries have issued or drafted NPAs to implement the goals of the World Summit for Children. These vital instruments of social policy have not yet been issued in many of the countries in transition. Sub-national plans also need to be developed. Without effective decentralization, national programmes of action will not be translated into programmes at the local level which is, after all, where the needs are.

Moreover, there is an urgent need to educate and mobilize communities and families to take on greater responsibility for meeting their basic needs during this difficult period.

3. **Integration of services and "piggy-backing" of interventions are absolutely necessary if we are to optimally employ our limited resources to accelerate progress.** Every health centre must be made 'child friendly', providing -- at a minimum -- immunization services, breastfeeding promotion, vitamin A capsules, and standard case management for diarrhoea and pneumonia. You can greatly extend the reach and budget of your social sector ministries through integrated service delivery, where feasible. Only by taking advantage of every opportunity -- every appropriate venue -- for multiple interventions can we get the kind of acceleration of progress that is required.

4. **Social mobilization initiatives are essential ingredients for success.** In order to sustain progress and recoup recent losses, the extensive infrastructure of social institutions and networks inherited from the past must be restructured for greater efficiency and cost-effectiveness. But this takes time and more resources than may be immediately available. In the meantime, it is essential to sustain the interest, obtain the involvement and build the confidence of the public that progress is possible. This is

where high-profile days and weeks of nationwide efforts for children's well-being come in. These have proven valuable even where the social infrastructure is strong, especially in reaching the most disadvantaged.

5. **Monitoring systems must be strengthened to provide accurate and timely information to guide policy and programme.** "Conscience -- said a jaded American social critic -- is the sense that someone may be watching." In a number of your countries, monitoring systems have become weakened during the transition. The consequent lack of accurate and up-to-date data is undermining accountability along the chain of responsibility and the ability of leadership to identify problems early on and make mid-course corrections. What seems to be a mere question of statistics is, in fact, a policy issue of the greatest import. In this context, we would like to discuss with you during this meeting the possibility of extending UNICEF's current monitoring project in Central and Eastern Europe to the Central Asian republics. We have found that it is possible to track the most important social indicators with surprisingly modest resources.

6. **Greater emphasis needs to be placed on protecting and improving the status of women, starting with young girls.** Your countries can be proud of past achievements in this

area, but there are indications that much of the burden of the transition is falling on women and girls, whose employment and educational opportunities may be narrowing. Society can make no better investment than in the health and education of girls and women -- for their own sake, and for the multiple benefits that accrue to children, family, community and the economy. The World Conference on Women, to be held right here in Beijing next year, must underscore this important point.

7. Greater resources urgently need to be allocated to this effort. Since it is unlikely countries in transition will be able to increase overall spending on health, nutrition and education in the short or medium-term, restructuring of sectoral allocations can -- indeed, must -- provide the increased funds needed for children. Again, there are low-cost approaches and interventions that can replace the more expensive solutions applied in the past. Also crucial is the restructuring of international assistance so that it supports national efforts to cushion the impact of the transition on vulnerable groups and revitalize weakened social infrastructures.

These are some of the lessons we at UNICEF have gleaned from country programmes and efforts to reach the goals for children in over 120 countries. Our deliberations here this week will surely

deepen and enrich them.

UNICEF in countries in transition

UNICEF organized the first inter-agency mission to the countries in transition in February 1992 and we have gradually stepped up our advocacy, research and cooperation in most of your countries ever since. We are now providing limited but increasing assistance to the new countries of Central Asia and other countries in transition, and we stand ready to help mobilize the support of other agencies and donors. At UNICEF's last Executive Board meeting a new regional structure for such cooperation was approved. In spite of the modest scope of our financial and technical assistance, we believe our cooperation can have a significant impact if it is targeted on those areas in which UNICEF has a comparative advantage within the international community. This symposium will help define the road ahead.

We are particularly hopeful that this symposium will open the way toward greater cooperation between the Central Asian republics in the social sphere -- where UNICEF can be of assistance -- as well as in other areas, such as environmental degradation.

As mentioned earlier, the leaders who attended the World Summit said children's essential needs must be elevated to the

top ranks of society's priorities and concerns, in bad times and as well as in good times. Your countries, which have already achieved many of the goals established at the Summit, must now do everything humanly possible to sustain your achievements and regain ground lost in the first years of the transition. Your efforts will be absolutely critical to achieving a more "child-friendly" world by the year 2000.

Excellencies, colleagues and friends: Our Silk Road of concern for children now stretches around the globe. It can accelerate human progress on an unprecedented scale. I am proud that we are now journeying on it together.