

File Sub: CF/EXD/SP/1992-0056

Address by Mr. James P. Grant
Executive Director of the United Nations Children's Fund (UNICEF)
at the
Chief Executive Organization Spain Forum

"The Corporate Stake in Helping to Build a New World for Children"

Madrid, Spain
14 September 1992



UNICEF Alternate Inventory Label



Rcf0006Z6V

Item # **CF/RAD/USAA/DB01/2002-01087**

ExR/Code: **CF/EXD/SP/1992-0056**

Corporate Stake in Helping to Build a New World for Children
Date Label Printed 20-Aug-2002

Cover + 8pp + 06



United Nations Children's Fund Fonds des Nations Unies pour l'enfance Fondo de las Naciones Unidas para la Infancia
Детский Фонд Организации Объединенных Наций 联合国儿童基金会 منظمة الأمم المتحدة للطفولة

File Sub: CF/EXD/SP/1992-0056

Address by Mr. James P. Grant
Executive Director of the United Nations Children's Fund (UNICEF)
at the
Chief Executives Organization Spain Forum

Madrid - 14 September 1992

"The Corporate Stake in Helping to Build a New World for Children"

I have been looking forward to this meeting ever since Father Ted Hesburgh, your outstanding President Emeritus, kindly invited me to join the list of distinguished speakers you've lined up to participate in what will surely be a most exciting and intellectually-challenging dialogue. Our presence here in Madrid on the eve of the 500th anniversary of Columbus' discovery says that all of us -- in one way or another -- are on voyages of discovery. I read once that Queen Isabella's flag, under which Columbus sailed, originally bore the motto *Non plus ultra*, meaning "nothing further". It referred to Spain's position at the edge of the known world but also reflected its self-image as a world power. When Columbus returned with news of his discoveries, the Queen had the *non* removed so that the motto simply read *plus ultra*. She was acknowledging that there was, in fact, "something further", something more. (I might add, parenthetically, that today's Spain is showing just such openness, as it simultaneously strengthens its ties with the rest of Europe and with the community of Latin American and Caribbean nations.) With all the dizzying changes that have re-shaped our world in recent years, we, too, must remove the *non* from our banners and proclaim our openness to new horizons.

I would consider it a tragically missed opportunity if I returned to New York without having gained fundamental new insights for my work from this select group of "movers and shakers". So what I would like to do over the next hour is discuss with you some of the basic areas where the interests of the corporate community and those of a humanitarian and social development agency like UNICEF coincide, and to explore together ways of collaborating that strengthen each of us in our respective spheres. I look forward to a lively dialogue following my remarks.

Above and beyond your personal, human concern for children's welfare, above and beyond your concerns as parents or grandparents, your bottom-line interest in having skilled and healthy workers and expanding markets for your products, in a stable and liveable world, clearly coincides with UNICEF's interest, as a humanitarian agency, in the health, education and overall well-being of the world's children. Seeing to it that children survive and

cover + 8pp + 8b

develop to their full potential is not only the right thing, the good and moral thing to do; it is also an inescapable investment in the future, in the growth of economies and corporations, in the shaping of a world less prone to conflict and environmental destruction.

Years ago, I was struck by the fact that countries like Pakistan and Brazil, in spite of their rapid and dynamic economic growth rates, consistently lag far behind countries such as South Korea, Taiwan, India, Sri Lanka and Costa Rica in virtually every social indicator. The reasons for the disparities became clear to me after studying their respective models of development. Oversimplifying a bit, it boils down to this: the second group of countries have much higher rates of investment in human capital -- in the health, education and productive development of people -- than the Pakistans and Brazils of the world. What this tells us is that economic growth (as vital as it is for raising living standards for parts of the population) is, by itself, no guarantee of equitable human development. Secondly, it means that significant progress in human development is possible even at relatively low levels of per capita income and growth, given the right mix of policies, and that this investment in turn lays the foundation for economic development in the medium- and long-term.

Creating the conditions in which people can meet their own and their families' needs for adequate nutrition, health care and education is an essential underpinning of efforts to meet the new challenges we face on the threshold of the 21st century. As that investment liberates people's productivity, so it helps to stimulate economic growth; as it includes rather than excludes people from political and economic life, so it helps nurture the democratic process; as it gives people the confidence and the means to reduce family size, so it helps slow population growth; and as it gives the poor a stake in the future, so it helps to safeguard the environment.

I believe that at the intersection of these different perspectives and interests there is a world of untapped potential for co-operation, a new horizon, a "plus ultra" that we can and must explore together. How to do it -- or rather, how to do it better? -- is what I'd like us to examine today.

Some background may be useful. The historian Arnold Toynbee once wisely noted that ours is the first generation since the dawn of history that can dare think it practical to extend the benefits of modern civilization to all people. In the span of a single lifetime, as a result of the extraordinary advances in science and technology you and your corporations have made possible, we have seen the world transformed into a "global village". Instant communications, the sharing of ever-vaster amounts of information, speedy air travel, the constant movement of goods, capital and people around the globe -- have changed the world in revolutionary ways.

Three quarters of the inhabitants of this global village already have -- at the very least -- adequate food, clean water, basic health care, and primary education. There is no longer any technological or financial barrier to prevent the remaining quarter -- our 1.3 billion neighbours who still must half-live on a dollar a day -- from acquiring the means to live in security and dignity.

In looking at the problem of how to reach the unreached, one notes an interesting phenomenon: in almost every remote jungle hamlet or mountain village of the world today, one discovers batteries, matches, mirrors, radios, Cokes -- a surprising variety of mass-produced items which find their way into market stalls and peoples' homes even in the poorest and most inaccessible places, through the sheer power of the market to create, meet and supply demand. The challenge in the social sphere is to match the market's long reach, to match its capacity to stimulate demand, so that social services not only reach those in need, but that people begin to demand the information and technologies they need to help themselves out of poverty.

In 1978, the World Health Organization and UNICEF established the goal of "Health for All" by the year 2000, in recognition of the new capacity the world has developed not only to prevent and treat disease, but to educate, organize and mobilize large populations to improve their own lives. In the early 1980s, UNICEF launched the Child Survival and Development Revolution, the first global effort to reach every child with new low-cost/high-impact technologies and techniques for saving lives and preventing disability. We saw that health systems alone could not do the job; what was revolutionary about our approach was its reliance on the involvement of people at all levels of society -- leadership and grassroots, government and private sector, religious and educational institutions, community networks and mass media -- using marketing techniques, organizational, communications and logistical methods developed, to a great extent, by modern business. Much remains to be done, but the results so far are quite encouraging.

Take infant and child mortality declines, which are powerful indicators of social progress. At the beginning of the 1980s, the infant mortality rate in the developing countries stood at 106 per 1,000 live births. By 1990, infant mortality had fallen to 84 deaths per 1,000 live births. Similar declines were seen in under-five mortality rates, which fell from 167 deaths per 1,000 live births in 1980 to 134 deaths per 1,000 live births in 1990. And this progress was achieved in spite of the recession and debt crisis that stalled economic growth in much of the Third World during the past decade. Although many factors work in combination to influence these rates, successful child survival programmes are clearly playing a major role in bringing down death rates.

Immunization is the most outstanding success story. From lowly beginnings in the late 1970s and early 1980s, a system has been built which now reaches fully 80 per cent of the world's under-one-year-olds, 100 million infants -- and their parents -- on five separate occasions each year. That represents a four-fold increase in a decade. Against all logistical difficulties -- and in much of the Third World, they are formidable, indeed -- this means that over 500 million separate contacts are now being made each year between modern health services and children. The result of this largest international operation ever mounted in peacetime is that vaccines against the six major child killer diseases are saving the lives of some 10,000 children every day, a total of 15 million since the programme began. Another result is that there are today almost 2 million children who are walking, running and playing normally in the developing world who would have been crippled by polio were it not for the immunization efforts of the last ten years. For the future, the immunization effort has laid the foundations of an outreach system which can

now begin to make available other key elements of primary health care, as well as delivering new vaccines as and when they become available.

Many governments in the industrialized world have given financial and technical backing, and many non-governmental organizations in both industrialized and developing nations have won support from a wide public. To cite the most spectacular example, Rotary International has mobilized hundreds of thousands of its members in almost all countries to provide volunteers and raise well over US\$200 million in support of vaccination against polio -- the largest fund-raising effort ever undertaken by a voluntary service organization in support of a specific cause.

Inspired, in part, by the success of the immunization effort and impelled by the end of the cold war to seek new and higher forms of international cooperation, the world's leaders convened the World Summit for Children two years ago this month. It was the first time heads of state and government from North, South, East and West ever met together and I believe it was highly significant that they met to consider the possibility of bringing an end, in our times, to the obscenity of 14 million children dying each year -- 40,000 in the course of each day -- of largely preventable causes. The Summit concluded with a commitment, now signed by more than 125 heads of state or government, to begin applying today's accumulated knowledge and inexpensive techniques to a range of basic problems facing the world's children.

They committed themselves and their governments to meet 27 specific, measurable goals by the end of this century, and most governments have already completed -- or are currently drafting -- National Programmes of Action for reaching these strategic targets. These goals represent nothing less than a blueprint for the survival and continuation of our civilization. Their achievement would mean that some 50 million children won't die in the 1990s who would die if present patterns continued. It would mean that some 100 to 150 million children won't be born, compared to what would happen if present trends continued. And it would mean that some 2 million mothers won't die who are now projected to die if the current patterns in maternal mortality continue.

The agreement to that programme, by virtually every nation, marks the rejection of the long-held notion that the problem of malnutrition and disease is so vast and inevitable that nothing significant can be done about it. In its place has come the recognition that the great majority of child deaths, and of the vast weight of illness and malnutrition which lie behind them, can now be prevented relatively cheaply and easily. We must see to it that the world's leaders keep the solemn promise they made to the world's children in 1990. This obviously cannot be done by UNICEF alone -- we need the commitment of each sector in society, the commitment of millions of people and billions of dollars. The private sector has a critical role to play.

The cost of reaching the goals for children by the year 2000 is not exorbitant by any means. We estimate that an additional US20 billion per year will be needed over the decade -- what the world now spends every week on the military. The major portion of this must be generated by the developing

countries themselves, but perhaps US\$5 billion to US\$7 billion per year will have to come from external aid. In addition to economic growth in the developing world or increased aid from the industrialized nations -- both of which are to be hoped for in the 1990s -- the resources for investing in people could come from three other sources:

* First, from some degree of restructuring of government spending in the developing world to shift resources in favour of low-cost services for the many rather than high-cost services for the few.

* Second, from a similar restructuring of existing aid programmes in order to devote a larger proportion to the task of investing in people's health and education (did you know that only about 6 per cent of foreign aid is devoted to these priority areas today?).

* The third possibility would be to take full advantage of the greater knowledge, technology, and communications capacity now available. We can now invest in the health, nutrition, and education of the rising generation at a much lower cost than previously thought possible. In other words, we can wring considerable social and economic returns from relatively small investments -- reaping these returns in shorter periods of time than ever before.

The private sector, with its powerful lobbies and interconnections with governments everywhere, can advocate for enlightened national and aid policies such as these. They are good for people; they are good for business.

Brazil provides an excellent example of the political influence the business community can wield on behalf of children. There, corporate leaders are playing a decisive role in follow-up to the World Summit for Children as part of a high-profile coalition called the Pact for Children. The Pact brings together the country's main political parties, members of Congress, the trade unions, the Catholic Church, key civic organizations, the Attorney General and other government representatives. They want to see to it that children and youth become Brazilian society's number one priority at the national, provincial, community and family levels. Last May, the Pact sponsored a meeting of state governors -- 24 out of the country's 27 state governors attended -- and they promised to have ready, by October 12 -- a month from now -- comprehensive action plans for improving children's lives in their respective states, complete with measurable goals, yearly progress reports, and deadlines for achieving the targets.

In addition to this kind of political or advocacy role, the business community is, of course, a major source of funding for child-related programmes. Thus, UNICEF, which is the only United Nations agency with a significant base of support in the private sector, greatly benefits from our partnership with corporations around the world. And, I am happy to say, it is growing year by year -- tripling from 1985 to 1990. Last year, the private sector donated US\$200 million to children's programmes in the developing countries through UNICEF, US\$85 million of which was profit from the sale of UNICEF greeting cards and other products around the world. By the turn of the century, we've set an ambitious -- but I believe "do-able" -- goal of raising a billion dollars from corporations, foundations, and the general public each

year. And, I might add, the benefits of this partnership are ultimately mutual, since public association with UNICEF and the cause of children is always a definite plus for corporations, which as you know must sell their image as well as their products and services.

The forms this partnership takes are varied and often quite innovative. Civic and service organizations whose members come mainly from the business community are very active:

- * There is the unparalleled example of Rotary International I mentioned before.

- * Junior Chamber International has joined with us and the Pan American Health Organization to battle against cholera in Latin America, where the death rate during the current epidemic has been kept unusually low -- below one per cent -- thanks to widespread use of oral rehydration salts which the Jaycees are helping make available.

Many corporations work with us directly, either through funding, donations in kind or allowing our messages or technologies to "piggy-back" on their marketing and communications systems:

- * Johnson & Johnson donates Tylenol capsules as part of the essential drugs package UNICEF distributes in 128 developing countries. Merck and Company is donating large quantities of the drug we need to combat river blindness in West Africa. Hoffman-LaRoche, another pharmaceutical giant, has committed itself to providing -- at no charge -- sufficient vitamin A to dose 115 million children in 37 countries over the next three years -- averting blindness and death for a few pennies per child.

- * Both Pepsi and Coca-Cola are helping UNICEF help local authorities combat deadly cholera in Central America, using their distribution and marketing networks and outlets to promote and distribute oral rehydration salts against diarrhoea.

- * Italy's ENI energy and chemical conglomerate is sponsoring a pilot primary health project benefitting some 100,000 children in three developing countries.

- * Canon Cameras has sponsored a series of double-page ad spreads on children and UNICEF in TIME magazine.

- * Pier One Imports, a US retail chain, donates space and sales support and is generating over US\$750,000 in annual sales of UNICEF greeting cards.

- * Avon cosmetics is training its 7,000 saleswomen in Guatemala to share breastfeeding information with the women who buy their products. Since Avon's sales approach is very personal -- women selling products to their friends and neighbours -- this project has great potential for reaching professional women -- precisely the

sector that has abandoned the life-saving practice of breastfeeding in greatest numbers.

* In virtually every country of the developing world, companies have publicized the Convention on the Rights of the Child and reinforced public health campaigns by printing key messages on their products, from margarine packages to milk cartons, matchbooks to tortilla chips.

* Japan Airlines sells our cards in-flight and in ticket sales offices. At no cost to themselves, through a programme called "Change for Good", JAL and two other airlines -- Quantas and Cathay Pacific -- are collecting passengers' unneeded foreign coins, providing us with over a quarter million dollars per year.

* Corporations provide funding for our annual Danny Kaye International Children's Awards TV Show, and other special events featuring such UNICEF spokespersons as Audrey Hepburn, Liv Ullman, Roger Moore and Peter Ustinov.

* A new initiative that is gaining momentum is the International Children's Day of Broadcasting: on December 13th, starting this year, TV stations and networks in many countries will be giving priority to children -- not only with shows aimed at children but a range of programming and spots on children's issues directed at adults. In Brazil, TVGlobo -- which has the 4th largest viewing audience in the world -- has been sponsoring a week-long educational and fundraising campaign every year for the last seven years to benefit UNICEF-assisted programmes. In Argentina, this past August 9th, the country's five private TV networks decided, for the first time ever, not to compete but to jointly broadcast a single programme -- called "All For Children" -- to benefit local UNICEF projects.

* Walt Disney and Hanna Barbera are helping us produce animated shorts on child health and education issues, as well as train animators in Third World countries.

* We are currently exploring the potential of expanding product development partnerships relating to licensed and/or co-produced goods. For example, in return for use of the UNICEF emblem on each tape, CD or laserdisc, SONY Classical is paying us royalties on global sales of recordings and videos of the Bonn Ballet's performance of "The Nutcracker".

In many industrial countries, corporations are key partners and sponsors of National Committees for UNICEF. In the United States, this longstanding collaboration took a big step forward in 1990 at the time of the World Summit for Children, when James Wood, chairman and chief executive officer of the Great Atlantic & Pacific Tea Company, established the Corporate Alliance for Child Survival. You can contact and join the Alliance through the U.S. Committee for UNICEF.

In July, FORTUNE magazine devoted an entire special edition to the subject of "Children in Crisis". Article after article pointed up the corporate

world's stake in raising healthy, well-educated and productive future generations. "These are our children, our co-workers' children, our future colleagues and customers", the lead editorial emphasized. I think FORTUNE is onto something... Just as corporations are coming to understand it's in their self-interest as well as society's interest that they be "environmentally-friendly", I believe the business community will increasingly see the value of being "baby-friendly", too, and of taking a leadership role in helping new generations get a good start in life.

With all the momentous changes that have taken place in the last two or three years, a new page in world history is being turned. Each one of you can help see to it that the needs of the poorest quarter of mankind, and of the children who are the most vulnerable of all, are not relegated again to the footnotes of that page. For almost half a century, war and the threat of war have diverted our physical and financial resources, our science and technology, our ingenuity and imagination, and our human capacity and concern. With the end of the cold war, the time has come for the world to recommit itself to the task of ending the age-old evils of absolute poverty, illiteracy, and preventable disease and to build again towards a new world order which will reflect mankind's brightest hopes rather than its darkest fears.

If anybody can get behind such a vision and make it into a reality it is the likes of you in this room. Together, let us explore the "plus ultra", the "something more" and better which is waiting to be discovered on the threshold of the 21st century and the third millennium.