

# PROTECTING PACIFIC ISLAND CHILDREN & WOMEN DURING ECONOMIC AND FOOD CRISES

EXECUTIVE SUMMARY



Working Edition One for advocacy, debate and guidance  
July 2009

Key points:

- The central lesson learned from every previous economic crisis is that the poorest people in developing countries suffer the most and that not enough is done to help them. Beneath the current crisis lies a “Development Emergency” with catastrophic implications if we fail to respond effectively.
- While there is still uncertainty about the scope and impact of the economic crisis in the region, it is clear that children and women in many Pacific Island countries are likely to be amongst those most severely affected, and that those already most vulnerable will face the greatest impact. The crisis compounds the recent shock from high food and fuel prices. The region has a very short window of opportunity (due to lag time in the transmission of global impacts to the Pacific) to prepare by readjusting fiscal and monetary policy, creating an enabling environment in which alternative livelihood opportunities can be found, establishing early warning and response tracking systems, and developing immediate and longer-term social protection (safety net) policy responses.
- It is essential to maintain, and where possible increase, the collection of data (disaggregated by sex and age when feasible) to closely monitor the effects of the crisis on children and women in the Pacific. An early warning system—a Pacific Hardship Alert—linked to the proposed Global Impact and Vulnerability Alert System could be a medium-term consideration.
- Investing in children and women is not only a moral imperative; it also brings positive benefits to economies and societies. Governments in the Pacific must not stray from their commitments to children and women in this time of crisis. They must take all necessary measures to enhance the role of women as economic agents and to protect social sector budgets, especially to maintain and, if warranted, expand essential social services for children and women (health, education, HIV prevention, and protection from abuse, violence and exploitation). Donors should maintain their aid commitments to the Pacific in this time of crisis and must ensure investments benefit those most in need.
- A new set of policy options including formal social protection (safety net) mechanisms such as school feeding programs, cash and in-kind transfers to the most vulnerable, and workfare programs (targeting youth and women in particular) should be considered in the response to the current crisis, to aid recovery of any lost economic and social development, and to lessen the impact of future crises.

*Keep human beings at the centre. Start with children.  
Economics must serve human ends not dominate them.  
Investing in people, children first and foremost, is the  
way to build our collective future.*

Dr. Richard Jolly, UNICEF's Former Deputy Executive Director.

Plenary Session at the Second World Congress of ChildHealth 2000, Vancouver, Canada, May 30<sup>th</sup> 1995.

[http://www.gcsitdc.com/ch2000\\_2/mc\\_jolly.html](http://www.gcsitdc.com/ch2000_2/mc_jolly.html) **Protecting Pacific Island children and women during economic and food crises:  
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## Executive Summary

**Protecting Pacific Island children and women during economic and food crises** is a work-in-progress. It includes lessons learned from previous crises. It also offers guidance on real-time monitoring to better understand the situation of children and women in the Pacific and suggests policy options to help protect them including how to achieve better returns on investment from social sector spending as well as how to strengthen existing and initiate new social protection programs. Country-specific action is needed in response to the global economic crisis. Further documentation **Part 1: The current crises and their broad impacts across the globe and in the Pacific** Provides a rapid synopsis of the impact of the food price rise and economic crisis across the globe and in the Pacific. We surmise that:

### Across the globe

- investment and employment. The risks of a long and deep recession or even a depression cannot be excluded. The crisis has hit in a series of waves. The first wave brought the global financial system to the brink of collapse. A second wave hit emerging economies causing reductions in credit, trade, foreign direct investment, remittances, and employment, and likely reductions in aid. A third wave is now hitting the world's poorest and most vulnerable countries already suffering from the shock of high food and fuel prices.
- Further waves are likely to hit long into the future including a return to high commodity prices, deeper gender inequities, decreased food security, a prolonged labour market recession, the persistence of poverty effects, and the intergenerational transmission of poverty.
- Beneath this global financial crisis lies a global humanitarian crisis or, as the World Bank describes it, a "Development Emergency" with catastrophic implications if we fail to respond effectively.

### Across the Pacific

- In the Pacific, only Timor-Leste, Papua New Guinea and possibly Vanuatu will continue to sustain positive economic growth while other Pacific economies will slow down or contract.
- On the positive side, this gives countries a small window of opportunity to put together more thoughtful and effective policies. On the negative side, this means that the impacts Even if the global economy picks up in the second half of 2010, as the most recent forecasts suggest, it may take until 2011 for the Pacific economies to fully recover. The transmission channels of the crisis to the Pacific are broadly similar to other parts of the world (reductions in exports, remittances, etc.). In addition, countries with trust funds invested in international financial markets have seen the value of their funds drop which will likely reduce income streams to national budgets. The close association with the economies of Australia and New Zealand also means that downturns in these two countries will negatively affect several Pacific Island economies. There are substantial levels of poverty and hardship in the Pacific levels of poverty are set to increase due to the economic crisis and other factors specific to particular countries. Children in female-headed households are likely to be especially disadvantaged. **Part 2: The human face of financial, economic and food crises**

Examines the impacts that previous financial and economic crises have had on children and women. It also considers the known and potential impacts of the current crisis on Pacific children and women (including last year's food and fuel price rise crises). We observe that:

### The central lesson

- They are forced to respond with measures that keep them poor and lower future income-earning potential, resulting in persistent poverty.

### Likely impacts on Pacific Island children

- 13,000 in Papua New Guinea, 2,500 in Timor-Leste, and 2,500 in the Pacific Island countries. There are high levels of national dependence on food imports and high proportions of household Government health expenditures will likely decline in real per capita terms. Even where health is prioritized within the overall budget, real health spending per capita may still fall. The demand on public services will increase at a time when funding for such services will diminish. Where health insurance schemes exist, households may no longer be able to afford health insurance or may become ineligible. Where private health care systems exist, users may switch from the private system to the public health sector as their ability to pay for health services is impacted. The quality of health care will likely diminish. Overall, patients will likely defer care completely or only attend when the situation becomes critical, exacerbating child and maternal mortality.
- Large youth populations combined with school drop-outs already make youth employment a major concern for this sub-region with the crisis only set to increase levels of youth unemployment. Violence against women and children, while difficult to measure, rise under conditions of economic stress. The current crisis could propel children from school into the labour force (especially boys) or to shoulder more household tasks (especially girls). There is a significant danger that hidden impacts hazardous work, increases in violence and decreases in

nurture, care and emotional wellbeing may not be addressed, owing to their invisibility. adolescents, sex workers, military personnel, maritime workers, and men who have sex with men (MSM). **Likely impacts on Pacific Island women** More Pacific Island women will die in childbirth. Maternal mortality is already a serious concern across. Access to micro-credit schemes may diminish, further compromising women's businesses and their ability to cope during difficult times.

- even when women are already engaged in paid-work. Overwhelmingly, women will bear the brunt of the crisis. **Part 3: Real-time monitoring and Policy Action for children and women in the Pacific** protection to aid recovery and to We stress that:
  - If ever there was a time for Pacific Island governments to improve their leadership, governance, and resource management, it is now. While each country must pursue a policy framework relevant to its own context, the broad regional focus will likely need to be at least threefold: maintain macro-economic fundamentals; protect social budgeting and budget for social protection; and undertake strategic long-term investments in physical and human capital.
  - own. Policies that enhance regional coordination and enable the Pacific region to become progressively There is a clear need for policy prioritization. Given the limited resources to formulate and then implement improved public policy as well as the diversities across the Pacific, existing crisis-response and recovery policies can be made more child- and women-focused.
- **Identifying and monitoring the vulnerable**<sup>1</sup> a large number of children and women are likely to face extreme challenges.. (Analysis on Papua New Guinea and Timor-Leste is not included). patchwork of information. Investment needs to be made in better early warning poverty and vulnerability monitor families at risk. Where resources and capacities allow, crisis hotlines or other novel reporting mechanisms (e.g., SMS, email) could be established. Monitoring social expenditures (inclusive of health, education, and welfare) will be vital. A simple measure would be to benchmark the overall annual budget's strategic intent as regards social expenditure—to "increase", "maintain" or "reduce social spending".
- Just as there have been calls for an early warning system for the economy at the International Monetary early-warning system—resilience of Pacific Island populations to the changing environment, the Pacific Hardship Alert System of expertise but start-up resources have already been mobilized and collaboration has already commenced. **Protect social budgeting for children** International organizations, donors, and national governments need to work together to ensure that recommendations for dealing with the economic crisis do not include, or result in, reduced spending on child priorities (such as basic health care, nutrition, child protection, clean water, education, social protection schemes). Governments have at least three options as regards social budgeting during the current crisis: "increase", "maintain" or "reduce social expenditure".
- **Increasing investments in children is a bold, innovative move.** This crisis presents an opportunity for Pacific Island countries to address long-standing barriers to progress for children. Ministries of Finance need strong arguments that demonstrate the economic benefits from investment in children. At least three points can be made: First, more than 50 analysts including eight of the world's most distinguished—Many Pacific Island countries have policies and mechanisms that are delivering some if not most of these programs and interventions. The question is whether these efforts can be expanded or reinforced to cope with the effects of recession in varying contexts and with scarce resources. If they can, t—they yield high returns in terms of containing current and future poverty—and should be enacted quickly.
  - Third, investing in children to help them realize their full human potential in times of economic growth and in times of crisis is a moral imperative. Access to health care, education, water, sanitation, nutrition, protection from violence and abuse, is an entitlement in its own right.
- **Maintaining social sector budgets is a steady, pro-child move.** Efforts to maintain government social expenditure as a proportion of Gross Domestic Product (GDP), or as a proportion of total government **Reducing social expenditure is a conservative but potentially reformative move.** Reductions in public spending on social infrastructure and services are likely to hurt poor households and children most. **Focus on girls and women** restricting women's access to work, education and health services, especially in times of crisis, comes at significant economic costs. sound gender-based policies are more important than ever when resources are scarcer. but —they yield high returns in terms of containing current and future poverty—and should be enacted quickly. Micro- credit schemes are a lifeline for women and need special protection. Fiscal stimulus packages as well as need to be engendered. Large public infrastructure and public work projects are common features in all

<sup>1</sup> 2009 economic growth predictions, economic crisis and food security vulnerabilities, the total under-five populations, the latest under-five mortality rates, the national Human Poverty Indices, the National Basic Needs Poverty Incidences, contraceptive prevalence rates, adolescent birth rates, the share of women in wage employment in the non-agricultural sector, national percentages in access to improved water and use of improved sanitation, and rural versus urban differentials in access to improved water and use of improved sanitation.

stimulus packages and should incorporate gender dimensions. This is also an appropriate time to increase the ratification and improve **Budget for social protection** Pacific Island countries are well known for their informal, Pacific communities have developed resilience to adversity such systems. Traditional safety nets, however, family members living overseas a major part of informal social protection are also declining. Several robust evaluations have demonstrated that in downturn, the greater the consideration. It is crucial to note that social protection policies have emerged conditional or unconditional cash transfers, direct distribution of food or nutritional supplements, school-based feeding programs, childcare support, maternal/paternal benefit payments, disability allowance, education bursaries, fee waivers, pensions, unemployment benefits, price subsidies, agricultural inputs, public works programs, health insurance, asset insurance, life insurance, and microfinance. Ideally, social protection should be in place before a crisis occurs since it can address the needs of the poor in good economic times and be adaptable to combat the effects of crisis, but there are examples where countries have used a crisis as an entry point to initiate social protection.

- Establishing social protection programs can depend on the relative priority given to social sector programming in general and the extent to which poverty is recognized and identified as a priority concern. Starting and sustaining social protection programs is a highly contextual process where ideas, ideology and politics may matter more than data.
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- Pacific Island countries may want to consider initiating or reforming existing social protection programs safety nets; (iv) strengthen policy coordination and coherence across several sectors to avoid piecemeal and reactive responses; (v) improve coordination between governments, people find decent work, and keep children in education; (vi) increase public knowledge of entitlements to increase uptake through information campaigns and partnerships between government, NGOs and community-based or religious structures. Where adequate social protection programs exist then their coverage should be expanded and their targeting improved in the short term through the adoption of simple targeting methods focusing, for example, on: (i) geographic characteristics; (ii) family size and housing conditions; and (iii) categories of the most vulnerable populations such as the disabled and elderly living alone.
- The departure point for many Pacific Island countries, however, will likely be from a weak or non-existent social protection system. Where political leadership is strong, the current economic crisis provides an opportunity to create formal social protection from scratch.
- Poll Transfers (targeted or untargeted), Conditional Cash Transfers (targeted or untargeted), and Workfare Programs (for young people in particular) time monitoring indicates and the situation allows. Too much haste may lead to poorly designed social protection programs that may become a drain on fiscal positions and can give rise to “poverty traps” when people are encouraged to “stay poor” by the availability of assistance. Nevertheless, the success of Indonesia’s National Safety Net Program demonstrates that it is possible for governments to rapidly launch a massive social protection response in a crisis and improve it as the program proceeds.
- Children (under 18 years of age) comprise almost half of the population and are over-represented among the poor. Children and young number of principles that can be applied to make formal social protection more child-centred: (i) avoid adverse impacts on children, and reduce or mitigate social risks that directly affect children’s lives; (ii) since the most at-risk children usually live outside family care, make social protection systems responsive to this vulnerable group; integrating child protection mechanisms into social protection packages at a time of crisis is vital. Possible synergies include: (i) integrating child protection issues (e.g. no tolerance of child labour) into cash transfer conditionalities; (ii) using interactions with program beneficiaries to raise awareness about child protection vulnerabilities; (iii) supporting the development of a single registry system so that the well-being outcomes of children receiving transfers can be better monitored and supported by cross-agency services; and (iv) linking child abuse referral systems to the implementing office of cash transfers or workfare programs. GDP on social protection but have scope to become far more cost-effective. automatic stabilizers—measures of support that automatically increase during times of crises or increased Pacific Island country policymakers need to seize this opportunity to build political support for initiating new or widening the coverage of existing social protection programs and embed them within national budgets. The primary response to the current must be from Pacific Island countries themselves but some countries may be too overwhelmed by the deterioration of fiscal and external balances. However, effective assistance requires more than just cash; stronger national capacities for aid management are also essential as are donor commitments to the principles of the Paris, Pacific, and Accra aid coordination agenda. Within such an aid environment, there is a real danger that children’s rights to survival, development and protection will become less visible. The European Union’s linking of human rights, including child rights protection to preferential trade status agreements, is a possible model of good practice to ensure

<sup>2</sup> The SPI is a combination of expenditure on social protection (% of GDP spent on social protection activities); the combined percentage coverage of seven target populations (the unemployed/under-employed, the elderly, the sick, the poor, people living with disabilities, and children with special needs) who receive some social protection; a poverty targeting rate (the % of the poor in a country who receive some social protection transfers or other social protection benefits); and the amount of social protection expenditure going to the poor (derived by applying the poverty targeting rates to the total expenditure on each social protection program).

that children's rights are sufficiently prioritized in aid packages. The role of community-based and civil society organizations and the private sector, as service providers and advocates, comes to the fore particularly at times of crisis. Governments should recognize this role and use the assets they provide to the full.

#### Final remarks

- The negative impact of the global economic crisis on Pacific Island children and women is not inevitable. A strong policy response may not avoid all the negative consequences, but it can mitigate the impact. children, young people and women are protected from adverse shocks and human capital is strengthened. sustain their basic human rights as they grow to adulthood. We respond energetically and passionately
- ***The future of Pacific Island children and women hangs in the balance. We must place them at the centre of our concerns. Pacific Island governments can use this crisis to jump-start a new development paradigm, one in which social expenditure on children and women is at the heart of a more inclusive and sustainable pattern of economic growth in the region. Unquestionable evidence exists that investing in children and women is very, very smart economics.***

#### Key points:

- The central lesson learned from every previous economic crisis is that the poorest people in developing countries suffer the most and that not enough is done to help them. Beneath the current crisis lies a “Development Emergency” with catastrophic implications if we fail to respond effectively.
- While there is still uncertainty about the scope and impact of the economic crisis in the region, it is clear that children and women in many Pacific Island countries are likely to be amongst those most severely affected, and that those already most vulnerable will face the greatest impact. The crisis compounds the recent shock from high food and fuel prices. The region has a very short window of opportunity (due to lag time in the transmission of global impacts to the Pacific) to prepare by readjusting fiscal and monetary policy, creating an enabling environment in which alternative livelihood opportunities can be found, establishing early warning and response tracking systems, and developing immediate and longer-term social protection (safety net) policy responses.
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