Statement by
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Choosing an Inclusive, Job-Creating Recovery

The economic recovery is faltering, and risks are rising, exacerbated by an array of larger and increasingly frequent crises—whether financial, political, and social, fluctuating food and fuel prices, or conflict or natural disasters. Many governments are debating the right policies to respond, and they are doing so in a generally constrained fiscal environment. It will be tempting for many to focus on short-term solutions and defer the harder decisions. But the resounding message of these meetings is that we are at a crossroads, and this is the time to make the right choices for the future.

There is growing recognition and consensus that disparities—of income, opportunity, and access—are at the core of much of the instability and social tensions that we are experiencing. Too many have been left behind, and more than ever in the past, they know it. Television, radio, and new media show them every day that trickle-down economics really produced just a trickle. Yet we know that more equal societies tend to grow longer, and conversely, that high inequality breeds volatility. This is the time to invest in people, and generate more inclusive, sustainable growth from the ground up. This is not only morally right, but it makes economic sense.

The current debates place a lot of emphasis on jobs. Looking to the future, the creation of good jobs for young people must be a priority. Today, there are more than 1.2 billion individuals aged 10-19, emerging from childhood into the adult world. Nearly nine out of ten live in the developing world and face profound challenges, from obtaining an education to simply staying alive—challenges that are magnified for girls and young women. More and more are beating the odds, and emerging healthier and better educated. But too many – 81 million in 2010 – find themselves out of work or underemployed, and disillusioned. Solving this problem is key to breaking the intergenerational cycle of poverty and inequity, reducing conflict and preventing violence, and fostering greater security and prosperity. To this end, the young need policies to help them in the school-to-work transition, to train them in entrepreneurship, and to foster equal opportunities for men and women.

Focusing on Equity: The Right Approach for Results

If the aim is to narrow the gap between the richest and the poorest, what is the best way to achieve this? More aid is needed, but that is not, in itself, an answer. UNICEF believes that an “equity approach,” with more targeted development efforts, offers the best “bang for the buck.”

Since the introduction of the Millennium Development Goals (MDGs), we have seen significant, if not sufficient, progress on many development indicators. But too often, average statistical successes mask

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moral failures, as progress is typically concentrated among the most well-off, and disparities do not narrow, but even worsen in some cases. This is true for the under-five mortality rate (MDG4). Despite substantial progress, this MDG is still at risk of being missed, and the numbers remain sobering. In Sub-Saharan Africa, 1 in 8 children still die before age 5, more than 17 times the average for developed regions. In Southern Asia it is one in 15. As mortality rates have fallen more sharply elsewhere, the disparities between these regions and the rest of the world have grown. A recent UNICEF study showed that focusing investment on the poorest and hardest to reach children not only addresses this injustice, but moves us more quickly and cost-effectively toward achieving MDG4. And the study suggests that the same is true in other areas.

UNICEF is thus adopting a new robust system of “monitoring for equity,” focused on delivering results to the most needy and vulnerable, in ways that make sense, while addressing bottlenecks to reach them. We welcome similar efforts to target results in other organizations, such as through the World Bank’s new Programming for Results instrument. But making these approaches work requires closer collaboration and complementary approaches between the IFIs and the UN agencies, as well as with other development partners, on socially inclusive economic policies.

Protecting the Most Vulnerable at Times of Volatility, and Beyond

Sustaining access to basic services is critical to prevent the vulnerable from falling (deeper) into or being trapped in chronic poverty. Poor households have been dealing with the effects of the crisis for some time, and their coping capacity has gradually diminished. Without basic, immediate social protection, many have been forced to make extreme trade-offs, such as reducing the number and quality of meals, pulling children out of school, and selling off their limited productive assets.

In this context, it is important to avoid excessive fiscal contraction that could impact the provision of critical social services for the most vulnerable, including children. We see troubling evidence that austerity measures have spread quickly across the developing world, with a growing number of countries cutting back total government expenditure, some down to levels below the pre-crisis period. UNICEF country offices are exploring, in partnership with national governments and the IMF, options for preserving or expanding fiscal space in critical areas, in ways that help foster a job-creating and inclusive recovery.

More broadly, social protection systems need to be strengthened in ways that bolster the capacities and resilience of households for the long-term, and ahead of the next crisis. Social and economic vulnerability go hand-in-hand, and social protection must address both by including access to social services and tackling social exclusion, along with economic support measures. We know that countries that had good systems in place before the crisis have fared better, as have those that successfully expanded existing systems in order to respond. In South Africa, for example, research indicates that poverty would have increased twice as much without the presence of Child Support Grants, a fairly simple intervention.

Efforts to bolster systems in low-income and fragile contexts in particular need to continue, with technical and financial support from donor countries and from middle income countries with relevant experience. UNICEF, alongside other partners (including the World Bank), is supporting such efforts in countries

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5 UNICEF Special Report, Narrowing the Gaps to Meet the Goals, September 2010.
from Haiti to Kenya to Nepal. This includes work to support cash transfer programmes in contexts such as Somalia and South Sudan, both to respond to immediate needs and to strengthen resilience.

**The Stakes Are Not Temporary – The Case of Nutrition**

The impacts of the tradeoffs that poor households have been making are not temporary. Take the example of nutrition in the context of record-breaking high food prices. Few things have a more far-reaching effect on a child’s wellbeing, or a nation’s long-term strength, than nutrition. Chronic nutritional deficiency during the critical period of pregnancy and the first two years of a child’s life leads to irreversible stunting. This permanent damage to a child’s physical and cognitive development will impair her eventual ability to do well in school, find a good job, and have access to opportunities to get ahead. It will reduce her earning capacity by up to 22 percent, in turn making it harder to feed her own children.

Last year, the international development community, including the World Bank, WFP, UNICEF and 100 other partners, came together to support the Scale Up Nutrition (SUN) Framework, a growing movement to scale up nutrition in places where stunting is so tragically commonplace. But this silent emergency still receives far too little attention.

The prospects for the Horn of Africa, where the emergency is now loud and clear, are dire. The rates of severe acute malnutrition have reached levels unseen in decades. More than 300,000 children across the region are severely malnourished and at imminent risk of dying. UN agencies and others are working together to deliver aid as fast as we can. UNICEF alone has established hundreds of nutrition centers and programs. But the crisis has not peaked. There will be no major harvests for the rest of the year, so it will get worse. We must continue to scale up emergency humanitarian responses, while also thinking ahead. We look forward to a joint post disaster needs assessment in the region which would allow us to identify the main strategies to address food insecurity, and develop longer-term plans to support resilience and development.

**Investing in Gender Equality**

As Mr. Zoellick said in a recent speech, “we will not release the full potential of half of the world’s population until globally we address the issue of equality… We know that gender equality is smart economics; that countries with greater gender equality tend to have lower poverty rates; that a child’s chance of survival is much greater if income goes into the hands of the mother…”

UNICEF welcomes these key conclusions from the latest World Development Report—that gender equality matters for development, and empowering women leads to improved outcomes for the next generations. We urge policy makers to consider the rights of women and children together, so that they reinforce each other.

The WDR highlights that programs need to be targeted at adolescent girls since gender disparities grow over the life cycle and deepen with puberty, a time when young women are often overlooked and forgotten. Discrimination against them, particularly in the form of harmful traditional practices, has been unrecognized because social norms accepting girls’ inequality continue to persist. It is critical to focus on the needs of young girls with efforts that help them to transition into a productive and healthy adulthood.

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8 World Bank Group, “Beyond Aid” delivered by President, Robert B. Zoellick at George Washington University, September 14, 2011.
The report rightly calls for greater recognition of the intersecting discriminations and exclusions that girls and women face throughout their lives. In this context, it is vital to address the root causes of gender gaps, including by socializing, educating and empowering boys from an early age to work alongside women and girls as champions of gender equality, and stand up against inequitable norms and attitudes.

But it is also true that gender disparities are most entrenched when poverty is compounded by other forms of exclusion, such as remoteness, ethnicity, and disability. Aggregate successes can mask glaring disparities, and an “equity approach”, focused on removing bottlenecks to help the most excluded, may offer the best chance to narrow persistent gaps.

**Conclusion**

Can we afford not to invest in these basic foundations for the future learning and earning capacities of our citizens? In fact, it may be the smartest investment we can make. This investment is particularly critical in those areas of the world where economic successes will depend on effectively translating youth bulges into “worker bulges.” The transition will depend on investing in people – both women and men – in ways that narrow the gaps, and generates more inclusive, sustainable growth from the ground up.