

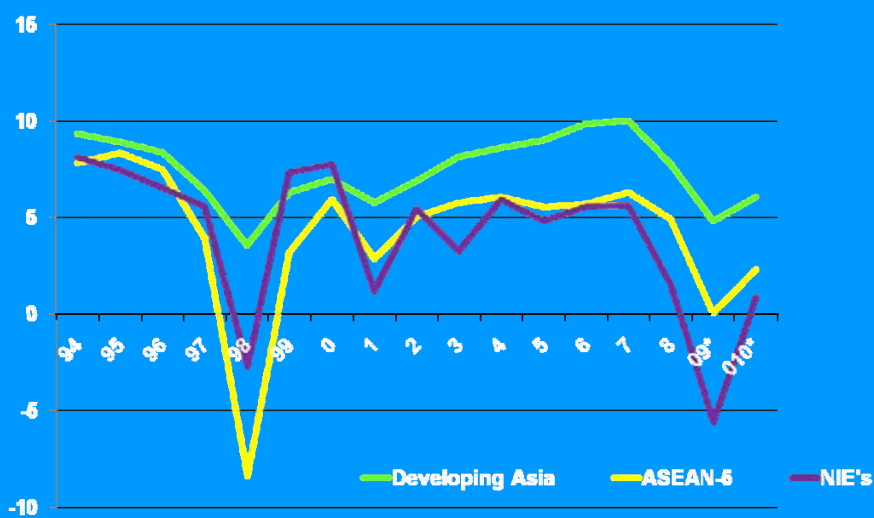
## The Economic Crisis in East Asia and the Pacific Islands

### Monitoring the impact on children UNICEF experience

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### Average annual growth rates (GDP, constant prices) – 1997 Crisis to Now



Source: IMF, September 2009

## Overview

- Asia expected to be first region to pull out of economic slump and even lead global recovery. China's role is particularly crucial.
- Rebound clearly happening but need to be careful when talking about sustainable recovery
- Important to note countries have been affected differently by the crisis. Rough classification, based on impact and ability to respond:
  - **Barely affected** (China, Indonesia): Not affected much because of relatively low export to GDP ratio; large domestic market; diversified exports
  - **Affected but strong comeback** (Thailand, Malaysia): Hard hit, but solid fiscal positions to aid recovery
  - **Hard hit and/or minimal capacity to respond** (Cambodia, Mongolia, Papua New Guinea, Pacific Islands): LICs and/or commodity exporters face challenges

## UNICEF rationale for real-time monitoring in East Asia and the Pacific

- Lack of substantive data on social impact of the 1997/98 East Asian economic crisis
- UNICEF EAPRO commissioned special issue of *Global Social Policy* to explore potential impacts of this crisis on children :
  - Concept note proposing to monitor trends during the crisis in health, education and social budgets using sentinel sites was part of this issue
- Countries where idea has been endorsed thus far: Lao PDR, Mongolia, Indonesia, Pacific Island Countries
  - Slightly different version of real-time monitoring in Viet Nam



## UNICEF EAPRO proposal – Key Ideas

### Education:

- Possible indicators: attendance; teacher attendance; school budget receipts, including parental contributions.
- Sample sites – numbers could be collected from sentinel schools in selected vulnerable areas, weekly or monthly.

### Health:

- Outpatient visits, total ante-natal care visits, health center user fee receipts - all collected and collated, weekly or monthly.
- Sentinel sites often already exist for notifiable diseases and to warn of epidemics (also in HIV).

### Social Budgets:

- Simplest: Government strategic intent to “increase”, “hold the line” or “reduce social expenditure”
- More demanding: Comparison of fiscal budget years for sectors, data on total national disbursements and planned expenditures; Public Expenditure Reviews

## UNICEF initiatives (1): Indonesia

- UNICEF and WFP developed and piloted monitoring system to track impact of high food prices at the household level in 4 provinces, including Greater Jakarta, in 2008
- Government adopted this methodology and set up a Food and Nutrition Security Monitoring System (FNSMS) in June 2009
  - 4 provinces covered: East Java, NTT (Nusa Tenggara Timur), Central Sulawesi and West Kalimantan
  - 20 vulnerable districts– 5 per provinces; 1000 HHs
  - Districts selected base on 2005 food insecurity atlas
- Currently in pilot phase – first set of results in:
  - 14% HHs food insecure; 30% vulnerable
  - School absenteeism found in 21% of HHs with at least 1 school age child
  - 56% of surveyed HHs experiences difficulties due to ↑ food prices, ↑ health expenditures, lack of cash etc

## UNICEF initiatives (2): LPDR

- National consultation on monitoring the potential impact of the crisis on children in Feb 2009, following regional conference
  - Government asked and UNICEF produced concept note, consulting relevant in-line ministries
- Concept note proposes monitoring 4 areas:
  - Consumer price data: Already being collected in 8 sentinel sites (markets areas) across the country
  - Education: Attendance – monthly, from 1 primary school per province
  - Health: Monthly data from 18-27 health centres nationally on – weekly/monthly outpatient visits and total ante-natal care visits
  - Child protection: Number of street children and number of village children in orphanages periodically – child protection section, with a local NGO, already collecting some primary data from focus group to assess impact of crisis on street youths/parents
- Health and education monitoring being finalized
- Combining MICS and DHS

## UNICEF initiatives (3): Mongolia

- Deputy Prime Minister's Office leading the initiative, with technical and financial support from UNICEF- EAPRO concept note adopted and adapted to suit unique context
- Pilot just completed (December 2009): Info collected from 15 sentinel sites – 250-280 HHs – using existing administrative systems; Pulse survey of 200 HHs; FGDs, IDIs and KIs
- Sites selected based on poverty maps and poorest provinces/districts selected from country's 5 regions
  - For each selected district/province sentinel sites included: school, dormitory, FGP and/or health center, police station, convenience store
- 15 indicators monitored: health; education; livelihoods; protection and market prices of food and essential items

### **UNICEF initiatives (4): PICs**

- UNICEF helped initiate and plays leading role in joint-UN monitoring scheme that is underway
- 8 PICs taking part: Fiji, Solomon Is., Tonga, Vanuatu, Kiribati, Federated States of Micronesia (FSM), Tuvalu, and Republic of Marshall Islands (RMI)
- 2-3 sentinel monitoring sites in each country, covering rural and urban settings, tracking services and communities
  - Schools, hospitals/health centers, pharmacies, food markets and police posts
  - 30 HHs served by facilities in sites will also be monitored with a small pulse-HH survey and FGDs – therefore 60-90 HHs/country
  - Quarterly data collection throughout 2009-11
- Sentinel sites selected by National Steering Committee

### **UNICEF initiatives (5): Viet Nam**

- UNICEF and UNDP helped VASS develop concept note on Rapid Impact Monitoring (RIM) of vulnerable communities in April 2009
- RIM being undertaken in 10 selected sentinel sites nationally:
  - 5 rural; 5 urban
  - 2 industrial zones; 2 urban areas with many construction workers; 1 rural/coastal tourism site; 1 craft village; 1 rural site with substantial emigration; 1 rural, agriculture exporting site and 1 rural site with high concentration of poor HHs
- 2 rounds conducted so far: March/April 2009 and August-September 2009

## Other potential and observed outcomes

### - Child and maternal health:

- Wasting among poor urban children in Cambodia increased from 6 % in 2005 to 15.9 % in 2008, primarily due to rising food prices.

### - Education:

- Evidence of households of migrant workers in Viet Nam taking children out of school and/or delaying school payments, or contemplating these as coping strategies.
- Similar news coming from Cambodia and the Pacific Island Countries.
- Education expenditures seem to have been maintained.

### - Job losses and income poverty:

- 20-25 million migrant workers in China were retrenched.
- World Bank estimates 10 mi. people in EAP who would have escaped poverty this year will not be able to do so.

### - Reduced Official Development Assistance:

- UNCTAD figures show cumulative drop of 30% of ODA by the 5<sup>th</sup> year of a banking crisis in a donor country.

## Final thoughts

- EAP bore significant social costs in '97/98 crisis – children particularly so:
  - ↑ malnutrition, school dropouts ↓ social indicators
- Understanding now is time to act on this to avoid repeat:
  - Social impact lags economic impact and lag in social recovery even more pronounced – need to maintain focus and commitment even as economic recovery may be in sight
  - Importance of reliable data for effective interventions
- Investing in social protection not only morally desirable:
  - Also makes economic and political sense – can have multiplier effects when used as part of fiscal stimulus



**THANK YOU!**