

Inspiring Children's Futures

Learning Report Series



Achieving the Well-Being of Children in the COVID-19 Era: The Centrality of the Economic Perspectives

Learning Report Two - April 2021





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Transforming our world: the 2030 Agenda for Sustainable Development (2015)¹

As we embark on this great collective journey, we pledge that no one will be left behind.

Recognizing that the dignity of the human person is fundamental, we wish to see the goals and targets met for all nations and peoples and for all segments of society.

And we will endeavour to reach the furthest behind first.



Ministerial declaration of the 2020 High-Level Political Forum on Sustainable Development (June 2020)²

We reaffirm our commitment to implement the 2030 Agenda in its entirety.

We will undertake every effort to leave no one behind and to reach the furthest behind first.

We also intend to see the goals and targets met for all nations and peoples and for all segments of society.

.....We will ensure that emergency social and economic schemes integrate a gender equality and child rights perspective.

¹ The Sustainable Development Goals are a universal call to action to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere. The 17 Goals were adopted by all United Nations Member States in 2015, as part of the 2030 Agenda for Sustainable Development which set out a 15-year plan to achieve the Goals. https://sdgs.un.org/2030agenda

² Ministerial Declaration of the 2020 United Nations High-Level Political Forum on Sustainable Development (June 2020). https://sustainabledevelopment.un.org/content/documents/26339HLPF MD Revised.pdf

Achieving the Well-Being of Children in the COVID-19 Era:

the centrality of the economic perspectives

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Data included are those available up to April 6, 2021

A. Introduction and Primary Conclusions

A.i The Focus of the Paper

The Well-Being of Children

The focus of this paper is on the well-being of children in its broadest sense and on the contribution of the economic perspectives to the enhancement of their well-being. It relates closely to the many international commitments that have been made³ and especially to the *Sustainable Development Goals (SDGs)* that are an integral element of the United Nations *Agenda 2030* vision⁴, and particularly to the overarching goals of SDG 16 and SDG 10, with their focus on the promotion of justice and inequality, respectively — namely:

SDG16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

SDG10: Reduce inequality within and among countries.

It equally relates closely to the key principles that are integral to the UN Agenda 2030 — namely:

As we embark on this great collective journey, we pledge that no one will be left behind. Recognizing that the dignity of the human person is fundamental, we wish to see the Goals and targets met for all nations and peoples and for all segments of society. And we will endeavour to reach the furthest behind first.

More specifically, it relates to the 1989 *UN Convention on the Rights of the Child (CRC)*, ratified by all but one nation in the world. Article 29 relates to the child's right to education, but, in many ways, crystallises the over-arching vision of the Convention⁵:

...(it is) ... agreed that the education of the child shall be directed to the development of the child's personality, talents and mental and physical abilities to their fullest potential; ...and to the preparation of the child for responsible life in a free society, in the spirit of understanding, peace, tolerance, equality of sexes, and friendship among all peoples, ethnic, national and religious groups and persons of indigenous origin.

There are many insights on how the lives of children might be best enhanced, embracing the goals and targets of the SDGs — including with an emphasis on justice for children — the rights enshrined in the CRC, and the well-being of the child, to name but some prominent perspectives.

This note does not seek to analyse these varying emphases, but it does fundamentally focus on the quality of the well-being of the child in its broadest sense. It assumes the imperative of responding to the distinctiveness of children and their basic needs, the importance of seeking to establish and then maintain the rights of the child as set out in the CRC and other relevant international human rights instruments, and the value of the holistic and universal UN Agenda 2030 framework for delivery and its vision and goals and opportunities.

³ See for example Annex 2 for a brief synopsis.

⁴ United Nations (2015): Transforming our world: the 2030 Agenda for Sustainable Development. https://sustainabledevelopment.un.org/post2015/transformingourworld

UNICEF (November 1989): Convention on the Rights of the Child. https://www.unicef.org/child-rights-convention/convention-text

Above all, it embraces an understanding of children's well-being that optimises the quality of the opportunities for children: opportunities, as active agents in the world around them, to develop all their attributes and skills and contributions, as they would wish, without constraint and with maximal support.

A just and inclusive global and national society, and an equality and maximisation of each child's opportunities, are fundamental to well-being in this sense.

The Economic Perspective: investing in children

The considerations in this paper are naturally advanced in the context of the on-going COVID-19 pandemic. However, the basic approach set out here, and the conclusions that emerge from it, are of relevance to both this crisis and the post-crisis period. Indeed, in all circumstances, the arguments advanced here have an applicability, since in every political environment there is a debate that seeks to crystallise the national priorities that will shape the allocation of scarce resources. In both low-income and high-income countries, resources are always constrained, albeit clearly to differing degrees and relative to differing sets of expectations.

As Agenda 2030 recognises, sustainable development, and its vision for justice and well-being, depend critically on sustainable and sustained economic, social and environmental justice, as well as justice with respect to criminal and civil need. Economic and social well-being, and justice for children and for their families, lie at the heart of progress and, indeed, play a crucial role from a preventative perspective. Injustices in these domains are often at the root of other forms of injustice and impose severe challenges to establishing the opportunities for children that are sought: for example, the cause of children coming into contact with the law very often lies in injustices deep within society.

For example, while much of the work to date in pursuit of SDG16.3 has focussed on enhancing justice systems⁶ – both formal and informal — and on the access of all people to the means to resolve criminal and civil injustice, the successful delivery of the well-being and opportunities for the child in their fullest sense, necessitates a far wider perspective. The well-being of children is inextricably linked to all forms of justice and extends far beyond the formalities of a justice system.

Investing in society, and the well-being of children in particular, to address these deep-seated injustices is therefore crucial, and evidence suggests this yields significant returns for society as a whole, as well as for the individuals – both adults and children - concerned.

COVID-19 hugely exacerbates this challenge. The future path of the global economy and of national economies will be central to the response to the challenge of injustice in all its forms.

This paper looks primarily at the channels through which economic activity bears on the well-being of children, and the economic impact of child well-being on national economic life in its broadest sense. It sets these considerations in the global economic context of COVID-19, recognising the immensity of the economic impact of the health crisis itself, and of the economic response to the crisis. It also looks at the outlook for the next decade at this stage of the crisis, and the very substantive implications for fiscal policy – and for the delivery of services that enhance the well-being of children — for the medium-term recovery period.

Most starkly in the context of the well-being of children, it reflects on the future direction of public services in an environment of unprecedented fiscal pressure and at a time of a far greater demand for the State to intervene in addressing a wide range of economic, social and environment objectives — all compelling and all urgent in the COVID-19 era.

Securing appropriate resourcing will be massively challenging and making a rigorous economic case for the enhancement of children's lives will be critical.

⁶ See for example: OECD (September 2020): Access to justice and the COVID-19 pandemic. https://read.oecd-ilibrary.org/view/?ref=136 136486-rcd8m6dvng&title=Access-to-justice-and-the-COVID-19-pandemic See also Annex 3 and the references therein.

A.ii Primary conclusions

Several primary conclusions stand out:

The Policy Response to advance Children's Well-Being:

- i. *Making the case* for the enhancement of children's well-being requires building the evidence base that will convince decision-makers across society and across government of the value of investing in children;
 - it necessitates a focus on how high-quality existing and proposed policies and programmes can potentially yield significant economic returns for society as a whole, as well as for the individual child. Looking at the direct benefits to the child is naturally the primary focus, but the less direct benefits accruing to the wider society are critical to building a broad consensus and momentum behind the adoption of child-focussed policy and programmes across the whole of government;
 - the economic analysis of net benefits necessitates looking at the medium term if not the long term
 since, while the costs may typically be easier to identify and will often be incurred in the shorter
 term, the benefits of enhancing the well-being of children will accrue both in the short term and over
 many decades as the child matures into a more fulfilled adult as a result of the investment;
 - one key issue in the current economic climate and the tight fiscal position that most economies will
 face in the coming decade is the need to not simply understand the significant net benefits of investing
 in children's well-being, but also the costs of not investing, and, more seriously, of reducing spend in
 these areas in the face of very tight resource envelopes.
- ii. In parallel, the active and meaningful consideration of the well-being of children in all national strategies should be a central pillar of national thinking, since their well-being will typically underpin the success in achieving a wide range of priority national objectives;
 - for example, any national policy objective to deliver inclusive and sustainable growth will only succeed if familial and child well-being are central to the strategic thinking here;
 - the economic contribution of enhanced children's well-being is rarely captured here in either a qualitative or quantitative sense, thereby greatly understating the net value of investment in children.
- iii. It is critical to see the enhancement of children's well-being as a complex challenge that necessitates a complex, holistic approach: a dependence on a partial approach, or a fragmented incoherent approach, will not deliver effectively;
 - explicit in this context is the importance of an *outcome-focussed* approach, involving all those with decision-making responsibilities throughout government and civil society in the design of National Strategies and in the operational delivery of policy and programmes: that is, an approach that embraces the *whole-of-government* and *the whole-of-society*.
- iv. *National Child Well-Being Strategies* and effective implementation programmes need to be designed and prioritised to promote children's well-being, that:
 - elevate the focus on both the direct and less direct determinants of children's well-being. Engaging
 those who would not normally see themselves as crucial to the well-being of children, and whose
 responsibilities involve far broader sets of objectives, is critical. Understanding how these indirect

programmes and policies bear on children — and can be better shaped to impact more effectively on children's well-being — is a central and indispensable pillar of a successful strategic approach;

- as examples, strategy should therefore include both programmes directed explicitly at the most disadvantaged children, as well as meaningful policy to advance inclusive growth and employment to boost familial well-being;
- pro-actively allocate the benefits of recovery to the needs of the most vulnerable children, and, in
 accord with the SDG commitments, to target not only those currently *left behind*, but to prioritise
 those *furthest behind first*;
- develop far more comprehensive, adequate and effective safety nets for vulnerable families in which
 children's well-being is unacceptable, thereby providing both resilience to withstand future shocks,
 but also to address the present and on-going needs of the vulnerable;
- actively promote national debate to determine the long-term vision for children's well-being for the nation as a whole, and work to define a path towards its delivery.
- One constraint in the adoption of more analytical and robust approaches to defining the economic value of investing in children will typically be the availability of the data that are crucial to underpin the evidence⁷.
 In both high-income and low-income countries, this is a reality;
 - building the evidence may therefore be extremely challenging, but the mechanisms need to be
 established that allow for effective data gathering where the capacity and means exist to make this
 possible;
 - in any event, the development of the best qualitative and quantitative evidence base that is deemed possible is imperative, even if the initial findings lack the rigour that ultimately would be desired. Informing this critical argument on a continuing basis with the best evidence that can be generated at the time is paramount.
- vi. While the case for addressing child injustices per se may indeed be compelling to some audiences, the critical question is whether the political decisions-makers share that prioritisation and that vision, and whether they find the evidence and analysis of the value of such expenditure to be persuasive. Without building this political understanding and a sustained and sustainable political commitment to the well-being of children, progress will be severely hampered.

The Economic Context for the Policy Response to advance Children's Well-Being:

■ The vulnerability of global society, in general, to any external shock such as COVID-19 was very significant, and many global communities were singularly ill-equipped to face the impact of either the health challenges or the economic and financial pressures that hit with such abruptness and such force. Inequality has rightly been seen as a key element in determining the nature of poverty and deprivation in all societies — and, in this context, the well-being of children — and thus of the vulnerability of societies to major health and economic shocks such as COVID-19.

In a related field, see for example the *Pathfinders for Peaceful, Just and Inclusive Societies* paper: *Grasping the justice gap to enable people-centered justice*; Peter Chapman, New York University's Center on International Cooperation (CIC). https://medium.com/sdg16plus/grasping-the-justice-gap-to-enable-people-centered-justice-56e58c94c251

- The significant intensification of these challenges during the height of the COVID-19 crisis and the probable further deterioration as the world enters the transitional phase in which the roll-out of vaccination is undertaken progressively across the globe will need to be addressed as the COVID-19 threats recede.
- Children are unambiguously critical in this context, since more than half of the world's poorest people are children, even though children represent only 30% of the world's total population.
- The overwhelming economic impact of the crisis, and the equally powerful response to it, have defined the exceptional scale and nature of the future fiscal challenge that is emerging strongly now. In every nation, output and government revenues have been severely impacted by the waves of the pandemic. Moreover, in those countries that have had the capacity to respond, while it is widely agreed that fiscal and monetary policy responses on an unprecedented scale were absolutely necessary to prevent even greater economic and social disruption, there is equally agreement that restoring more sustainable deficits and debt levels will be an imperative over the next decade. These challenges will shape macroeconomic thinking for the next decade and more.
- Future economic and financial sustainability and resilience will be a priority for national governments, and the definition of the adjustment paths towards sustainability will impact very substantively upon the full range of fiscal policy, including the resourcing of public services designed directly and indirectly to enhance the well-being of children.
- Most countries will therefore face the very real political tension of how to prioritise the increased demand
 for services to meet greater societal needs across the board and specifically to address and enhance
 the well-being of children at a time of scarcer resources.
- This path is characterised by very considerable uncertainty, stemming heavily from the continuing threat from COVID-19 and the health risks that prevail: notably, the risk of variants or new viruses, the efficacy of vaccines and the roll-out of vaccines. The challenge for economic and financial decision-makers will be how to build systems that are resilient to this threat.

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Box 1. The progression of the health and economic crises

The economic impact of the global health crisis bears on children's well-being in many profound ways. As the health crisis evolves through its different phases, the economic impact is equally changing in nature, with differing consequential implications for children too. Within and between nations, these impacts will vary significantly as each has its own distinctive health, economic, social and cultural characteristics. Equally, across nations, the economic responses have displayed significant diversity. Despite these important distinctions, the basic path of the evolution of the crisis can be broadly identified.

The progression of the health crisis

The progression of the health crisis has varied in its timing, its nature, its severity and impact across the world. In the first half of 2020, as the first wave of the pandemic rapidly and progressively spread to hit every nation, there was a degree of synchronism, making the economic and social impacts all the more powerful. Subsequently, this synchronous element has become much less pronounced with nations experiencing very different points on the health and economic cycles at any moment in time. Indeed, as some have been emerging from the greatest intensity of a wave and restoring control over infection rates, others have just been entering uncontrolled surges in infection at a very different point in their cycles.

However, there are broadly three phases⁹ that help frame the thinking and they may, summarily, be described as:

The first phase of the Crisis (from the early months of 2020 to the end of that year), the Acute COVID Phase: pre-vaccine, defined by sharp lock-downs and the prioritisation of caring for the vulnerable.

The first phase of the COVID-19 crisis in the first half of 2020 was dominated by rapid governmental responses that broadly prioritised their national humanitarian objectives and the protection of the most vulnerable in their society.¹⁰

The primary economic impact of this first phase was directly related in almost every nation to the global and national lockdown of the majority of the population, and the consequent abrupt termination of significant economic activity. With production and employment in all but the essential economic sectors being severely constrained, the impact has been immense and, in some cases, inflicted long term structural damage.

Most economies saw a sharp decline in economic activity in the first half of 2020, followed by significant recovery as the first wave receded, but rarely to a level, comparable to the pre-COVID-19 crisis.

Moreover, as subsequent waves of the pandemic struck, and Governments responded by re-introducing very significant constraints on economic and social activity, output and incomes were again severely affected.

The second phase of the Crisis (from late 2020 to date), the Evolving COVID Era: the transition to global vaccination, defined by recurring waves of the pandemic and associated economic constraints, although generally with a reduced degree of economic and social constraint being imposed across most economies.

In the early stages of this second phase, there have been recurring cyclical patterns that have typified the global experience: with varying, but often severe, economic and social constraints being imposed to reduce the uncontrolled severity of the waves of infection and bring the pandemic under control; followed by the progressive relaxation and re-mobilisation of

⁸ See: Goudie, A.W. (2020): *Re-thinking our Global Economic Future,* University of Strathclyde, Fraser of Allander Institute. https://www.sbs.strath.ac.uk/feeds/news.aspx?id=2023

⁹ The definition of the basic phases of the crisis is now more apparent than in early 2020. An earlier explanation of the phases was set out in the following publication: Goudie, A.W. (2020): *The Global Economic Context for Justice for All*, University of Strathclyde, Fraser of Allander Institute; https://fraserofallander.org/wp-content/uploads/2020/07/Global-Economic-Context-for-Justice-for-All.pdf

One insightful piece is provided by the University of Glasgow study by Prof Sarah Armstrong and Dr Lucy Pickering (December 2020): Left Out and Locked Down; Impacts of COVID-19 Lockdown for Marginalised Groups in Scotland. This provides analysis of the manner in which lockdown and the prioritisation of the national health needs in the pandemic impacted on other national priorities, and impinged on individuals' behaviours and rights. https://scotlandinlockdown.files.wordpress.com/2020/12/scotlock project report executive-summary dec2020-2.pdf

society and of the economy as the earlier constraints take effect; only to see the re-emergence of rapid and irrepressible health challenges and the need to reintroduce another cycle of constraint.

Hence, there continues to be a very wide variation in national experience of the pandemic and in the response. It is also clear that the degree of synchronisation that was seen in early 2020, as most of the world progressively slid into its first wave, albeit spanning several months as the virus spread across the globe, has declined and countries are now located at very different points in the evolving pandemic cycles.

Their approaches have also varied markedly, from the reimposition of lockdowns and extremely tentative and cautious approaches, to more bold steps to permit the greater mobility of their people. Many are motivated by the extreme fear of the harm that phase 1 has already inflicted on their economies and the powerful wish to avert further damage, as well as the very concerning impact of isolation on the physical and mental health of their people. There is no doubt that the more protracted the social and economic lock-downs, the greater the long term and structural cost to every nation. The equal fear remains, however, that premature re-mobilisation, or the weak compliance of communities in adhering to the new and more complex rules and guidance for social interaction that this second phase necessarily entails, will precipitate further waves of the crisis before the vaccination programmes can take effect on a global scale. Despite a heated debate, it remains unlikely in this context that there is a significant long-term trade-off between the health risk and the economic risk.

In early 2021, the transition to global vaccination had clearly been initiated, with some countries – and especially the high-income countries — embarking on mass vaccination of their populations. Many countries, however, still face very significant problems and very protracted timescales in accessing the vaccine.

Whether the arrival of vaccines, and the pace of their distribution, are rapid enough to avert further waves of the pandemic throughout 2021 seems highly improbable, not least in those nations to which vaccine distribution has been very delayed. There are already signs that further waves are impacting in many countries, even where the roll-out of the vaccine has commenced. Indeed, in March 2021, many EU States entered a third wave of the pandemic, while in some parts of Latin America and elsewhere the pandemic was as virulent as in 2020. Moreover, if international mobility is reintroduced to any significant degree, the continuing prevalence of the virus in many nations will clearly threaten – and most probably, impact – on those nations with relatively advanced vaccination programmes, not least if the continuing pandemic hotspots create the opportunity for new mutations to develop that are more resistant to the established vaccines.

With extreme variations in the global vaccination programmes, there is no simple path out of phase 1 and the remobilisation of the population in phase 2 would appear to almost certainly be a non-linear, and, in all probability, far from a smooth, progression to full mobility.

Importantly, the uncertainty of the future course of the health crisis has direct implications for the degree of uncertainty around the future course of the global and national economies. Such risks are highly likely to inhibit the rate of economic recovery, as both consumers and corporate investors may well pause while they assess the nature and strength of the revitalisation of economic and social life, thereby themselves contributing to the weakness of the recovery.

The third phase, the Continuing COVID Era: characterised by effective vaccination on a global – albeit incomplete — scale; moving towards medium-term sustainability and unconstrained societies.

The third phase of the crisis may broadly be described as the global re-establishment of mobility and the medium-term recovery period as effective vaccination is achieved across the entire globe on the required scale.

There is little likelihood that this would simply be a restoration of the pre-COVID-19 era. It is probable that some health constraints and behavioural rules and guidance would be long-lived until the COVID-19 virus is globally eliminated.

While there would no doubt be significant regional and national variation as localised infection outbreaks would still be anticipated, international and national mobility restrictions would have been largely removed, and economic activity would be broadly unconstrained.

However, the risk of new COVID-19 variants emerging would continually threaten the efficacy of existing vaccines.

Crucially, therefore, there would be significant continuing uncertainty given the threat that new constraints to social and economic activity could be re-imposed at any time, if it proved necessary. It is therefore simply not possible to predict with any degree of confidence the future course of the global economy and of national economies: the array of very significant risks is too profound.

B. The Economic Impact of the Global Health Crisis on the Well-Being of Children

The immense impact of the first phase of the global health crisis, exacerbating the injustices for children that were already prevalent throughout both the higher and lower income nations, both crystallised and intensified the challenges that children now face.

Critical to addressing these challenges, and to the rapid and effective implementation of targetted policies and programmes, will be the economic and financial conditions over the medium-term during the recovery phase from the crisis.

As Figure 1 illustrates, it is apparent that the health crisis in each phase (as set out in Box 1) has impacted very significantly on society as a whole due to both the evolving economic impact of the crisis and the economic response to the crisis.

Understanding the channels through which these economic forces impact is crucial to both the understanding of the impact on the lives of children and their well-being, and to formulating the most effective response to meet the heightened challenges and greater vulnerability of children.

While the precise form of the family unit does, of course, vary considerably across nations and equally within nations, the well-being of children is inextricably tied to the well-being of the family unit in which they principally reside. In particular, the employment and income characteristics of the family play a critical role in determining familial material — and indeed, non-material — well-being. Those children who are not able to grow up within a familial setting face different vulnerabilities and have needs to be addressed in a more targetted and tailored form. These will include children in alternative care, unaccompanied migrant and asylum-seeking children, children in detention, and children in street situations.

The severity of the impact of COVID-19 throughout the world on formal employment, self-employment and informal employment has been immense, pushing millions of families into income poverty. Many countries have sought to mitigate the impact through increased welfare payments and safety net provisions, but most have lacked the capacity to respond significantly. Equally, while the savings of some families have grown significantly during the crisis as the opportunities to consume have fallen sharply, the capacity of low-income families within the most vulnerable communities to draw on savings and potential borrowing to maintain consumption levels has been strictly limited.

In addition, the loss or curtailment of the benefits from public services has brought further reductions in familial well-being as the crisis has both impeded the delivery of services – both those directly and indirectly impacting on children – and reduced the capacity of all levels of government to afford the required quality and range of services.

Moreover, the fundamental insecurity generated by the crisis and the very real fear of long-term future unemployment and sharply reduced incomes has itself contributed to the immediate pressure on familial well-being.

As Figure 1 highlights, the key question is therefore how these severe economic pressures, and their inevitable impact on the economic well-being of the family unit, impact in turn on the well-being of the child.

The Figure illustrates the primary areas in which the vulnerability of the child is likely to be substantively increased as a direct result of the economic dimensions of the health crisis, and in which the degree of risk has risen markedly. Clearly, the spectrum over which the increases in vulnerability and risk lie is considerable and each family unit will be unique in how – indeed, if at all – these risks translate into a major deterioration in the well-being of children. However, in aggregate, there is a clear expectation that these vulnerabilities have sharply increased due to the severe economic pressure.

The Well-Being of Children:

The Economic Impact of COVID-19 on Children



The economic impact and response in each phase:

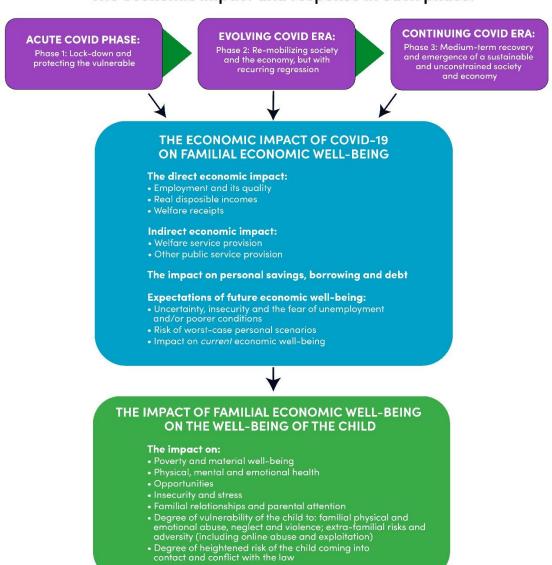


Figure 1.

C. Investing in Children's Well-Being: the Economic Returns to Society

C.i The Vision of Children's Well-Being over the Recovery Period: the Centrality of the Economic Environment

In this climate of greatly increased pressure on public resources at a time of much heightened demand for public services, the securing of sustained political commitment – and the commitment of civil society too — for programmes that promote and secure the well-being of children will become more critical than it was even before COVID-19.

It is therefore imperative to *make the case* for prioritising children's well-being to the key political decision-makers and the leaders of civil society. One key perspective in this respect is to articulate the very significant economic benefits of improved children's well-being. To the extent that the economic value to society as a whole is seen to be greater, the broader the support for the promotion of children's well-being that would be anticipated.

It is important to highlight at the outset that this economic perspective does not imply that the objective here is to maximise the economic value of enhancing children's well-being: rather, it is seeking to identify and understand the highly significant economic value that is derived by addressing the poor well-being of children when compared to a world in which child injustice continues or is only diminished much more slowly. The primary objective is unambiguously the providing of physical, emotional and psychological security and safety, opportunity and respect to each child: and this may not always be the same as maximizing economic value.

The *economic* challenge is therefore to establish the economic value of public expenditure that is allocated to this outcome objective, through the identification of the economic and social benefits of investing in the enhancement of children's well-being, and to gather the best available evidence to demonstrate the returns or value of that investment.

The conceptual challenges entailed in defining these benefits and in their identification, and particularly the serious obstacles in the measurement of their value, are immense. This complexity is further exacerbated by the appreciation of the time horizon for the accruing of benefits. As with most investment, the costs of investment in this respect are typically incurred in the early stages of a programme with the benefits being generated over many years, and perhaps decades. Not only does this complicate the analysis, but it implies that the value of an investment is necessarily only apparent over this same time period. Politically securing support for such programmes with long time horizons will always be more difficult.

Moreover, since every nation is — on their own terms — financially constrained, however imperfect the methodologies may be, identifying the anticipated economic and social returns to the investment in children's well-being is necessary and critical, not least as a means of securing the greatest possible political support.

It is worth reiterating that, while securing the appropriate financing for investment is arguably necessary for the delivery of the vision here, it is certainly not sufficient. The design of the optimal policy environment and appropriate public services, the accumulation of high quality and relevant skills on the part of all interest groups, the effectiveness of implementation and a focus on the whole system that can deliver these outcome objectives are absolutely critical too.

Benefits broadly accrue from two distinct channels. Firstly, in the short term, the investment in children's well-being leads to fewer children and young people experiencing a childhood of poor well-being due to different forms of adversity. Secondly, in the longer term, the investment leads to fewer adults who have experienced a

childhood of poor well-being — or have experienced shorter durations of poor well-being — due to different forms of adversity.

Figure 2 sets out the various channels through which the economic value may be identified. In essence, they cover four dimensions of specific interest:

- o The scope of the benefits: the economic value that directly accrues to the child from their own enhanced well-being and, additionally, the wider economic value that flows to the broader community and society;
- o *The time horizon*: the more immediate net benefits that accrue in the short term and, additionally, those that accrue over the very long term as a child matures into adulthood;
- Benefits and reduced costs: the positive benefits that accrue, in addition to the substantive savings, or reduced costs, to society of enhanced child well-being, notably over the longer term;
- The preventative and restorative: the focus of the investment on the chain of causality in the
 determination of child well-being, according to whether the investment is primarily focused on
 preventative or mitigative and restorative outcomes.

C.ii Direct Impact of Investment on Children's Well-Being.

It is well known that the capacity of children and young people to contribute to their own future well-being over their lifetimes rises sharply as their current well-being, in general, and their capacity and especially their opportunities are improved.

One familiar example makes the point. The economic returns to the education — including the early years education — of children and young people is well documented^{11,12} and known to be of immense importance to both the development of the individual child and to the development of society as a whole, especially with respect to children from more disadvantaged backgrounds. Investing in children at risk or already living in adversity to enhance their well-being, and thereby facilitate their education, is unambiguously beneficial, in both the short and longer terms. The improved outlook and enhanced employment opportunities are seen to return significant monetary reward.

One very apposite insight is offered by a recent Royal Society paper¹³ that looks at the impact of the closure of schools during the COVID-19 crisis lockdown, particularly on children's learning loss. This reinforces the evidence on the value of the returns to schooling and again has a specific relevance to the well-being of the more disadvantaged.

García, Jorge Luis, James J. Heckman, Duncan Ermini Leaf, and María José Prados (2016): The Life-cycle Benefits of an Influential Early Childhood Program.

James J. Heckman, The Heckman Equation: There's more to gain by taking a comprehensive approach to early childhood development. https://heckmanequation.org/www/assets/2017/01/F Heckman CBAOnePager 120516.pdf; and

James Heckman (2013): James Heckman changes the equation for American prosperity.

https://heckmanequation.org/www/assets/2014/05/F Heckman Brochure 041515.pdf

¹¹ For example, see the OECD, *Investing in high-quality early childhood education and care (ECEC)*; https://www.oecd.org/education/school/48980282.pdf

¹² For example, see:

¹³ Royal Society DELVE Initiative (July 2020), *Balancing the Risks of Pupils Returning to Schools*. DELVE Report No. 4. Published by the Royal Society. http://rs-delve.github.io/reports/2020/07/24/balancing-the-risk-of-pupils-returning-to-schools.html.

Children's Well-Being:

The Economic Returns to Society

Investment in public services and programmes to enhance children's well-being

- **Preventative Investment:** To stem the flow of children and young people into situations where they are at risk, or in adversity.
- Restorative Investment
 To address the needs and rights and opportunities of children and young people already in adversity.

Enhanced well-being of children and young people

The Short-term Benefits of Investment

The Longer-term Benefits of Investment

Fewer adults have experienced a childhood of poor well-being - or have experienced shorter durations of poor well-being - due to different forms of adversity

Short-term benefits to a Child's Well-Being:

Improved familial well-being benefits the child

Children experience higher well-being and benefit from more and higher quality opportunities to realise their potential; notably having an increased capacity to benefit from education at all ages

Children in need of specialised services are more able to be supported, to integrate and reach their potential

Short-term benefits to **Broader Society:**

Budgetary savings derived from the reduced need for the delivery of supportive and restorative public services targetted at children's poor well-being and those in adversity

Savings can be allocated to further support advances in children's well-being

Longer-term benefits to an Adult's Well-Being:

Increased skills and learning capacity generate greater and improved employment opportunities, and earning power

Adults are more able, than would otherwise be the case, to contribute more broadly to society.

Longer-term benefits to **Broader Society:**

Societal economic benefits:

Increased and higher quality participation in economic activity, benefiting economic performance in terms of:
• Growth, productivity
• Creativity,entrepreneurialism
• Risk-taking and innovation

- The generation of additional resources and tax revenue that can finance other public service investments

Societal economic benefits: Reduced need for explicitly restorative public services for child-adversity experienced adults (for example, in health, justice and education), and

associated lower costs of such

service provision

Inter-generational economic benefits: Inter-generational benefits from breaking the cycles of adversity

Figure 2.

As the paper notes: "The most important implication for an individual is lower earning potential. Higher skills command higher earnings. As Portes¹⁴ succinctly puts it, if a student misses a quarter of a school year, and each school year brings roughly a 10% return, earnings potential is likely to be permanently lower by around 2-2.5%. That loss is likely to be higher if the disruption happens early in an educational career. Of course, education matters causally for other outcomes in adulthood too, and these are likely to be compromised by the lost skills: health and longevity, unemployment, and well-being among many."

This starkly illustrates the economic impact of a period of extreme disruption to education to the detriment of children's current and future well-being. It strongly emphasizes the importance of rectifying this acute learning loss for these children during the recovery phase. It also suggests the type of impact on children's well-being in more normal times when the child is unable to take full advantage of schooling due to adverse personal or familial circumstances that may have rendered their participation less focussed and consistent and less supported by the family more generally — and points to the potential gains from enhancing the child's well-being.

C.iii Less Direct Impact of Investment on Children's Well-Being.

Complementing the *direct* impacts of investment in children's well-being, there are an array of *less direct* benefits to the community or society as a whole that fall within three broad groupings:

a) societal economic benefits: the availability of more stable, better educated, more highly skilled, and better integrated adults would be anticipated to lead to important gains for economic activity¹⁵, whether through the greater capacity and interest in self-generated economic opportunities and greater risk-taking and entrepreneurship, or through more traditional roles as employees. In both cases, the beneficial outcomes of enhancing children's well-being are a clear route to the greater contribution of the child to economic growth, productivity, creativity and innovation.

Again, the Royal Society study¹⁶ provides a valuable insight into the impact of the current crisis in this regard: "At the national level, lower aggregate skills will reduce the growth rate. The magnitudes are not trivial: 13 cohorts of students have been affected by the lockdown; so from the mid-2030s, all workers in their 20s will potentially have lower skills than they would otherwise have. And for the 50 years following that, around a quarter of the entire workforce will have lower skills, with a consequently lower growth rate. The present value of such a fall in the growth rate is measured in billions not millions." As before, this points to the societal economic value of addressing the adverse educational impacts of the health crisis on children's well-being. It equally suggests a similar relevance to the more normal times of the recovery period, unless the quality of the provision of education to the more disadvantaged child, and the absorptive capacity of children more generally, can be enhanced.

The evidence that inequalities constrain economic development is now well known¹⁷ and, in particular, the contribution that advances in children's well-being make to the promotion of inclusive growth is unambiguous. An earlier paper by the OECD¹⁸ compellingly set out this link, noting that"To promote

¹⁴ Portes, J, (2020), *The lasting scars of the Covid-19 crisis: Channels and impacts*. VOX-EU. https://voxeu.org/article/lasting-scars-covid-19-crisis

¹⁵ For example, James Heckman, *Invest in Early Childhood Development: Reduce Deficits, Strengthen the Economy*; https://heckmanequation.org/resource/invest-in-early-childhood-development-reduce-deficits-strengthen-the-economy/; and Heckman J. et al.(2010), *A new cost-benefit and rate of return analysis for the Perry Preschool Program: A summary*, IZA Policy Paper, No. 17.

¹⁶ Royal Society DELVE Initiative (July 2020), *Balancing the Risks of Pupils Returning to Schools*. DELVE Report No. 4. Published by the Royal Society. http://rs-delve.github.io/reports/2020/07/24/balancing-the-risk-of-pupils-returning-to-schools.html.

¹⁷ For example, see the IMF Annual Report 2018 paper, *Making Growth Inclusive*.

https://www.imf.org/external/pubs/ft/ar/2018/eng/spotlight/making-growth-inclusive/

¹⁸ OECD (2016): Enhancing Child Well-Being to Promote Inclusive Growth, Olivier Thevenon and Willem Adema. Background Document, Meeting of the Council at Ministerial Level, 1-2 June 2016,

 $[\]underline{\text{http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DELSA/ELSA(2016)7/REV1\&doclanguage=encotes.}$

strong and inclusive growth, policy should focus on investing in children and responding to the needs of families in order to enhance child well-being in all its dimensions, including the development of skills and capabilities." Moreover, as the former Managing Director of the IMF noted¹⁹ in 2019,"We also know that many economies are facing disappointing medium-term growth prospects, not just because of population aging and slow productivity, but also because of the corrosive effects of excessive economic inequality."

b) societal economic costs of continuing or escalating adversity: to the extent that child adversity generates economic and social challenges that society considers need to be addressed, advances in securing well-being – and especially from the preventative perspective as regards child adversity — will reduce the need for unnecessary services and the undesirable associated social costs. That is, it reduces the failure demand for public services²⁰ relating to an earlier experience of childhood adversity.

One familiar illustration of this point would be that, since there is strong evidence that child adversity does indeed increase the emotional trauma and stress of the child and reduces the child's capacity to learn and integrate within the school environment, public services — that necessitate inevitable cost to the public sector — should be introduced to assist the child. The work on Adverse Childhood Experiences (ACEs) draws out the wide range of impacts of childhood adversity that are crucial in this context.²¹ Addressing the upstream well-being of children and specifically the determinants of the demand for these public services — to which reductions in child trauma will undoubtedly contribute significantly — represents a real gain to the public finances and a saving to society. Moreover, the release of these resources offers the opportunity to invest elsewhere in other preventative or restorative services.

c) inter-generational economic benefits: there are other benefits that accrue directly to the families and communities of the beneficiaries of enhancing children's well-being over the much longer term. For example, it is well understood that families across many generations are often seen to be deeply embedded in poverty, and poor well-being more generally, with attempts to break this insidious cycle failing badly. On the contrary, breaking the inter-generational cycles of poor intra-family well-being, especially if focussed on the child, can lead to future generations of children also reaping the same forms of personal economic benefit. As discussed above, these not only benefit specific families but, moreover, the immediate communities within which adversity might be entrenched.

In summary, a greatly improved understanding of the personal and societal economic value of investing in children would be of immense value: summarily...

- identifying the potential benefits, and the diminished costs, from investing to enhance children's well-being;
- understanding the nature of these principal benefits and the deterministic channels through which investment can best secure accelerated and higher quality outcomes;
- analysing the most significant potential investments and their returns, including the nature and impact of the returns of these investments from the distinct perspectives set out here.

In essence, understanding the effectiveness and impact of investing in programmes to enhance children's well-being is a crucial element in the promotion of children's needs and rights and opportunities. In a world of scarce resources that appears most likely in the recovery period following COVID-19, this evidence has immense value and is a crucial complement to the fundamental arguments — and indeed obligation — to implement programmes to enhance children's well-being.

¹⁹ Christine Lagarde, European Central Bank (June 6, 2019): *How to help, not hinder global growth.* https://www.weforum.org/agenda/2019/06/how-to-help-not-hinder-global-growth/

John Seddon (1992): I Want You to Cheat; and John Seddon (2008): Systems Thinking in the Public Sector.

²¹ See for example the work of the US National Center for Injury Prevention and Control, Division of Violence Prevention in Atlanta, Georgia: *Adverse Childhood Experiences (ACEs)*. https://www.cdc.gov/violenceprevention/aces/index.html

D. Realising the Well-Being of Children: a Framework for Response

D.i. A Framework for Achieving the Well-Being of Children in the COVID-19 Era

This Paper sets out a *Framework for Achieving the Well-Being of Children in the COVID-19 Era,* within which our thinking around the economic perspective, and subsequent actions, are crystallised into a coherent and systematic approach. It complements - and formed the basis for - a paper prepared by the *Institute for Inspiring Children's Futures* and the OECD for a Joint ICF/OECD Webinar in October 2020²², with its focus on: *Securing the recovery, ambition, and resilience for the well-being of children in the post-COVID-19 decade.*

This *Framework* for the medium term basically has five key elements:

- 1. The vision
- 2. Our starting point
- 3. The driving principles
- 4. The policy actions
- 5. The challenges to effective implementation and delivery

In essence, these five elements are interlinked and interdependent, forming a path that seeks to guide the all-important definition of the policy actions that might be advanced. There is a particular focus on how the *Framework* can drive the development of a focussed strategic direction at both the national and local level.

The fundamental *Framework* is illustrated in the following Figure 3. Many of these elements are considered further later in this paper, but the foundation for the *Framework* is the clarity with which the vision for children's well-being is defined and the key outcomes that are prioritised over this medium term. The sharpness of these outcome goals, and of the timescale over which they need to be achieved, is the key driver of children's well-being.

With a clear understanding of the starting point as the world emerges from the first phase of the global health crisis — and of the fundamental challenges that the crisis has both sharpened and exacerbated — the strategic direction can be articulated more precisely and the responses urgently formulated as part of a systematic programme for the medium term.

Policy actions will have differing degrees of priority according to each national context, but there are many critical common challenges and shared potential policy responses. One key objective is to stimulate the debate within each individual nation in order that they might more effectively define their own, highest priority challenges, together with the associated policy responses that are most appropriate to their circumstances and capacity to respond. In defining the policy actions that are judged to be best directed at the delivery of the vision, several underlying driving principles seem especially important, and these are considered further in the next section.

Importantly, the *Framework* here is applicable to both higher and lower income countries, since, while the detail of the COVID-19 Era challenge will vary widely, every State continues to grapple with its own challenges and the basic principles that are crucial for the delivery of children's well-being remain of universal value. All are developing nations.

²² OECD (2021), "Securing the recovery, ambition, and resilience for the well-being of children in the post-COVID-19 decade", OECD Policy Responses to Coronavirus (COVID-19), OECD Publishing, Paris. This paper was prepared by Gráinne Dirwan and Olivier Thévenon of the OECD Centre on Well-being, Inclusion, Sustainability and Equal Opportunity (WISE), and Professor Jennifer Davidson and Professor Andrew Goudie of the Institute for Inspiring Children's Futures, at the University of Strathclyde.

 $[\]frac{\text{http://www.oecd.org/coronavirus/policy-responses/securing-the-recovery-ambition-and-resilience-for-the-well-being-of-children-in-the-post-covid-19-decade-0f02237a/}{}$

Finally, and of immense importance, the *Framework* explicitly addresses the real-world challenges that might be anticipated to constrain and prevent the acceleration of the effective implementation of strategies to secure children's well-being. Without an open acknowledgement of these potential inhibitors to progress, and serious efforts *ex ante* to remove their adverse impacts, the strategies will be far less valuable and the outcomes will, at best, be significantly delayed and, in all probability, not achieved.

Achieving the Well-Being of Children in the COVID Era:

Securing **Recovery, Ambition and Resilience**: A Framework for Policy Action over the Medium Term

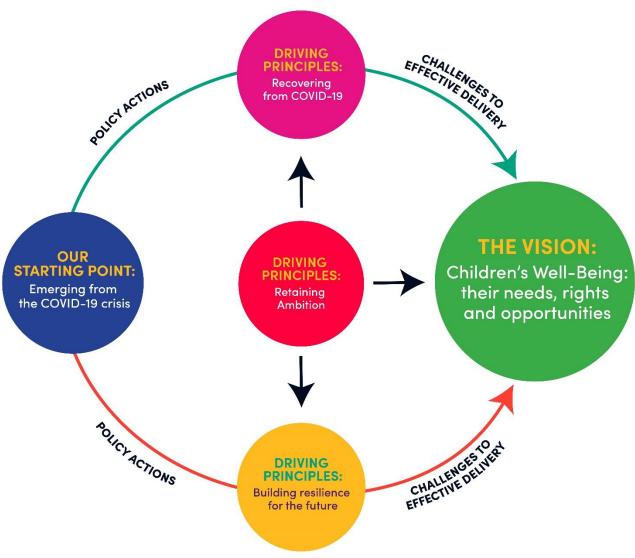


Figure 3.

D.ii. The Driving Principles for the Well-Being of Children in the COVID Era

The essence of the *Framework* for delivering the vision is focussed around several critical elements, which we might see as *driving principles* that motivate the detail of strategic thinking and policy actions. These driving principles provide the fundamental basis for the design of policy actions that collectively must contribute to the overall outcome objectives for the well-being of children:

- firstly, the importance of recovering from the most serious impacts that COVID-19 has imposed on children's well-being is paramount. Making good the lost ground, compared to the progress that had been made in recent decades despite the Financial Crash of 2008-09 and its protracted aftermath in many nations for much of the subsequent ten years, will be the first step;
- secondly, building resilience is a top priority. COVID-19 has dramatically exposed the fragility of many global systems including the health, economic, social and environmental systems and all have impacted powerfully on national well-being and national objectives. The impact on children's' well-being is no exception. It is imperative that progress in future is resilient and can withstand future external shocks of this magnitude. Few people had accepted the real risk of a global heath pandemic on this scale, and certainly most nations' levels of preparedness for a crisis of the intensity and power of COVID-19 have proved deeply inadequate. Thus, building resilience will be a top priority for all areas of government, and resilience in the well-being of children must be accorded priority.

Resilience has many dimensions, and a range of vulnerabilities must be addressed. These span the global health and environmental risks, the national risks of macroeconomic instability and of vulnerable institutions such as the health and care systems, and more micro-level risks to the well-being of the family unit and to the individual child. The well-being of the child, from its many perspectives, is impacted by all these forms of risk, and by the vulnerability and degree of resilience in all these systems. Building the resilience of children therefore has many dimensions, and these are crucial to maintaining the progress in child well-being that is made in the recovery phase;

- thirdly, retaining ambition for the future, and a strong sense of the longer-term vision for the Well-Being of Children will be critical, to provide both direction, momentum and urgency for the work of governments over the medium term. Ultimately, the global goals encapsulated in the UN Agenda 2030 and the SDGs for 2030 remain central, demanding more powerful responses in order to keep on track. Similarly, securing the rights set out in the UN Convention on the Rights of the Child remains a key ambition;
- fourthly, a much-improved targetting of the critical decision-makers at global, national and local levels is required. Promoting the understanding of children's well-being what it means and how it is delivered and how it benefits all society when effectively delivered is central to winning the support of both those who see the well-being of children as their primary concern, and, importantly, those whose primary focus is not children, but whose decisions nevertheless have a crucial and significant impact on children's lives, whether directly or indirectly.
- fifth, it is also necessary to be inclusive in listening and embracing children and young people's experiences to better inform strategic thinking.²³ Above all, it is important to apply a youth and inter-generational lens in all aspects of crisis response and recovery measures, undertaken by every stakeholder in society and government. Children are agents of change and not just passive recipients of policies and services. They

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²³ See for example: OECD (2020) *Youth and COVID-19: Response, Recovery and Resilience*. OECD Publishing, Paris. https://www.oecd.org/coronavirus/policy-responses/youth-and-covid-19-response-recovery-and-resilience-c40e61c6/

- need to be unambiguously both one of the primary subjects contributing to the transformation of their own well-being and the beneficiaries of that progress.
- finally, it is important to uphold the **alignment** of shorter-term responses with investments in longer-term economic, social and environmental objectives to ensure the well-being of future generations²⁴.

D.iii. Children's Well-being: the Framework for the Response

The fundamental challenge and tension from the economic perspective is summarised in Figure 4: namely, the reconciliation of the seriously increased need to enhance the well-being of children in all its forms, at a time of much greater pressure on the availability of resources in the COVID-19 Era.

The vision, ambition and reality of the response to the crisis for children will be determined by the manner in which this tension is resolved by the political leadership of each nation.

In essence, the impact on children's well-being over the medium term is driven, firstly, by the overall *scale of the challenge* that results from the economic impact of COVID-19 and the intensification of the injustices that are now evident (the left hand pillar of Figure 4); secondly, by the *political priority* and commitment that is accorded to the objective of substantially augmenting the well-being of children (the central pillar of Figure 4); and, thirdly, by the *resources* that are made available at the national and local levels for addressing the primary challenges, which will be seriously affected now by the magnitude of the macroeconomic impact of the crisis (the right hand pillar of Figure 4).

These three elements come together to determine, from the economic perspective, whether the political commitment and response is meaningful and whether the necessary allocation of resources for addressing the primary determinants of child injustice are secured over a sustained period, given the enormity and complexity of the challenges.

Effective implementation is necessarily founded on the excellence of the analysis of the critical causes of child injustice and of the identification and definition of the potentially most incisive policies and programmes to counter these determining factors. Innovative and creative solutions, and not funding alone, clearly have a critical part to play. Equally, securing the targetted outcomes for children rests on the quality of the methodologies adopted in the implementation of these programmes and the key elements that drive maximum effectiveness.

However, ultimately, from the economic standpoint, without the securing of appropriate financial and skilled human resources, progress is destined to stagnate or fall back. It is therefore the sustained collective political will at the highest level, and its determining of the resourcing, that will define the pace at which injustices are reduced.

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Again, see for example: OECD (2020) Youth and COVID-19: Response, Recovery and Resilience. OECD Publishing, Paris. https://www.oecd.org/coronavirus/policy-responses/youth-and-covid-19-response-recovery-and-resilience-c40e61c6/

The Economic Impact of COVID-19

Enhancing the Well-Being of Children

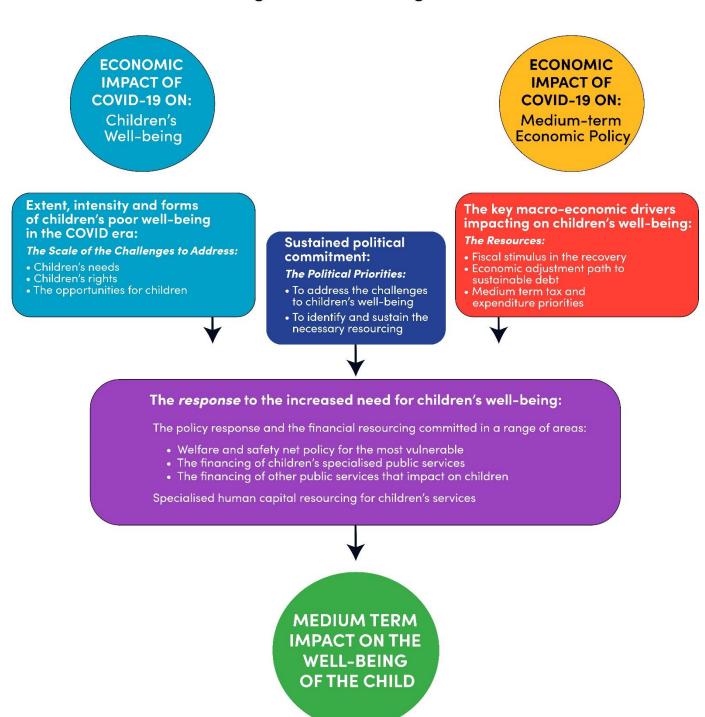


Figure 4.

E. Enhancing the Well-Being of Children: the Challenges to Effective Implementation and Delivery

Within this *Framework*, there are a series of powerful forces — many being economic in nature — that, when harnessed, form powerful drivers of the effective implementation of programmes and policies designed to deliver the vision of children's well-being and the specific targetted outcomes.

Pro-actively addressing these forces is crucial to enable effective and timely implementation. Four critical determining factors that are central to accelerating progress towards children's well-being are therefore identified here: namely...

- i. establishing a strong and sustained political commitment to underpin the policy and resourcing choices;
- ii. mobilising consistently the appropriate budgetary resources;
- iii. addressing the impact on familial well-being and public services in the COVID Era;
- iv. inspiring an outcomes-focussed, Whole-of-Society and Whole-of-Government Approach.

E.i Sustained Political Commitment

Global and national political commitments to the well-being of children have long been established at the highest level. As is noted in Annex 2, the signatories to the UN *Agenda 2030*²⁵ Vision and the *SDGs* in 2015 were the most recent to commit to secure the needs, rights and opportunities of children, and to reiterate their commitment to the realisation of the 1989 UN *Convention on the Rights of the Child*²⁶. Indeed, the *Convention* is the most widely ratified international treaty in history.

At the UN General Assembly 27 in October 2019, it was agreed to launch "....an ambitious and accelerated response to reach our common vision by 2030, and pledging to make the coming decade one of action and delivery To this end, we commit to....leaving no one behind: we will place a focus on the poorest and most vulnerable in our policies and actions. People who are vulnerable must be empowered. Those whose needs are reflected in the 2030 Agenda include all children, youth,"

More recently, the Ministerial declaration²⁸ of the 2020 *High-Level Political Forum on Sustainable Development* in June 2020 recommitted nations in the face of the greatly increased challenges presented by the COVID-19 crisis: "We reaffirm our commitment to implement the 2030 Agenda in its entirety. We will undertake every effort to leave no one behind and to reach the furthest behind first. We also intend to see the Goals and targets met for all nations and peoples and for all segments of society.We will ensure that emergency social and economic schemes integrate a gender equality and child rights perspective."

Translating these high-level global commitments into a sustainable and sustained national political commitment to taking the hard policy decisions over the medium term is the critical step²⁹. National visions and *National Strategies to deliver Children's Well-being* lie at the heart of this step. These need to embrace detailed outcome objectives and delivery programmes with specific milestones and timings that indeed deliver the targetted outcomes.

UN Ministerial declaration of the 2020 High-Level Political Forum on Sustainable Development (June 2020). https://sustainabledevelopment.un.org/content/documents/26339HLPF MD Revised.pdf

Resolution adopted by the General Assembly (25 September 2015): Transforming our world: the 2030 Agenda for Sustainable Development. https://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E; and https://www.un.org/sustainable-development/sustainable-development-goals/

²⁶ UN General Assembly (20 November 1989), *Convention on the Rights of the Child* United Nations. https://downloads.unicef.org.uk/wp-content/uploads/2010/05/UNCRC united nations convention on the rights of the child.pdf

²⁷ UN General Assembly (October 2019); https://undocs.org/en/A/RES/74/4

²⁹ In a different context, UN Deputy Secretary General Amina Mohammed noted at the *Every Woman, Every Child* high-level event in September 2019, that achieving the health targets of Agenda 2030 is only possible "....if we are to keep our promise to leave no one behind....." and "....success depends on political commitment and adequate financing."

E.ii The Mobilisation of the Appropriate Financial Resources: the Anticipated Economic and Financial Pressures in the COVID Era

The global economic impact: the anticipated medium-term economic context

The overwhelming economic impact of the crisis, and the equally powerful fiscal and monetary response by many national governments, have defined the massive scale and nature of the future fiscal challenge that is emerging. This challenge will shape macroeconomic thinking for the next decade and more.³⁰

The crisis, and particularly the abrupt closure of a large proportion of economic activity in most economies in the first phase of the crisis – with its focus on the health risks and the concern for the most vulnerable in societies, as well as support for companies in order to alleviate their financial stress – inevitably brought severe falls in output, employment and family incomes. In many respects, governments became *the economy of last resort*.³¹

The *OECD Economic Outlook, Interim Report, March 2021*³³ reflects the fragile global progress in 2020 in some economies:

....the prospects have improved over recent months with signs of a rebound in goods trade and industrial production becoming clear by the end of 2020. Global GDP growth is now projected to be 5.6% this year (2021), an upward revision of more than 1 percentage point from the December 2020 OECD Economic Outlook. World output is expected to reach pre-pandemic levels by mid-2021 but much will depend on the race between vaccines and emerging variants of the virus.

The degree of uncertainty is extreme. The critical determinant of the future development of the global economy is clearly the path of the pandemic and the success in containing its progress, as heavily influenced by the roll-out of the vaccination programmes throughout the world, the efficacy of the vaccines, and the risk of the emergence of new strains of the virus that are resistant to the existing vaccines. This fear of recurring waves of the pandemic suggests that the path out of the most serious global recession since the Great Depression is likely to be highly uncertain, protracted, non-linear and leave GDP well below the pre-COVID growth path in most economies.³²

This is clearly demonstrated in the *OECD Economic Outlook*³³, that sets out two basic scenarios to illustrate the range of future prospects for the global economy (see Figure 5):

- Under the first scenario (upside scenario) in which the production and distribution of vaccine doses accelerates, is better co-ordinated around the world and gets ahead of virus mutations the outlook for growth would improve as the containment measures are relaxed more rapidly, facilitating the return of global output towards pre-pandemic levels;
- Under the second scenario (downside scenario) in which vaccination programmes are not fast enough
 to cut infection rates or if new variants become more widespread and require changes to current vaccines
 consumer spending and business confidence would be more seriously affected, hampering the
 recovery to pre-pandemic levels, and increasing the probably of longer term structural damage to many
 national economies.

These issues are further discussed in IMF World Economic Outlooks of April and June, 2020: https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020; and in the OECD Economic Outlook (June 2020). https://www.oecd.org/economic-outlook/june-2020/; and in Goudie, A.W. (2020): https://fraserofallander.org/covid/the-global-economic-context-for-justice-for-all/. University of Strathclyde, Fraser of Allander Institute. https://fraserofallander.org/covid/the-global-economic-context-for-justice-for-all/

See also: Goudie, A.W. (2020): Re-thinking our Global Economic Future. University of Strathclyde, Fraser of Allander Institute. https://www.sbs.strath.ac.uk/feeds/news.aspx?id=2023

The Brookings Institute (May 2020): The ABCs of the post-COVID economic recovery.

https://www.brookings.edu/blog/up-front/2020/05/04/the-abcs-of-the-post-covid-economic-recovery/; and
World Economic Forum (May 2020): Z, V or 'Nike swoosh' – what shape will the COVID-19 recession take?

https://www.weforum.org/agenda/2020/05/z-u-or-nike-swoosh-what-shape-will-our-covid-19-recovery-take

OECD Economic Outlook, Interim Report (March 2021): Strengthening the recovery: The need for speed. https://www.oecd.org/economic-outlook/

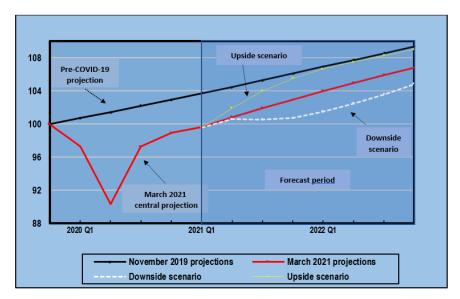


Figure 5. World GDP Index (Q4 2019=100)

Source: OECD Interim Economic Outlook (March 2021); for the pre-pandemic projection refer to the November 2019 projection. https://www.oecd.org/economic-outlook/

Both scenarios imply that the social and economic cost of the crisis will extend for many years, with long-term impacts on output and employment levels. Clearly, the second of the two alternative scenarios anticipates a far longer recovery, with GDP remaining significantly below the baseline scenario for much of the decade.

Interestingly, given the acute sensitivity of these scenarios to the efficacy of the global vaccination response, the OECD observes that: ".....the resources required to provide vaccines to lower-income countries are small compared with the gains from a stronger and faster global economic recovery". Without a comprehensive global roll-out, the prospect of recurring health and economic disruption is considerable, and, to date, the global variability is exceptionally high as may be seen in Figure 6 below.

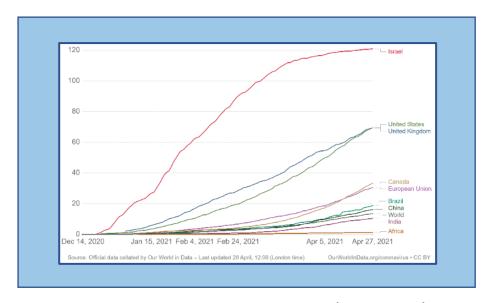


Figure 6. COVID-19 vaccine doses administered (per 100 people)

Total number of vaccination doses administered per 100 in the total population. This is counted as a single dose, and may not equal the total number of people vaccinated, depending on the specific dose regime (eg people receiving multiple doses)

Source: Our World in Data.

 $\underline{https://ourworldindata.org/grapher/covid-vaccination-doses-per-capita?country=BRA~CHN~IND~ISR~GBR~USA~OWID~WRL~Africa~European+Union~CAN~CHN~IND~ISR~GBR~USA~OWID~WRL~Africa~European+Union~CAN~CHN~IND~ISR~GBR~USA~OWID~WRL~Africa~European+Union~CAN~CHN~IND~ISR~GBR~USA~OWID~WRL~Africa~European+Union~CAN~CHN~IND~ISR~GBR~USA~OWID~WRL~Africa~European+Union~CAN~CHN~IND~ISR~GBR~USA~OWID~WRL~Africa~European+Union~CAN~CHN~IND~ISR~GBR~USA~OWID~WRL~Africa~European+Union~CAN~CHN~IND~ISR~GBR~USA~OWID~WRL~Africa~European+Union~CAN~CHN~IND~ISR~GBR~USA~OWID~WRL~Africa~European+Union~CAN~CHN~IND~ISR~GBR~USA~OWID~WRL~Africa~European+Union~CAN~CHN~IND~ISR~GBR~USA~OWID~WRL~Africa~European+Union~CAN~CHN~IND~ISR~GBR~USA~OWID~WRL~Africa~European+Union~CAN~CHN~IND~ISR~GBR~USA~OWID~WRL~Africa~European+Union~CAN~CHN~IND~ISR~GBR~USA~OWID~WRL~Africa~European+Union~CAN~CHN~IND~ISR~GBR~USA~OWID~WRL~Africa~European+Union~CAN~CHN~IND~ISR~GBR~USA~OWID~WRL~Africa~European+Union~CAN~CHN~IND~ISR~GBR~USA~OWID~USa~OWID~US$

The significant variability of experience across economies is illustrated in the most recent IMF World Economic Outlook forecasts³⁴ in April 2021. Figure 7 shows the range of forecasts for the advanced economies and for emerging and developing economies, as well as for the US and Chinese economies. Following the unprecedented constraints of 2020, with GDP sharply declining throughout the world, the anticipated recovery in the IMF central scenario in 2021 is relatively strong in many economies in restoring pre-pandemic levels of economic activity and trend forecast growth rates. However, significant output losses will have been recorded despite this recovery, with the probability of significant structural damage to many economies for the medium term.

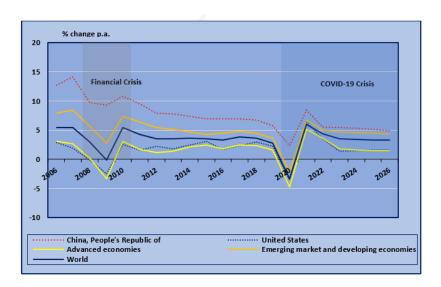


Figure 7. Real GDP growth

Source: IMF Fiscal Monitor, April 2021.³⁵ IMF Data Mapper https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC/ADVEC/WEOWORLD/CHN/USA

Figure 8 illustrates the medium-term GDP losses that the IMF have forecast, relative to the expectations in the pre-COVID-19 period. In some regions (including the emerging markets, excluding China), the 2024 GDP levels are now forecast in April 2021 to remain almost 8% below the levels anticipated in January 2020.

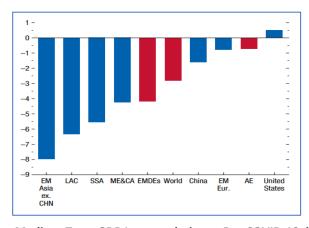


Figure 8. Medium-Term GDP Losses relative to Pre-COVID-19, by region Revisions to the projected 2024 GDP levels, between the January 2020 and April 2021; %.

Source: IMF World Economic Outlook, April 2021.³⁴

AEs = Advanced Economies; EM Asia ex. CHN = Emerging and Developing Asia excluding China;

EM Eur = Emerging and Developing Europe; EMDEs = Emerging Market and Developing Economies;

LAC = Latin America and Caribbean; ME&CA = Middle East and Central Asia; SSA = Sub-Saharan Africa.

³⁴ IMF World Economic Outlook, April 2021. https://www.imf.org/en/Publications/WEO/Issues/2021/03/23/world-economic-outlook-april-2021

³⁵ IMF Fiscal Monitor, April 2021. https://www.imf.org/en/Publications/FM/Issues/2021/03/29/fiscal-monitor-april-2021

The fiscal implications of the economic response

One of the most crucial challenges arising from this very substantive impact on global GDP has been the consequent deterioration of national public finances. In general, the repercussions of the early phases of the crisis have dramatically raised budget deficits in most economies, with accompanying sharp rises in borrowing in those economies where this was a policy option.

Some countries hurried to establish or greatly expand social protection to their peoples, or to provide short-term support funding channels to their businesses — both to large national, and multinational companies as well as the SME sector, and sometimes to the self-employed — in order to try to stave off long term damage to their economies and the collapse of vast swathes of economic activity. The resultant expenditures and the declines in revenues necessarily saw sharp increases in fiscal deficits, precipitating very major growth in economies' debt stock to GDP ratios, if not in their debt servicing ratios in the immediate term.

However, as Figure 9 illustrates, the ability of countries to provide such support has unsurprisingly varied greatly. Many countries — and especially the low-income countries — have simply not had the resources or the borrowing capacity to provide such protections and the immediate impact on both individuals and businesses has in consequence been all the greater. The various forms of support through additional spending and foregone revenues, together with additional mechanisms through debt finance, equity and an array of guarantees, have varied immensely. In general, the support extended in 2020 in the high-income economies dwarfed that of low-income countries, and even that of the emerging economies.

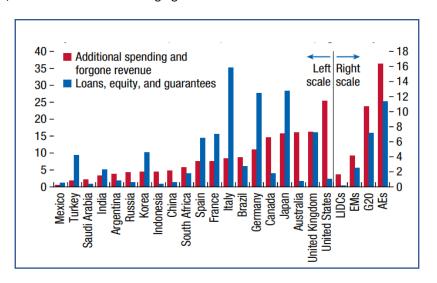


Figure 9. Government Fiscal Support in Response to COVID-19, 2020–21
Size of Fiscal Support (Percent of 2020 GDP, left scale; trillions of dollars, right scale)

Source: IMF, Fiscal Monitor Database of Country Fiscal Policies in Response to COVID-19; and IMF staff estimates.

Note: Data refer to fiscal measures announced between January 2020 and March 17, 2021.

AEs = Advanced Economies; EMs = Emerging Market Economies; G20 = Group of 20; LIDCs = Low-income Developing Countries.

Worse still – and notably in the LICs — has been the impact of attempting to service existing debt – and especially private sector debt, since official debt to the IFIs and national governments has to some extent been relieved – which has put national public services under even greater strain. As Figure 10 illustrates, in 2020, 25 Sub-Saharan countries spent more on debt servicing than on their health budgets as the crisis took a hold on their national budgets, and as governments sought to maintain their standing with private creditors in the face of major revenue shortfalls (see Box 2). The implications for public services at a time of a greatly elevated need were severe.

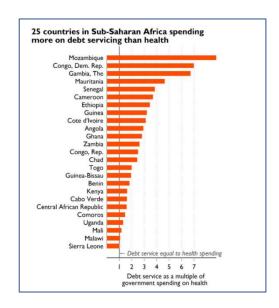


Figure 10. Sub-Saharan Countries: Expenditures on debt servicing relative to health

Source: Save the Children, Kevin Watkins, Speech to the IDA Forum (October 2020): Preventing a Great Reversal for Children https://www.savethechildren.org.uk/blogs/2020/preventing-a-great-reversal-for-children

Moreover, the efforts to extend social safety net provision were rarely adequate. Not only was coverage in many parts of the world extremely low, but the adequacy of the provision was grossly below that which would have been required to compensate (see Box 11).

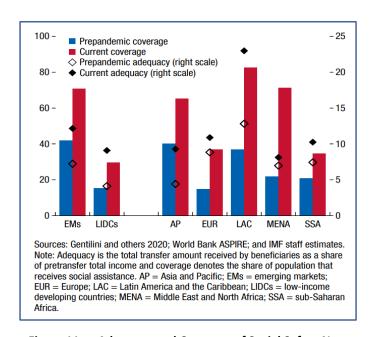


Figure 11. Adequacy and Coverage of Social Safety Nets

(Percent of eligible beneficiaries, left scale; percent of household pretransfer income, right scale)

Source: IMF, Fiscal Monitor Database of Country Fiscal Policies in Response to COVID-19; and IMF staff estimates.

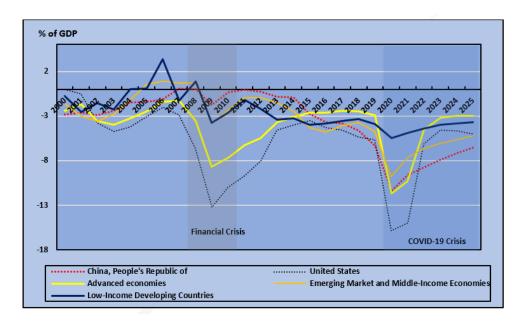
Note: Data refer to fiscal measures announced between January 2020 and March 17, 2021.

AEs = Advanced Economies; EMs = Emerging Market Economies; G20 = Group of 20; LIDCs = Low-income Developing Countries.

The implications for the future fiscal stance

Such was the magnitude of the growth of fiscal imbalances in most economies that the long-term impact of the health crisis and the economic response to it will be seen for at least a decade.

Figure 12 illustrates this, setting out the historic trends in the overall fiscal balance since 2000. The very significant impact of the 2008 financial crisis is evident, but the impact of COVID-19 is clearly more profound with imbalances falling much more sharply and by a greater degree than the earlier recession. The IMF baseline scenario, set out in its April 2021 *World Economic Outlook*, ^{36,37} suggests the possibility of a more rapid recovery of imbalances in the higher income economies than in the financial crisis, when policy tended to prioritise the restoration of budgetary balances and debt positions, but significant imbalances are nonetheless still forecast over the medium term.



Figures 12. Net lending/borrowing (overall balance) % of GDP

Source: IMF Fiscal Monitor, April 2021. IMF Data Mapper https://www.imf.org/external/datamapper/GGXCNL GO1 GDP PT@FM/ADVEC/FM EMG/FM LIDC/USA/CHN

These anticipated trends in fiscal imbalances have predictable implications for the debt-GDP ratios of most economies. Indeed, the magnitude of the challenge that national governments now face in managing their accumulated debt is reflected in Figure 13, which draws on the same IMF baseline scenario above.^{38,39}

Gross debt clearly jumps very sharply in 2020, and more abruptly than in the financial crisis of 2009, although it remains to be seen to what peak debt eventually attains. Certainly, given the pre-COVID debt levels, debt:GDP

³⁶ IMF World Economic Outlook, April 2020: https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020, and https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020#Statistical%20Appendiex

IMF: Fiscal Monitor, April 2020; IMF DataMapper. https://www.imf.org/external/datamapper/G_XWDG_G01_GDP_PT@FM/ADVEC/FM_LIDC/FM_EMG/USA/CHN/IND/IDN/BRA

³⁸ IMF World Economic Outlook, April 2020: https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020, and https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020#Statistical%20Appendiex

³⁹ IMF: Fiscal Monitor, April 2020; IMF DataMapper. https://www.imf.org/external/datamapper/G_XWDG_G01_GDP_PT@FM/ADVEC/FM_LIDC/FM_EMG/USA/CHN/IND/IDN/BRA

ratios are now expected in advanced economies to reach around 120% in 2020, with debt:GDP ratios reaching around 70% and 50%, respectively, in the emerging market and middle-income economies, and in the economies with lower aggregate incomes.

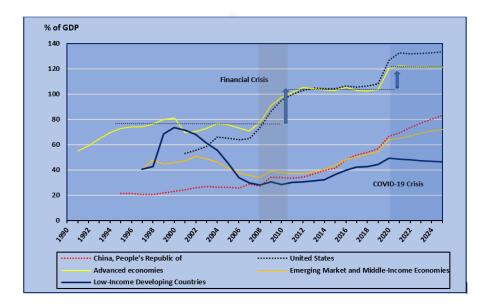


Figure 13. Gross debt position

Source: IMF Fiscal Monitor, April 2021. IMF Data Mapper https://www.imf.org/external/datamapper/ XWDG G01 GDP PT@FM/ADVEC/FM EMG/FM LIDC/CHN/USA

Responding to the pressures of COVID

This overall picture will provide the crucial context for the evolution of national macroeconomic policy for many years.

The critical question now relates to how nations will respond to these unprecedented fiscal challenges that the health crisis, and their response to it, have precipitated. While it is widely agreed that fiscal and monetary policy responses on such an unprecedented scale – especially in the first phase of the crisis - were absolutely necessary to prevent even greater economic and social disruption, there is equally agreement that restoring more sustainable deficits and debt:GDP ratios will be an imperative over the next decade.

How *sustainability* of debt is defined by national governments will be crucial. So too, will be how, and how urgently, economic and financial sustainability are targetted: this will define the adjustment path, and how substantively is the impact upon the full range of fiscal policy.

The fear of future crises will encourage governments to restore resilience and sustainability timeously to their finances, but, providing economic growth remains broadly above interest rates — as seems probable for the immediate future — the pressure will be reduced. Additionally, there will be pressure to provide fiscal stimuli to the recovery after such a deep recession and avoid a protracted and weak restoration of output, with growth itself contributing to a more rapid return of financial sustainability. In contrast, if the attempt to restore financial

sustainability is too rapid, the recovery will itself be put at risk, making progress towards sustainability all the more prolonged.

Indeed, one school of thought argues that, especially with low interest rates anticipated to prevail over the short to medium term, the focus of financial sustainability should be more on debt servicing capacity, and that, providing monetary policy secures continuing low interest costs, fiscal policy can be relatively accommodating and stimulating. This begs the question of how independent an economy's monetary policy may be from the global monetary system and the pressures that are transmitted, and, how insulated it may remain if global economic recovery and inflationary pressures increase. Certainly, the US fiscal stimulus of \$1.9tn suggests a preference for the stimulative fiscal approach, at least in the short term.

It is hard to escape the clear conclusion that, whatever medium term macroeconomic policy stance is adopted in each nation, the social and economic cost of the crisis will extend for many years, with long-term impacts on both output and employment levels, and crucially on fiscal expenditures, taxation and debt policy.

In this evolving context, understanding the centrality of children to each nations' economic recovery and longer-term economic health will play a key part in promoting children's well-being.

This challenge relates to every economy, but the poorest countries have a particular challenge. There is an urgent need to explore how their increased debt burdens (see Box 2) — and the associated debt service implications for annual budgets — could be reduced in all phases of the crisis, thereby releasing crucial resources to address both the immediate health challenges of the pandemic and also the huge impacts on their economies and communities, not least the impact on the most vulnerable.

Box 2. The Low-Income Country (LICs) Economic Crisis and the Risk to Well-Being

The economic crisis in Low Income Countries (LICs), precipitated by the COVID-19 pandemic, is increasingly assuming profoundly serious proportions. The health crisis is having have major ramifications for their future capacity to provide critical public services to address the pre-COVID challenges and those that have been generated by the crisis itself.

Unlike many high-income countries, the LICs had relatively little capacity to incur greater debt during the early phases of the COVID crisis to mitigate the worst economic and social impacts. As the UN Secretary General's Paper⁴⁰ in March 2021 observes:

...(the economic impact)... could have been significantly worse in the absence of extraordinary national fiscal support measures, which amounted to a global total of \$18 trillion as of March 2021. However, the capacity to respond to the crisis differed markedly across country groups. In 2020, advanced economies increased their fiscal expenses by more than 13 per cent of their GDP, compared to less than 4 per cent and less than 2 per cent for middle-income and low-income countries respectively. These differences reflect the existence of constraints to fiscal spaces and difficulties of access to external financing.

However, the serious impact on global output and the sharp declines in government revenues greatly diminished the ability of LIC government to service existing debt and raise additional finance. Indeed, the UN Report notes that: Over half of least developed and low-income countries that use the IMF-World Bank Debt Sustainability Framework (LIC-DSF)⁴¹ are now assessed as being at a high risk of debt distress or in debt distress. While the IFI and official national bilateral debt were relieved to an extent, private creditors did not demonstrate the same approach, and the risk to future credit-worthiness from any default greatly influenced governments' debt policies.

In these circumstances, LIC Governments face severe constraints in the provision of public services, compounding the losses in employment and income. This has led the UN Secretary General to say that:

More than a year into the pandemic, the fiscal impacts of the crisis are triggering debt distress in a growing number of countries and is severely limiting the ability of many, to invest in recovery and the <u>Sustainable Development Goals</u> (SDGs).....

..... Unless we take decisive action on debt and liquidity challenges, we risk another 'lost decade' for many developing countries, putting the achievement of the SDGs by the 2030 deadline definitively out of reach.

The Secretary-General has urged a *three-phase approach to debt*, including a moratorium on debt payments, targetted debt relief, and reforms to the international debt architecture.

⁴⁰ See, for example, the United Nations paper from the Secretary General (March 2021): Liquidity and Debt Solutions to Invest in the SDGs: The Time to Act is Now.

https://www.un.org/sites/un2.un.org/files/sg_policy_brief_on_liquidity_and_debt_solutions_march_2021.pdf

IMF: The Debt Sustainability Framework for Low-Income Countries; Last Updated: July 13, 2018. https://www.imf.org/external/pubs/ft/dsa/lic.htm

The Framework has not been without its critics however: see, for example, the Brookings paper, Brian Pinto (July 2018): *The distressing Debt Sustainability Framework of the IMF and World Bank.*

 $[\]underline{https://www.brookings.edu/blog/future-development/2018/07/03/the-distressing-debt-sustainability-framework-of-the-imf-and-world-bank/}$

Child Poverty

The implications of the macroeconomic observations above for the well-being of children are profound. It is striking that, even prior to the COVID-19 crisis in June 2019, the Brookings Institute⁴² had observed:

".....since 2016, the ranks of Earth's poorest people have decreased by some 55 million. On the other hand, the speed of poverty reduction appears to be slowing down and the situation in a number of countries is worse today than it was five years ago. And yet, while the global community scrambles to find ways to accelerate progress in sub-Saharan Africa—the world's last frontier of poverty reduction—a new dimension in the poverty narrative is now coming into focus: child poverty."

Indeed, Brookings estimates that, of the world's 2.3 billion children (those less than 18 years of age), 301 million live on less than \$1.90/day in 2011 PPP (the prevailing definition of *extreme poverty*), implying that that 13 percent of the world's children are very poor, compared to 6 percent of adults. They note that more than half of the world's poorest people are children, even though children represent only 30% of the world's total population.

Global trends – and expected future trends — at that time were, however, modestly encouraging even if the absolute number of children in poverty remained exceptionally high. It is widely accepted that this picture will now have changed strikingly with the onset of the COVID-19 crisis, bringing both a spike in child poverty in 2020 and a slower trend decline for the coming years.

Annex 1 sets out the anticipated impact of the crisis on progress towards the achievement of SDG 1, and clearly children will be severely impacted by this regression.

The evidence bears this out and the recent UNICEF/Save the Children analysis⁴³ (see Figure 14) suggests a serious deterioration in the numbers of children in the poorest countries living below the national poverty lines as a direct result of the COVID-19 crisis:

...In the most pessimistic scenario, the current pandemic could increase the number of children living in monetary poor households by more than 142 million by the end of 2020, according to projections as of November 2020. This would bring the total number of children living in monetary poor households globally to just over 725 million.

Brookings Institute. https://www.brookings.edu/blog/future-development/2019/06/20/more-than-half-of-the-worlds-poor-are-children/

⁴³ UNICEF/Save the Children (November 2020): *Children in monetary poor households and COVID-19*. https://data.unicef.org/resources/children-in-monetary-poor-households-and-covid-19/.

The analysis uses growth and distribution data, and distinguishes between two effects: the *income change* effect, or the average decline in income per person, and the *distribution* effect.

See also: the UNICEF paper (September 2020): *Impact of COVID-19 on multidimensional child poverty* https://data.unicef.org/resources/impact-of-covid-19-on-multidimensional-child-poverty/
and UNICEF (November 2020): *Child Poverty and COVID-19*. https://data.unicef.org/topic/child-poverty/covid-19/

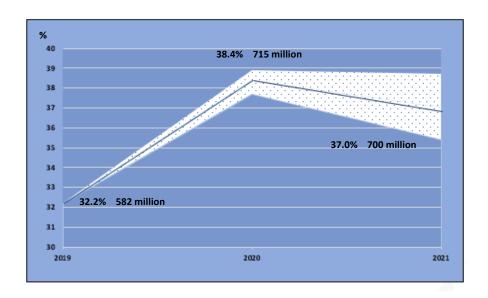
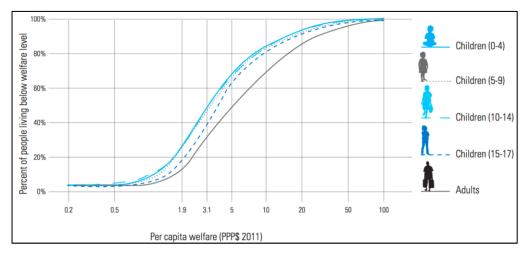


Figure 14. Prevalence and number of children living in monetary-poor households, 2019 – 2021 (projected)⁴⁴

Source: Children in Monetary Poor Households and COVID-19; projections of November 2020 https://data.unicef.org/resources/children-in-monetary-poor-households-and-covid-19/

⁴⁴ A valuable - albeit now dated (2013) - insight may be seen in the following chart that looks at the distribution of poverty within differing age groups.



Percent of people living below different levels of consumption or income in low- and middle-income countries, by age group (2013)

This chart may be found in the Briefing Note UNICEF (2016), Ending Extreme Poverty: a Focus on Children. https://www.unicef.org/reports The underlying source of the data is Newhouse, D. L., Suarez-Becerra, P., & Evans, M. (2016); New estimates of extreme poverty for children. Policy Research Working Paper 7845. World Bank Group.

https://openknowledge.worldbank.org/bitstream/handle/10986/25162/WPS7845.pdf?sequence=1&isAllowed=y

The chart sets out the welfare disadvantage faced by children, relative to adults: it gives the cumulative density functions of welfare by age group. It indicates that the distribution for adults stochastically dominates that of children, meaning that poverty rates for children are higher at any poverty line. Furthermore, although the differences are smaller, children 10-17 are slightly better off than younger children throughout most of the distribution.

E.iii. The Anticipated Impact on Familial Well-Being and Public Services in the COVID Era

The competition for constrained resources

How the macroeconomic outlook *in fact* evolves will be critical to familial well-being, and thereby for the well-being of children.

The impact of the crisis has been especially significant on the most vulnerable across the world, who not only entered the crisis with little resilience, but whose employment and income have typically been hit the hardest as economic activity dramatically declined in the periods of lockdown. Welfare payments might have alleviated some pressure, but whether their impact has been sufficiently great is highly questionable. Equally, individuals' capacity to dissave and borrow has been highly circumscribed.

Crucially, the nature of the recovery will shape familial economic well-being: certainly, the more limited and protracted the recovery in growth, and the less inclusive it is in nature, the more pressure will fall on the most vulnerable communities. Not only are livelihoods threatened by slow and erratic recoveries, but the macroeconomic fiscal pressures, as set out above, may be anticipated to bring protracted fiscal constraint, whether the balance lies more with expenditure reductions or increased direct and indirect taxation. Continuing borrowing can play an important role, but the need to ultimately restore sustainable debt levels leaves less leeway for debt-financed stimuli and continuing primary fiscal imbalances.

As countries emerge from the COVID-19 crisis, the competition for constrained resources is already being seen to be greatly exacerbated by increased needs and the demand for public expenditure across most national societies. In the aftermath of an external shock of such immensity, governments and civil society are inevitably rethinking their objectives and priorities, partly stimulated by the global challenges that have been brought sharply into focus, but also by national needs that pre-date — and have typically intensified as a consequence of — the crisis.

Global priorities

At the global level, there are new pressures that need to be seen alongside many long-standing and equally critical objectives, each necessitating significant expenditures if they are to be appropriately addressed. Arguably, responding to the health crisis should now be seen as a global priority⁴⁵ in a way that has simply not been true before. The global strategic focus on the preventative steps that are necessary to reduce the risks of futures pandemics and to enhance the resilience and capacity to respond to such major crises will be central. Inadequate sustained attention has been focussed on global health previously and the costs of responding could now be highly significant.

However, as well as seeking to find longer term solutions to the current global health crisis and the potential for such crises recurring in future years, responding effectively and proportionately to on-going crises — and notably, the climate emergency — needs to be seen as equally urgent. Global attention has now turned to this crisis more convincingly — albeit still not sufficiently — and, as with the global health crisis, will require significant investment to both reduce the risks from climate change and to mitigate the worst effects of the current climatic trends.

Moreover, to the extent that the COVID-19 crisis is now seen as most likely to have had its roots in environmental degradation, poverty and inequality, the global interlinkages of these challenges have been brought even more sharply into focus.⁴⁶

⁴⁵ See also: Goudie, A.W. (2020): Re-thinking our Global Economic Future. University of Strathclyde, Fraser of Allander Institute. https://www.sbs.strath.ac.uk/feeds/news.aspx?id=2023

For example, see Kat Kerlin (April 07, 2020): The Link Between Virus Spillover, Wildlife Extinction and the Environment: The Same Processes That Threaten Wildlife Increase Our Risk of Spillover; Proceedings of the Royal Society B. https://www.ucdavis.edu/coronavirus/news/link-between-virus-spillover-wildlife-extinction-and-environment/

National priorities

At the national level, there will be a continuing fiscal pressure, at least to some degree, as governments play an on-going role in the survival and restoration of businesses – the source of all-important employment and key to the health of supply chains. While government dominance and control of the economy has receded from the first phase in which it effectively became the *economy of last resort*⁴⁷, the economic costs incurred will continue for much longer if a premature withdrawal of support is not to undermine the initial objectives in this regard.

To the extent that the economic and financial adjustment falls more heavily on public expenditures, public services will be more heavily impacted. This impact could be very significant in the recovery phase from the crisis and, in countries with lower aggregate incomes already coping with weak public services, the crisis could set back their progress for many years.

The crisis has exposed the continuing high levels of national inequality and poverty and the economic and social injustices that lie at the root of these huge disparities. COVID-19 has moreover greatly exacerbated these injustices as the well-being of the most vulnerable — and the newly vulnerable — communities and individuals has declined sharply, as they have suffered the greatest impact from the economic shutdowns and recession. Indeed, the number of vulnerable people is widely anticipated to have increased sharply as a result of the full impact of this crisis as the challenges of unemployment, reduced incomes, deprivation, stress and mental health have all been exacerbated.

Large numbers in society will have seen their opportunities, rights and needs significantly affected by adverse experiences and greater vulnerability. For example, greatly increased economic vulnerability and desperation will have driven even greater numbers of poor people into lower quality work and poorer working conditions, sometimes akin to modern slavery, in which they are exposed to the worst forms of exploitation and unacceptable forms of injustice, including child labour and child marriage.

All these elements of the crisis have significantly raised levels of need across society, with a consequent and significant increase in the demand for public services.

With national preparedness for the sudden onset of COVID-19 being virtually absent, with little real appreciation of the potential risks as was all too evident in early 2020, the global health crisis is therefore injecting a new urgency into building the resilience and quality of national health and care capacity, but also a reconsideration of how welfare systems address the far-reaching vulnerabilities of many communities.

How far the enormity of this crisis has generated new expectations, and indeed new values, in national communities is still difficult to assess, but, to the extent that such new pressures emerge – compounding critical pre-COVID-19 pressures — the overall demand on government and on fiscal thinking is all too apparent.

Programmes and services for children's well-being

The implications of the global health crisis and its massive economic and financial impact are therefore potentially critical for children's well-being. The declines in familial well-being will impact greatly on children's well-being and on the demand for children's services. They will also impact heavily on the *hidden* demand for children's services that is not readily identified: that is, where, despite the evident need, the demand does not even materialise.

In this economic climate, public services that support adults and their role in familial well-being would be anticipated to be subject to substantial pressure. Similarly, the resourcing of services to more directly protect

⁴⁷ See also: Goudie, A.W. (2020): *Re-thinking our Global Economic Future*. University of Strathclyde, Fraser of Allander Institute. https://www.sbs.strath.ac.uk/feeds/news.aspx?id=2023

and promote children's well-being could potentially be significantly affected, with profound implications for service provision in terms of their objectives and scope, their quality and relevance, their accessibility and geographical availability, their focus on all communities equitably, and the costs imposed on the beneficiaries.

Addressing these economic injustices and mitigating the worst examples is crucial in the short term, but a sharp focus on the determinants of these injustices is also critical to the preventative perspective on children's well-being. Stemming the flow of children and adults into such situations will always be the priority, and economic and social justice lies at the heart of this preventative dimension.

Maintaining — and enhancing the quality of — the provision of children's services will therefore be a major challenge. Restoring previous support will be the first goal, but securing the vision for children's well-being will require greater resourcing, even with more creative and innovative approaches to the challenge 48 .

Summarily, while the case for addressing child injustices *per se* may indeed be compelling to some audiences, the critical question is whether the political decisions-makers share that prioritisation and that vision, and whether they find the evidence and analysis of the value of such expenditure to be persuasive.

It is clear that, firstly, in the COVID era, there will be immense competition from many directions for scarce resources to promote the well-being of the vulnerable across every nation and children's well-being will be one of many. Making a powerful case for children is therefore imperative. The fundamental budgetary constraints will compel governments to prioritise — and necessarily, deprioritise — their expenditure programmes to reflect the overriding concerns of their societies.

It is therefore important to offer strong, coherent arguments, fully supported by the evidence and data, and by the increasingly compelling voices of experience, to illustrate that the well-being of children is demonstrably central to the well-being of society as a whole, in both the immediate recovery phase of the COVID-19 and over the longer term in the COVID-19 era as these children mature into adulthood.

In addition, it is apparent that many vulnerable communities are necessarily overlapping and share many common interests and objectives, not least in the quality and focus of public services. Pursuing collaborative approaches in this context rather than fragmented and purely competitive approaches is all the more critical. It is crucial therefore to identify where the vision for children's well-being can be advanced through coherent and collective initiatives to promote political commitment and through using shared resources, driven by the shared objectives.

It is hard to escape the conclusion that exceptionally tough choices will therefore dominate political thinking for at least a decade and that the social and economic cost of the crisis will extend for many years. Which social and economic objectives are prioritised, and to where public services are most directed, is the key societal and political challenge.

In this regard, the innovations in responding to children's needs during the pandemic have been of great value, and provide important insights into how services may be better delivered in future. See for example: Davidson, J.; Karadzhov, D.; Lux, E.; Shields, S.; and Wilson, G. (March, 2021): Supporting Children's Wellbeing During COVID-19: Providers' and Policymakers' Successes, Challenges, Lessons Learned and Recommended Actions. Findings from the International COVID 4P Log Project. Inspiring Children's Futures Learning Report Series1/2021. University of Strathclyde, UK. www.inspiring childrensfutures.org.

E.iv An Outcomes-Focussed, Whole-of-Society and Whole-of-Government Approach to Children's Well-Being

Clarity in the identification of the precise outcomes that are sought in enhancing children's well-being, and an acknowledgement of the complexity in securing these outcomes, is crucial to their effective delivery. Such is the complexity that only through a comprehensive approach that addresses the full range of determinants of children's well-being will progress be accelerated.

Integral to this holistic *outcomes-focussed approach*⁴⁹ is the embracing of both a *whole-of-society approach*⁵⁰ – in which the widest range of stakeholders from across all society are systematically brought into defining and delivering the solutions to meet the challenges to securing children's well-being — and, within this, a *whole-of-government approach*⁵¹ — that stresses the integral role that most, if not all, areas of government have to play, collaboratively and coherently, in securing children's well-being.

In addition to those areas of strategy and policy that directly impact on children, it is critical to draw in other priority objectives of government, and society more broadly, that are not directly or even routinely seen as promoting the well-being of children, but which are nonetheless crucial in indirectly impacting on the future of children.

As the OECD succinctly set out⁵²:

OECD evidence suggests that public policy should invest in the range of policy areas that affect child well-being, including education, health and family policies. Disparate approaches that focus on a single aspect of child well-being are unlikely to be effective if they do not address other barriers to child development.

For public investment in children to be most effective, it should take place in a cross-cutting manner. Integrated strategies are instrumental in helping children fulfil their potential and ensuring that equal opportunities are provided for all.

It is imperative to rapidly and meaningfully adopt a *whole-of-society approach* (WSA) and a *whole-of-government approach* (WGA) whereby children are mainstreamed into the thinking and at the fore of decision-making in many – if not all – areas of government and society. Importantly, this approach should focus both on the direct approaches to children's well-being and, equally importantly, on the less direct approaches and especially those that seek to build familial well-being. Many of the economic programmes to benefit adult familial members are crucial to the enhancement of children's well-being, notably with respect to income poverty, but also to the wider dimensions of children's well-being.

This approach is illustratively set out in Figure 15.

⁴⁹ The broad outcome approach is set out in early papers from the OECD:

Jens Kromann Kristensen, Walter S. Groszyk and Bernd Bühler (2002): Outcome-focused Management and Budgeting. https://www.oecd.org/gov/budgeting/44526575.pdf

David Webber (2004): Managing the Public's Money: From Outputs to Outcomes – and Beyond. https://www.oecd.org/gov/budgeting/43488736.pdf

Canada provides one valuable example of the thinking here, in the paper by the British Columbia Council for International Cooperation and Canadian Council for International Co-operation: https://ccic.ca/wp-content/uploads/2019/05/International-Partnership.pdf

⁵¹ For further elaboration of the key ideas here, see for example the *Partners for Review Discussion Papers*:

Karina Cázarez-Grageda (March 2019): The whole of government approach: Initial lessons concerning national coordinating structures for the 2030 Agenda and how review can improve their operation.
 http://www.partners-for-review.de/wp-content/uploads/2019/04/Whole-of-Government-P4R-Discussion-paper-2019.pdf;

[•] Karina Cázarez-Grageda (October 2018): The Whole of Society Approach: Levels of engagement and meaningful participation of different stakeholders in the review process of the 2030 Agenda.

http://www.partners-for-review.de/wp-content/uploads/2018/11/Whole-of-Society-P4R-Discussion-Paper-Oct.-2018-1.pdf

DECD (May 4, 2016): Enhancing child well-being to promote inclusive growth.

http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DELSA/ELSA(2016)7/REV1&doclanguage=en

An Outcomes-focused, Whole-of-Society and Whole-of-Government Approach to Children's Well-being

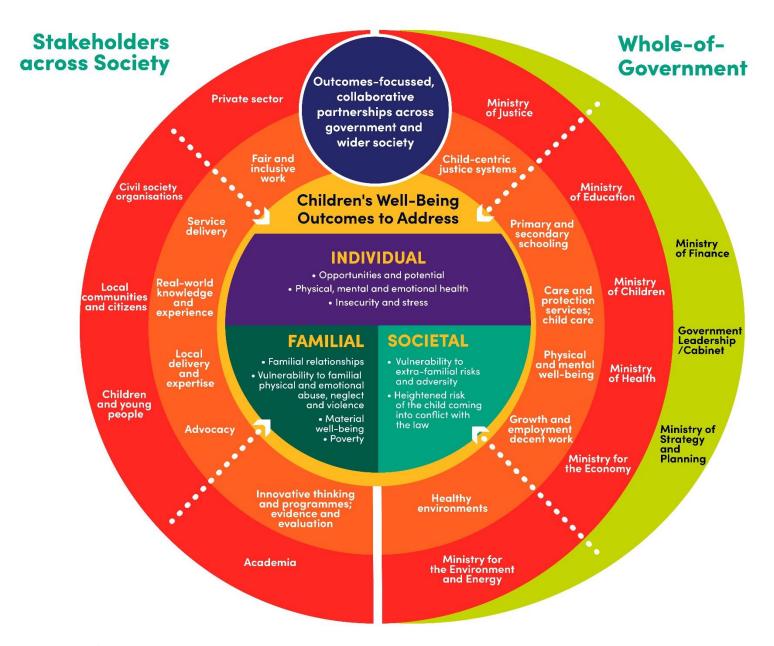


Figure 15.

The detailed content of this Figure is purely indicative of the nature and value of an *Outcomes-focussed* approach to Children's Well-being that embraces a *Whole-of-Society* and a *Whole-of-Government* Approach.

The specific priorities will naturally vary across nations.

Crucially, the *outcomes approach*, together with the *whole-of-society* and *whole-of-government approaches*, must be seen as integrally related: indeed, as part of the same framework for securing children's well-being. Without clarity of outcome and clarity of what will secure these outcomes, both the WSA and WGA approach will lack focus and direction and urgency; similarly, without an integrated WSA and WGA approach that mainstreams policies to deliver children's well-being, delivering the critical outcomes will be at best slow and partial and, at worst, impossible.

The vision and the means of delivery are inextricably related.

More widely, both the WSA and the WGA are seen as an imperative: UN Deputy Secretary-General Amina J. Mohammed crystallised this thinking, noting⁵³ that: "..... [the key was] how best to translate our collective global vision set out in the 2030 Agenda for Sustainable Development into concrete action for achievement of the Sustainable Development Goals. Our efforts to leave no one behind will be a test of our common vision, resolve and ingenuity. A whole-of-government and whole-of-society approach must become our new norm."

Moreover, she observed that: ".....the Sustainable Development Goals require Governments to go beyond traditional development programmes to tackle the complexity of the 2030 Agenda through integrated approaches, attuned to specific contexts." She reiterated the importance of incorporating the SDGs into national plans and visions, and integrating them into legislative frameworks. Indeed,"achieving these goals will require defining new national pathways and priorities, and mobilizing the necessary financing, technology and expertise."

At the national level, a number of OECD countries have also made endorsements. This critical approach is also very well captured, for example, in a recent paper by the British Columbia Council for International Cooperation and Canadian Council for International Co-operation⁵⁴:" realizing the ambitions of the 2030 Agenda requires a whole-of-society approach. Governments, citizens, civil society organizations, academia and the private sector all have roles to play in contributing to sustainable development outcomes."

There are several notable examples⁵⁵ of seeking to build an outcome focus, notably with the New Zealand 2018 budget with its investment approach to outcomes, followed by the 2019 Well-being Budget that defined the outcome priorities that were chosen to deliver well-being, which focussed ..." on outcomes that meet the needs of present generations at the same time as thinking about the long-term impacts for future generations." Other intentions to pursue an outcome approach have been explored at a national level in South Africa and Scotland, and more sectoral approaches are seen, for example, in Canada, Australia and the USA.

 OECD, Andrew Kibblewhite and Chris Ussher (2002): Outcome-focused Management in New Zealand. https://www.oecd.org/newzealand/43513908.pdf;

 NZ Government (2020): Budget 2020 and the Wellbeing Approach. https://www.budget.govt.nz/budget/2020/wellbeing/approach/index.htm.

The approach in South Africa:

• Government of South Africa (2010): Guide to the Outcome Approach.

https://www.dpme.gov.za/publications/Guides%20Manuals%20and%20Templates/Guideline%20to%20outcome%20approach.pdf The approach in Scotland:

- Institute for Government, John Elvidge (September 2011): Northern Exposure: Lessons from the first twelve years of devolved government in Scotland. https://www.instituteforgovernment.org.uk/sites/default/files/publications/Northern%20Exposure.pdf;
- Auditor General for Scotland (June 2019): Planning for outcomes https://www.audit-scotland.gov.uk/uploads/docs/report/2019/briefing_190603_planning_outcomes.pdf.

Sector-specific outcome agreements (Australia, Canada, New Zealand, USA:

• UK Commission for Employment and Skills: International Examples of Outcome Agreements: Case Studies. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/438497/150624_OA_case_study_design_V2.pdf

⁵³ UN Deputy Secretary-General, Amina J. Mohammed (February 2018): *Whole-of-Government, Society Approach Essential to Achieve Sustainable Development Goals.* https://www.un.org/press/en/2018/dsgsm1131.doc.htm

⁵⁴ British Columbia Council for International Cooperation (BCCIC) and Canadian Council for International Co-operation (CCIC), (2019): A whole-of-society approach: Partnerships to realize the 2030 Agenda. https://www.bccic.ca/wp-content/uploads/2019/06/International-Partnership.pdf

⁵⁵ The approach in New Zealand:

[•] The Conversation (2018): NZ budget 2018: government adopts investment approach to achieve valued outcomes. https://theconversation.com/nz-budget-2018-government-adopts-investment-approach-to-achieve-valued-outcomes-96811;

NZ Government (30 May 2019): The Well-being Budget. https://treasury.govt.nz/sites/default/files/2019-05/b19-wellbeing-budget.pdf.

F. Concluding Thoughts.

The primary Conclusions from this Paper are set out in Section A.ii above.

Several Conclusions stand out in particular; namely ...

- i. The overwhelming impact of the COVID-19 health crisis has seriously affected the well-being of children in a wide range of ways, greatly exacerbating the existing challenges. In many regards, children were already in severe danger of being left behind in the pursuit of the UN SDGs and of the UN CRC, and, additionally, some groups of children were especially vulnerable to the onset of the crisis;
- ii. The economic and financial impacts of COVID-19 have been very profound and far-reaching, with the severe pressure on government resources likely to extend for at least a decade;
- iii. Most countries will therefore face the very real political tension of how to prioritise the greatly increased demand for services to meet greater societal needs across the board and specifically to address and enhance the well-being of children at a time of scarcer resources;
- iv. Making the case for the enhancement of children's well-being requires building the evidence base that will convince decision-makers across society and across government of the value of investing in children:
 - It necessitates a focus on how investing in high-quality existing and proposed policies and
 programmes can potentially yield significant economic returns for society as a whole, as well as
 for the individual child. Looking at the direct benefits to the child is naturally the primary focus,
 but the less direct economic and social benefits accruing to the broader society over the long
 term are critical to building a broad consensus and momentum behind the adoption of childfocussed policy and programmes across the whole of government;
- v. In parallel, the active and meaningful consideration of the well-being of children in all national strategies should be a central pillar of national thinking, since their well-being will typically underpin the success in achieving a wide range of priority national objectives;
- vi. It is critical to see the enhancement of children's well-being as a complex challenge that necessitates a complex, holistic approach: a dependence on a partial approach, or a fragmented incoherent approach, will not deliver effectively.
- vii. While the case for addressing child injustices *per se* may indeed be compelling to some audiences, the critical question is whether the political decisions-makers share that prioritisation and that vision, and whether they find the evidence and analysis of the value of such expenditure to be persuasive. Without building this political understanding and a sustained and sustainable political commitment to *the well-being of children*, progress will be severely hampered.

ANNEXES

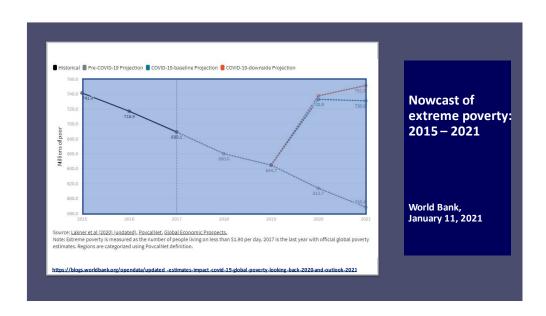
Annex 1. The Impact of the Health Crisis on Global Progress

The immediate impact of the first phase of the crisis on both the economies and the social structures of most countries have been acute and will be long-lasting. Significant proportions of the population, and especially the most vulnerable communities, have seen their lives and livelihoods massively disrupted for the foreseeable future.

In this context, the attainability of the United Nations *Agenda 2030* and of the accompanying *Sustainable Development Goals*, has been severely threatened. Indeed, emerging evidence suggests that progress towards many of the Goals has been seriously affected with major areas of regression.

As the UN Secretary General observed⁵⁶ in November 2019: ..."..there has been some progress in the four years since the global goals were adopted. Extreme poverty and child mortality are falling; access to energy and decent work are growing. **But overall, we are seriously off-track**. Hunger is rising, half the world's people lack basic education and essential healthcare, women face discrimination and disadvantage everywhere. With the COVID crisis, it is clear that progress is significantly further off-track."

Recent analysis by the World Bank⁵⁷ has looked at the challenge to deliver the most fundamental objective, SDG1: namely: by 2030, to eradicate extreme poverty for all people everywhere, as currently measured as people living on less than \$1.90 a day.



António Guterres, Financial Times (November 4, 2019): Progress toward sustainable development is seriously off-track https://www.ft.com/content/0c0eadc6-f739-11e9-bbe1-4db3476c5ff0

World Bank (January 2021):

Updated estimates of the impact of COVID-19 on global poverty: Looking back at 2020 and the outlook for 2021.

https://blogs.worldbank.org/opendata/updated-estimates-impact-covid-19-global-poverty-looking-back-2020-and-outlook-2021

The World Bank January 2021 estimate that, in 2020, the number of extreme poor will be around 120 million higher – or 20% higher - than what was projected before the COVID crisis for 2020. In other words, the global extreme poverty rate has probably risen to around 9 percent in 2020, and it is anticipated that the on-going crisis will erase almost all the progress made in the last five years.

The extreme poverty criteria of an income of less than \$1.90 is, moreover, exceptionally modest. Looking at the \$3.20 poverty line, the increase in the number of poor is also visible: with this standard, the number of poor is estimated to have increased from 175 million to 228 million (from June 2020 to January 2021).

It is important to recall that the SDGs cover a very wide range of economic, social and environmental goals, that provide a Vision for all nations: the commitments made in 2015 see sustainable development as a broad, holistic vision with many dimensions. The impact of COVID on the full breadth of sustainable development has been profound with most – if not all — of the SDGs being substantively affected.

Annex 2: International Commitments to the Well-Being of Children⁵⁸

International Commitments to the Well-Being of Children

International commitments to the needs, rights and opportunities of children are primarily set out under the articles of the 1989 United Nations Convention on the Rights of Children (CRC). Its articles define the rights and needs of children, and the obligations on behalf of countries and the international community⁵⁹. The CRC functions as an anchor point for the multitude of efforts underway to deliver of the well-being of children.

The CRC Committee regularly publishes its General Comments. These provide interpretation and analysis of articles of the CRC and/or deal with issues relating to children's rights. For example, in 2016, General Comment No.19 focused on public budgeting (Article 4) for the realization of children's rights.

International commitments to the needs, rights and opportunities of children date back to the Geneva Declaration of 1924, and, today, are primarily set out in the 1989 *Convention on the Rights of Children* (UNCRC). In brief, the key milestones have been:

- 1924 Geneva Declaration on Child's Rights⁶⁰
- 1948 Universal Declaration of Human Rights⁶¹
- 1959 Declaration of the Rights of the Child 62
- 1989 Convention on the Rights of Children ⁶³

The post-2000 United Nations Vision has, more recently, advanced the needs, rights and opportunities for children, as captured by:

- United Nations Millennium Declaration, Millennium Summit, September 8, 2000, establishing the Millennium Development Goals⁶⁴
- Resolution adopted by the General Assembly on September 25, 2015: Transforming our world: the 2030 Agenda for Sustainable Development, establishing the Sustainable Development Goals⁶⁵

⁵⁸ UNICEF provide a helpful summary of the evolution of international commitments: https://www.unicef.org/child-rights-convention/history-child-rights

⁵⁹ Since the CRC's drafting, there has been three optional protocols. Two of these address ending sexual violence against children and the provision of adequate supports to victims (Optional Protocol on the Sale of Children, Child Prostitution and Child Pornography), and providing the procedures for children to pursue a complaint against a country for the violations of their rights (Optional Protocol on a Communications Procedure).

⁶⁰ https://www.humanium.org/en/text-2/

⁶¹ https://www.ohchr.org/EN/UDHR/Documents/UDHR_Translations/eng.pdf

⁶² UN General Assembly, Declaration of the Rights of the Child, 20 November 1959, A/RES/1386(XIV). https://www.refworld.org/docid/3ae6b38e3.html

⁶³ UN General Assembly, Convention on the Rights of the Child, 20 November 1989, United Nations,

https://downloads.unicef.org.uk/wp-content/uploads/2010/05/UNCRC_united_nations_convention_on_the_rights_of_the_child.pdf 64 https://www.un.org/en/development/devagenda/millennium.shtml. See also, for example: UNICEF, https://www.unicef.org/publications/files/pub mdg en.pdf

⁶⁵ Resolution adopted by the General Assembly on 25 September 2015: Transforming our world: the 2030 Agenda for Sustainable Development. https://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E; and https://www.un.org/sustainabledevelopment/sustainable-development-goals/

At the 2019 UN General Assembly, a pledge was made for the coming decade to be one of action and delivery, with explicit mention made to children and to leaving no-one behind. More recently, at the 2020 High-Level Political Forum on Sustainable Development, the Ministerial declaration recommitted countries, in the face of the COVID-19 crisis, to implement the 2030 Agenda in its entirety and ensure that emergency social and economic schemes integrate a child rights perspective.

Transforming our world: the 2030 Agenda for Sustainable Development sets out many of the key international commitments:

- "We envisage a world of universal respect for human rights and human dignity, A world which invests in its children and in which every child grows up free from violence and exploitation."
- "People who are vulnerable must be empowered. Those whose needs are reflected in the Agenda include all children, youth, persons with disabilities....."
- "We commit to providing inclusive and equitable quality education at all levels early childhood, primary, secondary, tertiary, technical and vocational training.We will strive to provide children and youth with a nurturing environment for the full realization of their rights and capabilities....".
- "Children and young women and men are critical agents of change and will find in the new Goals a platform to channel their infinite capacities for activism into the creation of a better world."

There are additionally many key **Sustainable Development Goals and Targets** that commit to the well-being of children. These include:

- 1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions;
- 4.2 By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education;
- 4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations;¹
- 5.3 Eliminate all harmful practices, such as child, early and forced marriage and female genital mutilation;
- 16.2 End abuse, exploitation, trafficking and all forms of violence against and torture of children.

Annex 3: Background on Justice for Children

SUSTAINABLE DEVELOPMENT GOAL 16

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

PATHFINDERS FOR JUSTICE

The *Pathfinders for Peaceful, Just and Inclusive Societies* are a group of 36 UN member states, international organizations, global partnerships, civil society and the private sector. They work to accelerate action to implement the SDG targets for peace, justice and inclusion (SDG16+). In September 2017, the Pathfinders launched the *Roadmap for Peaceful, Just and Inclusive Societies.* Their goal is:

To deliver **justice for all** by 2030 in a world where billions of people are not yet able to obtain justice, we must resolve justice problems, prevent injustices from occurring, and use justice systems to create opportunities for people to participate fully in their societies and economies.

What is Justice for All? 67

- Justice is a foundation for peaceful and inclusive societies, and an enabler of sustainable development.
- Justice should be provided not for the few, but should deliver justice for all.
- ❖ Justice is having the legal protections that allow everyone to claim their rights, fulfil their potential, and participate in shaping the future of their countries.
- Justice meets people's everyday needs in an accessible and affordable way, providing universal access to basic justice: that is, legal advice, legal empowerment in communities, formal justice institutions that play a frontline role in resolving conflicts and disputes, and alternative mechanisms to resolve these justice problems
- Six areas account for most justice problems: violence and crime, disputes involving land, housing or neighbours, unresolved family disputes, problems related to money, debt or consumer issues, or those related to access to public services, and legal needs related to employment or businesses
- To deliver *justice* for all, countries must resolve people's justice problems, prevent injustices large and small from occurring, and create opportunities for people to participate fully in their societies and economies.
- ❖ Justice puts people at the centre of justice systems, and justice at the heart of sustainable development.

More detail: https://www.justice.sdg16.plus/ Key documents:

The roadmap for peaceful, just and inclusive societies: a call to action to change our world. July 2019
 https://530cfd94-d934-468b-a1c7-c67a84734064.filesusr.com/ugd/6c192f_0349710665254122b0a00066c31fa8d2.pdf

Justice in a pandemic. Briefing One. Justice for all and the public health emergency. April 2020
 https://6c192f99-3663-4169-a572-e50276ce5d6d.usrfiles.com/ugd/6c192f_1e8d8e91cfec4098b7b26db9cd296d30.pdf

This section comes from Justice for All: Report of the Task Force on Justice, April 2019: https://cic.nyu.edu/sites/default/files/english_task_force_report_27jun19-min_compressed.pdf

Justice for Children, Justice for All

Commissioned by the *Pathfinders*, *Justice for Children*, *Justice for All*⁶⁸ is an international, multi-agency initiative with a strategic vision that actively puts children at the centre, affirms children's human rights, and is an essential part of the collective global challenge to achieve SDG 16.

The *Justice for Children Call to Action* offers a new starting point to place children at the heart of an emerging global movement for justice. It is:

- Advancing a new understanding of justice: not only aiming to overcome the challenges children face in accessing legal justice, but also promoting justice as an enabler of children's opportunities and development to their full potential.
- ❖ Targetting critical decision makers: drawing together a range of leaders to realise children's rights; including those whose primary focus is not children, but whose decisions have a crucial impact on children's lives, both directly or indirectly. Sustained political commitment, and the securing of the necessary investment in financial resources and skills, underpin these efforts.
- ❖ Building on the growing momentum of national commitments: working coherently alongside the SDG 16 global platforms (Open Government Partnership; Global Partnership to End Violence against Children; the Pathfinders for Peaceful, Just and Inclusive Societies) to support country-led commitments to deliver better outcomes for children, that will realise their rights, meet their needs and open up opportunities.
- Sharply prioritising impact on children's outcomes: the Call to Action is maintaining a focus on the end results for children, achieved through highly effective implementation channels to secure sustained change.

What is Justice for Children?

- ❖ Justice for Children is responding to the distinct needs of all children, and realising their full range of rights and opportunities, to achieve peaceful, just and inclusive societies for all.
- Justice for Children, in all its forms, includes criminal and civil justice, as well as economic, social and cultural justice.
- Children can come into contact with the law and justice systems as victims, as witnesses, and when accused of an offence, as an interested party or because intervention is required for their care, protection, health and wellbeing.
- ❖ They require child-friendly and gender-sensitive justice systems that are specialised, meet their needs and ensure access to justice when their rights are violated. This is of greatest importance where children are unheard and for those who experience profound and sustained injustice.
- To ensure this *justice*, all children need universal and equal access to universal services
- Children have a right to be empowered to contribute to, and participate in, all areas of justice in their lives.

⁶⁸ More detail: https://www.justice.sdg16.plus/justiceforchildren Key documents:

Davidson, J.; Elsley, S.; Giraldi, M.; Goudie, A.; Hope, K.; Lyth, A.; Van Keirsbilck, B. (June 2019). Justice for Children, Justice for All: The Challenge to Achieve SDG16+ Call to Action. Glasgow: CELCIS - Inspiring Children's Futures, University of Strathclyde. Available: https://bf889554-6857-4cfe-8d55-8770007b8841.filesusr.com/ugd/6c192f_23f7a997509d40388a689da6f0059a82.pdf

Davidson, J.; Elsley, S.; Giraldi, M.; Goudie, A.; Hope, K.; Lyth, A.; Van Keirsbilck, B. (June 2019). Justice for Children, Justice for All: The Challenge to Achieve SDG16+ A Challenge Paper. Scotland: CELCIS-Inspiring Children's Futures, University of Strathclyde. Available: https://bf889554-6857-4cfe-8d55-8770007b8841.filesusr.com/ugd/6c192f_f5ad9c32f99947448cc56754dcaad75a.pdf

Justice for Children, Justice for All

Responding to children's distinct needs, and realizing their full range of rights and opportunities, to achieve peaceful, just and inclusive societies for all.

Leave no child behind

Roughly 1 in 3 people across the globe is a child. Yet, while the sustainable development agenda pledges to *leave no one behind*, there is a stark gap when it comes to measuring, understanding, and - most critically - fulfilling this global ambition for children.

We must strive to ensure that, in our collective efforts to achieve the United Nations *Sustainable Development Goals (SDGs)*, we *leave no child behind*.

Children are distinct from adults, and have specific needs, rights and capacities.

Responding differently to children in the light of this distinctiveness, including engaging them as agents of change, is essential for the successful delivery of these global goals, for people of *all* ages.

In 2015, the SDGs, agreed by all nations, set out an ambitious vision to achieve justice for all by 2030. They provide global coherence and momentum for realising children's human rights, as set out in the Convention on the Rights of the Child (CRC) and other key international instruments, to ensure children experience the full benefits of justice.

Five years on, while significant progress has been made to conceptualise and quantify the different aspects of justice, and to monitor progress, it is apparent that one specific group has remained largely invisible: children.

Consequently, unless particular attention is directed to children, as a global community we will fail to achieve the bold aim of leaving no one behind.



Learning Report Two

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