

Impact of the Asia crisis on children

Issues for social safety nets

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In June 1999, the Australian Agency for International Development (AusAID) commissioned the Centre for International Economics (CIE), a private economic research agency based in Canberra and Sydney, to undertake a study of the impact of the Asia crisis on children in selected Asian APEC economies, and associated issues in social safety nets. This report presents the findings of the study, which was undertaken by a team comprising:

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Summary

A survey of responses to the impact of crisis on children

- This report is based on a survey carried out in Indonesia, the Philippines and Thailand on the impact of the Asia crisis on children. It reports how affected APEC economies and the international community have responded to address the threats to children emerging from the crisis, particularly through the design and implementation of social safety nets.

Threats to children posed by crisis were promptly recognised

- Governments and other agencies soon recognised the threats that the economic crisis in Asia might pose to the development of children. Economic downturns make children potentially vulnerable in terms of adequate nutrition, health services and education.

The impact has been serious, but less severe than expected

- To date, the impact of the crisis on poverty and on children has been serious, but less severe than originally anticipated. In the three economies surveyed, most children remained in school and continued to access health services such as immunisation. Reports of an increase in the incidence of malnutrition are few and relate to exacerbation of problems that existed prior to the crisis.

Responses were quick...

- In spite of significant pressures arising from the crisis, the response by governments, local communities and families, as well as the international community, was quick and made an important contribution to mitigating the threats to children.

...but family coping mechanisms were the first line of defence

- Families and communities have shown great resilience in dealing with the effects of the crisis. They have drawn on family resources and reallocated consumption to protect spending on food and services for their children. However, this has eroded their resource base — making many vulnerable to delays in economic recovery or further shocks.
- The informal sector has also played a key role in absorbing workers laid-off from the formal sector.

Government programs have generally been effective...

- Governments, with the support of the international community, have provided a safety net through the protection of programs that supply services to families and children. In particular, education expenditures have largely been protected and substantial additional expenditures have been incurred on scholarships to prevent drop-outs.

- Immunisation and other community health programs have also been continued, while programs targeting the most vulnerable have largely been protected through reallocation of budgets to maintain operational expenditure.
- ...but pressure on budgets is increasing***

 - However, there has been a shift in demand from private to public education and health services. Although this varies across the three economies, it has increased the pressure on government staff and budgets.
- Effective partnerships have been critical to the response...***

 - A number of innovative programs and delivery mechanisms have been introduced, with government often forging partnerships with community and other groups in targeting and delivering services for children.
- ...but resources are not limitless and economic recovery is essential***

 - However, there is a concern about the extent to which families can continue to provide for their children. Sustained economic recovery is essential for families to be able to continue to provide their own safety nets for their children.
 - Moreover, government expenditures have been heavily supported by international loans, resulting in a debt burden for the future. Governments fear this may limit their future capacity to provide social safety nets.
 - A significant challenge facing the surveyed economies is how to shift from crisis or emergency responses to more financially and socially sustainable social protection mechanisms to enhance people's capacity to protect themselves against the risk of economic shocks.
- There are lessons from experience to improve social safety nets for the future...***

 - A common theme in the three economies was the reliance on the use of employment creation schemes rather than transfer schemes (such as unemployment benefits) as a social safety net mechanism for families.
 - The most vulnerable are extremely difficult to target, and utilising community based groups was seen as the most effective approach to both identify children in need and to address their needs.
 - Decentralisation and devolution of responsibility for the delivery of services to local levels are a priority for all three economies. The crisis and effectiveness of the response have highlighted both the benefits of and difficulties involved in successful implementation of social safety nets.

...and scope for international cooperation

- This survey of children's needs, and the associated establishment of the Asia Recovery Information Centre, are designed to assist governmental consideration of potential areas for cooperation. In particular, areas where shared experiences are considered to be of most benefit include:
 - developing appropriate information and indicators for planning and monitoring programs for children;
 - devising communication systems that enhance information flows between key players, including community groups and NGOs, and thereby improve coordination of responses to strengthen the delivery of social services to children;
 - providing examples of best practice in programs delivering services to children and in devolution and decentralisation of these programs;
 - building capacity at the local level, in both government units and community based groups, to ensure quality outcomes in the design and delivery of services for children;
 - addressing the challenge of adapting intergovernmental fiscal relations to support devolution; and
 - strengthening public sector management to maintain effectiveness, transparency and accountability of social safety nets.

Long-term challenges are significant

- Significant challenges face affected economies in achieving poverty reduction over the long-term and in improving the welfare of children, particularly in the poorest segments.
- With the social impacts of the crisis still unfolding — despite positive signs of economic recovery — issues of sustainability and cost-effectiveness of social safety nets need to be addressed by the affected economies. International cooperation will help in ensuring greater efficiency and more effective targeting in the delivery of services.
- APEC economies' continued engagement in the implementation of the regional reform agenda is invaluable in promoting sustained economic recovery. This in turn will contribute substantially to welfare improvements of children and families.

1

Introduction

The Asian crisis and children

The financial crisis has led to a social crisis that threatens the wellbeing of children

Children are the foundation of the future. Any threat to their wellbeing is ultimately a threat to the wellbeing of the whole community.

The East Asian financial crisis hit Thailand in July 1997, spread rapidly and severely to Indonesia in August, and later (with varying degrees of intensity) to Korea, Malaysia and the Philippines. It soon became evident that the magnitude of the economic downturn could have serious social repercussions for some groups of the population, including children. The under-eighteen cohort (the definition adopted in the United Nations Convention on the Rights of the Child) accounts for a large percentage of the population in the economies that are the focus of this study — 39 per cent in Indonesia, 45 per cent in the Philippines and 33 per cent in Thailand.

The social impact of the crisis was exacerbated by food shortages in parts of South-East Asia as a result of the El Niño drought.

Forecasts included dramatic increases in poverty, deteriorating public services and the flow-on problems of malnutrition, threats to public health and education, and increasing family and community dislocation. These threats to the substantial gains in child wellbeing achieved over the last two decades spurred both concern and action.

But the response has been rapid

Both the South-East Asian economies and the international community responded quickly to these threats. The international community mobilised funding for social safety nets (SSNs) and related programs, primarily through the multilateral development banks. This was complemented by bilateral programs and efforts by other international development agencies

and non-government organisations (NGOs). In December 1998 ASEAN adopted the ASEAN Action Plan on Social Safety Nets to help strengthen SSN programs that had already been implemented in many ASEAN economies as part of their structural adjustment responses to the crisis.

The systems making up a SSN are many and varied

Emerging evidence suggests that while the negative impact of the crisis on children is less than originally projected, it has still been significant and considerable concerns remain. Existing SSN systems — both formal and tional activities initiated in response to the crisis have clearly worked to reduce its effects on children. SSNs have been provided through:

- informal — community and family — social support mechanisms;
- formal SSN systems — of which there are a variety of forms in different stages of development across the economies affected by the crisis;
- government measures introduced in response to the crisis — that is, measures adopted in addition to existing planned systems (temporary or permanent);
- measures implemented by multilateral and bilateral agencies in response to the crisis, such as food aid programs; and
- domestic and international NGO programs, both in response to the crisis and as ongoing measures.

This report is part of the international response

ARIC and how this study fits in

The Meeting on Development Cooperation: Responding to the Asia Crisis held in Sydney in March 1999, endorsed Australia's proposal to establish the Asia Recovery Information Centre (ARIC). The overarching objective of ARIC is to facilitate access to information on the region's recovery process and on emerging needs resulting from the economic and social impacts of the Asia crisis. The centre, which is located at the Asian Development Bank, will collect and disseminate information on emerging needs in the region, responses to such needs and available expertise that could be utilised to address persisting impacts.

At the APEC Senior Officials Meeting held in May 1999, Australia put forward a proposal to utilise ARIC's capacity to collate, catalogue and

disseminate information on SSN operations and developments in a number of South-East Asian APEC economies. In line with this proposal, ARIC will feature a facility dedicated to SSN issues.

This study provides a survey of measures undertaken, areas for further assessment and the scope for international cooperation

In June 1999, the Australian Agency for International Development (AusAID) commissioned a team of experts to undertake a study of SSN issues in relation to impacts of the Asian crisis on children in Indonesia, the Philippines and Thailand, with a view to the production of an independent report for the Australian government which could be presented at the APEC meetings in September 1999. This study has been undertaken as a core contribution to Australia's proposal for APEC. Its goal is to improve access to information related to the social impact of the Asia crisis on children and thereby contribute to an improved coordination of responses through strengthened SSN programs.

This report from the study presents, for Indonesia, the Philippines and Thailand:

- an overview of the social impacts of the Asian crisis on children (with due attention to women and families) in the three economies;
- a catalogue of SSN related measures for children in these economies, particularly in regard to education, health, nutrition and family support;
- a stocktake of measures put in place by bilateral donors, international financial institutions and other multilateral organisations, and an overview of measures undertaken by NGOs to assist the economies to address SSN issues for children;
- an analysis of lessons learned about the role and capacities of SSNs to protect children, as identified by key players in each of the economies; and
- documentation of the scope for international cooperation and capacity building measures required to address emerging social needs, strengthen the operation of SSNs and ensure their affordability, as identified by government authorities in each of the economies.

The project team undertook an extensive survey of documentation on the social dimensions of the Asian crisis as well as of documentation from relevant multilateral and bilateral funding organisations and NGOs involved in SSN financing and service provision. Team members visited

each of the three economies covered by the survey, and held extensive discussions with government agencies, resident representatives of bilateral donors and multilateral organisations, as well as representatives of international and local NGOs. A listing of the organisations consulted is provided in appendix B.

The study relied on self-identification by governments, and other agencies active in the surveyed economies, of:

- the impacts of the crisis on children;
- the success of existing systems in dealing with impacts;
- the effectiveness of the responses to the crisis to reducing these impacts;
- lessons learned and areas where further assessment would be of value; and
- the scope for international cooperation to assist responses.

The focus of the survey is on education, health and nutrition

This report summarises some of the available evidence on the impact of the crisis on children and on SSN activities in the key areas of:

- education
- health
- nutrition.

The summary also presents information on programs and systems that deliver family–community support where there is a direct relationship to the wellbeing of children.

The above elements feature in the SSN programs in each economy covered by the survey. While the existence of other elements is recognised, the scope of this study is limited to these four areas.

The survey identifies the programs and activities that deliver SSNs — nutrition, health and education services — to children who would otherwise be deprived of these basic rights. It also seeks to improve understanding of how to protect and promote mechanisms for providing these key elements in the SSN for children.

2

Framework

A framework for the survey

The objectives of the survey are to:

- summarise the impact of the Asia crisis on children in terms of loss of or reduced access to adequate nutrition, health services and education;
- provide a summary of government responses to the crisis, a stocktake of the responses by international agencies, and an overview of the response of NGOs and the local communities;
- document the lessons learned about:
 - the role and capacities of SSNs to protect children, and
 - the effectiveness of existing systems as revealed by their ability to cope with the crisis; and
- identify any emerging needs exposed by the crisis, with a view to suggesting areas where further assessment would be of benefit and where there is scope for international cooperation.

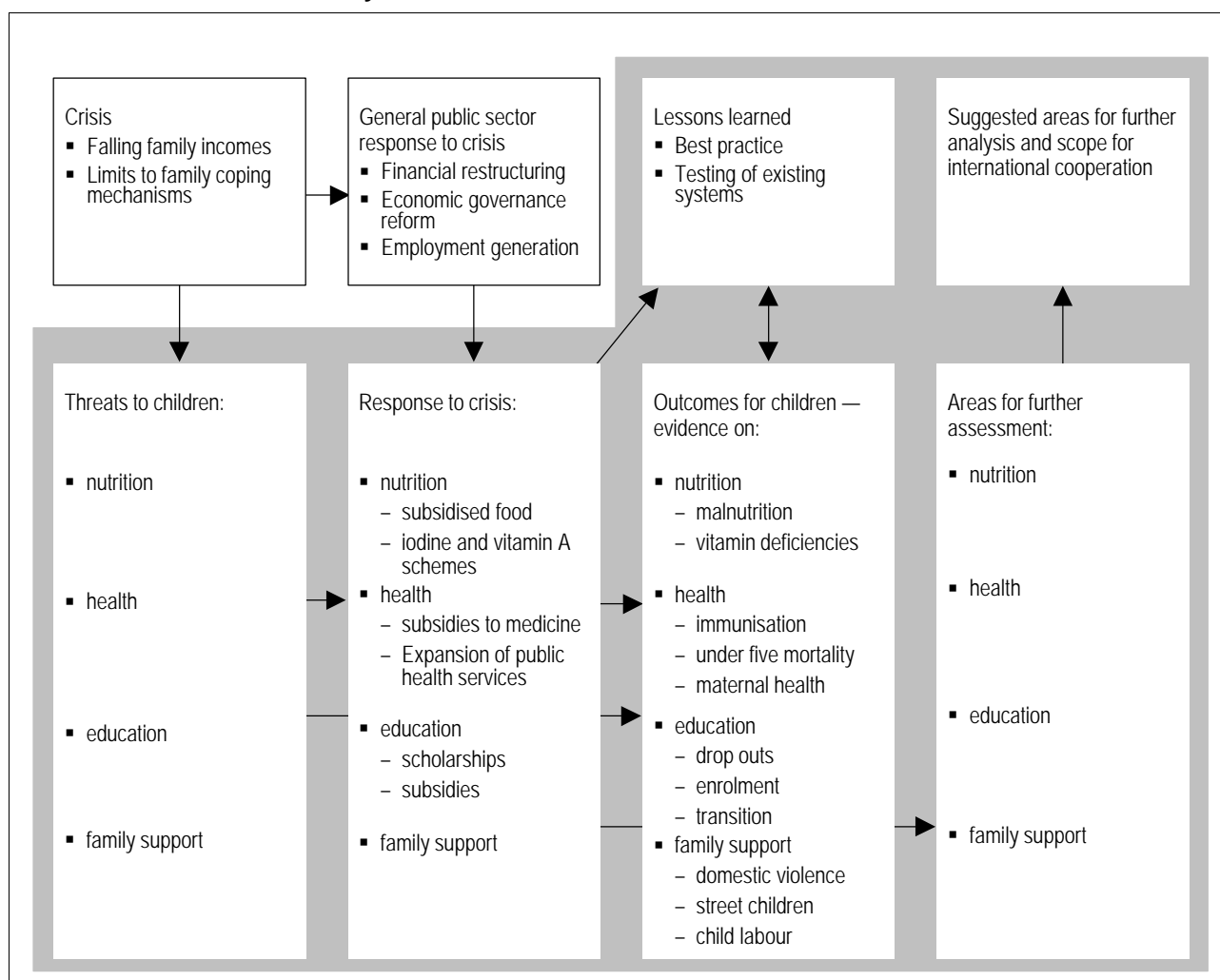
The framework for undertaking this survey is outlined in chart 2.1. The potential threats of the crisis to children are identified for the areas of nutrition, health, education, and family–community support. The experiences of each of the economies studied are detailed against these potential threats. Policy, program and other responses to the threats are described, and impressions of their effectiveness from groups in each economy are reported.

The impact on children

The crisis has, and will continue to have, an impact on children through reduced access to essential services for their wellbeing due to:

- falling family income, reducing the ability of the family to provide necessary services;

2.1 Framework for the survey



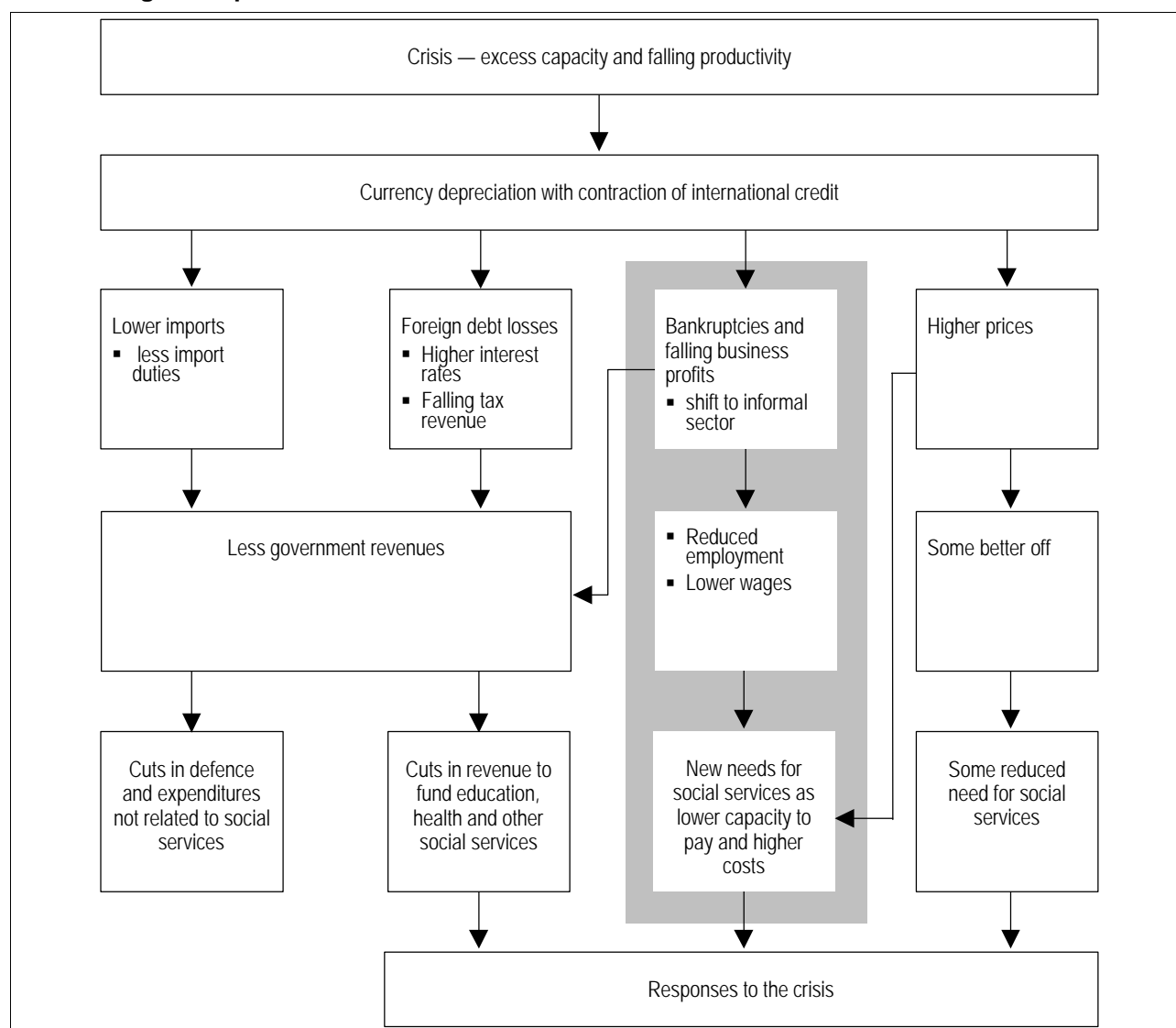
- greater strain on public (government, community and NGO) services as families can no longer afford private services; and
- damage to the social fabric due to the effect of the crisis on family support systems (for example, due to reduced income — and, potentially, migration flows) that may leave children without a means for support.

Chart 2.2 sets out the main avenues for the impact of the crisis on children.

The economic crisis reduced family income and government revenues

Incomes fell dramatically for many families due to loss of jobs and falling wages as competition for the remaining jobs increased. Underemployment increased as the cost of the crisis was shared across increasing numbers of

2.2 Tracing the impact of the crisis



workers. While growth rates were negative or substantially reduced, the impacts on income were not even across sectors and rural–urban areas. Rural income was also affected by the drought that hit the region, which added to pressures on food prices. Although some incomes may have risen with the increase in competitiveness of domestic agricultural production due to the depreciation of the currency, the benefits may not have fully flowed through to farmers in cases where competition in marketing is weak.

Government revenues — in nominal and real terms — fell due to:

- lower income and reduced tax take;

- reduced company profits — higher interest rates and depreciation raised the cost of foreign debt and increased legitimate tax deductions;
- a shift of economic activity to the informal sector where tax revenue is more difficult to capture; and
- a decline in imports and subsequent loss in tariff revenues.

And falling family incomes shifted demand to the public provision of services

Revenues were falling at the very time when the demand for government services rose. Demand expanded as:

- the number of people in poverty increased due to loss of employment and falling wages, hence those qualifying for targeted poverty alleviation programs increased;
- where public services such as education and health were universally available there was a shift in the demand for these services from the private sector to the public sector as family incomes fell; and
- other consequences of the crisis and the dramatic reduction in income increased demand on government resources as does the cost of financial restructuring.

The crisis threatens to fray the threads

The United Nations Convention on the Rights of the Child focuses on three fundamental aspects of children's rights — survival, development and protection. The economic and resulting social crisis has posed risks to children in each of these areas. The extent of these risks varies between economies and between regions within economies. None the less, the crisis has both exposed and increased the threats facing the pillars of child survival and development — nutrition, health and education.

There is substantial — and unresolved — debate about the defining characteristics of SSNs. The debate concerns, among other things, the role of governments, families and communities, targets and objectives, the time-frame and coverage of programs, and the interrelationships between SSNs and other elements of social policy. What is clear — and this has been the point of departure for this study — is that SSNs for children embrace mechanisms and programs to address threats to these pillars of child survival and development.

Nutrition

Threats to nutrition

Falling family incomes and rising food and food supplement prices due to exchange rate depreciation are the main effects of the crisis on nutrition. This was compounded in the early stages of the crisis by the El Niño drought. There may also be less food per capita available to children in subsistence communities as a result of migration from the cities.

Possible consequences are:

- reduced intake of critical vitamins and minerals, notably vitamin A, iron and iodine. Consequences include vitamin A deficiency leading to increased incidence of *xerophthalmia* and iron deficiency leading to increased incidence of anaemia;
- reduced calorie intake and stunting, low birth rates and low weight for age with long-term health consequences; and
- reduction in breast feeding as mothers are required to work and also as a result of a decline in maternal nutrition.

Indicators of the impact

In each of the economies, the poor are likely to suffer the greatest nutritional impact as a result of the crisis. In Indonesia, for example, food prices have risen faster than other components of the price index. However, the RAND Indonesian Family Life Survey (IFLS) revealed a complex picture in relation to child health and nutrition, not all of which was negative. According to the survey, the proportion of children who are moderately anemic decreased, as did the proportion of children at the lowest end of the nutritional spectrum as measured by weight for height. Yet the study also revealed that the nutritional status of adults (measured by a body mass index of less than 18) deteriorated, particularly among poorer women. This has harmful implications for maternal health, and consequently for maternal mortality rates and birth weights. With this, as with other indicators of poor nutrition, it may take several years for the consequences, particularly in regard to long-term child development, to become apparent.

Health

Threats to health

A decline in family incomes reduces the ability to pay for health services. This increases pressure on public services where they are available. Combined with budgetary pressures on government, public health services potentially face higher demand and reduced funding. In addition, depreciation of exchange rates has increased the cost of medicines, which forms a substantial proportion of health costs for preventative, curative and palliative care.

As a result of these pressures, possible outcomes are:

- declines in rates of immunisation;
- increasing under five mortality rates;
- increasing maternal mortality rates; and
- declines in general health of children (for example, untreated ear, eye and respiratory infections).

In those economies facing the enormous challenges presented by HIV/AIDS, pressure on public spending may undermine existing programs.

Indicators of the impact

Under five mortality rates are the key indicator of child health, as they reveal much about the prevalence of immunisation, malnutrition, and access to primary health care and appropriate pharmaceuticals. Significant reductions were achieved in under five mortality rates over the three decades prior to the crisis in the three economies.

The evidence to date has not shown serious effects of the crisis on under five mortality rates and, at least in Thailand, recent reports have been rather optimistic about the actual impact of the crisis on health.

...there is little if any evidence of its [the crisis] impact on health outcomes. Mother and child health outputs or outcomes are stable or increasing. There is no indication of an increase in health needs (*Thailand Social Monitor*, January 1999, p. 15).

However, there are a number of factors that suggest that serious effects may emerge in the future. Family expenditure on health has declined significantly in all economies, with reliance on public health services

increasing in some economies. For example, in Thailand the share of the population accessing public health insurance increased from 30 to 41 per cent from 1996 to 1998. The effect of currency depreciations on the cost of pharmaceuticals has clearly been a major concern. The IFLS indicated that by 1998 public health facilities were experiencing a shortage of antibiotics and vitamin A in Indonesia.

Education

Threats to education

Falling family incomes due to unemployment and declining wages threaten the ability of families to fund the education of children. School fees, uniforms, books and other supplies, and transport are not fully provided by the state in all economies. Moreover, a reduction in government revenue puts pressure on the ability of the state to supply these elements of education as well as teachers, buildings and essential teaching materials.

For the family, in addition to the direct cost of accessing education services, there is the opportunity cost of the child's services at home or potentially in employment. With falling family incomes, the value of such contributions tends to raise the total cost of education to the family.

Possible outcomes of these effects of the crisis are:

- decreasing school enrolment rates, particularly at primary and junior secondary levels, leading to a reversal in the trend towards universal basic education;
- decreasing transition rates as children fail to move from primary school to junior secondary school or from junior secondary school to senior secondary school;
- increase in school drop outs;
- delays in children's entry to primary school; and
- adverse effects for girls as parents are forced to make decisions about the affordability of education.

Indicators of the impact

Prior to the crisis, achievements in the area of education had been impressive, particularly in terms of expanding access. By the mid-1990s the World Summit for Children target of 80 per cent of children completing primary school had been achieved by Indonesia and Thailand.

Emerging evidence suggests that the concerns outlined above are playing out in a complexity of ways. Early, dire predictions have not always come to fruition. For example, during the first months of the crisis in Indonesia, forecasts suggested that the enrolment rate among primary school aged children would drop to around 54 per cent. The evidence is mixed, but there appears to be no overall reduction.

While not as bad as first feared there is still an impact on children's education. For example, economywide school based data in Thailand suggest that the crisis has contributed to reversing the upward trend in transition rates between primary and lower secondary school (*Thailand Social Monitor*, January 1999, p. 12), a finding supported by a UNICEF survey. Evidence in the Philippines suggests that some parents are delaying younger children's commencement of first year primary school.

Risks to family and community support for children

Families are the first line of protection and care for children. Family support embraces the role of parents, the extended family of relatives, friends, donors (altruism or conditioned exchange) and traditional local institutions (temples, mosques, community based charities, orphanages, etc.). This network provides the child with material wellbeing (food, shelter, informal education, etc.), instills a sense of values (balanced judgement, trust, collegiate spirit, morality, etc.) and a sense of physical and emotional security.

With the fall in family incomes and rising prices, the contribution children can make to household incomes could become a coping strategy for some families. The same factors put pressure on family relationships, increasing tension in the home.

The potential outcomes of these effects of the crisis are numerous and include:

- an increase in the extent and the severity of child labour;
- increased demand for older children, particularly girls, to work as child minders thus freeing mothers for income generating activities outside the home;
- more children being drawn into particularly exploitative forms of child labour, including prostitution;
- increased domestic violence and child neglect;

- abandonment by families no longer able to cope and consequent increase in the number of children without support;
- an increase in the number of street children who are highly susceptible to violence, abuse and exploitation, including illegal activities; and
- increase in drug abuse by parents and children.

The threads of the SSN are tightly interwoven

Nutrition, health, education and family support are all linked and are essential elements for the development of children. Effective SSNs need to take account of these linkages.

Successful delivery of each element is often dependent on the whole package. The link between nutrition and health is clear, with malnutrition a major cause of under five mortality. In 1995, 54 per cent of all under five deaths were associated with malnutrition in Indonesia, while in the Philippines the figure was 46 per cent and in Thailand 40 per cent (UNICEF 1999).

In regard to nutrition, children under the age of five are especially vulnerable with the first two years of life being particularly significant. For example, vitamin A deficiency in young children has extremely deleterious effects, including blindness. Vitamin A deficiency can also cause death among young children, increasing the possibility of death from childhood diseases, such as measles and diarrhoea, by between three and fifty times. Iron deficiency results in anaemia and can leave children retarded by neurological damage or with a measurable loss of IQ. Anaemia is also a significant factor in under five mortality rates. Levels of nutrition among mothers during pregnancy and breast feeding are also vital to children's wellbeing. For example, anaemia in mothers increases risks of maternal deaths and low birth rates. Consequently, the adequacy of nutrition among young children cannot be separated from the adequacy of their mother's diet.

There is also an important link between nutrition and education. Children who have access to only two meals a day, or in some cases one, are unable to concentrate and to absorb information as effectively as children with adequate levels of nutrition. Ultimately school performance can be severely reduced as a direct result of inadequate nutrition. Equally, poor education may reinforce poor health and nutrition behaviours.

And the costs of deprivation are not short-term

Short-term lapses in nutrition, healthcare and even education can have long-term consequences. It is difficult to reintroduce children to education when they have dropped out of school at an early age. And it is easier to acquire the fundamentals of literacy and numeracy at primary school age.

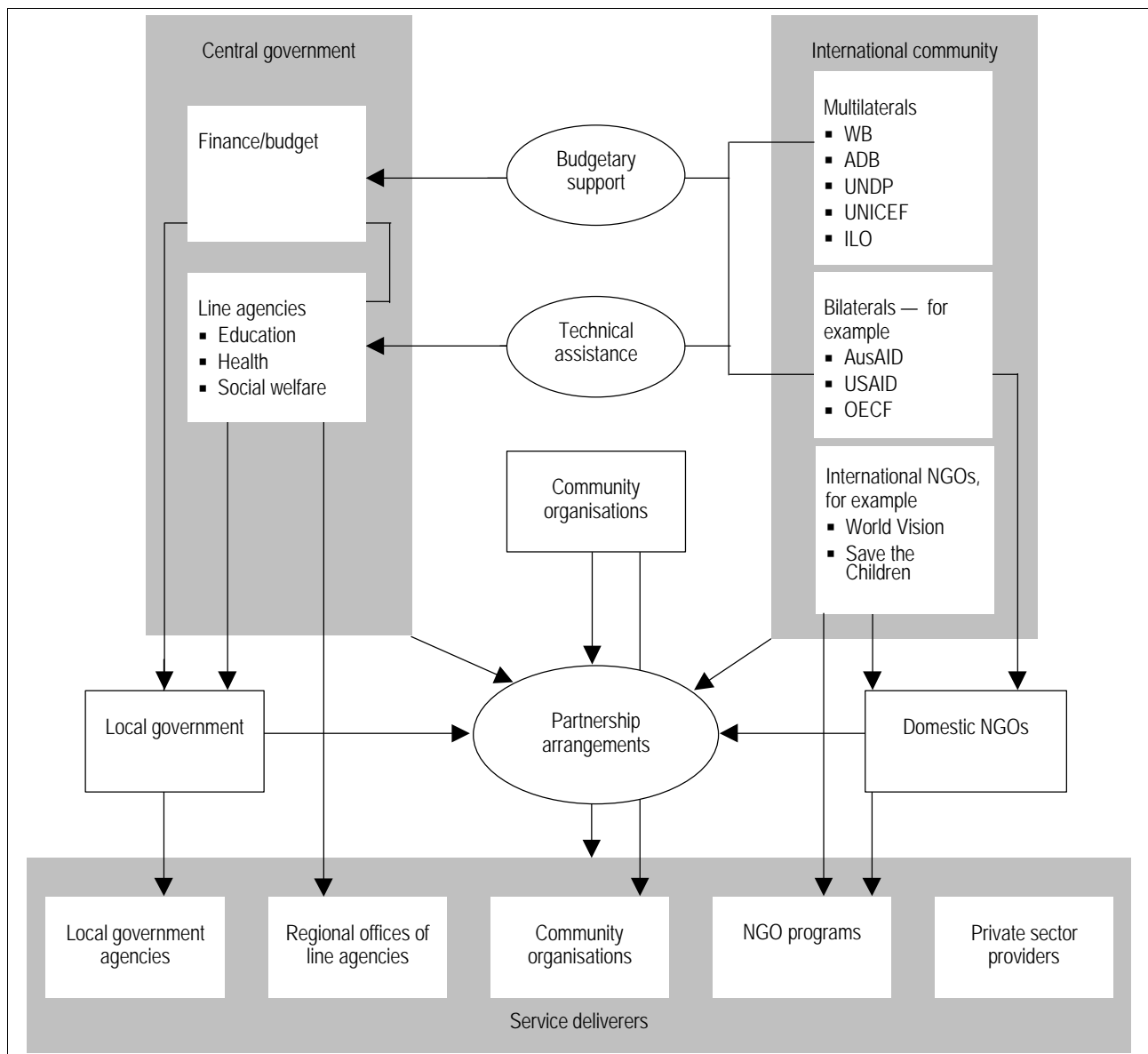
While the consequences of ill health and inadequate health care are severe for children of all ages, morbidity and long-term consequences are particularly pronounced among under fives. Thus, the focus of this report is on that age cohort, with some attention given to indicators of maternal health.

There is evidence that breakdown in family support lags increases in unemployment and underemployment. The transition between a loss of employment, tightening of the household budget and the struggle and stress of finding alternate employment can take some time. Pressures build on children as school fees cannot be paid, nutritional and health problems arise and families become desperate, increasing the risk that children will be exposed to exploitation and criminal activities. The longer the road to economic recovery, the higher the risk of permanent damage to the child's social capital.

The response to the crisis***Who is responding?***

The responses to the impact of the crisis on children range from family coping strategies and community strategies to government programs and international agency assistance. Community strategies may be supported by government and international agencies, and increasingly partnership arrangements are being made to deliver packages of services at community level. Governments are tailoring ongoing programs to meet needs exposed and created by the crisis and providing crisis response programs. International agencies, in turn, are providing funding and technical assistance to government as well as other agencies delivering services to children. The links between these groups in the delivery of services varies between economies. An outline of the possible relationships in the delivery of services is provided in chart 2.3.

2.3 Partnerships in the delivery of services to children



The focus of this study is on government and international agency responses. However, as will become clear, communities and families are key in the delivery of services to children impacted by the crisis. It is widely recognised that SSNs are not a panacea for poverty reduction. Indeed, experience of the two decades prior to 1997 indicates that policies to re-establish strong economic growth will lay a foundation for the re-emergence of rapid and broadly based welfare gains. Nor are SSNs a substitute for broadly based social welfare policies for children or programs for their economic and social development. It is also recognised that, unless they are carefully designed and sympathetically administered, SSN programs provided by governments can ‘crowd out’ the informal

safety nets provided for children at the grass roots level through their local communities.

Strategies, programs and activities that deliver social services

The study focuses on government programs and strategies as well as those of the international agencies, and reflects the strong partnerships that exist between international agencies and community based organisations in some economies. This is not to imply, however, that family coping strategies and other community programs and strategies are not also very important.

The contribution of family strategies to child wellbeing is significant. However, in terms of SSNs the target groups are those in poverty or at risk of entering poverty. These groups generally have few resources and are becoming more reliant on public services.

A wide range of services for children is also provided by local communities, such as village and religious communities. This study provides only an indication of the scope and overall magnitude of these efforts.

Government programs and strategies

In each of the economies, governments have adopted a variety of programs designed to cushion children from the worst impacts of the crisis. Examples of responses include the following.

- Protecting government programs that impact on children from general budget cuts — for example, in Thailand real expenditures on education remained constant between the financial year 1997 and financial year 1998, and in the Philippines, while the crisis resulted in a 25 per cent budget cut, efforts were undertaken to quarantine social sectors.
- Subsidies — major price subsidy programs for basic foods and pharmaceuticals were introduced in Indonesia.
- Scholarship programs to cover education costs — for example, in Indonesia and Thailand the government adopted a program aimed at keeping children in school, which includes scholarships for poor children in primary and secondary school, and block grants to schools servicing poor communities.
- Expanding coverage of ongoing nutrition programs — in Thailand direct assistance for maintaining nutrition is given through providing school lunches, and milk programs have been expanded.

- Public awareness campaigns — such campaigns are being used in Indonesia and Thailand to promote SSN programs and to encourage children to stay at school.

International agencies

Multilateral and bilateral agencies have responded to the impact of the crisis on children through three main channels.

- Agencies have provided finance to support government programs. For example, the Indonesian back to school program is supported by international donors, including the World Bank, the Asian Development Bank, UNICEF, AusAID and the Asia Europe Meeting (ASEM), which have pledged approximately US\$382. In the Philippines, assistance from the World Bank and the Japanese Overseas Economic Co-operation Fund (OECD) is designed to preclude the need to cut social expenditure and to increase expenditure in some areas.
- Partnership arrangements have been established in a number of economies involving international agencies, governments, international and domestic NGOs and local communities. For example, in Indonesia government SSN programs have received significant funding from the multilateral development banks. These funds are largely being delivered through local community organisations and monitored by NGOs.
- Programs which directly provide services often involve domestic NGOs and local communities. For example, World Vision supports programs in Thailand such as the provision of bicycles and scholarships to assist children to remain in school.

A stocktake of the response to the crisis

Table 2.4 provides a list of the types of activities that have been undertaken in response to the crisis to:

- ensure the continued delivery of existing services to children receiving services prior to the crisis;
- ensure the delivery of existing services to children not receiving services prior to the crisis, but who are now in need of those services; and
- deliver additional services (different types or to different groups) required as a result of the impacts of the crisis.

2 FRAMEWORK

2.4 List of safety net initiatives impacting on children

<i>Key areas for safety net provision</i>		<i>Types of programs/activities</i>
1	Nutrition	
1.1	Individual/family	<ul style="list-style-type: none"> ▪ Food price subsidies ▪ Subsidised vitamin supplements ▪ Public awareness
1.2	Community and national programs	<ul style="list-style-type: none"> ▪ School feeding programs ▪ Iodine deficiency (iodise salt program) ▪ Support for distribution systems (iodine, vitamin A)
2	Health	
2.1	Individual/family	<ul style="list-style-type: none"> ▪ Pharmaceuticals ▪ Health card/entitlement program ▪ Public awareness ▪ Easing requirements (need for identity cards)
2.2	Delivery of health services	<ul style="list-style-type: none"> ▪ Maternal and child health ▪ Public health services ▪ Family planning — subsidised contraceptives
2.3	Organisational capacity	<ul style="list-style-type: none"> ▪ Disease surveillance ▪ Growth monitoring ▪ Capacity to design, implement and administer health services
3	Education	
3.1	Individual/family	<ul style="list-style-type: none"> ▪ Scholarships (funding to cover books, uniforms, fees, etc.) ▪ Fee waivers ▪ Provision of meals ▪ Free/subsidised uniforms ▪ Transport subsidies ▪ Public awareness ▪ Easing restrictions (need to wear uniforms)
3.2	School/school district based	<ul style="list-style-type: none"> ▪ Teaching materials ▪ Budget supplements
3.3	Organisational capacity	<ul style="list-style-type: none"> ▪ Capacity to design, implement and administer ▪ Monitoring evaluation/identification ▪ Feedback mechanisms
4	Family–community support	
4.1	Income generation	<ul style="list-style-type: none"> ▪ As identified as a mechanism to address child needs
4.2	Family income support	<ul style="list-style-type: none"> ▪ Child income/family payments

(Continued on next page)

2.4 List of safety net initiatives impacting on children (Continued)

<i>Key areas for safety net provision</i>		<i>Types of programs/activities</i>
4	Family–community support (Continued)	
4.3	Support mechanisms for children without family support	<ul style="list-style-type: none"> ▪ Orphanages ▪ Refuges/safe houses
4.4	General social support (for example, domestic violence mitigation, drug rehabilitation and education)	
4.5	Child protection	<ul style="list-style-type: none"> ▪ Programs against child exploitation

3

Indonesia

WHEN THE CRISIS HIT INDONESIA in mid-1997, the economy was already being affected by the El Niño drought and falling international oil prices. GDP growth, which had ranged between 7 and 9 per cent from 1990 to 1996, fell to 4 per cent in 1997 — and in 1998 GDP declined by 13 per cent.

While the effect of the crisis on production was severe — especially in the construction and financial sectors, the impact on expenditure was largely absorbed by a contraction in fixed capital investment, so that private consumption fell by only 3 per cent in 1998. Nevertheless, the crisis has had a significant impact on the welfare of many of Indonesia's 200 million people. Although the extent of the impact on children has not been as dire as initially feared, after three decades of steady improvement in their wellbeing, children have become more vulnerable on a number of fronts.

The crisis and its social impacts

Prior to the crisis, Indonesia had been experiencing large capital inflows. Rates of private saving were high and inflation was low, and international investors judged Indonesia's economic indicators to be sound, even though there had been a considerable build up of unhedged private foreign debt. But, as the crisis spread, foreign bankers became reluctant to lend or roll over loans to Indonesian borrowers, precipitating collapses in the banking system and a drying up of short-term credit.

With hindsight, weaknesses in public sector governance have been identified as major contributors to the onset and extent of the crisis. Indonesia quickly identified the need to strengthen supervision of the banking system and the corporate legal system, and accountability in government decision-making. However, political uncertainty over the presidential succession severely augmented currency instability and added a further dimension to the crisis.

There were some early predictions of large adverse social impacts

Early forecasts by the Central Bureau of Statistics (BPS) were that the level of poverty would increase from 11 per cent of the population in 1997 to 17 per cent in 1999. The poverty level was forecast to more than double in Jakarta (from 3.8 per cent in 1997 to 8.3 per cent in 1999), but rural areas were expected to see the greatest absolute increase since average household expenditures in agriculture were far below those of other sectors even before the crisis. The immediate impact on poverty, particularly in rural areas, was seen to be drought induced, with the financial crisis limiting the capacity of the Government of Indonesia (GOI) to respond.

Forecasts of the impact on poverty rose as the crisis developed during 1998. In June BPS estimated that around 40 per cent of the population were living below the poverty line. The Ministry of Manpower forecast that unemployment would rise from 5 to 22 per cent of the workforce.

Social impacts have been serious, but not as large as initially feared

Subsequent assessments have indicated that the impacts of the crisis on employment and poverty have not been as severe as predicted. A BPS–UNDP study of Crisis, Poverty and Human Development in Indonesia undertaken in December 1998 showed that the number of Indonesians below specified urban and village per capita poverty lines stood at 49.5 million or 24 per cent of the population. However, the poverty lines behind this percentage are not strictly comparable with those behind the 11 per cent poverty figure cited for pre-crisis 1997.

Other evidence about social impacts, based largely on four major surveys conducted in the latter half of 1998, has placed the incidence of aggregate poverty at between 14 and 20 per cent of the population. Although the contraction in GDP was worse than originally forecast, social impacts have been less dramatic. The Indonesian Family Life Survey (IFLS), undertaken by the RAND Corporation and Institute of Demography, University of Indonesia, indicates that the crisis hit the wealthy and middle income urban areas more than most of the rural poor. Nevertheless, there have been some considerable differences between regions.

Unemployment grew by only about 1 million between August 1997 and August 1998 (from 4.7 to 5.5 per cent of the workforce). However, aggregate employment appears to have risen slightly as a result of a larger population of workforce age looking for jobs and a higher participation rate. Urban unemployment rose by over 2 million. While this appears to

have been largely offset by falling unemployment outside the cities, rural areas have experienced greater underemployment.

Some areas, particularly Kalimantan and the eastern islands, have been hit with both declining real wages and increasing unemployment. With the devaluation of the rupiah some workers in regionally based export oriented industries may have become better off. However, farmers' terms of trade for some exported agricultural products (palm kernel, cacao, pepper and clove) appear to have deteriorated since the crisis began, indicating that traders may have appropriated the local currency gains from the devaluation.

Threats and outcomes for children

In the wake of dire forecasts of growing poverty, major risks to the educational, nutritional and health status of children were identified. For example, it was widely reported that the enrolment rate of school age children would fall from 78 to 54 per cent, that rates of malnutrition would increase and rates that of immunisation would fall.

However, subsequent surveys undertaken indicate that the crisis has not had the devastating consequences on children that were forecast. Parents appear to have adopted strategies to keep children in school where possible and the GOI's responses in education, health and nutrition may have muted the worst of the anticipated problems.

Nonetheless, there are warning signs of some serious health problems among children and women of reproductive age at the lower end of the nutritional spectrum. There are confirmed anecdotal reports of educational, health and nutrition tragedies among children, and undoubtedly there are local crisis impacts not picked up in survey studies.

The evidence on the impacts on nutrition is mixed

The IFLS indicates that increases in food prices have had a significant impact on households. Twenty per cent of households interviewed in 1998 reported that their level of food consumption had not been sufficient.

There have been longer-term improvements in child nutrition, but malnutrition remains a serious problem

The 1998 National Socio-economic Survey (SUSENAS) showed the following:

- malnutrition among children under five decreased from 35 per cent in 1992 to 30 per cent in 1998;
- malnutrition is greater in rural areas (32 per cent) than in urban areas (27 per cent);
- infant girls have a substantial advantage over boys in nutritional status, but this advantage gradually declines as children get older; and
- malnutrition levels for both boys and girls increase sharply between six and 29 months as children are weaned from breast milk.

Although declining over time, malnutrition remains a serious problem in Indonesia. Increasing food prices and declining levels of consumption may exacerbate this problem and expose new groups to risk. Children in particular regions may be especially vulnerable. For example, the 1999 Nationwide Kecamatan Survey of approximately 4000 *kecamatan* (sub-districts), indicates that the crisis has had the greatest impact in urban East Kalimantan, while rural East Kalimantan has also been hard hit. The 1998 SUSENAS shows that while child malnutrition has declined in Kalimantan since 1992, it remains high at 34 per cent. More than half the children in the poorest quintile in Kalimantan are malnourished.

The full impact may only become apparent over the longer-term

The effects of the crisis on the nutritional and health status of children are just beginning to emerge, but the full impact may only become apparent over the longer-term. Media reports throughout 1999 have suggested that malnutrition is a serious problem among Indonesian children and the cause of a number of child deaths throughout the country.

The IFLS reveals a complex picture in relation to child nutrition and health, not all of which is negative. The survey reveals that numbers of children at the lowest end of the nutritional spectrum as measured by weight for height declined from 1997 to 1998, yet the nutritional status of adults (measured by a body mass index of less than 18) deteriorated, particularly among poorer women. Research by the Helen Keller Institute reveals a significant fall in body weight among women of reproductive age between 1996 and 1998 and an increase in maternal malnutrition (from 15 per cent to 18 per cent) during the same period. This is a contributor to low birth weights and has implications for maternal mortality rates.

Anaemia remains a problem, but the impact of the crisis on it is not clear

Information about anaemia in children as a result of deficient dietary iron intake is mixed. Prior to the crisis, anaemia was acknowledged to be a significant problem. Indonesia's 1995 National Household Health Survey indicated that 41 per cent of children under five years suffered from anaemia, while between 24 and 35 per cent of school children were anaemic. The 1998 IFLS indicated that the proportion of moderately anaemic children had fallen since the previous year. Conversely, surveys carried out in Central Java by the Helen Keller Institute suggested an increase between 1995 and 1998 in the incidence of anaemia among children under 35 months and among women of reproductive age. The institute's research also found fluctuating levels of anaemia among children aged between six and eighteen months in Central Java during 1998. In Jakarta, anaemia among children was reported to have reached 75 per cent during this period.

UNICEF and the Helen Keller Institute have also raised the concern that inadequate intake of micronutrients among children may have been exacerbated by the crisis.

Evidence about health impacts is also mixed*There have been shortages of drugs and other medical supplies*

An immediate impact of the crisis was an increase in the prices of pharmaceuticals, by between 200 and 300 per cent. This increase applied to a range of drugs, including vaccines and contraceptives. The IFLS indicates that by 1998 public health facilities were experiencing a shortage of bandages, antibiotics and vitamin A. A shortfall in supplies of contraceptives has been identified as having arisen from difficulties in procurement and distribution.

Fewer children have been visiting integrated health service posts, but immunisation levels appear to have been maintained

The IFLS indicated that the proportion of children using health services declined from just over one quarter in 1997 to just over one fifth in 1998. Most significant was the drop in children visiting *posyandu* (integrated health service posts), which are facilities targeted to children under five. This is of concern because the *posyandu* play an important role in preventative health care, monitoring growth and providing immunisation and vitamin A.

However, the IFLS results have shown no significant decline in immunisation coverage to date. It is suggested that children may be receiving immunisation from private health providers and community health centres (*puskesmas*).

There is evidence of declining vitamin A intake

A significant problem appears to be a decline in vitamin A intake. Indonesia has made great progress in controlling vitamin A deficiency since 1973 when the distribution of vitamin A capsules began. A 1992 survey indicated that blindness as a result of the deficiency was no longer a significant public health problem. Since the onset of the crisis, the availability of vitamin A capsules has declined considerably. The IFLS showed significant declines in the proportions of public and private health providers distributing vitamin A between 1997 and 1998.

Education impacts —problems persisting, but major threats averted

With the onset of the crisis there was concern that Indonesia's considerable achievements in the provision of base education would be undermined and ongoing problems, particularly the low transition rates to junior secondary school, would be exacerbated. There has been a decline in enrolment rates of school children, but not nearly as severe as the 54 per cent predicted in the early months of the crisis.

High pre-crisis levels of primary school enrolments have been maintained

Several surveys undertaken in the latter half of 1998 provide information about changes in school enrolments between 1997 and 1998.

- A survey of 600 primary and junior secondary schools in five provinces revealed an increase of about 3 per cent in enrolments in first year of primary school in 1998-99 in both urban and rural areas, but an overall decline in primary school enrolment. This indicates that enrolments have declined at higher levels of primary school. During the previous year, enrolments in first year of primary school in rural areas fell by a greater percentage than overall enrolments.
- The survey also found more substantial falls in enrolments at first year of primary school among boys in poor *kecamatan* in Jakarta. This indicates that parents are delaying the commencement of school for their sons, or deciding not to send them to school at all.
- The Nationwide Kecamatan Survey indicated that taking children out of primary school was not a common response to the crisis.

- This survey found that, while parents are not withdrawing their children from primary school, there are indications that younger children's commencement of first year primary school is being delayed.
- The IFLS indicated — not surprisingly — that children from poorer households are more likely to be out of school than children from better off households.

The impact on junior secondary school enrolments has been greater

The picture at junior secondary level is somewhat different. Studies such as the 600 school survey indicate that the crisis has had a greater impact on junior secondary school than on primary school enrolment rates. The survey results indicate the following:

- in urban areas enrolments at first year of junior high school declined by 8 per cent, while overall enrolments at junior high fell by 6 per cent in 1998-99. This indicates that the largest proportion of non-enrolment occurs at first year and reveals the barrier that transition from primary to junior high school presents;
- in Jakarta first year enrolments dropped by 13 per cent;
- declining enrolments at junior secondary school are more marked in poorer districts, particularly in rural areas; and
- the decline in enrolment in junior secondary level for all urban schools in 1998-99 was 8 per cent. In poorer *kecamatan* in urban areas enrolments declined by 9 per cent.

Parents value education, but the crisis may have reduced access

The findings from these surveys indicate that parents have adopted strategies to keep children in school if possible, reflecting the considerable value placed on education not only in government policy but also within the community.

Nevertheless, delaying children's commencement of primary school also appears to be a coping strategy adopted by some families, particularly in Jakarta. While it was anticipated that girls were more likely to miss out on beginning school, data from Jakarta show that boys have been most affected. There is some concern that these children will fail to enter the school system at all, particularly if economic recovery is slow.

The declining rates of transition to junior secondary school threaten to severely undermine the GOI's efforts to extend the period of universal basic education from six to nine years. There is a danger that children who

fail to enrol in first year junior high school are not delaying their education, but are actually terminating it.

The larger percentage of girls not enrolling in junior secondary school, particularly in Jakarta, is of concern and is in line with the pre-crisis situation whereby a smaller percentage of girls continued their education beyond primary school. The crisis has not, however, evidenced strong discrimination against daughters 'in favour of sons' education. Indeed, drop-out rates and delayed primary school commencement appear to be higher among boys.

The Nationwide Kecamatan Survey suggests that rural families have less scope for reducing expenditures and will be forced to withdraw their children from school sooner than urban families in times of economic hardship. The survey also postulates that increases in agricultural wages may have increased the opportunity cost of education in rural areas, encouraging parents to withdraw their children from school.

While enrolment rates are a useful indicator, they do not necessarily equate to school attendance. Children who do not attend school, or who are regularly absent, may continue to be included in enrolment figures. The 600 school survey found that school absences had increased substantially in Jakarta, at both primary and junior secondary levels.

The crisis may have undermined quality of education

While the crisis has reduced families' ability to pay for education, there has also been a significant impact on its supply. The IFLS found that both primary and secondary schools are experiencing difficulties from rising costs of paper, books, supplies and photocopying. To deal with these, teachers have utilised blackboards and resorted to reading out test questions. Students have been required to share books or to use library copies. In some cases books are no longer being used. These issues have serious implications for the quality of education. Some schools have also increased test fees or asked parents for donations, which add to the cost of education and may result in children leaving school.

The impacts of the crisis on families have implications for children

Family expenditure patterns have changed

Increases in unemployment and prices, and reduced purchasing power have changed expenditure patterns among middle and low income

families. The 100 Villages Sentinel Site Survey undertaken by BPS and UNICEF in August 1998 found that, while total household expenditures had declined, the share of expenditure on food increased by 10 to 12 per cent. The IFLS indicates that

- families have reduced their spending in real terms on non-essential items;
- real spending on health care has declined significantly, particularly when factoring in increases in its relative costs; and
- real spending on education has also declined, especially among the poorest families.

The IFLS found that investments in children had declined between 1997 and 1998, and raised concerns about the long-term as well as the immediate implications of this shift.

While the decline in spending on education and preventative health care is more marked among poorer households, the IFLS found that expenditure patterns have also changed among middle income families. The share of household budget spent on meat has declined most significantly among middle income households and these families are more likely to shift their children's health care from the private to the public sector.

There have also been changes in the roles of women and children

Increased economic pressure appears to have resulted in changed roles and responsibilities of women and children in some households. There is anecdotal evidence to suggest that children, particularly girls, are leaving school to care for younger siblings while their mothers undertake or seek paid work. Another apparent development is the increased demand for older children, again particularly girls, to be employed by other families as child minders thus freeing mothers for income generating activities outside the home. This is one area where employment opportunities for older children may have increased substantially, acting to draw some children out of the education system.

Some children have been marginalised

There is mixed evidence about the impact of the crisis on child labour

While the onset of the crisis gave rise to fears that large numbers of children would be pushed into the workforce, the evidence relating to the impact of the crisis on child labour is mixed. According to the BPS-UNDP

survey of Crisis, Poverty and Human Development in Indonesia, the number of children working (10 to 14 years) increased from 1.6 million to 1.8 million between August 1997 and December 1998, with the largest increase occurring in urban areas. A study undertaken for the ILO in 1999, however, indicates that while children's involvement in agricultural employment increased between 1997 and 1998, non-agricultural employment decreased.

Children's involvement in the informal sector has also increased. The greater number of children on the streets of Indonesian cities, particularly Jakarta, is regularly cited as a highly visible impact of the crisis.

Some children are being placed in particularly vulnerable situations

Non-government organisations have raised fears that the intense economic hardship facing some families may result in particularly hazardous forms of child labour. Of particular concern is the possibility of children entering prostitution, on either a regular or ad hoc basis, as a means of earning extra money. This important issue remains an area of speculation as very little data is available. Initiatives being undertaken by some NGOs in this regard are discussed later in this chapter.

Similarly, little data exist on the impact of the crisis on domestic violence or family breakdowns. In Indonesia, female headed households have long been identified as more likely to live in poverty, and children from these households are particularly vulnerable to dropping out of school and entering the labour force prematurely. Consequently, the need for men to seek work away from the family home and family breakdown are potential outcomes of the crisis that are likely to have a negative impact on children.

Responses to the threats to children

Macroeconomic responses made provision for social services and poverty alleviation

Much of the success on mitigating expected social impacts of the crisis was due to actions taken by the GOI and the international community. In November 1997 the IMF approved a three year standby program to the GOI totalling US\$9.3 billion. This focused on restoring Indonesia's financial system as rapidly as possible. IMF support was complemented with commitments from the World Bank (US\$4.5 billion), the Asian

Development Bank (US\$3.5 billion) and a number of bilateral donors (US\$22 billion).

The program that the GOI has agreed with the IMF has been restructured a number of times. Steps were taken to maintain budget allocations for general education programs in real terms during fiscal year 1998-99 at 1996-97 levels. Allocations were also maintained in real terms for essential pharmaceuticals, including vaccines and contraceptives, and for basic health services. Of Rp206 trillion expenditure by the GOI in 1998-99, Rp50 trillion was financed through the international community.

The GOI developed a comprehensive package of SSN measures

A formal SSN (*Jaring Pengaaman Sosial* or 'JPS') program was adopted by the GOI early in 1998. The broad orientations of the JPS are:

- *improvement of food security* — to secure the supply of staple commodities for the community at affordable prices, with targeted subsidies of rice a major component;
- *social protection through basic services, especially health and education* — to guarantee that basic health and basic education services remain within the reach of the people;
- *creation of productive employment* ^¾ to provide extensive work opportunities in labour intensive productive activities, with the intention of creating buying power for the unemployed; and
- *development of small and medium sized enterprises* — to restore people's small and medium sized economic activities, as well as to improve participation in cooperative institutions.

In fiscal year 1998-99 Rp17.3 trillion was budgeted by the GOI for JPS programs. In a subsequent budget review, Rp9.3 trillion of this was considered to be for 'core' SSN measures, the remaining Rp8 trillion for 'supplementary' programs. An additional and separate budget allocation was made for the special market operations for food assistance for poor/vulnerable groups (*Operasi Pasar Khusus* or 'OPK') program through the Ministry of Food and Horticulture. With a perceived easing of the social impact of the crisis since 1998-99, allocations for core JPS activities have been reduced for 1999-2000 to Rp5.6 trillion and funding for the OPK program has also been reduced.

A guiding principle of the JPS is community development

Although the JPS program has been a response to the crisis, many of its components have been built on or re-established pre-existing social welfare and poverty alleviation measures. The JPS seeks to promote community development, with the selection of program beneficiaries undertaken at a local community level.

On the basis of lessons learned in 1998-99, BAPPENAS (the National Development Planning Agency) reports that five sets of improvements are being undertaken in the current year. Procedures are being developed for:

- a program for information dissemination;
- complaints resolution mechanisms;
- performance indicator-based reporting;
- independent verification of program implementation; and
- civil society monitoring to build partnerships between government and non-government bodies in program planning, implementation and monitoring.

Some, but not all, JPS programs directly benefit children

Of the four focus areas of JPS measures, those which operate through *improvement of food security and social protection through basic services* are of specific relevance to children.

Nutrition

The food security SSN encompasses four distinct schemes:

- food reserves
- food assistance for poor/vulnerable groups
- a cash program for food production intensification
- agricultural input subsidies.

Of these, the OPK special market operations for food assistance for poor/vulnerable groups program is the most directly relevant for children. Under it, the GOI has targeted more than 10 million poor/vulnerable households for the provision of 20 kilograms of rice per month (10 kilograms prior to December 1998) sold at a highly subsidised price.

The GOI activated a National Nutritional Surveillance System to be able to quickly determine food insecure areas and prevent further nutritional problems. The GOI also has a nutritional improvement program as part of its health SSN response (see below).

Health

As part of its SSN health services response, the GOI has provided:

- some 18 million vulnerable households with health cards for access to basic health services within health centres;
- midwife services;
- nutritional improvement; and
- a health guarantee scheme at district level.

In 1998-99, some Rp2.3 trillion was budgeted for these programs.

Education

The SSN response through the protection of basic education services is the 'Back to School Campaign' program, consisting of:

- scholarships for primary and secondary school children of poor families;
- the provision of block grants to schools in poor areas; and
- operational primary school development grants

Some Rp2.7 trillion was budgeted for these programs in 1998-99.

In addition, a public awareness campaign on the value of keeping children in school and informing parents of the availability of support has been funded by UNICEF and bilateral donors. The Department of Education and Culture has also relaxed the regulations in relation to school uniforms in an effort to reduce expenses associated with schooling.

Budget allocations for core JPS programs benefiting children

Budget allocations for these SSN activities directly affecting children have all been reduced for fiscal year 1999-2000 to: Rp6.9 trillion for the OPK program; Rp1.7 trillion for social protection in education at primary and secondary levels; and Rp1.7 trillion for social protection in health.

Targeting core JPS programs benefiting children

Indonesia's well developed systems of data collection facilitated the rapid identification of poor and vulnerable families likely to be in need of additional support in the wake of the crisis. The National Family Planning Coordination Agency (*Badan Koordinasi Keluarga Berencana Nasional* or 'BKKBN') has undertaken extensive family surveys over many years and categorised families based on a range of factors with the intention of establishing levels of welfare. Although levels of welfare do not necessarily indicate levels of poverty, families categorised as 'pre-welfare' and 'welfare one' have been targeted in the OPK and health SSNs. Schools in villages identified as underdeveloped under the pre-crisis poverty alleviation initiative known as IDT (*INPRES Desa Tertinggal*) have formed the core of block grant recipients under the education SSN.

Programs to reach marginalised children

While the crisis has increased numbers of children exposed to exploitative situations, many children and their families face personal crisis under 'normal conditions'. Children from the poorest families and those without families, as well as children with disabilities and victims of disasters, are extremely disadvantaged and often unable to access social services.

In current conditions of general crisis, the Department of Social Affairs has established priorities in terms of programs and localities, and aims to assist the most vulnerable families in accessing the support offered by SSN programs. The department is also continuing to prioritise support for neglected children, orphans and street children, with NGOs acting as service deliverers. The department establishes models for children's homes and drop-in centres, and provides NGOs with seed funding to help them establish facilities for children who are missed by formal SSNs.

Foreign donors have helped fund the JPS and augment SSN capacity for children

The international community's financial response to the crisis has greatly facilitated the provision of JPS activities for families and children. Some of this funding, augmented from international sources outside the IMF's rescue package, has supported SSN activities which are additional to those of the JPS program. In many cases support has taken the form of technical assistance rather than resources for the delivery of essential commodities or services to poor or vulnerable children and their families.

Table 3.1 presents information on SSN activities being supported in Indonesia by international financial and development cooperation institutions, and under bilateral assistance programs. It does not try to cover the many valuable activities of non-governmental organisations. In focusing on activities in response to the economic crisis, the table does not include related activities such as the provision of food aid following drought and forest fires. Nor does it include the many ongoing, but often longer-term, programs of external agencies active in the areas of education, health, nutrition and family support.

The multilateral development banks have been the largest providers of funds

The World Bank and the Asian Development Bank (ADB) are the two largest international contributors to the financing of the JPS program. This assistance is by way of long-term loans rather than grants. In early 1999 Indonesia became eligible for concessional World Bank lending (IDA credits).

The banks' loans are of several types:

- the World Bank's adjustment and policy reform support loans provide general GOI budget support within which the JPS program is recognised to be an integral part;
- the ADB's sector program and development loans provide budget support specifically for the social and health-nutrition sectors, with varying degrees of specificity within them; and
- the World Bank and ADB have also both provided loans to fund specific SSN or other social response projects.

The Asia-Europe Meeting (ASEM) Trust Fund is managed by the World Bank and provides expertise to help governments design reform proposals and get the framework right for fast and effective recovery. The fund is also providing grants for a number of projects likely to impact on children.

UN agencies have provided fewer funds but considerable expertise

Several UN agencies are providing funds and/or expertise on SSN issues that directly affect the wellbeing of children.

UNDP has approved grants for programs focusing on school drop-out assessment and for nutrient supplementation for infants. UNDP has also assisted a study designed to improve the supply of generic pharmaceuticals that could contribute to the health of children.

3.1 Initiatives by international agencies in response to the crisis —Indonesia

Asian Development Bank

- ADB1 ■ Social Protection Sector Development Program Loans US\$300m: Program Loan US\$100m, Project Loan US\$200m — approved July 1998
- primary aim is to mitigate effects of the economic crisis on the poor by:
 - ... protecting access by vulnerable groups to essential social services, especially education and health
 - ... monitoring quality of social services provided to the poor
 - ... initiating sustainable policy reforms related to provision of key social services
 - support for specific initiatives in project provinces to:
 - ... maintain school enrolment (supporting the Government's Back to School Campaign)
 - ... protect health and nutritional status of the poor, particularly mothers and children under two years
 - ... maintain quality of health and education services
 - ... maintain family planning services for the poor
- ADB2 ■ Health and Nutrition Sector Development Program Loans US\$300m: Program Loan US\$100m, Project Loan US\$200m — approved March 1999
- parallel OECF loan of US\$300m (see Japan 4 below)
 - primary aim is to mitigate effects of the economic crisis on the poor by:
 - ... protecting access by vulnerable groups to essential health and nutrition services
 - ... monitoring quality of social services provided to the poor
 - ... initiating sustainable policy reforms related to provision of health and nutrition services
 - support for targeted initiatives in project provinces to:
 - ... protect health and nutritional status of the poor, particularly infants and children under two years
 - ... maintain quality of health services
 - ... strengthen communicable disease control programs (targeting tuberculosis and malaria) and maintain immunisation programs
 - ... maintain family planning services for the poor
 - includes block grants to health centres and village midwives, complementary feeding for infants, supplementary feeding for young children and for pregnant and lactating women, and support for increasing numbers of street children
- ADB3 ■ Proposed Basic Education Sector Loan, US\$100m, 2000
- improve management and institutional capacity for basic education at the district and school level
 - expand access to junior/secondary education
 - maintain universal access to primary education
- ADB4 ■ Proposed Reproductive Health Loan, US\$50m, 2000
- increase the demand and supply for reproductive health care
 - enhance the reproductive health of women and men
 - improve the knowledge of adolescents on reproductive health issues
- ADB5 ■ Proposed Woman and Child Protection and Development Loan, US\$50m, 2001
- strengthen protection for vulnerable woman and their children, while maintaining a focus on the longer-term (health, nutrition and psychosocial) development potential of the child

World Bank

- WB1 ■ West Java Basic Education Loan, US\$103.5m — approved March 1998
- increased scholarships to address threat of drop-outs by poor students at primary and secondary level (US\$50.9m).
 - improve education quality through teacher training, etc.
- WB2 ■ Junior Secondary Education Project Loans in East Java, East Nusa Tenggara, Central Indonesia and Sumatra, US\$301m — approved June 1998. (Restructured loans 4042-IND, 4062-IND, 4095-IND)
- scholarships to poor children and school grants for poor areas. Projected to benefit 25 million students.

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in response to drought and the economic crisis, nutrition supplements for infants aged 6–24 months to assist them achieve optimal growth and brain development

UNICEF

- UNICEF1 ▪ Back to School Campaign, AusAID US\$495 000 grant and UNICEF US\$150 000 grant, June–December 1998
 - support for the campaign to prevent drop-outs, involving publicity for scholarships and block grants to schools
- UNICEF2 ▪ Complementary Food Initiative, US\$930 000 grants (from UNICEF, UNDP, CIDA, AusAID and Denmark), April–December 1998
 - food packages for 6–24 month old infants and education of mothers on feeding practices

United Nations Population Fund

- UNFPA1 ▪ Appeal for Emergency Assistance for Contraceptives, US\$34m required for FY1998-99
 - government subsidy of contraceptives continued due to economic crisis
 - UNFPA provided US\$3m grant and USAID US\$7.4m, leaving US\$34m shortfall
 - responses have included CIDA Can\$3m grant

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includes small-scale education and health projects (for example: 'Staying in School', East Timor, Can\$55 258)

Australia

- AusAID1
- Support for World Food Programme Emergency Operation (see WFP1 above), A\$23m
 - A\$16m in FY 1997/98 and 1998/99 (wheat swapped for rice) and A\$7m in FY 1998-99 (rice)

(Continued on next page)

3.1 Initiatives by international agencies in response to the crisis —Indonesia(Continued)

Australia (Continued)

- AusAID2 ■ Emergency Medical Supplies, over A\$4m during September 1998–March 1999
in response to drought and the economic crisis, supply to the eastern provinces essential drugs and medical supplies
- AusAID3 ■ Assistance in Establishing a Social Monitoring and Early Response Unit (SMERU), A\$810 000 in FY1998-99
– to provide rapid assessments to government agencies, donors, NGOs and civil society
– assessments on crisis related trends and conditions, the areas and vulnerable groups affected by the crisis, critical needs of affected groups, and effectiveness of ongoing safety net programs
- AusAID4 ■ Assistance to the Back to School Campaign — A\$5.1m
A\$800 000 to UNICEF-managed media publicity in FY 1997-98 — see UNICEF1 above
- AusAID5 ■ Assistance with World Bank Rapid Social Assessment of Poverty Programs, A\$120 000 in FY 1998-99
– conducted an initial assessment of several worst affected areas to assist the World Bank and GOI in strengthening design, implementation and review of SSN programs

New Zealand

- NZODA1 ■ Social and Community Development Fund (NZ\$750 000)
– supports local NGOs for community/social development activities, including humanitarian assistance
- NZODA2 ■ Complementary Feeding Initiative (NZ\$500 000)
– in support of UNICEF's complimentary food initiative — UNICEF2 above

ASEM Trust Fund/World Bank

- ASEM1 ■ Scholarships and School Grants to Primary and Junior Secondary Schools, US\$637 000 — approved July 1998
– help keep children from poor families from dropping out of school in the next five years through grants to the schools and scholarships to poor families
- ASEM2 ■ Monitoring and Assessing the Impact of the Crisis on Basic Education Outcomes, US\$224 160 — approved August 1998
– analyse survey data to identify new interventions to alleviate the impact of the crisis
- ASEM3 ■ The Impact of the Crisis on Basic Health Outcomes: diagnosis, consultation and dissemination, US\$243 500 — approved August 1998
– assess the impact of the crisis on basic health care and identify new or modify existing interventions to alleviate the impact
- ASEM4 ■ Responding to the Crisis: Supply and Distribution of Pharmaceuticals, US\$280 200 — approved October 1998
– help the government target pharmaceutical relief effort at the poor, with industry analysis, regulation review, assessment of production control and strategic alternatives identification
- ASEM5 ■ Developing a Strategy for the Education System to Respond to the Crisis, US\$725 500
– consult all involved groups and develop a cooperative strategy for education
- ASEM6 ■ Rapid Analysis of New SUSNAS Poverty and Socio-Economic Data, US\$161 750
– develop capacity within the government, universities and local experts to analyse the SUSNAS database

- UNESCO has supported training for the GOI's Back to School Campaign and to develop a model for better integration and delivery of health and nutrition at primary school level.
- UNFPA has funded programs focusing on families and young mothers, one to subsidise contraceptives and another to reduce maternal mortality through the strengthening of blood supply management and obstetrics services.
- UNICEF has supported a project (co-funded with Australia) to promote the Back to School Campaign and another (co-funded with UNDP, Australia and Canada) to support the nutrition of infants and the education of mothers about feeding practices.
- WFP responded to the El Niño drought and the financial crisis through an emergency food assistance program. This was initially focused in rural areas of eastern Indonesia, but has recently been expanded to operate in major urban areas. A number of donors made significant contributions to the WFP emergency operations (EMOP).

In many cases UN agencies are augmenting their longer-term involvement in the care of children

Many international agencies, including those mentioned above, have been active in Indonesia for many years. Most have ongoing programs benefiting children. UNICEF has had a long involvement to improve the wellbeing of children on several fronts. The fund has been a major force in advocacy on behalf of children and worked with the GOI to implement commitments under the United Nations Convention on the Rights of the Child. ILO, through the International Program for the Elimination of Child Labour (IPEC), has also worked with the GOI to end exploitative forms of child labour. WHO has collaborated with the Indonesian Ministry of Health in a program to assess and improve the health status of the population, including the diagnosis and treatment of childhood diseases.

Support from bilateral donors has ranged from small programs undertaken by NGOs to resources for JPS activities

Several bilateral donors are funding or contributing to programs with SSN or other crisis response content, which are of benefit to children. Australia, Japan and the United States have provided food aid. In the case of Japan, much of this has been by way of a long-term loan of rice to the GOI for its food security program. Australia has provided drought relief through a number of international and domestic NGOs. The United States and Australia have both provided food for distribution through NGOs, much of it in support of food for work programs. Australia, Japan and the United

States have each contributed food to the WFP's EMOP. Other countries have also provided food for drought relief.

Japan has made large grants to the GOI for medicines and other essential goods in short supply. It has provided large social sector loans to maintain JPS programs. Australia, Canada, New Zealand and the United States have also provided aid for health, nutrition and education projects in response to the crisis. The United States has delivered most of this assistance through NGOs. Australia has also provided assistance through NGOs as well as through UNICEF. Along with the donors, Australia has also provided emergency medical supplies. Canada has channelled funds through both UNICEF and UNFPA.

Several bilateral donors have supported small projects, often run by NGOs in specific regions of Indonesia. They have also funded expertise for design, monitoring or evaluation studies. Japan has also funded surveys in conjunction with BAPPENAS and relevant line ministries to evaluate the impact of the crisis, including its social consequences.

NGOs and community based organisations play an important role

Non-government and community based organisations have played an important role in responding to the crisis. Organisations with strong roots within communities, such as religious based organisations, are well placed to identify and respond to the pressing needs of the most vulnerable members of society. In areas of advocacy and monitoring, some NGOs have identified ways in which crisis responses could be strengthened or refocused. Research focused NGOs have provided important information on crisis impacts, particularly in the areas of child health and nutrition. Organisations focusing on community development have continued to promote long-term poverty alleviation measures while, in some instances, providing support as a direct response to the crisis.

Many NGOs, which have long been active in providing assistance to the most vulnerable groups within Indonesian society, have increased or reoriented their activities in the wake of the crisis. NGO-GOI partnership has emerged as an important aspect of crisis response. In some cases, NGOs have proved to be effective deliverers of subsidised rice, reaching the most vulnerable groups who may be unable to access SSN programs. The Department of Social Affairs is also utilising NGOs both to manage homes and drop-in centres for children without family support and to monitor services. The formal involvement of NGOs and community based organisations is becoming more significant in the 1999-2000 JPS program as

they are called upon to provide independent verification of program implementation and monitoring.

NGOs have also developed crisis responses independent of the formal JPS program. Initiatives generally aim to reach those who have been missed by the formal program and include scholarships for children from poor families, primary health and nutrition programs for the most disadvantaged, and food supplements.

A number of NGOs have identified increasing numbers of street children and child prostitutes as one direct result of the crisis. Responses include drop-in centres and programs to provide education, training and counselling for vulnerable children.

Generally speaking, NGOs have emphasised that crisis responses should:

- be carefully targeted to the poorest and most vulnerable groups
- not weaken or replace informal support mechanisms
- promote community empowerment and self-help within communities.

Lessons learned

There was a common view among officials and other stakeholders consulted that some elements of the JPS program have been very successful in meeting the needs of children. In particular, the scholarship program designed to maintain enrolments of children from poor families was widely considered to have achieved its stated objective. Other programs dealing with more complex issues, such as the health and nutrition programs, could benefit from further refinement.

There can be considerable confusion about the nature and objectives of an SSN. Is it to rescue poor and vulnerable people in emergency situations? Is it to deal with pre-existing and ongoing issues of poverty that have been augmented by a crisis? Is it to develop medium and longer-term capabilities to respond to future crises? Or is it to lay the groundwork for the development of systems within which vulnerable people and communities can contribute to their own social security?

Reaching firm agreement on these issues may be difficult and trying to force a common view may be counterproductive. However, there are many areas of broad consensus, such as the need to empower local communities and the importance of public awareness campaigns. The consultations indicated that a number of lessons are emerging from the experience of the past two years. Yet there are several areas where these lessons are ambivalent and where further assessment would be of value.

An important feature of the crisis in Indonesia has been its political dimension. The political transformation and community and government concerns about corruption, collusion and nepotism (KKN) have shaped attitudes towards SSN responses. The demand for greater transparency and accountability has had an important impact on the design, delivery and monitoring of the various JPS programs.

Some general lessons emerged

In this context, some general lessons learned are as follows:

- Articulating and communicating specific objectives for and targets of SSN measures is necessary to reduce confusion and possible adverse consequences of program implementation and performance.
- The most successful elements of Indonesia's SSN have been those with clearly identified and manageable objectives.

- Having pre-existing programs and systems which are well established and effective makes it possible to initiate rapid responses to unexpected crises — weak or variable systems make it harder.
- Simply pushing money at crisis issues is not an adequate or appropriate response — it is necessary to build on what has already been done. Involving large amounts of money inevitably creates incentives and opportunities for misuse and misappropriation. This is true for both government and non-government sectors.
- Design of SSN programs in health care is particularly complex, complicated by multiple factors involved in identifying target groups and the range of service deliverers.
- The problems exposed by the crisis are largely pre-existing problems, and the crisis has provided opportunities to correct shortcomings in policy and service delivery.
- Highly centralised systems allow for rapid responses, but they may not easily facilitate taking account of localised needs.

Program design issues are pivotal

BAPPENAS emphasises that crisis responses must be fast, direct, transparent, accountable and participatory, and these elements are considered to be the basis of effective and efficient SSN programs. Yet the design of SSNs, particularly in complex sectors such as health, has proved challenging. In this context, the lessons learned about program design are as follows.

- It is difficult — and not very useful — to design programs only for children without taking account of linkages between the welfare of children and families (as revealed, for example, by declining levels of nutrition among mothers as they forgo food in order to keep children in school). Yet family based approaches will miss the small but very vulnerable group of children without support.
- It is important to adopt adaptive approaches to SSN design, targeting and delivery. But it is necessary to recognise the political costs and coordination challenges of changing design and beneficiary groups.
- Responses must take practical account of gender issues and be relevant to cultural contexts.
- Care must be taken to ensure that SSN measures do not inhibit initiatives of recipients to help themselves. Where possible, initiatives should build on and reinforce existing informal or community based support systems that reflect a strong mutual self-help culture. There is a risk of undermining these systems by lavish funding.

- Public awareness campaigns to inform people of the objectives and targets of measures are an essential part of SSN programs, as are campaigns to reinforce key social messages, such as the importance of keeping children in school.
- It is important to recognise the costs to recipients of availing themselves of SSN measures.
 - For example, pregnant women taking advantage of JPS help to go to hospital need to be accompanied by a family member. This involves considerable cost to the family.
 - Conversely, relaxing school uniform requirements may have contributed to the success of the scholarship program for children of poor families.
- The removal of non-financial barriers is also important in ensuring access to SSN support. For example, allowing families who do not hold identity cards access to subsidised rice was vital to ensuring that the poorest received assistance.
- Multidimensional strategies are required to address not only immediate humanitarian needs but also to provide stimuli for sustainable income recovery.
- Relinquishing control to the local level, including the participation of beneficiaries, can be a major component of a SSN program's success. However, delivery needs to be independently monitored to ensure that actual beneficiaries are those for whom the program is designed.
- Capacity building for and involvement of local communities are central to developing effective SSNs.
- Coordination and cooperation between departments are key to the development of successful SSN programs. This will often require a consensus about the unit to be targeted.
- Mechanisms must be put in place to identify and meet the needs of people who fall through a SSN. For example, children without family support are unable to access SSNs and children already outside the education system are not reached by scholarships.
- Ensuring community acceptance of SSN programs may require accepting some imprecision in targeting.

Appropriate program targeting involves a number of tradeoffs and needs periodic review

No issue has been more difficult than that of effective targeting. In designing the OPK and health SSNs, families categorised as ‘pre-welfare’ and ‘welfare one’ were targeted. In some quarters questions have been raised as to whether BKKBN data are adequate for purposes of identifying the poorest families or those most affected by the crisis. Also, the criteria used to identify villages included in the IDT program were the subject of some debate prior to the crisis, and consequently there have been some questions about the adequacy of targeting the education SSN, particularly the block grants.

These debates reveal something of the difficulty in targeting SSNs. The crisis demanded a rapid response and BKKBN and IDT data allowed the GOI to identify targets and implement its JPS programs quickly. But concerns about targeting remain. An important lesson is that:

- a fast response may necessarily require some compromise in terms of targeting.

Accompanying this is another emerging lesson, that:

- targets may need to be periodically reviewed, yet this brings with it a raft of difficult political choices.

These are just two of a rich mosaic of lessons emerging from Indonesia’s experience in targeting SSNs. Other lessons about targeting include the following.

- It can be very hard and costly to target the poorest of the poor, largely because these most vulnerable groups cannot access formal support systems and rarely appear in quantitative surveys.
- Reaching remote areas is a significant long-term development problem, while reaching the urban poor is a significant response issue for the current economic crisis.
- SSN measures must reach those in need whether they use government or non-government service delivery mechanisms.
- Not all SSN programs should be focused solely on the pre-crisis poor. For example, some programs such as immunisation need to be targeted at all children.

Monitoring and assessment is a source of information for program design and targeting, but can be costly

While monitoring is an essential component of an effective and efficient SSN program, it can be very costly. This is particularly so if it has to be structured around requirements of donors and international financing institutions. Some lessons learned are that:

- consideration should be given to using monitoring mechanisms that do not absorb resources that are better used for the needs of the poor;
- program designers should not be over-sensitive to criticism, since this is an important source of information for refining targeting and delivery mechanisms; and
- complaints mechanisms must be accompanied by credible procedures for acting on complaints.

Effective SSN programs need to be linked with longer-term social development and poverty alleviation programs

Many issues of SSN design focus on how to advance medium to long-term objectives and what the consequences of taking rapid actions will be on meeting those objectives. In some instances, tension emerges between these various sets of objectives. In this context, the lessons learned are as follows.

- Crisis rescue actions need not necessarily be constructed as a means of achieving long-term poverty alleviation and human development objectives. However, efforts must be made to ensure as much consistency with those objectives as possible.
- Care must be taken not to undermine pre-existing programs that play an ongoing role in poverty alleviation and human development.
- It is necessary to develop mechanisms to identify the medium and long-term consequences of the crisis and of emergency responses.
- The crisis is delivering very important lessons for the decentralisation process, and particularly the urgent needs for concerted capacity building at provincial, district and local levels.

International support for SSN programs does not come without costs

International support is recognised as having been essential to enable the GOI to maintain levels of budget funding for ongoing social sector programs and developing rapid SSN responses. But such support has not come

without costs both in terms of priorities addressed and capacity for meeting future needs. Lessons learned are as follows:

- Meeting each donor's organisational requirements can impose considerable overhead costs on service delivery.
- Large projects of the kind most easily funded by the multilateral development banks, by their nature, can only help those that are within the formal system. NGOs are best placed to reach the truly marginalised, and other sources of support may be most appropriate for these kinds of programs.
- It is difficult for government agencies to develop SSN programs when they are caught in the middle of conflicting approaches and priorities of various multilateral agencies.
- If SSNs are financed by loan funds, capacity to deliver ongoing social welfare programs in the future may be threatened, as governments must divert resources to servicing debt. Careful attention must be given to the implications for longer-term financial sustainability.
- International financing institutions and other donors must recognise the importance of providing adequate information about the terms and conditions of their funding programs to minimise the risk of a backlash in the aftermath of rapid response activities.
- Recipient governments' priorities and donor priorities can sometimes be very different, as evidenced by the high priority placed on the Community Development Fund by GOI and the low priority by international financing institutions.

Areas for further investigation and international cooperation

As well as discussing the lessons that have been learned from the operation of the SSN measures introduced in response to the crisis, government officials identified a number of areas where further investigation is needed.

Some are about specific JPS programs

- How to address malnutrition among children aged six to 24 months.
- How to address the fact that current SSN programs do not appear to have provided adequate resources for procurement and distribution of drugs and contraceptives.

- The need for measures to deal with the impact of the crisis on rates of transition between primary and junior secondary schools, and between junior and senior secondary schools.

Some are about gaps in JPS programs

- How to reach children who are not in school.
- Lack of reliable data on the impact of the crisis on child exploitation, child abuse and domestic violence.
- The impact of the trauma of conflict on children and how this affects availability of and access to SSN measures.

Others are about how to develop capacity within the JPS system

- The importance of adding capacity building components to donor funded SSN projects, to promote longer-term sustainability.
- How the delivery of sector-specific programs can be better integrated to allow intended recipients to access them more effectively.
- Implications of innovative decentralised delivery mechanisms for the replenishment of project special accounts from the centralised source of funding.

It was recognised by government officials that funding from major international financing institutions is likely to be of limited duration and is placing burdens on future capacities to fund social welfare services. Therefore, different approaches to social welfare support and its funding need to be developed. This highlights a need for processes to manage a shift from SSN measures towards longer-term social safety systems.

Scope for international cooperation

Many of these issues are not unique to Indonesia. For example, several of the affected Asian economies are currently committed to decentralisation with greater attention to building a civil society on a community development base. Information on the experience of countries such as the Philippines in tackling decentralisation was seen as a useful input into Indonesian deliberations on this process. In turn, Indonesian expertise in survey-based information systems was seen as a useful resources for other economies (SUSENAS and SAKERNAS).

It was also recognised that other members of the international community can contribute. A case in point, raised on a number of occasions, is the

development of managed health care programs and health insurance systems as part of a shift away from SSN measures towards a longer-term social safety system. Sharing experiences of developed economies in such a reorientation of policy was seen to be of particular value for Indonesia.

4

The Philippines

ALTHOUGH PHILIPPINES' GDP GROWTH did not drop as sharply as in other ASEAN countries, the impacts of the crisis on the exchange rate, government revenue, employment and prices represents a major challenge to the pursuit of child development. Infant mortality, mortality and school enrolments are strongly correlated with falls in GDP growth, unemployment, inflation and national government expenditure on education (Lim 1999). GDP growth dropped to -0.5 per cent in 1998 after averaging 4.5 per cent in the five years to 1997. It is forecast to improve to 2.4 per cent in 1999 (ADB 1999). However, with nearly a third of the Philippine population living below the poverty line, and a large number living just above it, the Asian crisis and its uncertain shadow represent a continuing risk to child development in the Philippines.

The past decade was a period of slow progress and continuing challenges for the development of Filipino children. The crisis adds a dimension that may threaten the sustainability of previous gains in health, nutrition and education, as it has highlighted pre-existing difficulties. The impact of the crisis is compounded mainly by two other major factors. First, government departments are at various stages in the processes of decentralisation and devolving functions to regional, provincial to (local government units (LGU) levels of management. Second, the El Niño and La patterns of drought and flood have been particularly severe, both in the lead up to and during the crisis.

The crisis and its social impacts

The loss of investor confidence that afflicted the region in 1997 quickly spread to the Philippines. This caused capital flight and a 24 per cent real devaluation of the peso between 1997 and 1998. The immediate impact of this was:

- fewer imports (27 per cent down in US dollars from 1997 to 1998) and declines in import duties for government;

- higher interest payable by government due to higher domestic interest rates and exchange rate trends;
- increased business expenses in the form of foreign exchange write-offs and higher interest rates which reduced profits and taxation payable; and
- higher import and export prices creating inflation — the CPI rose from 6 per cent in 1997 to 9.7 per cent in 1998.

Unemployment rose

Although higher prices and increased remittances (in pesos) from abroad may have helped some sectors of the economy, particularly the export oriented electronics industry, lower business profits and higher prices caused reduced employment and wages in others. Unemployment rose from 8.7 per cent in 1997 to 10.1 per cent in 1998. The agricultural and construction sectors were worst hit (-6.6 and -8.1 per cent respectively), with the El Niño drought being a significant factor behind the decline in agricultural production. Services output expanded by 3.5 per cent and exports increased by 17 per cent.

Government revenue tumbled, but social expenditure was largely preserved

The combined effects of reduced import duties, lower business taxation and reduced taxable wages reduced national government revenues by around 11 per cent between 1997 and 1998. Reduced employment increased the demands for the benefits of SSNs, while the reduction in national government revenue reduced the capacity of government to supply the services that provide social services. Government expenditure was largely maintained through deficit financing of the government budget. Authorities were successful in raising US\$2.4 billion in the form of bonds, and extraordinary financing from multilateral donors and the Japanese government, through the Miyazawa initiative. This raised foreign debt to around US\$48 billion but helped to preserve social expenditure. Overall, expenditure on social services was raised from 38 to 43 per cent of total expenditure. However, with public service personnel expenditures being maintained, declines were concentrated on non-personnel and local government expenditures. This has direct implications for the government's ability to maintain health, nutrition, education and family support services.

Responses to the crisis were swift and well targeted

Macroeconomic adjustments in response to the crisis were quick and apparently stabilising. A World Bank review assisted in prioritising expenditure to protect vulnerable groups. Emergency rice imports were permitted without tariff, which helped ameliorate inflationary pressures and protected low income earners' diet staple. Sound macroeconomic settings prevented excessive rises in interest rates. Promotion of wage restraints moderated increases in unemployment and inflation. Individuals reallocated their expenditure away from durables and luxuries and managed to largely maintain personal consumption expenditure in 1998, especially on basic necessities. However, investment fell by 17 per cent.

So far so good, but weaknesses reveal risks

Despite the reasonable resilience of the Philippines to the crisis so far, it remains vulnerable to any continuation of the crisis. In particular, the outlook remains uncertain while weak private capital flows continue to constrain investment and while various structural weaknesses continue to constrain economic growth. These weaknesses were partly reflected in problems experienced in responding to the crisis and underscore the need for ongoing reforms on several fronts. Areas now being addressed include difficulties in tax administration and enforcement, structural reform in the public service, high and growing public debt, low savings rates, deficiencies in infrastructure and rural development, growing income disparities and continuing high (albeit decreasing) levels of poverty. They also represent particular problems should the Philippines face economic shocks in the near future, and therefore represent major threats to the ongoing development of Philippine children and their human capital.

Threats and outcomes for children

There are broad indications that children have been largely shielded from the worst impacts of the crisis. This is because household budgets have been reprioritised to maintain expenditure on basic necessities and because macroeconomic responses have been supportive. There has not been widespread deterioration in child nutrition, health, education or family support that can be directly attributed to the crisis. However, given the pre-existing high levels of poverty and the meagre SSNs in place, even a small economic deterioration poses a potential threat to the wellbeing of children.

Children have been shielded from nutritional impacts by prudent family budgeting

Declining incomes, loss of employment and rising food prices caused by devaluation pose the obvious threat of malnutrition amongst poor Philippine children. Compounding the problem are the continued difficulties of adjusting to the El Niño and La Niña weather patterns. These reduced the availability of food and added further pressures for price rises. In many localities people faced higher prices for food before this could be detected in official statistics. Although cheap rice imports eventually helped moderate price rises, for the bottom quartile income group, which spends nearly a third of its income on food grains, even moderately rising food prices affected this group significantly. According to the 1998 APIS (Annual Poverty Indicator Survey), around 50 per cent of households reported price rises. However, the single biggest impact on nutrition for children appears to have been one of change in diet rather than hunger.

The APIS survey preliminary findings indicate that perhaps half of all families changed their eating patterns. This was fairly even across income groups. Where reductions in food intake occurred, reports are that adults tended to reduce intake first. To date, there has been no substantive evidence that malnutrition is dramatically increasing. Parents are responding to the crisis and protecting children by rearranging their expenditures.

The delivery of micronutrient supplementation programs to various targeted groups is still a problem in the Philippines. However, these problems appear to be more directly related to internal and distribution weaknesses than the crisis itself.

Cutbacks in preventive programs and extra pressure on health services pose some problems

Declining incomes, added to falling government budgets for non-personnel expenditures and rising costs of medicines, created difficulties for both the private and public procuring of medical supplies, particularly drugs. An ADB 1999 focus group estimated that drug costs rose by 20 per cent and that both hospital and private clinic costs had risen. The coverage of vaccine and micronutrient programs for children and women appear to have declined due to declines in government spending. The single greatest impact on the health of children is the exclusion of the Hepatitis B vaccine from the infant and child vaccination program. This vaccine which had been administered for a year before the crisis, was later withdrawn due to increasing costs to the budget.

Reductions in funding for local government units (LGUs) would have created some impact on the pre-existing underfunding of primary healthcare facilities at the community level. While funding cuts by local governments occurred across the board, no specific measures of the impact are available. However, because the poor are more reliant on public health facilities, cutbacks are most likely to impact this group. Moreover, reductions in incomes would have swelled the number of poor attempting to use the service. This would have magnified the problem because capacity to provide services was being reduced while demand for the services was increasing.

The impact of the crisis on health is compounded by the structural changes occurring in the Department of Health. Responsibility for many health services are being devolved to regional, provincial and local government levels of management. The budget and human resources to fully support this initiative are only now being seriously committed, even though the process began in 1991. As a result, organisational structures in the delivery of health care services are not yet well developed. The health sector faces many challenges to strengthen capacity, funding and technical supervision.

A shift to public from private education and additional pressures on tight resources, but only a small reduction in attendance

Government budgetary constraints and a shift from private to public schooling in response to the crisis exacerbated several pre-existing problems in education. Pre-existing problems include the following.

- Primary school completion rates average only 65 per cent and show marked regional disparities:
 - almost 100 per cent in Manila; but
 - less than 30 per cent in Mindanao and Eastern Visayas.
- At elementary school level an average of six children share one textbook, and at secondary level an average of eight children share one textbook.
- Classrooms and school equipment are in short supply. Schooling is generally broken into two shifts a day. Student to teacher ratios are high.
- Quality is below par — Filipino children's scores in mathematics, science and reading are below international averages.
- General problems of poverty such as poor food and sanitation limit pupil achievements.

Although changes in enrolment patterns have not been severe in the wake of the crisis, some changes are detectable in the most recent data. Department of Education, Culture and Sports figures show that enrolment rates have decreased in both public and private elementary schools as a result of the crisis. For enrolment in first year of public school, enrolment rates declined by 1.8 per cent between 1997-98 and 1998-99. This compares with a decline of 0.21 per cent between 1996-97 and 1997-98, so the decline associated with the crisis was around 1.6 per cent. Changes in enrolment rates in the first year of private school were more dramatic, declining by nearly 8 per cent, from +3.25 to -4.46 per cent. This appears to have impacted on public education. In some areas class sizes have increased and some schools have been forced to introduce three shifts.

Department figures show small declines in overall enrolment rates at high school level as a result of the crisis. Enrolments for first year of both public and private high school dropped by approximately 1 per cent. Overall changes in enrolment rates for all years of high school indicate an increase for public schools (+1.49 per cent) and a decrease for private schools (-2.82 per cent). The number of students leaving private high schools roughly equalled the number joining public high schools. This suggests that one coping strategy adopted by families in the wake of the crisis was to shift their children from the private to the public education system.

Focus group discussions undertaken on behalf of the Asian Development Bank (ADB) suggest a number of ways in which the crisis has impacted on education:

- enrolment rates have declined and drop out rates have increased, particularly among depressed communities including the urban poor, subsistence farmers, and upland and fishing communities;
- drop-out rates are more significant at secondary school level but appear to be comparatively small at primary school level, which is in line with the official statistics discussed above;
- increased absenteeism; and
- decreased student participation in special school activities.

Impacts on family support reveal serious new problems for a small number of the most vulnerable children

One of the most immediate impacts of the crisis on the Philippines has been increased unemployment. Moreover, employment opportunities in the wider Asian labour market declined in the wake of the crisis. The total number of overseas Filipino workers taking up employment in Asia

decreased by almost one quarter in the first quarter in 1998, compared with the first quarter in 1997. The decline was most marked in Hong Kong, where the deployment of overseas Filipino workers decreased by two thirds over the period. This coupled with higher prices has placed many families under increased pressure and has implications for the wellbeing of children.

Parents are working longer hours

According to the International Labour Organisation (ILO), a greater proportion of women were working longer hours in 1998 than in 1997. A possible explanation offered is that the longer hours are a result of women engaging in more than one economic activity. There is also speculation that, as a result, children — particularly girls — are required to care for younger siblings. The need to assist at home may cause children to drop out of school. There is also concern that child labour will increase as a direct result of the crisis. According to ILO estimates, 1.8 million children aged between five and 14 years were in the labour force in 1995.

Increased concerns about child neglect and abuse

Concerns about increases in the incidence of child labour are compounded by the view that enforcement of child labour laws remains constrained. Apparently there has only been one conviction for violations of the child labour laws in the Philippines. Some government departments express concern that the enormous strain on the legal system leads to prosecutors suggesting that cases against employers accused of violating child labour laws be dropped.

Although there is little data available, both government agencies and non-government organisations raised concerns that greater economic pressure is leading to domestic violence and an increasing incidence of drug abuse. There is concern that cases of child neglect and abandonment will increase, as will the number of street children. There is also anecdotal evidence to suggest that the numbers of whole families living on the streets is on the rise. While there is no statistical data on the sexual exploitation of children or trafficking, there is a potential that these problems may become more severe as a result of the crisis. Commercial sexual exploitation of children and hazardous child labour are threats that may increase as a result of rising poverty from the crisis.

Responses to the threats to children

The fact that the impact of the crisis on children was contained reflects four main factors.

- The overall impact of the crisis on the Philippines was limited.
- Macroeconomic responses were fairly swift and well targeted.
- Government spending on social services has been largely maintained.
- Individual families have tailored their budgets to best meet the priority needs of their children.

Macroeconomic responses were discussed earlier. Existing social services and structures that benefit children include:

- the ability to import and distribute cheap food;
- preventative health and various nutrition supplement programs;
- the public school system; and
- social welfare programs for the particularly vulnerable such as street children, orphans and working children.

Various initiatives by the Philippine government, multilateral banks, UN agencies, bilateral donors and others to strengthen SSNs for children were under way prior to the crisis. Various NGOs were also playing an important and continuing role in both service delivery and in advocacy on child rights and welfare.

As a major international player, the World Bank has seven ongoing projects on health, education and social services worth nearly US\$400 million as well as programs aimed at public sector management, including the LGU level, which are likely to improve the efficiency of social service delivery. The ADB has over US\$500 million committed to social infrastructure development that covers areas of health and education. UNICEF has a 19 project program aimed at child survival, protection and, development. UNDP has a project titled 'Strengthening Institutional Mechanisms for the Convergence of Poverty Alleviation Efforts' (SIMCPAE). Various other agencies also have ongoing programs that benefit children.

In response to the crisis, the initiatives of various agencies were augmented, with specific activities aimed at strengthening SSNs for children. These are outlined in table 4.1. Also, as mentioned earlier US\$2.4 billion was raised with the help of multilateral donors and the

objectives include the enforcement of existing laws on child protection and ensuring sufficient funds for social services for children in especially difficult circumstances

- USAID3 ▪ Health and Nutrition Initiative, US\$2.2m in 1999–2000
- TA to selected local government units for various activities — for example, raising vitamin A coverage, management of childhood illnesses and training health workers

Australia

- AusAID1 ▪ Mindanao Maternal and Child Health Project, A\$2.8m in 1997–1999 (jointly funded by UNICEF)
- to reduce maternal deaths, reduce child morbidity and mortality; and strengthen the capabilities of institutions, health workers and communities to promote better health for women and children
- AusAID2 ▪ Protecting Exploited Child Labourers, A\$1.2m, in 1997–1999 (jointly funded by UNICEF)
- to strengthen the system for protecting children involved in exploitative and hazardous work situations

Canada

- CIDA1 ▪ Promoting Participation for Sustainable Enterprise, Can\$7.9m, 1997–2000
- financing for local initiatives in social development
- CIDA2 ▪ Canada Fund for Local Initiatives — budget approved annually
- includes small-scale education and health projects

(Continued on next page)

4.1 Initiatives by international agencies in response to the crisis —The Philippines (Continued)

ASEM Trust Fund/World Bank

- | | |
|-------|---|
| ASEM1 | <ul style="list-style-type: none"> ▪ TA for Enhanced Poverty Monitoring in Response to the Asian Financial Crisis US\$967 416 — approved July 1998 – assist National Statistics Office design and implement an Annual Poverty Incidence Survey, with related analysis and diagnosis |
| ASEM2 | <ul style="list-style-type: none"> ▪ Pilot Project for the development of out-of-school youth, US\$980 000 — approved February 1999 – develop and test a program to enable children aged 7–14 to be schooled or remain in school, and an employment and |

Note: The table presents information on SSN activities being supported in the Philippines by international financial and development cooperation institutions, and under bilateral assistance programs. It does not try to cover the many valuable activities of non-governmental organisations. In focusing on activities in response to the economic crisis, the table does not include the many ongoing, but often longer-term, programs of external agencies active in the areas of education, health, nutrition and family support.

Japanese Miyazawa initiative, which helped maintain social expenditure. In addition to important macroeconomic responses by the government, various specific initiatives were also undertaken aimed directly or indirectly at strengthening the SSNs for children. These are outlined below.

Existing nutrition related initiatives and responses to the crisis

An important part of the SSN for children in the Philippines is programs to supplement micronutrients in children's and mothers' diets. The 1993–98 Philippine Plan of Action for Nutrition (PPAN) targeted vitamin A, iodine and iron as three important micronutrients for further supplementation in Philippine diets. In large, micronutrient programs have been maintained with some slippage from targets at rates comparable to pre-crisis periods

- Vitamin A supplementation in targeted children's diets which was notably high from 1994 to 1996 fell in 1997 but regained momentum in 1998.
- Supplementation of iodised oil capsules targeting married women of childbearing age was high in 1994 and 1995, but dropped thereafter. No capsules were distributed in 1998 pending expert evaluation.
- The use of iodised salt increased from 9 per cent of the population in 1995 to 23 per cent in 1998 through the national salt iodisation program.
- Iron supplementation for infants, preschoolers, school children and pregnant and lactating women consistently lagged behind the vitamin A and iodine supplementation programs. Although limited from a national perspective, during the crisis both the real numbers and target completions grew notably from some 30 per cent of target completions between 1994 and 1996 to around 50 per cent in 1997 and 1998. This

approximately covered 1.4 million infants through school children and 1 million pregnant and lactating women.

Supplementary feeding programs were a part of the PPAN as a SSN for at risk groups. The number of preschool and school children reached by supplementary feeding programs fell sharply from 1994 to 1996 as a result of the phasing out of US PL 480 Title II food aid. The total number of recipients dropped from some 2.4 million to 0.7 million in 1996, but increased to nearly 1 million in 1998. The growth is a direct government response to the crisis through a variety of health, education and social welfare sponsored programs for child nutrition.

Existing health initiatives and responses to the crisis

The Philippine government is presently undertaking a comprehensive health sector review. There are numerous donors active in the health sector and a number of projects addressing long standing and serious institutional problems. Key medium term health policies are to improve the health, nutrition and population outcomes for the poor. A World Bank Early Childhood Development Loan will support this objective and includes:

- providing affordable personal health care services under the devolved public health system;
- strengthening the capacity of local primary health care systems;
- reforming hospital management and health financing; and
- restructuring the Department of Health.

Important parts of the Philippine health initiatives include immunisation programs for children against tuberculosis, polio, diphtheria, pertussis, tetanus and measles, as well as vaccinations against tetanus toxoid for pregnant women. Despite early fears, the programs have continued through the crisis. A fall of 5 to 8 per cent in coverage appears to be the result of structural problems, possibly compounded by the crisis. Surveys conducted in 1999 amongst key informants reported no noticeable changes in immunisation rates or in the number of pregnant women receiving tetanus toxoid vaccination.

Maternal mortality rates remain high, at around 180 per 100 000 births. The crisis appears to threaten to impede the sustained reduction of these rates and the challenge may remain until the devolution of budget and capacity to LGUs is completed for these health services. The 1999 budget proposes to accelerate the implementation of various foreign assisted health projects. It also proposes to create a Poverty Alleviation Fund to back up social

services and supplement departmental resources in an effort to address the needs of the poorest and most vulnerable groups.

Existing education related initiatives and responses to the crisis

The Philippine government identifies the public education system as a fundamental SSN for children. The public system provides education to the poor and catches those who can no longer afford private education. In the current environment, however, the enormous pressure on the public education system may undermine its ability to act as an effective SSN.

Inadequate fiscal resources are not only exacerbating pre-existing problems, but also undermining responses. Nevertheless, a number of responses have been adopted in an effort to cushion the effects of the crisis.

- Since the outset of the crisis, some schools have introduced three shifts a day. The need for three shifts has been most acute in urban areas, including Metro Manila, Cebu City and Davao City. Although this makes schooling available:
 - it puts considerable pressure on families, with some children beginning school very early in the morning and others finishing late in the evening;
 - many children are free during the day while their parents are working; and
 - family life is disrupted which may compromise quality of education.
- Although school uniforms are compulsory, the Secretary of the Department of Education, Culture and Sports instructed regional directors to relax the policy. This directive was initially in response to El Niño, but may also assist families affected by the economic crisis.
- The drop out intervention program provides a school feeding program in some LGUs and educational materials and supplies to schools in poor areas. This program was introduced prior to the crisis but has the potential to assist in alleviating its impact.

There have also been community and family based responses to the crisis. For example, there are indications that families in poor regions are working longer hours, possibly as a strategy to keep children in school. Some non-government organisations are providing informal education to children who have dropped out of the formal education system. Although some private schools have closed since the onset of the crisis, others have merged as a response to declining enrolments.

Existing initiatives and responses to the crisis in areas of family support

The Comprehensive, Integrated Delivery of Social Services (CIDSS) is one of the flagship programs of the Social Reform Agenda and is implemented through the Department of Social Welfare and Development. CIDSS is designed to target services, contribute to long-term poverty alleviation and empower poor communities. CIDSS has been in existence since 1994 and is not a response to the crisis. Nevertheless, it has been identified as having an important role in supporting vulnerable families and communities who have been hit by the crisis. A study of CIDSS in the early stages of the crisis indicated that communities already included in this program were more organised and better able to cope with the pressures brought on by the crisis.

The need to develop mechanisms to support families during the crisis has been recognised by the Department of Social Welfare and Development and by other key departments. The following initiatives have been adopted in an effort to support families.

- A project has been launched to mobilise non-traditional groups (those not usually involved in delivering voluntary welfare services, including the private sector) to provide voluntary services in support of street children and poor families.
- Two new laws, the Family Court Act and the Rape Victim Support Act, were passed in 1998 and are seen as means of dealing with issues of domestic violence, child neglect and child abandonment.
- The National Anti-Poverty Commission was established within the Office of the President and will soon be fully operational.
- The Department of Labour and Employment has sought to provide social services to those who have become unemployed.
- The Council for the Welfare of Children, an agency attached to the Department of Social Welfare and Development, is involved with a community based SSN program to provide livelihood assistance, leadership training, assistance with education expenses, as well as legal assistance to poor families. The program's pilot areas are Metro Manila, Cebu City and Davao City.

Lessons learned and areas for further investigation and international cooperation

Although the impact of the crisis does not appear to have been particularly severe on children in the Philippines, it has provided lessons that help identify areas in which social safety nets for children might be strengthened. Discussions with officials from government agencies and departments, multilateral agencies, bilateral agencies and NGOs identified five key areas of initiatives to strengthen SSNs for children. There was considerable consensus among the various agencies interviewed about areas for further assessment. These include the following.

- Improving the delivery of services for children by LGUs by:
 - strengthening capacity to deliver,
 - improving the quality of service available, and
 - building the capacities and preparedness to respond to the needs of the especially vulnerable.
- Improving delivery of services for children by national agencies by:
 - strengthening capacity to deliver;
 - developing better structures to coordinate national and local initiatives to deliver services; and
 - strengthening national efforts to meet growing needs for education.
- Increasing awareness of children's rights and problems by:
 - empowering the community through the provision of structures and information; and
 - strengthening enforcement of child abuse and protection laws.
- Improving adult employment retraining by:
 - developing affordable employment retraining; and
 - developing affordable training in small business skills.
- Lowering the price of food by:
 - raising productivity in agriculture; and
 - promoting agricultural and trade policy reform.

Improving the delivery of services for children by LGUs

Devolution of responsibilities for nutrition, health and family support to the LGU level is creating increased demands for capacity building and better service delivery at the decentralised level. The problems of eroded funding and increased demand for services created by the crisis revealed

the need for LGUs to bolster their resources, to use their existing resources more efficiently and to improve the quality of their services. The following initiatives were suggested to address these needs.

Bolster resources and strengthen delivery of services

- Strengthen capacities of LGU administrators in areas of procurement and administration.
- Strengthen local tax collection, enforcement and administration capacities.
- Develop strategies to mobilise private sector support for LGU social service activities.
- Strengthen mechanisms to promote good governance at the LGU level and disseminate information about successful LGU initiatives and activities.
- Build capacities and preparedness to deal with natural hazards and crises as they occur.
- Strengthen the capacity and preparedness of LGU service providers to respond to special vulnerabilities such as family violence, child prostitution, trafficking and hazardous child labour.

Improve quality of LGU and local services

- Empower local groups to seek action from LGUs by providing information on acceptable health, education and family support benchmarks and targets.
- Improve training for healthcare workers, including through training the trainers.
- Encourage and advocate to LGUs to allot, from their development funds, adequate amounts for social services, including hiring of additional personnel to expedite the delivery of basic social services.
- Promote inter-LGU cooperation to improve management of health and other social programs such as cost sharing and sharing of facilities.
- Provide training to LGUs personnel in the conduct of social impact assessments to ensure that local programs and projects would have beneficial effects on families and children, and to ensure they temper potential adverse impacts.
- Examine the potential of home-based early childhood development systems — especially those that emphasise funding positions rather than facilities.

- Expand education about important early childhood health and nutrition needs at the community level.
- Establish community level health care and insurance systems based on primary and secondary care rather than tertiary care.
- Increase awareness of reproductive health for youth at the local level.
- Intensify nutrition education and counselling at the local level.
- Strengthen means to allow working women to continue breastfeeding.

Improving the delivery of services for children by national agencies

At the national government level the budgetary pressures and increased demand for services arising from the crisis exposed limitations in the capacity to analyse the effects of the crisis, and how best to target and implement an effective response. This revealed the need to strengthen capacities within government agencies at a number of levels. The following initiatives were suggested to address these needs.

Strengthen capacity to deliver

- Strengthen management of information systems and capacities by aiming to achieve best practice standards in areas of procurement, administration, accountability, priority setting and monitoring of needs and progress.
- Encourage active interagency collaboration for assessing past and current efforts toward improving delivery of services.
- Rationalise functions and responsibilities of service agencies to provide clearer coordinating roles and overcome current fragmented structures — assess models of international best practice.
- Develop contingency plans to facilitate quick responses and protection of essential elements of budgets in times of crisis.

Develop better structures to coordinate national and local initiatives to deliver services

- Strengthen capacity for coordination and strategic analysis to support regional and national initiatives through developing ongoing research, monitoring and surveillance capacities, and integrated data and monitoring systems.
- Establish mechanisms to improve coordination of donor efforts.

- Expand partnerships with NGOs in the delivery of timely and responsive social services.
- Develop innovative strategies and operational guidelines for effective program implementation by LGUs.
- Strengthen capacities to disseminate information to LGUs and NGOs about: funding initiatives; funds available from multilateral and bilateral agencies and the private sector; and models of successful LGU and NGO activity. Consider linking this to the new Asian Recovery Information Centre (ARIC) in the ADB to expand the capacity to learn from international initiatives.
- Strengthen international linkages to deal with ongoing challenges such as tackling drug trafficking, trafficking in children, child abuse and improving the welfare of street children. Determine strategies to enable developed countries to assist under-resourced developing countries to tackle these problems.

Strengthen national efforts to meet growing needs for education

- Increase awareness of the growing need for funding public education, especially in light of the shift from private to public education.
- Increase awareness of the need to emphasise for primary over tertiary education.
- Improve training for teachers — both pre-service and in-service.
- Strengthen efforts under way to set and enforce standards for quality elementary education.
- Strengthen the existing pre-school program as an intervention to improve quality of basic education.
- Strengthen management information systems of the Department of Education, Culture and Sports.
- Strengthen parental involvement in education.
- Decentralise school based management.
- Investigate how to make better use of information technologies such as radio and television to increase the efficiency of education delivery including exploring open and distance education as a delivery system for both students and school administrators.
- Investigate the benefits of developing equivalency in education standards across economies.

- Strengthen non-formal education and other programs to help children who drop out of school — for example, by use of modular, video instruction, home study or mobile teaching.
- Strengthen in-house research and development capacity of the Department of Education, Culture and Sports.
- Strengthen special education capacity for disadvantaged and gifted children, including facilitating parental involvement and support from the community of NGOs.
- Expand ‘food for study’ programs.
- Further explore the potential to relax the school uniform requirements without reducing school security in urban areas.

Increasing awareness of child rights

The increased incidence of abuse and neglect of children arising from the crisis has highlighted the vulnerability and fragility of some children when families are placed under additional financial pressures. It also highlighted the need for long-term initiatives to prepare children, parents, adults and the community in general with information, structures and strategies to identify and deal with stresses, and avert abuses when the pressures of a crisis occur. The following initiatives were suggested to address this need and to bolster existing initiatives such as the Child 21 or National Development Plan for Children, 2000-2001.

Empower the community through provisions of structures and information

- Strengthen community based (and child friendly) support structures for children that provide avenues for children and adults to draw attention to problems in families and communities — establish a functional referral system in every LGU for reports of child abuse.
- Empower children by teaching them their rights and by raising their expectations of their entitlements in a just society, based on the child’s evolving capacities.
- Strengthen means of promoting and implementing standards relating to the rights of children and youth.
- Improve family education by building awareness of stress situations in families, causes of stress and ways of safely dealing with anger and violence — promote effective parenting and family violence prevention.

- Further develop support systems that target children as members of families.
- Ensure active participation of children and young people in issues concerning them.

Strengthen enforcement of child protection and abuse laws

- Establish a functional referral LGU system for cases of child abuse to be reported.
- Strengthen the legal training of the police and the judiciary about child protection laws.
- Speed up legal process to hasten convictions.
- Increase political awareness.
- Rationalise laws.

Strengthening the capacity for adult employment retraining

Unemployment of parents has obvious negative impacts on the welfare of children. The crisis further highlighted this problem and underscored that the welfare of children cannot be viewed in isolation from that of their parents and the wider family structures that protect them. Although macroeconomic responses were key in avoiding and minimising unemployment, the crisis highlighted the need for retrenched workers to be retrained as an important response to strengthening SSNs for children. The following initiatives were suggested to address this need.

- Further develop affordable employment retraining for displaced workers.
- Further develop affordable small business and technical training capacity.
- Establish an easy to access register of credit facilities and ways of accessing such facilities for small business.
- Publicise successful initiatives to link commercial groups and home based businesses.

Supporting initiatives to reduce the consumer price of food

With 40 per cent of the population spending a third of their incomes on food grains and 60 per cent on food, high food prices are an obvious source of financial hardship. Rising food prices due to the twin effects of the adverse weather pattern and the crisis highlighted that expensive food is a

major obstacle to children's nutrition and health. The crisis also drew attention to the internationally uncompetitive price of food in the Philippines and the need to address this problem. The following initiatives were suggested to address this need.

- Strengthen initiatives to raise the productivity of agriculture, starting with improving seed varieties.
- Link infrastructure developments in agriculture to agricultural and trade policy reforms.
- Formalise emergency food relief and cheap import arrangements by developing a preparedness to respond quickly to crises and natural hazards.
- Increase awareness of environmental issues with a view to promoting sustainable development.

5

Thailand

IN THE DECADE PRIOR to the crisis, Thailand was the fastest growing economy in the world, with growth in GDP averaging 9.6 per cent over 1986–96. This growth brought substantial reductions in poverty (from 33 per cent in 1988 to 11 per cent in 1996) and great improvements in the services essential for the development of children. In 1997 GDP fell by -0.4 per cent followed by a dramatic decline of 7 to 8 per cent in 1998. The fall in employment, income and budget revenue presented a serious threat to the development of children. The Thai response to these threats has been largely effective in protecting children to date. The impact has been relatively mild for the greater population of children. Overall, education enrolments fell only slightly, child labour did not increase significantly and measures of malnutrition suggest that the impact has been low. However, the impact for some vulnerable groups (for example, babies born to parents with HIV, AIDS orphans and hill tribe children) has been more severe.

The relatively small impact on children is the result of two processes. First, families have demonstrated both the capacity and willingness to provide support through redirecting resources to maintain essential consumption, including education. Second, the Royal Thai Government has maintained, and in some instances increased expenditure on essential services and safety nets for children. This expenditure has been supported by loans from the World Bank, the Asian Development Bank, the OECF and grant assistance from others.

However, an emerging concern of some Thai officials is that the crisis may have resulted in a focus on the short-term at the cost of longer-term considerations. And both family and government mechanisms will face further threats and diminishing resources to meet these threats. The depth of family resources is not known, and the government faces the cost of financial restructuring and of servicing debts incurred to finance this restructuring.

The crisis and its social impacts

The decline in GDP was sparked by a massive withdrawal of capital from Thailand as international markets become nervous about the economy's capacity to sustain current account deficits of around 8 per cent of GDP (in 1995 and 1996). The United States dollar exchange rate fell by over 40 per cent over the year June 1997 to June 1998, fuelling inflation and increasing the domestic cost of debt service. The decline in property prices and fall in the value of assets exposed many financial institutions as illiquid and effectively bankrupt. Lack of credit not only reduced investment, which in 1996 was 42 per cent of GDP, but restricted the capacity of businesses to operate, exacerbating the collapse of the formal sector.

There are signs in 1999 of recovery and World Bank projections are for an increase in GDP of 2 per cent. The World Bank forecasts a growth rate of 4.5 per cent in 2000.

The social impacts of the crisis were transmitted through two main avenues:

- unemployment in the formal labour market and declines in real wages associated with the subsequent absorption of labour into the informal sector and declines in real wages; and
- reduced government revenues while demand for services and other calls on government increased.

The informal sector absorbed many who lost their jobs —but incomes fell and poverty increased

Loss of formal sector employment is the most direct impact of the crisis — 80 000 were laid off in the financial sector and 1.1 million in the construction sector, with substantial redundancies in the manufacturing sector. Unemployment estimates in 1997 ranged between 626 000 (National Statistics Office (NSO)) and 1.17 million (Ministry of Labour) out of a labour force of 32.4 million. These estimates are thought to be considerable understatements and a closer figure is 7 per cent of nonagricultural labour (Siamwalla and Sobchokchai 1998). The unemployment figures do not reveal the full impact of the crisis as the informal sector has absorbed a large proportion of those laid off in the formal sector. This has put downward pressure on wages in this sector and has also expanded the rate of underemployment. The World Bank reports estimates that the number of underemployed (working less than 40 hours a week) has increased by 2.1 million in 1998, an increase of almost 40 per cent.

The impact of falling wages and unemployment on poverty was projected to dramatically increase the proportion of the population living below the poverty line. Higher prices fuelled by the depreciation of the baht were expected to contribute. Food prices did indeed rise. The World Bank reports increases in the price of rice of 66 per cent in the north-east from June 1997 to February 1998. A survey of disadvantaged children's households between January and September 1998 found that monthly food expenses had increased by between 20 to 50 per cent (Thavornwanchai, Tae-arak and Wongkongkathap 1999). However, the actual impact on poverty proved to be significantly less than expected.

There is some natural protection for the bottom income decile in that 40 per cent of their income comes from agriculture and only 18 per cent from wage income (Thavornwanchai et al. 1999). This and the increase in food prices, would suggest that the impact might be less on rural areas than on urban areas. However, the high level of dependence on wages remitted by members of these farming families means that the real impact of the crisis may be higher.

Government revenue fell dramatically and budget cuts threatened services

Government revenues had been growing at a faster rate than GDP over the last decade or so. However, revenue growth began to slow in the last half of 1996, and revenues fell by up to 6 per cent in 1997. In 1998 revenues were lower by over 15 per cent. While revenue is expected to grow by 5 per cent in 1999, there is increasing concern about financing the restructuring of financial institutions. With the recent passing of the bankruptcy legislation, government obligations may increase dramatically in late 1999 and 2000.

The response to the fall in revenues was to cut budgeted expenditures. Initially, across-the-board budget cuts totalling 18.7 per cent were proposed in the budget submitted in June 1997 (Siamwalla and Sobchokchai 1998). Proposed cuts were slightly lower in education and public services, but substantially higher in social services.

These cuts in the budget must be seen in the perspective of the overall growth in expenditure in these areas that had been built into the budget estimates. In the event, nominal and often real expenditures have been maintained. But the proposed cuts have been reflected in the concerns expressed by the line agencies involved in delivering services to children. And agencies have cut capital expenditures to protect and expand operational budgets.

The crisis has encouraged change that was already on the agenda in the Eighth Development Plan

Prior to the crisis Thailand had embarked on a new path with the introduction of the Eighth Development Plan (1997–2001). This plan introduced radical change in the emphasis of government planning, devolving more responsibility for identifying needs and for financial management and delivery of services to the community level. The crisis has not halted this push for a more holistic and inclusive approach to the provision of services for children and other members of the community. On the contrary, the crisis has acted as a catalyst to speed reforms in some areas.

The plan has been revised in the light of the crisis to:

- minimise the effects of rising unemployment;
- assist the poor and vulnerable in social welfare, education and health; and
- prevent increasing drug use and crime.

In meeting the revised objectives there is an increasing reliance on devolution and community involvement. The response to the crisis has provided a number of mechanisms to improve the capacity of the community to identify, prioritise and deliver services, particularly to the most needy and to children. An example is an approach called Community Empowerment for Responding to the Crisis Action Plan (CERCAP). This was developed by the Social Policy Committee, which is made up of representatives from each of the ministries as well as NGOs and is chaired by the Deputy Prime Minister. CERCAP provides a process for active devolution of crisis response to the local level, involving both local government and communities.

The new constitution has set the direction for social policies

The new constitution, endorsed in 1998, states that people have the right to receive basic social services which the government has a duty to provide. With reference to children, the constitution guarantees the right to 12 years of education, quality health services and support for families to achieve a reasonable livelihood.

The constitution confirms that the strong focus in Thailand is on the family and the community to provide SSNs. The approach is holistic and includes income generation and community social insurance mechanisms rather than transfers. The government is responsible for health and education, and assisting the disadvantaged in nutrition and family support.

Expenditure on education in 1997 was 4.1 per cent of GDP (22.4 per cent of planned government expenditures), and on expenditure on public health was 1.4 per cent of GDP (7.7 per cent of expenditure). Social services were 3 per cent of GDP (16.1 per cent). These comparatively low levels of funding mean that the government will need to target resources to the poor and most vulnerable to achieve these objectives (NESDB 1998).

Threats and outcomes for children

The overall situation is much better than expected at the start of the crisis

The present scenario for the majority of children in Thailand is much more positive than first envisaged when the crisis struck. Thai children's health, nutrition and education remain relatively strong. Families have maintained or increased expenditure on education and basic health while cutting back heavily on luxury expenditures. The full impact on family stability is not clear, but it appears that most Thai families have placed their children as a primary priority and modified their spending to ensure essential child needs continue to be met.

The principal impact on children has been through their families. Families have faced rising unemployment, economic uncertainty, loss of income, higher prices and the threat of reduced social services. Poor families have been primarily affected through declining incomes and declining income generating opportunities in both the formal and informal sectors of the economy.

This fall in family incomes has interrupted the sustained national trend in poverty reduction. Its effects have been compounded by reductions in government services, greater pressure on public services and the many stress related problems faced by families.

The government's capacity to continue to expand services targeted at children and the most vulnerable has been reduced at the same time as greater pressure has been put on the public education and health systems, and on the free milk and meals programs provided through schools, daycares and community organisations. While attempting to meet these increased demands, government has faced a decline in revenue and increasing costs.

Impacts on families vary by region and situation. In general, the most severe impacts have been on the traditionally poor rural areas, the largest being the north-east region. In particular, the greatest impacts have been on

the especially vulnerable within society. For Thai children, this includes children with, or whose parents have died from HIV/AIDS, children in families where one or both parents is HIV positive, hill tribe children and the invisible poor (which includes some school drop-outs, urban slum dwellers and children of the small minority of other families that are acutely marginalised within society).

Prior to the crisis, Thailand was challenged with rising inequality of incomes and difficulties in ensuring that programs targeted the most needy. The crisis has exposed further weaknesses in governance and the difficulties of achieving a more equitable distribution of benefits from growth. However, in responding to the crisis, Thailand has applied principles of self-reliance and mutual self-help as two internal responses of real effect. This has been key in mitigating the social impacts of the crisis.

Improvements in nutritional status are thought to still be on track, although there is concern about increases in the number of underweight school children

There has been little evidence of increased malnutrition as a result of the crisis. Surveys and routine Ministry of Public Health data collections continue to record declining rates of malnutrition. The major exception is weight measures of school children undertaken by teachers for provincial health offices who forward the data to the Health Promotion Bureau. Data collected show an increase in underweight school children commencing in 1997 from some 8 per cent in 1996 to around 12 per cent in both 1997 and 1998. Other counter-indications to the generally steady nutritional situation are small-scale surveys (UNICEF and other groups) that indicate nutritional problems among vulnerable groups.

The overall nutritional status of children under five years in 1997 improved compared with 1996, and is consistent with the general trend over the 1990s. However, nutritional status is still an issue, with approximately 9 per cent of the under five population experiencing mild to severe nutritional problems in 1997 (MOPH, Nutrition Division, 1998).

The nutritional impact of the crisis appears relatively mild for the majority of children. Most micronutrients have been maintained in diets. There is a problem with iron deficiency that the crisis has highlighted. The other impact on nutrition of concern has been an increased consumption of empty carbohydrate snacks (especially instant noodles) as cheap fillers.

Little evidence of a short-term impact on health outcomes as public facilities attract more clients

Thailand has more than met all the basic targets for reproductive health, mortality and fertility reduction set through the UN's global agendas. The crisis threatened but actually failed to impact on these gains. The main impacts of the crisis have been on the cost of pharmaceuticals and the shift to a greater reliance on the public health system.

Drug and other pharmaceutical prices have increased

By November 1997, the price of domestically produced drugs rose by at least 12 to 15 per cent and the price of imported drugs by 18 to 20 per cent (*Thai Social Monitor*, January 1999).

There has been a shift from private to public services and a decline in family expenditure on health

Families have been spending less on health services since the crisis. The 1998 NSO Socioeconomic Survey shows a 36 per cent decrease in spending on medical and institutional care since the crisis. Expenditure on self-medication increased by 12 per cent, reflecting the increase in the price of drugs. Cuts in family expenditure were similar for both public and private services.

The number of families using basic public health services has increased significantly. Declining incomes made more families eligible for free health care, with low income and public welfare health coverage expanding from 30 per cent of coverage in 1996 to 41 per cent in 1997 (UN 1999).

There was a marked increase in the use of outpatient services in public health facilities. The number of outpatient visits to the Ministry of Health facilities has consistently risen during the 1990s and rose in 1998 by about 5 per cent compared with 1997 (ONEC and MDPH). There is a long-term trend toward the use of public health services, which is an indicator of improvements to the quality of these services. But the crisis has accelerated this trend and is putting pressure on the ability of the public system to maintain improvements in quality.

Pressures on public health services are increasing, making it difficult to protect expenditures

Government health expenditures decreased in nominal terms by 2 per cent from 1997 to 1998 against a past trend of increases in the order of 25 per

cent per year. The Bureau of Budget anticipates that expenditure in 1999 will fall by 6 per cent. Resources have been concentrated in maintaining operations at the expense of capital programs (including specialist training abroad).

The HIV/AIDS program was subject to severe budget cuts. The budget decreased by 23 per cent and actual expenditures dropped by 29 per cent (Bureau of Budget data). The principal factor for the decline was a much diminished budget for antiretroviral therapy for AIDS patients (a policy decision on therapy effectiveness). Their budgeted decrease for condoms was a pre-crisis policy decision which resulted in reduced free distribution and which encouraged cost sharing. The UNICEF East Asia and Pacific Regional Office has raised concerns regarding the spread of HIV/AIDS being fuelled by the flow of returnees to rural areas. This agency is also concerned that controlling the spread of the disease may be hampered by a reduction in the distribution of free condoms from 45 million to 12 million items in 1998 (UNICEF 1998).

Earlier public health problems continued through the crisis, but have not appeared to worsen as a direct result of the crisis. This includes both an increasing prevalence of tuberculosis (since 1991) and increasing incidence of malaria (since 1996) in certain cross border areas.

Families and government demonstrate that education is a top priority that continues to present challenges

Parents did not withdraw their children in any significant number from educational facilities and families continued to pay education costs. Early indicators show that the crisis has had no immediately discernable negative effects on education with most enrolment ratios continuing to grow. Both the functional literacy rate and average educational attainment of the population 15 years and over increased from 1996 to 1998. However, drop-outs remain a problem and may have increased as a result of the crisis.

Enrolments continued to grow, but at a slower rate

The rate of increase slowed, but total enrolments in primary and general upper secondary schools grew during the crisis. The total gross enrolment ratio maintained its upward trend from past years. The Office of the National Primary Education Commission (ONPEC) report an additional 18 000 children enrolled between school years 1997-98 and 1998-99. This raised the total enrolment ratio from 74.8 per cent to 75.5 per cent, a strong achievement in the midst of an economic crisis.

There was a switch from private to public education

Private school student numbers declined by 7 per cent from 1996 to 1998, most at the secondary level. This was a response to a 13 per cent rise in private school average expenditure per child from 1996 to 1998 (262 to 292 baht per month) and falling family income (*Thai Social Monitor*, July 1999)

Government budgets increased, but rising costs and increased student numbers reduced expenditure per child

For the five years prior to the crisis the rate of growth of nominal budgeted expenditure averaged 19 per cent per year. The crisis halted this increase. The government's education expenditures remained constant in real terms between 1997 and 1998. (The Bureau of Budget anticipate an increase of 0.2 per cent for 1999.) Disbursements of funds did not follow regular patterns in 1998, however, creating some uncertainty for principals and other school managers. Central budget appropriations and actual education expenditures continued to grow in 1998 (albeit more slowly than in past years). The education sector continued to expand recurrent expenditures for basic education (pre-primary through lower secondary) at a faster rate than other levels.

The level of parent and local community donations to education decreased in some districts and shortfalls in government funding were reported by some schools in some areas. However, it is unclear to what extent this is a reflection of previous structural problems or irregular disbursement.

The average expenditure by the government per child in public schools dropped by 12 per cent — from 67 to 59 baht per month (*Thai Social Monitor*, July 1999).

Tuition costs for higher education rose dramatically —but enrolments kept rising

Tuition fees for private tertiary institutions increased by over 80 per cent between 1996 and 1998. Tuition at public tertiary institutions increased by over 70 per cent. However, enrolments at both public and private tertiary institutions rose by 300 000 and 400 000 respectively (*Thai Social Monitor*, July 1999). Many parents who were unable to pay private tuition fees immediately were allowed to defer payments.

The impact on drop-out and transition rates is unclear, but the consensus is that it has not been severe

The full impact of the crisis on drop-outs is not clear. However, it is beyond dispute that, as in the past, drop-out rates are much higher for the poor, and the crisis serves to highlight the need for measures to ensure access of all groups to education.

Drop-out rates continued to decline during the crisis according to a World Bank analysis of 1996 and 1998 Socioeconomic Surveys. In 1996, nearly 60 per cent of preschoolers dropped out. In 1998 this was reduced to less than 50 per cent (possibly reflecting a greater need for parents to work). Drop-out rates declined marginally for primary school students to just two per cent in 1998. Rates for lower secondary declined from 7.0 per cent in 1996 to 6.7 per cent in 1998, while rates for upper secondary (15 to 17 year olds) fell from 32.7 per cent to 29 per cent.

Data from ONPEC, however, indicate a small rise in overall drop-out rates during the crisis period — 4 per cent at primary school, 12 per cent at lower secondary and less than 2 per cent at upper secondary level. The school-based data also indicates a faltering in transition rates between primary and lower secondary, and between the latter and upper secondary. Around 130 000 students are thought to have failed to move to a higher grade or to graduate because of the crisis.

An earlier targeted UNICEF survey of two northern and two north-east provinces in July 1998 found that drop-outs at primary level were not a concern amongst the school officials sampled. The greater problem was parents migrating across borders and removing their children from school. Other surveys (ONPEC and World Bank) note the problems of tracking drop-outs.

The crisis highlighted existing problems in the education system

The crisis has highlighted the problem related to pre-existing structural problems within education. These include curricula, systems of instruction, teacher training and structural complexity that slows adaptation and change. It also includes a relatively high primary school drop-out rate amongst the poor that is often double or higher than the norm. These long standing issues have been joined by the specifically crisis induced problems of a growing number of children needing assistance with school lunches, uniforms and textbooks. The number in need of lunch assistance is estimated to have risen to over 50 per cent of students (ONPEC).

The ongoing problems of minority groups, for example, hill tribe children, migrant children and the very poor in achieving full access to educational services may have been compounded by the crisis.

Family support systems reflect strong Thai family values, but the signals are mixed, reflecting evidence of family stress

An apparent impact of the crisis is a rise in the proportion of the population in poverty from 11.4 per cent in 1997 to 12.9 per cent in 1998. Based on data available for the first half of 1998, the incidence of poverty increased by approximately 1.5 per cent indicating that about an additional 1 million Thai people have been pushed below the poverty line (*Thai Social Monitor*, January 1999).

Very limited data are available regarding any increases in child abuse that might be directly attributable to the crisis. The number of abused children under the Child Welfare Protection Division, Department of Public Welfare, grew from 96 in 1995, to 164 in 1996, to 200 in 1997. There is no indication as to what extent the final figure may have a crisis component.

The Social Research Institute of Chulalongkorn University reports that the number of family members per household has increased (SRI 1999), reflecting strengthening family interdependency and support.

There has been a doubling of the number of youth arrests and juvenile court cases pertaining to drug-related crime from 1996 to 1998 (SEAPRO November 1998).

Potentially rising amphetamine usage presents a genuine threat to children

Increasing amphetamine and metamphetamine usage amongst children has been reported by NGOs and others. The major users remain adults but 1 per cent of school children tested in 1996 tested positive. The 1998 UNICEF survey found 9 of 19 schools reporting amphetamines as a growing problem in schools and communities. Measures are scarce — however, all indications are that this is an increasingly serious problem, possibly exacerbated by the crisis.

The limits to family resilience remain untested and critical to the future

The capacity of family budgets and borrowings to ensure that children's essential needs are met must now be stretched. Their limits are unknown. The concern is to what further degree family resources can cushion

impacts. This is a major missing measure of the crisis. The greatest threat is a prolongation of the period of low economic activity.

Responses to the threats to children

The most important response to the crisis has been families drawing on their own resources — human capital seeking employment, reallocation of consumption to the essentials, household savings and accessing credit — to continue to provide services for their children. In doing so, families have been assisted by their communities to smooth their consumption through informal avenues for assistance and credit.

There have been three main types of response by institutions — the government, multilateral development banks, bilateral agencies and NGOs — to the threats to children created and highlighted by the crisis.

- The government, with the assistance of (loan) funding from the multilateral development banks, has continued or increased budget support for social services.
- New loan programs — the Social Investment Project and the Miyazawa Fund — have been established mainly to generate employment, often through public works, but also to build capacity at the community level to assist in the delivery of services. These funds support government programs, although the delivery of a substantial proportion of services is devolved to local communities that are often involved in the identification of activities to be funded.
- International agencies, bilateral donors, international and domestic NGOs have provided technical assistance and grants to government agencies, and all are increasingly working together and with community organisations. The three main areas of activity are:
 - collection and analysis of information on the impact of the crisis and unmet needs;
 - training and capacity building activities at the community level; and
 - direct assistance schemes.

The government has responded by maintaining and increasing existing and planned programs

The Royal Government of Thailand has worked to respond quickly to the economic crisis. There have been three main types of government response.

First, there has been a continued or increased budget support for social services. Second, new programs have been established to generate employment, often through public works. And third, there has been an adaptation of existing systems to directly support children's education, health, nutrition and family stability.

Nutrition

ONPEC in the Ministry of Education provides two programs targeted at nutrition in primary school students.

- The free school lunch program for primary school students has been expanded in response to the crisis. Prior to the crisis 30 per cent of children were judged to be eligible for the free lunch program. Currently, 50 per cent of children are deemed to be eligible. However, the supply of funds has been discontinuous with some disruption to the program. Increased demand as family incomes fell put pressures on the ongoing program. A grant of 15 000 to 20 000 baht was made to each school as an endowment to fund the supply of food for school lunches. This was in addition to the existing program of financial assistance. A recent memorandum of understanding between the Ministry of Education and the Ministry of Agriculture is further directed to improving student nutrition. At this point, some schools are still not able to satisfy demand and are rationing lunches.
- Free school milk is provided to all primary school students. This program was under way prior to the crisis.

A program to address iron deficiency will be introduced next year. This follows on from a program to provide iodine through promotion of iodised salt that has reached at least 85 per cent of the population although monitoring is still required. None of these are crisis responses except to the extent to which the crisis has exacerbated these problems.

Health

The Ministry of Health has a number of systems for the delivery of health services to women and children in need. These were in place prior to the crisis. However, the crisis has put greater pressure on these systems through increased costs and increased demand. The crisis has also highlighted the slow response time of the health delivery systems to changing needs. This results, in large part, from the complex layers of administration associated with these systems.

- A health insurance card is available to individuals or families (numbering up to five). The card costs the user 500 baht per year, with the Government contributing another 1000 baht towards its cost. The health insurance card entitles the holder to free services public hospitals and clinics with no limitation on usage.
- Free health services are provided for the poor. A low income care card is available for families with an income of less than 2000 baht a month. This card entitles the holder to free services at public hospitals and clinics — although some kinds of operations and services are excluded. This program has expanded significantly in response to the crisis. World Bank funding supports services for 1.5 million of the estimated additional 3 million unemployed who would qualify for free health services.
- The Ministry undertakes a variety of health monitoring and surveillance programs. The budget constraint resulting from the crisis has reduced monitoring activities — for example, some surveys have been changed from a two year cycle to a five year cycle. But there is a well perceived need to maintain and, if possible, boost health monitoring activities. This has led to involvement in several special studies focusing on the health impacts of the crisis that are supported by ADB technical assistance. For example, a study of the health of retrenched workers has been commissioned.

Education

The crisis has highlighted the need for structural reform in education. Prior to the crisis the need to provide students with an education better suited to the shift to higher technology manufacturing had been identified. The crisis has provided the opportunity to effect these changes.

The Ministry of Education has implemented or expanded four main programs in response to the crisis. The two programs that provide free school lunches and free milk to primary students are discussed under the nutrition section.

- A scholarship program for primary and lower secondary students that provides grants to assist with school costs has been introduced. This program provides grants of between 4000 (primary) and 5000 (lower secondary) baht to students who qualify (family income below 120 000 baht per year). This program is targeted at students who are considered likely to drop out of school. Schools submit the names of children in this situation and the funds are made available directly to the child. The current target is 190 000 children and around 886 million baht have

been expended. The program was initially intended to cover 240 000 students who had dropped out of school, but delays in implementation made these students difficult to identify. Therefore, the program focuses on students still in school.

- A loan program has been established for upper secondary and university students. This scheme is also means tested and provides loans of up to 20 000 baht per year for students whose family income is below 150 000 baht per year. The repayment period is two years after graduation at a 1 per cent interest rate. This scheme was established prior to the crisis, and the main response to the crisis has been to increase the amount of credit provided.
- A total of 6616 extended opportunity schools have been established in the past three years. These schools provide lower secondary education under primary school conditions (for example, absence of fees and free lunches). This reduces drop-out by lowering travel times and other costs.
- Other programs of interest are the introduction of the mainstreaming of handicapped students in over 4000 schools. This is not so much a response to the crisis as response to a need that has been highlighted by the crisis.
- The ONPEC has acted to strengthen directives on the provision of free textbooks and uniforms to eligible children. Uniforms are provided free to 10 per cent of children and textbooks to 30 per cent.

Family support

The Ministry of Labour and Public Welfare provides a range of programs for vulnerable children and women. The main response to the crisis has been to maintain and expand expenditure on these programs to meet demand.

New initiatives are:

- provision of funds to NGOs (60 million baht) to assist them in helping street children;
- establishment of social welfare centres at village level with members elected by villagers;
- reformed family assistance (emergency relief) from 2000 baht three times per year per family to support consumption to a payment of 4000 baht per person with the right to form a group for productive investment;

- significant expansion of the loan program to the unemployed to mitigate the social impact of the crisis. The loans are for up to 15 000 baht as seed funding for small business. The program has expanded from 10 million baht to 300 million in 1998 and 400 million baht in 1999;
- retraining programs focused on rural women and people with disabilities, supported by the SIP (channel 1); and
- a survey to assess the impact of the crisis on families — which will create jobs for one year for 20 000 recently graduated students.

Pattana Thai Foundation

The Pattana Thai Foundation has been established by the RTG Social Policy Committee with a grant of 40 million baht from the government. The main activity funded by the earnings on this endowment is an information collection project. A list of all community organisations and an assessment of their capabilities is in the process of being compiled, drawing on the knowledge of the NGOs at the local community level.

A second stage that will facilitate sharing of information by organising study tours between communities, is envisaged.

These government programs are supported by ADB, World Bank and Japanese Loans —as are some new initiatives

The social sector program loan —ADB

The ADB provided \$500 million in loans to the government for alleviating the social impacts of the crisis — the first Social Sector Program Loan (SSPL). The funds support government programs and social sector reform.

The main activities under the SSPL are in the ministries of:

- Labour and Social Welfare — assistance for the hard-up and retrenched, assistance for the poor working in the informal sector, support of private sector participation in skill training and promotion of competition in the labour market;
- Education — scholarships to reduce drop-out rates (major funder) improvement in quality of education and resource allocation, review of size and number of personnel, promotion of private sector participation; and
- Public Health — provision of health insurance for low income earners, improvements in public health services in rural areas, the management

decentralisation of public hospitals and capacity improvement of public health services.

The social investment program —WB and OECF

The Social Investment Project (SIP) provides some 21.6 billion baht (US\$462.2 million) from the World Bank (US\$300 million) and OECF (US\$123.3 million) with minor grant contributions from AusAID (US\$200 000) and UNDP (US\$500 000). The government is contributing US\$38.1 million. Monies are distributed through two channels.

The main purposes of channel 1 of the SIP (13.2 billion baht) is financial support for government agency programs in:

- job creation — Bangkok Metropolitan Authority (US\$14.7 million for school renovation, sidewalks and occupational and vocational training), Ministry of Industry (US\$67 million for rural industry development, construction of local weirs, foreground dredging and village roads), Royal Irrigation Department, Tourism Authority of Thailand;
- support for the free health care program (US\$30.4 million for AIDS care and other schemes); and
- retraining programs — Ministry of Labour and Social Welfare (US\$34 million for training of disadvantaged women, skills development and local job training), Ministry of Industry.

The Social Investment Fund (SIF) and the Regional Urban Development Fund (RUDF) make up channel 2 of the SIP. The SIF (4.8 billion baht) provides grants for small projects with objectives of capacity building and strengthening community organisations. The SIF has five avenues or menus for assistance. The focus of menus 1 and 2 is on physical infrastructure, menu 3 on natural resource management and menu 4 on community capacity building and networking (for example, vocational and management skills development, public awareness and networks). Menu 5 is the social assistance window with a budget of 1 billion baht. This is about meeting immediate needs. The main focus is on education and on people with AIDS.

The RUDF makes loans to municipalities in 14 targeted provinces for improvements in rural infrastructure. Their objective is to create and support employment in strategically important urban centres outside of Bangkok.

Miyazawa Fund

As part of Japan's New Miyazawa Initiative by Japan a 30 billion yen Economic Recovery and Social Sector Loan to Thailand was signed in March 1999. The local currency funds of this loan and the incremental part of expenditure planned by the Thai government are to be used to expand SSNs underpinning economic structural adjustments and implement labour intensive public works to assist employment creation. The Miyazawa Fund makes a loan of up to 100 000 baht available to each village. The aim of the loan is to reduce social impacts through infrastructure investment which:

- creates jobs
- develops quality of life
- supports development
- improves export competitiveness and export values
- supports special zone and border development
- builds capacity of government management.

The village head and committee must decide what infrastructure project they want to spend the funds on. The aim is to provide employment as well as improve the capacity of village committees to manage infrastructure projects. The scheme is administered from the Office of Fiscal Policy. The Teachers Training Institution is working with community groups to assist them in forming plans.

The scheme has not disbursed significant amounts due to the difficulties facing the village committees in formulating proposals. There is also a resistance to accepting loan funds unless they create a capacity to repay the loan.

CERCAP has been designed to support the devolution of responsibility for service delivery to the provinces and tambons by building their capacity. The system has been approved on paper, but has yet to be implemented. It is planned for CERCAP to access Miyazawa funds to support capacity building activities.

Bilateral and other programs focus more on information and capacity building

Thailand had achieved or was nearing graduation from many donors before the crisis struck. Subsequent donor responses have generally been targeted to macroeconomic issues and good governance, rather than to

child specific issues. However, the crisis has stimulated related activities, particularly in the area of information collection and analysis.

Information and analysis

- CIDA have supported a research study of ten villages to assess the social impact of the crisis. The baseline was taken in 1996.
- UNESCO and UNDP are conducting an analysis of the needs of retrenched workers and dropped-out high school students.
- UNICEF has been engaged in a combined campaign against school drop-out and conducted a rapid assessment of the crisis impacts on children in the north and north-east.

Research and technical assistance

- The World Bank is funding a study to track 1000 schools. The study will follow all students to see what they do with the hope of identifying the dominant factors leading to drop-out and failure in transition between education levels.
- UNICEF and the Ministry of Education are monitoring children in 19 schools with the aim of understanding the reasons behind child absence.
- IPEC has published three consultation reports on the effects of the economic crisis on children. They have also produced a booklet *Problems and Alternatives for Working Children in Crisis Situations* (May 1999) which draws on a consultancy looking at the new Labour Protection Act and the effects of the economic crisis on working children.

Capacity building exercises

- CIDA, AusAID, NZAID and others have funded small activity projects to assist women and children. Many of these have been small-scale empowerment exercises, providing training information and access to resources (see stocktake list).
- UNDP and UNESCO are funding research on the training needs of laid-off workers and dropped-out high school students.

Private welfare organisations and NGOs target vulnerable groups

There are over 500 privately run organisations that offer some form of welfare services, most with a focus on women and children. With the crisis,

the demand for their services has increased. Declines in donations from the private sector have led these organisations to increasingly rely on transfers from international NGOs. Some examples of the kinds of activities being undertaken by these types of organisations are provided below.

- World Vision has provided bicycles for loan for school children to overcome the problem of increased transport costs.
- Save the Children Fund (UK) have revived their program in Thailand as a result of the crisis. Particular activities include community based initiatives for HIV/AIDS prevention, participatory action research with migrant children and youth in cross-border areas, and a survey on the social impact of the economic crisis on vulnerable children in Thailand.
- Save the Children Fund (Japan) provides support for daycare centres, rehabilitation centres for handicapped youth, and drug education and rehabilitation services for youth.
- PLAN International has direct child sponsorships in villages and micro-projects at village level, and are developing a child labour agenda.
- The Voice from the Underprivileged was formed by eight Thai NGOs as a joint project to improve the understanding and awareness of the impact of the crisis on the underprivileged.

Table 5.1 presents information on SSN initiatives being supported in Thailand by international financial and development cooperation institutions and under bilateral assistance programs. It does not try to cover the many valuable activities of non-government and community organisations.

total project cost US\$460m, with cofinancing by OECF (¥13.4b), UNDP (US\$500 000) and AusAID (A\$350 000)

- US\$153m over two years to support existing government programs, including low income health cards, skills development for 15–16 year olds and local job training for lower secondary school students

US\$133m to improve access of poor and unemployed to basic social services and employment opportunities

- US\$133m Social Investment Fund to finance community based projects over three years

WB2 ■ Skills Development Project Loan, US\$195m

- complements Secondary Education Quality Improvement Project to support reform, including universal enrolment for 12 year education

WB3 ■ Poverty study, due for completion 2000

- reassess poverty line measurement, update 1996 household survey data and evaluate impact of public expenditure on poverty

UNDP

UNDP1 ■ Assistance in Support of the Social Investment Project (see WB1 above), US\$500 000

UNICEF

UNICEF1 ■ Media campaign against school drop-outs, December 1998–April 1999, US\$10 000

UNICEF2 ■ Thailand: Impact of the Economic Crisis on Children, June–October 1998, US\$20 000

WHO

WHO1 ■ Health Intelligence Unit, May 1998–January 2000

established to monitor the impact of the crisis on health status and health services, including:

- ... weight at birth, nutritional deficiencies of children under five and anaemia situation among pregnant women
- ... the financial problems of government and private hospitals
- ... the availability, quality and price of medicine and medical supplies and equipment

Japan

Japan1 ■ OECF Economic Recovery and Social Sector Program Loan, ¥30b — approved March 1999

counterpart funds to be used by the Thai government in part to expand the SSN underpinning economic structural adjustments

(Continued on next page)

5.1 Initiatives by international agencies in response to the crisis —Thailand(Continued)

Canada

- CIDA1 ■ Research study into the social impact of the crisis
 – undertaken by the Thai Development Research Institute with CIDA funding
- CIDA2 ■ Canada Fund for Local Initiatives — budget approved annually
 – includes small-scale education and health projects, for example:
 ... in 1997–98 'Responding to Child Abuse and Neglect' Training Workshop (Can\$5390) and Vocational Skills Learning Centre in the Bantad Hills (Can\$19 019)
 ... in 1998-99 Adolescent Counselling Centre and Outreach Programme (Can\$10 830) and Scholarship and Educational Support Project (Can\$23 288)
- CIDA3 ■ Governance and Restructuring Project II, Can\$1.5m over three years 1999/00–02
 includes Financing Decentralisation of Education and Other Social Programs

Australia

- AusAID1 ■ Assistance in support of the Social Investment Project (see WB1 above), A\$300 000 in FY 1997-98
- AusAID2 ■ Assisting Women and Children Affected by the Economic Crisis (Friends of Women Foundation), A\$25 583
 – includes a counselling and support centre providing essential information on legal, social and welfare services and rights, alternative livelihood training, and savings groups and cooperatives
- AusAID3 ■ Urban Children and Youth Development, A\$37 621 in FY 1997-98 and A\$42 950 in FY 1998-99
 – assist children and youth groups to participate in solving the problems associated with slum communities in Chiangmai
- AusAID4 ■ Sustainable Self-reliance Village Development (Dhamma Jarik Youth and Women's Development Group), A\$6379
 provided for youth and women's groups in Ban Mae Lu to find alternative income generating activities in response to the economic crisis
 ... including vegetable gardening, food processing, bakery and indigenous souvenir production

ASEM Trust Fund/ World Bank

- ASEM1 ■ Recession, Family Income and Staying in School, US\$493 000 — approved August 1998
 – monitor and research the causes of school drop-out and non-enrolment, and identify coping strategies

Lessons learned and areas for further assessment and international cooperation

Mechanisms for coordination are essential for efficient allocation of resources

The ministries in the Thai central government have taken responsibility for providing services in their areas of responsibility. They have, for the large part, been focused on meeting immediate needs. There has been greater reliance on the NGOs and community organisations to provide information and to assist in delivery of services. This approach is promising, but poor coordination between all these players restricts effectiveness. The lesson from the crisis is that a coordinating mechanism is required for a long-term view.

The areas that officials and stakeholders considered that further investigation and the action are listed below.

- Assess the most effective mechanism(s) to achieve coordination amongst departments and agencies. For example, whether a central agency or a network might best assist improved coordination of activities and policies.
- Develop ways to improve the interaction of government departments with NGOs at the central and regional level.
- Support the development of a centralised information network for social data and the publication of timely social information.
- Examine the coordination mechanisms being developed by the SIF as a possible model for the delivery of capacity building. This incorporates the inclusion of the beneficiaries of SIF funds as well as the fund providers and managers in the decision making.

The ability to identify the most needy is limited by information flows and a reliance on self-identification

The two mechanisms that the government relies on for the identification of the most needy are self-identification and identification by community agencies such as schools and health clinics. There is a reliance on self-identification of needs and individual's initiative to access services. The lesson is that, while this is perhaps the best approach, a reluctance to admit problems and a tendency to allow problems to build until easily identified by others in the community limits the capacity for SSNs to prevent undesirable outcomes. Therefore, better mechanisms for improving the

information on the most needy and the ability to reach these people are required.

There is also an increasing reliance on the community to identify those in need. For example, schools rely on school committees and teachers to identify students that qualify for scholarships and assistance. Similarly, health needs are identified through school staff and village health volunteers.

Some actions that were identified by government officials as a step forward in achieving better identification are listed below.

- Further assess the means to identify physically and mentally handicapped children and their needs. The Education Department is undertaking a program to mainstream handicapped children into the school system but remains concerned that all such children are not identified.
- Strengthen the ability to track drop-outs from the school system. The World Bank is currently undertaking a study to identify where these students have gone.
- Improve capacity to provide services to hill tribe children. The Department of Education has recently changed its policy and allows children to enter school without registration. This has increased the number of hill tribe children attending school.
- Build on existing information systems at the community level to assist individuals and families to recognise and accept special needs within the family unit.

Capacity at a grass roots level varies across communities and is key in meeting the objectives of the Eighth Plan

Communities are increasingly asked to plan and implement projects to provide services to children. Much of this is on a voluntary basis. In some communities there is an excellent capacity to undertake these tasks, but in many these skills require strengthening.

The Pattana Thai Foundation is funding the identification of community organisations and their strengths. This information will be compiled into a volume and made available to all communities to facilitate networking across communities. A second stage envisages supporting visits between communities as a capacity building exercise.

The lesson emerging from the crisis is how important community organisations are in providing SSNs for families and children. They can also be fairly fragile and large injections of funds from outside can disturb the structure and balance that works so well at the community level. While they are an excellent mechanism for engaging people and improving the efficiency and effectiveness of assistance to the most needy, care is needed to ensure these organisations have the capacity to absorb and effectively utilise resources.

Government officials identified a number of activities with the potential to strengthen capacity of community organisations.

- Assess the means to strengthen capacity to make the community organisations effective in absorbing assistance.
- Provide training for community volunteers on a routine basis to strengthen their abilities to identify needs, formulate proposals and implement services.
- Assess the value of information supplied to villages, especially information about a village's relative status compared to other villages and support the provision of this information if it is of assistance in setting priorities.
- Assess the potential for further private enterprise support to SSNs for children.
- Provide training to local government and communities for building human and information technology management capacities.

Information is more than data and common understanding is essential for coordination

The value of information on social and individual indicators of health, nutrition and education, among others, has been highlighted by the crisis. It is increasingly being seen as essential not only for prioritisation and targeting in program development, but for monitoring the effectiveness of programs. There is a need for a better capacity to draw implications from the information. Multiple interpretations of the same data are evident with often quite different policy conclusions.

In addition to indicators of social wellbeing there is a need to improve information about the mechanisms that work well in delivering SSNs for children. One major area identified as in need of better information is the extent of family resources, how close they are to being exhausted and their ability to recover with economic recovery. This is likely to vary

considerably across regions and depending on the family situation. A second important area is the extent of community resources to continue to provide services.

There are many community activities in Thailand that have provided informal safety nets for families and children. For example, the revolving credit schemes have been key in allowing families to maintain nutritional levels and keep children in schools by providing for consumption smoothing. There is much that other communities within Thailand, the government and the international community can learn from these successful activities. The following activities were suggested by government officials.

- Study the effective community activities that deliver services to families and children to identify the elements in their success. Provide this information to all interested audiences to assist in their policy design. The work by the Pattana Thai Foundation and the World Bank study of revolving credit schemes provide a good starting point for this. Information from the fifth arm of the SIF, which focuses on building capacity at the local community level, will also be of considerable interest. This has international dimensions as well as domestic interest.
- Improve the quality of information collected by volunteers and teachers by developing better methods for measurement and collection of data.
- Develop leading indicators from information collected at the village level that informs about the ongoing status of children.
- Develop early warning indicators in health, education and nutrition as part of an effective surveillance system.
- Strengthen performance indicators for the delivery of services in education, health and nutrition.
- Strengthen research capabilities in all areas of social service delivery. Share information with other countries in the region and support collaborative activities.

There is a need for greater sharing and more efficient methods for collecting and disseminating information

Departments collect information at the local level that can be of considerable use in planning. For example, the Department of Education has impressive information on drop-outs in each school district over the last five years. The Ministry of Public Welfare collects data on the number

of child workers at the village level, but this information does not have to be reported up to the central office.

The ability to plan long-term and to prioritise in the short-term can be hampered by lack of timely information. Information is also an important element in coordination across departments within ministries, across ministries and between the government and other organisations. In addition, access to information and the skills to interpret it improve capacity at the local level.

Some activities that would explore the potential to improve information flows were suggested by government officials.

- Assess coordinating mechanisms between departments to share information.
- Within departments, assess the scope to utilise information to a greater extent in decision making.
- Improve the timeliness of information to inform decision makers.
- Develop networks to share information between departments.
- Build capacity within departments to analyse information and provide reports to communities as well as within departments.
- Improve the systems for the flow of information between NGOs, the public and government departments.
- Assess the value of newsletters for slum networks as a means of assisting their activities in the community.
- Consider the role of ARIC in improving information flows at the international level and for domestic benefit.

The activities to maintain nutrition levels need to be sustainable in the face of possibly increasing demand

The school lunch program provides a free lunch for low income students at primary school level. While there have been problems with the continuity of funding, total funds for the program have increased. However, the proportion of children eligible for free lunches has gone from 30 per cent to 50 per cent.

A number of suggestions for improving the coverage of food programs targeted at children were made by government officials.

- Increase support of the school lunch program to meet the needs of all eligible children. Support the 'Every School Children Must Have a

Nutritious Lunch Every Day' memorandum of understanding between the Department of Agriculture and the Department of Education.

- Expand the school lunch program to cover the non-school days. One school district has provided food over the holiday period.
- Assess means to monitor nutritional levels of children who drop out of school. Devise strategies to address their nutritional needs as required.
- Stimulate community support for nutritional improvements, educational opportunities and other appropriate quality of life aspects for pre-school children.

The long-term implications for health outcomes of stretched public resources has yet to be felt

The health service in Thailand is noted for its excellence. Volunteers provide care at the village level and refer people to the health care centres. At the provincial and regional level there is good access to public hospital facilities in most areas, although doctor ratios are relatively low in rural areas. However, the administrative structure is complex and delivery of services in response to demands can take a long time.

In response to the crisis expenditures in most service areas were maintained or increase. With the increase in unemployment and lower wages, greater numbers of families have come to rely on the health care card for health insurance. Demand on public facilities has grown rapidly.

The crisis highlighted the need for efficiency gains for the health system to be able to continue to deliver quality services. This means streamlining administration systems, improving information flows, and devising low cost options for both funding and providing services.

Some suggestions made by government officials for meeting these objectives are listed.

- Expedite the delivery of funding for health services.
- Promote separation of health service policy, procurement and delivery to increase transparency and reduce incentives for misallocation of resources.
- Streamline the delivery of powdered milk and other essential food items to people with needs.

Improving the quality of and ensuring universal participation in education are key for improving equality and economic growth

The importance of education in the Thai culture has been demonstrated by the enormous efforts made by families to keep their children at school. It is this kind of attitude that underpinned the ‘Asian miracle’, and this will assist in recovery.

The education system will require considerable change to deliver the services set out in the constitution. The Department of Education has already undertaken a number of major initiatives, both in response to the crisis and as part of the planned development. Examples that are likely to be of particular interest to other economies in the region are the development of extended opportunity schools. These schools offer lower secondary courses at primary schools under the same conditions as in primary schools. This allows students to continue with education who would otherwise have dropped out due to the distance to secondary school and higher costs. In response to the crisis, scholarships to primary school children have increased and loans made available for secondary education. A policy of not charging for textbooks and prohibition of additional fees has been strictly enforced.

Other areas identified by government officials as important for education outcomes are listed.

- Reintroduce preschool programs, with a particular focus in disadvantaged areas to improve children’s longer-term capacity to benefit from schooling.
- Improve the vocational school curriculum to better match the needs of industry. Consult with industry on their future needs and encourage their support for improving vocational training.
- Improve the awareness of the benefits of upper secondary education as preparation for the workforce, independent of going on to tertiary training.
- Provide support for children with drug abuse problems, delinquent children, abandoned and abused children as well as orphans resulting from AIDS. In parallel, improve the sensitivity, understanding and ability of educational personnel to positively assist in the amelioration of these problems.

Family resources have been the key to protecting children, but the extent to which families can continue to cope is not known

Family resources — financial and emotional — have been stretched to cushion the impacts of the crisis on children. But for some families they have been stretched to breaking point, with potentially damaging impacts on children. Measures of the full psycho-social impact of the crisis on families do not exist. Anecdotal evidence implies that domestic violence and other dysfunctional responses have increased but hard data are scarce. This is a difficult and sensitive area that Thai officials are increasingly seeing as important.

The legislation governing the employment of children and their protection provides for considerable protection of children from exploitation. Recent changes have raised the age for legal employment from 13 to 15 years, and the Convention of the Rights of the Child has been ratified. However, it was pointed out that child friendly legislation alone does not help much in the time of the economic crisis. Appropriate procedure for enforcement is essential.

The Ministry of Labour and Welfare provides a range of services to meet the needs of vulnerable children. These range from income support to the provision of group and cottage homes and plans to introduce foster homes for abandoned children. There is reliance on family support and employment creation programs for long-term financial support of families, but, emergency assistance is available. The crisis has seen an increase in the demand for such assistance.

In order to be able to manage and cope better with the problems created by loss of family support, a number of areas for further assessment and action were identified by government officials.

- Develop means to measure family stress and resilience. Families have coped amazingly well with the crisis, but the extent to which they could bear further pressures is unknown.
- Provide adequate resources to investigate the causes of family dysfunction.
- Build analytical capacity and understanding of the problems of family dysfunction. Share information on strategies to improve the capacity to deliver appropriate counselling services with other countries in the region.
- Improve access to counselling services.

- Allocate responsibility and provide the means for improving education in parenting skills to both young parents and grandparents and other family or community members with responsibility for raising young children.
- Address the gap in the provision of resources and community mechanisms to assist the most vulnerable (AIDS orphans, children of HIV/AIDS parents and others).
- Investigate reports of the growing use of children in the trafficking of drugs. Devise strategies to discourage this (for example, by ensuring that adults behind such activities face considerable penalties.)
- Strengthen the effectiveness of the child labour network through local government to prevent and address child labour in rural areas.
- Strengthen dialogue with other countries in the region on the issue of cross border trafficking in women and children.

6

Shared experiences, lessons and scope for international cooperation

The crisis posed a range of threats to children

Although the severity of impacts varied considerably, several common elements characterise the crisis across the three economies surveyed. In all economies, macroeconomic policy responses and family–community coping mechanisms helped to shield children from the worst impacts of the crisis. Nonetheless, child welfare did deteriorate and several important lessons about SSNs for children can be identified for each economy.

Many elements of the crisis were common across the three economies

The threats to children posed by the crisis arose primarily through:

- declines in family income as formal sector jobs disappeared and workers took lower wage employment in the informal sector;
- erosion of real wages through inflation sparked by currency depreciation, with a particular impact on the price of food and medical supplies; and
- declines in government revenue, as the tax base — particularly imports and company profits — contracted, severely limiting government capacity to maintain social expenditures.

In each economy, the crisis added to stresses created by drought.

Restoration of confidence and access to international finance are seen as key to sustained recovery in all three economies. Governments are pursuing sound macroeconomic policies and strengthening economic governance in pursuit of these objectives.

There were a few key differences in the elements and extent of the crisis

The impacts of the crisis were not nearly as severe in the Philippines as in Thailand and Indonesia. In Indonesia, the crisis has been linked to and intertwined with, a far-reaching political transformation.

In Thailand and Indonesia the cost of restructuring insolvent financial institutions presents an uncertain, but large, burden on future budgets. This is likely to constrain the ability of governments in these economies to deliver SSNs for children.

But family and government responses have shielded children from the worst outcomes

The impact of the crisis on children in all three economies has, to date, been less than initially anticipated. While there were particularly vulnerable children whose situation deteriorated further as a result of the crisis, most children were shielded from the worst outcomes, as they remained in school and had sufficient access to food and health services. However, the ability of families to continue to shield children is being severely tested.

The following features were common across all three economies.

- The use of family resources to continue to ensure adequate nutrition, and education for their children. This included the reallocation of consumption to meet basic needs and a run down of savings;
- A shift in demand from private to public services in the areas of health and education. This shift in Thailand was most pronounced in health, but less so in education. In the Philippines and Indonesia, the shift was more pronounced in education than in health, as families turned to the most cost-effective services for children. This trend has resulted in an increase in the use of traditional health service providers in Indonesia.
- The protection of government operational expenditures on programs that provided services to children. This was in the face of substantial reductions in government revenue and was supported in part by loans for social sector programs by the multilateral development banks.

The crisis brought into sharper focus longer-standing issues and problems, most of which had been recognised and many of which were being addressed by ongoing or planned programs and activities. While the crisis highlighted the needs, it severely limited the capacity to address them.

Responses varied, but had a number of common elements

In each economy, family and community responses played a critical role in shielding children from the threatened impact of the crisis. But government actions and responses were also critical. In the Philippines and Thailand, the main challenge was seen as maintaining funding and improving delivery of ongoing programs. In Indonesia, where a much more devastating impact was feared, the government, in partnership with the international community, developed a comprehensive SSNs initiative. There were, however, many common elements in the public sector response.

Nutrition was a major concern

In all three economies, governments put in place or reinforced existing programs targeting child nutrition.

In Indonesia, pre-existing food subsidy programs were restructured. In Thailand access to school lunch programs for vulnerable children and other targeted feeding programs was expanded.

The Philippines faced perhaps the greatest problem relative to the magnitude of the crisis in their economy. Despite efforts to reform the domestic agricultural industry, food prices remain substantially above world prices. Price increases thus put considerable pressure on the ability of low-income families to maintain children's nutritional intake, but temporary relaxation of rice import restrictions helped dampen food price rises.

Rising costs of health services was an issue

The pre-crisis starting point with respect to public health services shaped government, family and community reactions to increased costs and shifts in demand when the crisis occurred. Governments moved to maintain access to primary health services and to offset the price increases in drugs and medical supplies through a variety of mechanisms.

Maintaining education was a priority

Common to all three economies was a strong emphasis on maintaining school enrolments. Governments used a range of mechanisms, including maintaining funding allocations to public education, scholarship programs and running community awareness campaigns which stress the importance of education in optimising long-term opportunities for children.

Sustaining family incomes was a key objective

There were differences in the initial employment situation in the three economies and this affected what happened to workers laid off from the formal sector due to the crisis. In the Philippines, the crisis had a relatively mild impact on employment as the downturn in construction was less severe. The Philippines is also experiencing substantial improvement in competitiveness in the production of electronics goods, which is absorbing some workers. However, few workers could be absorbed into agriculture because of inappropriate skills and constraints related to land ownership issues. The absorption of additional labour by the informal sectors has been limited in the Philippines.

In Indonesia and Thailand the informal sector — particularly services and small-scale manufacturing — was significant in absorbing workers laid off in the formal sector. And in Indonesia workers have been absorbed into agriculture, although less than originally envisaged. Governments in both Thailand and Indonesia have placed considerable emphasis on programs designed to create short-term employment opportunities and to promote income earning activities to sustain family incomes. By maintaining family income, these programs clearly benefit children.

International cooperation was important in supporting government responses

In each economy, international cooperation played an important role in funding and developing responses to the threats to children. In addition to the specific cooperation identified in preceding chapters, there was also a range of multi-economy programs. These programs centred on sharing information and encouraging dialogue through studies and forums that:

- quantify the outcomes for children in order to assess the magnitude of the threats created by the crisis;
- explore the mechanisms by which the threats are created in order to improve the response;
- share experiences on approaches (best practice and what can go wrong) to address threats to children and deliver SSNs; and
- build capacity in policy makers through access to training opportunities and exposure to best practice examples.

Table 6.1 lists the multi-economy activities that address issues related to SSNs for children undertaken by the multilateral development banks and bilateral agencies.

6 LESSONS AND SCOPE FOR INTERNATIONAL COOPERATION

6.1 Multi-economy cooperation activities

APEC

- APECM1 ■ Third Human Resources Development (HRD) Ministerial Meeting, Washington D.C., July 1999
- discussed strengthening SSNs to better provide for the needs of workers affected by the crisis, with special emphasis on women and youth
 - endorsed a Plan of Action for the HRD Working Group, emphasising capacity building and exchanges of information
 - ... issues in SSNs area include increased support systems for people not covered by formal plans, unemployment or social insurance, and programs to enhance employability, empower individuals and mitigate social assistance dependency
 - ... working group to develop 'a project to exchange information on best practices for eliminating the worst forms of child labour and promote educational opportunities for youth in the region'

Asian Development Bank

- ADBm1 ■ Conference on 'Assessing the Social Impact of the Financial Crisis in Asia', Manila, June 1999. Papers on Indonesia, the Philippines, Thailand etc.
- ADBm2 ■ Establishment of an Asia Recovery Information Centre (TA for US\$1m)
- to operate primarily as an internet-based information facility at the ADB's Regional Economic Monitoring Unit
- ADBm3 ■ ADB/World Bank Forum on Social Policy Issues, Manila, 26–29 October 1999
- aims to draw operational lessons for social policy from the experience of the economic crisis
 - topics include targeting social expenditures and reforming social sectors, building SSNs and social protection, and governance and poverty policies and programs

World Bank

- WBm1 ■ Regional meeting on 'Social issues arising from the East Asian economic crisis and policy implications for the future', Bangkok, January 1999, (www.worldbank.org/poverty/eacrisis/meeting/index.htm)
- WBm2 ■ The East Asia Partnership for Poverty Reduction Network Meeting, organised jointly by the WBI and ISIS, Kuala Lumpur, May 1999

UNDP

- UNDPm1 ■ Poverty monitoring project, with individual studies of Indonesia, the Philippines and Thailand

ASEAN

- ASEAN1 ■ ASEAN Action Plan on Social Safety Nets adopted by Ministers, December 1998
- supporting the sharing of knowledge, experience, expertise and best practices in designing immediate and long-term SSNs, as called for in the action plan
 - with follow up by an ASEAN task force on SSNs in four priority areas:
 - ... assessing and monitoring the social and economic impact of the crisis, and identifying the target groups affected and their needs
 - ... developing and implementing SSNs programs for the disadvantaged and vulnerable
 - ... monitoring and improving the effectiveness of economic and social services delivery
 - ... promoting public awareness of the impact of the crisis on the poor
 - with agreement to consider the establishment of an ASEAN HRD Fund
- ASEAN2 ■ Survey on the socioeconomic impact of the financial crisis on ASEAN, including impact on households — agreed to in January 1999

Australia

- AusAIDm1 ■ A\$1.6m grant for establishment of an Asia Recovery Information Centre (see ADBm2 above)

ASEM Trust Fund/World Bank

- ASEMm1 ■ The East Asian Crisis: Assessing Vulnerability, Impact and Policy Choices, US\$685 500 — approved June 1999
- strengthen capacity for conducting poverty and policy analysis, tailored to the crisis context

Conclusions: the role of government in providing SSNs for children

Stakeholders and officials in each economy identified a range of lessons that are emerging as they attempt to deal with the threats to children's wellbeing created by the crisis. These lessons are being drawn on as governments contemplate the shift from crisis related activities to addressing longer-term social policy issues. The conclusions below are the team's assessment of key issues for governments to consider in formulating policies regarding SSNs for children.

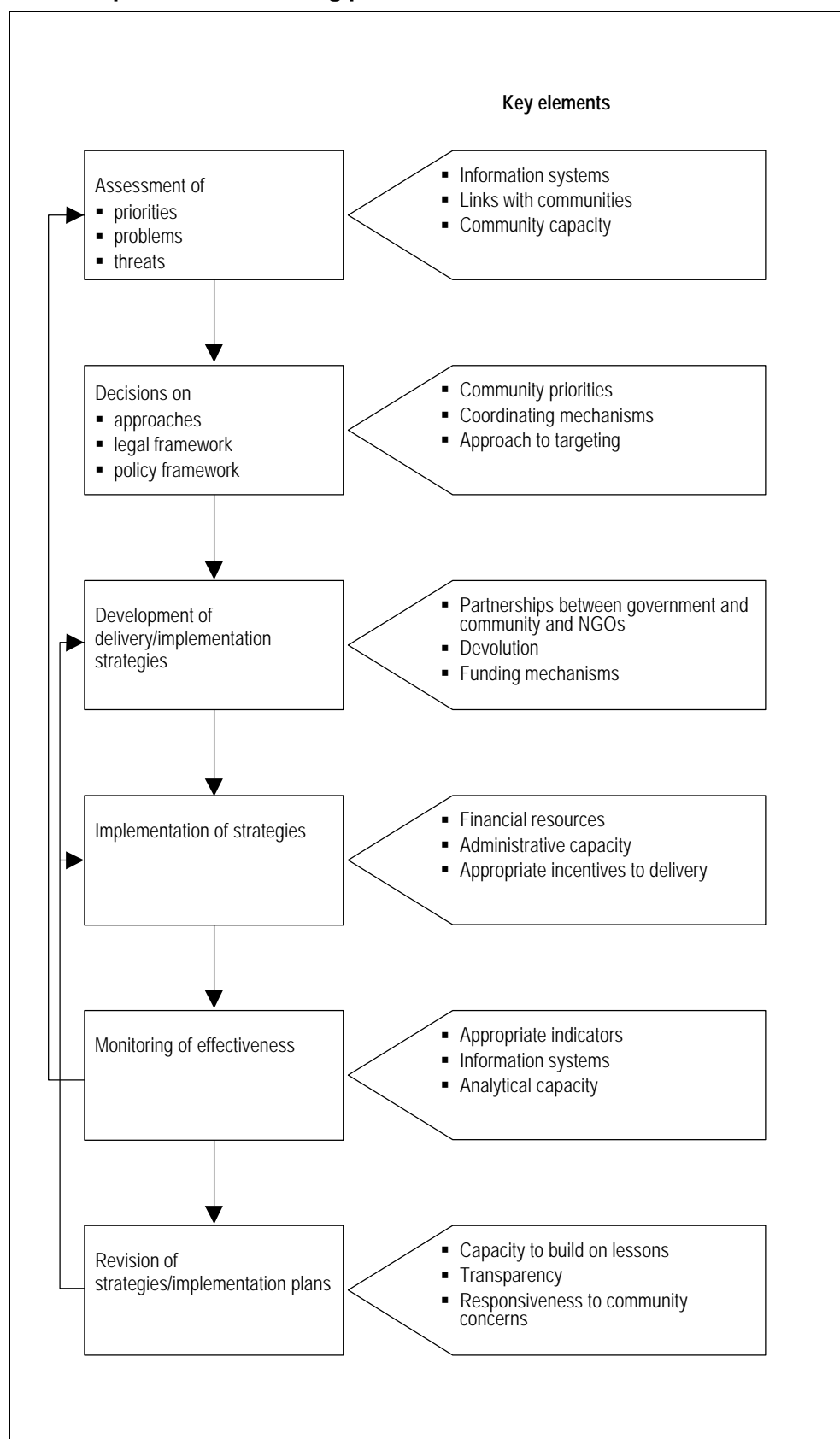
Chart 6.2 summarises the components of the process for developing, implementing, managing and revising SSNs and other policies. The key elements that lead to effective SSNs were highlighted by the lessons — successes and areas for further assessment — learned by governments in their response to the crisis. The chart provides a checklist for the issues that are relevant to developing policies for public sector provision of SSNs.

Adequate family resources are a key safety net for children

Families have called on all their resources to provide food and education for their children. These resources range from savings, (financial and household assets) to access to credit from extended families, the community or formal sources, to the capacity of family members to generate income through alternative and/or additional employment. Families have also reallocated expenditures toward basic consumption at the expense of less essential items (such as tobacco and alcohol).

This suggests that ensuring adequate income, encouraging savings and supporting financial mechanisms at community level that provide access to credit are the most effective first line of defence against both family misfortune, economywide shocks and the impacts of structural change. The reliance on such mechanisms does, however, raise the issue of how far these family resources can stretch. It also implies that families without resources — those near to or below the poverty line and those with special needs — require additional support mechanisms to provide SSNs for children.

6.2 Components in delivering public services for children



Economic recovery is an essential ingredient in maintaining these support systems

The extent to which family resources have been exhausted is not known. What is clear is that economic recovery is necessary to restore income flows, replenish savings, repay loans and re-establish family life that may have been disrupted by the crisis, in order to ensure sustained income for the family.

Governments are committed to sound macroeconomic policies to assist economic recovery. But there are still major barriers to restoration of investor confidence and hence the recovery of investment. Further reforms are required to attract investment and boost working capital.

If employment is to be the main delivery mechanism for social welfare, then labour market policies and competitive practices need to be considered

In all the economies surveyed, substantial emphasis has been placed on employment creation as a SSN for families. Along with an informal sector with substantial capacity to absorb labour (albeit at the cost of increasing underemployment) these programs were preferred by the economies in the survey to systems based on income transfers, such as social security benefits. There have been relatively small rises in unemployment and in the number of families with no income generating activities.

Employment creation programs, however, are seen as a temporary measure. They are not costless and care is needed to find the balance between employment creation and crowding out as economies start to recover. In addition, disbursement mechanisms of these programs need to be accountable and projects undertaken should be relevant to the communities they target. In the medium term, there is scope for governments to explore labour intensive options for major public works programs where this approach is as cost-effective as a more capital intensive approach.

Governments are playing an important role in guaranteeing access to key elements in child development ...

All the economies surveyed strongly support primary education and are improving access to secondary education. All support free health services for mothers and children through public clinics and have broadly based immunisation programs to protect children. All conduct vitamin and micronutrient supplement programs to varying degrees and engage in monitoring health outcomes. These programs appear to be reasonably

effective in helping alleviate the impacts of the crisis on the majority of children.

These services provide benefits to the broader community as well as to the recipient children and their families. They also serve to mitigate a few of the effects of increasing income disparity between the rich and poor. Children with poor nutrition and health, and little education have more limited capacity to benefit substantially from economic growth. Good health and nutrition are essential elements in making the most of education, but it is education that is critical in providing future opportunities. Indeed, the better educated the whole population, the greater the potential for growth and for labour to attract the benefits of growth.

In this context, the crisis highlighted several issues.

- Efficiency improvements are essential for governments to continue to provide services within their budget constraints. Identified areas where efficiency could be improved vary across services and economies, but include administrative arrangements, distribution systems and delivery mechanisms.
- Mechanisms to provide routine assessment of the effectiveness of SSNs — their efficiency, coverage and quality of outcomes — are an important part of planning and are essential for effective implementation.
- Both long and short-term strategies work best when supported by the community. In developing these plans, government should involve the community as well as all tiers of government and others involved in delivering services to children. Mechanisms for developing such partnerships need to be explored by each economy in light of their own circumstances.

Guaranteeing the support of health and education programs through committed budget allocations, and a drive to ensure cost-effective, broad based access is a key SSN for children.

.and a key role in providing additional safety nets for protection of the most vulnerable children

Schools, communities, health centres and family oriented programs play the major role in delivery of government SSN services to children. However, assistance delivered this way will not provide the most vulnerable children with a safety net. For children in families with extremely limited income generating capacity, and for children without

family support, additional efforts are required if they are to be assisted. The crisis has highlighted the problems facing children in these situations, and exacerbated the situation for many. School drop-outs, street children, underage children in the labour market and children in exploitative situations are difficult to target. But they are almost impossible to reach through general programs that rely on schools and families to deliver services or identify needs.

While governments recognise this, and have devised a number of strategies to identify and deliver services to these children, this is an area where more can be achieved. Providing resources is only part of the solution. Strategies to reach these children must always be evolving as the target groups change and better ways of addressing problems are found. A commitment to monitor outcomes and engage in an ongoing process of program adaptation is a key element in providing safety nets for these vulnerable children.

Governments need to work with communities as they are central in providing SSNs to families and to children

There are a number of community mechanisms providing support to families and to children. A common lesson emerging from recent experiences concerns the need to make sure that government intervention which aims to provide and bolster SSNs does not erode or undermine these community mechanisms.

Some communities have excellent structures that function to provide SSNs such as revolving credit schemes. However, many of these mechanisms are fragile and could be damaged by injections of government or donor agency funds. But in other situations governments can improve their planning and delivery mechanisms by working with the community. Governments need to assess where they should not intervene, where they might improve outcomes by acting as facilitators, and where a more active role would be of benefit. The role for governments will vary across localities and will depend on the needs of children.

Communities can also be used to assist in targeting assistance to the most needy. However, community objectives may differ from those of governments. Therefore, an understanding of the criteria that both communities and governments consider important is required prior to relying on such community identification mechanisms.

Governments need to work to build community, NGO and local government capacity

With devolution, local governments are increasingly called upon to deliver (and sometimes fund) services that form part of the SSN for children. Increasing efforts are being called for in order to improve accountability, transparency and capacity in financial management and service delivery in local government agencies.

Community organisations and NGOs are also increasingly being seen as partners in delivery of services to children and as well as part of the non-government SSN.

Governments and international agencies should be careful to ensure that they build on existing structures — such as local communities, NGOs or local government — where the structure is robust. Bypassing them may undermine authority and capacity, and thus reduce their effectiveness.

Efforts must be made to build capacity where it is lacking. Particular areas where capacity building may be of benefit are:

- identification and articulation of community needs;
- administrative skills and other specialist skills essential for effective service delivery;
- systems to promote accountability and efficiency;
- analytical skills and information to ensure a longer-term perspective and well informed decision making; and
- communication capacity — the skills and means to ensure involvement of those who are affected in the decision process.

Promotion and support of information systems that flow in both directions can only be achieved with government commitment

Information is empowering and an essential component of capacity is the ability to access and use information. Good information is required for effective targeting and to report on the effectiveness of existing programs and policies. Information is also a good way to strengthen accountability and ensure transparency, particularly where the funder and supplier of SSN services are split.

Communities need information to be able to place their issues in a broader perspective. Information on available funds, types of strategies, their success and the lessons being learned is an important part of improving

capacity. Communities are also well placed to provide information that is essential to improve targeting and assess the effectiveness of existing programs.

Information needs to flow in both directions between central departments and other tiers of government. This improves coordination and efficiency as well as assisting in better prioritisation. Information should flow not only between government entities, but also to and from the broader community including NGOs and community groups. Public reporting enhances transparency and promotes better cooperation as common goals are recognised.

Governments need to move from crisis reactions to long-term strategies

Indonesia and Thailand noted the need to move from crisis response — in particular, loan support for provision of government services — to a longer-term strategy for the provision of SSNs for children. There is also a concern in these economies that repayment of obligations will diminish future capacity to provide services.

A major issue for economies to resolve in developing long-term strategies is how they view SSNs. In particular, a choice has to be made as to whether government programs providing SSNs are to focus on groups adversely impacted by general events or on individuals and/or families that are exposed as a result of these events and/or events only impacting on the family.

Further areas for international cooperation

Government officials surveyed in this study explicitly identified a number of areas where further assessment and international cooperation would be helpful. Sharing information and experience in dealing with challenges relating to SSNs for children was a common recurring theme, as was accessing practically oriented expertise in addressing policy and institutional development issues. Some of these requirements are well suited to initiatives operating through multi-economy fora such as APEC which brings together a diversity of institutional and cultural structures as well as varying approaches to social policy and SSN issues.

There is scope to improve information systems and indicators

- Access to timely information on the status of children is necessary for program design and monitoring, but is often not available. An accessible system that maintained this information in terms of agreed indicators (for example, the UN indicators or social outcomes) would be of benefit.
- ARIC, which was established in the ADB to improve information flows on the region's recovery process and on emerging needs, could play a useful role. In addition to improving access to information on relevant issues, ARIC could provide examples of best practice and serve as an on-line forum for sharing experiences with regard to the design and implementation of SSNs. The Centre could also highlight expertise available to address capacity building needs in these areas.
- Management information systems are increasing in relevance and importance. The move to decentralisation and devolution has highlighted a particular area of information technology need. Yet these systems are often difficult to establish when they must deal with highly decentralised service delivery programs.

Communication flows and networks support coordination and better management

- Communication systems that enhance information flows between key players, including community groups and NGOs, improve coordination of responses to strengthen the delivery of social services to children. Sharing of experiences and technical assistance could help to strengthen existing relationships and to build more effective communication systems.

Sharing experiences helps identify relevant best practice

- One of the key issues with regard to SSNs is the extent to which they rely on the public sector. Questions were raised about the right balance between public and private provision of health, education and other services for children, as well as factors and approaches to assess this balance.
- All three economies and many others in APEC are in the process of decentralisation and devolution. Governments can learn from each other about successful and unsuccessful experiences with devolution. While many of the issues may require solutions tailored to the economy's specific constitutional, political and geographic factors, there are some areas where networking among practitioners would be very useful. One example concerns fiscal management in multitiered

systems of government. APEC contains a diverse range of governmental structures, and many economies are constantly dealing with the challenges of intergovernmental fiscal relations. Thus, there is considerable practical experience that can be made available to economies addressing the issue.

- Insurance and managed care systems are being proposed in some countries as ideal options to address health care needs. Assessing how appropriate such systems are to specific local conditions could be an area for international cooperation of benefit to all involved.
- Approaches for helping street children was raised as an area where sharing experiences would be of considerable value given the very difficult nature of the problem.
- Sharing experiences is a primary focus of the program of practitioner oriented meetings convened by the World Bank and the ADB in 1999, as well as work undertaken by ASEAN. These are valuable initiatives which should be continued.
- Cooperation is needed to address cross border problems that affect children, such as trafficking in women and children, and growing drug use in the region.

Capacity building is a common challenge

- Devolution and the increased reliance on local communities in delivery of child focused programs highlights the need to develop capabilities outside central government agencies, specifically with respect to program, project and financial management.
- A related development has been the focus on participatory approaches to program design and the growing role of NGOs in monitoring and delivery. This is exposing an opportunity to share experiences in how to develop partnerships between governments, NGOs and communities.

Strengthening public sector management helps maintain effectiveness and credibility of SSNs

- The efforts to quickly channel significant resources into SSN programs has served to highlight ongoing challenges in economic governance. International cooperation in developing a more transparent and accountable system of program funding and delivery would help in improving performance of SSNs and in shoring up public confidence in these initiatives.

Appendixes

A

Glossary

AIDS	See HIV/AIDS
ADB	Asian Development Bank
APEC	Asia-Pacific Economic Cooperation
ARIC	Asia Recovery Information Centre
ASEAN	Association of South-East Asian Nations
ASEM	Asia-Europe Meeting
AusAID	Australian Agency for International Development
BAPPENAS	(Badan Perencana Pembangunan Nasional) National Development Planning Board
BKKBN	(Badan Koordinasi Keluarga Berencana Nasional) National Family Planning Coordination Agency
BPS	(Biro Pusat Statistik) Central Bureau of Statistics
CERCAP	Community Empowerment for Responding to the Crisis Action Plan
CIDA	Canadian International Development Agency
CIDSS	Comprehensive Integrated Delivery of Social Services
CPI	consumer price index
GDP	Gross Domestic Product
GOI	Government of Indonesia
HIV/AIDS	human immunodeficiency virus/acquired immunodeficiency syndrome
IDA	International Development Association

IDT	(INPRES Desa Tertinggal) Presidential Instruction issued in the early 1990s authorising grants for least developed villages
IFI	International Financial Institution
IFLS	Indonesian Family Life Survey
ILO	International Labor Organization
IMF	International Monetary Fund
IPEC	International Programme on the Elimination of Child Labour (of the ILO)
IUD	Intra-uterine device
JICA	Japanese International Cooperation Agency
JPS	(Jaring Pengaaman Sosial) Social Safety Net program
KKN	(Korupsi, Kolusi dan Nepotism) Corruption, collusion and nepotism
LGU	Local Government Unit
LIPI	(Lembaga Ilmu Pengetahuan Indonesia) Indonesian Institute of Sciences
MDB	Multilateral Development Bank
MOPH	Ministry of Public Health
NESDB	National Economic and Social Development Bureau
NGO	Non-Government Organisation
NMI	New Miyazawa Initiative
NSO	National Statistics Office
NZAID	New Zealand Overseas Development Agency
OECD	Organisation for Economic Cooperation and Development
OECD	Overseas Economic Cooperation Fund
ONPEC	Office of the National Primary Education Commission

OPK	(Operasi Pasar Khusus) Special Market Operations program of food assistance for poor/vulnerable groups
PPAN	Philippine Plan of Action for Nutrition
RTG	Royal Thai Government
RUDF	Regional Urban Development Fund
SEAPRO	South-East Asian, East Asia and Pacific Regional Office (Save the Children Fund)
SIF	Social Investment Fund
SIP	Social Investment Project
SMERU	Social Monitoring and Early Response Unit
SOM	Senior Officials Meeting (of APEC)
SRI	Social Research Institute
SSN	Social Safety Net
SUSENAS	(Survei Sosial Ekonomi Nasional) National Socio-economic Survey
TA	Technical Assistance
UN	United Nations
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNSFIR	United Nations Support Facility for Indonesian Recovery
USAID	United States Agency for International Development
WFP	World Food Programme
WHO	World Health Organisation
WB	World Bank
WBI	World Bank Institute

B ***Agencies consulted***

Indonesia

Asian Development Bank (ADB)

Association of South-East Asian Nations Secretariat

Australian Agency for International Development (AusAID)

Bina Swadaya

Central Bureau of Statistics (BPS)

Centre of Societal Development Studies, Atma Jaya University

Christian Children's Fund

Convention Watch

Coordinating Ministry for Social Welfare

Department of Foreign Affairs

Department of Home Affairs

Embassy of Canada

Embassy of New Zealand

German Agency for Technical Cooperation (GTZ)

Helen Keller International

Indonesian Institute of Sciences (LIPI)

Institute of Demography, University of Indonesia

International Labour Organization (ILO)

Japan International Cooperation Agency (JICA)

Kesejahteraan Anak Indonesia

Komisi Nasional Anti Kekerasan Terhadap Wanita

Ministry of Cooperatives and Small and Medium Enterprises

Ministry of Education and Culture; the Department of Health

Ministry of Social Affairs

National Development Planning Agency (BAPPENAS)

PERDAKI

Perkumpulan Keluarga Berencana Indonesia

Representative of the European Union

Social Monitoring and Early Response Unit (SMERU)

State Ministry for Food and Horticulture; the Department of Finance

Suara Ibu Peduli

United Nations Children's Fund (UNICEF)

United Nations Educational, Scientific and Cultural Organization (UNESCO)

United Nations Support Facility for Indonesian Recovery (UNSFIR)

United States Agency for International Cooperation (USAID)

World Bank

World Food Programme (WFP)

Yayasan Indonesia Sejahtera

The Philippines

Asian Development Bank

Assisi Development Foundation

Australian Agency for International Development (AusAID)

CARE Philippines

CHILDHOPE Asia (Philippines), the International Movement on Behalf of Street Children

Council for the Welfare of Children

Department of Agriculture (DA), Republic of the Philippines

Department of Budget and Management, Republic of the Philippines

Department of Education, Culture and Sports (DECS), Republic of the Philippines

Department of Foreign Affairs, Republic of the Philippines

Department of Health (DOH), Republic of the Philippines

Department of Labor and Employment, Republic of the Philippines

Department of Social Welfare and Development (DSWD), Republic of the Philippines

Department of the Interior and Local Government (DILG) , Republic of the Philippines

German Agency for Technical Cooperation (GTZ)

International Labour Organization

International Monetary Fund (IMF)

National Economic and Development Authority (NEDA), Republic of the Philippines

Philippine Institute for Development Studies (PIDS)

Save the Children (UK)

Technical Education and Skills Development Authority (TESDA), Republic of the Philippines

United Nations Children's Fund (UNICEF)

United Nations Development Programme (UNDP)

United Nations Educational, Scientific and Cultural Organization (UNESCO)

United States Agency for International Development (USAID)

World Bank

World Health Organization (WHO)

Thailand

Asian Development Bank (ADB)

Australian Agency for International Development (AusAID)

Bureau of Budget, Ministry of Finance

Bureau of Health, Policy and Planning, Ministry of Public Health

Canadian International Development Agency (CIDA)

CARE

Centre for the Protection of Children's Rights

Child Rights Asianet

Children from Children's Foundation

Department of Labour Protection and Welfare

Department of Public Welfare, Royal Thai Government

Department of Technical and Economic Cooperation, Royal Thai Government

Embassy of the United States of America (for USAID)

Foundation for Child Development

Institute of Nutrition, Mahidol University

Mekong Region Law Center

Ministry of Education, Royal Thai Government

Ministry of Foreign Affairs, Royal Thai Government

Ministry of Foreign Affairs, Royal Thai Government

Ministry of Labor and Social Welfare, Royal Thai Government

Ministry of Public Health, Royal Thai Government

National Economic and Social Development Board (NESDB), Royal Thai Government

National Health Foundation, Thailand Research Institute (THRI)

National Office of the Primary Education Commission, Ministry of Education

New Zealand Embassy (for NAODA)

Planning Division, Department of General Education, Ministry of Education

Save the Children Fund (UK)

Social Fund Office, The Government Savings Bank

Social Research Institute (CUSRI), Chulalongkorn University

Thai APEC Study Center (TASC), Thammasat University

United Nations Children's Fund (UNICEF)

World Bank

World Vision Foundation of Thailand

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response to the social impacts of the Asia crisis.

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