

Executive Summary

The world's children have by far the largest stake in the effects of globalisation. This is not only because of their special vulnerability and distinctive needs – but because virtually every country on earth has reaffirmed that child survival and full development are moral and ethical imperatives.

This Report represents a comprehensive effort to assess the impact of the latest wave of globalisation on children. It also examines the kinds of policies and programmes that can best harness globalisation's benefits on their behalf.

The impact of globalisation on children is a complex and still largely unexplored topic – and so the conclusions of this Report should, for now, be considered preliminary, while its policy suggestions are intended as contributions to an emerging debate rather than as elements of a definitive blueprint.

The impact of globalisation on child well-being varies depending on a number of factors, beginning with geography. It is also affected by differences in family conditions and domestic policies, by the evolution of global markets, and by the international rules of the game that control global exchange. Globalisation's effects, both good and bad, are thus best assessed on a case-by-case basis.

What measures are likely to promote child-friendly globalisation at the dawn of the 21st century?

The 1980s and 1990s did not produce, at an aggregate level, the growth anticipated from rapid technological progress, the expansion of world markets, and the gradual transition of the centrally-planned economies to market economies. Instead, the experience of the last 20 years indicates that steady improvements in growth, household incomes and child well-being are generated only in countries with:

- robust human and physical infrastructure,
- reasonable social policies,
- prudent macroeconomic policies, and
- free access to foreign markets.

In countries where these conditions were *not* met, opening up to the world economy adversely affected both growth and child well-being. Where the domestic environment and access to international markets remained poor, opening up led to stagnation or to marginalisation. The health, education and security of children in these countries suffered accordingly.

- This Report argues that children can gain substantially from globalisation, but only if domestic conditions are improved, if distortions in international markets are corrected, and if more representative institutions of local and global governance are created. In the absence of these changes, globalisation will benefit only a minority of the world's children.

The Report further contends that autarky – completely closed markets, the antithesis of globalisation – is ultimately a disservice to children, even as resentment towards the seeming inhumanity of open markets will make it an ever-attractive political option.

Sustained progress in child well-being requires concurrent action on both domestic and international fronts, comprising broad policy changes and specific, child-focussed programmes.

At the domestic level, the Report suggests a direction for economic policy that – with adjustment for national differences – could increase the wealth and well-being of the communities where children and their families live. In accordance with the policy, countries must expand access to land and water, as well as to health care, education, and credit services. Domestic markets need to be rendered non-exclusionary, and regulatory institutions strengthened.

The Report argues that countries must effect practical macroeconomic policies that clearly integrate economic goals with age- and gender-sensitive social objectives. Thus, social insurance, childcare and family support policies need to be strengthened as a counterbalance to the instability caused, among other things, by the rapid incorporation of women into the workforce.

Taken together, the Report found, these changes can produce equitable development as well as sound human and physical infrastructure, all of which are prerequisites for success in the global economy. And yet because innovations like these take time, and are often contested by vested political interests, they may need to be accompanied by specific initiatives that benefit children directly and in the short-term.

The achievement of child-friendly globalisation will depend upon improving conditions on an international environment plane as well.

Considerable gains could be realised, the Report found, by promoting international research and technology transfer that takes the needs of children into account. This Report proposes the establishment of a Technology Research and Transfer Programme for Children. It would have the mandate to advance and co-ordinate global research on technologies relevant to children, including basic drugs and vaccines, child nutrition, and long-distance learning. The Programme would not require new administrative machinery but could be carried out by a small operating unit within an existing organisation. It could be financed in any one of a number of ways, depending on the political support marshalled from the parties concerned.

The regulation of negative international trends needs to be systematised, strengthened and extended. Certain of these – such as destabilising short-term financial flows and taking forthright measures to address climate change, for example – should be dealt with gradually through international directives. Other problems, however, grow out of the inability of poor countries to control the import, marketing and sale of products that are harmful to the young, such as breast milk substitutes, tobacco and alcohol.

While global restrictions on these substances remain controversial and thus limited, innovative controls are likely to engender huge benefits for children. Where international agreements already exist, the main task is to monitor their full implementation. Otherwise, those concerned must negotiate new agreements and monitoring mechanisms.

Global markets might also be considered as a means for eliminating extreme forms of human suffering. In countries where civil conflicts are financed by the export of primary commodities, for example, end-users might demand a certificate guaranteeing that proceeds of the sale of these resources (e.g. gems, timber) did not in any way sustain conflict.

In other words, markets would be used to help “cut off the oxygen of war” – and they could also be used to promote “fair trade.” In this case, the challenge is to channel to poor children in developing countries the greater sums of money that consumers in OECD nations are willing to pay for goods produced under non-exploitative conditions. Certification could also help in providing information about a country’s conformity to accepted labour standards.

Finally, global markets must become more symmetrical; they must allow non-discriminatory access for all goods, including agricultural and low-tech exports from developing countries. Poor economies still unable to compete independently on the world market should be afforded “most favoured nation” status. Global insurance arrangements also need to be strengthened, since in an integrated world economy a financial crisis in one country can damage not only its own children but those of its “innocent bystander” trade partners.

No new policies can succeed without the reliable, transparent functioning of domestic governance; no improved programmes can take effect if the mandates of global institutions are not broadened. In the view of many, the latter, as they are currently organised, lack the incentive to deliver significant policy changes.

While child-friendly globalisation will require a broadening of the mandates of global institutions, it will also entail a gradual enlargement of the voting rights, responsibilities and financial contributions of their developing country members. NGOs and faith-based organisations may also be given a greater role.

Ultimately, the efficacy of all of these economic policy developments, domestic and international, must be measured in light of their consistency with the Convention on the Rights of the Child. The Report proposes the establishment of a tripartite commission to ensure that conformity.

The Commission would be made up of three groups: the government and civil society of countries that are signatories to the Convention; the Bretton Woods organisations such as the IMF, World Bank and WTO; and those UN agencies concerned with the welfare of children such as UNICEF, WHO, ILO and the High Commissioner for Human Rights. Work in this area could begin with the establishment of an observer mission to analyse the impact of contemporary global economic policies on child rights.