

**Keynote Address
by Mr. Anand Panyarachun
Former Prime Minister of Thailand
and UNICEF Ambassador for Thailand
at the Fourth Ministerial Consultation
on Progress toward the Goals for Children
In the East Asia and Pacific Region
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Ms. Bellamy, Excellencies, Distinguished Delegates, Ladies and Gentlemen,

It is both a privilege and an honour to have the opportunity to deliver this keynote address to such an esteemed gathering of Ministers, key government officials and experts dedicated to finding solutions to the many problems now facing the children of our great region.

Before I begin, please allow me to give special thanks to Prime Minister Chuan Leekpai and UNICEF Executive Director Carol Bellamy for their thought-provoking addresses. Their heart-felt commitment to the cause of children is inspiring and it should serve us well in the difficult work that lies ahead.

I must admit that when first asked to make this presentation, I was concerned about the prospect of addressing an audience with so much experience in the field of child development. After all, my long professional career has been mainly in the areas of diplomacy, politics and business. Even though I often championed the concern of children during my political career and term as Prime Minister, it was only relatively recently that I assumed my duties as UNICEF Ambassador for Thailand and began to fully immerse myself in the concerns of children.

Yet, after some reflection, I realized that my grasp of the dramatic social and economic changes that have shaped, and continue to shape this region has given me much to share with you about how these forces can be harnessed for the benefit of children. I also realized that there are literally hundreds of millions of excellent reasons - one for each of the 600 million children in the East Asia and the Pacific region - for me to speak to you today.

Let me start by noting that we can be justifiably proud of the achievements our region has made in the past decades. Until recently, our region was known around the world for its remarkable and mostly equitable economic growth and, as Ms. Bellamy has pointed out, for the extraordinary progress we have made for our children. I would like to share with you my own personal analysis of these achievements, the reasons for this great success, and what we can learn from them as we deal with the many difficult challenges ahead.

Over the past three decades, there have been many diverse, country specific strategies that have contributed to our region's overall prosperity. The main

elements have been a balanced approach to good fiscal and economic policy and a strong emphasis on human resource development. These have included:

- The building of a broad base of human capital by focusing on basic education and the provision of basic social services, such as access to health care;
- The adoption of an outward-looking trade strategy, with domestic protection limited to a core group of strategically important industries;
- The more equitable distribution of the benefits of economic growth, particularly through land reforms and broader access to credit facilities;
- Selective intervention to promote both increased domestic saving and the transfer of these savings to internationally competitive domestic firms, and;
- Developing a co-operative relationship between the public and private sectors.

While all of these elements have been key to the region's success, it is my opinion that the generous investment in basic primary education and in other basic services marks the most critical difference between the high level of development experienced in our region and that of the world's other developing regions.

For example, as long ago as 1960 governments in the Republic of Korea, Malaysia and Singapore were making massive public expenditures for education. In East Asian countries, education was seen not as just a luxury for the privileged few, but as a right and necessity for all. The emphasis was put on universal, high quality primary education, while university education systems were largely self-financed. In countries such as Thailand, Malaysia, the Republic of Korea and Hong Kong, nearly 70 per cent of education budgets were devoted to primary education. Singapore spent 834 US dollars on every primary school student in 1985, compared to just 28 dollars per primary school student in India, and 21 dollars per student in Pakistan.

As a result, East Asian countries achieved almost universal literacy, and were better able to meet the demand for a skilled, educated workforce, and to handle the pressures of competition in an expanding and open global market. The cumulative benefits of such major and well targeted investments in human resource development become increasingly clear with the passage of time: over the last three decades, East Asia's real gross domestic product has grown consistently at a rate almost three times as fast as South Asia's.

So the very foundation of the phenomenal growth this region enjoyed in recent decades has been our strong commitment to human resource development, which, quite simply, was a wise investment that we made in ourselves.

Now, with the dark clouds of economic uncertainty hovering over our region, all that we have achieved is under threat. Day by day the situation seems to deteriorate in many countries, with more mass layoffs announced and ever grimmer projections for the years ahead. More and more families can no longer afford to pay for basic health care or afford to keep their children in school. Once thriving middle class families have seen the dreams they hold for their children suddenly evaporate. Laid-off factory workers can no longer afford to feed their children. Tens of thousands of labourers, the ones who built the gleaming skyscrapers of the “Asian Miracle,” now have no choice but to sleep in our streets. In short, there are more poor than ever, more families and children in trouble, and more and more people who need help but cannot find it.

What has happened to our region, the region of the “Tiger” and “Tiger cub” economies, of ever-higher GDP growth rates and an ever-expanding middle class? How did we come to this end? What became of the “The Miracle”? Domestic institutional shortcomings, poor fiscal management and plain, unbridled greed were among the culprits. I will leave it to the economists, the bankers and others to conduct the post-mortem.

Instead, please allow me to discuss where we should go from here if we are to ever regain the promise the future once held. What are some of the things that need to be done?

First, I want to underline that we must not forget how our region became an economic powerhouse, how “The Miracle” came to be. As noted earlier, it was sustained, long-term investment in education that made us strong enough to compete in the global arena. No matter what the current economic outlook, no matter how tight the money supply, no matter what kind of economic restructuring and reform is required, without continued, adequate investment in the development of human resources we will never recover, never redeem the Miracle. People are the real wealth of our nations, and it is only through investment in people, starting with children, that we can ensure our future.

Second, we must continue to strive to ensure good governance and transparency at all levels. How power is exercised in the political, economic, social and administrative arenas, how governments inter-act with people in the public realm, how businesses conduct themselves, and how families treat their children, will be key.

Governments need to pursue and penalize corruption, develop more checks and balances, and make our institutions and their personnel more accountable for their actions. There needs to be more decentralization, and with it the devolving of decision-making and resource allocation. This goes hand-in-hand with the need to encourage a sense of responsibility on the part of local authorities and to foster more open management. Governments must also promote more public hearings, policies and inquiries so that the voices of the public are heard prior to the adoption, review or reform of laws, policies and programmes.

Good governance is also necessary within the private sector, where there must be more self-regulation through codes of conduct and peer pressure so that the sector itself can promote self-regulation and issue reprimands. As the current economic crisis has taught us, good governance and transparency is desperately needed at the global level, where unfettered financial flows can serve to make or break a nation's economy. We can no longer allow the interests of a privileged few to wreak havoc on the lives of millions. In this era of globalization, where the ripples and shock waves of economic disruption is felt far beyond one nation's or one region's borders, the international community must establish a set of rules to regulate those financial and speculative activities that have potential for economic destabilization. A fundamental re-examination of the way international payments are conducted should be made.

Third, we must address the issue of wage disparity and rising inequality between the city and the countryside, the huge, groaning gap between the "haves and the have-nots". This has become a growing and alarming problem in several of the region's countries over recent years. We cannot invite only the rich and privileged to the table and then expect that the left-over scraps will be enough for the middle class, those trying desperately to work their way into the middle class, and the poor and disenfranchised living on the margins of society. Equitable distribution of the benefits of growth is one of the hallmarks of a free and fair society. We must ensure adequate infrastructure development and public and private sector investment in less-developed areas, and remove constraints on access to credit for all our citizens. In addition, economic rescue packages should not be used to assist only the immaculately tailored, Mercedes-driving financiers who are now in need of a bailout, but rather the barefoot farmers who travel by water buffalo and the women and children of the rice paddies.

Fourth, we must also increase the use of social incentives for those working to forward social development. All too often investment incentives such as tax relief are given only to entrepreneurs and the rich to invest in industries that are deemed beneficial to the economy. Few incentives are available to those working for social development, such as NGOs. The situation needs to be redressed so that incentives, such as tax relief, are given to those working for and in the community, especially for children.

Fifth, we must seize the opportunities that the current situation presents us. If I may have the privilege of borrowing from a recent address of Prime Minister Chuan, the crisis has sparked what he called a "back-to-basics movement". Has reminded us that our tightly knit families and the community networks inherent in our agricultural sector form the bedrock of our society. Constitute an available reserve of "social capital", which has often been overlooked in our rush towards industrialization. The crisis has helped us to look again at our inner strengths and has enhanced the resilience of our society. This should make us better able to weather the social repercussions of the crisis.

Finally, let me say the road to economic recovery and stability will not be easy. It will be long and hard and painful. It will demand regional and international

solidarity. We now live in an inter-dependent world, and no nation or region can afford to stand-alone or stand by when other nations or regions need assistance. If we are to rebuild "The Miracle", and in doing so guarantee our children their right to a world where there is opportunity to fully develop and contribute to society, we must all work together. I can think of no better way for us to do so than by striving to meet the World Summit Goals for Children. The achievement of the goals would provide both our children and our nations with the foundation they needed to cope with the challenges of the future. If we here today work together, we can ensure this. If we stand together, there is nothing that can stop us. We owe it our countries our citizens, and most of all, to our children. It is our solemn and sworn duty. We dare not fail.