

A willing world can end child poverty *by Joseph E. Stiglitz*

In recent years, the issue of poverty in the developing world, and how to reduce it, has commanded a great deal of attention. There has been less recognition, however, of the problem of **poverty among children**, which is more pervasive and has pernicious long-term consequences. Poverty threatens children's lives: it is the main reason that the under-five mortality rate in sub-Saharan Africa, the least developed geographical region, is twice the world average and nearly 30 times higher than the average of the high-income Organisation for Economic Co-operation and Development (OECD) countries. Poverty, along with HIV/AIDS and armed conflict, shortens average life spans: A child born in 2003 in sub-Saharan Africa can only expect to live 46 years, compared with 78 years in the highest-income countries. Malnutrition, which is most prevalent in South Asia, not only stunts growth but also affects brain development, preventing children from blossoming to their full potential. It is also a contributory factor to many of the diseases that can result in child death or disability.

A lack of education also has severe and lifelong repercussions for children. Study after study confirms the high economic returns to both individuals and economies from investment in education. But more than simply material gain is at stake. Without an education, children will struggle to fulfil their potential, or to enjoy as rich and meaningful lives as they otherwise could have. In 2003, according to UNICEF estimates, over 121 million school-age children were out of school; this is more than the number

in 1990. One in every three children in developing countries does not complete five years of primary education, which is the minimum period required for achieving basic literacy. These children will join the ranks of the 1 billion adults who cannot read or write. In high-income OECD countries, annual public expenditure on education per child is \$7,372, nearly 200 times higher than the average for sub-Saharan Africa of just \$38. The disparities in income between the industrialized countries and the least developed countries, already huge, will widen further unless investment in education in low-income countries increases markedly.

The fact that poverty among children is even a greater problem than poverty in general should come as no surprise: The poorest regions of the world are rich in children. Nearly 50 per cent of the population in the least developed countries is under the age of 18, compared with just 22 per cent in the high-income OECD countries.

What makes the poverty children experience so appalling is that it would cost very little to do something about it. While the cost of educating a child varies across countries, the average annual cost for developing countries is about \$40 per student. The additional cost of achieving universal primary education by 2015 – the second Millennium Development Goal agreed to by 187 countries in September 2000 – is estimated at \$9.1 billion annually.^a Less than \$100 billion will be required over the next 10 years to make this goal a reality. To put this number in perspective, global defence spending in 2003 amounted

to over \$956 billion. A 1 per cent reduction in annual global military spending – which would only shave a fraction off the 11 per cent spending increase that took place in 2003 alone – could provide primary education for all children around the world. A 10 per cent reduction in spending in a single year would cover all the expenses to eliminate global illiteracy for the next decade. The numbers make one thing clear: The world can afford to eliminate illiteracy.

The disparity in health is no less glaring, and again, the world can easily meet the expense of basic health care for the least developed countries if it is willing. The average yearly cost of servicing sub-Saharan Africa's external debt is roughly \$80 per household, almost half the average amount (\$173) that each family spends on health and education combined. The implication is obvious: Faster and deeper debt service relief for the poorest countries could free up additional resources for social expenditure that would go a long way to ameliorating poverty. UNICEF's projected cost for immunizing children for the whole of 2004 is about \$187 million: This amounts roughly to 0.02 per cent of global military spending. If just 0.5 per cent of global military spending were diverted to immunization, every child in the world could be immunized for the next decade.

The responsibility to eradicate the poverty that children experience, which threatens their survival, health, education and potential, is global: Every country must do more to live up to this challenge. As this *State of the World's Children* report makes clear,

every society should mobilize its resources to reduce the level of deprivation that children experience on a day-to-day basis. However, in this era of global economic interdependence, the more affluent economies have broader responsibilities; their spending priorities and policies not only affect the children in their own countries, but also have implications for children elsewhere.

Our self-interest is at stake: A world with such social injustice and despair provides a fertile breeding ground for terrorism. Democracy without education often falters. As an economist, it is easy to say that we are not allocating resources in ways that maximize our own long-term interests. Lack of resources is not, and cannot be, an excuse. But we should not view the eradication of poverty among children as simply a matter of self-interest. It is a question of what is morally right.

Nobel Laureate **Joseph E. Stiglitz** is recognized around the world as a leading economic educator. A former Chief Economist and Senior Vice-President of the World Bank, he has made major contributions to many branches of economics. Professor Stiglitz also helped to create a new branch of economics, the Economics of Information, pioneering pivotal concepts that have now become standard tools, not only of theorists, but also of policy analysts. He founded one of the leading economic journals, *The Journal of Economic Perspectives*, and has written several books, including the international bestseller *Globalization and Its Discontents*, which has been translated into more than 20 languages. A former professor at Yale and Stanford Universities in the United States, and All Souls College, Oxford, United Kingdom, he is now a University Professor at Columbia University in New York.

donors to be aware of how children are affected by poverty, discrimination, ignorance, labour and exploitation, life-threatening diseases and the environment. Accountability and knowledge provide a firm basis for action and must be incorporated into policies and programmes to bring about change.

Governments must adopt socially responsible policies, keeping children specifically in mind. For any government hoping to promote and protect human rights and achieve sustainable development, especially in the areas of poverty reduction and lowering HIV/AIDS prevalence, pursuing measures with children specifically in mind is the most effective route. Applying human rights principles to child policies will bring rich rewards. Educating and supporting citizens to participate in civic affairs will enhance their capacity to support their children's development and ensure the protection of their rights. Abolishing school fees will encourage poor families to enrol their children in school, as it has done in Kenya, Malawi, Uganda and the United Republic of Tanzania, allowing millions of children to enjoy their right to an education.

Mechanisms that increase the transparency and accountability of state services will help ensure that these are of the highest quality possible and the least wasteful of human and financial resources. Empowering and directing resources to marginalized groups will assist in strengthening the social fabric and reducing potential social discord, conflict and disintegration. Provision of social and protection services should be mandatory, not optional, and citizens should be encouraged to participate and fulfil their own duties to children and to society.

Donors and governments must invest additional funds in children. The resources are available to fund a global transformation of childhood, through both increased official development assistance and improvements in the quality of national public finances. Implementing national