

Breaking the Poverty Cycle Investing in Early Childhood

Keynote Addresses

Amartya K. Sen

Gro Harlem Brundtland

**Inter-American Development Bank
Sustainable Development Department
Social Development Division**

INVESTING IN EARLY CHILDHOOD: ITS ROLE IN DEVELOPMENT

By Amartya K. Sen

Introduction

I feel very privileged to have the opportunity of addressing this eminent conference. I am also happy that for their annual meeting the Inter-American Development Bank has chosen to discuss "investing in early childhood."¹ This is both a momentous subject and one that has been, for one reason or another, rather neglected. It is important not only to examine the demands of investment in children, but also to do this in a conceptually adequate way.

I shall argue that through seeing investment in children as a part of the overall process of development, we can have a fuller understanding of the extensive reach and critical importance of investing in early childhood. It can also be argued that the comparative neglect of this important subject may be, to a great extent, the result of taking a limited — and rather *ad hoc*— view of the quality and implications of childhood. Seeing the issue in the rich perspective of developmental reasoning allows us to have a clearer appreciation, on the one hand, of the integral relation between childhood and adulthood, and on the other, of the interconnections between the lives of different persons and families who make up the total society. A developmental perspective, I would argue, can do greater justice both to the extensive interconnections that exist and to the necessary integrations that are needed.

Development as Freedom

So I begin with the elementary question: what is "development"? I have tried to argue

¹ "Breaking the Poverty Cycle: Investing in Early Childhood," Paris, March 14, 1999.

elsewhere that the process of development can be seen as expansion of human freedom.² The success of an economy and of a society cannot be separated from the lives that members of the society are able to lead. Since we not only value living well and satisfactorily, but also appreciate having control over our own lives, the quality of lives has to be judged not only by the way we end up living, but also by the substantive alternatives we have. To illustrate the distinction, consider a person who lifts very heavy weights every day. For example, in assessing the quality of life of this person, we have to examine whether he or she is doing this out of free choice (with other alternatives in hand), or being forced to do this through the command of, say, some strong-armed slave-driver. It would make a difference.

Since the assessment of freedom can be sensitive both to what a person does and also to the alternatives she has, freedom provides a more inclusive perspective in judging human advantage, and through that, in assessing social success.³ This is the basic reasoning that

² I have discussed this perspective in Resources, Values and Development (Cambridge, MA: Harvard University Press, 1984), and "The Concept of Development," Chapter 1 in H. Chenery and T. N. Srinivasan, eds., Handbook of Development Economics (Amsterdam: North Holland, 1988). The demands and extensive implications of this approach have also been pursued in a forthcoming book, Development as Freedom, to be published by Knopf, New York.

³ The inclusive nature of freedom and its incorporation of distinct components is critically examined in my Kenneth Arrow Lectures, to be published in Freedom, Rationality and Social Choice, forthcoming (Clarendon Press, Oxford).

provides the foundation of seeing "development as freedom."⁴

Focusing on human freedoms contrasts with narrower views of development such as those that identify development with the growth of gross national product, or with the expansion of trade, or with industrialization, or with technological advance. Growth of GNP, or of industries, or of technology can, of course, be very important as a *means* to expanding the freedoms of the members of the society. But the freedoms that people enjoy depend also on other determinants, such as social and economic institutions (for example, facilities for education and health care) as well as political and civil rights (for example, the liberty to participate in public discussion and scrutiny). Viewing development in terms of expanding substantive freedoms directs attention to the ends that make development important, rather than merely to some of the means that *inter alia* play a prominent part in the process.

Using this broad perspective, we can examine the particular role of investment in children. That role has many features and distinct aspects, and it is important to separate out the different ways in which that role can be important in enhancing human freedom, and through that, in advancing development. We are often told, these days, that we must take a "holistic" view, but the subject calls also for analytical distinctions and empirical differentiations. The whole may be more than the sum-total of the parts, but we have to be quite clear as to what the parts are before we appraise the whole.

⁴ The policy correlates of development seen in this general perspective are discussed in my forthcoming book, Development as Freedom (1999).

Mortality as Unfreedom

The first —and perhaps the most elementary— connection between childhood investment and development works through child mortality. There are two issues here: (1) the empirical possibility of reducing child mortality (including infant mortality) through public and private investment, and (2) the relevance of child mortality reduction for development. On the former issue, the existence of very strong empirical connections between investment and mortality reduction is amply confirmed by the observed regularity that investment in nutrition, immunization, child care, etc., does dramatically reduce the rate of child mortality when that rate is, comparatively speaking, high. Indeed, the experiences of many different parts of the world — from Europe to Japan— bring out how very effective even rather small investments in these fields can be. Also, the achievements of national policies in reducing child mortality have been substantially supplemented in recent years by systematic interventions of such international organisations as UNICEF and WHO.

If the former issue —that of empirical connection— is well established, the latter issue —that of valuation— should be well recognised too. Indeed, evaluative relevance of mortality reduction in development performance is much more widely accepted now than it was even a decade or two earlier. As someone who has tried, for many years now, to argue in favour of the importance of mortality reduction as a constitutive part of development,⁵ I am happy to report that the

⁵ In criticising such measures as growth of GNP per capita as the criterion of development (perhaps in some inequality-adjusted form), I even made an attempt in the early 1970s to propose a compromise —that of having a "compound" criterion in which survival would be a crucial component along with income; see my "On the Development of Basic Income Indicators to Supplement the GNP Measure," United

opposition to recognising this constitutive importance seems to be largely crumbling now, at least at the practical level. While Mahbub ul Haq's *Human Development Reports* began as a rebellion against accepted measures of development (the first report was in 1990), they have recently become a standard part of the establishment of development literature. Not everyone may yet agree on the importance of this perspective, and in some writings, defiant obduracy may still be displayed in the tendency to distinguish sharply between "human development," on the one hand, and simply "development," on the other (as if the latter takes note of the well-being of elephants and chimpanzees, in addition to humans). But in the practical literature on development, increasing life expectancy and reducing mortality are now standardly taken as part and parcel of the accounting of development, broadly understood. No matter what we may think of such aggregate measures as the "human development index," which cannot but be defective (as any scalar representation of a complex vector of achievements must be), the subject matter of life and death is now well established in the development literature.

However, the issue is not just one of accounting acceptance, but also of conceptual clarity as to how development can be seen as a consolidated process of expanding human freedom, and why the reduction of child

mortality (and the associated alleviation of child morbidity) can be placed solidly in the core of this integrated understanding. Avoidance of preventable mortality can be, in itself, a major contribution to the process of development, since premature death is a basic denial of the most elementary freedom of human beings. This is not only because we value—and have reason to value—living a normal span of life (this is well reflected in the reasoning we actually use once we are old enough to reason), but also because most things that we want to do are helped by our being alive. One has to be "quicke" rather than "dead" (as the medieval distinction used to put it) in order to be able to accomplish many of the things we may value accomplishing. Living is not only fun, but it is also a great facilitator of things we want to achieve.

Health and Survival of Children

This rudimentary point, which is obvious enough, is worth acknowledging explicitly in this conference. The subject of this conference is very broad, but it can be arbitrarily narrowed if our perspective were to concentrate only on poverty seen as low income. Indeed, the imperative of "breaking the poverty cycle" can be interpreted by some to be mainly an instruction to battle against the perpetuation of low incomes. But this interpretation would have the effect of significantly reducing the reach and relevance of the topic of this conference.

Child mortality, which still claims an astonishing total of lives, has to be seen as impoverishment in itself. Health care, public education, guaranteeing of food entitlement, and other measures that help to end the cycle of this basic impoverishment must get a central place in an integrated approach. And the morbidities and sufferings associated with elevated child mortality also have claim to

Nations Economic Bulletin for Asia and the Far East, 24 (1973). It is, however, necessary to differentiate adequately between the normative bases of values of distinct concerns (including income and survival), rather than primarily seeking an immediately acceptable compromise. On this issue, see my "Informational Basis of Alternative Welfare Approaches: Aggregation and Income Distribution," Journal of Public Economics, 3 (1974), and Resources, Values and Development (1984).

public attention. These afflictions also represent violations of the freedom of the very young to live the way they can enjoy and treasure.

Childhood Quality and Adult Capabilities

Having noted the immediate relevance of the health and survival of children in a developmental perspective, let me now turn to the connections between childhood and adulthood. In his engaging book The Twelve Who Survive, Robert Myers has plausibly argued that we cannot be concerned only with the prevention of mortality of children, but must also focus on "strengthening programmes of early childhood development" for a fuller life of the children.⁶ Enhancing the quality of life of children, influenced by education, security, prevention of trauma, etc., can be crucially significant as a part of development.

Indeed, the quality of childhood has importance not only for what happens in childhood, but also for future life. Investments in early childhood "are important," as Enrique Iglesias, the President of the Inter-American Development Bank, puts it, "in their own right because they pave the way for a life-time of improved health, mental and physical performance, and productivity." He goes on to add, "The right investments can go a long way toward minimising—and even preventing—a host of other economic and social problems, ranging from juvenile delinquency to teenage pregnancy to domestic and social violence."⁷

⁶ Robert Myers, The Twelve Who Survive (Ypsilanti, MI: High/Scope Press, 1992, 1995).

⁷ "President's Letter," in IADB, The Intergenerational Transmission of Poverty: Some Causes and Policy Implications, December 1998.

The capabilities that adults enjoy are deeply conditional on their experiences as children. Here again we must distinguish between different elements in this interconnected picture. Investment in education and other features of childhood opportunities can enhance future capabilities in quite different ways. First, it can directly make adult lives richer and less problematic since a securely preparatory childhood can augment our skill in living a good life. There is much social psychological evidence to suggest this.

Second, in addition to that "direct effect" in the capability to live a good life, childhood preparations and confidence also contribute to the ability of adult human beings to earn a living and to be economically productive. Through these earnings and economic rewards, the lives of the adults are enriched. Since that in turn influences the lives of their children and *their* future adult lives, there is a transmission problem here, with which the Inter-American Development Bank has been much concerned recently (judging from the literature I have been able to read).

This relationship—what may be called the "indirect economic connection"—vastly supplements the force of the "direct effect" of childhood quality on adult lives and capabilities. This connection is important in general, but it is especially serious in the specific context of female-headed households and female maintained families.⁸ The indirect economic connection cannot but be an area of concentrated research and action in the years to come.

⁸ See Mayra Buvinic and Geeta R. Gupta, "Female-Headed Households and Female-Maintained Families: Are They Worth Targeting to Reduce Poverty in Developing Countries," Economic Development and Cultural Change, 45, 2 (1997). See also Mayra Buvinic, "Women in Poverty: A New Global Underclass," Foreign Policy, 108 (Fall 1997).

The third connection is also indirect, but it relates to *social* linkages, which can extend beyond purely economic ones. Our ability to live with others, to participate in social activities, and to avoid social disasters, is also deeply influenced by the skills we form as children. We know something about these relationships on the basis of the existing literature, but this is a field in which much social and psychological research still needs to be done. Concerted action to enhance social capabilities deserves much more attention than it has tended to receive in the standard development literature.

There is also a fourth—a *political*—connection. The success of a democracy depends on the participation of citizens, and this is not a matter of just "gut reaction" but also of systematic preparation for living as active and deliberative citizens. These issues have been emphasised by various political observers, such as Habermas, and more recently Robert Putnam, among others.⁹

The childhood-adult connection does, therefore, have many distinct aspects. There is need for a framework of interactive analysis that pays attention to the diverse elements in this relationship as well as to their manifest interconnections. The experience and quality of childhood, as Felton Earls and Maya Carlson have analysed, have profound

impact on the capabilities of adults to live successfully in the society."¹⁰ While the illustration of these interconnections have come in the Earls-Carlson works from their study of U.S. families (particularly in the Chicago neighbourhood), there are general issues here that apply to other countries as well, not least in the rest of America. We have a great deal to learn from each other.

A Concluding Remark

I have commented briefly both on a general approach to development that allows us to see the issue of investment in childhood in an inclusive perspective, and also on some of the distinct elements in the adult-childhood relationship that have to be more fully seized for an adequate policy approach to this complex issue. It is important to see the diversities involved, covering our interest in the survival and quality of life of children, on the one hand, and the direct as well as indirect impact of childhood on the capabilities of adults to live worthwhile lives. The connections cover the direct skill in living as well as indirect effects through economic, social and political linkages. This is a subject of profound importance, and I am grateful to the Inter-American Development Bank for taking a leadership role in addressing this problem. The challenges involved are of interest to the entire world.

⁹ See J. Habermas, Communication and the Evolution of Society (Boston, MA: Beacon Press, 1979); Robert D. Putnam, Making Democracy Work: Civic Traditions in Modern Italy (Princeton: Princeton University Press, 1993). See also S. Chambers, Reasonable Democracy (Ithaca, NY: Cornell University Press, 1996); Amy Gutmann and Dennis Thompson, Democracy and Disagreement (Cambridge, MA: Harvard University Press, 1996); J. Bohman and W. Rehg, eds., Deliberative Democracy (Cambridge, MA: MIT Press, 1997).

¹⁰ Felton Earls and Maya Carlson, "Adolescents as Collaborators: In Search of Well-being," mimeographed, Harvard University, 1998. See also their earlier joint paper, "Towards Sustainable Development for American Families," Daedalus, 122 (1993).

BRINGING IN NEW ACTORS

By Gro Harlem Brundtland

The title you have defined for today's seminar could well have been selected from an advocacy handbook of the World Health Organisation: *Breaking the Poverty Cycle: Investing in Early Childhood*.

The discussions we have just had encapsulate a message that I am committed to bringing to the political decision-makers in our effort to bring health to the centre of the global development agenda: investing in health matters. Investing in health is a well-documented strategy for lifting populations out of poverty. Investing in early childhood is cost-effective and a sound example of preventive public health policies.

The fact that we address these issues at the Seminar of the Inter-American Development Bank is encouraging, but not surprising. The IDB has been a frontrunner in showing why health matters and why Member States should devote time and energy to getting their health policies right. It has done so working closely with PAHO — the health component of the Inter-American System to which the IDB also belongs — but at the same time the Regional Office of WHO for the Americas.

I am here today to lend all my support to this collaboration, and to send a clear message that WHO will work actively to reach out to the international financial institutions in our quest for better health and better lives for billions. This afternoon I wish to share with you some broad guidelines for WHO's work on child health, and to reflect on how this work can fit into a broader cooperation with the development banks. We have different

roles. But we cannot live in different worlds. We need to pull together the efforts of all the actors engaged in development.

Today we have a reliable overview of the global burden of disease. The figures from 1995 hold few surprises. The leading causes of mortality or disability show the traditional three on top: respiratory infections, diarrhoea, and birth-related conditions. What about the leading risk factors? First, there is malnutrition. Then follow poor water and sanitation. The same three killers would have been on top had we done this study back in 1965 or even earlier. But even if the top causes of child mortality remain the same, the levels for most of them have dropped significantly.

Still, it is in child mortality where social inequalities have become most visible. Most of the unfinished health agenda at the doorstep of the 21st century is explained by the persistence of childhood illness. Illness against which we have tools. Yet the application of those tools to all has failed because of social inequality and inequitable health systems. So, vast improvements in child health have not been shared by all. This is why we still see persistence of causes of deaths which should no longer occupy the top ranks. But overall, child mortality rates and life expectancies have greatly improved. More children survive the first five years of their lives than ever before.

What it means is that we have more children to take care of. The improvements in science and public health which allow so many more children to survive their first years, have

handed us a new responsibility: Having secured children their survival, we must ensure that they can have a healthy and stimulating childhood. This will prepare them for challenges later in life and enable them to make contributions to the social and economic development of their countries and communities.

Investing in early childhood means investing in poverty prevention. We have known for a long time that poverty breeds ill health. What some have long suspected but which only recently has become evident is that it works both ways. Ill health perpetuates poverty. This is the root of the poverty cycle. And as the speakers before me have already emphasised, the way to break the poverty cycle is to focus on children. I feel we are making some headway. We have strong and cost-effective tools to improve the lives of the youngest children. Integrated approaches to children's needs that recognise the importance of early childhood care for survival, growth and development have changed the way we look at strategies for helping children living in poverty.

Let me focus on where WHO can make a contribution.

We are all aware that we need to pay attention to cognitive stimulation and psychosocial factors in child development. But the underlying foundation for normal mental development is the absence of serious disease. A child weakened by repeated attacks of diarrhoea or malaria will not benefit. Preventing or arresting the repeated assaults of illness on a young child are therefore an integral and fundamental part also of ensuring a child's psycho-social development.

Nutrition is a key factor. The effects of nutrition not only on growth and physical de-

velopment, but also on cognitive and social development are well documented. A malnourished child is not only more vulnerable to disease. Cognitive development will be in peril, especially during the first three years of life. Stunted physical growth is closely linked to reduced mental development.

Our intervention, of course, needs to start long before birth. Between 5% and 15% of the global burden of disease is associated with failures to address reproductive health needs. Many of these problems stem from adolescents becoming parents far too early. Just imagine the costs, to the individual and to society, of the 600 000 women dying every year due to maternal causes, and the 7.6 million perinatal deaths. Failing to ensure that young people have the knowledge, skills and services they need to help them make healthy choices in their sexual and reproductive lives costs us dear.

Investment in reproductive health is an investment in future health and development. The world made real pledges at Cairo five years ago. But sufficient resources have not been put forward. We need a renewed focus on the reproductive agenda and WHO will actively play its part. Reproductive health, nutrition and strategies to combat common early childhood diseases must take a central place in any programme for children. Other development activities can spring from this. Health, nutrition, cognitive and social stimulation, as well as education are complementary issues which lend themselves to cooperation across professional boundaries.

A child's day is not compartmentalized into health, nutrition, education and the like, and we should not impose our professional compartments on their lives. It is our job to ensure that health and education, nutrition and

social activities blend into one protective and nourishing environment for the child.

One of WHO's contributions to early childhood care and development is the strategy for Integrated Management of Childhood Illness. It is a product of lessons learnt during the fight against childhood diseases. We found that many separate strategies to combat single diseases in children often missed opportunities, resulted in redundant efforts and sometimes gave mothers confusing or too narrow advice. IMCI is important because it focuses on the youngest children - from birth to five years - who traditionally have been the most difficult to reach. It is also important because it uses existing infrastructures as a starting point: local health workers are given training and support to assist children and parents. A child brought to a clinic with diarrhoea will be treated for his complaint; at the same time he will be checked for acute respiratory infections and other diseases and receive a nutritional assessment. The child will be vaccinated, the mother will be told about breastfeeding and other aspects of nutrition, and the importance of impregnated bed nets in malaria-prone areas. All this in one integrated consultation. As part of the IMCI strategy, these efforts to improve health workers' practices are complemented by improvements in the health infrastructure, and by focused efforts to change key family and community practices.

IMCI is a new strategy — too new for us to present definite and large-scale data on its success. But on the ground, the change is already noticeable. Uganda is one of the 58 countries worldwide which have so far adopted the IMCI strategy. One baffled mother coming out of a health station in a small Ugandan village recently asked suspiciously whether there had been a major pay

rise among nurses, since the health workers now actually talked to her at length and showed unusual concern for her child. In Brazil — which is one of 19 countries in Latin America and the Caribbean that have adopted IMCI — early data from a research study suggest that nutritional counselling of mothers in poor rural areas by health workers trained in IMCI has pretty much eliminated the drop in weight which had been normal for babies in the transition period from mother's milk to ordinary household food.

The strategy also emphasizes that no opportunity to immunize a child should be missed. Childhood immunization is an area in which the achievements have been considerable. The proportion of the world's children who are vaccinated has risen from less than 5% in the 1970s to around 80% today. But maintaining coverage at these levels is an ongoing task, and extending this basic service to all children is an unmet challenge. There is still a long time lag between the introduction of new vaccines into the rich world and their availability to the world's less privileged children. Creative financing mechanisms are part of the solution to these outstanding issues.

The key is teamwork across disciplines and agencies. That leads me to the second reason why this gathering today makes me optimistic. A few years ago, a seminar such as this would typically have been organized by UNICEF, by WHO or by one of the many child-oriented organizations that exist. This time, however, it is organized by a bank.

I have always believed that you cannot make real changes in society unless the economic dimension of the issue is fully understood. Once we understood the economic implications of environmental degradation we were

able to transform the environment from being a cause for the convinced to becoming an issue for real societal attention by major players. The same goes for health.

The way to results is through partnerships. Often the best partnerships are those that are forged between unorthodox entities. When people with vastly different backgrounds come together with a shared purpose, creativity is released and expertise is used in innovative and constructive ways.

For the World Health Organization this provides real inspiration. We have now strengthened our intellectual capacity to prove how economic good sense can underpin sound health policies. We intend to collect, analyze and spread the evidence that investing in health is one major avenue towards poverty alleviation. We have established close cooperation with the World Bank and the International Monetary Fund as well as with the regional development banks.

As I said at the outset, the Inter-American Development Bank is no stranger to such thinking. The IDB has taken a lead in social-sector project lending, with its first so-called “soft-sector” loans stretching back to the 1980s. Other regional development banks are now following this path. Over the past decade, the World Bank has also drastically expanded such lending.

The recent and ongoing economic crisis in Asia and several countries in Latin America has brought home the need to protect and strengthen social sector activities and ensure low-cost and universal health and education systems for all. “Trickle-down” does not work on its own. Although this fact may be obscured during good economic times, it becomes glaringly apparent during recession

and crisis. Nowhere is the need for intervention greater than in ensuring that children get the childhood they have a right to. And, as several speakers this afternoon have shown, the economic benefits from investing in early childhood are impressive.

But interventions need to be cost-effective. It need not cost a lot to make substantial improvements in children’s conditions. But poorly designed programmes can easily become failures, wasting meagre public resources and making it harder to convince decision-makers next time around that child-focused programmes are of value.

When Prime Ministers and Finance Ministers are told that early childhood development is also their business — that wise investments yield real results — then they will listen in a different way. They will consider changing their traditional priorities. When they see that sound, cost-effective strategies exist, and that they are backed by world-renowned expertise, then there is real hope that they will actually allot money for them. This seminar has shown that we have the expertise, we have a growing number of cost-effective strategies and, through the IDB, we have a willing and competent financier: in short, we have what it takes to improve conditions for the children of the Americas and the rest of the world.

This seminar is proof of the willingness to forge new partnerships. It makes me confident that we will succeed in fulfilling the promises and duties towards our children and in breaking the poverty cycle.

About the Authors

Amartya K. Sen is currently a Master of Trinity College in Cambridge, England. He received the Nobel Prize for Economics in 1998 for his contributions to welfare economics, which have helped in the understanding of the economic mechanisms underlying famine and poverty. Prior to his appointment at Trinity College, he was the Lamont University Professor at Harvard University, where he was Professor of Economics and Philosophy (1987-1998). He has been Professor of Economics at several other prestigious universities, including Oxford University (1977-1987), the London School of Economics (1971-1977), and Delhi University in India (1963-1971).

A native of India, Professor Sen studied at Presidency College in Calcutta, India and obtained his B.A. (1955) and Ph.D. (1959) degrees in Economics from Trinity College. His research has ranged over a number of fields in economics and philosophy, including social choice theory, welfare economics, theory of measurement, development economics, moral and political philosophy, rationality of choice and behavior, and objectivity from positional perspectives.

Gro Harlem Brundtland is the current Director-General of the World Health Organization. She has held public office for more than 20 years. For 10 of those years she was Prime Minister of Norway (1981, 1986-1989, 1990-1996), the first woman to hold this position in her country. In 1974, Dr. Brundtland served as Minister of Environment. Before that, she worked at the Ministry of Health on children's health issues, including breastfeeding, cancer prevention, and other diseases. She also worked in the children's department of the National Hospital and of the Oslo City Hospital, and became Director of Health Services for Oslo's schoolchildren.

In 1983, the then UN Secretary-General invited her to establish and chair the World Commission on Environment and Development (the Brundtland Commission), which is best known for developing the broad political concept of sustainable development. Dr. Brundtland is a Medical Doctor and earned a Master of Public Health from Harvard University. She spent 10 years as a physician and scientist in the Norwegian public health system.