

CENTRAL AMERICA: REGIONAL ANALYSIS ON INVESTMENT IN CHILDREN AND ADOLESCENTS

Based on
The General Comment on Article 4
of The Convention on the Rights of the Child
Period 2007-2013



Executive Summary

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Based on the General Comment on Article 4 of The Convention on the Right of the Child - Period 2007-2013

In 2012, Plan International and the Central American Institute for Fiscal Studies (Icefi) established a working relationship aimed at advocating for the rights of children and adolescents in the region. In 2013, both organizations prepared the first report on the public investment in children and adolescents in all countries in the region except for Panama. In 2015, the organizations subscribed a cooperation agreement that made possible the elaboration of the current study. In contrast to the previous report, it includes data from autonomous and decentralized entities. The study analyses public investments made in children and adolescents between 2007 and 2013, in six countries of the Central American region, including Panama.

Why prepare a report on public investment in children and adolescents? The Latin American and Caribbean Demographic Centre (Celade) reminds us of the importance of children and adolescents for the region. In 2000, close to 35.4 million people lived in the region: half of the population was younger than 19. Fifteen years later, the region increased the number of children and adolescence by one million, reaching 18.9 million. This young population demands access to health services, quality education, sexual and reproductive health, nutrition, opportunities for recreation, leisure, and job training, among others.¹

According to the Economic Commission for Latin America and the Caribbean (ECLAC), one in five boys, girls and adolescents in this region lives in poverty. Central America is a region marked by

significant inequality and lack of opportunities for children and young people. In countries such as Nicaragua, 42.4% of children and adolescents live in extreme poverty while in Costa Rica, this percentage is only 4.4%. In Guatemala, 4.4 million children and adolescents are left out of the educational system, in Honduras, this number is 1.8 million and in El Salvador 700,000. As a result, high numbers of children and adolescents continue to leave their countries in search of better opportunities. In 2016, 46,893 adolescents from the Northern Triangle countries were detained at the border between Mexico and the United States. Meanwhile, it is estimated that at least 10% of children and adolescents who flee their countries end up in the hands of organized crime along their journey.

This scenario brings to our minds the following question: How much effort does each State in the region make to guarantee the rights of children and adolescents? One of the best tools for the implementation of human rights is fiscal policy. As set forth in article four of the *Convention on the Rights of the Child*: «States Parties shall undertake all appropriate legislative, administrative, and other measures for the effective implementation of the rights recognized in the present Convention. With regards to economic, social and cultural rights, States Parties shall undertake such measures to the maximum extent of their available resources and, where needed, within the framework of international cooperation.» «Undertaking all measures» means that it is not up to the discretion

¹ The regional population was 45.1 million in 2015.

of the States Parties to determine whether they agree or not to invest in children; On the contrary, it is an obligation that they must comply with, and any breach to its fulfillment might entail the corresponding legal proceedings.²

General Comment 19 on “Public budgeting for the realization of the children’s rights,” adopted in 2016 by the Committee on the Rights of the Child, clearly explains the content of article four of the Convention on the Rights of the Child, and its main principles.

This study provides a regional analysis of investment in children and adolescents, based on the principles of General Comment 19.

In budgetary terms, «undertaking all measures» means that:

- There are laws and policies supporting the mobilization of resources, budget allocation and execution of public expenditure for the realization of the rights of children.
- The necessary information on children and adolescents is available. That is, the information has been collected, processed, and disseminated to support the design and implementation of legislation, policies, programs, and budgets necessary to guarantee the rights of children.

- There are sufficient public resources that can be mobilized and allocated effectively for the implementation of legislation, policies and programs directed at children and adolescents.
- Governments at different level, as well as decentralized and autonomous entities, plan, approve, implement, and audit budgets to ensure the realization of the rights of children.

TOTAL EXPENDITURE

The fiscal effort directed at children and adolescents may be expressed in terms of the amount of public resources directed at this age group, or as the amount of per capita resources at constant prices (without inflation). The latter provides a more adequate and less distorted measure.

EFFECTIVE EXPENDITURE

The investment of sufficient resources must translate into concrete improvements in the life of children and adolescents. This constitutes the scope for the analysis of the effectiveness of public expenditure. It is important to understand the situation of the rights of children and

TABLE 1. Daily public investment (direct and indirect) in children and adolescents, per capita values at constant prices

Country	2007	2008	2009	2010	2011	2012	2013
Costa Rica	2.77	2.97	3.38	4.15	4.39	4.65	4.91
El Salvador	1.15	1.23	1.37	1.29	1.43	1.53	1.55
Guatemala	0.52	0.56	0.65	0.72	0.69	0.67	0.69
Honduras	0.81	0.89	0.94	0.90	0.84	0.84	0.82
Nicaragua	0.41	0.43	0.45	0.40	0.39	0.40	0.40
Panamá	2.79	3.14	3.25	3.68	3.74	4.04	4.32

Source: Icefi/Plan International, based on data reported by the Finance ministries and Statistics institutes for each country.

It is important to note that Icefi participated in meetings for the discussion and design of the general comment about article four of the Convention in Geneva, Switzerland, in alliance with Plan International, and in Lima, Peru, in alliance with the United Nations Children’s Fund (UNICEF). These meetings were held in September and October 2014.

adolescents within the context of each country, in order to formulate and implement laws, policies, and programs aimed at overcoming challenges to the realization of such rights. It is also necessary to constantly monitor and evaluate these budgets and programs and to pay special attention to children and adolescents living in vulnerable situations.

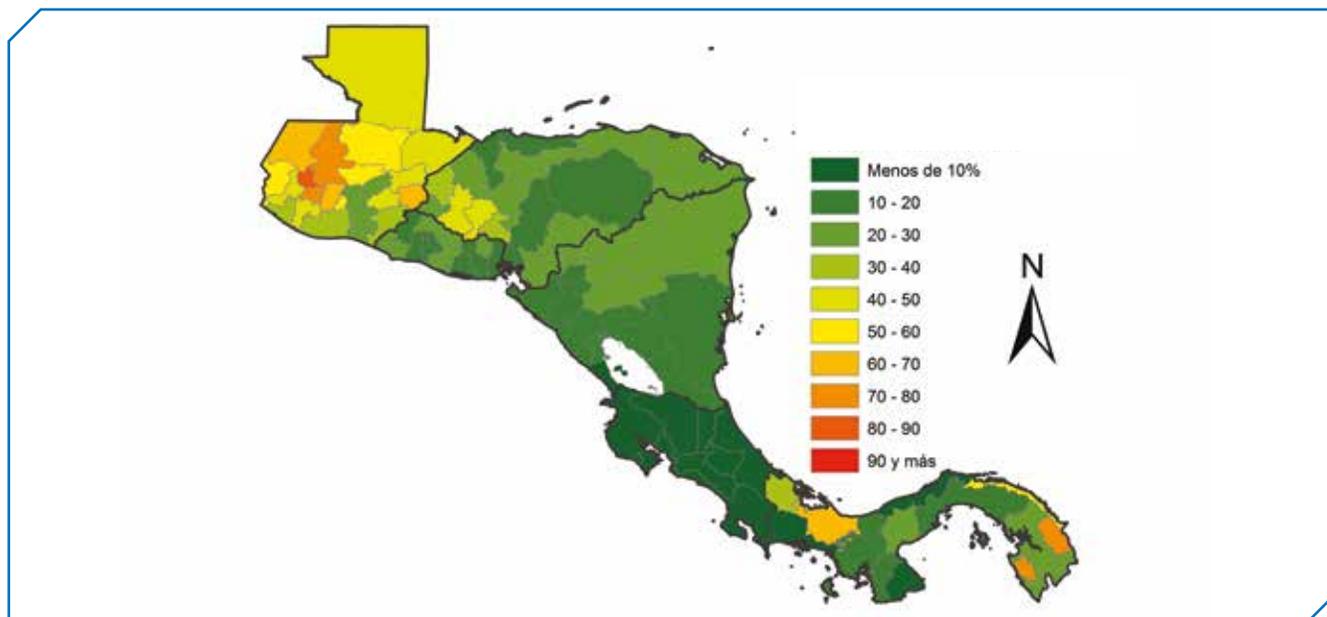
The findings on Panama, a country with one of the highest levels of per capita investment in children and adolescents, can be cited as an example. A joint study undertaken by Icefi and the Inter-American Development Bank (IDB) found that between 2007 and 2013, one of the periods of greatest economic bonanza, the coverage of services for the development of children under the age of five, decreased in all provinces. Vaccination coverage for children below the age of one decreased during the same period, as well as the delivery of the polio vaccine, which decreased by 30.8% in the province of Darién and 21.9% in

Bocas del Toro. This situation brought about an increase in neonatal and childhood mortality rates at both national and provincial level. In Emberá, the mortality rate in children below the age of one increased 10.4% between 2007 and 2013, reaching 100.5% in children below the age of five.³

EFFICIENT EXPENDITURE

This principle of public budgeting refers to the amount of resources allocated to children and adolescents versus the actual execution of the budget. Quite frequently, although the funds are approved and allocated, they are not properly executed. This principle also establishes that the goods and services destined to children and adolescents must be acquired in a transparent manner, in the least amount of time possible, and must be of adequate quality. States must also commit to eliminate all the barriers hindering the budget execution.

MAP 1. Central America: Rates of chronic undernutrition by administrative political division (2008-2012)



Source: Icefi/Plan International, based on data reported by Statistics institutes for each country.

³ Inter-American Development Bank (IDB) and Central American Institute of Fiscal Studies (Icefi) (2013). Efficiency of public expenditure in education and health in Panama, 2003-2013. IDB technical note num. 978 [online, in pdf format], available at: <https://publications.iadb.org/bitstream/handle/11319/7603/La-eficiencia-delgasto-publico-en-Educacion-y-Salud-en-Panama-2003-2013.pdf?sequence=1>.

SUSTAINABLE EXPENDITURE

The sustainability of public expenditure means that States cannot make decisions that go against the overall well-being of children and adolescents. Moreover, in times of economic crisis, additional restrictive measures may be taken only after evaluating all possible alternatives and whether children and adolescents will be affected as little as possible. Special attention must be paid to children and adolescents in situation of vulnerability. The General Comment is very strict when indicating that States must demonstrate that such measures are necessary, reasonable, proportional, non-discriminatory and above all, temporary, in order for rights to be restored as soon as possible.

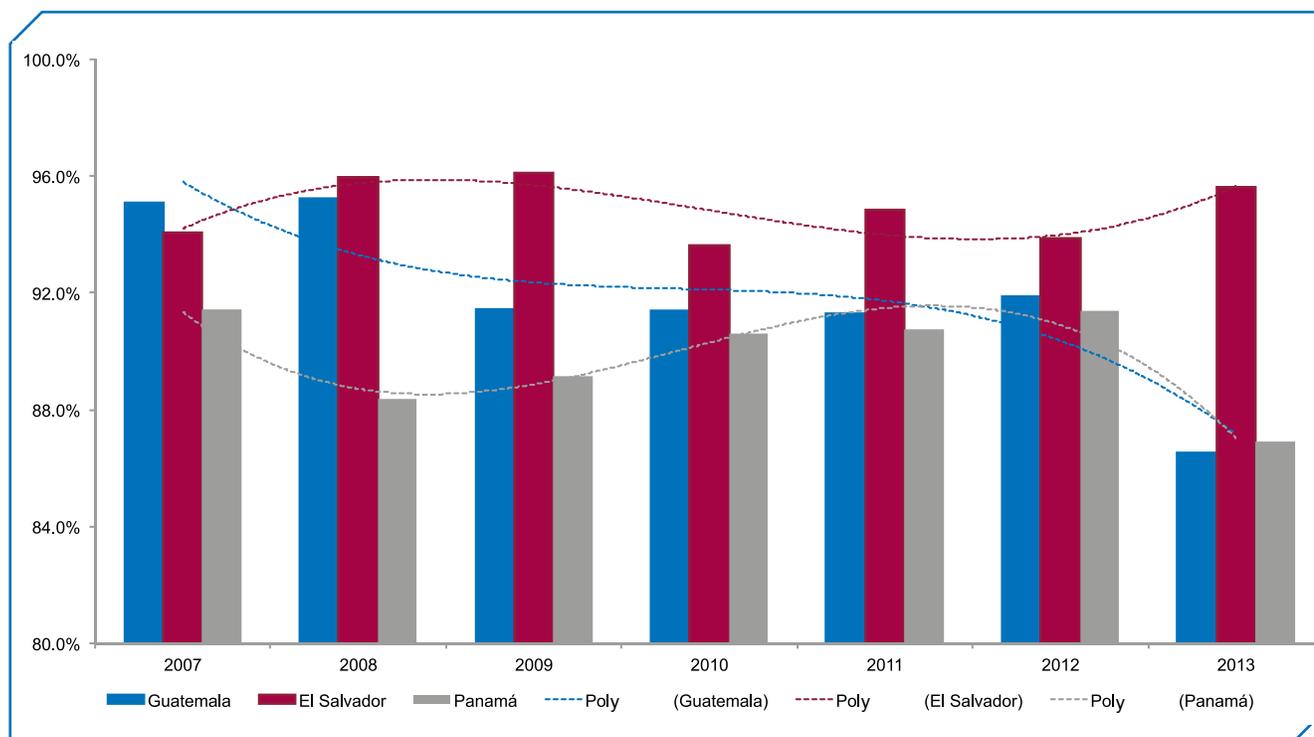
EQUITABLE EXPENDITURE

If States are to remove all barriers hindering children and adolescents from the enjoyment of

their rights, then equitable expenditure is essential. This does not mean that expenditure should be equal for all children: Instead, some groups of children, because of their socioeconomic situation and vulnerability, may require higher per capita expenditures if their rights and well-being are to be guaranteed.

Public policies for children and adolescents may also be assessed in terms of gender equality. For example, in the case of Guatemala, a study conducted by Icefi and Save the Children in relation to bilingual education, revealed the effort that the country is making to close the existing gender gap in the registration of boys and girls at the primary school level. The study shows that in 1992, in the municipality of San Andres Sajcabajá (Quiché), girls comprised only 13.7% of the total number of registered students at the bilingual pre-primary level, while in 2009 47.7%. The municipality of Santa Barbara in Huehuetenango presented a similar situation.⁴

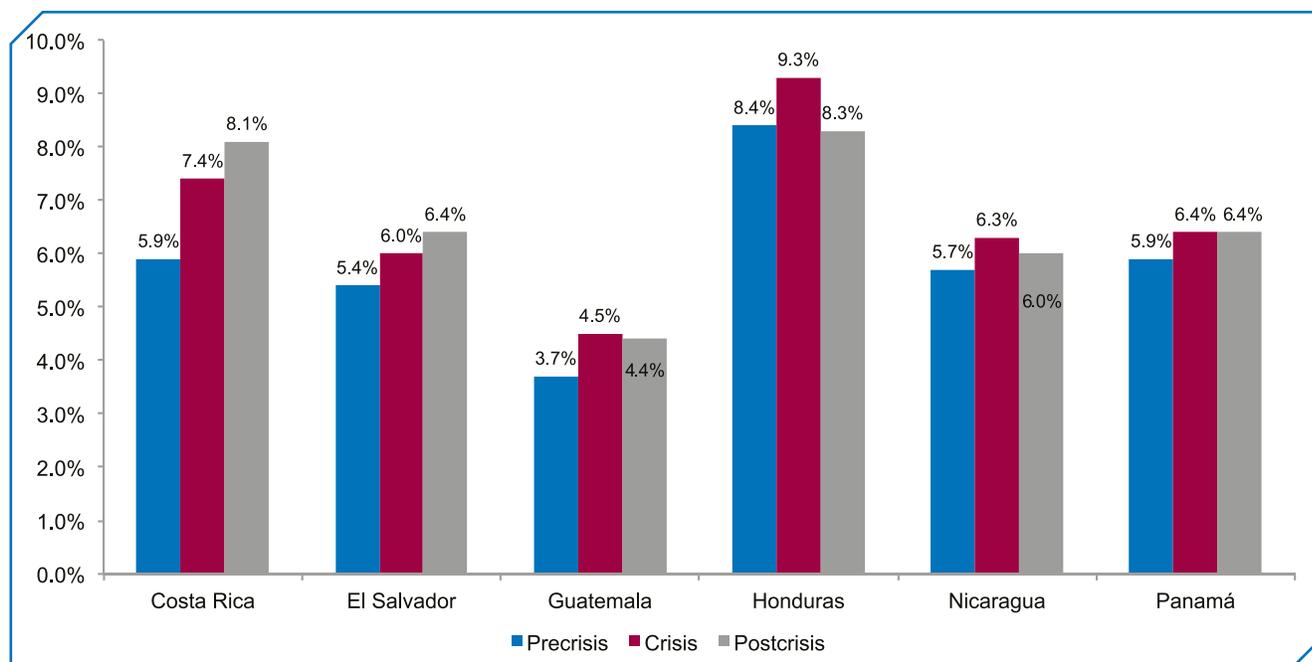
GRAPH 1. El Salvador, Guatemala and Panama: Percentage of budgetary execution of investment in children and adolescents (2007-2013)



Source: El Salvador: Finance Ministry; Guatemala: Integrated Accounting System (Sicoín); Panama: Ministry of Economy and Finance.

⁴ *Bilingual education in Guatemala. Achievements, challenges, and opportunities* [online, in pdf format], available at http://icefi.org/sites/default/files/educacion_bilingue_en_guatemala_2013.pdf.

GRAPH 2. Central America: Total public investment in children and adolescent as percentage of GDP (2007-2013)



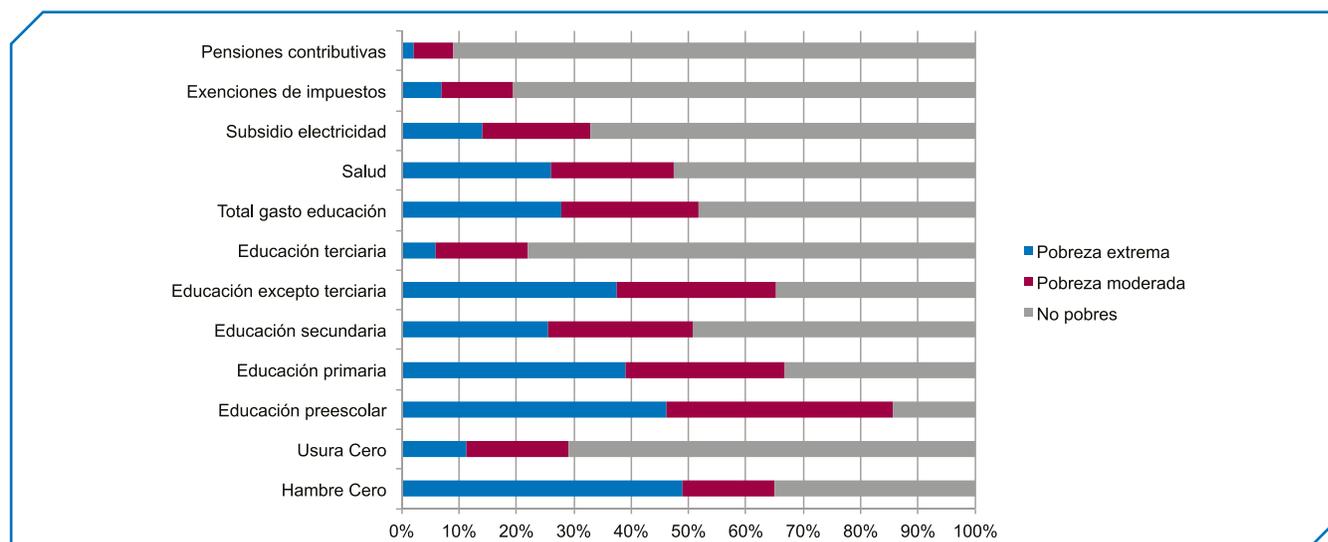
Source: Icefi/Plan International, based on official statistics for each country.
Pre-crisis = 2007; crisis = average 2008-2010; post crisis = average 2011-2013.

PROGRESSIVE REALIZATION

The progressive realization of rights implies the acknowledgment of the financial limitations that States might face while recognizing, at the same

time, their obligation to guarantee the fundamental rights to all children and adolescents. Studies can be very useful to identify existing gaps in terms of human rights, and can be used for evidence-based planning exercises and decision-making processes. A study conducted by the United

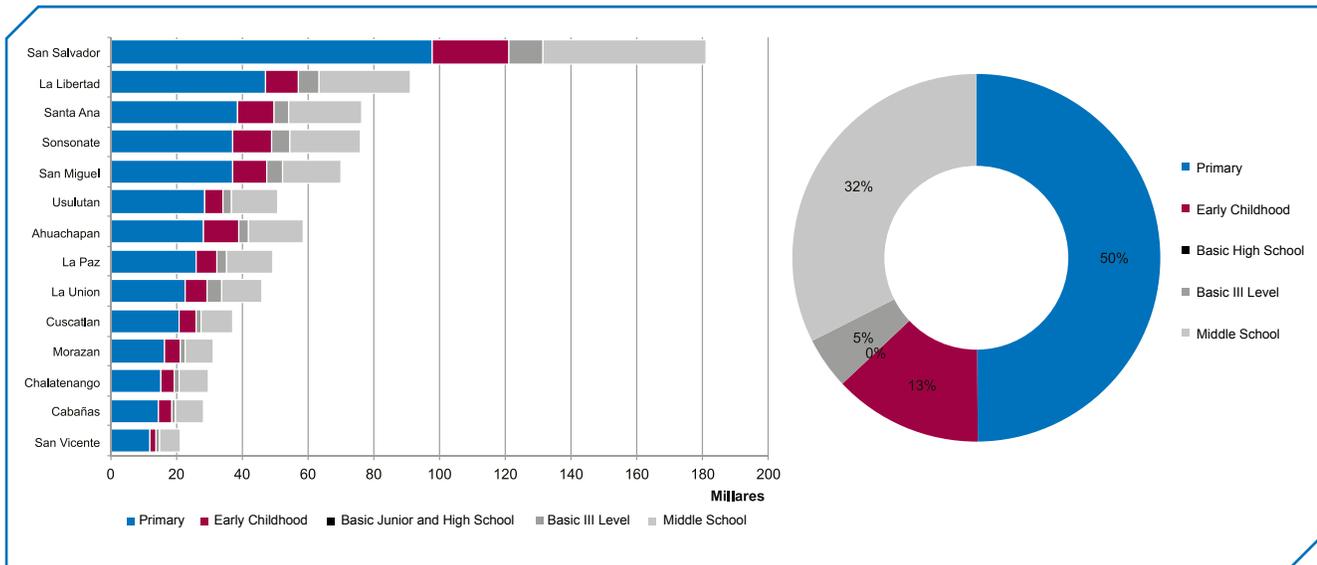
GRAPH 3. Nicaragua: Proportion of beneficiaries of social programs at national level, according to poverty level (2009)



Source: Icefi/IFAD, based on Living Standards Survey 2009, according to the methodology «The Commitment to Equity (CEQ)».

4 Bilingual education in Guatemala. Achievements, challenges, and opportunities [online, in pdf format], available at http://icefi.org/sites/default/files/educacion_bilingue_en_guatemala_2013.pdf.

GRAPH 4. El Salvador: Thousands of students outside the educational system, and distribution in percentages of the number of teachers needed to close the gap in coverage



Source: 2014 Centers Database (Mined) and population forecasts (Digestyc).

Nations Children's Fund (UNICEF) and Icfefi in El Salvador identified the challenges the country faces in the field of education (students outside the educational system, teachers to be hired and trained, infrastructure deficits, nutrition, school supplies, etc.) and provided useful information for the country's National Education Plan.

The study revealed that in 2014, there were 777,199 children and adolescents out of school: 52.0% of them correspond to the primary level; 28.0% to lower secondary school; 14.0% to the pre-primary level; and 6.0% to the upper secondary education. Although closing these gaps requires a medium to long term effort, the information is very useful for budget planning and the identification of areas for urgent investment.

CONCLUSIONS Y RECOMENDACIONES

One of the main conclusions of the study is that improving the standard of living of 18.9 million Central American children and adolescents requires structural change. It implies, in principle, acknowledging that Central America is not only the most unequal region in the American continent,

but that it is also the region that offers the least opportunities to children and adolescents. Two main causes of this situation are: insufficient and regressive tax systems, and States that continue to adopt an outdated economic growth model based on tax exemptions that seeks to attract direct foreign investment.

Even though all States in the region have ratified the Convention on the Rights of the Child, their good intentions are not translated into the quality and quantity of public investment that is necessary to bring about real improvements to the well-being of children and adolescents. There are even cases, such as the Panamanian one, in which the abundance of resources does not translate into greater development for children and adolescents. This situation is due partly to institutions that are weak when it comes to planning and evaluating public policies.

The study recommends the design and implementation of public policies that prioritize girls, arguing that this results in improvements for children and adolescents in general. Particular emphasis is placed on ensuring access for all girls and young women to social security, healthcare, education, and to the means of earning a living in order that they are supported to become active

agents for change in their societies, instead of passive beneficiaries of social programs. Prioritizing investment in this way will have intergenerational benefits, helping to decrease and prevent teenage pregnancies and reducing maternal and child mortality rates.

The study also recommends, in terms of public expenditure priorities, the allocation of greater resources to address the pressing issue of unaccompanied children and adolescents fleeing from the Northern Triangle to the United States of America.

Addressing the obstacles to child rights realization in the Isthmus requires, in the first place, strengthening of the Ministries or Secretariats in charge of planning. Advancing equality for children through universal access to public services will require not only more public investment but also the establishment of criteria to support the prioritization and optimization of public expenditure. Furthermore, the different sectors and institutions with obligations towards children's rights must coordinate and come together to implement national development plans.

Well-defined public policy objectives and the strengthening of institutions imply the need to obtain more resources. To accomplish this, individuals who earn more income and own more assets should pay a larger share of taxes, which must be then used in an efficient and transparent manner. El Salvador, in particular must approve a property tax, given that it is the only country in Central America lacking one and that property taxation is a progressive form of taxing precisely those people who own more assets, thus

generating resources to finance the well-being of children and adolescents. In all countries it will be important to oppose regressive tax reforms, for instance increasing taxes on consumption, as these disproportionately affect those with lower income. At the same time tax reforms should be accompanied by fiscal reforms that provide some degree of flexibility to budgets. Less rigid budgets give authorities more options to redirect funds to pressing or urgent causes. With inflexible budgets, any increase in public resources will be subject to compliance with constitutional obligations and/or those arising from ordinary laws limiting the Public Treasury's room to maneuver.

Finally, the study also recommends establishing a Central American system of indicators on children and adolescents, accessible to the public. It should provide access to updated, accurate, detailed and disaggregated information on education, healthcare, nutrition, protection (among others), and on financing sources. This system would be essential for ongoing monitoring and evaluation of public investment in children and adolescents and the impact of this investment in terms of children's enjoyment of fundamental rights, with particular emphasis on children from marginalized and excluded groups. It would also support evidence-based planning and decision-making.

Greater investment in children and adolescents must be accompanied by political and institutional reforms that ensure a better management of resources by public officials, working in alliance with civil society institutions engaged in social accountability efforts for the rights of children and adolescents.

