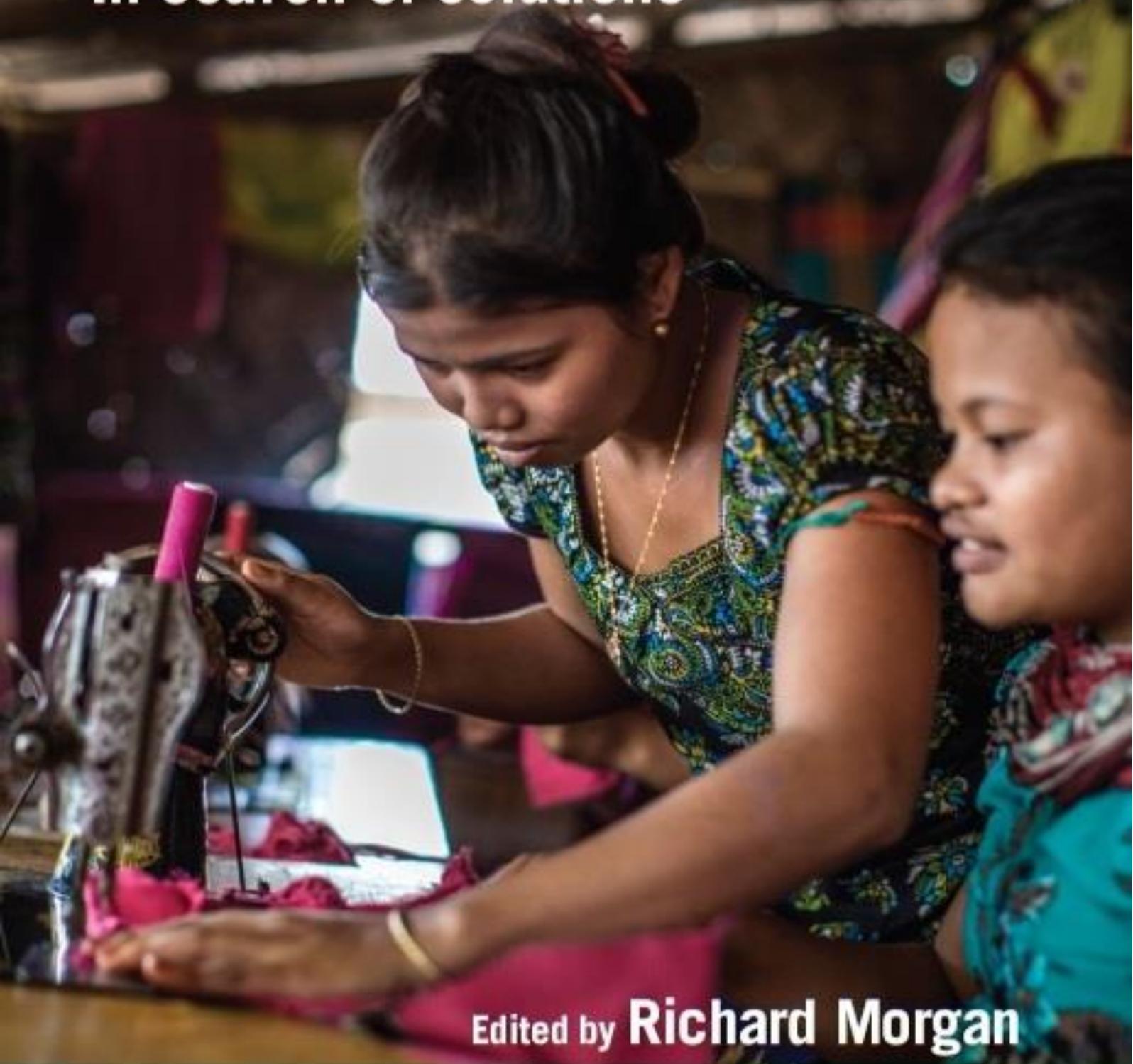


# THE GLOBAL CHILD POVERTY CHALLENGE

In search of solutions



Edited by **Richard Morgan**

Key writings in enterprise development and microfinance

## THE GLOBAL CHILD POVERTY CHALLENGE

Children are the most vulnerable people in the world – but rarely has the impact of poverty on children been addressed as an urgent issue in its own right. The harm that deprivation does to girls and boys as individuals, and the lasting cost of poverty, have received too limited attention. Policies and programmes have not made best use of the growing evidence of ‘what works’ for the poorest children to support the efforts of families and children themselves to forge more prosperous futures.

In a major effort to counter the invisibility of children in thinking on poverty reduction, *The Global Child Poverty Challenge* takes stock of a wide range of evidence on how children can be put at the centre of policies and programmes, in ways that recognize their capacities and centrality to future prosperity. The contributors look at experience with key interventions for investing in children – including social protection, basic services, skills development for future livelihoods, responsible microfinance and opportunities for decent work. ‘Child sensitive’ approaches based on child rights principles are seen as central to making these interventions work for the poorest children.

Bringing together findings from a variety of settings, this book calls for the recognition of children as holders of rights and agents in their own development. It points to the experience of children living in poverty – and draws attention to their many roles: as learners, seekers of opportunity, as migrants, users of financial services and entrants to the world of work.

This book is essential reading for all those working on social protection and poverty reduction programmes in developing countries, including researchers, policy makers, and those working for development agencies

## CHAPTER ABSTRACTS

### 1. Addressing child poverty: an overview - Richard Morgan

This chapter introduces the case for development policy to treat the reduction of child poverty as an urgent and central issue, based on the still-pervasive nature of the problem and the extensive deprivations and socio-economic losses associated with it. Summaries are provided of the contributions to this book, which present findings and experience from a range of policies and interventions intended to benefit the poorest children in different societies while increasing their capacities and opportunities. An argument is made for adopting ‘child-sensitive’ approaches to policies and designs for economic strengthening programmes, in ways that recognize the vulnerabilities, voices, and agency of children in poverty themselves.

### 2. Building strong foundations for later livelihoods by addressing child poverty: evidence from Young Lives – Paul Dornan and Kirrily Pells

Improving children’s life chances is central to development in low- and middle-income countries. Half the population of sub-Saharan Africa are aged 18 or younger, and young people comprise nearly half of all people living in extreme poverty worldwide. Poverty undermines not only children’s rights to life, survival, and development, as enshrined in the UN Convention on the Rights of the Child, but also the skills and capabilities that fast-changing economies need for future growth. By extension, given poverty is a key mechanism shaping later chances, eradicating it is key to improving equality of opportunity. This article presents longitudinal analysis on inequities in children’s development trajectories, drawing on data from the Young Lives cohort study. Young Lives is following the lives of 12,000 children growing up in Ethiopia, India, Peru, and Vietnam. The article’s central questions are to understand how, why, and when inequalities become established through childhood. We explore how children and young people’s trajectories diverge over time; and we provide preliminary findings on education, nutrition, and youth transitions to higher education, work, and marriage and parenthood, from the latest survey round. We find that the poorest children, those in rural areas and/or from marginalized social groups, are consistently being ‘left behind’ in terms of nutritional

status, learning, and opportunities to continue in education. We conclude by considering how policy interventions at different stages of the early life-course can mitigate the development of such inequalities.

### **3. Evaluations of outcomes for children and youth from NGO-supported microeconomic interventions: a research synthesis - C.M. Ellis and Josh Chaffin**

Economic strengthening (ES) approaches are increasingly applied in resource-poor environments, including in humanitarian crisis settings, in order to achieve a wide variety of socio-economic goals. At the same time, randomized control trial (RCT) methodology has become more prevalent in evaluations of ES and other microeconomic interventions. This review is a systematic research synthesis of randomized impact evaluations of NGO-implemented interventions in low-income countries that work to build income and/or economic assets either of the caregiver, the household, or the individual child, adolescent, or youth, where the evaluation looked at any child-level or youth-level outcomes. The papers evaluate interventions that work to build household or individual income and/or assets, such as conditional and unconditional cash and asset transfers, savings, and training. We find a wide variety of direct and indirect interventions that can potentially affect children. Most of the statistically significant findings from these studies are good for children across a range of outcome measures; however among the studies included here, there is no discernible pattern of any particular intervention category (skills training, savings, etc.) being more effective than any other at achieving better outcomes for children. In many outcome categories, researchers could find no short-term impact on children from ES programming at all. Unintended negative effects for children were found in over 20 per cent of the studies in our document set. By focusing on RCT evaluations of non-governmental programmes, we provide information about the highest quality evaluations of interventions that may be feasible to implement for programmers interested in this topic.

### **4. Lessons from practice in child-sensitive social protection - Nicola Hypher and Katherine Richards**

Reducing child poverty has the potential to improve incomes and health for both present and future

generations and, thereby, break the inter-generational transmission of poverty that affects lives and livelihoods. For several decades evidence has shown the considerable impact of social protection programmes on human development outcomes for children. However, the impact varies across countries and depends critically on context, including availability of other services, as well as design and implementation of programmes. To maximize the impact on children it is essential to take a child-lens to the design and implementation of social protection systems, which comprise programmes to address risks across the life-cycle. This article will outline how child-sensitive social protection programmes impact on children and assess the extent and coverage in developing countries. The article will then outline principles of child-sensitive social protection and key aspects to improve impact on children, using examples from a number of social protection programmes globally. Lastly, the article will outline lessons on what works for children in social protection and will provide policy recommendations for policymakers and other actors, including civil society, that support social protection systems.

### **5. Are graduation or rights-based programmes better for getting children out of poverty? - Stephen Devereux**

Governments such as Bangladesh are offering graduation programmes that provide transfers to extremely poor people for a fixed period in order to 'graduate' them out of poverty. Rights-based approaches emphasize a right to social protection that is not time-bound or conditional on certain behaviours. Stephen Devereux puts forward a hypothetical exchange between two NGO workers, 'The Graduator' and 'Mr Right', who are talking about life, the universe – and graduation.

### **6. Does wealth increase affect school enrolment in ultra-poor households: evidence from an experiment in Bangladesh - Munshi Sulaiman**

Access to education is usually found to be highly correlated with household income and wealth. This correlation often instigates an expectation that increasing income of the poor households will lead to greater human capital accumulation. This paper exploits randomized roll-out of a large-scale livelihood development programme for the ultra-poor in Bangladesh to measure the effect of asset transfer and

livelihood supports on children's schooling. We find limited impact on enrolment although this programme has been extremely successful in transforming the economic lives of the ultra-poor and causing substantial increases in their income and productive assets. The beneficiary households are also found to have increased their expenditures on education. This increase in educational investment, however, has not affected educational attainment during the evaluation period. We also find that the programme increased the extent of child labour immediately after asset transfers. The level of this impact on children's work declines two years after the interventions ended. The increases in child labour are concentrated in activities related to livestock rearing, which is the primary type of asset transferred in this programme. However, we do not find evidence indicating a trade-off between children's enrolment and work. The evidence suggests that asset transfer programmes can be more effective by including additional components focusing on improvement in educational outcomes instead of relying primarily on spillover effects through income gain.

### **7. Responsible finance and child labour: quo vadis microfinance? - Patricia Richter and Sophie de Coninck**

Despite a remarkable downward trend since 2000, child labour remains a reality for 168 million children worldwide (from 245 million in 2000). Of those children, more than half are engaged in hazardous work that directly endangers their health, safety, and moral development. These latest statistics from the International Labour Organization illustrate a pressing concern for today's world and call for integrated efforts to tackle them. This article proposes a framework for development practitioners and policymakers to help them design interventions with a particular focus on financial service providers. We briefly describe root causes of child labour – including demand, social norms, access, costs and quality of education, vulnerability and risk exposure, and income poverty – and then propose innovative interventions that financial service providers can engage in to address, where possible, each of the causes. The article then presents evidence from recent experimental research in Pakistan which shows the significant positive effect that an innovative health and accidental death insurance product had on reducing child labour. Further evidence from experimental research with an associated school fees loan and an awareness campaign in Nigeria, and an integrated

training package and sensitization programme in Mali, illustrate that the impact of interventions on child labour, education, and poverty are not always straightforward.

### **8. Recognizing and supporting working children through microfinance programming - Richard Carothers**

Microfinance programmes can help low-income and poor families improve their earnings and begin the process of moving out of poverty, but young children often join the workforce of these microenterprises as credit becomes available. Experiences gained from Egypt and several other countries have shown that children from as young as six years of age can play an important role in helping their families meet the initial increase in labour demands of their growing business. This paper points out that microfinance institutions are well-placed to support working children within their client businesses and help these children improve their lives both within and outside of their work. By drawing on the UN Convention on the Rights of the Child, microfinance practitioners in Egypt were able to improve children's working conditions and learning opportunities through a series of nine intervention tools that could be integrated into standard microfinance programmes. The paper describes the tools and explains how they were developed and implemented in collaboration with working children themselves, their families, and business owners. The paper also describes some of the opportunities and challenges that would face those intending to replicate this type of programming from the perspective of both microfinance institutions and children's rights/child protection agencies.

### **9. Independent child migrants in developing countries: a literature review - Shahin Yaqub**

Independent child migrants are aged below 18 years, and migrate without a parent or formal adult guardian. Often related to schooling, work, and lifecycle transition, this independent movement of children could be part of a wider debate linking migration and development, but is often unrecognized or conflated with concerns about child trafficking. Across the world many children are independent migrants who actively participate in their movements, are substantially self-dependent, and often are depended upon by relatives left behind. This paper synthesizes quantitative and qualitative research to shed light on: (1) the numerical scale; (2) characteristics of migrant

children; (3) decision-making processes; (4) why it happens; (5) modes of movements; and (6) situations of children at destinations.

## **10. Fostering economic opportunities for youth in Africa: a comprehensive approach - Karen Moore**

Youth unemployment and working poverty are large and growing development challenges. The barriers faced by young women and men in accessing sustainable livelihoods are many, so supporting their successful transition into employment and entrepreneurship requires a comprehensive and holistic approach. This article reflects on the evolving approach of The MasterCard Foundation-supported programmes in sub-Saharan Africa, within the broader context of wider research and evidence. It suggests that combining training in a range of market-relevant skills, with access to job and business opportunities and appropriate financial services, can foster economic opportunities for youth. It emphasizes the importance of recognizing the role of mixed livelihoods in contexts where formal jobs are lacking, and of supporting youth engagement in agriculture and agribusiness as viable livelihood opportunities. And it highlights that the challenge can only be adequately addressed via the meaningful engagement of a range of stakeholders, including the private sector, government and civil society, and, especially, youth themselves

## **11. Do youth need savings? The experience of YouthSave in Colombia, Ghana, Kenya and Nepal - Rani Deshpande**

YouthSave was a multi-country project that designed and tested the outcomes and impact of safe, accessible savings accounts for youth aged 12–18 in Colombia, Ghana, Kenya, and Nepal, in order to gauge the potential of youth savings accounts as tools for youth development and financial inclusion. Over three years of product rollout, over 133,000 youth opened accounts and collectively saved over US\$1 m. The project included rigorous research components, including a randomized experimental impact evaluation, and has produced numerous publications on both operational and research findings. This paper provides a high-level summary of those findings and ends with five lessons of particular relevance to practitioners, donors, and policymakers looking to maximize the potential of youth savings.

## **12. Conclusions: towards effective action in addressing child poverty through public policy - Richard Morgan**

Leading international child-oriented agencies have come together to form a new global Coalition to End Child Poverty. This chapter outlines some of the policy recommendations of the Coalition, policies that governments and agencies can readily take up to diminish child poverty and reduce the damage it causes.

“ This book makes a compelling case that a “child-sensitive” approach is both morally right and practically feasible for ending extreme poverty and achieving sustainable development goals.

**Kul Chandra Gautam was formerly Assistant Secretary-General of the United Nations, and Deputy Executive Director of UNICEF**

“ The book is a breakthrough in terms of building knowledge on child poverty in Africa.  
**Théophane Niyèma, Executive Director, The African Child Policy Forum (ACPF)**

“ Practical Action Publishing has done it again, this time by producing an up-to-date briefing on what works – or doesn’t – for reducing child poverty.

**Professor Sir Richard Jolly, Institute of Development Studies, Sussex**