Guest editorial: Addressing child poverty

RICHARD MORGAN

THIS SPECIAL EDITION OF *Enterprise Development and Microfinance* is concerned with the question of investing in children born into and growing up in poverty – and how children in poor families and settings can better be supported to make successful transitions into good livelihoods and decent work as young adults. Across all regions, child poverty has long been an unduly neglected issue in national policy. Its implications for economic development have been underestimated and its impacts on societies, future prosperity, and for disadvantaged children themselves have been poorly understood.

Within the global push toward poverty-reduction goals, the persistence of poverty among children needs to be addressed as an urgent priority. Children are by far the most vulnerable to poverty's damaging effects: harms suffered by poor children, such as stunting in early childhood and learning deprivation, are hard to recover from in later years; such deprivations have major costs, not only for the young people affected but also for their whole societies; and poverty's effects are powerfully transmitted to the next generation in turn.

The elimination of extreme poverty among children cannot be safely left to the forces of economic growth alone. Particularly in quite unequal societies, rising average incomes may not translate powerfully into gains for the poorest children, while improvements in basic services, if they occur, may fail to reach the most deprived. Specific, strongly targeted interventions for the poorest families and children are needed to ensure that girls and boys and young people around the world are able to fulfil their potential, including as future entrepreneurs and wealth-creators.

Of the more than 1 billion people currently living in extreme income-poverty, *almost half are children*, while in low-income countries, some 52 per cent of under-12s live in income-poverty, compared to 42 per cent of people over this age (Olinto et al., 2013). Rates of poverty are significantly higher among children compared to adults in many rich-world countries, too (UNICEF, 2012). Such patterns will continue unless there is a concerted focus on child poverty in its own right.

Low family economic status is associated with poor outcomes and major deprivations in young lives. Children born in the lowest household wealth quintile in developing countries are over twice as likely to die before the age of five years as their counterparts in the top quintile, while the prevalence of malnutrition (low weight for age) among young children is about two-and-a-half times higher in the poorest families in developing countries compared to the richest (UNICEF, 2010).

The physical stunting of children is not only a poverty trap for them as individuals; it also represents a fundamental squandering of human potential. It leads to long-term, largely irreversible damage – through poorer school performance, lower work capacity, and diminished adult productivity. Girls who suffer under-nutrition

Richard Morgan (R.Morgan@savethechildren.org.uk) is Director, Child Poverty Global Initiative, Save the Children.

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are more likely to see their own children afflicted by it – one of the key ways in which poverty is transmitted between generations.

Across all regions, as illustrated by the Worldwide Inequality Database on Education, educational access and learning achievement among girls and boys from income-poor and socially marginalized families are often dramatically lower. Harmful child labour, early and forced marriage, and other forms of exploitation such as child prostitution and trafficking are also closely related to poverty in many parts of the world.

With often low education and skill levels, limited resources, and inadequate social networks, poor and marginalized young people face major challenges in obtaining secure livelihoods or safe employment. Adolescents entering the world of work without having completed secondary or vocational education may have few prospects beyond day-labour in the informal sector. They are regularly exposed to dangerous, poorly paid, and exploitative conditions. They need to develop a wide range of competencies that empower them to navigate economic and social risks; to overcome current and accumulated deprivations; and to seize scarce economic opportunities. These competencies may need to encompass not only technical and vocational knowledge, but also basic literacy and numeracy, life skills, social networks, and self-esteem.

In this context, an important consideration for economic strengthening and microenterprise programme design is that of the potential impacts of interventions for children's rights, capability development, and well-being – in both the immediate and longer term – as well as the need to safeguard against unintended negative effects and possibly irreversible harms. The concept of *child sensitivity* is one which can guide programme designers and policy-makers to more systematically consider such impacts, based on contextually relevant evidence. Development interventions can make use of child-related indicators to help maximize benefits for child capabilities and avoid harms – not least by listening to the voices of children and young people themselves. The articles in this edition illustrate various issues and experiences in this emerging approach, as well as further considerations for expanding young people's access to enterprise and economic opportunities in poorer societies.

In the first article, ground-breaking longitudinal studies of child cohorts in four countries undertaken by the Young Lives project, for which four survey rounds have now been completed, are reported by Paul Dornan and Kirrily Pells. The most recent findings give strong indications of the negative impacts of poverty and inequalities on children's physical growth and development paths; and point to policies and interventions that can mitigate the harms they suffer and help build a stronger basis for success in adolescence through education, nutrition, and transitions to work.

In an international review of NGO-associated randomized control trials, Cali Mortenson Ellis and Josh Chaffin review evidence from a range of micro economic interventions aimed at strengthening poor families and in some cases targeted directly to adolescents themselves, in terms of both benefits and harmful impacts for children. Their review identifies a range of positive impacts associated with interventions such as cash transfers, training, and microcredit – but also evidence of adverse effects (on, for example, school attendance and hours of child work) relating to both the design and nature of some types of intervention. Nicola Hypher and Katherine Richards look in more depth at experience, particularly in Africa and South Asia, with one major category of intervention – social protection measures, including cash transfers – with a view to building design and implementation features that can strengthen investments for children in poverty through child-sensitive approaches. Their article suggests practical considerations though which sensitivity to the rights and vulnerabilities of both girls and boys can be built directly into the design, implementation, and monitoring of social protection programmes. Meanwhile, in a 'Taking Stock' piece, Stephen Devereux's two imagined NGO workers debate the different sides of a major policy issue in social protection – the concept of 'graduation' – and discuss whether this is an appropriate approach from a children's and child rights perspective.

With a more specific focus on children's learning, Munshi Sulaiman considers country-specific evidence from programme interventions to improve livelihoods among ultra-poor households in Bangladesh supported by BRAC, a major NGO. The findings from this review caution against an automatic assumption that educational indicators for girls and boys will necessarily improve and child labour time be reduced as family incomes rise.

Against a backdrop of still-widespread if falling incidence of child labour worldwide, Patricia Richter and Sophie de Coninck put forward a framework and options for the responsible design of microfinance services through the inclusion of interventions directed to underlying causes of child labour. They report on the varied impact of three sets of interventions on child work and schooling, as found by International Labour Organization research, and point to the need for greater awareness of and capacity to address child labour issues within microfinance institutions themselves. Meanwhile, in a qualitative and in-depth account of microfinance project activities in Egypt, Richard Carothers identifies positive measures and methods used by microfinance providers to improve the protection and conditions of children who contribute to family enterprise, while reducing their exposure to risks and harm. A notable and innovative feature of this approach, in line with the Convention on the Rights of the Child, is the use of techniques which enable the views of working children themselves to be taken into account.

Concluding this edition, Karen Moore's review of efforts to promote economic opportunities for young people in Africa, including those supported by the MasterCard Foundation, emphasizes the importance of combining broad-based enterprise-oriented training with access to business opportunities and financial services. Her article further emphasizes the need to recognize the roles that informal and mixed livelihood strategies, including in agriculture, continue to play.

As a complement to more systematic efforts to build child-sensitive considerations into the design of household-oriented programmes and microenterprise interventions, greater efforts should be made to assess the implications for children of national and international economic policies. As one of the world's leading child-focused agencies, Save the Children has launched a global initiative on child poverty which aims to generate knowledge and good practice on programmes and policies which can achieve better child outcomes and more successful transitions into adulthood, including safe livelihood and decent work, in the post-2015 era. Save the Children is also convening, together with UNICEF and others, a new coalition of partners against child poverty which will encourage national decision-makers to increase their level of ambition in reducing all forms of deprivation among children and supporting their transitions to safe employment. We hope this special edition of *EDM* will contribute to the knowledge base for these efforts.

Richard Morgan,
Save the Children

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