BREAKING POVERTY CYCLES - THE IMPORTANCE OF ACTION IN CHILDHOOD

There is a crisis of childhood poverty

Over 10 million children under-five still die every year[i] and at current rates of improvement, about one billion children will be growing up with impaired mental development by 2020.[ii]

In the first years of the 21st century, an estimated 600 million children are growing up in poverty.[iii] In sub-Saharan Africa, the absolute number of deaths of children under-five continues to rise. World-wide the rate of decline in childhood mortality has slowed considerably – from 2.5 per cent (1960-90) to 1.1 per cent in the last decade, and this is also the case in countries that have the highest rates of mortality. A divide is emerging both within and between countries, with the poorest being left even further behind. There is clearly a crisis in childhood poverty of staggering proportions which has significant and long-term implications.

How is this crisis critical to poverty eradication?

Early insults to the growth and development of children are partly irreversible, even with intensive interventions later in life. Therefore, children who have a good start in life should be at much less risk of being poor as adults and of initiating another cycle of poverty with their own children. Tackling childhood poverty and the mechanisms that lead to a transmission of poverty over a life course and between generations is a priority in addressing chronic poverty.

The identification of how poverty in childhood fosters irreversible transfers is seen most acutely through the effects of poor nutrition, inadequate healthcare, missed education and inadequate nurture and protection. These different aspects of a child's life indicate how poverty affects a child over the long-term.[iv] Compilation of such wide-ranging evidence provides some insight on how poverty transfers occur over a life course and between generations.

Nutrition and health

One of the most critical issues determining the irreversibility of poverty transfers is child, adolescent and maternal nutrition. It is estimated that on current trends, up to 1 billion children will be growing up with impaired mental development by 2020[v] Micronutrient deficiencies and illness can have devastating consequences for the cognitive development of a child – for example, iron deficiency anaemia reduces cognitive functions, iodine deficiency causes irreversible intellectual impairment and vitamin A deficiency is the primary cause of blindness among children. Maternal nutrition is also of vital importance for the healthy development of the foetus. Childhood malnutrition can also leave individuals more vulnerable to ill-health in both childhood and adulthood, and thus more likely to fall into poverty traps. While some gains can be made during adolescence, damage done to cognitive development cannot be reversed.

Health and health shocks. Child morbidity, in part a result of poor nutrition, but also due to disease prevalence, is a significant concern, sometimes disabling children for life. Poor health provision means that health shocks are a primary cause of acute poverty in both the North and South, from which long-term poverty can emerge. Under-five mortality rates are declining far more quickly for the rich (a decline of 71 per cent in high-income countries in the last 30 years, and 40 per cent in less developed countries over the same period). In sub-Saharan Africa, under-five mortality is actually increasing for the poorest, and differentials in under-five mortality between the rich and the poor are great and increasing in many countries (such as Brazil, India, Indonesia). In addition, when the carers of children become ill, the children often carry a disproportionate and long-term cost. Because of children's particular vulnerability, a poverty transfer may mean death. Ill-health, particularly of the household's main income-earner, is perhaps the most common driver of chronic poverty at the individual and household level[vi].

Education

Missed schooling or poor educational achievement can undermine all other efforts to escape poverty. This is not only because of lower potential earnings, but also because an educated person can make better use of health and other facilities, enhance their own children's education, make demands on local services and use their knowledge and skills to enhance all other aspects of their lives. The overall relationship between education and increased income is well established. For example, in Latin America people completing primary school could expect to earn fifty per cent more in their first job than people who had not done so.[vii] Knowledge and skills, and in many cases, a formal qualification, can facilitate upward economic and social mobility and general wellbeing.[viii] On the other hand, a missed education can perpetuate poverty cycles. Correcting the losses of a missed education later in life is extremely difficult.

Nurture, care, family and societal protection is fundamental to child and long-term wellbeing. Care and protection requires parents with time to nurture and protect, as well as communities which are not depleted of social resources by poverty or other detrimental factors, such as conflict or environmental disasters. In reasonable conditions where community and family networks are not under strain, families and communities can provide

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children with the necessary care and support to ensure their long-term emotional stability and positive aspirations. Without this childhood nurturing, there is some evidence that children's aspirations are reduced and their overall welfare may suffer.[ix]

A child who is poorly nourished, experiencing high morbidity, has poor education and low aspirations may be unable to reverse these accumulated problems later in life.

What should be done?

Addressing these core aspects of childhood wellbeing – nutrition, health, education and nurture – requires action in the following priority areas[x].

Good nutritional intake for under-fives, adolescents and pregnant women *is critical because poor nutrition in the first five years and during pregnancy, which frequently occurs during adolescence, has devastating and irreversible effects which perpetuate poverty cycles. Enhancing nutrition will break very harmful and yet preventable poverty transfers.*

Therefore, action which promotes nutritional health is a priority. This will be wide-ranging and will include food security (both through earned income and food production and availability), nutritional supplements, health and educational services, and improved water and sanitation. However, preventing intergenerational transfers also requires more focused immediate action.

- Where entire populations are missing out on essential micro-nutrients, *fortifying foods* (eg iodising salt) that are commonly purchased, and subsidising their purchase price can boost overall nutritional wellbeing.
- Providing *micronutrient supplements* to pregnant and lactating women, children under-five and adolescents (especially girls) can guard against transmission of nutritional deficiencies and associated health problems. For example, provision of vitamin A supplements can reduce child mortality by 23 per cent in areas of high vitamin A deficiency.[xi] Iron supplements consumed during pregnancy can reduce anaemia, enhance maternal health, and thus reduce the risk of low birth-weight, a major factor in child mortality. It is usually most cost-effective to deliver such supplements through health services; ensuring the availability of such supplements needs to be part of broader action to ensure essential drugs and supplies.
- In some contexts, *emergency or long-term school feeding programmes* can ensure children receive minimum calorie and protein levels. Well-timed programmes (eg school breakfasts) can improve school performance, particularly among malnourished children. However, such programmes are relatively expensive and, overall, the effects on nutrition are less clear than those on school attendance. Except where food unavailability underlies nutritional problems, a cash transfer may be a more effective way to ensure adequate calorie and protein intake.

Preventative and curative basic health services for all *are important because health problems, if untreated, can undermine child development and because health shocks are clearly shown to be a primary cause of poverty in both the North and South, from which long term poverty can emerge. When the carers of children become ill the children, all too frequently, carry a disproportionate and long term cost.*

As outlined above, preventative and curative health services have a critical role in preventing ill-health, which causes or entrenches poverty cycles. *Investment in primary healthcare,* which has been downplayed in recent years with the introduction of disease-specific programmes, is vital. Since serious illnesses and accidents which require higher levels of treatment are such strong drivers of poverty cycles, *accessible and affordable higher level care* is also critical. This implies removing fees for services wherever possible, and where it is not possible, shifting payments to an insurance basis which subsidises poorest people's use of health services.

The World Health Organisation estimates that overall 19 per cent of child deaths are due to pneumonia, 13 per cent to diarrhoea, nine per cent to malaria, five per cent to measles, three per cent to HIV/AIDS and 42 per cent to neonatal causes (infections, respiratory difficulties and complications of prematurity). Since susceptibility to these diseases is often a result of weak health, this implies a need for greater attention to the poor nutritional or environmental conditions which cause these diseases and deaths and reinforces the importance of an emphasis on both preventative and primary healthcare for ensuring child health.

Support for global programmes such as GAVI (Global Alliance for Vaccines and Immunisation) or the Global Fund on HIV, TB and malaria, which are partially driven by an agenda of meeting the Millennium Development Goals, needs to be combined with more *systemic support for addressing these underlying causes of child mortality e.g.. strengthening health systems*

Strengthening healthcare systems requires addressing problems of health worker training and motivation, and ensuring essential drug and equipment supplies. For example, in Uganda a combination of such investment and abolishing user fees for primary healthcare substantially increased poor people's use of health services. This was partially financed by domestic investment and co-ordinated donor support to strengthen the health sector.

Education of at least 10 years *is vital because evidence clearly shows that it enhances every other aspect of a child's life. Secondary education is very important to ensure that children can leave school with the prospect of being employed or earning sufficient income. Education also greatly enhances the efficacy of other interventions such as in health, agriculture and sanitation.*

For breaking poverty cycles, action in the following areas is key:

- *Universalising basic education for at least 10 years.* Universal primary schooling underpinned successes in reducing childhood poverty in the past (for example in Kerala, Cuba, Sri Lanka and Costa Rica), and is vital in countries with very low enrolment rates. However, it is increasingly inadequate in today's globalised world, where only having primary education can still condemn people to poverty traps and countries to slow development. Evidence from Latin America suggests large differentials in future earnings between young people who complete secondary school and those who do not[xii]. *This suggests a need for greater emphasis on longer periods of education, and a need for donors to nuance their emphasis on primary education. It also means a continuing emphasis on addressing financial-, gender-, ethnicity- and disability-based barriers to education.*
- *Improving educational quality.* Longer periods of education will do nothing to help break poverty cycles if they do not help young people develop skills. Increasingly, this means

an emphasis on how to learn, as well as on numeracy and literacy.

- *Enhancing young people's labour market opportunities.* Without this, the full potential of education to break poverty cycles will be missed. This may mean specific targeted training and apprenticeship programmes that help young people move into decently-paid work. It also means tackling discrimination based on age, race, caste or gender, for example, that reduce many young people's employment prospects.

Overall, action in the education sector needs to be integrated with actions in other spheres such as labour markets to maximise synergies.

What else is needed?

It is clear that a focus on these three areas alone will not be effective because some of the potential solutions to the health and education crisis lie in other areas. *Livelihoods* in all their dimensions, be they formal employment or other modes of production, are critical to ensuring adequate nutrition, schooling, and overall wellbeing. However, a gain made due to a period of employment, a good agricultural year, or a family inheritance can quickly be lost due to vulnerability. Vulnerability to poverty comes from many sources, and a slim asset base can easily be eroded in order to withstand a family illness, a local flood, indebtedness, extortion, widowhood, and other shocks. Children are equally, if not more, vulnerable to shock than adults. If their education or nutrition is interrupted at a critical time, they may not be able to regain that loss.

Pertinent to addressing crises in livelihoods, but also to adverse situations of shocks and vulnerability, is the mechanism of social protection. There is mounting evidence that social protection measures can enable people, and especially children, to withstand short periods of deprivation, prevent them from suffering irreparable damage and thereby keep them from long-term poverty. This includes addressing issues of care and nurture by enabling parents to withstand periods of stress and thus give due care to children.

Social protection, especially cash transfers, *are important for the very poor because they can prevent people falling into poverty, alleviate devastating poverty, and have lasting effects on many aspects of poor children's lives. They thus erode life course poverty and prevent it being inevitably passed through generations.*

Effective social protection measures can make a dual contribution to breaking intergenerational poverty cycles: by both supporting people in extreme poverty and preventing shocks from having harmful long-term effects on children. Of particular importance for children are:

- *cash transfers* which help reduce severe poverty and can enhance children's nutrition, access to services and prevent their involvement in harmful work. It can also enable parents to withstand periods of stress and continue to nurture and adequately care for their children.
- *nutritional supplements and/or fortification* of staple foods, (the provision of which can be a social protection programme) to prevent harmful nutritional deficiencies in pregnancy, early childhood and for adolescent girls.
- *measures that secure children's access to health and education services* such as fee waivers or exemptions, or health insurance programmes.

These measures need to be combined with wider action to promote accessible, good quality basic services (see above) and adequate livelihoods; they are most effective as part of a broader package of measures rather than on their own.

Although concerns are often raised about the affordability of social protection, many effective social protection programmes cost surprisingly little. For example, Nicaragua's child cash transfer programme only costs 0.021 per cent of GDP, but increased children's school attendance, improved nutrition, and protected living standards when world coffee prices (coffee is a major income source of poor farmers) fell sharply. If resources are initially scarce eligibility can also be increased over time, as with South Africa's Child Support Grant, which started with children under-eight and is now being extended to under-13s.

At least fifteen[xiii] (for example Nicaragua, Mexico, Kyrgyzstan) poor and middle-income countries have introduced child-oriented benefit programmes that are helping reduce childhood poverty, and are thus investing in long-term poverty reduction. Many more have nutritional supplement and fee waiver or exemption programmes, most of which are financed with a combination of national and international resources. These are a promising package of measures which, in many circumstances, have a substantial impact on breaking poverty cycles in childhood. There is enough evidence of how such programmes can work (from contexts as varied as Zambia, Bangladesh and Honduras) – the challenge now is to generate the political will and vision to expand them.

These four areas for intervention – nutrition, comprehensive healthcare, education and social protection – are core to addressing childhood poverty and poverty transfers in all contexts. However, while we know about the centrality of child health, education, nurture and protection, we also know that this alone is not enough. There are further obstacles to change.

What are the obstacles to be overcome?

1. Lack of strategies to address poverty transfers

Tackling poverty in childhood so that it is not carried over into adulthood or passed onto the next generation would appear to be a transparently obvious thing to do. However, action should be based on a shared understanding not only of what to do, but also how to do it; it should also be clear on the reasons for tackling poverty in childhood, beyond those of obvious moral obligations. Without this wider logic underpinning action, outcomes for children will always be fragmented and partial. However, action for children in poverty which is dynamic, considers interrelated aspects of a child's life and brings in the wider context is rare.

'Sectorising' children

The majority of Government and donor agencies either consider children a 'special interest group' or confine attention to the core sectors of health and education.[xiv] The former results in special 'one off' projects for perceived vulnerable groups such as 'street children' and orphans, while the latter encourages a piecemeal approach to issues of childhood by, for example,

addressing aspects of health, but not necessarily addressing critical factors such as children's food security or supply of clean water. Addressing childhood poverty in order to limit poverty transfers changes the context from a static to a dynamic one. In such a context, childhood poverty can only be addressed with a long-term view. For example, education needs to go beyond primary to at least 10 years to enhance employment prospects. An Economic Commission for Latin America study of the region shows that 12 years of education (ie completing secondary school) protects 80 per cent of young people against poverty.[xv] A dynamic approach to childhood poverty considers the child growing up to be an adult, and considers the inter-related aspects of a child's life.

This approach could be encapsulated within poverty planning such as PRSPs. Currently, most poverty plans do not consider poverty dynamics and poverty transfers. Instead, there is an ad hoc approach to problem solving rather than identifying what action will break poverty cycles and thus what strategy comprising a sequence of actions should be prioritised.

The Marginalisation of childhood issues

Related to the lack of strategic planning to address poverty in childhood, children's issues are often the responsibility of relatively marginalised ministries. Frequently, these ministries or departments have the responsibility of 'looking after' a range of perceived 'needy' groups, such as war widows and veterans, orphaned children and the disabled, or children may be linked with the interests of women, community development or social welfare. These ministries are often marginalised in decision making and resource allocation processes, under-resourced and not engaged with the wider issues which force people into poverty. In these circumstances it is difficult to lead on a strategic approach to solving problems of childhood poverty which are complex and dynamic in nature.

At the same time, civil society activists focusing on children are similarly focused on implementing narrow projects, which, whilst very important for the children concerned, fail to address the underlying causes of childhood poverty. They thus tend to be less engaged with policy processes and unable to really advocate for policies such as pro-poor growth, debt relief or synergistic public services which will make a fundamental difference in improving the wellbeing of children and thus ending childhood poverty.

2. Economic policies can undermine social policy and livelihoods

Equitable distribution and growth

Encapsulated within structural adjustment programmes, and still part of World Bank and IMF lending, is the tendency to under-estimate the importance of equitable distribution in achieving human development successes. Key donors and governments have failed to acknowledge strongly that this matters in terms of meeting the basic needs of all people and making improvements in the human development of entire populations. The extent to which growth can reduce poverty depends largely on levels of inequality – growth is more effective in reducing poverty when inequality is low.[xvi] The 'growth first' development model, which hopes that some of the aggregate wealth will trickle down to the poor, has not been successful in achieving improved human development. This does not mean that growth is unimportant: growth is important and a sustained improvement in both the quality of services and livelihoods does require a growing economy and increased per capita expenditures. However, economic growth is not automatically translated into improvements in the social sectors. Oil-rich countries such as Cameroon, Venezuela, Gabon and Nigeria have failed to turn wealth into social development outcomes; Brazil shows that the fruits of rapid economic growth (from the 1970s) is not necessarily shared equally. Patterns of growth that reduce income poverty among the poorest families should benefit the poorest children. However, growth that is based on increasing workloads among parents of young children, particularly women, can reduce the time available for childcare, and thus affect child wellbeing. Similarly, growth which increases child labour in harmful or exploitative work - because it creates greater demand for unskilled and cheap labour, or is based on households bringing more members into production can have detrimental effects on child wellbeing. Growth-oriented measures which continue to relegate social development to a secondary level of importance are a primary obstacle to progress.

There is strong evidence to indicate that in many instances investment in social services and broader attention to social development, underpins economic growth. Therefore, **social policy and social development must be given equal status with macro-economic policy if synergies between economic growth, income poverty reduction and advances in health, education and child wellbeing are to be realised.**

Economic policies can undermine public services

Economic policies[xvii] which, for example, prioritise addressing fiscal deficits through reducing public services can fundamentally undermine social policy strategies. High-achieving countries[xviii] that have made considerable gains in human development (compared with other developing countries that experienced similar periods of economic crisis and structural adjustment in the same timeframe) maintained long-term government expenditure on health and education as a proportion of GDP. When the crisis forced macro-economic stabilisation and adjustment, these high-achieving countries went through a relatively unorthodox adjustment process – this is particularly true of Korea, Malaysia, Mauritius and Costa Rica[ixx] - which helped to protect government expenditure in the social service sectors.

Similarly, the promotion of *cost recovery and the privatisation* of public services without adequate consideration of issues of equitable access, affordability, coverage, quality and effects on public service provision for the poor, can undermine social policy.

Trade liberalisation affects childhood poverty through services and household livelihoods through its effects on public revenues, incomes and employment, prices of essential goods and household economic security. While trade-generated growth can be positive, it may not reach the poor and the effects of trade liberalisation on food prices, employment and economic insecurity can also have detrimental effects if not properly managed. This also underscores the importance of effective *social protection* to tide over vulnerable people during difficult periods.

Where ***managing inflation and public deficits*** undermines growth and increases poverty by inducing recession, the poor are often hit hardest since they have the least resources to draw on, particularly if there are no social protection measures. Although IMF stabilisation programmes usually require inflation rates to be reduced to single digits, there is evidence to suggest that rates of up to 40 per cent are compatible with promoting growth, and are better at securing employment than lower rates.[xx]

There remains a ***lack of analysis*** of the social impacts of economic policies.

3. Financing

Many countries spend more on servicing external debt than they do on basic services. The average debt service of 17 indebted countries stands at 23.6 percent of GNP compared to an average of 12.3 percent expenditure on basic social services[xxi]. Ethiopia spends 22 per cent of its national budget on health and education, but this only amounts to US$1.50 per capita on health. Even if Ethiopia were to spend its entire budget on healthcare, it would still not meet the WHO target of US$30-40 per capita. The Commission on Macroeconomics and Health (2001) estimated that a minimum of an additional $22 billion per year by 2007, and $31 billion per year by 2015, would be required to support critical health interventions in developing countries.

However, aid levels have been dropping relative to GNI since 1960 and now, at 0.22 per cent of GNP, are at their lowest ever. $600 billion in debt reduction is required to ensure that debt repayment does not impinge on essential social development funding. Compounding these shortfalls in available resources are defence expenditures which are notably higher in countries that have low human development outcomes than in those that have achieved some successes.[xxii] Attempts at cost recovery through user fees have largely been unsuccessful. In Africa, the introduction of user fees increased revenues only slightly while significantly reducing the access of the poor to basic social services.[xxiii]

4. Discrimination

Social and cultural issues, such as gender-related, race or caste restrictions, have a serious impact on perpetuating poverty cycles. Gender discrimination and the low status of women is strongly correlated with the inhibition of children's health and educational attainments which, as we have seen, can have irreversible effects. In addition, discrimination as a cultural or social norm in childhood is often experienced throughout a lifecourse and between generations. Gender discrimination, such as in girls' education, or restrictions on movement outside the home, or on visiting male health professionals, can have long-term implications which foster poverty transfers. There is a widespread failure to uphold rights which may be endorsed at a national level, but which prove difficult to make a reality in different cultural and social contexts.

How to address the obstacles to change

Key obstacles to change have been identified as poor strategy development, economic policies which undermine social development, lack of financing for social sectors and issues of discrimination. The core identified actions in nutrition, health, education and social protection are consistently undermined by these obstacles and the following additional changes are essential if childhood poverty is to be successfully addressed.

1. Develop strategies for breaking poverty cycles in childhood.

Strategies for addressing poverty in childhood with a view to the future and with an understanding of interrelated aspects of a child's life and wider contexts are needed.

The important questions are:

- *what aspects of deprivation in childhood have enduring and long-term effects?*
- *when are they most critical? and thus,*
- *what policy interventions are key to interrupting poverty transfers, in what contexts and how?*

As discussed above, there is now good evidence to show us that, in terms of policy action, important aspects of a child's life such as education or nutrition cannot be treated as a random set of components which can arbitrarily be put together. There are some priorities for action, such as preventing irreversible damage due to poor nutrition. There are also critical synergies which means careful consideration of how policies or whole sectors affect each other. There are significant issues concerning provision, in particular the institutional and political context and public provision. And there are make or break conditions, especially discrimination based on gender, race or remoteness. Any one of these factors has the potential to undermine other actions.

There is no single magic bullet that will have a significant impact on childhood poverty and poverty transmissions. Only a multi-dimensional approach to childhood poverty, and one which distinguishes key ways of breaking poverty cycles at different points in the life cycle, will be effective.

2. Promote synergies between interventions

A symptom of poor strategy is failure to recognise the inter-relationships between sectors and interventions. For example, health services cannot be effective in the absence of educational services, or where they cannot be used by women because of gender-related restrictions. Integrated approaches are essential to enable the impact of any one intervention to be maximised; each intervention has ramifications that lie outside its 'sector'.

Educational provision enhances the impact of other sectoral interventions and, as such, is an essential bedrock on which to build other aspects of child development. It is also clear that *sequencing matters* – eg if education comes first, any subsequent interventions in health will have a far greater impact. Importantly, there is no magic bullet, no single intervention which will make all the difference. The combination of different interventions is important and has an *iterative effect,* eg health and education really do build on each other. For example, in two Nigerian villages, the equivalent gain in life expectancy at birth was 20 per cent when the sole intervention was health facilities, 33 per cent when it was only education, and 87 per cent when it was both.[xxiv] *All social sectors are synergistic* – thus education, family planning, health, nutrition and water and sanitation (among others) critically interact with each other: nutrition helps a child learn; education reduces family size; reduced family size improves the chance of schooling and so on.

Thus, policy design and programming needs to take account of a range of key sectors and recognise the way in which they build upon and enhance each other. This should result in integrated service delivery and simultaneous improvements in core sectors.

3. Combine economic and social policy

Pro-poor, pro-child economic policies must crucially underpin action to tackle poverty among children through their effects on household livelihoods and on the financing of public services. In the short- to medium-term, investment in the core policy areas outlined above can take place even where economic growth is limited. In the longer-term, economic growth enables

sustained investment and expansion, and deepens the quality of provision.

However, broad-based poverty-reducing growth has rarely occurred on a sustained basis in the absence of the universal availability of basic social services.[xxv] ***Educated and healthy people are more productive, thus enabling them to benefit more from, and contribute more to, economic growth. Importantly, a commitment to social development and basic services is an important pre-requisite that allows growth, when it happens, to have human development outcomes.***

The potential of economic growth to reduce childhood poverty can be enhanced by:

- *substantially reducing inequality* – growth is three times more effective in reducing poverty where inequality is low as when it is high.[xxvi] Enhancing poor people's access both to productive assets (eg land, irrigation, credit) and opportunities for human development is a crucial part of this.
- *basing growth strategies on sectors where poor people are concentrated,* so that they drive growth, rather being its eventual beneficiaries; for example, agriculture or small-scale enterprise. Do not wait for growth to trickle down to the poor.
- *avoid creating conditions that compromise child wellbeing.* For example, growth which is based on women working longer hours outside the home, may compromise young children's nutrition (particularly that of infants). Or, parallel investments in education and/or cash transfers may be needed to prevent growth in unskilled employment creating demands for child labour.
- *avoiding measures which can increase the vulnerability of the poorest to economic shocks.* This may be a particular risk with policies such as trade liberalisation which increase integration with global markets. Selective, temporary protection of particular products (through tariffs or non-tariff barriers) can help protect the wellbeing of poor people. Similarly, avoiding provoking financial crises (which leads to unemployment, collapse of markets for key products and can constrain public expenditure) through controls on international capital flows is important for protecting children's wellbeing, as experience in East Asia has shown. Where the overall benefits of reforms outweigh their costs, social protection can play a critical role in preventing irreversible harm to children's wellbeing – for example, Nicaragua's *Red de Proteccion Social* maintained children's school enrolments when a decline in world coffee prices hit poor farmers.
- *avoiding economic management strategies that constrain public expenditure on basic services.* Historically, limiting public expenditure has been a major tool for tackling financial crises and fiscal deficits, and for controlling inflation. Child wellbeing has often suffered as a result, particularly where limiting public expenditure has been combined with other measures that induce recession, as in Central Asia after independence and many African countries in the 1980s and 1990s. Subsequent growth often cannot reverse the damage done in a recession, in part because lost human development can have cumulative and long-term effects. For example, children who miss out on schooling often miss their only chance of education. This is likely to undermine overall social and economic development, as well as condemn individual children to poverty. In practice, this means accepting higher levels of inflation (up to around 40 per cent) rather than strictly controlling inflation and cutting service expenditure to do so.·
- *ensuring impacts on children inform policy choices.* Poverty and Social Impact Analyses provide an important potential opportunity for ensuring that the impacts of key economic policy choices on children are considered and harmful policies avoided. Achieving this requires much greater emphasis on the social, as well as economic implications of proposed reforms; a greater use of qualitative methodologies which enable better understanding of social dynamics; and commitments among donors and governments to ensuring children benefit from economic reform, both because this is a strategic investment in poverty reduction, and because it is an obligation of governments which have ratified the UN Convention on the Rights of the Child. Ensuring that poverty monitoring systems (such as those related to PRSPs or the MDGs) link changes in children's lives with the economic policies underpinning those changes would also provide an evidence base for policy choices that promote rather than undermine child wellbeing.

4. Increase public commitment, provision and accountability

Public commitment to human development is a crucial factor in achieving improved outcomes. The importance of a strong political and social commitment to equity (ie meeting all people's basic needs) cannot be over-emphasised. It is also clear that the way in which social services are delivered, particularly the State's involvement, has a critical role to play in breaking poverty cycles. State involvement increases the possibility of positive synergies between sectors and has the potential to ensure coverage to remote areas and the poor.

Just as the state's commitment and delivery role has been critical to the success of high-achieving countries,[xxvii] so the public 'voice' in governance has also been a key element of success in almost all high-achieving states. So, while democracy (in the sense of regular multi-party, free and fair elections) is not a necessary condition for social progress, it is obviously important. The critical point is that there has to be a mechanism for the expression of the voice of the people. Today, where state failure is much more of an issue than it was when the high-achievers made most of their social progress, deep democratic decentralisation is becoming an essential ingredient of successful social delivery.

Civil society actors, and especially those focused on children, need to hold their governments to account in addressing poverty in childhood in order to break poverty cycles and achieve the aspirations of national poverty plans. They need to engage with a wide range of policy issues and not those only directly related to addressing children's immediate needs.

As Sen (1999)[xxviii] notes, 'the support-led process does not wait for dramatic increases in per capita levels of real income. It works through priority being given to providing social services (particularly health care and basic education) that reduce mortality and enhance the quality of life'.

5. Address discrimination

While attention to synchronised and quality services, public provision, and integrated policies is vital, these actions can fail if discrimination is not addressed. Gender, race and other discrimination are overwhelmingly significant in determining poverty outcomes in particular cultural contexts; however, they

are so entrenched that change is slow. The ability of women and girls to seek healthcare, leave their homes freely, work and earn and control income and assets, and receive an education have significant impacts on women and children's ability to escape poverty. Similarly, discrimination and exclusion on the basis of ethnicity, race, caste or ability perpetuates poverty among these groups of the population.

Enforcement of the law, programmes to tackle attitude change, positive inducements for disadvantaged groups, eg free secondary school places for girls (Bangladesh), quotas for women and minorities in political structures (India),[xxix] are all actions to tackle discrimination. Serious consideration must be paid to such policies and programmes to run simultaneously with work in social and economic sectors.

6. Improve aid

Aid allocations make up a significant proportion of the government budget in many developing countries and donors still have a significant influence over national policy agendas, despite their increasing emphasis on responding to nationally led policy choices, particularly through PRSPs. Donors, like governments, often work sectorally or on a project basis and where they do have policies which relate to child poverty, they are generally not comprehensive strategies for tackling poverty in childhood with the intention of breaking lifecourse and intergenerational poverty transfers with some exceptions.[xxx] Importantly donor policies on children are not effectively put into practice in national contexts by supporting governments and others to tackle it in a strategic way. No donor agencies routinely assess the impact on children and young people of their funded work (unless the project was directly targeted at them) either through national monitoring systems or through their own mechanisms.

Donor policies are giving some attention to multi-sectoral approaches but give less consideration to synergies between sectors and the social impacts of the economic policies which they support. For example progress in Poverty and Social Impact Analyses (PSIAs) is falling short of expectations. Donors need to ensure that strategic support for top line government priorities such as economic growth or good governance does not unwittingly mean that resources are directed away from implementation (i.e. local government capacity) and that issues of social exclusion and inequality are ignored.

Much more progress needs to be made to reduce the *transaction costs* of aid and to prevent donor actions and conditionalities undermining national ownership of poverty plans and systems for decision making and resource allocation. General poverty reduction *budget support*, allocated through national budgeting in line with national plans is therefore an important aid mechanism as long as those plans encompass strategies to address childhood poverty. Governance and capacity to implement plans remain critical factors.

Sector wide approaches, those that genuinely prioritise sector development rather than just co-ordinating donor activity, in key sectors like health, education and social protection are an important medium-term approach. Recent international initiatives, such as the Global Fund for Health, focus attention and funds on important issues but must start to prioritise sustainable system development. Any *projects* must be in support of the implementation of comprehensive strategies to tackle childhood poverty and must involve strong efforts to harmonise with government procedures and align with national policies.

Finally debt reduction remains critical and donors need to enhance the pace and scale of current efforts to reduce debt burdens.

Policy Pointers

- *Address damage in childhood that is irreversible.* A focus on nutrition, comprehensive healthcare, and education of at least 10 years are core parts of any programme to end childhood poverty.
- *Promote social protection, especially cash transfers.* It is a proven and pivotal intervention, able to address many dimensions of poverty and enable children to stay in school, be well-nourished, survive economic and other shocks, and enable families to retain core assets vital for the children's futures.
- *Policy combinations matter* and have a cumulative effect, greatly enhancing the efficiency and effectiveness of each other. Addressing poverty in childhood requires a multi-dimensional and dynamic approach with a view to the future.
- *Growth strategies must be preceded and accompanied by social development commitments.* This enables the products of growth to be used to achieve human development goals. Growth must be explicitly pro-poor.
- *Economic policies must not undermine social policies:* thus financing for social services must be maintained in periods of crisis; growth strategies need to be in sectors where the poor are concentrated; at the same time growth must not compromise children's wellbeing by pushing women to work long hours or children to work.
- *Reduce inequality* since growth is three times more effective in reducing poverty where inequality is low as when it is high.
- *Public commitments and government accountability are crucial.* Commitments to equity, ie meeting all peoples' basic needs, is vital. The involvement of governments to deliver core public services and achieve quality coverage is essential in this regard. Public action to demand equitable distribution and delivery of basic needs has proved critical.
- *Public provision* of social services remains the best option as it enhances synergies between sectors and ensures coverage. Public accountability is key to maintaining commitments.
- *Addressing discrimination is pivotal.* Blockages due to gender and other discrimination can undermine all other attempts to address childhood poverty. A rights-based approach may help to deliver on gender equity but social and cultural constraints require a locally relevant approach.
- *Develop strategies, not projects, for children.* A strategy to break poverty cycles by taking action in childhood brings childhood poverty into mainstream discourse and is important for addressing chronic poverty.
- *Improve aid.* Donors, as influential players in poverty reduction processes, should support governments to address childhood poverty through national poverty reduction strategies, strengthen government capacity and enhance debt reduction.

[i] UNICEF, *State of the World's Children 2002,* New York: UNICEF.

[ii] James Commission, *Commission on Nutritional Challenges of the 21st Century,* 2000, UN Report.

[iii] UNICEF, 2000, Fact Sheet, World Summit for Social Development, Copenhagen +5

[iv] There are few longitudinal studies that analyse poverty dynamics, particularly in developing countries, due to the difficulties and expense of undertaking them. However, those that do exist suggest that individuals break out of poverty cycles to a lesser extent than is commonly believed. See Harper, C. and Marcus, R., Enduring Poverty and The Conditions of Childhood: Lifecourse and Intergenerational Poverty Transmissions, *World Development,* Vol.31, No. 3, pp.535-554, 2003.

[v] James Commission, 2000, UN Report.

[vi] *Chronic Poverty Report* 2004-5, CPRC, University of Manchester, UK

[vii] Harper, C. and Marcus, R., 2000, Mortgaging Africa's future, the long term costs of child poverty, *Society for International Development,* 43:1; 65-72, London: Sage.

[viii] *Ibid.*

[ix] *Ibid.*

[x] The CHIP programme of work did not look at situational poverty such as HIV/AIDs or drought, nor at situations of conflict. The research focused on issues that applied to most situations of poverty. There are clearly additional areas for action which are context specific.

[xi] Beaton, 1994, cited in SCN (2004), *Nutrition for Improved Development Outcomes, 5th Report on the World Nutrition Situation,* New York: United Nations System.

[xii] ILO, 2004, *Global Employment Trends for Youth,* Geneva:ILO.

[xiii] *The Role of Cash Transfers in Tackling Childhood Poverty,* CHIP Policy Briefing 2, 2004, CHIP, London.

[xiv] Marshall, J, 2004, *Donors and Childhood Poverty in sub-Saharan Africa: Approaches and Aid mechanisms in Ghana and Tanzania,* CHIP Report 12, CHIP, London.

[xv] ECLAC, 1997, *Social Panorama of Latin America,* Santiago de Chile: ECLAC cited in Carlson, B., 2001, *Education and the Labour Market in Latin America: why measurement is important and what it tells us about policies, programmes and reforms,* DP 144, Santiago de Chile: ECLAC.

[xvi] Hanmer L. and Naschold, F., 2001, 'Attaining the International Development Targets: Will growth be enough?' *Development Policy Review,* 18, 11-36.

[xvii] For more detail, see Waddington, H., 2004, *'Economic Policies - How can they Contribute to Child Wellbeing?'* CHIP Report 3, London: CHIP.

[xviii] Ten countries which exceeded the pace and scope of social progress of most other developing countries during the same period: Costa Rica, Cuba, Barbados, Botswana, Zimbabwe, Mauritius, Kerala State (India), Sri Lanka, Korea, Malaysia. See Mehrotra, S., 2004, *'Improving Child Wellbeing in Developing Countries: What Do We Know? What Can be Done?',* CHIP Report 9, London: CHIP.

[xix] For more details of adjustment processes in these countries, see Mehrotra, S., 2004, *ibid*

[xx] Bruno, M. and Easterly, W., 1997, 'Inflation crises and long-run growth', *Journal of Monetary Economics,* 41, 3-26.

[xxi] Harrington, J, et al, 2001, Financing Basic Social Services, in Grinspun, A (ed), *Choices for the Poor:Lessons from National Poverty Strategies,* New York, UNDP.

[xxii] Mehrotra, S., 2004, *ibid.*

[xxiii] Gilson, L., 1997, 'The lessons of user fee experience in Africa', *Health Policy and Planning,* 12 (4), 273-85.

[xxiv] Caldwell, J.C.,1986, Routes to low Mortality in Poor Countries, *Population and Development Review,* Vol.12/2

[xxv] Mehrotra, S., 2004, *ibid.*

[xxvi] *Economic Policies - How Can They Contribute to Child Wellbeing',* 2004, CHIP Briefing 3, London: CHIP.

[xxvii] See endnote xiv.

[xxviii] Sen, A., 1999, 'Investing in Health', *General Keynote Speech at 52nd World Health Assembly,* May.

[xxix] CHIP *India Country Report* 16, forthcoming, 2004, CHIP, London.

[xxx] DFID, the World Bank, Sida and Danida, have specific policies that address poverty in childhood, which comprise many of the core elements of a strategy.

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