

DFID White Paper Consultation:

Submission by the Young Lives project team

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1. What determines economic success and promotes economic growth in poor countries?

- Children necessitate a special focus within pro-poor growth strategies. It cannot be assumed that policies which improve the livelihoods and well-being of poor communities will automatically help meet children's right to survival, development and protection as economic growth and poverty reduction policies have potentially differential impacts within the household. For example, as Young Lives research in Andhra Pradesh India has highlighted, reducing aggregate household poverty does not neatly translate into a reduction in child malnutrition, one key manifestation of childhood poverty. This suggests that tackling childhood poverty requires a specific focus on children's needs as well as adequate resourcing of related policy commitments.
- Recognising childhood poverty as a multi-dimensional phenomenon is essential if children are to be effectively mainstreamed into broader economic growth and poverty reduction strategies. Rather than a narrow focus on education and health, childhood poverty needs to be tackled through a multi-sectoral approach that includes, for example, agricultural, trade, justice, economic and social protection policies and programmes. International best practice suggests that an effective child-sensitive poverty reduction strategy would recognise children and young people as a priority group and would include context-specific indicators to measure progress on tackling childhood poverty. The following five broad areas could serve as a useful checklist for the development of appropriate indicators: i) age-disaggregated poverty data, ii) more comprehensive nutrition, education and health indicators, iii) indicators to measure protection from abuse and exploitation, iv) social protection programmes to cushion children from the negative effects of policies geared to promote rapid economic development, and v) indicators to evaluate children's opportunities to voice their views and participate in their communities.
- In order to effectively implement policies designed to reduce childhood poverty, adequate and sustained funding is essential. A good way to ensure that investment in children is accorded budgetary priority is to conduct child-sensitive budget monitoring (CBM). Drawing on pro-poor and gender budget methodologies, CBM aims to map the programmes that correspond to policy commitments to children's well-being and their related budgets. Are the resources sufficient to fulfill policy promises? Over time, has expenditure on these programmes increased in line with GDP growth and in line with general social expenditure trends? While the UNCRC recognizes that developing countries are constrained in their ability to fully fulfill children's rights, the clause on progressive realization mandates that expenditure on children should increase as the country's economic status improves.
- Such a multi-sectoral approach should pay particular attention to the linkages between the differential gendered impacts of development and poverty strategies as well as differences between adults and children. On the one hand, it is important to highlight the positive links between women's education and child well-being outcomes (e.g. child nutritional and school

enrolment outcomes)^v. On the other hand, however, policy strategies are needed to mitigate the potentially negative impacts of women's increasing involvement in income-generating activities on caring time and quality, especially for very young children. While women's greater access to income and resources is positively linked to women's decision-making power within the family and the ability to afford better access to basic services for children, policy strategies should also incorporate complementary social protection mechanisms to allow women with infants to spend the necessary time and resources to ensure optimal child nutrition in the crucial early years of life^{vi} as well as provide affordable community-based childcare services when women return to their income-generating responsibilities^{vii}. This will also help to relieve older siblings from shouldering childcare responsibilities at the expense of their education.

2. How can we best ensure that donors deliver on the commitments they made in 2005?

How can donors work together better to make their collective aid more effective?

- Donors' poverty reduction objectives are focused on the achievement of the MDGs by 2015. However, it is important to recognize that although the MDGs set an important baseline for the achievement of children's basic health, nutritional and educational needs, they do not reflect a rights-based approach to childhood poverty. The UNCRC recognizes four broad principles– the rights to survival (health and nutrition), development (quantity and quality of education, psychosocial development), protection (from abuse and exploitation, including harmful forms of child labour) and participation in community affairs. The development of more comprehensive indicators to verify the extent to which childhood poverty is being tackled by specific poverty reduction policies is therefore essential. This would ensure not only that donors are made accountable for their international commitments, but equally importantly that recipient governments use these pledged resources to implement more comprehensive policies to tackle the multiple dimensions of childhood poverty.

3. What can donors do to help build more effective states?

- How can poor men and women be empowered to demand action from their governments and hold them to account?
- Given an international trend towards greater decentralization that is also backed by multilateral and bilateral agencies, such as the World Bank and DFID, supporting capacity-building for local level officials is of paramount importance. In contexts characterized by hierarchical power structures and with limited experience of democratic governance, it is essential that newly established or empowered governance mechanisms (e.g. elected local assemblies) have access to capacity strengthening opportunities. Sustained long-term support should be provided in order to combat non-democratic political practices that are less visible and less amenable to INGO and donor agencies' monitoring capacities, which tend to operate predominantly at the national level. Part of such capacity building efforts should also reach out to local communities and support the dissemination of and access to information on rights and spaces for effective political participation and engagement^{viii}.
- In addition, long term, local policy monitoring initiatives designed to track the implementation of national policy commitments at the sub-national level are also important. Such initiatives should seek to diagnose the key barriers to effective policy implementation so that donors can better develop effective capacity building programmes to bridge the gaps between de jure and de facto

realisation of children's rights. We welcome DFID's commitment to a longitudinal project such as Young Lives, the evidence from which can be usefully harnessed to help track the impact of the pro-child policy commitments made by national governments – as when Young Lives recommendations were incorporated into Vietnam's Social and Economic Development Plan (2006-10) and Ethiopia's second PRSP (2006-10).

- Despite the existence of international and national agreements aimed at promoting child poverty reduction, in practice the implementation of these policies at the sub-national level is frequently inadequately planned and under-resourced. This results in imperfect access, coverage and particularly quality, of services. Therefore, it is important to foster spaces for engagement with authorities to promote child-focused budget monitoring, including raising awareness of the need for sufficiently disaggregated data and transparent indicators on resources spent on children at different levels of government. In addition, there is a need to strengthen government officials' capacities to better identify how resources can be channelled to meet multi-dimensional childhood poverty reduction targets.

4. How best can donors and developing countries increase access to basic services, such as health and education, in poor countries?

- Children denied access to education or health services are more likely to reside in households deprived of other basic infrastructure and are therefore prone to experience cumulative disadvantage. Multiple disadvantages in service access are concentrated in the poorest, rural, households and in those where the caregiver has low levels of education. This disadvantage is likely to be reinforced by intergenerational transmissions of poverty^{ix}.

DFID can help address these disadvantages by:

- ⌚ supporting national governments in devising and implementing synergistic multi-dimensional and multi-sectoral strategies for tackling childhood poverty and for breaking poverty cycles and by encouraging the donor community to follow suit;
 - ⌚ supporting further research into (a) the long-term implications of children experiencing multiple disadvantages from an early age, and
(b) longitudinal evaluations of policy interventions in order to identify best practices for tackling such disadvantage;
 - ⌚ using its leverage within the donor community and national governments to push for a focus on addressing multiple disadvantages within MDG strategies.
- While local communities in developing countries often contribute significantly to developing service infrastructure (e.g. school classrooms or health facilities) either through financial contributions or provision of labour or materials, they do not necessarily enjoy a corresponding increase in voice/ power to shape the quality, relevance or delivery mechanisms of these same services^x.

- For many poor households, children's labour is much more valuable than school attendance. The long-term benefit of education is not perceived by their families as outweighing short-term economic losses and thus children as young as five or six may be expected to contribute to household maintenance. Governments need to take into account that household poverty and food insecurity are crucial factors in keeping school enrolment and retention rates low. This barrier can be addressed by ensuring free access for at least the poorest children, and simultaneously by developing relevant, good quality public schooling that reinforces the value of education. Given that there are clear direct and indirect costs in achieving improved educational quality, alternatives financing mechanisms for the poorest, such as cash transfers to families, need to be explored. The donor community can play a pivotal role by financing appropriate cash transfer schemes.

5. How can the UK Government make sure that development is led by developing countries themselves?

- A crucial contribution would involve continued and more in-depth support of the implementation and monitoring of national poverty reduction strategy frameworks (PRSPs). PRSPs, if well designed, can enhance coordination between general poverty reduction and development policies and sectoral-specific plans. Developing countries not mandated to produce a PRSP should be encouraged by donors to develop comprehensive multi-year (5-year) poverty reduction frameworks in order to facilitate policy coordination and to maximize cross-sectoral synergies. Young Lives research, for example, suggests that efforts to mainstream childhood poverty into broader poverty and development policies are aided by PRSP frameworks (e.g. Ethiopia and Vietnam^{xi}) whereas such initiatives tend to be more complex and fragmented in countries that lack such umbrella strategy frameworks (e.g. Peru).
- Although PRSPs have been criticised for being too donor-led, there is undoubtedly considerable potential to promote greater national ownership of these frameworks. This in turn would ground them more directly in the national context and would thus make them more effective. DFID can help promote national ownership by supporting civil society participation in the development and consultation processes of PRSPs.
- Of particular importance is greater attention to the development and monitoring of progress indicators attached to PRSPs. In the case of childhood poverty, while PRSPs may include broad statements about the importance of tackling manifestations of childhood poverty, it is critical that these are then followed up by the inclusion of specific target indicators according to which donors monitor country progress. DFID should also support more rigorous longitudinal data collection initiatives in order to assess the efficacy of poverty reduction strategies in improving child well-being. This would in turn improve the ability of governments to collect data and understand trends relating not only to children's educational access and health, but also to take seriously commitments to a more holistic view of poverty, including children's rights to protection (social and physical) and participation.

9. How can the UK Government make sure that international trade negotiations deliver the benefits needed for developing countries?

- DFID needs to recognise that breaking down international trade barriers will not be enough to ensure that the benefits from trade are experienced by ordinary citizens of developing countries.

The impact of liberalisation is likely to differ across sectors, community and household income levels, producers, regions, consumers and specific population groups (rural, urban, women and children)^{xii}. Therefore, in addition to working in the international arena to advance fairer trade conditions for developing countries, one of DFID's foci should be promoting national level poverty and social impact assessments of trade to highlight these differential effects. If policy-makers are aware of the diverse impacts of trade, they will be better placed to develop context-relevant policies and programmes to compensate disadvantaged groups from losses stemming from trade liberalisation and develop mechanisms to ensure that the benefits from trade are more equitable.

- In particular, impact assessments of trade should specifically analyse the impacts on children given that intra-household dynamics might result in unintended adverse impacts on children. Examples of such impacts include the fact that although greater market access for rural households producing internationally demanded commodities is likely to result in increased household income, with positive consequences on families' economic capacity to access basic goods and services for children, there might also be new demands on children's time. This could include engagement in the production of export goods (paid child work) or pressures to shoulder the burden of domestic work as women increasingly participate in income generating activities. If accessible and affordable childcare is not available, this may have potentially adverse consequences on children's physical and social development. Thus, by promoting detailed impact assessments of the direct and indirect impacts of trade, it will be easier to identify the policy gaps that should be addressed by national and sub-national governments to ensure that disadvantaged groups, particularly children, can benefit from trade liberalisation.
- It is also imperative to provide support for countries to tackle domestic barriers that diminish the possibilities of poorer population groups benefiting from trade. YL qualitative research in Ethiopia, for example, found that for many poor rural farmers who produce internationally traded commodities, such as coffee, local intermediaries hinder their direct access to markets and decrease their profit margins.

15. What should the UK Government be doing differently within the international system to make it more effective at delivering development?

- Child poverty needs to be prioritised within international development policy circles. Reducing childhood poverty will maximise returns to investments in development by breaking poverty cycles, thus enabling a more upwardly mobile population to engage in and drive national development processes.
- DFID should support and promote evidence-based policy formulation and implementation at national and sub-national levels, encouraging the use of relevant research findings so that policies can be based on a sound and nuanced understanding of local political and socio-economic contexts.

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To contact the Young Lives team, please email younglives@younglives.org.uk**

ⁱ For example, Young Lives is concerned that the policy prescriptions and implementation of the Ethiopian PRSP, the Sustainable Development and Poverty Reduction Programme (SDPRP) (2002-2005) are impacting negatively on poor children's time usage—namely how their time is divided between education, work activities and play. This

concern is related particularly to the impact of one key SDPRP pillar—the Agricultural Development Led Industrialization (ADLI) policy—on child enrolment and child work (paid and unpaid), and how these changes are further mediated through gender and rural-urban differences. Through this Programme, the Ethiopian government, together with donor organizations, is placing a particular emphasis on intensifying agricultural activities to increase livelihood options and provide better safety nets for the poor (e.g. through food/or cash for work programmes). This approach is based on the underlying assumption that because labour is abundant and capital scarce, new livelihood opportunities should be labour-intensive and agriculture-based. However, although labour-intensive agricultural activities may augment aggregate economic development, we are concerned that given imperfect labour and credit markets, without precautionary social risk management measures, the strategy could be detrimental to child well-being. This may be because children’s labour is directly employed to contribute to household labor activities (paid or unpaid) or because caregivers’ labour is needed in paid work or agricultural activities, thereby reducing the time they have for childcare and domestic responsibilities. In order to create a win-win situation where both national economic development and children’s rights (socio-economic, civic and cultural) are realized within the SDPRP framework, a careful understanding of the individual, family, community and policy-level factors affecting child labour and children’s education is required. See Young Lives Working Paper No. 22 for a more detailed discussion of such intra-household impacts in relation to Ethiopia’s PRSP.

ii

While all regions of Andhra Pradesh are on-track to reach MDG Goal 1 of reducing poverty by half by 2015, unless urgent action is taken, the state is off-track on the target of reducing a key indicator for Goal 1, child malnutrition. Alarming, this trend can be found across caste groups, geographic regions, and employment categories. The rate of reduction needs to be accelerated from 1.7% per annum to 2.2% per annum to meet the target. Worryingly, even if Andhra Pradesh achieves this target, approximately 1.6 million rural children would still remain underweight by 2015. For further details, please see the Young Lives India 2005 presentation ‘Poverty free, Healthy and Educated Rural Andhra Pradesh: Where will AP be in 2009?’

iii

For a more detailed discussion of the key elements of a child-sensitive national poverty reduction strategy, please see Young Lives’ recommendations for the second Ethiopia PRSP in Young Lives Working Paper 22 (2005).

iv

Pereznieta, Paola (2005), “Translating International Agreements into National Policies with Real Impact on Children: the UN Convention on the Rights of the Child and the Millennium Development Goals”. Conference paper available by request (email younglives@younglives.org.uk).

v

Young Lives Working Papers 18 and 19.

vi

Young Lives qualitative research in Ethiopia revealed women’s relatively greater involvement as coffee traders and farmers in the liberalised coffee sector and highlighted the contradictory impacts on caregivers and their care work burden. Women emphasised both the important income effects and their greater sense of independence and decision-making power within the family as the main reasons for their involvement. However, they recognised that the quantity and quality of time with their children did suffer, including the inability to exclusively breast-feed babies during the first six months and provide food when older children came home from school. Please see Young Lives Policy Brief 1 for further details of the impact of trade liberalisation on child well-being.

vii

See Young Lives Working Paper 20: Child Labour, Gender Inequality and Rural/Urban Disparities: how can Ethiopia’s national development strategies be revised to address negative spill-over impacts on child education and well-being?

viii

Through its community reciprocity work, the Young Lives project is seeking to strengthen capacity at the local community level and is well placed to do so given the unusual 15-year duration of the project.

ix

See Young Lives Working Paper No. 33 (forthcoming) Childhood poverty, basic services & cumulative disadvantage: An international comparative analysis for evidence from Ethiopia, India, Peru and Vietnam that supports these statements.

x

See Young Lives Working Paper No. 18 for a discussion of corroborating evidence from Ethiopia relating particularly education infrastructure.

xi

Even though Vietnam is not undertaking a second PRSP, the development of its 5-year Socio Economic Development Plan is building on many features of its first round PRSP, the CPRGS (Comprehensive Poverty Reduction and Growth Strategy 2000-5).

xii

For example, based on an econometric model designed by the YL team in Peru to estimate household welfare gains and losses from the recently signed Free Trade agreement with the United States, if a sudden elimination of US import tariffs is assumed, YL results found that the total short-term welfare gain of the FTA in Peru would be approximately \$417 million. However, welfare gains and losses would be unevenly distributed within the country. While urban households would gain an aggregate \$575 million, rural households are likely to suffer a welfare loss of \$158 million. The urban coastal area and the capital city, Lima, stand to enjoy the greatest welfare gains while rural highland and jungle communities are expected to suffer most. The FTA is thus likely to exacerbate the already stark inequalities between urban and rural areas and socio-economic groups.
