This is the final pre-publication version of an article submitted to *Enterprise Development and Microfinance*.

**Published details:**

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**BUILDING STRONG FOUNDATIONS FOR LATER LIVELIHOODS BY ADDRESSING CHILD POVERTY: EVIDENCE FROM YOUNG LIVES**

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 improve 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 marginalised 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.

**Keywords:** child poverty; inequality; livelihoods; education; youth

**Introduction: Great expectations and changing societies**

For any job they require you to have finished secondary school, and I think that to be a driver, or whatever, you need to have finished your secondary schooling... [If I left school] I wouldn’t be able to keep myself in the future. With studies I can be something. (Susan, 16-year-old girl from Lima, Peru)

If one can learn and study hard, they will always have a good job at the end that can change their family’s life. (Fatuma, 15-year-old girl, Addis Ababa, Ethiopia)

Education is a major driving force for human development. It opens doors to the job market, combats inequality, improves maternal health, reduces child mortality, fosters solidarity, and promotes environmental stewardship. Education empowers people with the knowledge, skills and values they need to build a better world (Ban Ki-moon, 2012)

We begin with three quotations: two from girls growing up thousands of miles apart on very different continents, and a third from the UN Secretary-General. All three quotations convey a remarkably similar message regarding the social and economic power of education. Yet,
as we will argue in this article, despite increased access to schooling accompanied by raised aspirations and expectations, many barriers persist in turning this transformative potential into decent livelihoods. Drawing on analysis from the Young Lives longitudinal study of childhood poverty, this article examines how poverty and inequalities develop through the early life-course in order to identify priority intervention points by which stronger foundations for later opportunities can be built.

Rapidly changing societies are shaping the opportunities of children like Susan and Fatuma. Between 1990 and 2012 under-5 child mortality halved and stunting reduced from two-fifths to a quarter of young children (UN, 2014). In low-income countries average primary school enrolment increased from 59 per cent in 1999 to 82 per cent in 2011, with children now expected to experience about 3 more years of education at the end of this period as at the beginning (UNESCO, 2014: Tables 10 and 4). While this progress is very positive such average gains mask substantial, and often growing, inequalities between children within countries, with the poorest children still most likely to die, to be malnourished or to be out-of-school (UNGA, 2014). If the Millennium Development Goals centred on child survival and building basic services; the challenge facing the Sustainable Development Goals is surely to address wide inequalities within countries, which will otherwise hold back overall gains.

National economic indicators tell a similar story. Globally extreme poverty fell by half from 1990 (UN, 2014), influenced particularly by economic growth in China (Olinto et al., 2013: Figure 5). While there remain problems of fragile and conflict-affected countries where governance and development challenges remain acute (Collier, 2008), a second phenomenon of countries getting richer while much of the population remains extremely poor is increasingly clear (Sumner, 2012). Such uneven development is reflected by geographic differences, by region or urban/rural differences. For example, most extreme poverty is concentrated in rural areas (Olinto et al., 2013: Figure 7) and children in rural areas face higher deprivation than in urban areas (Gordon et al., 2003). Inequalities between individuals and communities in accessing opportunities exist, either because they are actively excluded or lack the necessary skills or human capital (Boyden and Dercon, 2012) or because vulnerability undermines opportunities to participate (Malik, 2014). The challenge for such countries, with the growing fiscal space which economic growth affords, is how to use social policies to share the overall gains in society more equitably.

To explore this central question of the relationship between societal inequalities and inequalities between groups, this article discusses how inequalities develop over the early life-course, drawing on evidence from the Young Lives longitudinal study. Young Lives has collected survey and qualitative data on children born in 1994/5 (1,000 per country) and in 2000/01 (2,000 per country) in four countries; Ethiopia, India (in the former state of Andhra Pradesh, which was divided into Andhra Pradesh and Telangana in June 2014), Peru and Vietnam. We find that inequalities appear very early in life, shaped by household circumstances and typically continue to widen during middle childhood, with the school playing a pivotal role. During adolescence children’s development is shaped both by these early disadvantages and by new pressures, particularly to work or marry, which further entrench inequalities. We conclude by presenting a life-course model for how policy can
support children’s healthy development, so improving life chances and social mobility in adulthood.

**Child poverty and social mobility**

The case to eradicate child poverty rests centrally on the recognition that societies have a particular responsibility to children embodied by the nearly universal ratification of the United Nations (1989) Convention on the Rights of the Child. Poverty violates children’s fundamental rights to life, survival and development in the present, and given the critically sensitive nature of childhood for the formation of human capacities deprivation has severe and lasting impacts (Grantham-McGregor et al., 2007). Since poverty in childhood can affect healthy development and learning, the risk is that today’s poor children will become tomorrow’s poor parents (Bird, 2007). Addressing child poverty is therefore foundational to addressing the persistence of wider poverty.

With these harmful effects in mind, it is therefore particularly concerning that children typically face a higher risk of poverty than other age groups. Both monetary and multidimensional measures of poverty identify children as facing a higher risk of being poor than other age groups (Olinto et al., 2013; Vaz, 2014). The extent of over-representation of children living in poverty according to monetary measures varies depending on assumptions made of the relative need of households of different sizes and compositions but this relationship is maintained across a number of accepted approaches (Batana et al., 2013). The reasons for this over-representation include that poorer societies often have more children and that households with children tend to be both larger and to have more members who are not economically active (Batana et al., 2013; Vaz, 2014). Such evidence of the extra costs of dependent children to households often provide the justification for the importance of child grants as an anti-poverty measure in high-income countries (Bradshaw and Finch, 2002).

As has already been argued, there are substantial expectations among young people and their families that investments in education and schooling will bring life-changing results. In many countries, policy changes around education reflect a dramatic generational shift. For example in Ethiopia in 1999, 37 per cent of children were enrolled, rising to 87 per cent by 2011 (UNESCO, 2014). Increases in enrolment have been pro-poor, reaching previously excluded groups. Among the Young Lives children at age 12 between three-quarters (Ethiopia) and nine-tenths (Peru) aspired to education beyond compulsory formal schooling (Dorman and Pells, 2014). Children do not wish to follow in their parents footsteps and work in agriculture (Morrow, 2013) and often express the desire to migrate in order to access decent and secure livelihoods (Crivello, 2011).

While education is often assumed to be critical to social mobility (as reflected in the opening quotation from the UN Secretary-General) improving opportunities for poorer children require a more radical approach than more time in school alone. First, enrolment in schools may have increased but this does not automatically equate to higher learning levels, with UNESCO (2014) identifying a ‘global crisis in learning’ of poor quality education and low learning levels. Second, despite increased enrolment, 57 million children are still missing out on primary school, particularly children affected by conflict, with disabilities, or living in rural
areas or slums (UNESCO, 2014: 55). Third, even when children attend school education does not automatically act as a social leveller and it may widen gaps and segregate groups within education systems (Lewin, 2011; Woodhead, James and Frost, 2013; Cueto et al., 2014). Third, studies from high-income countries highlight not only the association between economic mobility and education, but between higher generational economic mobility and lower economic inequality (Blanden et al., 2005; Wilkinson and Pickett, 2009; Chetty et al., 2014). Studies encompassing low-income countries link intergenerational transmission with: factors beyond the household (culture, exclusion, conflict etc.); household experiences of shocks, including health, ownership of productive assets (each likely to vary geographically within countries); and child-level factors such as early care and nutrition alongside schooling (Bird, 2007; Krishna, 2007). Fourth, greater education and skills (summarised in the rather bloodless term ‘human capital’, used here because of its prominence within policy debates) in the absence of jobs and livelihoods will not enable transformation of lives and job creation is a broader agenda than increasing skill levels alone (World Bank, 2012). While schooling for poor children offers a key opportunity to improve children’s life chances, for it to deliver on that promise it also requires a broader approach to reduce poverty and exclusion, and to create opportunities for newly skilled young people.

What does cohort evidence suggest for how inequalities in human capital develop?

This section examines how broader environmental and institutional factors, such as household poverty, school systems, social norms and labour markets opportunities, shape children’s physical, cognitive and psychosocial development leading to diverging trajectories between groups of children. Children’s development is shaped by complex interactions between individual characteristics and biology, with children’s experiences, actions, and interactions, as well as by broader environmental factors, including poverty and social norms (Rogoff, 2003; Walker et al., 2007; Sameroff, 2009; Engle et al. 2011; Boyden and Dercon, 2013).

Under-nutrition results in lost development potential

Inequalities between children are already established during infancy with children’s early development closely linked to household circumstances. It has been estimated that ‘200 million children under 5 years fail to reach their potential in cognitive development because of poverty, poor health and nutrition, and deficient care’ (Grantham-McGregor et al., 2007: 60). Under nutrition is one of the principal transmission routes of inequalities by threatening children’s healthy development and well-being. UNICEF (2013) attributes one third of under-five child deaths to under-nutrition. For those children who survive, under-nutrition has widespread lasting detriments on their development and trajectories.

Analysis using stunting as a proxy indicator for chronic under-nutrition and is a common experience in many countries (with stunting defined as -2 standard deviations below the World Health Organization’s (2006) growth norms). Stunting rates varied considerably among Young Lives children at age 12: 30 per cent in Andhra Pradesh, 29 per cent in Ethiopia, 21 per cent in Peru and 20 per cent in Vietnam, but the rates of stunting affecting the poorest third of children were much higher. Poor children face between 1.7 times (Ethiopia) and 3.1 times (Peru) times the risk of being stunted in infancy than less-
poor children. Across the four countries children living in rural areas and those with low levels of parental education were also much more likely to be stunted. Figure 1, using the example of Peru, summarizes the emergence of marked differences in stunting levels across age points by age 12.

Figure 1: Parallel lives: stunting trajectories of children in Peru

<table>
<thead>
<tr>
<th></th>
<th>At age 1</th>
<th>At age 5</th>
<th>At age 8</th>
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<tbody>
<tr>
<td>Least poor children</td>
<td>15%</td>
<td>15%</td>
<td>9%</td>
<td>7%</td>
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<tr>
<td>Poorest children</td>
<td>46%</td>
<td>59%</td>
<td>37%</td>
<td>36%</td>
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(Dornan and Pells 2014: 7)

Stunted growth is associated with impaired cognitive and psychosocial development (Woodhead, Dornan and Murray, 2013). For example, children who were stunted in infancy showed lower levels of cognitive ability at age 5, and those stunted at 8 had lower reading, writing and mathematical skills by age 12 (Helmers and Patnam, 2009). Being stunted by age 8 was associated with lower self-efficacy, self-esteem and educational aspirations among children at age 12 (Dercon and Sánchez, 2011). Stunting reduces human capital and amplifies the intergenerational transmission of inequalities.

While it is powerfully argued that under-nutrition in the first 1000 days after conception lead to irreversible consequences, there is also increasing recognition of some change after the critical infancy period (Alderman and Walker, 2014). Cross-country analysis of Young Lives children identifies change after the infancy period, with both recovery and faltering in height gain trajectories (Lundeen et al., 2013). Changes in height gain trajectories were linked with material conditions and community factors (Schott et al., 2013). Such change post infancy does not take away from the importance of the critical early period, but shows the need to protect early gains from faltering. In addition, if policy can affect the chances of recovery this may also have wider benefits for children’s
development with relative gain in children’s height between 1 and 8 years were associated with better cognitive test results (Crookston et al., 2013). But since higher socio-economic position is a factor associated with a greater chance of recovering, this also suggests that disparities between children are likely to widen with age.

The critical importance of the very earliest period of life is a reminder that prevention remains a more just and cost-effective strategy than later remediation. However, this evidence of later change shows both that efforts are needed to protect good nutrition and growth (to prevent faltering), and that remedial programmes may have the potential to support recovery later in childhood with wider gains for learning.

**School can reinforce or mitigate inequalities during middle childhood**

As with children’s physical development, systematic differences in the average learning levels of groups of children are established early in life, and are associated with key household characteristics. Learning gaps develop before school enrolment and are then associated with later performance; this shows the need to intervene before children start school to secure better later learning (Singh, 2014; Woodhead, Dornan and Murray, 2013). Household characteristics are also associated with different opportunities to learn, with systematically different experiences of pre-school services (Woodhead et al., 2009).

Once children are in school, the school environment has the potential to mitigate, or to compound previous disadvantage. The school is a key intermediary institution given both its centrality to children’s lives, and enrolment is now almost universal among Young Lives children, with 95 per cent (Ethiopia), 97 per cent (Andhra Pradesh), 98 per cent (Vietnam) and 99 per cent (Peru) of children at the age of 12 reported as enrolled in school. However, across each country, there is a consistent difference in learning levels, with children in rural areas, or with low maternal education, poorer children and those from minority or marginalised ethnic and caste groups the most likely to score poorly on tests of literacy, vocabulary and numeracy. At age 12 in Ethiopia, where 35 per cent of children have a reading problem, poor children were 1.6 times more likely to experience difficulties than average, while the least-poor children were half as likely to experience these problems. At this age boys and girls scored similarly, with differences emerging later (see next section).

While differences between groups of children exist even before children enter school, during middle childhood the school itself becomes a key determinant of how much progress children make in their learning (Rolleston and James, 2011). Across the Young Lives countries there are different patterns of learning gain, with a higher gain observed in primary schools in Vietnam than in Peru, Andhra Pradesh and Ethiopia (Singh, 2014). Within countries there are also differences in the degree to which school systems are equitable: in Andhra Pradesh the growing private-school system is linked with worsening socio-economic and gender equity (Woodhead, Frost and James, 2013), while in Vietnam the school system seems to narrow gaps between ethnic-minority and ethnic-majority children during primary school (Rolleston et al., 2013). Such evidence reinforces the need to go beyond a focus on
access only and towards learning, but it also highlights the need to understand education improvement challenges within the national context, particularly since across contexts it is always the most marginalized children who are left behind.

**Adolescence: a pivotal decade for intergenerational transmission of inequalities**

We have so far seen how inequalities experienced early in life result in diverging trajectories in children’s nutritional status, school enrolment and learning. Across each of these indicators the poorest children, those in rural areas and from marginalized social groups, and those in families with the lowest education levels tend to do least well. Such outcomes at age 12 are precisely the roots of some of the disadvantages apparent for the Older Cohort at age 19. Despite young people’s high aspirations for education and work, the reality for many young people is very different. While formal education remains central for many young people, there are transitions beyond school, economic transitions towards livelihoods and preparation for social transitions into partnership and parenthood. Many of these transitions are shaped by new inequalities, in particular wider social norms and expectations of the later roles young people will play, with ‘social reputations’, becoming increasingly important and social as well as physical risk exerts an influence on choices (Pells and Woodhead, 2014).

Enrolment rates peak during middle childhood and decline during adolescence, particularly for the poorest children after the age of 15. Figure 2 shows how across the four countries the gap in enrolment between children from the poorest and least-poor households widens during adolescence, as poorer children typically leave school earlier, ranging from a difference of 23 percentage points in Ethiopia to 34 percentage points in Vietnam at the age of 19. As children grow up, other pressures compete with schooling, such as the need to work to support the household, especially for more disadvantaged groups – and so the opportunity costs of studying increase (Pells and Woodhead, 2014).

**Figure 2: Growing socio-economic enrolment gaps by age (% point)**
Though instructive, high enrolment rates can actually mask slow progression through school. In Andhra Pradesh, of the 49 per cent of 19-year-olds still enrolled, one in five of these still had not completed secondary school. In Ethiopia, there are high rates of retention (59 per cent of young people still report studying at age 19); but many of these young people had been delayed in their grade progression through school. By the age of 19, young people who had enrolled on time (age 7) and then progressed by one school grade each year would have reached grade 12. However, one in five young people had not passed grade 8 by the age of 19, and a further third had not passed grade 10 by that point. Two in five young people are in more advanced levels of study (vocational, pre-university and university), with one in ten of those enrolled at 19 reporting being at university.

In addition, many young people combine studying with paid work, as illustrated by Figure three for Andhra Pradesh and Vietnam. Young people from the poorest households are most likely to be working, whereas young people from the least poor households are most likely to be studying. Across the countries, around one in twenty young men and between one in ten and one in four young women report not being in either education or work. The rates for young women are highest, because many are looking after young children.

**Figure 3: Study and work status at age 19, Andhra Pradesh and Vietnam**
By the age of 19, 37 per cent of girls in Andhra Pradesh, 25 per cent in Peru, 19 per cent in Vietnam and 13 per cent in Ethiopia had married or cohabited. Early marriage strongly associated with adolescent pregnancy and poorer girls and those living in rural areas are more likely to have married and had babies. For example, 28 per cent of girls from the poorest third of households had given birth by age 19 in Vietnam compared with 5 per cent from the least poor households. Early marriage and childbearing are not only a risk to the individual, but constitute costs for wider society through lost social and economic contributions, as well as the intergenerational transmission of poverty (Bird, 2007; UNDESA, 2013).

Social norms are reinforced by poverty as early marriage is often seen by communities as ‘protective’ of girls by ensuring that they are provided for in adulthood (Boyden, Pankhurst and Tafere, 2013). Seeking to abolish such practices without fully addressing underlying issues of risk reduces the chances of success. Delaying family formation is an important strategy to improve young women’s access to livelihoods but effective responses to delay marriage and fertility policy need to address the underlying economic vulnerabilities which contribute to why early marriage continues.

The availability of employment opportunities also shape young people’s decision-making over staying in education and training or seeking wage employment. Despite the high aspirations for education, young people are uncertain whether skilled jobs will be available in the future and so believe learning manual skills is important (Morrow, 2013). A young man in Andhra Pradesh explained:

As it is, we are not sure of getting employment after completion of education. ... We have to take up studies and work simultaneously during holidays. If we do these two things at a time, maybe we will be able to do some work to survive in case we don’t get a job. ... If we depend totally on education alone we will not be able to do any work in case we don’t get a job. (Rolleston and James, 2011)
Young people have very different employment opportunities depending on where they live. In Ethiopia, young people in rural areas were nearly five times more likely to be working in agriculture than their urban counterparts at age 19. In urban areas young people were nearly three times more likely to be employed in non-agriculture (Woldehanna and Pankhurst, 2014).

Adolescence is increasingly recognised both as a ‘pivotal decade when poverty and inequity often pass to the next generation’ but also as another window of opportunity for improving life chances (Diers, 2013). As skills gained through formal schooling become increasingly valued within labour markets in many countries, barriers to progression through education and training present a waste of potential talent. Overcoming the differences that determine which social groups are most likely to progress to the highest levels of formal education and training also provides a strategy for improving equality of opportunity.

Conclusion: Life-course approaches to tackling child poverty

In understanding the impacts that child poverty has on individuals, we have argued both this is a factor of uneven ongoing economic and social development, and that it is possible to observe the ways in which, over the early life-course, inequalities between groups in societies mount up. We have further identified that some children – often girls, marginalised ethnic groups and children with disabilities, experience particular disadvantage and discrimination. We conclude by identifying implications for policy aiming to mitigate the development of such inequalities. We conclude with four key points – societal and community, household, child level and life course.

First, it makes little sense to abstract the life-course from the contexts, often expressed geographically, in which children are growing up in. Children growing up in agricultural areas, for example, are likely to have greater pressures to work which may conflict with schooling. To abstract individual lives from the social circumstance which shape the life-course risks individualising reasons individuals remain poor. Broad-based economic and social development which widens opportunities is important to create an enabling environment for other policies to operate more effectively.

Second, child poverty needs to be understood in the wider context of households. It is the household which will modify the impact of poverty on children, typically protecting children but sometimes discriminating between children, for example between girls and boys. Helping parents and households, is a key strategy to help parents help children. Household social protection and health insurance policies are important means to protect and promote livelihood security.

Third, across countries child poverty is higher than poverty experienced by other groups, highlighting the basic truth that dependent children bring additional costs to households. The International Labour Organization (ILO) estimates that Western Europe invests 2.2 per cent of Gross Domestic Product (GDP) through family benefits, compared with 0.2 per cent in Sub-Saharan Africa (ILO, 2014). Narrowing the coverage gap of family benefits is an important strategy to support children’s development. In recent years
consensus has grown over the importance of social pensions in reducing poverty in old age, the time has come for a similar approach to cash transfers for children.

Finally, what can be done for those children who are growing up in poverty? This article has taken a life-course perspective to examine how inequalities between groups of children develop. We conclude with three priorities for policy. Firstly, during early childhood preventative social policy implies a need to focus on early circumstances, both material health and early childhood. As we have shown there are often inequities in who has access to early childhood services, and so prioritising the extension of early childhood services to reach the poorest children provides an important foundation for later life. Secondly, in middle childhood high enrolment rates provide an opportunity for policy interventions, but school can actually widen inequities. Improving school outcomes requires a greater understanding of where learning gains are being made, and maximising these for the poorest children. Overcoming background disadvantage within schools requires systems to be more flexible to the needs of different children; poor children may need to work, disabled children often face access and learning barriers, and the language of tuition may disadvantage ethnic minority groups. Lastly, during adolescence children’s experiences widen beyond the family and future expectations of young people increase. While early aspirations are universally high, expectations are likely to be different by socio-economic status, given the different resources and pressures on families. Supporting poorer young people to remain in school and training for longer, by reducing the ‘push out’ from school, and the ‘pull out’ of poverty provide strategies to even up the impact of education and training for social mobility.

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Acknowledgements
We would like to acknowledge the involvement of Young Lives participants on whose experience this analysis is based. Young Lives is an international study of childhood poverty, following the lives of 12,000 children in 4 countries over 15 years (www.younglives.org.uk). Young Lives is core-funded from 2001 to 2017 by UK aid from the UK Department for International Development (DFID) and co-funded by Irish Aid from 2014 to 2015. The views expressed are those of the author. They are not necessarily those of, or endorsed by, Young Lives, the University of Oxford, DFID or other funders.