

# Achieving Lasting Economic Change:

How understanding child-level effects improves impact and sustainability

## Economic Strengthening

### Global Poverty

More than 600 million children around the world live in poverty, and another child is born into a poor household every 1.2 seconds ([UNICEF, 2012](#)).

### Children are the Key

Children are critical to the sustainable alleviation of poverty.

- Early childhood nutrition, education, and physical and emotional health have profound impacts on a child's prospects for a secure livelihood in adulthood, and development efforts produce the best return on investment when they invest in children's early years ([United States Government, 2012](#)).
- Building a strong foundation in childhood is more likely to interrupt the transmission of poverty from one generation to the next ([PEPFAR, 2012](#)).

### The Interventions

Attempts to address poverty often include economic strengthening. These programs typically involve approaches to improving the livelihoods of vulnerable populations such as cash transfers, financial services (savings and/or credit), financial education, enterprise and workforce development. The goal is to achieve economically sound communities that endure into the future ([IMF, 2012](#); [Glennie, 2012](#)).

## Mixed Results

### What Works

Economic strengthening programs can provide important benefits to children.

- A value chain project and savings group project in Africa both showed decreases in hunger in participant households ([Brunie, et al., 2014](#)).
- Microfinance programs (some with health education) in Africa showed improved

nutritional status among participants' children ([McNelly & Watson, 2003](#); [Oxfam America, 2006](#); [van Rooyan, et al., 2012](#)).

- Indian women in credit groups who received some basic health support were more likely to practice exclusive breastfeeding ([Freedom from Hunger & Reach India, 2010](#)).

### Unintended Harm

Economic strengthening programs do not automatically benefit children and may increase risks to children's wellbeing, particularly in the short term.

- Many studies have found no impact on children at all ([Crépon et al., 2014](#); [Stark et al., 2011](#); [Freedom from Hunger & Reach India, 2010](#); [Bauchet, et al., 2011](#)).
- Decreasing school attendance and ability to pay school fees may result from parents directing finances toward microenterprises ([van Rooyan, et al., 2012](#); [Dev, 2011](#); [Augsburg, et al., 2012](#)).
- Growing household business activity may lead to an initial increase in child labor ([CPC Livelihoods and Economic Strengthening Task Force, 2011](#)).

## Lessons Learned

### Advantages of a Multi-Sector Approach

- Holistic and collaborative approaches achieve more powerful and longer lasting results than single-sector approaches ([Youth Economic Opportunities, 2014](#); [Iyengar et al., 2011](#); [Hallman, et al., 2010](#); [Ssewamala, et al., 2012](#)).
- Donors are interested in promoting coordination across programs to achieve common development objectives. See, for instance, USAID's multi-sectoral nutrition strategy ([USAID, 2014](#)).

### Gender Dynamics

Men and women may have different priorities or different roles in household financial decisions, which can affect child wellbeing.

- Women tend to invest their earnings and savings in the family, leading to better immediate outcomes for children ([Chowa et al., 2007](#); [Holvoet, 2004](#); [Yoong, et al., 2012](#); [CPC Livelihoods and Economic Task Force, 2011](#); [van Rooyan, et al., 2012](#)).
- Some microcredit and income-generation programs with women participants had a positive impact on children's nutrition ([Xiong, 2012](#)).
- Men's tendency to re-invest earnings in business, although less direct than women's spending on immediate needs, may eventually lead to higher household income and family spending ([de Mel, 2009](#); [McKenzie, 2012](#)).

## Knowledge Gaps

The dynamics of economic strengthening programs and their impacts on children are complex. What are the causal pathways between improved household welfare and child wellbeing?

- How do intra-household relationships and gender affect decisions made for children?
- Are some outcomes (e.g., nutrition or education) influenced more than others by increasing household income?
- How do the positive impacts on children today translate into improved economic outcomes for individuals and communities in the future?

## Recommendations

Program design should be informed by the emerging evidence, and further monitoring, evaluation, and research are needed in order to build evidence.

**Measuring economic strengthening projects' effects on children will help to achieve better development outcomes, accelerate learning about best practices, and increase the effectiveness of interventions.**

## Start at the Beginning

- Integrate child-level outcomes in economic strengthening program logical frameworks.
- Plan to monitor effects on children from the earliest stages of project design.

- Monitor child wellbeing, even if children are not project beneficiaries.
- Track indicators of positive and negative effects on children (for indicator recommendations, see [CPC Livelihoods and Economic Strengthening Task Force, 2013](#)).

## Define Success with Local Indicators

- Develop a shared vision of success with local communities, children, and other stakeholders to attain meaningful results.
- Understand the potential for harm and identify indicators that are locally relevant.

## Work with Local Organizations

Local ownership can raise the quality of project indicators, increase the effectiveness of data analysis through use of findings, and improve the sustainability of long-term monitoring efforts.

## Seek Accountability for Programs

Donors can make a difference by elevating the importance of child wellbeing in program design, monitoring, evaluation, and research.

## Document and Disseminate

Share results with stakeholders, whether positive, negative or no changes. Sharing with communities helps them take action to improve child wellbeing.

## Further Reading

All of the references cited in this article can be found here. URL:

<http://www.seepnetwork.org/cyes-strivefact>

This factsheet is based on the STRIVE and CPC Network publication [Why Measuring Child-Level Impacts Can Help Achieve Lasting Economic Change](#).

For more information on the projects, please visit [STRIVE](#) at: [www.seepnetwork.org/strive](http://www.seepnetwork.org/strive), and the CPC Network Livelihoods and Economic Strengthening Taskforce at: <http://www.cpcnetwork.org/task-force/livelihoods-and-economic-strengthening/>