

Poverty, Risk and Families' Responses: Evidence from Young Lives



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Poverty and inequalities shape the life chances of millions of children worldwide. How children experience poverty and manage risk is an important part of understanding the multiple dimensions of poverty. Young Lives is a study of childhood poverty which is following two age groups of children over 15 years in India (Andhra Pradesh), Ethiopia, Peru and Vietnam. Findings show that the same groups of children (particularly children from rural areas, the poorest households and ethnic minorities or low-caste groups) tend to fare less well across a series of indicators of well-being. At the same time, children are involved in the management of household risks, and informal and formal social support can have a protective effect. Policymakers concerned with reducing risk and improving protection should not focus on the symptoms of risk, but target the root causes of children's poor life chances, namely poverty and inequalities. This means targeting the root causes of children's poor life chances, namely poverty and inequalities, rather than just the symptoms of risk.

Poverty and inequalities shape which children are at increased risk and which have access to sources of protection, and strongly influence children's life chances. As children develop, the risks they face may have different and interacting impacts, as well as cumulative effects that last into adulthood. This may reinforce the transmission of poverty and inequalities to the next generation (UNICEF 2010). However, exposure to risk does not necessarily result in negative outcomes, as some children fare better than others. Understanding what the risks faced by children, their households and communities are, how different risks intersect to affect children over their life course, and what the sources of support and protection for children are, is fundamental for the development of policies aimed at breaking the transmission of poverty.

This Policy Brief draws together Young Lives data to identify risks to and protective factors for children's life chances. The findings show how disparities in children's life chances widen over the life course, with risks being cumulative and compounded, frequently disadvantaging the same groups of children. Risk is mediated through poverty and structural disadvantage, meaning that children from low-caste groups, from rural areas and the poorest households, have increased risk of poorer outcomes in education, health and subjective well-being indicators. Analysis of data on gender, which is often a source of inequality, provides a more mixed picture, with inequalities affecting both boys and girls at different ages through intra-household dynamics, sociocultural context and economic pressures (Pells 2011).

This challenges a number of assumptions regarding what constitutes risk and protection for poor children. Furthermore, rather than risk and protective factors being solely due to children's internal psychological processes, broader structural inequalities and social processes are key. Although risks can have specific effects for children, risk cannot be understood in isolation from children's family and community contexts and how these are shaped by socio-economic stratification and the unequal distribution of power and resources. Instead of focusing on categories of children deemed to be 'at risk', policies aimed at reducing risk and improving protection should target childhood poverty and inequalities.

Risk to and protection for poor children

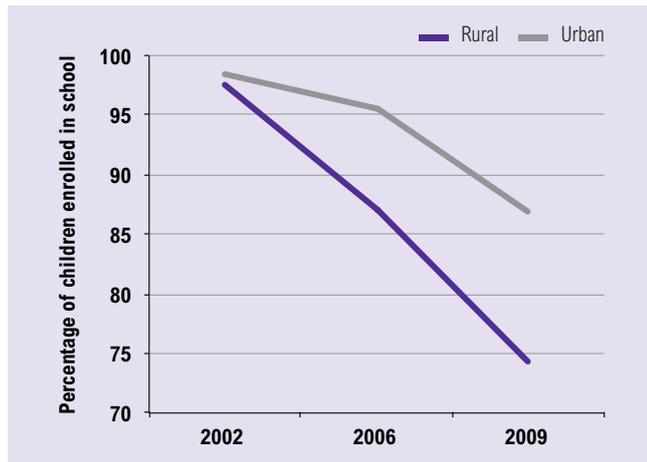
Analysis of Young Lives data offers three principal challenges to assumptions about risk to and protection for poor children.

- Risk is mediated through the unequal distribution of power, wealth and opportunities throughout societies, frequently disadvantaging the same groups of families. Risk to and protective factors for children cannot be understood in isolation from families and communities.
- The same factors may represent risk or protection and are part of a series of trade-offs made by families living in poverty.
- Where households experience shocks and adverse events such as ill-health, not only do these affect children, but children also help manage the household's response to them. Informal and formal social support can have protective effects, working alongside each other to give poor families more options in mitigating the impacts of poverty and adverse events.

Disparities in life chances widen over the life course

Across the four countries in the Young Lives study there have been falls in absolute poverty since the study began in 2002. However, there remain significant disparities between groups of children, which widen over time. Household wealth is a significant predictor of continued school enrolment and cognitive achievement. Differences in school enrolment and cognitive achievement between non-poor children and poor children, between boys and girls, between children living in urban and rural areas and between groups with different social status because of ethnicity or caste, increase over the course of children's lives. Figure 1 (overleaf) gives an example of how the gap in school enrolment rates between rural and urban children in Andhra Pradesh widened over seven years.

Figure 1: Widening gaps in school enrolment, Andhra Pradesh, older age group, 2002–9



Note: The older age group were aged 8 in 2002 and 15 in 2009.

Risk factors can be cumulative and compounded, interacting with one another and thereby having an increasingly negative impact on children's life chances over time. Children's experiences of school and formal learning outcomes are shaped not only by factors within school but also by their socio-economic status and household situation. Factors within the school can include the quality of education received and challenges in the school environment such as lack of gender-segregated toilets or forms of corporal punishment, as well as differing attitudes and expectations of teachers for boys and girls. Factors internal and external to the school environment may therefore hinder progression through school, increasing the risk of grade repetition and of children leaving school before they complete a full course of schooling, as illustrated by the case of Mohan (see box below). Mohan's situation illustrates the series of trade-offs made by families living in chronic poverty and underscores the need to consider education in the broader context of economic development, including whether it is equipping children with the skills that they need in order to enter the labour market.

Learning is about more than schooling

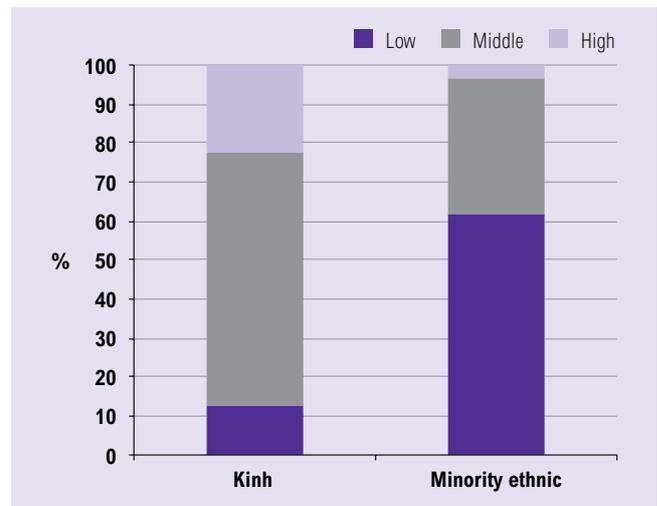
Mohan is 15 years old and from a 'Backward Class' in rural Andhra Pradesh. He stopped going to school after the seventh grade as his father was sick. He did not return to school, even though his parents encouraged him to do so. He said, "Everyone will be new and I thought it will be awkward if I go back so I never went."

Previously he used to be beaten by teachers as he was absent frequently. Mohan also explains that in the future he will be responsible for supporting his parents as well as his own family when he marries, and says staying in school is "risky". He believes it is important to learn skills like his father, who is a mason, so that he can earn money to have a good life. Mohan lists the range of skills he has learnt from his father and older cousins, including ploughing, driving a bulldozer, driving a bull cart, mending the tractor, building walls and plastering.

Note: 'Backward Class' is an official term referring to economically and socially disadvantaged castes.

For children in school there is an 'inverse care law' where the poorest and most marginalised children receive a lower quality of education even though they are likely to have a greater need (whether because of the poor quality of the school environment, being taught in a language other than their mother tongue, or inflexibility in the school system so that they are unable to balance the competing demands on their time from home and school). This is illustrated by Figure 2, which shows that in Vietnam, children from ethnic minorities are over five times more likely to be in the lowest category of cognitive achievement than their Kinh peers, whereas Kinh children are seven times more likely to be in the top category than children from ethnic minorities.

Figure 2: Stark disparities in percentages of ethnic majority (Kinh) and ethnic minority 15-year-olds in the low and high categories of cognitive achievement in Vietnam, 2009



Note: Cognitive achievement categories are derived by combining performance on mathematics and Peabody Picture Vocabulary Test scores to produce a ranked variable which identified broad cognitive achievement. The children were then grouped into three categories of achievement: low, medium and high. The distribution of children across the three groups according to ethnicity was analysed and represented on this graph.

Chronic poverty and inequalities repeatedly disadvantage the same children

Chronic poverty and inequalities repeatedly disadvantage the same children, as growing up in poverty can affect both physical and cognitive development, creating further risks and trapping people in poverty in the longer term. Inadequate nutrition, including insufficient food and poor micronutrient intake, and disease at an early age can result in stunted growth. As with inequalities relating to education, certain groups of children are more likely to be stunted than others. Higher household wealth is associated with a greater chance of having a healthy height-for-age, in all countries except India (Andhra Pradesh) where higher household consumption is associated with greater chance of having a healthy height-for-age.¹ Similarly, in all four Young Lives study countries, children in urban areas are more likely to have a healthy height-for-

age than their rural counterparts. This is likely to impact on children's long-term life chances, as being stunted is linked with lower cognitive and psychosocial competencies, such as self-efficacy, which are in turn correlated with earnings in adulthood (Boyden and Dercon 2012; Dercon and Sanchez 2012; Le Thuc 2009).

Poverty is also associated with lower subjective well-being. Across all four countries, controlling for other factors, higher household consumption levels are associated with children reporting higher levels of well-being. Additionally, there is evidence of an independent effect of higher maternal education on subjective well-being, with children with better-educated mothers tending to have higher subjective well-being in all countries apart from Vietnam, and higher self-rated health in Andhra Pradesh, Peru and Vietnam.

Children from ethnic minorities, low-caste groups, rural areas and the poorest households tend to have poorer life chances in both education and health. To investigate this, indicators of health (either out of the healthy range for BMI-for-age or low height-for-age) and education (one of not enrolled or low cognitive achievement) were combined. Children were then categorised into groups depending on whether or not they appeared to do badly on *both* health and education indicators. In Peru and Vietnam, there are large disparities, with children in the older age group from rural areas being 2.5 times less likely to fare well (compared with children in urban areas) and in Vietnam children from ethnic minorities are 1.5 times less likely to fare well (compared with ethnic majority children). This suggests that in both Vietnam and Peru there are highly marginalised groups (often ethnic minority children), and reiterates the need to ensure that economic growth results in an improvement of material circumstances and a reduction in cumulative and compounded risk for the poorest and most marginalised groups in society. In Ethiopia and Andhra Pradesh the disparities are smaller but the overall proportion of children faring less well is much higher, with two-thirds of children having poor outcomes in education and health.

Poverty and inequalities are at the root of increased risks faced by children

Children and families living in chronic poverty have fewer resources to cope with risks or adverse events, such as the illness or death of a family member, meaning that they are hit harder by them, which in turn can perpetuate the cycle of poverty. Illness often co-occurs with other types of adverse events. For example, in Ethiopia 52.6 per cent of households reporting an environmental shock, such as drought or flooding, also reported experiencing a family illness or death, and 53.9 per cent of households reporting an economic shock, such as job loss or crop failure, in 2009 also reported experiencing a family illness or death.

Illness is both a cause and a consequence of poverty. The poor-quality environment in which poor children and their families live can cause illness, while the high cost of being ill can make families poor. Illness may involve both direct and indirect costs – for example, user fees at healthcare facilities, medicines and transport costs, as well as lost income and time. For policymakers this poses a considerable challenge as it is also more difficult to intervene to alleviate indirect, as opposed to direct, costs. The impact of direct and indirect costs on children and their families is illustrated by the situation of Harika's family.

The direct and indirect costs of illness impact on the entire household

Harika lives in a rural community in Andhra Pradesh with her parents and two brothers. Her family belongs to a Backward Class. Harika's eldest brother was unwell and taken to a doctor in the town and initially diagnosed with malaria. When his condition did not improve, he was admitted to a private hospital in Hyderabad.

The entire ordeal lasted for one month, during which time Harika's mother stayed by her son's side and was unable to work the family's fields. According to Harika, "We did not take care of the cotton fields and that was the reason the crop was not good."

The total cost of the treatment was 150,000 rupees, which the family paid by obtaining a loan at a low interest rate. Harika's maternal cousin helped to transport the family to Hyderabad and provided accommodation during their stay. On another occasion, Harika's father was unwell and Harika had to miss school in order to help her mother tend the fields. Harika says that her household is poorer as a result of these events.

Children and households depend on multiple sources of support in responding to risk

Children and families depend on multiple sources of support to manage ill-health and mitigate the impact of illness on the household. They employ a range of strategies, which may include reducing consumption, selling assets or using savings, labour substitution (by children or others), borrowing, seeking assistance from relatives, neighbours or NGOs, and/or use of social protection schemes. Families often employ several strategies simultaneously. Yet access to these protective sources is frequently determined by the same inequalities of power and resources (such as income, livelihoods, assets, credit, insurance, quality of the living environment and access to good-quality services) that give rise to higher risk for poor families.

¹ Height-for-age and Body Mass Index (BMI)-for-age and were calculated using international norms established by the World Health Organization. Children classified as having a healthy BMI and height for their age fall within two standard deviations of the norm.

There are also semi-formal community-based organisations (such as self-help groups in Andhra Pradesh or burial societies, called *idirs*, in Ethiopia). Controlling for other factors, household membership of these groups is associated with better outcomes for children, including enrolment (Andhra Pradesh and Ethiopia), health (Andhra Pradesh, Ethiopia and Peru) and subjective well-being (Ethiopia). However, there are also dangers associated with debt traps, and ability to access credit is often dependent on the household's social standing within the community. Social protection schemes can therefore play an important role by providing poor families with more options, if these act as insurance, rather than leaving them to rely on credit.

Policy implications

Evidence from Young Lives demonstrates how poverty and inequalities are the greatest risk factors for children's life chances. Risk is mediated through poverty and structural inequalities, repeatedly disadvantaging the same groups of children, who do less well across a series of indicators in education, health and well-being.

Despite falls in absolute poverty, disparities between children living in urban and rural areas and between different ethnic and caste groups are significant and become wider over the life course. This suggests that economic growth, while important, has not led to better life chances for all children as fast as it has improved consumption or GDP levels. Greater attention to pro-poor growth may have more potential to support more broad-based improvements in children's well-being. Disaggregated data are important to understand who is benefiting from poverty reduction and whether this is translating into better outcomes for children across all dimensions of well-being. Introducing a measure which tracked change for the bottom quintile into whatever

framework follows the Millennium Development Goals would encourage policies to focus on inequalities within countries and get beyond the focus on 'low-hanging fruit' (meaning those people who are easier to reach) (Vandemoortele 2011).

Chronic poverty is compounded by multiple and recurrent adverse events, such as illness, which have lasting impacts on children's life chances. These multiple risks and their intersecting nature suggest the need for social policies which do not target one risk alone, as poor outcomes in one area, such as health, can undermine progress in another, such as education. More attention to the reach, integration and quality of services is required to ensure that the most marginalised people have access to good-quality services. This also requires that service design takes into account the needs and perspectives of users in order to build systems which are flexible and responsive, such as shift schools (Boyden and Dercon 2012).

Social protection schemes, informal social support and access to good-quality services can all be important sources of protection and support for children and households. Having more options enables families to mitigate the impact of shocks on the household. Perspectives from children and their caregivers are vital in understanding how these schemes and networks do and do not work and should inform the strengthening of existing systems and point to the gaps (Porter with Dornan 2010).

Young Lives data show the linkages between child outcomes, household situations and broader structural factors and social processes. Understandings of risk and protection and their application to policy should move towards targeting the root causes of children's poor life chances, namely poverty and inequalities, rather than just the symptoms.

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