

Firelight Newsflash! 24 November 2008

Publication: A guide for child-headed households

It has become increasingly common in AIDS-affected countries for children to head their own households and take care of other relatives, due to the death or illness of their parents and guardians, or because their parents live far away. This handbook provides guidance on how to run a child-headed household. It is intended for children and youth who shoulder the responsibility of managing a home and caring for others as well as community caregivers, volunteers and relatives who provide some form of support to these households.

Developed in Namibia, this guide contains both theoretical and practical information about how to run a household and where to go for help. Useful tips and step –by-step instructions are also provided. Sections include:

- you are in charge now
- caring for the basics
- caring for younger siblings (and yourself)
- caring for your house and land
- being smart about money-matters
- caring for the family treasures
- health and illness
- community relationships.

To download the publication, see: <http://www.eldis.org/go/country-profiles&id=40651&type=Document>

Grantee Profile: Ray of Hope, Livingstone, Zambia

Ray of Hope formed in 1998 to respond to the needs of children forced onto the street after their parents' death, by providing them with food, clothing, and educational support. Since then, Ray of Hope has transformed their organization's role by developing an economic empowerment program for vulnerable households to help them "work their own way out of poverty." This program aims to keep children in families, reducing the number of children on the streets. Firelight first supported Ray of Hope in 2004 with a small grant of US\$4,000 to set up a revolving loan fund for 30 households with orphaned and vulnerable children. Firelight has since given them three more grants to enhance caregivers' earning capacity while also reaching out to children with educational and emotional support.

Today, Ray of Hope remains a small, but effective community-based organization with a paid staff of only 3 people and a small overall budget. Ray of Hope has provided business training and small loans to over 100 vulnerable households (including 10 youth-headed households) with funds from Firelight, though more receive support indirectly as revolving loans are repaid.

Beneficiaries receive a five-day training, US\$145 in start-up capital, and regular follow-up and technical assistance visits. Loans are given in 20-week cycles and Ray of Hope requires the entire group to meet weekly to make payments.

The growing demand for their services in the area clearly demonstrates the impact that Ray of Hope has on the community. Often, limited knowledge and experience can lead to failure of income-generating activities (IGAs) because the target groups do not receive adequate training and technical assistance. However, as Ray of Hope explains, “success only comes with hard work and IGAs need continue[d] monitoring and technical advice to be a success.” Even though it is small, Ray of Hope is now mentoring other CBOs and has produced several “how-to” publications related to their income-generating activities. Government officials in the area have recognized Ray of Hope’s thoughtful approach to economic strengthening, demonstrating the power of grassroots leadership to empower families to fight poverty in the midst of the AIDS pandemic.

For more information, contact Ray of Hope at: rayofhop@zamnet.zm.

Addition re: Firelight Partner, KwaWazee

Firelight supports KwaWazee’s Granny Project, which combines psychosocial support strategies with monthly pension payments to improve the wellbeing of grandmother-headed households. Please note that KwaWazee has supported cash transfers to CHILDREN since 2000 as well. To learn more about this program, please see the documents below:

Workshop: Get Youth on Board!

The majority of the world population is young and lives in poor countries. These young people face multiple challenges like unemployment, the erosion of family settings, the impact of risky sexual behavior, and the effects of structural poverty, to name but a few. Furthermore, they are often politically marginalized and are not involved in essential decisions and decision-making processes that are relevant to them. This toolkit is based on an integrated and participatory approach aimed at bringing together governmental and non-governmental stakeholders working with young people on a local level for the joint implementation of youth services and activities.

To download the toolkit, see: <http://www2.gtz.de/dokumente/bib/gtz2008-0326en-youth-training-manual.pdf>

From CRINMAIL 20 November 2008: Special edition on the global financial crisis

Twenty world powers met last weekend in order to address what is commonly termed the 'global financial crisis.' But what is this 'crisis'? Who is involved? And what will it mean for children? This CRINMAIL aims to guide readers through the maze of commentary and media fanfare on the subject, and consider what the implications might be for children.

What is the crisis all about?

The global financial crisis of 2008 is being billed as the worst of its kind since the Great Depression in the 1930s and 40s. It began, or at least became visible, in the United States in September this year, with the failure, merger or conservatorship (a legal term in the US with a similar meaning to nationalisation) of several large US-based financial firms. The financial crisis has its roots in the US and the excessive expansion of house building and of credit to buy homes, but the economic consequences have long spread beyond American shores.

Beginning with failures of large financial institutions in the United States, it rapidly evolved into a global crisis resulting in a number of European bank failures and declines in various stock indexes, and large reductions in the market value of equities (stock) and commodities (e.g rice, sugar etc) worldwide. The crisis has led to instability in financial institutions especially in the United States and Europe.

The International Monetary Fund (IMF) projects global growth to slow down by 1.5 per cent from 3.7 per cent in 2008 to 2.2 per cent in 2009. While people living in developed economies will certainly feel the pinch of a recession, millions in the developing world who are already deep in poverty might disproportionately bear the impacts of the economic decline.

As countries slide into recession, many question the workings of the international financial system which has allowed excessive risk-taking, and in the end endangered ordinary people's savings, pensions and homes.

Recession for the developing world too?

Developing countries across the board have been affected by international investment funds selling shares and bonds to bring their money home to invest in the safety of assets such as American government debt.

The developing world's financial markets have been hit very hard by a crisis that started elsewhere, but will it drag them into recession too?

It is certainly possible, and it is very likely that most will experience slower economic growth.

But many are in much better shape than they were in the wave of developing country financial crises of the 1990s and the start of this decade.

What is being done about the crisis globally?

The 'G20' meeting last weekend brought together leading industrial powers, such as the US, Japan and Germany, and also emerging market countries such as China, India, Argentina, Brazil and others - representing 85 per cent of the world economy.

However, Oxfam International said that many of the world's poorest and most vulnerable countries were not included in this summit, yet they were the ones likely to suffer most in a global economic downturn.

"More than two billion people were not represented at this summit, and it's critical that their voices and contributions be part of the solution to the current crisis," said Gawain Kripke, spokesperson for Oxfam International. The group said that the action plan agreed by the G20, while reaffirming commitments to the Millennium Development Goals, did not include specific measures to ensure this.

Meanwhile, the African Union (AU) said that Africa must be consulted over any reform of the world's financial system.

"There is one problem for us, and that is that people tend to take decisions for us, without listening to us, and then impose them on us," said Jean Ping, chairman of the AU commission.

"Africa demands to be heard," he said.

Secretary-General Ban Ki-moon, speaking before the summit, urged world leaders to do everything they can to alleviate the impact of the current crisis on the world's poorest people.

Ban said he would tell the leaders that the billions of dollars being spent to mitigate the financial crisis are already "vastly more" than the amounts they allocate to international aid. So "this is clearly a question of will," the secretary-general said.

"My focus will be more on how to insulate the interest and well-being of developing countries from the financial crisis impact."

Impact on international development aid

Efforts to eradicate global poverty have come under threat as governments grapple with the financial crisis, UK international development secretary Douglas Alexander said. Mr. Alexander warned there was a risk developing countries could be forgotten amid the turmoil on the money markets. Speaking at the World Bank's annual general meeting recently, Mr. Alexander said the effects of the credit crunch were starting to ripple through emerging economies and slow economic growth.

Rica Garde, Economic Policy Officer at Save the Children UK, argues that it is the poorest countries that are aid dependent which are likely to be hardest hit by the crisis. Reports suggest that rich economies cut back on aid during recessions, and this happened in the Nordic countries in 1991 and Japan in 1997. Many fear that aid budgets will receive less priority as donor countries try to soften the blow of the recession on their populations. Yet these are crucial times for development.

What does it mean for children?

Please note, this explanation is not exhaustive, but an indication of the way in which children's rights may be affected. If you have any information you would like to share, please email us: info@crin.org or [submit a resource via our website](#)

Poverty and rights

The prospect of recession potentially impacts across the children's rights spectrum. Back in 1984, during the world recession of the early 80s, a UNICEF study found that it is children of the poorest people who suffer most from recession.

Health

Cheaper diets are less diverse and have fewer micronutrients, hence increased risk of stunting; if families cannot afford even enough calories (let alone diverse foods) then acute malnutrition and starvation become possibilities, although this is extreme.

Fewer people can afford treatment where healthcare is not free and indirect costs (transport, etc.) are significant.

Violence

In Florida, US, reports have already surfaced of violence towards children resulting from financial pressure. "Over the past three months, I've seen more and more cases where children are being abused," Susan Sherman, pediatric nurse practitioner, says. "Not because their parents are bad, but because they've

gotten into such horrible economic shape." In any cultural context, caregivers who are under pressure are more vulnerable to family violence.

Child labour

An alternative to cutting spending is to try to increase income, and for the poorest this may mean resorting to more dangerous and exploitative means of earning income: e.g. taking children out of school and sending them to work instead, or engaging in transactional sex.

Food security

The World Bank warns of the impacts of the food and financial crisis converging in the developing world. Estimates by the Bank posit that the food crisis has pushed 105 more people into poverty and 44 million more individuals into malnutrition. Despite recent declines in food prices, they remain higher than 2005 levels and millions still need support. "It is unthinkable to cut aid as it is tantamount to cutting off a lifeline for the poorest people of the world", concludes the organisation.

Housing

The Centre on Housing Rights and Evictions (COHRE) believes that addressing both chronic and acute housing rights violations suffered by millions of children throughout the world is central to ensuring their long term security and well-being. More than one out of every three children, approximately 640 million children, does not live in adequate housing.

As part of the Firelight Foundation's Monitoring, Evaluation and Technical Assistance (META) Program, Firelight provides "Newsflashes" to share relevant resources and information with our active grantee-partners via weekly emails and via post on a monthly basis. We hope that by facilitating access to information for grassroots, community-focused organizations, programming for children and families, as well as organizational development, is enhanced. We welcome your comments, feedback and ideas for upcoming Newsflashes at newsletter@firelightfoundation.org.

CHILDREN AND MONEY

Cash Transfer to and Microfinance with and for
Children

REPSSI/Humuliza

Social Protection for the Poorest in Africa: Learning from Experience
Entebbe Sept. 2008

From Culture of Taboo and Schizophrenia to Positive Critical Appraisal

- Children as economic active subjects are taboo although estimated 250 mio children are economically active, around 70% as unpaid family workers
- Economic activity of children is a individual and collective response against poverty and exclusion
- Economic activity has the potential that the child become an actor and a subject

Children and Economic Rights

- They can't sign valid contracts
- They can't conduct financial transactions
- They can't open bank accounts
- They are restricted in ownership

BUT

“Access to economic resources forms a major source of protection for children”
(IAWGCP)

Why children want to be economically active

1. To earn money in order to satisfy basic needs
2. To achieve social recognition and to resist social marginalization
3. To develop solidarity with the family
4. To learn “to master life”
5. To achieve more freedom and independence
6. To have more social communication

Humuliza/VSI

In Kagera about 25% of the children lost parents.

2000: Humuliza starts to build up a child-led organization (VSI) with today 3'400 members.

Humuliza/VSI (Cont.)

Main harms and concerns of the children

- Isolation
- Education
- Care
- Basic needs
- Psychological distress/self confidence

One response to some of the harms was the introduction cash transfer and microfinance

Conditional cash transfer

Condition: support vulnerable members of the community (mostly elderly)

Payment: 1'800 TZS per month (1.5 USD):

1'500 for the member

100 in the emergency fund of the cluster

100 in the OVC fund of the cluster

100 in the saving account of the cluster

Implementation: elected leaders from VSI clusters and 4 elected community members

Microfinance

Microsaving:

Individual and cluster accounts

Microloans:

Group loans: 5'000 TZS per group member

Implementation: 4 older VSI members with support from Humuliza office

Outcome 1: comparison income

Mean individual income in the last month

Project group: TZS 6'858

Control group: TZS 2'230

(Source: Evaluation 2005)

Outcome 2: comparison expenditure

| | PG | CG |
|-----------------|--------|--------|
| Capital | 78'700 | 16'300 |
| | 36% | 26% |
| Household/Pers. | 99'000 | 37'375 |
| | 47% | 60% |
| Savings | 35'000 | 8'700 |
| | 17% | 14% |

> building economic assets

Outcome 3: Psychosocial wellbeing

Quotations from qualitative evaluation:

- I feel very comfortable to buy basic needs
- I can buy soap, school material, salt
- You can give funds to your young so they can invest into other business and get profit
- We feel proud
- You can support your younger siblings
- Our family are happy with us

Outcome 3: Psychosocial wellbeing

- Increases social network
- Personal capacity building (planning etc.)
- Reduction of emotional stress
- Enhance the status of children as citizen

Conclusion

Cash transfer/microfinance responds to the main harms and concerns of the children

- Isolation: building productive groups
- Education: stops the disruption of schooling
- Care: strengthen care network
- Basic needs: giving access
- Psychological distress/self confidence: building self-confidence through capacity building

Recommendation: SP +

1. Social transfers have a important impact on the material and psychosocial wellbeing
2. Children are responsible citizens and can be targeted for social transfers
3. Social transfers deploy the full effect when embedded in a child directed organizational framework (e.g. for implementation, monitoring etc.)