Simulating the Impacts of the Global Economic Crisis on Children in West and Central Africa

**Country teams:**
- Burkina Faso: Lacina Balma and Samuel Kaboré
- Cameroon: Christian Emini and Paul Ningaye

**International team:** Sami Bibi, John Cockburn, Massa Coulibaly, Ismael Fofana and Luca Tiberti

**Coordinated by** the Poverty and Economic Policy (PEP) Research Network’s African office at the Consortium pour la recherche économique et sociale (CRES)

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West and Central Africa

West and Central Africa Region

The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.
Presentation

- Objective, rationale and tools of analysis
- Transmission channels
- Scenarios
- Effects of crisis and policy responses
- Concluding remarks
- References
Objective, rationale and tools of analysis

Objective:

- Predict *ex-ante* the child welfare impacts of the global crisis and various policy responses in Burkina Faso, Cameroon and Ghana

Rationale:

- Data on the impact of the crisis on children not available until it is too late to act → predictive model

Tools of analysis:

- Integrated macro-micro simulation model
Transmission channels of the global economic crisis to children

World economy
- Export prices/demand
- Import prices
- FDI
- Foreign aid
- Remittances

National economy (macro model)
- Consumer prices
- Input prices
- Producer prices
- Employment

Households (micro model)
Child welfare: consumption, hunger, schooling, labor, health
Scenarios

**BaU (without crisis):** continuation of historic trends (6-8 years)

**Crisis**

- 2009: Deterioration (IMF, UNCTAD,... estimations)
- 2010: Stagnation, recovery in import prices
- 2011: Recovery (historical trend)

**Policy response**

- Food subsidies
- Child cash transfers: universal vs targeted
- School feeding program (Cameroon)
Effects of crisis and policy responses on child monetary poverty

- Crisis
- Food price subsidy
- Targeted cash transfer

Burkina Faso (32.7), Cameroon (50.2), Ghana (33.7)
Effects of crisis and policy responses on child hunger

- Crisis
- Food price subsidy
- Targeted cash transfer

Burkina Faso (64.9)  Cameroon (35.8)  Ghana (58.5)
Effects of crisis and cash transfer on school participation and child labor (6-10 yrs)

Burkina Faso (34.3) Cameron (81.9) Ghana (82.9) Burkina Faso (43.8) Cameron (31.8) Ghana (39.4)

school labour
Effects of cash transfer on access to health services

Burkina Faso (67.1)  Cameroon (59.2)  Ghana (61.0)  Burkina Faso (18.0)  Cameroon (5.7)  Ghana (29.9)

any health facilities  hospital
# Cash transfer targeting (proxy means)

Cash transfers target **predicted** poor children = f(demographics, housing conditions, durable goods, region): easily observable and difficult to manipulate characteristics

<table>
<thead>
<tr>
<th>ACTUAL STATUS</th>
<th>PREDICTED STATUS</th>
<th>Burkina Faso</th>
<th>Cameroon</th>
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</table>

Errors greatest in Burkina Faso
Concluding Remarks (1)

Crisis brings many shocks and impacts:

- **Global economy**: imports, exports, FDI, aid, remittances
- **Nat. economy**: wages, employment, self-employment, consumer prices

Households and children:

- The **strongest effects** in monetary poverty and hunger
  - **monetary poverty**: in Ghana up to 630,000 more children in poverty (173,000 in CMR and 259,000 in BF)
  - **hunger**: in Ghana up to 660,000 more children in risk of hunger
- **More moderate impacts** in school participation, child labor, and access to health care
Concluding Remarks (2)

Proposed policy options to counteract the effects of the crisis on children:

- **Targeted cash transfer** (to poor children 0 – 14 years old) is the most effective program.

- **Food subsidies**: smaller effects (do not specifically target the poor or children).

- …but, a **universal** (or regionally targeted) approach to children 0 – 5 years old may be recommended especially where cash transfers programs are not yet in place and institutional capacity is weak.
References

- http://www.unicef-irc.org
- http://www.pep-net.org
- http://www.cres-sn.org