

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

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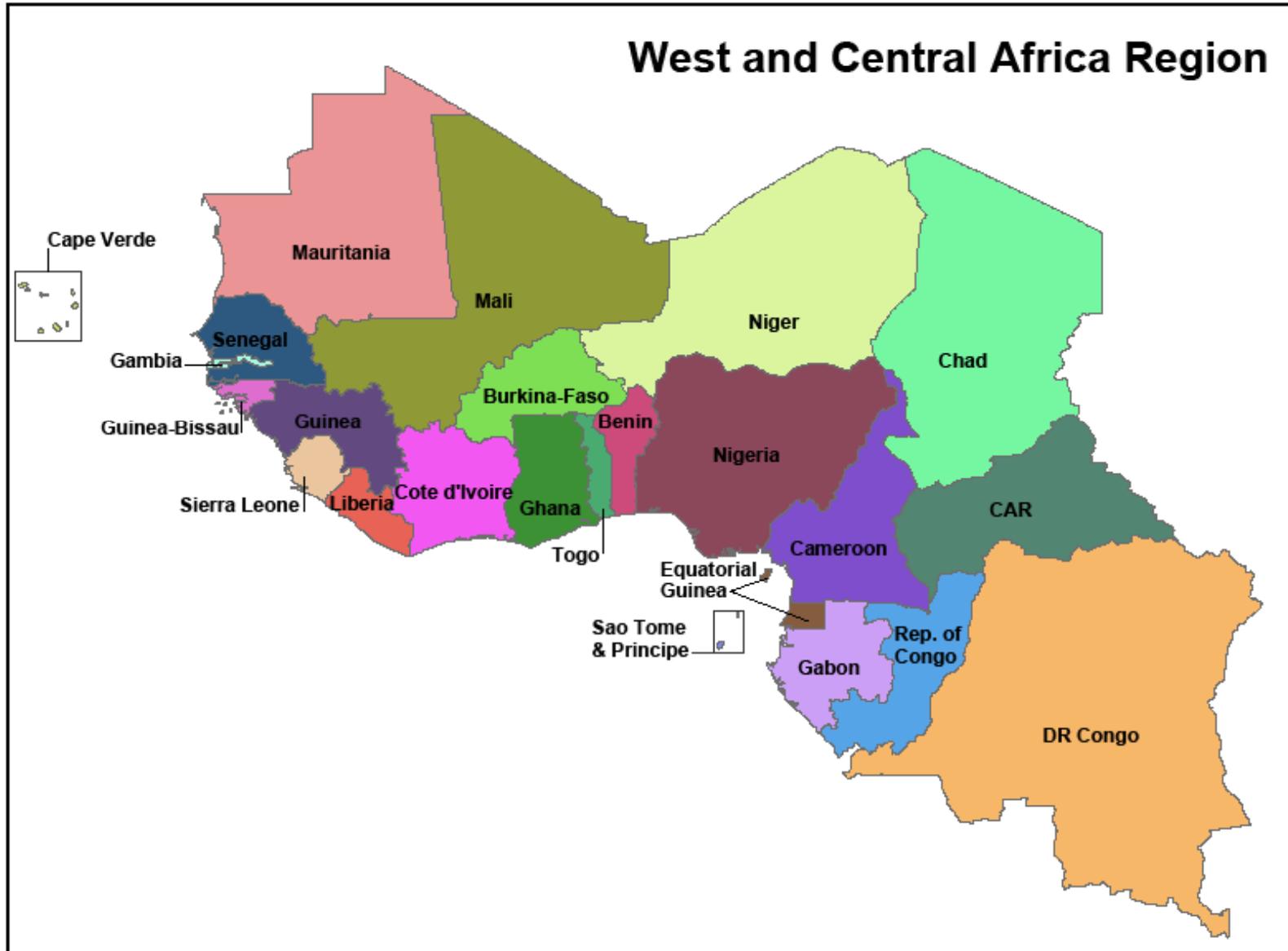
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# West and Central Africa



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**

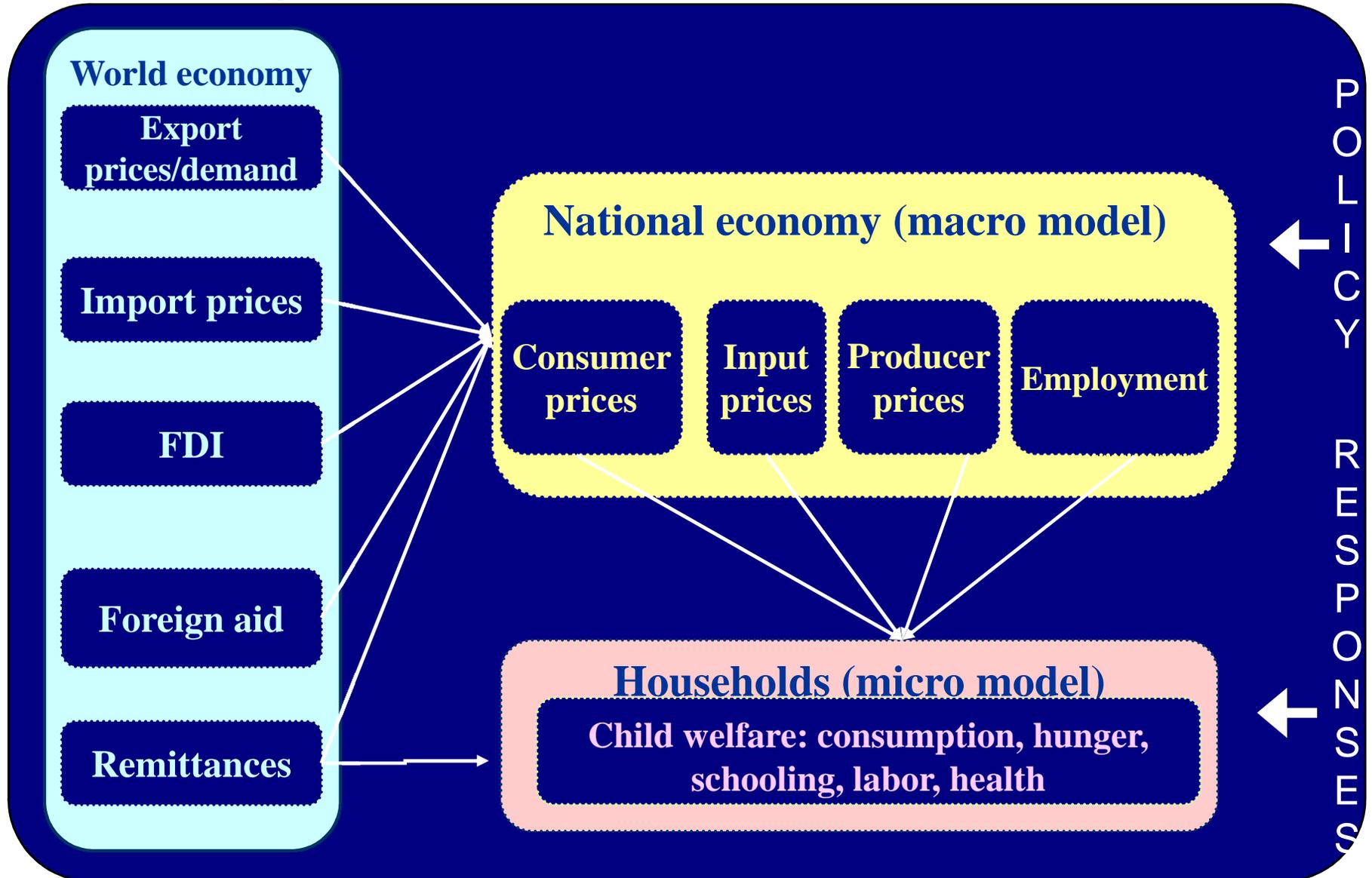
## Rationale:

- ▶ **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



# Scenarios

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

## **Crisis**

2009: Deterioration (IMF, UNCTAD,... estimations)

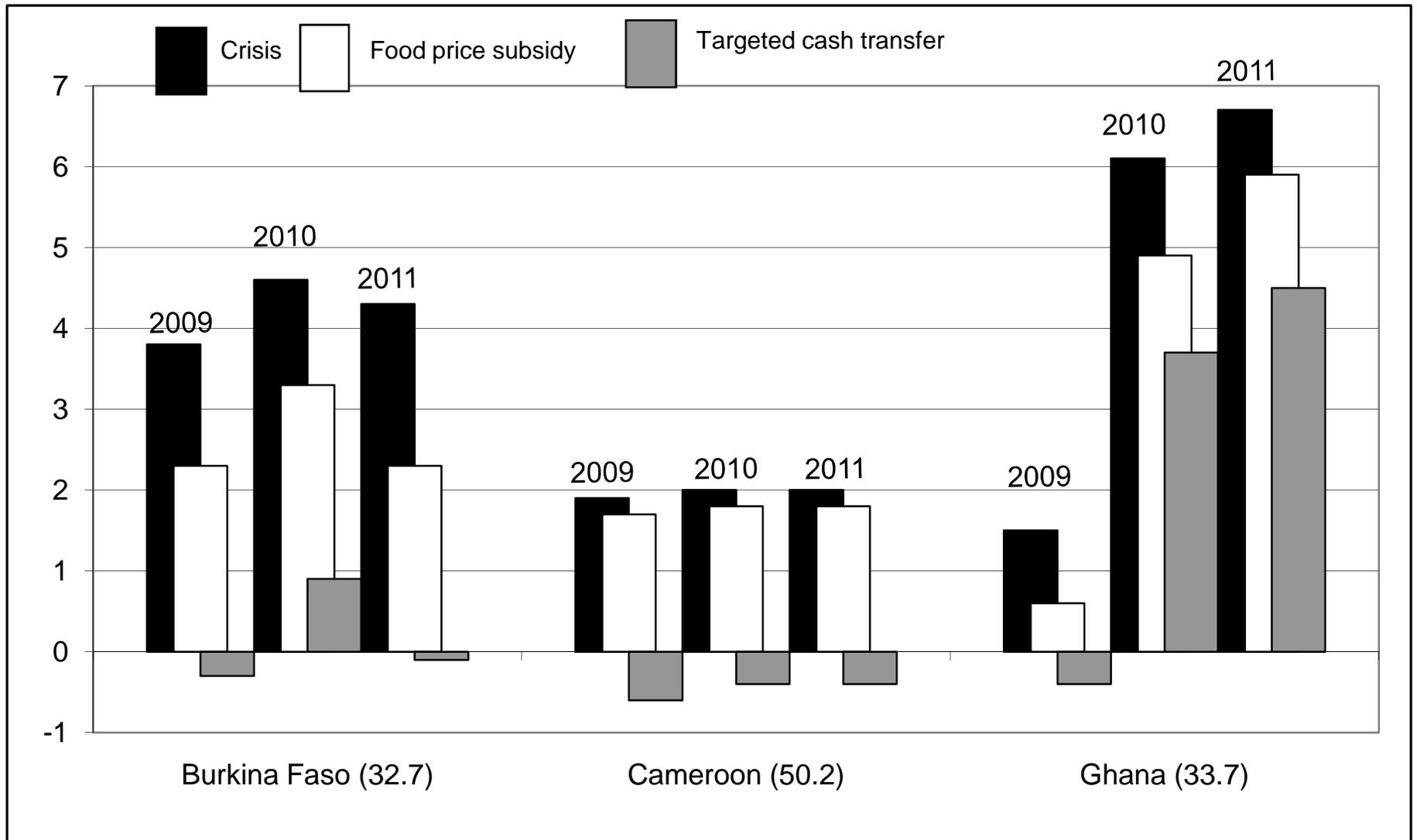
2010: Stagnation, recovery in import prices

2011: Recovery (historical trend)

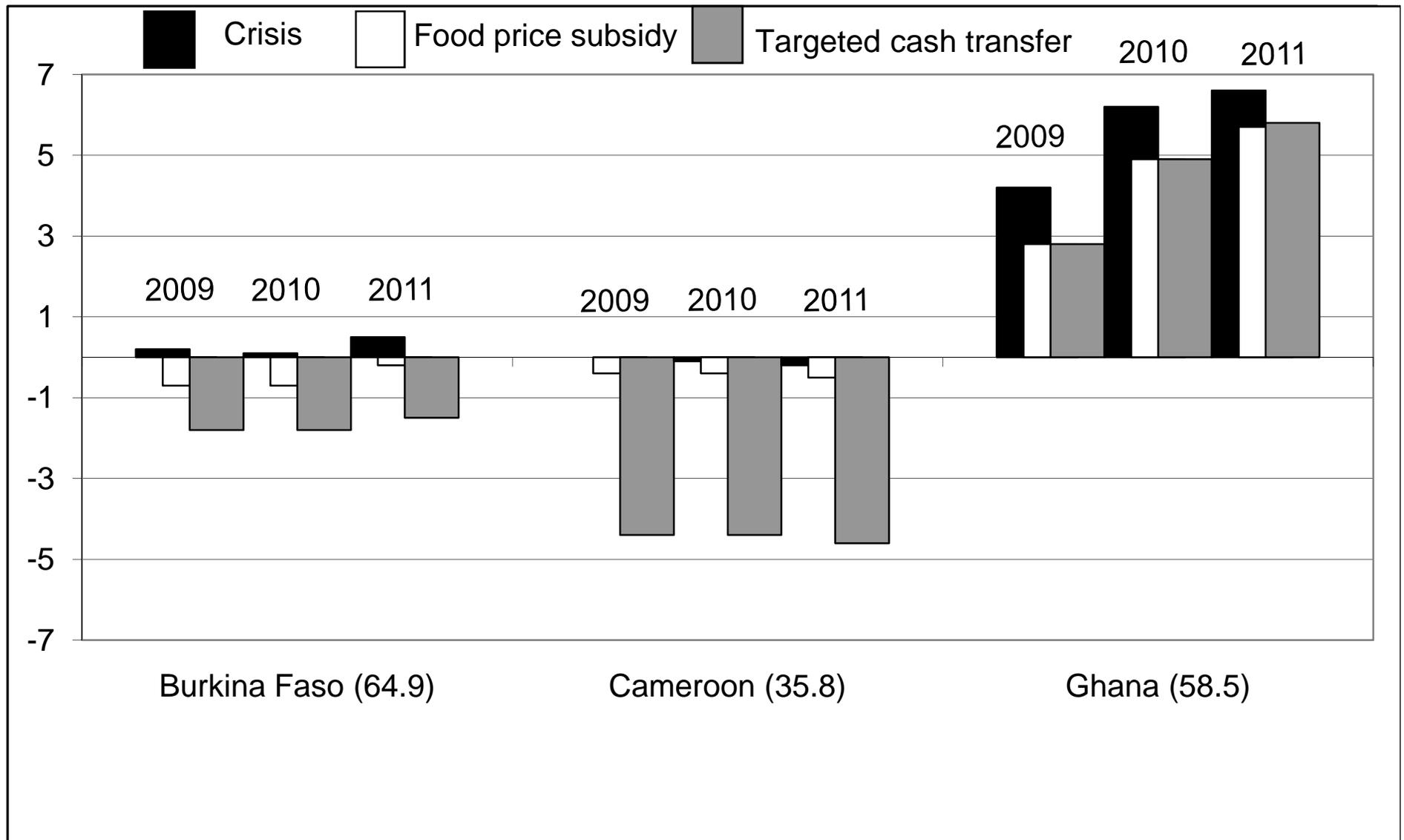
## **Policy response**

- ▶ Food subsidies
- ▶ Child cash transfers: universal vs targeted
- ▶ School feeding program (Cameroon)

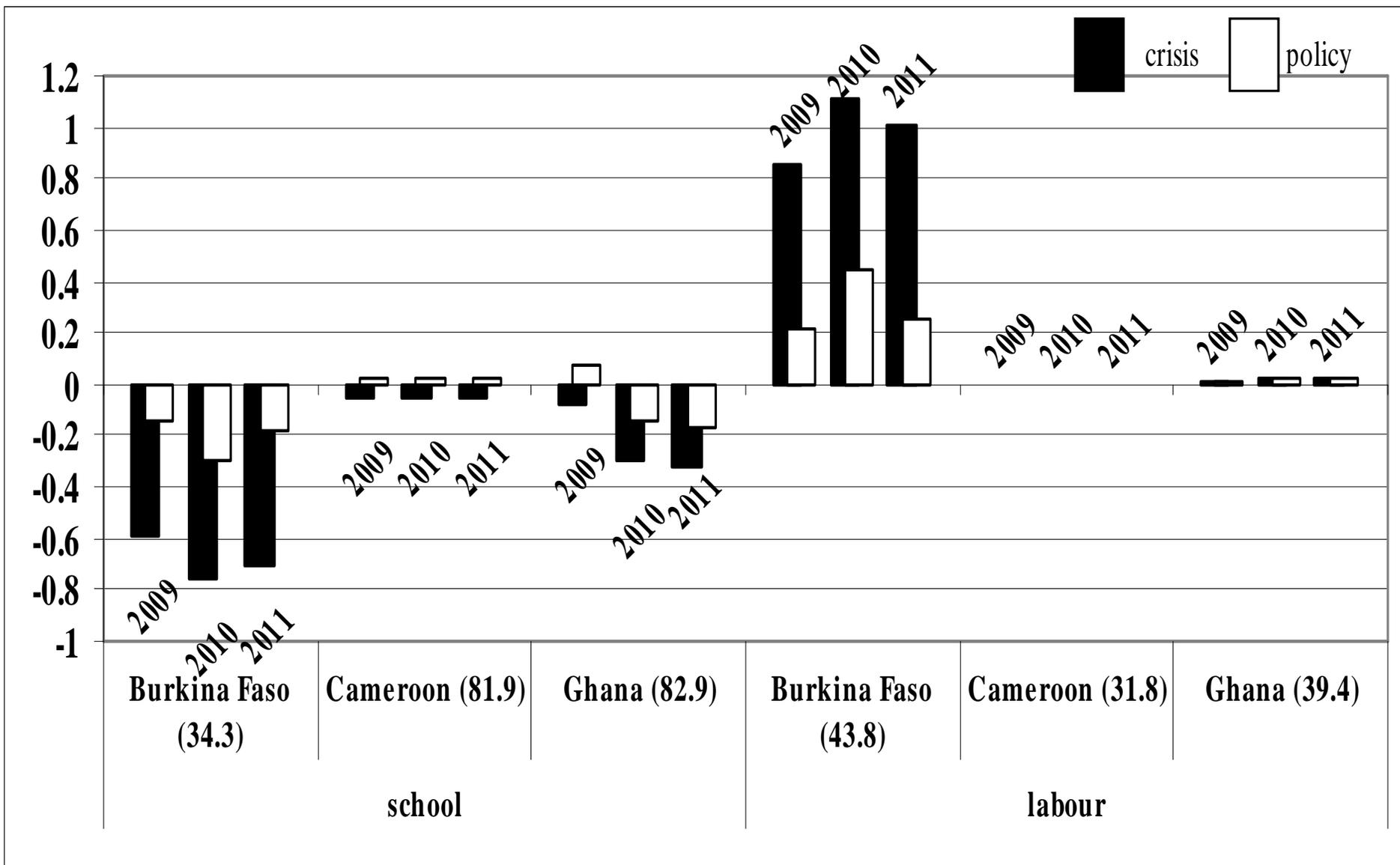
# Effects of crisis and policy responses on child monetary poverty



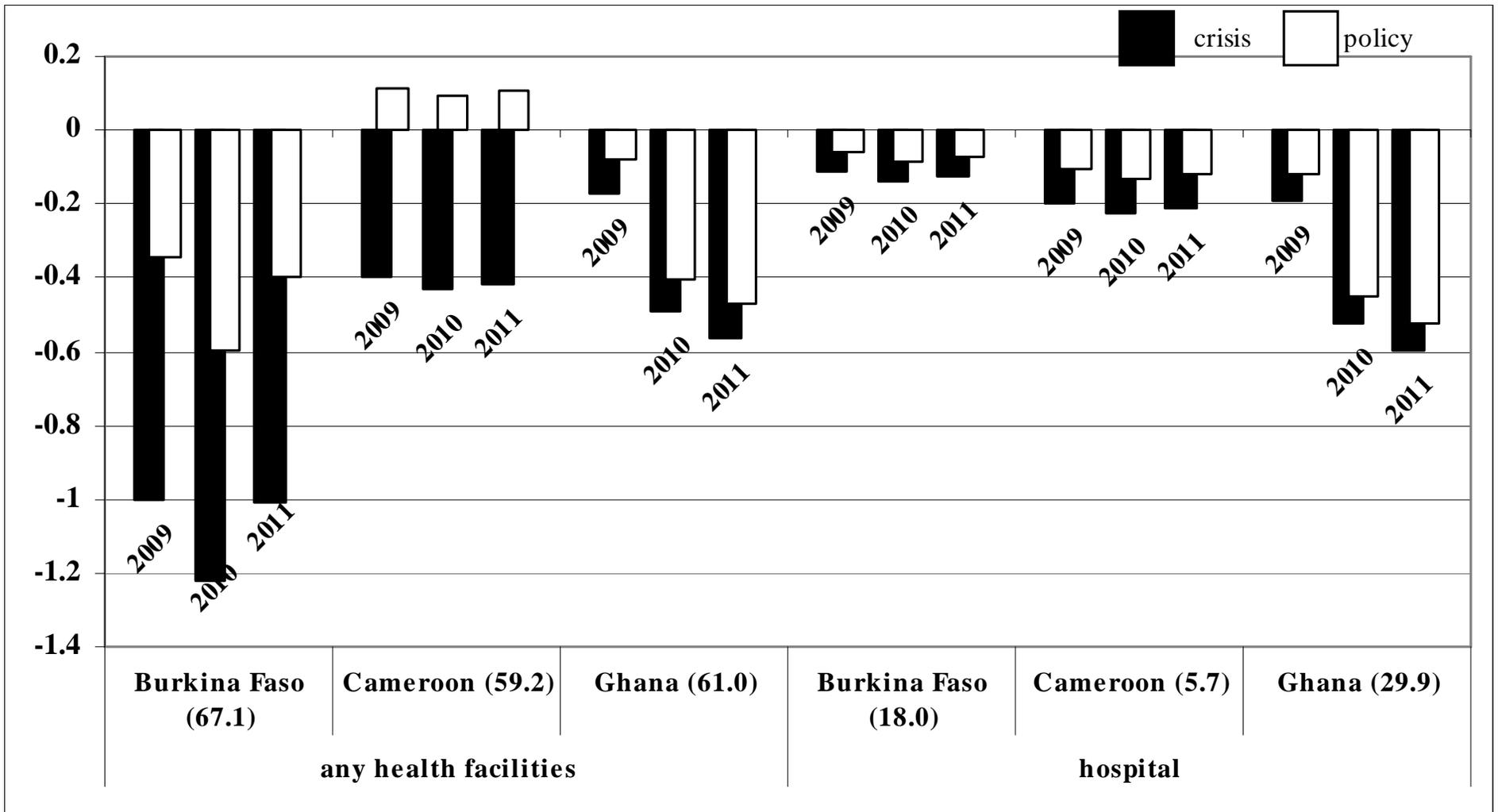
# Effects of crisis and policy responses on child hunger



# Effects of crisis and cash transfer on school participation and child labor (6-10 yrs)



# Effects of cash transfer on access to health services



## 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

**Exclusion errors**

**Inclusion errors**

Errors greatest in Burkina Faso

		PREDICTED STATUS					
		National		Urban		Rural	
ACTUAL STATUS		non-poor	poor	non-poor	poor	non-poor	poor
	<b>Burkina Faso</b>						
non-poor		58.4	41.6	75.3	24.7	54.5	45.5
poor		24.0	76.0	20.2	79.8	24.2	75.8
<b>Cameroon</b>							
non-poor		63.3	36.7	73.8	26.2	51.4	48.6
poor		10.7	89.3	21.4	78.6	9.7	90.3
<b>Ghana</b>							
non-poor		62.9	37.1	60.9	39.1	64.2	35.8
poor		19.6	80.4	19.6	80.4	19.6	80.4

# 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>