

# Protecting the Vulnerable:

## The Design and Implementation of Effective Safety Nets



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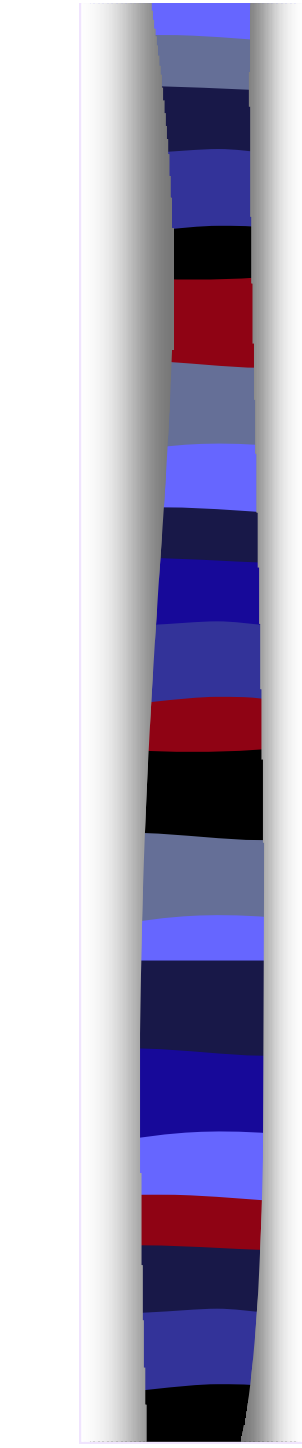
**The World Bank**



**Orphans and Children at Risk  
in Africa: Issues, Challenges  
and the Role of Public Action.**

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# Why be concerned about orphans and vulnerable children....

- First, the sheer numbers and the size of the problem....
- Second, impacts on education, health and nutritional status,
- Third, cumulative societal and economic costs of being a vulnerable child

## Impacts of Orphanhood On orphans

### Immediate:

- Dropping out of school
- Increase in Child Labor

### Longer term:

- Loss of assets/land grabbing
- Decline in health/nutrition status
- Discrimination/Exploitation

## On communities

### Immediate:

- Direct loss of productive labor
- Increase in working day

### Longer term:

- Increase in care-giving activity
- Stress on informal coping capacity

## On households and the economy

### Immediate:

- Reduced savings and investment
- Potential Decline in GDP

### Longer term:

- Increase public expenditure on welfare, health and education
- Increase in crime, social disruption

ORPHANHOOD

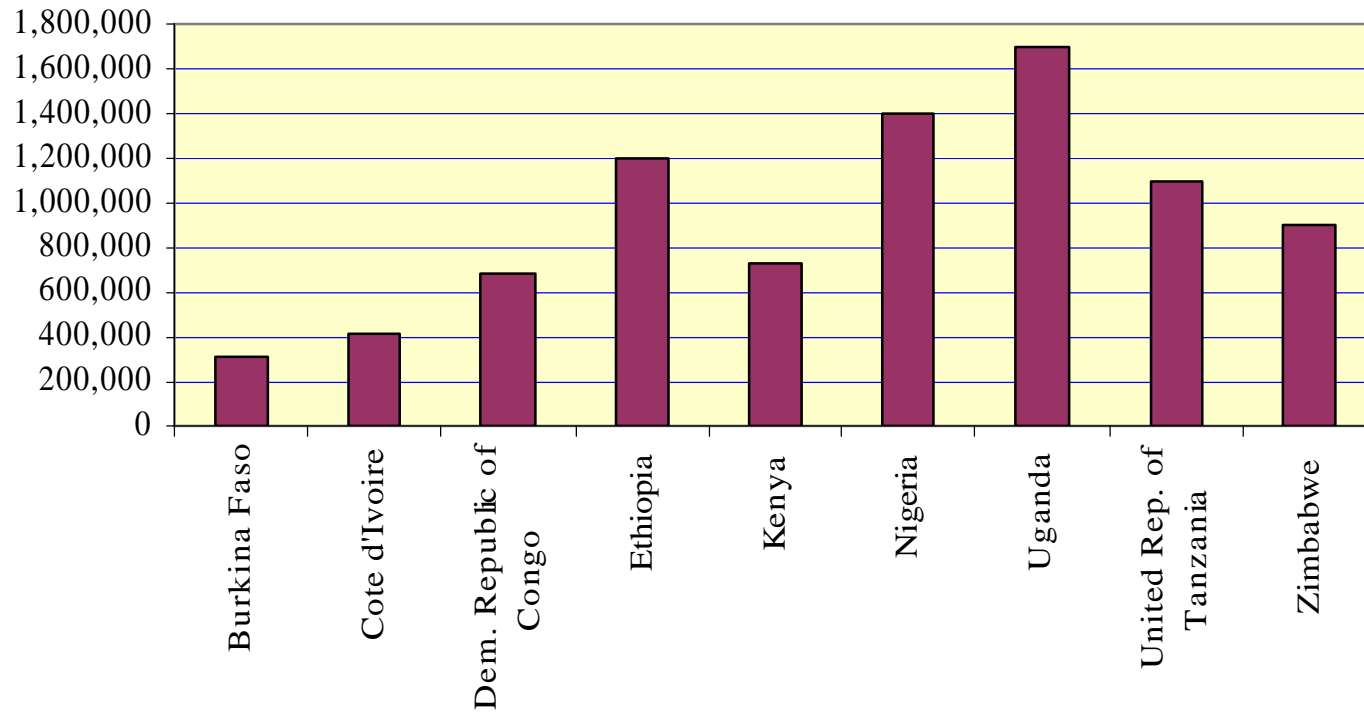
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graph LR; A(ORPHANHOOD) --> B[Impacts of Orphanhood On orphans]; A --> C[On communities]; A --> D[On households and the economy];
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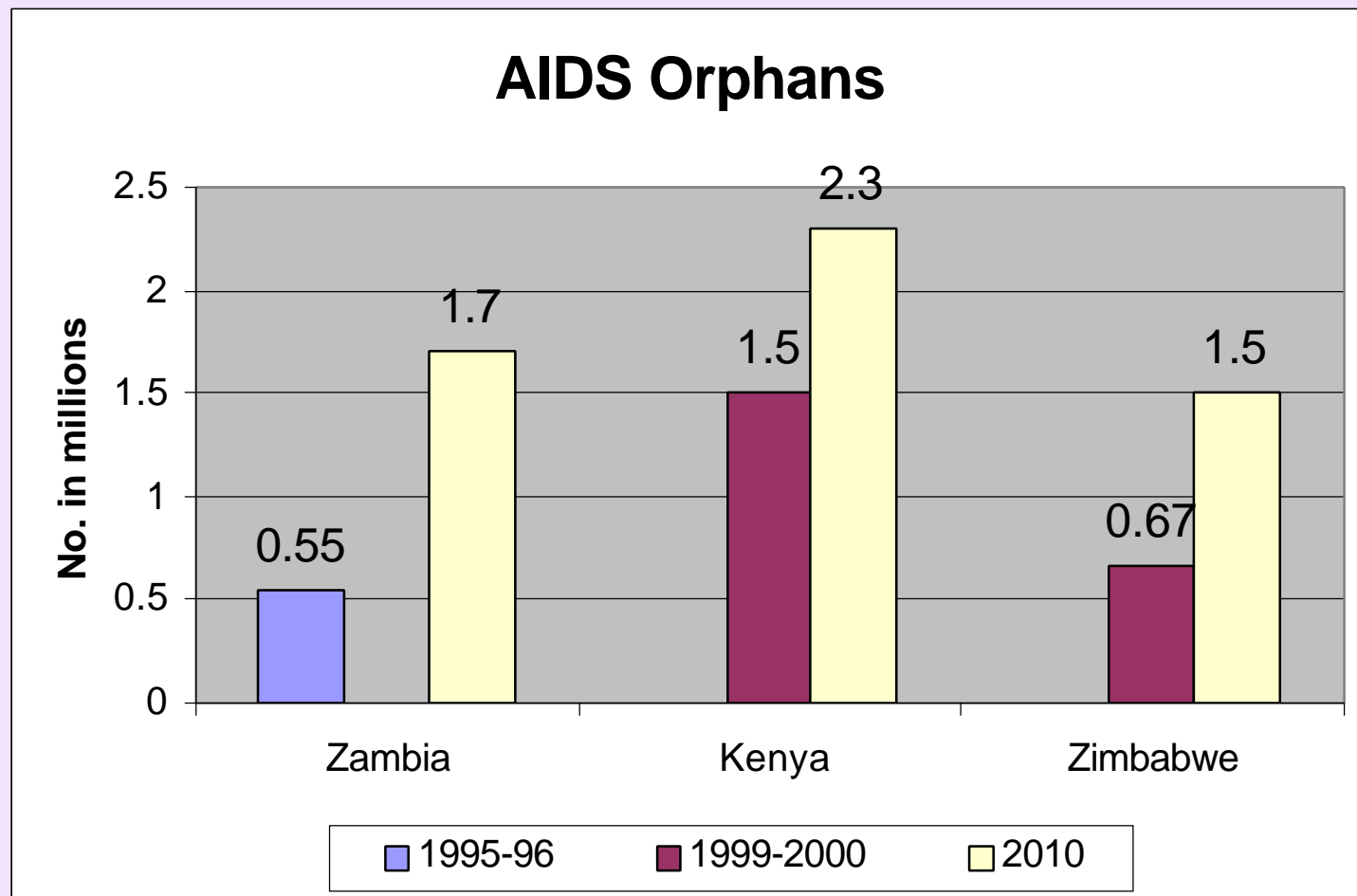
# The regional dimension

- Prior to the AIDS crisis, orphans as percent of child population in most countries of Africa was 2%,
- Now that proportion has reached 17 to 19 percent in some countries.
- Total: 12-14 million now, projected to 35-40 million by 2010.

## Cumulative Number of Orphans (end of 1999)

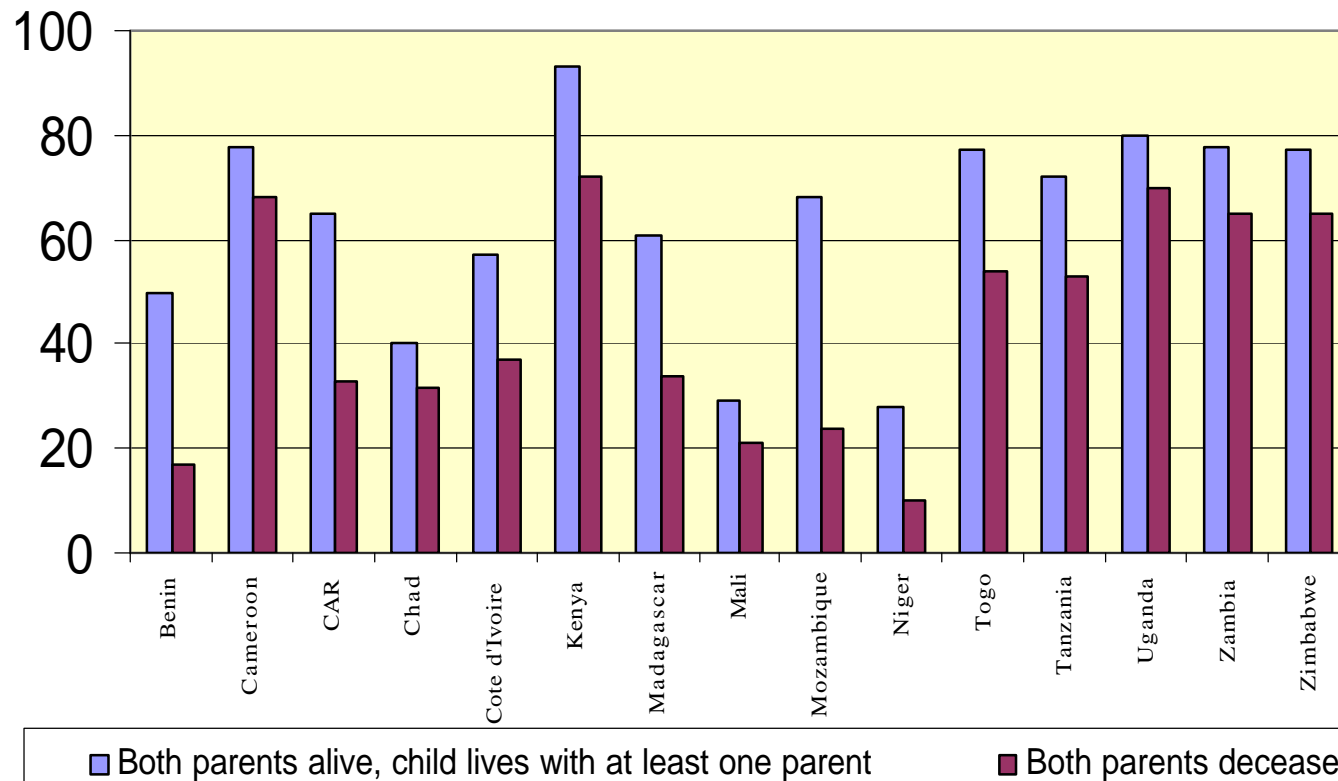


# Future Projections of AIDS Orphans for Selected Countries



# Who is in school?

## Percentage of orphaned and unorphaned children (Aged 10-14) in school





# Uganda: Descriptive statistics

## ■ Incidence of fostering

- Significant increase (16-30%; 5-15%)
- Despite economic improvement
- Across all the major regions

## ■ Welfare and investment of host families

- Household who received foster children had
  - Lower rates of investment
  - Lower rates of per capita income growth

## ■ Service access by foster children (1992-00)

- Bias against foster children in education disappeared
- But health services became biased against foster children



**Table 2: Growth of per capita consumption income for households receiving foster children**

	Change in per capita expenditure	Change in per capita income	Rate of investment
Household received foster child less than 14 years old in 1992-2000 period			
No	4.91%***	8.34%**	2.40%**
Yes	2.95%	5.81%	1.88%
Total sample	4.42%	7.70%	2.27%

**Table 3: Access to services by children with and without their parents**

	Own children		Foster children	
	1992	1999	1992	1999
<b>Health indicators for children 0-6 years old</b>				
Vaccinated ag measles	76.1%	69.1%	80.9%***	61.9%***
Vaccinated ag diphteria	88.1%	84.0%	89.3%	75.3%***
Using vit A capsules		59.0%		50.2%***
<b>Schooling indicators</b>				
6-12 year olds attend primary	61.8%	83.7%	63.0%	83.9%
12-18 year olds attd sec'y	10.4%	15.0%	10.0%	14.3%



# Changes in investment and Consumption

## ■ Investment (Table 4)

- One foster child reduces investment by one fourth
- But deaths lead to more than just one orphan
- Contrary to change in own children
- Other variables in line with expectations

## ■ Consumption (Table 4)

- Marked decrease for change in foster children
- Initial endowments/income allow to buffer shock

## ■ Implication

- Even with existing safety nets, there is a negative impact

**Table 4: Impact of increase in foster children on household investment**

	<i>Change in Investment</i>	<i>Chge in p.c. cons.</i>
Change ( $\Delta$ )foster child, 1992-2000a	-0.586** (2.08)	-3.190*** (2.63)
$\Delta$ in foster children * Initial pc inc		0.012** (2.12)
Change in own children 1992-2000a	0.108** (2.20)	-0.724*** (7.01)
Head's education (years completed)	0.194** (2.25)	-0.266* (1.75)
Education squared	-0.007 (1.02)	0.034*** (3.11)
Head's age (years)	0.054 (1.18)	0.085 (0.93)
Head's age squared	-0.001** (2.12)	-0.001 (0.86)
Initial assets (US \$ 1000) in 1992	-0.087** (2.20)	0.167 (1.43)
Per capita income 1992 (US \$)		-0.048*** (15.41)
Observations	1056	1117
R-squared	0.08	0.43



# Foster children's access to services

## ■ Schooling (Table 5)

- Cross sectional and fixed effect regressions
- Clear initial bias against foster children
- Has completely evaporated during the period
- Similar to year dummy and strong time effect
- UPE quite successful

## ■ Health (vaccinations; Vit. A)- Tables 6 & 7.

- Vitamins: strong bias against foster children in 2000
- Vaccination: No bias in 1992 but strong bias in 2000
- Negative time trend in fixed effects
- Policy environment seems important

**Table 7: Logit regression for children's vitamin A capsule use**

	Specification	
	Cross section	HH fixed effects
Foster Child	-0.156** (4.28)	-1.680** (3.07)
Income (log)	0.070** (2.66)	
Male dummy	0.005 (0.20)	-0.116 (0.54)
Father's education	0.019** (5.19)	
Mother's education	0.006 (1.47)	
Western Region	0.384** (9.99)	
Eastern Region	0.632** (16.26)	
Northern Region	0.345** (7.34)	
Observations	9044	1407
No. of households		574
Pseudo R <sup>2</sup>	0.1134	
Log likelihood	-5469.67	-163.02

Absolute value of z statistics in parentheses

+ significant at 10%; \* significant at 5%; \*\* significant at 1%

**Table 6: Logit regressions for children's access to vaccinations**

	Diphtheria		Measles	
	OLS	Fixed effects	OLS	Fixed effects
Foster child	0.036 (0.33)	-0.065 (0.14)	0.132 (1.35)	0.343 (0.86)
Foster child * year	-0.392** (2.98)	-1.233* (2.36)	-0.428** (3.60)	-1.656** (3.64)
Female head	0.417** (6.81)		0.327** (6.15)	
Household income	-0.038 (0.47)		0.028 (0.39)	
Male dummy	0.028 (0.37)	-0.212 (0.89)	0.001 (0.01)	-0.116 (0.59)
Male dummy * year	-0.114 (1.17)	0.142 (0.48)	0.014 (0.16)	0.293 (1.17)
Year dummy	-0.250 (0.25)	-0.765** (2.58)	-1.087 (1.25)	-0.665* (2.56)
No of observations	16578	1635	16577	3875
No. of households		652		1541
Adj. R <sup>2</sup>	0.0972		0.253	
Log likelihood		-382.305		-493.079

**Table 5: Logit regression for children's school attendance**

	Primary school		Secondary school	
	Cross sect.	Fixed effects	Cross sect.	Fixed effects
Foster child	-0.213** (6.40)	-1.249** (7.33)	-0.130** (2.82)	-1.279** (4.66)
Foster child * year	0.237** (5.00)	1.177** (4.90)	0.154* (2.53)	0.700* (2.08)
Household income	0.404** (18.63)	0.547* (2.05)	0.566** (19.55)	0.658 (1.23)
Income * year	-0.230** (7.03)	-1.048** (3.52)	-0.119** (3.08)	-0.523 (0.98)
Male dummy	0.161** (5.71)	0.583** (5.86)	0.281** (6.52)	-0.181 (0.99)
Year dummy	3.576** (8.94)	14.545** (3.96)	1.688** (3.44)	6.202 (0.91)
No of observations	24216	7424	15535	2560
No. of households		2281		859
Pseudo R <sup>2</sup>	0.2276		0.2167	
Log likelihood	-10109.91	-1466.71	-5655.28	-868.09



# Possible interventions

- Organize and support integration of orphans into extended and unrelated families – fostering, distribution of subsidies (school/health fee waivers) to families.
- Provide cash assistance to communities to cover school fee/health costs to fostering families selected by communities.
- School subsidies/health vouchers redeemed by schools/clinics,
- Children's villages where the problem is large and communities are overwhelmed, and economies of scale are possible,
- Provide support to state and church-run orphanages



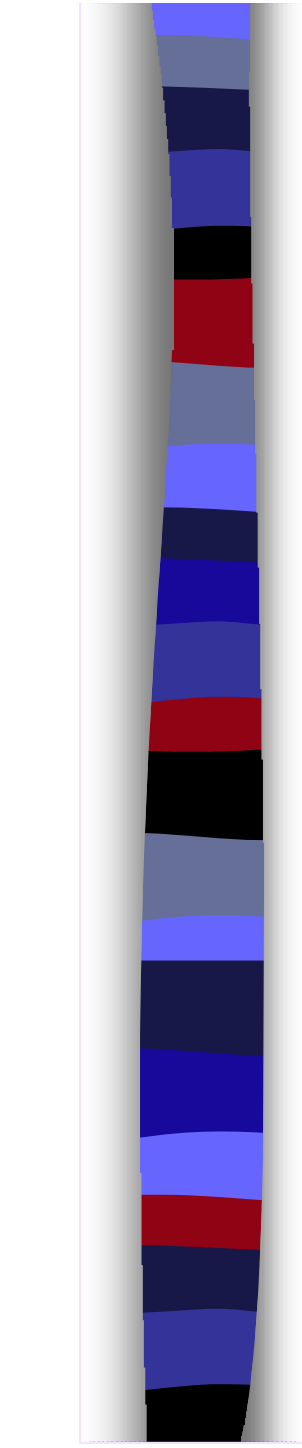
# Private and Community Responses

- Most orphans are being tended to by extended or immediate family members
- However, evidence that traditional coping mechanisms are coming under severe stress
- Anecdotal evidence of stigmatization by peers and foster and extended families and of denial of health care treatment by both families and health care workers
- Confirmed abandonment of babies from HIV infected women despite the HIV status of infant
- Child headed households



# Current situation...

- A number of actors, very little overall impact...in Uganda, some 183 organizations provide support to orphans, but only 5% actually receive some assistance..
- Responses by government..
- If sectoral policies are efficient and equitable, orphans don't suffer as much.



# Costs and cost-effectiveness...

- How much does it cost to support an orphan? Depends on (a) nature of intervention, (b) implementing arrangements, and (c) extent of assistance. We adopt two approaches to get some ballpark nos.
- If household's income/investment situation is restored to pre-orphan level for 20% of fostering families, \$350 million investment needed annually.



# Investment Costs....

- Using currently available estimates for Uganda and Burundi (\$105 per orphan per year), and considering 20% of double and maternal orphans to be the target group, \$250 million annually.
- Both estimates ignore administrative costs, incentive costs – little knowledge is available on this score.



# Investment costs...

- Tracing and Re-integrating orphans with extended families is one option in post-conflict countries. Expensive: unit costs range between \$205-\$305, but this may be one-time costs rather than annual.
- Orphanages are most expensive: range between \$649 - \$1350 per child per year. Children's village may cost less.



# Conclusion

- Increasing incidence of fostering/orphans in Africa
- Impact on households' strategies/macro impacts
- Policies do make a difference (UPE)
- Too little as yet known on interventions
- Implications for donors and policy advice:  
carefully designed panel surveys; begin with  
known interventions; good M&E with base lines to  
know what works and what does not work. And
- Remember: micro effects=> macro impacts.



# Daunting Issues Remain...

- These private, community, donor and government responses are admittedly inadequate to the size of the problem,
- Moreover, notwithstanding these responses, daunting issues remain.....



# Daunting Issues Remain....

- Resources scarce, numbers are growing,
- Logistically and financially, it is impossible to reach every orphan or fostering family. Targeting and Cost-effectiveness issues,
- Role of community action versus public action,
- The need for evidence on what works and what does not work.



# Illustrative targeting issues.....

- Who should be the focus of intervention:
  - **the orphan directly**
  - **the household fostering the orphan**
  - **the community, the school, NGO???**
- What should be the nature of intervention:
  - **direct cash assistance**
  - **General HD programs (ECD, school subsidies)**
  - **income generation schemes for families, etc.**



# Daunting issues....

- How should one go about targeting, if targeting is considered desirable ....
- For example, how should beneficiaries be identified?
  - On the basis of some objective criteria (double orphans),
  - At community meetings,
  - Or how???



# Daunting issues.....

- How should one handle the potential incentive problems?
- Creating an enabling environment for care of orphans,
- Strengthen the caring capacity of households.
- Finally, the strategic role of coordination of efforts.....