

# **THE ECONOMIC AND SOCIAL RIGHTS OF THE CHILD**

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## **Education and the cycle of poverty**

In the economically developing countries of the world the enrollment rate for primary school is 89% for boys and 85% for girls, for secondary school the rates fall to 52% and 51%, respectively. In the least developed countries of the world the education situation is even worse: 77% of boys and 72% of girls are enrolled in primary school, and only 33% of boys and 29% of girls are enrolled in secondary school.<sup>1</sup> But low enrollment is only one aspect of the problem. Of the children within secondary school age in economically developing countries only 46% of boys and 43% of girls actually attend school regularly, and in the least developed countries attendance rates plummet to 22% for boys and 20% for girls. This means that in the developing world, up to 30% of the children enrolled in secondary education are not actually going to school. Why do so many young children in economically developing countries drop out of school? What happens to them when they join ranks with the millions of other non-school-going children?

There are a number of interrelated reasons why children drop out of school, and often the decision to do so is made after significant deliberation. Studies, albeit in industrialized countries, have found that the top reason students give for dropping out is that they did not find the educational curriculum interesting or relevant to their lives.<sup>2</sup> Personal responsibilities, like the need to earn money, to raise a child, or to care for a sick parent, are another common reason. Obviously, the motives for dropping out of school in economically developing countries are complicated by additional social and economic factors. When children leave school to enter the workforce in the developing world, it is often because they have been orphaned or displaced, pressured to leave by their family or even sold into child labor. Continued education may become unobtainable in terms of payment, distance or availability. Poor quality of education may discourage students from staying in school. Whatever the reasons for dropping out, the statistics demonstrate that the children living in the least developed countries – that is,

the areas of the world with the poorest economies and greatest social inequality – are more likely to end their education prematurely than any other group of children. Even in industrialized countries, dropout rates are correlated to predictors of social and economic inequality like race and immigration status.<sup>3</sup>

Children of school-going age who have never attended school or have dropped out are more susceptible to become engaged in exploitative labor activities, especially those in economically developing countries. Worldwide, there are approximately 73 million children under the age 10 working as child laborers.<sup>4</sup> Child labor deprives boys and girls of the chance to have a real childhood, exposes them to physical harm and diminishes their educational opportunities.<sup>5</sup> On the other hand, children in more developed countries who have ended their education prematurely are more likely to be shut out of the labor market as adults and experience unemployment. According to an OECD study, 37% of adults with less than an upper secondary education do not participate in the labor force, as compared to only 20% of those with upper secondary education.<sup>6</sup>

Of the one billion plus children between the ages of 6 and 15 worldwide, approximately 200 million live in extreme poverty.<sup>7</sup> Even in OECD countries, one in every five children lives below the poverty line.<sup>8</sup> In economically developing countries, the cycle of poverty begins as a child. When a child fails to get an education – either because of non-enrollment or dropping out – he or she is more vulnerable to exploitative labor and/or is excluded from legitimate labor markets altogether. Even when a child does receive an education, if he or she fails to learn relevant life skills, the child is still unprepared to take charge of his or her economic situation as

an adult. The fact that the parents of poor children are often themselves inherently unavailable, unable or unwilling to impart to their children the basic knowledge and skills he or she will need perpetuates the cycle of poverty. Thus, the individual cycle of poverty is born out of a lack of accessible and relevant education. A child's failure to obtain knowledge about his or her rights and responsibilities and to acquire basic personal financial skills is both the cause and the result of social and economic inequality, and has resulted in a global status quo which excludes the poor from financial systems.

Acquiring financial knowledge and entrepreneurial skills enables children to make the best use of available economic resources. Understanding rights and their responsibilities as citizens allows children to develop themselves and their communities in an equitable manner. Obviously, these rights and responsibilities do not operate in a vacuum, but rather within a particular sociopolitical context and economic reality. Rights cease to have meaning if the children lack the skills and knowledge required to actualize them. Thus, the empowerment derived from social and financial education represents the pragmatic expression of the Declaration on Human Rights and the UN Convention on the Rights of the Child (CRC).

Social, and to a greater extent financial, education continues to be a weak link in formal educational systems across the globe. While some attention is paid to teaching children about their rights and responsibilities in school, little consideration is given to imparting the life skills that will permit them to play an informed economic role in the future. In most societies, children's financial education is considered a family matter, a fact which often reinforces and reiterates economic inequality from

generation to generation. Children whose parents do not have financial knowledge and skills, or access to financial services, are similarly denied the chance to learn about money and financial management. This inherent “passing down” of financial illiteracy perpetuates the cycle of poverty. A rudimentary financial education, co-taught with child’s rights and responsibilities and provided as a part of the education system, will give children the opportunity to take charge of their own life, to break away from the cycle of poverty and to become socially responsible citizens.

An education which equips a child with a basic understanding of the principles of finance and economics represents an investment in his or her future. In practical terms, having a financial education means that the child understands and can engage in basic bank transactions, that he or she is comfortable planning, budgeting and saving, and understands the necessity of doing so, and has the entrepreneurial skills to set up a small business. With financial education children are also familiarized with the concepts of lending, investment, profit and profit-sharing.

### **What is child social and financial education?**

Underpinning the theory and practice of Child Social and Financial Education (CSFE), is the conviction that children should not be dismissed simply because they have not yet become adults. Children must be seen as individuals already capable of making sense of the world around them, of exploring their social, political and economic environment, and of making choices based on a developed system of values and beliefs. CSFE is a viable solution to stemming global poverty if, and only if, adults

recognize children as important and effective agents of social and economic change. Derived from this recognition is the idea that children, as a group and if suitably equipped, represent a high-potential lever in breaking the global cycle of poverty.

The “equipment” that enables children to assume their role as change-makers is social and financial education. CSFE is comprised of two key sets of knowledge and skills that children must be taught at an early stage: Rights and Responsibilities and Financial Education.

### **Children’s rights and responsibilities**

In order to make informed decisions about their participation in civic, social and economic systems, children must first understand their rights and responsibilities. Specifically, the rights are those identified in the CRC. The CRC spells out the basic human rights to which children everywhere, without discrimination, are entitled. This includes the right to survival and education, the right to participation, and the right to equality between boys and girls. Without rights economic resources lose value; children who understand and exercise their rights are in the best position to maximize their resources and opportunities, and to do so in a socially aware way.

Complementary to teaching children about their rights is helping them understand their responsibilities as citizens, because rights and responsibilities are necessarily interdependent. The recognition of personal and communal responsibility is especially important when children are being equipped with the skills and knowledge to increase their own wealth, power and future opportunities. Children must internalize their basic responsibilities towards themselves, other individuals, their community and

the environment, so that they do not misinterpret their rights as an entitlement to abuse or exploit others. Breaking the global cycle of poverty is only possible if children exercise their newly found social and economic empowerment within an ethical framework that acknowledges that everyone has a responsibility to uphold the rights of everyone else.

### Financial education

Once children have begun to internalize their rights and responsibilities, they should be taught the knowledge and skills needed to maximize economic resources and initiated into the practice of saving money. The financial education component of CSFE encapsulates the concepts and skills required to manage one's personal assets which includes earning, saving, planning, spending and the idea of exchanging value, as well as entrepreneurial skills.

In addition to classroom learning, children must be engaged in extracurricular activities to which they can apply their knowledge and exercise their money management skills. Not only because application reinforces learning, but more importantly, so that they develop responsible savings and spending habits that they will carry with them into adulthood. These child savings activities can be as simple as a contribution to a class piggy bank or as sophisticated as managing a small business.

CSFE is comprised of teaching children their rights and responsibilities on the one hand, and a basic financial education on the other, however, it can be broken down further into five major topics:

**1. Personal understanding and exploration:** Children investigate their own personal values through exploration of citizenship ideas and

ongoing interaction with peers. Children explore financial ethics and learn the importance of balancing financial skills with the judgment to use these skills responsibly.

**2. Rights and responsibilities:** Children learn about interdependent rights outlined in the CRC (1990). They learn how responsibilities complement rights and what their responsibilities are towards themselves, others, their community and the environment.

**3. Saving and spending:** Financial empowerment hinges not only on constructive personal value systems, but also on specific, practical skills. Children learn the basics of saving and spending money in a responsible manner.

**4. Planning and budgeting:** Financial empowerment is achieved when children use their knowledge and skills to maximize their economic choices. Children are taught how to plan their savings and spending, and how to budget their money.

**5. Child enterprise:** Children learn to view themselves as active participants in and shapers of their community. Through managing community activities or entrepreneurial ventures children experience how they can increase their wealth while having a positive impact on their community.

### Who is child social and financial education for?

All children. Even rich children in developed countries can benefit from Child Social and Financial Education because at the core of CSFE are life skills that every child could and should use. However, if the goal of CSFE is to break the global cycle of poverty, the greatest impact can be achieved if poor children in developing economies are the first priority. These children have the most to gain from CSFE for several rea-

sons: They are often exposed to, or even earn, money from a very young age. A large proportion of the population is financially illiterate, financial advice is unavailable or unaffordable, and uneducated people are often preyed upon by usurious lenders. Lastly, in developing economies entrepreneurial opportunities are limitless, but so are bribery, labor exploitation, and black market activity. Because poor children in developing economies are the demographic group most affected by social and economic inequality, they also have the highest potential to counteract it once equipped with CSFE knowledge and skills.

This bottom up approach requires that CSFE be implemented in the poorest and least developed countries first. Therefore, it is insufficient to introduce western-style financial education programs based on individualistic values that assume children understand their rights, and that presuppose the existence of an accessible financial infrastructure. The CSFE curriculum and implementation strategy discussed in the next section has been designed with the unique social, economic and cultural realities of countries with developing economies in mind.

### **Child social and financial education in practice**

The recommended Child Social and Financial Education curriculum and implementation strategy are based on the program developed by Aflatoun, Child Savings International, an NGO based in the Netherlands. As of the writing of this article Aflatoun was piloting CSFE programs in rural areas of eleven developing countries: Argentina, Egypt, India, Mali, Nigeria, the Philippines, South Africa, Serbia, Uganda, Vietnam and Zimbabwe. Though the curriculum and implementation strategy are presented in

theory below, both are based on Aflatoun's experience with the pilot programs. While a comprehensive scientific study is still underway, anecdotal evidence suggests that curriculum and implementation strategy are effective in meeting the goals of CSFE.

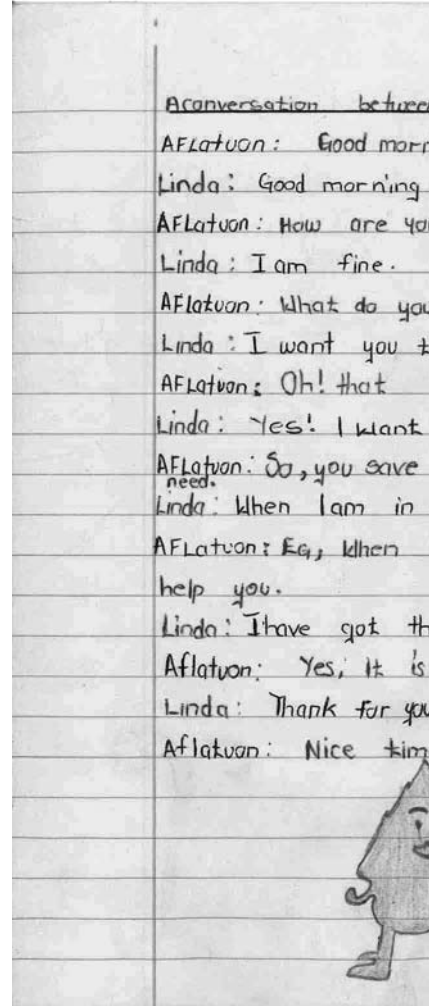
In practice, CSFE should be approached systematically and taught using a thorough curriculum, with short lessons occurring on a regular basis. There are two venues that are most appropriate for CSFE programs; either in primary schools as part of regular classes or in "CSFE clubs" established either through schools or youth organizations (i.e. Junior Achievement, Boys and Girls Clubs, etc.). CSFE classes should be instructed by adequately trained teachers, and the extracurricular activities should be facilitated by teachers, community activists or social entrepreneurs. CSFE should ideally be targeted at children aged 6 to 14 with continuing entrepreneurial activities for 14 to 18 year-olds.

- 01 Children in India and Argentina work together on Aflatoun exercises.
- 02 Dialogues written by Ugandan children about the CSFE concepts.
- 03 Aflatoun has developed the character “Aflatoun” who is a friendly, mischievous fireball from outer space who has come to earth to befriend two children – Mel and Jol – and teach them about their right, responsibilities and saving money.

01



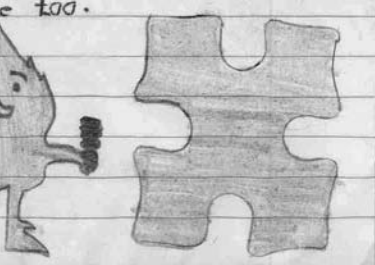
02



03





... Aflatun and Linda  
 ... Linda?  
 ... Aflatun?  
 ...  
 ... want me to help you with?  
 ... advise me why we save.  
 ... is good. You want to know,  
 ... to know and und  
 ... to help your selves when you are  
 ... need? Now.  
 ... Your Parents die that many can  
 ... information. So I will start saving.  
 ... very good to save,  
 ... advise. Good bye, Nice time.  
 ... too.



02

# I SEPARATE FICTION FROM FACT ETC

## CONVERSATION ABOUT AFIATOUN.

Imma: Good morning Jon,  
 Jon: Good morning to you, how are you?  
 Imma: Where are you going?  
 Jon: I am going to school, we have a meeting of our football club.  
 Imma: A club? Tell me more about it. What's it all about?  
 Jon: It is a saving scheme called Afiatoun.  
 Imma: Afiatoun! What is it all about?  
 Jon: It helps us to keep the money and teaches us our rights & responsibilities.  
 Imma: First of all, what are rights?  
 Jon: They mean requirements every body is entitled to in a society.  
 Imma: Can you tell me one of your right?  
 Jon: I have a right to Education.  
 Imma: How did you get to know that club?  
 Jon: It was the work of our teacher who told us and responded to the saving.  
 Imma: How can I join the club?  
 Jon: You can join the club through serious saving.  
 Imma: Ok, thank you for that good information.  
 Jon: You are welcome.

NAMIBIA: IMMACULATE NTALE  
 LAWANDA JOY PRIMARY SCHOOL  
 KATINTALE.

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Jeroo Billimoria, Aflatoun Team

- 1** UNICEF, The state of the world's children. The terms: "(Economically) Developing," "Least (Economically) Developed" and "Industrialized Countries" are used as defined by UNICEF. All enrollment and attendance statistics are net, meaning they represent the number of children enrolled or attending school as a percentage of the total number with the appropriate official age range. Secondary school enrollment and attendance rates for developing countries do not include China.
- 2** Civic Enterprises, The Silent Epidemic: Perspectives on High School Dropouts.
- 3** Child's Trend Databank, High School Dropout Rates.

- 4 International Labour Organization, Facts on Child Labour.
- 5 Family Health Initiative, Orphans and other vulnerable children support toolkit.
- 6 OECD, Education at a Glance 2004 – Tables.
- 7 World Bank, 2006 World Development Indicators. Poverty is defined as living on less than USD 1 per day.
- 8 UNICEF, Report Card no. 6: Child Poverty in Rich Countries 2005. Poverty is defined as living on less than 50% of the national median income.

**Jeroo Billimoria** has launched two successful social ventures and is now spearheading her third. The first, Childline India, operates in 74 of India's largest cities and has responded to over 10 million calls from vulnerable children.



The second, Child Helpline

International, expanded the Indian model and became a global network of telephone helplines for children. It is operational in over 150 countries. Jeroo is now undertaking her third social venture, Aflatoun, which provides children with a basic social and financial education while teaching them about their rights and responsibilities as citizens. Jeroo has a Bachelor of Commerce degree from Bombay University, a Master's in Social Work from the University Tata Institute of Social Sciences and a Master's in Non-Profit Management from the New School for Social Research in New York. Jeroo was born in Bombay in 1965, she currently resides in Amsterdam with her husband and two children.