

## CHILD-FOCUSED POVERTY GRADUATION: A CASE STUDY IN MALAWI

**Peter Tyman, Executive Director, Yamba Malawi**  
**Gertrude Kabwazi, Country Director, Yamba Malawi**

“We are the first generation in human history that can end extreme poverty,” quotes Jim Yong Kim, former President, World Bank Group.<sup>1</sup> According to the World Bank, the people living in extreme poverty is just below 10% of the global population, which is down from 36% of the world’s population in 1990. While this is exciting progress for people globally, there are still nearly 700 million people living in extreme poverty,<sup>2</sup> and progress has not been evenly accomplished. Shockingly, one in three Africans live below the poverty line, the World Bank estimates that by 2030, the portion of the [total global] poor living in Sub-Saharan Africa could be as large as 87%. The World Bank’s comprehensive 2018 poverty report even concluded that, “In short, extreme poverty is increasingly becoming a Sub-Saharan African problem.”<sup>3</sup>

Unfortunately, the COVID-19 pandemic is expected to aggravate these inequities, disproportionately impacting the most impoverished people the hardest and erasing decades of progress towards eradicating extreme poverty.<sup>4</sup> Research published by UNU World Institute for Development Economics Research forewarns that global poverty could increase by nearly 500 million people. Without effective interventions, people in poverty and their children will remain in this current state and continue the cycle.

Extreme poverty impacts millions, but the effects on children are particularly harsh. Across the world, a staggering 385 million children live in extreme poverty, surviving on the equivalent of less than \$1.90 per day. Children are more than twice as likely as adults to live in extreme poverty,<sup>5</sup> and according to estimates in the 2017 Lancet Early Childhood Development Series, more than 250 million children aged under five years worldwide are living in poverty or are stunted and thus are at risk for not fulfilling their potential for physical growth, cognition, or social-emotional development.<sup>6</sup> The effects of such extreme poverty go beyond financial impacts. Its impacts range from poor nutrition to unsafe housing, limited education opportunities to poor sanitation, child labor to early marriage. In short, extreme poverty hinders children’s ability to get the nurturing, protective care they need to have a happy, healthy childhood, and the effects can last a lifetime.

Caregivers, communities, governments, and nonprofit organizations are motivated to reach these children, and significant efforts and resources strive to improve childhood wellbeing outcomes each year. Programs are designed to focus on Early Childhood Development, education, health, WASH, and protection, but such systems of support too frequently address the symptoms, not the root causes, of childhood vulnerability. These efforts often rely on siloed areas of focus, trickle-down approaches, and limited resources that result in difficult choices between meeting children’s immediate needs or fostering their long-term growth. As a result,

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<sup>1</sup> BRAC Ultra-Poor Graduation Programme An End to Extreme Poverty, 2020, in our lifetime <http://www.brac.net/program/ultra-poor-graduation/>.

<sup>2</sup> UN Sustainable Development Goals, 2020 <https://www.un.org/sustainabledevelopment/poverty/>

<sup>3</sup> World Bank Group, 2018, <https://openknowledge.worldbank.org/bitstream/handle/10986/30418/211330ov.pdf>.

<sup>4</sup> World Bank, 2020, <https://www.worldbank.org/en/topic/poverty/overview>.

<sup>5</sup> UNICEF, 2016, <https://www.unicef.org/press-releases/nearly-385-million-children-living-extreme-poverty-says-joint-world-bank-group>

<sup>6</sup> Lia C. H. Fernald, Elizabeth Prado, Patricia Kariger, Abbie Raike, A Toolkit for Measuring Early Childhood Development in Low- and Middle-Income Countries, the Strategic Impact Evaluation Fund, the World Bank, 2017

positive impacts on children’s long-term wellbeing is often fleeting, and the cycle of vulnerability continues.

### *An Innovative Child-Focused Poverty Graduation Model*

Fortunately, transformative, globally applicable results have been shown through the use of an innovative child-focused poverty model that synthesizes lessons and maximizes partnerships across the well-proven poverty graduation model and the Early Childhood Development programs. By integrating a focus on SDG 1 – End Extreme Poverty across child-focused programming, governments and organizations can graduate vulnerable communities from poverty and empowers them to invest in their children’s immediate and long-term needs.

First pioneered by the international organization BRAC in Bangladesh, ultra-poor poverty graduation is a model that has been adapted and implemented worldwide to meet the needs of populations struggling with extreme poverty, and has been adopted by the US Agency for International Development (USAID) as its primary framework for financial inclusion. Multiple studies have demonstrated the poverty graduation model’s ability to successfully and sustainably graduate ultra-poor households from poverty (typically defined using the World Bank definition of extreme poverty, \$1.90/day purchasing power) using a time-bound, phased sequence of activities.<sup>7</sup> Key poverty graduation activities include intensive training and coaching in life skills, income-generation activities, financial literacy, temporary income support, transfer of productive business assets, and connection to savings and other financial services.

A similarly robust body of research has shown that interventions targeting children under five years of age are extremely effective and cost-efficient, leading to significant improvements in children’s survival and lifelong development.<sup>8</sup> According to UNICEF, cost-benefit ratios of early childhood development (ECD) interventions indicate each dollar spent on ECD produces returns of four to five times the amount invested, due to the impacts on health and productivity of the child. Addressing the holistic needs of children five years and younger is meeting children at such a critical time during their development.

Yamba Malawi has directly addressed the complex challenges facing children by creating an innovative, responsive, and community-empowering child-focused poverty graduation program that graduates ultra-poor families from extreme poverty and improves services and outcomes for children living in extreme poverty. This child-focused poverty graduation program disrupts the typically siloed approach of childhood hunger, health, and wellbeing programs, which often fail to acknowledge extreme poverty as the common driver of poor outcomes for children. Therefore, poverty graduation’s holistic approach addresses SDG 2 and SDG 3 by increasing access to healthy, nutritious meals. In addition, it addresses SDG 4 by investing in children and their access to education.<sup>9</sup> By including children’s needs explicitly in our program design, the Program also disrupts the trickle-down approach to poverty alleviation that assumes benefits will reach children, who are twice as likely as adults to live in extreme poverty.

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<sup>7</sup> Innovations of Poverty Action, “The Ultra Poor Graduation Approach.” <https://www.poverty-action.org/>.

<sup>8</sup> The 2016 Lancet Series on early childhood development, 2016  
<https://www.thelancet.com/series/ECD2016>.

<sup>9</sup> <https://www.un.org/sustainabledevelopment/poverty/>

The Program is a three-year intervention that works at both the household and community-wide levels to promote three program pillars—childhood wellbeing, sustainable business, and financial inclusion. Over three years, our Program provides a package of intensive training and coaching to vulnerable children’s caregivers in all three pillar areas, covering caregiving skills, early childhood development, income generation, and financial literacy. Both caregivers at the household level and Community Based Childcare Centers receive temporary income support, transfer of productive business assets to launch their own businesses, and connections to savings and other financial services, such as Village Savings and Loan associations (VSLs).

At the community level, the Program strengthens safety net services available to children by empowering CBOs and CBCCs to generate and manage ongoing income to be spent on nutrition, healthcare, and educational support programs, to increase training of community caregivers, and to strengthen local advocacy committees to promote children’s rights and needs. At the household level, the Program decreases childhood vulnerability by improving economic stability, increasing spending on children’s needs, and empowering caregivers to better provide nurturing, protective care through mentorship, increased capacity and increased access to social services.

More specifically, we have innovated on the traditional poverty graduation model to focus on children in the following ways:

- Targeting of communities and households to enroll in the program is designed to best reach children under five years of age living in extreme poverty—the most vulnerable within an already-vulnerable population.
- Integrated household- and community-level programming ensures both deep and wide impacts that reach often excluded vulnerable populations, such as children living in child-headed households or children with elderly or ill caregivers.
- Our customized curricula not only include business and financial literacy training, but also intensive training in childhood needs in food, education, health, water, sanitation, and protection. This is supported by coaching, one-on-one mentorship, and links to services, as well as integrated financial mentorship to help caregivers plan for children’s short- and long-term needs.
- Our curricula have been designed to uplift local approaches and traditional practices that benefit children (such as traditional toy making), which builds self-confidence and improves overall sustainability of programming.
- We use a Human Centered Design approach to integrate community feedback, and use innovative and flexible approaches to program delivery. This helps our team continuously improve our model, while also building opportunities to adapt the program to meet the needs of special populations (i.e. women and girls; those impacted by HIV/AIDS). By keeping children at the center of those innovations, we stay true to our mission while remaining flexible and responsive to the needs of the community.

To address the needs of children, we believe this multifaceted poverty graduation model with a specific childhood development pillar can be adapted across global contexts.

### *A Case Study in Malawi*

Yamba Malawi has been piloting the child-focused poverty graduation program in Malawi, a country with high rates of childhood vulnerability and extreme poverty.

A landlocked country with around 18 million people, Malawi is the fourth poorest country in the world, and children are particularly vulnerable to the effects of poverty. In Malawi, 70% of people live on less than \$1.90 a day, with 84% of children are living on less than \$0.50 per day, faced with multifaceted challenges that are deeply rooted in extreme poverty. Nearly 80% of households rely on subsistence agriculture, which is increasingly unable to meet the need for food, due to climate change and population growth. The majority of ultra-poor households live in homes built from mud bricks with thatched roofs, 97% use firewood or charcoal for cooking, and 91% of households do not have access to soap and safe water for hand washing. These home environments promote chronic respiratory infections and the spread of waterborne and infectious disease due to lack of improved water, hygiene, and sanitation facilities. As a result, the top three causes of death for children in Malawi are pneumonia, diarrhea, and malaria. Extreme poverty is having lifelong impacts on children, with 37% of Malawi's children having stunted growth by age five.

Parents and caregivers are doing what they can to care for their children, but limited opportunities and safety net services hinder children's ability to reach their full potential. The resulting injustice goes well beyond financial instability, impacting children's food security, education, health, and safety.

Through this multifaceted approach, Yamba Malawi's child-focused poverty graduation has empowered communities to break the cycle of poverty and build a sustainable pathway out of poverty for over 36,000 children in 2019. It is a cost-effective, locally-led, and partnership-focused solution that ensures children get the immediate care they need, all while building long-term development. Since the founding, Yamba Malawi has impacted the lives of 200,000.

One illustrative example is the Basikolo family.

The Basikolos are subsistence farmers raising four young children—Florence, Mike, Chipangano, and Moses—in a small mud hut with no electricity and no running water in rural Malawi. After years of erratic climate patterns, poor seeds, and weak harvests, their small maize crop failed to provide enough food for their family. Previous years' attempts to diversify their garden with peanuts and soybeans had failed, and the family could only afford seeds of such poor quality that they didn't germinate properly. Even these seeds cost the family much of their savings, left the family struggling to get by on meager maize crops, and provided no means of saving money for emergencies and shocks. At times, the Basikolos needed food so badly that the father traded his own shoes to provide food for the family. Their four children attended Early Childhood Development services and school erratically, suffered from frequent illness caused by a leaky roof, and struggled to access healthcare when they were sick.

Despite the challenges, the Basikolos remained dedicated to providing their children the care they need. They are deeply engaged in their community, and after a series of meetings and vulnerability screenings, the entire family enrolled in the program.

Now, everything has changed for the Basikolos.

The Basikolos are undergoing community-wide, peer-to-peer, and individualized trainings and coaching across all three program pillars—business, financial literacy, and childhood wellbeing. Their children saw immediate impacts, and were able to access critical community services that are supporting their growth and development. The family has launched and grown a cash crop business of groundnuts and soybeans, and are diversifying their incomes with investments in livestock and poultry. In the first year alone, the family increased their income by 600%, and

they are not only saving money for the first time, but also have access to credit through their local Village Savings and Loan. As a result of their increased income, they began incorporating a more diverse and protein-rich diet, and were able to invest in critical improvements to their home, which is having a tangible impact on their children's health. In doing so, their children are now more regularly going to school. As their success grows, so has their confidence and leadership in the community. With Chipaza assuming the role of lead farmer in his area Juliana Basikolo has adopted the role as a community leader focused on childhood wellbeing and protection. As a result, the entire community is now benefiting from the skills the Basikolos are learning on their pathway out of poverty.

### *Considerations for Global Application*

Recognizing no one organization can do this alone and to bring these programs to scale, collaboration is essential among community leaders, the government, organizations, and all people involved will be essential to end extreme poverty and improved development for children.

Market-based solutions are not always appropriate for those who are extremely vulnerable, such as child-headed households, the elderly, and those managing chronic illness or disability. By operating at both the household- and community-levels, this program develops stronger safety nets that reach populations that would otherwise be excluded.

Critically, this program uplifts existing community efforts instead of duplicating them. From capacity building for existing services to incorporating indigenous knowledge into curricula, it is critical to celebrate successes and efforts to build the confidence of extreme poor populations in their progress out of poverty.

Interventions addressing economic development frequently (albeit perhaps unintentionally) exclude the extreme poor due to prohibitively high costs and/or living in more rural and remote areas. Therefore, to improve the lives and development of all children, all populations need to have access to and a voice in these interventions. Poverty graduation works with the ultra-poor and therefore, specifically targets this group of people that are often neglected by others.

Gender norms and expectations are critical to consider when applying the program to local contexts, and in centering children as the core focus of the work. Studies show when women work, they invest 90% of their income back into their families, compared with 35% for men.<sup>10</sup> Poverty graduation programs can directly impact SDG 5 by including women as those enrolled in the program and access to financial assets.

Poverty graduation is a proven model to effectively reduce the number of people living in extreme poverty. This model has been implemented globally in a variety of forms by a multitude of organizations as it is specifically designed to fit into local contexts. By addressing one of the root causes of poverty it will not only impact progress towards SDG 1 ending extreme poverty, but the holistic approach has ripple effects impacting additional SDGs.

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<sup>10</sup> International Finance Corporation. (2013). Findings on Gender (pp. 1,5). World Bank Group. Retrieved from: <https://www.ifc.org/wps/wcm/connect/2125f97c-da65-4fb0-aba7-1d554bfe55bb/full-study-gender.pdf?MOD=AJPERES&CVID=jRvG5JC>