The ‘Twofold Investment Trap’: Children and their Role in Sustainable Graduation

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Abstract Despite the overall aim of graduation to lift people out of poverty in the long term, programmes remain largely focused on achieving short- to medium-term change. This article postulates that graduation programmes should be more aspirational as graduation can only be truly sustainable when it is an intergenerational process. This requires greater consideration of the role of children in graduation programmes as households with children face an inter-temporal decision-making dilemma that places them in a ‘twofold investment trap’; households are required to manage resources available from (1) adult household members and (2) children, and seek an optimal allocation of resources between investments in livelihoods and in child wellbeing. Available evidence shows that this is an almost impossible balancing act. This article proposes conceptual and programmatic considerations to ensure that graduation programmes take full account of the situation of households with children and thereby work towards sustainable and intergenerational graduation.

1 Introduction
Graduation has become an increasingly popular theme in social protection in recent years (as evidenced by this IDS Bulletin). Graduation programmes aim to lift households out of poverty and to move them off external support in a sustainable manner. As such, programmes focus predominantly on able-bodied adults who are capable of taking part in livelihoods promotion or employment activities. The programmatic time frame for achieving graduation typically extends over a two- to three-year period, with assessments about the sustainability of graduation following two to four years later. I argue that this focus and time frame is too narrow and short-sighted: true sustainable graduation should be about achieving long-term improvements in livelihoods and living conditions that are maintained across generations. In other words, graduation programmes should aspire to intergenerational rather than ‘within-generational’ graduation. Taking such an intergenerational perspective stipulates that children have a key role to play in achieving graduation and that this role should receive greater acknowledgement in graduation programmes.

The importance of investing in children in the present for achieving positive outcomes in the future has been widely established (Sanfilippo, de Neubourg and Martorano 2012). Living in hardship has long-term, adverse and irreversible consequences, turning poor children into poor adults (Brooks-Gunn and Duncan 1997; UNICEF 2014). Breaking the intergenerational transmission of poverty is not only crucial for reducing chronic poverty, a strategy of poverty ‘avoidance’ as opposed to poverty reduction is also more cost-effective (Yaqub 2002). Doing so is not self-evident, however. Households with children face an inter-temporal decision-making dilemma that leads to a competition over resources; households have to strike a balance between allocating resources towards short-term gains in household wealth and making investments in children with long-term returns. This competition for resources takes place at two different levels, as it pertains to: (1) household resources (i.e. assets, money and time of adult members); and (2) children’s resources (i.e. time and productive capacity).

Current graduation programmes take little to no account of the trade-off between the allocation of
household and children's resources to household livelihoods strengthening versus investments in children's long-term development. This not only presents a missed opportunity for intergenerational and truly sustainable graduation, it places households with children participating in graduation programmes in a 'twofold investment trap': participation requires investments in short-to medium-term livelihood improvements, thereby potentially (1) compromising the distribution of resources to children; and (2) incentivising the contribution of resources by children. This places children at a double disadvantage as it compromises both their wellbeing at present and undermines their wellbecoming in the future.

This article elaborates on the competition over resources and the resultant twofold investment trap for households with children, arguing that graduation programmes need to take greater account of children in order to reach truly sustainable outcomes in the long run. The remainder of this article is structured as follows: firstly, I set out a conceptual framework based on the concepts of 'threshold' and 'sustainable' graduation. Secondly, I discuss the twofold investment trap by elaborating on the competition over resources available to and from children. Thirdly, I reflect on findings before finally suggesting recommendations for graduation programmes.

2 Graduation theory
Sabates-Wheeler and Devereux (2011, 2013) offer a useful theoretical framework for underpinning the arguments in this article. They distinguish between 'threshold graduation' and 'sustainable graduation', arguing that the former is largely a programmatic tool for assessing who is no longer in need of programme support and therefore 'graduates' whilst the latter refers to medium- to long-term improvements in livelihoods. They identify the theory of change of graduation to be a six-stage process, whereby threshold graduation is assumed to lead into sustainable graduation. The logic of this process is depicted in Figure 1, illustrating that households need to be lifted over and above an asset (graduation) threshold in order to allow for dynamic accumulation, leading into sustainable improvements in livelihoods. The notion of the importance of lifting households above a critical threshold for setting in motion a positive spiral has also been discussed by Carter and Barrett (2007) in reference to asset thresholds.

The position of the asset threshold and the pathway to asset accumulation is context-specific and will depend on people's starting position in terms of available assets, human capital and wider socioeconomic context and on the livelihoods that they pursue (Sabates-Wheeler and Devereux 2011). In the Productive Safety Net Programme (PSNP) pilot in Tigray, Ethiopia, for example, 'fast climbers' consisted of those who were amongst the less poor in the community, those with literacy skills or with particular entrepreneurial spirit. By contrast, 'slow' or 'intermediate' climbers were those who...
‘had a number of pre-existing constraints that outweighed programme resources’ (Sengupta 2012: 28).

Whilst the framework sets out short-term and medium- to long-term perspectives by distinguishing between threshold and sustainable graduation, it can be argued that these time frames are not far-reaching enough to represent truly sustainable graduation. Although no specific time frames are stipulated, the notion that sustainable graduation amounts to ‘staying above the threshold after social protection support is withdrawn’ (Sabates-Wheeler and Devereux 2011: 16) suggests that the time horizon of graduation programmes does not extend beyond the current generation. However, it can be argued that graduation can only be truly sustainable if it addresses long-term intergenerational transmissions of poverty, making sure that sustainable livelihoods are passed on from adults to children. Some graduation programmes, such as BRAC’s Challenging the Frontiers of Poverty Reduction Targeting the Ultra Poor (CFPR-TUP) programme, have indeed emphasised the importance of the availability of complementary education services, for their role in promoting human capital and intergenerational improvements in living conditions (Hashemi and Umaira 2011). Nevertheless, programmes generally fall short of recognising that long-term investments in children may be at odds with short- to medium-term livelihoods strengthening and accumulation of assets.

3 The ‘twofold investment trap’

As a result of graduation programmes’ failure to acknowledge and engage with an intergenerational time frame of graduation, households with children participating in graduation programmes are required to perform a balancing act between meeting investment requirements for short- to medium-term graduation and children’s needs for long-term intergenerational graduation. This leads to a twofold investment trap as households have to make choices regarding: (1) the distribution of household resources to children (versus livelihoods improvements); and (2) the contribution of resources by children to the household (versus their own development). This section elaborates on the nature of the competition over resources at these two levels and their interplay with graduation programmes.

3.1 Distribution of household resources

The first element of the investment trap refers to the allocation of household resources to livelihood investments versus meeting children’s needs. Household resources for which such competition exists can be subdivided into: (1) monetary resources such as money and assets; and (2) time. Monetary resources are required to meet children’s basic needs, whilst providing children with adequate care and support necessitates time and presence of adult household members. Graduation programmes have similar resource requirements: monetary investments are required for asset accumulation and livelihood promotion, and time needs to be allocated to productive and income-generating activities and supporting activities such as training to build skills and knowledge. As a result, programme participants with children are faced with a trade-off: allocating resources to their children undermines their ability to meet programme requirements and might delay their pathway towards threshold graduation, but prioritising the allocation of resources to livelihoods investments might go at the expense of children’s long-term investment and the opportunity for sustainable and intergenerational graduation.

3.1.1 The competition for monetary resources

The provision of monetary resources (i.e. cash transfers) is an inherent component of graduation programmes, suggesting that they alleviate rather than contribute to the competition for monetary resources in households with children. There is ample evidence that cash transfers have a positive effect on the allocation of household resources to children, leading to many positive outcomes in terms of nutrition, education and health (Barrientos et al. 2013; DFID 2011; Sanfilippo et al. 2012). In Ethiopia, the PSNP was found to reduce child labour outside of the home and decreased the number of hours worked in agricultural work for both boys and girls (Hoddinott, Gilligan and Taffesse 2011). Research on Rwanda’s Vision 2020 Umurenge Programme (VUP) shows that income generated through the programme’s Public Works component is indeed spent on children’s basic needs, thereby improving child
wellbeing and quality of care (Roelen and Shelmerdine 2014). Similarly, in a study of the Karnali Employment Programme (KEP) in Nepal 85 per cent of respondents indicated using some of the income earned on food items, and 56 per cent spent some of it on non-food items, including children's educational items (Vaidya 2010).

Notwithstanding these positive findings, evidence also suggests that programmes primarily aiming to support asset accumulation and livelihood investments may undermine children's best interests, despite the provision of cash. With respect to the PSNP pilot in Tigray, Ethiopia, Sengupta (2012) finds that programme participants with many young children had to prioritise immediate food needs over trying to meet programme requirements in terms of making the appropriate livelihoods investments. By contrast, participants with fewer or no children indicated that it was easier to forgo meals to allow for making the required investments. Whilst some participants in BRAC’s CEPR-TUP programme used the weekly cash transfer to buy education supplies for their children, others prioritised savings for and investments in income-generating activities (Hashemi and Umaira 2011). Notwithstanding the cash transfers provided, the emphasis on investing in assets and livelihoods promotion within graduation programmes appears to play into rather than alleviate the competition for household monetary resources.

3.1.2 The competition for time
The second type of competition for resources refers to time: a finite resource provided by able-bodied adult members of the household that needs to be divided between productive activities and unpaid care work. The allocation of time to productive activities is crucial in the process of asset accumulation and short- to medium-term graduation. By the same token, high-quality care for children for long-term graduation requires adult presence and attention. The use of time for these two purposes might be at odds with each other. A study of childcare practices and nutritional outcomes in Accra, Ghana, for example, showed that children with below-average growth patterns were more likely to have mothers engaging in income-generating activities and taking their children along to the work sites rather than leaving them in the care of someone else during the first year of their children's life. Women explained that although they were aware of the negative impacts on children's growth and development of going back to work and of carrying children on their backs during work soon after birth, they felt they had no other choice given their situation of food insecurity and lack of financial means (Ruel, Armar-Klemesu and Arimond 2001).

Graduation programmes may play into the pressures felt by participants to engage in income-generating and work activities despite conflicting unpaid care responsibilities. The concurrent prioritisation of participation in such activities may undermine quality of care for children, particularly in contexts where high-quality care alternatives are not available. Qualitative research on the VUP in Rwanda finds that caregivers experienced difficulties in providing adequate quality care to their children as the Public Works requirement added to their already high burden of productive activities and household chores and care, requiring them to leave their children unsupervised or in the care of others (Roelen and Shelmerdine 2014). Women can be considered to experience a double disadvantage: firstly, their roles as primary caregivers and the concurrent responsibilities for unpaid care work makes them less attractive candidates for Public Works activities, creating barriers to participation in them. Secondly, if they are included in Public Works activities, women are faced with juggling unpaid care responsibilities with time commitments required by additional Public Works activities. As indicated in the gender audit of the VUP in Rwanda, participation in Public Works is subject to gender barriers related to domestic and childcare responsibilities. But when women do manage to participate in Public Works, these very responsibilities result in a ‘poverty of time’ (FATE Consulting 2013).

3.2 Contribution of resources by children
The second element of the investment trap refers to the contribution of resources by children towards livelihood improvements of the household versus investment in their own short-term wellbeing and long-term development. These resources pertain to time spent on: (1) productive activities; and (2) household chores and care. Economic models of children’s time use assume that households make decisions about children’s time allocation so that it
maximises household utility, thereby balancing short-term income versus returns to investments in children’s long-term development (Orkin 2012). It follows that if households derive greater utility from short-term gains in income through children’s contribution of their time to productive activities and household chores, children’s immediate wellbeing and long-term wellbecoming will be compromised.

3.2.1 Time spent on productive activities
Child wellbeing studies indeed suggest that there is a trade-off between improvements in household wealth and child wellbeing, with children sacrificing time spent on their own development to contribute to household production and livelihood activities. This holds particularly true when household wealth is considered in terms of assets as access to productive assets increases the productivity of, and demand for, child work (Cockburn and Dostie 2007). A mixed methods study of child poverty in Ethiopia finds that household prosperity may increase at the expense of wellbeing of children within the household as children are forced to drop out of school to contribute to household production by rearing livestock or working on the land (Roelen and Camfield 2014). Cockburn and Dostie (2007) suggest that there is an inverse relationship between child labour and household wealth in terms of productive assets, often with weak to no relation to household income.

Analysis of Ethiopian Rural Household Survey (ERHS) data from 2009 underlines this finding, as illustrated in Figure 2. This graph points towards the trade-off between increases in household income (denoted by real consumption per capita), household assets (denoted by livestock ownership (Tropical Livestock Unit)) and child wellbeing (as expressed by number of hours per week spent by children on work within the family). Both higher levels of consumption and livestock ownership are significantly associated with more time spent on work within the family. This finding is in line with other research in Ethiopia, suggesting that the Other Food Security Programme (OFSP) – a complementary programme to PSNP providing households with access to improved agricultural technologies (now known as the Household Asset Building Programme (HABP)) – may increase child work as most loans under the OFSP were used to purchase livestock that require a substantial time commitment (Pankhurst 2009 in Porter and Dornan 2010: 12).

Figure 2 Livestock ownership and family work across consumption deciles for children aged 10–15 in rural Ethiopia

Source Author’s own calculations from the Ethiopian Rural Household Survey (2009).
Despite this evidence, children’s contributions to household wealth and livelihoods are often overlooked in research and public discourse (Abebe 2007). The focus on short- to medium-term asset accumulation in graduation programmes may play into the trade-off between livelihood improvements and child wellbeing by placing strong emphasis on investing in livelihood strategies. Cockburn and Dostie (2007) argue that child labour demand is greatly determined by the type and level of asset availability in a household. Asset accumulation strategies may encourage parents to withdraw their children from school to take advantage of the more immediate returns of their work on such productive assets. Sengupta (2012) points out that the non-governmental organisation (NGO) Relief Society of Tigray (REST) implementing the PSNP pilot in Tigray emphasised that children were not necessarily considered dependents and a strain on the graduation process (following competition over resources); mature and school-going children were considered a key resource in supporting livelihoods. The involvement of children in productive activities also has an important seasonal dimension as demand for children’s input varies with agricultural cycles, requiring children to respond to the temporality and seasonality of livelihoods during peak times (Abebe 2007).

### 3.2.2 Time spent on household chores and care

The trade-off between household wealth and child wellbeing extends beyond children’s direct contributions to household production and livelihood activities and also includes substituting for adults’ inputs into care work and domestic chores. Whilst the PSNP in Ethiopia was found to reduce child labour outside of the home and their number of hours worked in agricultural work for both boys and girls, school attendance rates for younger girls (aged 6–10) dropped and their numbers of hours spent on domestic work went up (Hoddinott et al. 2011). With respect to VUP in Rwanda, older children were found to take on the care for their younger siblings in the absence of their parents, forcing some children to drop out of school (Roelen and Shelmerdine 2014).

Although children’s support towards livelihood activities and domestic work may only be solicited during out-of-school hours (Sengupta 2012), it is important to point out that the trade-off between work and child wellbeing is not necessarily demarcated by school attendance. Participation in household production and domestic work often goes at the expense of children’s study and leisure time (Roelen 2014), undermining wellbeing at present and in the future. The Familias en Accion programme in Colombia was found to improve school participation at the expense of other activities that children are engaged in, which included leisure (Orazio et al. 2010). Qualitative research on child wellbeing in Ethiopia suggests that school-going children find it difficult to juggle school attendance and studying with performing household chores or working on the family farm (Roelen forthcoming). This negotiation of housework responsibilities with school schedules is compounded during labour-intensive agricultural periods, such as the harvesting season (Abebe 2007). As pointed out by Orkin (2012), it is important to have an understanding of when children’s work complements or competes with education. This does not only pertain to being in school but also being able to benefit fully from going to school, which is not exclusively related to the amount of time spent on work and school-related activities but also on the characteristics of such activities.

It has to be noted, however, that children’s involvement in family work is not unequivocally negative or damaging to children’s short- and long-term wellbeing. When their work is not dangerous, is supported by the household, does not conflict with traditional gender roles and expectations, and does not crowd out schooling, it can hold positive effects for children as they learn new skills and the combination of schooling and work can be part of building child and family resilience (Porter and Dornan 2010; Orkin 2012). Although the potentially mutually positive contribution of children to the graduation process should not be ignored, it also raises questions about whether short-term gains go at the expense of long-term advances. But there is a fine line between building on children’s positive contributions and undermining their development.

### 4 Discussion and a way forward

Despite graduation’s overall aim to lift people out of poverty in the long term, programmes remain largely focused on short- to medium-term change within their programmatic time frame (i.e. threshold graduation) and ‘within-generational’
change after programmatic support has come to an end (i.e. sustainable graduation). An implicit assumption appears to be at play, namely that if graduation works for this generation, it will be sustained in upcoming generations and thus benefit today’s children in their adult lives. This article argues that at present this assumption cannot be upheld given graduation programmes’ lack of acknowledgement of the resource pressures on households with children, placing those households in a twofold investment trap and thereby undermining the potential for sustainable and intergenerational graduation. In a study of the PSNP pilot in Tigray, Sengupta (2012) found that the number of dependants affects pathways to graduation and that having fewer dependants presents a ‘palpable advantage’. At best this failure to engage with the competition over resources for households with children presents a missed opportunity for intergenerational and sustainable graduation. At worst it may lead to the need for ‘re-graduation’ in the next generation.

I propose a number of conceptual and programmatic considerations for graduation programmes to lessen the competition for resources faced by households with children, and ameliorate or lift them out of their twofold investment trap.

A conceptual step towards redressing the balance would consist of programmes adopting a more aspirational time frame for the process of graduation and particularly a more ambitious notion of ‘long term’ that goes beyond the end of programme support and moves into the next generation. It follows that a seventh stage should be added to the ‘common theory of change’ of graduation programmes as developed by Sabates-Wheeler and Devereux (2011), stating that: ‘More resilient livelihoods and higher levels of productivity will be maintained and reinforced across generations.’ The explicit incorporation of this more aspirational outlook will ensure that investments in child wellbeing and care become an integral part of programmes’ theories of change and that programmes need to engage with the competition over resources for participating households with children. As argued by Sabates-Wheeler, Devereux and Hodges (2009), social protection needs to incorporate children’s long-term needs if it is to achieve long-term and sustainable change.

An important opportunity for translating this conceptual extension of the objective of graduation programmes into programmatic terms is to explicitly include child-specific criteria in the graduation threshold. The threshold should therefore not only consider accumulation of physical assets relevant for livelihood strategies and income-generating activities but also investments in children’s development, such as education, nutrition and health. BRAC’s CFPR-TUP programme provides an example of how this can be put into practice, with its graduation threshold including school-aged children actually going to school as an indicator (Hashemi and Umaira 2011).

The discussion about the competition for household and child resources also gives rise to operational considerations. The difficulties that households face in balancing the allocation of monetary resources to either livelihood investments or meeting children’s basic needs suggest that programmes need to be more cognisant of household composition and adapt their levels of support accordingly. As pointed out by Sengupta (2012: 38) in reference to the PSNP pilot in Tigray, Ethiopia: ‘a more nuanced understanding of each participant household’s pre-existing resources and constraints, i.e. sources of cash/kind income, health problems, labour resources, kinship relations, etc. can potentially minimise any incongruity between programme inputs and household needs.’ Although the high degree of tailor-made programming that this would entail may not be possible for many programmes, the PSNP in Ethiopia does offer an example of how programmes can be more responsive to the presence of children in the household. PSNP operates ‘full-family targeting’, which aims to ensure that the level of benefits is based on the number of members per household. As indicated in IFPRI (2013), this can avoid dilution of benefits and asset depletion to meet food and other basic needs of its household members.

Time pressures on adult members in households with children (most notably primary caregivers) as a result of having to juggle engagement in programme- and non-programme-related productive activities and domestic and care work could be mitigated by integrating childcare solutions into graduation programmes. At present, most programmes do not offer such a...
facility or fail to engage with options for addressing childcare responsibilities. Lessons might be learned in the near future from Rwanda, where options are being explored for how the Public Works component in the VUP can engage with childcare (Ayliffe 2014). This might include the provision of childcare services at the work site as part of Public Works or the establishment of wider community-based childcare mechanisms (Roelen and Shelmerdine 2014). The potential benefit of these options cuts both ways; children are likely to receive better care and be at a lower risk of being left unsupervised or in the care of siblings, and caregivers are better able to participate in productive activities. Given the gendered nature of care responsibilities, this is likely to particularly benefit women and thereby address barriers to women's empowerment (FATE Consulting 2013).

Given the ambivalent role of children's engagement in productive activities and its impact on child wellbeing and future wellbecoming, addressing the competition for time available from children to spend on productive activities versus their own development requires a nuanced response. Whilst there is a risk of a trade-off between household wealth and child wellbeing, children's contributions to household livelihoods also has the potential to be an affirming and learning experience. One important element of a response is for programmes to acknowledge and consider seasonality. Given children's undeniable role in performing household chores and household production, the temporality and seasonality of livelihoods requires children to engage in productive and household activities at the expense of their other activities during peak times (Abebe 2007). Programmes could engage with this notion of temporality by attuning periods of particularly heavy work requirements to school holidays or by avoiding the support of activities that are highly seasonal.

Another important element of the response to the competition for children's time pertains to monitoring so as to ensure that accumulation of productive assets and strengthening of livelihood strategies do not go at the expense of child wellbeing. This monitoring should extend beyond a consideration of whether children work directly on programme-related productive activities or not. With respect to PSNP in Ethiopia, for example, there is some evidence that older children do work on PSNP Public Works directly but more evidence that children substitute for their parents in other duties. As these findings demonstrate that much of any additional work is not within the scheme, it would thus not be eliminated by better monitoring of who is actually doing the Public Works (Porter and Dornan 2010). Monitoring would need to factor in characteristics of work, aggregate work performed to support household production and work performed at home and the extent to which these can complement or compete with schooling and children's other activities (Orkin 2012). As such, monitoring activities might need to be considered as part of wider child protection mechanisms that reach beyond the scope of graduation programmes per se.

In sum, graduation programmes have a real potential to make positive differences to people and children's lives, both now and in the future. Nevertheless, for graduation programmes to capitalise on their short- and long-term potential, graduation needs to be considered to be an intergenerational process. In doing so, graduation thresholds should incorporate child-specific criteria, and programmes should adapt to household size and composition, engage with childcare solutions, acknowledge seasonality of labour requirements and strengthen monitoring regarding the implications of programme participation on children’s time use.
Notes
1 The term ‘wellbecoming’ originates from child wellbeing literature, emphasising the difference between child wellbeing for children at present and their wellbeing as adults in the future (Roelen 2010).
2 This classification of household resources is not exhaustive; other household resources important for graduation include intangible assets such as knowledge, skills, and political and social capital. This basic classification refers to household resources for which competition exists over its allocation between livelihoods investments and child development. This would include time spent on accumulating intangible assets such as knowledge and skills, but not such knowledge and skills themselves.
4 The correlation coefficient for per capita consumption and hours spent on family work for children aged 10–15 is 0.1297 (p<0.01) and for livestock ownership and hours spent on family work for children aged 10–15 is 0.1256 (p<0.01).

References
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