



# Understanding the impact of Food Prices on Children

How rising food prices affect poor families

What can be done to protect children in the developing world

# Acknowledgements

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Written by ODI on behalf of Plan UK

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# Executive Summary

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This paper maps out the possible impacts of the current food price rises on children, in order to support Plan International's programming and policy advocacy response. It first looks at the impacts of the food price crisis on developing countries and examines the direct and indirect effects on consumers and producers. Secondly, it analyses the implications of these impacts on children's wellbeing. Whilst childhood poverty is linked to household poverty, the distinct features of childhood poverty and vulnerability mean that children are likely to be affected by the food price crisis in different ways at both the household and intra-household level.

There are two major effects of higher food prices on developing countries and their populations. One is direct: as the higher international prices of food push up local prices, food becomes less affordable for consumers but provides an incentive for local farmers to increase their production of foodstuffs. In both cases real incomes and welfare of the population, including the poor, are affected. The second is indirect: as the higher cost of imported food leads to trade deficits that depress the level of activity in the economy leading to unemployment and lower government revenues that might depress spending on public services.

The key implications of these impacts on household poverty and children include:

- **Provision of basic services and social protection:**  
the government's ability to provide basic services may be reduced and/or the loss of value of any cash or income transfers in buying food at higher prices. This may negatively affect children's access to health, education and other social services.
- **Effects on household income:**  
net consumers in rural and urban areas are most likely to face the negative effects of high food prices on their real incomes which may reduce other household expenditure such as on health and education. In some places the effect on girls' education and nutrition may be particularly severe. On the other hand, women may become more involved in paid work, which may bring in extra household income and enhance their status in the household with beneficial impacts on children. Net producers may also be able to increase agricultural production in response and raise incomes.
- **Changes in the labour market:**  
increased agricultural production may increase demand for workers and support household income. Increased women's employment may mean, however, less time for child care, nutritious feeding practices and other domestic responsibilities. These responsibilities may fall disproportionately to girls, affecting their time in school. Children, particularly boys, may also be involved more in the labour market, to the detriment of their schooling.
- **Impacts on time use and care:**  
women's time burden may increase as they try to manage the household budget with increasing expenditure on food and/or paid employment, affecting children's nutrition and reducing caring time.

The effects of the food prices on children will also be influenced through intra-household dynamics:

- **Intra-household allocation of resources to children:** choices about how or whether the allocation of household resources to child wellbeing are changed or reduced are likely to be influenced by the levels of education of decision-makers in the family, the household wealth and asset base, household composition, family eligibility for governmental or NGO social protection and the impact of policies on the real costs households will need to bear.

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- **Intra-household decisions about children's time:**

children's time will often be part of a household's coping strategy in an economic crisis. In some cases, children may face increased time poverty and especially less time for study and leisure, due to involvement in paid or unpaid work activities. In others, children may be withdrawn from school because of associated costs, or because they need to take on paid activities to support household income. Even unpaid activities to take over or support activities if parents, especially mothers, are spending more time working, may result in education deficits.

It is clear that the food price crisis has a number of potential implications for children's well being – both positive and negative – and that policy and programming should seek to minimise the negative impacts. In this respect it will be particularly important to ensure that a combination of policies aimed at alleviating household poverty is combined with specific child-focused policies.



# Introduction

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The current spike in food prices is attracting attention globally. Whilst the high prices are likely to fall back again, it will not be to their previous levels. The attention to appropriate policy responses – both immediate as well as longer term responses – has so far mainly focused on alleviating the negative impacts at the household and national level. Poor households are particularly vulnerable to the higher costs of food and governments of low-income food importing countries face higher import bills and higher energy prices. However, there has been little attention thus far to the effects of higher food prices at the intra-household level, and specifically the impacts on children and child wellbeing (both boys and girls) other than first order nutrition effects.

This paper maps out the possible effects of the current food prices on children, in order to support **Plan International's programming and policy advocacy response**. The paper draws on experience from previous economic crises and shocks, given the limited knowledge base of the impacts from this current situation. Previous evidence clearly shows that the effects of economic shocks on households play out differently between countries but also significantly within countries. In Indonesia, for example, the impact of the economic crisis in the late 1990s depended on where the household lived, whether the household was in a rural or urban area and the size and composition of the household (Levinsohn et al. 1999). Variations in regions' agro-ecological environments and economies, households' livelihoods, their links with markets and positions in value chains and roles in food production are also key elements which influence the differential impacts of shocks on household poverty. Identifying the impacts of the food crisis on children additionally requires understanding how household responses and/or coping strategies are influenced by intra-household decision making and control over resources.

How households are able to take advantage of the potential opportunities arising from high food prices, or how they cope with the threat of increasing prices, affects household poverty, and in turn childhood poverty. Whilst childhood poverty is linked to household poverty, there are distinct features of childhood poverty and vulnerability which have at least four key dimensions:

- a) childhood is a dynamic life stage in which children's capacities are evolving. Windows of opportunity thus tend to be more finite – missed opportunities as a child may be difficult to overcome and have lifelong and irreversible effects;
- b) children require more care and protection than adults as they are not only undergoing complex biological, neurological, social and moral development, but they are also more vulnerable to disease, abuse and exploitation;
- c) children are often voiceless with little opportunity to participate in decisions about their life; and
- d) because of higher levels of vulnerability and reliance on adults, childhood poverty has a strong relational nature meaning that intra-household dynamics and distribution of power and resources may have a profound effect on their experience of poverty (Jones and Sumner, 2008).

Whilst context specificity is crucial to understand the different effects of the food price crisis on the poor, and children in particular, we use a broad framework in this paper to present a mapping of the potential ways in which children living in different contexts may be affected by the current food crisis. We realise that food price crises may also interact with other economic shocks thereby compounding the negative effects on children and their care-givers, but the purpose of this paper is to tease out specific effects related to the food crisis rather than economic shocks more generally.

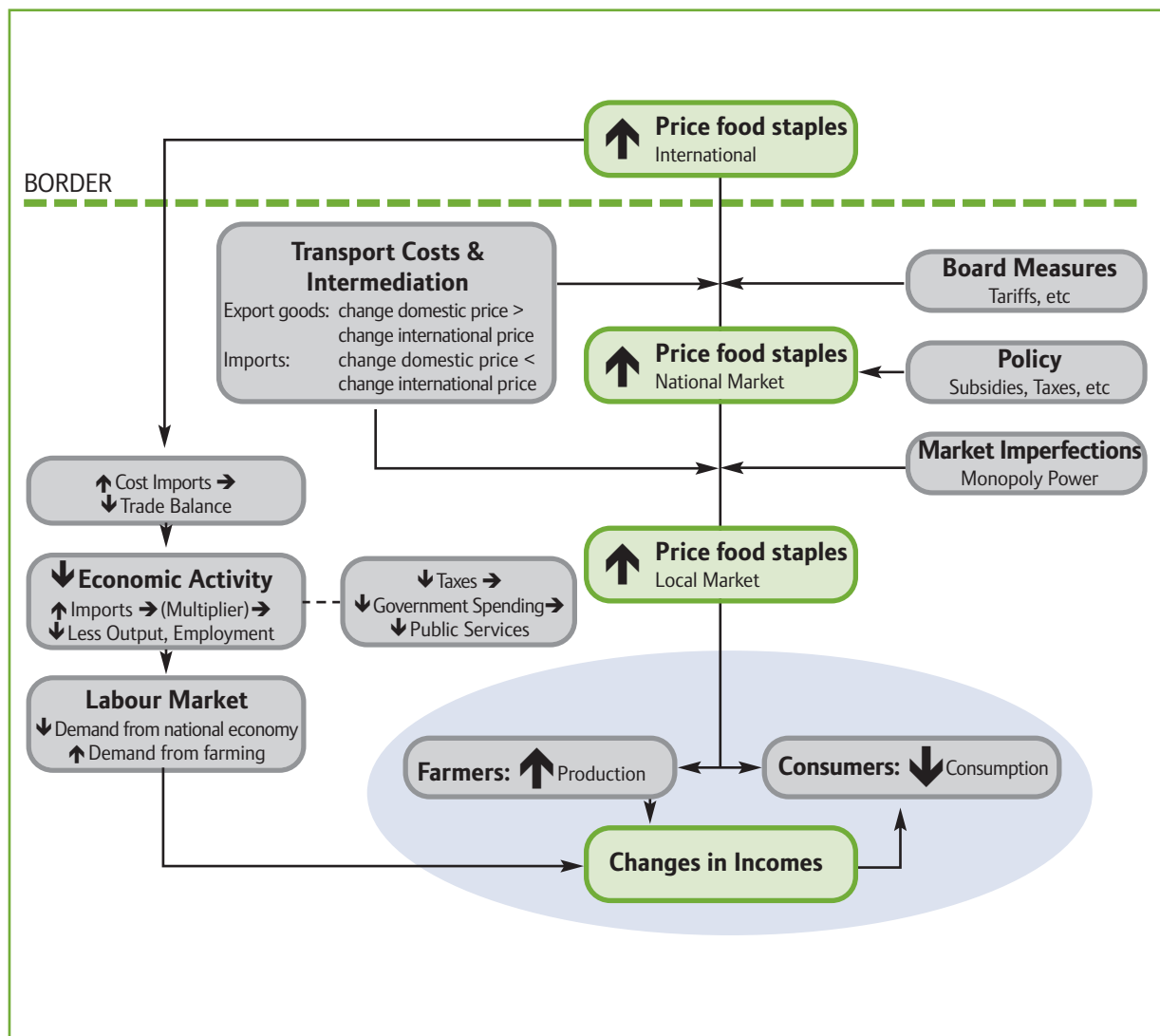
# Impact of the Food Price Crisis

## (i) Economic Impacts of Rising Food Prices on Developing Countries

Higher food prices on international markets affect developing countries and their populations through two major effects.

- One is direct: as the higher international prices of food push up local prices, making food less affordable for consumers but providing an incentive for local farmers to increase their production of foodstuffs. In both cases real incomes and welfare of the population, including the poor, are affected.
- The other is indirect: as the higher cost of imported food leads to trade deficits that depress the level of activity in the economy leading to unemployment and lower government revenues that might be spent on public services. These two main pathways are illustrated schematically in Figure A, and are discussed in the following paragraphs.

**Figure A: Economic Impacts of Rising Food Prices on a Developing Country**

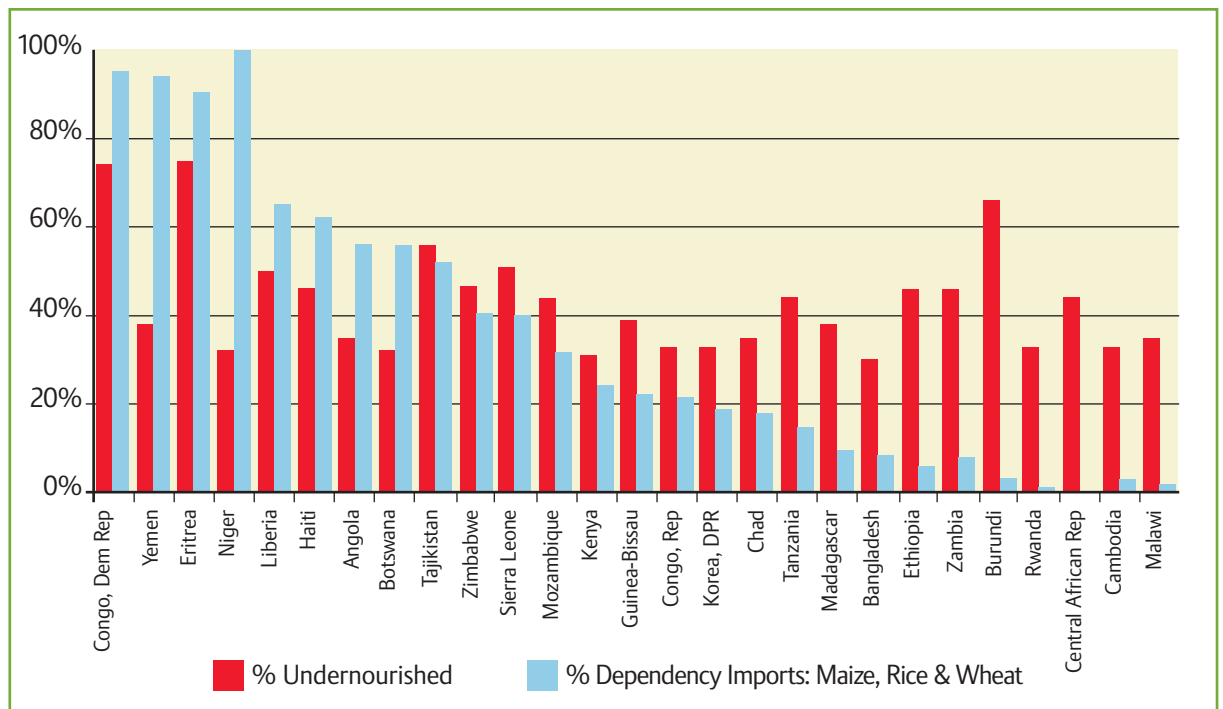


## From International to Local Prices

Higher food prices on international markets are expected to raise the levels of prices on national and local markets. The degree of effect is influenced by transport costs, border measures and policies, and the costs of intermediation and the effects of market imperfections such as monopoly power.

Given a level of integration of national and international markets, a rise in world prices will raise domestic prices, whether or not the country exports or imports food staples. Over the last ten or more years, increasingly liberalised trading regimes have increased the linkages between national and world markets. Import dependency in many developing countries has increased significantly: import dependency ratios for Low-Income Food-Deficit Countries with more than 30% of their population undernourished are shown in Figure B.

**Figure B: Cereals Import Dependency in Countries with 30% or more of the Population Undernourished**



Sources: FAO food security database for percentage undernourished as estimated for 2002/04; USDA data for the ratio of domestic production of maize, rice and wheat to consumption, averages for years 2005/06 to 2008/09

The extent of transmission of world to local prices depends on whether the commodity is an exportable good or an import substitute<sup>1</sup>.

<sup>1</sup> This arises since export parity prices are world prices minus transport costs, while import parity prices are world prices plus transport costs. Hence if the world price is 100 and transport costs 25, then the export parity price is 75 and the import parity, 125. A 10% rise in the world price leads then to export and import parity prices of 85 and 135, that is, rises of 13% and 8% respectively.

# Impact of the Food Price Crisis

Increases in world prices will have a bigger impact on the prices of exported foods compared to those that are imported, since transport costs magnify the effects on exportables while insulating those of importables<sup>2</sup>. The variations between the two are higher for landlocked countries such as Burkina Faso than those with coastal ports.

**Table 1: Transmission of International Prices to Domestic Producer Prices**

Impact on farm gates prices: 10% rise in price international		Increase in Import Parity Prices	Increase in Export Parity Prices
Burkina Faso	Millet, 1986	5.8%	37.9%
Ethiopia	Maize, 1988/89	6.7%	18.2%
Kenya	Maize, 1984/85	9.2%	25.1%
Zimbabwe	Maize, 1981	7.2%	16.1%
India	Wheat, 1987	9.9%	19.8%
Pakistan	Wheat, 1989	7.6%	14.8%
Bangladesh	Wheat, 1993	7.0%	
Bangladesh	Rice, 1993	6.9%	18.3%

Sources: Based on Bangladesh data from Morris, Chaudhury and Meisner (1993) and data for other countries from Byerlee and Morris (1993)

Transport costs are not the only modifier of price rises. Governments can affect prices both through measures at the border where tariffs, quotas, and outright bans may be imposed on either exports or imports. They can also influence prices in national markets through subsidies, taxes and price controls. Since world food prices began rising significantly in early 2007, developing countries have adopted the following measures:

- Price controls – e.g. Cameroon rice, Ecuador bread;
- Reduced tariffs on food imports – e.g. India wheat and wheat flour, Indonesia wheat and soybeans, Morocco cereals, Mexico maize, pulses, milk and sugar;
- Reduced value-added taxes on foods – e.g. Cameroon rice, Azerbaijan grains;
- Quotas or bans on food exports – e.g. Honduras maize, Bolivia wheat, India rice, Pakistan wheat;
- Subsidies on food prices – e.g. Egypt.

Controlling exports of foods has further effects: not only does it threaten to exacerbate the pressure leading to the price spike, but it also is likely to reduce incentives to domestic farmers to produce more. In Argentina for example, quotas on wheat exports drew strong protests from farmers; and recent reports indicate farmers preparing to plant less wheat and soy than in previous years. And food subsidies can be costly: India's food subsidy bill has increased from US\$1.2 billion in 1990–91 to over US\$12 billion in 2007–08 constituting more than 1% of its GDP.

<sup>2</sup>Table 1 confirms this: export parity prices are affected by 1.5 to 3.8 times the movement in international prices, while import parity prices move by 0.58 to 0.99 times the change in international prices. Studies analysing the transmission of international prices (Sharma 1996, 2002; Conforti 2004, Rapsomanikis et al. 2003) find wide variation in speed and magnitude of transmission effects across countries, but some common patterns emerge, thus:

- African countries show lower degree of price transmission than other countries, largely owing to higher transport costs. Transmission is relatively complete in Asian countries with a more mixed picture in Latin America;
- In Asian countries high and fast transmission is relatively more frequent for cereals, followed by oilseeds and is the slowest for livestock products. Among cereals transmission is strongest for maize, followed by wheat, with the lowest for rice. This appears to be related to the special status of rice in food security in Asian countries, whereas maize is largely used as a feed grain; and,
- Price transmission does take place for products and countries that are known to have considerable public intervention (Egypt, India, Pakistan). An interventionist policy environment does not insulate domestic prices from world prices and signals over the long term.



FAO has made a rapid assessment of the extent of the pass-through of international prices in seven large Asian countries during the current spike in cereal prices (Dawe 2008). To some extent increases in world prices denominated in US dollars have been attenuated by the rising value of Asian currencies against the dollar.

For rice, the main staple, in general domestic prices have risen less than international prices (see Table 2).

**Table 2: Cumulative Percentages Changes in Real Prices, Q4 2003 to Q4 2007**

Country	(1) World price (nominal US\$)	(2) World price in domestic currency (exchange rate adjusted)	(3) Domestic price (Inflation adjusted)	(4) Pass through (%) = (3)/(1)
Bangladesh	56	55	24	43
China	48	34	30	64
India	56	25	5	9
Indonesia	56	36	23	41
Philippines	56	10	3	6
Thailand	56	30	30	53
Viet Nam	39	25	3	11

Sources: Dawe 2008

But there has been much variation between countries. India, Philippines, Bangladesh and Vietnam have tried to stabilise prices, using a variety of policy instruments and interventions (storage, public distribution systems, export restrictions, changes in tariffs) so that changes in real domestic prices are less than half those to international prices. Thailand and China appear to allow more complete transmission of international rice prices, even though China does not allow the private sector to trade. In Indonesia, domestic prices have been more volatile than international prices. There is thus considerable heterogeneity of individual country effects, even within a small group of seven Asian countries.

In Africa, governments generally have less capacity and fewer resources to stabilise domestic prices. Transmission of international price movements will depend in large part on ease of access to ports: those countries that are landlocked being largely insulated from world prices. Take the case of Malawi, for example. The costs of transporting maize to and from the international markets are so high that domestic prices are in most years overwhelmingly determined by the local harvest. With good harvests – and they have been good for the last three years – international prices of maize are irrelevant to domestic prices. In Eastern and Southern Africa many of the major cities and centres of population are relatively remote from ports. In West Africa, however, the majority of the population live close to the coast and it is expected that the higher international prices will have fed through rapidly and in large part to domestic prices of cereals and especially of rice and wheat.

# Impact of the Food Price Crisis

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## Macro-Economic Effects

For countries with substantial imports of food, the increased costs arising from higher world prices can mean increased trade deficits. Through multiplier effects this will depress the level of economic activity and reduce employment and incomes. It will also tend to reduce the yield from taxes and reduce the ability of government to provide public services.

It is low-income food-deficit countries that are most at risk from these effects, some thirty of them by WFP's reckoning (most of them in Figure B).<sup>3</sup> Modelling just a 10% increase in food prices on the economies of these countries shows at least 15 countries where the losses could amount to more than 1% of GDP, with Haiti, Eritrea, Senegal and Malawi potentially losing more than 2% of GDP (Wiggins et al. 2008). The observed price rises have been much higher than 10% and the impact on these countries must have been serious.

## Impacts of Higher Local Food Prices on Consumers

In most developing countries, the poor spend a very high proportion of their income on food: as much as 70% in many countries. Women, in both rural and urban areas, are often the ones who bear the brunt of food crises as they attempt to maintain household consumption and nutrition in the face of soaring prices (Baden 2008). Amongst the poorer households there are differences between those who buy in substantial amounts of staples, and those farming households who are able to produce all or most of their staples.

Most households in urban areas are net buyers of staples. Transmission of international prices to urban areas tends to be quicker as they are better connected to ports and international trade. As food prices rise, these households are likely to consume fewer staples. To some extent households may be able to offset a strong rise in imported foods by switching to less preferred domestic substitutes. In West Africa, for example, rising prices for rice that is mainly imported are likely to stimulate demand for domestically-produced cassava, yams, maize, millet and sorghum. Additional demand for these little-traded foods, of course, is likely to push up their prices, but not by as much as the rise in international price levels.

Net food buyers are not just urban: surveys of households in rural areas routinely report that more than half the rural households buy in substantial amounts of staple foods, even if they farm.<sup>4</sup>

Recent studies of the possible impacts include estimates of the short-run impact on real household income of a 10% increase in the price of main staples for Bangladesh and Malawi (FAO 2008 reporting work by Karfakis et al.). This shows that:

- In Bangladesh, rural households in all income quintiles have greater welfare losses than urban households. The biggest losers are the poorest rural quintile: smallholders and landless, who depend heavily on wages with a vast majority being net food buyers.
- In Malawi, welfare losses are greater for urban than rural households, and welfare losses are highest for the poorest. Only households in the highest income, rural income quintiles gain, thanks to earnings from crop production.

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<sup>3</sup> WFP has identified 30 countries at risk: Afghanistan, Angola, Benin, Burundi, Chad, Democratic Republic of Congo, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Kenya, Madagascar, Malawi, Mauritania, Mozambique, Myanmar, Nepal, Niger, OPT, São Tomé and Príncipe, Senegal, Sierra Leone, Somalia, Tajikistan, Timor-Leste, Yemen, Zambia and Zimbabwe.

<sup>4</sup>Data from the World Bank's latest World Development Report for seven developing countries illustrate the fact that the majority of the poor are not net sellers of (tradable) food staples. (Table 4.2 in World Bank 2007)

**Table 3: Effect on Real Household Income of a 10% Increase in the Price of the Main Staple Food (% change)**

Country		Per Capita Expenditure Quintiles (1 = poorest)					
		1	2	3	4	5	All
<b>Bangladesh</b>	Rural	-3.2	-2.6	-1.9	-1.6	-1.1	-1.8
	Urban	-2.4	-1.9	-1.5	-1.1	-0.7	-1.3
	<b>Total</b>	<b>-3.0</b>	<b>-2.3</b>	<b>-1.8</b>	<b>-1.4</b>	<b>-0.9</b>	<b>-1.6</b>
<b>Malawi</b>	Rural	-1.2	-0.6	-0.2	-0.0	0.5	-0.2
	Urban	-2.6	-2.0	-1.4	-1.2	-0.2	-1.1
	<b>Total</b>	<b>-1.3</b>	<b>-0.6</b>	<b>-0.4</b>	<b>-0.2</b>	<b>-0.1</b>	<b>-0.4</b>

Source: FAO: 2008

The World Bank has estimated that around 105 million people could be pushed into poverty as a result of the recent increases in food prices, nullifying seven years of poverty reduction efforts. This much-quoted assessment of short-term poverty impacts is based on a quick assessment (Ivanic & Martin 2008) of the effects in food price inflation in nine selected developing countries, with extrapolation of the results to all low income countries.<sup>5</sup> The lower estimates include allowance for higher wages resulting from farmer responses to higher prices (see below).

### Impacts of Higher Local Food Prices on Farmers

The ability of local farmers to take advantage of higher prices for food will depend on their ability to deliver produce to markets – usually a matter of transport and its cost; and availability of resources (land, labour, capital to buy in fertiliser and other inputs) – to undertake additional production. Indeed, poor and smallholder producers, often women, may be excluded from high-value markets because they may not be able to compete in terms of costs and prices with larger producers, and lack the access to credit, inputs and market knowledge which would enable them to do so (World Bank 2007). Producers who have more resources, access to information, education, and capacity to cope with market demands and fluctuations, are in a better position to take advantage of new and higher risk activities. Those without these capabilities or access to resources, especially poor women, may be further marginalised and more vulnerable, as they often have limited access to crucial services and opportunities because of persistent cultural, social, and political biases (World Bank 2007). In the short run, response may be limited for lack of access to the resources mentioned, but over a few seasons it is likely to be strong as farmers find ways to obtain additional inputs – and as they take up technical improvements to boost production.

As food production expands, more labour will be used, bidding up wages. The extra employment will not just be on farms: more farm production will create extra jobs in the supply chains, in providing inputs and processing outputs; as well as in services and local manufacturing as farmers with higher incomes spend more on local goods and services. Given that landless agricultural workers and other agricultural wage earners are amongst the poorest in rural areas, higher rural wages – if they are equal for both men and women, and not undermined by a high level of child labour inputs – can reduce poverty and improve access to food for the rural poor.

<sup>5</sup> On average poverty rates could be pushed up by 2.2 to 2.5 percentage points in rural areas, and by 3.2 to 3.6 percentage points in urban areas, in response to the price rises seen internationally between 2005 and 2007.



Photo: Benno Neeleman



Photo: Annie Heslop

# Impact of the Food Price Crisis

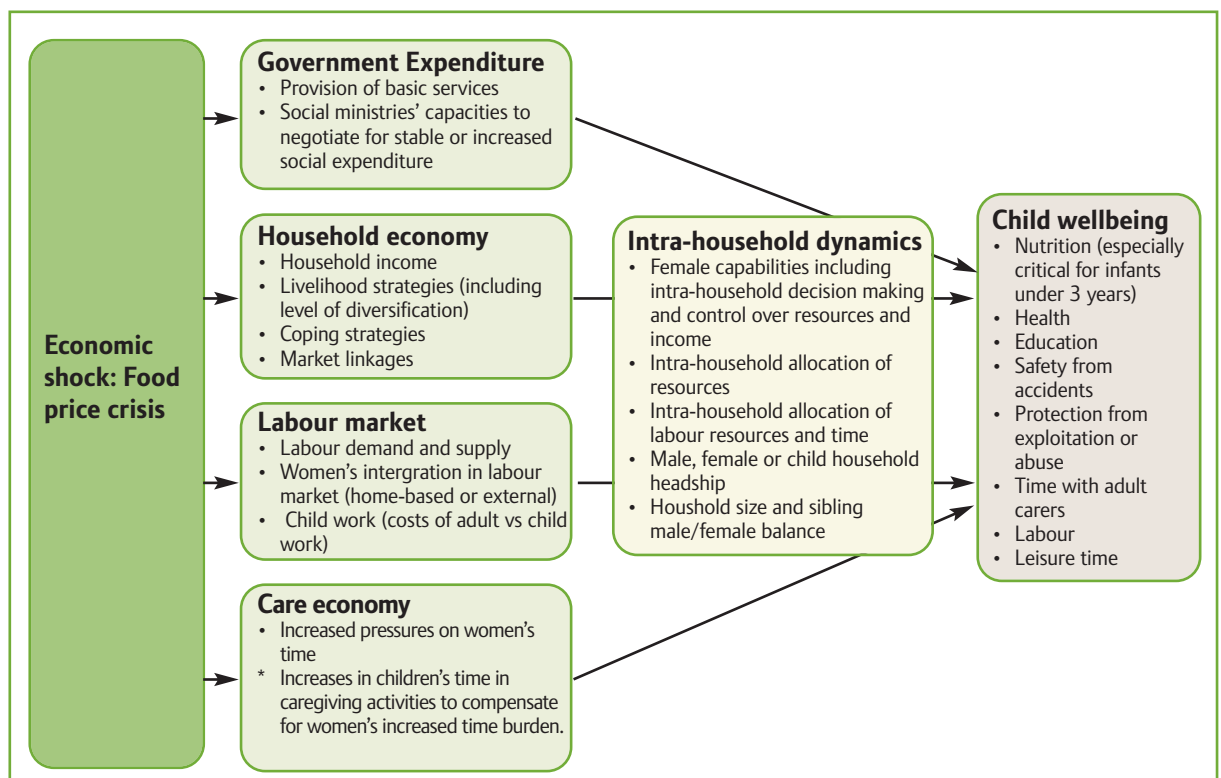
## (ii) Impacts of Rising Food Prices on Household Poverty and Children

Changes in food prices will have both direct and indirect impacts on children. Children will be affected by the way in which the food crisis influences national government policy, especially in the area of social sector spending and provision of services, by employment/ income seeking strategies to supplement declining household income and the differential integration of men, women and children in the labour market, and also by how high prices affect household poverty. Intra-household dynamics will further mediate these impacts on children. The impacts on children are likely to vary between:

- girls and boys
- infants, young children and adolescents
- children in rural and urban localities
- rich and poor households
- households with different livelihood strategies
- households with different access to formal or informal social protection mechanisms
- households of different structure (male, female, child-headed) and size (number and gender composition of siblings).

Figure C (below) presents a diagram demonstrating the linkages between the food price shock and child wellbeing. We trace this through changes in government spending on basic services and social protection, the labour market, the household livelihood and income economy, and household caring practices. We also discuss how the high food prices may affect intra-household dynamics, with particular attention to children's positioning within the household.

**Figure C: Linkages between Food Price Shocks and Children's Wellbeing**



Source: Adapted from Waddington et al. (2005) and Jones et al. (2008)

# Impact of the Food Price Crisis

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## Provision of Basic Services and Social Protection

Low-income food importing countries are currently facing surging food and energy import bills (Wiggins and Levy 2008). In countries where social sector ministries are weak and lack capacity, their bargaining power with more powerful Ministries of Finance and/or Ministries of Planning etc. tends to be low. In a context of scarce national resources, it may be that in response to the high costs associated with the spike in food prices, the government's ability to provide public services may be reduced. If income support (such as cash transfers or pensions) to households is not price index-linked then the value of the transfer will erode in the face of soaring food prices. The food price spike is likely to reduce the ability of governments to spend on social services since rising food import bills tend to deflate the economy and with that revenue collection. But such effects are likely to be small. More important will be the loss of value of any cash or income transfers to the recipients (in the countries where cash transfers exist) in buying food at higher prices.

Furthermore, many countries facing higher food import bills are also recipients of food aid and the World Food Programme predicts that it requires another US\$755M to sustain its level of operations (Wiggins and Levy 2008). The most likely outcome for these countries is that food availability will fall, with implications for the types of programmes that WFP operates which could impact their child nutrition and school feeding programmes. For many poor children such programmes are not only important in terms of nutritional support but also in providing incentive structures for them and their families to support their school attendance.

## Changes in the Labour Market

The potential opportunities for increased agricultural production may increase demand for agricultural workers. Increased employment opportunities are also likely to increase household incomes. Women may be increasingly employed which, through additional household income, may be beneficial for children. However, it may also mean that there is less time for child care (including breast-feeding and preparation of weaning foods for infants) and other domestic responsibilities which other members of the family, in particular older girls, may have to shoulder (Woldehanna et al., 2008).

Depending on household decisions, an increase in demand for workers and/or the need to support household income may also increase children's involvement in the labour market. In the late 1990s the liberalisation of export and internal trade restrictions on rice in Vietnam increased rice prices and child labour increased among net-rice buying households. Household incomes of rice producers however, increased, and reduced the reliance on child labour (Waddington 2005). In Peru, the effect of the Free Trade Agreement (FTA) on child labour will depend on changes in the opportunity costs of children's time and whether there is an income effect as a result of changes in employment or wages. Analysis shows that it is unlikely that child labour in sectors with export potential will increase because of the FTA, however, child labour in non-tradable sectors (domestic work, local agriculture) may increase because those households that lose income may be compelled to take their children out of school or reduce the time they dedicate to studying, to increase family income (Escobal, 2007:1).

## Household Economy and Structure – Effects on Household Income

Increases in food prices have a direct impact on poor households' real income. Whilst the proportion of household expenditure on consumption may vary depending on whether households are net consumers or producers of food, approximately half of household budgets may be spent on food in low income countries, and around one third in middle income countries; with the poor tending to spend larger fractions on food. Any increase in food prices is therefore likely to have a disproportionate effect on the poor, and estimates suggest that disposable incomes will be cut by a quarter as a result (Wiggins and Levy 2008).

Households who are net consumers in rural and urban areas are most likely to face the negative effects of high food prices, and households' resilience to these increases will depend on their available coping strategies. Typically, poor households have limited strategies in which to cope with such shocks – having little in the way of savings or access to credit to smooth consumption when needed. Some households may be able to draw on community or family support, but where this is unavailable (especially where other households are also feeling the impact of the high prices) households often have to employ negative coping strategies (including a reduction in their asset base) which in turn erode their future abilities to cope with such crises and push them further into poverty. Reducing household expenditure in other areas may mean a reduction in spending on food and education, therefore affecting child wellbeing. The impact on girls' education and nutrition in certain areas of the world may be particularly severe, due to strong cultural preferences towards sons, especially in families with multiple daughters (Pande and Malhotra, 2006)

On the other hand, the high price of food and potential stimulation of the agricultural sector may provide opportunities for net producers in rural areas, and subsequently raise household incomes, reducing vulnerability and therefore potentially increasing child wellbeing. Taking advantage of increased agricultural production depends on household's linkages with markets, infrastructure and access to credit and technology. For many poor households and for women in particular, however, these may involve significant challenges. Growth in the agricultural sector also has knock-on effects on other rural livelihoods such as construction and trade where poor people tend to be employed (Waddington 2005). These are likely to be longer term effects which may raise household income and therefore improve child welfare through investment in health and education, and positive changes in the consumption of varied and nutritious food.

Whilst women's engagement in agricultural production and employment is rapidly changing, the terms of their engagement is often still unequal to that of men. Women are still likely to be paid less than men and are also disproportionately concentrated in casual labour markets (World Bank 2007), so their opportunities and/or benefits of employment are likely to be lower than men's. This has implications for single female headed households but also intra-household bargaining power.

Elson (1995 cited in Waddington 2005) suggested that men are more likely to take up opportunities in agricultural production of tradable goods (e.g. men dominate the production of cash crops) which may reduce women's bargaining power and therefore intra-household allocation of resources to the detriment of children. On the other hand, Perezniето and Jones (2005) found that in Ethiopia, where women were relatively more involved as coffee traders and farmers, women emphasised both the important income effects and their greater sense of independence and familial decision-making power.

### Impacts on Time Use and Care

Higher food prices may have important effects on women's time as they try to compensate for increased household expenditure on food. This may increase women's time burden if they have to use cheaper food which takes longer to prepare or cook, spend more time collecting water and firewood, or queue to buy foodstuffs. Women may work more or longer hours to make up additional household income. This could take them away from cultivating food crops which will affect children's nutrition, or reduce the time which women can look after children (in terms of supervision), but also taking them to school or health care centres. The knock-on effect on this might vary for children, older girl siblings may have to take on these responsibilities; young babies may not be breastfed; young siblings may not have adequate supervision. The quantity and quality of caring time for children is therefore likely to suffer, especially in the absence of affordable quality childcare (Perezniето and Jones 2005: 3).

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## Intra-Household Allocation of Resources to Children

Intra-household dynamics are likely to influence the way in which the effects of the high food prices at the household level are transferred to children. The types of coping strategies which households employ – and their effects on children – will be determined by intra-household decision-making about how resources and time are allocated within the household.

Changes in income and household consumption are likely to affect the resources allocated to children. In particular the quantity and quality of children's food, their access to medicine, health and education, and other basic needs may be affected (Perezniето and Jones 2005). Choices about how or whether the allocation of household resources to child wellbeing – in particular, specific resources to girls or boys, to older or younger siblings – are changed or reduced will depend on a number of factors. They are likely to be influenced by the levels of education of decision-makers in the family, the household wealth and asset base, household composition, family eligibility for governmental or NGO social protection and the impact of policies on the real costs households will need to bear (Perezniето and Jones 2005: 3).

The position of women in decision-making roles in the family, as well as education levels, is likely to influence these decisions. Child wellbeing is positively correlated with women's higher levels of education and bargaining power and control over resources in the household. In some societies however, because of bias towards boys, resources to girls may be the first to be taken away. For example, unemployment and poverty in the East Asian crisis led to rising nutritional and educational deprivations, especially among girls, and deteriorating physical security and exploitation of children in Indonesia and Thailand (Waddington 2005).

Furthermore, while parents, especially mothers, seek to minimise the impacts of shocks on their off-spring in the short-term by taking on additional income-generating activities and altering their own food consumption, the quantity and quality of children's food, their access to medicine, health and education, and other basic needs may be affected in the longer-term, especially if the economic downturn is prolonged (Perezniето and Jones 2005)

## Intra-Household Decisions about Children's Time

Household decisions about how to cope with an economic crisis are likely to have a significant effect on children's time. Children's time will often be a resource which is used as part of the household coping strategy, whether children are withdrawn from school because of associated costs, or because they need to take on paid activities to support household income, or unpaid activities to take over or support activities if parents, especially mothers, are spending more time working. In many contexts, it is girls who take on more domestic work and boys who engage in paid activities. Cultural norms also influence decisions and where parents value sons' education more highly than that of daughters, it is often girls who experience the impacts first (Perezniето and Jones 2005:3).





Photo: Finbarr O'Reilly



Photo: Plan



Photo: Alf Berg



Photo: Alf Berg

# Policy Implications

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The food price crisis has a number of implications for programming and policy. Of particular importance for children, is that a combination of policies aimed at alleviating household poverty is combined with specific child-focused policies to reduce the potential negative impact on children's wellbeing. The following table provides a summary of possible household responses to increased food prices, likely impacts on children (based on the existing but limited evidence base that is available), suggested short-term policy responses from national governments (and in partnership with donors and civil society groups), as well as longer-term policies likely to mitigate against household and child-specific risks and vulnerabilities in the case of future crises.

It is important to emphasise, however, that while the evidence base of the effects of economic crises in diverse contexts on intra-household effects is more robust, understanding about the effects on children's wellbeing is still very limited. And our collective knowledge about the specific effects of food price crises on children (both short and longer-term) is even more limited. In addition to important awareness raising and policy engagement work that should be undertaken now to draw attention to child-specific impacts, it is critical for governmental, multi-lateral and civil society groups to invest in developing a more rigorous evidence base. **This is critical not only to ensure that policy and programming responses in future crises are more child-and gender-sensitive**, but better still, mitigated by a complementary package of social protection, social, agricultural and economic policy measures that equip households, care-givers and children to better weather food price shocks without having to resort to coping strategies which are detrimental to children's rights to survival, development and protection.



Household Response to Increased Food Prices	Impact on Children	Policy Implications	
		Short Term Response	Longer Term Mitigation
Increase household income through child labour.	<p>May increase child labour: boys more likely to be involved in paid work outside the house. Potentially problematic in terms of being away from food sources during the day and also exposure to work-related risks.</p> <p>Children have less available time to study, or spend less time at school or in worst cases drop out of school – all risk reducing income earning potential in future.</p>	Increase funding to school feeding programmes to ensure that quantity and quality of food children receive is not compromised, and scale up to additional areas, in order to provide incentive for families’ support of children’s schooling during the crisis.	<p><b>Provide incentives for children to continue in school:</b></p> <ul style="list-style-type: none"> <li>consider school feeding as a core element of child-sensitive social protection; in face of soaring food prices families’ coping strategies may result in unsustainable reduction in quantity and quality of food. But learn from existing evidence on good practice about school feeding programme design and implementation which emphasises importance of targeting seriously deprived areas, context-sensitivity, and integration with other initiatives to improve overall education quality (Greenhalgh et al., 2007).</li> <li>programmes to prevent children dropping out of school which could include e.g. financial incentives for children to stay in school longer through savings fund programmes; awareness-raising with parents of value of education (esp. for girls), mentoring/extra tuition programmes, flexible school timetables so children can combine (esp. seasonal) work and education in highly impoverished areas, monitoring work for food/cash programmes to ensure they do not involve children and lead to absenteeism.</li> <li>providing quality education service which parents and children value;</li> <li>support household incomes through cash or food transfers or work-based programmes.</li> <li>provide better access to credit among poor people, which may reduce the risk of households responding to economic shocks by increasing child labour.</li> </ul>

# Policy Implications

Household Response to Increased Food Prices	Impact on Children	Policy Implications	
		Short Term Response	Longer Term Mitigation
<p>Increase household income through additional female employment.</p>	<p>Increased pressures on women's time may exacerbate women's time poverty and reduce time spent supervising children. Women likely to continue to manage household management and care-giving responsibilities but more work shouldered by older siblings, especially girls, unless accessible and affordable community childcare is provided.</p> <p>Reduce time spent breastfeeding, may reduce time spent on cultivating own crops, time spent preparing nutritious food, all which are detrimental to children's nutrition. Malnutrition in early infancy can have serious detrimental and potentially irreversible effects later on in life in terms of health and cognitive development.</p> <p>Women's increased bargaining power and control over resources may improve children's wellbeing as in many cultures women have responsibility for child-related expenditure.</p>	<p>Ensure continued funding to existing public provision of childcare services.</p> <p>Provide lactating mothers with food and nutritional supplements to promote continued breastfeeding.</p> <p>Support community soup kitchens or similar communal eating initiatives through food subsidies.</p>	<p><b>Support provision of child care.</b> Support women's increased engagement in the workforce through provision of communal or public childcare that is accessible and affordable.</p> <p><b>Consider care responsibilities in the design and implementation of programmes and policies.</b> Recognise women's unpaid work in the home and role in production of food in the home and support household income and agricultural production through e.g. gender-sensitive extension services.</p>

Household Response to Increased Food Prices	Impact on Children	Policy Implications	
		Short Term Response	Longer Term Mitigation
Increase agricultural production (producers).	Increased household income beneficial to child wellbeing dependent on allocation of resources within household, and sufficient supply of adult labour to meet increased labour demand.	Take measures to support net producers' opportunity to take advantage of increased prices, and provide compensatory measures to poor net consumers.	<p><b>Provide gender- and child-sensitive access to resources for improved agricultural productivity</b></p> <p>Policies to invest in infrastructure to enable poor people (both men and women, and child-headed households) to access markets.</p> <p>Policies to enable poor people to increase production or shift production into other areas by promoting equitable access to production assets, such as water and irrigation programmes, appropriate technology and credit (Waddington 2005).</p> <p>Policies to enable women in particular, equitable access to resources and control over assets, including laws for ownership.</p> <p>Policies to provide child household heads with the skills, know-how and resources to undertake agricultural production needed to support their families.</p>

# Policy Implications

Household Response to Increased Food Prices	Impact on Children	Policy Implications	
		Short Term Response	Longer Term Mitigation
Change consumption patterns.	Change in consumption for mothers and children: less nutritious foods, fewer meals. In some cultures with strong son preferences, reduction in food consumption patterns likely to be especially negative for girls. Also of concern for adolescent girls, especially risk of anaemia.	Provide awareness raising materials and services about substitute food stuffs that still provide nutritional necessities; emphasise importance of households not compromising the nutrition of reproductive age women and young children in particular; and provide nutritional supplements for these groups.	<p><b>Support targeted nutrition programmes and diversification of food staple consumption and production.</b></p> <p>Support children's and mothers' nutrition in urban areas and net food purchasers in rural areas, in order to prevent widespread malnutrition.</p> <p>Support school nutrition programmes (although leakages occur with children who are not attending school, either because of age, or have dropped out).</p> <p>Ensure diversification of food staples in terms of production and consumption.</p>
Reduce spending on basic services, such as health and education.	<p>Pull children out of school — mixed evidence on whether more likely to be daughters (due to lower value to family over long-term) or sons due to higher income generating potential in current labour market.</p> <p>Limited access to health care, vaccinations, medicines due to time poverty and cost barriers.</p>	Maintain and ideally augment existing social expenditure levels so as not to aggravate household level crises	<p><b>Finance children's health care and provide incentives for schooling</b></p> <p>Delivery of safety nets to protect basic needs from severe deprivation and prevent irreversible loss of human capital which may lead to life-course poverty transmission. Possible mechanisms include cash or food or in-kind transfers as appropriate to the local context</p>

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The current spike in food prices is attracting attention globally. Whilst the high prices are likely to fall back again, it will not be to their previous levels. The attention to appropriate policy responses – both immediate as well as longer term responses – has so far mainly focused on alleviating the negative impacts at the household and national level.

Poor households are particularly vulnerable to the higher costs of food and governments of low-income food importing countries face higher import bills and higher energy prices. However, there has been little attention thus far to the effects of higher food prices at the intra-household level, and specifically the impacts on children and child wellbeing (both boys and girls) other than first order nutrition effects.

How households are able to take advantage of the potential opportunities arising from high food prices, or how they cope with the threat of increasing prices, affects household poverty, and in turn childhood poverty. Whilst childhood poverty is linked to household poverty, there are distinct features of childhood poverty and vulnerability which have at least four key dimensions:

- a) childhood is a dynamic life stage in which children's capacities are evolving. Windows of opportunity thus tend to be more finite – missed opportunities as a child may be difficult to overcome and have lifelong and irreversible effects;
- b) children require more care and protection than adults as they are not only undergoing complex biological, neurological, social and moral development, but they are also more vulnerable to disease, abuse and exploitation;
- c) children are often voiceless with little opportunity to participate in decisions about their life; and
- d) because of higher levels of vulnerability and reliance on adults, childhood poverty has a strong relational nature meaning that intra-household dynamics and distribution of power and resources may have a profound effect on their experience of poverty (Jones and Sumner, 2008).



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