Childonomics

Measuring the long-term social and economic value of investing in children

Summary of findings

June 2018

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The Eurochild Network

What is Childonomics?

Childonomics combines economic discipline with children's rights.

It aims to measure the value of investing in children, whilst recognising that value cannot and should not always be expressed in monetary terms. Nonetheless political choices regarding laws, policies and spending on different public services can and should be better informed by economic analysis to help understand how they can improve the lives of children and families.

There is a need to forensically assess and analyse systems so that inputs, outputs and expected social and economic outcomes are better understood, monitored and measured – both qualitatively as well as quantitatively.

What informs Childonomics?

The United Nations Convention on the Rights of the Child (UNCRC) is the basis of the Childonomics work. Since its adoption in 1989 numerous documents interpret how it can be implemented in practice. The 2016 UNCRC General Comment No. 19 on 'public budgeting for the realization of children's rights' is particularly relevant. It provides detailed guidance to states on their legal obligation to invest in children, recommending open, inclusive and accountable resource mobilization, budget allocation and spending.

Under the 2007 Lisbon Treaty, the European Union has an explicit objective to protect the rights of the child (Article 3). The same article refers to the EU's role in promoting economic, social and territorial cohesion, and solidarity among Member States. In 2013 the European Commission published policy guidance aimed at supporting Member States' efforts to reduce child poverty and improve children's well-being . It was part of a broader package promoting the concept of social investment .

Eurochild is a membership network of organisations working with and for children across Europe. It advocates for children's rights to be at the heart of policy making, and has particular expertise on child protection and welfare reform and child poverty reduction. It has built up expertise on family and parenting support, early childhood, and children in alternative care, as well as child budgeting. In 2014 it organised a conference on "Better Public Spending for Better Outcomes for Children & Families" .

What has been achieved so far through Childonomics?

Between June 2016 and December 2017 a consortium of organisations developed and tested an instrument that helps reflect on the long-term social and economic return of investing in children and families.

This work resulted in three main deliverables:

- **A conceptual framework** which offers a way of mapping services and programmes and linking them to expected outcomes for children, families, communities and the society;
- **A methodology** for appraising the social and economic return on investment of child and family services;
- **A report** on lessons learnt from applying the conceptual framework and methodology in two pilot countries – Romania and Malta.

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OAK FOUNDATION

The Childonomics project was led by Eurochild.

Oxford Policy Management was contracted to develop and test a methodology in partnership with Partnership for Every Child CEE/CIS Consultancy Group, and the International Foster Care Organisation.

Childonomics received financial support from the OAK Foundation under its programme child abuse: preventing violence, protecting children.

Policy take-aways

1 Child and family policies must be evidence-informed

Policy making too often falls prey to political cycles, where reforms are driven by underpinning political ideologies and anticipated voter appeal. This is despite Article 3 of the UNCRC which states that "the best interests of children must be the primary concern in making decisions that may affect them" (UNCRC, 1989).

We need more transparency in debates about the respective roles of the State, community and family in supporting children's development, in particular children who face disadvantage because of their circumstances or characteristics. In a context of demographic ageing, digitalisation, migration and growing social inequalities, it is important to set a clear vision for the future societal outcomes we want, and how public policy and spending choices will help to achieve them.

2 Be clear on expected outcomes and put in place effective feedback mechanisms

To fully implement Article 4 of the UNCRC, which focuses on best use of public resources, General Comment 19 states that "it is not enough to show evidence of measures taken without evidence of results" (Article 24).

Measurement of results is complex. It's important to define what 'outcomes' policies aim to achieve. Deciding on these expected outcomes is not value neutral. The people who are targeted by policies and services need to be involved, as should the professionals who are expected to deliver changes in policies or public services. The timeframe for achieving the expected outcomes also needs to be considered. Are we most interested in short-term outcomes (during service provision), medium-term outcomes (at the point of leaving a service), or an even longer-term outcomes (into adulthood or old-age)?

3 Strive for more and better data

Measurement of outcomes is also constrained by a lack of data – in particular longitudinal data - and the need to give due weight to qualitative outcomes.

Compared to other sectors, social welfare suffers from weak evidence, and a general lack of transparency when it comes to demonstrating effectiveness and impact of interventions. Robust baseline data is rarely available, and where it is, it is not always interrogated properly.

4 Economic modelling is both possible and necessary

There is notoriously little economic modelling in the social welfare sector compared to health or education sectors. This is a mistake. The methodology developed through Childonomics does not return a single metric but rather allows consideration of a large range of nuance and context. It allows researchers to assemble different costs and outcomes and also places an emphasis on strength of evidence. It is an empowering and inclusive methodology. It is anticipated that both governments and non-governmental organisations can use the instruments developed through Childonomics in a variety of ways to support wider policy and strategic planning processes.

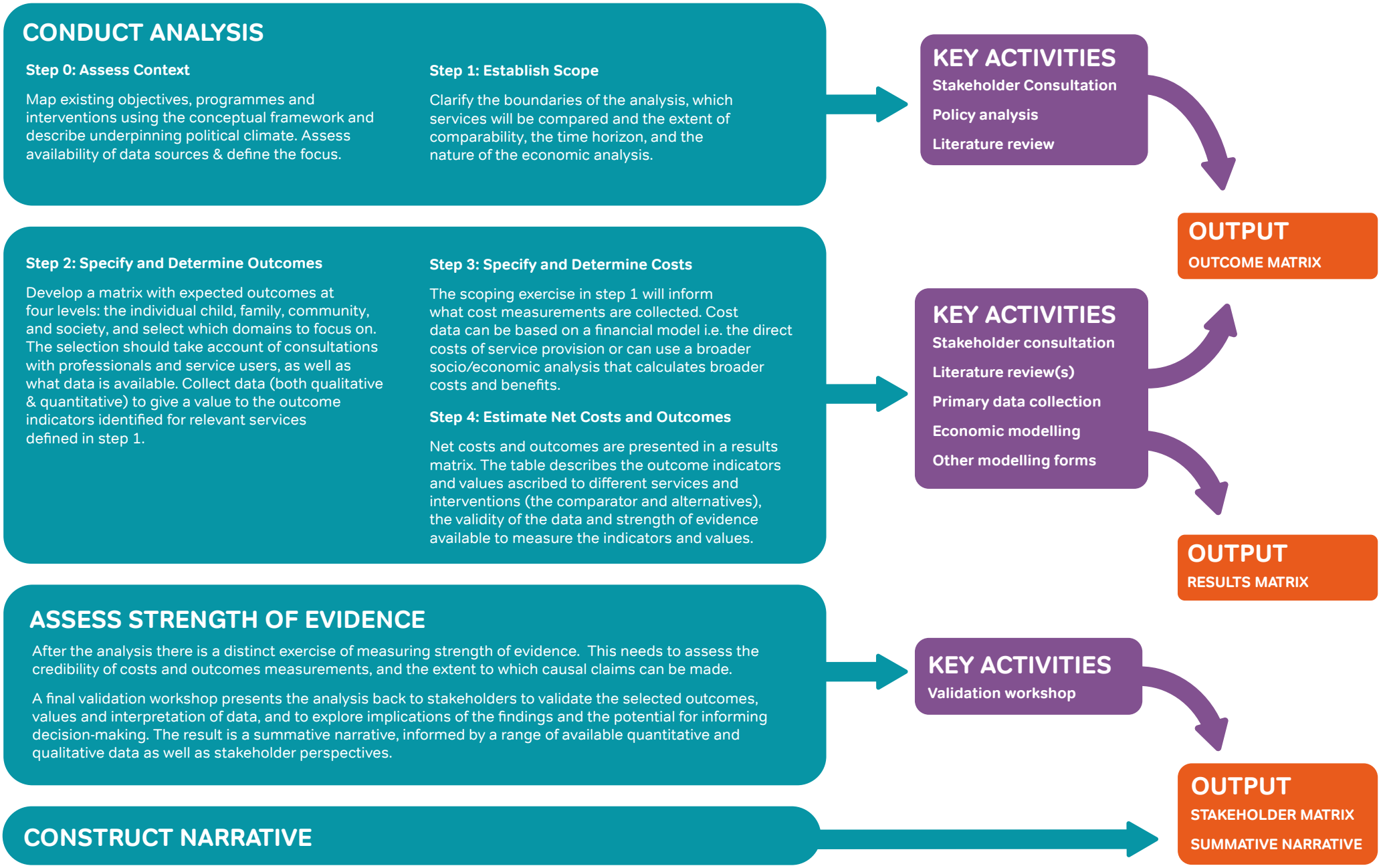
5 Take a systems-wide approach since children's outcomes depend on multiple policy areas & how they intersect

The realisation of children's best interests requires a systems-wide approach. The conceptual framework developed through Childonomics encourages analysis across the whole landscape of policies, programmes and services that impact on children and families. It proposes a way of mapping services and programmes, not in order to create a rigid classification or typology, but rather to help understand how different investments are inter-connected and together contribute to different outcomes.

Proper implementation of the Childonomics methodology requires horizontal and vertical collaboration between policy departments, and different levels of government. It provides a framework to bring policy makers together with other stakeholders such as NGOs and academia, working towards a shared common goal of improving outcomes for children and families. The methodology also requires consultation with children and families themselves.

The analysis has 5 steps

Figure 1. Childonomics Methodology



The Childonomics conceptual framework proposes a way of mapping services and programmes, not in order to create a rigid classification or typology, but rather to help understand how different investments are inter-connected and together contribute to different outcomes.

Broadly speaking, more individuals are being served by services in the left-hand columns and the costs per person are likely to be lower. The further to the right of the diagram, the fewer the number of individuals using the service and the higher the costs per person.

The model takes a broad view of the types of services that can be the subject of inquiry and approaches them from several perspectives:

- **availability** – the extent to which various types of services exist in the given setting;
- **accessibility** – the extent to which services that exist are used by the target population;
- **impact** – the extent to which various degrees of investment in such services generates quality and impact.

Figure 2. Conceptual framework with examples of services, outcomes & indicators based on literature review

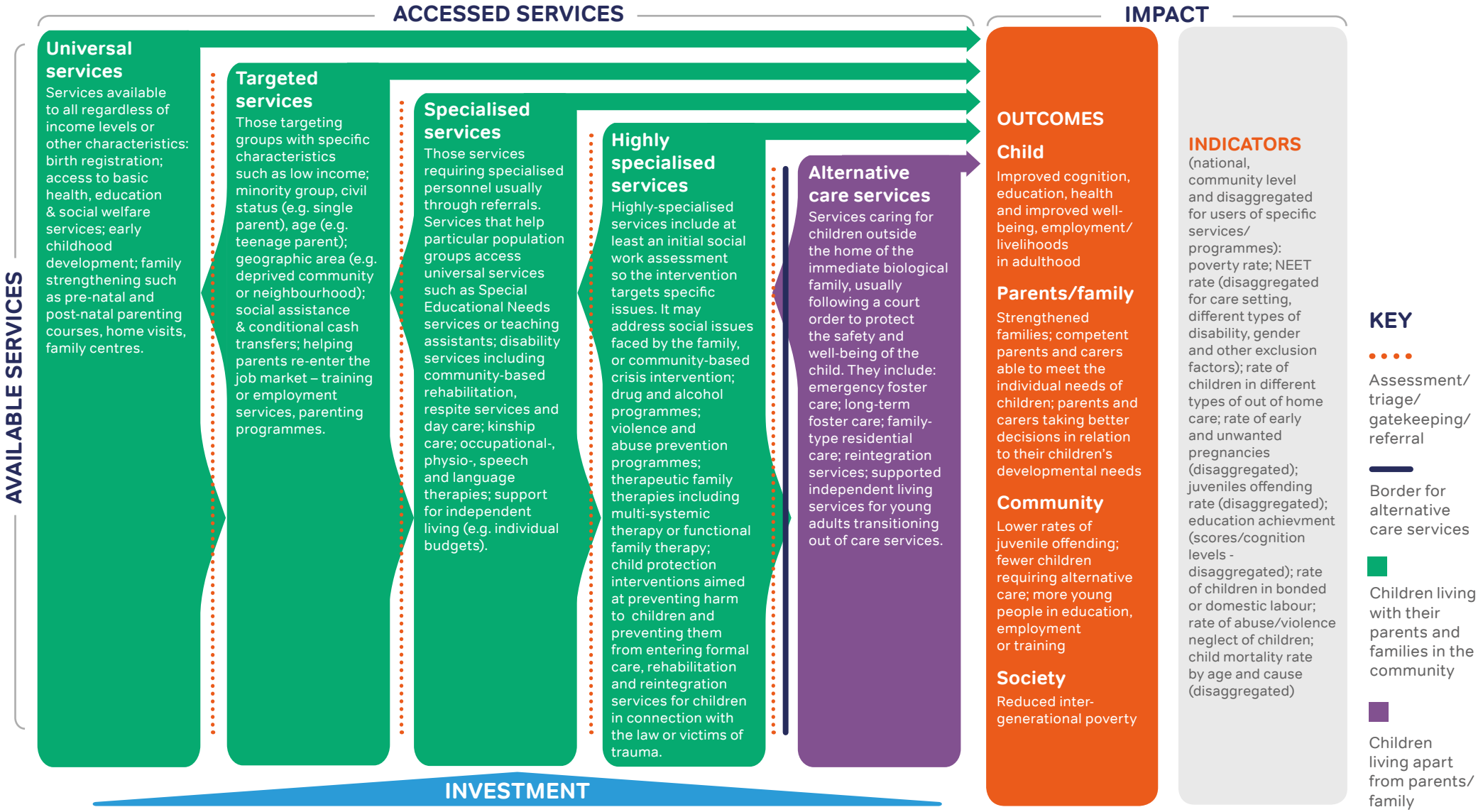


Figure 3: Example of services and programmes in Malta mapped on to part of the Childonomics conceptual framework

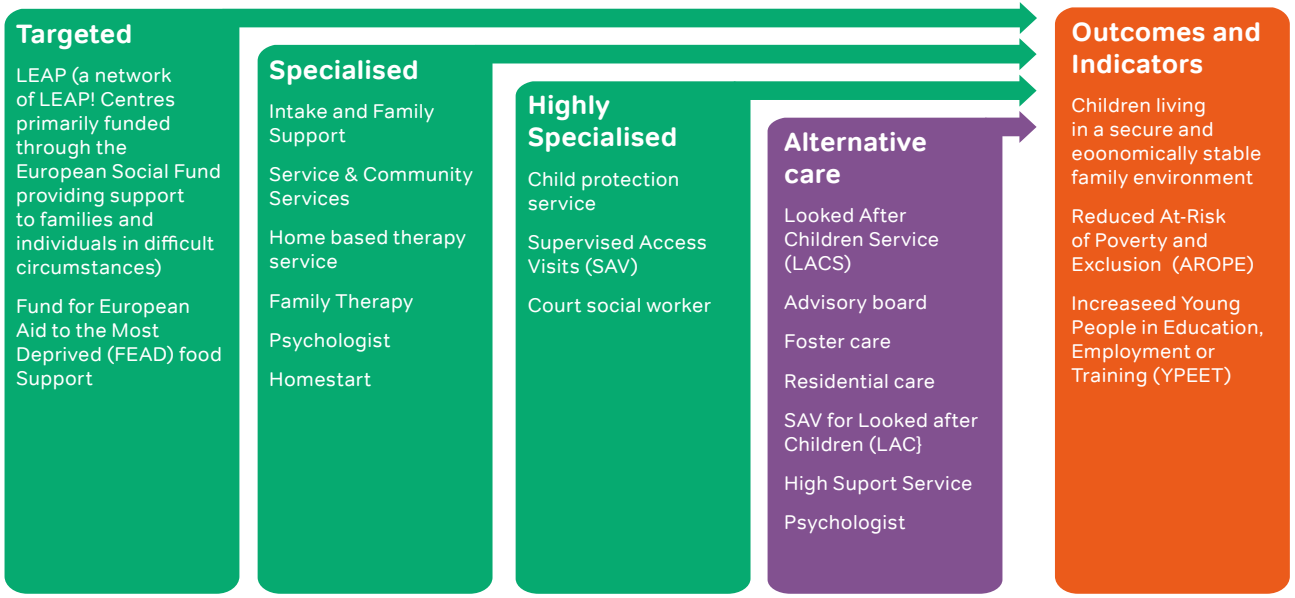
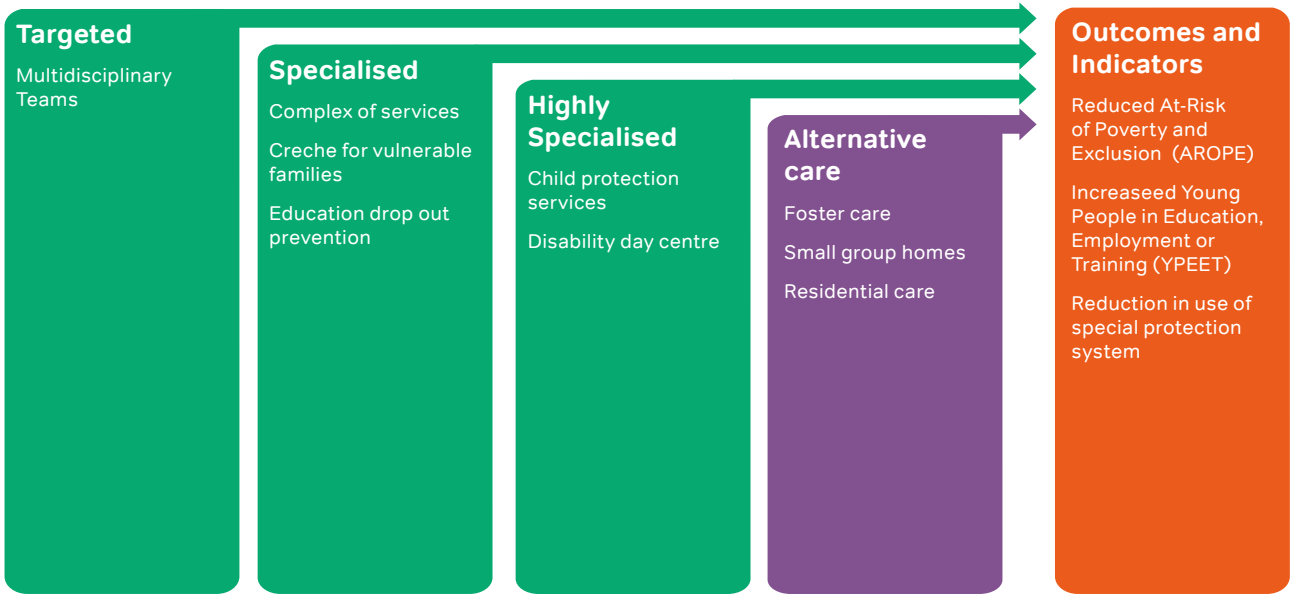


Figure 4: Example of services and programmes in Romania mapped onto part of the Childonomics conceptual framework



Figures 3 and 4 do not map systems and services exhaustively (and for reasons of space do not present universal services at all), but rather serve to illustrate how the system of support can be laid out across organisational and ministerial divides. In Malta, for example, the services specified in the columns are delivered by a range of different government (such as the Appogg Agency) and non-government agencies, but this mapping helps stakeholders to consider the system as a whole rather than in the silos of institutions, agencies or organisations.

(Facing) Table 1: Main findings of piloting the methodology in Malta & Romania

	MALTA	ROMANIA
SCOPE	Looked at the whole system including the Intake and Family Support Service (IFSS) and Community Services (CS) in addition to two types of alternative care services (foster care and residential care). Associated services were also included such as psychologists, home-based family therapy, and the Looked After Children's Service (LACS).	Compared similar, specialised community-based family support services in urban and rural settings. The original aim was to look at services for different target groups (e.g. young Roma men who are dropping out of school, children with disabilities, babies and infants from low-income households), however it was only possible to access financial data on two day centres for children with disabilities, one in a rural setting, the other in an urban area.
OUTCOMES		
Child	Improved health & development of the child Children prepared so that independent living will 'be a success'	Children prepared for school/education
Family	Families providing care that meets needs of children and ensures wellbeing	Parents employed and relationships stable
Community	Reduced intergenerational use of services	Reduced separation of children from parents
Society	Reduced intergenerational poverty and exclusion	Improved education and inclusion of children with disabilities
Costs	**Health check! Financial data was incomplete & necessarily required a number of assumptions to be made based on interviews, data review and extrapolations. They should therefore be treated with caution.**	
	Costs relate to 2016 financial data · Family support services : 0.7 million Euro (approx. 400 clients) · Residential homes : 7.3 million Euro (approx. 200 clients) Note: Financial data was only provided for 2 residential homes & the average cost multiplied by the number of children in residential care. · Foster care services : 2.5 million Euro (approx. 250 clients)	Costs relate to 2016 financial data. 2015 data was available for comparison. · Day care centre 1 (average number of service users=40) : 2 million Euro Note: costs were 50,000€ higher than in 2015 due to the cost of repairs) · Day care centre 2 : total cost 0.8 million where 0.5 million Euro was spent on the residential care home (approx. 80 clients) and 0.3 Euro spent on the non-residential rehabilitation centre (approx. 127 clients)
RESULTS MATRIX SHOWING NET COSTS & OUTCOMES	**Health check! In both pilots the evidence available to demonstrate impact is rarely more than indicative. Therefore the results matrices cannot be understood as providing an evaluation of the effectiveness of the system of family support and alternative care in Malta, or the quality and effectiveness of the 2 day care centres in Romania.**	
	Indicators were agreed to measure impact of the different services on each of the 5 identified outcomes. However the evidence available was either non-existent, purely illustrative or anecdotal.	For day care centre 1, the evidence collected showed some progress for the first 2 outcomes: children being prepared for education (measured by literacy & education progress during & after service use) and parental employment & stable relationships (measured by household income & structure). For the other 2 outcomes - reduced separation of children from parents and increased education and inclusion of children with disabilities - the evidence was non-existent or purely illustrative. For day care centre 2, no data on impact was available.
CONCLUDING NARRATIVE	In Malta, the government supports families through a range of cash benefits and services, delivered either in partnership with NGOs or faith-based organisations or by government foundations and agencies. The pilot did not produce any conclusive evidence on the relationship between investments and outcomes for any of the services covered. However it did identify gaps in data and monitoring systems and suggests that a full case review and analysis of service data could establish more rigorously the links between family support and alternative care services and their longer-term outcomes.	Romania has a comprehensive national strategy on social inclusion and poverty reduction from 2016, which foresees interventions in the areas of: education, health, housing, social services, employment, social transfers, participation, capacity building and area-based policies. Community-based integrated teams of professionals from different sectors are promoted as good-practice in family support. However, the Childonomics research team could not identify a functioning team to include in their analysis. Financial data could only be obtained for two day centres for children with disabilities. Detailed analysis of 2 quite similar services demonstrates the importance of local context and the need to avoid a single standard funding model. For example in the rural area more flexibility in funding could encourage emergence of more diverse services such as better out-reach and access to mainstream services to families with children with disabilities.

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This paper summarises the main concepts behind Childonomics and presents the key findings so far. It is based on research carried out between June 2016 and December 2017 which developed a methodology, based on a Cost Consequence Analysis approach, to help reflect on the long-term social and economic return of investing in children and families. The methodology was tested in Malta and Romania.

This work should be seen as a first step in better understanding inputs, outputs and outcomes linked to policies, services and public spending choices. The study is necessarily incomplete because of the lack of data – especially longitudinal data - and effective monitoring systems. Drawing causal links between what is spent on services and outcomes for children and families was not possible in the scope of this project. Nonetheless the study highlights the importance of taking a systemic approach to child and family services, to being more attentive to the outcomes interventions aim to achieve, and to ensuring effective data gathering and monitoring systems.

Eurochild hopes the methodology will be tested in other countries or regions in the future. Eurochild believes more economic modelling and analysis is needed in the social welfare sector, whilst building on a rights-based approach. The methodology developed through Childonomics allows consideration of a large range of nuance and context. It assembles different costs and outcomes and also places an emphasis on strength of evidence. Most importantly it is an empowering and inclusive methodology, which places particular importance on listening to the views of children and families themselves.

About Eurochild

Eurochild advocates for children's rights and well-being to be at the heart of policymaking. We are a network of organisations working with and for children throughout Europe, striving for a society that respects the rights of children. We influence policies, build internal capacities, facilitate mutual learning and exchange practice and research. The United Nations Convention on the Rights of the Child is the foundation of all our work.

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