POLICY BRIEF PREPARED FOR THE PARLIAMENT OF UGANDA

Asset-based Family Economic Empowerment in Uganda

This report was developed by ICHAD (International Center for Child Health and Development), SMART Africa Center (Strengthening Mental health And Research Training in Sub-Saharan Africa), the Clark-Fox Policy Institute at the Brown School at Washington University in St. Louis, ChildFund Uganda and the AfriChild Centre.

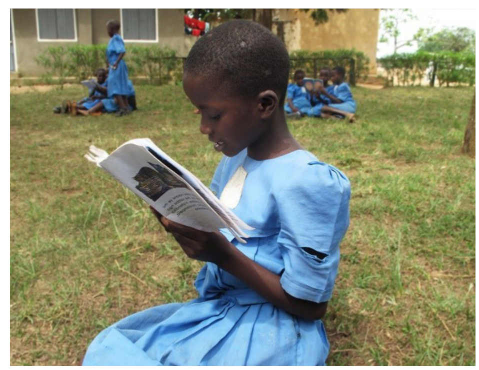
In sub-Saharan Africa, 12 million children and adolescents have experienced the loss of a parent or caretaker due to HIV/AIDS[1]. This is a significant number given that Uganda is one of the youngest and fastest growing populations in sub-Saharan Africa: 57 percent of its citizens are children under the age of 18[2]. Furthermore, Uganda has one of the highest number of children impacted by HIV/AIDS: AIDS-impacted orphans make up 45 percent of the total number of orphans[3].

Due to the protracted nature of AIDS-related illnesses that can precede the death of a parent or caretaker, the psychosocial development of AIDS-impacted orphans can be stunted. The loss of a parent or caretaker disrupts the stability of the family. Hence, children living in households impacted by HIV are more likely to struggle with poverty. They also often experience stigma and social isolation. Without the care of a parent or caregiver, children are at high risk for malnutrition, poor health, mental health challenges, insufficient education, migration, homelessness, and abuse compared to their peers[4].

Financial stress experienced by families struggling with poverty compromises the family and community support available to adolescents as they transition to adulthood, putting them at risk of experimenting with risk taking behaviors[5].

Additionally, these children face more than financial barriers to maintain economic security[6]. Due to the significant numbers of AIDS-impacted orphans in Uganda, asset-based family economic empowerment interventions are strongly recommended by expert researchers and organizations to improve health, mental health, financial, and educational outcomes for AIDS-impacted orphans.

For example, **Child Development Accounts (CDAs) are asset-building investment accounts designed for long-term child development and educational attainment[7].** CDAs are incentivized to encourage savings for future educational expenses and other qualifying expenses such as starting a business or as a down payment for housing. CDA programs provide structured saving opportunities that can include an initial deposit, matching contributions and financial education. CDAs allow for the development of assets, as opposed to income. Using rigorous methodologies, an asset-based family economic empowerment intervention, that includes CDAs), has been tested both among youth orphaned by AIDS. The results have shown that the program was effective in improving financial outcomes (specifically savings for education), as well as academic performance and aspirations, self-esteem and self-rated health, attitudes towards sexual risk-taking, and mental health (specifically, child depression)[8].



Economic interventions have been implemented in countries such as Uganda, Kenya, and Ghana. According to the World Bank, Uganda reduced monetary poverty from 31.1% in 2006 to 19.7% in 2013[9].

RECOMMENDATION #1

Strengthening asset-based intervention through a family economic empowerment perspective.

The largest number of AIDS-impacted orphans are being raised in extreme poverty. There is positive evidence linking economic interventions and HIV reduction. Moreover, economic interventions have more potential to address structural issues such as poverty and gender norms that influence the health context as compared to more conventional health strategies[9]. This is not to dismiss the contribution made by conventional health strategies. It shall be considered as an add-on value to strategies taken to combat different issues surrounding this topic.

RECOMMENDATION #2

Combining asset-based interventions to adopt a much more holistic approach.

It is crucial and cost-effective to equip individuals with a holistic package that includes basic financial literacy skills, income generating activity workshops, mentorships, and savings accounts. This can potentially help individuals and families to maintain a home, run micro-businesses, and navigate post-secondary education among vulnerable populations[6]. Asset-based interventions build human, social, and economical capital and have shown to reduce HIV risk for youth. Other community and family interventions should also be considered to address other challenges youth and their families may be experiencing.

RECOMMENDATION #3

Uganda's national budget needs to provide space to address asset-based interventions with language that marries early childhood development (ECD) policies.

In 2016, the Minister for Gender Labour and Social Development acknowledged that ECD targets children from conception to eight years and has been proven through various research to contribute to social, economic and human development, increase of workforce productivity, and poverty reduction[10]. If the government has confirmed the positive benefits of early childhood development policies, presenting the findings of some of the asset-based interventions can perhaps help leaders to think about the cost-effectiveness that can come out of these interventions for the entire country.

Conclusion

Research findings suggest that children who have basic savings accounts do better in school, and have improved health and mental health outcomes over time. Child Development Accounts constitute a tangible asset that can provide AIDS-orphaned children with long lasting opportunities if they are provided with the resources, including training and skills, to use their savings accounts effectively.

An environment that fosters a holistic approach and yields tangible assets must be at the center of any family economic empowerment intervention. These include: (1) a child savings account, from which matched savings could be used for secondary education, and microenterprise development; (2) financial literacy workshops focused on asset building, future planning, family microenterprise development, and protection from risks; and (3) mentors to reinforce learning and build optimism.

Endnotes

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Acknowledgment: *Research informing this policy brief is supported by the Eunice Kennedy Shriver National Institute of Child Health and Human Development by the Award Number R01HD070727 (PI: Fred Ssewamala, PhD). The content is solely the responsibility of the authors and does not necessarily represent the official views of the Eunice Kennedy Shriver National Institute of Child Health and Human Development, the National Institutes of Health or Washington University in St. Louis.*