Middle Childhood

Protecting and Promoting Human Development in Times of Economic Shocks

Kevin Hempel, Alice Wuermli, Mattias Lundberg

Middle childhood (approximately 6-12 years old) is a crucial time for developing cognitive and socioemotional competencies, and economic crises can affect children’s development with long-lasting consequences for adolescence and adulthood. This note provides an overview of how economic shocks can affect children and their environment, and how policies and programs can protect and promote the child’s development in the face of adversity. Negative impact of crises on learning and other outcomes can be prevented and mitigated through targeted investments at the family and school level.

Context

Economic crises can have serious implications for human development. Financial crises, at both the global and the national level, are ubiquitous. This raises concern about the human impacts of crises, especially among more vulnerable populations in developing countries. This is particularly true during childhood and youth, when the brain is developing rapidly, and when socioemotional and behavioral development are at their peak. Given the cumulative nature of human development, shortfalls or setbacks at any stage of the life course—from the antenatal environment through adolescence—are often difficult to reverse later in life and may have severe consequences for individual development as well as for the growth and development of successful communities. Thus, it is essential to protect and promote human development in the face of adversity.

Three interrelated concepts provide the foundation for understanding the potential impacts of shocks on children and youth.

- **Timing**: Human development is characterized by critical periods of life during which certain investments must be made to facilitate the achievement of specific milestones in development, or stage salient developmental tasks. These age-related expectations for the mastery of particular tasks provide benchmarks for the abilities that an individual should ideally master by different ages, and that are correlated

---

2. The authors wish to thank Juliana Arbelaez, David Robalino, and Michael Weber for their invaluable collaboration and comments.
with successful development and transition to subsequent stages in life. Economic crises can disrupt a young person’s “normal” development by preventing or delaying the mastery of these developmental tasks at specific stages, which—if uncorrected—can have potential long term consequences.

- **Context:** Development in childhood and youth is influenced by diverse contexts or settings (family, peers, schools, communities, sociocultural belief systems, policy regimes, and the economy). The relative importance of these settings changes during the life course. Interactions among these settings determine both the transmission of shocks such as a financial crisis to the young person’s immediate environment and the impact of the shock on her development. As development is partly a function of a person’s repeated interactions with her immediate environment (the proximal processes of human development), shocks can disrupt the contexts in which these processes occur, and hinder a young person’s ability to develop successfully.

- **Transmission mechanisms:** There are numerous pathways through which a crisis can affect the well-being and development of a young person. Crises may be experienced directly at the individual level (through e.g. a change in aspirations and identity), or indirectly through the family, school, or other settings (through e.g. increased parental stress, parental job loss, a reduction in publicly-provided services). The developing person will experience crises through the loss in income, but also through other channels, such as psychological distress. The relevance of each particular transmission mechanism varies depending on the life stage of the person as well as on the context. Different settings may provide protective factors that prevent, mitigate or attenuate negative impacts; these factors can be a source of resilience, facilitating positive adaptive behavior on the part of the developing person.

### Effects of economic crises on middle childhood

**Middle childhood is a crucial stage in a person’s development.** Between roughly 6 and 12 years of age, children develop many of the basic skills and competencies required to successfully engage in school, work, and personal relationships. Building on the physical, cognitive, and socioemotional capacities attained during early childhood, two developmental tasks are particularly important during this phase in life:3

- **Learning and reasoning:** Children’s cognitive abilities expand in parallel with their evolving roles and responsibilities. An increasing capacity for abstract reasoning and acquiring and using new knowledge allows them to solve more complex problems. At the same time, children at this age also start engaging in more planful behaviors, setting goals and working towards them.

- **The development of interpersonal negotiation and social problem-solving skills:** As they grow up, children start to engage in settings outside the family – in particular the school. These increasing social interactions with teachers, other children, and community members, in turn, influence their social competencies. In this process, they must learn to take into account the perspective of others, interpret social behaviors, and develop a sense of self-awareness.

The mastery of these developmental tasks during middle childhood, in turn, is associated with school achievement and other outcomes later in life, including improved employment and a lower propensity to suffer mental health problems and engage in risky behaviors.

**Economic crises can impair healthy development during middle childhood.** Because family and school are the two main settings of interaction for children at this age, they also become the most influential pathways through which an economic crisis can affect their cognitive and socioemotional development. In particular, crises can lead to:

- **Parental stress and decline in family functioning.** As an increase in economic hardship makes it more difficult to meet the family’s basic needs, it can increase parents’ psychological pressures. Parents who experience economic pressure are more at risk of emotional and behavioral problems including depression, anxiety, and substance abuse, which, in turn can lead to or exacerbate marital conflict. 4 This can affect the quality of parenting, reflected for example in showing less affection and involvement with their children and being harsher and more inconsistent in disciplining them. As a result of deteriorating parent-child interactions at this stage in life, children’s cognitive and socioemotional development may be constrained.

**Lower investments in learning and stimulation within the home.** In response to a drop in household income, a family might experience difficulties covering education related expenditures. While the evidence from household level shocks seems to support the notion that children’s schooling suffers, evidence from aggregate economic shocks indicates that school enrollment may actually increase in response to tight labor markets, especially in middle- and high income countries. 5 In addition to putting schooling at risk, learning and stimulation within

---


5 Ferreira, F. H. G., and N. Schady. 2009. “Aggregate Economic Shocks, Child Schooling and Child Health.” World Bank Research Observer 24 (2): 147–81. The household response to an economic shock is expected to depend on the relative importance of an income effect (reduction in household resources due to falling wages or unexpected job loss) vs. a substitution effect (lower opportunity costs of schooling, given, for example, tight labor markets). If the income effect outweighs the substitution effect, we expect a reduction in human capital investments, such as schooling. Conversely, if the substitution effect prevails, schooling may actually increase.
the home may also suffer, both because of fewer resources and because of the potential deterioration in family dynamics mentioned above.

**Reduced quality of teaching and the learning environment in schools.** Crises may not only affect family dynamics and investments, but also public investments in education. Lower public expenditure can adversely affect the quality as well as quantity of teaching and other resources available in the school setting. For example, teachers may be laid off and salaries cut, with possible implications on class size, teacher work load, and teacher absenteeism. The increase in family stress experienced by children at home and resulting behavioral problems in the classroom may further compound quality instruction and ultimately children's ability to acquire the necessary literacy, numeracy, and problem solving skills.

While these transmission mechanisms are fairly universal, the extent to which they apply in a specific crisis situation are culture and context-specific, and may vary significantly across different groups in society. For example, if girls are more likely to stay home to support household chores, they may be more exposed to parental stress, harsh parenting, or domestic abuse, putting their development relatively more at risk.

**Insults to the child's environment can have short- and long-term consequences.** As a result of the possible constraints in the family and school setting, a crisis can jeopardize a variety of human development outcomes during middle childhood and leave lasting scars for adolescence and beyond. These include:

- **Immediate effects:** In the short term, as a result of lower quality stimulation and learning opportunities in family and school, a crisis can lead to delays in cognitive development, with implications for building up literacy, numeracy, general knowledge, and problem solving skills. In addition, lower income during middle childhood is associated with increased socioemotional and behavioral problems. Children of parents who engage in harsh parenting tend to have more difficulties with selfregulation and are more likely to suffer from mental health problems. Combined, the reduction of family investments in education, stress experienced in the home, and the child's behavioral difficulties may lead to poorer school performance and premature school leaving.

- **Effects later in life:** The inability to fully develop one's cognitive and socioemotional competencies during middle childhood can have lasting consequences. Poor socioemotional skills (difficulty regulating emotion, for example) during middle childhood are associated with lower academic achievement, mental health problems (e.g., depression and anxiety) and risky behaviors (e.g., substance abuse, delinquency) well into adolescence. Moreover, given the predictive power of cognitive, socioemotional, and behavioral skills or competencies for labor market outcomes, the failure to develop those aptitudes during middle childhood is likely to negatively affect future employment and income.

**Policy implications**

**Given the relative importance of family and school for child development, programs and policies can target these settings to counteract the negative effects of crises.** The different transmission mechanisms by which a crisis affects children provide a variety of entry points for intervention. In particular, given relatively high rates of primary school enrollment including in low-income countries, the school setting provides an opportunity to reach large numbers of children of all socio-economic backgrounds and provide "corrective" measures for the potential lack of cognitive and socioemotional stimulation in other settings.

**Provide income support to smooth consumption and sustain family investments in children's development.** Public works and conditional cash transfers can be successful safety net interventions in developing countries. Primarily intended to ensure a minimum level of household income during a crisis, existing evidence suggests that they also have the potential to promote school enrollment and achievement. As evidence is still limited, attention is warranted on how safety net programs can be designed best to not only provide temporary income support, but also positively influence family relations and maximize child development outcomes in different contexts.

**Reduce the cost to the family of sending children to school.** Since family investments may be at risk, reducing the burden of schooling for economically strained families can help facilitate continued school attendance. For example, Indonesia's scholarship program implemented in response to the 1998 regional economic crisis was found to reduce dropouts at the primary and lower-secondary school levels. Similarly, school feeding programs can provide incentives for children's school attendance as they lessen the family's burden of providing food for the child.

---

Maintain public spending on education and ensure timely payment of teacher salaries. Given the amount of time that children spend in schools, it is crucial to protect this learning environment to mitigate the negative impact of economic crises on educational outcomes. Protecting education expenditures may require intergovernmental transfers, as the budgetary responsibility for schools and teachers often lie with the subnational authorities.

Strengthen school- or community based after-school programs to counteract stressful home environments (see case study). Reviews have shown that after-school programs can contribute to better learning outcomes, higher self-esteem, and a reduction in risky behaviors by enhancing positive social skills. These settings therefore represent an opportunity to counteract negative influences in the family by providing an alternative environment to build positive relationships and develop not only cognitive but also socioemotional and behavioral competencies.

**Case Study: Strengthening cognitive and socioemotional competencies through extracurricular activities**

Extracurricular activities for children can be offered in a variety of settings before- or after school, on weekends, and during holidays. In Colombia, for example, Mercy Corps offers an after-school program in vulnerable neighborhoods to provide a supportive environment for 5,000 children ages 7 to 17. Children play games, receive homework assistance, and engage in other stimulating activities. Since students attend school either in the morning or the afternoon, the program is implemented throughout the day, so they can attend when they are not in class. An independent study of the program suggests that participating students improved their attendance rates, academic performance, and passing rates in school. The experience also indicates that parents of participating children may display more positive attitudes toward education and more reluctance to engage them in child labor.

While the evidence-base on these types of programs stems mostly from OECD countries, promising results from some evaluations in developing countries suggests that similar interventions can also be successful in more resource-constrained environments.

---
