

# Impacts of Micro-Finance On Children

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# Impacts of Micro-Finance On Children

A study carried out by PTE / MEDA ■  
with Pro Mujer (Bolivia), Finca  
(Tanzania), EACID (Egypt), and  
CWC (India)

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# AGENDA

- Family loans and children: 2 patterns
- Children in the workplace: important issues
- Possible implications for MFIs



"After I received my loan my business is doing better ... but now I hardly have time to see my children."

... a mother operating a micro enterprise



# Two patterns ...

1. Children work directly with their parent(s) in the family business

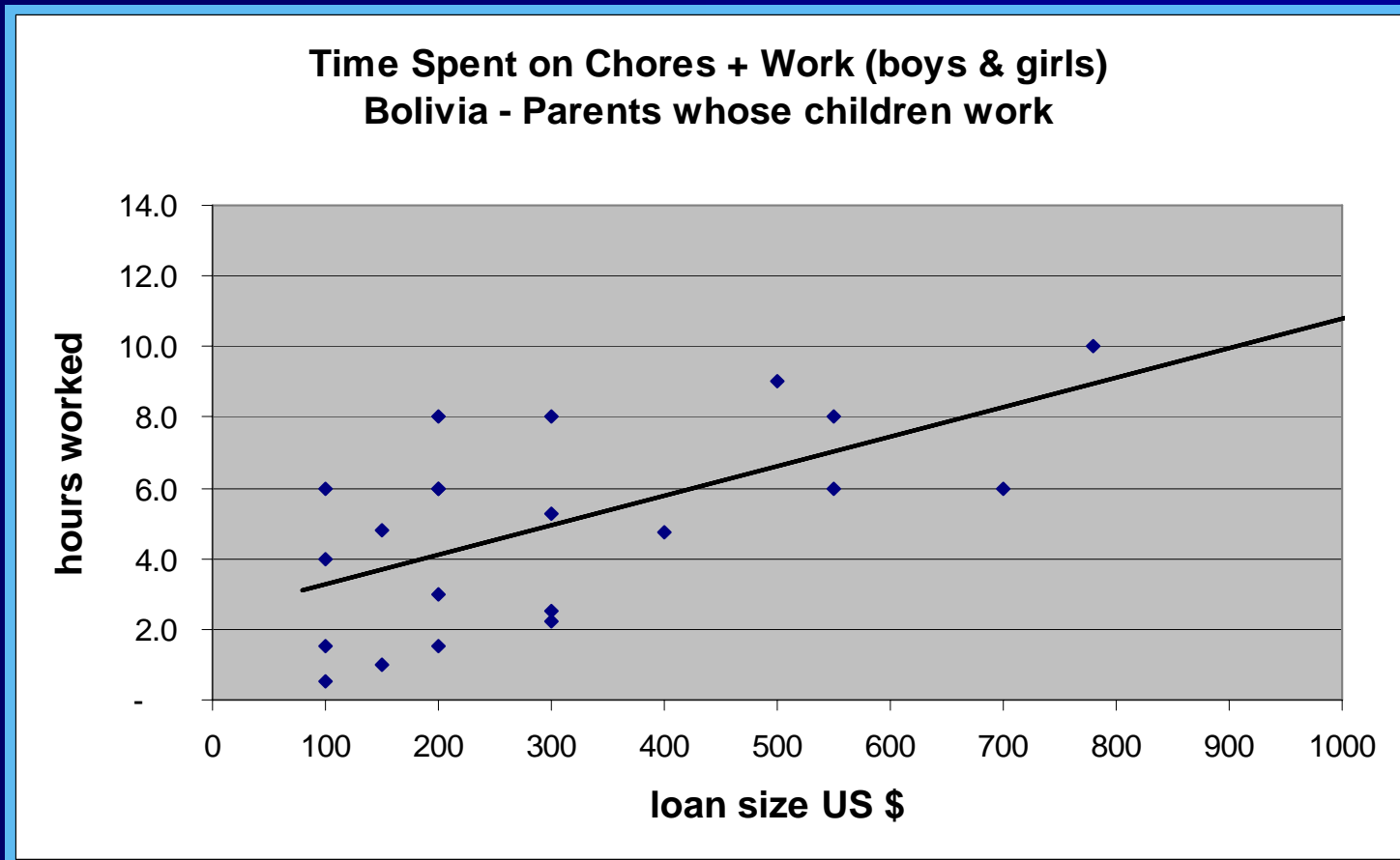
2. Children take over parental responsibilities in the home and family

and access to credit affects these patterns



# Children's time (work + chores) vs loan size

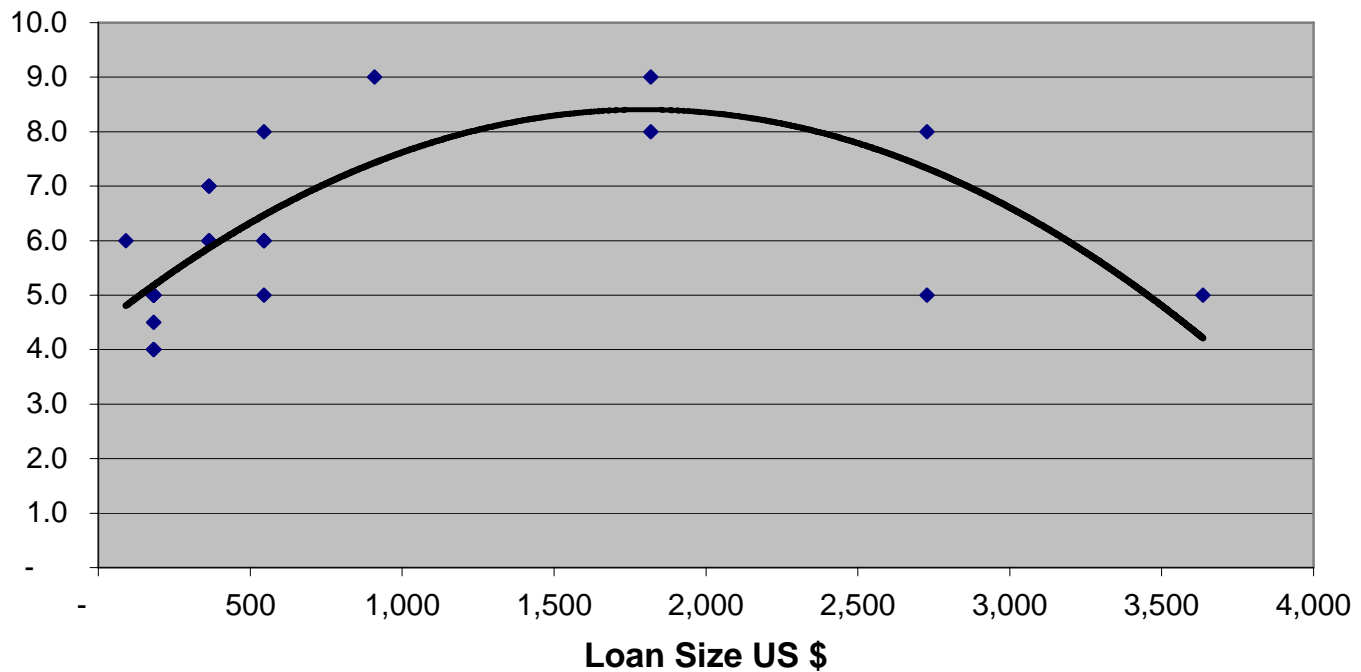
## 0 - \$1,000



# Children's time (work + chores) vs loan size

## 0 - \$4,000

Time Spent on Chores + Work (boys & girls)  
Egypt - Parents whose children work



# Initial business growth

Children provide the additional labour required to support the initial growth of a micro enterprise when credit becomes available ...

and

... income remains within the family.



## Priority areas of spending ...

- Children's education,
- Health care,
- Housing, nutrition and clothing.

... parents operate their micro enterprise to support family needs such as children's education



## Managing difficult choices ...

Operating a family business provides the income to support children's education but ...

... the time spent by children at work or in performing chores can reduce children's abilities to perform well at school.



# Learning through work:

- technical skills
- business skills
- life skills

... applications in formal / professional employment as well as in business and

... work experience in a family business supports school to work transitions.



# Future aspirations

First choice ... formal sector / professional employment but ...

... a micro or small enterprise can provide an alternate or supplementary career and source of income



# Challenges and opportunities for MFIs ...



# THANK YOU VERY MUCH

Please feel free to contact me if you  
have any questions or comments

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