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Date: April 30th, 2018

Speaker: Karen Macours, Associate Professor of Microeconomics, the Paris School of Economics, Italy

Chair: Federico Rossi, Assistant Professor of Development Economics, Johns Hopkins University SAIS Europe, Bologna, Italy

**“Early Childhood Development, Parental Investments and Social Interactions in Developing Countries”**

*International Economics Series*

As it stands today, an estimated 200 million children under age 5 do not have access to adequate health or nutrition resources. Traditionally, it has been thought that an appropriately placed and well timed policy intervention can help these children catch up to their peers. Much of the time, economists have focused on youth education as the mechanism by which to take action, but evidence from the medical literature suggests that an individual’s capacity for learning is tied strongly to their first years of life, as a function of nutrition and health. In addition to physical wellness, a significant body of research has developed which shows that well-designed childhood stimulation can lead to large gains in cognitive development outcomes. This research is of great importance to development economists, because of the many factors which influence an individual’s potential for living a secure and fulfilling life, cognitive development in early childhood could be one of the most powerful.

Professor Karen Macours poses the question of how to design programs to deliver nutritional and health support along with childhood stimulation that are scalable and reliable.

As she points out, many attempts have been made, and although there have been successes, none have been seen which may easily be picked up and applied anywhere in the world. For every program designed, there are debates among specialists regarding the age at which intervention should be had, how the program should be made to secure local compliance and collaboration, and how the program should be maintained and operated. By examining a number of successful and not so successful programs from around the world, Macours has come to the conclusion that there

will not be a universally applicable method to improve cognitive development. For case after case that she has analyzed, it was found that the reason for success or failure was based on the behavioral response of the population meant to be affected, something extremely hard to predict, especially considering that these programs are meant to produce a single outcome when inputs can apply across entire regions or communities. Highlighting this difficulty, Macours asks the audience to imagine the difficulty in designing a plan capable of changing how parents invest in their children's nutrition and education. The development programmer in this position must consider how to change long-standing cultural norms, family economics, and the base relationship between parent and child, and then they must do this for tens of thousands of households.

Macours demonstrates this problem with a real world example in which a program was implemented in Nicaragua to encourage information sharing regarding good parenting practices. In the simplest terms, the program offered free cell phone service for some of the poorest communities, in exchange, the government sending out daily messages regarding specific parenting practices (touching on health, nutrition, stimulation or the home environment) . Their expected outcome was that the parents would read the messages and change their parenting practices prompting superior early development. Instead they found that in areas where village leaders were getting text messages as well, the cognitive outcomes declined. The theory for this being the case is that town leader saw themselves countermanded through these texts, and to secure their position of authority they may have disavowed the information received.

This program in Nicaragua had all the appearances of a success in the making, yet it actually harmed the children it intended to help. Macours has painted a complex challenge, but not without fostering some hope. She argues that if every program begins as a well-measured, flexible pilot program, there is plenty of room to learn from careful evaluations of policy experiments. Already researchers have begun to pay more attention to the role of community influencers, gender ratios, and formal social networks, and to great effect. In other work in Nicaragua, specialists have directly motivated leaders and significant improvements have been seen among children in their communities. In sum, by understanding that there are socio-behavioral patterns to be reckoned with, a development specialist can implement programs which serve not only to temper unwanted spillover effects, but which can utilize them to benefit the program.