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Micro-finance, Street Children and the Capability Approach: Is Micro-finance an Appropriate Tool to Address the Street Children Issue?

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8.1. Introduction

The aim of this chapter is to use the capability approach (CA) to examine micro-finance as a tool to improve the well-being of street children in Bangladesh. In particular, it helps to throw light on a relatively new issue through fieldwork. Some of the policy implications of this chapter are discussed further in Part III of this book (especially Chapters 12 and 13).

Street children are usually perceived only as destitute, exploited and neglected beings. They are not considered as having human agency in the sense that they are not viewed as contributing to the accomplishment of a purpose or results (Levison, 2000: 125). This vision, taking its roots from the unthinking adoption of the “modern” Western conception of childhood, idealizes childhood as a privileged phase of life dedicated only to play and schooling, as a time in which children have the right to protection and education but not to autonomy or participation (Boyden et al., 1998). The archetypal child is therefore perceived as passive, dependent on his/her (nuclear) family for every need and without any meaningful responsibilities other than to develop into an adult (Moore, 2000). Because street children are not experiencing a proper (Western) childhood, they are pitied and viewed as powerless beings, rather than being considered as agents in their own right who are potentially capable, strong and resourceful people.

Although acknowledging how exposure to the multiple risks of street life enhances children’s vulnerability, a recent movement of development psychologists has reacted to this pitying vision of street children by highlighting how they are active contributors to their development, attempting to make sense of their social world, being therefore not “objects of concern” but “subjects with concern” (Woodhead, 1999). They emphasize the importance of seeing children as subjects who “precisely because they are different from
adults and have their own specific interests and needs, must be able to decide themselves about their affairs, and should be supported in this” (Liebel, 2004: 8; see also the other chapters in this book).

These considerations have policy implications. Whereas earlier interventions were aimed at rescuing the presumed destitute street child from the harmful life of the street through the provision of survival services, recent policies have been directed at changing the capabilities of those for whom street use is, to some degree, a positive aspect of their existence (Williams, 1993). Indeed, considering street children as agents themselves leads to focusing interventions on what matters to them and seeking solutions that are consistent with their livelihoods (Conticini, 2004; and Chapters 5 and 7 of this book).

This chapter investigates one type of intervention/instrument that enters into this new policy framework: micro-finance. Referring to the provision of small-scale financial services (primarily credit and savings) to poor and disadvantaged people (Robinson, 2001: 9), the micro-finance movement has witnessed a huge expansion worldwide. While considerable attention has been paid to adults, micro-finance recently enlarged its scope of interventions to children and youth on the basis that poor children need access to financial resources in order to build their capacity and increase their employability. In this context, street children have recently been provided with micro-finance and encouraged to undertake income-generating activities. Although this sort of programme may seem attractive, it raises a series of questions regarding its effectiveness in the long term and its impact on street children’s well-being. Indeed, many argue that, even though we assume these children need financial services, providing these services may do more harm than good.

Tackling these questions requires a conceptual framework that can define and measure street children’s well-being. In this chapter, as in the rest of the book, the CA developed by Amartya Sen is adopted. By emphasizing the importance of the expansion of human capabilities in the achievement of well-being, the CA stresses that the objective of any intervention should be to guarantee the freedom of a person “to lead the kind of life he or she has reason to value” (Sen, 1999: 87).

According to Sen, “Development consists of the removal of various types of unfreedoms that leave people with little choice and little opportunity of exercising their reasoned agency” (Sen, 1999: 12). Well-being is therefore not defined in utilitarian terms as wealth accumulation, but rather in terms of capability (freedom of choice) and agency (freedom of processes) expansion. However, as stated in Chapter 1, Sen’s framework is usually applied to adults, not children. Therefore, the first challenge of this chapter is to discuss the dilemma that Sen’s framework raises when applied to street children. Indeed, on the one hand, work appears to enhance the agency of street children, thanks to their ability to be agents of change for their own and